



# SECOND PARTY OPINION<sup>1</sup>

## ON THE SUSTAINABILITY OF THE WALLOON REGION'S SUSTAINABLE BOND<sup>2</sup>

April 5<sup>th</sup>, 2019

### SCOPE

Vigeo Eiris was commissioned to provide an independent opinion (hereafter the “Second Party Opinion” or “SPO”) on the sustainability credentials and management of the Sustainable Bond (the “Bond”) proposed to be issued by the Walloon Region (the “Issuer”).

Our opinion is established according to our Environmental, Social and Governance (the “ESG”) exclusive assessment methodology and to the International Capital Market Association’s Sustainable Bond Principles voluntary guidelines (the “SBP”) edited in June 2018.

Our opinion is based on the review of the two following components:

- **Issuer:** we have assessed the Issuer’s ESG performance, and its management of potential stakeholders related ESG controversies.
- **Issuance:** we have assessed the coherence between the Bond and the Issuers’ sustainability strategy, the Bond’s alignment with the SBP, its contribution to sustainability and the responsible management of the eligible categories of projects.

Our sources of information are multichannel, combining data from our general ESG rating database, public information provided by the Issuer, press content providers and stakeholders; complemented by information provided by the Issuer through internal documents and interviews with the Issuer’s public officials and stakeholders involved in the Bond held *via* a telecommunication system.

We carried out our due diligence assessment from February 7<sup>th</sup> to April 5<sup>th</sup> 2019. We could access all the appropriate documents and people we solicited. We consider that the provided information enables us to establish our opinion with a reasonable level of assurance on its completeness, precision and reliability.

### VIGEO EIRIS’ OPINION

**Vigeo Eiris is of the opinion that the Bond considered to be issued by the Walloon Region is overall aligned with the Sustainable Bond Principles guidelines.**

**We express a reasonable<sup>3</sup> assurance (our highest level of assurance) on the Issuer’s commitments and on the Bond’s contribution to sustainability.**

#### 1. Issuer (see Part I):

- ▶ As of April 2018, the Issuer’s overall performance to manage ESG related issues in its activities is good.
- ▶ As of today, the Walloon region is involved in 2 controversies. Given their severity and frequency and considering the Walloon Region responsiveness, the Issuer’s ability to mitigate controversy risks is considered as robust.
- ▶ The Issuer is not involved in any of the other 15 controversial activities screened under our methodology.

#### 2. Issuance (see Part II):

The Walloon Region has described the main characteristics of its Bond in reference to the GBP and SBP, through its Sustainability Bond Framework (the “Framework”). The Issuer has committed to make both the

<sup>1</sup> This opinion is to be considered as a “Second Party Opinion” as described by the International Capital Market Association ([www.icmagroup.org](http://www.icmagroup.org)).

<sup>2</sup> The “Bond” is to be considered as the potential forthcoming Bond, which issuance is subject to the Issuer’s decision.

<sup>3</sup> Definition of Vigeo Eiris’ scales of assessment (as detailed in the Methodology section of this document):

Level of Evaluation: Advanced, Good, Limited, Weak.

Level of Assurance: Reasonable, Moderate, Weak.

Framework and the hereby Second Party Opinion publicly accessible in its website, in line with good market practices.

We are of the opinion that the contemplated Bond is coherent with the Walloon Region's main sustainability priorities and with its main sector's sustainability issues. It contributes to achieve the Issuer's corporate environmental and social commitments and targets.

- ▶ Use of Proceeds: The net proceeds of the Bonds will be used to exclusively finance or refinance, in full or in part, projects falling under ten Eligible Categories ("Eligible Projects"), i.e. six Eligible Green Categories and four Eligible Social categories, which are formalised and publicly disclosed in the Framework. All social eligible categories are clearly defined. The environmental categories are overall clearly defined (two eligible sub-categories are partially defined, namely Sustainable water management and Soil decontamination).

The sustainability objectives associated with the eligible projects are formalised in the Framework and considered to be relevant and clear. Eligible Projects are intended to contribute to four main environmental objectives and six social objectives, namely: climate change mitigation and adaptation, biodiversity and natural resources protection, pollution prevention and controls, access to education for all, socioeconomic empowerment, employment promotion and advancement, reduced inequalities and social exclusion, access to housing for all and access to health services for all.

The Issuer will assess and quantify, when feasible, the associated environmental and social benefits (outputs and impacts) one year after the emission. For each category, an area for improvement is defining ex-ante targets regarding environmental and social benefits.

In addition, Eligible Projects are likely to contribute to 13 of the 17 United Nations' Sustainable Development Goals (SDGs).

The Issuer has transparently communicated that the annual expenses (same fiscal year of the issuance) will be privileged, and in case of outstanding funds, refinancing will be considered. Therefore, the share of financing is expected to represent a majority of projects. The Issuer has transparently communicated the look-back period of 12 months for refinanced Eligible Projects, which could be extended to 24 months in case the net proceeds of the Bond are greater than the portfolio of Eligible Projects, in line with best market practices.

- ▶ Evaluation and Selection Process: The governance and the process for evaluation and selection of Eligible Projects is formalised and we consider it to be reasonably structured, relevant and transparent.

The process relies on relevant and explicit eligibility criteria (selection and exclusion).

The identification and management of the environmental and social (E&S) risks associated with the Eligible Project Categories is considered to be overall good.

- ▶ Management of proceeds: The rules for the management of proceeds are clearly defined in the Framework. We consider that they would enable a documented and transparent allocation process.
- ▶ Monitoring & Reporting: The reporting process and commitments appear to be good, covering the funds allocation and environmental and social benefits of the Bond.

The Walloon Region has committed to support its Sustainable Bond Issuance by external reviews:

- A pre-issuance consultant review: a Second Party Opinion delivered by Vigeo Eiris, on the sustainability credentials of the Bond, covering all the features of the Bond.
- A post-issuance consultant review: a review of the Second Party Opinion, including all the features of the Bond and its alignment with the SBP after one year from the date of issuance.
- An annual verification: performed by an independent third-party, covering the allocation of the net proceeds to Eligible Projects, as well as the environmental metrics reported through the Sustainable Bond reports.

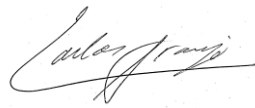
*This Opinion is valid and limited to the first Walloon Region's Sustainable Bond, to be issued under the Walloon Region's Framework as presented to Vigeo Eiris.*

Paris, April 5<sup>th</sup>, 2019

A handwritten signature in black ink, appearing to read 'Muriel Caton'.

**Muriel CATON**

Managing Director Sustainable  
Finance Strategy

A handwritten signature in black ink, appearing to read 'Carlos Araujo'.

**Carlos ARAUJO**

Project Manager  
Sustainability Consultant

A handwritten signature in black ink, appearing to read 'Amaya London'.

**Amaya LONDON**

Sustainability Consultant

## DETAILED RESULTS

### Part I. ISSUER

The Walloon Region (the “Issuer”) is one of the three regions that constitute the Kingdom of Belgium. With a territory of 14,903 km<sup>2</sup>, the Walloon Region has over 3 million inhabitants. The Issuer has an independent authority in policies concerning employment, education, housing, healthcare, public works, transport, energy, environmental conservation and water.

#### Issuer’s ESG performance

Vigeo Eiris has assessed the Issuer’s ESG performance, based on our exclusive ESG rating database.

As of April 2018, the Issuer’s overall performance to manage ESG related issues in its activity is good. The Issuer’s performance is good concerning the environmental and social pillars, while it is limited in the governance pillar. An area for improvement, as to strengthen our level of assurance, has been identified in the Issuer’s measures to prevent corruption and the integration of social and environmental factors in procurement activities.

To date, the Issuer has displayed documented ESG commitments, covering the main ESG issues of the local authorities sector and allocated senior resources with relevant mandates and skill sets to enforce the ownership of commitments.

Domain	Comments	Opinion
Environment	The Issuer’s performance in the Environment pillar is considered to be good.	
	The Region’s best environmental performance is achieved in the control of transport-related impacts. Although the Region has not set a quantitative target for reducing the environmental impacts of its agents’ transport, it has set an ambitious target of reducing 40% of GHG emissions from the transport sector between 2017 and 2030 in its territory, which is supported by relevant measures that include eco-driving awareness raising and shared vehicle fleet. At territory level, the Region promotes maintenance and dredging of the river network and promotes car-sharing. The transport mix is stable, with the car’s share accounting for about 85%.	Advanced
	The Region also achieves advanced performances in terms of Environmental Strategy, due to relevant commitments at the level of the SPW’s Sustainable Development Plan and the territory’s Air Climate Energy Plan. In terms of valuation of green spaces and biodiversity, the Region promotes exhaustive measures that include the monitoring of existing species, impact assessments of new public works on the ecosystem, facilitating information for citizens and promoting sustainable agriculture.	Good
	An area for improvement is the control of energy consumption and reduction of polluting emissions. The Walloon Region has set general objectives for reducing energy consumption at government buildings, but these are not quantified. In addition, the Region does not seem to publish data on energy consumption and GHG emissions related to its own activities. Nevertheless, relevant measures are being implemented at the territorial level, notably raising community awareness of the need for energy savings and promoting technologies that improve energy efficiency.	Limited
		Weak
	The Issuer’s performance in the Social pillar is considered to be good.	
	The Region has formalised relevant commitments within the Regional Policy Statement and the Regional Spatial Development Perspective (SDER). In addition, significant resources support the Region’s sustainable urban planning, the development of the economy, employment and vocational training. Nevertheless, the unemployment rate, and in particular that of 15-24 years-old, rose slightly between 2012 and 2016.	Advanced

Social	<p>With regards to Social Cohesion and Solidarity Development, the Region promotes access to public services and the adaptation of public infrastructure to vulnerable populations through the Walloon Anti-Poverty Plan. In addition, the measures implemented cover most of the Region's challenges: health, housing, water and energy.</p>	Good
	<p>Regarding Human Resources, relevant measures have been implemented to address every issue under review: namely social dialogue, career management system, quality of remuneration, working hours and health and safety. However, no commitments have been implemented in the quality of remuneration system or in the respect of the organisation of working hours for SPW agents. In terms of social dialogue, the Region's 2013-2016 Sectoral Agreement displays general commitments. This agreement is signed by the delegations of the trade union organisations and makes it possible to provide an agreement on working conditions to all staff. In addition, the entire SPW is covered by consultation and negotiation bodies.</p>	Limited
	<p>Concerning the integration of environmental and social factors into public procurement, the Walloon Region reports some measures within its 2017-2019 Responsible Public Procurement Action Plan. However, the Region does not seem to audit its suppliers on social or environmental issues. Moreover, the Region does not seem to communicate on any potential environmental and social incidents identified among suppliers.</p>	Weak
	<p>Regarding quality of services and relations with users, a 2016-2020 Administration Contract has been formalised and relevant measures are implemented by the Mediator of Wallonia.</p>	
Governance	<p>The Issuer's performance in the Governance pillar is considered to be limited.</p>	
	<p>An Audit Committee composed by a majority of independent members is in place. The members of the Committee have political experience and at least three experts specialised in audit have been designated. The role of the Audit Committee is comprehensive and there are measures to follow-up and assess public policies approved by the Region.</p>	Advanced
	<p>As far as representative and participatory democracy is concerned, Walloon law sets strict conditions for access to executive posts and mechanisms for stakeholder consultation have been set up. However, no information is available regarding the attendance rate at meetings of the Walloon Parliament.</p>	Good
	<p>Regarding corruption prevention, a Charter of Good Administrative Conduct refers to general ethical principles, and measures appear to be limited to internal audits and the transparent publication of the result of public tenders. There is no evidence of a dedicated confidential hotline for employees or the community to report on corruption-related matters. In addition, the Walloon Region faces one controversy in this area.</p>	Limited
		Weak

### **Stakeholder-related ESG controversies**

As of today, the Walloon Region faces isolated ESG controversies of high severity, related to two out of the six domains analysed by Vigeo Eiris, namely Human Rights (Respect of human rights standards and prevention of violations) and Environment (Minimising environmental impacts from energy use and Management of atmospheric emissions).

The first controversy concerns an accusation of unethical gun export policies by Amnesty International, while the second case is linked to Greenpeace filing a court action against the Walloon government over insufficient action against air pollution. The Walloon Region is remediative for both controversies and its ability to mitigate controversy risks is considered as robust.

## Part II. ISSUANCE

### Coherence of the Issuance

Note of context: Local authorities play a crucial role in the promotion of sustainable development. Public institutions are often at the core of project financing for the development of the jurisdictions under their control. Through public tenders and contracts, local authorities can set the basic requirements to be followed in terms of social and environmental practices. These institutions are called to develop solutions for its population while promoting the sound use of environmental resources. By implementing actions targeting, among others, sustainable mobility, green buildings, energy efficiency, access to essential services or socioeconomic empowerments, local authorities could effectively support the attainment of the sustainable goals of the 2030 Agenda for Sustainable Development and drive meaningful, measurable and sustainable action on climate change and human rights.

**We are of the opinion that the contemplated Bond is coherent with the Walloon Region's main sustainability priorities and with its main sectorial sustainability issues. It contributes to achieve the Issuer's corporate environmental commitments and targets.**

In May 2016, the Strategic Committee of the Public Service of Wallonia (SPW) adopted the second Sustainable Development Plan (SDP) for the period 2016 – 2019. The Plan aims to reduce the negative impacts on the environment, including natural resources, climate change, soil, air and water quality, while promoting social benefits (workers' health & safety and wellbeing).

The Walloon Region seems to acknowledge these challenges and has formalised several strategies and local policies addressing sustainable development in various sectors including, but not limited to:

- The Air Climate & Energy Plan 2016-2022, which sets targets for 2020 and beyond on the control and mitigation of GHG emissions and other air pollutants.
- The Walloon Region's Sustainable Development Second Strategy (2016), which includes concrete measures to contribute to the achievement of some of the main sustainable objectives linked to Food security, Energy efficiency, Natural resources protection, which have been identified as of high priority by the Region.
- The Walloon Energy and Climate Plan 2030, targeting the reduction of GHG emissions and the use of less carbon-intensive solutions within the transport, buildings and renewable energy production sectors.
- The Walloon Anti-Poverty Plan, covering all social major issues including employment and education promotion, access to essential services (social housing, healthcare facilities etc.) and socio-economic empowerment.

By issuing a Sustainable Bond to finance and/or refinance the development and operation of renewable energy, energy efficiency, natural resources conservation, sustainable consumption, soft mobility, education and employment generation and access to essential services projects, the Walloon Region coherently aligns with its commitments to promote the development of environmentally conscious solutions and addressing social challenges within its region.

### **Use of proceeds**

**The net proceeds of the Bonds will be used to exclusively finance or refinance, in full or in part, projects falling under ten Eligible Categories (“Eligible Projects”) which are formalised and publicly disclosed in the Framework, namely:**

- Six Eligible Green categories: Renewable Energy, Energy Efficiency & Low Carbon Buildings, Sustainable Food and Consumption, Sustainable Mobility, Pollution Prevention and Control and Protection of Resources, Land & Biodiversity.
- Four Eligible Social categories: Education & Employment Generation, Socioeconomic Advancement and Empowerment, Affordable Housing and Access to Essential Services and Basic Public Infrastructure.

**All social eligible categories are clearly defined. The environmental categories are overall clearly defined (three eligible sub-categories are partially defined, namely Sustainable water management, Soil decontamination and Climate change adaptation).**

**The sustainability objectives associated with the eligible projects are formalised in the Framework and considered to be relevant and clear. Eligible Projects are intended to contribute to four main environmental objectives and six social objectives, namely: climate change mitigation and adaptation, biodiversity and natural resources protection and pollution prevention and control, access to education for all, socioeconomic empowerment, employment promotion and advancement, reduced inequalities and social exclusion, access to housing for all and access to health services for all.**

**The Issuer will assess and quantify, when feasible, the associated environmental and social benefits (outputs and impacts) one year after the emission. For each category, an area for improvement is defining ex-ante targets regarding environmental and social benefits.**

**The Issuer has transparently communicated that the annual expenses (same fiscal year of the issuance) will be privileged, and in case of outstanding funds, refinancing will be considered. Therefore, the share of financing is expected to represent a majority of projects. The Issuer has transparently communicated the look-back period of 12 months for refinanced Eligible Projects, which could be extended to 24 months in case the net proceeds of the Bond are greater than the portfolio of Eligible Projects, in line with best market practices.**

For its first Sustainable Bond issuance, the Issuer has already identified a list of potential Eligible Projects, presented to Vigeo Eiris, for all Eligible Categories and all but one of the sub-categories, namely Sustainable water management.

The Issuer has formalised the definitions of the Eligible Categories in its Framework, which have been analysed in the table below:

Walloon Region's Framework			Vigeo Eiris' Analysis
Eligible Category	Definition	Objectives and benefits	Opinion
Renewable Energy	<p>Funding of projects aiming at developing the production and use of renewable energy such as expenditures in:</p> <ul style="list-style-type: none"> <li>- Corporates &amp; individuals: solar energy (onshore), wind energy (onshore), geothermal.</li> <li>- R&amp;D subsidies dedicated to renewable energy development</li> </ul>	<p><b>Climate change mitigation</b> GHG emissions avoidance</p> <p>Increase renewable energy installed capacity and generation in the Walloon Region</p>	<p>The definition of this category is overall clear.</p> <ul style="list-style-type: none"> <li>- For the geothermal projects, an area for improvement includes defining a maximum threshold of 100g CO2/KWh for direct emissions.</li> </ul>
Energy Efficiency & Low Carbon Buildings	<p>Funding of projects aiming at reducing the energy consumption of public lighting and street signals, heating systems (renovation) and existing &amp; new facilities / buildings (public, residential, commercial) such as expenditures in:</p> <ul style="list-style-type: none"> <li>- Public sector investments and Premiums &amp; actions for private individuals as Energy funds ("Fonds Energie"), UREBA.</li> <li>- Ecopack (for individuals)</li> <li>- PIVERT Plan for social housing</li> <li>- Subsidies for companies: energy audit and feasibility studies for industries (AMUR)</li> <li>- All projects to support LED lighting, replacement of energy consuming appliances, high efficiency boilers, smart metering, roof / wall / floor thermal insulation.</li> <li>- PEB Certification in Belgium for new buildings and/or with at least one of the following certifications: LEED Gold or above; BREEAM very Good or above</li> <li>- Led lighting in public areas (excluding PPP)</li> <li>- Tax credits for individuals investing in energy efficiency matters</li> </ul>	<p><b>Climate change mitigation</b> Reduction of GHG emissions</p> <p>Energy savings</p>	<p>The definition of this category is overall clear.</p> <ul style="list-style-type: none"> <li>- The accepted Green Buildings certifications rely on locally and internationally recognized sector standards.</li> <li>- An area for improvement includes defining a 20% energy efficiency improvement threshold, in line with international standards.</li> </ul> <p>The issuer has declared that the inaugural issuance will not finance any "Tax credits" projects falling within this category. Therefore, the issuer has not identified yet examples of related projects.</p>



Walloon Region's Framework			Vigeo Eiris' Analysis
Eligible Category	Definition	Objectives and benefits	Opinion
Sustainable Mobility	<p>Funding of:</p> <ul style="list-style-type: none"> <li>- Projects aiming at improving and developing public transport services (for passengers) such as:               <ul style="list-style-type: none"> <li>- Public transportation conception, development construction, acquisition and maintenance of transport equipment, infrastructure and network (metro, tramway, other transport in own site such as electric or hydrogen bus)</li> <li>- Multi-modal transportation infrastructures for passengers (combining railway, metro, tramway, electric bus, micro-mobility equipment, bicycle, pedestrian.).</li> </ul> </li> <li>- Projects of modal shift for freight transport such as:               <ul style="list-style-type: none"> <li>- Inter-modal transportation conception, development, construction, acquisition and maintenance of transport equipment, infrastructure and network for freight (river/waterway transport, railway)</li> </ul> </li> <li>- Projects aiming at developing soft transport modes and Low-carbon energy transport, and associated infrastructure such as:               <ul style="list-style-type: none"> <li>- Support to new low carbon vehicles (excluding fossil fuels motorization) and vehicles investments shift to environmental standards (cf. "Circulaire sur le verdissement de la flotte de véhicule de La Région" on page 3 for the criteria)</li> <li>- Ride-sharing programs, smart mobility system</li> <li>- Extension of bicycle routes network and pedestrian walkways</li> <li>- Charging Infrastructure (electrical terminals)</li> </ul> </li> </ul>	<p><b>Climate change mitigation</b></p> <p>Avoidance of GHG emissions</p>	<p>The definition of this category is overall clear.</p> <p>The Walloon Region has committed in its Framework that the Sustainability Bond will not be used to finance existing or future projects linked to fossil fuel vehicles and/or hybrid buses.</p> <ul style="list-style-type: none"> <li>- For "Support to new low carbon vehicles" projects included in the "Circulaire sur le verdissement de la flotte de véhicule de La Région", an area for improvement includes the definition of a carbon emissions threshold (gCO2/passenger-kilometer) for eligible hybrid vehicles.</li> </ul>

Walloon Region's Framework			Vigeo Eiris' Analysis
Eligible Category	Definition	Objectives and benefits	Opinion
Sustainable Food and Consumption	<p>Funding of projects aiming at reducing impacts from food production and consumption, including:</p> <ul style="list-style-type: none"> <li>- Development of short circuits/local food systems such as "Halls relais" (local shops for Direct sales from farmers to customers) and "Diversifermes" (local food processing) programs.</li> <li>- Development of sustainable/organic agriculture</li> <li>- Environmentally friendly products such as the promotion of eco-label or environmental certification, resources efficient packaging.</li> </ul>	<p><b>Climate Change Mitigation</b> GHG emissions reduction</p> <p><b>Natural resources protection</b> Eco-efficient product development</p> <p>Better soil quality</p>	<p>The definition of this category is overall clear.</p> <ul style="list-style-type: none"> <li>- Regarding "Halls relais" and "Diversifermes" projects, there is no evidence that organic agriculture production certifications are contemplated. An area for improvement includes the requirement of certification schemes for the provision of agricultural subsidies.</li> </ul>
Pollution Prevention and Control	<p>Funding of:</p> <ul style="list-style-type: none"> <li>- Projects of waste prevention, reduction, collect, recycling and sustainable treatment such as: <ul style="list-style-type: none"> <li>- Regional Plan for Waste management ("Plan wallon des déchets-ressources") covering the whole waste value chain (collection, sorting, recycling, reuse, etc)</li> <li>- Supporting waste value added products from waste</li> <li>- R&amp;D subsidies dedicated to sustainable waste treatment (recycling channels, treatment and control systems, etc)</li> <li>- Reduction of agricultural waste (biowaste to energy): support measures for the recovery of household and non-household waste.</li> </ul> </li> </ul>	<p><b>Climate Change Mitigation</b> GHG emissions reduction</p> <p><b>Pollution prevention and control</b> Waste reduction and recycling</p>	<p>The definition of this category is overall clear.</p> <ul style="list-style-type: none"> <li>- In terms of waste management and treatment, an area of improvement includes clarifying eligible processes for the reduction of agricultural wastes.</li> </ul>

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Protection of Resources, Land & Biodiversity	Sustainable Water Management	Funding of projects of sustainable infrastructure for clean and/or drinking water and of wastewater treatment.	<p><b>Natural resources protection</b></p> <p>Water savings</p> <p>Protection of the water ecosystems</p> <p>Water quality improvement</p> <p>The definition of this category is partially clear.</p> <p>The issuer has declared that the inaugural issuance will not finance any projects falling within this category. Therefore, the issuer has not identified yet examples of projects that could fall in this sub-category.</p> <p>For the future issuances, areas for improvement are identified regarding:</p> <ul style="list-style-type: none"> <li>- The provision of examples of projects that could fall in this sub-category.</li> <li>- the requirement that selected projects would not generate net GHG emissions, or that in case of Expected Negative net GHG emissions the Issuer commits to estimate (ex-ante) and deliver the GHG mitigation impact that will be delivered over the operational lifetime of the project, in line with the international taxonomies (CBI).</li> </ul>
	Land and Biodiversity Conservation	Funding of projects of protection, conservation and rehabilitation of natural environment of the Walloon Region, such as expenditures in: <ul style="list-style-type: none"> <li>- Natural parks &amp; "green areas" ("Natura 2000")</li> <li>- Water ("Les contrats de rivières", "Ruissellement &amp; Erosion")</li> <li>- Subsidies to protect natural and rural places</li> </ul>	<p><b>Biodiversity and Natural resources protection</b></p> <p>Development/ Maintenance of natural and public spaces</p> <p>Water resources protection</p> <p>The definition of this category is overall clear.</p> <ul style="list-style-type: none"> <li>- For the "subsidies to protect natural and rural places" an area for improvement is clarifying the type of projects to be financed, the beneficiaries of such subsidies.</li> </ul>
	Soil Decontamination	Funding of projects of soil decontamination and restoration/rehabilitation of brownfields areas such as: <ul style="list-style-type: none"> <li>- Environmental rehabilitation of industrial brownfield areas</li> </ul>	<p><b>Pollution prevention and control</b></p> <p>Better soil quality</p> <p>Land use management</p> <p>The definition of this category is partially clear.</p> <ul style="list-style-type: none"> <li>- An area for improvement is identified regarding clarity on the intended</li> </ul>

Walloon Region's Framework			Vigeo Eiris' Analysis
Eligible Category	Definition	Objectives and benefits	Opinion
	<ul style="list-style-type: none"> <li>- Decontamination actions</li> </ul>		decontamination solutions and the type of pollution addressed.
Climate Change Adaptation	Funding of projects aiming at reducing the impacts of climate change, such as: <ul style="list-style-type: none"> <li>- Infrastructure and technologies for flood management.</li> <li>- R&amp;D subsidies dedicated to climate change adaptation technologies and infrastructure.</li> <li>- Investment in sustainability programs for climate change mitigation and adaptation in developing countries.</li> </ul>	<b>Adaptation to climate change</b> Resilient infrastructure development	The definition of this category is partially clear. <ul style="list-style-type: none"> <li>- An area for improvement includes clarifying the types of infrastructures/technologies/programs that could fall in this category.</li> </ul>
Education & Employment Generation	Funding of: <ul style="list-style-type: none"> <li>- Dedicated education and vocational training programs, initiatives and institutions, such as:               <ul style="list-style-type: none"> <li>- FOREM<sup>4</sup> : Professional transition programs : CEP – PFI</li> <li>- IFAPME<sup>5</sup>: alternating training (students), training for jobs in short supply (1/3 of all training sessions)</li> </ul> </li> <li>- Programs, initiatives and institutions dedicated to promotion of job creations, return to employment and labour market entry opportunities, such as:               <ul style="list-style-type: none"> <li>- FOREM programs: SESAM, PTP, SINE, AirBag, CISP, MIRE</li> </ul> </li> </ul>	<b>Access to education for all</b> Knowledge promotion and support  Equal opportunity and vocational insertion  <b>Socioeconomic empowerment</b> Promotion of jobs in short supply  <b>Employment promotion and advancement</b> Equal opportunity and vocational insertion Job promotion for all	The definition of this category is clear.  The target populations have been clearly identified in the Framework as unemployed people and young people, in line with market practices.

<sup>4</sup> Service Public Wallon de l'Emploi et de la Formation

<sup>5</sup> Institut wallon de formation en alternance et des indépendants et petites et moyennes entreprises

Walloon Region's Framework			Vigeo Eiris' Analysis
Eligible Category	Definition	Objectives and benefits	Opinion
Socioeconomic Advancement and Empowerment	<p>Funding of programs, initiatives and projects aiming at acting against poverty and exclusion and reducing inequalities, as part of the Region's Social Cohesion and Fight Against Poverty Plan, such as:</p> <ul style="list-style-type: none"> <li>- ADL (Local Development Actions)</li> <li>- Walloon Social Credit Agency</li> <li>- RWLP actions (network actions of the Walloon Region against poverty)</li> <li>- CPAS - action supporting people with disabilities, the elderly, homeless people</li> <li>- Supporting indebted people (ASBL) providing financial assistance</li> <li>- Incentives for low income people (energy policy (MEBARII))</li> <li>- Support to social insertion programs</li> </ul>	<p><b>Reduced inequalities and social exclusion</b></p> <p>Purchasing power improvement</p> <p>Improved integration in society</p> <p>Support to vulnerable population groups</p> <p>Equal opportunity</p> <p><b>Socioeconomic empowerment</b></p> <p>Financial assistance and support (services, facilities) of local communities</p>	<p>The definition of this category is clear.</p> <p>The target populations have been clearly identified in the Framework as low-income people, indebted people, elderly people, young people, homeless people, people with disabilities and single-parent families, in line with market practices.</p>
Affordable Housing	<p>Funding of:</p> <ul style="list-style-type: none"> <li>- Direct financing to dedicated social housing agencies, such as: <ul style="list-style-type: none"> <li>- Support social housing landlords FLW, SWCS, SWL</li> </ul> </li> <li>- Financial assistance (social loans and low-cost rental housing) to low-income families and individuals for housing purpose (access to property, rental offering, renovation/energy efficiency), such as: <ul style="list-style-type: none"> <li>- Social housing subsidies for Walloon large families (FLW) (&gt; 2 children): social loans and access to social housing rents</li> <li>- "Plan Habitat Permanent"</li> <li>- SWCS: Renopack, Accesspack with ad-hoc criteria for house owners</li> <li>- SWL: acquiring &amp; maintaining social housing for rental offerings</li> <li>- Tax credits for expenditures made by individuals in renovation of private housing proposed at moderate rent</li> </ul> </li> </ul>	<p><b>Access to housing for all</b></p> <p>Development of affordable housing</p> <p>Financial assistance and support for housing purpose</p>	<p>The definition of this category is clear.</p> <p>The target populations have been clearly identified in the Framework as low-income people, in line with market practices.</p> <p>The issuer has declared that the inaugural issuance will not finance any "Tax credits" projects falling within this category. Therefore, the issuer has not identified yet examples of related projects.</p>

Walloon Region's Framework			Vigeo Eiris' Analysis
Eligible Category	Definition	Objectives and benefits	Opinion
Access to Essential Services and Basic Public Infrastructure	<p>Funding of Programs, initiatives and projects aiming at developing and/or modernizing public health infrastructure, medical equipment and healthcare services (including, but not limited to services to people with disabilities), such as:</p> <p>Support to AViQ to finance:</p> <ul style="list-style-type: none"> <li>- Health programs</li> <li>- Health-Environment subsidies</li> <li>- "Centres médicaux ruraux" (local health services)</li> <li>- Home Health Services (aides à domicile)</li> <li>- Funding of Health Facilities (Maison de repos, Maisons des Soins Psychiatriques, financement des Soins à domicile, etc).</li> <li>- R&amp;D subsidies dedicated to healthcare projects</li> <li>- Construction of rural centers</li> <li>- Home services for elderly people/ disable people</li> <li>- Psychiatric Care Centers</li> <li>- Dedicated public transport and/or access facilities for people with disabilities</li> </ul>	<p><b>Access to health services for all</b></p> <p>Health infrastructure development and improvement</p> <p>Broader access to health services</p> <p>Improved access and services for people with disabilities</p>	<p>The definition of this category is clear.</p> <p>The target populations have been clearly identified in the Framework as the general citizens of the Walloon Region and the people with disabilities, in line with market practices.</p>

In addition, the Eligible Projects are likely to contribute to 13 of the 17 United Nations' Sustainable Development Goals, namely Goal 1. No poverty, Goal 2. Zero Hunger, Goal 3. Good Health and Well-being, Goal 4. Quality Education, Goal 6. Clean Water and sanitation, Goal 7. Affordable and Clean energy, Goal 8. Decent work and economic growth, Goal 9. Industry, Innovation and Infrastructure, Goal 10. Reduced inequalities, Goal 11. Sustainable Cities and Communities, Goal 12. Responsible Consumption and Production, Goal 13. Climate Action and Goal. 15 Life on land.



Projects categories		UN SDGs identified	UN SDGs targets
Renewable Energy		SDG 7. Affordable and Clean Energy	7.2
		SDG 11. Sustainable Cities and Communities	11.B
		SDG 12. Responsible Consumption and Production	12.2
		SDG 13. Climate Action	13.1
Energy Efficiency & Low Carbon Buildings		SDG 7. Affordable and Clean Energy	7.3
		SDG 9. Industry, Innovation and Infrastructure	9.4
		SDG 12. Responsible Consumption and Production	12.2
		SDG 13. Climate Action	13.1
Sustainable Mobility		SDG 11. Sustainable Cities and Communities	11.2, 11.6
		SDG 13. Life on Land	13.1
Pollution Prevention and Control		SDG 3. Good Health and Well-Being	3.9
		SDG 11. Sustainable Cities and Communities	11.6
		SDG 12. Responsible Consumption and Production	12.4, 12.5
Sustainable Food & Consumption		SDG 2. No Hunger	2.4
		SDG 12. Responsible Consumption and Production	12.2, 12.8
Protection of Resources, Land & Biodiversity	Sustainable Water Management	SDG 6. Clean Water and Sanitation	6.1, 6.3
		SDG 12. Responsible Consumption and Production	12.2
	Land and Biodiversity Conservation	SDG 6. Clean Water and Sanitation	6.6
		SDG 11. Sustainable Cities and Communities	11.7
		SDG 15. Life on Land	15.1
	Soil Decontamination	SDG 11. Sustainable Cities and Communities	11.6
		SDG 15. Life on Land	15.3
	Climate Change Adaptation	SDG 11. Sustainable Cities and Communities	11.5
SDG 13. Climate Action		13.1	

Projects categories	UN SDGs identified	UN SDGs targets
Education and Employment Generation	SDG 4. Quality Education	4.4
	SDG.8 Decent Work and Economic Growth	8.5
	SDG 10. Reduced Inequalities	10.2, 10.3
Socioeconomic Advancement and Empowerment	SDG 1. No Poverty	1.2, 1.4, 1.B
	SDG.8 Decent Work and Economic Growth	8.5
	SDG 10. Reduced inequalities	10.2
	SDG 11. Sustainable cities and communities	11.A
Affordable Housing	SDG 1. No poverty	1.4
	SDG 10. Reduced Inequalities	10.2
	SDG 11. Sustainable Cities and Communities	11.1
Access to Essential Services	SDG 3. Good Health and well-being	3.8, 3.B
	SDG 10. Reduced Inequalities	10.2

### **Process for Projects Evaluation and Selection**

**The governance and the process for evaluation and selection of Eligible Projects is formalised and we consider it to be reasonably structured, relevant and transparent.**

The process for evaluation and selection of Eligible Projects is clearly defined and formalised through the Framework.

The evaluation and selection process is reasonably structured:

- The process for the selection of Projects is based on relevant internal expertise with well-defined roles and responsibilities:
- An Inter-Ministerial working group (“Sustainability Committee”) will be established to oversee the Sustainability Bond Framework.
- The Sustainability Committee is chaired by the Ministry of Budget representing the Walloon Government, and assisted by an operational team, comprised of members of the Walloon central administration.
- The role of the Sustainability Committee is described in the Framework, and includes:
  - Selection and review of the pool of Eligible Projects.
  - Validate the annual reporting.
  - Update the Framework, when necessary, to match market standards.
  - Decide on new issuances.
- Technical support is also provided by several departments, including the department for Health Services, Affordable Housing, Clean Transportation, Education and Employment Generation.
- In case of controversies on eligible expenditures, the Sustainability Committee will reallocate the net proceeds to other eligible projects within 12 months following the decision of reallocation.

The traceability and internal verification appear to be ensured throughout the process through biannual meetings, which are traceable through reports and decision records.

The Walloon Region will mandate an independent third-party to verify the compliance of the allocation of net proceeds of the Bond to the eligible categories defined in the Framework.

**The process relies on relevant and explicit eligibility criteria (selection and exclusion).**

The selection requirements are based on the Eligible Categories definitions.



- Exclusion criteria have been established, to exclude the financing of the following activities:
  - Nuclear
  - Armament
  - Fossil fuel motorised vehicles (CNG and ICE).
- The Walloon Region commits to exclude projects that face material ESG controversies.
- Financial exclusion criteria are also contemplated in the Framework, to exclude any expenditure financed by a dedicated resource (EU programs, the Belgian Federal State grants, dedicated regional funds etc.).

**The identification and management of the environmental and social (E&S) risks associated with the Eligible Project Categories is considered to be overall good.**

Vigeo Eiris has conducted its assessment of the Walloon Region's identification and management of environmental and social risks, including: environmental management systems, eco-design, reduction of energy consumption and GHG emissions, reduction of water usage, waste management, respect of fundamental human rights, improvement of health and safety conditions, quality of relations with users, social cohesion, environmental and social factors in the supply chain, and business ethics.

The Walloon Region has a transparent public tender framework for the funding of all infrastructure and works-related Eligible Project categories. All projects conducted by contractors must comply with general conditions that include the respect of laws and decrees addressing fraud, conflicts of interests, illegal work, health & safety, working conditions, remuneration, non-discrimination and the respect of environmental laws. In addition, written procedures are available concerning the functioning of public tenders, and projects are transparently disclosed in the Walloon Region's website.

- Minimum requirements are defined for each project through specification sheets that are prepared by the dedicated departments within the Walloon Region, or by sub-contracted external experts. Based on each of the projects' specificities, technical requirements are described extensively in these documents. Moreover, socio-economic and environmental impact assessments are reportedly conducted for most infrastructure projects.
- The Federal Public Service for Employment, Labour and Social Dialogue (federal entity) and the Social Inspection (Walloon entity) are responsible for verifying the respect of fundamental labour rights associated with the Eligible projects, as required by law.
- Some infrastructure projects within the Eligible Green Projects (Sustainable mobility, Renewable energy, Energy efficiency & low carbon buildings, and Education & employment generation) comply with requirements established by the European Regional Development Fund (ERDF), which focus is to reduce economic, environmental and social problems in urban areas, with a special focus on sustainable urban development. An area for improvement concerns disclosing the specific environmental and social risk management procedures implemented by the Walloon Region in these projects.
- A Responsible Purchase Action Plan has been adopted by the Walloon Region, and dedicated teams recommend the inclusion of social and environmental clauses for all types of infrastructure projects of more than EUR 1 million. These clauses include provisions on social dumping, illegal work, waste management and use of recycled materials. In terms of decision-making, the department in charge of deciding the adjudication of contracts maintains the ultimate discretion concerning the inclusion of such clauses in the contracts. Areas of improvement are the systematic inclusion of social and environmental clauses within the specification sheets and the classification of projects depending on risks to decide on the minimum conditions to be put in place.
- For the provision of premiums, subsidies and tax deductions, the Walloon Region transparently provides information on the eligible individuals and companies depending on the types of financing that are to be undertaken.
- Regarding the provision of energy premiums to individuals, a prior energy audit has to be conducted by accredited auditors, conditioning the obtention of a premium, and eligible potential renovation works should be listed in order of priority. The Walloon Region has a public registry of certified auditors for "Energy Audits" and has set the requirements to be followed by auditors in terms of recommendations and prioritization of energy efficiency measures. The premium will only finance the works with the best energy efficiency improvement rate. In case of energy efficiency premiums for individuals. These audits are followed up by the Walloon Region to ensure that the procedures were followed and that recommendations are pertinent.

Concerning the provision of energy premiums to public entities (UREBA), a list of eligible works has been defined and the Walloon Region has set a list of accredited auditors. Moreover, the awarding of premiums

implies the obligation to provide the administration, for a ten-year period, with information on the energy consumption of the building concerned, using an annual declaration form.

Regarding energy audits and feasibility studies for industry premiums (AMURE), a list of eligible works has been defined. The energy audit has to be conducted by an accredited auditor and pre-feasibility studies must be carried out in accordance with the minimum requirements of the “AMURE decree”.

### **Management of Proceeds**

**The rules for the management of proceeds are clearly defined in the Framework. We consider that they would enable a documented and transparent allocation process.**

The net proceeds of the Bond will be exclusively allocated for the financing and/or refinancing of existing and new Eligible Projects. The net proceeds of the Bond will follow budgetary procedures of the Walloon Region as a public entity.

The net proceeds will be tracked through the Issuer’s internal system that ensures that the allocation of proceeds are not listed within the same budget of other sources of funding. The Walloon Region intends to put in place dedicated budgetary categories (green & social) for funds allocation following the Framework.

The allocation period has been defined by the Walloon Region as 12 months, which could be extended to 24 months in case the net proceeds of the Bond are greater than the portfolio of Eligible Projects, in line with good market practices.

As long as the proceeds are outstanding, the unallocated proceeds will be held in money market products in line with the Region’s Treasury Policy. In addition, unallocated proceeds will be placed, when possible, in temporary placement mechanisms that include ESG criteria.

Until the full allocation of the proceeds to Eligible Projects, the Walloon Region intends to maintain an aggregate amount of assets within its portfolio of Eligible Projects that is at least equal to the aggregate net proceeds of the Bond.

The allocation of proceeds will be audited on an annual basis by an independent third-party.

In the event of project divestment, the funds will be reallocated within 12 months following the decision of reallocation to other Eligible Projects under the Sustainability Committee supervision.

### **Monitoring & Reporting**

**The reporting process and commitments appear to be good, covering the funds allocation and environmental and social benefits of the Bond.**

The process for monitoring, data collection, consolidation and reporting is defined in the Framework.

The process is based on relevant internal expertise:

- Allocation and environmental/social impact reporting will be coordinated by the Sustainability Committee, and its operational team will be in charge of reporting consolidation and data aggregation from the Issuer’s offices in Belgium.
- Within the Sustainability Committee, the operational team will be in charge of reporting consolidation and data aggregation on the Eligible Green and Social Expenditures.

The Issuer is committed to provide two dedicated reports:

- **Allocation report:** consolidated and aggregated data for each of the eligible categories, disclosed to all investors on an annual basis and until the full allocation of proceeds.

<b>Reporting indicators</b>
<ul style="list-style-type: none"> <li>- Brief list and description of some eligible projects per categories financed</li> <li>- The aggregated amount of allocation of net proceeds to the Eligible Green and Social Expenditures for each of the eligible categories;</li> <li>- Balance of unallocated proceeds, if any</li> <li>- Share of refinancing vs total proceeds</li> </ul>

- **Impact report:** consolidated indicators by Eligible Project category will be reported every year, including:

- Environmental and social benefits.
- Output and impact indicators, subject to data availability, and when possible.

The Issuer provides a list of illustrative indicators for each of the Eligible Project categories included in the Framework (page 16-17). We consider that these indicators are reasonable and relevant. An area for improvement would be to commit to report at least on all indicators provided in the Framework and commit to add further indicators at project level after issuance depending on the specificities of each Selected Project.

The Issuer is committed to disclose the calculation methodologies and assumptions for impact indicators. The Issuer commits to conduct an external review performed by an independent third-party, covering the allocation of the net proceeds to Eligible Projects, as well as the environmental metrics reported through the Sustainable Bond reports

## METHODOLOGY

In Vigeo Eiris' view, ESG factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organization, activity or transaction. In this sense, Vigeo Eiris provides an opinion on the Issuer's Corporate Social Responsibility (CSR) as an organization, and on the Issuance's objectives, management and reporting.

### Part I. ISSUER

*NB: The Issuer's performance, i.e., commitments, processes, results of the Issuer, related to ESG issues has been assessed through a complete process of rating and benchmark developed by Vigeo Eiris.*

Vigeo Eiris' methodology to define and to assess corporate's ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behaviour and Corporate Governance. The evaluation framework has been customized regarding material issues, based on the Local Authorities assessment framework, project's specificities and emerging issues.

Vigeo Eiris reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources will be considered as long as they are public, documented and traceable.

Our research and rating procedures are subject to internal quality control at three levels (analysts, heads of cluster sectors, and internal review by the audit department for second party opinions) complemented by a final review and validation by the Direction of Methods. A right of complaint and recourse is guaranteed to all companies under our review, including three levels: first, the team linked to the company, then the Direction of Methods, and finally Vigeo Eiris' Scientific Council. All collaborators are signatories of Vigeo Eiris' Code of Ethics.

#### Level of the Issuer's ESG commitments and policies

The Issuer has been evaluated by Vigeo Eiris on its Corporate Social Responsibility (CSR) strategy, based on 24 relevant ESG drivers organized in the 6 sustainability domains. The Issuer's strategy has been assessed by Vigeo Eiris based on its:

- Leadership: relevance of the commitments (content, visibility and ownership).
- Implementation: coherence of the implementation (process, means, control/reporting).
- Results: indicators, stakeholders' feedbacks and controversies.

#### Stakeholder-related ESG controversies

A controversy is public information from traceable and liable sources that serves to incriminate a company on ESG issues within the scope of the Equitics© methodology. Such incriminations may relate to specific events, conflicting interpretations of events, legal procedures, proven facts or non-proven claims.

Vigeo Eiris provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Severity: the more a controversy will relate to stakeholders' fundamental interests, will prove actual corporate responsibility in its occurrence, and will have adverse impacts for stakeholders and the company, the highest its severity. Severity assigned at corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).
- Frequency: reflects for each ESG challenge the number of controversies faced. At corporate level, this factor reflects on the overall number of controversies faced and scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, Vigeo Eiris' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

## Part II. ISSUANCE

*The Bond has been evaluated by Vigeo Eiris according to the Sustainable Bond Principles and our methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.*

### Use of proceeds

The use of proceeds guidelines are defined to ensure that the funds raised are used to finance and/or refinance Eligible Projects and are traceable within the issuing organisation. Each project endorsed shall comply with at least one Eligible Project Category definition in order to be considered as an Eligible Project. Vigeo Eiris evaluates the relevance, visibility, and measurability of the associated environmental and/or social objectives. The sustainability purpose of the Bond related Eligible Project has been precisely defined, with regard to the Issuer's commitments, and assessed based on the described and estimated benefits of Eligible Projects. The contribution of Eligible Projects to sustainable development is evaluated based on the United Nations Sustainable Development Goals.

### Process for evaluation and selection

The evaluation and selection process has been assessed by Vigeo Eiris regarding its transparency, governance and efficiency. The relevance and exhaustiveness of eligibility criteria and associated supporting elements integrated in the Bond Issuance, and the coherence of the process are analysed based on material issues considered in Vigeo Eiris' methodology.

### Management of proceeds

The rules for the management of proceeds and the allocation process have been evaluated by Vigeo Eiris regarding their transparency, coherence and efficiency.

### Reporting

Reporting indicators, processes and methodologies are defined by the Issuer to enable annual reporting on fund allocation, environmental benefits (output and impact indicators) and on the responsible management of the Eligible Projects (re)financed by the Sustainable Bond proceeds, collected at project level and potentially aggregated at Bond level. Vigeo Eiris has evaluated the relevance of the reporting framework according to three principles: transparency, exhaustiveness and effectiveness.

## VIGEO EIRIS' ASSESSMENT SCALES

Performance evaluation		Level of assurance	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the objective of social responsibility. Reasonable level of risk management and using innovative methods to anticipate emerging risks.	Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Good	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.	Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Limited	Commitment to the objective of social responsibility has been initiated or partially achieved; fragmentary evidence of command over the issues. Limited to weak level of risk management.	Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework
Weak	Commitment to social responsibility is non-tangible; no evidence of command over the issues. Level of insurance of risk management is weak to very weak.		

Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organisations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organisations.

Vigeo Eiris offers a wide range of services:

- ▶ **For investors:** decision making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more).
- ▶ **For companies & organisations:** supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more).

Vigeo Eiris is committed to delivering client products and services with high added value: a result of research and analysis that adheres to the strictest quality standards. Our methodology is reviewed by an independent scientific council and all our production processes, from information collection to service delivery, are documented and audited. Vigeo Eiris has chosen to certify all its processes to the latest ISO 9001 standard. Vigeo Eiris is an approved verifier for CBI (Climate Bond Initiative). Vigeo Eiris' research is referenced in several international scientific publications.

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Boston, Brussels, Casablanca, Hong Kong, Milan, Montreal, Rabat, Santiago and Stockholm.

The Vigeo Eiris Global Network, comprising 6 exclusive research partners, is present in Australia, Brazil, Germany, Israel, Japan and Mexico.

For more information: [www.vigeo-eiris.com](http://www.vigeo-eiris.com)

#### Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has executed 1 activity for the Walloon Region (an ESG Rating on Demand conducted in March 2018). No established relationship (financial or other) exists between Vigeo Eiris and the Walloon Region.

This opinion aims to explain for investors why the Sustainable Bond is considered as sustainable and responsible, based on the information which has been made available to Vigeo Eiris. Vigeo Eiris has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The correctness, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. Providing this opinion does not mean that Vigeo Eiris certifies the materiality, the excellence or the irreversibility of the projects (re)financed by the Sustainable Bond. The Walloon Region is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by Vigeo Eiris neither focuses on financial performance of the Sustainable Bond, nor on the effective allocation of its proceeds. Vigeo Eiris is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction.

The opinion delivered on stakeholder-related ESG controversies is not a conclusion on the creditworthiness of the Walloon Region or its financial obligations. We do not express an opinion as a score when controversial activities, products and services are not prohibited by international standards or treaties. The controversial activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from Vigeo Eiris.

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