



SECOND PARTY OPINION¹

ON THE SUSTAINABILITY OF MARFRIG GLOBAL FOOD'S SUSTAINABLE TRANSITION BOND

July 25th, 2019

SCOPE

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

Our opinion is established according to Vigeo Eiris’ Environmental, Social and Governance (“ESG”) exclusive assessment methodology and, in the absence of guidelines to assess Transition Bonds, to the International Capital Market Association’s Green Bond Principles and Social Bond Principles (“GBP” and “SBP”) edited in June 2018.

Our opinion is built on the review of the following components:

- 1) **Issuer:** we assessed the Issuer’s Sustainability strategy, its management of potential stakeholder-related ESG controversies and its involvement in controversial activities².
- 2) **Issuance:** we have assessed the coherence between the Bond and the Issuer’s sustainability strategy, the contribution of the Bond to sustainability and its alignment with the four core components of the Green Bond Principles and Social Bond Principles 2018.

Our sources of information are multichannel, combining data from public information gathered from public sources, press content providers and stakeholders, information from our exclusive ESG rating database; information provided by the Issuer through documents and interviews with Marfrig’s managers involved in the Bond issuance held via a telecommunications system.

We carried out our due diligence assessment from February 20th to July 1st, 2019. We consider that we could access all the appropriate documents and interviewees we solicited. We consider that the information provided enables us to establish our opinion with a reasonable³ level of assurance on its completeness, precision and reliability.

VIGEO EIRIS’ OPINION

Vigeo Eiris considers that the “Sustainable Transition Bond” considered by Marfrig is aligned with the four core components of the Green and Social Bond Principles voluntary guidelines (June 2018).

The Eligible Project seeks to contribute to the preservation of biodiversity, the avoidance of land deforestation, the protection of indigenous rights and the avoidance of the use of forced labor within the supply chain. Vigeo Eiris values Marfrig’s commitment toward the Protection of the Amazon Biome as well as Marfrig Club initiatives, which are a good first step towards addressing the main environmental and social issues in its value chain. However, in the absence of mandatory on-site audits throughout its supply chain, Vigeo Eiris has a moderate assurance on the ability of Marfrig to effectively manage and mitigate the environmental and social risks associated to the Eligible Project.

We express a moderate⁴ assurance on the Issuer’s commitments and on the Bond’s contribution to sustainable development.

- 1) **Issuer** (see Part I):
 - ▶ Our assurance is moderate on Marfrig’s current ability to effectively integrate and deploy its most material ESG factors as they arise from the nature of its business and its value chain. In particular, our assurance is moderate on Marfrig’s strategy in the Environmental and Governance pillars, while we reach a reasonable assurance regarding its strategy in the Social pillar.
 - ▶ As of today, Marfrig faces two isolated controversies (related to the Business Behaviour domain). The severity of their impact on both the company and its stakeholders is considered significant. Marfrig is considered reactive for both controversies (“Prevention of corruption” and “Anti-competitive practices” criteria). The Issuer is not involved in any of the 15 controversial activities under our scrutiny.

¹ This opinion is to be considered as the “Second Party Opinion” described by the International Capital Market Association (www.icmagroup.org).

² The 15 controversial activities analysed by Vigeo Eiris are: Alcohol, Animal welfare, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Tar sands and oil shale, Gambling, Genetic engineering, High interest rate lending, Military, Nuclear power, Pornography, Reproductive medicine and Tobacco.

³ 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.

⁴ *Ibid.*

2) Issuance (see Part II):

Marfrig has formalised the main characteristics of its Bond within a “Sustainable Transition Bond Framework” (or “Framework”), which last updated version was provided to Vigeo Eiris on July 25th 2019. The Issuer has committed to make this document publicly accessible on its website⁵ before the Bond issuance, in line with good market practices.

We are of the opinion that the Bond contemplated by Marfrig is coherent with the main sustainability issues of its sector and the Issuer’s priorities and commitments to sustainability, and that it could effectively contribute to materialise its sustainability commitments.

Use of Proceeds:

- ▶ The net proceeds of the Bond will exclusively finance, in full or in part, operations falling under a single Eligible Project which has been already selected by the Issuer, belonging to one category, namely the acquisition of cattle produced in the Amazon Biome only from suppliers that respect Marfrig’s specific environmental and social criteria. We consider that the category and the Eligible Project have been clearly defined by Marfrig in its Framework.

The Eligible Project is intended to contribute to four sustainability objectives, namely two environmental objectives (conservation of biodiversity and of protected areas and halting deforestation) and two social objectives (eradication of forced labour and slavery and protection of indigenous rights). These objectives are formalized in the Framework. We consider that these objectives are clear and relevant.

The Eligible Project has the potential to provide clear environmental and/or social benefits. The issuer has assessed and quantified such expected benefits. It has defined an ex-ante target namely, 100% cattle purchases financed by the Bond will not be sourced from deforested areas and/or areas that violate indigenous land rights and/or Conservation areas.

The Issuer has transparently communicated that 100% of the Bond proceeds will be used to finance new expenditures (no refinancing), in line with best market practices.

Process for Project Evaluation and Selection:

- ▶ The governance and the process for the evaluation and selection of the Eligible Project are clearly defined and formalised in the Framework. We consider that the process is transparent and relevant. The process relies on explicit eligibility criteria (selection and exclusion), relevant to the environmental and social objectives of the Bond.

The identification of the environmental and social risks associated with the Eligible Project to be financed is considered to be good overall. The management of the environmental and social risks is considered to be limited, except for Food safety and the Promotion of local social and economic development which are considered good.

Management of Proceeds:

- ▶ The rules for the management of proceeds are clearly defined and will be verified. We consider that they would enable a transparent and documented allocation process.

Reporting:

- ▶ The reporting processes and commitments appear to be good, covering both the funds allocation and the environmental and social benefits of the Eligible Project.

The Issuer has committed to support its “Sustainable Transition Bond” issuance by the following external review:

- A pre-issuance consultant review: the hereby Second Party Opinion delivered by Vigeo Eiris, covering all the features of the Bond, based on pre-issuance assessment and commitments. The Issuer has committed to publish this SPO Issuer on its website before the date of issuance.

This Second Party Opinion is based on the review of Marfrig Global Foods’ Framework, according to the GBP and SBP 2018.

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⁵ <http://www.marfrig.com.br/>

DETAILED RESULTS

Part I. ISSUER

Marfrig operates in the food and food service industries in Brazil and internationally. The company is involved in the production, processing, distribution, and sale of animal protein, such as beef and lamb; and various other food products, including breaded products, ready-to-eat meals, fish, frozen vegetables, desserts, and others.

Level of ESG performance

We reach a moderate assurance on Marfrig's capacity to integrate relevant ESG factors in its strategy, and to account on them.

Domain	Comments	Opinion
Environment	Our assurance is moderate on Marfrig current ability to effectively integrate and deploy its most material Environmental factors as they arise from the nature of its business and its value chain.	Reasonable
	Marfrig has formalized its commitment to protect the environment in all its operations through various internal policies, such as the CSR Policy (Politica de sistema de gestao integrado Marfrig qualidade, saude e seguranca, meio ambiente e responsabilidade social) and its Sustainability Report. This commitment addresses most of the issues relevant to the sector: protection of biodiversity, water consumption, reduction of energy consumption, reduction of atmospheric emissions, management of impacts related to transport and management of packaging waste. However, these commitments are general, quantitative targets have been established only for some of these issues. Indeed, Marfrig has a target of 15% reduction for the electricity in 2019 and has set, in terms of water consumption, a maximum consumption target of 2,5 m ³ / year of water for each animal. Moreover, Marfrig has a target of 100% of suppliers registered in Marfrig Clubby the end of 2020, which could help to manage relevant environmental issues throughout its value chain.	Moderate
	The responsibility to implement and supervise environmental policies is under the Sustainability Department and is endorsed by the CEO.	Weak
Social	We reach a reasonable assurance on Marfrig's existing capacity to integrate relevant Social factors in its strategy.	Reasonable
	<p>The company has formalized commitments for the respect of human and labour rights and non-discrimination in its Code of Ethics and in its internal policy "Programa de Responsabilidade sociale". The commitment applies throughout the company, supported by the Human Resources Department. In addition, Marfrig has issued a formalised commitment to respect the rights of indigenous people in bioprospection in its "Amazon Biome agreement".</p> <p>The company has made a formalised commitment to health and safety issues in its Programa De Responsabilidade Social and obtained a SA 8000 certification. The commitment applies throughout the company, supported by senior management. In addition, employee representatives are involved at group level.</p> <p>Marfrig. has formalised commitments to promote career development in its Work Instruction n° IRSC 012-Remuneração. In addition, the company makes references to its commitment to local social and economic development through its Sustainability Report. However, the visibility of this policy is lowered by its absence of formalisation.</p>	

	<p>Finally, Marfrig integrates environmental and social criteria in its value chain through its Code of ethics and the Marfrig Club Program where most of the relevant issues are explicitly covered, namely: food safety, respect for human and labour rights, health and safety at work and the environment. The company offers training to its suppliers on relevant social topics</p> <p>The sustainable development of the territories where Marfrig and its suppliers operate, as well as the emerging issues regarding health problems linked to food may be better addressed through more effective coordination.</p>	Weak
Governance	<p>We reach a moderate assurance on Marfrig's performance in the Governance pillar.</p> <p>The Board of Directors meets once a month and elections are held every two years. The Board is 50% independent which is less than the recommended level, although more than the recommendation set by the Local Stock Market Authority. Its diversity is limited as only one of the ten directors is a woman. The formal CSR reporting has been signed by CEO/Chairman/Board, and some of the relevant CSR issues are discussed at Board level. The Sustainability Director is a member of the new Sustainability Committee which reports directly to the Board of Directors.</p>	Reasonable
	<p>An Audit Committee is in place, and its members appear to have financial and audit experience as well as relevant operational experience. The company has an internal control system, which covers some of the CSR issues relevant to the sector.</p>	Moderate
	<p>As far as shareholders are concerned, the company respects the principle of "one share - one vote" and no anti-takeover mechanisms have been identified. No restrictions have been identified to call for an Extraordinary Shareholders' Meeting or to add topics to the Ordinary Meetings. In addition, Marfrig does not publicly report detailed information on the remuneration of senior executives.</p>	Weak
	<p>Marfrig has formalized commitments to prevent corruption and anti-competitive practices in its Code of Conduct, but not regarding responsible lobbying practices.</p>	

Management of stakeholder-related ESG controversies

As of today, Marfrig faces two controversies related to one domain analysed by Vigeo Eiris:

- Business Behaviour, in the criteria of "Prevention of corruption" and "Anti-competitive practices".

Frequency: The frequency of the cases is considered isolated (scale: isolated, occasional, frequent, persistent).

Severity: The severity of the identified cases is considered high (scale: minor, significant, high, critical) based on the analysis of its impact on both the company and its stakeholders.

Responsiveness: Marfrig is considered reactive (scale: proactive, remediative, reactive, non-communicative): the company communicates in a detailed way on its position in relation to both controversies.

Involvement in controversial activities

Marfrig is not involved in any of the 15 controversial activities screened under Vigeo Eiris methodology, namely: Alcohol, Animal welfare, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Tar sands and oil shale, Gambling, Genetic engineering, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine, and Tobacco.

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.

DETAILED RESULTS

Part II. ISSUANCE

Coherence of the issuance

Context: Companies in the food sector can make a positive contribution to environmental protection by setting targets and concrete actions throughout their value chain to promote sustainable agriculture and animal rearing, protect biodiversity, reduce water and energy consumption, reduce water and soil pollution, reduce greenhouse gases and other atmospheric emissions, reduce the impacts of the transport of their products and adopt eco-friendly packaging. In the case of animal rearing, sustainability relates not only to minimising the negative impacts of animal farming on the local environment, but also to protecting the welfare of animals and to optimising farming systems to ensure the complementary roles of animals and agricultural production. Companies in the sector can also adopt social responsibility practices to promote local economic development, food safety, health and safety and non-discrimination at work, as well as the integration of environmental and social criteria in their value chain.

In Brazil, the meat production sector has an essential role to play in the transition towards sustainable development. Conversion to pasturelands for cattle ranching is the main driver of deforestation in the Brazilian Amazon. According to a study on land use of the deforested areas of the Brazilian Legal Amazon up to 2008, pastures occupied about 80 percent of the deforested areas⁶. Deforestation continues despite meatpackers and retailers having made commitments to deforestation-free supply chains in the last ten years. In particular, meatpackers lack effective tracking systems to monitor and control their indirect supply chains⁷. The latest statistics made available by the project PRODES (Projeto de Monitoramento do Desmatamento na Amazônia Legal por Satélite) of the Brazilian National Institute for Space Research (INPE) and the analysis of satellite data by Amazon, a Brazilian NGO, both show that deforestation in the Amazon continues⁸.

We are of the opinion that the Bond contemplated by Marfrig is coherent with the main sustainability issues of its sector and the Issuer's priorities and commitments to sustainability, and that it could effectively contribute to materialise its sustainability commitments.

Marfrig has included sustainability in its business strategy and has based its sustainability commitment on five strategic pillars, namely: Customers, Environment, Social, Suppliers and Work Environment. Marfrig's vision is to "be recognized as the best global protein company", where shareholder value is created by growing with customers, suppliers and partners, maintaining a team of motivated employees and respecting the society and the environment where the company operates.

In 2009, Greenpeace exposed the role of cattle breeding and ranching as a driver of deforestation in the Amazon, uncovering illegal practices linked to slaughterhouses, such as forest destruction and modern slavery. As a consequence, Greenpeace and four of the main Brazilian meat packers - among which Marfrig - signed a private agreement which includes the "Minimum criteria for industrial scale cattle operations in the Brazilian Amazon Biome" with the objective to improve the sustainability of the sector. The criteria of the agreement, that must be met as pre-conditions to purchases and commercial contracts by agribusiness companies operating within the Brazilian Amazon Biome and for any property supplying cattle, are:

- Zero deforestation in the supply chain (no new deforestation for cattle ranching);
- Rejection of invasion of indigenous lands and protected areas;
- Rejection of slavery work;
- Rejection of land grabbing and land conflicts;
- A monitorable, verifiable and reportable tracking system (for direct and indirect suppliers);
- Implementation of the supply chain commitments.

Greenpeace withdrew from the agreement in 2017, alerting on the lack of control and tracking of information on indirect suppliers and on the lack of political will to address these issues. Notwithstanding Greenpeace's withdrawal, Marfrig continues to uphold its commitment to respect the minimum criteria for industrial scale cattle operations in the Brazilian Amazon Biome and has implemented a system to track suppliers complemented with geospatial monitoring with the aim to mitigate risks.

⁶ Almeida et al. (2016). High spatial resolution land use and land cover mapping of the Brazilian Legal Amazon in 2008 using Landsat-5/TM and MODIS data. Acta Amaz. vol.46 no.3 Manaus July/Sept 2016. http://www.scielo.br/scielo.php?script=sci_arttext&pid=S0044-59672016000300291&lng=en&lng=en.

⁷ <https://chainreactionresearch.com/report/cattle-driven-deforestation-a-major-risk-to-brazilian-retailers/>.

⁸ For more information: <http://www.obt.inpe.br/OBT/assuntos/programas/amazonia/prodes>: <https://news.mongabay.com/2018/10/deforestation-continues-upward-trend-in-the-brazilian-amazon/>.

By issuing a “Sustainable Transition Bond” to finance Eligible Projects related to the conservation of the Amazon Biome, Marfrig coherently responds to the above-mentioned commitment and the Bond addresses the sector’s main sustainability issues in Brazil, namely the protection of the Brazilian Amazon Biome from deforestation.

Use of Proceeds

The net proceeds of the Bond will exclusively finance, in full or in part, operations falling under a single Eligible Project which has been already selected by the Issuer, belonging to one category, namely the acquisition of cattle produced in the Amazon Biome only from suppliers that respect Marfrig’s specific environmental and social criteria. We consider that the category and the Eligible Project have been clearly defined by Marfrig in its Framework.

The Eligible Project is intended to contribute to four sustainability objectives, namely two environmental objectives (conservation of biodiversity and of protected areas and halting deforestation) and two social objectives (eradication of forced labour and slavery and protection of indigenous land). These objectives are formalized in the Framework. We consider that these objectives are clear and relevant.

The Eligible Project has the potential to provide clear environmental and/or social benefits. The issuer has assessed and quantified such expected benefits. It has defined an ex-ante target namely, 100% cattle purchases financed by the Bond will not be sourced from deforested areas and/or areas that violate indigenous land rights and/or Conservation areas.

The Issuer has transparently communicated that 100% of the Bond proceeds will be used to finance new expenditures (no refinancing), in line with best market practices.

The Issuer has formalised the main characteristics of the Eligible Project category in its Framework, which have been analysed by Vigeo Eiris below:

Marfrig Global Food S.A. Sustainable Transition Bond Framework		
Eligible Project Category	Definition	Environmental/social objectives and benefits
Amazon Biome protection	Purchase of cattle <ul style="list-style-type: none"> - from farmers located in the Amazon Biome - and from suppliers located in Mato Grosso, Rondonia and Para, - and from suppliers respecting Marfrig’s eligibility environmental and social criteria. 	Protection of the Amazon Biome <ul style="list-style-type: none"> - <i>Conservation of biodiversity and of protected areas</i> - <i>Halting deforestation</i> Protection of Indigenous/Vulnerable People’s Rights <ul style="list-style-type: none"> - <i>Protection of indigenous rights</i> - <i>No use of forced labour/slavery within the supply chain</i>

In addition, the Eligible Project is likely to contribute to two United Nations' Sustainable Development Goals ("UN SDGs"), namely: **SDG 8. Decent Work and Economic Growth**, and **SDG 15. Life on Land**.

Eligible Project Category	Identified SDG	Target
Amazon Biome Protection	SDG 8. Decent Work and Economic Growth	8.7
	SDG 15. Life on Land	15.1, 15.2, 15.5



UN SDG 8 consists in promoting inclusive and sustainable economic growth, employment and decent work for all ensuring access to affordable, reliable, sustainable and modern energy for all. More precisely, SDG 8 targets by 2030 include:

- 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.



UN SDG 15 consists in sustainably managing forests, combatting desertification, halting and reverse land degradation, and halting biodiversity loss. More precisely, SDG 15 targets by 2030 include:

- 15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
- 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.
- 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.

Process for Project Evaluation and Selection

The governance and the process for the evaluation and selection of the Eligible Project are clearly defined and formalised in the Framework. We consider that the process is transparent and relevant.

- The process for the evaluation and selection of Eligible Projects is reasonably structured. It is based on the internal investment review and procedures of Marfrig.
 - The evaluation and selection of Eligible Projects is based on relevant internal expertise, with well-defined roles and responsibilities:
 - The decision to issue a “Sustainable Transition Bond” has been taken at Marfrig’s Board of Directors level. Marfrig’s Board of Directors will be in charge to create, at the end of the second quarter of 2019, a Sustainability Bond Committee (the “Committee”). The Committee will be integrated by two members of the Board, Marfrig’s Sustainability Director, an external consultant and other functional teams/departments (Cattle Purchase Head, Compliance Director, Internal Audit Director) as needed.
 - The SGBC will be responsible for:
 - Monitoring the selection (made by Marfrig’s Cattle Purchase Department) of the pool of Eligible Sustainability Assets to be financed with the Bond’s proceeds, based on the Framework guidelines and commitments;
 - Validating annual reporting for investors;
 - Monitoring the on-going evolution related to the Sustainable Capital Markets in terms of disclosure/reporting, in order to align with Best market practices;
 - Reviewing the Framework to reflect any changes with regards to the Company’s sustainability strategies and initiatives.
 - The verification and traceability are ensured throughout the process:
 - The Committee will meet every 3 months.
 - The traceability of the decisions appears to be ensured throughout the process, through meeting minutes that will be redacted for each meeting of SGBC.
 - An Internal auditor will verify the compliance of the Eligible Project with the eligibility criteria and process as defined in the Framework.

An area for improvement is to commit to an external review to verify the compliance of the Eligible Project with the eligibility criteria and process as defined in the Framework.

The process relies on explicit eligibility criteria (selection and exclusion), relevant to the environmental and social objectives of the Bond.

The eligibility requirements are based on the definition of the Eligible Project category, namely the acquisition of cattle produced in the Amazon Biome from suppliers that respect specific criteria:

- Selection criteria: (i) the cattle must be purchased from Marfrig Club producers; (ii) the cattle must be from “full cycle” suppliers (those that sell the cattle that was born and raised in their farms); (iii) the cattle can be purchased from non “full cycle” suppliers (suppliers that buy calves from one farm and continue the fattening process in their farm and then sells the animal to Marfrig) only if farmers fill in a document (Request for Information) with information on the supplier/farm where the cattle was born and provide, for every cattle, the Name, the Tax Number and the Name of the Farm of its own supplier in order to allow Marfrig to verify that the indirect suppliers respect its minimum requirements.
- Exclusion criteria: (i) Property must not be included in the IBAMA rejection list (list of farms and producers that do not respect Government Agency environmental criteria), (ii) Producer must not be included in the Ministry of Labour Slave Work List, (iii) Producer must not be located in the monitored area that alerts for deforestation after October 2009, (iv) other criteria: producer must have GTA (federal document for animal transit), producer must have federal tax receipt.
- All Eligible Projects are located in Brazil, in Mato Grosso, Rondonia and Para

Area for improvement includes establishing a process to identify material controversies or events that may question the environmental and/or social objective of the Eligible Project (such as violation of social and labour rights, health and safety, material environmental impact, corruption and fraud, food security, information to customers, etc.) and allow Marfrig to take the appropriate corrective measures.

The identification of the environmental and social risks associated with the Eligible Project to be financed is considered to be good overall. The management of environmental and social risks is considered to be limited, except for Food safety and the Promotion of local social and economic development which are considered good.

Context: In 2016, the OECD jointly with the FAO published the OECD-FAO Guidance for Responsible Agricultural Supply Chains⁹ (the Guidance). This Guidance has been developed to help enterprises¹⁰ observe existing standards for responsible business conduct along agricultural supply chains. Observing these standards enables enterprises to mitigate adverse environmental and/or social impacts associated to their activities and contribute to sustainable development. Several areas of risk arising along agricultural supply chains are addressed: human rights, labour rights, health and safety, food security and nutrition, tenure rights over and access to natural resources, animal welfare, environmental protection and sustainable use of natural resources, governance, and technology and innovation.

This Guidance set a Five-Step Framework for Due Diligence, namely: step 1: Establish strong enterprise management systems for responsible supply chains, step 2: Identify, assess and prioritise risks in the supply chain, step 3: Design and implement a strategy to respond to identified risks in the supply chain, step 4: Verify supply chain due diligence and step 5: Report on supply chain due diligence.

Regarding Step 4, the Guidance prescribe to *“take steps to verify that their due diligence practices are effective, i.e. that risks have been adequately identified and mitigated or prevented”*. This verification process shall *“include audits, on-site investigations, and consultations with government authorities, civil society, members of the affected community, and workers’ organisations at local, national and international level. The independence and quality of audits are critical to their effectiveness. Auditors should be independent, competent and accountable. Enterprises may consider incorporating audits into an independent institutionalised mechanism responsible for accrediting auditors, verifying audits, publishing audit reports, implementing modules to build capabilities of suppliers to conduct due diligence, and helping follow up on grievances of interested parties”*.

Moreover, companies should be able to publicly report on their supply chain due diligence policies and practices. Such reports should contain *“clear, accurate and timely information on actual and potential adverse impacts identified through ongoing impact assessments and on the steps and measures taken to mitigate or prevent them. Reports may also include information on the enterprise management systems and the verification reports of due diligence practices”*.

Vigeo Eiris values the Marfrig Club initiative, which is a good first step towards addressing the main environmental and social issues in Marfrig’s value chain by classifying suppliers into different levels¹¹ according to their measures to ensure the protection of animal welfare, of the environment and of social rights. Marfrig relies only on direct suppliers’ self assessment of the implementation of these measures. According to Marfrig, direct suppliers are encouraged to disclose information about their own suppliers (but we have no visibility over the required information). In the absence of mandatory on-site audits or of other controls of the reliability of the self-assessments, we consider that the Marfrig Club initiative process does not enable Marfrig to control and to verify the effective management of these risks, nor to report on its due diligence as required by the OECD-FAO Guidance for Responsible Agricultural Supply Chains (Step 4 and 5).

Areas for improvement include to implement an effective verification process through periodic and mandatory audits of the suppliers, to be performed by Marfrig and/or accredited third parties; to reinforce the measures already implemented by Marfrig to enhance the building capabilities of its suppliers to conduct due diligence; and to help to implement effective grievance mechanisms for the interested parties in order to align with Best Market Practices. Another area for improvement would be selecting only Marfrig Club “Gold” and “Platinum” producers so to ensure that suppliers effectively carry out their own due diligence throughout the supply chain.

⁹ These standards include the OECD Guidelines for Multinational Enterprises, the Principles for Responsible Investment in Agriculture and Food Systems, and the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.

¹⁰ The Guidance targets all enterprises operating along agricultural supply chains, including domestic and foreign, private and public, small, medium and large-scale enterprises. It covers agricultural upstream and downstream sectors from input supply to production, post-harvest handling, processing, transportation, marketing, distribution and retailing.

¹¹ The different levels are Beginner, Bronze, Silver, Gold and Platinum.

Criteria	Implemented measures for Marfrig Club direct suppliers (full cycle suppliers supply chain)	Implemented measures for indirect suppliers (non-full cycle suppliers supply chain)	Vigeo Eiris Opinion
Environmental Dimension			
Protection of biodiversity	<p>In order to respect the Amazon Biome Program, Marfrig Club only buys from producers not located in deforested areas.</p> <p>Marfrig verifies the origin of the cattle based on the following process:</p> <ul style="list-style-type: none"> - Consult of IBAMA embargoed list; - Request of environmental licence or CAR (Rural Environmental Register); - Request of CCIR (Certificate of Registration of Rural Property) copy; - Compare these collected information with the geographically-referenced information analysis performed by a external company [based of information from Project for Monitoring Deforestation in the Legal Amazon by Satellite (PRODES in portugues) available by the National Institute for Space Research (INEP in portugues)]. <p>To verify that suppliers are “full cycle”, Marfrig relies on a document called “Property Characterization” (Caracterização de Propriedade is one of the Marfrig Club documents). This document contemplates declared information from the supplier about the type of production that is made in the property.</p> <p>An external Auditor verifies annually the conformity of Marfrig’s commitment to the Amazon Biome an the proper implementation of dedicated tools.</p> <p>Additionally, Marfrig Club requires suppliers to implement different measures, more or less appropriate depending on the level, namely:</p> <ul style="list-style-type: none"> - Beginner Level: Maintain a nature reserve area on the property and/or forest areas. - Bronze: Moreover, every area destined for grazing must have trees serving as thermal retreats for the animals. - Silver: Possess on the property of a map of the farm with visual identification of each plot, livestock installation, corral, pasture etc. - Gold: In facilities where flammable products are stored there should be a fire extinguisher. - Platinum: Have a written plan that outlines actions to favour habitats and increase biodiversity in the production unit. This plan can be specific for the production unit or be a regional plan, if it includes the production unit or the production unit participates in it. 	<p>For indirect suppliers, within the Eligible Project, Marfrig requires, from its direct suppliers, for every cattle, the name, tax number and name of the farm from which the cattle was born. With such information, Marfrig then applies the same research as described for full cycle suppliers. However, Marfrig only relies on information provided by suppliers and does not have access to indirect suppliers property registration in order to operate geomonitoring.</p> <p>Indirect suppliers are not part of the Marfrig Club programme. Marfrig does not require the implementation of specific actions towards the protection of biodiversity to its indirect suppliers</p>	<p>We considered the identification and management of the risks linked to deforestation to be good for full cycle suppliers.</p> <p>More generally we consider that only the measures implemented by Platinum Marfrig Club enable a good management of the risks linked to protection of biodiversity. However, Marfrig does not perform any audits on the effective implementation of these measures.</p> <p>We consider the identification and management of the risks linked to deforestation to be limited for non-full cycle suppliers due to the lack of access to registration documents for properties where indirect suppliers operate.</p>

Protection of water resources	<p>Regarding the protection of water resources within the supply chain, Marfrig Club requires suppliers to implement different measures, more or less advanced depending on the level, namely:</p> <ul style="list-style-type: none"> - Beginner: All the residences and other structures of the property must have a correct receivment and/or sewage treatment. - Bronze: If there is no sewage treatment, the cesspools will have to stay at minimum distance of 15 meters from water wells. - Silver: The supplier shall carry out the washing of empty pesticide agricultural containers at least 30 m from wells, rivers and tributaries. - Gold: The supplier shall have good practices regarding rainwater containment in order to prevent erosion and allow it to infiltrate (e.g. terracing, contour lines, etc.). - Platinum: There should be vegetation preserving springs and courses of water. 	<p>Indirect suppliers are not part of the Marfrig Club programme. Marfrig does not require the implementation of specific actions towards the protection of water resources to its indirect suppliers.</p>	<p>We considered the identification and management of the risks linked to the protection of water resources to be limited, due to the lack of in-site verification/audits for direct suppliers and due to the lack of required measures for indirect suppliers.</p> <p>Moreover, we consider that only the measure implemented by Platinum Marfrig Club would enable a good management of those risks.</p>
Management of environmental impacts from transportation	<p>Marfrig monitors direct and indirect emissions from transportation.</p> <p>Moreover, Marfrig intends to purchase cattle from farms located within a reasonable distance to limit impacts from transportation. However, no formalization of this commitment has been made.</p>	<p>Marfrig does not implemented specific actions to limit the impacts from transportation throughout the supply chain.</p>	<p>We considered the identification of the risks linked to transportation to be good. We considered the management of these risk to be good for full cycle suppliers and limited for non-full cycle suppliers.</p>
Animal welfare	<p>For all purchases, Marfrig has implemented procedures towards the respect of animal welfare. The Marfrig Beef Animal Welfare Program set the following actions:</p> <ul style="list-style-type: none"> - Marfrig's Animal Welfare area conducts regular monitoring in the industry (AMI standards) - National Meat Residue Control Plan (PNCRC, in Portuguese) provides for random sampling - Additional technical visits to suppliers to evaluate the management of shipments and when requested, training is given. <p>Additionally, Marfrig club guidelines cover nutrition (availability of dedicated infrastructure, biosecurity) and traceability of animals.</p>	<p>Marfrig does not implement dedicated measures to address animal welfare within its supply chain after tier 1 nor monitor and control indirect suppliers' conducts. Nevertheless, the National Meat Residue Control Plan (PNCRC, in Portuguese) provides for random sampling.</p>	<p>We considered the identification of the risks linked to animal welfare to be good. We considered the management of these risk to be good for full cycle suppliers and limited for non-full cycle suppliers due to the lack of in site verification audits.</p>
Social dimension			
Food Safety	<p>As regard Food Safety, for each Cattle purchased, Marfrig undertakes the following control measures:</p> <ul style="list-style-type: none"> - Verification of the Letter of Guarantee which evidence non-use of cloned animal nor growth hormones. - Authorised medication should be prescribed by veterinarians and application of drugs should be recorded at least per batch. - Veterinarian tests on cattle sample at Marfrig's units. 	<p>We considered the identification of the risks linked to Food safety to be good. We considered the management of these risk to be good for both full cycle suppliers and non-full cycle suppliers.</p>	

<p>Integration of labour factors in the supply chain</p>	<p>Regarding the integration of labour factors in the supply chain the “Amazon Biome Program” requires for all suppliers before purchasing:</p> <ul style="list-style-type: none"> - The consultation of the Forced Labour list of the Ministry of Labour and Employment (MTE). <p>Additionally, Marfrig Club requires suppliers to implement different measures, more or less appropriate depending on the level, namely:</p> <ul style="list-style-type: none"> - Beginner: The farm makes no use of child and/or slave labour. - Bronze: Additionally, the farm shall establish a registry of hired workers - Silver: Additionally, the farm shall provide first aid kit (band and gauze). - Gold: Additionally, the farm shall provide to employees Personal Protection Equipment (PPE). - Platinum: Additionally, the PPE is efficiently delivered to employees. 	<p>For indirect suppliers, within the Eligible Project, Marfrig requires, from its direct supplier, for every cattle, the name, tax number and name of the farm from which the cattle was born. With such information, Marfrig then can check if the indirect suppliers are included in the Ministry of Labour Slave Work List.</p> <p>The Marfrig Club program is not implemented for indirect suppliers. Marfrig does not implement specific actions towards the integration of labour factors in the indirect suppliers' own supply chain.</p>	<p>We considered the identification of the risks linked to slavery and force labour to be good for both full cycle and indirect suppliers.</p> <p>More generally we consider that only the measures implemented by Platinum Marfrig Club would enable a good management of social risks. However, Marfrig does not perform any audits on the effective implementation of these measures by direct suppliers and indirect suppliers are not concerned by these measures.</p>
<p>Responsible relations with suppliers</p>	<p>The Brazilian wholesale Beef market functioning is limiting the risk of dependence between the Company and the suppliers.</p> <p>Marfrig however intends to establish long term relationship with suppliers through the Marfrig Club program, which give them access to trainings and assistance and enables sales continuity for the producer.</p>	<p>The Brazilian wholesale Beef market functioning is limiting the risk of dependence between the Company and the suppliers.</p> <p>Marfrig does not implement specific measures to ensure responsible relation with indirect suppliers.</p>	<p>We considered the identification of the risks linked to dependence to be good. We considered the implementation of dedicated measure towards Responsible relations with suppliers to be good for full cycle suppliers and limited for non-full cycle suppliers due to the lack of measures in place.</p>
<p>Respect for human rights standards and prevention of violations</p>	<p>Regarding the respect of human rights standards and prevention of violations, the “Amazon Biome Program” requires to all suppliers before purchasing:</p> <ul style="list-style-type: none"> - Satellite monitoring of deforestation and encroachment of indigenous land; - Consultation of IBAMA embargoed list with regards to invasive activities in protected indigenous areas in the Amazon Biome; - Cooperation with official government database information: FUNAI (Brazilian Indigenous People Agency) and INCRA. <p>Additionally, Marfrig Club requires suppliers to implement different measures, more or less appropriate depending on the level, namely:</p>	<p>For indirect suppliers, within the Eligible Project, Marfrig requires, from its direct supplier, for every cattle, the name, tax number and name of the farm from which the cattle was born. With such information, Marfrig then can check if the indirect suppliers are included in the IBAMA embargoed list with regards to invasive activities in protected indigenous areas in the Amazon Biome.</p> <p>The Marfrig Club program is not implemented for indirect suppliers. Marfrig does not implement specific actions towards the respect for human rights standards and prevention of violations in the indirect suppliers' own supply chain.</p>	<p>We consider the identification of the risks linked to human rights standards violation to be limited. We consider the management of these risks to be limited for both full cycle suppliers and non full cycle suppliers due to the lack of in site verification audits.</p> <p>Moreover, we consider that the measures implemented by Marfrig</p>

	<ul style="list-style-type: none"> - Beginner: The employees' children (under aged) are registered in school - Bronze: Additionally, there are safe means of transportation to school. - Silver: Additionally, the farmer does not require the child any activity that may damage his/her education. - Gold: Additionally, child's school attendance is documented. - Platinum: Additionally, the producer knows about the children's academic performance. 	<p>These measures do not cover direct suppliers due diligence within their own supply chain.</p>	<p>Club does not cover all the risks for fundamental labour rights (respect of working hours, decent wages etc.)</p>
<p>Promotion of local social and economic development</p>	<p>Marfrig intends to purchase cattle from local farmers which is contributing to the development of local economy. Marfrig has developed different partnerships with NGOs to support local development.</p>		<p>We consider Marfrig's contribution to local development to be overall good.</p>
<p>Governance</p>			
<p>Business ethics</p>	<p>A Confidential whistle blowing alert system is open to all suppliers (direct and indirect) in line with Good market practices. However Vigeo Eiris lacks visibility on the implementation of remediative measures once the alert has been processed by the company.</p>		<p>We consider Marfrig's identification of business ethics linked risks to be good. We consider its management of such risk to be limited, due to the lack of visibility on the implementation of remediative measures once the alert process has been activated.</p>

Management of proceeds

The rules for the management of proceeds are clearly defined and will be verified. We consider that they would enable a transparent and documented allocation process.

The allocation and tracking processes are clearly defined:

- An amount equal to the net proceeds of the Bond will be credited to the Treasury General Account. Marfrig will earmark the bond proceeds with cattle purchases under the Eligible Project.
- Marfrig commits to fully allocate the Bond's proceeds within 36 months.
- The unallocated proceeds will be placed in cash or cash equivalent banking products such as Time Deposits before being redrawn for investments or disbursements to the Eligible Project.

Traceability and verification are ensured throughout the process

- The Committee will track and verify the match between the bond proceeds and the allocation to operations under the Eligible Project, until full allocation of proceeds.
- The Issuer has committed that the Committee will quarterly verify that the net proceeds of the Bond match the allocations to operations under the Eligible Project and that these meet the eligibility criteria, until full allocation of proceeds.
- An internal auditor will verify the allocation of Bond's proceeds to Eligible Projects.

Reporting

The reporting processes and commitments are good. The indicators covering the allocation of funds are clear.

The process for monitoring, data collection, consolidation, and reporting has been described in the Framework and in internal documentation.

This reporting process relies on relevant internal expertise:

- Marfrig's Accounting Department will collect and consolidate the information on the use of proceeds provided by the Cattle Purchase Department and the Sustainability Department. The Committee will be responsible for monitoring and reporting on the social and environmental impacts of the Eligible Activities.
- The Issuer has committed to publish the information on the use of proceeds in a specific note of its quarterly financial report (publicly available) and the information concerning the environmental and/or social benefits in its annual Sustainable Report (also publicly available).

The Issuer has committed to "be as transparent as possible" and to publish, in its website, an annual Sustainable Report within one year from the issuance of the Bond and annually thereafter, as well as to issue a report in the event of material development. An area for improvement is to specify how Marfrig will define and track "material development".

The Issuer has committed that the annual sustainability report will cover the Bond detailing target, allocation and impact metrics.

The Issuer commits to report in a transparent manner on the Bond until the full allocation of proceeds. It will report on:

- Use of Proceeds: The indicators defined to report on the allocation of proceeds are considered overall relevant.

Use of Proceeds Indicators
<ul style="list-style-type: none"> - List of Eligible Green Assets financed - The aggregated amount of allocation of the net proceeds to the Eligible Green Assets - The share of net proceeds used for financing - The balance of any unallocated proceeds invested in cash and/or cash equivalents

- Environmental and social benefits (outcomes and impacts) of the Eligible Project: The Issuer has defined overall clear and relevant indicators to report on environmental and social benefits in the Framework.

Environmental/social benefits indicators
<ul style="list-style-type: none"> - Share out of total of animals purchased meeting the environmental and social Eligibility Criteria - Share of areas where cattle are sourced within the Amazon Biome which are satellite monitored

Beyond the GBP requirements, Marfrig commits to report on other ESG indicators, in line with Best Market practices:

ESG indicators
<ul style="list-style-type: none"> - Share of suppliers in Marfrig Club by the end of 2020 (share of beginner, bronze, silver, gold, platinum) - Number of training on Animal Welfare given to suppliers, truck drivers and all people involved in the cattle supply chain

The Bond's annual reporting on the use of proceeds will be included in Marfrig quarterly financial report, publicly available on its website. The environmental and social benefits of the use of proceeds will be included in its annual sustainability report, also publicly available on its website. Additionally, the Issuer has committed in its Framework that the annual report will include further details about other initiatives such as water consumption, energy, climate change and emissions, materials, effluents and waste. Marfrig also aims to develop further indicators (quantitative and qualitative) around its suppliers' properties environmental footprint.

Marfrig has committed, in its Framework, to perform an internal audit of the allocation of proceeds, compliance of the expenditures with the selection criteria, and environmental metrics. An area for improvement is to commit to an external verification of these aspects of the Bond.

Another area for improvement is committing to have the key calculations methodologies and assumptions for each KPI defined in each reporting.

METHODOLOGY

In Vigeo Eiris' view, Environmental, Social and Governance (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 writes an opinion on the Issuer's Corporate Social Responsibility as an organization, and on the objectives, management and reporting of the projects to be (re)financed.

Vigeo Eiris' methodology for the definition and assessment of the 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 our generic Food sector ESG assessment frameworks and specific issues considering the Issuer's business activity.

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.

Part I. ISSUER

NB: The Issuer's integration of ESG factors in its strategy has not been assessed through a complete process of rating and benchmark developed by Vigeo Eiris. The assessment of the Issuer's ESG strategy has focused only on the Leadership item from Vigeo Eiris' ESG rating methodology (see below), based on information provided by the Issuer, public information and stakeholders' views and opinions collected from public documentation.

Level of the Issuer's ESG performance

The Issuer has been evaluated by Vigeo Eiris on its Corporate Social Responsibility (CSR) strategy, based on 28 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).

Scale for assessment of ESG strategy: reasonable, moderate, weak.

Management of stakeholder-related ESG controversies

A controversy is an information, a flow of information, or a contradictory opinion that is public, documented and traceable, allegation against an Issuer on corporate responsibility issues. Such allegations can relate to tangible facts, be an interpretation of these facts, or constitute an allegation on unproven facts.

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, preventive, 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.

Involvement in controversial activities

15 controversial activities have been analysed following 30 parameters to verify if the company is involved in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The precise nature of the controversial products or services provided by the company.

Part II. ISSUANCE

Use of proceeds

The use of proceeds guidelines is 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 of the Eligible Projects category definition in order to be considered as eligible. Vigeo Eiris evaluates the definition of the eligible category, the relevance, visibility, and measurability of the associated environmental and/or social objectives. 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 have been assessed by Vigeo Eiris regarding its transparency, governance and efficiency. The relevance and explicitness of selection criteria and associated supporting elements integrated in the Bond's framework, and the coherence of the process are analysed based on the identification and management of material ESG risks associated to the eligible projects based on 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 and social benefits (outcomes and impact indicators) and on the responsible management of Eligible Projects financed by the 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	
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.
Good	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.
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	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.

Level of assurance	
Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework



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

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 & organizations:** 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 9 001 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 5 exclusive research partners, is present in Brazil, Germany, Israel, Japan and Mexico.

For more information: www.vigeo-eiris.com

DISCLAIMER

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has not carried out any audit mission or consultancy activity for Marfrig Global Food S.A until so far and no established relationship (financial or other) exists between Vigeo Eiris and Marfrig Global Food S.A.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Bond, 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 accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. Providing this opinion does not mean that Vigeo Eiris certifies the effectiveness, the excellence or the irreversibility of the assets to be financed by the Bond. The Issuer 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 the financial performance of the 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 Issuer or its financial obligations. Vigeo Eiris does not express an opinion as a score when controversial activities, products and services are not prohibited by international standards or treaties.

Restriction on distribution and use of this opinion: the opinion is provided by Vigeo Eiris to the Issuer and can only be used by the Issuer. The distribution and publication are at the discretion of the Issuer, submitted to Vigeo Eiris approval.