

ANNUAL REVIEW¹

OF CITY OF PARIS' SUSTAINABILITY BOND REPORTING 2019

December 2019

SCOPE

In 2017, Vigeo Eiris was commissioned to provide an independent opinion (thereafter "Second Party Opinion" or "SPO") on the sustainability credentials and management of the Sustainability Bond² ("Bond") to be issued by City of Paris (the "Issuer" or the "City"). We delivered our final SPO on November 2nd, 2017.

As of today, Vigeo Eiris has been commissioned by City of Paris to provide an independent opinion (or "Review") on its Sustainability Bond reporting 2019 (the "Report 2019"), which covers the 2017-2018 period.

Our Review is established according to Vigeo Eiris' Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the ICMA's Green Bond Principles ("GBP") and Social Bond Principles ("SBP") voluntary guidelines (referred together as the "GBP & SBP") edited in June 2017 as applicable at the moment of the issuance.

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

- 1) **Issuer:** we assessed the Issuer's ESG performance³, its management of potential stakeholder-related ESG controversies.
- 2) **Issuance:** we assessed the Sustainability Bond annual Reporting 2019, including:
 - Project review: evaluation of the Issuer's capacity to use the Bond proceeds to finance projects with sustainability benefits, in line with its initial commitments, and to report on the projects results; analysis of the projects results.
 - Bond review: evaluation of the Issuer's capacity to implement the Bond processes, in line with its initial commitments (evaluation and selection process and allocation process) and to report on the Bond results; analysis of the aggregated Bond results.

Our sources of information are multichannel, combining data from (i) public information gathered from public sources, press content providers and stakeholders, (ii) information from Vigeo Eiris' exclusive ESG rating database, and (iii) information provided by the Issuer through documents and interviews conducted with the Issuer's managers and stakeholders involved in the Bonds issuance, held via a telecommunications system.

We carried out our due diligence assessment from November 29th to December 31st, 2020. We consider that we were provided with access to all the appropriate documents and interviewees we solicited.

VIGEO EIRIS' OPINION

Vigeo Eiris is of the opinion that the Sustainability Bond 2017 issued by City of Paris is now aligned with the GBP & SBP voluntary guidelines 2017 (1 out of the 7 projects in the Report 2019, namely: "Maintenance and Improvement program of existing swimming pools" is partially aligned with the eligibility criteria as initially defined in the Issuer's 2017 Framework).

Vigeo Eiris express a reasonable level of assurance⁴ (our highest level of assurance) on the Issuer's commitments and on the Bond contribution to sustainability.

1) Issuer (see Part I):

- The City of Paris continues to display an overall advanced ESG performance. As of December 2019 (last updated rating of the Issuer's ESG performance), City of Paris is ranking 3rd in our "Public Authorities" sector which covers 29 local authorities. The Issuer's managerial approach appears advanced in the Environmental, while it's considered good in the Social and Governance pillars.
- As of December 2019, City of Paris is facing 2 controversies, namely: "Paris mayor accused of lying about lead concentration in schools caused by Notre Dame fire" and "French authorities investigate potential favouritism in the management of place de la Concorde roue". These controversies are related to the Environment domain ("Prevention and management of industrial risks and natural disasters") and the Procurement and Services domain ("Corruption"). The frequency of the controversies is considered isolated. The severity of their impact on both the company and its stakeholders is considered high. City of Paris is overall non-communicative.

¹ This opinion is to be considered as the "Annual review" described in the GBP voluntary guidelines edited by the International Capital Market Association (www.icmagroup.org).

² The "Sustainability Bond" is to be considered as the bond to be potentially issued, subject to the discretion of the Issuer. The name "Sustainability Bond" has been decided by the Issuer: it does not imply any opinion from Vigeo Eiris.

³ The Issuer's ESG performance was assessed in December 2019 by a complete process of rating and benchmark developed by Vigeo Eiris. Potential evolutions and data published after this date are not included in this rating.

⁴ Definition of Vigeo Eiris' scales of assessment (as detailed in the Methodology section):

- Level of Evaluation: Advanced, Good, Limited, Weak.
- Level of Assurance: Reasonable, Moderate, Weak.

2) Issuance (see Part II):

The Issuer has described the main characteristics of the management of its 2017 Sustainability Bond within a formalized Sustainability Bond Reporting 2019 which cover the 2017-2018 period (the last version of this Report was provided to Vigeo Eiris on December 31st).

At bond level, we reach a moderate level of assurance on the Issuer's capacity to respect its reporting initial commitments: the reporting has not been made annually, the reporting is not yet available on the Issuer's website and the projects' results and sustainability benefits indicators are not aggregated at bond level.

At project level, we express a reasonable assurance on the Issuer's capacity to report on the allocation and on the sustainability benefits of its Bond, in line with its initial commitments (see the Issuer's Framework 2017).

- **Use of proceeds:** We reach a reasonable level of assurance on the Issuer's capacity to finance projects with environmental and social benefits in line with its initial commitments. In its Report 2019, the Issuer reported on seven financed projects, six corresponding to the Eligible Categories initially defined in its Framework 2017, namely: Energy Efficiency, Access to essential services, Quality of life improvement in unprivileged area and Social and Affordable Housing. However, one of them, namely: "Maintenance and Improvement program of existing swimming pools", is partially aligned with the Eligible Category Energy Efficiency.
- **Funds allocation:** We reach a reasonable assurance on the Issuer's capacity to report on the allocation of the Bond proceeds in line with its initial commitments. In the Issuer's Report 2019, all the financial indicators per category are reported. The list of financed projects includes their description and the corresponding allocated amount for the years 2017 and 2018, for all the projects. The Issuer has reported the amounts invested at bond level.
- **Sustainable benefits:** We reach a reasonable assurance on the capacity of the Issuer to report on the sustainability benefits of the financed projects in line with its initial commitments. The Issuer disclosed all the social/environmental benefits at category and/or projects level, in accordance with its initial commitments for six of the projects, but partially disclosed the information for one of the projects, namely: "Renovation and maintenance of heating centers".
- **ESG Management:** We reach a moderate assurance on the Issuer's capacity to report on the ESG management of the financed projects in line with its initial commitments. The Issuer has not systematically disclosed all the relevant indicators for all financed projects.
- **Projects results:** We are of the opinion that the projects results are overall good. We consider that the project results in terms of environmental and social benefits range from limited (one project) to good (six projects).

This Annual Review is based on the review of the Report 2019 and information provided by the Issuer, according to our exclusive assessment methodology and to the GBP & SBP 2017

Paris, December 31st, 2019

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Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has executed four audit missions for City of Paris until so far (2 SPO and 2 annual review). No established relation (financial or commercial) exists between Vigeo Eiris and the Issuer.

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.

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 for approval.

DETAILED RESULTS

Part I. ISSUER

Paris is the administrative and economic capital of France. It is situated at the heart of the Ile-de-France Region. The City has a dual administrative status, it is a municipality and a "département", which is a situation unique in France. The City of Paris has an estimated population of 2.16 M inhabitants (2018), and it covers a total area of about 105 square kilometres.

Level of ESG performance

The Issuer's ESG performance was assessed through a complete process of rating and benchmark.

As of December 2019 (date of last updated ESG rating), City of Paris displays an overall good ESG performance, ranking 3rd in our "Local Authorities" sector which covers 29 local authorities.

Domain	Comments	Opinion
Environment	City of Paris' performance in the Environment pillar is advanced. The City of Paris is committed to address all the relevant environmental challenges on its territory, through its engagement in the Agenda 21 and has formalised its specific guidelines such as the "Plan Local d'Urbanisme", the "Plan de Déplacements de Paris" or the "Plan Climat". The City of Paris is committed, through its signature of the "Regional Charter for Biodiversity" in 2004, to integrate biodiversity in its strategy and has set measures such as the development of new protected/green areas and monitoring of endangered species. The City of Paris is engaged to collect rainwater, and design constructions in this view. The City Plan called "Swim in Paris" aims at reducing by 10% water consumption for all public swimming pools.	Advanced
	The City of Paris has set the following targets by 2050: become a 100% recovered energy area, with 20% being generated locally, cut energy consumption by 50% throughout the city. These targets are backed by a renovation program for buildings and energy consumption monitoring tools. However, energy consumption data from local authority and public sources regarding emissions linked to energy consumption is insufficient to identify a consumption trend.	Good
	In terms of waste management, the City's performance is considered good, significant means are in place to such as monitoring systems for waste production or systems to reduce the territory's impacts. However, the City remains globally silent concerning recycling and hazardous waste treatment and production.	Limited
	City of Paris commitment relative to controlling its local pollution focuses on all relevant sources of local pollution, namely: noise, odours, air quality and landscape aesthetics. Concerning environmental impacts from transportation, the City has set the targets Paris has set the targets to reduce by 43% GHG vehicles emissions by 2020 and to reduce by 30% fuel consumption by 2020. In addition, to meet the 2020 objectives of the Climate Plan, the City targets to: reach 5% of electric vehicles and 15% of hybrid vehicles in its fleet, reduce by 10% total mileage of professional travels, train 90% of city agents using a public vehicle to eco-driving, reach 20% of professional travels by bike, reduce by 15% vehicles emissions linked to waste collection. However, the lack of reported data concerning the public transport mix and the energy consumption or CO2 emissions related to goods or passenger's transportation of the territory is insufficient to determine a trend.	Weak
Social	City of Paris' performance in the Social pillar is good. The City of Paris states it is committed to strengthen social dialogue through information and consultation of union representatives. The commitment is supported by a dedicated structure: Human Resources Unit and the dedicated Bureau for Social Relations. However, the City lacks of disclosed measures to support this commitment.	Advanced
	The City of Paris is committed to promote employment in its "Les 10 engagements de la Ville de Paris en faveur du développement économique et du soutien à l'emploi" and the Parisian plan for insertion through employment 2020. An internal job opportunity marketplace is in place. Moreover, employees have regular performance assessment and career counselling interviews. Nevertheless, information of training and on the turnover rate is insufficient to identify a trend.	Good
	The City of Paris has made a formalised commitment to health and safety issues in its Framework agreement. However, the accident severity and frequency rates as well as data on absenteeism have not been updated since 2016. The City continues to disclose a formalised commitment to address on non-discrimination backed with comprehensive measures. Moreover, the City's commitment generally addresses	Limited

	<p>freedom of association and the right to collective bargaining and reports on some permanent measures, such as ongoing monitoring. Finally, the City has issued a formalised commitment to respect and promote human rights in society in its Charter on CCTV Ethics, yet measures do not appear to be disclosed.</p> <p>The City continues to disclose formalised commitments to address territorial planning and sustainable development of the territory as well as social cohesion and fair development backed up with some measures. Moreover, disclosed KPIs (for instance money spent on social aid or the unemployment rate) show a positive trend over the past three years.</p>	Weak
Governance	<p>City of Paris' performance in the Governance pillar is Good.</p> <p>The City is transparent on its efforts to ensure adequate representative democracy. Participative democracy continues to constitute a City's strength along with its strong internal controls system. Many participative instances have been created, and the population's participation is regularly and innovatively solicited on a wide range of issues. However, there is a lack of disclosure of the attendance rate at local council meetings.</p> <p>Concerning the prevention of corruption, the City's performance remains limited. The City of Paris has issued a formalised commitment to preventing corruption in its Professional Deontology Guidelines for Paris Agents and Code of Ethics in Purchasing which address its main responsibilities, however the City of Paris has not disclosed quantitative data on the corruption incidents.</p>	Advanced
		Good
		Limited
		Weak

Management of stakeholder-related ESG controversies

As of December 2019, City of Paris is facing 2 stakeholder-related ESG controversies, namely:

- "Paris mayor accused of lying about lead concentration in schools caused by Notre Dame fire" (18/07/2019)
- "French authorities investigate potential favouritism in the management of place de la Concorde" (10/11/2017)

These controversies are linked to two of the six domains we analyse:

- Environment, in the criterion "Prevention and management of industrial risks and natural disasters"
- Procurement and Services, in the criterion "Corruption and money laundering".

Frequency: On average, the controversies are considered isolated.

Severity: The severity of their impact on both the company and its stakeholders is considered significant for one controversy and high for one controversy.

Responsiveness: City of Paris is overall non-communicative.

Part II. ISSUANCE

The issuance of 2017 has been assessed based on the existence and completeness of the reporting, according to the Issuer's initial commitments made in its Framework 2017.

At bond level, we reach a moderate level of assurance on the Issuer's capacity to respect its reporting commitments in line with its initial commitments.

The Issuer's initial commitments are fulfilled in term of reporting on some of the financed projects, on the fund allocation, on the sustainability benefits, on the ESG management and regarding the results of the projects. However, it appears that several key commitments are not respected in the Report 2019:

- the reporting has not been made annually for the Bond
- the reporting is not yet available on the Issuer's website
- the projects' results and sustainability benefits indicators are not aggregated at bond level

At category level, we express a reasonable assurance on the Issuer's capacity to report on the allocation and on the sustainability benefits of its Bond in line with its initial commitments (see the Issuer's Framework 2017).

Use of proceeds

We reach a reasonable level of assurance on the Issuer's capacity to finance projects with environmental and social benefits in line with its initial commitments.

In its Report 2019, the Issuer reported on seven financed projects, six corresponding to the Eligible Categories initially defined in its Framework 2017, namely: Energy Efficiency, Access to essential services, Quality of life improvement in unprivileged area and Social and Affordable Housing. However, one of them, namely: "Maintenance and Improvement program of existing swimming pools", is partially aligned with the Eligible Category Energy Efficiency.

Eligible Categories, in Issuer's Framework 2017	Reported financed projects in the Report 2019	Vigeo Eiris' Analysis on the coherence between the Framework commitments and the selected projects
<p>Energy Efficiency</p> <p>Buildings: construction of energy efficient, thermal insulation for buildings (schools, social housing, nursing homes, etc.)</p> <p>Public lighting and signals: replacement of energy consuming appliances</p> <p>Renovation of heating systems</p>	<p>Building a HQE day nursery: Rue Pierre Bourdan 75012</p>	<p><u>Eligibility and selection criteria:</u></p> <p>This project corresponds to the Environmental Eligible Project Category "Energy Efficiency" under the sub-category "buildings: thermal insulation for buildings".</p> <p>We reach a reasonable assurance on the Issuer's capacity to use the Bond proceeds to finance projects with environmental and social benefits, in line with its initial commitments.</p>
	<p>Maintenance and Improvement program of existing swimming pools</p>	<p><u>Eligibility and selection criteria:</u></p> <p>This project corresponds to the Environmental Eligible Project Category "Energy Efficiency". Despite renovation not being included literally in the framework, the project may be under the sub-category "buildings: thermal insulation for buildings". In addition, some investments made under this project do not correspond to energy efficiency investments.</p> <p>We reach a moderate assurance on the Issuer's capacity to use the Bond proceeds to finance projects with climate benefits, in line with its initial commitments.</p>
	<p>Renovation and maintenance of heating centers</p>	<p><u>Eligibility and selection criteria:</u></p> <p>This project corresponds to the Environmental Eligible Project Category "Energy efficiency" under the sub-category "renovation of heating systems".</p> <p>We reach a reasonable assurance on the Issuer's capacity to use the Bond proceeds to finance projects with climate benefits, in line with its initial commitments.</p>
<p>Access to essential services</p> <p>Projects linked to Parisian Pact against large-scale exclusion: homeless reception centres and job-finding resources, centres for dependent elderly people, support for single-parent families, childhood protection and prevention, health protection and prevention</p> <p>Accessibility to people with reduced mobility: investments linked with the City of Paris 2020 goal of having 40% of accessible social housing, and 3% of adapted housing</p> <p>Projects linked to Parisian Senior program: such as public EHPAD structures</p>	<p>Subsidies to nursing homes for elderly dependent people ("EHPAD")</p> <p><u>Target Population:</u> Elderly people (over 60 years old)</p>	<p><u>Eligibility and selection criteria:</u></p> <p>This project corresponds to the Social Eligible Project Category "Access to essential services for target population".</p> <p>We reach a reasonable assurance on the Issuer's capacity to use the Bond proceeds to finance projects with social benefits, in line with its initial commitments.</p>

<p>Quality of life improvement in unprivileged area</p> <p>Access to education, culture, leisure and sports: investment in infrastructures provided there is a "Quartier Prioritaire" in the influence area of the infrastructure.</p>	<p>Construction of two nurseries</p> <p><u>Target population:</u> people living in the « Quartiers Politique de la ville »</p>	<p><u>Eligibility and selection criteria:</u></p> <p>This project corresponds to the Social Eligible Project Category "Access to essential services".</p> <p>We reach a reasonable assurance on the Issuer's capacity to use the Bond proceeds to finance projects with social benefits, in line with its initial commitments.</p>
<p>Social and Affordable Housing</p> <p>Investments supporting the Parisian ambitious plan of 7,000 additional social housing units per year by 2020</p> <p>Investments in new housing offer for students</p>	<p>Construction of a new HQE swimming pool in the 20th arrondissement</p> <p><u>Target population:</u> people living in the « Quartiers Politique de la ville »</p> <p>Production Scheme of Social housing units</p> <p><u>Target populations:</u></p> <ul style="list-style-type: none"> - Low-income populations - Students 	<p><u>Eligibility and selection criteria:</u></p> <p>This project corresponds to the Social Eligible Project Category "Quality of life improvement in unprivileged area".</p> <p>We reach a reasonable assurance on the Issuer's capacity to use the Bond proceeds to finance projects with social benefits, in line with its initial commitments.</p> <p><u>Eligibility and selection criteria:</u></p> <p>This project corresponds to the Social Eligible Project Category "Social and Affordable Housing".</p> <p>We reach a reasonable assurance on the Issuer's capacity to use the Bond proceeds to finance projects with social benefits, in line with its initial commitments.</p>

Fund allocation

We reach a reasonable assurance on the Issuer's capacity to report on the allocation of the Bond proceeds in line with its initial commitments.

According to the Issuer's Report 2019, all the financial indicators per category are reported:

- List of projects financed by the proceeds, including their description (date, location, category, progress)
- Amounts invested (in EUR)
- Allocated amount vs. total amount (in %)

The list of the financed projects includes their description and the corresponding allocated amount invested for the years 2017 and 2018, for all the projects.

The Issuer has reported the amounts of proceeds invested at bond level.

Sustainable benefits

We reach a reasonable assurance on the capacity of the Issuer to report on the sustainability benefits of the financed projects in line with its initial commitments.

The Issuer disclosed all the social/environmental benefits at category and/or projects level, in accordance with its initial commitments for six of the projects, but partially disclosed the information for one project.

Our assurance is:

- Reasonable for six financed projects (representing 87.5% of the allocated proceeds), namely:
 - Building a HQE day nursery: Rue Pierre Bourdan 75012": the selected indicators on environmental benefits (energy saving and GHG emissions reduction) are disclosed. Moreover, additional social indicators (number of nursery and beneficiaries) are disclosed.
 - "Maintenance and Improvement program of existing swimming pools ": the selected indicators on environmental benefits (GHG emissions reduction) are disclosed.
 - "Subsidies to nursing homes for elderly dependent people ("EHPAD")": The funds are allocated through the Centre for Social Actions of the City of Paris ("CASVP"). The reporting is detailed for a specific nursing home for elderly dependent people based in Belleville. The selected social indicators (the number of beneficiaries for both projects, 94 beneficiaries in Belleville and 242 in Bondy) are disclosed.

"Construction of two nurseries in the « Quartiers Politique de la ville": The selected indicators on social benefits are disclosed: the number of nurseries (two) and the associated reception capacity (totalling 116) are published. In addition, the Issuer has reported indicators for environmental benefits: the number of new green spaces, the compliance with the RT 2012 regulation.
 - "Construction of a new HQE swimming pool in the 20th arrondissement": The selected indicators on social benefits are disclosed: the number of swimming pool (one), the maximum number of users of the equipment (625) and the expected number of square meters of swimming pool per 10,000 residents (102 sqm/10,000 residents) are published. In addition, the Issuer has reported on environmental benefits: expected energy consumption reduction (40% reduction compared to the average swimming pools in Paris, water consumption (50% reduction compared to the average swimming pools in Paris), air quality (chloramine in the air has been reduced to 0.2%).
 - "Production Scheme of Social housing units": The selected indicators on social benefits are disclosed: the number of social dwellings financed partly with the bond's proceeds in 2017 (7,318) and in 2018 (6,257) by type of beneficiary, namely: families, students, young workers, and temporary residents. Of note, 68% of these benefit to low and very low-income populations.
- Moderate for one financed project (representing 12.5% of allocated proceeds), namely:
 - "Renovation and maintenance of heating centers": The following selected indicators on environmental benefits are disclosed: ex-ante energy savings are estimated at 25 GWh/year, 88 centers were renovated in 2016, 46 centers were renovated in 2017 and 46 centers were renovated in 2018. However, the following selected indicator is not disclosed: annual GHG emissions reduction/avoidance.

ESG management of the Projects

We reach a moderate assurance on the Issuer's capacity to report on the ESG management of the financed projects in line with its initial commitments.

The Issuer has disclosed some of the selected indicators on ESG management at project level (qualitative and quantitative information is provided on the respect of human rights, responsible procurement, energy and air management etc.). However, all the relevant indicators are not systematically reported for all projects.

Our assurance is:

- Reasonable for five financed projects (representing 75% of allocated proceeds), namely:
 - "Building a HQE day nursery: Rue Pierre Bourdan 75012": The Issuer has disclosed the selected indicators to evaluate the project performance on ESG management covering: eco-conception, the protection of biodiversity, waste management, responsible procurement, and sustainable local development of territories.
 - "Subsidies to nursing homes for elderly dependent people ("EHPAD")": The Issuer has disclosed the selected indicators to evaluate the project performance on ESG management covering: eco-conception, air quality management, the protection of biodiversity, energy management, waste management (HQE certification), responsible procurement, and sustainable local development of territories.
 - "Construction of two nurseries in the « Quartiers Politique de la ville": The Issuer has disclosed the selected indicators to evaluate the project performance on ESG management covering: responsible procurement and sustainable local development of territories (including access for person with reduced mobility), energy consumption, waste management.
 - "Construction of a new HQE swimming pool in the 20th arrondissement": The Issuer has disclosed the selected indicators to evaluate the project performance on ESG management covering: eco-conception, energy and air quality management, the protection of biodiversity, responsible procurement, waste management and sustainable local development of territories. Disclosure goes beyond the Issuer's commitments, for instance when reporting on water management. However, the Responsible Procurement Charter was not communicated to Vigeo Eiris.
 - "Production Scheme of Social housing units": The Issuer has disclosed the selected indicators to evaluate the project performance on ESG management covering: eco-conception, energy management, waste management and responsible procurement. No explicit information is disclosed regarding sustainable local development of territories, however, taking into account the nature of the project, we assume the project to be favourable to a sustainable local development of territories.
- Moderate for two financed projects (representing 25% of allocated proceeds), namely:
 - "Maintenance and Improvement program of existing swimming pools": The Issuer has disclosed the selected indicators to evaluate the project performance on ESG management covering: energy management and responsible procurement. No information (except for experiments) is disclosed regarding, air quality management, waste management, and sustainable local development of territories.
 - "Renovation and maintenance of heating centers": The Issuer has disclosed the selected indicators to evaluate the project performance on ESG management covering: energy consumption, air quality management and responsible procurement. However, no information is disclosed regarding the environmental impacts of disposal, and sustainable local development of territories.

The ESG management guidelines are disclosed at bond level.

Results of the Projects

We are of the opinion that the projects results are overall good. We consider that the project results in terms of environmental and social benefits range from limited (one project) to good (six projects).

In particular, we consider the projects' results to be:

- good for six financed projects (representing 87.5% of allocated proceeds), namely:
 - "Building a HQE day nursery: Rue Pierre Bourdan 75012"
 - "Maintenance and Improvement program of existing swimming pools"
 - "Subsidies to nursing homes for elderly dependent people ("EHPAD")"
 - "Construction of two nurseries in the « Quartiers Politique de la ville »"
 - "Construction of a new HQE swimming pool in the 20th arrondissement"
 - "Production Scheme of Social housing units"
- limited for one financed project (representing 12.5% of allocated proceeds), namely:
 - "Renovation and maintenance of heating centers": the indicator on annual GHG emissions reduction/avoidance are not published, Vigeo Eiris lacks of visibility on the results. However, the estimated energy savings 25GWh/year appear significant.

Last, if the key methodologies and assumptions are disclosed in the "note on methodology" section of the Report 2019, it appears that several projects are not covered in this note, therefore partially aligned with the initial commitments. In addition, in the Report 2019 the projects results are not aggregated at bond level.

Main areas for improvement would be:

- to publish the projects' results with all the selected indicators
- to disclose the projects' results aggregated at bond level, in line with the initial commitments
- to disclose the projects' sustainability benefits at bond level, in line with the initial commitments

Project	Level of assurance on the Issuer's capacity to use the proceeds for Eligible Projects	Level of assurance on the capacity of the Issuer to report on fund allocation	Level of assurance on the capacity of the Issuer to report on sustainability benefits	Level of assurance on the Issuer's capacity to report on the project ESG management	Project results in terms of sustainability benefits
01 – « Building a HQE day nursery: Rue Pierre Bourdan 75012 »	Reasonable	Reasonable	Reasonable	Reasonable	Good
02 – « Maintenance and Improvement program of existing swimming pools »	Moderate	Reasonable	Reasonable	Moderate	Good
03 – « Renovation and maintenance of heating centers »	Reasonable	Reasonable	Moderate	Moderate	Limited
04 – « Subsidies to nursing homes for elderly dependent people ("EHPAD") »	Reasonable	Reasonable	Reasonable	Reasonable	Good
05 – « Construction of two nurseries in the « Quartiers Politique de la ville »	Reasonable	Reasonable	Reasonable	Reasonable	Good
06 – « Construction of a new HQE swimming pool in the 20 th arrondissement »	Reasonable	Reasonable	Reasonable	Reasonable	Good
07 – « Production Scheme of Social housing units »	Reasonable	Reasonable	Reasonable	Reasonable	Good

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 process and commitments applying to the intended issuance.

Vigeo Eiris' methodology for the definition and assessment of the corporation's ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and is organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behaviour and Corporate Governance. Our evaluation framework of the material ESG issues have been adapted, based on our generic local authorities' ESG assessment frameworks and on 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 Director of Methods. Our SPO are also subject to internal quality control at three levels (consultants in charge of the mission, Production Manager, and final review and validation by the Director of Sustainable Finance and/or the Director of Methods. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team in contact with the company, then the Director of Methods, and finally Vigeo Eiris' Scientific Council.

All employees are signatories of Vigeo Eiris' Code of Ethics, and all consultants have also signed its add-on covering financial rules of confidentiality.

Part I. ISSUER

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

Level of the Issuer's ESG performance

City of Paris' ESG performance has been assessed by Vigeo Eiris on the basis of 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.

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 based on unproven facts.

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 is considered as long as it is public, documented and traceable.

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

- 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).
- 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).

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 any Critical controversies.

Involvement in controversial activities

NB: The involvement in controversial activities has not been assessed in this Annual Review, as Vigeo Eiris' methodology on controversial activities does not cover local authorities.

Part II. ISSUANCE

The annual report 2019 has been evaluated by Vigeo Eiris according to the GBP and SBP 2017, to our methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.

Projects Review

- Analysis of the conformance with initial commitments
 - Eligibility criteria based on the definition of eligible project categories (use of proceeds requirements)
 - Selection criteria based on the ESG commitments
- Analysis of the existence and completeness of reporting, according to initial commitments
 - Fund allocation
 - Sustainability benefits
 - ESG management
- Analysis of indicator results at project level
 - Sustainability benefits
 - ESG management

Bond Review

- Analysis of the implementation of bond processes
 - Evaluation and selection process: evaluation of the coherence and efficiency of the implemented process, and exhaustiveness of the ESG issues covered
 - Allocation process based on the definition of the rules for management of proceeds
- Analysis of the existence and completeness of reporting, according to initial commitments
 - Fund allocation
 - Sustainability benefits aggregated at bond level
 - ESG management, transversal indicators
- Analysis of indicator results at bond level
 - Sustainability benefits aggregated at bond level
 - ESG management, transversal indicators

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 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 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, Brussels, Casablanca, Hong Kong, Milan, New York, Rabat and Santiago de Chile.

The Vigeo Eiris Global Network, comprising 4 exclusive research partners, is present in Brazil, Germany, Israel and Japan.

For more information: www.vigeo-eiris.com