



PRE-ISSUANCE VERIFICATION REPORT (LIMITED ASSURANCE PROCEDURE)

By VIGEO EIRIS

For ALD Automotive's 2018 first Positive Impact Bond issuance

Pre-issuance verification based on Climate Bond Standards version 2.1

SCOPE

ALD Automotive (the "Issuer"), is considering the issuance of its first 2018 Positive Impact Bond (or "Bond") and intends to use the proceeds to (re)finance the acquisition of low carbon emissions vehicles used across 22 countries of operation.

Founded in 1998, ALD Automotive is a French company, subsidiary of Société Générale SA (80%), focusing on the provision of driver mobility services including full service vehicle leasing and fleet management to large companies, SMEs, professionals and individuals. Present across 43 countries, ALD Automotive's portfolio is comprised by over 1.5 million vehicles, of which around 70,000 considered as low carbon emissions transport: electric vehicles (EVs), plug-in hybrid electric vehicles (PHEVs) or hybrid electric vehicles (HEVs).

In this context, Vigeo Eiris (the "Verifier") has been commissioned by ALD Automotive, as stated in the engagement contract, to perform the Pre-Issuance Verification of this Bond, as independent third party provider approved by the Climate Bonds Standards Board.

We have conducted our verification, based on a Limited Assurance Procedure, in July 2018 with the aim of assessing the conformance of ALD Automotive's 2018 first Positive Impact Bond with the Climate Bond Standard version 2.1 for Pre-Issuance requirements and with the associated sector standard and technical criteria, as defined on CBI's website.

The work undertaken by Vigeo Eiris to form this verification statement included:

- Planning and management of the verification
- Desk review of the Bond and associated documentation provided by the Issuer
- Interviews of the Issuer's managers related with the Nominated Assets to be financed by this Bond.
- Assessment of evidences provided by ALD Automotive against the Climate Bond Standards 2.1
- Internal quality control on the assurance report and conclusions
- Provision of Vigeo Eiris' Limited Assurance Report.

The methodology, criteria, findings and assurances addressed by this Limited Assurance Procedure are detailed below.

RESPONSIBILITIES OF THE ISSUER AND OF VIGEO EIRIS

The responsibility of Vigeo Eiris is to provide an external and independent assurance on the compliance of ALD Automotive's 2018 first Positive Impact Bond with the Climate Bond Standard version 2.1 requirements and associated technical criteria.

This statement relies on the information provided by the Issuer to the Verifier: documentation, interviews with employees, and explanations presented during the assessment, based on the understanding that this information was provided to Vigeo Eiris in good faith. Vigeo Eiris has not performed an audit nor other tests to check the accuracy of the information provided by the Issuer.

The Issuer is fully responsible for attesting the compliance with its commitments as defined in its policies, for their implementation and their monitoring, and for the information provided.

PRE-ISSUANCE VERIFICATION

This Pre-Issuance Verification has been conducted against the Climate Bonds Standard version 2.1 requirements:

- Part A: General requirements to be applied for all Climate Bonds
- Part B: Eligible Projects & Assets – Low Carbon Transport Eligibility Criteria of the Climate Bonds Standard Version 1.1

The verification process is performed in accordance with relevant general principles & professional standards of independent auditing, and in line with the International Standard on Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000).

The verification included checking whether the provisions of the Climate Bonds Standard 2.1 were consistently and appropriately applied and the collection of evidence supporting the verification. The details and areas covered by the verification are summarized in the following pages (see Detailed results section).

Based on the supporting elements and explanations provided by the Issuer, nothing has come to our attention that causes us to believe that, in all material respects, ALD Automotive's 2018 first Positive Impact Bond is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements (version 2.1) and with associated relevant sector-specific technical criteria. This level of assurance applies altogether to the Nominated Assets, the environmental benefits of the Bond, the evaluation and selection process of the assets, the proposed financial accounting system, and the monitoring & reporting system associated to the Bond, to be implemented over the term of the Bond.

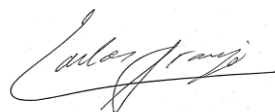
This Report is valid as of the date of issuance limited to ALD Automotive's 2018 first Positive Impact Bond. It is provided by Vigeo Eiris to the Issuer and the Climate Bond Initiative, and can only be used by them.

Paris, August 3rd, 2018



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Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has not executed any audit mission or consultancy activity for ALD Automotive until so far and no established relationship (financial or other) exists between Vigeo Eiris and ALD Automotive. Of note, Société Générale owns around 80% of ALD Automotive. Vigeo Eiris has carried out 5 audit missions and no consultancy for Société Générale over the last 5 years. No established relationship (financial or other) exists between Vigeo Eiris and Société Générale.

This Assurance Report is a document prepared by the Verifier that conveys the Verifier's opinion on the Bond alignment with the relevant requirements of the Climate Bonds Standard, but it does not provide Climate Bonds Certification itself. Providing this opinion does not mean that Vigeo Eiris certifies the tangibility, the excellence or the irreversibility of the projects financed by the Positive Impact Bond. No assurance is provided by Vigeo Eiris regarding the financial performance of the Issuer nor of the Bond, nor the value of any investment in the Bond, nor of the environmental footprint of the Bond or the compliance with the commitments taken by the Issuer.

Vigeo Eiris cannot be liable for any loss suffered as a result of information or data provided by the Issuer. Vigeo Eiris is not liable for the induced consequences when third parties use this opinion either to make investments decisions or any kind of business transaction.

Restriction on Distribution and Use of this Limited Assurance Report: at the discretion of the Issuer.

VERIFICATION CRITERIA & FINDINGS

The evidence, information and explanations supporting the Bond issuance provided by ALD Automotive to Vigeo Eiris were both historical (for projects selection process and nominated projects) and hypothetical or projected (for the expected environmental benefits, the proposed financial accounting system, and the monitoring & reporting system associated to the bond, to be implemented over the term of the bond).

The Issuer showed a high responsiveness in providing information to the Verifier. We believe that the procedures we have performed and the evidence we have obtained are sufficient and appropriate to provide a basis for our findings.

Summary criteria for assertions of compliance with the pre-issuance requirements of Climate Bonds Standards version 2.1

Vigeo Eiris has assessed ALD Automotive's 2018 first Positive Impact Bond and the nominated projects and assets against criteria and requirements detailed within the Climate Bonds Standard version 2.1:

- Part A: General requirements to be applied for all Climate Bonds
 1. Selection of Nominated Projects & Assets
 2. Internal Processes & Controls
 3. Reporting Prior to Issuance
- Part B: Climate Bonds Initiative Low Carbon Transport Standard (Version 1.0)

Assessment of ALD Automotive's 2018 first Positive Impact Bond against Pre-Issuance Requirements of Climate Bonds Standard

Part A: General Requirements

1. Selection of Nominated Projects & Assets

Clause 1.1

1.1. Check for proof of existence of documented decision-making process which is used to determine the eligibility of Nominated Projects and Assets:

The Issuer has established, documented and has committed to maintain the decision-making process, which has been used to determine the eligibility of the Nominated Projects & Assets within its Positive Impact Bond Framework (the "Framework").

The process is based on a Positive Impact Bond Committee, composed by ALD representatives from the CSR, Finance and Investor Relations departments. The Committee's responsibility is to ensure the respect of the Framework, oversee the entire issuance process and managing the potential future updates of the Framework. In addition, ALD Automotive has collaborated with an external consultant with proven expertise in Life Cycle Analysis to help them define the environmental impact assessment methodology to measure the impact of applied to the Bond.

The process includes:

1.1.1. a statement on the environmental objectives of the bond

Precise, measurable and relevant environmental objectives have been identified by the Issuer in its Framework, which are:

- limit fuel consumption and GHG emissions from its fleet.
- support the development of clean transportation and the transition to a low carbon future.

1.1.2. a process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B (Eligibility) of the Climate Bond Standard

The Framework includes the process for assessment of the eligibility of the Nominated Projects and Assets which is based on the CBI's standard for Low-Carbon Transport version 1.0 dated February 2017 (Part B).

The evaluation and selection of Eligible Vehicles is based on relevant internal and external expertise with well-defined roles and responsibilities, and is reasonably structured.

The process relies on explicit eligibility criteria (selection and exclusion), and relevant with regards to the climate change mitigation objective:

- ✓ Electric vehicles (EV) and fuel cell vehicles.
- ✓ Hybrid electric vehicle (HEV) and plug-in hybrids vehicles (PHEV) with GHG emissions at or below 85 grams of CO₂ per passenger kilometer travelled (g CO₂ p/km).
- ✓ Exclusion of internal combustion engine (ICE) vehicles, liquefied petroleum gas vehicles, biofuel vehicles and natural gas vehicles.

Clause 1.2 The Issuer shall assess that all proposed Nominated Projects & Assets to be associated with the bond meet the bond's documented objectives as stated under Clause 1.1 and are compliant under Part B of the Climate Bond Standard.

The Issuer has committed to assess all proposed Nominated Projects & Assets to be associated with the bond portfolio, especially with a dedicated impact assessment methodology and tool, used to calculate the estimated climate benefits related to the fleet of eligible vehicles.

Based on this methodology, the Issuer will select the eligible vehicles, in accordance with the eligibility criteria (aligned with Part B of the Climate Bond Standard).

Clause 1.3 The Issuer shall document the Nominated Projects & Assets which are proposed to be associated with the bond and which have been assessed as likely to be Eligible Projects & Assets. The Issuer shall establish a list of Nominated Projects & Assets which can be kept up-to-date during the term of the bond.

The list of Eligible Assets is documented in a database that can be kept up-to-date by the Issuer.

Clause 1.4 Nominated Projects & Assets shall not be nominated to other Climate Bonds unless it is demonstrated by the Issuer that distinct portions of the Nominated Projects & Assets are being funded by different Climate Bonds or that the existing Climate Bond is being refinanced via another Climate Bond.

According to the Issuer, it is established that the Nominated Assets have never been nominated to other Climate Bonds listed as such on CBI's database. In addition, the Bond Framework's financial exclusion criteria states that vehicles benefitting from a specific funding program or from a direct funding through the company's treasury center are also excluded from the portfolio.

Clause 1.5 The expected Net Proceeds of the bond shall be no greater than the Issuer's debt obligation to the proposed Nominated Projects & Assets, or the Fair Market Value of the proposed Nominated Projects & Assets.

As indicated by the Issuer, the anticipated proceeds amount is identified to be up to EUR 500,000,000 (preliminary estimates, depending on market conditions, until details will be confirmed on financial close of the bond). The Issuer intends to select sufficient eligible vehicles to ensure the total amount of investment related to the portfolio of eligible vehicles equals the proceeds of the Bond issued under the Framework.

Vigeo Eiris reviewed the above elements based on the information and documentation provided by the Issuer during the verification, and nothing has come to our attention that causes us to believe that, in all material respects, ALD Automotive 2018 first Positive Impact Bond is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements (version 2.1) stated in section 1 "Nominated Projects & Assets".

2. Internal Processes & Controls

Clause 2.1: The systems, policies and processes to be used for management of bond funds and investments made shall be documented by the Issuer and disclosed to the Verifier, and shall include arrangements for the following activities.

The Issuer has described the systems, policies and processes to be used for management of bond funds and investments in its Positive Impact Bond Framework.

2.1.1. Tracking of proceeds: The Net Proceeds of the bond can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.

The Issuer has committed that the Net Proceeds of the bond will be managed by the Issuer's Finance Department and appropriately earmarked and tracked through its internal accounting system. If a portion of eligible vehicles exits ALD's fleet during the life of the Positive Impact Bonds, additional Eligible vehicles will be added to the portfolio.

2.1.2. Managing unallocated proceeds: The balance of unallocated Net Proceeds can be managed as per the requirements in Clause 6.2.

The Issuer will receive the proceeds to reimburse expenses made for the acquisition of eligible vehicles under its Positive Impact Bond Framework. The Issuer commits to allocate the Net Proceeds immediately, and no unallocated proceeds are expected to be outstanding from the issuance.

2.1.3. Earmarking funds to Nominated Projects & Assets: An earmarking process that can be used to manage and account for funding to the Nominated Projects & Assets and enables estimation of the share of the Net Proceeds being used for financing and refinancing.

The Issuer states that the Bond's net proceeds will be wholly used for the purpose of refinancing the purchase of Eligible Assets within its existing portfolio.

Vigeo Eiris reviewed the above elements based on the information and documentation provided by the Issuer during the verification, and nothing has come to our attention that causes us to believe that, in all material respects, ALD Automotive 2018 first Positive Impact Bond is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements (version 2.1) stated in section 2 "Internal Processes & Controls".

3. Reporting to issuance

Clause 3.1. The Issuer shall disclose in the Bond Disclosure Documentation:

3.1.1. The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall.

In its Framework, the Issuer commits to report, one year after issuance and until full allocation of proceeds, on impacts and allocation of proceeds. In particular, the Issuer will report on the amount and number of the portfolio of eligible vehicles, and on the category breakdown of the eligible vehicles (i.e. EV, PHEV, HEV).

3.1.2. The intended types of temporary investment instruments for the management of unallocated proceeds in accordance with Clause 2.1.2.

The Issuer commits to allocate all Net Proceeds immediately after the issuance of the Bond. As a result, no unallocated proceeds are expected to be outstanding from the issuance and no reporting on the balance of unallocated proceeds is foreseeing.

3.1.3. The approach the Verifier has taken to pre-issuance procedures (i.e., whether an Assurance Engagement or an Agreed-Upon Procedures Engagement was undertaken).

According to the Framework, the Issuer discloses its appointment of Vigeo Eiris as a CBI Verifier for the review of ALD's Framework and conformance with the Climate Bonds Initiative Standards. The Pre-Issuance review is conducted following a Limited Assurance procedure.

3.1.4. Whether periodic Assurance Engagements will be undertaken during the term of the bond to reaffirm conformance with the Climate Bonds Standard, and the expected frequency of any periodic Assurance.

According to the Framework, the Issuer commits to appoint an approved CBI Verifier to conduct the Post-Issuance compliance review within a period of one year, in conformance with the Climate Bonds Standard requirement.

Vigeo Eiris reviewed the above elements based on the information and documentation provided by the Issuer during the verification, and nothing has come to our attention that causes us to believe that, in all material respects, ALD Automotive 2018 first Positive Impact Bond is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements (version 2.1) stated in section 3 "Reporting to issuance".

PART B: Climate Bonds Taxonomy and Sector Specific Standards.

1. Technical criteria for Eligible Projects & Assets: Low Carbon Transport

1. As indicated in the Framework, the eligible vehicles fall under two of the technical criteria from the sector-specific standards of the Climate Bond Taxonomy:

- 1.1. light-duty and heavy goods vehicles that are electric or fuel cell vehicles.
- 1.2. light-duty and heavy goods vehicles that are hybrid with a defined CO2 emissions threshold.

Vigeo Eiris reviewed the above elements based on the information and documentation provided by the Issuer during the verification, and nothing has come to our attention that causes us to believe that, in all material respects, ALD Automotive 2018 first Positive Impact Bond is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements (version 2.1) stated in section "Technical criteria for Eligible Projects & Assets".

List of supporting elements provided by the Issuer and interview plan:

- Supporting documents provided for Post-issuance verification and confirmed by the Issuer:
 - Issuance external review report
 - Methodological Report on ALD's Green vehicle fleet for Green Bond issuance
 - Second Party Opinion provided by Vigeo Eiris, July 2018.
 - Assurance Report on environmental, social and societal information contained in the management report, conducted by EY in December 2017.
- List of interviewees:
 - Stéphane Renie, Head of Corporate Social Responsibility, ALD Automotive
 - Stéphane Laroche, Secretary General, ALD Automotive
 - Sandrine Enguehard, Cross-Product Impact Structuring, Société Générale
 - Lisa Hoummady, Cross-Product Impact Structuring, Société Générale



Vigeo Eiris is a global provider of environmental, social and governance (ESG) research to investors and public and private corporates. The agency evaluates the level of integration of sustainability factors into organisations' strategy and operations, and undertakes a risk assessment to assist investors and companies' decision-making.

Vigeo Eiris offers a wide range of services:

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

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

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

The Vigeo Eiris Global Network, comprising 7 exclusive research partners, is present in Australia, Brazil, Germany, Israel, Japan, Spain and Mexico.

For more information: www.vigeo-eiris.com