



## REPORT OF FACTUAL FINDINGS (AGREED-UPON PROCEDURE)

By VIGEO EIRIS

For CPFL Renováveis's 2016 first Green Bond issuance

Pre-issuance verification based on Climate Bond Standards version 2.0

### SCOPE

CPFL Energias Renováveis (the "Issuer") is considering the issuance of its first green bond (or "Bond") and intends to use the proceeds to refinance the construction of wind power plants in Brazil.

CPFL Energias Renováveis is a Brazilian company dedicated to renewable energy generation in Brazil, involved in the development, acquisition, construction and operation of a portfolio of small hydroelectric power plants (SHPPs), wind farms, biomass-fired thermal power plants (UTE) and photovoltaic solar power plant. The company's project portfolio includes nine wind farms that are already operational (Campos do Ventos I, Campo dos Ventos III, Campo dos Ventos V, Ventos São Domingos, Ventos de São Martinho, Santa Mônica, Santa Úrsula, Ventos de São Benedito, Ventos de São Dimas) located in the cities of João Câmara and Parazinho (state of Rio Grande do Norte)

In this context, Vigeo Eiris (the "Verifier") has been commissioned by CPFL Energias Renováveis, 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 in November-December 2016, with the aim of assessing the conformance of CPFL Energias Renováveis's 2016 first green bond with the Climate Bond Standard version 2.0 for Pre-Issuance requirements and with associated sector standards 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
- Assessment of evidences provided by CPFL Energias Renováveis against the Climate Bond Standards 2.0
- Internal quality control on the assurance report and conclusions
- Provision of Vigeo Eiris' report of factual findings

The methodology, criteria, findings and assurances addressed by this Agreed-Upon Procedure are detailed below.

### RESPONSIBILITIES OF CPFL ENERGIAS RENOVÁVEIS AND OF VIGEO EIRIS

The responsibility of Vigeo Eiris is to provide an external and independent assurance on the compliance of CPFL Energias Renováveis's 2016 green bond with the Climate Bond Standard version 2.0 requirements and associated technical criteria.

This statement relies on the information provided by the Issuer to the Verifier: documentation and explanations presented during the assessment, based on the understanding that this information was provided to Vigeo Eiris in good faith. Vigeo Eiris hasn't 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.

## SUMMARY OF FACTUAL FINDINGS

This Agreed-Up Upon Procedures Engagement has been conducted against the Climate Bond Standard (CBS) version 2.0 requirements, in accordance with relevant general principles & professional standards of independent auditing, and in line with the International Standard on Related Services 4400 (ISRS 4400), based on the agreed-upon procedure<sup>1</sup>.

The verification included checking whether the provisions of the CBS 2.0 were consistently and appropriately applied and the collection of evidence supporting the verification. The details and areas covered by the verification are summarized in below chapters of this report.

The proceeds from the green bond will be allocated to nine Brazilian wind farms (Campos do Ventos I, Campo dos Ventos III, Campo dos Ventos V, Ventos São Domingos, Ventos de São Martinho, Santa Mônica, Santa Úrsula, Ventos de São Benedito, Ventos de São Dimas) for which environmental objectives have been set. These resources will be ring-fenced and held in the centralizing accounts of the nine SPVs dedicated to each of the nine wind farms, that will be verified annually via external audit. These wind farms projects fall in the 'Wind' classification under 'Energy' head of Climate Bonds Taxonomy, and fill in two technical criteria from the sector-specific standards. The issuer took the commitment to review the bond after one year to reaffirm conformance with the Climate Bonds Standard.

*This Report of factual findings is valid as of the date of issuance limited to CPFL Energias Renováveis's first Green Bond*

Paris, December 16<sup>th</sup> 2016



**Laurie Chesné**  
Head of Green Bond services



**Benjamin Cliquet**  
Junior CSR Consultant

### Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has never executed any consultancy activity for the Issuer until so far and no established relationship (financial or others) exists between Vigeo Eiris and the Issuer.

Liability: this Report of factual findings is a document prepared by the Verifier that conveys the Verifier's findings on the bond alignment with the relevant requirements of the Climate Bonds Standard, but it does not provide Climate Bond Certification itself. Providing these findings does not mean that Vigeo Eiris certifies the tangibility, the excellence or the irreversibility of the projects financed by the Green 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 Verifier Report: at the discretion of the Issuer.

<sup>1</sup> see ISRS 4400, pp 4-8