

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Bond Asset Pool

Société Nationale SNCF SA
18 February 2020

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Overall Evaluation of the Green Bond

Société Nationale SNCF SA (SNCF SA) commissioned ISS ESG to assist with its Green Bond by assessing three core elements to determine the sustainability quality of the Bond:

1. SNCF SA's Green Bond framework – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBPs).
2. The asset pool – whether the projects aligned with ISS ESG's issue-specific key performance indicators (KPIs) (See Annex 2).
3. SNCF SA's sustainability performance, according to the ISS ESG Corporate Rating.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Performance against GBPs	The issuer has defined a formal concept for its Green Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBPs.	Positive
Part 2: Sustainability quality of the asset pool	The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG Green Bond KPIs. The Proceeds will be allocated to assets belonging to the eligible category "Maintenance, upgrades and energy efficiency of rail infrastructure" defined in the Green Bond Framework. All assets of the asset pool are located in France, a highly regulated and developed country. Legislative frameworks in this country set minimum standards, which reduce environmental and social risks.	Positive
Part 3: Issuer sustainability performance	The SNCF group entity currently carrying the eligible assets shows a good sustainability performance and has been given a rating of B-, which classifies it as 'Prime' by the methodology of the ISS ESG Corporate Rating. The SNCF group entity currently carrying the eligible assets demonstrates a high relative performance within its sector, with a Decile Rank ² of 1.	Status: Prime Rating: B- Decile Rank: 1

¹ ISS ESG's evaluation is based on the SNCF SA's Green Bond Framework (03.02.2020 version), on SNCF SA's asset pool (as of January 2020) and on the SNCF Réseau Corporate Rating (as of the 13.08.2019). All rail infrastructures operations, formerly owned by the SNCF Holdings' subsidiary SNCF Réseau, are now owned by the new holding SNCF SA according to the French Ordonnance 2019-552 from 3rd June 2019, and its application decree 2019-1585 from 30th December 2019. All proceeds collected through the contemplated bond will be exclusively allocated to eligible projects within rail infrastructures operations of SNCF SA. All former relevant CSR policies of SNCF Réseau are applying to the rail infrastructures operations of SNCF SA.

² Rank relative to industry group. 1 indicates a high relative ESG performance, while 10 indicates a low relative ESG performance.

Contribution of the Green Bond to the UN SDGs

Based on the assessment of the sustainability quality of the green bond asset pool and using a proprietary methodology, ISS ESG assessed the contribution of the SNCFSA's green bond to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):



Each of the bond's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS CATEGORY	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Maintenance, upgrades and energy efficiency of rail infrastructures	Limited contribution	 

ISS ESG SPO ASSESSMENT

PART I: GREEN BOND PRINCIPLES

1. Use of Proceeds

An amount equal to such net proceeds will be allocated for investments in one or more of the “Eligible Green Projects”.

As Green Bonds will be raised from Société nationale SNCF SA (sole issuing company), the proceeds will be allocated to SNCF Group’s subsidiaries eligible projects through an intragroup loan mechanism.

In compliance with the formerly existing methodology developed by SNCF Réseau and Carbon 4 all eligible assets are, so far, located at SNCF Réseau SA’s level. Hence, at first, all the financial proceeds will be allocated to SNCF Réseau SA’s eligible assets.

May SNCF Group decide to enlarge its framework to additional activities and subsidiaries, a specific carbon methodology would first be set up to take into account these new projects and the Green Bond framework would be completed accordingly.

Eligible Green Projects include new and ongoing projects with disbursements within the past two years (look-back period). Allocation of the excess funds to eligible projects must occur in a delay no longer than two years forward (look-forward period).

“Eligible Green Projects” include SNCF Réseau SA’s capital expenditures:

1. Investments related to maintenance, upgrades and energy efficiency of the rail system:

This category includes projects associated with SNCF Réseau SA’s efforts to ensure the efficiency of the rail system and promote a low carbon mass transportation, throughout its various worksites. Typology of worksites could be: path, catenary or signaling system regeneration, capacity enhancement project, electrification of a railway line...

More information on SNCF Réseau’s website:

- Worksite map 2020: https://www.sncf-reseau.com/sites/default/files/2019-12/Carte%20nationale%20des%20chantiers_2020_584x410_%20FRANCE_v3.pdf
- Greater Paris area worksite map 2020: https://www.sncf-reseau.com/sites/default/files/2019-12/BAT2%20chantiers_2020_584x410_%20IDF_v11.pdf

2. Investments related to new rail lines and rail lines extensions which ensure access to the network and the efficient movement of people and freight:

This category includes projects for the rail development which are already put into service or expected high-speed line.

3. Other Investments linked to the global climate change challenges, the protection of biodiversity and natural resources:

This category will include projects which ensure the inclusion of the protection of biodiversity and natural resources in the management approach of the existing railway network and in development projects.

- Conservation of biodiversity and the quality of natural environments: <https://www.sncf-reseau.com/fr/entreprise/newsroom/sujet/preserverbiodiversite>
- Circular economy and recycling of disposed products: <https://www.sncf-reseau.com/en/entreprise/newsroom/sujet/ecodesign>
- Fight against climate change: : <https://www.sncf-reseau.com/en/entreprise/newsroom/sujet/green-bonds-sncfreseau-pioneers>

Examples are intended for illustrative purposes only and no assurances can be provided that disbursements for projects with these specific characteristics will be made by SNCF Réseau SA.

IN MILLION EURO	2016 allocation	2017 allocation	2018 allocation	2019 allocation	2020 ³ projection	2021 ⁴ projection	2022 projection
A. Maintenance and upgrades	1,303	1,366	1,424	1,528	1,551	1,652	1,575
Tracks and switches	1,084	1,025	961	1,068	963	935	882
Signaling and operation	183	197	233	269	307	364	375
Electric traction	36	36	151	126	176	226	217
Civil engineering structures and tunnels	0	108	79	64	105	127	101
Other activities	0	0	0	0	0	0	0
B. New rails and rail lines extensions	176	0	0	0	0	0	0
LGV Est-Européenne	14	0	0	0	0	0	0
LGV SEA	73	0	0	0	0	0	0
LGV BPL	53	0	0	0	0	0	0
LGV CNM	36	0	0	0	0	0	0
Projet EOLE	0	0	0	0	0	0	0
Other investments	0	0	0	0	0	0	0
Total	1,479	1,366	1,424	1,528	1,551	1,652	1,575

³ SNCF Réseau as an issuer might issue bonds (hence green bonds) until June 30th 2020.

⁴ In 2021 onwards, SNCF Réseau will no longer issue any debt and be replaced by SNCF SA.

Société nationale SNCF SA expects the majority of the allocation to the first two eligible green project categories. The inclusion of other investments linked to the protection of biodiversity and natural resources is essential to Société nationale SNCF SA's overall environmental and sustainability strategy.

Opinion: ISS ESG considers the Use of Proceeds description provided by SNCF SA's Green Bond Framework as aligned with the GBPs and with the sustainability strategy of the issuer. The distribution of proceeds between project categories is disclosed and precise examples of eligible green projects are provided in the Framework.

2. Process for Project Evaluation and Selection

Société nationale SNCF SA's Treasury and Funding Department in coordination with SNCF Réseau SA's Accounting & Management Control and Sustainable Development Departments will review the allocation of the projects annually.

Projects that are aligned with the Use of Proceeds identified in section part 1, section 1 above will be considered for eligible green bond proceeds allocation.

If projects are considered eligible, they will be recorded in the Société nationale SNCF SA's Green Bond Register and tracked for the life of the involvement in the Green Bond.

SNCF Réseau SA's Sustainable Development will complete the annual reporting.

Opinion: ISS ESG finds that the process for Project Evaluation and Selection broadly aligns with the GBPs. This process is described but not further documented or structured. However, the responsibilities are fairly distributed across relevant SNCF Réseau and SNCF SA departments and sufficiently transparent.

3. Management of Proceeds

Pending allocation of an amount equal to the net proceeds from the sales of the Notes to Eligible Green Projects, the proceeds from the Green Bond will be placed into Société nationale SNCF SA's treasury accounts. Société nationale SNCF SA's Treasury will allocate, via intercompany loan, the bond proceeds from the Treasury to projects recorded in the Green Bond Register. The Register will include a full list of eligible projects (as approved in the Process for Project Selection and Evaluation section), and the amount of allocation made. Whilst any bond proceeds remain unallocated, they will be invested in accordance with Société nationale SNCF SA's liquidity management policies and guidelines in money market products, such as cash and/or cash equivalents and/or bank deposits.

Payment of principal and interest of the Notes will be made from our general funds and will not be directly linked to the performance of the Eligible Green Projects.

With respect to above-mentioned use of proceeds section part 1, section 1, all the net proceeds will ultimately be allocated to the identified eligible Green Projects and so long as the Green Bonds are outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to the eligible Green Projects.

Opinion: ISS ESG finds that the management of proceeds is in line with the GBPs. The proceeds are appropriately tracked, and the expected allocation period and temporary investments are disclosed and aligned with the market best practices.

4. Reporting

Within the calendar year that follows the issuance, and until the full allocation of an amount equal to the net proceeds of the Green Bonds issued, Société nationale SNCF SA will provide to investors (i) annual updates on website (<https://www.sncf.com>) on the amounts allocated to the Eligible Green Projects, (ii) relevant expected impact metrics and where feasible actual impact metrics, related to the Eligible Green Projects where competition and confidentiality reasons allow. (iii) Auditors or any other third party appointed by Société nationale SNCF SA, will issue an annual report on Société nationale SNCF SA's compliance in all material respects with the Eligible Green Project criteria set forth in these documents.

Examples of relevant metrics could include:

1. Investments related to maintenance, upgrades and energy efficiency of the rail system

- Total GHG emissions of the maintenance project called high-output track replacement units (tCO₂eq)
- Estimated FTE's creation on the maintenance site
- Age of the railway by type of railway
- Volume of wooden sleepers recycled for energy purposes (tons)
- Share of ballast re-used on the maintenance project (tons)
- Share of concrete sleepers recycled from the maintenance project (tons)
- Share of re-used rails from the maintenance project (tons of steel)

2. Investments related to new rail lines and rail lines extensions which ensure access to the network and the efficient movement of people and freight

- Total GHG emissions of the project (tCO₂eq)
- Modal shift: Number of passenger or goods transferred to the train
- Total GHG emissions avoided because of the project (tCO₂eq)
- Estimated FTE's creation on the construction site
- Estimated average time saving because of the project (min)

3. Other investments linked to the global climate change challenges, the protection of biodiversity and natural resources

Currently, most of the metrics are not yet available in this category and investments are too numerous and/or granular to be allocated yet. Examples of impact metrics are intended for illustrative purposes only and no assurances can be provided that these exact metrics will be provided. Relevant impact metrics will be provided and may/will differ depending on the type of project

Opinion: ISS ESG finds that the reporting is aligned with the GBPs and market best practices. A high level of transparency is provided on the level, information, frequency, scope and duration of reporting, both in terms of allocation and impact.

External review

Second Opinion

Société nationale SNCF SA has appointed a “Second Opinion Provider” to assist the finalization of the Green Bond Framework, which will sum up the main extra-financial features of the potential future transaction and will provide a “Second Party Opinion” on this framework.

The objective of the Second Party Opinion is to provide investors an independent accurate assessment on the alignment of the framework with the GBP in accordance with the CSR policy of Société nationale SNCF SA.

Climate Bond Certification

Société nationale SNCF SA has appointed ISS ESG to act as a verifier for obtaining a Climate Bond Initiative Certification.

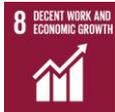
The Climate Bond Initiative certification will be related to the Low-Carbon Transportation Standard.

PART II: SUSTAINABILITY QUALITY OF THE ASSET POOL

Maintenance and upgrades of rail infrastructures

As a Use of Proceeds category, maintenance and upgrades of rail infrastructure has a limited contribution to the SDG 7 “Affordable and clean energy” and 13 “Climate action”. Additionally, when considering the deeper ESG management, maintenance and upgrades of rail infrastructure can be associated to other SDGs.

The table below presents the findings of an ISS ESG assessment of the assets (re-)financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI	ASSOCIATION WITH THE SDGS
1. Consideration of environmental impacts at planning stage	
<ul style="list-style-type: none"> ✓ All relevant assets underwent environmental impact assessment at the planning stage. For every project, systematic carbon assessments were conducted. 	
<ul style="list-style-type: none"> ✓ None of the assets are located in key biodiversity areas according to national legislation (e.g. Ramsar sites, UNESCO Natural World Heritage Sites). 	
<ul style="list-style-type: none"> ✓ All assets meet high environmental standards during construction phase in compliance with national environmental legislation and certifications (e.g. ISO 14001, ISO 9001). 	
2. Community dialogue	
<ul style="list-style-type: none"> ✓ All relevant assets feature community dialogue as an integral part of the planning process in compliance with national legislation (e.g. sound information of communities, community advisory panels and committees, surveys and dialogue platforms, grievance mechanisms and compensation schemes.) 	 
3. Working conditions during construction, operation and maintenance	
<ul style="list-style-type: none"> ✓ All the assets are located in France, where high labour and health and safety standards are in place for construction, operation and maintenance work (e.g. ILO core conventions). 	
4. Transport safety	
<ul style="list-style-type: none"> ✓ For all assets, a comprehensive transport safety management system is in place (including e.g. risk assessment, monitoring, training programs, emergency management). 	

5. Environmental aspects of public transport infrastructure

- ✓ All projects are located in France where maximum noise levels regarding train services are in place. Additionally, specific measures to reduce transport-related noise emissions are in place (e.g. collection of performance data and audits).
- ✓ For all projects, environmentally friendly disposal of components is ensured (e.g. removal of hazardous materials, recycling and re-using of waste).



6. Social aspects in supply chain

- ✓ For all assets, high labour and health and safety standards are applied in the supply chain (e.g. ILO core conventions).



Controversy assessment

No controversy assessment at the asset level has been carried out due to the low controversy risk of maintenances and upgrades operations in France, where legislation provide for high environmental and social standards. At the company level, SNCF Réseau does not face any controversy.

The methodology for the asset evaluation can be found in Annex 2.

PART III: ASSESSMENT OF SNCF SA'S ESG PERFORMANCE

For the contemplated issuance, ISS ESG applied the SNCF Réseau Corporate Rating dated 13.08.2019. All rail infrastructures operations, formerly owned by the SNCF Holdings' subsidiary SNCF Réseau, are now owned by the new holding SNCF SA according to the French Ordonnance 2019-552 from 3rd June 2019, and its application decree 2019-1585 from 30th December 2019. According to SNCF SA's Green Bond Framework and under a two-year look-forward period, an amount equivalent to the proceeds collected through the Green Bond will be allocated to eligible projects within rail infrastructures operations of SNCF SA. All former relevant CSR policies of SNCF Réseau are applying to the rail infrastructures operations of SNCF SA.

The ISS ESG Corporate Rating provides a rating and then designates a company as 'Prime⁵' or 'Not Prime' based on its performance relative to the industry sector. It is also assigned a Decile Rank, indicating this relative industry group performance, with 1 indicating a high relative ESG performance, and 10 a low relative ESG performance. For the reasons indicated above, the subsequent rating performance is indicated for SNCF Réseau.

COMPANY	STATUS	Rating	DECILE RANK
SNCF RÉSEAU	PRIME	B-	1

This means that the company performed well in terms of sustainability, both compared against others in the industry and in terms of the industry-specific requirements defined by ISS ESG. In ISS ESG's view, the securities issued by the company therefore all meet the basic requirements for sustainable investments.

As of 10.02.2020, this rating places SNCF Réseau 2nd out of 56 companies rated by ISS ESG in the Transport Infrastructure sector.

Key Challenges facing companies in term of sustainability management in this sector are:

- Reduction of air emissions
- Worker health and safety and product safety
- Responsible land use and biodiversity management
- Business ethics and government relations
- Stakeholder responsibility

In five of the key issues, SNCF Réseau rates above the average for the sector. A very significant outperformance was achieved in "Responsible land use and biodiversity management" and "Stakeholder responsibility".

The company does not face any significant controversy.

⁵ Prime is only awarded to the top sector performers, often less than 10% of companies within the respective sector.

Details on the rating of the issuer can be found in Annex 1.



Robert Hassler, Head of ISS ESG Ratings
London/Munich/Rockville/Zurich

DISCLAIMER

1. Validity of the SPO: For SNCF SA's first issuance following the SPO release date.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
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ANNEX 1: ISS ESG Corporate Rating

The following pages contain extracts from SNCF SA's 2020 ISS ESG Corporate Rating.

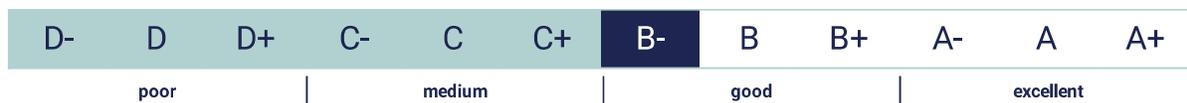
ESG Corporate Rating

SNCF Réseau

Industry	Transportation Infrastructure	Status	Prime
Country	France	Rating	B-
ISIN	XS0497367465	Prime Threshold	C+
		Decile Rank	1



Absolute Rating



The assessment of a company's sustainability performance is based on approximately 100 criteria, selected specifically for each industry. A company's failure to disclose, or lack of transparency, regarding these matters will impact a company's rating negatively

Decile Rank



Low relative performance

High relative performance

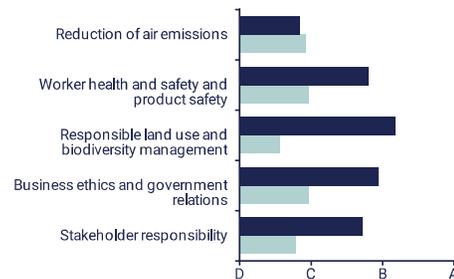
Indicates decile rank relative to industry group. A decile rank of 1 indicates a high relative ESG performance, while a 10 indicates a lower relative ESG performance.

Industry Leaders

Company name (in alphabetical order)	Country	Grade
Fraport AG	DE	C+
SNCF Réseau	FR	B-
ÖBB-Infrastruktur AG	AT	B-

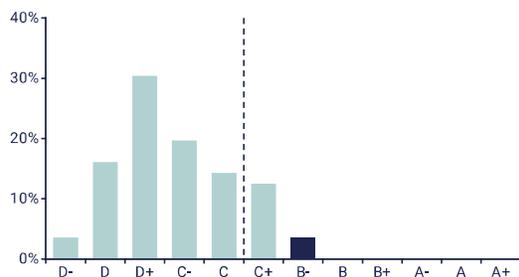
Legend: ■ Industry ■ Company --- Prime

Key Issue Performance

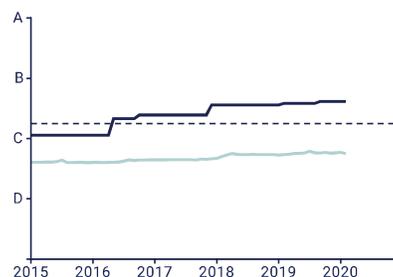


Distribution of Ratings

56 companies in the industry



Rating History



SNCF Réseau

Analyst Opinion

Sustainability Opportunities

SNCF Réseau publicly acknowledges the responsibility of companies involved in transportation in the fight against climate change. The company regards railway transport as a key contributor in this fight as in 2018 in France it emitted less than 1% of CO₂, while transporting 10% of passenger freight, and therefore proves to be a sustainable alternative to other mechanical modes of transport. Energy and carbon intensities of rail transport are relatively small compared to other modes and thus rail transport provides the most environmentally-friendly transportation mode. SNCF Réseau only provides rail transport and therefore contributes to climate-friendly transport.

Sustainability Risks

SNCF Réseau has taken reasonable steps to address environmental sustainability issues associated with its operations, e.g. air and noise emissions, biodiversity conservation and responsible land use, climate change and energy efficiency. Some examples of measures taken by the company include environmental impact studies, monitoring carbon footprints, electrification of the tracks, start-stop mechanisms of trains running on the company's rails, and investments in noise-reducing activities such as facade insulation and acoustic walls.

Relevant social issues include stakeholder dialogue and health and safety. SNCF Réseau is committed to addressing these issues and has implemented health and safety management systems for employees, passengers and passers-by. The company further engages in dialogue and consultation with stakeholders, yet grievance mechanisms are seemingly not in place. Additionally, it remains unclear to what extent health and safety issues are included in business relationships with contractors.

Governance Opinion

SNCF Réseau is owned by the French state. Given this ownership, the corporate governance structure exhibits substantial deficiencies: the members of the board are either representative of the French state or of the company's employees/staff and the chair of the board of directors (Mr Patrick Jeantet) also serves as the company's CEO and is therefore not independent. This reflects a lack of counter-balancing governance oversight. Further, as the company does not disclose the composition of its audit, nomination and remunerations board committees, their independence could not be assessed (all board information as at August 5, 2019). The compensation of the executive management team members is only disclosed as a whole and not on an individual basis. It remains unclear whether important elements for sustainable value creation such as long-term incentive components are integrated into the remuneration of the company's executive management team.

The company's governance of sustainability lags behind as well as there is no evidence of a committee in charge of sustainability issues. In terms of compensation, it also remains unclear whether sustainability performance objectives are included in the executive remuneration scheme. Finally, SNCF Réseau's code of conduct covers various relevant compliance issues such as corruption, antitrust and conflicts of interest. Several compliance measures are in place, including training, risk assessments, and audits. Reporting channels are confidential but not anonymous.

SNCF Réseau

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by oekom research and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Controversial Business Practices - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

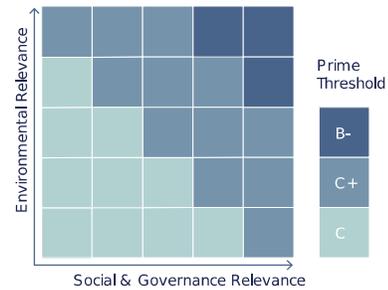
Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

SNCF Réseau

Methodology - Overview

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Major Shareholders & Ownership Summary - Overview of the company's major shareholders at the time of generation of this report. All data as well as the categorisation system for the investor types is based on information from S&P Capital IQ.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

ANNEX 2: Methodology

ISS ESG Green Bond KPIs

The ISS ESG Green Bond KPIs serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of SNCF SA's Green Bond.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Asset evaluation methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by SNCF SA (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which SNCF SA's Green Bond contributes to related SDGs and has a positive association with their respective sub-targets.

The contribution assessment is split into two Levels:

1. **Level1:** Contribution and/or obstruction of the Use of Proceeds categories to be financed through the bond to the UN SDGs
2. **Level2:** Association of the assets' ESG performance with further SDGs

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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