

# Sfil Group Green, Social & Sustainability Bond Framework

November 2024



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Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Green, Social & Sustainability Bonds together with any other investigation such investor deems necessary. In particular, no assurance is given by the relevant dealers that the use of such proceeds for any asset will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by Sfil or Caffil's own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses related to any asset. Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “sustainable” or “social” or an equivalently-labelled asset. A definition of a “green” project or benefiting from a similar label has been established by Regulation (EU) No 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as amended or completed (known as the Taxonomy Regulation) which defines the criteria to determine whether an economic activity can be considered environmentally sustainable. As at the date of this document, Eligible Green Loans defined in the Sfil Group Green, Social and Sustainability Bond Framework are not necessarily aligned with the criteria of the Taxonomy Regulation. In addition, the requirements of any such label may evolve from time to time, accordingly, no assurance is or can be given by any relevant dealer to investors that any asset or use(s) the subject of, or related to, any asset will meet any or all investor expectations regarding such “green”, “social” or “sustainable” or other equivalently-labelled performance objectives.

No assurance or representation is given by any relevant dealer as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by Sfil or Caffil) which may be made available in connection with the issue of any Green, Social & Sustainability Bonds and in particular with any asset, to fulfil any environmental, social, sustainable and/or other criteria. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by Sfil or Caffil or any other person to buy, sell or hold any such Green, Social & Sustainability Bonds.

Sfil or Caffil intends to apply the proceeds of any Green, Social & Sustainability Bonds to finance and/or refinance Eligible Green Loans and/or Eligible Social Loans. However for reasons beyond the Sfil or Caffil's control, (i) the relevant asset or use(s) the subject of, or related to, any asset, may not be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and (ii) such asset may not be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by Sfil or Caffil. Accordingly, such proceeds may not be totally applied as initially planned. Any such event or failure by Sfil or Caffil will not constitute an event of default under the Green, Social & Sustainability Bonds.

Any such event or failure to apply the proceeds of any issue of Green, Social & Sustainability Bonds for any asset as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that Sfil or Caffil is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on may have a material adverse effect on the value and marketability of such Green, Social & Sustainability Bonds and also potentially the value of any other Green, Social & Sustainability Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. For the avoidance of doubt, it is however specified that payments of principal and interest (as the case may be) on the Green, Social & Sustainability Bonds shall not depend on the performance of the relevant asset.

Caution: The Base Prospectus and any supplements and the final terms, when published, will be available on the website of the Issuer: [www.caissefrancaisedefinancementlocal.fr/www.sfil.fr](http://www.caissefrancaisedefinancementlocal.fr/www.sfil.fr) and of the Autorité des Marchés Financiers.

**Caution: Investors should be aware that Sfil has already published a Sfil Group Social Note Framework and previous versions of this Green, Social & Sustainability Bond Framework (<https://sfil.fr/en/sfil-group-investors/>) for the issuance of social bonds. For any issuance of social bonds preceding the publication of this Green, Social & Sustainability Bond Framework investors should consult the relevant Final Terms in order to know which framework is applicable (the Green, Social & Sustainability Bond Framework as published as of the date of the issuance of the first tranche of the relevant series of social bonds or the Sfil Group Social Note Framework as amended or supplemented from time to time). For any issuance of social bonds following the publication of this Green, Social & Sustainability Bond Framework, only the Green, Social & Sustainability Bond Framework as published as of the date of the issuance of the first tranche of the relevant series of social bonds will be applicable.**

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1.

# Introduction to Sfil Group



Photo: Eric Deniset

# 1. Introduction to Sfil Group

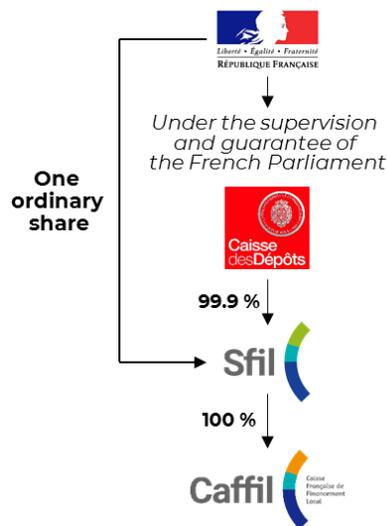
Sfil is a public development bank and France's local government and export financing agency.

Sfil was created in 2013 on the founding principle that it would serve the public interest and guarantee stable financing for French local authorities and public health institutions. Since 2015, Sfil has also supported major French export contracts.

These two mandates are reflected in Sfil's corporate purpose statement: *"Financing a sustainable future through long-term, responsible support for regional development and the international activity of large companies by mobilising international capital, with a positive but moderate profitability target, a conservative risk profile and a balanced social model"*.

## A fully public shareholding structure

Caisse des Dépôts (CDC) has been Sfil's single major shareholder since 30 September 2020, with the acquisition by CDC of all of the Sfil shares held by La Banque Postale and all of the Sfil shares held by the French Republic with the exception of one ordinary share that the French Republic retained. This fully public shareholding structure enables us, in accordance with our model as a public development bank, to carry out the public policy missions entrusted to us while maintaining the conditions necessary for our own viability through appropriate asset pricing and prudent risk management, without seeking to maximise our return or market share.



According to its corporate purpose, CDC is *"committed, at the heart of local communities, to accelerating the ecological transformation and to contributing to a better life for all"*. Sfil's activity fully integrates this corporate purpose by contributing to the group's three strategic priorities (Ecological transformation, Economic development and sovereignty, Social and regional cohesion) while striving to lead by example in internal processes.

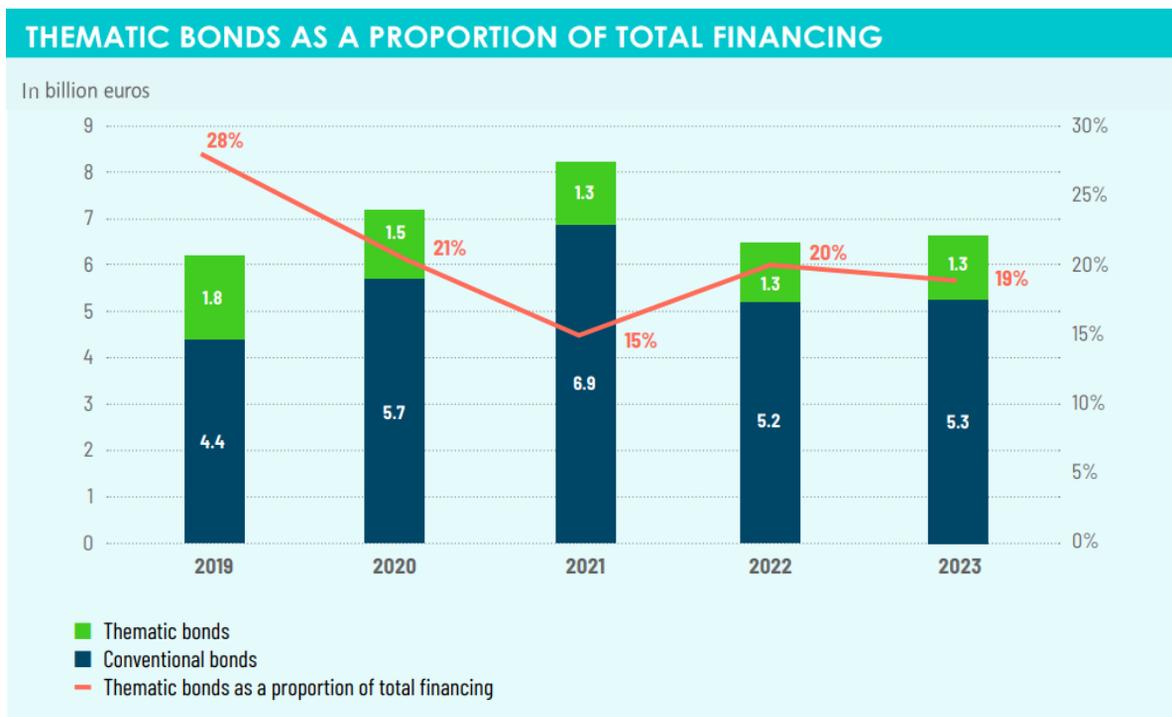
### A specific and well-proven business model

In order to support investments by local authorities, public hospitals and major French exporters, Sfil Group mobilises international savings at competitive rates via two types of refinancing sources:

- 1) **Covered bonds** (*obligations foncières*) issued by Sfil's wholly-owned subsidiary **Caffil** (*Caisse Française de Financement Local*) represent the main source of funding for Sfil Group. Caffil has the legal status of *société de crédit foncier* governed, amongst others, by Articles L.513-2 to L.513-27 of the French *Code monétaire et financier*. Caffil is Europe's leading issuer of public-sector covered bonds, with more than EUR 50 billion of covered bonds outstanding. Its issues are entitled to use the "European Covered Bond (Premium)" label as defined by the European Covered Bond Directive (Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision, as amended) transposed under French law by ordinance (ordonnance) No. 2021-858 dated 30 June 2021, the provisions of which entered into force on 8 July 2022.
- 2) Since 2016, **Sfil** has also financed its activity via regular issuance of benchmark bonds in the **agency market segment**. In addition, Sfil raises short-dated funding via a French domestic commercial paper program (NEU CP). Sfil's name is well established in the Sovereign, Supranational and Agency (SSA) market. This recognition gives Sfil an excellent financing capacity, which it leverages to serve the public interest.

A detailed description of each issuer is provided respectively in the EMTN Base Prospectus of Sfil and its supplements available on its website ([www.sfil.fr](http://www.sfil.fr)) and in the EMTN Base Prospectus of Caffil and its supplements available on its website ([www.caissefrancaisedefinancementlocal.fr](http://www.caissefrancaisedefinancementlocal.fr)), respectively.

With sustainability as a core pillar of its activities, Sfil Group has been issuing thematic bonds since 2019, with the aim of supporting its clients in their investments dedicated to the ecological transition and social cohesion. As of 30 June 2024, Sfil and Caffil have issued EUR 7.5 billion of green or social bonds (see graph below).



**2.**

**Sustainability at the heart of Sfil's strategy**



## 2. Sustainability at the heart of Sfil's strategy

Sfil's strategic plan **#Objectif2026** was established in 2021 with the ambition to pursue and accentuate the bank's expansion within CDC, while continuing to assert and develop its model of a human-sized public development bank.

### Joining the Global Compact, an important step in terms of CSR commitments

In 2018, Sfil became a signatory to the United Nations' Global Compact – the most important global initiative ever undertaken in the field of corporate sustainability. Companies who put their name to the Global Compact undertake to align their strategies and operations with Ten Principles derived from core United Nations conventions and declarations, grouped into four themes (human rights, labour, environment, and anti-corruption), as well as with the Sustainable Development Goals (SDGs) of the 2030 Agenda.

Since joining the Global Compact, Sfil has increasingly integrated ESG/sustainability issues into all dimensions of its activity: in its loan offer, in the assessment and management of its risks, in its external communication and internal operations.

### Ten commitments to formulate Sfil's contribution to the SDGs

In 2023, Sfil restructured its sustainability policy around 10 ambitious commitments aligned with CDC's strategic priorities and commitments and with the SDGs.

ECOLOGICAL TRANSFORMATION	
1	Gradually align our financing portfolios with the objectives of the Paris Climate Agreement.
2	Accelerate the ecological transition through our financing and customer engagement activities.
3	Make progress in measuring and taking into account the impact of our financing on biodiversity.
ECONOMIC DEVELOPMENT AND SOVEREIGNTY	
4	Contribute to regional reindustrialisation, increased strategic autonomy and the development of essential infrastructures by supporting major French exporters.
SOCIAL AND REGIONAL COHESION	
5	Support regional development by guaranteeing stable financing for local authorities.
6	Promote social and regional cohesion through our financing and sponsorship activities.
7	Advance health care by supporting the investments of public health institutions.
LEADING BY EXAMPLE	
8	Step up ESG integration.
9	Be a responsible employer that protects and engages with its employees while valuing their diversity.
10	Manage the environmental and societal impact of our internal operations.

### ESG & climate-related risks management

Sfil has put in place comprehensive mechanisms to assess and manage environmental, social and governance (ESG) risks across its various activities.

#### 1/ Identification and assessment of ESG risks

In 2023, Sfil developed an innovative methodology for rating the climate and environmental risks of the local public sector.

Sfil also initiated work to assess the importance (or materiality) of the themes listed by the European Sustainability Information Standards (ESRS), as part of a dual materiality analysis covering:

- Financial materiality (outside-in), which refers to the positive (opportunities) and negative impacts generated by ESG issues on Sfil; and
- Impacts materiality (inside-out), which refers to the positive or negative impacts of Sfil on ESG issues.

Sfil has given particular attention to climate and environmental risk, given its materiality, by mapping the financial risks induced by climate change and assessing the materiality of their financial impact on a qualitative basis, and according to different time horizons.

#### 2/ Consideration of ESG issues in risk appetite

Sfil is increasingly integrating ESG considerations into its activities, particularly through its risk management system.

Notably, Sfil's delegation scheme and credit decisions take into account the social and environmental utility of the projects financed as part of the credit criteria. As a result, Sfil's risk appetite is higher for green loans and social loans, which benefit from greater flexibility and exposure.

#### 3/ Compliance, a key component of the risk management system

Sfil is committed to building trust with its stakeholders and is fully aware of the threats and risks that corruption poses to its ability to carry out its missions and reputation. Therefore, Sfil promotes the implementation of ethical and responsible behavior both internally and in its relations with its various stakeholders.

In this way, Sfil has voluntarily decided to adopt an anti-corruption system based on the *Sapin 2* French law; which includes in particular an anti-money laundering and financing of terrorism framework, third-party supplier assessment, prevention and management of conflicts of interest and an internal alert system.

### A strict exclusion policy

As a subsidiary of CDC, Sfil implements CDC group's sustainability policies, including: its climate policy<sup>1</sup>, its biodiversity policy<sup>2</sup> and its responsible finance charter<sup>3</sup>. In particular, Sfil applies a strict exclusion policy aligned with that of CDC.

Sfil is careful not to finance activities involving the production of or trading in any illegal product, or any activity that is illegal in France or the country in which the company in question operates. The following sectors are therefore excluded from financing by Sfil:

1. Prostitution;
2. Activities involving forced labour, child labour or human trafficking, as far along the value chain as possible;
3. Illegal activities involving human organs, tissues or products, and genetic engineering activities prohibited under national bioethical standards in France or the activity's host country or under the applicable European or international standards in this area;
4. The trade, production, rearing and holding of animals, plants or any natural products that do not meet the provisions of the Convention on International Trade in Endangered Species of wild fauna and flora (CITES);
5. Producing, using and trading in any product banned from production or use or subject to a progressive ban under international regulations or those of the destination country;

<sup>1</sup> Caisse des Dépôts Group's climate policy, 26 October 2022, online

<sup>2</sup> Caisse des Dépôts Group's biodiversity policy, 13 December 2022, online

<sup>3</sup> Caisse des Dépôts Group's Responsible Finance Charter, 16 December 2022, online

6. Cross-border trade in waste, apart from such trade that is in compliance with the Basel Convention and its underlying regulations;
7. Illicit trade and activities likely to facilitate illicit trafficking of cultural goods; and
8. Projects where a forced eviction within the United Nations meaning has taken place on the site impacted by the planned project, for which both a causal link to this project's purpose and a material impossibility of providing compensation can be established.

In addition to the regulatory exclusions, Sfil voluntarily excludes the following activities due to their controversial nature and negative societal impact:

1. Any activity related to pornography;
2. The manufacture, storage and sale of tobacco<sup>4</sup>;
3. Gambling;
4. The production, development, storage, distribution, sale and use of all non-conventional weapons covered by international treaties ratified by France;
5. Speculation in agricultural raw materials with a direct impact on food prices, as well as the exploitation and trading of raw materials in the absence of a recognised policy for the prevention of deforestation (cocoa, coffee, soya, livestock, rubber, palm oil, timber and pulp); and
6. The manufacture, storage and trade of pesticides prohibited on French territory.

In terms of fossil fuels, Sfil complies with the guidelines of France's export support policy, most recently amended by the initial budget bill of 30 December 2022 for 2023. The following activities are therefore excluded from financing by Sfil:

- Exploration, production, transport, storage, refining or distribution of coal or liquid or gaseous hydrocarbons; and
- Energy production from coal.

These two exclusions do not apply to operations that have the effect of reducing the negative environmental impact or improving the safety of existing installations or their impact on health, without increasing their lifetime or production capacity, or which are aimed at dismantling or repurposing these installations. Sfil therefore accepts to refinance export projects that (i) improve the electricity mix or electricity transmission and distribution infrastructures of the country in which they are located and/or (ii) are consistent with the energy transition strategy of the company or country in question.

<sup>4</sup>For this item and the next, only the main activity is covered: urban development plans that could later include tobacco sales or gambling projects are not concerned

### 3. Sfil's financing for a sustainable future



## 3. Sfil's financing for a sustainable future

### Local public investment, a crucial lever for the ecological transition

Sfil is a key player in the medium- to long-term financing of local authorities and public health institutions of all sizes, throughout France.

Local government investments must necessarily serve the public interest and pertain to the exercise of the powers devolved to local governments in the context of decentralisation. An analysis of these powers shows that they contribute significantly to the Sustainable Development Goals, either in terms of ecological transition (soft mobility, public transport, water and sanitation, waste management and recovery, development of green spaces, management of local building heritage, etc.), or social cohesion (education and training, culture, sport, social action, civil security, etc.).

### A steady rise in thematic loans, supported by Green, Social and Sustainability Bond issuances

With its partners, Sfil offers its local public sector borrowers a comprehensive range of thematic loans (green loans, social loans) covering most of the sustainability public policies they pursue. In 2023, thematic loans continued to grow and accounted for 43% of loans marketed, compared to 37% in 2022 and 27% in 2021.

Consequently, as leading lender to French local authorities and public hospitals, Sfil makes a concrete contribution to the ecological transition and the social cohesion of territories.

Sfil has the ambition to further develop the lending activity under Green and Social loan format. This development will be supported by regular issuance under Green, Social and Sustainability bond format, with a target 33% of total bond issuance under Green, Social or Sustainability format by 2030.

### Supporting competitiveness and job creation in French regions

Since May 2015, Sfil has been refinancing major French export credit contracts. This mission, authorised by the European Commission, was entrusted to Sfil by the French Republic to help improve the competitiveness of French exporters.

Export credit transactions refinanced by Sfil are governed by a set of rules contained in the Arrangement on Officially Supported Export Credits<sup>5</sup> issued by the Organization for Economic Cooperation and Development (OECD) and social guidelines.

The export financing activity is limited to loans benefitting from a guarantee by the French Republic under a strict framework, including strict rules on environmental and social standards, prevention of corruption, and debt sustainability from the borrowers' point of view.

### Sfil's actions to limit its environmental footprint

As regards the environmental (including carbon) footprint of its internal operations, Sfil is committed to undertaking, on a voluntary basis, actions within its operational perimeter to diminish that footprint through the triptych: (i) measure, (ii) reduce and (iii) compensate what cannot be reduced.

As regards the carbon footprint of its portfolios, Sfil has publicly committed to progressively aligning its portfolios with trajectories compatible with the Paris Agreement, with the following targets published at the end of 2023:

<sup>5</sup> <https://www.oecd.org/en/topics/export-credits.html>

### 2030 Targets<sup>6 7</sup>

**Local public sector** [77% of total exposures<sup>8</sup>]: **reduce by 40%** the monetary intensity of the portfolio, from 153 gCO<sub>2</sub>e/euro financed to **92 gCO<sub>2</sub>e/euro financed on scopes 1, 2 and 3 (upstream and downstream)**, with reference to SNBC<sup>9</sup>

#### Export financing:

- **Fossil fuels** [0.4 % of total exposures]: **No financing of any new project related to coal, oil and gas**
- **Power generation** [0.2 % of total exposures]: Only financing of **low-carbon energy projects** or **gas-fired power plants that improve the carbon intensity of the energy mix in destination countries**

#### Our decarbonization levers to support the energy and ecological transition between 2024 and 2030:

- **EUR 17.5 billion mobilised for the energy and ecological transition** via green loans to French local authorities and the financing of large French export contracts with a positive environmental or climate impact
- **EUR 12 billion of social loans** to finance French public hospitals and social investments by French local authorities

These targets, which cover 82% of Sfil's exposures, are in line with Sfil's strategic plan.

<sup>6</sup> Compared to a 2021 baseline

<sup>7</sup> See the methodology in appendix of Sfil's press release (December 2023): [https://sfil.fr/en/wp-content/uploads/sites/2/2023/12/CPSfil20123\\_eng.pdf](https://sfil.fr/en/wp-content/uploads/sites/2/2023/12/CPSfil20123_eng.pdf)

<sup>8</sup> Based on the gross carrying amount as of 31 December 2021, reference date for the calculation of GHG emissions

<sup>9</sup> *Stratégie Nationale Bas Carbone de la France*, i.e. French Low-Carbon Strategy (revised 2018-2019 version)

4.

## Rationale to issue Green, Social and Sustainability Bonds



## 4. Rationale to issue Green, Social and Sustainability Bonds

The financing of green and social investments by the French local public sector (the French local authorities and French Public Hospitals) and the French public export financing set up is at the heart of the public policy missions of Sfil Group (**Sfil**). This commitment is formalised via Sfil's sustainability strategy and via the annual sustainability report. For this reason, Sfil is further developing its funding strategy by integrating regular issuance of green and social bonds.

The objective of green bonds (the **Green Bonds**), social bonds (the **Social Bonds**), and sustainability bonds (the **Sustainability Bonds**) to be issued in accordance with this framework (the **Green, Social & Sustainability Bond Framework**) is to provide loans to finance green and/or social investments, by the French local public sector and within the French export credit set-up.

Sfil is convinced that Green, Social and Sustainability Bonds are an effective tool to channel investments towards assets that have environmental and/or social benefits and to provide transparency to investors. This Green, Social & Sustainability Bond Framework has been created to facilitate transparency, disclosure and integrity of Sfil Group Green, Social and Sustainability Bond issuances.

With the objective to provide investment opportunities to investors who seek to contribute to the financing of green and/or social investments, Sfil has designed this document with the intention to reflect current best market practice. It has been designed in accordance with the Green Bond Principles (GBP), 2021 (with June 2022 Appendix I) version, the Social Bond Principles (SBP), 2023 version, and the Sustainability Bond Guidelines (SBG), 2021 version, as published by the International Capital Market Association (ICMA)<sup>10</sup>. With this update, Sfil has also chosen to align certain eligible green project categories with the EU Taxonomy's substantial contribution criteria for the objective of climate change mitigation (Climate Delegated Act), on a best effort basis.

In addition, the Green, Social & Sustainability Bond Framework outlines expected contributions to the Sustainable Development Goals (SDGs) published in 2015 by the United Nations as part of the 2030 Agenda for Sustainable Development.

Finally, this updated version of the Green, Social & Sustainability Bond Framework includes social or sustainability bonds used to finance or refinance French public hospitals loans as previously eligible only under the Sfil Group Social Note Framework<sup>11</sup>. From the publication of this Green, Social & Sustainability Bond Framework, categories of assets previously eligible under the Sfil Group Social Note Framework can now only be financed and/or refinanced under the Green, Social & Sustainability Bond Framework. The Sfil Group Social Note Framework will continue to apply until the maturity of the social bonds issued thereunder and will remain publicly available accordingly<sup>12</sup>.

<sup>10</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

<sup>11</sup> As publicly available on Sfil's website (<https://sfil.fr/en/sfil-group-investors/>)

<sup>12</sup> Including the relevant social bonds reporting and external reviews

5.

## Sfil Group Green, Social & Sustainability Bond Framework



## 5. Sfil Group Green, Social & Sustainability Bond Framework

Green, Social or Sustainability Bonds issued under this Green, Social and Sustainability Bond Framework will comply with the following definitions:

- **Green Bonds** are bond instruments where the net proceeds will be exclusively used to refinance or finance Eligible Green Loans as defined in section 5.1.
- **Social Bonds** are bond instruments where the net proceeds will be exclusively used to refinance or finance Eligible Social Loans as defined in section 5.1.
- **Sustainability Bonds** are bond instruments where the net proceeds will be exclusively used to refinance or finance both Eligible Green Loans and Eligible Social Loans as defined in section 5.1.

Green, Social and Sustainability Bonds, as defined in this Green, Social & Sustainability Bond Framework, may be Green, Social or Sustainability covered bonds (*obligations foncières*) issued by Caffil or Green, Social or Sustainability senior unsecured bonds issued by Sfil:

- Green, Social or Sustainability bonds issued by Sfil will be used to refinance or finance Eligible Green Loans and/or Eligible Social Loans to the French local public sector (French local governments and French public hospitals) held on the balance sheet of Caffil and eligible French export contracts held on the balance sheet of Sfil, as defined in section 5.1.
- Green, Social or Sustainability covered bonds (*obligations foncières*) issued by Caffil will be used to refinance or finance Eligible Green Loans and/or Eligible Social Loans to the French local public sector held on the balance sheet of Caffil, and refinancing loans provided by Caffil to Sfil to finance eligible French export contracts, as defined in section 5.1.

Sfil will conduct an internal monitoring to ensure the same Eligible Green and/or Social loan is not (re)financed by more than one Green, Social or Sustainability bond issuance by Sfil or Caffil at the same time.

In accordance with the Green Bond Principles, Social Bond Principles and the Sustainability Bond Guidelines, Sfil Group Green, Social & Sustainability Bond Framework contains the following key pillars:

- Use of Proceeds,
- Process for Project Evaluation and Selection,
- Management of Proceeds, and
- Reporting

The Green, Social & Sustainability Bond Framework also follows the key recommendations for heightened transparency of the Green & Social Bond Principles regarding (i) green & social bond frameworks and (ii) external review as further outlined under section 5.5.

This Green, Social & Sustainability Bond Framework may be further updated or expanded to reflect future updates to the Green and Social Bond Principles and Sustainability Bond Guidelines, best market practices, the evolving regulatory landscape and evolutions in Sfil's activities. These potential changes will either keep or improve the current levels of transparency and reporting described in the Green, Social & Sustainability Bond Framework and will be subject to an update of the Second Party Opinion as necessary (see section 5.5.1).

## 5.1 Use of Proceeds

The net proceeds of the Green, Social and Sustainability Bond issues will be used to finance and/or refinance, in whole or in part Eligible Green and/or Social Loans as defined below.

Eligible Green Loan Categories	Eligible Social Loan Categories
<ul style="list-style-type: none"> <li>• Territorial mobility and soft urban transport</li> <li>• Renewable energy</li> <li>• Low-carbon energy</li> <li>• Energy efficiency of construction and urban development</li> <li>• Sustainable water and sanitation</li> <li>• Waste management and valuation</li> </ul>	<ul style="list-style-type: none"> <li>• Access to essential services</li> <li>• Renewal and cohesion of territories</li> <li>• Affordable basic infrastructure</li> </ul>

### Eligible types of financings

#### (i) Financing of the French local public sector:

- a. Financing of French local Authorities' new investments. As defined under French law borrowing by local authorities is strictly limited to the financing of new investments and excludes any financing of operating expenditures<sup>13</sup>.
- b. Financing of French public hospitals in accordance with the French public hospital policy as defined by the French *Code de la santé publique* and contributing to the public hospital sector responsibilities including:
  - Provision of public health services for the whole population, regardless of the income, social or financial status, at any time, and for all medical and surgical specialties, all diagnostic and therapeutic possibilities, including rare diseases or extremely expensive, complex and long-term treatments;
  - Research to continually improve care and develop new treatments;
  - Training of doctors, midwives, pharmacists, dentists, healthcare executives, nurses, etc.

#### (ii) Financing of large French export contracts, which must benefit from a public guarantee under the export credit insurance policy defined annually by the French Republic<sup>14</sup>.

Discussions are ongoing with the European authorities in order to expand the typology of public assets that Sfil could finance under its current mandates.

In accordance with the "High-Level Mapping to the Sustainable Development Goals" as published by the International Capital Market Association (ICMA) in June 2023<sup>15</sup>, Sfil also presents under sections 5.1.2 and 5.1.3 below the expected positive contribution of chosen Eligible Green and/or Social loans to be allocated to Green, Social & Sustainability Bonds to the targeted Sustainable Development Goals.

In addition to the Exclusion Criteria specified for each Eligible Green/Social Loan Category below, Sfil undertakes to follow within this Green, Social and Sustainability Bond Framework its general sectoral exclusion policies presented in its sustainability policy (January 2024)<sup>16</sup>.

<sup>13</sup> <https://www.collectivites-locales.gouv.fr/principes-recours-a-lemprunt>

<sup>14</sup> <https://www.bpifrance.fr/nos-solutions/international/international-expertise#section-5974>

<sup>15</sup> ICMA (June 2023) Green and social bonds: a high-level mapping to the sustainable development goals. Available here: [https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/mapping-to-the-sustainable-development-goals/#:~:text=This%20High%20Level%20Mapping%20to,Sustainable%20Development%20Goals%20\(SDGs\),](https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/mapping-to-the-sustainable-development-goals/#:~:text=This%20High%20Level%20Mapping%20to,Sustainable%20Development%20Goals%20(SDGs),)

<sup>16</sup> Sfil - Politique de développement durable – page 5 to 6 (January 2024): [https://sfil.fr/wp-content/uploads/2024/02/Sfil\\_rse\\_020224.pdf](https://sfil.fr/wp-content/uploads/2024/02/Sfil_rse_020224.pdf)

### 5.1.1 Eligible Green Loans

Eligible Green Loans consist of existing and future loans provided by Sfil which belong to the following Eligible Green Loan Categories and are aligned with the applicable Eligibility Criteria:

#### Eligible Green Loan Categories

- Territorial mobility and soft urban transport
- Renewable energy
- Low-carbon energy
- Energy efficiency of construction and urban development
- Sustainable water and sanitation
- Waste management and valuation

Under the Territorial mobility and soft urban transport, Renewable energy, Low-carbon energy and Energy efficiency of construction and urban development Eligible Green Loan Categories outlined below, the Eligibility Criteria for selection of Eligible Green Loans follows either:

- i. The Substantial Contribution Criteria ('SCC') from the Climate Delegated Act or the Complementary Climate Delegated Act of the EU Taxonomy, which provides a definition of activities contributing substantially to the climate change mitigation objective. For these activities that are aligned with the SCC, the tables below in this section 5.1.1 (Eligible Green Loans) show the mapping of activities with the Climate Delegated Act (Annex I of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended) and the Complementary Climate Delegated Act (Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, as amended)<sup>17</sup>; or
- ii. In some specific cases, alternative internal Eligibility Criteria aligned with best market practices and based on the following sources of information:
  - Internal expertise of all the parties involved in the construction of the Green, Social & Sustainability Bond Framework;
  - Eligible Green Project Categories as set out in the Green Bond Principles (GBP), 2021 version with June 2022 Appendix I as published by the International Capital Market Association (ICMA).
  - Existing market practices based on similar Frameworks already published;
  - Publicly available guidelines (such as Climate Bonds Initiative taxonomy or database inclusion methodology), marketplace documents and tools (international standards, national policies and schemes, Best Available Techniques (BAT))<sup>18</sup>.

Under the Sustainable water and sanitation and Waste management and valuation Eligible Green Loan Categories as presented hereunder, Sfil refers to internal Eligibility Criteria aligned with best market practices and defined similarly to approach outlined under point (ii) above.

Sfil may also consider including as Eligible Green Loans the (re)financing of projects aligned with the SCC or fully aligned with the EU Taxonomy for any of the six environmental objectives under all the Eligible Green Loan Categories presented under this Green, Social & Sustainability Bond Framework. In case of inclusion of such eligible loans, additional information will be provided as part of the relevant Green, Social and Sustainability Bonds reporting, on a case-by-case basis.

For the avoidance of doubt, Eligible Green Loans for any Eligible Green Loan Category must meet either the EU Taxonomy SCC applicable to the relevant economic activity or the alternative internal Eligibility Criteria as outlined below. If additional loans are included based on Eligibility Criteria not listed in the below table(s) in accordance with the above paragraph (hence included in the Eligible Green Loan Categories presented hereunder), Sfil will disclose additional information in the relevant Green, Social and Sustainability Bonds reporting and the eligibility criteria will systematically be based on the SCC outlined in the EU Taxonomy (Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended) and associated Climate or Environment Delegated Acts.

<sup>17</sup> In Appendix II of this Green, Social & Sustainability Bond Framework, Sfil presents in detail the EU Taxonomy Substantial Contribution Criteria to which the Green, Social & Sustainability Bond Framework refers.

<sup>18</sup> Such alternative criteria is identified by the mention "(internal criteria)" in the table outlined under the Use of Proceeds section of this Green, Social & Sustainability Bond Framework.

## Eligible Green Loan Category: Territorial mobility and soft urban transport

### Green Bond Principles eligible project category:

- **Clean transportation** (such as electric, hybrid, public, rail, non-motorised, multi-modal transportation, infrastructure for clean energy vehicles and reduction of harmful emissions).

### Contribution to EU Environmental Objective(s):

1. Climate Change Mitigation

### Contribution to the United Nations Sustainable Development Goals:



Target: **9.1**



Targets: **11.2, 11.6**



Target: **13.2**

## Territorial mobility and soft urban transport

**Exclusion Criteria:** Rolling stock, vessels, vehicles, and transportation infrastructure dedicated to the transportation and storage of fossil fuels.

Project description	Eligibility criteria
<b>Design, construction, modernisation, operation, acquisition, and maintenance of low-carbon vehicles, rolling stock including:</b>	
Low carbon personal mobility devices, motorbikes, passenger cars and light commercial vehicles (including schemes for public access to such vehicles)	<ul style="list-style-type: none"> <li>• 6.4. Operation of personal mobility devices, cycle logistics</li> <li>• 6.5. Transport by motorbikes, passenger cars and light commercial vehicles, excluding criteria applicable until 31 December 2025 only</li> </ul>
Low carbon rolling stock dedicated to passenger or freight transport	<ul style="list-style-type: none"> <li>• 6.1. Passenger interurban rail transport</li> <li>• 6.2. Freight rail transport</li> <li>• 6.3. Urban and suburban transport, road passenger transport, excluding criteria applicable until 31 December 2025 only</li> <li>• 6.6. Freight transport services by road</li> </ul>
<b>Design, construction, modernisation, operation, acquisition, and maintenance of low-carbon transport infrastructure including:</b>	
Infrastructure enabling low-carbon road transport and public transport	<ul style="list-style-type: none"> <li>• 6.15. Infrastructure enabling road transport and public transport</li> <li>• 7.4. Installation, maintenance, and repair of charging stations for electric vehicles in buildings</li> </ul>
Infrastructure enabling rail transport	<ul style="list-style-type: none"> <li>• 6.14. Infrastructure for rail transport</li> </ul>
Infrastructure enabling low carbon water transport	<ul style="list-style-type: none"> <li>• 6.16 Infrastructure enabling low carbon water transport</li> </ul>
Infrastructure for personal mobility and cycle logistic	<ul style="list-style-type: none"> <li>• 6.13. Infrastructure for personal mobility, cycle logistics</li> </ul>

**Eligible Green Loan Category: Renewable energy**

**Green Bond Principles eligible project category:**

- Renewable energy (including production, transmission, appliances and products);

**Contribution to EU Environmental Objective(s):**

1. Climate Change Mitigation

**Contribution to the United Nations Sustainable Development Goals:**



Target: **7.2**



Target: **9.4**



Target: **11.3**



Target: **13.2**

**Renewable energy**

Exclusion Criteria:

- Large-scale hydropower plants (over 20MW generation capacity).
- First-generation biofuels (derived from food crops such as corn, sugar cane, sunflower oil, soybeans, starch and sucrose)

Project description	Eligibility criteria
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**Design, construction, modernisation, operation, acquisition, installation, retrofit and maintenance of renewable energy production units including:**

Electricity generation, co-generation of heat/cool and power, and production of heat/cool from solar energy	<ul style="list-style-type: none"> <li>• 4.1. Electricity generation using solar photovoltaic technology</li> <li>• 4.2. Electricity generation using concentrated solar power (CSP) technology</li> <li>• 4.17. Cogeneration of heat/cool and power from solar energy</li> <li>• 4.21. Production of heat/cool from solar thermal heating</li> </ul>
Electricity generation from wind power	<ul style="list-style-type: none"> <li>• 4.3. Electricity generation from wind power</li> </ul>
Electricity generation from hydropower	<ul style="list-style-type: none"> <li>• 4.5. Electricity generation from hydropower</li> </ul>
Electricity generation, co-generation of heat/cool and power, and production of heat/cool from geothermal energy	<ul style="list-style-type: none"> <li>• 4.6. Electricity generation from geothermal energy</li> <li>• 4.18. Cogeneration of heat/cool and power from geothermal energy</li> <li>• 4.22. Production of heat/cool from geothermal energy</li> </ul>
Electricity generation, cogeneration of heat/cool and power, and production of heat/cool from bioenergy	<ul style="list-style-type: none"> <li>• 4.8. Electricity generation from bioenergy</li> <li>• 4.20. Cogeneration of heat/cool and power from bioenergy</li> <li>• 4.24. Production of heat/cool from bioenergy</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• (internal criteria) Electricity generation facilities, co-generation facilities for heat/cool and power or facilities that produce heat/cool exclusively from solid biomass fuels where the total rated thermal input does not exceed 20 MW and using agricultural or forest feedstocks as defined by EU Directive 2018/2001<sup>19</sup> (Article 29, paragraphs 2 to 7).</li> </ul>
Installation and operation of electric heat pump	<ul style="list-style-type: none"> <li>• 4.16. Installation and operation of electric heat pumps</li> </ul>

<sup>19</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001>

Project description	Eligibility criteria
<b>Design, construction, modernisation, operation, acquisition, installation, retrofit and maintenance of energy transmission and distribution units including:</b>	
Construction, refurbishment, and operation of transmission systems transporting electricity on extra high-voltage, and high-voltage interconnected system and on high-voltage, medium-voltage, and low-voltage distribution systems	<ul style="list-style-type: none"> <li>• 4.9 Transmission and distribution of electricity</li> </ul>
Construction, operation, conversion, repurposing or retrofit of transmission and distribution pipelines dedicated to the transport of hydrogen or other low-carbon gases	<ul style="list-style-type: none"> <li>• 4.14. Transmission and distribution networks for renewable and low-carbon gases</li> </ul>
Construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling	<ul style="list-style-type: none"> <li>• 4.15. District heating/cooling distribution</li> </ul>
<b>Design, construction, modernisation, operation, acquisition, installation, retrofit and maintenance of energy storage units including:</b>	
Construction, refurbishment, and operation of facilities that store hydrogen and return it at a later time	<ul style="list-style-type: none"> <li>• 4.12. Storage of hydrogen</li> </ul>
Construction, refurbishment, and operation of facilities that store thermal energy and it at a later time	<ul style="list-style-type: none"> <li>• 4.11 Storage of thermal energy</li> </ul>
Construction, refurbishment, and operation of facilities that store electricity and it at a later time	<ul style="list-style-type: none"> <li>• 4.10 Storage of electricity</li> </ul>
<b>Manufacture of low-carbon energy or manufacture of technologies supporting low-carbon energy</b>	
Manufacture of biogas and biofuels for use in transport and of bioliquids	<ul style="list-style-type: none"> <li>• 4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids</li> </ul>
Manufacture of hydrogen and hydrogen-based synthetic fuels	<ul style="list-style-type: none"> <li>• 3.10 Manufacture of hydrogen</li> </ul>
Construction, refurbishment, and operation of facilities dedicated to rechargeable batteries manufacturing and/or recycling	<ul style="list-style-type: none"> <li>• 3.4. Manufacture of batteries</li> </ul>

**Eligible Green Loan Category: Low-carbon energy**

**Contribution to EU Environmental Objective(s):**

1. Climate Change Mitigation

**Contribution to the United Nations Sustainable Development Goals:**



Targets: **7.2, 7.a**



Target: **13.2**

Projects located in the European Union and financed under the Low-carbon energy Eligible Green Loan Category will be fully aligned to the EU Taxonomy Complementary Climate Delegated Act. Notably, the projects will be aligned with the Substantial Contribution Criteria, the Do No Significant Harm (DNSH) and the Minimum Safeguards presented under Annex I of the Complementary Climate Delegated Act published in the Official Journal on 15 July 2022<sup>20</sup>.

Low-carbon energy	
Project description	Eligibility criteria
<p><b>Financing of French export contracts related to nuclear power projects</b> (located in the EU or outside of European Union)</p>	
<p>Construction, modification of existing nuclear installations for the purposes of extension, and safe operation of nuclear power plants</p>	<ul style="list-style-type: none"> <li>• Projects located in the European Union:                             <ul style="list-style-type: none"> <li>◦ Construction, modification of existing nuclear installations for the purposes of extension, and safe operation of nuclear power plants with the latest technologies (including Small Modular Reactors) meeting full alignment with the EU Taxonomy Complementary Climate Delegated Act Annex I (SCC, DNSH and MS)<sup>21</sup> for activity:                                     <ul style="list-style-type: none"> <li>▪ 4.27. Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies; or</li> <li>▪ 4.28. Electricity generation from nuclear energy in existing installations</li> </ul> </li> </ul> </li> <li><b>OR</b></li> <li>• (internal criteria) Projects located strictly outside of the European Union:                             <ul style="list-style-type: none"> <li>◦ Construction, modification of existing nuclear installations for the purposes of extension, and safe operation of nuclear power plants with the latest technologies (including Small Modular Reactors) meeting the following Eligibility Criteria:                                     <ul style="list-style-type: none"> <li>▪ Life-cycle greenhouse gas (GHG) emissions from the generation of electricity from nuclear energy are below the threshold of 100 g CO<sub>2</sub>e/kWh</li> <li>▪ The activity operates in a country:   <ul style="list-style-type: none"> <li>• compliant with the relevant international norms regarding non-proliferation and the related UN security council resolutions and IAEA board of governors resolutions; and</li> <li>• where an independent Nuclear Safety Authority (or equivalent State agency), cooperating at international level and capable of evaluating the safety level of the technology used and validating the project design exists.</li> </ul> </li> </ul> </li> </ul> </li> </ul>

<sup>20</sup> In Appendix III of this Green, Social & Sustainability Bond Framework, Sfil presents in detail the EU Taxonomy Do No Significant Harm Criteria of the nuclear activities to which the Green, Social & Sustainability Bond Framework refers.  
<sup>21</sup> EU Taxonomy Complementary Climate Delegated Act to accelerate decarbonisation, including nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy, published in the Official Journal on 15 July 2022 [link](#)

<p>Construction, modification of existing nuclear installations for the purposes of extension, and safe operation of nuclear power plants</p>	<ul style="list-style-type: none"> <li>▪ Spent fuel management and nuclear waste management plans are implemented, a decommissioning strategy including an adequate financing scheme is in place, and at least one of the following criteria is met: <ul style="list-style-type: none"> <li>• operation in a country with a documented plan complete with steps to have a disposal facility for high-level radioactive waste in operation by 2050; and/or</li> <li>• operation in a country that is a Contracting Party of the Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management<sup>22</sup>; and/or</li> <li>• the project manager has developed an internal cooperation plan to manage the radioactive waste in a safe and timely way.</li> </ul> </li> <li>▪ Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed.</li> </ul>
<p>Research, development, demonstration, and deployment of innovative reactors</p>	<ul style="list-style-type: none"> <li>• Projects located in the European Union: <ul style="list-style-type: none"> <li>◦ Research, development, demonstration, and deployment of innovative reactors meeting full alignment with the EU Taxonomy Complementary Climate Delegated Act Annex I (SCC, DNSH and MS) for activity: <ul style="list-style-type: none"> <li>▪ 4.26. Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle.</li> </ul> </li> </ul> </li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• (internal criteria) Projects located strictly outside of the European Union: <ul style="list-style-type: none"> <li>◦ Research, development, demonstration, and deployment of innovative reactors supporting nuclear fusion development and reactors that produce energy from nuclear processes with minimal waste from the fuel cycle meeting the same eligibility criteria as outlined for projects located strictly outside of the European Union under “Construction, modification of existing nuclear installations for the purposes of extension, and safe operation of nuclear power plants” above.</li> </ul> </li> </ul>

In case the proceeds of a Green or a Sustainability bond will be used to finance or refinance Eligible Green loans related to nuclear power projects, this information will be communicated to market participants at the latest at the time of execution of the transaction.

<sup>22</sup> Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management: <https://www.iaea.org/topics/nuclear-safety-conventions/joint-convention-safety-spent-fuel-management-and-safety-radioactive-waste>

**Eligible Green Loan Category: Energy efficiency of construction and urban development**

**Green Bond Principles eligible project category:**

- Green buildings that meet regional, national, or internationally recognised standards or certifications for environmental performance;
- Energy efficiency (such as in new and refurbished buildings, energy storage, district heating, smart grids, appliances, and products).

**Contribution to EU Environmental Objective(s):**

1. Climate Change Mitigation

**Contribution to the United Nations Sustainable Development Goals:**



Target: **7.3**



Targets: **9.1, 9.4**



Targets: **11.3, 11.c**



Target: **13.2**

**Energy efficiency of construction and urban development**

Exclusion Criteria:

- Buildings dedicated to the production or storage of fossil fuels;
- Fossil fuel-based heating/cooling systems in the context of energy efficiency improvement measures.

Project description	Eligibility criteria
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**Construction, refurbishment, and acquisition of green buildings including:**

Acquisition and ownership of buildings (including residential and non-residential buildings)	<ul style="list-style-type: none"> <li>• 7.7. Acquisition and ownership of buildings</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• (Internal criteria) Financing of acquisition of buildings located in France and with building permit compliant with the Near-Zero Energy Building (NZEB) definition set by the EU Commission in the Energy Performance of Buildings (EPBD) Directive and transposed in national regulation<sup>23</sup>.</li> </ul>
Renovation of existing buildings (including residential and non-residential buildings)	<ul style="list-style-type: none"> <li>• 7.2. Renovation of existing buildings</li> </ul>

**Energy performance improvement measures including:**

Renovation of the public lighting system to improve its energy performance including LED relamping

<sup>23</sup> For the sake of clarity, the transposition of the NZEB definition in France is matching the standards set by the "Règlementation Thermique 2012 (RT 2012)" construction code, whereby all buildings with building permits compliant with RT 2012 or "Règlementation Environnementale 2020 (RE 2020)", replacing RT 2012 since 1<sup>st</sup> January 2022 for specific building types and reinforcing the energy-efficiency requirements of RT 2012, will be considered eligible (more information available at: <https://rt-re-batiment.developpement-durable.gouv.fr/taxonomie-a683.html> - available in French only)

## Eligible Green Loan Category: Sustainable water and sanitation

### Green Bond Principles eligible project category:

- Sustainable water and wastewater management (including sustainable infrastructure for clean and/or drinking water, wastewater treatment, sustainable urban drainage systems and river training and other forms of flooding mitigation);
- Terrestrial and aquatic biodiversity conservation (including the protection of coastal, marine and watershed environments).

### Mapping to EU Environmental Objective(s):

3. Sustainable use and protection of water and marine resources
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

### Contribution to the United Nations Sustainable Development Goals:



Targets:  
**6.3, 6.4, 6.6, 6.B**



Target: **12.2**



Target: **14.2**



Target: **15.1**

The projects financed or refinanced under this Eligible Green Loan Category will be strictly located in France. Then, all the projects will follow the strict and clear requirements regulated by French laws<sup>24</sup> on the type of projects presented below.

## Sustainable water and sanitation

**Exclusion Criteria:** Water and wastewater transport, supply and cleaning network and infrastructure dedicated to fossil fuel activities.

### Project description

#### Design, construction, modernisation, operation, acquisition, installation, and maintenance of projects supporting water quality, efficiency and conservation including:

Water collection treatment and supply systems including water supply network and infrastructure, water treatment infrastructure and plants

Rainwater collection and depollution network and infrastructure

Wastewater transport and cleaning network and infrastructure and sanitation and dredging of water beds

Reduction in water losses in water transfer and/or distribution

#### Design, construction, modernisation, operation, acquisition, installation, and maintenance of projects supporting restoration and rehabilitation of ecosystems including:

Protection and restoration of sites, aquatic ecosystems, and wetlands as well as riverside woodlands

#### Design, construction, modernisation, operation, acquisition, installation, and maintenance of projects supporting management of aquatic environments and flood prevention including:

Development of river basins

Maintenance and development of rivers, canals, lakes, or bodies of water, including access to these rivers, lakes, or bodies of water

Defense against floods and against the sea including management of hydraulic protection works and coastal resilience

<sup>24</sup> Examples of French laws that regulated those activities: The European Water Framework Directive, transposed into French law by Law 2004-338 of 21 April 2004, Loi sur l'eau et les milieux aquatiques (2006)

## Eligible Green Loan Category: Waste management and valuation

### Green Bond Principles eligible project category:

- Pollution prevention and control (including reduction of air emissions, greenhouse gas control, soil remediation, waste prevention, waste reduction, waste recycling and energy/emission-efficient waste to energy).

### Mapping to EU Environmental Objective(s):

4. Transition to a circular economy
5. Pollution prevention and control

### Contribution to the United Nations Sustainable Development Goals:



Target: **11.6**



Targets: **12.4, 12.5**

The projects financed or refinanced under this Eligible Green Loan Category will be strictly located in France. Then, all the projects will follow the strict and clear requirements regulated by French laws<sup>25</sup> on the type of projects presented below.

## Waste management and valuation

### Exclusion Criteria:

- Waste landfills
- Waste from fossil fuel related activities
- Industrial waste

### Project description

### Eligibility criteria

#### Design, construction, modernisation, operation, acquisition, installation, and maintenance of projects supporting sustainable Waste management

Waste management activities supporting pollution control and resources efficiency

(internal criteria)

- Collection, transport<sup>26</sup> and treatment that supports segregation, recovery, reuse and recycling of municipal<sup>27</sup> waste
- Municipal waste sorting, processing and recycling
- Biowaste composting

#### Design, construction, modernisation, operation, acquisition, installation, and maintenance of Energy from Waste (EfW) facilities for the generation of electricity and/or heat

<sup>25</sup> Examples of French laws that regulated those activities: *Loi relative à la lutte contre le gaspillage alimentaire et à l'économie circulaire*, the *Décret n° 2021-1199 du 16 septembre 2021 relatif aux conditions d'élimination des déchets non dangereux*, the *Décret 8 flux*, the *Loi relative à la transition énergétique pour la croissance verte*, *Code de l'environnement*, etc.

<sup>26</sup> Including waste collection vehicles with zero direct tailpipe CO<sub>2</sub>e emissions, low CO<sub>2</sub>e emissions (such as biogas powered engines) or compliant with at least EURO VI standards

<sup>27</sup> Municipal waste definition: <https://data.oecd.org/waste/municipal-waste.html>

## 5.1.2 Eligible Social Loans

Eligible Social Loans consist of existing and future eligible loans which belong to the following Eligible Social Loan Categories and are aligned with the applicable Eligibility Criteria:

### Eligible Social Loan Categories

- Access to essential services
- Renewal and cohesion of territories
- Affordable basic infrastructure

Under each Eligible Social Loan Category outlined below, the Eligibility Criteria for selection of Eligible Social Loans has been established using the following sources of information including:

- Internal expertise of all the parties involved in the construction of the Green, Social & Sustainability Bond Framework;
- Eligible Social Project Categories as set out in the Social Bond Principles (SBP), 2023 version as published by the International Capital Market Association (ICMA);
- Existing market practices based on similar Frameworks already published;
- Publicly available guidelines, marketplace documents and tools (international standards, national policies and schemes, EU Platform on Sustainable Finance's final report on the "European Social Taxonomy"<sup>28</sup>).

### Eligible Social Loan Category: Access to essential services

#### Social Bond Principles eligible project category:

- Access to essential services (e.g. health, education and vocational training, healthcare, financing and financial services).

#### Contribution to the United Nations Sustainable Development Goals:



Target: **1.3**



Target: **3.8**



Targets:  
**4.1, 4.2, 4.3, 4.4**

### Access to essential services

#### Project description

#### Eligibility criteria

#### Education & Culture – Development, provision and access to education & culture to all populations

Design, construction, modernisation, operation, acquisition, installation, and maintenance of infrastructures and equipment dedicated to education, culture and sports

- Public nurseries, day-care, pre-school, primary and secondary schools and universities accessible to all and associated cafeterias;
- Infrastructure and rolling stock required for universally accessible school transfers for public educational institutions
- Public professional training organisations and infrastructures dedicated to adult learning and continuous education
- Publicly accessible sport facilities and public open spaces open to all population including parks, fields and sports centres
- Public culture facilities open to all population including libraries, culture centres, museums, theatres, community centres ('maisons des associations', 'maisons des quartiers') and multipurpose venues.

<sup>28</sup> [https://finance.ec.europa.eu/document/download/494fa7fe-5dea-4c57-bda5-59c1e3a0db49\\_en?filename=220228-sustainable-finance-platform-finance-report-social-taxonomy\\_en.pdf](https://finance.ec.europa.eu/document/download/494fa7fe-5dea-4c57-bda5-59c1e3a0db49_en?filename=220228-sustainable-finance-platform-finance-report-social-taxonomy_en.pdf)

	<p><b>Target populations</b></p> <ul style="list-style-type: none"> <li>• All pupils and students</li> <li>• Public education facilities (open to all population)</li> <li>• Professional training organisations</li> <li>• Populations with socioprofessional integration difficulties (all ages), without training or professional experiences</li> <li>• Entire population in the catchment area of culture and sport facilities</li> </ul>
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**Free & subsidized healthcare – Development, provision and access to healthcare to all populations**

<p>Design, construction, modernisation, operation, acquisition, installation, and maintenance of infrastructures and equipment dedicated to healthcare</p>	<p>Located outside of France exclusively:</p> <ul style="list-style-type: none"> <li>• Public healthcare infrastructures and services accessible to all including public hospitals, medical centers and laboratories</li> </ul> <p>Located in France exclusively:</p> <ul style="list-style-type: none"> <li>• Public healthcare infrastructures and services accessible to all including medical centers and laboratories</li> <li>• French public healthcare and childcare facilities, social and medico-social establishments (ESMS) such as “Centre Communal d’Action Sociale” (CCAS) and “Centre intercommunal d’action sociale” (CIAS) including institutions managed by public entities or private non-profit entities (associations, foundations)</li> <li>• Public first aid facilities such as fire departments</li> </ul> <p><b>Target populations</b></p> <ul style="list-style-type: none"> <li>• General population in need of medical care and notably disadvantaged populations; underserved populations with a lack of quality access to essential goods and services</li> </ul>
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<p>(from pre-existing Social Note Framework)</p> <p>Existing and future public hospital exposures held by Sfil Group, in accordance with the French public hospital policy as defined by the French <i>Code de la santé publique</i> and contributing to the public hospital sector responsibilities</p>	<p>(from pre-existing Social Note Framework)</p> <ul style="list-style-type: none"> <li>• Provision of public health services for the whole population, regardless of the income, social or financial status, at any time, and for all medical and surgical specialties, all diagnostic and therapeutic possibilities, including rare diseases or extremely expensive, complex and long-term treatments</li> <li>• Research to continually improve care and develop new treatments</li> <li>• Training of doctors, midwives, pharmacists, dentists, healthcare executives, nurses, etc.</li> </ul> <p><b>Target populations</b></p> <ul style="list-style-type: none"> <li>• General population in need of medical care and notably disadvantaged populations; underserved populations with a lack of quality access to essential goods and services</li> </ul>
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## Eligible Social Loan Category: Renewal and cohesion of territories

### Social Bond Principles eligible project category:

- Affordable Housing;
- Socioeconomic advancement and empowerment (e.g. equitable access to and control over assets, services, resources, and opportunities; equitable participation and integration into the market and society, including reduction of income inequality).

### Contribution to the United Nations Sustainable Development Goals:



Target: **1.4**



Target: **9.1**



Target: **10.2**



Targets: **11.1, 11.3**

The projects financed or refinanced under this Eligible Social Loan Category will be strictly located in France.

## Renewal and cohesion of territories

### Project description

### Eligibility criteria

#### Social Housing - Fight against inadequate housing and support of access to housing

French local authority's subsidies to social housing sector as defined by French law notably supporting projects aimed at developing and renovating social housing stock<sup>29</sup>

- French Law regulatory thresholds<sup>30</sup> for Social Housing landlords

#### Target populations

- Disadvantaged populations at risk of housing exclusion

#### Access to digital – Support connectivity and digital inclusion

Design, construction, modernisation, operation, acquisition, installation, and maintenance of broadband network and related infrastructure

- Create, extend or improve broadband coverage, in order to provide internet access in areas at risk of digital exclusion
- Create or extend network in rural areas, notably where the deployment of optical fibre is not profitable because of low population density or deployment difficulties, including French local authorities investments aiming to equip all communities with very high-speed broadband (such as "Reseaux d'Initiative Publique")

#### Target populations

- Populations living in areas lacking connection to digital networks

<sup>29</sup> For the sake of clarity, Sfil does not finance directly social housing landlords, it finances the subsidies granted by French local authorities to social housing landlords regulated by law

<sup>30</sup> [https://www.legifrance.gouv.fr/codes/section\\_lc/LLEGITEXT000006074096/LEGISCTA000006128689/](https://www.legifrance.gouv.fr/codes/section_lc/LLEGITEXT000006074096/LEGISCTA000006128689/)

Project description	Eligibility criteria
<b>Urban renewal &amp; rural revitalisation - Improve living conditions of inhabitants of cities and rural areas</b>	
Provide support to public initiatives in favor of social cohesion in territories	<ul style="list-style-type: none"> <li>All French programs and projects that aim to foster urban renewal and revitalization (the so-called “quartier prioritaire de la ville”). Those areas are identified by the French Republic according to the proportion of people that lives with an income below EUR 11 250 per year). The list is adopted by Decree. Those programs include but are not limited to the “Nouveau Programme de Renouvellement Urbain” carried by the National Agency for urban renewal.</li> <li>Territory revitalisation initiatives (“operations de revitalisation de territoire”). The project is following one of the criteria: <ul style="list-style-type: none"> <li>Operations defined by the French Law<sup>31</sup> including programs such as “Action Coeur de ville” and “Petites villes de demain”</li> </ul> </li> <li>Support for rural infrastructure granted to French municipalities as defined under French law<sup>32</sup></li> </ul> <p><b>Target populations</b></p> <ul style="list-style-type: none"> <li>All population in the target Local Authority area</li> </ul>

### Eligible Social Loan Category: Affordable basic infrastructure

#### Social Bond Principles eligible project category:

- Affordable basic infrastructure (e.g. clean drinking water, sewers, sanitation, transport, energy).

#### Contribution to the United Nations Sustainable Development Goals:



Targets: **6.1, 6.2**



Target: **9.1**

The projects financed or refinanced under this Eligible Social Loan Category will be strictly located in the DAC country list of ODA recipients classified as ‘least developed country’ or ‘low income country’ or ‘lower middle income country’<sup>33</sup>.

### Affordable basic infrastructure

Project description	Eligibility criteria
<b>Clean Water and Sanitation – Development, provision, and access to clean water and sanitation to all populations</b>	
Design, construction, modernisation, operation, acquisition, installation, and maintenance of infrastructures and equipment of drinking water networks	<ul style="list-style-type: none"> <li>Increase capacity for production and storage of drinking water in view of providing access to an improved water source to additional population, through the construction of new facilities</li> </ul>

<sup>31</sup> [https://www.ecologie.gouv.fr/sites/default/files/documents/brochure\\_operation\\_de\\_revitalisation\\_de\\_territoire\\_fevrier\\_2019.pdf](https://www.ecologie.gouv.fr/sites/default/files/documents/brochure_operation_de_revitalisation_de_territoire_fevrier_2019.pdf)

<sup>32</sup> French Code général des collectivités territoriales - Article L3232-1-1: <https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006181107>

<sup>33</sup> <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-of-ODA-Recipients-for-reporting-2024-25-flows.pdf>

	<ul style="list-style-type: none"> <li>Rehabilitation and extension of existing facilities including water drilling, modern equipped wells, equipped water sources, rainwater collection, drinking water treatment plant, water towers and storage, drinking water fountains and associated connections, supply and distribution pipes</li> </ul> <p><b>Target populations</b></p> <ul style="list-style-type: none"> <li>General public, particularly underserved, owing to a lack of quality access to clean water</li> </ul>
<p>Design, construction, modernisation, operation, acquisition, installation, and maintenance of infrastructures and equipment dedicated to water sanitation</p>	<ul style="list-style-type: none"> <li>Domestic wastewater treatment and sanitation facilities and associated infrastructures such as sewage networks</li> </ul> <p><b>Target populations</b></p> <ul style="list-style-type: none"> <li>Population not connected to wastewater drainage and management networks</li> </ul>

**Electricity transmission and distribution infrastructure – Development, provision, and access to electricity to all populations**

<p>Design, construction, modernisation, operation, acquisition, installation, and maintenance of electricity transmission and distribution infrastructures enabling populations located in areas with low electricity connection rate to be connected to the grid</p>	<ul style="list-style-type: none"> <li>Low electricity connection rate: geographic area such as a region with a share of population having access to electricity below 50% or part of the infrastructure development plan of a DAC country classified as ‘least developed country’ or ‘low income country’ or ‘lower middle income countries’</li> </ul> <p><b>Target populations</b></p> <ul style="list-style-type: none"> <li>Population with limited or no access to electricity</li> </ul>
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**Public transportation infrastructure – Development, provision and access to public transportation networks accessible to all populations**

<p>Design, construction, modernisation, operation, acquisition, installation, and rehabilitation of public transportation infrastructure</p>	<ul style="list-style-type: none"> <li>Public mass-transit transportation systems supporting increased mobility for the general population (such as urban and suburban mass transit systems or interurban rail transports) excluding fossil-fuel powered transport</li> <li>Public mass-transit transportation infrastructure and signaling supporting increased mobility for the general population excluding dedicated to fossil-fuel transport</li> </ul> <p><b>Target populations</b></p> <ul style="list-style-type: none"> <li>General public, particularly underserved, owing to a lack of quality access to affordable transportation/public transportation schemes</li> </ul>
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**Road transportation infrastructure – development, provision, and access to road transportation networks to all populations**

<p>Design, construction, modernisation, operation, acquisition, installation, and rehabilitation of all seasons rural and feeder roads located in areas that lack connectivity or access to basic infrastructure such as hospitals or schools</p>	<ul style="list-style-type: none"> <li>Areas that lack connectivity: Rural population living at more than 2 km away from an all-season road or equivalent criteria or part of the infrastructure development plan of a DAC country classified as ‘least developed country’ or ‘low income country’ or ‘lower middle income country’</li> </ul> <p><b>Target populations</b></p> <ul style="list-style-type: none"> <li>Populations living in areas lacking road infrastructure</li> </ul>
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## 5.2 Process for Asset Selection and Evaluation

Eligible green and/or social loans are expected to comply with relevant regulations, including any applicable regulatory environmental and social requirements. In addition, all eligible loans are assessed against Sfil governance guidelines, principles and management systems including notably a clear mapping of corruption risks and prevention measures. Sfil has implemented all provisions related to the fifth Anti-Money Laundering and the Financing of Terrorism Directive which entered into force under French law following the decree (*décret*) of 12 February 2020.

In addition, Sfil has implemented processes and guidelines applicable to “Eligible Green Loans” and “Eligible Social Loans” as identified under the Use of Proceeds section above.

Such internal procedures may vary depending on the relevant type of eligible financings and are further described hereunder.

### 5.2.1. Eligible type of financings: the French local public sector

#### a. French local authorities

Green and Social loans to French local authorities that will be (re)financed via the issuance of green, social or sustainability bonds are originated by the network of La Banque Postale and Banque des Territoires before being transferred to Sfil Group.

French Public Local Authorities commit to high environmental, social and ethical standards in compliance with French law. As one of the Designated Countries<sup>34</sup> of the Equator Principles, France is subject to robust regulatory standards in ESG matters, notably having robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment.

As French Public Local Authorities operate exclusively in France subject to European and French regulations, the investments financed by Green and/or Social loans comply with minimal social guarantees and the United Nations Guiding Principles on Business and Human Rights, including the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), and the International Bill of Human Rights.

The climate risk of the local public sector loan portfolio is monitored on a regular basis by the credit risk department. In addition, the credit approval process has been adapted to facilitate the granting of green and social loans to local authorities.

The following process to monitor the evaluation and selection of projects to be considered as “Eligible Green or Social Loans” has been implemented for lending to French local authorities:

- At operational level, La Banque Postale and Banque des Territoires originate green or social loans for the financing of environmental or social projects. These loans have a specific loan documentation including a description of the planned green or social project. Green or Social loans are flagged in the information systems based on the relevant eligibility criteria described in the Use of Proceeds section;
- A first verification whether the provided information is sufficient for a classification as green or social loan is performed by Sfil when the borrower returns the signed loan contract;
- Sfil verifies and validates the classification as Eligible Green or Social Loan prior to the transfer of the loan to Caffil and;
- On a regular basis, the Green, Social and Sustainability Bond committee will monitor the project selection and evaluation process.

<sup>34</sup> <https://equator-principles.com/about-the-equator-principles/>

## b. French public hospital

In France, resources allocated to public hospitals are defined by the Regional Healthcare Agencies (*Agences Régionales de Santé (ARS)*) in the annual Regional Healthcare Project (*Projet Régional de Santé (PRS)*) based on a concertation with the different stakeholders. The role of Regional Healthcare Agencies is defined in article L.1431-2 of the *Code de la santé publique*. In practice, Regional Healthcare Agencies are responsible for coordinating the different healthcare activities over the territory and allocating the related budget to the different public healthcare infrastructures. They are also in charge of all the health monitoring and the prevention of environmental and social risks related to safety issues among the region and within those infrastructures. Sfil's public mission consists in refinancing those exposures to public hospitals after the financing decision was taken at the Regional Healthcare Agencies' level.

All public hospital exposures financed by Sfil go through the same process of evaluation prior to approval.

In addition to the financial analysis, the Credit Risk department performs an extra-financial analysis of the public hospital prior to transfer.

The extra-financial analysis is performed by the Credit Risk department to assess the Healthcare Added Value ("HAV") of public hospitals as an estimate of the value added a hospital provides in the overall healthcare offer.

The "HAV" of a public hospital is calculated based on an internal proprietary scoring methodology, using the scores calculated for the following medical specialties: Medicine, Surgery, Obstetrics ("MCO"), Psychiatrics, Follow-up and Rehabilitation Care and Care for elderly people, as shown in the table below:

Main Specialties	<i>Médecine Chirurgie Obstétrique (MCO)</i> Medicine, Surgery, Obstetrics	<i>Psychiatrie (PSY)</i> Psychiatry
Social objective 1	For these two main medical specialties, the HAV of a public hospital depends on its capacity to deliver a wide and comprehensive medical coverage to a large population. The relative size of the hospital in its area and its wide-range of services are therefore key to determine its HAV. The best existing indicator to capture these aspects is therefore the market share of the hospital in its geographic area, based on the number of stays, compared to other medical institutions (e.g., private clinics)	
Social indicator 1 Used for HAV Scoring	Hospitals market share in its geographical area (department) Number of MCO stays in the public hospital divided by the total number of MCO stays in the department	Hospitals market share in its geographical area (department) Number of PSY stays in the public hospital divided by the total number of PSY stays in the department
Social objective 2	In addition to the size / comprehensiveness of the hospital, captured by the market share, the HAV of a MCO hospital services increases as it is located in geographic areas with increased population growth	For PSY, in addition to the size / comprehensiveness of the hospital, the HAV needs to capture the necessity of PSY services to be well distributed geographically, as such specialty is needed everywhere in France and as it is insufficiently developed in France
Social indicator 2 Used for HAV Scoring	Demographic growth rate in the department	Equipment rate for PSY services in the department

<b>Additional Specialties</b>	<b>Soin de Suite et Réadaptation (SSR) Follow up and rehabilitation care</b>	<b>Prise en charge des Personnes Agées (PPA) Care for elderly people</b>
Social objective	The HAV of SSR in a public hospital is related to the capacity of such service to host people coming out of other services (i.e. mainly from MCO & PSY). The level of activity in this medical specialty is therefore the best proxy of its HAV	PPA is a side activity to MCO, PSY and SSR. The most important social feature is that this service must be available, as much as possible, everywhere in France
Social indicator used for the Scoring	Occupation rate of this service	Department equipment rate for PPA services

Output = [0-100] Healthcare Added Value Scoring for each Hospital  
Based on a weighted average of the criteria mentioned above

The "HAV" of any hospital is a decision factor before Sfil finances any French Public Hospital; however, there is no minimum threshold.

Important lending decisions will be taken by the Credit Risk Committee. All credit risk procedures and methodologies relating to public hospitals are reviewed by the Credit Risk Committee.

## 5.2.2. Eligible type of financings: large French export contracts

Sfil refinances major export credit agreements in all sectors where French exporters are competing.

The following process will be used to monitor the evaluation and selection of projects to be considered as "Eligible Green or Social Loans" with respect to the export financing activity:

- All information relevant for the eligibility under the framework will be collected and analysed by the Export Credit Department;
- In addition, the Export Credit Department's review of the exporter's social and environmental commitments is part of the credit decision-making process;
- The 'Green, Social and Sustainability bond committee will review the eligibility of the project based on the information collected by the Export Credit Department, with final validation by the Executive Management of Sfil.

Among the banking partners of Sfil<sup>35</sup>, the vast majority of the entities have signed the Equator principles, the financial industry benchmark for determining, assessing, and managing environmental and social risks in projects<sup>36</sup>. In addition, BPI France Assurance Export (BPIAE) - which manages public guarantees on behalf of the French Republic – is in charge of the environmental and social assessment of each project<sup>37</sup>.

This assessment is carried according to the OECD Guidelines<sup>38</sup>. The objective is to ensure that projects both meet local regulatory requirements and international standards, especially the one developed by the World Bank Group<sup>39</sup> and the International Financial Corporation (IFC)<sup>40</sup>.

<sup>35</sup> <https://sfil.fr/acteurs-de-export/>

<sup>36</sup> <https://equator-principles.com/>

<sup>37</sup> <https://www.bpifrance.fr/Bpifrance/Qui-sommes-nous/Nos-metiers/International/Assurance-Export/Evaluation-Environnementale-et-Sociale>

<sup>38</sup> OECD, Recommendation of the Council on Common Approaches for officially supported export credits and environmental and social due diligence ("the Common approaches")

<sup>39</sup> Environmental and social policies in the context of projects

<sup>40</sup> Environmental, Health, and Safety Guidelines, Environmental & Social Performance standards

According to the OECD recommendation<sup>41</sup>, a classification of projects is carried out as follows:

- Category A: the project has the potential to have significant adverse environmental and/or social impacts, which are diverse, irreversible and/or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works. Category A, in principle, includes projects in sensitive sectors or located in or near sensitive areas.
- Category B: the potential environmental and/or social impacts of the project are less adverse than those of Category A projects. Typically, these impacts are few in number, site-specific, few if any are irreversible, and mitigation measures are more readily available.
- Category C: the project has minimal or no potentially adverse environmental and/or social impacts.

In addition, for all potentially sensitive projects the BPIAE social and environmental impact analysis is made publicly available. Like other OECD credit insurers, BPIAE is committed to include environmental and social risks, protection and respect for human rights and corruption prevention in its impact assessments.

Sfil ensures that BPIAE's requirements are enforceable against its debtor so that, on BPIAE's instructions, the export credit can be suspended or terminated early if the debtor's commitments in terms of mitigating environmental and social impacts or combating corruption are not met.

### 5.2.3. Green, Social and Sustainability Bond Committee

A dedicated Green, Social and Sustainability Bond Committee monitors the project selection and evaluation process and allocation of proceeds of Green, Social and Sustainability bonds issuances to "Eligible Green Loans" and "Eligible Social Loans".

This Committee meets on a regular basis, at least twice a year, and is comprised of Head of Asset & Liability Management (ALM) and Financial Markets, Head of Funding Treasury and Investment, Head of Investor Relations & Sustainability, a representative of the local public sector department, a representative of the export-financing department, Head of Sustainability, and other internal stakeholders.

The Green, Social and Sustainability Bond committee is responsible for the following:

- Reviewing and validating the selection of the "Eligible Green Loans" and "Eligible Social Loans" based on the defined Eligible project categories and eligibility criteria under section 5.1. and more generally oversee the implementation and allocation process;
- Monitoring the alignment of the existing Green and/or Social loans with the Green, Social and Sustainability Bond eligibility criteria. Under specific circumstances, the Green, Social and Sustainability Bond committee can decide to replace some Eligible Green and/or Social Loans if they no longer meet the relevant eligibility criteria;
- Managing any future updates of the Green, Social and Sustainability Bond Framework, to align with new regulatory developments and best market practices on a best effort basis. Such updates would only apply to Green, Social or Sustainability bonds issued after the publication of the updated framework and new Second Party Opinion;
- Reviewing and validating the annual reporting;
- Mandating and monitoring external reviews of the Green, Social and Sustainability Bond Framework and the reporting.

In addition to loans originated under the specific green and/or social loan format described above, green, social and sustainability bonds may also refinance Eligible green and/or social loans that were originated before the publication of this Green, Social and Sustainability Bond Framework. These loans may be considered "Eligible Green Loans" or "Eligible Social Loans" if there is sufficient information and documentation available to ensure compliance with the eligibility criteria set out in the Use of Proceeds section and in line with the elements defined in the Management of Proceeds section.

<sup>41</sup>The OECD recommendation also specifies the environmental and social review of projects, in accordance with the international standards applied to the projects:

- For a Category A project, Adherents should require an ESIA (Environmental and Social Impact Assessment) to be undertaken; the applicant is responsible for providing the resulting ESIA report, together with other studies, reports or action plans covering the relevant aspects of the project.
- The scope of a review for a Category B project may vary from project to project. Adherents should require appropriate information to be provided by the applicant that addresses the relevant environmental and social impacts of the project.
- Beyond screening and classification, no further action is required under the provisions of this Recommendation for a Category C project.

### 5.3 Management of Proceeds

An amount equivalent to the net proceeds from the green bond, social bond or sustainability bond issued will be used to finance and/or refinance Eligible Green and/or Social financings as defined under section 5.1<sup>42</sup>.

Sfil will manage its Green, Social and Sustainability Bonds with a transaction-by-transaction approach, i.e. ensuring each transaction is allocated to a dedicated set of “Eligible Green Loans” and/or “Eligible Social Loans”. Each “Eligible Green Loan” or “Eligible Social Loan” will be flagged to a specific Green, Social or Sustainability Bond issuance and will remain associated to this specific issuance until maturity.

Sfil aims to allocate the proceeds of each Green, Social and Sustainability Bond to “Eligible Green Loans” and/or “Eligible Social Loans” rapidly after issuance, ideally, and on a best effort basis, within 2 years of issuance. In case of refinancing, “Eligible Green Loans” and/or “Eligible Social Loans” will have been paid out no more than 3 years prior to the issuance of Green, Social and Sustainability Bonds. Different drawdowns linked to the same loan may be refinanced via separate Green, Social or Sustainability bond transactions.

In the event that a loan becomes ineligible, Sfil commits to replace, as far as possible, the net proceeds of Green, Social or Sustainability bonds allocated to this loan to (an)other eligible loan(s). For the sake of clarity, the ineligibility of a loan will be assessed against the eligibility criteria presented in the Use of Proceeds section of this document.

The maturity of the Green, Social or Sustainability Bonds issued by Sfil will not necessarily match the maturity of the financings of the Eligible Green or Social Projects. The issuer will manage proceeds with the aim to limit the gap in average life between Green, Social and Sustainability bonds and eligible financings.

Net proceeds of non-euro denominated Green, Social or Sustainability Bonds and non-euro Eligible Green/Social Loans are converted into euros at the exchange rate applicable on their respective allocation date.

Pending the full allocation of the net proceeds of each transaction, Sfil will keep record of the remaining balance of unallocated Green, Social or Sustainability Bonds proceeds and invest such unallocated amount as per Sfil's treasury policy<sup>43</sup>. Pending allocation to Eligible Green/Social Loans unallocated amounts will not be temporarily invested in activities potentially harmful to environmental and/or social objectives (such as greenhouse gas emissions intensive activities) or controversial activities, in line with Sfil general sectoral exclusion policies presented in its sustainability policy.

An independent third-party will be requested to verify the allocation of the Green, Social and Sustainability Bonds proceeds as documented in section 5.5.2. of this document.

For the avoidance of doubt, social bonds dedicated to the financing and/or refinancing of French public hospitals loans issued under Sfil Group Social Notes Framework prior to the publication of this Green, Social & Sustainability Bond Framework will remain allocated according to the provisions of the Sfil Group Social Notes Framework as amended or supplemented from time to time<sup>44</sup> until their maturity. French public hospital loans financed and/or refinanced by Social and/or Sustainability Bonds issued under the Green, Social and Sustainability Bond Framework as published as of the date of the issuance of the first tranche of the relevant series of social bonds will be allocated according to the provisions included in this document.

<sup>42</sup> Sfil may choose to increase the principal amount of existing Green, Social and Sustainability Bonds (“tap issues”).

<sup>43</sup> Sfil cash investment activity has incorporated specific ESG exclusions and criteria since 2021: exclusion of countries with a high or prohibited level of risk according to the Sfil classification of country risk; existence of a green, social or sustainable framework and extra-financial rating for banking issuers, average of the World Bank's Worldwide Governance Indicators and signature of the Paris Agreement on climate change for sovereign issuers and public sector entities.

<sup>44</sup> As publicly available on Sfil's website (<https://sfil.fr/en/sfil-group-investors/>)

## 5.4 Reporting

Sfil commits to publish reports on the allocation of net proceeds, for the first time, the year following the issuance of the bond and then on an annual basis until full allocation of outstanding green, social and sustainability bond instruments and as necessary thereafter in case of material changes to the allocation of proceeds.

Sfil will allocate the net proceeds of Green, Social or Sustainability bond issuances on a transaction-by-transaction basis, and may choose to publish allocation reports consolidating information on several outstanding Green, Social or Sustainability bond issuances.

The report will notably provide:

- the total amount of the green, social and sustainability bonds issued by the group;
- the total amount of proceeds allocated to each Eligible Green and/or Social Loan Category for each Green, Social or Sustainability bond issuance;
- the number of “Eligible Green Loans” and/or “Eligible Social Loans” associated with each Green, Social or Sustainability Bond issuance;
- the average lifetime of the loans;
- the split between financing and refinancing;
- the total amount of proceeds pending allocation;
- the geographical split of loans; and
- The distribution of loans by category.

In addition, the issuer may provide information concerning the share (%) of eligible assets aligned with the EU Taxonomy’s substantial contribution criteria for the objective of climate change mitigation if sufficient data is available.

For the avoidance of doubt, allocations of proceeds of Social or Sustainability Bonds issued under this Green, Social and Sustainability Bond Framework towards the Eligible Social Loan Category “Access to Essential Services - Free & subsidized healthcare in France” supporting the financing of French public hospitals will be reported under the allocation reporting of this Green, Social or Sustainability Framework. The allocation of Social bonds issued under the Social Note Framework financing French public hospitals will be reported separately as described in the Social Note Framework<sup>45</sup>.

In case of a Green, Social or Sustainability bond increase (tap issue), the existing allocation report from the initial Green, Social or Sustainability bond issuance will be updated and a new sub-section will be added to include the allocation and impact of the proceeds of the increase. In addition, the initial Green, Social or Sustainability bond issuance and Green, Social or Sustainability bond increase proceeds will be consolidated with the allocation of the net proceeds of the increase, to provide one single reporting per outstanding bond to investors.

In addition, Sfil intends to report for the first time, the year following the issuance of the bond and then annually and until full allocation on the environmental impact of the “Eligible Green Loans” and on the social impact of the “Eligible Social Loans”. However, as the large number of underlying loans limits the amount of detail that can be made available, information might be presented on an aggregated Eligible Green and/or Social Loan category basis.

An indicative list of potential impact indicators is available in the Appendix I of this Green, Social and Sustainability Bond Framework.

Additionally, when appropriate and subject to confidentiality obligations, Sfil may provide examples of French local authorities investments, French public hospitals or export credit loans which benefited from the (re)financing of the Green, Social or Sustainability Bonds.

<sup>45</sup>As publicly available on Sfil’s website (<https://sfil.fr/en/sfil-group-investors/>)

## 5. Sfil Group Green, Social & Sustainability Bond Framework

Both the allocation report and impact report will be made available to investors via the Sfil's group website<sup>46</sup>.

In case several Green, Social or Sustainability Bonds are issued within a one-year period, the issuer may consolidate the reporting for several transactions within a single document.

Last, Sfil intends to further improve the quality of its reporting overtime. Sfil strives to align its reporting with the reporting templates suggested by the "Handbook – Harmonized framework for impact reporting" as published by the International Capital Market Association (ICMA)<sup>47</sup>.

<sup>46</sup> <https://sfil.fr/en/sfil-group-investors/>

<sup>47</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

## 5.5 External review

### 5.5.1. Second Party Opinion

Sustainable Fitch has been selected to assess the sustainability, transparency and governance of Sfil Group's Green, Social and Sustainability Bond Framework and its compliance with the Green Bond Principles (GBP), 2021 (with June 2022 Appendix I) version, the Social Bond Principles (SBP), 2023 version, and the Sustainability Bond Guidelines (SBG), 2021 version, as published by the International Capital Market Association (ICMA). The results are documented in the Second-Party Opinion, which is available on Sfil's website<sup>48</sup>. Any material change to this Green, Social and Sustainability Bond Framework will be submitted for review to the Second Party Opinion provider.

### 5.5.2. External Verification

Starting within one year after issuance and until full allocation of the Green, Social or Sustainability Bond proceeds an independent third-party will verify on an annual basis the following information:

- Allocation of the net proceeds to Eligible green and social loans;
- The compliance of loans financed by the Green, Social or Sustainability Bond proceeds with the criteria defined in the Use of Proceeds section, Management of Proceeds section and unallocated proceeds amount.

<sup>48</sup> <https://sfil.fr/en/sfil-group-investors/>

6.

## Future amendments to this Green, Social & Sustainability Bond Framework



## 6. Future amendments to this Green, Social & Sustainability Bond Framework

As Sfil closely follows the various future evolutions of sustainable finance, new regulatory developments and best market practices will be reflected in future versions of the Green, Social & Sustainability Bond Framework on a best effort basis. It should be noted that subsequent changes to the Green, Social & Sustainability Bond Framework will not apply retroactively to outstanding green, social or sustainability bond instruments (grandfathering). Green, Social or Sustainability bonds issued by Sfil must align with the criteria and processes outlined in the Green, Social & Sustainability Bond Framework applicable at the time of issuance until their maturity (unless otherwise specified on a case-by-case basis).

For the avoidance of doubt, Sfil Group's Social Note Framework will continue to apply to social bonds issued under the Social Note Framework (as publicly available on Sfil Group's website).

## Appendix I

### List of potential impact reporting indicators



# Appendix I: List of potential impact reporting indicators

For illustration, Sfil will consider using the following indicative reporting indicators:

Eligible Green Loans Categories		Examples of Impact Reporting Metrics
<b>Territorial mobility and soft urban transport</b>		<ul style="list-style-type: none"> <li>Tons of CO<sub>2</sub>e avoided per year;</li> <li>Tons of CO<sub>2</sub>e avoided per EUR M invested (tons of CO<sub>2</sub>e/EURM);</li> <li>Number of low emissions vehicles financed;</li> <li>Km of public transport lines created/maintained;</li> <li>Estimated number of passengers transported;</li> <li>Where practically feasible, share of Eligible Green Loans aligned with the relevant Substantial contribution Criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities (EU Taxonomy Regulation).</li> </ul>
<b>Renewable energy</b>	<i>Renewable Energy generation</i>	<ul style="list-style-type: none"> <li>Breakdown of Renewable Energy technology financed;</li> <li>Installed renewable energy capacity (MW);</li> <li>Expected renewable energy production (Kwh);</li> <li>Tons of CO<sub>2</sub>e avoided per year;</li> <li>Tons of CO<sub>2</sub>e avoided per EUR M invested (tCO<sub>2</sub>e/EURM);</li> <li>Where practically feasible, share of Eligible Green Assets aligned with the relevant Substantial contribution Criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities (EU Taxonomy Regulation).</li> </ul>
	<i>Renewable Energy storage</i>	<ul style="list-style-type: none"> <li>GWh of installed battery cell production capacity;</li> <li>GWh of installed battery module and system production capacity;</li> <li>Tons of recycled battery material produced;</li> <li>Kg CO<sub>2</sub>e/kWh battery cell produced;</li> <li>Where practically feasible, share of Eligible Green Assets aligned with the relevant Substantial contribution Criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities (EU Taxonomy Regulation).</li> </ul>
	<i>Renewable Energy transmission</i>	<ul style="list-style-type: none"> <li>Km of transmission lines network installed;</li> <li>Renewable energy power connected to the network (MW);</li> <li>Where practically feasible, share of Eligible Green Assets aligned with the relevant Substantial contribution Criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities (EU Taxonomy Regulation).</li> </ul>
<b>Low-carbon energy</b>	<i>Low-Carbon Energy generation</i>	<ul style="list-style-type: none"> <li>Installed low-carbon energy capacity (MW);</li> <li>Expected low-carbon energy production (Kwh);</li> <li>Tons of CO<sub>2</sub>e avoided per year;</li> <li>Tons of CO<sub>2</sub>e avoided per EUR M invested (tCO<sub>2</sub>e/EURM);</li> <li>Where practically feasible, share of Eligible Green Assets aligned with the relevant Substantial contribution Criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities (EU Taxonomy Regulation).</li> </ul>
<b>Energy efficiency of construction and urban development</b>	<i>Green Buildings</i>	<ul style="list-style-type: none"> <li>Building surface (m<sup>2</sup>)</li> <li>Tons of CO<sub>2</sub>e avoided per year;</li> <li>Tons of CO<sub>2</sub>e avoided per EUR M invested (tCO<sub>2</sub>e/EURM)</li> <li>Reduction of energy consumption (%; MWh);</li> <li>Where practically feasible, share of Eligible Green Assets aligned with the relevant Substantial contribution Criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities (EU Taxonomy Regulation).</li> </ul>
	<i>Energy efficiency</i>	<ul style="list-style-type: none"> <li>Building surface (m<sup>2</sup>)</li> <li>Tons of CO<sub>2</sub>e avoided per year;</li> <li>Tons of CO<sub>2</sub>e avoided per EUR M invested (tCO<sub>2</sub>e/EURM)</li> <li>Reduction of energy consumption (kWh/ m<sup>2</sup>);</li> <li>Where practically feasible, share of Eligible Green Assets aligned with the relevant Substantial contribution Criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities (EU Taxonomy Regulation).</li> </ul>

Eligible Green Loans Categories	Examples of Impact Reporting Metrics
<p><b>Sustainable water and sanitation</b></p>	<ul style="list-style-type: none"> <li>• Volume of sludge produced (tons of dry substance per year);</li> <li>• Number of kilometers of wastewater network (added or renewed, km);</li> <li>• Drinking water volume distributed (m<sup>3</sup>/year);</li> <li>• Number of beneficiaries.</li> </ul>
<p><b>Waste management and valuation</b></p>	<ul style="list-style-type: none"> <li>• Energy recovery capacity from waste (MW, including breakdown between electricity, heat and biogas)</li> <li>• Tons of waste managed or recycled or recovered per year (t/year);</li> <li>• Processing of collected waste (%; recycling / composting, incineration with energy recovery, others);</li> <li>• Number of beneficiaries.</li> </ul>

Eligible Social Loans Categories		Examples of Impact Reporting Metrics
<b>Access to essential services</b>	<i>Education &amp; culture</i>	<ul style="list-style-type: none"> <li>• Number of education facilities built and/or upgraded;</li> <li>• Number of pupils benefitting from school transfer services;</li> <li>• Number of students;</li> <li>• Number of people trained;</li> <li>• Number of sport and culture facilities financed.</li> </ul>
	<i>Free &amp; subsidized healthcare (including French public hospitals)</i>	<ul style="list-style-type: none"> <li>• Number of facilities built and/or upgraded;</li> <li>• Split by type of facility;</li> <li>• Number of patients benefitting from treatment;</li> <li>• Number of places and beds (French public hospitals);</li> <li>• Number of hospital stays<sup>49</sup> (stays of one or several days – French public hospitals).</li> </ul>
<b>Renewal and cohesion of territories</b>	<i>Social Housing</i>	<ul style="list-style-type: none"> <li>• Number of dwellings financed;</li> </ul>
	<i>Access to digital</i>	<ul style="list-style-type: none"> <li>• Number of dwellings connected;</li> <li>• Number of access points financed.</li> </ul>
	<i>Urban renewal &amp; rural revitalisation</i>	<ul style="list-style-type: none"> <li>• Number of inhabitants benefitting from revitalisation programs.</li> </ul>
<b>Affordable basic infrastructure</b>	<i>Clean Water &amp; Sanitation</i>	<ul style="list-style-type: none"> <li>• Number of beneficiaries;</li> <li>• Type of projects financed and number of projects supported;</li> <li>• Percentage/size of populations provided access to clean water and/or sanitation</li> </ul>
	<i>Electricity transmission and distribution infrastructure</i>	<ul style="list-style-type: none"> <li>• Number of people provided access to clean and affordable energy;</li> <li>• Increased #/% of rural areas/households with access to electricity (affordable energy).</li> </ul>
	<i>Road transportation infrastructure</i>	<ul style="list-style-type: none"> <li>• Kilometers of feeder roads rehabilitated/constructed.</li> </ul>

<sup>49</sup> The number of stays measures the number of visits in the hospital, independently from the visit duration (within one day or over several days)

## Appendix II

# EU Taxonomy Substantial Contribution Criteria to Climate Change Mitigation



# Appendix II: EU Taxonomy Substantial Contribution Criteria to Climate Change Mitigation

Eligible Category	Corresponding EU Taxonomy economic activity	Substantial contribution criteria contributing to Climate Change Mitigation (Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended)
Clean Transportation	6.1. Passenger interurban rail transport	<p>The activity complies with one of the following criteria:</p> <ul style="list-style-type: none"> <li>a. The trains and passenger coaches have zero direct (tailpipe) CO<sub>2</sub> emissions;</li> <li>b. The trains and passenger coaches have zero direct (tailpipe) CO<sub>2</sub> emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).</li> </ul>
	6.2. Freight rail transport	<ul style="list-style-type: none"> <li>1. The activity complies with one or both of the following criteria:               <ul style="list-style-type: none"> <li>a. The trains and wagons have zero direct tailpipe CO<sub>2</sub> emission;</li> <li>b. The trains and wagons have zero direct tailpipe CO<sub>2</sub> emission when operated on a track with necessary infrastructure and use a conventional engine where such infrastructure is not available (bimode).</li> </ul> </li> <li>2. The trains and wagons are not dedicated to the transport of fossil fuels.</li> </ul>
	6.3. Urban and suburban transport, road passenger transport	<p>The activity complies with the one of following criteria:</p> <ul style="list-style-type: none"> <li>a. The activity provides urban or suburban passenger transport, and its direct (tailpipe) CO<sub>2</sub> emissions are zero<sup>50</sup>;</li> <li>b. Until 31 December 2025, the activity provides interurban passenger road transport using vehicles designated as categories M2 and M3<sup>51</sup> that have a type of bodywork classified as 'CA' (single-deck vehicle), 'CB' (double-deck vehicle), 'CC' (single-deck articulated vehicle) or 'CD' (double-deck articulated vehicle)<sup>52</sup>, and comply with the latest EURO VI standard, i.e. both with the requirements of Regulation (EC) No 595/2009 and, from the time of the entry into force of amendments to that Regulation, in those amending acts, even before they become applicable, and with the latest step of the Euro VI standard set out in Table 1 of Appendix 9 to Annex I to Regulation (EU) No 582/2011 where the provisions governing that step have entered into force but have not yet become applicable for this type of vehicle<sup>53</sup>. Where such standard is not available, the direct CO<sub>2</sub> emissions of the vehicles are zero.</li> </ul>
	6.4. Operation of personal mobility devices, cycle logistics	<ul style="list-style-type: none"> <li>1. The propulsion of personal mobility devices comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity.</li> <li>2. The personal mobility devices are allowed to be operated on the same public infrastructure as bikes or pedestrians.</li> </ul>
	6.5. Transport by motorbikes, passenger cars and light commercial vehicles	<p>The activity complies with the following criteria:</p> <ul style="list-style-type: none"> <li>1. for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007:           <ul style="list-style-type: none"> <li>a. until 31 December 2025, specific emissions of CO<sub>2</sub>, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50gCO<sub>2</sub>/km (low- and zero-emission light-duty vehicles);</li> <li>b. from 1 January 2026, specific emissions of CO<sub>2</sub>, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero.</li> </ul> </li> <li>2. for vehicles of category L, the tailpipe CO<sub>2</sub> emissions equal to 0g CO<sub>2</sub>/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.</li> </ul>
	6.6. Freight transport services by road	<ul style="list-style-type: none"> <li>1. The activity complies with one of the following criteria:           <ul style="list-style-type: none"> <li>a. vehicles of category N1 have zero direct (tailpipe) CO<sub>2</sub> emissions;</li> <li>b. vehicles of category N2 and N3 with a technically permissible maximum laden mass not exceeding 7,5 tonnes are 'zero-emission heavy-duty vehicles' as defined in Article 3, point (11), of Regulation (EU) 2019/1242;</li> <li>c. vehicles of category N2 and N3 with a technically permissible maximum laden mass exceeding 7,5 tonnes are one of the following:               <ul style="list-style-type: none"> <li>i. 'zero-emission heavy-duty vehicles', as defined in Article 3, point (11), of Regulation (EU) 2019/1242;</li> <li>ii. where technologically and economically not feasible to comply with the criterion in point (i), 'low-emission heavy-duty vehicles' as defined in Article 3, point (12), of that Regulation.</li> </ul> </li> </ul> </li> <li>2. Vehicles are not dedicated to the transport of fossil fuels.</li> </ul>
	6.13. Infrastructure for personal mobility, cycle logistics	<p>The infrastructure that is constructed and operated is dedicated to personal mobility or cycle logistics: pavements, bike lanes and pedestrian zones, electrical charging and hydrogen refueling installations for personal mobility devices.</p>

<sup>50</sup> This includes Motor buses with type of bodywork classified as 'CE' (low-floor single-deck vehicle), 'CF' (low-floor double-deck vehicle), 'CG' Articulated low-floor single-deck vehicle), 'CH' (Articulated low-floor double-deck vehicle), 'CI' (open top single deck vehicle) or 'CJ' (open top double deck vehicle), as set out in point 3 of part C of Annex I to Regulation (EU) 2018/858.

<sup>51</sup> As referred to in Article 4(1), point (a), of Regulation (EU) 2018/858

<sup>52</sup> As set out in point 3 of part C of Annex I to Regulation (EU) 2018/858.

<sup>53</sup> Until 31/12/2021, the EURO VI, step E as set out in Regulation (EC) No 595/2009.

Eligible Category	Corresponding EU Taxonomy economic activity	Substantial contribution criteria contributing to Climate Change Mitigation (Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended)
<p style="text-align: center;"><b>Clean Transportation</b></p>	<p>6.14. Infrastructure for rail transport</p>	<ol style="list-style-type: none"> <li>1. The activity complies with one of the following criteria:                             <ol style="list-style-type: none"> <li>a. the infrastructure (as defined in Annex II.2 to Directive (EU) 2016/797 of the European Parliament and of the Council<sup>54</sup>) is either:                                     <ol style="list-style-type: none"> <li>i. electrified trackside infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU) 2016/797;</li> <li>ii. new and existing trackside infrastructure and associated subsystems where there is a plan for electrification as regards line tracks, and, to the extent necessary for electric train operations, as regards sidings, or where the infrastructure will be fit for use by zero tailpipe CO<sub>2</sub> emission trains within 10 years from the beginning of the activity: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU) 2016/797;</li> <li>iii. until 2030, existing trackside infrastructure and associated subsystems that are not part of the TEN-T network<sup>55</sup> and its indicative extensions to third countries, nor any nationally, supranationally or internationally defined network of major rail lines: infrastructure, energy, on-board control-command and signalling, and trackside control-command and signalling subsystems as defined in Annex II.2 to Directive (EU) 2016/797;</li> </ol> </li> <li>b. the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods;</li> <li>c. infrastructure and installations are dedicated to the transfer of passengers from rail to rail or from other modes to rail;</li> <li>d. digital tools enable an increase in efficiency, capacity or energy saving.</li> </ol> </li> <li>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.</li> </ol>
	<p>6.15. Infrastructure enabling road transport and public transport</p>	<ol style="list-style-type: none"> <li>1. The activity complies with one or more of the following criteria:                             <ol style="list-style-type: none"> <li>a. the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO<sub>2</sub> emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS);</li> <li>b. the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods;</li> <li>c. the infrastructure and installations are dedicated to urban and suburban public passenger transport, including associated signalling systems for metro, tram and rail systems.</li> </ol> </li> <li>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.</li> </ol>
	<p>6.16. Infrastructure enabling low carbon water transport</p>	<ol style="list-style-type: none"> <li>1. The activity complies with one or more of the following criteria:                             <ol style="list-style-type: none"> <li>a. the infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO<sub>2</sub> emissions: electricity charging, hydrogen-based refuelling;</li> <li>b. the infrastructure is dedicated to the provision of shore-side electrical power to vessels at berth;</li> <li>c. the infrastructure is dedicated to the performance of the port's own operations with zero direct (tailpipe) CO<sub>2</sub> emissions;</li> <li>d. the infrastructure and installations are dedicated to transshipping freight between the modes: terminal infrastructure and superstructures for loading, unloading and transshipment of goods;</li> <li>e. the modernisation of the existing infrastructure necessary to enable modal shift and fit for use by vessels with zero direct (tailpipe) CO<sub>2</sub> emissions and that has been subject to a verified climate proofing assessment in accordance with Commission Notice — Technical guidance on the climate proofing of infrastructure in the period 2021-2027 (2021/C 373/01).</li> </ol> </li> <li>2. The infrastructure is not dedicated to the transport or storage of fossil fuels.</li> </ol>
	<p>7.4. Installation, maintenance, and repair of charging stations for electric vehicles in buildings</p>	<p>Installation, maintenance or repair of charging stations for electric vehicles.</p>
<p style="text-align: center;"><b>Renewable Energy</b></p>	<p>4.1. Electricity generation using solar photovoltaic technology</p>	<p>The activity generates electricity using solar PV technology.</p>
	<p>4.2. Electricity generation using concentrated solar power (CSP) technology</p>	<p>The activity generates electricity using CSP technology.</p>
	<p>4.3. Electricity generation from wind power</p>	<p>The activity generates electricity from wind power.</p>

<sup>54</sup> Directive (EU) 2016/797 of the European Parliament and of the Council of 11 May 2016 on the interoperability of the rail system within the European Union (OJ L 138, 26.5.2016, p. 44).

<sup>55</sup> In accordance with Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU (OJ L 348, 20.12.2013, p. 1).

Eligible Category	Corresponding EU Taxonomy economic activity	Substantial contribution criteria contributing to Climate Change Mitigation (Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended)
<b>Renewable Energy</b>	4.5. Electricity generation from hydropower	<p>The activity complies with either of the following criteria:</p> <ul style="list-style-type: none"> <li>a. the electricity generation facility is a run-of-river plant and does not have an artificial reservoir;</li> <li>b. the power density of the electricity generation facility is above 5 W/m<sup>2</sup>;</li> <li>c. the life-cycle GHG emissions from the generation of electricity from hydropower, are lower than 100gCO<sub>2</sub>e/kWh. The life-cycle GHG emissions are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018<sup>56</sup>, ISO 14064-1:2018<sup>57</sup> or the G-res tool<sup>58</sup>. Quantified life-cycle GHG emissions are verified by an independent third party.</li> </ul>
	4.6. Electricity generation from geothermal energy	<p>Life-cycle GHG emissions from the generation of electricity from geothermal energy are lower than 100gCO<sub>2</sub>e/kWh. Life-cycle GHG emission savings are calculated using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party.</p>
	4.8. Electricity generation from bioenergy	<ol style="list-style-type: none"> <li>1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive.</li> <li>2. The greenhouse gas emission savings from the use of biomass are at least 80 % in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.</li> <li>3. Where the installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of this Annex, as applicable.</li> <li>4. Points 1 and 2 do not apply to electricity generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.</li> <li>5. For electricity generation installations with a total rated thermal input from 50 to 100 MW, the activity applies high-efficiency cogeneration technology, or, for electricity-only installations, the activity meets an energy efficiency level associated with the best available techniques (BAT-AEL) ranges set out in the latest relevant best available techniques (BAT) conclusions, including the best available techniques (BAT) conclusions for large combustion plants<sup>59</sup>.</li> <li>6. For electricity generation installations with a total rated thermal input above 100 MW, the activity complies with one or more of the following criteria: <ul style="list-style-type: none"> <li>a. attains electrical efficiency of at least 36%;</li> <li>b. applies highly efficient CHP (combined heat and power) technology as referred to in Directive 2012/27/EU of the European Parliament and of the Council<sup>60</sup>;</li> <li>c. uses carbon capture and storage technology. Where the CO<sub>2</sub> that would otherwise be emitted from the electricity generation process is captured for the purpose of underground storage, the CO<sub>2</sub> is transported and stored underground in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of this Annex.</li> </ul> </li> </ol>
	4.16. Installation and operation of electric heat pumps	<p>The installation and operation of electric heat pumps complies with both of the following criteria:</p> <ul style="list-style-type: none"> <li>a. refrigerant threshold: Global Warming Potential does not exceed 675;</li> <li>b. energy efficiency requirements laid down in the implementing regulations<sup>61</sup> under Directive 2009/125/EC are met.</li> </ul>
	4.17. Cogeneration of heat/cool and power from solar energy	<p>The activity consists in the cogeneration<sup>62</sup> of electricity and heat/cool from solar energy.</p>
	4.18. Cogeneration of heat/cool and power from geothermal energy	<p>The life-cycle GHG emissions from the combined generation of heat/cool and power<sup>63</sup> from geothermal energy are lower than 100gCO<sub>2</sub>e per 1 kWh of energy output from the combined generation.</p> <p>Life-cycle GHG emissions are calculated based on project-specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party.</p>

<sup>56</sup> ISO standard 14067:2018, Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification (version of [adoption date]: <https://www.iso.org/standard/71206.html>).

<sup>57</sup> ISO standard 14064-1:2018, Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals (version of [adoption date]: <https://www.iso.org/standard/66453.html>).

<sup>58</sup> Publicly available online tool developed by the International Hydropower Association (IHA) in collaboration with the UNESCO Chair for Global Environmental Change (version of [adoption date]: <https://www.hydropower.org/gres>).

<sup>59</sup> Implementing Decision (EU) 2017/1442.

<sup>60</sup> Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).

<sup>61</sup> Commission Regulation (EU) No 206/2012 of 6 March 2012 implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to ecodesign requirements for air conditioners and comfort fans (OJ L 72, 10.3.2012, p. 7), Commission Regulation (EU) No 813/2013 of 2 August 2013 implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to ecodesign requirements for space heaters and combination heaters (OJ L 239, 6.9.2013, p. 136) and Commission Regulation (EU) 2016/2281 Commission Regulation (EU) 2016/2281 of 30 November 2016 implementing Directive 2009/125/EC of the European Parliament and of the Council establishing a framework for the setting of ecodesign requirements for energy-related products, with regard to ecodesign requirements for air heating products, cooling products, high temperature process chillers and fan coil units (OJ L 346, 20.12.2016, p. 1).

<sup>62</sup> Cogeneration is defined in Article 2 point 30 of Directive 2012/27/EU.

<sup>63</sup> Cogeneration is defined in Article 2 point 30 of Directive 2012/27/EU.

Appendix II: EU Taxonomy Substantial Contribution Criteria to Climate Change Mitigation

Eligible Category	Corresponding EU Taxonomy economic activity	Substantial contribution criteria contributing to Climate Change Mitigation (Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended)
Renewable Energy	4.20. Cogeneration of heat/cool and power from bioenergy	<ol style="list-style-type: none"> <li>1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7 of that Directive.</li> <li>2. The greenhouse gas emission savings from the use of biomass in cogeneration installations are at least 80% in relation to the GHG emission saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.</li> <li>3. Where the cogeneration installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of this Annex, as applicable.</li> <li>4. Points 1 and 2 do not apply to cogeneration installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.</li> </ol>
	4.21. Production of heat/cool from solar thermal heating	The activity produces heat/cool using solar thermal heating.
	4.22. Production of heat/cool from geothermal energy	<p>The life-cycle GHG emissions from the generation of heat/cool from geothermal energy are lower than 100gCO<sub>2</sub>e/kWh.</p> <p>Life-cycle GHG emissions are calculated based on project-specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party.</p>
	4.24. Production of heat/cool from bioenergy	<ol style="list-style-type: none"> <li>1. Agricultural biomass used in the activity for the production of heat and cool complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive.</li> <li>2. The greenhouse gas emission savings from the use of biomass are at least 80% in relation to the GHG emission saving methodology and relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.</li> <li>3. Where the installations rely on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of this Annex, as applicable.</li> <li>4. Points 1 and 2 do not apply to heat generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels</li> </ol>
	4.15. District heating/cooling distribution	<p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none"> <li>a. for construction and operation of pipelines and associated infrastructure for distributing heating and cooling, the system meets the definition of efficient district heating and cooling systems laid down in Article 2, point 41, of Directive 2012/27/EU;</li> <li>b. for refurbishment of pipelines and associated infrastructure for distributing heating and cooling, the investment that makes the system meet the definition of efficient district heating or cooling laid down in Article 2, point 41, of Directive 2012/27/EU starts within a three year period as underpinned by a contractual obligation or an equivalent in case of operators in charge of both generation and the network;</li> <li>c. the activity is the following: <ol style="list-style-type: none"> <li>a. modification to lower temperature regimes;</li> <li>b. advanced pilot systems (control and energy management systems, Internet of Things).</li> </ol> </li> </ol>
	4.9. Transmission and distribution of electricity	<p>The activity complies with one of the following criteria:</p> <ol style="list-style-type: none"> <li>1. The transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria: <ol style="list-style-type: none"> <li>a. the system is the interconnected European system, i.e. the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;</li> <li>b. more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;</li> <li>c. the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period;</li> </ol> </li> </ol> <p>Infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis is not compliant.</p> <p>Installation of metering infrastructure that does not meet the requirements of smart metering systems of Article 20 of Directive (EU) 2019/944 is not compliant.</p>

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<p><b>Renewable Energy</b></p>	<p>4.9. Transmission and distribution of electricity</p>	<p>2. The activity is one of the following:</p> <ul style="list-style-type: none"> <li>a. construction and operation of direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis to a substation or network;</li> <li>b. construction and operation of electric vehicle (EV) charging stations and supporting electric infrastructure for the electrification of transport, subject to compliance with the technical screening criteria under the transport Section of this Annex;</li> <li>c. installation of transmission and distribution transformers that comply with the Tier 2 (1 July 2021) requirements set out in Annex I to Commission Regulation (EU) No 548/2014 and, for medium power transformers with highest voltage for equipment not exceeding 36 kV, with AAO level requirements on no-load losses set out in standard EN 50588-1<sup>[195]</sup>;</li> <li>d. construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation;</li> <li>e. installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources, including: <ul style="list-style-type: none"> <li>i. sensors and measurement tools (including meteorological sensors for forecasting renewable production);</li> <li>ii. communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed).</li> </ul> </li> <li>f. installation of equipment such as, but not limited to future smart metering systems or those replacing smart metering systems in line with Article 19(6) of Directive (EU) 2019/944 of the European Parliament and of the Council<sup>[198]</sup>, which meet the requirements of Article 20 of Directive (EU) 2019/944, able to carry information to users for remotely acting on consumption, including customer data hubs;</li> <li>g. construction/installation of equipment to allow for exchange of specifically renewable electricity between users;</li> <li>h. construction and operation of interconnectors between transmission systems, provided that one of the systems is compliant.</li> </ul> <p>For the purposes of this Section, the following specifications apply:</p> <ul style="list-style-type: none"> <li>a. the rolling five-year period used in determining compliance with the thresholds is based on five consecutive historical years, including the year for which the most recent data are available;</li> <li>b. a 'system' means the power control area of the transmission or distribution network where the infrastructure or equipment is installed;</li> <li>c. transmission systems may include generation capacity connected to subordinated distribution systems;</li> <li>d. distribution systems subordinated to a transmission system that is deemed to be on a trajectory to full decarbonisation may also be deemed to be on a trajectory to full decarbonisation;</li> <li>e. to determine compliance, it is possible to consider a system covering multiple control areas which are interconnected and with significant energy exchanges between them, in which case the weighted average emissions factor across all included control areas is used, and individual subordinated transmission or distribution systems within that system is not required to demonstrate compliance separately;</li> <li>f. it is possible for a system to become non-compliant after having previously been compliant. In systems that become non-compliant, no new transmission and distribution activities are compliant from that moment onward, until the system complies again with the threshold (except for those activities that are always compliant, see above). Activities in subordinated systems may still be compliant, where those subordinated systems meet the criteria of this Section;</li> <li>g. a direct connection or expansion of an existing direct connection to production plants includes infrastructure that is indispensable to carry the associated electricity from the power generating facility to a substation or to the network.</li> </ul>
	<p>4.14. Transmission and distribution networks for renewable and low-carbon gases</p>	<ul style="list-style-type: none"> <li>1. The activity consists in one of the following: <ul style="list-style-type: none"> <li>a. construction or operation of new transmission and distribution networks dedicated to hydrogen or other low-carbon gases;</li> <li>b. conversion/repurposing of existing natural gas networks to 100% hydrogen;</li> <li>c. retrofit of gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network, including any gas transmission or distribution network activity that enables the increase of the blend of hydrogen or other low carbon gasses in the gas system;</li> </ul> </li> <li>2. The activity includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.</li> </ul>

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<b>Renewable Energy</b>	4.10. Storage of electricity	The activity is the construction and operation of electricity storage including pumped hydropower storage. Where the activity includes chemical energy storage, the medium of storage (such as hydrogen or ammonia) complies with the criteria for manufacturing of the corresponding product specified in Sections 3.7 to 3.17 of this Annex. In case of using hydrogen as electricity storage, where hydrogen meets the technical screening criteria specified in Section 3.10 of this Annex, re-electrification of hydrogen is also considered part of the activity.
	4.11. Storage of thermal energy	The activity stores thermal energy, including Underground Thermal Energy Storage (UTES) or Aquifer Thermal Energy Storage (ATES).
	4.12. Storage of hydrogen	The activity is one of the following: a. construction of hydrogen storage facilities; b. conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage; c. operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen set out in Section 3.10. of this Annex.
	3.4. Manufacture of batteries	The economic activity manufactures rechargeable batteries, battery packs and accumulators (and their respective components), including from secondary raw materials, that result in substantial GHG emission reductions in transport, stationary and off-grid energy storage and other industrial applications. The economic activity recycles end-of-life batteries.
	3.10. Manufacture of hydrogen	The activity complies with the life-cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in life-cycle GHG emissions lower than 3tCO <sub>2</sub> e/tH <sub>2</sub> ] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO <sub>2</sub> e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001. Life-cycle GHG emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067:2018 <sup>64</sup> or ISO 14064-1:2018 <sup>65</sup> . Quantified life-cycle GHG emission savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party. Where the CO <sub>2</sub> that would otherwise be emitted from the manufacturing process is captured for the purpose of underground storage, the CO <sub>2</sub> is transported and stored underground, in accordance with the technical screening criteria set out in Sections 5.11 and 5.12, respectively, of this Annex.
<b>Low-Carbon Energy</b>	4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids	1. Agricultural biomass used for the manufacture of biogas or biofuels for use in transport and for the manufacture of bioliquids complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used for the manufacture of biogas or biofuels for use in transport and for the manufacture of bioliquids complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive. Food-and feed crops are not used for the manufacture of biofuels for use in transport and for the manufacture of bioliquids. 2. The greenhouse gas emission savings from the manufacture of biofuels and biogas for use in transport and from the manufacture of bioliquids are at least 65 % in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001. 3. Where the manufacture of biogas relies on anaerobic digestion of organic material, the production of the digestate meets the criteria in Sections 5.6 and criteria 1 and 2 of Section 5.7 of this Annex, as applicable. 4. Where the CO <sub>2</sub> that otherwise would be emitted from the manufacturing process is captured for the purpose of underground storage, the CO <sub>2</sub> is transported and stored underground in accordance with the technical screening criteria set out in Sections 5.11 and 5.12 of this Annex.
	4.26. Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	The activity aims at generating or generates electricity using nuclear energy. Life-cycle greenhouse gas (GHG) emissions from the generation of electricity from nuclear energy are below the threshold of 100 g CO <sub>2</sub> e/kWh. Life-cycle GHG emission savings are calculated using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018. Quantified life-cycle GHG emissions are verified by an independent third party. 1. The project related to the economic activity ('the project') is located in a Member State which complies with all of the following: (a) the Member State has fully transposed Council Directive 2009/71/Euratom <sup>66</sup> and Council Directive 2011/70/Euratom <sup>67</sup> ;

<sup>64</sup> ISO standard 14067:2018, Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification (version of [adoption date]: <https://www.iso.org/standard/71206.html>).

<sup>65</sup> ISO standard 14064-1:2018, Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals (version of [adoption date]: <https://www.iso.org/standard/66453.html>).

<sup>66</sup> Council Directive 2009/71/Euratom of 25 June 2009 establishing a Community framework for the nuclear safety of nuclear installations ([OJ L 172. 27.2009. p.18](https://eur-lex.europa.eu/eli/dir/2009/71/oj)).

<sup>67</sup> Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste ([OJ L 199. 2.8.2011. p. 48](https://eur-lex.europa.eu/eli/dir/2011/70/oj)).

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<p><b>Low-Carbon Energy</b></p>	<p>4.26. Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle</p>	<p>(b) the Member State complies with the Treaty establishing the European Atomic Energy Community ('Euratom Treaty') and with legislation adopted on its basis, in particular, Directive 2009/71/Euratom, Directive 2011/70/Euratom and Council Directive 2013/59/Euratom<sup>68</sup>, as well as applicable Union environmental law adopted under Article 192 TFEU, in particular Directive 2011/92/EU of the European Parliament and of the Council<sup>69</sup> and Directive 2000/60/EC of the European Parliament and of the Council<sup>70</sup>;</p> <p>(c) the Member State has in place, as of the approval date of the project, a radioactive waste management fund and a nuclear decommissioning fund which can be combined;</p> <p>(d) the Member State has demonstrated that it will have resources available at the end of the estimated useful life of the nuclear power plant corresponding to the estimated cost of radioactive waste management and decommissioning in compliance with Commission Recommendation 2006/851/Euratom<sup>71</sup> <a href="#">(9)</a>;</p> <p>(e) the Member State has operational final disposal facilities for all very low-, low- and intermediate-level radioactive waste, notified to the Commission under Article 41 Euratom Treaty or Article 1(4) of Council Regulation (Euratom) No 2587/1999, and included in the national programme updated under Directive 2011/70/Euratom;</p> <p>(f) the Member State has a documented plan with detailed steps to have in operation, by 2050, a disposal facility for high-level radioactive waste describing all of the following</p> <ol style="list-style-type: none"> <li>i. concepts or plans and technical solutions for spent fuel and radioactive waste management from generation to disposal;</li> <li>ii. concepts or plans for the post-closure period of a disposal facility's lifetime, including the period during which appropriate controls are retained and the means to be employed to preserve knowledge of that facility in the longer term;</li> <li>iii. the responsibilities for the plan implementation and the key performance indicators to monitor its progress;</li> <li>iv. cost assessments and financing schemes.</li> </ol> <p>For the purposes of point (f), Member States may use plans drawn up as part of the national programme required by Articles 11 and 12 of Directive 2011/70/Euratom.</p> <p>2. The project is part of a Union financed research programme or the project has been notified to the Commission in accordance with Article 41 of the Euratom Treaty or with Article 1(4) of Council Regulation (Euratom) No 2587/1999, where either of these provisions is applicable, the Commission has given its opinion on it in accordance with Article 43 of the Euratom Treaty, and all the issues raised in the opinion, with relevance for the application of Article 10(2) and Article 17 of Regulation (EU) 2020/852, and of the technical screening criteria laid down in this Section have been satisfactorily addressed.</p> <p>3. The Member State concerned has committed to report to the Commission every five years for each project on all of the following:</p> <ol style="list-style-type: none"> <li>(a) the adequacy of the accumulated resources referred to in point 1(c);</li> <li>(b) actual progress in the implementation of the plan referred to in point 1(f).</li> </ol> <p>On the basis of the reports, the Commission shall review the adequacy of the accumulated resources of the radioactive waste management fund and the nuclear decommissioning fund referred to in point 1(c) and the progress in the implementation of the documented plan referred to in point 1(f) and it may address an opinion to the Member State concerned.</p> <p>4. The activity complies with national legislation that transposes the legislation referred to in point 1(a) and (b), including as regards the evaluation, in particular through stress tests, of the resilience of the nuclear power plants located on the territory of the Union against extreme natural hazards, including earthquakes. Accordingly, the activity takes place on the territory of a Member State where the operator of a nuclear installation:</p> <ol style="list-style-type: none"> <li>(a) has submitted a demonstration of nuclear safety, whose scope and level of detail is commensurate with the potential magnitude and nature of the hazard relevant for the nuclear installation and its site (Article 6, point (b), of Directive 2009/71/Euratom);</li> <li>(b) has taken defence-in-depth measures to ensure, inter alia, that the impact of extreme external natural and unintended man-made hazards is minimised (Article 8b(1), point (a) of Directive 2009/71/Euratom);</li> <li>(c) has performed an appropriate site and installation-specific assessment when the operator concerned applies for a licence to construct or operate a nuclear power plant (Article 8c(a) of Directive 2009/71/Euratom).</li> </ol>

<sup>68</sup> Council Directive 2013/59/Euratom of 5 December 2013 laying down basic safety standards for protection against the dangers arising from exposure to ionising radiation, and repealing Directives 89/618/Euratom, 90/641/Euratom, 96/29/Euratom, 97/43/Euratom and 2003/122/Euratom [\(OJ L 13.17.1.2014, p. 1\)](#).

<sup>69</sup> Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment [\(OJ L 26.28.12.2012, p. 1\)](#).

<sup>70</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy [\(OJ L 327.22.12.2000, p. 1\)](#).

<sup>71</sup> Commission Recommendation 2006/851/Euratom of 24 October 2006 on the management of financial resources for the decommissioning of nuclear installations, spent fuel and radioactive waste [\(OJ L 330.28.11.2006, p. 31\)](#).

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<p><b>Low-Carbon Energy</b></p>	<p>4.26. Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle</p>	<p>5. The activity fulfils the requirements of Directive 2009/71/Euratom, supported by the latest international guidance from the International Atomic Energy Agency ('IAEA') and the Western European Nuclear Regulator's Association ('WENRA'), contributing to increasing the resilience and the ability of new and existing nuclear power plants to cope with extreme natural hazards, including floods and extreme weather conditions.</p> <p>6. Radioactive waste as referred to in point 1(e) and (f), is disposed of in the Member State in which it was generated, unless there is an agreement between the Member State concerned and the Member State of destination, as established in Directive 2011/70/Euratom. In that case, the Member State of destination has radioactive waste management and disposal programmes and a suitable disposal facility in operation in compliance with the requirements of Directive 2011/70/Euratom.</p>
	<p>4.27. Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies</p>	<p>The activity generates electricity using nuclear energy. Life-cycle greenhouse gas (GHG) emissions from the generation of electricity from nuclear energy are below the threshold of 100 g CO<sub>2</sub>e/kWh.</p> <p>Life-cycle GHG emission savings are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party.</p> <p>1. The project related to the economic activity ('the project') is located in a Member State which complies with all of the following:</p> <ul style="list-style-type: none"> <li>(a) the Member State has fully transposed Council Directive 2009/71/Euratom and Council Directive 2011/70/Euratom;</li> <li>(b) the Member State complies with the Euratom Treaty and with legislation adopted on its basis, in particular, Directive 2009/71/Euratom, Directive 2011/70/Euratom and Directive 2013/59/Euratom, as well as applicable Union environmental law adopted under Article 192 TFEU, in particular Directive 2011/92/EU and Directive 2000/60/EC;</li> <li>(c) the Member State has in place, as of the approval date of the project, a radioactive waste management fund and a nuclear decommissioning fund which can be combined;</li> <li>(d) the Member State has demonstrated that it will have resources available at the end of the estimated useful life of the nuclear power plant corresponding to the estimated cost of radioactive waste management and decommissioning in compliance with Recommendation 2006/851/Euratom;</li> <li>(e) the Member State has operational final disposal facilities for all very low-, low- and intermediate-level radioactive waste, notified to the Commission under Article 41 of the Euratom Treaty or under Article 1(4) of Council Regulation 2587/1999 and included in the national programme updated under Council Directive 2011/70/Euratom;</li> <li>(f) the Member State has a documented plan with detailed steps to have in operation, by 2050, a disposal facility for high-level radioactive waste describing all of the following: <ul style="list-style-type: none"> <li>i. concepts or plans and technical solutions for spent fuel and radioactive waste management from generation to disposal;</li> <li>ii. concepts or plans for the post-closure period of a disposal facility's lifetime, including the period during which appropriate controls are retained and the means to be employed to preserve knowledge of that facility in the longer term;</li> <li>iii. the responsibilities for the plan implementation and the key performance indicators to monitor its progress;</li> <li>iv. cost assessments and financing schemes.</li> </ul> </li> </ul> <p>For the purposes of point (f), Member States may use the plans drawn up as part of the national programme required by Articles 11 and 12 of Directive 2011/70/Euratom.</p> <p>2. The project fully applies the best-available technology and from 2025 accident-tolerant fuel. The technology is certified and approved by the national safety regulator.</p> <p>3. The project has been notified to the Commission in accordance with Article 41 of the Euratom Treaty or with Article 1(4) of Council Regulation 2587/1999, where either of these provisions is applicable, the Commission has given its opinion on it in accordance with Article 43 of the Euratom Treaty, and all the issues raised in the opinion, with relevance for the application of Article 10(2) and Article 17 of Regulation (EU) 2020/852, and of the technical screening criteria laid down in this Section, have been satisfactorily addressed.</p> <p>4. The Member State concerned has committed to report to the Commission every five years for each project on all of the following:</p> <ul style="list-style-type: none"> <li>(a) the adequacy of the accumulated resources referred to in point 1(c);</li> <li>(b) actual progress in the implementation of the plan referred to in point 1(f).</li> </ul> <p>On the basis of the reports, the Commission shall review the adequacy of the accumulated resources of the radioactive waste management fund and the nuclear decommissioning fund referred to in point 1(c) and the progress in the implementation of the documented plan referred to in point 1(f) and it may address an opinion to the Member State concerned.</p> <p>5. The Commission shall review, as of 2025 and at least every 10 years, the technical parameters corresponding to the best-available technology on the basis of the assessment by the European Nuclear Safety Regulators' Group ('ENSREG').</p>

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<p><b>Low-Carbon Energy</b></p>	<p>4.27. Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies</p>	<p>6. The activity complies with national legislation that transposes the legislation referred to in point 1(a) and (b), including as regards the evaluation, in particular through stress-tests, of the resilience of the nuclear power plants located on the territory of the Union against extreme natural hazards, including earthquakes. Accordingly, the activity takes place on the territory of a Member State where the operator of a nuclear installation:</p> <ul style="list-style-type: none"> <li>(a) has submitted a demonstration of nuclear safety, whose scope and level of detail is commensurate with the potential magnitude and nature of the hazard relevant for the nuclear installation and its site (Article 6, point (b), of Directive 2009/71/Euratom);</li> <li>(b) has taken defence-in-depth measures to ensure, inter alia, that the impact of extreme external natural and unintended man-made hazards is minimised (Article 8b(1), point (a), of Directive 2009/71/Euratom);</li> <li>(c) has performed an appropriate site and installation-specific assessment when the operator concerned applies for a licence to construct or operate a nuclear power plant (Article 8c(a) of Directive 2009/71/Euratom).</li> </ul> <p>7. The activity fulfils the requirements of Directive 2009/71/Euratom, supported by the latest international guidance from the IAEA and WENRA, contributing to increasing the resilience and the ability of new and existing nuclear power plants to cope with extreme natural hazards, including floods and extreme weather conditions.</p> <p>8. Radioactive waste as referred to in point 1(e) and (f) is disposed of in the Member State in which it was generated, unless there is an agreement between the Member State concerned and the Member State of destination, as established in Directive 2011/70/Euratom. In that case, the Member State of destination has radioactive waste management and disposal programmes and a suitable disposal facility in operation in compliance with the requirements of Directive 2011/70/Euratom.</p>
	<p>4.28. Electricity generation from nuclear energy in existing installations</p>	<p>The activity generates electricity using nuclear energy. Life-cycle greenhouse gas (GHG) emissions from the generation of electricity from nuclear energy are below the threshold of 100 g CO<sub>2</sub>e/kWh.</p> <p>Life-cycle GHG emission savings are calculated using Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.</p> <p>Quantified life-cycle GHG emissions are verified by an independent third party.</p> <p>1. The project related to the economic activity ('the project') is located in a Member State which complies with all of the following:</p> <ul style="list-style-type: none"> <li>(a) the Member State has fully transposed Council Directive 2009/71/Euratom and Council Directive 2011/70/Euratom;</li> <li>(b) the Member State complies with the Euratom Treaty and with legislation adopted on its basis, in particular, Directive 2009/71/Euratom, Directive 2011/70/Euratom and Directive 2013/59/Euratom, and with applicable Union environmental law adopted under Article 192 TFEU, in particular Directive 2011/92/EU and Directive 2000/60/EC;</li> <li>(c) the Member State has in place, as of the approval date of the project, a radioactive waste management fund and a nuclear decommissioning fund which can be combined;</li> <li>(d) the Member State has demonstrated that it will have resources available at the end of the estimated useful life of the nuclear power plant corresponding to the estimated cost of radioactive waste management and decommissioning in compliance with Recommendation 2006/851/Euratom;</li> <li>(e) the Member State has operational final disposal facilities for all very low-, low- and intermediate-level radioactive waste, notified to the Commission under Article 41 of the Euratom Treaty or under Article 1(4) of Council Regulation 2587/1999 and included in the national programme updated under Council Directive 2011/70/Euratom;</li> <li>(f) for projects authorised after 2025, the Member State has a documented plan with detailed steps to have in operation, by 2050, a disposal facility for high-level radioactive waste describing all of the following: <ul style="list-style-type: none"> <li>i. concepts or plans and technical solutions for spent fuel and radioactive waste management from generation to disposal;</li> <li>ii. concepts or plans for the post-closure period of a disposal facility's lifetime, including the period during which appropriate controls are retained and the means to be employed to preserve knowledge of that facility in the longer term;</li> <li>iii. the responsibilities for the plan implementation and the key performance indicators to monitor its progress;</li> <li>iv. cost assessments and financing schemes.</li> </ul> </li> </ul> <p>For the purposes of point (f), Member States may use the plans drawn up as part of the national programme required by Articles 11 and 12 of Directive 2011/70/Euratom.</p> <p>2. The upgraded project implements any reasonably practicable safety improvement and from 2025 makes use of accident-tolerant fuel. The technology is certified and approved by the national safety regulator.</p>

Eligible Category	Corresponding EU Taxonomy economic activity	Substantial contribution criteria contributing to Climate Change Mitigation (Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended)
<p><b>Low-Carbon Energy</b></p>	<p>4.28. Electricity generation from nuclear energy in existing installations</p>	<p>3. The project has been notified to the Commission in accordance with Article 41 of the Euratom Treaty or with Article 1(4) of Council Regulation 2587/1999, where either of these provisions is applicable, the Commission has given its opinion on it in accordance with Article 43 of the Euratom Treaty, and all the issues raised in the opinion, with relevance for the application of Article 10(2) and Article 17 of Regulation (EU) 2020/852, and of the technical screening criteria laid down in this Section, have been satisfactorily addressed.</p> <p>4. The Member State concerned has committed to report to the Commission every five years for each project on all of the following:</p> <ul style="list-style-type: none"> <li>(a) the adequacy of the accumulated resources referred to in point 1(c);</li> <li>(b) actual progress in the implementation of the plan referred to in point 1(f).</li> </ul> <p>On the basis of the reports, the Commission shall review the adequacy of the accumulated resources of the radioactive waste management fund and the nuclear decommissioning fund referred to in point 1(c) and the progress in the implementation of the documented plan referred to in point 1(f) and it may address an opinion to the Member State concerned.</p> <p>5. The activity complies with national legislation that transposes the legislation referred to in point 1(a) and (b), including as regards the evaluation, in particular through stress-tests, of the resilience of the Union nuclear power plants against extreme natural hazards, including earthquakes. Accordingly, the activity takes place on the territory of a Member State where the operator of a nuclear installation:</p> <ul style="list-style-type: none"> <li>(a) has submitted a demonstration of nuclear safety, whose scope and level of detail is commensurate with the potential magnitude and nature of the hazard relevant for the nuclear installation and its site (Article 6, point (b), of Directive 2009/71/Euratom);</li> <li>(b) has taken defence-in-depth measures to ensure, inter alia, that the impact of extreme external natural and unintended man-made hazards is minimised (Article 8b(1), point (a), of Directive 2009/71/Euratom)</li> <li>(c) as performed an appropriate site and installation-specific assessment when the operator concerned applies for a licence to construct or operate a nuclear power plant (Article 8c(a) of Directive 2009/71/Euratom).</li> </ul> <p>6. The activity fulfils the requirements of Directive 2009/71/Euratom, supported by the latest international guidance from the IAEA and WENRA, contributing to increasing the resilience and the ability of new and existing nuclear power plants to cope with extreme natural hazards, including floods and extreme weather conditions.</p> <p>7. Radioactive waste referred to in point 1(e) and (f) is disposed of in the Member State in which it was generated, unless there is an agreement between the Member State concerned and the Member State of destination, as established in Directive 2011/70/Euratom. In that case, the Member State of destination has radioactive waste management and disposal programmes and a suitable disposal facility in operation in compliance with the requirements of Directive 2011/70/Euratom.</p>
<p><b>Energy Efficiency of construction and urban development</b></p>	<p>7.7. Acquisition and ownership of buildings</p> <p>7.2 Renovation of existing buildings</p>	<p>1. For buildings built before 31 December 2020, the building has at least an Energy Performance Certificate (EPC) class A. As an alternative, the building is within the top 15% of the national or regional building stock expressed as operational Primary Energy Demand (PED) and demonstrated by adequate evidence, which at least compares the performance of the relevant asset to the performance of the national or regional stock built before 31 December 2020 and at least distinguishes between residential and non-residential buildings.</p> <p>2. For buildings built after 31 December 2020, the building meets the criteria specified in Section 7.1 of this Annex that are relevant at the time of the acquisition.</p> <p>3. Where the building is a large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment<sup>72</sup>.</p> <p>The building renovation complies with the applicable requirements for major renovations<sup>73</sup>. Alternatively, it leads to a reduction of primary energy demand (PED) of at least 30%<sup>74</sup>.</p>

<sup>72</sup>This can be demonstrated, for example, through the presence of an Energy Performance Contract or a building automation and control system in accordance with Article 14 (4) and Article 15 (4), of Directive 2010/31/EU

<sup>73</sup>As set in the applicable national and regional building regulations for 'major renovation' implementing Directive 2010/31/EU. The energy performance of the building or the renovated part that is upgraded meets cost-optimal minimum energy performance requirements in accordance with the respective directive.

<sup>74</sup>The initial primary energy demand and the estimated improvement is based on a detailed building survey, an energy audit conducted by an accredited independent expert or any other transparent and proportionate method, and validated through an Energy Performance Certificate. The 30% improvement results from an actual reduction in primary energy demand (where the reductions in net primary energy demand through renewable energy sources are not taken into account), and can be achieved through a succession of measures within a maximum of three years.

## Appendix III

### **EU Taxonomy Do No Significant Harm criteria to other environmental objectives in the context of contribution to the Climate Change Mitigation objective for Nuclear Activities**



## Appendix III: EU Taxonomy Do No Significant Harm criteria to other environmental objectives in the context of contribution to the Climate Change Mitigation objective for Nuclear Activities

Eligible Category	Corresponding EU Taxonomy economic activity	Do No Significant Harm criteria for the nuclear activities of EU Taxonomy Complementary delegated acts of the Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended	
<p><b>Low-Carbon Energy</b></p>	<p>4.26. Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle</p>	<p>Climate change adaptation</p>	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix A to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>The activity complies with the requirements laid down in Article 6(b), 8b(l), point (a), and Article 8c(a) of Directive 2009/71/Euratom.</li> <li>The activity fulfils the requirements of Directive 2009/71/Euratom implemented in accordance with the international guidance of the IAEA and WENRA relating to extreme natural hazards, including floods and extreme weather conditions.</li> </ul>
		<p>Sustainable use and protection of water and marine resources</p>	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix B to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed, in accordance with a water use and protection management plan, developed in consultation with stakeholders concerned.</li> <li>In order to limit thermal anomalies associated with the discharge of waste heat, operators of inland nuclear power plants utilising once-through wet cooling by taking water from a river or a lake control:               <ul style="list-style-type: none"> <li>(a) the maximum temperature of the recipient freshwater body after mixing, and</li> <li>(b) the maximum temperature difference between the discharged cooling water and the recipient freshwater body.</li> </ul> </li> <li>The temperature control is implemented in accordance with the individual licence conditions for the specific operations, where applicable, or threshold values in line with Union law.</li> <li>The activity complies with the Industry Foundation Classes (IFC) standards.</li> <li>Nuclear activities are operated in compliance with requirements on water intended for human consumption of Directive 2000/60/EC and of Directive 2013/51/Euratom laying down requirements for the protection of the health of the general public with regard to radioactive substances in water intended for human consumption.</li> </ul>
		<p>Transition to a circular economy</p>	<ul style="list-style-type: none"> <li>A plan for the management of both non-radioactive and radioactive waste is in place and ensures maximal reuse or recycling of such waste at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, the reflection in financial projections or the official project documentation.</li> <li>During operation and decommissioning, the amount of radioactive waste is minimised and the amount of free-release materials is maximised in accordance with Directive 2011/70/Euratom, and in compliance with the radiation protection requirements laid down in Directive 2013/59/Euratom.</li> <li>A financing scheme is in place to ensure adequate funding for all decommissioning activities and for the management of spent fuel and radioactive waste, in compliance with Directive 2011/70/Euratom and Recommendation 2006/851/Euratom.</li> <li>An Environmental Impact Assessment is completed prior to the construction of a nuclear power plant, in accordance with Directive 2011/92/EU. The required mitigation and compensatory measures are implemented.</li> <li>The relevant elements in this Section are covered by Member States' reports to the Commission in accordance with Article 14(1) of Directive 2011/70/Euratom.</li> </ul>
		<p>Pollution prevention and control</p>	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix C to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>Non-radioactive emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the best available techniques (BAT) conclusions for large combustion plants. No significant crossmedia effects occur.</li> <li>For nuclear power plants greater than 1 MW thermal input but below the thresholds for the BAT conclusions for large combustion plants to apply, emissions are below the emission limit values set out in Annex II, part 2, to Directive (EU) 2015/2193.</li> <li>Radioactive discharges to air, water bodies and ground (soil) comply with individual licence conditions for the specific operations, where applicable, or national threshold values in line with Directive 2013/51/Euratom<sup>75</sup> and Directive 2013/59/ Euratom.</li> <li>Spent fuel and radioactive waste is safely and responsibly managed in accordance with Directive 2011/70/Euratom and Directive 2013/59/Euratom.</li> </ul>

<sup>75</sup> Council Directive 2013/51/Euratom of 22 October 2013 laying down requirements for the protection of the health of the general public with regard to radioactive substances in water intended for human consumption (OJ L 296, 7.11.2013, p. 12).

Appendix III: EU Taxonomy Do No Significant Harm criteria to other environmental objectives in the context of contribution to the Climate Change Mitigation objective for Nuclear Activities

Eligible Category	Corresponding EU Taxonomy economic activity	Do No Significant Harm criteria for the nuclear activities of EU Taxonomy Complementary delegated acts of the Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended	
Low-Carbon Energy	4.26. Pre-commercial stages of advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle	Pollution prevention and control	<ul style="list-style-type: none"> <li>An adequate capacity of interim storage is available for the project, while national plans for disposal are in place to minimise the duration of interim storage, in compliance with the provision of Directive 2011/70/Euratom that considers radioactive waste storage, including long-term storage, as an interim solution, but not an alternative to disposal.</li> </ul>
		Protection and restoration of biodiversity and ecosystems	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix D to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>An Environmental Impact Assessment is completed prior to the construction of a nuclear power plant, in accordance with Directive 2011/92/EU. The required mitigation and compensatory measures are implemented.</li> <li>For sites/operations located in or near biodiversity sensitive areas likely to have a significant effect on biodiversity sensitive areas (including the Natura 2000 network of protected areas, Unesco World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.</li> <li>The sites/operations shall not be detrimental to the conservation status of any of the habitats or species present in protected areas.</li> </ul>
	4.27. Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies	Climate change adaptation	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix A to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>The activity complies with the requirements laid down in Article 6(b), Article 8b(1), point (a), and Article 8c(a) of Directive 2009/71/Euratom.</li> <li>The activity fulfils the requirements of Directive 2009/71/Euratom, implemented in accordance with the international guidance of the IAEA and WENRA relating to extreme natural hazards, including floods and extreme weather conditions.</li> </ul>
		Sustainable use and protection of water and marine resources	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix B to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed, in accordance with a water use and protection management plan, developed in consultation with stakeholders concerned.</li> <li>In order to limit thermal anomalies associated with the discharge of waste heat, operators of inland nuclear power plants utilising once-through wet cooling by taking water from a river or a lake control:                             <ul style="list-style-type: none"> <li>(a) the maximum temperature of the recipient freshwater body after mixing, and</li> <li>(b) the maximum temperature difference between the discharged cooling water and the recipient freshwater body.</li> </ul> </li> <li>The temperature control is implemented in accordance with the individual licence conditions for the specific operations, where applicable, or threshold values in line with the Union law.</li> <li>The activity complies with the Industry Foundation Classes (IFC) standards.</li> <li>Nuclear activities are operated in compliance with requirements on water intended for human consumption of Directive 2000/60/EC and of Directive 2013/51/Euratom laying down requirements for the protection of the health of the general public with regard to radioactive substances in water intended for human consumption.</li> </ul>
		Transition to a circular economy	<ul style="list-style-type: none"> <li>A plan for the management of both non-radioactive and radioactive waste is in place and ensures maximal reuse or recycling of such waste at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, the reflection in financial projections or the official project documentation.</li> <li>During operation and decommissioning, the amount of radioactive waste is minimised and the amount of free-release materials is maximised in accordance with Directive 2011/70/Euratom, and in compliance with the radiation protection requirements laid down in Directive 2013/59/Euratom.</li> <li>A financing scheme is in place to ensure adequate funding for all decommissioning activities and for the management of spent fuel and radioactive waste, in compliance with Directive 2011/70/Euratom and Recommendation 2006/851/Euratom.</li> <li>An Environmental Impact Assessment is completed prior to the construction of a nuclear power plant, in accordance with Directive 2011/92/EU. The required mitigation and compensatory measures are implemented.</li> <li>The relevant elements in this Section are covered by Member States' reports to the Commission in accordance with Article 14(1) of Directive 2011/70/Euratom.</li> </ul>

Appendix III: EU Taxonomy Do No Significant Harm criteria to other environmental objectives in the context of contribution to the Climate Change Mitigation objective for Nuclear Activities

Eligible Category	Corresponding EU Taxonomy economic activity	Do No Significant Harm criteria for the nuclear activities of EU Taxonomy Complementary delegated acts of the Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended	
Low-Carbon Energy	4.27. Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies	Pollution prevention and control	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix C to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>Non-radioactive emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the best available techniques (BAT) conclusions for large combustion plants. No significant crossmedia effects occur.</li> <li>For nuclear power plants greater than 1 MW thermal input but below the thresholds for the BAT conclusions for large combustion plants to apply, emissions are below the emission limit values set out in Annex II, part 2, to Directive (EU) 2015/2193.</li> <li>Radioactive discharges to air, water bodies and ground (soil) comply with individual licence conditions for the specific operations, where applicable, or national threshold values in line with Directive 2013/51/Euratom and Directive 2013/59/ Euratom.</li> <li>Spent fuel and radioactive waste is safely and responsibly managed in accordance with Directive 2011/70/Euratom and Directive 2013/59/Euratom.</li> <li>An adequate capacity of interim storage is available for the project, while national plans for disposal are in place to minimise the duration of interim storage, in compliance with Directive 2011/70/Euratom that considers radioactive waste storage, including long-term storage, as an interim solution, but not an alternative to disposal.</li> </ul>
	Protection and restoration of biodiversity and ecosystems	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix D to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>An Environmental Impact Assessment is completed prior to the construction of a nuclear power plant, in accordance with Directive 2011/92/EU. The required mitigation and compensatory measures are implemented. For sites/operations located in or near biodiversity sensitive areas likely to have a significant effect on biodiversity sensitive areas (including the Natura 2000 network of protected areas, Unesco World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.</li> <li>The sites/operations shall not be detrimental to the conservation status of any of the habitats or species present in protected areas.</li> </ul>	
Low-Carbon Energy	4.28. Electricity generation from nuclear energy in existing installations	Climate change adaptation	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix A to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>The activity complies with the requirements laid down in Article 6(b), Article 8b(1), point (a), and Article 8c(a) of Directive 2009/71/Euratom.</li> <li>The activity fulfils the requirements of Directive 2009/71/Euratom implemented in accordance with international guidance of the IAEA and WENRA relating to extreme natural hazards, including floods and extreme weather conditions.</li> </ul>
		Sustainable use and protection of water and marine resources	<ul style="list-style-type: none"> <li>The activity complies with the criteria set out in Appendix B to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed, in accordance with a water use and protection management plan, developed in consultation with stakeholders concerned.</li> <li>In order to limit thermal anomalies associated with the discharge of waste heat, operators of inland nuclear power plants utilising once-through wet cooling by taking water from a river or a lake control:                             <ul style="list-style-type: none"> <li>(a) the maximum temperature of the recipient freshwater body after mixing, and</li> <li>(b) the maximum temperature difference between the discharged cooling water and the recipient freshwater body.</li> </ul> </li> <li>The temperature control is implemented in accordance with the individual licence conditions for the specific operations, where applicable, or threshold values in line with Union law.</li> <li>The activity complies with the Industry Foundation Classes (IFC) standards.</li> <li>Nuclear activities are operated in compliance with requirements on water intended for human consumption of Directive 2000/60/EC and of Directive 2013/51/Euratom laying down requirements for the protection of the health of the general public with regard to radioactive substances in water intended for human consumption.</li> </ul>
		Transition to a circular economy	<ul style="list-style-type: none"> <li>A plan for the management of both non-radioactive and radioactive waste is in place and ensures maximal reuse or recycling of such waste at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, the reflection in financial projections or the official project documentation.</li> </ul>

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Eligible Category	Corresponding EU Taxonomy economic activity	Do No Significant Harm criteria for the nuclear activities of EU Taxonomy Complementary delegated acts of the Annex 1 of Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended	
<p><b>Low-Carbon Energy</b></p>	<p>4.28. Electricity generation from nuclear energy in existing installations</p>	<p>Transition to a circular economy</p>	<ul style="list-style-type: none"> <li>• During operation and decommissioning, the amount of radioactive waste is minimised and the amount of free-release materials is maximised in accordance with Directive 2011/70/Euratom, and in compliance with the radiation protection requirements laid down in Directive 2013/59/Euratom.</li> <li>• A financing scheme is in place to ensure adequate funding for all decommissioning activities and for the management of spent fuel and radioactive waste, in compliance with Directive 2011/70/Euratom and Recommendation 2006/851/Euratom.</li> <li>• An Environmental Impact Assessment is completed prior to the construction of a nuclear power plant, in accordance with Directive 2011/92/EU. The required mitigation and compensatory measures are implemented.</li> <li>• The relevant elements in this Section are covered by Member States' reports to the Commission in accordance with Article 14(1) of Directive 2011/70/Euratom.</li> </ul>
		<p>Pollution prevention and control</p>	<ul style="list-style-type: none"> <li>• The activity complies with the criteria set out in Appendix C to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>• Non-radioactive emissions are within or lower than the emission levels associated with the best available techniques (BAT-AEL) ranges set out in the best available techniques (BAT) conclusions for large combustion plants. No significant crossmedia effects occur.</li> <li>• For nuclear power plants greater than 1 MW thermal input but below the thresholds for the BAT conclusions for large combustion plants to apply, emissions are below the emission limit values set out in Annex II, part 2, to Directive (EU) 2015/2193.</li> <li>• Radioactive discharges to air, water bodies and ground (soil) comply with individual licence conditions for the specific operations, where applicable, or national threshold values in line with Directive 2013/51/Euratom and Directive 2013/59/ Euratom.</li> <li>• Spent fuel and radioactive waste is safely and responsibly managed in accordance with Directive 2011/70/Euratom and Directive 2013/59/Euratom.</li> <li>• An adequate capacity of interim storage is available for the project, while national plans for disposal are in place to minimise the duration of interim storage, in compliance with Directive 2011/70/Euratom that considers radioactive waste storage, including long-term storage, as an interim solution, but not an alternative to disposal.</li> </ul>
		<p>Protection and restoration of biodiversity and ecosystems</p>	<ul style="list-style-type: none"> <li>• The activity complies with the criteria set out in Appendix D to Annex 1 of Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.</li> <li>• An Environmental Impact Assessment is completed prior to the construction of a nuclear power plant, in accordance with Directive 2011/92/EU. The required mitigation and compensatory measures are implemented.</li> <li>• For sites/operations located in or near biodiversity sensitive areas likely to have a significant effect on biodiversity sensitive areas (including the Natura 2000 network of protected areas, Unesco World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.</li> <li>• The sites/operations shall not be detrimental to the conservation status of any of the habitats or species present in protected areas.</li> </ul>



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