



# Sustainability policy

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## Our corporate purpose

### **“Financing a sustainable future through long-term, responsible support...**

Sfil is a public development bank, a model recognized under European regulations. In particular, *“its activity is limited to advancing specified objectives of financial, social or economic public policy”*<sup>1</sup>. Sfil promotes lasting sustainable economic and social development through long-term financing.

### **for regional development and the international activity of large companies...**

Sfil’s two missions – financing French local authorities and public health institutions (the “local public sector”) and supporting French companies’ major export contracts (export credit) – contribute complementarily to the sustainable development of territories, in line with the corporate purpose of Caisse des Dépôts group, which is *“committed at regional level to accelerating the ecological transformation and helping to offer a better life for all”*.

### **by mobilizing international capital...**

Sfil does not collect deposits: its financing is based solely on bond issuance that enable it to engage European and international institutional investors in France’s economic and social development.

### **with a positive but moderate profitability target...**

Sfil does not seek to maximize its profitability or market share: positive but moderate profitability is sufficient to ensure its viability and remunerate its public sector shareholder.

### **a conservative risk profile...**

Sfil’s business model is based on rigorous and prudent risk management, characterized in particular by very high asset quality (sovereign or sub-sovereign risks) and a limited use of transformation (differences in maturity between assets and liabilities). Sfil operates under the direct supervision of the European Central Bank.

### **and a balanced social model.”**

As a human-sized bank focused on general interest missions, Sfil attaches great importance to the quality of the social dialogue, well-being at work, gender equality and career-long training for all.

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<sup>1</sup> Article 429a(2) of Regulation (EU) 2019/876, known as the Capital Requirements Regulation (CRR) II.

## Our commitments

In 2018, Sfil joined the United Nations Global Compact, which, in close connection with the Sustainable Development Agenda and the 17 Sustainable Development Goals (SDGs), aims to offer solutions to global challenges between now and 2030. By signing the Compact, Sfil has committed to aligning its strategy and operations with ten principles arising from core United Nations conventions and declarations, grouped into four themes:

### → Human rights

- i. Support and respect the protection of internationally proclaimed human rights;
- ii. Make sure that they are not complicit in human rights abuses;

### → Labour

- iii. Uphold the freedom of association and the effective recognition of the right to collective bargaining;
- iv. Contribute to the elimination of all forms of forced and compulsory labor;
- v. Contribute to the effective abolition of child labor;
- vi. Contribute to the elimination of all discrimination in respect of employment and occupation;

### → Environment

- vii. Support a precautionary approach to environmental challenges;
- viii. Undertake initiatives to promote greater environmental responsibility and (ix) encourage the development and diffusion of environmentally friendly technologies;

### → Anti-corruption

- ix. Work against corruption in all its forms, including extortion and bribery.

To implement the SDGs even further, we make ten commitments in line with our corporate mission and the strategic priorities and commitments of the Caisse des Dépôts group. **The bank's progress in achieving each of these commitments will be monitored based on performance indicators**, disclosed annually as part of our sustainability reporting.

## ECOLOGICAL TRANSFORMATION

### 1 Gradually align our financing portfolios with the objectives of the Paris Climate Agreement



We have calculated our financed emissions since 2021, i.e. greenhouse gas emissions induced by the financial assets in our portfolios, which are disclosed annually.

We have defined a portfolio decarbonization trajectory, referring as much as possible to scenarios aligned with the Paris Agreement objectives. For the local public sector, which accounted for 86% of financed emissions at the end of 2021, the trajectory is based on the National Low-Carbon Strategy, the French State's roadmap to achieve carbon neutrality by 2050. For export credit, we adopted a sector-based approach.

## 2 Accelerate the ecological and energy transition through our financing and customer engagement activities



Through its green loan offer in partnership with La Banque Postale and Banque des Territoires, Sfil finances investments by local authorities in five key sectors of the ecological transition:

- Energy efficiency;
- Renewable energy;
- Soft mobility and clean transport;
- Sustainable water management and sanitation;
- Waste management and recovery.

This green offer now extends to the refinancing of export credits with a positive environmental or climate impact.

In addition to financing, our role as a bank is also to engage with and support our customers to help them better understand the challenges of the transition. To do this, we rely on our operational partnerships, our membership of the Caisse des Dépôts group and external expertise.

## 3 Make progress in measuring and taking into account the impact of our financing on biodiversity



A number of operations financed by Sfil contribute to the preservation of biodiversity: wastewater and rainwater collection and treatment, sustainable management of aquatic environments and flood prevention, restoration of buildings, which helps contain built environment sprawl, etc. In 2025, we will measure the biodiversity footprint of our portfolios for the first time.

# ECONOMIC DEVELOPMENT AND SOVEREIGNTY

## 4 Contribute to regional reindustrialization, national strategic autonomy and development of essential infrastructures by supporting major French exporters



In 2015, the French State entrusted Sfil with a mandate to refinance major export credit contracts and so supplement the French public export support scheme, which aims to strengthen the competitiveness of French exporters with the following objectives:

- Preserve industrial employment in France by maximizing the French content of exports;
- Support economic sovereignty through control of value chains and key technologies and support for innovation;
- Continue to invest in the defense industrial and technological base, on which France's strategic autonomy depends;
- Support the energy transition of the various exporting sectors in line with the Paris Climate Agreement.

The main sectors supported are low-carbon energy production, electricity transmission and distribution networks, key infrastructures (mobility, water, healthcare, IT), shipbuilding and aeronautics.

## SOCIAL AND REGIONAL COHESION

### 5 Support regional development by ensuring stable financing for local authorities



Sfil was created in 2013 with the aim of ensuring stable financing for the French local public sector. Through its bond issuance and that of its subsidiary Caffil, Sfil refinances the medium- and long-term loans that its partners La Banque Postale and Banque des Territoires grant to local authorities of all sizes, thus giving them access to the most suitable financing conditions. This robust model makes Sfil a central partner of the French local public sector.

### 6 Promote social and regional cohesion through our financing and sponsorship activities



Through its social loan offer in partnership with La Banque Postale and Banque des Territoires, Sfil finances investments by local authorities in five areas:

- Civil protection (fire, rescue and emergency services);
- Health, social and family services;
- Education and vocational training;
- Sport, culture and community life;
- Urban development and territorial cohesion.

This social offer now extends to the refinancing of export credits with a positive social impact, in particular for projects facilitating the access of populations to essential services and the development of basic infrastructures.

Social cohesion and access to education and culture are also at the heart of Sfil's corporate patronage and societal engagement policy.

### 7 Advance health care by supporting the investments of public health institutions



Through its "health" loan offer in partnership with La Banque Postale and Banque des Territoires, Sfil supports investment by public health institutions to enable them to fulfil their three main missions:

- Provision of care to the entire population, including vulnerable groups;
- Research and development in new care solutions and treatments;
- Training of health workers.

This offer makes Sfil a central partner of France's hospital sector.

## LEADING BY EXAMPLE

**8 Step up ESG integration**

As a subsidiary of Caisse des Dépôts, Sfil implements the group's sustainability policies, notably its climate<sup>2</sup> and biodiversity<sup>3</sup> policies, responsible finance charter<sup>4</sup> and anti-corruption policy<sup>5</sup>.

They are reflected in internal policies, particularly in the following areas:

- Measurement and disclosure of the environmental and social impacts of our financing<sup>6</sup>;
- Measurement of our clients' ESG risks and integration of these risks into the granting policy<sup>7</sup>;
- Compliance: code of ethics<sup>8</sup>; anti-money laundering and counter-terrorist financing policies, corruption prevention, and personal data protection.

We require all employees to be trained in sustainable development and compliance issues.

**9 Be a responsible employer that protects and engages with its employees while valuing their diversity**


We want to maintain a high level of employee commitment to our economic and social model and assert ourselves within the banking industry as a key player in responsible finance. To this end, we continue to improve the quality of life at work and remain at the forefront of diversity, inclusion and gender equality issues. A biennial social barometer allows us to measure the results of that policy and adjust our actions where necessary.

**10 Manage the environmental and societal impact of our internal operations**


We measure the carbon footprint of our internal operations and take regular actions to reduce and offset this footprint, in particular by working on our energy efficiency (building, servers, IT equipment) and by promoting responsible consumption practices among our employees and service providers. We also strive to engage our suppliers on sustainability issues through the integration of ESG criteria in our bid analyses and the inclusion of a Responsible Purchasing charter in our purchasing contracts.

<sup>2</sup> Caisse des Dépôts group climate policy, October 26, 2022, [available online](#).

<sup>3</sup> Caisse des Dépôts group biodiversity policy, December 13, 2022, [available online](#).

<sup>4</sup> Caisse des Dépôts group responsible finance charter, December 16, 2022, [available online](#).

<sup>5</sup> A description of the anti-corruption policy of Caisse des Dépôts group is [available online](#).

<sup>6</sup> Sfil Group Green, Social & Sustainability Bond Framework, November 2024, [available online](#).

<sup>7</sup> More information on ESG risk management in our "Pillar III" reports, [available online](#).

<sup>8</sup> Code of ethics and professional conduct, March 27, 2020, [available online](#).

## Our exclusion policy

Sfil applies a strict exclusion policy aligned with that of Caisse des Dépôts group.

### Legal and normative exclusions

We are 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. Subject to availability of the underlying data, the following sectors are therefore excluded from financing:

1. Prostitution;
2. Entities having a negative impact on indigenous peoples and their land, in accordance with the United Nations Declaration on the Rights of Indigenous Peoples;
3. Projects for which a forced eviction within the United Nations meaning has taken place on the site impacted by the planned project, provided that a causal link to the project's purpose and a material impossibility of providing compensation can be established;
4. 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;
5. Trading, producing, rearing or holding animals, plants or any natural products that do not comply with the provisions of CITES;
6. Producing, using or trading in any product banned from production or use or subject to a progressive ban under international regulations or those of the destination country;
7. Cross-border trade in waste apart from in compliance with the Basel Convention and its underlying regulations;
8. Illicit trade or activities likely to facilitate the illicit trafficking of cultural goods.

Going beyond the legality criterion and subject to the availability of the underlying data, we exclude from financing activities that are contrary to France's international commitments:

9. Entities that have serious, proven and repeated recourse to forced labor, child labor or human trafficking throughout the value chain;
10. Weapons prohibited by international treaties signed and ratified by France:
  - Chemical or biological weapons;
  - International transfers of nuclear weapons and components, in strict compliance with the Treaty on the Non-Proliferation of Nuclear Weapons<sup>14</sup>;
  - Cluster munitions;
  - Antipersonnel mines;
  - Laser weapons specifically designed to cause permanent blindness.

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<sup>14</sup> France being a nuclear-weapon state, these exclusions do not concern activities contributing directly or indirectly to its deterrence.

## **Voluntary exclusions**

In addition to the regulatory exclusions, we exclude the following activities from financing due to their controversial nature and negative societal impact:

1. Any activity related to pornography;
2. The culture, manufacture, storage and sale of tobacco<sup>15</sup>;
3. Gambling<sup>16</sup>;
4. The production, development, storage, distribution, marketing or use of all non-conventional weapons covered by international treaties ratified by France;
5. Speculation on agricultural raw materials with a direct impact on food prices, as well as the exploitation and trading of raw materials not compliant with the national strategy for combating imported deforestation;
6. The manufacture, storage and sale of pesticides prohibited in France.

## **Fossil fuel exclusions**

The local public sector is not materially exposed to fossil fuels.

As regards export credits, we comply with the guidelines of the French export support policy as amended by the 2023 Finance Act no. 2022-1726 of December 30, 2022. Since that date, the following are therefore excluded from financing:

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

These two exclusions do not apply to operations that reduce the negative environmental impact or improve the safety of existing installations or their impact on health, without increasing their lifetime or production capacity, or to the dismantling or repurposing of these installations.

We also accept to refinance export projects that (i) improve the electricity mix or electricity transmission and distribution infrastructures of the country in which they are located or (ii) are consistent with the energy transition strategy of the company or country in question.

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<sup>15</sup> Only the main activity is excluded. As part of projects to revitalize rural or urban areas, Sfil may finance projects where part of the activity involves the sale of tobacco (e.g., bars, restaurants, hotels).

<sup>16</sup> Only the main activity is excluded (gaming houses, casinos or any equivalent business). Sfil may finance a casino project that is part of an urban development/local attractiveness plan.