



**sfil**



We finance  
what matters most



◀

# Climate policy

December 2025

# ◀ Contents

<b>Sfil's climate ambition</b>	<b>1</b>
Summary of Sfil's climate commitments	2
<b>Taking climate into account in Sfil's action levers</b>	<b>3</b>
<b>Governance</b>	<b>3</b>
<b>Selection of investments and financing</b>	<b>3</b>
<b>Climate and environmental risk management</b>	<b>4</b>
<b>Integration of the climate into variable compensation and training schemes</b>	<b>4</b>
<b>Ambition and exemplarity</b>	<b>4</b>
i. In climate initiatives	4
ii. And dialogue with local public sector clients and exporting companies	4
<b>Mitigation policy</b>	<b>5</b>
<b>Definition and scope of the mitigation policy</b>	<b>6</b>
<b>Exclusions</b>	<b>6</b>
<b>Footprint measurement</b>	<b>6</b>
i. Operational footprint	6
ii. Financed emissions footprint	6
<b>Loans to the local public sector</b>	<b>7</b>
i. Assessment and integration of transition risks	7
ii. Decarbonization trajectory	7
<b>Export credits</b>	<b>8</b>
i. Assessment and integration of transition risks	8
ii. Decarbonization trajectory	8
<b>Adaptation policy</b>	<b>9</b>
<b>Definition and scope of the adaptation policy</b>	<b>10</b>
<b>Loans to the local public sector</b>	<b>10</b>
i. Assessment and integration of climate risks	10
<b>Export credits</b>	<b>11</b>
i. Normative framework for export credit transactions	11
ii. Assessment and integration of climate risks	11
<b>Financing adaptation</b>	<b>12</b>
<b>Action plan</b>	<b>12</b>

# Sfil's climate ambition

Sfil is committed to participating in sustainable territorial development, echoing the purpose of the Caisse des Dépôts Group: "to commit at the heart of the territories to accelerate the ecological transformation and contribute to provide a better life for all". This commitment is embodied in the promotion of the Sustainable Development Goals, through the support of projects with positive impacts by leveraging all its means of action. Sfil's two main activities – financing French local authorities and public hospitals (local public sector) and support for major export contracts for French companies (export credit) – play a complementary role in a fair and resilient ecological and energy transition (EET), supporting a climate-neutral and nature-conscious economy.

In a context of growing climate challenges, Sfil is committed, in line with the Caisse des Dépôts Group's ambition, to aligning its financial flows and operational activities with a goal of contributing to carbon neutrality by 2050, while ensuring their resilience to climate change. This commitment is based on two strategic focuses:

- i. climate change mitigation, by reducing greenhouse gas emissions in accordance with the objectives set by the Paris Agreement;
- ii. climate change adaptation, by accompanying and supporting the resilience of territories and exporters to the impacts of climate change.

In this approach, Sfil is fully committed to a global strategy aimed at contributing to limiting global warming to 1.5°C, in line with the ambitions of the Paris Agreement. This commitment is part of an overall strategy to strictly reduce emissions from economic activities to a residual level low enough to be offset by carbon sinks. This vision implies that, by 2050, Sfil (i) will have reduced the greenhouse gas emissions of its financing portfolios in accordance with national and international objectives, (ii) while itself reducing its own emissions and gradually contributing to carbon sinks to the extent of its residual emissions. Sfil does not intend to offset the residual emissions of its counterparties.

Sfil is also committed to gradually strengthening the consideration of climate change adaptation issues by ensuring the resilience of its activities to its impacts and contributing to that of the economy and territories.

The purpose of this document is to detail the actions implemented by Sfil to gradually align its activities with these long-term objectives, by specifying the measures dedicated to climate change mitigation (mitigation policy) as well as to the adaptation to its impacts (adaptation policy).

## Summary of Sfil's climate commitments

### MAKE OUR ACTIVITIES COMPATIBLE WITH A LOW-CARBON DEVELOPMENT

#### Measure and manage the environmental impact of our internal operations

- Measure operational emissions and report on them annually
- Maintain a comparable level of operational carbon footprint
- Finance emission reductions and carbon sinks for all operational emissions under Scope 1 and 2, as well as for Scope 3 excluding purchases <sup>(1)</sup>

#### Gradually align financing portfolios with the objectives of the Paris Agreement

- Measure financed emissions for local public sector and export credit portfolios <sup>(2)</sup>
- **Local public sector:** reduce the carbon intensity of local public sector outstandings by 42% by 2030 on all scopes: from 129 tCO<sub>2</sub>eq/€m at the end of 2021 to 76 tCO<sub>2</sub>eq/€m at the end of 2030
- **Export credit:**
  - no new financing in the coal, oil, and gas sectors,
  - finance only low-carbon energy production projects or gas-fired power plants that improve the carbon intensity of the energy mix in the destination country,
  - joining the Poseidon Principles in 2025.

#### Accelerate the ecological and energy transition through financing activities and the support provided to clients

- Mobilize €17.5bn in financing dedicated to the ecological and energy transition (green loans to local authorities and refinancing of export credits with a positive environmental or climate impact) from 2024 to 2030
- Increase the share of green, social and sustainable bonds to 33% over the 2024-2030 period

### TAKING CLIMATE INTO ACCOUNT IN GOVERNANCE AND ACTION LEVERS

#### Sfil's commitments

- Integrate climate risks into governance, strategy and risk management framework
- Take ESG criteria into account in the investment policy
- Strengthen and generalize climate-related training actions for employees as well as for executives
- Strengthen climate integration into variable compensation schemes
- Promote ambition and exemplarity in climate initiatives and maintain a dialogue with clients

### INCREASE THE RESILIENCE OF OUR ACTIVITIES AND THAT OF OUR CLIENTS TO CLIMATE CHANGE

Integrate physical risk management into the analyses relating to export credit files <sup>(3)</sup> and in the credit granting process to local authorities, then explore extending this consideration to public hospitals

Promote sustainable practices by raising awareness and supporting the local public sector towards responsible investments and French exporters towards sustainable business models

Assess the opportunity to integrate adaptation-related challenges into its financing for the local public sector, in collaboration with its partners, La Banque Postale and Banque des Territoires

(1) This excludes indirect emissions associated with purchased goods but includes indirect emissions associated with transportation (employee commuting and business traveling).

(2) Excluding the defense sector.

(3) Excluding the defense sector.

# Taking climate into account in Sfil's action levers

## Governance

This document and the elements it contains apply to the entire Sfil Group, including both Sfil and Caffil. It is part of the more general framework of the Caisse des Dépôts Group's policies: the climate policy <sup>(1)</sup> of October 26, 2022 and the adaptation policy <sup>(2)</sup> of November 2024.

This policy is based on two distinct components: mitigation and adaptation, two dimensions that are both complementary and essential to Sfil's climate strategy.

Because environmental issues are closely linked, Sfil pays particular attention to the interconnection between climate and biodiversity. This policy is complemented by a nature policy, which takes into account the pressures exerted on ecosystems by climate change.

It is the result of collaborative work coordinated by the Sustainable Development division, in partnership with the teams dedicated to sustainable development within all business lines. Each of these teams contributed to the policy by drawing on its expertise and specific work relating to climate issues.

The climate policy is kept up to date by the Sustainable Development division within the Local Public Sector, Operations and CSR division, and presented at least every two years to the Governance, Appointments and CSR Committee, after validation by the Executive Committee and after having been presented and discussed in the Sustainable Development Committee.

## Selection of investments and financing

Sfil applies the Caisse des Dépôts Group's exclusion policy and the ten principles of the Global Compact in all its activities.

In its refinancing activities, Sfil is increasingly integrating ESG factors into its granting criteria. Indeed, the delegation scheme and credit decisions take into account in a positive way the social and environmental utility of the projects financed.

Thus, for loans to local authorities, Sfil aims to maximize the share in new flows of green loans and social loans, which finance projects that contribute in a demonstrable and tangible way to the sustainable development of territories and to the Sustainable Development Goals (SDGs) <sup>(3)</sup>. This has led to an increase in the bank's risk appetite for these green and social loans by taking into account the social and environmental utility of the projects financed in the granting criteria, allowing more flexibility in terms of issue profiles and a higher level of exposure. In addition, since January 2025, the credit granting process for local authorities includes an additional analysis for borrowers subject to significant climatic hazards – according to different materiality thresholds – and is based, depending on the type of local authority concerned, on the collection of information and any relevant specific documents.

For export credits, Sfil is aligned with the French State's export support policy implemented by Bpifrance Assurance Export.

Export credit transactions are strictly governed by a set of rules set out in the Organization for Economic Co-operation and Development (OECD) arrangement (and the supplementary recommendations <sup>(4)</sup>) on guidelines for export credits benefiting from public support, which has the particularity of having been transposed into European Community law. In addition to this intervention framework, Sfil has set up an ESG risk analysis tool ("ESG grid") of the refinanced projects.

Sfil also assesses the contribution of the export projects financed to the Sustainable Development Goals (SDGs) <sup>(5)</sup>.

In its investment activities, which are limited to cash investment, Sfil also applies ESG criteria, in addition to the sectoral exclusions detailed in its Sustainability Policy <sup>(6)</sup> (see section "Our exclusion policy"). Sfil also monitors the proportion of investments made in the form of ESG securities on a monthly basis.

(1) Available [online](#).

(2) Available [online](#).

(3) In particular, SDGs 6, 7, 11, 12 and 13 (green loans) and 1, 3, 4, 10 and 11 (social loans) are targeted.

(4) They apply to all types of export credits benefiting from public support which are destined for exports of capital goods and/or services, with the exception of exports of military equipment.

(5) In particular, SDGs 7, 8, 9 and 11 are targeted.

(6) Available [online](#).

## Climate and environmental risk management

Climate and environmental risks (hereinafter "environmental risks"), due to their materiality, the expectations of the regulator and stakeholders, as well as their ability to directly or indirectly impact all risk categories (in particular credit risk, operational risk, market risk and liquidity risk), are subject to rigorous treatment by Sfil. They are taken into account in compliance with the various levels of regulation:

- for the definitions and the framework within which this management must be applied: the ECB Guide on climate-related and environmental risks, the proposed amendment 2021/0341 to directive 2013/36 as well as the proposed amendment 2021/0342 of EU Regulation no. 575/2013;
- for the identification of climate and environmental risk factors and the assessment of their impact on traditional risk categories: guidelines on non-financial reporting: supplement on climate-related information (2019/C 209/01).

Sfil's risk management system integrates environmental risks into the broader ESG risk framework. In this sense, the risk appetite monitors various ESG indicators, the Group's risk mapping assesses their materiality and the stress tests conducted anticipate events that may affect the Group's activities.

## Integration of the climate into variable compensation and training schemes

Sfil reinforces the integration of ESG criteria into the variable compensation of members of the Executive Committee and senior executives and applies the Caisse des Dépôts Group's guidelines in this area. In total, a weighting of at least 25% of these ESG criteria is required in the annual variable compensation of executive corporate officers.

Indeed, the compensation of Sfil's Chief Executive Officer is determined by the Board of Directors, on the proposal of the Compensation Committee, and includes a portion linked to ESG performance criteria. Similarly, members of the Executive Committee, excluding control functions, receive a variable portion of their compensation based on individual and cross-functional objectives, some of which include ESG criteria defined by the Board of Directors. In addition, incentive and profit-sharing schemes are in place, incorporating ESG criteria into the assessment of collective performance.

Finally, Sfil is committed to strengthening and expanding its climate training initiatives for both its employees and executives.

## Ambition and exemplarity

### i. In climate initiatives

Sfil supports numerous collaborative initiatives, both national and international, in favor of more sustainable finance, and is committed to promoting ambition and exemplarity. Sfil is a contributing member of the United Nations Global Compact and the Poseidon Principles.

Through its institutional actions, Sfil asserts its role as a key partner in the sustainable financing of the local public sector, while supporting various sponsorship initiatives. For example, Sfil has supported the French think-tank I4CE (Institute for Climate Economics), a non-profit research institute founded by Caisse des Dépôts and the Agence Française de Développement. I4CE's analyses enrich public policy debates related to climate change mitigation and adaptation. In particular, the Institute's work on climate economics and finance contributes directly to the update of the National low-carbon strategy and the assessment of the investments required in the four decarbonization scenarios developed by ADEME.

In addition, alongside its partners, La Banque Postale and Banque des Territoires, Sfil wishes to support local public sector borrowers in appropriating and taking into account the challenges related to climate change adaptation.

### ii. And dialogue with local public sector clients and exporting companies

Lastly, the continuation of communication and awareness-raising actions for local authorities, notably by sending information letters or dedicated meetings on certain topics such as the climate and environmental scoring.

Sfil is thus committed to strengthening its dialogue with local authorities and public hospitals on issues related to climate change, whether in terms of mitigation or adaptation.

Furthermore, by supporting the competitiveness of French companies in international tenders, the export financing offered by Sfil, guaranteed by the French State, contributes to the awarding of major infrastructure projects to French companies. The latter, which are often more committed to decarbonization issues than their competitors, particularly those from outside Europe, position themselves as key players in the ecological transition.



# Mitigation policy

December 2025



## Definition and scope of the mitigation policy

Climate change mitigation refers to all actions aimed at reducing greenhouse gas emissions or increasing the capacity for carbon sequestration in natural ecosystems and infrastructure. It is a key lever for limiting the scale of global warming and managing the rise in global temperatures in accordance with the Paris Agreement. It is based on a profound transformation of production, consumption and financing methods.

In this context, Sfil intends to act in favor of the decarbonization of the French economy by aligning its financing portfolios on a trajectory in line with the Paris Agreement, by supporting its clients in reducing their emissions, and by developing a range of products and services that promote the low-carbon transition. This pledge, guided by the ambition of achieving carbon neutrality by 2050, highlights Sfil's determination to make climate action a central pillar of its business model.

## Exclusions

Sfil complies with the Caisse des Dépôts Group's exclusion policy and the guidelines of the French export support policy, amended by French Finance Act no. 2022-1726 of December 30, 2022 for 2023. This results in the following exclusions:

- the exploration, production, transportation, storage, refining or distribution of coal or liquid or gaseous hydrocarbons;
- coal-fired power generation.

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

Sfil is also authorized to refinance for export projects that (i) improve the electricity mix or electricity transmission and distribution infrastructure of the country in which it is located, or (ii) are consistent with the energy transition strategy of the company or country concerned.

## Footprint measurement

Operational emissions break down into three scopes. Scope 1 concerns direct emissions from the activity. Scope 2 concerns indirect emissions linked to the energy used, for example, electricity in offices. Scope 3 (categories 1-14) concerns indirect emissions related to purchases or the downstream use of non-financial products and services.

Financed emissions are also part of Scope 3 (category 15). For financial institutions, these are emissions (Scopes 1, 2 and, where applicable, 3) of the activities or companies financed or refinanced.

## i. Operational footprint

In line with the consideration of sustainable development in its strategy, Sfil strives to reduce the environmental impacts generated by its internal operations and measures the carbon footprint of its internal operations (Scopes 1, 2 and 3) each year.

The carbon footprint of Sfil's operational scope was measured at the two sites in Paris and Lyon.

Mindful of aligning with a trajectory to manage its footprint in line with the National Low-Carbon Strategy, Sfil will continue its efforts to maintain a comparable level of carbon footprint within its operational scope. Alongside actions undertaken to manage its carbon impact, Sfil, with the support of La Forestière, also a subsidiary of the Caisse des Dépôts Group, has been engaged since 2021 in a voluntary approach to offset part of its residual carbon emissions, specifically covering all of Scopes 1, 2, and 3 (excluding the purchase of goods and services). This initiative involves funding projects carried out within French territory under the Low-Carbon Label, which have the potential to deliver co-benefits for biodiversity and water management.

In this perspective, Sfil's headquarters illustrates the Group's commitment to environmental performance and the reduction of its operational footprint, in line with the #Objectif2026 strategic plan. The building stands out for the limitation of the carbon impact in the choice of materials, the sobriety of its design, the reuse of original elements and the integration of green spaces to promote biodiversity. Obtaining the HQE, BREEAM and Biodiversity labels as well as the BBCA Rénovation certification make Sfil one of the first operations of its kind in Paris, France. Moreover, Sfil carries out actions aimed at mitigating the impact of its activities on the environment and at being exemplary in the operation of its buildings, in line with the Ecowatt approach. To this end, Sfil has implemented energy sobriety measures, limiting the temperature of workstations to a maximum of 19°C in winter and a minimum of 26°C in summer, in accordance with ADEME recommendations, as well as shutting down certain lighting in non-essential common areas of the building.

## ii. Financed emissions footprint

Sfil acknowledges that financed emissions are an inherent part of its Scope 3.

Since 2022, Sfil has been measuring the carbon footprint of its portfolio of loans to the local public sector and its portfolio of export credits. The methodology for measuring financed emissions is based on international standards developed by the Greenhouse Gas (GHG) Protocol and the Science Based Targets initiative (SBTi). Within the GHG Protocol, the PCAF (Partnership for Carbon Accounting Financials) framework specifies the principles applicable by financial institutions for the calculation of GHG emissions generated by their financing and investments (Scope 3, category 15). For the local public sector portfolio, emissions in this category come from investments made by local authorities and public hospitals; the proposed methodology takes into account the technical characteristics of these projects where possible. All scopes are included in the measurement of the footprint of loans to the French local public sector.

With regard to the export credit portfolio, the measurement of the portfolio's carbon footprint consists of assessing, for each project, the CO<sub>2</sub> emissions that will be generated over the entire lifecycle of the project financed: upstream Scope 3 corresponds to emissions generated by the construction of the project, Scopes 1 and 2 to emissions generated directly during the project's operational phase, and finally, when they are significant, downstream Scope 3 emissions are also considered (category 3-11: use of products sold).

The measurement is renewed at the end of each year and may evolve according to improvements in the underlying data and calculation methodologies specific to each scope. The scope of measurement covers French local public sector outstandings and export credit outstandings. Excluded from the scope are export credit exposures related to the defense sector, exposures from the international local public sector (un-off portfolio), and cash investments.

Sfil's main targets are mentioned on page 7: decarbonization trajectory.

## Loans to the local public sector

To contribute to the low-carbon transition, Sfil wishes to take into account in its decisions, and reflect in its portfolios and activities, the decarbonization scenarios of the French and global economy, and thus support the changes deemed necessary, in particular, in France, by the National Low-Carbon Strategy (SNBC). Introduced by the Energy Transition for Green Growth Act (LTECV), the SNBC is France's roadmap for combating climate change. It provides guidelines for implementing the transition to a low-carbon, circular and sustainable economy in all business sectors. It defines a trajectory for reducing greenhouse gas emissions until 2050 and sets short- and medium-term objectives: carbon budgets. It has two ambitions: to achieve carbon neutrality by 2050 and to reduce the carbon footprint of French consumption. Public decision-makers, at both national and regional levels, must take it into account. Thus, because of the powers they exercise and the extent of their assets, local authorities have a major role to play in the implementation of this strategy.

In their latest study <sup>(1)</sup> published in 2024, in partnership with La Banque Postale, the Institute for Climate Economics (I4CE), a non-profit research institute founded in 2015 by Caisse des Dépôts and the Agence Française de Développement, examined the investment and engineering needs of French local authorities to achieve the carbon neutrality objective set by the SNBC. The study showed that local authorities' climate investment needs in the building, transport and energy sectors are estimated at a minimum of €19bn per year and on average over the 2024-2030 period – i.e. nearly €11bn in additional investments each year – highlighting the challenge of securing financing in a fragile economic context, along with addressing territorial disparities.

## i. Assessment and integration of transition risks

In 2023, Sfil developed a climate and environmental risks (hereinafter "C&E risk(s)") scoring tool for the local public sector (municipalities, groups with their own taxation, groups without their own taxation, departments, regions and public hospitals). Transition risk is one of the risks covered by the tool. Its assessment is based on the amount of additional investments required to align with the SNBC decarbonization trajectory. It reflects the relative positioning of local authorities among themselves, translating the level of investment effort of a local authority compared to its peers.

Once operational, the integration into the new rating models (Large Local Authorities, municipalities and GFP) will make it possible to obtain a credit rating impacted by transition risk, which can be made available as part of the granting process.

## ii. Decarbonization trajectory

Sfil is committed to reducing the carbon intensity of its local public sector portfolio <sup>(2)</sup> from 129 kgCO<sub>2</sub>/€m in 2021 to 76 kgCO<sub>2</sub>/€m in 2030 (-42%), then to achieving carbon neutrality by 2050.

This target is aligned with the SNBC, which is France's action plan to reduce its greenhouse gas emissions by 2050, in line with the Paris Agreement. Public decision-makers, at both the national and regional levels, must consider the SNBC when designing their investment plans in key sectors such as public building management, transport, waste and energy. Consequently, the decarbonization trajectory of the French local authorities and public hospitals portfolio is based on two dynamics:

- a component with a controllable dimension, which is based on changes in the structure of the loan portfolio to the French local public sector, with a larger share of thematic loans by 2030 and which are four and a half times less emissive than budget loans;
- a non-controllable component linked to the "spontaneous" decarbonization of the French economy and changes in the source emission factors used to calculate the footprint. This non-controllable share is also closely linked to the structure of production by type of local authority and the competencies of the different levels of local authorities financed by Sfil as part of its general interest missions.

Sfil also plans to mobilize, from 2024 to 2030:

- €17.5bn in financing dedicated to the ecological and energy transition (green loans to local authorities and refinancing of export credits with a positive environmental or climate impact) from 2024 to 2030;
- €12bn in social loans to support public hospitals and the financing by local authorities of investments that may have a social dimension (public safety and health, education and training, culture and sport, health and social action).

(1) I4CE – Institut de l'Économie pour le Climat (Institute of Climate Economics). (2024). *Overview of local authority climate financing - 2024 Edition*.

(2) This target excludes the portfolio under run-off management, which runs off naturally and which represents less than 2% of outstandings on the French local public sector portfolio at December 31, 2025.

Sfil's ambition to increase the share of green and social financing in new flows, both in the local public sector activity and in the export credit activity, is thus the main lever for the decarbonization of portfolios. These objectives were set in line with Sfil's current business framework.

Since 2019, Sfil, in partnership with La Banque Postale and La Banque des Territoires, has been offering green loans intended to finance investments by local authorities with a high environmental impact that contribute to the environmental transition and sustainability in the fields of renewable energies, sustainable water management and sanitation, waste management and recovery, soft mobility and clean transport, and energy efficiency in construction and urban planning.

The attractiveness of green loans for borrowers is reinforced by more favorable treatment when making credit decisions: increased risk appetite, greater flexibility in terms of amortization profile, higher exposure thresholds. The granting of green loans is conditional on the borrower communicating a certain amount of technical data about the project, which is annexed to the loan agreement.

## Export credits

As export credits are project financing, the analysis is carried out at the level of the project and at the level of the borrower. Sfil takes into account the ESG aspects arising from the project documentation in its financing decisions: environmental and social impact assessment, environmental and social management plan.

For export credits, the defense sector is excluded from this policy insofar as the data provided does not allow for ESG analysis. The Group's exclusion policy applies.

### i. Assessment and integration of transition risks

Sfil conducts qualitative ESG analyses for operations presenting a significant ESG issue when granting export credits, in order to ensure compliance with the relevant minimum environmental and social safeguards. A quantitative ESG risk assessment methodology and a climate risk rating tool assessing transition risk and physical risks have been put in place. It is supplemented by the deployment of an ESG risk analysis tool ("ESG grid") of refinanced projects. This ESG grid is structured in three parts: Environment, Social and Governance; it takes into account the double materiality (the impact of the project as well as the risks weighing on the project). The analysis is based on the Environmental and Social Impact Assessment (ESIA) and the Environmental and Social Management Plan (ESMP) when required by the normative framework, and on any other specific and relevant document sent by the agent.

### ii. Decarbonization trajectory

Regarding the fossil fuel sector (coal, oil, gas), Sfil already excludes any financing of coal-related projects (exploration, production, transport, storage, refining or distribution of coal or production of energy from coal). In addition, in accordance with the French export support policy that came into force in 2023, Sfil does not finance any new oil-and-gas-related projects (exploration, production, transport, storage, refining or distribution). Sfil's exposures to these sectors will expire by 2034.

With regard to the power sector, Sfil undertakes only to refinance transactions involving low-carbon energy projects (renewable or nuclear), and more selectively gas-fired power plants if they contribute to improving the carbon intensity of the energy mix in destination countries. According to International Energy Agency projections <sup>(1)</sup>, in order to enable the energy transition, worldwide natural-gas-related capacity needs to increase from 1,829 GW in 2020 to 1,950 GW in 2030, particularly in developing economies, in which Sfil is liable to refinance export credits.

With regard to the shipping sector, Sfil aims to support the transition efforts of the shipping sector and, in particular, the cruise sub-sector, by financing the construction of less polluting and more low-carbon vessels. In 2025, Sfil finalized its adherence to the Poseidon Principles, a common framework aimed at assessing and publishing the climate alignment of maritime financing portfolios with the objectives <sup>(2)</sup> of the International Maritime Organization (IMO), whose ambition is to achieve carbon neutrality in the sector by or around 2050, with intermediate milestones set for 2030 and 2040. Although the Poseidon Principles do not impose a specific decarbonization target, their main requirement is measurement and transparency. By adopting these principles, Sfil is committed to integrating them into its internal policies, procedures and standards, and to working closely with its customers and partners to support these objectives. In this context, Sfil is also committed to communicating its alignment score to the Poseidon Principles from 2026, for the year 2025, and to communicate it publicly.

Finally, Sfil aims to increase the share of green and social financing in new flows, both in the local public sector and in the export credit sector. This objective represents the main decarbonization lever of its portfolios (see local public sector decarbonization trajectory on page 7).

(1) Net Zero by 2050 - A Roadmap for the Global Energy Sector.

(2) <https://www.imo.org/fr/ourwork/environment/pages/2023-imo-strategy-on-reduction-of-ghg-emissions-from-ships.aspx>



◀

# Adaptation policy

December 2025



## Definition and scope of the adaptation policy

Climate change adaptation aims to strengthen the capacity of territories, organizations and infrastructures to cope with the physical impacts of global warming. It complements mitigation efforts by preserving living conditions, the continuity of public services and the sustainability of investments in a context of climate change.

Indeed, in the context of climate change, Sfil's main strategy remains to reduce its greenhouse gas emissions in accordance with the objectives of the Paris Agreement. While according to the World Meteorological Organization, 2024 was the hottest year on record, with an average warming on the earth's surface of about +1.55°C above pre-industrial temperature levels <sup>(1)</sup>, meteorological disturbances directly attributed by experts to this warming are already being observed all over the world, causing increasing damage to the activities, assets and inhabitants of the territories. Anticipating and preparing for future climate events is essential in order to limit their impacts, respond effectively to crises, mitigate their consequences, repair damage and build back more resiliently. Climate change adaptation, which is the process of adjusting to the current and projected impacts of climate change, must be initiated now and continued over the long term.

Sfil is also committed to progressively strengthening the consideration of climate change adaptation challenges by ensuring the resilience of its activities to its impacts. Furthermore, by contributing to the enhanced resilience of the economy and territories, Sfil is also working to mitigate the climate risks affecting its own portfolio. In this context, Sfil undertakes to (i) identify and assess the climate risks impacting its activities, (ii) gradually implement a policy, an action plan, and adaptation measures, and (iii) monitor the evolution of its climate risks over time and to ensure continuous steering of adaptation.

The adaptation policy is linked to the work undertaken on the measurement and management of climate risks by Sfil's Risks division and that of the Caisse des Dépôts Group.

## Loans to the local public sector

Ongoing and future climate disruption will impact the financial balances of local public sector borrowers: local authorities and their groupings, satellites of local authorities, public hospitals. Among the communities particularly exposed are mountain municipalities that depend on the operation of winter sports resorts for their budget and economic activity; coastal communities exposed to the retreat of the coastline; overseas communities exposed to the risk of cyclones/hurricanes; communities located in flood zones; and local authorities located in water-stressed areas (see Sfil's water policy). Public hospitals are particularly vulnerable to the risk of flooding and the risk of heat waves.

Sfil is therefore gradually integrating the issue of climate change adaptation into its credit granting and portfolio management processes, mainly by identifying, assessing, and monitoring the

physical risks affecting borrowers, and particularly through dialogue with the counterparties most exposed to these risks

### i. Assessment and integration of climate risks

In 2023, Sfil developed a climate and environmental risks (hereinafter "C&E risk(s)") scoring tool for the local public sector (municipalities, groups with their own taxation, groups without their own taxation, departments, regions and public hospitals). The methodology developed incorporates both direct and indirect risks (vulnerability of the local economic fabric) and includes three distinct components <sup>(2)</sup>, forming an overall climate and environmental rating.

- i. a "transition risk" score measuring the local authority's transition risk;
- ii. an "acute and chronic physical risks" score which covers the following risks:
  - acute: earthquakes, cyclones, forest fires, floods, drought, heat waves,
  - chronic: loss of snow, shrinkage and swelling of clay (RGA), coastal erosion and sea level rise;
- iii. a "chronic environmental risks" score covering the following risks: pollution (air, water, soil and waste); water stress; and biodiversity loss.

The methodology is based on the use of structured, homogeneous and public data, without soliciting borrowers. It aims to measure a gross risk only, i.e. without taking into account the adaptation measures already undertaken by the borrower.

Work on physical risk used the IPCC RCP 8.5 scenario (the most pessimistic) whenever possible.

In 2024, this C&E scoring tool was shared with a sample of borrowers with at least a high climate and environmental risk in order to engage in dialogue on this subject.

In 2024, the Risks division's monitoring of concentration limits ("risk appetite") was extended to local authority C&E risks. A concentration limit (expressed as a percentage of total exposures in the indicator's scope) has been set for French local public sector counterparties (excluding hospitals), in order to identify exposures presenting both a deteriorated credit risk and a significant physical climate risk.

Since 2025, the C&E scoring has been integrated into the process of granting financing to local authorities. If certain physical risks emerge from the rating at significant levels, after taking into account other criteria, notably financial, an additional analysis is conducted if the project financed does not have the specific objective of adapting to this risk. Depending on the type of local authority concerned, this analysis is based on the collection of information and any specific and relevant documents; it complements the financial analysis and plays a key role in providing additional elements for better-informed decision-making. Its main objective is to accurately assess the materiality of the identified C&E risks and to ensure a gradual integration of the analysis of counterparties' adaptation strategies.

(1) <https://wmo.int/news/media-centre/wmo-confirms-2024-warmest-year-record-about-155degc-above-pre-industrial-level>

(2) They are based on the individual assessment of each risk deemed material, taking into account, where possible, the characteristics of the territory and the sensitivity of the economic fabric to this risk.

The results of this rating were used by Sfil to feed into dialogue with local authorities on adaptation issues.

In 2025, work continued to study the extension of the consideration of C&E risks when granting to public hospitals.

Once operational, integration into the new rating models (Large Local Authorities, municipalities and GFP) will make it possible to obtain a probability of default that takes into account climate and environmental risks.

## Export credits

Sfil is involved in export credits only in cooperation with the commercial banks, which are responsible for their origination and structuring. Sfil never acts as an agent <sup>(1)</sup>. It does not, therefore, negotiate directly with its borrowers. ESG aspects are taken into account in financing decisions based on project documentation provided by commercial banks. Sfil also interacts regularly with exporting companies wishing to offer financing solutions to their foreign customers.

### i. Normative framework for export credit transactions

Export credit transactions are governed by a set of rules set out in the Organization for Economic Cooperation and Development (OECD) arrangement and in the recommendations that supplement it. Under these texts, which France has undertaken to apply in their entirety, French export credit operations are subject to strict rules regarding environmental standards. A project that is the subject of an export credit financing request is first analyzed to determine the scale of its environmental and social impacts. If these impacts are deemed significant, an environmental and social impact assessment (ESIA) must be carried out ex ante by an independent expert commissioned by the banking syndicate. If necessary, it gives rise to the establishment of an environmental and/or social management plan (ESMP), in which it is explained how these impacts will be avoided, minimized and controlled so that the residual impacts are acceptable for the environment and populations <sup>(2)</sup>.

Most of Sfil's banking partners are signatories of the Equator Principles, a set of provisions <sup>(3)</sup> intended to serve as a common basis and framework for financial institutions to identify, assess and manage environmental and social risks when financing projects. According to these principles, the "consideration of physical climate risks and adaptation opportunities, and of the viability of the project's operations under changing weather patterns/climatic conditions", is among the "potential environmental and social issues to be addressed in the environmental and social Assessment documentation". All export operations refinanced by Sfil until the end of 2025 involved a signatory bank and were therefore compliant with the Equator Principles.

### ii. Assessment and integration of climate risks

Sfil, alongside Bpifrance, is involved in the E&S review process of the file, which is based on available information, and in particular Environmental and Social Impact Assessments (ESIA). During this review, Sfil raises questions and requests additional information, if necessary, to ensure that the project complies with the OECD rules and the Equator Principles (described in the previous paragraph).

In its appraisal process, Sfil verifies that BPIAE requirements, which derive from the OECD arrangement and the recommendations, are complied with.

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

In 2023 and 2024, two initiatives were implemented for export credit: (i) a methodology for the quantitative assessment of ESG risks associated with financed projects, and (ii) a borrower climate risk rating tool. The ESG grid makes it possible to measure and integrate environmental, social and governance risks. The environmental component includes the assessment of aspects related to adaptation, mitigation and biodiversity. The climate risk score provides an analysis of exposure to climate hazards as well as transition risks.

These analyses are carried out by the teams of the Export Credit division ("first line of defense"). They are based on the ESIA and the Social and Environmental Management Plan (SEMP) when required by the normative framework, and on any other specific and relevant document sent by the borrower.

**Since 2025**, these tools have been systematically included in the credit granting process <sup>(4)</sup>.

**In 2026**, the Risks division will implement a level 2 control ("second line of defense") over the ESG analyses carried out by the Export Credit division.

(1) In a syndicated loan, the agent is the bank responsible for managing the loan on behalf of the syndicate.

(2) For more information, see the OECD's "Common Approaches", available [online](#).

(3) Latest version (July 2020) available [online](#).

(4) Excluding the defense sector.

## Financing adaptation

Adapting to climate change requires investment by the public sector to prepare the territories for the trajectory of rising temperatures (+2.7° by 2030 and +4° by 2100) anticipated in the National Plan for Adaptation to Climate Change (PNACC 3).

Sfil (and its partners), as the leading financier in this sector, aims to support and enhance this imperative effort.

Schematically, the investments contributing to adaptation are of three kinds:

- i. investments adapted in public goods or infrastructure that specifically respond to the consequences of climate change due to their technical or technological design (e.g., reinforcement of electricity distribution networks to deal with the increase in the frequency and intensity of storms, creation of district cooling networks);
- ii. enabling investments that help protect property and people, thereby enabling other socio-economic activities to be resilient (e.g., investments by civil security or on flood prevention infrastructure);
- iii. investments that primarily contribute to another environmental objective, but are also likely to respond to climate change adaptation (e.g., energy renovation of buildings which, based on measures taken on insulation, makes it possible to improve summer comfort).

In this context, Sfil has initiated a reflection to better promote these investments through its range of thematic loans.

In addition, Sfil is committed to mobilizing €17.5bn in financing dedicated to the ecological and energy transition (green loans to local authorities and refinancing of export credits with a positive environmental or climate impact) from 2024 to 2030. Some of the projects financed by these loans may, under certain conditions, have a co-benefit for adaptation in the fields of water, buildings or transport. However, these co-benefits have not been assessed to date.

The attractiveness of green loans for borrowers is reinforced by more favorable treatment when making credit decisions: increased risk appetite, greater flexibility in terms of amortization profile, higher exposure thresholds. The granting of green loans is conditional on the borrower communicating a certain amount of technical data about the project, which is annexed to the loan agreement.

**By 2027**, Sfil, in collaboration with its partners La Banque Postale and Banque des Territoires, will explore the opportunity to integrate climate change adaptation challenges.

Sfil does not have a thematic offer for export credit. It should be noted, however, that some financed projects may have co-benefits for adaptation. In particular, financed infrastructure projects, when they have a significant environmental impact, must include an assessment of their vulnerability to climate change. This assessment makes it possible to integrate this dimension into their environmental and social management plan (E&S). Thus, these approaches contribute to the adaptation of projects by strengthening their resilience to climate challenges.

## Action plan

2025

- Integration of C&E risk in the process of granting financing to local authorities
- Systematic integration of the ESG assessment of projects in the export credit granting process (excluding the defense sector)

2026

- Strengthen integration of C&E risks into the grant process
- Implementation of a level 2 control by the Risks division of ESG analyses carried out by the Export Credit division (excluding the defense sector)

2027

In conjunction with its partners, La Banque Postale and Banque des Territoires, Sfil will assess the opportunity to integrate issues related to climate change adaptation





[More information on sfil.fr](https://www.sfil.fr)



112-114 avenue Émile Zola  
75015 Paris

French limited company (*Société anonyme*)  
with a share capital of 130,000,150 euros  
Trade and Companies Register (RCS) PARIS 428 782 585