



sfi



We finance
what matters most



Nature policy

December 2025

◀ Contents

Introduction	1
Summary of Sfil's commitments	2
Taking nature-related challenges into account in Sfil's action levers	3
Governance	3
Selection of investments and financing	3
Climate and environmental risk management	4
Ambition and exemplarity	4
i. In nature-related initiatives	4
ii. In its internal functioning	4
iii. And dialogue with local public sector clients and exporting companies	5
Biodiversity policy	7
Definition and scope of the biodiversity policy	8
Exclusions	8
Footprint measurement	9
Loans to the local public sector	9
i. Assessing and integrating risks related to biodiversity loss	9
ii. Financing	10
Export credit	10
i. Normative framework for export credit transactions	11
ii. Assessing and integrating risks related to biodiversity loss	12
Action plan	12
Water policy	13
Definition and scope of the water policy	14
Loans to the local public sector	14
i. Exposure to water stress	14
ii. Financing	15
Export credit	15
i. Exposure to water stress	15

Introduction

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 terms of biodiversity, Sfil is taking a gradual approach and, within the limits of the available tools and methodologies, is working to measure its biodiversity footprint from different angles and scopes, as well as the associated risks. In terms of water, Sfil

is committed to implementing the necessary resources to initiate, by the end of 2027, an initial estimate of the aquatic pollution (discharges) generated by the companies in its portfolio, to assess the exposure to the risk of drought and/or water stress of the various financial portfolios (in Metropolitan France and Overseas departments, and internationally for those concerned), and, within the limits of available data, to adopt a virtuous approach to water sobriety and to preserve the quality of water and infrastructure.

The purpose of this document is to detail the actions taken by Sfil to gradually align its activities with these various objectives, by specifying the measures implemented in favor of biodiversity and water management. The commitments of the nature policy are part of a gradual approach, taking into account the availability and maturity of tools and access to data. They can be read in light of the double materiality analysis of Sfil and its value chain, as well as the prioritization of the various ESG topics with regard to the resources available.

Summary of Sfil's commitments

BIODIVERSITY

Adopt a biodiversity policy translating the principles of the Caisse des Dépôts Group's Nature Policy in 2025 and an action plan in 2026

Focus 1: Measure its impacts and risks

- Measure the biodiversity footprint of its portfolio in 2025, in static and dynamic terms, in MSA.m²/€k invested.
- Map the impacts on protected species and in sensitive areas, based on available data.
- Assess its nature-related (physical and transition) risks by mapping them by 2030.

Focus 2: Reduce its impacts with regard to IPBES pressure factors

- Proceed with the gradual deployment of an ESG analysis grid integrating biodiversity issues as part of export credit financing ⁽¹⁾.
- Exclude, as part of export credit financing ⁽²⁾, the refinancing of projects relating to the production and sale of pesticides.
- Consider as a serious controversy, the conviction of a company due to, or for which the body of evidence testifies to, an activity or practices of trade, production, breeding or keeping of animals, plants or any natural products that do not comply with the CITES provisions.
- Exclude any financing and investment, in the absence of local or international regulations, in companies whose activities are based exclusively or mainly on the exploitation of deep-sea mines (deep sea/seabed mining) and/or in projects related to this activity. This exclusion applies until scientific research provides a better understanding of the impacts of these activities on deep ecosystems and on the cost-benefit analysis, both socio-economic and environmental, in relation to mines on land.

WATER

Sfil undertakes, within the limit of available data, to:

Focus 1: Understand its water-related impacts and risks

- Initiate work to assess aquatic pollution from the companies in its portfolio by the end of 2027.
- Assess the exposure to the risk of drought and/or water stress of the various portfolios financed.

Focus 2: Be part of a virtuous approach to water sobriety

Focus 3: Preserve water quality and infrastructure

- Exclude, as part of export credit financing, the refinancing of projects relating to the production and sale of pesticides.
- Offer financial solutions dedicated to the more efficient and sustainable management of water resources (in partnership with LBP).

(1) Excluding the defense sector.

(2) Excluding the defense sector.

Taking nature-related challenges 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 nature policy of July 2025 ⁽¹⁾, including its section on water dated June 2024 ⁽²⁾, and its section on biodiversity dated July 2025 ⁽³⁾.

Because environmental issues are closely linked, Sfil pays particular attention to the interconnection between biodiversity and climate. This nature policy is designed to complement the climate policy by integrating the pressures exerted on ecosystems by climate change. This policy addresses these various issues in two distinct areas: one on biodiversity and the other on water.

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 environmental issues.

The nature 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) ⁽⁴⁾. 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 process for granting financing to local authorities includes an additional analysis for borrowers subject to significant climatic hazards (including the risk of water stress) – 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 ⁽⁵⁾ 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) ⁽⁶⁾.

In its investment activities, which are limited to cash investments, Sfil also applies ESG criteria, in addition to the sectoral exclusions detailed in its Sustainability Policy ⁽⁷⁾ (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) Available [online](#).

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

(5) 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.

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

(7) 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.

Ambition and exemplarity

i. In nature-related 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. The latter, through the Future Principles Committee, are examining opportunities to integrate broader issues related to the environmental and social sustainability of the maritime industry into the Poseidon Principles' reports. The main objective is to remain in line with the general approach of these principles, which aims to promote transparency, simplicity in the collection of data from clients, and the production of reports based on recognized benchmarks.

Nature-related topics stand out through their complexity, due to the interdependencies that define them, and require a collective approach. In this perspective, Sfil recognizes the importance of engaging in constructive and regular dialogue on these issues with stakeholders across its ecosystem.

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 environmental challenges.

ii. In its internal functioning

The limitation of planetary resources requires a profound transformation of production and consumption patterns. In line with the Caisse des Dépôts Group's commitment, Sfil is adopting a circular approach in a context where the overexploitation of natural resources, particularly biological resources, compromises the balance of ecosystems and the planet's ability to meet society's needs. Sfil encourages and supports a business model centered on the preservation of natural resources, while reducing greenhouse gas emissions and pollution, which are essential conditions for guaranteeing sustainable prosperity that respects planetary boundaries.

Within the framework of its actions aimed at reducing the environmental impacts of its internal operations (see climate policy, mitigation – Operational footprint section), since 2021, Sfil, with the support of La Forestière, also a subsidiary of the Caisse des Dépôts Group, has been engaged in a voluntary approach to offset a portion of its residual carbon emissions stemming from its operational footprint. 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.

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 BBKA Rénovation certification make Sfil one of the first operations of its kind in Paris, France. Sfil also carries out actions aimed at mitigating the impact of its activities on the environment and at being exemplary in the operation of its buildings.

On a daily basis, Sfil is attentive to limiting the environmental impacts of its operations and has implemented measures to preserve resources. Within its headquarters, Sfil uses an environmentally conscious service provider for the inter-company restaurant. Committed to a virtuous approach throughout its value chain, it sources in a controlled manner in short circuits, seasonal products from responsible agriculture, from local producers. With regard to waste, Sfil has set up selective sorting bins for glass as well as cigarette butts recycling containers at the entrance to its head office in order to improve its selective sorting practices and raise awareness among its employees.

iii. And dialogue with local public sector clients and exporting companies

Sfil is thus committed to strengthening its dialog with local authorities and public hospitals on issues related to climate change and nature preservation.

To strengthen its understanding and better respond to the needs expressed, Sfil launched a dialog on water-related matters with several stakeholders in the local public sector, in particular water agencies, which carry out a mission of general interest aimed at managing and preserving water resources and aquatic environments at the scale of a river basin. A study is also being

carried out with La Banque Postale's research department. It will focus on the financing model for the water management responsibility assumed by local authorities in response to growing investment needs.

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



◀

Biodiversity policy

December 2025



Definition and scope of the biodiversity policy

Biodiversity is defined as the variety of life forms on Earth, comprising three interdependent levels: ecosystem diversity, species diversity, and genetic diversity within these same species. It plays a fundamental role in human well-being, as it is an essential source of goods and services that support our economies and societies. It is also essential for ecosystem services, providing supply (food, water, pharmaceuticals, etc.), regulation (coastal protection, climate regulation, pollination) and cultural (tourism and leisure) services.

In May 2019, the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) published a global report confirming the "alarming decline in biodiversity", linked to five pressure factors:

- change in the use of land, aquatic environments and seas;
- overexploitation of biological resources;
- climate change;
- pollution; and
- invasion of alien species.

The conclusion is clear: more than one million species are threatened with extinction at a rate unprecedented in human history, with the rate of species extinction accelerating and causing serious effects on human populations around the world. The preservation of biodiversity, defined as all living things, the ecosystems in which they live and the interactions of species with each other and with their environment, is also essential to fight against other environmental scourges with well-documented consequences for human societies, such as climate change, desertification or water scarcity. The latest IPBES report, entitled "Nexus ⁽¹⁾", explores the interconnections between biodiversity, water, food and health, offering decision-makers around the world the unprecedented formalization of a scientific consensus on the interdependencies between these different issues.

In December 2022, the States Parties to the United Nations Convention on Biological Diversity (CBD) adopted, at the fifteenth Conference of the Parties to this UN Convention (COP 15), the new Kunming-Montreal global biodiversity framework (known as KM GBF), which was renamed the Biodiversity Plan in the spring of 2024. At the end of this COP, they committed to "take urgent action to halt and reverse biodiversity loss to put nature on a path to recovery for the benefit of people and planet by conserving and sustainably using biodiversity and by ensuring the fair and equitable sharing of benefits from the use of genetic resources, while providing the necessary means of implementation".

More concretely, two major commitments were made at this international event: to achieve "zero net loss" by 2030 and to "restore biodiversity" by 2050. These two commitments, defined in a time horizon parallel to the climate commitments, are themselves broken down into four major objectives and twenty-three targets.

In this context, Sfil intends to measure its impacts and, gradually, its risks in terms of biodiversity.

Sfil's commitments to addressing the pressure factor related to climate change are described in its climate policy.

Exclusions

Sfil complies with the Group's exclusion policy and therefore excludes the following sectors from financing grants (non-exhaustive list):

- trade, production, breeding or holding animals, plants or any natural products that do not comply with the CITES provisions;
- cross-border trade in waste, except for waste compliant with the Basel Convention and its underlying regulations;
- speculation on agricultural commodities, which has a direct impact on food prices, as well as the exploitation and trading of commodities in the absence of a recognized policy to prevent deforestation (cocoa, coffee, soybeans, livestock farms, rubber, palm oil, wood and paper pulp);
- the manufacture, storage and sale of pesticides prohibited in France.

(1) <https://www.ipbes.net/hexus/media-release>

Footprint measurement

In order to understand where to act as a priority, Sfil is committed to measuring, within the limits of the available tools and methodologies, its biodiversity footprint from different angles and scopes. Measurement commitments are part of a gradual approach, within the limits of the availability and maturity of tools on the market.

Sfil measured its biodiversity footprint in partnership with CDC Biodiversité, a subsidiary of Caisse des Dépôts. Several recognized tools make it possible to measure the biodiversity footprint by adopting an integrated approach that takes into account the different dimensions related to the pressures exerted on biodiversity and ecosystems. Among them, the Global Biodiversity Score (GBS), developed by CDC Biodiversité, stands out for its comprehensive methodology, specifically designed for economic and financial stakeholders. The GBS methodology studies the contribution of economic activities to pressures on biodiversity and then deduces their impacts. It is based on the Life Cycle Assessment (LCA) framework, using, in particular, the EXIOBASE tool to analyze the links between economic activities and pressures, and the GLOBIO database to assess the relationships between pressures and impacts. The tool also takes a hybrid approach, incorporating real-world data to leverage the best available insights at every stage of the assessment. The analysis results performed with the GBS are expressed in the MSA.km² unit. One of the first to provide an operational solution for companies, this tool makes it possible to monitor the evolution of the global state of biodiversity over time and to compare impacts between different activities of the same company, between several products or between different companies.

Based on this methodology, and by adapting it to its specificities, Sfil measured its footprint in MSA.km², in static and dynamic measurement. Static impacts refer to permanent effects over time, primarily caused by spatial pressures, such as land use. On the other hand, dynamic impacts are one-off and additional, resulting from a financed activity (for example, the construction of a building).

The scope chosen is the one already used since 2021 to measure the carbon footprint of Sfil's portfolios, namely: French local public sector outstandings and export credit outstandings, excluding the defense sector. This work will help to better understand the impacts of the financing activity on nature, identify levers to mitigate negative impacts and amplify positive impacts.

This footprint measurement exercise provides a global assessment of biodiversity impacts, establishing a methodological foundation aimed at identifying Sfil's key challenges.

Loans to the local public sector

The National Biodiversity Strategy 2030 (NBS) reflects France's commitment under the Convention on Biological Diversity. It covers the years 2022 to 2030 and succeeds two previous strategies that addressed the periods 2004–2010 and 2011–2020, respectively. Its objective is to reduce pressures on biodiversity, protect and restore ecosystems, and bring about fundamental changes to reverse the trajectory of biodiversity decline. Like businesses and citizens, local authorities have been involved in the development of this strategy and play a key role in its implementation.

i. Assessing and integrating risks related to biodiversity loss

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 ⁽¹⁾, 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, scarcity/depletion of resources (waste); water stress; and biodiversity loss.

(1) 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.

Biodiversity loss is one of the physical environmental risks covered by the tool, which are expressed in an outlook (+/-). More specifically, the score linked to the risk of biodiversity loss is used as a factor to improve the environmental score when the pressure on biodiversity is low. In addition, the biodiversity score results from the combination of several components assessing the conservation of terrestrial biodiversity on the territory of the local authority, based on the trend of evolution of land artificialization, and on the level of biodiversity conservation, which includes land use and is based on MSA indices. This final score is then aggregated into three environmental impact categories ⁽¹⁾.

In 2025, the C&E scoring was integrated into the financing granting process (see climate policy – adaptation component and Sfil's water policy); the score linked to the risk of biodiversity loss allows the associated issues to be monitored.

In 2025, Sfil carried out work to identify borrowers in the local public sector portfolio located in or near sensitive areas ⁽²⁾. The analysis covered both the importance and state of biodiversity, taking into account the following aspects: key biodiversity areas, protected areas, threatened species, water stress and the state of ecosystems. The dependence of local public sector portfolio activities on ecosystem services was also assessed.

ii. Financing

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. However, some of these loans can, under certain conditions, have a co-benefit for nature and biodiversity:

- collection and treatment of wastewater (prevention of pollution by effluents) and rainwater (greening of urban spaces to combat soil sealing);
- management of aquatic environments and flood prevention (protection, restoration and renaturation of aquatic ecosystems and wetlands).

Furthermore, the investments financed by Sfil in the restoration of existing buildings (including energy-efficient renovations, which are eligible for green loans) contribute to reducing land consumption and, thus, help limit the biodiversity footprint of borrowing entities (local authorities and hospitals).

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.

Following the measurement of the portfolio's biodiversity footprint (see above), work will be initiated to identify the co-benefits of green loans for biodiversity.

Export credit

Sfil is involved in export credits exclusively in cooperation with the commercial banks, which are responsible for their origination and structuring. Sfil never acts as an agent ⁽³⁾. It does not, therefore, negotiate directly with its borrowers. ESG aspects are therefore taken into account in financing decisions based on the project documentation provided by commercial banks. Sfil also interacts regularly with exporting companies wishing to offer financing solutions to their foreign customers.

(1) Positive outlook: low level of impact on the environment; neutral outlook: average level of environmental impact; negative outlook: high level of impact on the environment.

(2) A biodiversity sensitive area can be defined as an area with a high concentration of biodiversity, unique species or rare ecosystems that are particularly vulnerable to the effects of human activity – see for example the [UN Biodiversity lab list](#). Within the meaning of the European institutions and in particular the SFDR Regulation, sensitive areas for biodiversity are the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas, as defined in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139.

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

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, which is in principle the case for all projects located within or near sensitive areas, an environmental and social impact assessment (ESIA) must be carried out *ex ante* by an independent expert appointed by the banking syndicate. If necessary, it leads to the implementation of an Environmental and/or Social Management Plan (ESMP), which explains how the identified impacts will be avoided, minimized and controlled so that residual impacts are acceptable for the environment and populations ⁽¹⁾

Most of Sfil's banking partners are signatories of the Equator Principles, a set of provisions ⁽²⁾ 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 "protection and conservation of biodiversity (including endangered species and sensitive ecosystems in modified, natural and critical habitats)" and "identification of legally protected areas" are among the "potential environmental and social issues to be addressed in the environmental and social assessment documentation". To date, all export operations refinanced by Sfil involved a signatory bank and were therefore compliant with the Equator Principles.

Cruise sector and marine biodiversity

The world's oceans cover 70% of the Earth's surface and are essential to life on our planet, supporting everything from global trade to biodiversity.

The cruise sector, which has been growing rapidly over the past several decades, exerts multiple pressures on marine ecosystems. Aware of the environmental challenges associated with this activity, such as water and noise pollution, the transfer of invasive species or atmospheric emissions, Sfil places the preservation of marine biodiversity at the heart of its nature policy. In accordance with international standards, in particular those of the IMO, and in collaboration with the players in the cruise sector, Sfil encourages the adoption of practices that respect marine ecosystems. In addition, Sfil is committed to maintaining a sustainable discussion with its partners and customers to promote innovation and accelerate the environmental transition in the maritime sector.

Regulatory framework

The main international treaty to protect biodiversity is the Convention for Biological Diversity (CBD), adopted on May 22, 1992 at the Earth Summit and which entered into force on December 29, 1993.

In 2022, the adoption of the Kunming-Montreal Global Biodiversity Framework (GBF) at the fifteenth Conference of the Parties (COP 15) marked a key milestone in the international biodiversity agenda since the entry into force of the Convention for Biological Diversity. Its global goals for 2050 aim to protect and restore biodiversity, live in harmony with nature, equitably share the benefits of natural resources, and invest and collaborate sustainably. Among its targets, it also plans to preserve 30% of the land and seas.

As the United Nations agency dedicated to maritime safety and pollution prevention, the IMO plays a leading role in protecting these vital marine resources. Through key conventions, climate and ocean actions, as well as international partnerships, IMO works to ensure the preservation of the oceans for future generations. For decades, IMO has been developing and adopting mandatory regulations, as well as recommendations and guidelines, aimed at limiting the impacts of marine activities on the marine environment. These initiatives cover several major issues, including water pollution, noise pollution, management of invasive species, and sustainable use of the oceans. They also include the designation of particularly sensitive marine areas and the implementation of measures to protect marine mammals. They are forcing maritime sector players to adopt technologies and practices that respect marine biodiversity.

Measures and commitments of cruise operators

The main stakeholders in the cruise sector are committed to a transition to more sustainable practices by committing to carbon neutrality by 2050 (net-zero emissions) and to reducing atmospheric emissions through advanced technologies. Among the initiatives adopted are shore power, the use of alternative fuels such as LNG (liquefied natural gas) and methanol, and the development of lower-emission solutions such as fuel cells. The new vessels are designed to integrate IMO-compliant water and waste management systems, as well as underwater noise reduction and ballast water treatment technologies. Finally, respect for marine protected areas and the implementation of innovative strategies reinforce the commitment to minimize the environmental impact and preserve marine biodiversity.

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

(2) Latest version of the Equator Principles (July 2020) available [online](#).

ii. Assessing and integrating risks related to biodiversity loss

When a financed project is located in or near a sensitive area ⁽¹⁾, Sfil ensures that the project takes into account the risk of biodiversity loss.

In 2023, a methodology for the quantitative assessment of the ESG risks associated with the projects financed was put in place. 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.

These analyses are carried out by the team 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, this tool has been systematically included in the credit granting process ⁽²⁾.

In 2025, Sfil assessed the dependency of the activities in the export credit portfolio on ecosystem services ⁽³⁾ and mapped the projects located in or near sensitive areas.

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

Action plan

2025	<ul style="list-style-type: none"> • Measurement of the biodiversity footprint of local public sector and export credit portfolios (excluding the defense sector) • Assessment of the dependence of local public sector and export credit portfolio activities (excluding the defense sector) on ecosystem services • Identification of projects within local public sector and export credit portfolios (excluding the defense sector) located in or near sensitive areas • Systematic integration of the ESG assessment of projects in the export credit granting process (excluding the defense sector)
2026	<ul style="list-style-type: none"> • Implementation of a level 2 control by the Risks division of ESG analyses (excluding the defense sector) carried out by the Export Credit division

(1) See Note 14.

(2) Excluding the Defense sector.

(3) Excluding the Defense sector.



◀

Water policy

December 2025



Definition and scope of the water policy

Water is the essential element for life on our planet and an essential pillar of the global economy, at the heart of many human activities, from agriculture to industry (from textiles to chemicals). Access to high-quality water is vital not only for the health and well-being of populations, but also for the maintenance of ecosystem services. However, 46% of global GDP comes from activities located in regions with high water risk by 2050.

In France, the annual volume of water withdrawn is estimated at 32.8 billion m³, while the volume consumed (i.e. the portion withdrawn and not returned to aquatic environments) is estimated at 4.1 billion m³, i.e. 82 m³/inhabitant. Scientific projections have shown that land and people facing extreme droughts will more than double in the 21st century at both the global and national levels ⁽¹⁾. In addition, the surface and groundwater bodies from which our societies draw drinking water are not in good condition. Every year in France ⁽²⁾, the number of drinking water catchments closed increases, due, in particular, to the degradation in the quality of water resources (pollution by pesticides, nitrates, PFAS, plastics, etc.).

As a subsidiary of the Caisse des Dépôts Group, Sfil actively contributes to meeting the collective challenges of sustainable water management. On the one hand, Sfil supports the water sobriety initiatives of the various stakeholders, thus participating in the national objective of reducing water consumption by 10% by 2030. On the other hand, Sfil works to improve the quality of bodies of water by contributing, in particular, to the French government's objective of preserving 100% of drinking water catchment areas by 2027, with a view to achieving the objectives of the Water Framework Directive.

Loans to the local public sector

In France, the responsibility for managing water and sanitation services lies with the municipal level, which includes municipalities and public inter-municipal cooperation establishments (EPCIs).

As of 2018, EPCIs have also been mandatorily assigned the set of responsibilities known as "GEMAPI" (*Gestion des Milieux Aquatiques et Prévention des Inondations, or Aquatic Environment Management and Flood Prevention*). This encompasses the following actions:

- development of water catchment areas;
- the maintenance and development of watercourses, canals, lakes and bodies of water;
- flood and sea defense;
- the protection and restoration of wetlands, aquatic ecosystems and forested riparian areas.

i. Exposure to water stress

In 2022, Sfil's Risks division conducted a study on the exposure of French local authorities to the risk of water stress. The study was based on the Aqueduct Water Risk Atlas, an open-source tool made available by the World Resources Institute. The tool makes it possible to identify and assess water risks around the world using GPS coordinates according to two time horizons (2030 or 2040) and three scenarios (optimistic, business as usual and pessimistic), combining different global warming assumptions and different socio-economic factors of water use respectively. By importing the GPS coordinates of French municipalities into the tool, water stress areas were identified according to the thresholds defined by the tool, and then exposures in the portfolio (municipalities, groups with their own taxation, groups without their own taxation, departments and regions) were analyzed according to their level of risk of future water stress by 2030 or 2040. At this stage, this classification of local authorities according to their risk of water stress does not make it possible to understand the financial impact of this risk on a given community.

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 work carried out on the risk of water stress has been included in the rating. Thus, the overall level of water stress is derived directly from the absolute and relative assessment of water stress carried out on the Aqueduct Water Risk Atlas tool.

Drought is one of the acute physical risks covered by Sfil's C&E scoring tool. Its assessment is based, in particular, on the physical risk scoring tool designed by the Caisse des Dépôts Group's Risks division, based on data from the DRIAS portal, implemented by Météo France.

Sfil thus has a precise map of the exposure of its local public sector portfolio to the risk of drought and/or water stress.

In 2025, the C&E scoring was integrated into the credit granting process as follows:

- the gross C&E risk (including drought risk) is rated by the tool based on public data only;
- if the risk of drought or water stress from the scoring is very high, 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 policies.

(1) <https://www.adaptation-changement-climatique.gouv.fr/dossiers-thematiques/impacts/secheresse#:~:text=En%202022%2C%2035%20%25%20des%20sols,France%2C%20qui%20remontent%20%C3%A0%201959>
 (2) Over the period 1980-2021, 12,600 drinking water catchments were closed (<https://www.statistiques.developpement-durable.gouv.fr/bilan-environnemental-de-la-france-edition-2022-0>).

In 2025, work continued to study the extension of the consideration of the risk of water stress when granting to Public Health Institutions.

ii. Financing

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.

As part of its green loan offer, Sfil offers a "water" thematic offer specially designed for local authorities and their groups, including, in particular, the theme of "sustainable water management and sanitation". The investments eligible for "Sustainable Water Management" green loans are as follows:

- short water cycle:
 - investments by public drinking water services in production equipment and infrastructure (collection and treatment), drinking water transport and distribution (renewal or extension of networks);
 - investments in public sanitation services including, in particular, collection equipment and infrastructure (renewal or extension of networks), treatment (treatment plant) and decontamination infrastructure;
- long water cycle:
 - investments falling within the competency of local authorities for the management of aquatic environments and flood prevention (GEMAPI);
 - investments by local authorities and public sanitation services in rainwater collection and treatment equipment and infrastructure.

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.

Export credit

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.

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.⁽¹⁾

i. Exposure to water stress

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 based on the deployment of an ESG risk analysis tool ("ESG grid") of the 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.

In addition, the climate risk scoring tool provides a clear assessment of the borrower's exposure to physical risks, including various climatic hazards such as drought. This will be supplemented by an assessment of the risk of water stress within the limits of the available data and methodology.

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⁽²⁾.

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⁽³⁾.

By the end of 2027, Sfil will initiate work to assess aquatic pollution from the companies in its portfolio.

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

(2) Excluding the defense sector.

(3) Excluding the defense sector.



[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