INVESTOR PRESENTATION

Région île de France

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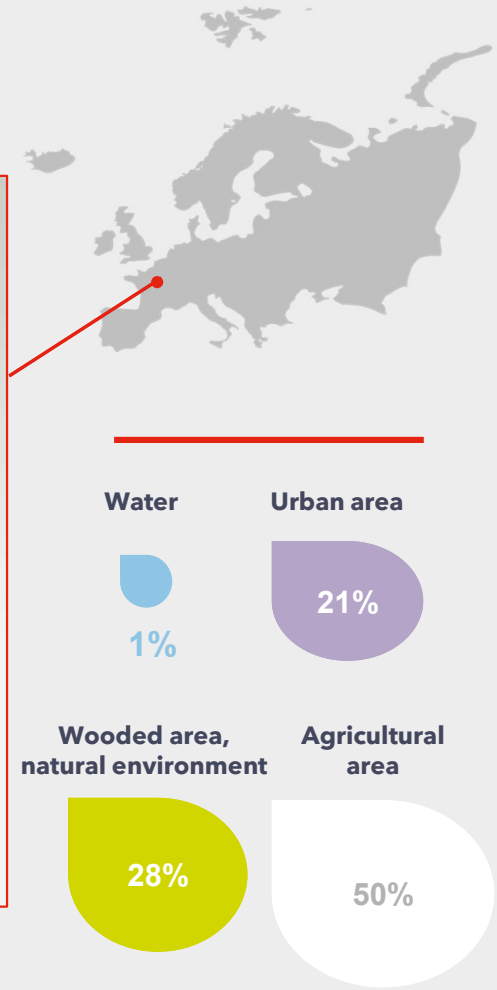
1

A LEADING LOCAL AUTHORITY IN EUROPE

Region Ile-de-France, a diversified and go-ahead territory

- **2% of French surface area,**
- **18% of French population.**

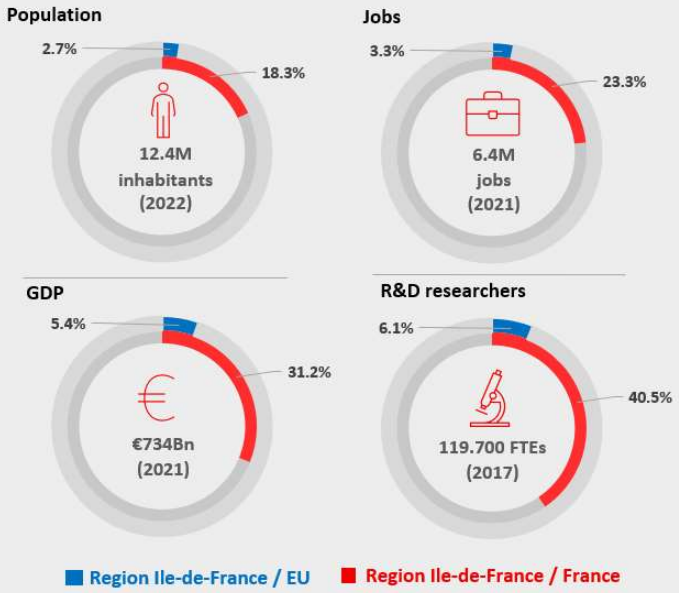
Paris will host the
2024 Summer Olympic Games

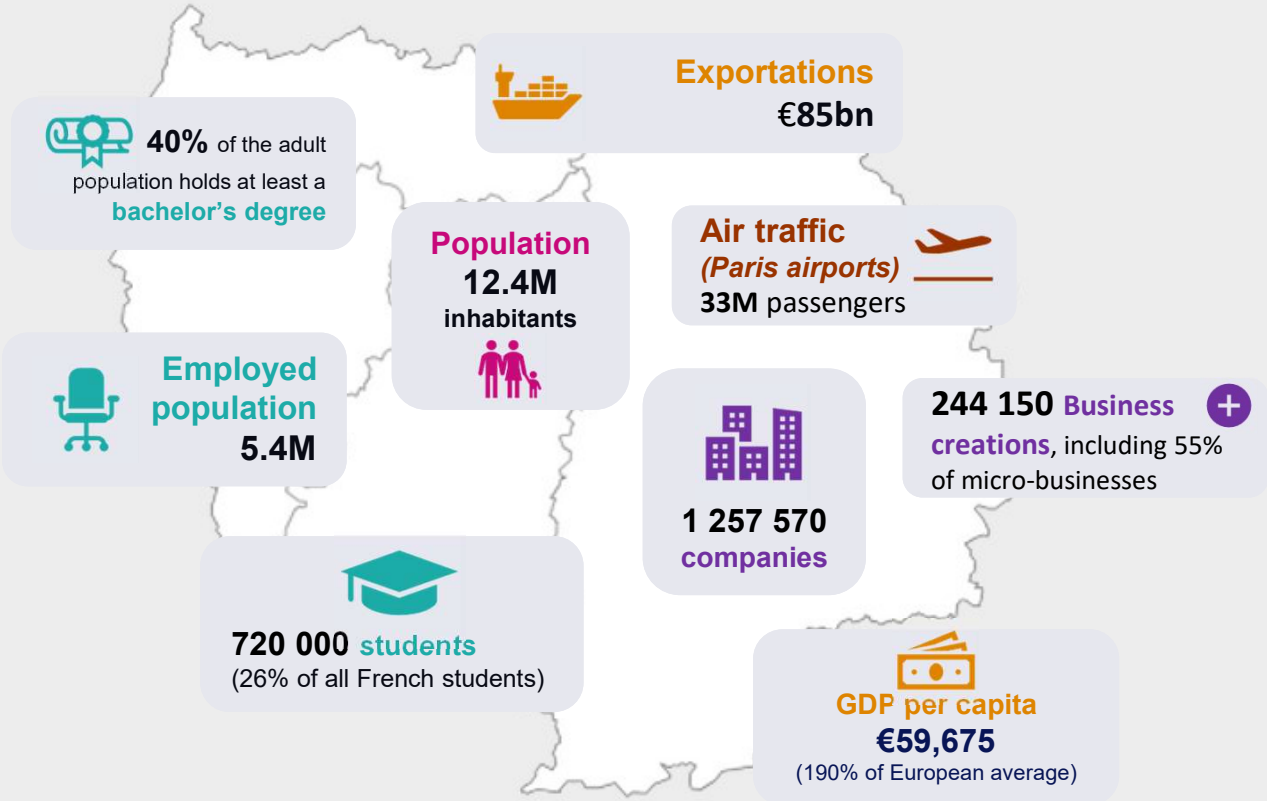


A skilled population in a dynamic territory

- **France** :
  - The **most attractive country for foreign investments** in Europe (2022),
  - 74% of foreign investors consider the **attractivity of France will improve by 2025** (EY Barometer, 2021).

- **Region Ile-de-France** :





One of the leading economic regions in Europe

The wealthiest region in France:

- GDP of **€734 bn** (2021)
- **31%** of France's GDP
- **5.4%** of EU-27's GDP

One of the highest GDP per capita in Europe (**€ 59,675** in 2021), representing **190%** of European average.

Europe's highest concentration of Fortune Global 500 corporations, corporate headquarters

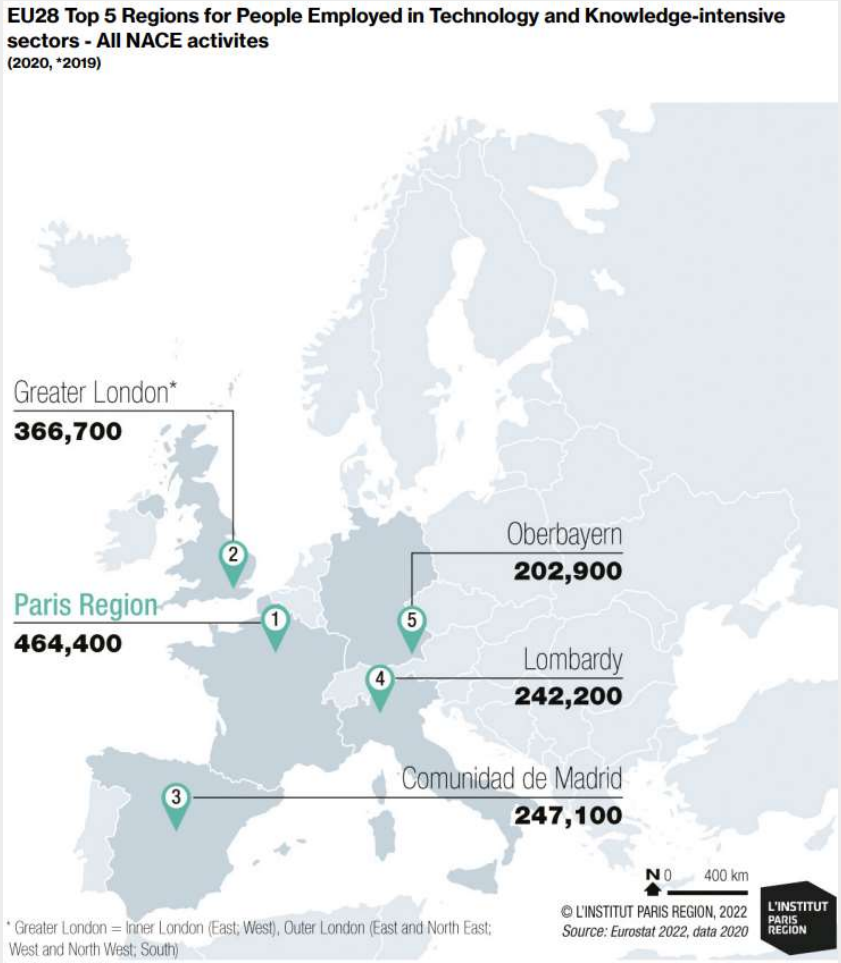
La Défense business district

R&D and innovation : overview

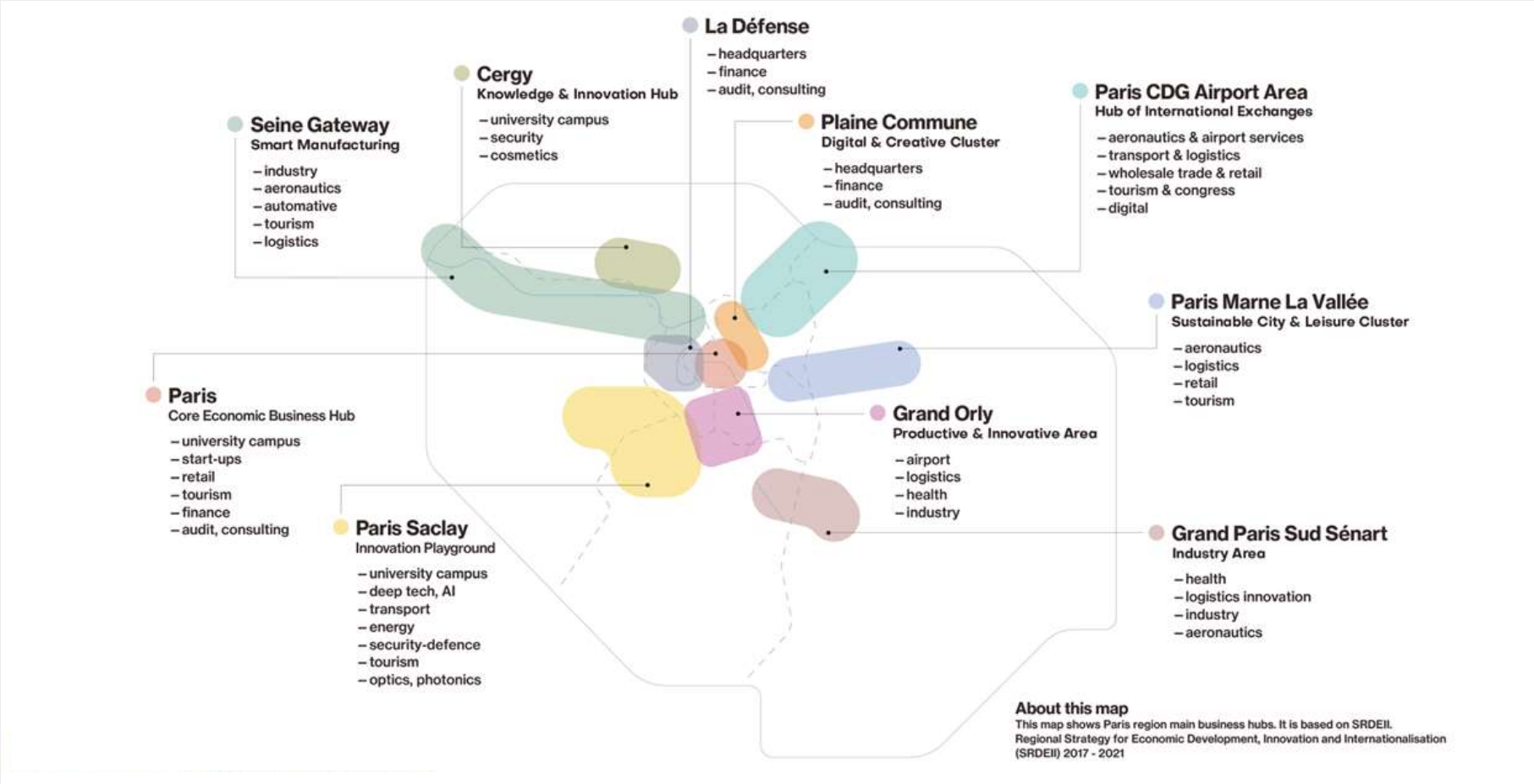
A Region welcoming and reinforcing the R&D attractivity in Île-de-France:

- **105,800 researchers**, being 40% of France's researchers and 6% of European's researchers
- **A total of €19Bn of R&D expenditures per year**, being 39% of France's R&D expenditures
- **3rd highest number of innovation centres** in the world (9)

Regional budget dedicated to higher education and research: **€134M**



A multi-industry hub enabling a resilience facing economic shocks



One of the world's best transportation infrastructure

The region's unrivaled **transit infrastructure** ensures the seamless flow of people, goods, capital and ideas : **41 millions trips per day** through :

- **2nd most frequented** rail network in the world (*below Tokyo*),
- **2nd densest network** in the world (*below London*) with 448 train stations,
- **5th longest network** in the world.

Massive investments are being made in **autonomous vehicles and electric mobility**

1 484km
of Regional railways

1 500
bus lines

€2bn
2023 regional budget for transportation

Environmentally responsible urban planning

In 2020 Paris Region planned **€10 billion** to be invested in environmental projects over the next 5 years

Bicycles and Electromobility
In Paris Region, **850,000** journeys are made by bicycle every day

Innovative Clean Buses[1]
A large number of fully clean buses in dense areas by 2025 (almost **5,000** buses)

Feeding the City With Agritech
Currently, Paris Region has 73 hectares of urban agriculture

[1] The Paris Region finances transport infrastructures. The rolling stock (including buses) are financed by IDFM

2

OPERATIONS AND RESPONSIBILITIES

How the Region operates

Île-de-France's Regional Council is composed of **209 members**, elected in June 2021 for a **7-year mandate** (2021-2028).

The Regional Council governs the affairs of Ile-de-France through its resolutions.

Valérie Pécresse, elected President for a second term, is heading the regional administration and has responsibilities for :

- preparing and implementing the decisions taken by the Regional Council
- authorizing expenditures and acting as the signatory power
- managing the Region's assets

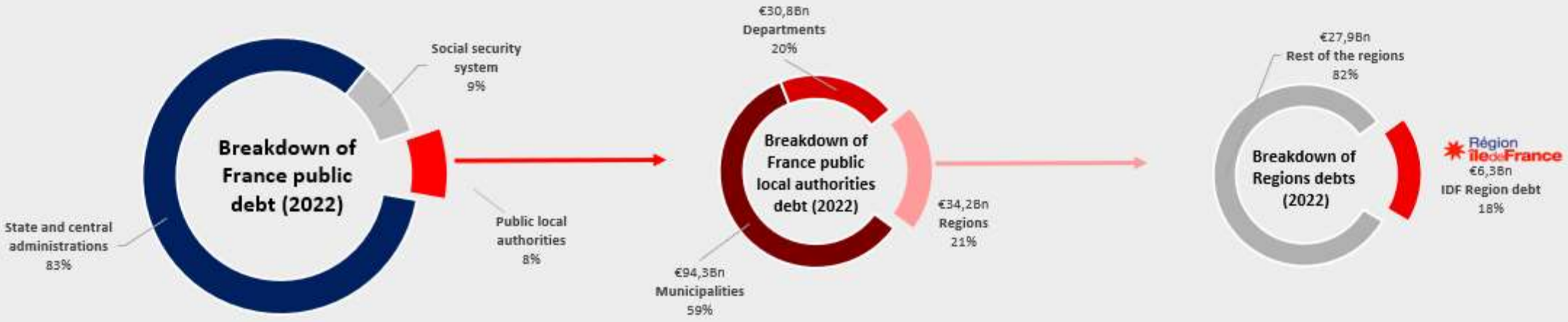
A large scope of responsibilities

3

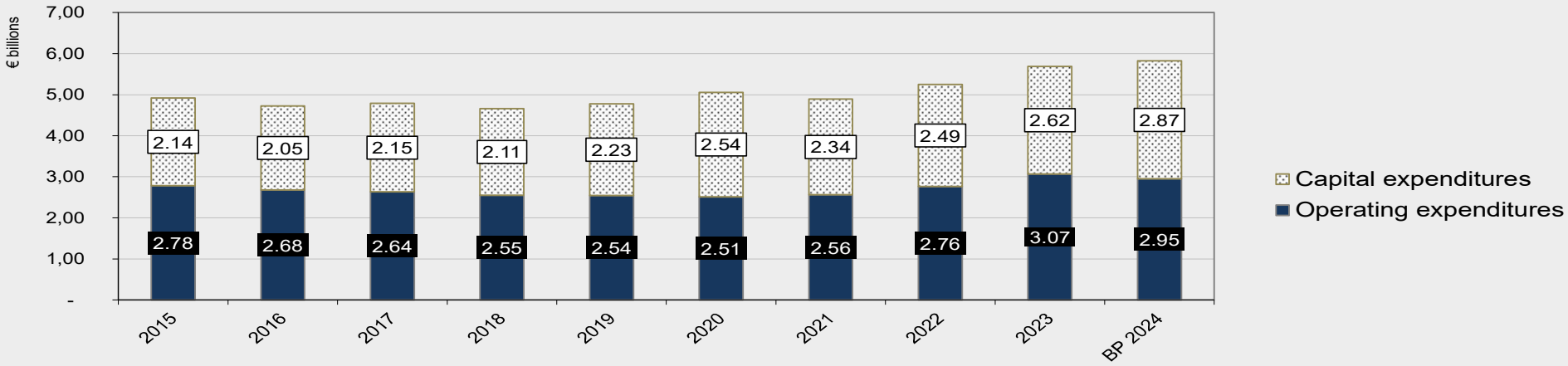
A STRONG FINANCIAL SITUATION

A small share of total public debt (2022)

- French regions represent **1% of French public debt,** and **21% of public local authorities' total debts**
- In 2022, Region Île-de-France accounts for 18% (€6,3Bn) of French regions total debts (€34,2Bn)
- Region Île-de-France accounts for **0,21% of the whole French public debt**



A balanced budget with a specific focus on investments and tight control on operating expenses



Strong **focus on investments** since 2016.

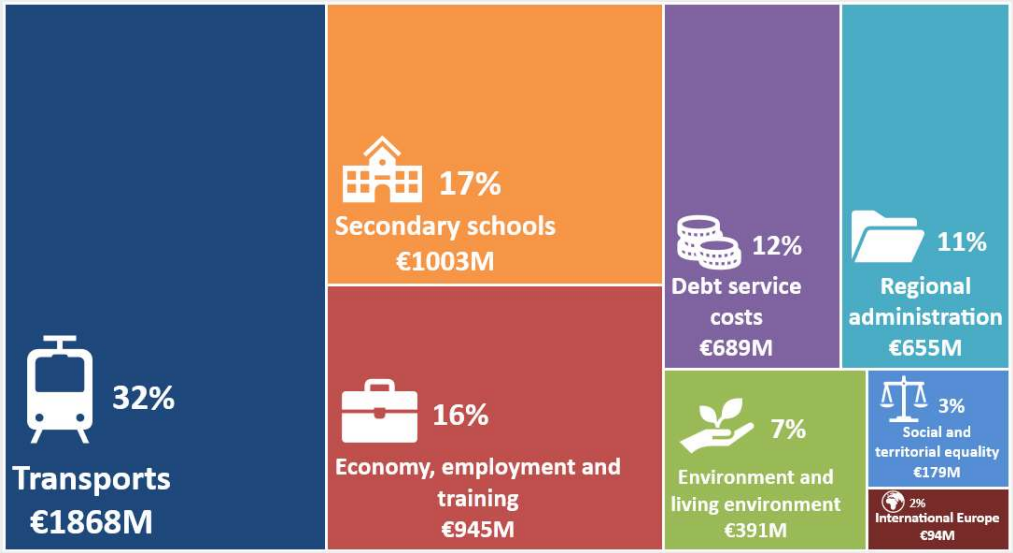
Operating **expenditures are under control**, thanks to strong efforts put in place to reduce the regional administration costs (including associated bodies)

- Non-replacement of one out of two vacancies
- Rationalization of the resources of associated bodies
- Focus on key regional responsibilities
- Optimized purchase policy

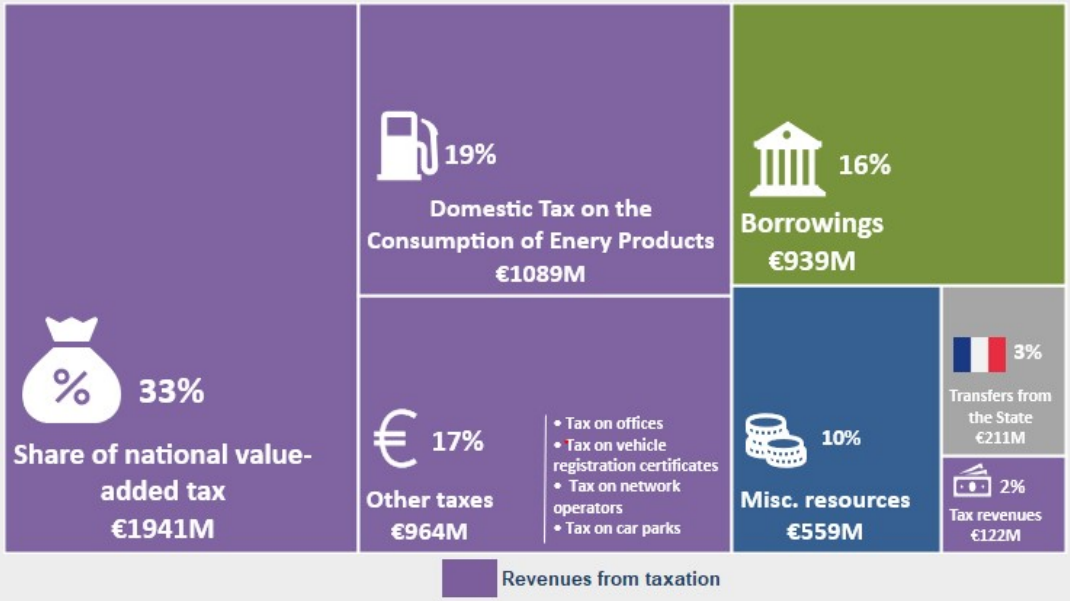
Efforts to decrease operating expenditures were **hailed** by the **French national court of auditors in 2019** and also by the **Regional accounts houses controls in 2020**

2024 Budget – €5.8bn

EXPENDITURES (€5.8bn)



RESOURCES (€5.8bn)



45% of 2024 budget expenditures (exc. debt) **dedicated to investments** (€2.325bn)
71% of total 2024 budget resources **coming from taxes** (€4.1bn)

2024 Budget – Resources (€5.8bn)

The Region resources (**€5.8bn**) are composed of revenues (mainly tax related) for **84%** and borrowings for **16%**

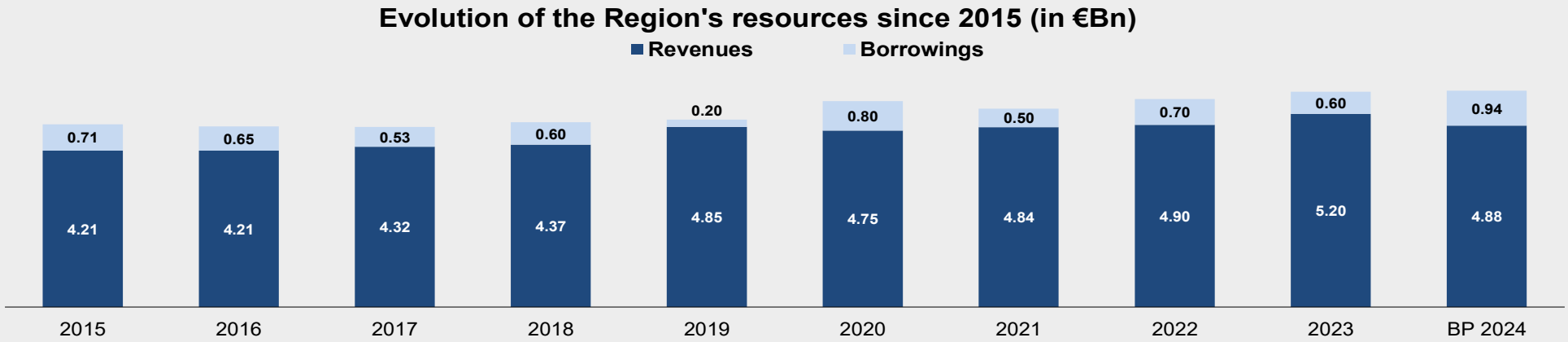
Tax revenues: €4.1bn (**71%** of the 2024 Budget Revenues), such as :

- portions of the TICPE, Domestic Tax on the Consumption of Energy Products (€1,1bn)
- a share of the VAT, Value Added Tax (€1,9bn)

Transfers from the French State: €0.2 bn (**3%** of the 2024 Budget Revenues)

Misc. : €0.56bn (**10%** of the 2024 Budget) such as European funds and police fines…

Borrowings: envelope of €0,9bn (**16%** of the 2024 Total Budget Resources)



Financial Ratings

MOODY'S

« Aa2 »

Stable Outlook
Short-term credit rating : P-1
Date : November 2023*

- *"a **strong operating performance**"*
- *"a **strong governance**, as evidenced by the **region's prudent budgetary approach**"*
- *"The region's **sophisticated financial management, exemplified by its long-term Green and Sustainability strategy**, further supports the rating"*

FitchRatings

« AA- »

Stable Outlook
Short-term credit rating : F1+
Date : October 2023*

- *"Ile-de-France has **strict control of expenditure**"*
- *" **Ile-de-France's liabilities carry little risk**."*
- *"Ile-de-France has **strong access to liquidity** in various forms."*
- *"**The Region's Standalone Credit Profile (SCP) is 'aa+'** and reflects the combination of a "medium-strong" risk profile (High Midrange) and debt sustainability ratios valued at the top of the "aa" category in the Fitch rating scenario. **Ile-de-France's IDR capped by the French state's** (AA/Negative)."*

* Agencies' ratings reports are available on https://www.iledefrance.fr/region-funding

4

FINANCING STRATEGY AND DEBT MANAGEMENT

A protective legal framework

- **Budget balance golden rule** (art. L1612-4 of the *Code Général des Collectivités Territoriales – CGCT* ; see appendix slide 46) :
  - The operating section must be voted in balance
  - The investment section must also be voted in balance

    => ***Borrowings are investment revenues that can only finance investment expenditures***
  - The gross operating surplus + own investment earnings must at least cover debt amortization
- **Debt service (interest + capital) is a mandatory expense** (art. L4321 from the CGCT)
- **State controls on local authorities :**
  - Legal control (prefect, administrative court)
  - Accounting operations control : separation between the authorizing payment officer – Region Ile-de-France - and the accountant ensuring the payment – the National State administration.
  - Regional accounts houses controls (*Chambres Régionales des Comptes*)
- **National State insurance (no explicit guarantees) :**
  - State ensures payments of tax proceeds and grants (In accordance with conditions set in the Finance Law)
  - Obligation to provide financial compensation for local authorities in the case of transfer of competencies or creation of new competencies (Art. 72-2 of the Constitution ; see appendix slide 51)

A strong financial situation

	2015	2016	2017	2018	2019	2020	2021	2022	2023	BP2024
Gross operating balance (M€)	718	776	1014	1 052	1 574	1 448	1 465	1 426	1 360	1 209
Current margin rate (%)	20,5	22,5	27,8	29,2	38,2	36,5	36,4	34	30,7	29,1
Debt payback ratio 1 (yrs)	7,5	7,2	5,5	5,4	3,4	4	4,1	4,4	4,7	5,7
Self-financing capacity 2 (%)	57,8	67,8	70,9	81,6	103,9	84,9	97,5	83	76,8	59,8

[1] Outstanding debt to gross operating surplus
[2] Self-financing to capital expenditures excluding debt
BP = Primitive budget

The indicators until 2023 refer to the current figures recorded in the Region's administrative accounts and are thus final (forecast for year 2023). Regarding 2024, the indicators are from the primitive budget, that will evolve in the year with the suppletive budget.

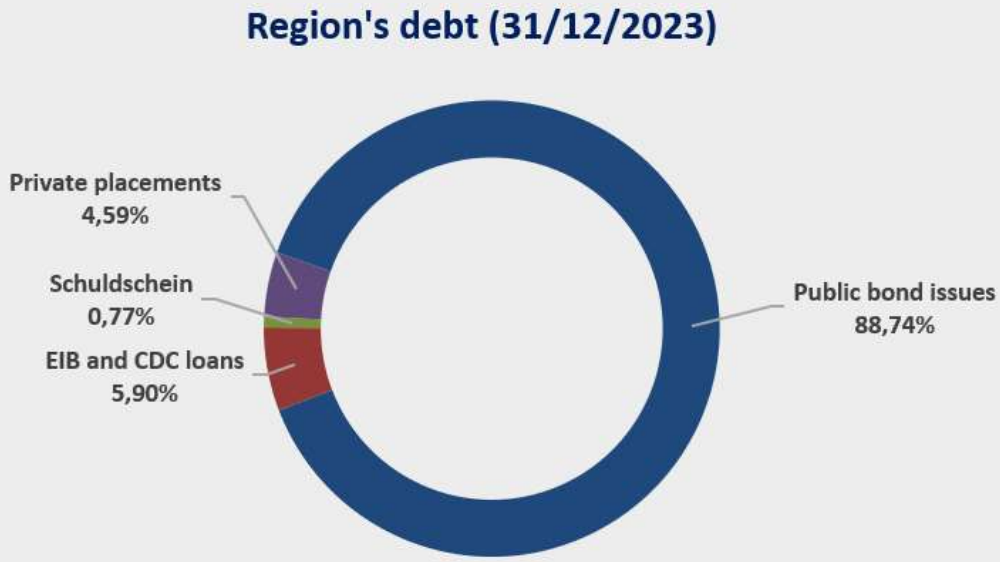
A diversified financing strategy offering a large access to short- and long-term liquidity

- **€1bn** NEU-CP short term program in French law (2002)
  - Rated Prime-1 (Moody's) ; F1+ (Fitch)
- A liquidity line of **€100M** until april 2025
  - Availability starting from the same day
- **€9bn** EMTN program
  - €6.02bn outstanding by end-2023
  - 1st French local authority EMTN program (2001) and largest bond issues amongst French local authorities
- A long-term partnership with EIB to finance sustainable investment projects
  - Partnership renewed in 2023 for 5 years (€350M)
- Opportunistic use of bank loans

➔ Outstanding debt by end of 2023 **: €6.452bn**

Issuance of bonds as the main financing tool

Issuance of bonds is executed in coherence with the financial surface of the Region and is systematically assessed vs other financing alternatives



Outstanding debt by the end of 2023: **€6.452bn**
Average lifetime: **5 years and 3 months**
Average rate: **1.58%**

93.3% of bonds
(Public issues and private placements)

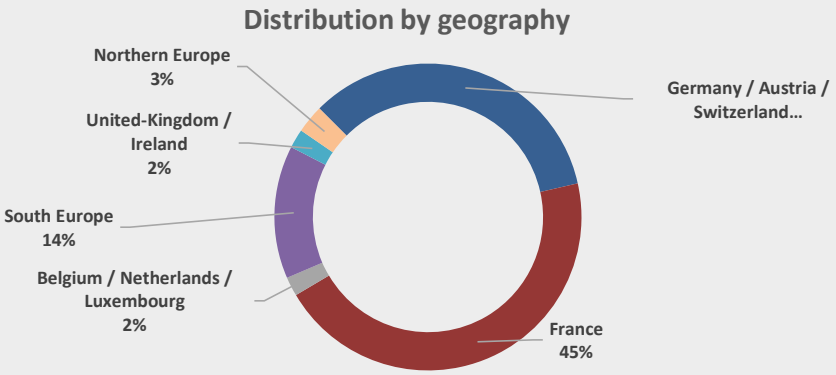
6,7% of banks & institutional loans financing and Schuldschein

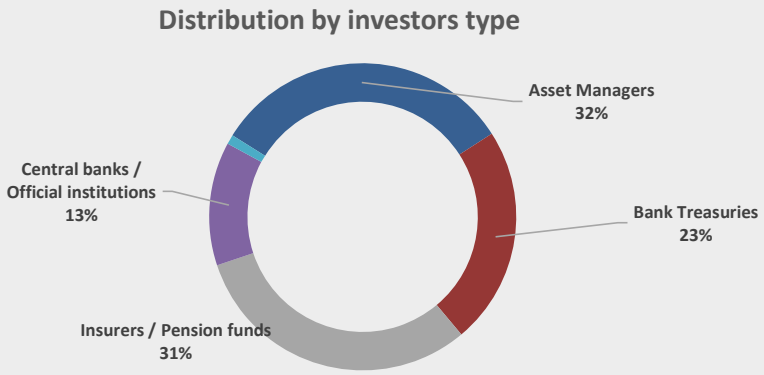
Focus on 2023 Sustainable bond issuance

- On Wednesday 24 January 2023, Ile-de-France Region successfully launched a sustainable bond issue under its green, social and sustainable framework. This new **€800 million**, long 10-year issue offers a yield of 3.222%.

- In a busy primary market, Ile-de-France Region managed to get investors' attention taking advantage of a window to execute its transaction on Tuesday. Books were officially open with a price guidance of +39bp area over the interpolated OAT. Investors responded rapidly, enabling the Region to set the spread at **OAT+36bp**. The books finally closed **in excess of €2.3bn** and the size was set at €800mln.

- The transaction attracted **87 investors from 12 countries** and underlines the quality of the Region' signature and its recognised financial strength.





Issuance of bonds as the main financing tool

Conservative interest rate risk management

- An indexation linked to fixed rates or simple floating rates (Euribor, Livret A) in the Euro zone
- Distribution fixed rate / floating rate adjusted depending on the long-term economic trends
- Over 98% of the outstanding debt at fixed rate at the end of 2021

A complete hedging of the currency risk

- No currency risk incurred by the region
- Systematic hedging at the issuance via swaps in euros

A conservative approach on derivatives

- Possibility to subscribe to simple vanilla products
- No structured products
- 100% of the outstanding amounts after swap at the end of 2022 ranked in «the least risky category» (level « A1 » according to the French State classification)

Debt amortization profile *post bond issue 2024*

A **smooth debt amortization** profile spread across the maturity spectrum

5

A MAJOR PLAYER IN SUSTAINABLE DEVELOPMENT

Sustainable development is at the heart of the Region's actions

Regional strategy for sustainable development

- Fighting climate change and protecting the atmosphere
- Preserving biodiversity and protecting environments and resources
- Enable the fulfilment of all human beings
- Ensure social cohesion and solidarity among territories and generations
- Establish development dynamics based on responsible modes of production and consumption

- **Competent authority setting strategic guidelines of local public actions** on the territory : territorial development, transports, economic development, climate and energy, biodiversity, waste management
- **The Region sets the example in terms of governance and policies implemented :**
  - Systematic Integration of sustainable development considerations into policies ;
  - Responsible purchasing policy and public contracts ;
  - Development of technical guidelines by sector to improve sustainable building for new construction projects.

REGIONAL ACTIONS

- Regional Conference of the parties
- Zero Net Artificialisation, Zero Net Emission, Circular economy
- Ecological and Solidarity-based Participatory Budget
- Strategic orientations document "SDRIF-E"
- Agricultural Pact 2018-2030

A region facing climate change

Following the first regional climate change conference, the region committed to reach :

- « **Zero Net Artificialisation** »,
- « **Zero Net Emission** »
- and « **Zero net resource** ».

The ambition of a low-carbon economy in Ile-de-France will be the foundation of the SRDEII (Schéma Régional de Développement Economique, d'Innovation et d'Internationalisation).

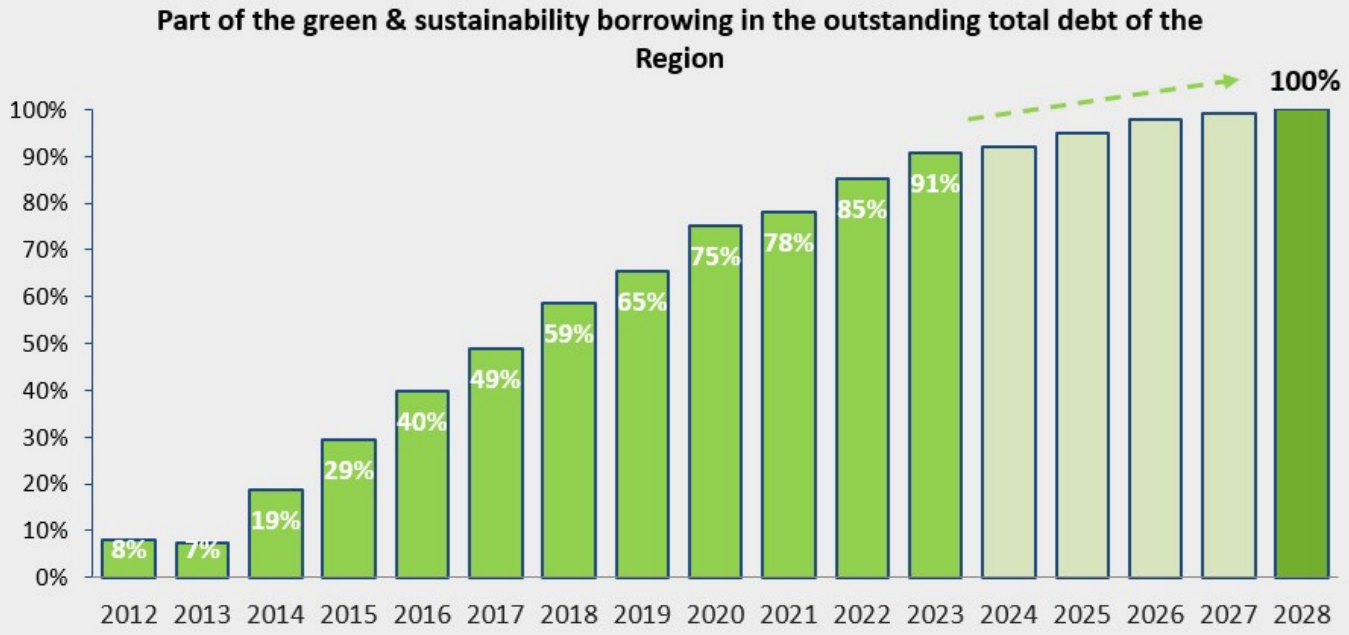
The region intends to become a **leader in strategic innovations for the decarbonization** and digitalization of industry, health, climate... (aeronautics, space, defense, sustainable and smart cities, green energy, etc.)

The region voted in November 2021 the implementation of the strategic orientations document "**SDRIF-E**" (Schéma directeur régional Île-de-France), in order to plan the arrival of **50 000 new inhabitants per year** within 2040 while considering **sustainable development** topics.

A regional administration aware and active on the ecological and climatic transition: a 2023 seminar for managers dedicated to the following topic : "Ecological transition: a regional ambition, a managerial responsibility".

A pioneer in the green and sustainability bond market

- **First ever local authority to issue a sustainability bond** in a public format as soon as 2012 ;
- In 2019, the Region **committed to 100% green & sustainable financing ;**
- **13 green and sustainability bonds issued since 2012,** including 9 benchmark bonds for a total amount of €5.8Bn



Region's ESG score as an issuer (Moody's IS)

- **Environmental : E-2**

"*(…) poor risks in all categories*"

- **Social : S-2**

"*(…) very high standards of education, good housing availability, high standards of health and safety, and high-quality access to essential services.*"

- **Governance : G-1**

"*(…) prudent budgetary planning and practices, flexibility and financial management, including sophisticated debt management.*"

Details on Moodys.com

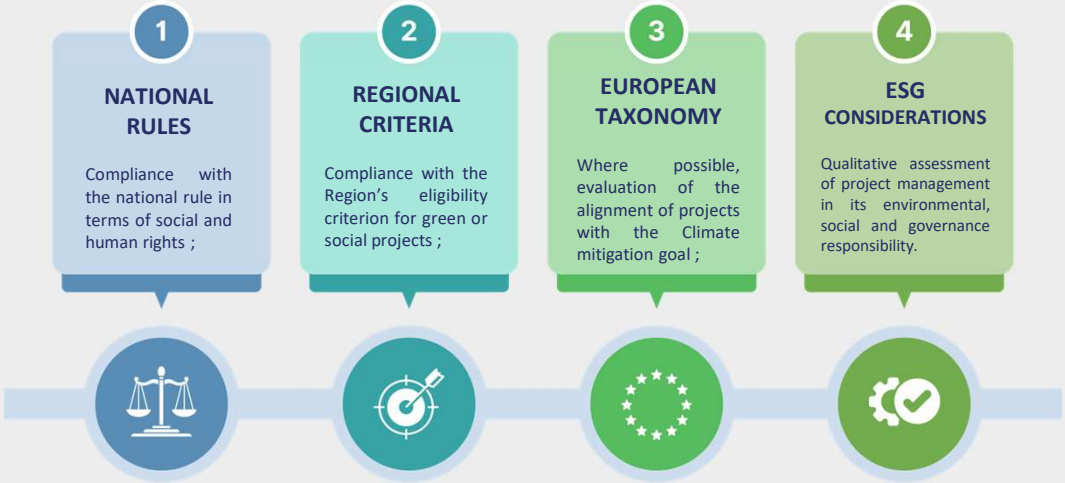
6

AN EXEMPLARY GREEN, SOCIAL AND SUSTAINABILITY BOND FRAMEWORK

The green, social and sustainable bond framework of Region Ile-de-France

- A Framework **fully compliant with the International Capital Market Association (ICMA) principles** : *Green Bond Principles 2018*, *Social Bond Principles 2020* and *Sustainability Bond Guidelines 2018 ;*

- Projects financed through the bonds are **selected according to the four following steps** :



- An **allocation and impact reporting** is published the year following the bond issuance.

Sustainability Bond Guidelines considered

The alignment with the EU Taxonomy as soon as 2021

Regional green projects are **classified according to the environmental objectives** of the «Taxonomy» Regulation (EU Regulation (EU) 2020/852, article 9) **and** when possible, the **NACE** classification

Vigeo-Eiris (Moody's ESG Solutions) SPO : *"**Most Green Eligible Categories** **follow the technical screening criteria** specified by the Draft Delegated Act under EU Taxonomy Regulation (Nov 2020)" **

In its evaluation and selection process, **regional Green projects** categories **are assessed**, when possible, **according to the Do No Significant Harm criteria** (example of the clean transportation sector in appendix of the Framework)

Moreover, at the start of the evaluation and selection process is confirmed that the **Region's activities are carried out** in strict compliance with the French environmental and social legislation, hence **in line with the European Union's Minimum Safeguards** (Regulation (EU) 2020/852, article 18)

Climate change mitigation

** **Out of the 16 EU taxonomy activities covering all regional projects**, **regional projects are fully aligned** with the technical criteria of contribution to the objective of climate change mitigation **in 13 cases**, partially aligned in 2 cases and "Not yet assessed" in 1 case.*

Eligible Green Projects categories

Region Île-de-France has identified 4 green projects' categories and defined rigorous eligiblity criteria for each category to be aligned with the best market practices

Green Project Categories	Description	Regional Eligibility Criteria

Green Buildings	• Construction of buildings following a sustainable development Approach and promoting respect for the Environment	• **Public buildings** (high schools and annex buildings, higher education buildings, medico-educational institutes):
		  • All high schools from 2017 onwards: required energy consumption level < -40% compared to RT 2012 (equivalent to the level E3C1 of Label E+C-).
		  • All higher education buildings: required level of energy consumption < -20% compared to RT 2012 (equivalent to Effinergie + Label).
		  • Medico-educational institutes: Required level of energy consumption < RT 2012.
		• **Residential:** Required level of energy consumption < RT 2012.

	• Renovation of buildings according to a sustainable development approach and promoting respect for the Environment	• **High schools and higher education buildings**: for major restructurings/rehabilitations of +1000m2 , the works must lead to a reduction in primary energy consumption (Cep) of at least 30% (Cepprojet ≤ Cepinitial - 30%; i.e. the level required by the Thermal Regulation «RT Global»).
Clean Transportation	• Construction of rail transit Infrastructure • Construction of low-carbon road transport infrastructure dedicated to public passenger transport	• Construction of rail transport infrastructure meeting the following criteria: ground electrified infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signaling and ground control-command and signaling subsystems. • Construction of low-carbon road transport infrastructure dedicated to public passenger transport.
Renewable Energy	• Projects contributing to the development of local renewable energies and energy efficiency	• Production of electricity from photovoltaic solar energy; • Cogeneration of heat/cold and electricity from solar energy; • Heat/cold production from geothermal energy; • Production of heat/cold using residual heat; • Manufacture of equipment for the production of hydrogen; • Hydrogen storage
Terrestrial and aquatic biodiversity conservation	• Restoration and rehabilitation of ecosystems (e.g. renaturation of banks, the reopening of urban rivers, the planting of hedges), • Sustainable forest management (e.g. adaptation of tree species to climate change, safeguarding state forests), • Investment in protected areas.	• Afforestation (PEFC label) • Forest rehabilitation and restoration (PEFC label) • Reforestation (PEFC label) • Sustainable forest management(PEFC label) • Forest conservation (PEFC label) • Wetlands restoration

Green contribution to the Sustainable Development Goals

Eligible Social Projects categories

Region Île-de-France has identified 6 social projects' categories and defined rigorous eligibility criteria and target populations for each category to be aligned with the best market practices

Social Project Categories	Regional Eligibility Criteria	Target Population
Access to essential services: Education	• An increase in educational accommodation capacity through the construction or extension of infrastructure for public secondary and public higher education. • Improvement of the quality of existing infrastructure and equipment for public secondary and public higher education.	• The entire population of the territory
Access to essential services: Health	• An increase in health capacities through the construction or extension of health infrastructures. • Improvement of the quality of existing health infrastructures and sanitary facilities. • Development of medical research. • Provision of infrastructure, equipment and emergency materials needed in the event of an exceptional crisis (health crisis, natural disaster, etc.).	• The entire population of the territory
Access to essential services: Social inclusion	• Increase in reception and accommodation capacities for vulnerable populations. • Projects to make buildings and infrastructure (transport, education, etc.) accessible to people with reduced mobility.	• Vulnerable populations including, in particular but not exclusively, people with reduced mobility, the elderly, people in precarious situations or vulnerable groups (situations of insecurity, exclusion, disability, homelessness, etc.)
Affordable housing	• Increase in the capacity of the social housing stock through the construction of new dwellings or the transformation of existing buildings. • Improvement of the quality and comfort of the existing social housing stock through thermal renovation works.	• Population meeting social criteria, students and young working people
Affordable basic infrastructures (transport, energy, green spaces and sport infrastructures)	• Construction of public transport infrastructure for better access to the entire territory. Projects to improve the comfort and safety of transport users and those living near the infrastructure. • Construction of basic infrastructure for the supply of renewable energy, heating and cooling networks. • Works to develop and extend green spaces, preservation of natural environments and biodiversity. • Works to develop and extend sport infrastructures.	• The entire population of the territory
Support for employment creation, prevention & fight against unemployment related to crises	• Projects contributing to the creation or maintenance of local employment, via support to SMEs & MICs in the territory and to social and solidarity economy projects. • Support for research and innovation of SMEs & MICs and the development of the territory's attractiveness. • In the event of exceptional crises (health crisis, natural disaster, etc.), support for SMEs & MICs that have been impacted by the consequences of the crisis.	• Small and Medium-sized Enterprises (SMEs) and Microenterprises (MICs) • SMEs & MICs impacted by the occurrence of exceptional crises • The unemployed

Social contribution to the Sustainable Development Goals

2023 issuance estimated funds allocation

	Estimated % of fund allocation	Category		Co-benefits		Sustainable	EU Taxonomy Goal 1 Alignment
		Green	Social	Green	Social		
Green project categories							
Green buildings	20%	✓			✓	✓	
Clean transportation	71%	✓			✓	✓	✓
Renewable energy	0%	✓			✓	✓	
Terrestrial and aquatic biodiversity conservation	0%	✓					
Social project categories							
Access to essential services : education	4%		✓				
Access to essential services : health	0%		✓				
Access to essential services : social inclusion	0%		✓				
Affordable housing	1%		✓	✓		✓	
Affordable basic infrastructures	4%		✓	✓		✓	
Support for employment creation, prevention & fight against unemployment related to crises	0%		✓				
		91%	9%	3%	89%	92%	71%

More than 90% of the issuance finances green projects

Projects financed through IDF bonds

Clean transportation
Example : extension of a subway line, new bus line, new tramway line…

Green buildings
Example : build or renovation of a high school, build of higher education school…

Renewable energy
Example : photovoltaic installation, heating network…

Terrestrial and aquatic biodiversity conservation
Example : renaturation of a river, opening a wood to the public…

>90% Green projects

<10% Social projects

Access to essential services : health
Example : increasing the capacity of care units, support of medical-educational institutes…

Access to essential services : social inclusion
Example : improve the accessibility of infrastructures, support for vulnerable populations…

Access to essential services : education
Example : provide access to quality education infrastructure…

Affordable housing
Example : construction of student residences, social housing…

Affordable basic infrastructures
Example : renovation of sport training centers, build of outdoor layout...

Support for employment creation, prevention & fight against unemployment related to crises
Example : support for research and innovation of SMEs & MICs and the development of the territory's attractiveness…

Through the competencies conferred on it by law, the Region's intervention is at the heart of the territory's economic, social and environmental development. Projects financed include :

- **Environmental co-benefits**,
- Or **social co-benefits**.

Projects selection

Projects are **evaluated and selected according to a five-step process** mainly led by the Finances Department :

- **Operational Departments** propose for selection a list of investments projects or schemes

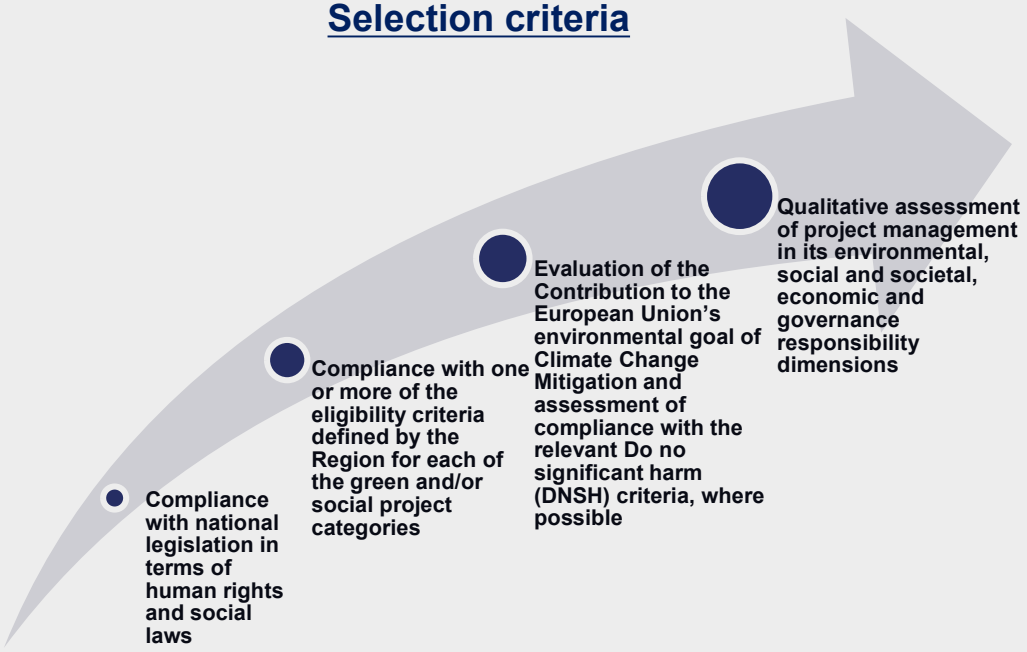
- The **Management Control and financial Decision-making Mission** extracts, from the Region's financial information system, the amounts of expenditures for the listed projects / schemes.

- The **Finances Department** finalizes the list of projects for a total amount corresponding to the amount of proceeds.

- The **Sustainable Finance Committee validates the final list.** It gathers the main managers from the Finances Directorate, from the Territorial Cohesion Directorate in charge of regional environmental policies, the Operational Departments and the Paris Region Institute, validates the final list,

- The **public accountant** certifies that the expenditures listed on the allocation report have been paid.

Selection criteria



A well controlled management of proceeds

Proceeds management: French local authorities are required to deposit their cash balances in a single account with the French Treasury. The public accountant certifies the proper use of funds for the eligible projects financed by the loan.

A 12-month allocation period: from a budgetary and accounting point of view, the proceeds of the bonds will be entered as investment income and cover the capital expenditure for the year. The principle of *budgetary annuality* offers a guarantee to investors that the funds raised by the green and sustainable bonds will be used in the year of mobilization of the borrowings to finance the Region's investment projects

Reallocation of proceeds: If the Region faces a major controversy on an eligible expenditure, or if an eligible project becomes ineligible, is postponed or divested, then it will reallocate the net proceeds to other eligible projects which meet the eligibility criteria of the Framework within 24 months of the reallocation decision

A renowned reporting process

For each bond issue, the **allocation and impact report shall be published at the latest by 31st December of the year following the issue** on the Region's website

❑ **The Allocation report**, made of :

- Tables showing the allocation of the funds raised for the selected projects et schemes, broken down in 2 major categories: Green & Social
- A breakdown of the funds raised, in accordance with the UN Sustainable Development Goals and for each of theirs Targets.
- A presentation, where possible, of the distribution of the allocated funds according to their contribution to the environmental objectives of the European Union

❑ **The Impact report**, with Project sheets detailing each project/scheme with :

- A description of the purpose of the project
- The essential information on the project, the amounts allocated to the project in previous bond issues, and the share of co-financing
- A summary table illustrating how the project meets the eligibility criteria and the project management criteria
- An evaluation, where possible, of the impact of the project according to the 3 impact indicators selected
- The UN SDGs / environmental objectives of the EU to which the project aims to respond

The **3 impact indicators** selected by the Region are :

- CO_2 emissions avoided by the project (in teq/year) for all green projects
- number of jobs created by the project
- number of beneficiaries of the project

Reporting methodology and assumptions used to report publicly disclosed.

More than 10 years of green and sustainable financings

Since 2012, Region Île-de-France made several commitments, **contributing to the adoption of high-level markets standards**

The Region **will continue to develop and adhere to best practices**

Public issue · Private placement · Tap

	2012	2014	2015	2016	2017	2018	2020	2021	2022	2023
			M€ 500 (2015-2027); M€ 100 (2015-2081); M€ 25 (2015-2034)							
	€ 350 million (2012-2024)	€ 600 million (2014-2026)	€ 625 million [1]	€ 650 million [1] (2016-2025)	€ 500 million (2017-2029)	€ 500 million (2018-2033)	€ 800 million (2020-2030&2040)	€ 500 million (2021-2028)	€ 700 million (2022-2032)	€ 600 million (2023-2031)
Compliance with The Green Bond Principles	YES Predating the creation of the Green Bond principles	YES	YES	YES	YES	YES	YES	YES	YES	YES
Commitment to report on the use of funds	Published on the anniversary date	Published on the anniversary date	Published on the anniversary date	Published on the anniversary date	Published on the anniversary date	Published on the anniversary date	Published on the anniversary date	Published in 2022	To be published by the end of 2023	To be published by the end of 2024
« second opinion »	—	V.E	Renewal of 2014 opinion	V.E	Renewal of 2016 opinion	Renewal of 2016 opinion	2016 second opinion update	V.E	Renewal of 2021 opinion	Renewal of 2021 opinion
External and independant certificate	—	—	Deloitte.	—	—	—	—	—	—	—

[1] Aggregated amount

A remarkable Second-Party Opinion

- New Île-de-France Region Framework has been reviewed by **Vigeo Eiris (Moody's ESG Solutions) in March 2021**
- Vigeo Eiris (V.E) is of the opinion that the ***Expected impacts*** and ***ESG risks management*** are ***Robust*** and that "*the contemplated Framework is coherent with Region Île-de-France's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments*"
- The quality of the framework has been underlined with **3 pillars recognized as *Best practices*** by V.E, see details below:

Use of Proceeds	**Best Practices ✓** V.E considers that the content, eligibility and exclusion criteria of the UoP are clear and in line with international standards for all categories.
Evaluation & Selection of Eligible Categories	**Best Practices ✓** V.E highlights that the process of selection and exclusion are clearly defined and detailed for all the Eligible Categories.
Management of Proceeds	**Best Practices ✓** V.E notes that Île-de-France Region has provided the information needed on the procedure that will be applied in case of project/asset divestment or postponement and it has committed to relocate divested proceeds to projects that are compliant with the Framework within 24 months.
Monitoring & Reporting	**Aligned** V.E mentions that the monitoring and reporting section of the Île-de-France Region is aligned.

Issuer quality highlights

- Ratings of **Aa2** (stable) Moody's / **AA-** (stable) Fitch
- A **solid financial situation** allowing to weather the impacts of crisis
- A **protective legal framework** for local finances
- Prudential weights: **Solvency II = 0%, CRD IV = LCR 2A, Risk weighting = 20%**
- **Sustainability** issues at the heart of the Region's competencies, with a **commitment to 100% of green and sustainable financings**
- **Leader in the European local authorities sector** (ranked 3/29) by Vigeo in 2020
- An issuance Framework **aligned to ICMA's best market practices** (GBP and SBP)
- **Positioning** of project categories **vs the Taxonomy regulation** (work in progress) to offer maximum transparency

7

APPENDICES

French territorial organisation

- **Composed of :**
  - 18 regions
  - 101 départements
  - 34 965 municipalities, of which 97% under 10,000 inhabitants
- **Principle of free administration** by elected councils, no local institution can exercise any authority on another
- **Income and competences** are defined by national law ➔ A key role of the national State in the territorial organisation
- **Several characteristics :**

1) Process of merging and combinations to optimise local public action :

- Example with the « Loi NOTRe » : switch from 26 regions to 13 metropolitan regions, to improve efficiency and focus of Regions on investment policies
- Merging at the muni level

2) Competences attributed to each level of local authorities based on the principle of subsidiarity, and withdrawal of the concept of *general competences in 2015* ➔ Given their size and strategic positioning, Regions are investment authorities by essence, with a leadership role amongst local administrations in terms of economic development, environment, planning.

A protective legal framework

Article 72-2 of the Constitution

Local authorities benefit from resources they can use freely in the conditions fixed by the law.

They can receive all or part of the proceeds issued from all kind of taxations. The law can authorize them to fix the scope and rate in the limit it determines.

Fiscal receipts and other own resources of local authorities represent, for each category of local authorities, a determining part of all their resources. The organic law fixes the conditions in which this rule is implemented.

Any transfer of competencies between the State and the local authorities comes along the allocation of equivalent resources to those that were dedicated to their exercise. Any creation or extension of competencies having an increase in expenditures of the local authorities as a consequence comes along resources fixed by the law.

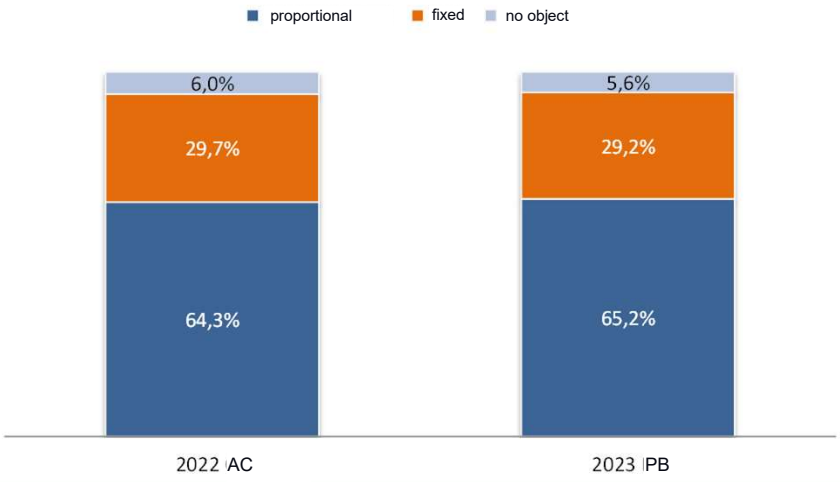
The law plans devices for adjustment intended to favor equality between the local authorities.

Article L1612-4 of the General Local Authorities Code

The budget of the local authority is in real balance when the functioning and the investment sections are respectively voted in balance, incomes and expenditures having been evaluated in a sincere way, and when the debit on the incomes of the functioning section to the benefit of the investment section, added to the own receipts of this section, excluding the proceeds from borrowings, and eventually the endowments of amortizations and provisions accounts, provides enough resources to cover the capital repayments of the borrowings maturing in the course of the exercise.

2023 Budget – Resources breakdown (excl. borrowings)

Breakdown of regional revenue according to their potential growth

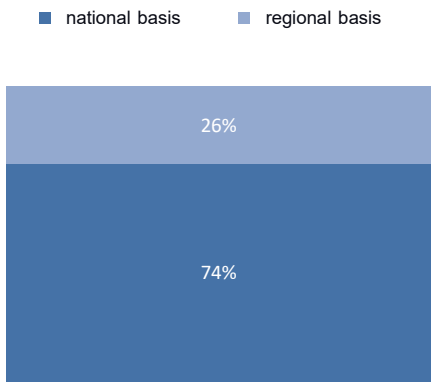


Fixed resources : State resources transfer, part of national taxes

Proportional resources : (according to economic context) : TVA, la TRCG, la TCB, TA…

No object : misc. resources

2022: Basis of Region Ile-de-France resources



National basis: VAT, tax on energy products…

Regional basis: taxes on consumption, building constructions, real estate sales…

Note: Some of these regional taxes are exclusive to Region Ile-de-France and are not in force in other regions. These exclusive taxes represent 12,7 % of the total of resources (excl. borrowings).

The competent authority to define the strategic orientations of the public action on the territory of Ile-de-France

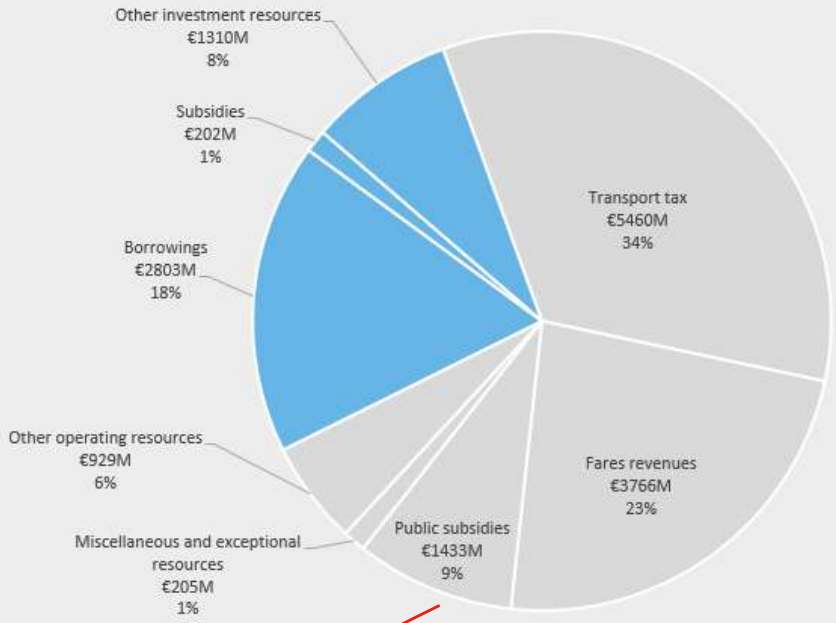
- **Authority in charge of organizing the territory planning :**
  - The Region defines the strategic orientations in terms of urban planning, with regard to the environmental stakes, employment hubs, needs for housing and transports (SDRIF). This reference framework is prescriptive and must be declined in the whole of the local plans for urban planning in Ile-de-France.
  - The Region is associated to each local document for urban planning and pays a particular attention to the environmental topics.
- **Authority in charge of organizing the transports in Ile-de-France with IDFM (Île-de-France Mobilité, formerly "STIF") :**
  - The Region launched the transports revolution with IDFM since 2016, with the aim to renew all the rolling stocks (trains) and the implementation of the Greater Paris for Bus to service the territories of the greater Paris area.
- **Lead manager of the economic development on the territory :**
  - The Region defined in December 2016 the regional strategy for economic development, innovation and internationalization, which integrates the environmental stake to address a dual objective of identification of the possibilities in terms of economic activity, employment and innovation, and improve the living environment in Ile-de-France.
- **Lead manager, along with the State, of the territorial politics related to quality of air, energy and fight against climate changes**
  - The regional council has voted in September 2022 the Protection, Resistance and Adaptation Plan of the Ile-de-France Region to climate change.
- **Lead manager for biodiversity**
- **Role of planner in terms of waste management, with a zero-waste objective adopted in September 2016**

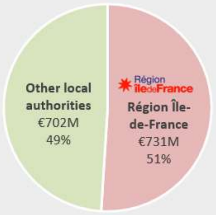
Region Ile-de-France, Société du Grand Paris, Ile-de-France Mobilités, RATP and SNCF : 5 different entities

	Région îledeFrance	Société du Grand Paris	îledeFrance mobilités	RATP	SNCF
Governance	**Legal body governed by public law** Regional authority, autonomous -regional assembly composed of 209 elected members, - chaired by Valérie PECRESSE.	**Public industrial and commercial undertaking ("EPIC")** - 100% owned by the state - Supervisory Board (representatives of the State and local authorities, 21 members).	**Public administrative institution « EPA »** - Council composed of 29 members, representing « *départements* », Ile-de-France Region and the French State, - chaired by Valérie PECRESSE.	**RATP : Public industrial and commercial undertaking ("EPIC")** 100% owned by the state	**SNCF : State-owned limited company** 100% owned by the state
Competences	The regional Council governs the affairs of Ile-de-France through its resolutions. It has jurisdiction over subsidies and project management in the transport's sector.	Design, develop and finance the Grand Paris Express project (200 km of metro lines, 100 % automatic; 68 new stations).	Authority in charge of transportation in Ile-de-France Region.	Ensure, design and maintain transport networks in Region Ile-de-France.	Manage, maintain and develop the railway network + service operation.
Budget	**Finances the regional transport infrastructure** (subway lines extensions, tramway lines build…) and **participates in the financing of Île-de-France Mobilités.**	**Finances the Grand Paris Express project** : build of the lines, stations, acquisition of rolling stock on behalf of Île-de-France Mobilités.	**Finances the operating costs of regional transports** (operating costs from operators and investment programmes covered by contract with Ile-de-France Mobilités)	**Finances the company operations** (purchasing of rolling stock on behalf of Île-de-France Mobilités, staff costs and energy costs).	**Finances the company operations** (purchasing of rolling stock, staff costs and energy costs).

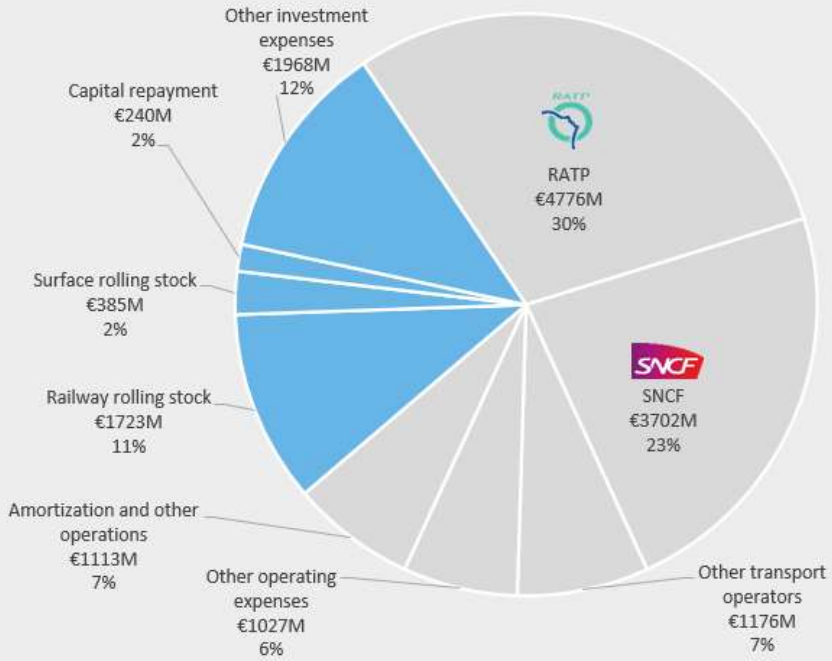
Île-de-France Mobilités : a separated budget

REVENUES (2023) – €16.1Bn





EXPENSES (2023) – €16.1Bn



Investment | Operating

Région Île-de-France contribution accounts for 5% of Île-de-France Mobilités revenues

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