

GREEN AND SUSTAINABILITY BOND FRAMEWORK OF REGION ILE-DE-FRANCE

Green and sustainability operations launched by the Region are in line with the Green Bond Principles and the Social Bond Principles ; with the aim to implement best practices in the marketplace.

Commitment on the use of proceeds towards 7 categories of projects

Buildings and facilities for education and leisure	Construction and renovation of buildings in accordance with a sustainable development approach that contributes to protecting the environment, and to making them accessible to persons with reduced mobility.
Public transport and sustainable transportation	Developing the public transport offering as an alternative to the use of cars, thereby contributing to sustainable transportation and combating climate change, and projects aimed at improving the comfort, accessibility and security of the individuals who use the transport systems and of the individuals living near the infrastructure.
Renewable Energy and Energy-Efficiency	Projects that contribute to the development of local renewable energy and energy-efficiency.
Biodiversity	Projects that contribute to protecting biodiversity, natural environments and landscapes, and to developing green spaces.
Social and sanitary actions aimed at assisting population groups	Increasing the accommodation capacity, and projects aimed at improving access to buildings and infrastructure for vulnerable population groups (persons with reduced mobility, the elderly, and vulnerable individuals). Projects contributing to the development of health infrastructures and health equipment, to Research and Development, and emergency infrastructures in case of exceptional crisis (sanitary crisis, natural disaster, ...).
Social Housing	Projects aimed at developing and renovating the social housing stock, which fulfil environmental and social requirements and contribute to access to housing and improving the occupants' comfort levels.
Economic and socially inclusive development	Projects that contribute to creating or maintaining local jobs, through supporting regional SMEs, and projects in the social and socially inclusive economy; Supporting research and innovation by SMEs that promote an environmentally-friendly and social regional transition process, and the Region's attractiveness.

Nine eligibility criteria in relation to the purpose and management of the project

The projects' environmental responsibility		<ol style="list-style-type: none">1. Environmental management and eco-design of the projects2. Combating climate change and promoting the Region's ecological transition
The projects' social and societal responsibility		<ol style="list-style-type: none">3. Sustainable regional planning and improving quality of life4. Socially inclusive development, combating inequality, and promoting the safety of individuals5. Respect for fundamental rights
The projects' economic responsibility		<ol style="list-style-type: none">6. Responsible regional development7. Regional economic development8. Fair practices, responsible purchasing and responsible supplier relations
Governance		<ol style="list-style-type: none">9. Consultation with stakeholders

In some cases in particular for projects related to emergency measures in times of crisis, some of the eligibility criteria may not be fully met (please see the section "Process of allocation and selection of projects" below).

Use of proceeds reporting (on the issue's anniversary date)

Reporting published by Region Ile-de-France is intended to illustrate the fulfilment of commitments made to each transaction, in terms of allocation of funds, compliance with the eligibility criteria, and presentation of transversal impact indicators. For each scheme, funding a multitude of projects, we only report on one or two project(s).

Transparency on management of proceeds and on the process of allocation and selection

1/Management of proceeds:

Regarding financial flows, proceeds of the loan are fungible in the regional treasury. The French local authorities are required to deposit their balance of cash in a single account at the French Treasury. Regarding accounting and budgetary management, borrowings are subject to an entry for investment earnings and are used to cover capital expenditures of the same year. This principle of budgetary annuality is applicable to French local authorities, and is offering a guarantee to investors that the funds raised by the green and sustainability loans will be used in full in the year of the loan's mobilization for the financing of the Region's investment projects.

2/Process of allocation and selection of projects:

It begins after the end of the year of mobilization of the bonds concerned, when the Region has a perfect view of the level of investment expenditures on each project.

The Finance Directorate, which directs the preparation of the reporting, asks each of the Region's directorates to select a number of investment projects:

- First, the directorates must identify projects that correspond to an amount of expenses recorded in the relevant year, and that meet the eligibility criteria for the green and sustainability loan, among those that are most exemplary in this regard. In some cases, in particular for projects related to emergency measures in times of crisis, some of the eligibility criteria may not be fully met. The Region's directorates that support the projects are in the best position to select the most emblematic projects in their portfolio.
- Second, the management control and information system department verifies the expenditures on each project, together with each respective directorate. The Finance Directorate defines then the allocation breakdown based on project proposed.

Once this stage is completed, each respective directorate prepares the reporting on the set of selected projects. The information obtained by each department is then centralized within the finance department, which consolidates the document and verifies the overall consistency. The document is then sent to the communication department for design and printing.

Region Ile-de-France has a reasonable level of assurance (the highest level of assurance) expressed by Vigeo-Eiris on the sustainable credentials of the Green & Sustainability Framework (SPO 2020, 8th June).
cf. www.iledefrance.fr/region-funding