GREEN, SOCIAL AND SUSTAINABLE BOND FRAMEWORK
for the Île-de-France Region

New edition: March 2021
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1. ÎLE-DE-FRANCE'S REGIONAL STRATEGY FOR SUSTAINABLE DEVELOPMENT

a. Sustainable development at the heart of regional competences laid down by law

Having become local authorities in 1982, the French regions have seen the scope of their competences extended through decentralisation laws to now cover mainly economic development, vocational training, high school management, transport, spatial planning, environment and digital development.

Today, the competences devolved to the Île-de-France Region place the institution at the heart of the region’s social and environmental development.

The law of 27 January 2014 on the modernisation of local public action and the affirmation of metropolises, known as the «MAPTAM law», confers on the Region the leading role in terms of the territory’s land use planning and sustainable development; the protection of biodiversity; climate, air quality and energy.

The law of 7 August 2015 on the new territorial organisation of the Republic (NOTRE) tends to strengthen the remit of the regions. The law stipulates «The regional council is competent to promote the economic, social, health, cultural and scientific development of the region, to support access to housing and housing improvement, to support urban policy and urban renewal and to support education policies and the planning and equality of its territories, as well as to ensure the preservation of its identity and the promotion of regional languages, while respecting the integrity, autonomy and powers of the departments and municipalities».

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EXCLUSIVE COMPETENCES OF THE REGION

- **Secondary and higher education**
  Construction, maintenance and operation of high schools. It is the leading player in the intervention of local authorities in the field of higher education. Establishment of the Regional Strategy for Higher Education, Research and Innovation (SRESRI).

- **Vocational training**
  Vocational training for young people, job seekers and specific populations. Health and social training. Establishment of the Regional Public Guidance Service, the Regional Public Vocational Training Service, the Public Employment Service.

- **Land use planning**
  Elaboration with the State of the Master Plan for the Île-de-France region (SDRIF). The aim of this strategic planning document is to control urban and demographic growth and the use of space while guaranteeing the region’s international influence. Definition of the Regional Waste Prevention and Management Plan.

- **Economic development, innovation**
  Establishment of the Regional Scheme for Economic Development, Innovation and Internationalisation (SRDE-II) which defines the guidelines for aid to businesses, support for internationalisation, aid for real estate investment and business innovation, the attractiveness of the regional territory and solidarity economy development. The Region alone is competent to define aid schemes and to decide on the granting of aid to companies in the region.

- **Transport**
  The Region finances the transport infrastructure provided for in the SDRIF. It is the main contributor to Île-de-France Mobilités (IDFM - Île-de-France Transport Authority).

- **Environment**
  The lead partner for «biodiversity protection». Joint State-Region elaboration of the Regional Ecological Coherence Scheme. Support for the creation of Regional Nature Parks. Asserted role in the implementation of the energy transition. Development and operation of installations for energy production from renewable sources.

- **Housing and accommodation**
  Participation in housing financing.

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COMPETENCES SHARED WITH OTHER LEVELS OF LOCAL AUTHORITIES

- **Sport and Culture**
  The Regions are responsible for the General Inventory of Heritage and Artistic Education. Construction and maintenance of sports equipment in high schools.

- **Environment**
  The lead partner for «biodiversity protection». Joint State-Region elaboration of the Regional Ecological Coherence Scheme. Support for the creation of Regional Nature Parks. Asserted role in the implementation of the energy transition. Development and operation of installations for energy production from renewable sources.
b. Sustainable development, a strategic choice for the Île-de-France Region

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.

Because the environmental question carries within it a true model of economic development, the Regional Executive has decided to place ecology in a transversal perspective. Both global and multi-sectoral, the environmental priorities thus permeate all the policies implemented in all the Region’s areas of intervention (education, social inclusion, economic development, mobility, land-use planning, etc.).

The Region has thus implemented an intervention strategy for the territory, itself guided by an environmental and social requirement, based on 5 objectives:

- Fight climate change and protect the atmosphere
- Preserve biodiversity and protect environments and resources
- Enable all human beings to be fulfilled
- Ensure social cohesion and solidarity among territories and generations
- Establish development dynamics based on responsible modes of production and consumption

The Île-de-France Region is thus pursuing an assertive strategy for the implementation of the Paris Agreement and Agenda 2030 with the achievement of the 17 Sustainable Development Goals (SDGs) established by the United Nations.

Every year, before the vote on the regional budget, a communication entitled «The report on the situation in terms of sustainable development», is presented to the elected representatives. This report analyses the impact of regional policies with regard to the five goals set out above, regardless of whether they have been implemented within the local community or in Île-de-France territories.

c. A strategy that breaks down into action plans

The regional strategy for sustainable development is broken down into a corpus of «Plans», «Schemes» and «Measures» designed to meet the five objectives:

<table>
<thead>
<tr>
<th>Decarbonising travel</th>
<th>Fighting climate change and protecting the atmosphere</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massive investments to develop the railway network and infrastructure.</td>
<td></td>
</tr>
<tr>
<td>Trains that are more environmentally friendly and that consume 20% less energy (via IDFM).</td>
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<tr>
<td>100% green buses in densely populated areas by 2025 with deployment of over 5,000 biogas or electric buses (via IDFM).</td>
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<tr>
<td>Bicycle plan: investments for parking, strengthening of the bicycle network and reduction of urban cuts.</td>
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<tr>
<td>Traffic jam prevention plan: improve traffic flow and thus reduce polluting emissions.</td>
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<tr>
<td>Freight and logistics strategy: reduce the nuisance linked to the flow of goods.</td>
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</tr>
</tbody>
</table>

1 Resulting from the law known as «Grenelle II» (Law no. 2010-788 of 12 July 2010).
### Sobriety, renewable energy production and reduction of dependence

- **Energy-Climate Plan**: objectives to reduce Île-de-France’s dependence on fossil fuels and nuclear power by 50% by 2030 and to work towards a Region that uses 100% renewable energy and zero carbon by 2050, thanks to a 40% reduction in regional energy consumption and a four-fold increase in the amount of renewable energy produced in the Paris Region.

- **Solar Plan, Hydrogen Plan and Methanisation Plan**: development of hydrogen mobility, photovoltaic solar power and methanisation.

- **Organisation of the regional Conference of the Parties (COP)**: first in 2020: 192 proposals to make Île-de-France a region with zero net artificialisation, zero net emissions, and zero net resources (ZAN, ZEN and circular), to be implemented progressively from 2020.

### A more sober and efficient regional heritage

- **High school construction and renovation operations carried out by the Region with ambitious objectives in terms of energy savings and reduction of greenhouse gas emissions (level E3C1)**. The projects incorporate eco-design, aimed at improving user comfort, particularly with summer comfort, facade orientation and nocturnal cooling.

- **Energy efficiency targets for other constructions/renovations in which the Region participates in the financing**.

### Preserving biodiversity and protecting environments and resources

- **Regional Strategy for Biodiversity 2020-2030**: drawn up in consultation with local authorities, associations, research organisations, land managers and the businesses concerned. The Region is investing 400 million euros to implement it by 2030, including 200 million euros by 2025.

- **Regional Ecological Coherence Scheme (SRCE)** co-developed with the State and signature of four Green and Blue Belts (TVB) contracts aimed at strengthening the consideration of biodiversity in a process of restoring ecological continuities, while promoting the resilience of environments and species to climate change.

- **Support for the 12 Regional Natural Reserves (RNR), 5 of which are managed by the Green Spaces Agency (AEV), a regional public establishment, with targeted interventions to preserve exceptional natural environments**.

### A greener Region

- **Regional Green Plan**, creation of an additional 500 hectares of green spaces and natural areas by 2025.

### A cleaner and more circular Region

- **Regional Waste Prevention and Management Plan (PRPGD)**: strategic planning document supported and led by the Region, which aims to coordinate the actions undertaken by all the stakeholders in the area concerned with waste prevention and management.

- **New strategy for the circular economy in Île-de-France**: commitment to switch from a linear consumption model (extract, manufacture, consume, throw away) to a circular model in all sectors of its economy by 2030, i.e. a model that promotes sustainability, responsible consumption, reuse, sobriety and sovereignty.

### Enable the fulfilment of all human beings

- **Emergency measures in the event of an exceptional crisis (health crisis, natural disaster, etc.)**, support plan for solidarity stakeholders, implementation of measures to combat intra-family and domestic violence.

- **Make the equipments and infrastructures that the Region finances accessible to people with reduced mobility**, funding for establishments and services with innovative projects on the issue of disability.

- **Regional fund support for the reduction of medical deserts, health prevention projects**.

- **«For an AIDS-free Île-de-France» Plan**.

- **Renewed Multi-Year Investment Plan for Île-de-France high schools**, with a view to devoting over €6 billion between now and 2027 for the construction and renovation of schools.

- **Digital plan** (distribution of a computer or a tablet to every high school student upon enrolment in the first year of high school and to teachers).

- **Schemes to combat school drop-outs**, support for access to higher education for low-income students and scholarships.
### Participatory actions

The Disability Advisory Council (DAC) is composed of 40 leading figures who are qualified to implement policies in this area.

The Ecological and Solidarity-based Participatory Budget of the Île-de-France Region, through which Île-de-France residents propose investment projects. Between now and 2024, €500 million will be devoted to it.

The Regional Youth Council (CRJ).

### Ensure social cohesion and solidarity among territories and generations

#### Protect employment

Implementation of exceptional business and employment support in times of crisis: Act I of the €1.3 billion Regional Economic, Ecological and Solidarity Recovery Plan (in the context of the health crisis), of which €640 million is directly allocated to economic development and innovation via the National Solidarity Fund, interest-free rebound loans granted in conjunction with Bpifrance, the Île-de-France and local authorities Resilience Fund, the Industrial Recovery call for projects, etc.

Regular support schemes for the companies: TP’up, PM’up, Innov’up, Regional Guarantee Fund etc.

State Skills Investment Plan (PIC) with the aim of opening up more than 22,000 additional places as a priority in its integration schemes to promote access to direct employment or qualification pathways for vulnerable groups.

Training and professional integration programmes that benefit nearly 39,000 people in Île-de-France, who are the most excluded from employment.

#### Housing

Aid in favour of a better social mix and an increase in the social housing stock as well as the creation of housing for young people, students and apprentices.

#### Sustainable development of the Île-de-France territories

Reclaim the Île-de-France wastelands plan.

Facilities support schemes for municipalities and inter-municipalities: Regional development contracts, Rural Contracts, Rural Pact, 100 innovative and ecological neighbourhoods, Rehabilitation rather than construction, 100 freshness islands, City entrances.

#### Establish development dynamics based on responsible modes of production and consumption

Better production for better consumption

Agricultural Pact 2018-2030: aid for land preservation and the fight against urban sprawl, support for the installation of young farmers, aid for diversification, support for the ecological and energy transition and support for the programme «Let’s eat local food from Île-de-France» (Mangeons francilien), triple the surface area cultivated in organic farming in 5 years.

Regional Plan for local, sustainable and solidarity-based food, «Food for the people of Île-de-France, an issue of Sovereignty, Health and Recovery». 10-year strategy for the Region based on the implementation of 66 concrete actions.

An ongoing ambition for the Île-de-France forests, wood and bio-sourced products

Regional strategy for forests and wood: goal for sustainable forest management.

Bio-sourced Wood Booster: launched with six founding partners in order to accelerate access to the market for innovative biosourced-wood solutions.

With regard to the environmental development of the Region, on 30 October 2019 the Executive presented a **Mobiliation Plan for the ecological transformation of Île-de-France Region by 2024**, which sets out a roadmap for the future to accelerate the ecological transformation of the territory in five years. Over the period 2020-2024, investments in favour of ecology will thus be increased to €10 billion.

Regional environmental policy has two main focuses: to eliminate or reduce the sources of environmental damage, and to prepare for the future by investing in new ecological solutions.
For transparency purposes, the effectiveness of the executive’s commitment to the environment is now assessed annually. Every year, the regional administration produces a document for elected representatives and residents of the Île-de-France Region that supplements the annual budget, the «Regional Environmental Strategy» report-de-liberation. This report allows for the full reporting and monitoring of regional environmental policies (and the corresponding annual budget commitments), integrated in a cross-cutting manner in all regional areas of intervention, whether social or economic.

d. Green and sustainable bond issues at the service of the regional sustainable development strategy

I. The Region, a pioneer issuer in green and sustainable finance

Investments made by the Region in the service of the people of Île-de-France are both environmental and social in nature. Based on this observation, the Region has decided, as soon as 2012, to highlight this structuring identity in its financings.

The Île-de-France Region has been a pioneer in the field of sustainable finance. Globally, it was the first in 2012 to issue a sustainable bond in a public format, which was open to all investors, thus paving the way for the market to take off in the following years. It was also the first local authority in Europe to lay the foundations of a process for allocating and reporting on funds for green and socially responsible projects, a process that anticipated the practices subsequently established by ICMA.


<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (million)</th>
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<tbody>
<tr>
<td>2018</td>
<td>€350</td>
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<tr>
<td>2014</td>
<td>€600</td>
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<tr>
<td>2015</td>
<td>€625</td>
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<td>2016</td>
<td>€450</td>
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<tr>
<td>2017</td>
<td>€500</td>
</tr>
<tr>
<td>2018</td>
<td>€800</td>
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</tbody>
</table>

- The Original Regional Budget itself includes an «Environment and Energy» annex outlining the policies whose very purpose is environmental conservation.

![Image]
Since 2016, almost 100% of the Region’s financing needs have been covered by green and sustainable borrowings, thereby raising the profile of the Region’s sustainable investment policies with the international financial community. Between 2012 and 2020, the Region has issued more than €4.3 billion in a green and sustainable format.

On 1 July 2019, at the Conference organised by the Île-de-France Region on the theme of «Sustainable finance, for a responsible territorial action», the Executive committed itself to resorting henceforth exclusively to green and sustainable financings. The outstanding regional debt could thus be 100% green and sustainable by 2024 or 2025.

II. The Region, supporting the development of sustainable finance

The Region acts to promote and develop sustainable finance on its territory around 3 areas: Information, training & promotion, Research, and Financial support for the development of Fintechs in sustainable finance & innovation.

• Information, training & promotion

The conference on «Sustainable finance for a responsible territorial action»

On 1 July 2019, the Île-de-France Region brought together more than a hundred stakeholders - elected representatives, local authorities, bankers, investors, issuers, researchers and academics - at a ground-breaking conference held at the region’s head office in Saint-Ouen. This was the first conference of this nature organised by a public stakeholder in France. This conference was an opportunity to promote and share the experiences of the Region and major stakeholders on the current challenges of sustainable development at the territorial level and the virtuous dynamics that can be initiated by green and sustainable financing.

The partnership agreement between Finance for Tomorrow (Paris Europlace) and the Île-de-France Region

Finance for Tomorrow (F4T) is an associative structure that was launched in June 2017 to make green and sustainable finance a driving force in the development of the Paris stock market and to position it as a financial centre of reference on this field. The purpose of the partnership with the Region, which was ratified by the deliberation «Make Île-de-France a world leader in green and sustainable finance» no. CP 2021-094 of 21 January 2021, is, on the one hand, the participation of the Region in the F4T ecosystem (participation in working groups, establishment of an annual work programme, co-organisation of joint events) and, on the other hand, the strengthening of the Region’s acculturation, know-how and expertise on the challenges of sustainable finance.

The Île-de-France Region aims to remain a key stakeholder on sustainable finance matters, while remaining at the forefront of mobilising the ecosystem on the related major themes.

• Research

The partnership agreement between the Ecole polytechnique and the Île-de-France Region

The purpose of this partnership, which was ratified by the deliberation «Make Île-de-France a world leader in green and sustainable finance» no. CP 2021-094 of 21 January 2021, is to carry out joint studies and in particular economic and social impact studies, concerning the Île-de-France Region, within the framework of the green and sustainable finance strategy carried out by the Region.

• Financial support for the development of Fintechs in sustainable finance and innovation

Since its creation in 2007, the Île-de-France Region has supported and financed the global competitiveness cluster FINANCE INNOVATION and its concrete actions to facilitate the creation and development of innovative projects in the financial sector, on themes with high economic, societal and environmental stakes. In particular, the cluster’s mission is to label innovative and strategic projects, help them raise funds and find clients.

The Region has worked in particular to accelerate the development of the cluster’s Sustainable and Solidarity Finance sector.
III. The environmental and social objectives of the bonds

Regional bond issues pursue one or more of the sustainable development goals defined in the regional intervention strategy (see 1.b. above), the United Nations sustainable development goals (SDGs) and the environmental objectives defined by the European Union.

**REGIONAL ENVIRONMENTAL OBJECTIVES**
- Fight climate change and protect the atmosphere
- Preserve biodiversity and protect environments and resources

**REGIONAL SOCIAL OBJECTIVES**
- Enable all human beings to be fulfilled
- Ensure social cohesion and solidarity among territories and generations
- Establish development dynamics based on responsible modes of production and consumption

**THE UNITED NATIONS SDGs**

**THE OBJECTIVES OF THE EUROPEAN TAXONOMY**
- CLIMATE CHANGE MITIGATION
- PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

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AN ISSUANCE FRAMEWORK COMPLYING WITH THE PRINCIPLES OF THE INTERNATIONAL CAPITAL MARKET ASSOCIATION

This Framework is in line with the International Capital Market Association (ICMA) Green Bond Principles (GBP) 2018, Social Bond Principles (SBP) 2020 and Sustainability Bond Guidelines (SBG) 2018.

It is designed on the basis of ICMA’s key principles: Use of proceeds, Process for project evaluation and selection, Management of proceeds, Reporting and external review.

This Framework has also been defined, where relevant and possible, in accordance with the publication requirements set out in the Report of the European Union Technical Expert Group for a draft European Green Bond Standard and its User’s Guide published in March 2020.

In particular, the categories of regional green projects are classified according to the environmental objectives as defined by the European Union in the «Taxonomy» Regulation (EU Regulation (EU) 2020/852, article 9).

Where possible, concerning the main objective of Climate Change Mitigation the categories of regional green projects are classified according to the relevant economic activity as defined in the draft Delegated Regulation and its Annex (Commission Delegated Regulation supplementing Regulation (EU) 2020/852 & Annex, version published in November 2020) as well as according to the codification of the Statistical Classification of Economic Activities in the European Communities (NACE).

Finally, when possible, regional green project categories are assessed according to:
- their substantial contribution to the main objective of Climate Change Mitigation (Annex 1 of this Framework).
- if the activity does not cause significant harm to other EU environmental objectives (See annex 2 for an illustration on the clean transportation category).

This Framework is an update of the first regional issuance framework and integrates the most recent evolutions of the standards in this field.

The Region also commits to regularly update this Issuance Framework in order to be in line as much as possible with best market practices, changes in international standards and European regulations.

a. Use of Proceeds

Under this Framework, the Île-de-France Region can issue 3 types of bonds:
- **Green** bonds: the proceeds of the bonds are intended to finance exclusively expenditures relating to one (or more) category (or categories) of green projects.
- **Social** bonds: the proceeds of the bonds are intended to finance exclusively expenditures relating to one (or more) category (or categories) of social projects.
- **Sustainable** bonds: the proceeds of the bonds are intended to finance exclusively expenditures relating to one (or more) category (or categories) of green projects and/or one (or more) category (or categories) of social projects.

In line with its tradition of funds allocation since 2012, the Region will continue to make its best efforts to finance projects – through its bonds – with both environmental and social vocations.
I. Eligible green projects categories

Eligible green expenditures must finance projects under one of the four categories of green projects below.

<table>
<thead>
<tr>
<th>GREEN PROJECT CATEGORIES</th>
<th>DESCRIPTION</th>
<th>REGIONAL OBJECTIVES PURSUED</th>
<th>MAIN CONTRIBUTION TO THE UNITED NATIONS SDGs</th>
<th>ENVIRONMENTAL OBJECTIVES OF THE EUROPEAN UNION TAXONOMY REGULATION PURSUED</th>
<th>GBP - ICMA 2018 PROJECT CATEGORIES</th>
<th>REGIONAL ELIGIBILITY CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>GREEN BUILDINGS</td>
<td>&gt; Construction of buildings following a sustainable development approach and promoting respect for the environment</td>
<td>&gt; Fight climate change and protect the atmosphere</td>
<td>SDG 11: SUSTAINABLE CITIES AND COMMUNITIES (11.3)</td>
<td>SDG 7: AFFORDABLE AND CLEAN ENERGY (7.1 &amp; 7.3)</td>
<td>SDG 13: CLIMATE ACTION (13.1)</td>
<td>&gt; Climate change mitigation</td>
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<td>For information: In France, the title «Low Consumption Energy Buildings» (Bâtiments Basse Consommation - BBC) is used to describe buildings with very low energy consumption (NZEB). Since 2013, all new buildings, including public buildings, are mandatorily NZEB, since requirements for Low Consumption Energy Buildings are the same as in the Thermal Regulation «RT 2012» (transposition of the measures from Directive 2010/31/EU).</td>
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<td>&gt; Public buildings (high schools and annex buildings, higher education buildings, medico-educational institutes): &gt; All high schools from 2017 onwards: required energy consumption level &lt; -40% compared to RT 2012 (equivalent to the level E3C1 of Label E+C-). &gt; All higher education buildings: required level of energy consumption &lt; -20% compared to RT 2012 (equivalent to Effinergie + Label). &gt; Medico-educational institutes: Required level of energy consumption &lt; RT 2012</td>
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<td>&gt; Residential: Required level of energy consumption &lt; RT 2012</td>
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<td></td>
<td>&gt; Renovation of buildings according to a sustainable development approach and promoting respect for the environment</td>
<td>&gt; Fight climate change and protect the atmosphere</td>
<td>&gt; Climate change mitigation</td>
<td>&gt; High schools and higher education buildings: for major restructurings/rehabilitations of &gt;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»).</td>
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</tbody>
</table>
### II. Eligible social projects categories

Eligible social expenditures must finance projects falling within the definition of one of the six social project categories below.

<table>
<thead>
<tr>
<th>Category</th>
<th>Eligible Social Projects</th>
<th>SDG(s)</th>
<th>Climate Change Mitigation</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean Transportation</td>
<td>&gt; Construction of rail transit infrastructure and protect the atmosphere</td>
<td>SDG 11: SUSTAINABLE CITIES AND COMMUNITIES (11.2)</td>
<td>&gt; Climate change mitigation</td>
<td>✔</td>
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<td></td>
<td>&gt; Construction of rail transport infrastructure meeting the following criteria:</td>
<td>SDG 9: INDUSTRY, INNOVATION &amp; INFRASTRUCTURE (9.1)</td>
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<td></td>
<td>- ground electrified infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling and ground control-command and signalling subsystems.</td>
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<td></td>
<td>&gt; Fight climate change and protect the atmosphere</td>
<td>SDG 13 CLIMATE ACTION (13.1)</td>
<td>&gt; Climate change mitigation</td>
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<td></td>
<td>&gt; Construction of low-carbon road transport infrastructure dedicated to public passenger transport</td>
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<td>Renewable Energy</td>
<td>&gt; Projects contributing to the development of local renewable energies and energy efficiency</td>
<td>SDG 7: AFFORDABLE AND CLEAN ENERGY (7.1 &amp; 7.2)</td>
<td>&gt; Climate change mitigation</td>
<td>✔</td>
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<tr>
<td></td>
<td>&gt; Fight climate change and protect the atmosphere</td>
<td>SDG 12: RESPONSIBLE CONSUMPTION &amp; PRODUCTION (12.2)</td>
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<td>SDG 13: CLIMATE ACTION (13.1)</td>
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<td>Terrestrial and Aquatic Biodiversity</td>
<td>&gt; 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.</td>
<td>SDG 6: CLEAN WATER AND SANITATION (6.6)</td>
<td>&gt; Climate change mitigation</td>
<td>✔</td>
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<tr>
<td></td>
<td>&gt; Fight climate change and protect the atmosphere</td>
<td>SDG 15: LIFE BELOW WATER (15.1 &amp; 15.2)</td>
<td>&gt; Protection and restoration of biodiversity and ecosystems</td>
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<td></td>
<td>&gt; Preserve biodiversity and protect environments and resources</td>
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<td>&gt; Afforestation (PEFC label)</td>
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<td></td>
<td>&gt; Forest rehabilitation and restoration (PEFC label)</td>
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<td>&gt; Reforestation (PEFC label)</td>
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<td>&gt; Sustainable forest management (PEFC label)</td>
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<td></td>
<td>&gt; Forest conservation (PEFC label)</td>
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<td></td>
<td>&gt; Wetlands restoration</td>
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<tr>
<td>SOCIAL PROJECT CATEGORIES</td>
<td>DESCRIPTION</td>
<td>REGIONAL OBJECTIVES PURSUED</td>
<td>MAIN CONTRIBUTION TO THE UNITED NATIONS SDGs</td>
<td>SBP - ICMA 2030 PROJECT CATEGORIES</td>
</tr>
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<tr>
<td><strong>ACCESS TO ESSENTIAL SERVICES: EDUCATION</strong></td>
<td>&gt; Provide access to quality education infrastructure (public secondary education, public higher education)</td>
<td>&gt; To allow all human beings to become fulfilled.</td>
<td>SDG 4: QUALITY EDUCATION (4.1, 4.3, 4.4 &amp; 4.6) SDG 8: DECENT WORK AND ECONOMIC GROWTH (8.6) SDG 10: REDUCED INEQUALITIES (10.2)</td>
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<tr>
<td><strong>ACCESS TO ESSENTIAL SERVICES: HEALTH</strong></td>
<td>&gt; Projects contributing to the development of health infrastructures and the purchase of healthcare equipment, &gt; Projects related to Research and Development in the field of health, &gt; Projects relating to the setting up of any emergency infrastructure required in the context of an exceptional crisis (health crisis, natural disaster, etc.)</td>
<td>&gt; To allow all human beings to become fulfilled.</td>
<td>SDG 3: GOOD HEALTH AND WELL-BEING (3.b) SDG 11: SUSTAINABLE CITIES AND COMMUNITIES (11.5)</td>
<td></td>
</tr>
<tr>
<td><strong>ACCESS TO ESSENTIAL SERVICES: SOCIAL INCLUSION</strong></td>
<td>&gt; Development of accommodation capacity for vulnerable populations, development of medical education institutes. &gt; Projects to improve the accessibility of buildings and infrastructures (transport, education, etc.)</td>
<td>&gt; To allow all human beings to become fulfilled.</td>
<td>SDG 10: REDUCED INEQUALITIES SDG 4: QUALITY EDUCATION (4.5 &amp; 4.6) SDG 11: SUSTAINABLE CITIES AND COMMUNITIES (11.2 &amp; 11.7)</td>
<td></td>
</tr>
<tr>
<td><strong>AFFORDABLE HOUSING</strong></td>
<td>&gt; Projects to develop and renovate the social housing stock in line with environmental and social requirements, thereby increasing access to housing and improving comfort</td>
<td>&gt; Ensure social cohesion and solidarity among territories and generations.</td>
<td>SDG 1: NO POVERTY SDG 11: SUSTAINABLE CITIES AND COMMUNITIES (11.1 &amp; 11.4)</td>
<td></td>
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</tbody>
</table>

*The social criteria applied to housing are set annually by decree (grid according to locality and number of household members) and will be specified in the allocation and impact report.
<table>
<thead>
<tr>
<th>III. Sectoral exclusion criteria</th>
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<tbody>
<tr>
<td>Eligible expenditures exclude expenditures in the following sectors:</td>
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<tr>
<td>- Nuclear energy production,</td>
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<tr>
<td>- Fossil fuel production and electricity generation from fossil fuels,</td>
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<tr>
<td>- Production or trade of weapons and ammunition,</td>
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<tr>
<td>- Production or trade of alcoholic beverages (excluding beer and wine),</td>
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<tr>
<td>- Tobacco production or trade,</td>
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<tr>
<td>- Production or trade in any product or activity deemed illegal under conventions and agreements, or subject to international prohibitions.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Support for Employment Creation, Prevention &amp; Fight against Unemployment Related to Crises (including through SMEs &amp; MICs Financing measures)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Projects contributing to the creation or maintenance of local employment, via support for SMEs &amp; MICs in the territory and for social and solidarity economy projects,</td>
</tr>
<tr>
<td>&gt; Support for research and innovation of SMEs &amp; MICs and the development of the territory’s attractiveness.</td>
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<thead>
<tr>
<th>Affordable Basic Infrastructures (Transport, Energy, Green Spaces and Sport Infrastructures)</th>
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</thead>
<tbody>
<tr>
<td>&gt; Construction of public transport infrastructure for better access to the entire territory,</td>
</tr>
<tr>
<td>&gt; Projects to improve the comfort and safety of transport users and those living near the infrastructure,</td>
</tr>
<tr>
<td>&gt; Development of basic infrastructure for local renewable energy and energy efficiency, green spaces, preservation of natural environments and biodiversity,</td>
</tr>
<tr>
<td>&gt; Development of sports infrastructure.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SDG 8: Decent Work and Economic Growth (8.1 &amp; 8.3 &amp; 8.4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; To allow all human beings to become fulfilled.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SDG 11: Sustainable Cities and Communities (11.2 &amp; 11.3 &amp; 11.7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Construction of basic infrastructure for the supply of renewable energy, heating and cooling networks.</td>
</tr>
<tr>
<td>&gt; To develop and extend green spaces, preservation of natural environments and biodiversity.</td>
</tr>
<tr>
<td>&gt; Work to develop and extend sports infrastructures.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SDG 1: No Poverty</th>
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</thead>
<tbody>
<tr>
<td>&gt; Provide access to quality basic infrastructure for all.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SDG 1: No Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; To allow all human beings to become fulfilled.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SDG 8: Decent Work and Economic Growth (8.1 &amp; 8.3 &amp; 8.5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; To allow all human beings to become fulfilled.</td>
</tr>
</tbody>
</table>

| Expenditures to support job creation and socio-economic development such as: |
| > Projects contributing to the creation or maintenance of local employment, via support for SMEs & MICs in the territory and for 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. |
b. Process for project evaluation and selection

I. The evaluation and selection process for funded projects

The evaluation and selection process is designed to ensure that the funds obtained from the Region’s green, social or sustainable bond issues are exclusively allocated to the financing of the Issuer’s general investment budget for eligible environmental and/or social projects.

The Finance Department, the Operational Departments, the Management Control and Financial Decision-making Mission and the Sustainable Finance Committee are all involved in the process.

The process begins after the end of the year of mobilisation of the considered borrowings, when the Region has full visibility on the level of investment expenditures relating to each project.

Project selection:

The Finance Department, which steers the process, asks each operational department in the Region to select a certain number of investment projects or schemes, which correspond to an amount in expenses recorded during the year.

Projects are evaluated and selected according to a four-step process:

- The Region’s activities are exclusively conducted in Île-de-France’s territories and are carried out in strict compliance with national environmental and social legislation. Furthermore, France is abiding by the OECD’s and the United-Nations’ Guidelines regarding human and social rights and adopted numerous laws in this field in line with European Union’s Minimum (Social) Safeguards (Annex 3).
- Projects meet one or more of the eligibility criteria as defined by the Region for each of the green and/or social project categories (defined above in 2.a.i. and 2.a.ii. of this document).
- The Region will assess during the project selection process, where possible, the alignment of the selected green projects with the requirements set out in the draft Delegated Regulation and its annex supplementing Regulation (EU) 2020/852, in their version published in November 2020 (or in their subsequent and final versions).
- The Operational Departments endeavour to select projects/schemes that best meet nine qualitative criteria relating to project management in terms of environmental, social and societal, economic and governance responsibility:

---

7 A regional scheme is a regional policy in a specific field and brings together several selected projects of small financial size.
In some cases, in particular for projects corresponding to emergency measures in times of crisis, some of the eligibility criteria may not be fully covered. The operational departments of the Region that are in charge of the projects are best positioned to select the most emblematic projects in their portfolio.

**Allocation of proceeds**

In addition, the Management Control and Financial Decision-Making Mission extracts, from the Region’s financial information system, information relating to the amounts of expenditures spent on the projects / schemes selected in conjunction with the operational departments concerned, then the Finance Department finalizes the list of projects / schemes corresponding to the amount of proceeds. The Sustainable Finance Committee validates this final list.

From an accounting point of view, eligible expenditure includes direct expenditures on tangible fixed assets (construction including land, works, materials, equipment, etc.). They also include expenditures on intangible assets (investment subsidies paid, studies, etc.). Eligible expenditures exclude the portion of expenditures financed by revenue subject to earmarking (revenue received and which, by law, is earmarked for specific expenditures).

Once this stage has been completed, each operational department prepares the elements relating to the projects/schemes selected with a view to producing allocation and impact reports. The information obtained by each operational department is then centralised within the Finance Department, which consolidates the report and verifies overall consistency.

**II. The Sustainable Finance Committee**

A Sustainable Finance Committee has been set up and is made up of managers from the Finances Directorate (Finances Department, Management Control, Budget), the Territorial Cohesion Directorate in charge of regional environmental policies, the main Operational Departments concerned by sustainable projects, and the Paris Region Institute.

The Committee is chaired by the Deputy Managing Director of the Region’s Finances Directorate.

Speakers from outside the regional institution, from the academic world, associations or the financial sector, may be invited in order to bring their expertise in the field of sustainable finance.

This Committee shall meet at least once a year with a view to:

- Propose changes to the Framework for regional issues so that it continuously reflects the regional strategy, legislative and technological developments and market practices. The Committee will particularly focus on:
  - the categories of eligible green and social projects and the eligibility criteria relating to these categories on the one hand,
  - impact indicators and their calculation methodologies on the other hand.
- Validate the selection of projects presented in the allocation and impact report to investors.

The Committee’s minutes will be made publicly available on [https://www.iledefrance.fr/region-funding](https://www.iledefrance.fr/region-funding).
c. Management of proceeds

In terms of financial flows, the funds raised by the bonds are fungible in the regional treasury. French local authorities are required to deposit their cash balances in a single account with the French Treasury.

From a budgetary and accounting point of view, the proceeds of the bonds are entered as investment income and cover the capital expenditure for the year. This 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 mobilisation of the borrowings to finance the Region’s investment projects.

If the Region faces a major controversy on an eligible expenditure, or 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.

d. The allocation and impact report (Reporting) and the external review

I. The allocation and impact report (Reporting)

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 Funding website:

https://www.ilededefrance.fr/financement-region
https://www.ilededefrance.fr/region-funding

It illustrates compliance with the commitments made at the time of issue, concerning the allocation of proceeds, compliance with the eligibility criteria for each project/scheme financed, and the presentation of impact indicators that cut across projects.

• The allocation report

The allocation report presents the projects/schemes financed by the green, social or sustainable bonds with:

• a table showing the allocation of the funds raised for the selected projects and schemes, themselves, broken down by major categories of green and social projects.

In addition, the allocation report proposes a reading of the projects financed by the green, social or sustainable bonds, from the point of view of the sustainable development goals (SDGs) established by the United Nations (UN):

• A breakdown of the funds raised, in accordance with the UN Sustainable Development Goals and for each of their Target(s).

The Region’s share of project’s funding will be reported in projects sheets. Finally, for each issue, the allocation report will present, where possible, the distribution of the allocation of funds to green projects according to their contribution to the environmental objectives of the European Union.

• The impact report

The impact report completes the allocation report with a Project Sheet detailing each project/scheme presented with:

• a description of the purpose of the project,
• In the header of the project Sheets, the essential information on the project and the amounts allocated to the project in previous green/social/sustainable issues,
• an update of the life of the project, if necessary,
• a summary table with evidence of how the project meets the eligibility criteria and project management criteria,
• an evaluation, where possible, of the impact of the project according to the three impact indicators selected,
• the UN Sustainable Development Goals to which each project responds are identified as such in the header of each Project Sheet, with details of the relevant Targets of the Sustainable Development Goals,
• The environmental objectives of the European Union to which the project aims to respond.

A summary table is presented to provide an overview of each project’s contribution to each of the Sustainable Development Goals and Targets. The approach used to construct this table is presented in a methodological note.
In the case of a funded scheme involving a multitude of small projects, the allocation and impact report will then present in detail only one or two projects covered by the scheme, by way of example.

The three impact indicators selected by the Region are:

- A single environmental impact indicator for all categories of green projects:
  - CO2 emissions avoided by the Project (in teq/year).
- Two social impact indicators for all categories of social projects:
  - The creation of jobs supported by the project in the construction phase and in the operational phase, including “social inclusion jobs” (in Full Time Equivalent).
  - The number of beneficiaries of the project.

For each project, where possible, a provisional impact estimate is calculated (ex ante) for these indicators and possibly for others that may be identified at a later stage.

A methodological note annexed to the impact report presents each methodology used to calculate the impact indicators.

### II. External review

**• External review of the issuance framework**

The Region’s updated Framework for green, social and sustainable bonds was externally reviewed prior to the first issuance carried out under its aegis.

This review validated the alignment of the Region’s green, social and sustainable issuance Framework with ICMA’s Green Bond Principles 2018, Social Bond Principles 2020 and Sustainability Bond Guidelines 2018.

V.E. was responsible for this and has produced an independent second opinion available online at the following address: [https://www.iledefrance.fr/financement-region](https://www.iledefrance.fr/financement-region).

**• External review of allocation reports**

The Regional Directorate of Public Finances (DRFiP) controls the regularity of the expenditures mandated by the Region and makes the payment. In his capacity as the assigned accountant for the Île-de-France Region, the Regional Director of Public Finances for the Île-de-France Region and Paris certifies that the expenditures listed on the statement produced have been paid.
ANNEX 1

Evaluation of the substantial contribution of the Île-de-France Region’s green projects to the European Union’s «Climate Change Mitigation» environmental objective in the light of the criteria defined for the corresponding economic activity in the draft Delegated Regulation and its annex (Commission Delegated Regulation supplementing Regulation (EU) 2020/852 & Annex, version published in November 2020)
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<tbody>
<tr>
<td>GREEN BUILDINGS</td>
<td>Construction of buildings following a sustainable development approach and promoting respect for the environment</td>
<td>&gt; Construction of buildings following a sustainable development approach and promoting respect for the environment</td>
<td>Construction of new buildings for which:</td>
<td>a) The primary energy demand (PED), which defines the energy performance of the building constructed, is at least 20% below the threshold set for near-zero energy buildings (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The energy performance is certified by means of an Energy Performance Certificate (EPC) for the construction.</td>
<td>For information: In France, the title « Low Consumption Energy Buildings » (Bâtiments Basse Consommation - BBC) is used to describe buildings with very low energy consumption (NZEB). Since 2013, all new buildings, including public buildings, are mandatorily NZEB, since requirements for Low Consumption Energy Buildings are the same as in the Thermal Regulation «RT 2012» (transposition of the measures from Directive 2010/31/EU).</td>
<td>Reduction of greenhouse gas emissions</td>
</tr>
<tr>
<td></td>
<td>&gt; Climate change mitigation</td>
<td>&gt; Climate change mitigation</td>
<td>b) For buildings larger than 5,000 m², on completion, the resulting building shall be tested for airtightness and thermal integrity, and any deviations from the performance levels set at the design stage or defects in the building envelope shall be disclosed to investors and clients.</td>
<td>c) For buildings larger than 5000 m², the Global Warming Potential (GWP) of the life cycle of the building that results from the construction has been calculated for each stage of the life cycle and shall be made available to investors and clients on request.</td>
<td>b) FULL ALIGNMENT</td>
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<td></td>
<td></td>
<td></td>
<td>a)</td>
<td>Building permits filed before 2022 (RE2020 in the process of being adopted in 2021): - FULL ALIGNMENT for all High Schools and higher education buildings.</td>
<td></td>
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<td></td>
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<td></td>
<td>b)</td>
<td>Building permits filed from 2022 onwards (RE2020 in the process of being adopted in 2021): - FULL ALIGNMENT for all new construction projects.</td>
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<td></td>
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<td>c)</td>
<td>FULL ALIGNMENT</td>
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<tr>
<td></td>
<td>Renovation of buildings according to a sustainable development approach and promoting respect for the environment</td>
<td>&gt; Renovation of existing buildings</td>
<td>Renovation of existing buildings that meets one of the following criteria.</td>
<td>a) Heavy renovation according to the NZEB (Near Zero-Energy Buildings) standard for France. The renovation of the building complies with the applicable requirements for major renovations as defined in the applicable national and regional building regulations relating to “major renovation” and transposing the European Directive 2010/31 / EU. The energy performance of the upgraded building or renovated part shall meet the cost-optimal levels of the minimum energy performance requirements in accordance with the relevant Directive.</td>
<td>b) Alternatively, renovation leading to a reduction in primary energy consumption (Cep) of at least 30%.</td>
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<td>&gt; Climate change mitigation</td>
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<td>b) FULL ALIGNMENT</td>
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<tr>
<td>CLEAN TRANSPORTATION</td>
<td>&gt; Construction of rail transit infrastructure</td>
<td>&gt; Climate change mitigation</td>
<td>6.14. Construction of infrastructure for rail transport</td>
<td>Construction and operation of rail transport infrastructure (excluding the transport of fossil fuels) that meets one of the following criteria: (a) infrastructure (as defined in Annex II 2 of Directive (EU) 2016/797) is either: (i) electrified ground-based infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signalling and ground-based control-command and signalling subsystems; (ii) ground infrastructure and associated subsystems for which there is an electrification plan or if the infrastructure will be suitable for use by CO2-free trains with exhaust emissions within 10 years from the start of the activity: infrastructure, energy, on-board control-command and signalling, and ground control-command and signalling subsystems; (b) the infrastructure and facilities are dedicated to the transhipment of freight between modes: terminal infrastructure and superstructures for the loading, unloading and transhipment of goods; (c) the infrastructure and facilities are dedicated to the transfer of passengers from other modes to rail.</td>
<td>a.i.) FULL ALIGNMENT</td>
<td>Reduction of greenhouse gas emissions</td>
</tr>
<tr>
<td></td>
<td>&gt; Construction of low-carbon road transport infrastructure dedicated to public passenger transport</td>
<td>&gt; Climate change mitigation</td>
<td>6.13. Infrastructure for individual mobility</td>
<td>Construction and operation of infrastructure that enables low-carbon road transport that meets one or more of the following criteria: a) the infrastructure is dedicated to vehicles with zero CO2 exhaust emissions: electric charging stations, electricity grid connection upgrades, hydrogen refueling stations or electric road systems (ERS). b) the infrastructure and facilities are dedicated to freight transhipment between modes: terminal infrastructure and superstructures for loading, unloading and transhipment of goods; c) infrastructure and facilities dedicated to public passenger transport.</td>
<td>c) FULL ALIGNMENT</td>
<td>Reduction of greenhouse gas emissions</td>
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<tr>
<td>TERRESTRIAL AND AQUATIC BIODIVERSITY CONSERVATION</td>
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<td>&gt; Sustainable forest management (e.g. adaptation of tree species to climate change, safeguarding state forests),</td>
<td>1.4. Afforestation</td>
<td>(a) Afforestation plan, (b) Climate benefit analysis, (c) Demonstration of the additionality of the project, (d) Relevance of the project.</td>
<td>FULL ALIGNMENT</td>
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<tr>
<td>&gt; Investment in protected areas</td>
<td>1.5. Forest rehabilitation and restoration</td>
<td>(a) Forest management plan or equivalent instrument, (b) Climate benefit analysis, (c) Demonstration of the additionality of the project, (d) Relevance of the project.</td>
<td>FULL ALIGNMENT</td>
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<tr>
<td>&gt; Climate change mitigation</td>
<td>1.6. Reforestation</td>
<td>Macro sector: A - Agriculture, forestry and silviculture NACE Code: A2</td>
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<tr>
<td>&gt; Protection and restoration of biodiversity and ecosystems</td>
<td>1.7. Improvement in forest management</td>
<td>(a) Forest management plan or equivalent instrument, (b) Climate benefit analysis, (c) Demonstration of the additionality of the project, (d) Relevance of the project.</td>
<td>FULL ALIGNMENT</td>
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<td></td>
<td>1.8. Conservation forestry</td>
<td>(a) Forest management plan or equivalent instrument, (b) Climate benefit analysis, (c) Demonstration of the additionality of the project, (d) Relevance of the project.</td>
<td>FULL ALIGNMENT</td>
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<tr>
<td>&gt; Restoration and rehabilitation of ecosystems (e.g. renaturation of river banks, reopening of urban rivers)</td>
<td>2.1. Wetlands restoration</td>
<td>Not referenced</td>
<td>(a) Restoration plan, (b) Climate benefit analysis, (c) Demonstration of the additionality of the project, (d) Relevance of the project.</td>
<td>PARTIAL ALIGNMENT</td>
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- Restoration and rehabilitation of ecosystems (e.g. renaturation of river banks, reopening of urban rivers)
- Wetlands restoration
- Full alignment
- Partial alignment
- Reduction of greenhouse gas emissions
ANNEX 2

Evaluation of the Île-de-France Region’s green projects categories with regard to the Do No Significant Harm (DNSH) criteria defined for the corresponding economic activity in the draft Delegated Regulation and its annex (Commission Delegated Regulation supplementing Regulation (EU) 2020/852 & Annex, version published in November 2020): illustration in the clean transportation category
### Alignment with EU Taxonomy: Clean transportation

<table>
<thead>
<tr>
<th>Category</th>
<th>Project sub-category</th>
<th>EU Taxonomy activity</th>
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<table>
<thead>
<tr>
<th>EU objective</th>
<th>DNSHN criteria</th>
<th>Considerations for alignment with DNSHN criteria</th>
</tr>
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<tbody>
<tr>
<td>Climate change adaptation</td>
<td>The physical climate risks that are material to the activity have been identified from those listed in the table in Section II of this Appendix by performing a robust climate risk and vulnerability assessment. The assessment is proportionate to the scale of the activity and its expected lifespan, such that: (a) for investments into activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using downsampling of climate projections; (b) for all other activities, the assessment is performed using high-resolution state-of-the-art climate projections across a range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 years climate projections scenarios for major investments. The economic operator has developed a plan to implement adaptation solutions to reduce material physical climate risks to the activity. The adaptation solutions identified need to be implemented within five years from the start of the activity (for existing assets). Those adaptation solutions do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of assets and of other economic activities and are consistent with local, sectoral, regional or national adaptation efforts.</td>
<td>France has set up the National Plan for Adaptation to Climate Change 2018-2022 (PNACC-2), taking into account the European Union’s adaptation strategy, and with the aim of implementing the necessary actions to adapt the territories of metropolitan France and its overseas territories to expected regional climate change by 2050. The measures of the PNACC-2 will take into account the sectors of activity, and the sectors listed in the Île-de-France Region Framework (Construction, Transport, Energy, and Biodiversity) are mentioned in the plan. The PNACC mentions the setting up of a coordination mechanism between the local and national levels, by developing and leading a network of regional adaptation committees in the context of the elaboration or revision of regional guidelines dealing with adaptation to climate change. As a result, we consider that the Île-de-France Region complies with the DNSHN criteria for the Adaptation objective for all activities included in the Framework.</td>
</tr>
<tr>
<td>Sustainable use and protection of water and marine resources</td>
<td>Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed, in accordance with a water use and protection management plan, developed in consultation with relevant stakeholders.</td>
<td>Required by Directive 2000/60/EC, transposed to Law no. 2004-338 of 21 April 2004.</td>
</tr>
<tr>
<td>Transition to a circular economy</td>
<td>At least 70% (by weight) of the non-hazardous construction and demolition waste (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC) generated on the construction site is prepared for re-use, recycling and other material recovery, including backfilling operations using waste to substitute other materials, in accordance with the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. Operators limit waste generation in processes related to construction and demolition, in accordance with the EU Construction and Demolition Waste Management Protocol, taking into account best available techniques and using selective demolition to enable removal and safe handling of hazardous substances and facilitate re-use and high-quality recycling by selective removal of materials, using available sorting systems for construction and demolition waste.</td>
<td>Article 79 of the Energy Transition Law for Green Growth (LTECV) sets the State and local authorities a target of recovering at least 70% of the materials and waste produced on construction sites for which they are responsible (reuse, recycling or other material recovery) by 2020 in accordance with the 2008 European framework directive on waste.</td>
</tr>
</tbody>
</table>

**RIF’s alignment:**
- Aligned
An Environmental Impact Assessment (EIA) or screening has been completed, for activities within the Union, in accordance with Directive 2011/92/EU. For activities in third countries, an EIA has been completed in accordance with equivalent national provisions or international standards.

Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented.

For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.

Where relevant, maintenance of vegetation along road transport infrastructure ensures that invasive species do not spread.

Protection and restoration of biodiversity and ecosystems

Mitigation measures have been implemented to avoid wildlife collisions.

European Directive 2011/92/EU has been updated through Directive 2014/52/EU and implemented according to the following laws: Law no. 2015-990 of 06/08/2015 relating to growth, work and equal economics opportunities (article 106). Decree no. 2015-1614 of 09/12/2015 amending and facilitating the scheme for facilities classified for the protection of the environment and relating to the prevention of risks; Order no. 2016-1058 of 03/08/2016 related to the amendment of the rules applicable to the environmental assessment of projects, plans and programmes; Decree no. 2016-1110 of 11/08/2016 related to the amendment of the rules applicable to the environmental assessment of projects, plans and programmes; Order no. 2016-1060 of 03/08/2016 amending the procedures which ensure public information and participation in the development of certain decisions that may have an impact on the environment; Order no. 2017-80 of 26/01/2017 related to the environmental permission; Decree no. 2017-626 of 25/04/2017 related to the procedures which ensure public information and participation in the development of certain decisions that may have an impact on the environment and amending various legal requirements related to the environmental assessment of projects, plans and programmes; Decree of 12/01/2017 setting the « demande d’examen au cas par cas » form’s template according to the article R. 122-3 from the Environment Code.


All projects financed by the Region are subject to the Environment Code, providing through the article L122-1 an impact assessment for every project, including the project’s repercussions towards biodiversity, granting a specific attention to protected species. This includes wildlife protection against colliding risks, as detailed through the French guide « Guide d’aide à la définition des mesures ERC » (starting from page 84)
ANNEX 3

## Minimum Safeguards of the EU Taxonomy

The Taxonomy Regulation requires that an entity’s economic activities must align with the OECD Guidelines for Multinational Enterprises (the OECD Guidelines) and the UN Guiding Principles on Business and Human Rights (the UNGPs).

<table>
<thead>
<tr>
<th>Guidelines</th>
<th>Implementation</th>
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<tbody>
<tr>
<td>UN Guiding Principles on Business and Human Rights</td>
<td>France has a National Action Plan for the implementation of the United Nations Guiding Principles on Business and Human Rights</td>
</tr>
<tr>
<td>OECD Guidelines on Multinational Enterprises</td>
<td>France adheres to the OECD Guidelines for Multinational Enterprises</td>
</tr>
</tbody>
</table>

The final report of the Technical Expert Group notes that “For the purposes of the implementation of the Taxonomy, the TEG considers that both companies and investors should centre compliance on (1) human rights, (2) labour rights, and (3) combating bribery, bribe solicitation and extortion.”

On assessment, France is noted to have implemented sufficient policies, regulations and frameworks to align with EU Taxonomy’s minimum social safeguards.

### I) Human rights

#### The National Framework: Reinforcement of Legislation
An act on a duty of vigilance for parent companies and outsourcing companies was promulgated on 27 March 2017. Under this act, companies that employ more than 5,000 employees in France, or more than 10,000 employees in France and abroad, must draft and implement due diligence plans. Plans must set out reasonable measures to identify risks and prevent serious abuse of human rights, fundamental freedoms, health, personal safety and the environment, arising as a result of the operations of the company, of companies under its direct or indirect control, or of subcontractors and suppliers with which it has well-established commercial relationships.

#### Access to remedy: Judicial Mechanisms at the National Level
French legislation is strict in combating human rights violations by legal entities. Under French law, it is a criminal offence for companies to engage in activities that breach people’s rights (violations of human dignity, working conditions that violate human dignity, forced labour), equality laws (gender discrimination, anti-union discrimination, denying the freedom to work, corruption), environmental laws (pollution), or social, health and safety laws (hindering organizations representing employees, concealed work, involuntary injuries or death due to workplace accidents).

#### Businesses’ Responsibility to Respect Human Rights: Due diligence
In March 2015, the National CSR Platform agreed on the following points with respect to due diligence:
- Parent companies and outsourcing companies should undertake due diligence (which some considered should be voluntary and reasonable, and which others considered should be compulsory) with respect to subsidiaries and subcontractors in order to improve human rights and environmental risk prevention. This due diligence could include the following measures:
  - Defining the scope of the fundamental rights concerned. The Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the Charter of Fundamental Rights of the European Union could serve as a basis for this definition.
  - Setting a size threshold over which companies and groups would be obliged to implement due diligence processes.
  - Defining the operational content of reasonable due diligence processes for companies in due diligence plans.

#### Provision for whistleblowers
The NAP lists exiting legislation related to whistle-blowers in matters of corruption, public health, conflict of interest, tax evasion and large-scale economic and financial fraud, which protect individuals (referred to as whistle-blowers) requesting the company to disclose information either directly or through legal means. It furthermore mentions existing legislation asserting workers councils “right to economic alert”, which enables it to demand information in case of significant preoccupations regarding the company’s financial situation.

The Act 2016-1691 of 9 December 2016 on transparency, fighting corruption and modernizing the economy replaced earlier sector-specific provisions on whistleblowers. Under the new Act, a single framework was created to protect whistleblowers who now share a common status regardless of the field concerned.
The International Framework:
France is committed to establishing with ILO, a source of international labour laws, a shared reference standard based on a common interpretation of conventions. It actively supports the universal ratification process for ILO’s eight fundamental conventions. For several years, it has also underlined the need to reinforce the organization’s supervisory system.

France is one of ILO’s more active members and has a permanent seat on the organization’s Governing Body. It adheres to and promotes the Decent Work Agenda, and fully supports the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the MNE Declaration). The country has signed a four-year partnership agreement with the International Labour Office, which involves implementing CSR initiatives and contributing to the Better Work Programme.

Actions underway:
France seeks to ensure that the issues of decent work, occupational health and safety and supply chains are addressed by the G20. It also seeks to build on the G7’s commitments to the UN Guiding Principles in 2015, as well as commitments made during the International Labour Conference in June 2016, one of the three themes of which was “decent work in global supply chains”.

The National Framework: Reinforcement of Legislation - The Act of 10 July 2014 on unfair social competition was adopted to transpose into national law the European Directive on the posting of workers, which seeks to fight illegal labour practices and fraud in this field. Not only does the act create due diligence obligations, it also provides for joint liability (over and above the requirements in the European Directive) whenever posted workers are used (it establishes the liability of project owners and principals with respect to their subcontractors and co-contractors).

The Inter-Ministerial Exemplary Administration Action Plan and the National Action Plan for Sustainable Public Procurement

Under Article 15 of Decree 2016-360 of 25 March 2016, contracting authorities may choose to include general administrative terms and conditions in public contracts. These terms and conditions cover general rather than specific provisions (performance of services, payment, auditing of services, presentation of subcontractors, deadlines, penalties, general conditions, etc.). Article 6 of these terms covers the protection of labour and working conditions, and states that contract holders must respect the working conditions set down in the labour laws and regulations of the country in which workers are hired or, otherwise, ILO’s eight fundamental conventions where these have not been incorporated into the country’s laws and regulations.

Access to remedy: Judicial Mechanisms at the International Level
France ratified the Protocol to the 1930 ILO Forced Labour Convention on 7 June 2016. France was the fifth country to ratify the Protocol. This Protocol was adopted at the ILO International Labour Conference on 11 June 2014 in Geneva. It supplements the convention, which is one of ILO’s most ratified instruments, by dealing with new forms of forced labour.

The Protocol provides for access to appropriate and effective remedies such as compensation. It also reinforces international cooperation in the fight against forced and compulsory labour. It highlights the important role played by employers and workers in tackling this issue.

This ratification is evidence of France’s commitment to fighting all forms of forced labour and promoting the universal ratification of ILO’s fundamental conventions.

Access to remedy: Non-judicial Mechanisms at the International Level

The OECD National Contact Point - The French NCP is very active in promoting responsible business conduct and the OECD Guidelines for Multinational Enterprises. Following the Rana Plaza tragedy, the NCP stepped up its activities, especially in the field of due diligence for supply chain risks, human rights and workers’ rights.

The Reinforcement of Legislation:
France was the main supporter of the draft directive on non-financial reporting obligations, published on 22 October 2014, which requires large European listed companies to publish reports on their social, environmental, human rights and corruption policies. France encouraged the European Commission to take an ambitious approach when adopting the guidelines discussed in the directive. The directive is currently in the final stages of being transposed into French law.

Public Procurement Policy:
The new legal framework for public procurement gives purchasers several ways of addressing social and environmental impacts. Having transposed Article 57 of Directive 2014/24/EU of 26 February 2014 on public procurement, French law now states that public contracts may not be awarded to economic operators that have been found guilty of fraud, corruption or the trafficking or exploitation of human beings (Article 45 of Ordinance 2015-899).

Provision for whistleblowers:
A number of different laws contain provisions on whistleblowers, among which Article L 1161-1 of the Labour Code applies to corruption and Article L 1132-3-3 of the Labour Code applies to tax fraud and serious economic and financial crime.

The Act 2016-1691 voted 9 December 2016 on transparency, fighting corruption and modernizing the economy replaced earlier sector-specific provisions on whistleblowers. Under the new Act, a single framework was created to protect whistleblowers who now share a common status regardless of the field concerned.
Significant actions are taken by Région Île-de-France in addition to the national framework to ensure alignment to the EU Taxonomy’s minimum safeguards:

<table>
<thead>
<tr>
<th></th>
<th>The Region is committed to integrate sustainable development and social responsibility in all its activities across the different fields. As such, it sets the example in terms of governance and policies implemented for the territory and regarding its own practices. For example the Region has adopted a plan for socially and ecologically responsible procurement (SPASER).</th>
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<tr>
<td>✓</td>
<td>As part of its active policy for gender equality and the fight against violence against women (designated as the Great Regional Cause for 2017), the Region has been the signatory with 5 trade unions of a framework agreement in 2017 on professional equality between men and women.</td>
</tr>
<tr>
<td>✓</td>
<td>In October 2017, in order to promote union commitment by recognizing the skills of union representatives, the Region, with five out of seven union organizations (representing 72% of the Region), signed a Charter of Recognition of the Trade Union Pathway in career development and professional improvement.</td>
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<tr>
<td>✓</td>
<td>According to article 8 of law no. 2016-1691 of 9 December 2016 the Region has appointed a compliance officer.</td>
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<tr>
<td>✓</td>
<td>In March 2019, the Region also adopted a framework agreement for better public service effectiveness through quality of life at the workplace, autonomy and empowerment. Thus, by continuing its modernization, the Region is committed through several mechanisms to promoting freedom in the organization of work (telecommuting, flexible working hours), while remaining focused on protecting its agents and becoming a pioneering administration in the recognition of the right to disconnect.</td>
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