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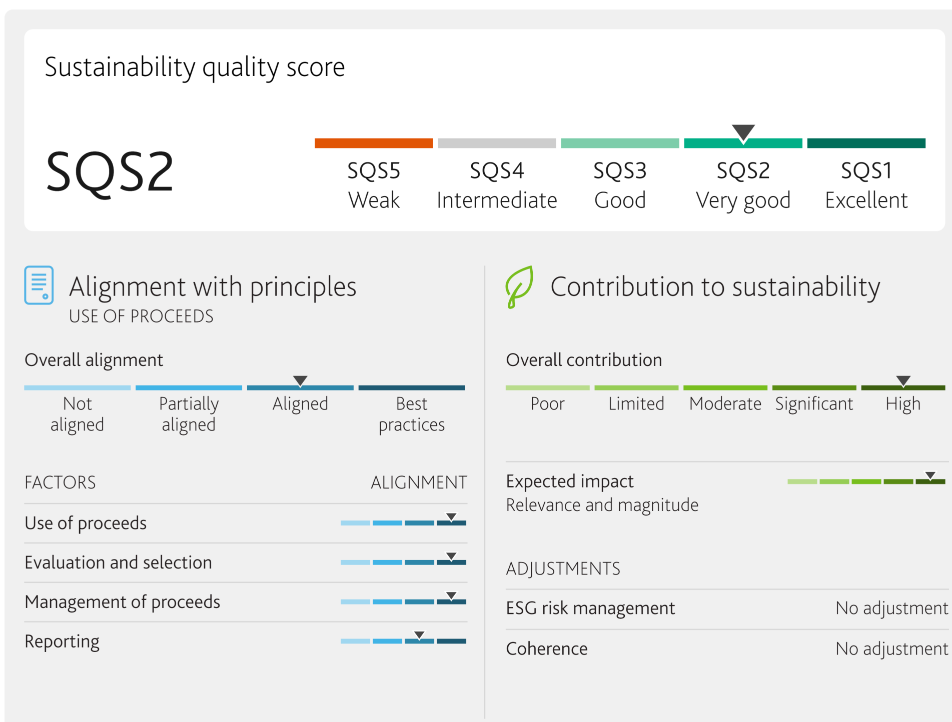
Caisse des dépôts et consignations (CDC)

Second Party Opinion – Green, Social and Sustainability Bonds Framework Assigned SQS2 Sustainability Quality Score

Summary

We have assigned an SQS2 Sustainability Quality Score (very good) to the Caisse des dépôts et consignation's (CDC) green, social and sustainability bonds framework dated February 2023. The CDC has established its use-of-proceeds framework to finance projects across 12 eligible categories, of which seven are green and five are social. The CDC has described the main characteristics of the sustainability bonds within a formalised bond framework that is aligned with the International Capital Market Association's (ICMA) Green Bond Principles 2021 (including June 2022, Appendix 1), Social Bond Principles 2021 (including June 2022, Appendix 1) and Sustainability Bond Guidelines 2021. The framework also demonstrates a high contribution to sustainability. In addition, we consider that the criteria of 5 out of the 12 eligible categories adhere to all the EU taxonomy criteria (substantial contribution to climate change mitigation, do no significant harm, and minimum safeguards) based on information provided by the entity, as detailed in Appendix 3. The other eligible categories are not covered by the EU taxonomy Climate Delegated Act.



Scope

We have provided a second party opinion (SPO) in accordance with Moody's Investors Service SPO Assessment Framework on the sustainability credentials of the CDC's green, social and sustainability bonds framework, including the framework's alignment with the ICMA's Green Bond Principles 2021 (including June 2022, Appendix 1), Social Bond Principles 2021 (including June 2022, Appendix 1) and Sustainability Bond Guidelines (2021). Under its framework, the CDC plans to issue use-of-proceeds green, social or sustainability bonds to finance projects across seven green categories and five social categories, as outlined in Appendix 2 of this report. We have also considered whether certain eligible categories are defined in accordance with the technical screening criteria ("TSC") set out in Annex I of the Commission Delegated Regulation (EU) 2021/2139 (the "EU Climate Delegated Act") and the Minimum Safeguards set out in Regulation (EU) 2020/852 (the "Taxonomy Regulation"), jointly referred to as the "EU taxonomy criteria". Our work does not constitute a verification or audit of taxonomy alignment.

Our assessment is based on the last updated version of the CDC's framework dated 16 February 2023, and our opinion reflects our point-in-time assessment of the details contained in this version of the framework, and other public and non-public information provided by the issuer.

We produced this SPO based on our Framework to Provide Second Party Opinions on Sustainable Debt, published in October 2022.

Issuer profile

The Caisse des dépôts et consignations (CDC), founded in 1816 and headquartered in France, is a public institution that serves the public interest and economic development of the country. As set out within the French Monetary and Financial Code, the CDC carries out missions of public interest in support of the public policies implemented by the state and local government bodies. Among others, it offers protection of savings, loans, banking services, social housing financing, mobility, retirement schemes management, insurance, business solutions and support to local economic development. Mandated by the French State, local authorities and hospitals, it manages 65 pension and solidarity funds, and plans and serves clients in France. The CDC integrates sustainable development and responsible investment into its strategic orientations, following its core mission of public interest. This is expressed through the alignment of the financial plan with sustainable development objectives, and through aiming to carry out its activities in a responsible and exemplary manner.

Strengths

» Detailed eligibility criteria and relevant target populations, including technical screening criteria from the EU Taxonomy Climate Delegated Acts (substantial contribution and do no significant harm)

» Very structured and transparent process for project evaluation and selection, which incorporates an assessment of ESG risks and benefits for each selected project

» Monitoring of eligibility and controversies throughout the lifetime of the bond

» Reporting to include project-level information, such as the description and environmental and social benefits indicators, prorated to the CDC's participation; the indicators are considered exhaustive, and include environmental co-benefits for social categories and social co-benefits for environmental categories

Challenges

» No external verification of environmental and social impact indicators

Alignment with principles

The CDC's green, social and sustainability bonds framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 (including June 2022 Appendix 1), Social Bond Principles 2021 (including June 2022 Appendix 1) and Sustainability Bond Guidelines (2021):

- ☑ Green Bond Principles (GBP)
- ☑ Social Bond Principles (SBP)
- ○ Green Loan Principles (GLP)
- ○ Social Loan Principles (SLP)
- ○ Sustainability-Linked Bond Principles (SLBP)
- ○ Sustainability Linked Loan Principles (SLLP)

Use of proceeds

Not aligned	Partially aligned	Aligned	Best practices ▼

Clarity of the eligible categories – BEST PRACTICES

The CDC has clearly and comprehensively defined the nature of expenditures, location and eligibility criteria, including relevant exclusion criteria, for all the eligible categories. All social categories have clearly defined and relevant target populations. The issuer will mainly use primary equity or quasi-equity investments to finance the eligible projects. However, the CDC has the capacity to link the funds to specific use of proceeds, ensuring these can be traced and comply with the eligibility criteria. All the eligible projects are located in France. The eligible categories covered by the Climate Delegated Act adhere to the TSC (substantial contribution and do no significant harm), thus constituting a reference to stringent, internationally recognised technical thresholds.

Clarity of the environmental or social objectives – BEST PRACTICES

The CDC has clearly outlined relevant and coherent environmental and social objectives for all eligible categories. For the environmental categories, the objectives include climate change mitigation, energy efficiency, pollution prevention and control, circular economy and protection and restoration of biodiversity and ecosystems. For the social categories, the objectives include access to essential services, affordable infrastructure, and socioeconomic advancement and empowerment. All eligible categories are relevant in relation to the respective environmental or social objectives they aim to contribute to. The environmental objectives are coherent with the EU taxonomy objectives, and the issuer has linked each eligible category to one or several UN Sustainable Development Goals (SDGs).

Clarity of expected benefits – BEST PRACTICES

The CDC has identified clear and relevant expected environmental and social benefits for all the eligible categories. The benefits appear measurable for all the eligible categories and will be quantified in the reporting. The CDC has committed to report only the pro-rated share (%) of its investment in the eligible projects, which is already the case in its prior reports. The CDC has committed to keep the look-back period limited to two calendar years before issuance, and to share the estimated share of refinancing before each bond issuance.

Best practices identified

» Eligibility criteria are clearly defined for all project categories

» Objectives set are defined, relevant and coherent for all project categories

» Relevant benefits are identified for all project categories

» Benefits are measurable and quantifiable for most projects, either ex-ante with clear baselines or with a commitment to do so in future reporting

» Commitment to transparently disclose the share of proceeds used for refinancing where feasible

» Commitment to transparently communicate the associated lookback period(s) where feasible

Process for project evaluation and selection

Not aligned	Partially aligned	Aligned	Best practices ▼

Transparency and quality of process for defining eligible projects – BEST PRACTICES

The CDC has a clear process for identifying, evaluating, selecting and monitoring eligible projects, which is publicly disclosed in its framework and report. The CDC's evaluation and selection process has three steps, each relying on relevant internal expertise. The CDC's investment teams are responsible for the identification and eligibility analysis. They conduct analysis of the extra-financial risks of the projects and review the territorial context, and conduct a pre-identification of potential positive externalities. These teams are also responsible for verifying that the projects have the required social and environmental approvals, and their adherence to the "Do No Significant Harm" (DNSH) criteria. The Commitment Committee is responsible for the confirmation of eligibility of each identified project, and consults additional experts if necessary. The Green, Social and Sustainability Bond Committee (GSSBC) makes the final allocation decision and is responsible for the monitoring of the projects throughout the lifetime of the bonds, and any actions in case of noncompliance of an eligible project. The composition and functioning of each committee is further detailed in the issuer's framework. This process is traceable and documented.

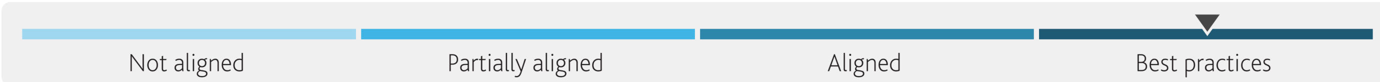
Environmental and social risk mitigation process – BEST PRACTICES

The environmental and social risk mitigation process is disclosed in the CDC's framework, and is embedded in its structured and detailed process for project evaluation and selection. The process implemented includes a combination of identification, management, mitigation, monitoring and control measures. While corrective measures are limited, their absence does not affect our opinion, as the identification and management processes are particularly exhaustive, and as a result, the relevance of corrective measures is diminished. The project selection is based on the CDC "rating tool", which is designed to feed into and inform the internal decision-making process. The extra-financial rating (EFR) is an integral part of the overall rating tool. Each of the three pillars of the EFR — "Environment and Climate", "Social and Territorial" and "Governance" — is rated according to qualitative and quantitative indicators. Projects are expected to maximise their positive impacts while optimising and managing the negative impact generated. The process for identifying potential controversies for financed projects is part of the responsibilities of the GSSBC, and the framework specifies that projects facing controversies can be withdrawn from the list of eligible assets and replaced by other eligible projects.

Best practices identified

- The roles and responsibilities for project evaluation and selection are clearly defined and include relevant expertise
- There is evidence of continuity in the selection and evaluation process through the life of the financial instrument(s), including compliance verification and procedures to undertake mitigating actions when needed
- The process for project evaluation and selection is traceable
- Material environmental and social risks for most project categories are identified
- Presence of corrective measures to address environmental and social risks across projects
- ESG controversies are monitored

Management of proceeds



Allocation and tracking of proceeds – BEST PRACTICES

The CDC has defined a clear process for the management and allocation of bond proceeds in its framework. Net proceeds of the bonds are credited in a separate account and tracked in line with a formalised internal process. The minutes of the GSSBC, which include disbursement decisions for selected projects, serve as the basis for accounting and financial reports that are reviewed by external auditors to ensure effective allocation to eligible projects. Funds are managed on a bond-by-bond basis. Fund transfers are made through the CDC's financial management system, ensuring that the net proceeds of the bonds are equivalent to the disbursements made to eligible projects. The proceeds will be allocated to eligible projects within 12 months.

Management of unallocated proceeds – BEST PRACTICES

Any temporary unallocated proceeds will be managed by the CDC's treasury management team. The types of temporary placements are disclosed in the framework and exclude greenhouse gas (GHG)-intensive activities or controversial activities. In the event that a project is postponed, cancelled or otherwise becomes ineligible, the CDC has formalised in its framework that it will replace that project with a new eligible project or projects within 12 months.

Best practices identified

- Broad disclosure of a clearly articulated and comprehensive management of proceeds policy to external stakeholders; bondholders or lenders at a minimum
- Short allocation period, for example typically less than 24 months
- Disclosure on temporary placement and presence of exclusion criteria toward environmentally or socially harmful activities
- Commitment to reallocate proceeds to projects that are compliant with the framework

Reporting

Not aligned	Partially aligned	Aligned	Best practices

Transparency of reporting – ALIGNED

The CDC will report annually on the bonds issued under its framework, and this reporting will be made publicly available on its website. Such reporting will occur until the maturity of the bond. The reporting is considered exhaustive, and includes a nominative list of financed projects, environmental and social benefits, allocation of proceeds at category level, share of refinancing and co-financing, unallocated proceeds and any significant developments or controversies related to the projects.

The issuer has identified relevant environmental and social reporting indicators for each eligible category and has clearly disclosed these indicators in its framework. In particular, environmental projects include social co-benefit indicators, and social projects include environmental co-benefit indicators, when possible. The calculation methodologies and assumptions used for the environmental and social indicators will be published at the time of reporting. The effective allocation of proceeds to eligible projects, as well as the conformity of these projects with the eligibility criteria, is verified on an annual basis and until bond maturity by the Statutory Auditor of the Caisse des Dépôts, an independent auditor. While the issuer has internal quality assurance processes, the environmental and social impact indicators do not undergo external verification. Of note, apart from this element, the CDC follows all best practices for the reporting pillar.

Best practices identified

» Reporting until full bond maturity or loan payback

» Reporting covers material developments and issues related to the projects or assets

» Reporting on allocation of proceeds and benefits done at least at eligible category level

» Exhaustive allocation reporting – balance or % of unallocated funds, types of temporary investments (e.g. cash or cash equivalent) and share of financing vs re-financing

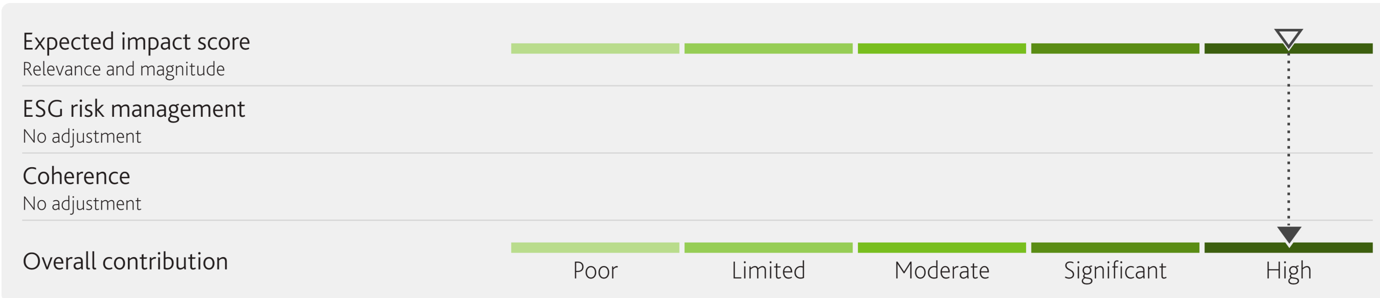
» Clear and relevant indicators to report on the expected environmental/social impact of all the projects, where feasible, or eligible categories

» Disclosure of reporting methodology and calculation assumptions to bondholders or lenders at a minimum

» Independent audit of the tracking and allocation of funds at least until full allocation and in case of material changes

Contribution to sustainability

The framework demonstrates a high overall contribution to sustainability.

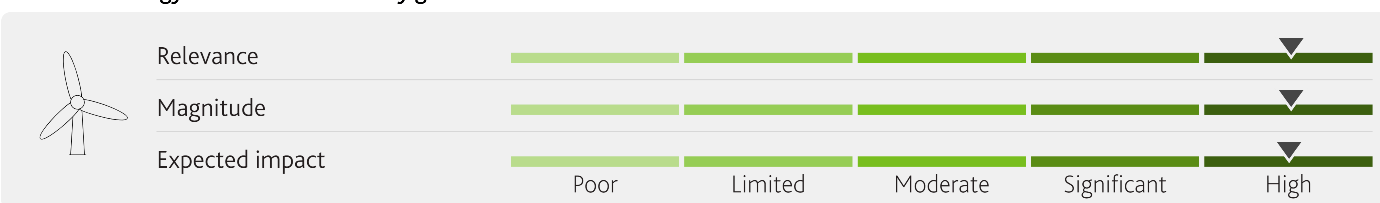


Expected impact

The expected impact of the eligible projects on environmental and social objectives is high. For the purpose of assessing the consolidated score on contribution to sustainability, we have weighted the categories according to estimates provided by the CDC. In particular, the issuer estimates that the great majority of the expenditures will be allocated to projects in the green building, sustainable mobility, renewable energy and access to digital eligible categories.

A detailed assessment by eligible category has been provided below.

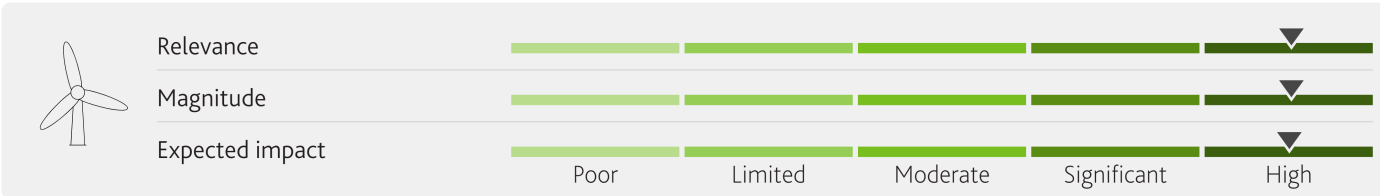
Renewable energy: Renewable electricity generation



Renewable energy production is highly relevant and responds to key environmental challenges that are likely to provide long-term durability to safeguards against rising climate change-related risks. This category is comprised of construction or operation of electricity generation facilities using the following renewable energy technologies: solar panels (photovoltaic and thermal), wind turbines, marine energy, hydroelectricity, geothermal energy and bioenergy (excluding anaerobic digestion). France's energy mix is largely comprised of clean energy, with 55% nuclear, 18% hydro, 11% gas and 10% wind. The share of renewables in France's electricity mix last year was estimated at about 26%, a slight rise from 25% in 2021. Its ambition of boosting the share of renewables to 45% by 2035, alongside the phase-out of the remaining four coal-fired power plants by 2022, is specifically outlined in France's multi-annual energy programme 'Stratégie française sur l'énergie et le climat, Programmation Pluriannuelle de l'énergie 2024-2028' (hereafter the "PPE"[1]); the programme calls for between 33 GW and 35 GW of onshore wind capacity installed by 2028. It is also highlighted by the IEA [2], which states that the uncertainty surrounding the role of nuclear in the electricity mix beyond 2035 supports the need for further increase in renewable energy production. Because the country is lagging behind in achieving these targets, this category is considered highly relevant in facilitating its transition.

The magnitude is considered high because of the expected substantial positive long-term environmental impact with low externalities and adherence to the most demanding industry standard or use of best available technologies. Construction and operation of solar, wind, marine, hydroelectricity, geothermal and bioenergy all adhere to the EU taxonomy criteria laid out in economic activities 4.1, 4.3, 4.4, 4.5, 4.6 and 4.8. With respect to hydroelectricity, the issuer has committed to finance only run-of-river dams and dams with reservoirs meeting an emissions threshold of <100g CO_2/kWh or an energy-density threshold of 5W/m². The issuer has also committed to a threshold of <100g CO_2/kWh for geothermal energy. Note that deep geothermal energy from fractured reservoirs will not be financed with this framework. With respect to bioenergy projects, the issuer has stated that these projects will provide an 80% reduction in GHG emissions compared with fossil fuels, and biomass sourcing criteria have also been specified, except for facilities below 2 MW and gaseous biomass fuels.

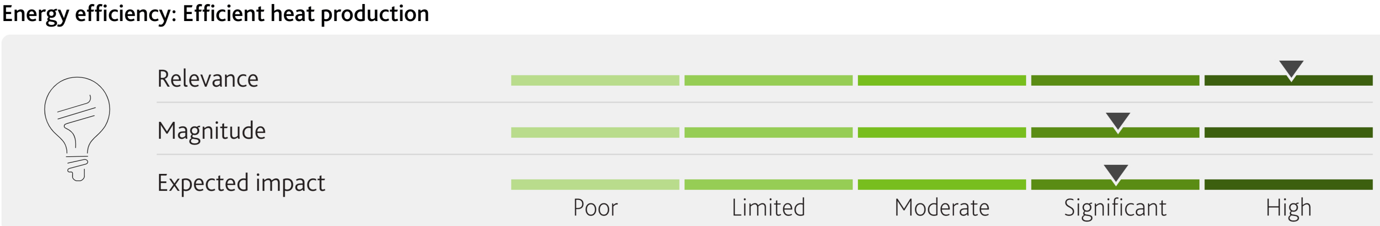
Renewable energy: Renewable energy storage



This category includes the construction and operation of facilities that store intermittent renewable energy. The issuer plans to finance pumped hydropower, compressed air storage, underground heat storage and hydrogen production, and has committed that the first three technologies will only store electricity from low-carbon energy sources. The relevance is high because of the indispensable role in supporting the deployment of intermittent renewable energies on the grid and in reducing the consequences of local variations. According to the IEA, pumped hydro energy storage (PHES) is the most widely used technology and comprises about 96% of global storage power capacity and 99% of global storage energy volume. France, which has about 4,300 MW of PHES capacity on its territory and targets to deploy 900 MW by year-end 2023 and considers it an effective method to supply renewable energy by avoiding reliance on the grid when energy use is at its peak. The relevance of hydrogen is also highlighted in an analysis by the IEA and the Ministry of Ecological Transition[3], who consider it the most promising scalable storage of renewable energy and excepts it to play an important role in achieving global decarbonisation goals. This is further supported by the European Commission's[4] study of energy storage which states that up to 108 GW of electricity storage (batteries and pumped hydro storage) would be required for the EU-28 countries by 2030, with a large deployment of stationary batteries. The same study also highlights the target for these technologies, which is to rise from 50 GW to 73 GW, and their importance as an alternative to electrolysers whose high costs remain a hurdle for wider deployment.

We consider the magnitude high because of the expected substantial long-term benefits with limited externalities and adherence to the most demanding industry standard or use of the best available technologies. Pumped hydropower, compressed air storage, underground heat storage and hydrogen adhere to the EU taxonomy criteria of economic activities 4.10, 4.11 and 4.12. For the production of hydrogen, blue hydrogen is excluded and only water electrolysis is being considered, for which the electricity used is under the threshold of <100g CO_2/kWh. The projects will be in France, a country that respects this threshold and is not prone to freshwater overuse, and therefore, the risk of water stress inherent to hydrogen production is de facto limited. The issuer targets an average of 54 MWh/tH2 for the energy efficiency of the electrolysers, and the category thus seems to follow the most demanding standards and to reach by design the eligibility threshold of the EU taxonomy criteria fixed at 3 tons of CO_2 eq/tH2. While we acknowledge the importance of all the technologies included in this category, the role of batteries should also be recognised in enabling an efficient and scalable storage of renewable energy. This is also confirmed by the IEA, which considers batteries the most scalable type of grid-scale storage, and highlights the need to continue its strong growth in the coming years. While the technology still faces significant hurdles such as high dependency on raw cobalt, IEA's Net Zero Scenario requires the grid-scale battery storage capacity to expand 44-fold between 2021 and 2030 to 680 GW to achieve its targets.

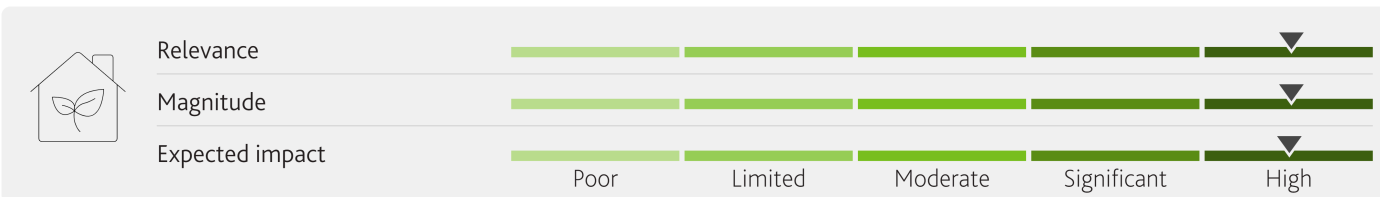
Energy efficiency: Efficient heat production



This category is considered highly relevant, and it includes the construction, refurbishment and operation of pipelines and associated infrastructure for renewable heating, cooling and cogeneration units, and waste heat acquired from the downstream of industrial units. In 2020, heat represented nearly 45% of the final energy consumed (including in industry, residential and offices) in France and around 80% of it came from fossil fuels. With renewable energy (biomass, HP, Geothermal, solar) representing a minor portion of the energy source, facilitating its increase is critical to the decarbonisation of the country.[5] Its relevance is supported by the French government's target to increase the use of renewable heat to 25% (196 TWh) by 2023 (vs 2017) and to 40%-60% (247 TWh) by 2028 (vs 2017). The relevance of this category in the context of France is confirmed by its correspondence to the specific recommendations under the PPE's transition and investment strategy. This strategy includes the replacement of 10,000 coal-fired heaters and one million oil-boilers with renewable heat production and energy-efficiency measures (i.e., district heating, cogeneration biomass, geothermal, gas or solar thermodynamic, downstream of industrial units).

The magnitude is significant given its application of stringent thresholds and relevant exclusion criteria that ensures long-term positive impacts. Eligible projects adhere to the EU taxomony criteria laid out for economic activities 4.15, 4.17, 4.18, 4.19, 4.20 and 4.25, for both new networks and the renovation of existing networks. In addition, eligible projects must hold the French label "Ecoréseau de chaleur"or a similar label, and the cogeneration networks must respect the threshold of <100g CO_2/kWh. Although the EU taxonomy criteria will be followed and the financing of natural gas-fired power plants is excluded from the framework, there is uncertainty around the environmental credentials of the source of waste heat. While the issuer has shared that currently, the vast majority of waste heat comes from waste incineration facilities, with certain marginal examples from industrial sites (such as paper production), there is no eligibility or exclusion criteria regarding the industry of origin (e.g., cement factories, steelmaking and manufacturing, fertiliser industry). Furthermore, the efficiency of the recovery process is largely determined by the type of technology deployed (e.g., recuperators, regenerators, waste heat boilers and run-around coil) and this lack of clarity leads to uncertainty as to whether or not the project can achieve the highest contribution to sustainability.

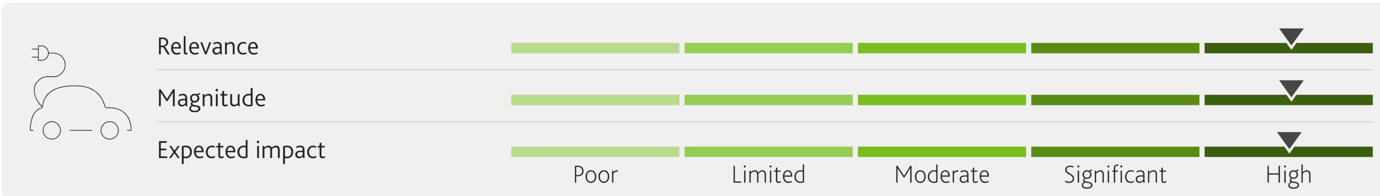
Green real estate: Green buildings



Development of eco-efficient residential and nonresidential buildings in France is highly relevant given it is the second-largest energy-consuming sector, and the associated targets that the government has put in place for the energy efficiency in buildings. According to the Ministry of Ecological Transition, the real estate sector accounts for 44% of the energy consumed in France, mainly because of the heating needs of the residential sector, and 36% of the energy-related GHG emissions. Given the scale of energy consumption by buildings, the construction of energy-efficient buildings is a priority in France under the PPE. Supporting the relevance of the category is the 2018 Multiyear Energy Program, which has set a goal to reduce the final energy consumption of buildings (TWh) by 15% between 2016 and 2028. According to the National Low-carbon Strategy, 500,000 buildings must be completely renovated each year between 2015 and 2030 and 700,000 buildings per year between 2030 and 2050, compared with fewer than 300,000 buildings currently.

The magnitude is high as stringent thresholds for the most carbon intensive stages of the building's life cycle will be applied, promoting long-term benefits. All eligible projects, including new constructions after 31 December 2020 and renovation, will adhere to the requirements set forth by the EU taxonomy criteria for economic activities 7.1, 7.2 and 7.7. For new buildings, the primary energy demand (PED) will be 10% lower than the threshold set for the nationl nearly zero-energy building (NZEB) requirements. It also avoids any significant harm by abiding by regular GWP and airtightness calculations for buildings larger than 5,000 m². Renovation of a building requires a reduction in PED of at least 30% within a maximum of three years, compared with the energy performance of the building before renovation. A majority of the funds will be allocated to the acquisition of new buildings, which will systematically have top level green building certifications, including BREEAM NC, LEED, Haute Qualite Excellence (HQE) and Label Batiment Biosource. CDC has confirmed that the vast majority of the new buildings obtained the permits after 2022, subjecting them to France's national stringent regulation RE2020, which requires an LCA analysis.[6] Buildings that acquired permits prior to 2022 will be required to achieve a 20% higher energy performance than RT2012. [7]RE2020 thoroughly considers the LCA with emphasis on the operational energy, construction and material stages. [8] In order to ensure its alignment to the allocated carbon budget under France's National Low-Carbon Strategy (SNBC), RE2020 has set an indicator for each of the respective stages called "IC energie" and "IC construction". These thresholds are required to fall over time from 2022 through 2031, ensuring its effective contribution to the national transition plan. Of note, France is currently projected to overshoot its net-zero target.[9]To avoid such outcome, further efforts can be made with regard to the removal of raw materials from the earth, transportation of these materials, manufacturing of finished or intermediate materials, building product fabrication, and packaging and distribution of building products.

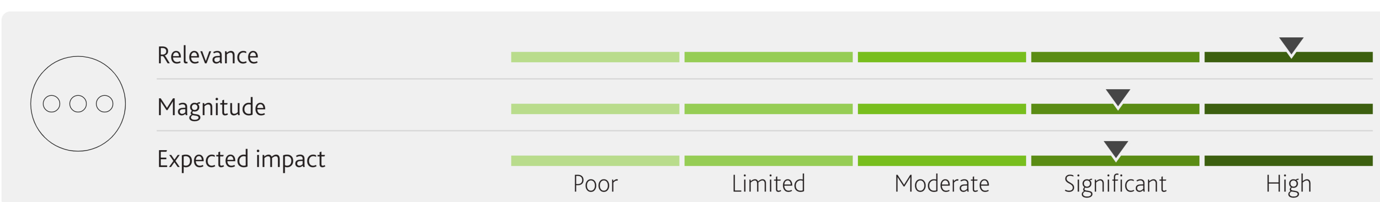
Clean transportation and mobility: Sustainable mobility infrastructure and services



The purchase, financing, leasing, rental, construction, operation or maintenance of transport with zero direct (tailpipe) CO_2 emissions or dedicated infrastructure is highly relevant in the context of France, where transportation accounts for 31% of the energy consumed and about 30% of the country's total GHG emissions. The transportation projects to be financed are rail, inland water, sea and coastal water freight, urban and suburban road (electricity charging, hydrogen-based refueling, fleets of clean rolling materials, infrastructure, equipment, and services for pedestrians and bicycles), and intermodal exchange hubs enabling transfers (train station). The strategy by the Ministry of Transition for 2024-28 promotes the use of rail, river and sea modes in the transport of goods. The European Commission also targets further electrification of transportation as well as interconnected rail system. Except for ships, which will represent a minority of the projects financed, most of the projects will be located in France. According to the International Chamber of Shipping[10], shipping plays a central role in the global economy and requires an enormous amount of energy, accounting for about 2% of the total CO_2 emissions of the global economy. It also suggests a reduction in annual GHG emissions by at least 55% by 2030 from 1990 levels in order to achieve climate neutrality by 2050, which will required substantial investment and intensive R&D.

The magnitude is high as long-term benefits are expected because of the application of stringent thresholds that ensure the decarbonisation of the transport sector. CDC has confirmed that financing of LNG cargo ships is excluded, and that proceeds from this category will go mainly to zero emission mobility projects. The considered maritime transport projects are sail cargo ships (including prototypes), aiming for an 80-90% reduction in GHG emissions in comparison to conventional ships. Eligible projects adhere to the EU taxonomy criteria laid out for economic activities 6.1, 6.3, 6.4, 6.5, 6.7, 6.10, 6.13, 6.14, 6.15 and 6.16. The electrical rail network respects the threshold of 100 gCO2/kWh, further decarbonising the low-carbon transport in France. "Intermodal hubs" are intended only for modes of transport with zero direct tailpipe CO emissions. In terms of inland, sea and coastal transport by vessels, the CDC intends to finance vessels that derive at least 75% of their energy from fuels with zero direct CO emissions (exhaust) or power on load during their normal operation at sea and in port, a more stringent criterion than the one set by the EU taxonomy criteria (25%).

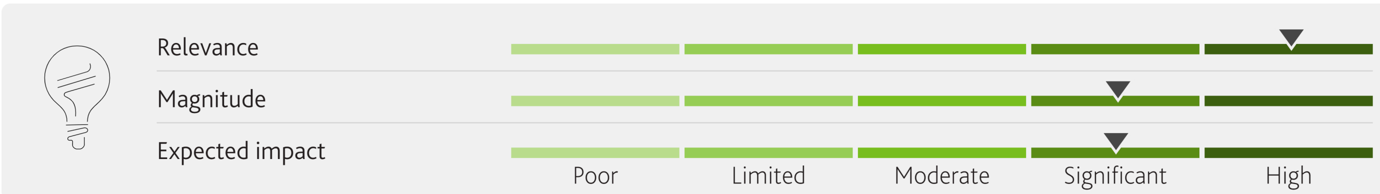
Decontamination and remediation of sites: Soil decontamination



The decontamination of grounds and basements is considered highly relevant for France because of the high number of untreated wastelands, which are harmful to local biodiversity. These projects are undertaken through professional private equity funds , which acquire contaminated urban sites with strong redevelopment potential, to carry out asbestos removal, demolition and decontamination work, and the real estate development (office and residential) on the decontaminated site. The remediation fund should allow the rehabilitation of sites and CDC has confirmed that only projects in France are eligible. There are around 2,400 industrial wastelands (not including commercial and administrative wastelands) identified in France in 2020, with high estimates reaching 150,000 hectares, that is, more than 0.27% of the French territory. To address the issue, the government established the 2018 Biodiversity Plan[11], which has set an objective of zero net artificialisation in France.

The magnitude is significant because of the long-term benefits expected from the land decontamination. The decontaminsation processes include physical, chemical, biological and thermal treatments. Technologies incorporated ensure the effective treatment of such land, and include biological and anaerobic treatments, venting, bioventing, dual-phase extraction, in-situ thermal desorption, washing, flushing, chemical reduction, chemical oxidation and dehalogenation by zero iron. Although the construction of residences and offices over these decontaminated sites raises concerns regarding the environmental performance of the buildings, RE2020[12] provides assurance on the environmental credentials of the buildings. For example, it includes the carbon analysis of materials and equipment used (glass wool, BA13, heat pump, etc.). However, concerns remain with respect to the efficiency of the decontamination process due to a lack of visibility on technology and thresholds applied. While it remains difficult to estimate the full extent of this category's impact, environmental impact studies are routinely conducted to ensure the benefits of decontamination and future use of the land.

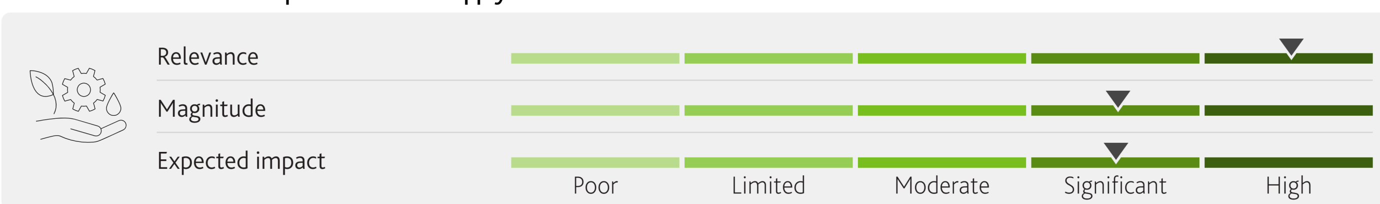
Digital infrastructures: Eco-efficient data centres



The digital sector (including the hardware footprint) accounts for an estimated 3%-4% of global energy consumption. Data centres play a central and growing role in data storage: according to the Shift Project, traffic passing through data centres has drastically increased by more than 35% per year between 2016 and 2021[13]. As data centres account for 19% of the digital sector's energy consumption, the development of energy-efficient data centres should play a role in reducing the carbon footprint of the digital sector. The development of a local data ecosystem could lead to a smaller digital footprint, especially if the electricity used to power data centres is low carbon, which is the case in France.

The magnitude is significant as the issuer follows the criteria for substantial contribution to climate change mitigation from the EU Climate Delegated Act for the economic activity data processing, hosting and related activities. While these criteria are relevant, they focus mainly on the energy efficiency of the buildings and the equipment themselves, and do not cover the carbon footprint from the production of the equipment, or the role that the reduction in the number of digital devices could play in lowering GHG emissions from the digital sector.

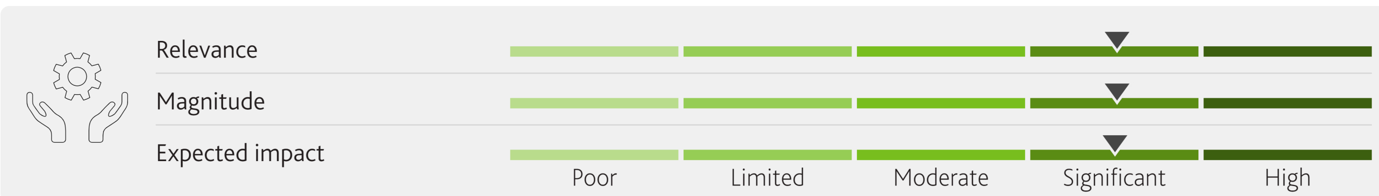
Food transition: Sustainable production and supply chains



This category has multiple environmental objectives, all of which are relevant in the context of France. It addresses the issues of biodiversity production through organic farming practices, climate change mitigation through land use and reduced transport, and circular economy through reduction in packaging. Regarding biodiversity, in metropolitan France, agricultural ecosystems cover around 54% of the territory.[14] Yet, changing farming practices have had several negative impacts on the diversity of species in the agricultural ecosystems, with bird, insect and bat populations particularly affected. In addition, the average organic carbon content of cultivated soils and their biological activity have decreased in several regions. Although the consumption of organic products has more than tripled in the last 10 years in France (7% of total food consumption in 2020 compared with 2% in 2010) and, according to Agence Bio, two-thirds of these products originate from France, the production of organic products currently represents only 9.5% of the useable agricultural areas in the country.[15] Therefore, there is a real challenge for the protection and regeneration of ecosystems. Regarding climate change mitigation, in 2020, 19% of France's GHG emissions came from agricultural activity, highlighting the relevance of providing alternatives to current agricultural practices. Addressing the circular economy is relevant in France, where total waste generated per person per year reaches 548 kg, well above the global average of 376 kg.[16]The magnitude is significant because while the CDC follows clear criteria and relevant thresholds, it is not always using the most effective solution available to respond to the environmental objectives. Financing short supply chains has several advantages. These initiatives avoid food imports with production methods that use substances banned in the EU. In addition, they promote seasonal fruit and vegetables, which are essential for preserving biodiversity. They also support the structuring of agricultural sectors by creating jobs that cannot be relocated, thus revitalising rural areas.

Although it is important to note that the impact of organic farming is still debated, several studies have highlighted its ecological value. The longest comparative study conducted on the subject (21 years) shows that this type of agriculture consumes up to 50% less fertilizer than the "conventional" approach and no pesticides (with rare exceptions), which has a positive impact on the ecosystems.[17] However, the objective of climate change mitigation as identified by the CDC is not particularly relevant to short supply chains: although, according to a Senate report, France imports 20% of its food,[18] the organisation Climate Action Network explains that the transport of food products represents only 13.5% of the GHG emissions of the French diet (compared with 67% from the production phase). In addition, according to a report by the European Commission (2019), the main ways in which the sector could reduce its GHG emissions are related to certain spraying systems and self-steering devices for agricultural machinery and are not related to organic farming per se.[19] Regarding the transition to a circular economy through packaging initiatives, the technical criteria are considered clear and relevant. Apart from highlighting the environmental considerations of this category, it is important to emphasise the social co-benefit of this category, which is to allow the greatest number of people to access quality food and to support local jobs.

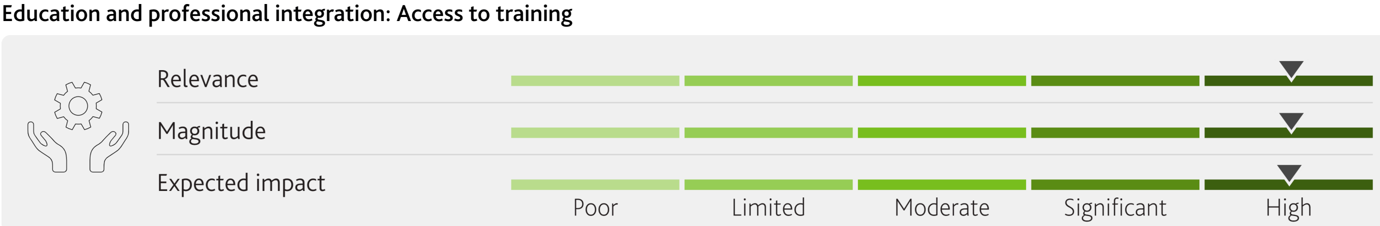
Digital infrastructures: Access to digital



This category aims to enable the installation of optic fibre networks in regions of France with deployment difficulties. According to Europe's 2022 Sustainable Development Report, France is on track to achieve the Sustainable Development Goal 9, particularly for access to a high-speed Internet connection, and differences in Internet access in urban areas versus rural areas.[20] However, there are still areas in France where the optic fibre infrastructure has not yet been deployed, because it is not profitable for a private operator. In addition, France is below the EU average in terms of high-speed internet coverage. It is therefore relevant for public-sector entities to intervene to ensure the investment and deployment conditions for these infrastructures, as illustrated by France's "Very High Speed" Plan[21], in line with this eligible category. In addition, the health crisis has highlighted the importance of access to a good internet connection, which allows access to work, education, public services and culture.

The magnitude is significant as the category targets a relevant population, those without access to fibre optics (including digital deserts) and where the GDP per capita is below the national average. However, it does not specifically target the most vulnerable populations regarding this social issue. The underground installation of the cables integrates climate change adaptation issues, ensuring that access to these digital infrastructures is resilient to climate disasters. In addition, the inclusion of training and support for local employment with specialised skills for the optic fibre sector helps ensure long-term benefits, and equipping the target population with the necessary tools to ensure access to digital infrastructure. Regarding affordability, France ranks well in terms of internet prices, compared with other European countries.

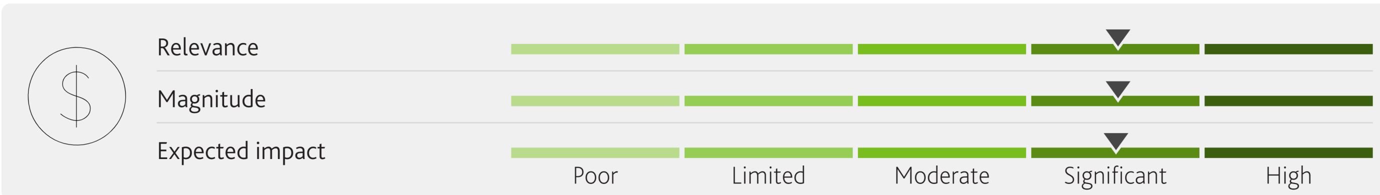
Education and professional integration: Access to training



This category aims to finance free, qualifying and/or professionalising training for people with socio-professional integration difficulties. The Ministry of Solidarity and Health clearly recognises the link between work and social integration. It states that the prevention of and fight against poverty aims at transforming the French social model to better support vulnerable people towards securing employment. Social empowerment through employment is one of the major ambitions of the poverty reduction strategy. Unemployment rates in France, both for youth and for the general population, are above the EU averages. A 2022 study shows that the vast majority of unemployed people in France have been unemployed for more than a year and that the people most affected are young people (under 24 years old),[22] highlighting the relevance of this category and its focus on the defined target population.

The magnitude is high as financing training for the defined target populations is particularly relevant since it provides them with skills to (re)integrate socially, which leads not only to long-term gains but also to increased empowerment for these individuals. The definitions of the eligible training and target populations identified by the issuer are clear, and most of them are specified according to regulations. The target populations are considered to be the most vulnerable as they target the unemployed and residents of "priority neighborhoods" (neighbourhoods with higher poverty and unemployment).

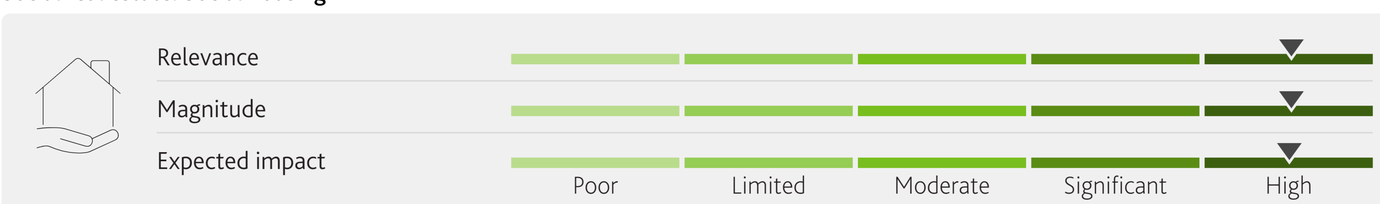
Social Solidarity Economy (SSE)



This category will finance investments in any company qualified as "social and solidarity economy" (SSE) according to the definition of the French law of July 31, 2014. The SSE is formally defined in French law and refers to a set of enterprises organised as cooperatives, mutual societies, associations or foundations. With the health crisis, the SSE has been both a response to the crisis and an affected sector. The latter represents 14% of private employment. In the second quarter of 2020, 52,000 jobs disappeared, as did 6.5% of the establishments.[23] However, in the private sector, excluding the SSE, these closures are much less significant, representing around 1% of the establishments. Financing these enterprises is therefore relevant.

The magnitude is significant as the target population is well defined but remains broad, and there is no further geographical targeting for areas in France where there might be a particular need to support the SSE sector. By supporting these enterprises, the issuer promotes jobs and SSE activity, which by definition aims to have social impact. The expected impact is considered to be long term. However, the specific impact will depend on the activity of each company, and as the expenditures are broadly defined as investments in these companies, there is little visibility into what the funds will be used for more precisely.

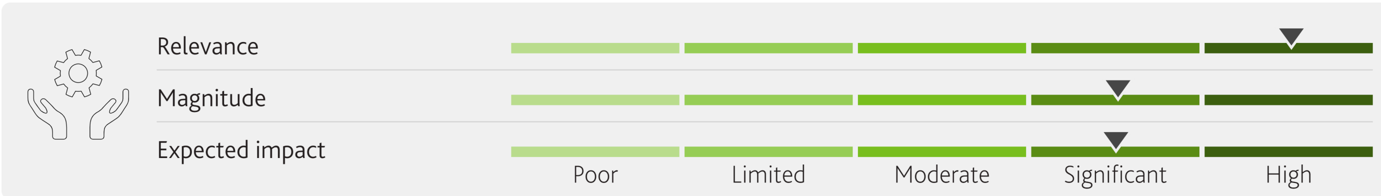
Social real estate: Social housing



This category contributes to the production of social housing through support of certified social housing project managers. According to a study by the National Institute of Statistics and Economic Studies, "Housing Conditions in France, 2017 Edition", rent indices have risen faster than consumer prices and gross disposable household income since the 1980s, leading to a sharp increase in the share of income devoted to housing expenses in recent years. The same study highlights that between 1984 and 2013, the social housing stock became scarcer, leading to a queue effect: households have to wait longer for housing, and in particular, their chances of obtaining housing before the age of 30 are reduced. Housing difficulties remain in France. The 2023 report from the Fondation Abbé Pierre on inadequate housing highlights that investment in social housing has decreased in the last few years and is insufficient to meet demand,[24] highlighting the high relevance of this category.

The magnitude is high because facilitating access to housing is considered to have a positive long-term impact. Social housing is a well-regulated sector in France, ensuring adequate rental prices and clear eligibility criteria for the target population. There are different criteria for social housing, targeting populations with various criteria and income thresholds. The category will finance both "PLAI" and "PLUS" social housing[25], with PLAI housing benefitting the most vulnerable populations in the most precarious situations, and PLUS housing targeting households meeting the thresholds defined by regulation.

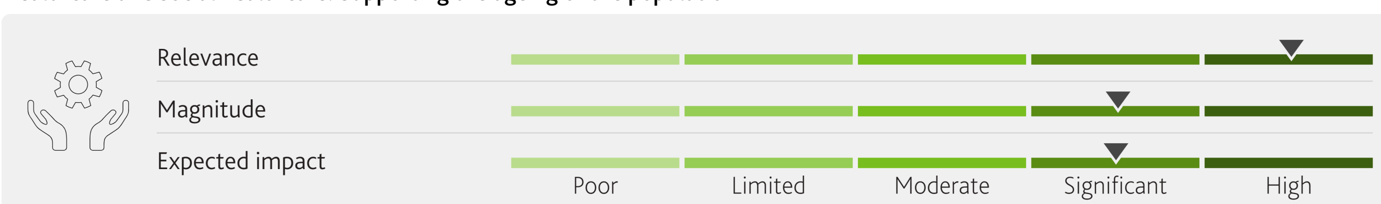
Healthcare and social healthcare: Reduction of medical deserts



This category aims to reduce medical deserts by investing in health centres and companies in the health sector, and supporting health professionals in the targeted areas. According to the WHO universal health coverage indicator, France is ranked 32nd in terms of access to health care. In 2018, the density of doctors was 317 per 100,000 inhabitants, compared with 347 for the average of EU-15 countries.[26] France also seems to be proportionally better resourced in terms of general practitioners than in terms of specialised physicians. In addition, there is an unequal geographical distribution of health professionals, an inequity that is mainly concentrated in rural areas, particularly within regions.[27] Access to health services remains a challenge in France, particularly because of the presence of multiple professional licensing boards, which can limit the number of doctors and the number and distribution of specialists in the territory; and the variation in the territories' appeal. A French senate report from 2022 addresses the challenges of medical deserts in France, amounting to an estimated 1.6 million French people renouncing medical care each year,[28] highlighting the high relevance of this category.

There are various criteria for defining a medical desert. The one selected by the CDC is "areas characterized by a high and/or above average access time to local care of 20 minutes". Therefore, the target population is precisely defined. It is important to note that in 2018, 98% of the population in France resided in a town located less than 10 minutes from a general practitioner.[29] Thus, the CDC seems to target rural areas and particularly mountainous areas. By financing health centers, and devices and equipment allowing the establishment of doctors, the CDC may respond to the territories' lack of appeal. The CDC also intends to finance the development of telemedicine, whose impact on the reduction in the number of medical deserts remains uncertain. Although healthcare expenditures in France are in many cases regulated, there are no affordability criteria for the financed projects, potentially limiting their impact on the most vulnerable populations, explaining the significant magnitude score for this category.

Healthcare and social healthcare: Supporting the ageing of the population



Health and housing services for the elderly are a highly important social issue for the public sector. Not only is France's population aging, but also the elderly are increasingly isolated. In 2013, the proportion of people aged 65 and over living alone was 33.5%, with a lack of access to Establishments of Accommodation for Dependent Elderly People (EPHAD).[30] Further, EPHAD themselves face recurrent challenges: in an opinion from May 2018, the National Consultative Ethics Committee had warned of the treatment of elderly people in France, and the EPHAD sector faced controversies over the mistreatment of residents.[31] This highlights the relevance of investing in support for healthcare for the elderly, and providing solutions for adapted housing and services.

To address these challenges, the CDC plans to finance medico-social real estate including senior residences that will need to meet at least the requirements of the "NF Habitat HQE 6 Stars" certification, co-living residencies and EPHADs; services in the field of ageing, including digital and security services; and social impact companies in the field of ageing. Through the diverse projects being financed, the CDC seems to be responding to the isolation of the elderly in France by providing different solutions tailored to different needs of the target population. Regarding the controversies facing the sector, the CDC states that it has in-depth knowledge of the public and private EHPAD operators, and that the project selection and evaluation process ensures the exclusion of any project facing controversies, including an annual audit of the projects' compliance with eligibility criteria by an independent third party. Regarding affordability, the pricing of residencies is regulated in France, where care and dependency costs are mostly covered by the government and accommodation costs are mostly means-tested. However, there are no additional criteria to ensure the affordability of the financed projects for end beneficiaries, explaining the significant magnitude score. It should be noted that by virtue of the environmental certification criteria, the construction or renovation of senior service residences has environmental co-benefits.

ESG risk management

We have not applied a negative adjustment for ESG risk management to the expected impact score. The CDC has a robust ESG risk management system. The project selection is based on the CDC "rating tool", which is designed to feed into and inform the internal decision-making process, as described in the "Process for project evaluation and selection" section above. The CDC has chosen to voluntarily comply with the Extra-Financial Performance Declaration Framework ("déclaration de performance extra-financière" or DPEF for its abbreviation in French) introduced by the French Decree No. 2017-1265. In 2020, significant risks were identified, including the 15 main ones under the DPEF. All projects financed by Caisse des Dépôts' green or sustainable bonds benefit, through Banque des Territoires, from dedicated monitoring and reporting on their impacts, including avoided GHG emissions, jobs supported, energy performance, energy savings and green energy production.

To ensure proper environmental risk management, the CDC has carried out an alignment analysis with the requirements of the Do Not Significantly Harm (DNSH) criteria for the categories covered by the EU taxonomy criteria relating to climate change mitigation and adaptation to identify any gaps with respect to these requirements. In particular, the eco-design approach of projects at different stages of their life cycles is covered by the DNSH "Transition to a Circular Economy". The analysis carried out shows that the required criteria are a priori covered by the French legislative and regulatory framework, and if necessary, supplemented by additional measures. An environmental impact assessment is carried out systematically for certain types of projects (transport-related projects are systematically subject to an analysis of pollution and related GHGs) and on a case-by-case basis for others, in line with the Environmental Code.

In terms of social risks, the consideration of human rights is materialised by various policies and in particular by the responsible investment policy, the anti-money laundering and combating the financing of terrorism (AML/CFT) policy and the ethical framework for the consideration of human rights in its investments through their ESG analyses. In addition, since 2019, the CDC has ensured through its Permanent Control and Compliance Department that the due diligence is effectively implemented in subsidiaries subject to the law. Human rights issues are also generally integrated into the reporting mechanisms, including various reporting systems that must be deployed by all entities. The CDC is committed to upholding the 10 principles of the United Nations Global Compact, which are grouped into four areas, including human rights. These issues are dealt with and monitored by the departments and businesses concerned. In particular, the financial businesses include these issues in their ESG analysis and monitoring, and take action to promote shareholder engagement in the event of non-compliance. As far as the Banque des Territoires is concerned, its Investment Department must respect the Doctrine of Intervention of the Banque des Territoires and in particular this statement: "It respects the major principles recognized by the international community, including the respect of human rights, freedom of association and the right to collective bargaining, and the elimination of forced labor and child labor and discrimination in employment." In certain shareholder agreements, the issuer indicates obligations or commitments in terms of ESG and in particular on labour.

Coherence

We have not applied a negative adjustment for coherence to the expected impact score.

Projects financed under the framework are in line with the sustainability strategy detailed in the framework and France's transition strategy. The CDC implements a global strategy with the objective of enabling France's economic development to be sustainable, inclusive and responsible. Therefore, all the projects included in the framework contribute to the sustainable development of the country with the mission of accelerating its transition towards a resilient and low-carbon economic model that is respectful of biodiversity while considering the social dimension of the transition. The issuer's sustainability strategy aligns the organisation's activities and financial planning with its sustainable development objectives across five key areas:

» Accelerating the transition to a climate- and biodiversity-neutral economy

» Fostering inclusive local development

» Promoting the balanced development of territories and promoting housing for all

» Accelerating and modernising the implementation of social policies

- Ensuring that activities and practices are conducted in a responsible and exemplary manner

In 2023, the issuer has added a revised strategy that strengthens the coherence with the framework:

- Refrain from investing directly in listed equities and debt securities of companies whose coal mining activity or coal-fired power generation exceeds 5% as of January 1, 2023
- Exclude financing for companies where 10% of the turnover is exposed to shale gas and oil, bituminous sands, Arctic oil and gas, and which undertake to achieve zero exposure to unconventional hydrocarbons before 2050
- Exclude from its direct investments and financing not only the development of new oil production projects, but also gas (upstream) and transport infrastructure directly associated with these new projects (upstream)

Appendix 1 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The 14 eligible categories included in the CDC's framework are likely to contribute to 12 of the United Nations' Sustainable Development Goals (SDGs), namely: No Poverty, Zero Hunger, Good Health and Well-being, Quality Education, Affordable and Clean Energy, Decent Work and Economic Growth, Industry, Innovation and Infrastructure, Reduced Inequality, Sustainable Cities and Communities, Responsible Consumption and Production, Climate Action, Life on Land.

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 1: No Poverty	Socia and Solidarity Economy Social Real Estate	1.2: Reduce at least by half the share of people living in poverty according to national definitions
		1.4: Ensure all have equal rights to economic resources, access to basic services, property ownership and finance
GOAL 2: Zero Hunger	Food Transition	2.4: Ensure sustainable food production systems that improve productivity and support ecosystems and climate change adaptation
GOAL 3: Good Health and Well-being	Healthcare and Social Healthcare	3.8: Achieve universal health coverage with access to quality and affordable essential health-care services and medicines for all
GOAL 4: Quality Education	Education and Professional Insertion	4.4: Increase the number of youth and adults with technical and vocational skills for employment and entrepreneurship
		4.5: Eliminate gender disparities in education and ensure equal access to education and training for vulnerable persons
GOAL 7: Affordable and Clean Energy	Renewable Energy Energy Efficiency Green Building Healthcare and Social	7.2: Increase substantially the share of renewable energy in the global energy mix
		7.3: Double the global rate of improvement in energy efficiency
GOAL 8: Decent Work and Economic Growth	Access to Digital Infrastructure Social and Solidarity Economy	8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation
		8.3: Promote policies that support productivity, job creation, entrepreneurship, innovation, and encourage the growth of SMEs
GOAL 9: Industry, Innovation and Infrastructure	Transportation and Sustainable Mobility Eco-Efficient Data Centres Access to Digital Infrastructure	9.1: Develop sustainable infrastructure to support economic development and human well-being, focusing on equitable access
GOAL 10: Reduced Inequality	Access to Digital Infrastructure Education and Professional Insertion Social and Solidarity Economy Social Real Estate Healthcare and Social Healthcare	10.2: Empower and promote the social, economic and political inclusion of all
GOAL 11: Sustainable Cities and Communities	Social Real Estate Transportation and Sustainable Mobility Social Real Estate	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
		11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
		11.A: Support economic, social and environmental links between urban and rural areas by strengthening development planning
GOAL 12: Responsible Consumption and Production	Food Transition	12.2: Achieve the sustainable management and efficient use of natural resources
		12.4: Achieve environmental management of chemicals and all wastes, and reduce their release to air, water and soil
GOAL 13: Climate Action	Green Buildings Renewable Energy Energy Efficiency Transportation and Sustainable Mobility	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
		13.2: Integrate climate change measures into national policies, strategies and planning
GOAL 15: Life on Land	Pollution Prevention and Control Food Transition	15.3: Combat desertification and restore degraded land and soil
		15.6: Promote fair and equitable sharing of the benefits from genetic resources

The United Nations' SDGs mapping in this SPO takes into consideration the eligible project categories (or key performance indicators) and associated sustainability objectives/benefits documented in the issuer financing framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 2 - Summary of eligible categories in the CDC's framework

Eligible Category	Description	Sustainability Objectives	Impact Reporting Metrics
Renewable energy: Renewable electricity generation	Solar photovoltaic; On shore and offshore Wind farms; Marine energy; Micro-hydraulic; Geothermal; Biomass Eligibility criteria: - Construction or operation of electricity generation facilities using renewable energy. - Projects meeting the EU Taxonomy alignment criteria for relevant economic activity as defined in Appendix 1 of CDC's framework.	Climate Change Mitigation	Installed electricity capacity in MW Electricity production in MWh/year Amount of stored energy / storage capacity Number of jobs directly supported in FTE/year GHG emissions avoided in tCO2eq/year Number of households equivalent covered
Renewable energy: Renewable energy storage	Intermittent renewable energy storage: • Mechanical technology: pumped hydroelectric energy storage (PHES), compressed air energy storage (CAES) • Thermal and thermochemical technology: sensible heat or latent heat, energy by sorption • Chemical technology: storage in the form of hydrogen gas Eligibility criteria: - Construction and operation of facilities that store renewable energy and return it at a later time in the form of electricity or renewables such as hydrogen or thermal energy. - Projects meeting the EU Taxonomy alignment criteria for relevant economic activity as defined in Appendix 1 of CDC's framework.	Climate Change Mitigation	
Energy efficiency: Efficient heat production	Rehabilitation or construction of: • Heating or cooling networks • Cogeneration biomass, geothermal, gas or solar thermodynamic • Downstream of industrial units Eligibility criteria: Construction, refurbishment and operation of pipelines and associated infrastructure for heating, cooling, and cogeneration units holding the French label « Ecoréseau de chaleur » or aiming to achieve such labelling.	Climate Change Mitigation	Installed heat capacity in MW Heat production in MWh/year Number of jobs directly supported in FTE/year GHG emissions avoided in tCO2eq/year Number of households equivalent covered
Green real estate: Green buildings	New construction and thermal rehabilitation: Tertiary real estate; Residential real estate; Commercial real estate; Leisure, sport and cultural real estate; Tourist residences; Resorts Eligibility criteria: - Development of eco-efficient buildings projects and civil engineering works for residential and non-residential buildings located in France. - Projects meeting the EU Taxonomy climate change mitigation criteria for construction of new buildings, renovation of existing buildings, and acquisition and ownership of buildings.	Climate Change Mitigation	Average energy consumption in kWhep/m²/year GHG emissions avoided relative to local baseline in tCO2eq/year Energy savings relative to local baseline in kWhep/year Jobs directly and indirectly supported by construction work and renovation in FTE/year
Clean transportation and mobility: Sustainable Mobility Infrastructure and Services	• Rail transport: Infrastructure; Passenger transport • Inland water transport: Infrastructure; Passenger transport • Sea and coastal freight water transport • Urban and suburban road transport: Infrastructure (electricity charging, hydrogen-based refuelling…); Passenger (and/or freight) transport: fleets of clean rolling materials; Operators of smart and sustainable mobility services based on clean rolling materials • Gentle mobility (pedestrians and bicycles): infrastructure, equipment, and services • Intermodal exchange hubs enabling transfers (Combined transport platforms rail-road, or rail-in-river ; multimodal platforms allowing access to clean modes (train station) Eligibility criteria: - Projects related to the purchase, financing, leasing, rental, construction, operation or maintenance of transport with zero direct (tailpipe) CO2 emissions or dedicated infrastructure. supporting such transport - For purchase, financing, chartering (with or without crew) and operation of vessels designed and equipped for transport of freight or for the combined transport of freight and passengers on sea or coastal waters: until 31 December 2025, hybrid and dual fuel vessels derive at least 75 % of their energy from zero direct (tailpipe) CO2 emission fuels or plug-in power for their normal operation at sea and in ports - Where relevant, the vehicles and/or infrastructure are not dedicated to the transport or storage of fossil fuels.	Climate Change Mitigation	GHG emissions avoided in tCO2eq/year Number of jobs directly supported in FTE/year Number of users Number of alternative refueling points under construction

Source: CDC's Framework

Eligible Category	Description	Sustainability Objectives	Impact Reporting Metrics
Decontamination and remediation of sites: Soil decontamination	Decontamination of grounds and basements for all types of sites to make them suitable for a new industrial, commercial or residential use: Physical trématent; Chemical treatment; Biological treatment; Thermal treatment Eligibility criteria: - Landscapes located in France - Targeted sites of small or medium size (from 1 to 20 hectares), significantly polluted (soil and building) with a strong redevelopment potential, located near major urban areas suffering a shortage of building land. - Cost of decontamination very important compared to the overall budget of the development operation.	Pollution prevention and control Climate Change Mitigation	Number of sites to be decontaminated Surface area to be decontaminated in ha Nature of use of decontaminated sites in % Number of jobs directly / indirectly supported in FTE/year GHG emissions avoided in tCO2eq/year
Digital infrastructures: Eco-efficient data centers	Territorial Data center Eligibility criteria: - Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres. - Projects with a Global warming potential (GWP) of refrigerants used in the data centre cooling system not exceeding 675 - Projects having implemented all relevant practices listed as "expected practices" in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency, or in CEN-CENELEC doc-ument CLC TR50600-99-1 "Data centre facilities and infrastructures - Part 99-1: Recommended practices for energy management". The implementation of those practices is verified by an independent third-party and audited at least every 3 years	Climate Change Mitigation	Datacenter power consumption in kWh/year Power consumption of IT equipment in kWh/year Consumption of green electricity from the network / from on-site renewable energy infrastructures in kWh/year Power Usage Effectiveness / Carbon Usage Effectiveness / Renewable Energy Factor
Food transition: Sustainable production and supply chains	• Processing units: vegetable factories, canneries; • Distribution units: logistics or distribution platforms, alternative distribution channels with an ecological vocation; • Resilient and innovative food production units: integrated farms (permaculture, agroforestry, aquaponics etc.); Eligibility criteria: SSE (Social and Solidarity Economy) structure acting on French territory, in the food transition sector. The activity meets one of the following criteria: (a) Products from a farm certified as organic according to the EU organic standard on production and labelling. (b) Products complying with principles of circular economy as detailed in CDC's framework (c) Food products are marketed in a short circuit as defined in CDC's framework	Protection and restoration of biodiversity and ecosystems Climate change mitigation Sustainable use and protection of water and marine resources Circular economy	Reduction of water consumption GHG emissions avoided in tCO2eq/year Number of cultivated hectares with the EU organic label (EU-Eco-regulation)
Digital infrastructures: Access to digital	FTTH optic fiber networks: • Public Initiative Networks (PIN): PIN for collecting, unbundling, or serving companies, PIN for sharing optical fiber up to the subscriber • Private Initiative Infrastructures Burial of fiber optic cables Eligibility criteria: Projects established in a territory where: (i) the deployment of optical fibre is not profitable for a private operator, because of low population density and / or deployment difficulties; (ii) GDP per capita is below the national average. Target populations: residents, local compagnies, public services (educational institution, public health, environmental services …) of digital deserts (peri-urban, rural)	Affordable basic infrastructure	Coverage rate of the public initiative area Connection rate Number of jobs directly supported in FTE/year Number of beneficiaries of training programmes created per year Number of training hours per year

Source: CDC's Framework

Eligible Category	Description	Sustainability Objectives	Impact Reporting Metrics
Education and professional integration: Access to training	Training organizations : • Private technical education institution delivering state recognized professional diplomas • Professional training, including qualification, reconversion and retraining • Training programs • Training for new jobs (digital, information technology system...) • Training for sectors experiencing shortages of workforce Eligibility criteria: Free, qualifying and/or professionalizing training accredited by the State: - Professional diplomas - Certified Labels (e.g. Grande Ecole du Numérique) - Professional qualification certificate (PQC) <u>Target populations</u>: People with socio-professional integration difficulties (all ages), without training or professional experiences, long-term unemployed - Young people under 18 with educational difficulties (deschooling, learning difficulties) - Young workers between 16 and 25/30 - Young people not in employment, education or training (NEET) - People in sensitive or priority areas or in a vulnerable situation (peri-urban and rural areas, migrants…).	Access to essential services	People receiving training per year Positive output rate Departure for employment Departure for training Number of training hours per year Number of jobs directly supported in FTE/year
Social Solidarity Economy (SSE)	Investments in any companies of the SSE (existing structures, structures in the process of creation, rapidly developing structures) Eligibility criteria: - All SSE companies within the meaning of the law of July 31, 2014 (association, cooperatives, mutual, foundation, commercial SSE companies) active in France, particularly in the health, medico-social, Silver Economy, energy transition, short circuits and circular economy, social tourism, culture sectors. - Companies with social utility within the meaning of article 2 of the law of July 31, 2014 and which respect a goal pursued other than the sole sharing of profits. <u>Target population</u>: SSE companies	Job creation and socio-economic development of territories	Number of beneficiaries per year GHG emissions avoided in tCO2eq/year Number of supported entrepreneurial projects per year Number of jobs directly supported in FTE/year
Social real estate: Social housing	Support of project managers in the production of social housing for people experiencing social and economic difficulties: • through building acquisition or long-term location by 'perpetual lease' or through renovation; • through financial assistance with participative loans Eligibility criteria: Project manager with Social Utility Company certification (ESUS) <u>Target populations:</u> person living without adequate housing, household in position of insecurity and exclusion	Access to housing	Number of beneficiaries per year Number of new places created per year Energy cost savings after renovation in €/year Number of jobs directly supported in FTE/year Number of jobs directly supported during renovation in FTE/year
Healthcare and social-healthcare: Reduction of medical deserts	• Construction/renovation/extension of multi-disciplinary health centres • Investments in the development of local investment companies (mixed-economy company) in the health sector • Support to health professionals through the purchase of materials, mobility and training • Equipment of medical and health establishments in the deployment of e-medicine Eligibility criteria: Projects established in a territory: Where the population is more than 20min away from at least one local health service; Depending on the rate of availability of medical services in a territory; of medium size, peri-urban and/or rural <u>Target populations</u>: people from peri-urban/rural areas considered medical deserts (areas with heath offer shortages)	Access to essential services	Number of health centers built / renovated Number of beneficiaries Number of medical consultations / year Increase in % of the population served by local medical care Reduced access time for residents to health care
Healthcare and social-healthcare: Supporting the ageing of the population	• Construction/renovation/extension of retirement home, EHPAD and senior health homes • Support to health professionals in the elderly care sector Eligibility criteria: Projects for people over 60 years old; Professionalisation projects, home help development and improvement of empowerment jobs Sanitary and social real estate: Buildings located in France to build, restructure or rehabilitate, with at least the environmental label NF Habitat HQE 6 stars <u>Target populations</u> : Elderly people	Access to essential services	Number of sheltered accommodation for senior beneficiaries For health and social real estate: Same indicators as Green real estate

Source: CDC's Framework

Appendix 3 - Adherence to the EU taxonomy

Limited to our scope[32], we consider that the criteria of five out of 12 eligible categories adhere to all the EU taxonomy criteria, as detailed in the tables below. Our assessment is based solely on information provided by the issuer. Of note, the other eligible categories are not covered by Annex I of the EU Climate Delegated Act, and technical screening criteria have not yet been adopted.

Based on the information provided, the issuer has implemented processes to ensure that all the selected projects adhere to the technical screening criteria and minimum safeguards set out in the EU taxonomy regulation.

The CDC has done a detailed screening of the DNSH requirements for each of the economic activities, and identified where the existing applicable national law is likely to cover the DNSH requirements, and where it needs to be complemented by additional measures. This process is described in the SPO, and the issuer has also provided us with the outcome of this review for all eligible categories below. The issuer has committed to implement these additional measures to align with the DNSH requirements. In addition, as mentioned in the “Evaluation and Selection” pillar, the analysis by Caisse des dépôts' investment teams of the compliance with DNSH criteria is integrated into the identification of eligible projects.

Eligible category	Corresponding EU taxonomy economic activity	Adherence to "Substantial contribution" criteria	Adherence to "Do no significant harm" criteria
Renewable Energy (Renewable Electricity Generation and Renewable Energy Storage)	4.1, 4.3, 4.4., 4.5, 4.6, 4.8, 4.10, 4.11, 4.12.	The criteria of the category adhere to the substantial contribution to climate change mitigation criteria for the relevant corresponding economic activities.	The projects in this category adhere to the DNSH criteria, through their integration in the process for project evaluation, selection and monitoring.
Energy Efficiency	4.15, 4.17, 4.18, 4.19, 4.20, 4.25	The criteria of the category adhere to the substantial contribution to climate change mitigation criteria for the relevant corresponding economic activities.	The projects in this category adhere to the DNSH criteria, through their integration in the process for project evaluation, selection and monitoring.
Green Real Estate	7.1, 7.2, 7.7	The criteria of the category adhere to the substantial contribution to climate change mitigation criteria for the relevant corresponding economic activities.	The projects in this category adhere to the DNSH criteria, through their integration in the process for project evaluation, selection and monitoring.
Clean Transportation and Mobility	6.1, 6.3, 6.4, 6.5, 6.7, 6.10, 6.13, 6.14, 6.15, 6.16.	The criteria of the category adhere to the substantial contribution to climate change mitigation criteria for the relevant corresponding economic activities.	The projects in this category adhere to the DNSH criteria, through their integration in the process for project evaluation, selection and monitoring.
Digital Infrastructures	8.1	The criteria of the category adhere to the substantial contribution to climate change mitigation criteria for the economic activity.	The projects in this category adhere to the DNSH criteria, through their integration in the process for project evaluation, selection and monitoring.

Minimum safeguards	Adherence to minimum safeguards criteria
Human Rights Corruption Taxation Fair Competition	The Issuer adheres to the minimum safeguards criteria. The issuer is subject to French law and the financed projects are all in France. According to the Platform on Sustainable Finance's October 2022 Final Report on the Minimum Safeguards, France has adopted national level mandatory human rights and environmental due diligence (mHREDD) legislation, which could be considered a priori in alignment with Article 18, as the due diligence law applies to the CDC. In addition, the Issuer has stated their aim to reinforce their screening of environmental and social controversies, and the Green, Social and Sustainability Bond Committee is responsible for regular review of the assets allocated to verify their continued compliance with the eligibility criteria and that they are not facing major controversies.

Moody's related publications

Second Party Opinion analytical framework:

» Framework to Provide Second Party Opinions on Sustainable Debt, October 2022

Topic page:

» ESG Credit and Sustainable Finance

Endnotes

1 Strategie Francais pour l'energie et le climat

2 IEA

3 Ministry of Ecological Transition

4 EU Energy Storage

5 Le classement automatique des reseaux de chaleur et de froid

6 RE2020

7 RT2012

8 Life cycle analysis of building

9 IEA report

10 International Chamber of Shipping

11 2018 biodiversity plan

12 RE2020

13 The Shift Project: https://theshiftproject.org/wp-content/uploads/2018/11/Rapport-final-v8-WEB.pdf

14 https://biodiversite.gouv.fr/les-ecosystemes-agricoles

15 https://www.agencebio.org/vos-outils/les-chiffres-cles/

16 Calculated from the World Bank's 2019 country level dataset: https://datacatalog.worldbank.org/search/dataset/0039597/What-a-Waste-Global-Database

17 https://www.letemps.ch/societe/lagriculture-biologique-deux-dengrais-un-rendement-presque-equivalent

18 http://www.senat.fr/rap/r18-528/r18-5289.html#:~:text=La%20France%20importe%20sans%20doute,sanitaires%20minimales%20requises%20en%20France.

19 https://publications.jrc.ec.europa.eu/repository/handle/JRC112505

20 https://eu-dashboards.sdgindex.org/map/goals/SDG9

21 https://www.economie.gouv.fr/plan-de-relance/mesures/plan-france-tres-haut-debit-fibre-optique

22 https://www.journaldunet.com/management/conjoncture/1038148-chomage-en-france-son-taux-est-quasi-stable/

23 https://www.radiofrance.fr/franceculture/podcasts/la-bulle-economique/l-economie-sociale-et-solidaire-face-a-la-crise-8252894

24 https://www.fondation-abbe-pierre.fr/sites/default/files/2023-01/REML2023_WEB.pdf

25 The definitions of the different categories of social housing are available here: https://www.actionlogement.fr/guides/trouver-un-logement/logements-plai-pli-plus-plus

26 https://drees.solidarites-sante.gouv.fr/sites/default/files/2021-01/11%20Comparaisons%20internationales%20des%20m%C3%A9decins%20et%20infirmiers.pdf

27 ONDPS (Observatoire National de la Démographie des Professions de Santé)

28 https://www.senat.fr/rap/r21-589/r21-5891.pdf

29 « Déserts médicaux » en France : état des lieux et perspectives de recherches, Chevillard et al., (2018)

30 https://www.observatoire-des-territoires.gouv.fr/sites/default/files/2019-11/le_vieillissement_de_la_population_et_ses_enjeux_0.pdf

31 The Gravediggers: Revelations about the system that mistreats our seniors, Victor Castanet, 2022

32 See Appendix C - Adherence to the EU taxonomy in our Framework to Provide Second Party Opinions on Sustainable Debt, October 2022.

Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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