

"CIRCULAR BUILDINGS" TRAINING

**BUILDINGS FINANCED THROUGH
REGION ILE-DE-FRANCE'S SUSTAINABLE BONDS**

21st March 2024

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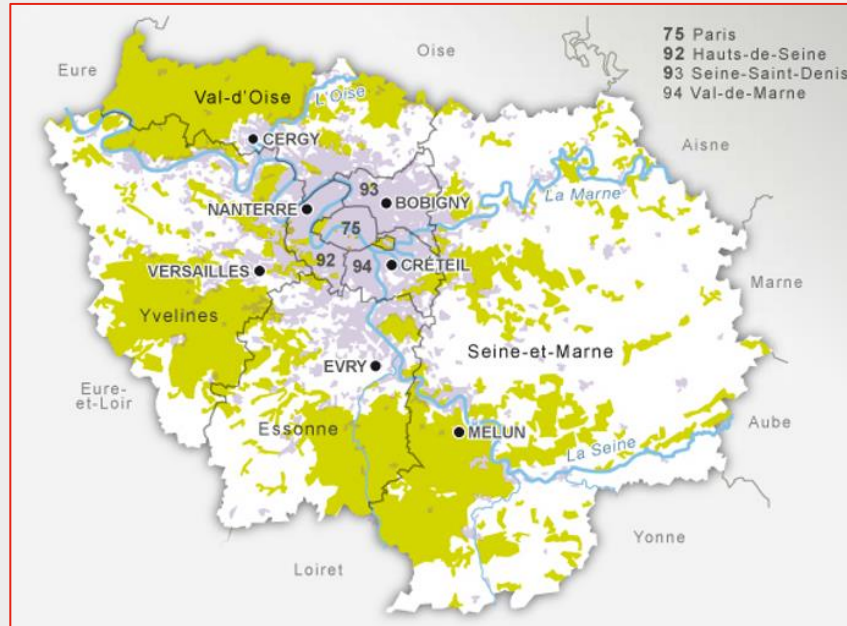
REGION ILE-DE-FRANCE AND ITS FUNDINGS

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

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



Paris will host the
2024 Summer Olympic Games

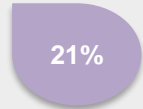


Water



1%

Urban area



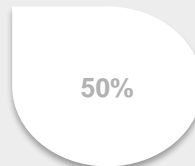
21%

Wooded area,
natural environment



28%

Agricultural area



50%

A large scope of responsibilities



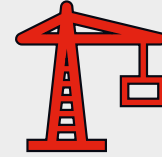
Transportation



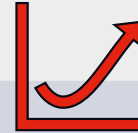
High school



Professional training and
employment



Land use planning



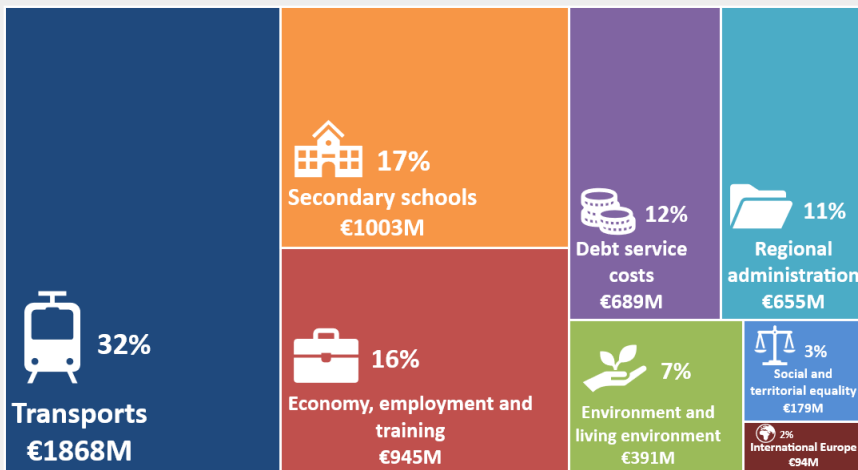
Economic, social and
cultural development



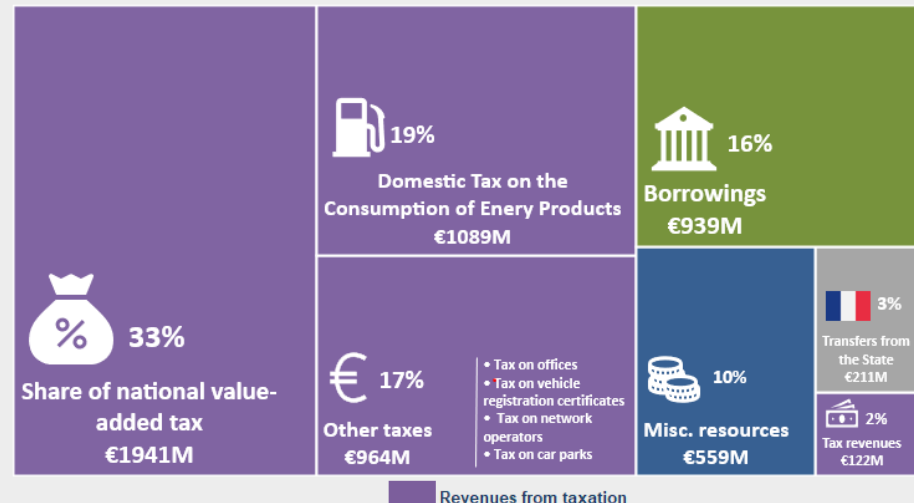
European programmes
management

2024 Budget – €5.8bn

EXPENDITURES (€5.8bn)



RESOURCES (€5.8bn)



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

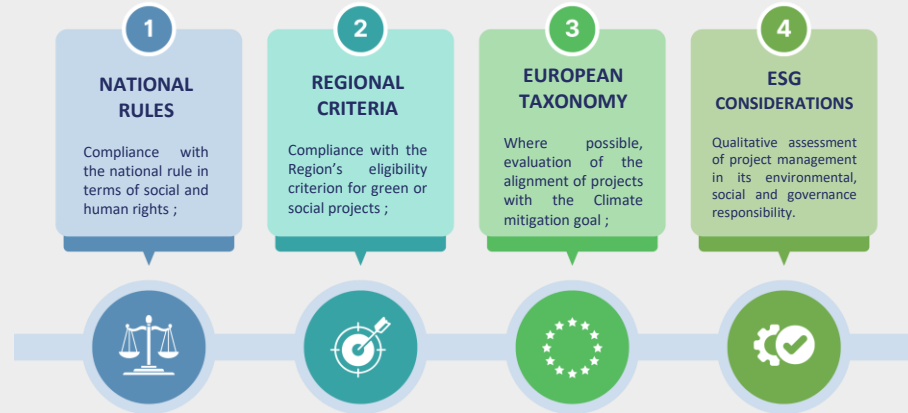
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REGION'S GREEN, SOCIAL AND SUSTAINABLE BOND FRAMEWORK

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



- A Framework **fully compliant with the International Capital Market Association (ICMA) principles** : *Green Bond Principles 2018, Social Bond Principles 2020 and Sustainability Bond Guidelines 2018* ;
- Projects financed through the bonds are **selected according to the four following steps** :



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

Sustainability Bond Guidelines considered



Projects financed through IDF bonds



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

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



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GREEN BUILDINGS PROJECTS

The regional eligibility criteria for green buildings

The Region Ile-de-France opt for sustainable **construction** and **renovation** of buildings to mitigate climate change and to promote respect for the environment. Those investments are in line with **United Nations' Sustainable Development Goals (SDG)**, specifically :



	Construction of buildings	Renovation of buildings
Regional eligibility criteria	<ul style="list-style-type: none"> - Public buildings : <ul style="list-style-type: none"> • <u>High-schools</u> : required energy consumption level < -40% compared to 2012 national heating regulation • <u>Higher education buildings</u> : energy consumption < -20% compared to 2012 national heating regulation • <u>Medico-educational institutes</u> : level of energy consumption < 2012 national heating regulation - Residential : level of energy consumption < 2012 national heating regulation 	<ul style="list-style-type: none"> - High-schools and higher education buildings : the works must lead to a reduction in primary energy consumption of at least 30%

Green building projects financed (high-school)

NEW BUILDING

New secondary school in Vincennes :

- New building with 1050 places
- Impact indicators :
 - 512 full time equivalent ;
 - 1 050 students beneficiaries ;
 - 100 teq CO₂/year avoided
- Regional eligibility criteria :
 - The building's primary energy consumption reduced by 40% compared to the PEC_max set by RT2012 ;
 - A life cycle analysis has been performed for the project.



Green building projects financed (high-school)

PROJET RENOVATION

Pierre Mendès France secondary school renovation in Ris-Orangis :

- Total renovation and 600-place expansion
- Impact indicators:
 - 270 full time equivalent;
 - 1200 students concerned;
 - 90 teq CO₂/year avoided.
- Regional eligibility criteria :
 - Primary energy consumption estimated 56% lower than the maximum primary energy consumption calculated by RT2012 :
 - PEC reduced by 35% compared to the initial consumption.



Green building projects financed (higher education)

NEW BUILDING

Large documentation facility construction – Humathèque on Campus Condorcet in Aubervilliers (opened September 2022) :

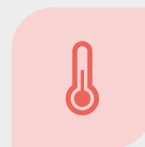
- New building
- Impact indicators:
 - 262 full time equivalent;
 - 30 950 beneficiaries ;
 - 285 teq CO₂/year avoided
- Regional eligibility criteria :
 - Broader environmental approach: grey energy, indoor air quality, autonomy in natural light, bio-based materials ;
 - 29% kWh_{ep}/m²/year gained compared to the maximum PEC (RT2012).



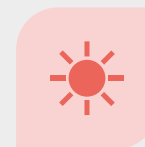
Next step : An alignment with the EU taxonomy for green buildings



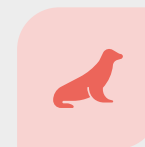
- Vigeo-Eiris (Moody's ESG Solutions) SPO : **“Most Green Eligible Categories follow the technical screening criteria specified by the Draft Delegated Act under EU Taxonomy Regulation (Nov 2020)”**
- Today, « **Clean transportation** » category represent the main part of our bonds allocations. It also the only one category fully aligned with the first goal of the European Taxonomy



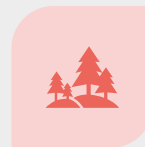
Climate change mitigation



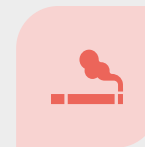
Climate change adaptation



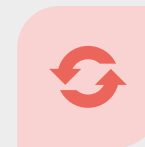
Sustainable use & protection of water & marine resources



Transition to a circular economy



Pollution prevention & control



Protection and restoration of biodiversity & ecosystems



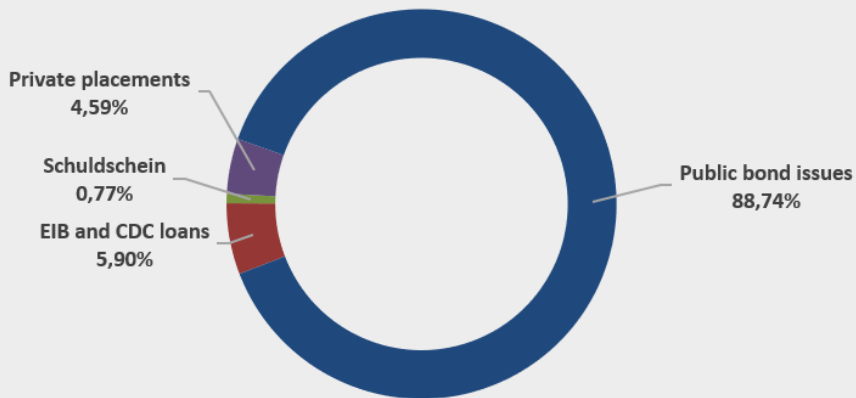
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APPENDICES

Issuance of bonds as the main financing tool

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

Region's debt (31/12/2023)

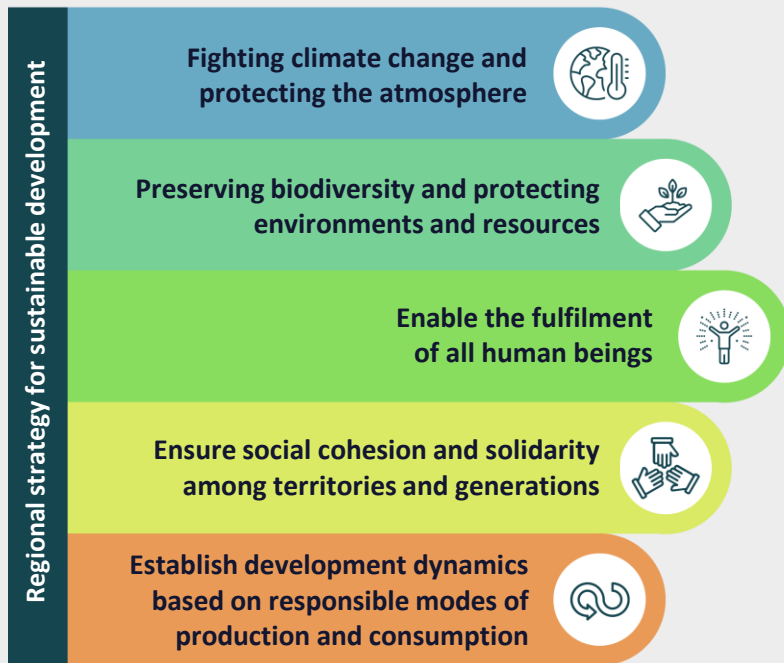


Outstanding debt by the end of 2023: **€6.452bn**
Average lifetime: **5 years and 3 months**
Average rate: **1.58%**

93.3% of bonds
(Public issues and private placements)

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

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



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



Eligible Green Projects categories

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

Green Project Categories	Description	Regional Eligibility Criteria
Green Buildings	<ul style="list-style-type: none"> Construction of buildings following a sustainable development Approach and promoting respect for the Environment 	<ul style="list-style-type: none"> Public buildings (high schools and annex buildings, higher education buildings, medico-educational institutes): <ul style="list-style-type: none"> All high schools from 2017 onwards: required energy consumption level < -40% compared to RT 2012 (equivalent to the level E3C1 of Label E+C-). All higher education buildings: required level of energy consumption < -20% compared to RT 2012 (equivalent to Effinergie + Label). Medico-educational institutes: Required level of energy consumption < RT 2012. Residential: Required level of energy consumption < RT 2012.
	<ul style="list-style-type: none"> Renovation of buildings according to a sustainable development approach and promoting respect for the Environment 	<ul style="list-style-type: none"> High schools and higher education buildings: for major restructurings/rehabilitations of +1000m2 , the works must lead to a reduction in primary energy consumption (Cep) of at least 30% (Cepprojet ≤ Cepinitial - 30%; i.e. the level required by the Thermal Regulation «RT Global»).
Clean Transportation	<ul style="list-style-type: none"> Construction of rail transit Infrastructure Construction of low-carbon road transport infrastructure dedicated to public passenger transport 	<ul style="list-style-type: none"> Construction of rail transport infrastructure meeting the following criteria: ground electrified infrastructure and associated subsystems: infrastructure, energy, on-board control-command and signaling and ground control-command and signaling subsystems. Construction of low-carbon road transport infrastructure dedicated to public passenger transport.
Renewable Energy	<ul style="list-style-type: none"> Projects contributing to the development of local renewable energies and energy efficiency 	<ul style="list-style-type: none"> Production of electricity from photovoltaic solar energy; Cogeneration of heat/cold and electricity from solar energy; Heat/cold production from geothermal energy; Production of heat/cold using residual heat; Manufacture of equipment for the production of hydrogen; Hydrogen storage
Terrestrial and aquatic biodiversity conservation	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Afforestation (PEFC label) Forest rehabilitation and restoration (PEFC label) Reforestation (PEFC label) Sustainable forest management(PEFC label) Forest conservation (PEFC label) Wetlands restoration

Green contribution to the Sustainable Development Goals



Eligible Social Projects categories

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

Social Project Categories	Regional Eligibility Criteria	Target Population
Access to essential services: Education	<ul style="list-style-type: none"> An increase in educational accommodation capacity through the construction or extension of infrastructure for public secondary and public higher education. Improvement of the quality of existing infrastructure and equipment for public secondary and public higher education. 	<ul style="list-style-type: none"> The entire population of the territory
Access to essential services: Health	<ul style="list-style-type: none"> An increase in health capacities through the construction or extension of health infrastructures. Improvement of the quality of existing health infrastructures and sanitary facilities. Development of medical research. Provision of infrastructure, equipment and emergency materials needed in the event of an exceptional crisis (health crisis, natural disaster, etc.). 	<ul style="list-style-type: none"> The entire population of the territory
Access to essential services: Social inclusion	<ul style="list-style-type: none"> Increase in reception and accommodation capacities for vulnerable populations. Projects to make buildings and infrastructure (transport, education, etc.) accessible to people with reduced mobility. 	<ul style="list-style-type: none"> Vulnerable populations including, in particular but not exclusively, people with reduced mobility, the elderly, people in precarious situations or vulnerable groups (situations of insecurity, exclusion, disability, homelessness, etc.)
Affordable housing	<ul style="list-style-type: none"> Increase in the capacity of the social housing stock through the construction of new dwellings or the transformation of existing buildings. Improvement of the quality and comfort of the existing social housing stock through thermal renovation works. 	<ul style="list-style-type: none"> Population meeting social criteria, students and young working people
Affordable basic infrastructures (transport, energy, green spaces and sport infrastructures)	<ul style="list-style-type: none"> Construction of public transport infrastructure for better access to the entire territory. Projects to improve the comfort and safety of transport users and those living near the infrastructure. Construction of basic infrastructure for the supply of renewable energy, heating and cooling networks. Works to develop and extend green spaces, preservation of natural environments and biodiversity. Works to develop and extend sport infrastructures. 	<ul style="list-style-type: none"> The entire population of the territory
Support for employment creation, prevention & fight against unemployment related to crises	<ul style="list-style-type: none"> Projects contributing to the creation or maintenance of local employment, via support to SMEs & MICs in the territory and to social and solidarity economy projects. Support for research and innovation of SMEs & MICs and the development of the territory's attractiveness. In the event of exceptional crises (health crisis, natural disaster, etc.), support for SMEs & MICs that have been impacted by the consequences of the crisis. 	<ul style="list-style-type: none"> Small and Medium-sized Enterprises (SMEs) and Microenterprises (MICs) SMEs & MICs impacted by the occurrence of exceptional crises The unemployed

Social contribution to the Sustainable Development Goals

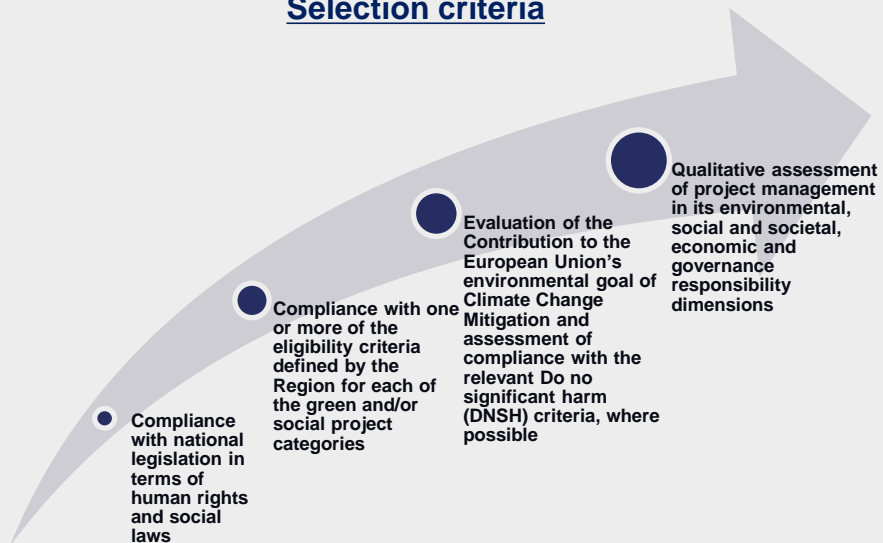


Projects selection

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

- **Operational Departments** propose for selection a list of investments projects or schemes
- The **Management Control and financial Decision-making Mission** extracts, from the Region's financial information system, the amounts of expenditures for the listed projects / schemes.
- The **Finances Department** finalizes the list of projects for a total amount corresponding to the amount of proceeds.
- The **Sustainable Finance Committee validates the final list**. It gathers the main managers from the Finances Directorate, from the Territorial Cohesion Directorate in charge of regional environmental policies, the Operational Departments and the Paris Region Institute, validates the final list,
- The **public accountant** certifies that the expenditures listed on the allocation report have been paid.

Selection criteria



A remarkable Second-Party Opinion



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

Use of Proceeds

Best Practices ✓

V.E considers that the content, eligibility and exclusion criteria of the UoP are clear and in line with international standards for all categories.

Evaluation & Selection of Eligible Categories

Best Practices ✓

V.E highlights that the process of selection and exclusion are clearly defined and detailed for all the Eligible Categories.

Management of Proceeds

Best Practices ✓

V.E notes that Île-de-France Region has provided the information needed on the procedure that will be applied in case of project/asset divestment or postponement and it has committed to relocate divested proceeds to projects that are compliant with the Framework within 24 months.

Monitoring & Reporting

Aligned

V.E mentions that the monitoring and reporting section of the Île-de-France Region is aligned.

Contacts and documentation

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