

Green Bond Framework 2020/2021

27 January 2020

SNCF SA



Contents

SNCF GROUP PRESENTATION	4
a. A quick overview of the New Railway Pact Law	4
b. Operational structure	5
c. SNCF Group in its market: operational and financial KPIs.....	6
i. An evolving situation.....	6
ii. Operational and financial KPIs.....	6
iii. SNCF Group Operating Commitments	7
RATIONALE TO ISSUE A GREEN BOND.....	8
a. The most efficient and environmental-friendly mode of transportation	8
b. High CSR standards	9
c. A brief overview of some of SNCF group environmental initiatives	10
SNCF GROUP GREEN BOND HISTORY (AS OF DECEMBER 2020)	11
a. Key figures, key emissions and key awards.....	11
b. What changed in 2020	12
c. What's next?.....	12
SNCF RESEAU ELIGIBLE ASSETS & METHODOLOGY	13
a. Eligible assets.....	13
i. Eligible Green Projects	13
ii. Eligible types of investments.....	13
b. Outlines of the Carbon Methodology on the Infrastructure business.....	13
i. General principles.....	13
ii. Calculating our net carbon impact in two steps	14
c. Carbon outcome	15
SNCF VOYAGEURS ELIGIBLE ASSETS & METHODOLOGY	16
a. Eligible assets.....	16
i. Eligible Green Projects	16
ii. Eligible types of investments.....	16
b. Outlines of the Carbon Methodology on the train operating business	16
i. General principles.....	16
ii. Calculating our net carbon impact in two steps	16
c. Carbon outcome	17
SNCF GROUP GREEN BOND FRAMEWORK – 2020/2021.....	18
a. Use of proceeds.....	18
i. Eligible projects.....	18
ii. Eligible types of investments.....	19

iii. Financing mechanism.....	19
iv. Lookback / Look-forward period	19
b. Selection process	19
c. Management of proceeds	19
d. Recycling policy.....	20
e. Reporting.....	20
COMPLIANCE WITH EXISTING STANDARDS	22
a. GBP Principles.....	22
b. CBI climate bonds	22



SNCF GROUP PRESENTATION

a. A quick overview of the New Railway Pact Law

The New Railway Pact Law (law no 2018-515 of 27 June 2018), as supplemented by State decree no 2019-552 of 3 June 2019, came into force on 1 January 2020.

This reform leads to four major transformations for the group:

1. Corporate governance:

- I. All activities are gathered into a single vertically integrated group;
- II. SNCF SA is 100% directly held by the French State, while its two main subsidiaries SNCF Voyageurs and Réseau are indirectly 100% state-owned. For all three companies, shares are non-transferable (by law).

2. Business development:

- I. In compliance with the 4th European Railway Package, all passenger markets will progressively be opened to competition;
- II. Rail offer will be stimulated through tariffs moderation on High-Speed Lines and freight activities. In addition, freight will benefit from an ambitious long-term investment plan.

3. A sounder financial structure:

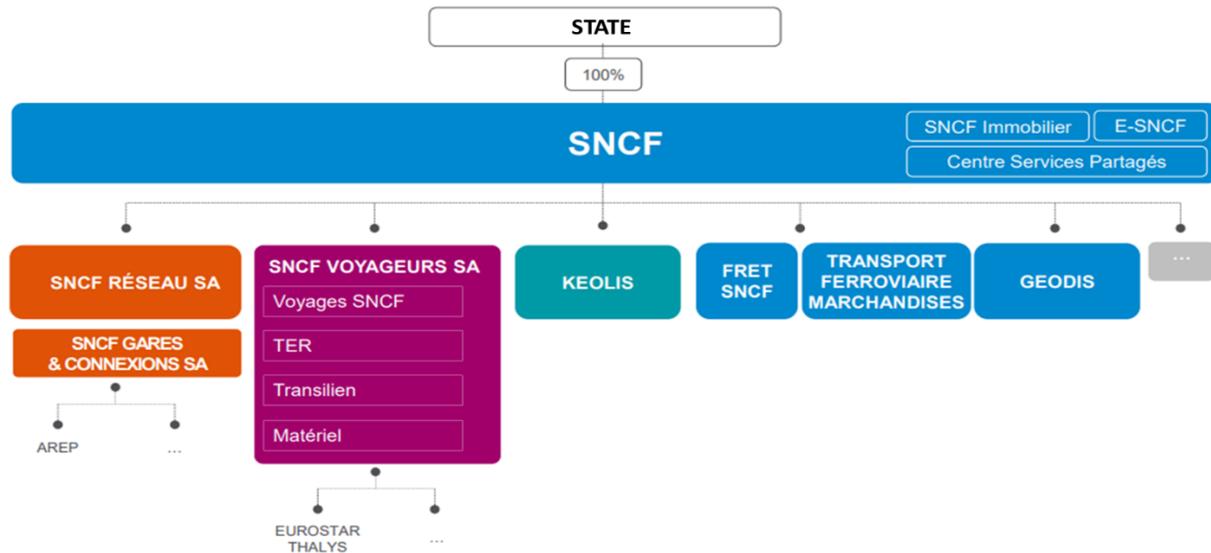
- I. Higher productivity efforts will be encouraged at SNCF Group and SNCF Réseau levels;
- II. The French State has relieved SNCF Réseau of € 25 bn of debt in 2020 and will continue with € 10 bn in 2022;
- III. At the end of 2020 and to dissipate the effects of the COVID-19 crisis, the French State provided the group with a capital contribution of 4.05 bn euros, channeled through SNCF SA but dedicated solely to benefit of its subsidiary SNCF Réseau.

4. Social relations:

- I. Since January the 1st 2020, the special railway worker status has vanished for the hiring of new employees;
- II. SNCF Group is forging a new relationship with its employees.

b. Operational structure

SNCF Group is an integrated player in the mobility business. The company operates throughout the value chain with its main subsidiaries.



- I. **Société Nationale SNCF SA** (“SNCF” in the chart above), a fully state-owned limited company and Group parent entity, ensures the Group's long-term strategic and financial management. Société Nationale SNCF SA is the one and only issuing entity of the group, responsible for the financing of all the operating companies via intercompany loans. **All future Green Bonds will be issued from Société Nationale SNCF SA.**
- II. **SNCF Réseau**, owned par the parent entity, is responsible for the engineering, physical and commercial operation and maintenance of the French rail network. As infrastructure manager, SNCF Réseau is the hub for the rail system.
- III. **SNCF Gares & Connexions**, subsidiary of **SNCF Réseau**, manages and operates French train stations. It guarantees train station access and services for transport operators.
- IV. **SNCF Voyageurs**, owned by the parent entity, comprises all the group’s rail companies dedicated to transporting passengers in France and abroad.
- V. **SNCF Fret**, the main national freight transport operator.

In addition to these companies, SNCF group includes two other major subsidiaries:

- I. **KEOLIS**: a world leader in day-to-day mobilities (public transport). The company manages bus, Rapid Transit Tram, light trains, coach networks and other means of transportation and operates in more than 16 countries with a good share of revenue generated from abroad
- II. **GEODIS**: GEODIS is a division of SNCF dedicated to freight transportation and logistics with a proven expertise in five lines of business – (i) Supply Chain Optimization, (ii) Freight forwarding, (iii) Contract Logistics, (iv) Distribution & Express, (v) Road Transport. The company has a direct presence in over 67 countries and provides indirect coverage to more than 120 countries

SNCF Group also accounts for hundreds of smaller affiliates which are not recorded in the chart above.

c. SNCF Group in its market: operational and financial KPIs

i. An evolving situation

In line with the **4th Railway package**, 2018 railway reform was implemented with the objective of gradually opening the French Railway industry to competition.

However **(i)** it will be a lengthy process with a gradual opening to competition of TER-TET-TRANSILIEN activities, **(ii)** the COVID crisis is forcing some competitors to delay their entry into the French market and **(iii)** SNCF group operates in a favorable operating environment in one of the most developed passenger rail markets in the world.

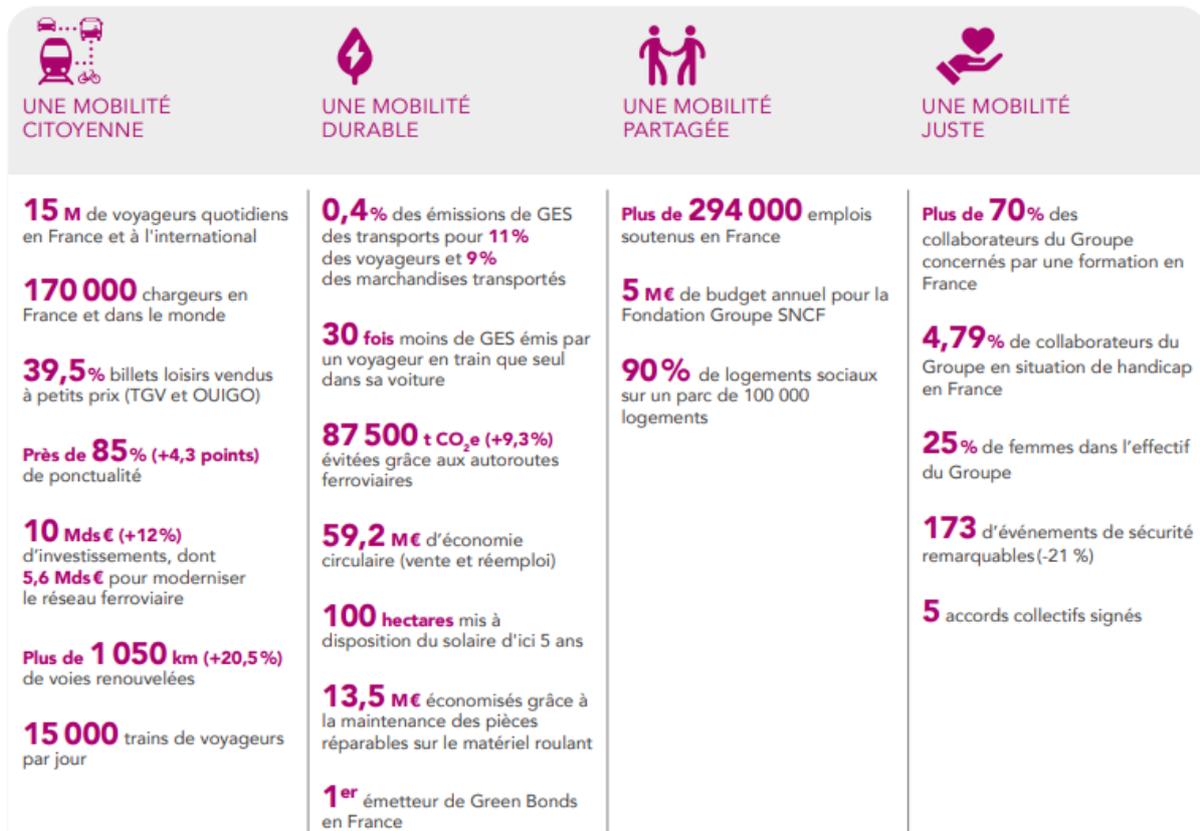
In addition, SNCF Group wishes to take advantage of the liberalization of the rail market to gain new market shares in other European markets.

ii. Operational and financial KPIs

SNCF is a major mobility company (35 bn€ turnover in 2019). Some of SNCF operational KPIs are reflected below:

1. With **30 000 km** of track, French rail network is the second most-extensive in Europe after Germany
2. French rail network accounts for more than **2 700 km of High-Speed-Line**, the **2nd largest High-Speed network in Europe** after Spain and by far the **most circulated**
3. French traffic is characterized by **mass-transit** with a lower level of traffic (train-km) than in the United Kingdom or in Germany, but a much higher level of passengers-km
4. SNCF benefits from a supportive operating environment with a limited level of competition (market share in national market close to 100%)





Extract ESE Report 2019 (French)

iii. SNCF Group Operating Commitments

Going forward, SNCF aspires to:

1. Be a **global leader in passenger mobility and freight logistics**, and meet every needs right along the **mobility chain**;
2. **Build a network that delivers better performance** for our **customers** and for the **civil society**;
3. Keep-on shaping a **business model** that gives us a solid platform to compete;
4. Practice **good corporate citizenship** and **benefit the regions** and **communities** we serve - Economically, socially and environmentally

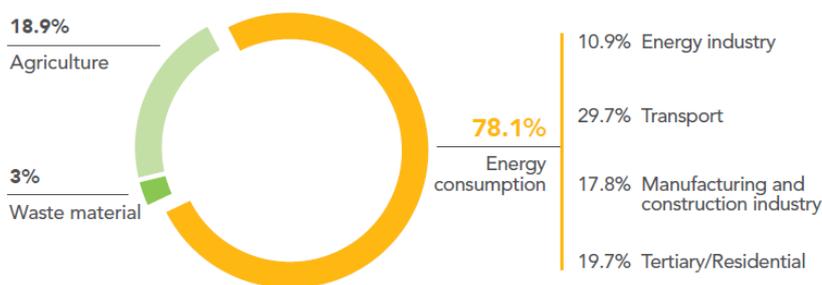


RATIONALE TO ISSUE A GREEN BOND

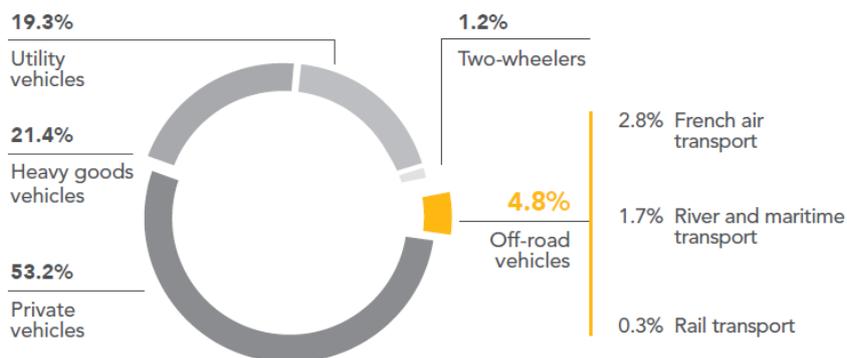
a. The most efficient and environmental-friendly mode of transportation

Railway transport is a **key contributor in the fight to reduce Greenhouse Gases emissions** as it emits less than **1% of total CO₂ emissions in France** in the transportation system, **while transporting 10% of passengers and freight**.

BREAKDOWN PER SOURCE OF GHG EMISSIONS (EXCLUDING LULUCF¹) IN FRANCE IN 2017



GHG EMISSIONS PER MODE OF TRANSPORT IN FRANCE AS A % (INCLUDING FOD)



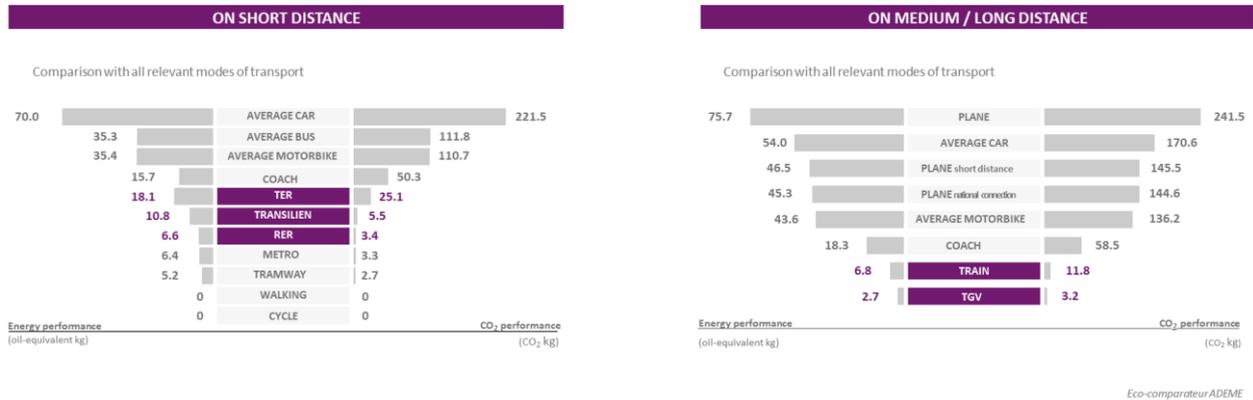
1. LULUCF: Land use, Land Use Change and Forestry.

Source: Citepa, June 2017.

Therefore, rail transportation is **by far the most efficient and environmentally-friendly mode of transportation**.

For example, travelling **1 km** by train generates **8.4 g of CO₂e**, versus **213 g** for a **private automobile**.

Comparison: Energy & CO2 emissions per passenger for 1 km, in grams (2019)



In short, a comprehensive rail system is the only form of mass transport that can significantly reduce the environmental impact of travel in Europe

b. High CSR standards

SNCF Group leadership on **CSR aspects** is best demonstrated when it comes to extra-financial ratings.

Both SNCF SA and SNCF Réseau entities are monitored by extra-financial rating agencies and both companies benefit from the **highest level of rating** in their category.

	Most recent rating	2016 scores	2017 scores	2018 scores	2019 scores	Rankings
SNCF Group	VIGEO EIRIS	53/100	66/100	66/100	72/100	#1 out of 22 companies
SNCF Group	ECOVADIS	75/100	75/100	75/100	79/100	Near the top in a group of 40 companies
SNCF Réseau	VIGEO EIRIS	49/100	66/100	66/100	70/100	#2 out of 49 companies
SNCF Réseau	ISS-ESG	C+	B-	B-	B-	#2 out of 51 companies

SNCF Réseau CSR reports are freely available on SNCF Réseau website.

c. A brief overview of some of SNCF group environmental initiatives

SNCF Group is encouraging several initiatives in favor of the green transition of the transportation industry:

- **By promoting new sources of energy:**
 - Deployment of hybrid trains (regional TER)
 - Electric mobility powered by agro-fuels
 - Deployment of hydrogen trains by 2022 o End of diesel trains by 2035
 - Higher share of electricity energy sourced from alternative renewable producers

- **By improving the quality of our assets:**
 - Continuous improvement of our rolling stock
 - High quality certification (HQE) for the new SNCF train stations
 - Smart braking and automatic engine start-stop system on high speed trains (TGV INOUI) helping to reduce fuel consumption by up to 12%
 - Recovery of braking energy to power a train station or a small district

- **By promoting all forms of shared mobilities and mass transit mobilities:**
 - **SNCF Voyageurs SA:** by increasing railway capacity and investing in new cleaner rolling stock
 - **Keolis:** by developing bus fleet operating on natural gas (Tours, Loire Valley) and electric mobility (Orléans metropolis), 100% electric school buses (Canada)
 - **Geodis – rail freight activities:** by promoting cleaner freight solutions and alternatives
 - **SNCF Réseau:** by carrying out a major renovation program of its railway network to ensure the safety of passengers and merchandise, traffic security and the safety of all people using level and pedestrian crossings. In addition, SNCF Réseau has initiated an ISO 14001 certification approach for its industrial sites and set up an adapted Environmental Management System (EMS) for its other entities.



SNCF GROUP GREEN BOND HISTORY (AS OF DECEMBER 2020)

a. Key figures, key emissions and key awards



With a total of €7.2 bn in Climate Bond debt at the end of 2020 SNCF ranks among Europe's leading green bond issuers and is the rail industry's largest green bond issuer worldwide.

SNCF has played a pioneering role over the past few years:

- In **October 2016**, SNCF floated **€900 million in green bonds**, the **first ever issued by a rail infrastructure manager**;
- In **July 2017**, SNCF issued **€750m in green bonds** with a **30-year maturity**—at the time, the **longest for euro-denominated green bonds certified under both the Green Bond Principles (GBP) and the Climate Bond Initiative (CBI)**;
- In **August 2019**, SNCF floated **€100m** in green bonds, **the first 100-year issue in this market**.

Because of SNCF Group activism in the Green Bond Market, the company is the world biggest issuers of Green Bonds in the rail industry and one of the biggest issuers in Europe.

To define the most stringent standards in terms of green financing and thus to become a global point of reference in the transport sector, the bond issue launched by SNCF is in line with the **Green Bond Principles 2018 (GBP)** and has also been awarded **Climate Bonds Initiative (CBI) certification**, by ISS-ESG.

To reward the exceptional quality of its impact reporting, SNCF was awarded a **Green Bond Pioneer award by the Climate Bonds Initiative (CBI) in March 2019**. This award recognizes the transparency and clarity with which SNCF communicates with its investors. Already rewarded for its 2016 issue, this is the second award that SNCF has received for the publication of a Green Bond impact report.

Until January the 1st of 2020, all Green Bond issues have been raised on SNCF Réseau perimeter

b. What changed in 2020

Because of the French Railway reform, SNCF Mobilités and SNCF Réseau financing programs have been phased out. In their place, SNCF SA adopted a new long-term financing programme with effect from 1 January 2020.

Since 1st January 2020, SNCF SA have thus become the single issuing entity of the group, responsible for the financing of all the operating companies.

All Green Bonds will be issued from Société Nationale SNCF SA and the net proceeds will be reallocated to eligible assets via intra-group loans.

Throughout 2020, SNCF SA has raised Green Bonds for 1.5 bn € under its new framework.

c. What's next?

Until 2020, SNCF Green Bond programme was dedicated solely to railway infrastructure assets. Since 2020, the group has been working to extend its Green Bond programme to additional eligible assets.

More specifically, SNCF Group plans to extend its program to these two categories of assets:

- **On SNCF Réseau perimeter:** to investments related to maintenance, upgrade and energy efficiency on the electrified network, for **UIC 5** or **UIC 6** rail assets according to UIC classification
- **On SNCF Voyageurs perimeter:** to investments directly and indirectly related to **zero-emission train fleet**, and more precisely:
 - Purchase of new rolling stock material;
 - Maintenance / overhaul operations on rolling stock;
 - Maintenance / overhaul of associated maintenance facilities.

These two projects have been completed by the end of 2020 for an extended Green Bond programme to take effect in early 2021.

Thanks to all this work, SNCF will become, in 2021, the first company in the world to propose a green bond programme covering investments in the infrastructure and for train fleet assets.



SNCF RESEAU ELIGIBLE ASSETS & METHODOLOGY

a. Eligible assets

i. Eligible Green Projects

The eligibility criteria set down by SNCF Réseau concern renewal and development projects on the main lines of its network, namely:

1. **High speed lines, which were brought into service from 1981;**
2. **Electrified standard lines grouped 1 to 6 using the UIC classification.**

In total SNCF accounts for about **15,000 km** of fully **electrified lines**, out of a total of **30,000 km of lines** on the national rail network.

ii. Eligible types of investments

Eligible Green Projects include new and ongoing projects with disbursements within the past two years (look-back period) or in the next two years (look-forward period).

“Eligible Green Projects” include SNCF Réseau SA’s capital expenditures (OPEX treated as CAPEX):

- Related to **maintenance, upgrades and energy efficiency** of the rail system
- Related to **new rail lines** and **rail lines extensions** which ensure access to the network and the efficient movement of people and freight
- Other Investments linked to the **global climate change challenges**, the **protection of biodiversity** and **natural resources**¹

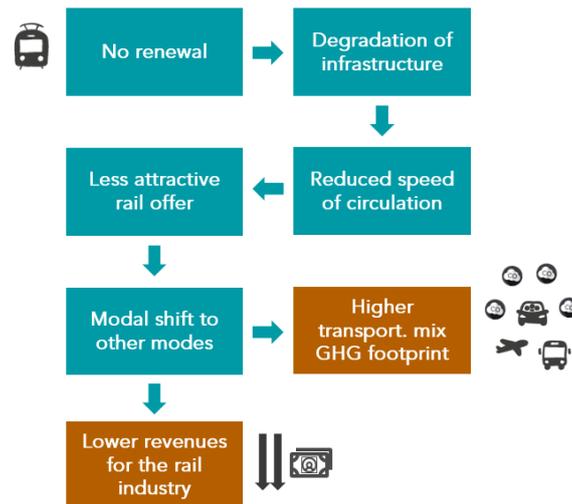
b. Outlines of the Carbon Methodology on the Infrastructure business

i. General principles

SNCF Réseau methodology works on two general principles:

1. By investing in upgrades, we keep our infrastructure running at its best and ensure that rail continues to attract users.
2. Without these investments, network quality would deteriorate, causing a marked slowdown in traffic.

¹ Note: Société nationale SNCF SA expects the majority of the allocation to the first two eligible green project categories. The inclusion of other investments linked to the protection of biodiversity and natural resources is essential to Société nationale SNCF SA’s overall environmental and sustainability strategy

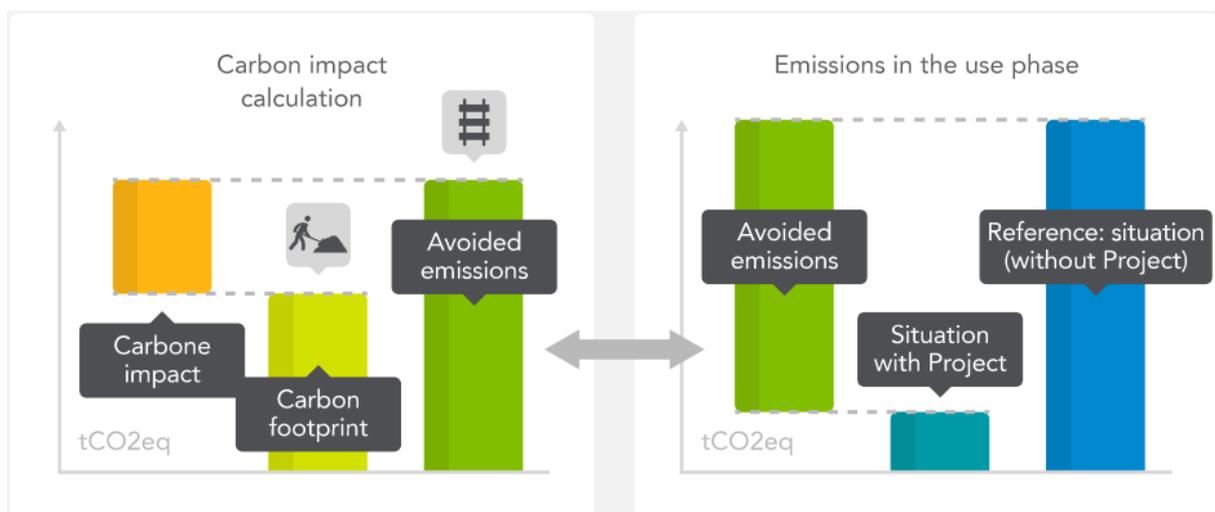


ii. Calculating our net carbon impact in two steps

SNCF calculates its net carbon impact in two steps:

1. First, we calculate the carbon footprint of eligible projects;
2. Then, we calculate emissions avoided due to the eligible projects

As part of this process, we factor in all emissions, whether they are directly connected to our activity (e.g., construction machines and emissions from diesel trains) or indirectly (e.g., the carbon cost of the electricity and materials we use).



When calculating our **carbon footprint** (left part, yellow bar) we consider the following principles:

- We consider both **direct and indirect GHG emissions** (construction machinery consumption) including upstream emissions
- We extrapolate **CO2eq values per m€ invested** rather than calculating the impact for each project
- At this stage, we only consider the carbon footprint of railway works (engineering & construction) as emissions in the use phase (rail traffic) will be addressed in the analysis of avoided emissions

When calculating our **avoided emissions** (right part, light green bar) we consider the following principles:

- The GHG emissions generated by the eligible projects will allow, in fine, **to avoid emissions during the later phase of use of the infrastructure**
- Comparison of these emissions of use induced with a reference situation (without project) is hereinafter referred to as “avoided emissions”.

In the end, the comparison of the “Carbon Footprint” with the “Avoided Emissions” makes it possible to calculate the net carbon impact for the group.

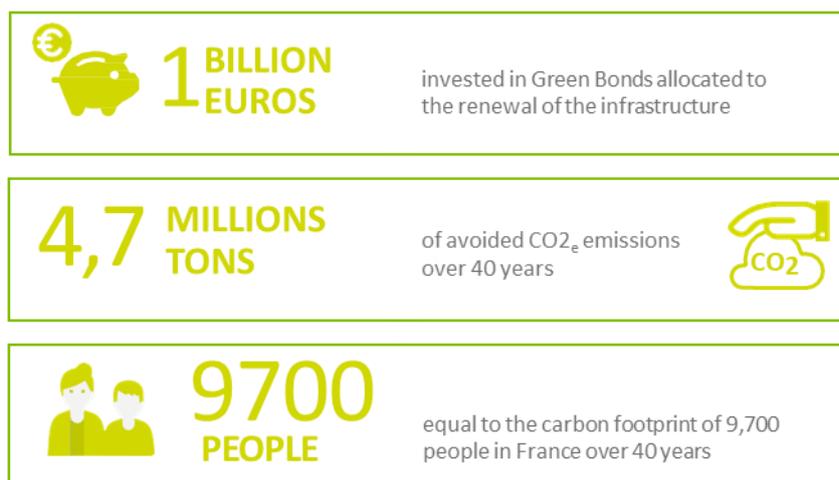
Throughout all this process, to ensure consistency, we take the following principles to heart:

- The study period chosen was 40 years, corresponding to the lifespan of rail equipment
- SNCF highlights that most of assumptions required are related to the French context. This applies specifically to emission factors of transport modes and electricity production, to the geographic structure of the territory, to competition intensity between transport modes and to the exceptionally high volume of traffic performed by high speed rail in France
- Green Bonds are not directly allocated to the full financing of renewal projects but play a role in financing an overall annual projects programme. It is therefore necessary to correlate the carbon footprint allocated to Green Bonds with its share in the financing of the whole to prevent double accountings for the carbon footprint and to convert the actual contribution from Green Bonds to the renewal of the equipment in question

c. Carbon outcome

Between 2016 and year-end 2020, over € 7.2 billion have been invested in qualifying projects with the following impact:

CARBONE IMPACT (PER € BN)





SNCF VOYAGEURS ELIGIBLE ASSETS & METHODOLOGY

a. Eligible assets

i. Eligible Green Projects

Eligible green projects are eligible if they participate to the **purchase, renewal & maintenance of the zero-direct emission train fleet and of the related maintenance facilities.**

ii. Eligible types of investments

Eligible Green Projects include new and ongoing projects with disbursements within the past two years (look-back period) or in the next two years (look-forward period).

For 2021, “Eligible Green Projects” will include SNCF Voyageurs capital expenditures (OPEX treated as CAPEX):

- Investments **directly** related to the **zero-emission train fleet (purchase & maintenance of train fleet)**
- investment **indirectly** related to the **zero-emission train fleet** and **directly** related to the **maintenance facilities (building & engineering, maintenance...)**

b. Outlines of the Carbon Methodology on the train operating business

i. General principles

For our mobility activity, our methodology includes the following principles:

1. By continually investing in its train fleet assets (and associated maintenance facilities), SNCF ensures that rail continues to attract users
2. Without these investments, as trains would be withdrawn from service, supply of trains would decrease, and customers would turn from train to other modes of transportation
3. As the train is most efficient and the most environmental-friendly mode, maintaining train activities promotes a lower level of carbon equivalent emission in the transport sector.

ii. Calculating our net carbon impact in two steps

SNCF calculates its net carbon impact in two steps:

1. First, we calculate, over their lifespan (40 years), the carbon footprint of the eligible train fleet (induced emissions). As our train fleet depends on electricity it does not produce scope 1 emissions

(direct emissions). Thus, we only consider scope 2 emissions: indirect emissions from electricity purchased and used;

2. Once done, we calculate avoided emissions through the optimum use of our train fleet

Our calculation of avoided emissions incorporates the following principles:

1. In line with best practices, avoided emissions are measured in comparison to a reference scenario;
2. For that purpose, we simulate what could occur if eligible investments were not carried out: by not investing (purchase, renovation), trains will be withdrawn from circulation as they reach their life expectancy or as necessary security investments are not carried out;
3. Therefore, most users will continue to travel but they will rely on other modes (airplane, car, etc.) thus increasing the level of carbon emissions released in the atmosphere.

How we incorporate the opening to competition:

With the opening to competition, one can object that, if they were not made by SNCF, the investments would still be made by competitors. To answer this issue, we consider the following principles:

1. Our methodology considers the mobility industry as a whole;
2. Indeed, if none of the market participants (SNCF or another company) were investing in the fleet running in France, what we predicted would still happen: trains would be withdrawn from circulation and users would gradually turn to other modes (air plane, car, etc.);
3. In that case, investing in the train fleet in France (either SNCF or competitors) is an essential step to maintain an optimal use of the train compared to the other modes;
4. Thus, when SNCF invests in its train fleet it helps to maintain the train offer at its optimal level and thus, promotes one of the greenest modes of transportation over medium/long distance;
5. Investments carried out by SNCF will not be carried out by a competitor (finite level of investment in the industry)
6. Thus, for the investments made by SNCF, SNCF can justify a net carbon footprint.

How we incorporate the lag between asset delivery and the calculated net carbon footprint:

Rolling stock assets may be delivered and put into circulation several years after being funded by a Green Bond. Nevertheless, "future" GHG emission savings will be declared on the date of the corresponding Green Bond reporting as investments must be made today to allow future savings in GHG emission to materialize in a few years.

c. Carbon outcome

For these assets, the carbon outcome will be presented in SNCF 2021 Green Bond Reporting.



SNCF GROUP GREEN BOND FRAMEWORK – 2020/2021

This Green Bond Framework has been created to facilitate transparency, disclosure, integrity and quality of SNCF SA Green Bond issues. **This framework is in alignment with the Green Bond Principles of June 2018 (GBP), the Climate Bond Initiative (CBI) Low Carbon Transportation standard and the Future European Green Bond Standard under construction.**

SNCF SA Green Bond will follow the four components as described by the GBP: Use of Proceeds, Process for Project Selection, Management of Proceeds and Reporting.

a. Use of proceeds

An amount equal to the net proceeds of SNCF Group Green Finance Instruments will be earmarked to the (re)financing, in whole or in part, of existing or future Eligible Green Projects.

i. Eligible Green Projects

Eligible Green Projects are self-funded projects supporting zero-emissions transportation as they support an optimum use of the rail transport.

More precisely, to be eligible, a potential project needs to meet the following criteria:

ON SNCF RESEAU PERIMETER	ON SNCF VOYAGEURS PERIMETER
High speed lines, which were brought into service from 1981	Zero-direct emission train fleet
Standard electrified lines grouped 1 to 6 using the UIC classification	Maintenance facilities related to zero-direct emission train fleet
Electrification investments on non-already electrified lines grouped 1 to 6 using the UIC classification,	

ii. Eligible Investments

Therefore, “Eligible Green Projects” include the following capital expenditures:

ON SNCF RESEAU PERIMETER	ON SNCF VOYAGEURS PERIMETER
Investments (OPEX qualified as CAPEX) related to maintenance, upgrades and energy of the rail system	Investments (OPEX qualified as CAPEX) related to 0-direct emissions train fleet purchase
Investments (OPEX qualified as CAPEX) related to new rail lines and rail lines extensions which ensure access to the network and the efficient movement of people and freight	Investments (OPEX qualified as CAPEX) related to 0-direct emissions train fleet renovation and maintenance (opération mi-vie)
Other Investments (OPEX qualified as CAPEX) linked to the global climate change challenges, the protection of biodiversity and natural resources	Investments (OPEX qualified as CAPEX) related to maintenance facilities overhaul in relation with 0-direct emissions train fleet

iii. Financing mechanism

In the wake of the railway reform, SNCF SA has become the sole issuer of debt in the bond market. Therefore, all Green Bonds will first be raised from SNCF SA before being reallocated to the corresponding subsidiaries via inter-company loans.

This mechanism is compliant with the ‘Green Bond principles’ (GBP), the ‘Climate Bond initiative’ (CBI) requirements and the future ‘European Green Bond Standards’ requirements.

iv. Lookback / Look-forward period

Eligible Green Projects include new and ongoing projects with disbursements within the past two years (look-back period). Eligible Green Project also include future project with disbursement occurring in the next two years (look-forward period).

b. Selection process

SNCF SA’s Finance and Treasury division in coordination with group’s Accounting & Management Control divisions and Sustainable Development division will review the allocation of the projects annually.

If projects are considered eligible, they will be recorded in the SNCF SA’s Green Bond Register and tracked for the life of the involvement in the Green Bond.

c. Management of proceeds

Pending allocation of an amount equal to the net proceeds from the sales of the Notes to Eligible Green Projects, the proceeds from the Green Bond will be placed into SNCF SA’s treasury accounts.

SNCF SA’s treasury will allocate, via intercompany loan, the bond proceeds from the treasury to projects recorded in the Green Bond register. The register will include a full list of eligible projects (as approved in the Process for Project Selection and Evaluation section), and the amount of allocation made. Whilst any

bond proceeds remain unallocated, they will be invested in accordance with SNCF SA's liquidity management policies and guidelines in money market products, such as cash and/or cash equivalents and/or bank deposits.

Payment of principal and interest of the Notes will be made from our general funds and will not be directly linked to the performance of the Eligible Green Projects.

With respect to above-mentioned use of proceeds section (2.1), all the net proceeds will ultimately be allocated to the identified eligible Green Projects and so long as the Green Bonds are outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to the eligible Green Projects.

Use and management of proceeds will be verified, ex post, by an auditing company (currently KPMG France).

d. Recycling policy

On SNCF Voyageur perimeter only, once an eligible rolling stock is sold or in case of divestment, postponement, cancelation, ineligibility or controversy, the issuer will re-allocate the proceeds to finance other Eligible Green Projects, in compliance with the current Framework, within 24 months, or accordingly downsize the future envelope of eligible assets accordingly to the value of the project withdrawn from the pool.

e. Reporting

Within the calendar year that follows the issuance, and until the full allocation of an amount equal to the net proceeds of the Green Bonds issued, SNCF SA will provide to investors:

- Annual updates on website (<https://www.sncf.com>) on the amounts allocated to the Eligible Green Projects,
- Relevant expected impact metrics and where feasible actual impact metrics related to the Eligible Green Projects where competition and confidentiality reasons allow.
- Auditors or any other third party appointed by SNCF SA, will issue an annual report on SNCF SA's compliance in all material respects with the Eligible Green Project criteria set forth in these documents.

On SNCF Réseau perimeter, examples of relevant metrics could include:

1. Investments related to maintenance, upgrades and energy efficiency of the rail system

- Total GHG emissions of the maintenance project called high-output track replacement units (tCO₂eq)
- Estimated FTE's creation on the maintenance site
- Age of the railway by type of railway
- Volume of wooden sleepers recycled for energy purposes (tons)
- Share of ballast re-used on the maintenance project (tons)
- Share of concrete sleepers recycled from the maintenance project (tons)
- Share of re-used rails from the maintenance project (tons of steel)

2. Investments related to new rail lines and rail lines extensions which ensure access to the network and the efficient movement of people and freight

- Total GHG emissions of the project (tCO₂eq)
- Modal shift: Number of passenger or goods transferred to the train
- Total GHG emissions avoided because of the project (tCO₂eq)
- Estimated FTE's creation on the construction site
- Estimated average time saving because of the project (min)

3. Other investments linked to the global climate change challenges, the protection of biodiversity and natural resources

Currently, most of the metrics are not yet available in this category and investments are too numerous and/or granular to be allocated yet. Examples of impact metrics are intended for illustrative purposes only and no assurances can be provided that these exact metrics will be provided. Relevant impact metrics will be provided and may/will differ depending on the type of project.

On SNCF Voyageurs perimeter, examples of relevant metrics could include:

1. Total GHG emissions of the investments (tCO₂eq)
2. Total GHG emissions avoided because of the investments (tCO₂eq)
3. The net carbon footprint of the investments (tCO₂eq) and per millions of euros invested
4. A few metrics related to train recyclability (to be defined)



COMPLIANCE WITH EXISTING STANDARDS

a. GBP Principles

SNCF SA has appointed a “Second Opinion Provider” to assist the finalization of the Green Bond Framework, which will sum-up the main extra-financial features of the potential future transaction and will provide a “Second Party Opinion” on this framework.

The objective of the Second Party Opinion is to provide investors an independent accurate assessment on the alignment of the framework with the GBP in accordance with the CSR policy of SNCF SA.

The Second Opinion will be provided by ISS-ESG research



b. CBI climate bonds

SNCF SA has appointed ISS ESG research to act as a verifier for obtaining a Climate Bond Initiative Certification.

The Climate Bond Initiative certification will be related to the Low-Carbon Transportation Standard.

