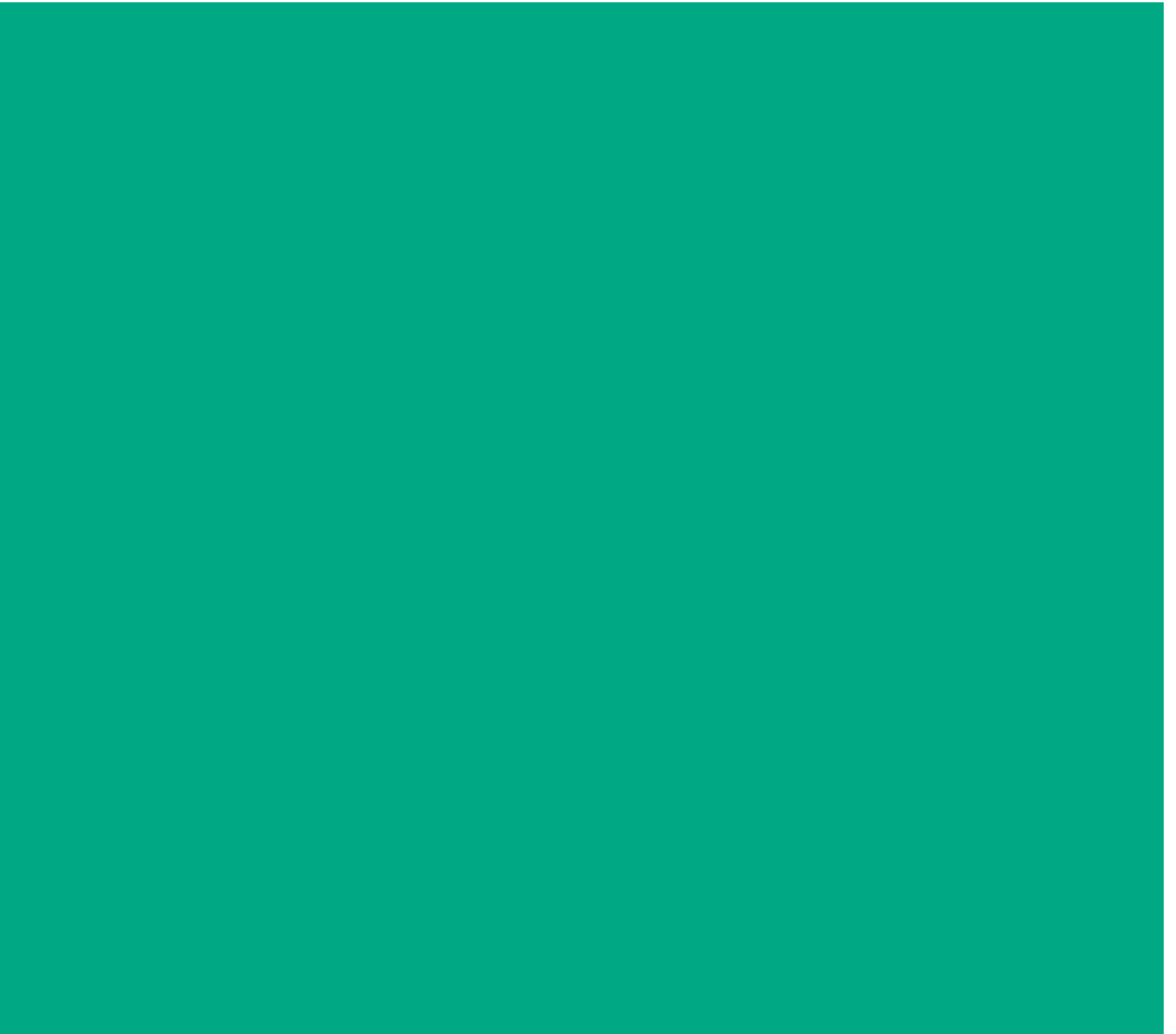


# Green securities Framework **2025-2026**







# Purpose of document

This document provides SNCF Group investors with a comprehensive overview of the company's sustainable financing policy, the monitoring mechanisms in place, the governing rules and standards, and the environmental and CSR impacts of financing eligible assets.

The **Green Securities Framework** consolidates our existing Green Bond and Green Commercial Paper (Green CP) frameworks into a single, unified reference document covering all green securities issued by the company—hence its name.

This framework is designed to align with leading market standards, notably the ICMA Green Bond Principles, and the Climate Bond Initiative (CBI) Standard, and undergoes annual compliance verification by an independent Second Opinion Provider (SOP), resulting in a Second Party Opinion (SPO). The framework is made publicly available.

## Rationale for issuance

The issuance of green bonds is a cornerstone of the SNCF Group's financing strategy, with 100% of its funding and investments labeled as "green" or "sustainable." This milestone, achieved in 2025, is intended to be sustained over the long term across all bond issuances and short-term financing instruments.

The Group is pursuing an ambitious climate pathway aligned with the objectives of the Paris Agreement. It targets a 30% reduction in greenhouse gas (GHG) emissions across scopes 1 and 2 by 2030, compared with 2015 levels, for its transport activities. In addition, in 2025, the Science Based Targets initiative validated a trajectory consistent with a 1.5°C warming scenario, including a 42% reduction in scope 1 and 2 emissions between 2022 and 2030, alongside complementary targets covering scope 3 emissions.

In this context, green bonds play a key role in financing projects that drive the decarbonization of the Group's activities and support the transition to a low-carbon economy.

# Presentation of SNCF Group

SNCF Group is a leading mobility provider in Europe, operating across all segments of the transport market. Anchored in its core rail business, the Group leverages its expertise, ecological advantages, and adaptability to thrive in a rapidly changing environment. In doing so, SNCF serves the public interest—supporting customers and communities throughout France.

In doing so, SNCF serves the public interest, supporting customers and communities throughout France. Concretely, the Group works to have a positive impact on its entire ecosystem, from environmental stewardship to regional development. Promoting equal opportunities is central to its mission.

***“The SNCF Group’s public service mission is clear: to deliver seamless, accessible, and sustainable mobility for all. This ambition plays a vital role in fostering balanced regional development and strengthening national cohesion. At a time of profound societal and environmental transformation, the Group is well positioned to take a leading role. Year after year, it demonstrates both its capacity to evolve and its steadfast commitment to its core principles. This momentum is reflected in its ability to sustain major investments, uphold rigorous safety standards, and enhance the attractiveness of rail transport, in order to meet the expectations of as many people as possible.”***

**Jean Castex**

Chairman and CEO, SNCF Group



## SNCF Group comprises five major subsidiaries, each with a distinct identity:

**SNCF Réseau** – Responsible for the management, maintenance, and renewal of rail infrastructure and stations.

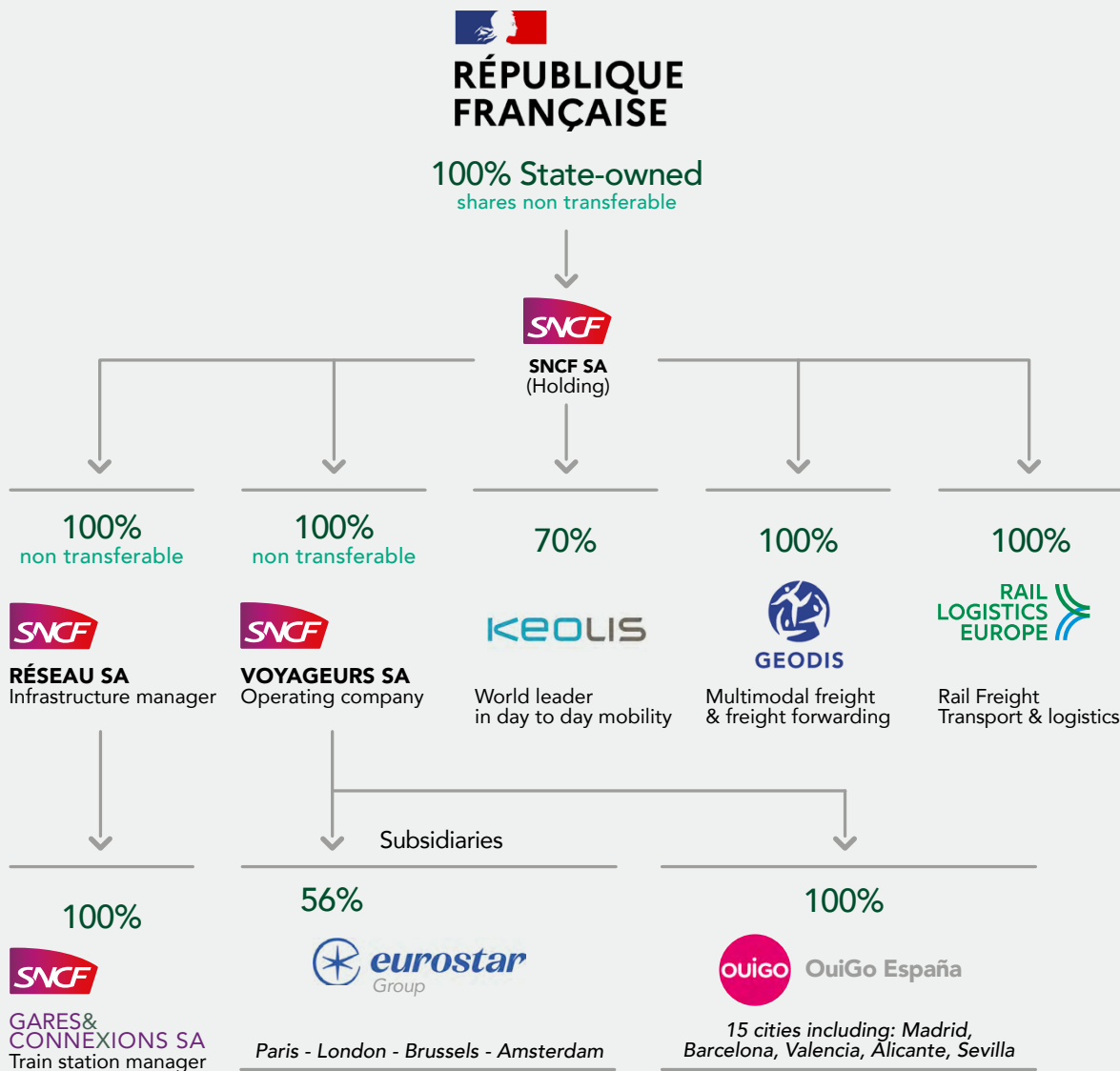
**SNCF Voyageurs** – Operates passenger rail services, both in “Open Access” on high-speed lines, and at the regional level, under brands such as TER, Transilien, TGV, OuiGo, Eurostar, and OuiGo España.

**Keolis** – Specializes in mass transit and urban transport services in France and internationally.

**Rail Logistics Europe** – Focuses on rail freight and logistics operations across Europe.

**GEODIS** – Provides international freight forwarding and logistics solutions.

These operational subsidiaries are coordinated by **SNCF SA**, a 100% state-owned national company that serves as the Group’s parent entity. SNCF SA provides strategic oversight, financial management, and shared services, ensuring the Group’s unity, integration, and operational solidarity.



Source: Annual Report 2024

# 2025 Key figures

In 2025, SNCF Group delivered a solid financial performance, reporting revenue of €43 billion; EBITDA of €7.6 billion; total investment (CAPEX) of €11 billion from all financing sources, invested primarily in the French rail system; and net debt of €24.3 billion, maintained at a controlled level.



To find out more about the group activities, please refer you to the following documents:

[Annual Report 25 – SNCF Group](#)

[GEODIS website](#)

[Investor presentation](#)

[KEOLIS website](#)

[SNCF website – Finance pages](#)

[SNCF website – Rail Logistics Europe](#)

[SNCF website – Voyageurs](#)

[SNCF Réseau website](#)





# SNCF Group ESG commitment

## The world is developing facing to four crises:

**A climate crisis** that demands profound changes in behaviour, both individually and collectively.

**A regional crisis:** since not all regions share the same level of development or integration into global trade, leading to inequalities in economic growth, tax revenues, and access to public services.

**A labor crisis,** alinked to these regional disparities, in which difficulties in accessing jobs and income inequalities make it harder for households to change their lifestyles and, in particular, to adopt more environmentally friendly habits.

**Increasingly frequent health crises,** linked to population growth, urban concentration, and the intensification of the movement of goods and people, with lasting effects on the economic, social, and cultural spheres.

The Group's commitments regarding non-financial performance are detailed in the Sustainability Statement within the Annual Consolidated Management Report.

## Faced with these urgent issues, SNCF Group is taking clear and decisive action.

**Climate change remains a central challenge:** While the transport sector accounts for 34% of France's greenhouse gas (GHG) emissions, rail represents less than 1% of this total—yet trains carries 11% of passengers and 9% of freight<sup>1</sup>. Building on this advantage and to encourage a shift towards collective transport, SNCF Group has adopted an ambitious plan to cut CO2e emissions. By 2030, the Group aims to reduce emissions from its transport activities by 30% and from its buildings by 50% compared with 2015 levels. These objectives are fully aligned with France's National Low-Carbon Strategy and the targets set in the Paris Agreement.

1. Source : Ministères Aménagement du territoire Transition écologique

**A natural partner committed to regional development:** SNCF Group's relationship with French regions is both natural and long-standing: transport has always played a central role in opening up and developing regions, conurbations, and city centres. This relationship is strengthened by the Group's 11 regional coordinators, whose role is to build and maintain strong connections with local stakeholders.

Today regions are undergoing significant transformation, driven by a range of factors. These include the growth and increasing dominance of major metropolitan areas and globalization, regional deindustrialization, ageing populations, and the need to reduce energy consumption. All SNCF Group business lines contribute to meeting these challenges: revitalizing smaller historic regional lines to support mass transit, increasing the capacity of major train stations while keeping them fully open and accessible in optimal conditions, and helping each and every region design mobility services tailored to its demographic, environmental, and financial realities

**A reaffirmed social commitment that reflects SNCF Group's wide-ranging social responsibilities.**

- **As an employer,** the Group has a workforce of nearly 290,000 worldwide, including nearly 210,000 in France. It is committed to providing every employee with opportunities for professional development, a strong social safety net, and a supportive working environment. SNCF Group seeks to enhance its brand's attractiveness to recruit and retain top talent in key roles.
- **As a provider of mobility solutions,** SNCF Group is a major player in the rail sector—and in both the French and European economies. The Group's purchasing volume reaches nearly €21 billion in 2025, 84% of which is spent in France. It benefits more than 20,000 French suppliers—mostly SMEs and mid-sized companies—and generates around 270,000 indirect jobs across the regions..
- **As a provider of mobility solutions,** the Group plays a vital role in the daily lives of millions in France and abroad. Its operational and commercial performance directly affects people's quality of life, influencing their access to employment, their ability to commute, and their ability to exercise their rights. Continuous improvement in these areas is not only a matter of competitiveness—it is also a matter of social justice and regional equity.
- **As a 100% government owned company,** SNCF Group serves the nation and strives to be useful in the daily lives of everyone in France.
- **Since 2003, SNCF Group has adhered to the 10 principles of the United Nations Global Compact** on human rights, anti-corruption, labour rights, and environmental protection, and publishes an annual report on its progress in these areas.

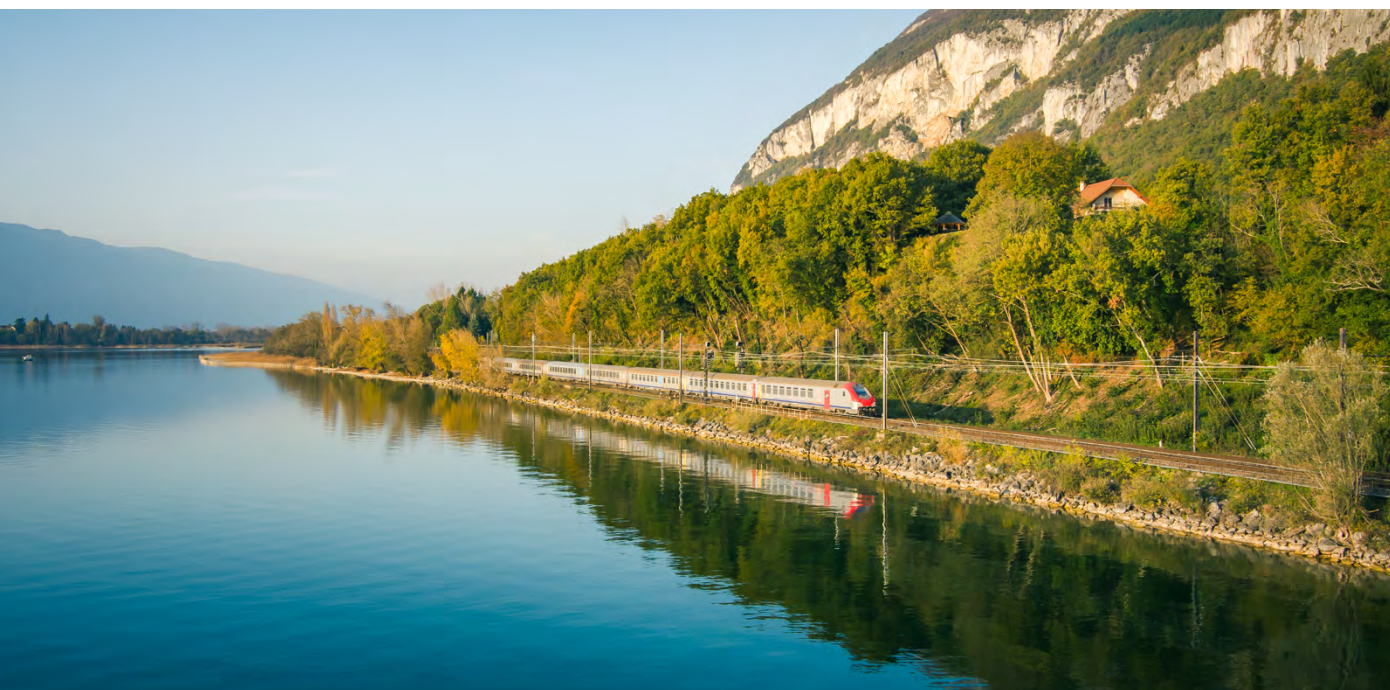


**To find out more about the group's CSR commitments:**  
[2025 Sustainability Report](#)

- Since 2016, Green Bonds and Green CPs issued by SNCF Group have directly contributed to 14 of the 17 Sustainable Development Goals (SDGs) set by the United Nations.

# SUSTAINABLE DEVELOPMENT GOALS





# SNCF Group and sustainable finance

## Context

Sustainable finance has grown exponentially over the past 10 years, with green issuance volumes exceeding USD 400 billion each year. This is a key market for a large number of issuers, including the SNCF Group.

Between 2016 and 2025, SNCF Group raised €13.7 billion through Green Bond securities, positioning the Group as one of the largest Green Bond issuers in both France and worldwide (excluding financial institutions and sovereign issuers).

## Our commitments

Since 2025, the SNCF Group has been implementing a fully sustainable financing strategy by aligning all of its financial products (with the exception of derivatives and term deposits) with responsible investment criteria. This strategy includes:

- Green Bonds for medium and long-term financing
- Green Commercial Paper (CP) for short-term financing
- Green Deposits for short-term financing
- Investments in instruments incorporating environmental, social, and governance (ESG) criteria for cash management.

## Policies and actions

**To achieve full conversion of its financial products, the Group relies on three main levers.**

**Broadening the asset base.** The gradual inclusion of new asset types is a core, long-term approach. Initially confined to the rail network, the Group's scope has progressively expanded to encompass new green investments eligible for Green Bonds. It now includes a broad range of capital expenditures, notably network modernization, the procurement of rolling stock, life-extension programs, and station upgrades. In this context, and following the example set by SNCF Réseau, the subsidiaries SNCF Voyageurs and SNCF Gares & Connexions have developed their own carbon accounting methodologies and tools.

**The extension to short-term financing (Green CP).** In 2021, SNCF Group launched its first short-term green financing instruments—Green Commercial Paper—designed to meet with the allocation criteria of the ICMA’s Green Bond Principles. Proceeds are used to finance operating expenses related to recycling, environmental remediation, and renewable energy purchase agreements. This instrument was developed in partnership with Mirova, an asset management company specializing in sustainable investment. With this initiative, SNCF Group aims to contribute to the development of green finance markets and accelerate investment in the green transition.

**Greening of investments.** Since 2025, the SNCF Group has fully transitioned its treasury investments (UCITS, money market funds, and bond funds) to align with responsible investment criteria.

### Positive impacts for the climate

Between 2016 (date of the first green bond issued) and 2024, funds raised through Green Bonds have avoided an estimated 58.4 million tonnes of CO<sub>2</sub>e emissions equal to the carbon footprint of almost 178,000 French people over 40 years<sup>1</sup>. On average, every €1 billion invested in the rail network avoids 4.3 million tonnes of CO<sub>2</sub>e over 40 years.

1. Source: According to the SDES (the public statistical service for energy, transport, housing, and the environment), the carbon footprint in 2024 reached 8.2 tonnes per person.





## A robust approach

**Our Green Securities programmes are built on best market practices, including:**

**Allocation of funds to new projects:** Projects are financed only once, preventing multiple issuances for the same asset.

**Consideration of the full product life cycle:** Carbon emissions are assessed not only for the usage phase but also for a wide range of indirect emissions linked to upstream phases (such as construction) and downstream phases (such as recycling).

**Comprehensive impact analysis:** Wherever possible, SNCF Group accounts for direct emissions, indirect emissions from energy consumption, and other upstream and downstream indirect emissions.

**Objective assumptions:** Key assumptions—such as changes in the French energy mix or changes in emission factors for competing modes of transport—are updated annually using the latest studies from recognized external reference bodies (ADEME, RTE, etc.).

**No double counting:** Allocation rules are applied so that “avoided emissions” are not counted more than once. In practice, 80% of emissions are attributed to infrastructure and 20% to rolling stock, regardless of the project financed. Infrastructure refers to both the eligible assets of SNCF Réseau and those of SNCF G&C. For projects that are partially subsidized or co-financed, SNCF Group calculates avoided emissions in proportion to its share of funding.

In addition, SNCF Group certifies its Green Bond programme annually against leading market standards such as the Green Bond Principles and the Climate Bonds Initiative, and publishes an annual Green Bond Impact Report. This report is independently reviewed by an external auditor—separate from the statutory auditors—and by a Second Party Opinion (SPO) provider.

**Traffic removal effect:** The methodology for evaluating infrastructure investments incorporates a “traffic removal effect” applied to eligible high-speed rail lines (HSL). Under this principle, the disappearance of high-speed services does not result in a complete shift to more polluting modes (car or air travel). Instead, part of the demand simply disappears, corresponding to trips that are ultimately not made.



# Green bond programme

## Use of proceeds

SNCF Group's sustainable mobility offering and strong regional footprint nationwide make it a key partner in delivering public policies initiated by local authorities. This applies in areas ranging from employment to housing, partnerships with training organizations, support for local start-ups, and backing for community associations.

In doing so, it contributes to addressing the main concerns of French citizens, as identified in the second edition of the Baromètre des Territoires: health, purchasing power, and the environment.

In line with ICMA's pre-issuance checklist, harmful project categories are excluded from financing.

Rail remains the most sustainable mode of transport, offering the lowest CO<sub>2</sub>e emissions of any major form of travel. For every €1 billion invested in rail infrastructure, approximately 5.2 million tonnes of CO<sub>2</sub>e are avoided over a 40-year period.

Through its Green Bond programme, SNCF Group aims to highlight and finance capital expenditures (CAPEX) that deliver a high environmental impact. These include the maintenance, renewal, and development of all components of the rail system—both infrastructure, which is essential for all traffic, and rolling stock, which unlocks the full ecological potential of rail transport.

1. These investments align with the ICMA Green Bond Principles under the "Clean Transportation" category.

**At present, the Green Bond programme finances:**

**Investments in the maintenance, renewal, and energy efficiency** of France's electrified rail network, focused on the busiest sections (High-Speed Lines and UIC 1 to 6 categories)<sup>1</sup>.

**Investments to expand the electrified rail network** for these same high-traffic sections.

**Purchase of high-speed electric rolling stock<sup>1</sup>**

SNCF Group is investing in new high-speed electric trains, such as the TGV M. An order for around 100 of these modern trainsets will reduce energy consumption on the electrified rail network by 20%—on the busiest sections (UIC 1 to 6 and LGV)—while increasing passenger capacity by up to 20%.

**Major maintenance – mid-life operations**

Significant investments are being made in mid-life overhauls of the high-speed electric rolling stock fleet and in the associated industrial maintenance depots (technicentres<sup>2</sup>). These facilities carry out heavy maintenance after 15–20 years of operation, including renovations, major repairs, and modernization of rolling stock.

**Major maintenance – end-of-life operations**

End-of-life refurbishment investments are also being made for the high-speed electric rolling stock fleet and related industrial technicentres. This includes programmes linked to end-of-life operations, currently known as "O2D" (*Opération d'Obsolescence Déprogrammée*), which aim to extend the service life of trainsets by an additional 2 to 10 years.

**Light maintenance renovations**

Investments are also directed toward light maintenance renovations for the high-speed electric rolling stock fleet and associated maintenance technicentres. These centres are responsible for routine servicing, repairs, and preventive maintenance.

1. For passengers' transportation

2. Industrial technicentres carry out heavy maintenance of trains, which generally takes place after 15-20 years. These operations include renovation tasks, heavy repairs, and modernization of the rolling stock.

## Train stations



Eligible station expenditures relate to assets located on electrified lines (UIC 1–6) that support the sustainability of the rail network through the extension of station asset life.

- **Asset regeneration and remediation of aging infrastructure:** compliance upgrades, refurbishment of passenger station buildings, platforms, shelters and technical equipment.
- **Safety and regulatory compliance:** video surveillance, fire safety, smoke extraction systems, electrical compliance upgrades, securing passenger areas.
- **Green stations:** high-efficiency lighting and HVAC systems, energy renovation works, photovoltaic panels, waste management
- **Accessibility:** lifts, ramps, tactile paving, platform raising works, PRM (Persons with Reduced Mobility) facilities.
- **Service improvements:** renewal of furniture and platform shelters, refurbishment of signage, screens and display systems, enhancement of waiting areas and public address systems.

## Proceeds tracking and reporting

The amount of use of proceeds after each issuance is reported net of the fees paid to the bank syndicate. SNCF Group tracks all proceeds, and each year the allocation of Green Bond-financed expenditures—as well as the total amount of Green Bonds issued—is disclosed in annual allocation and impact reports.



ICMA GBP Category	Eligibility Criteria	Related EU Economic Activity	Related UN SDGs
Clean Transportation	Investments in maintenance, renewal, energy efficiency of the electric rail network, for the most circulated sections (UIC 1 to 6 and HSL)		
	Investments in the development of the electric rail network, for the most circulated sections (UIC 1 to 6 and HSL)	3.19 Manufacture of rail rolling stock constituents	
	Purchase of high-speed electric rolling stock, such as the TGV M, for the busiest sections (UIC 1 to 6 and LGV)	6.1 Passenger interurban rail transport	
	Major maintenance investments for mid-life operation of the high-speed electric rolling stock fleet and the related technicenters.	6.2 Freight rail transport	 <sup>2</sup>
	Major maintenance renovation investments for end-of-life operation of the high-speed electric rolling stock fleet and the related technicenters	6.3 Urban and suburban transport, road passenger transport	
	Light maintenance renovation investments of the high-speed electric rolling stock fleet and the related technicenters	6.14 Rail transport infrastructure	
	Investments concerning train stations located on the busiest sections of the network (UIC 1 to 6). These involve their renewal and modernization, compliance with safety standards, the development of environmentally friendly solutions, as well as improvements to accessibility and passenger services	7.1 Technicenters construction 7.2 Renovation maintenance on HSL 7.7 Acquisition and ownership of buildings	

Sources: Group Financial and Sustainability Report 2024 and SNCF Green Securities Framework 2023 - 2024)

1) Indicative only. In its 2023 Annual Financial Report, SNCF also reported Taxonomy-aligned CapEx for the following activities: 3.6 Manufacture of other low carbon technologies (€3m), 3.19 Manufacture of rail rolling stock constituents (EUR16m), 7.2 Renovation of existing buildings (€23m), 7.3 Installation, maintenance and repair of energy efficiency equipment (€19m), 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (€1m)

2. As assessed by ISS Corporate in the SPO of SNCF's Green Securities Framework, 12-Jul-24 link)



## Process for project evaluation and selection

When selecting eligible projects, SNCF Group carefully evaluates all potential social and environmental risks. Every project must deliver significant environmental benefits while also demonstrating strong social relevance.

### **Eligible projects follow a clear environmental logic, guided by the following principles:**

**Infrastructure:** Limited to CAPEX on the busiest sections of the electrified network. (UIC 1 to 6), and only for projects related to existing electrified lines or electrification works.

**Rolling stock:** Limited to CAPEX for trainsets with zero direct emissions (electric, hydrogen, etc.), including investments linked to maintenance operations (“mid-life”, “end-of-life”, and light maintenance) as well as the associated technicentres.

**To prevent double counting:** SNCF Group values only the actual investments made—net CAPEX financed by the company. In addition, allocation rules are applied for Commercial Paper (CP) to avoid counting the same eligible assets twice, even though estimated avoided GHG emissions are calculated only for Green Bonds and not for CPs.



### **SNCF Group reserves the option to expand its base of eligible assets.**

Any such expansion will require updated framework documentation and disclosure of the key assumptions used in calculating impacts (Methodology).

SNCF SA's Corporate Finance Division, in coordination with the Group's Accounting & Management Control and Sustainable Development divisions, conducts an annual review of project allocations. Projects deemed eligible are recorded in SNCF SA's Green Bond Register and tracked for the full duration of their inclusion in the Green Bond programme.

#### **To provide greater clarity on our evaluation and selection process:**

1. Eligible projects are selected in partnership with the Sustainability Division, based on their ability to avoid CO<sub>2</sub>e emissions while promoting affordable transportation for all, in line with the framework.
2. The Accounting & Management Control Division provides the Corporate Finance Division with monthly reports on eligible CAPEX.
3. The Corporate Finance Division issues Green Bonds based on available eligible funding envelopes.
4. The Corporate Finance Division<sup>1</sup>, in partnership with the Accounting & Management Control Division, reports annually on the use and management of proceeds.
5. The Corporate Finance Division, in partnership with the Sustainable Development Division, reports on the environmental and social impacts of the investments.

SNCF Group is developing indicators and approaches to broaden its base of eligible assets. For example, the Group is interested, for example, in the valuation of its real estate assets for railway use, such as technical centres, maintenance centres and residential facilities.

SNCF Group reports annually on project impacts in its Impact Report. Intra-Group loans granted to subsidiaries holding eligible assets are used to link eligible CAPEX with Green Bond financing.



## Management of proceeds

SNCF Group applies a two-year “look-back period,” which authorizes the financing of all eligible projects (CAPEX) undertaken within the prior 24-month period through Green Bonds. In other words, only eligible assets from the last two years are considered, using the portfolio approach. The total amount raised each year is disclosed in the annual report, along with the allocation of proceeds by project category. The allocation period for each Green Bond issuance is also two years, and annual disclosures specify the amounts allocated by project type.

For rolling stock only, when advance payments are made to manufacturers or for renovation works, SNCF Group may include all related advance payments without applying the two-year look-back period alongside the CAPEX incurred in the year of issuance. This reflects the Group’s reporting method, which records equipment deliveries from the past two years rather than advance payments for future deliveries. However, Green Bonds may not be used to finance prepayments that are unrelated to equipment deliveries in the issuance year (Year N).

In most cases, Green Bonds are issued against existing assets, enabling immediate allocation of proceeds to the corresponding projects. When temporary management of proceeds is required, it follows best market practices and complies fully with the recommendations of the Green Bond Principles.



### Key principles:

- Pending the allocation of an amount equal to the net proceeds from the sale of the Notes to eligible green projects, proceeds from a Green Bond issue are held exclusively in SNCF SA's treasury accounts.
- SNCF Group strictly prohibits any temporary or permanent allocation of proceeds to non-eligible projects.
- As a result, all proceeds are applied in full to eligible projects only.
- Green Bonds are issued by the parent company, SNCF SA, and an equivalent amount is then reallocated to subsidiaries through one or more intra-Group loans between the parent company and the subsidiary holding the assets. Each time green proceeds are transferred, the corresponding intra-Group loan is reduced by the same amount. Intra-Group loans are transferable, whether established before or after the issuance of the Green Bonds.
- If rolling stock assets are sold or otherwise disposed of, an amount equivalent to the sale proceeds must be reallocated to eligible projects. Until this reallocation is made, the equivalent amount remains in cash.

The use and management of Green Bond proceeds are reviewed by an external Second Party Opinion (SPO) provider.

## Impact reporting and methodology

**In line with the ICMA Green Bond Principles and the Climate Bonds Initiative (CBI) Principles**, within the calendar year following each issuance and until full allocation of an amount equal to the net proceeds, **SNCF SA will provide investors with:**

**Annual updates on its website** detailing the amounts allocated to Eligible Green Projects (Green Bond Report).

**Relevant expected impact metrics and, where feasible, actual impact metrics for Eligible Green Projects** subject to competition and confidentiality constraints.

**An annual report, prepared by auditors or another third party** appointed by SNCF SA, confirming the company's compliance in all material respects with the Eligible Green Project criteria set out in these documents.

### How we report

**Level of reporting:** The level of reporting is detailed in the Green Securities Reporting. Allocation of proceeds is reported annually on a portfolio basis, by broad categories of eligible CAPEX expenditures, whether relating to infrastructure or rolling stock.

**Information reported:** Allocated proceeds, Green Bond characteristics, CO<sub>2</sub> impact, and other key indicators.

**Frequency:** Annually, via the Green Securities Reporting.

**Scope:** All eligible assets and their impacts financed through Green Bonds.

**Duration:** Projects are reported once in the annual report for their year of financing, but total impacts since 2016 are also presented.

### Carbon impact calculation

Carbon impacts (in tonnes of CO<sub>2</sub>) are calculated according to the good practices described on page 11. These are based on a reference scenario in which non-completion of eligible projects would lead to:

- (i) reduced capacity or quality of rail transport,
- (ii) a modal shift of passengers to higher-emission transport modes, and
- (iii) an overall increase in emissions from the transport sector.

Conversely, completion of the investment enables the rail system to maintain a high level of operation, strengthening its competitiveness against more emission-intensive modes and thereby helping to maintain a lower overall emissions profile for the sector.

### Alignment with the EU Taxonomy

**Since 2023, the Allocation & Impact Report has disclosed annually:**

(i) the percentages of SNCF Group's revenue, CAPEX, and OPEX that are eligible and aligned, and (ii) the percentage of SNCF SA Green Bonds issued during the year linked to eligible assets.



#### Methodologies:

**SNCF Group has developed specific methodologies to track the impact of projects financed through Green Bonds:**

- *Carbon impact methodology for infrastructure assets*
- *Carbon impact methodology for high-speed rolling stock assets*
- *Carbon impact methodology for train stations*



# Green commercial paper program and green deposits

## Description of the instrument

Since 2025, all financing and investments have been carried out in 'Green' or 'Sustainable' formats. SNCF Group launched its first short-term Green Commercial Paper (Green CP) at the end of 2021.

While sustainability-linked commercial paper has existed for several years, SNCF Group has introduced an innovation: the first commercial paper programme with a "use-of-proceeds" approach. This structure ensures that short-term financing remains fully aligned with the company's overall sustainable investment policy.

As a financing instrument, the Group's Green CP is supported by dedicated legal documentation integrated into the company's financing programme and offers maturities ranging from 1 day to 364 days.

The programme was developed in partnership with Mirova, a leading investor in sustainable finance, to ensure it meets the highest market standards.

SNCF Group reports annually on the total amount of Green CP issued in its Allocation and Impact Report. By year-end 2024, SNCF SA had issued 24 Green ECPs, raising the equivalent of €1.47 billion. Each year, the allocation of proceeds to green bond-financed expenditures is disclosed in its Allocation and Impact Report.

In addition, SNCF Group offers investors the opportunity to invest in green deposits, directing funds toward environmentally sustainable projects through the company's pool of eligible assets.

## Use of proceeds

Green Commercial Paper (Green CP) and Green Deposit products are only allocated to eligible assets (CAPEX) already identified for Green Bond financing (as described on page 14). The net proceeds from Green CPs and Green Deposits issued under the framework are fully allocated to these projects.

Both Green CPs and Green Bonds use eligible assets with a two-year look-back period. Green CPs are linked exclusively to climate impact and not to social objectives.

The management of short-term green instruments—Green Commercial Papers and Green Deposits—follows a consistent approach. Issuance is strictly limited to the volume of available eligible green assets. Proceeds are managed according to the same methodology as for Green Bonds, with monthly monitoring. Each month, a verification process ensures that the pool of eligible green assets always exceeds the total outstanding amount of all green instruments issued, including Green Bonds, CPs, and Deposits.

All instruments are fully integrated into the annual Green Securities Reporting, with specific identification references to guarantee full transparency.

### **When proceeds are allocated to assets:**

**The instrument is used to pre-finance the Group's CAPEX assets before being refinanced through Green Bond issuance.**

**There is no final consumption of the assets at this stage,** meaning they may later be refinanced by a long-term instrument (Green Bond).

**No impact reporting is produced for these transactions,** as impacts are calculated and disclosed after Green Bond proceeds are allocated.

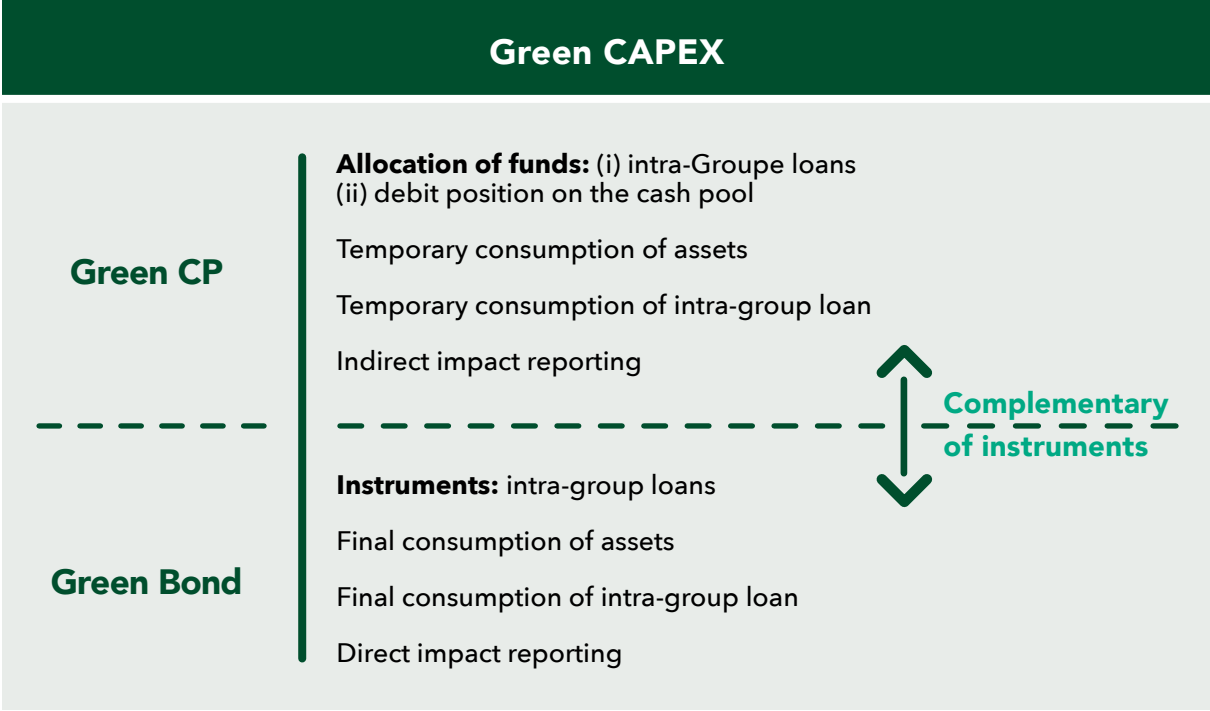
**There is no final consumption of the intra-Group loan** enabling the transfer of proceeds. Once the short-term instrument is repaid, the intra-Group loan regains full transferability and will be definitively consumed once Green Bond proceeds are transferred.

Because Green ECPs/Neu CPs and Green Bonds may refer to the same eligible assets, there is a potential risk of financing the same asset through both programmes.

To prevent this, SNCF Group sets a maximum issuance threshold for CPs, ensuring that at any time, the combined total of Green Bond issuances for the current year (N) and outstanding Green CPs does not exceed the total amount of available eligible assets. In rare cases, due to the limited size of the asset pool, SNCF Group may need to wait for the repayment of certain Green CPs before issuing Green Bonds, and vice versa.

**The Group does not attribute any carbon savings to Green CPs (even though they do generate them), as all carbon savings are recorded under Green Bonds.**

The table below illustrates how our different Green financing instruments complement each other, while highlighting their key differences.



SNCF SA’s Corporate Finance Division, in coordination with the Group’s Accounting & Management Control and Sustainable Development divisions, reviews project allocations on an annual basis. Eligible projects are recorded in SNCF SA’s Green Commercial Paper Register.

**To learn more about our evaluation and selection process:**

1. Eligible projects are selected in partnership with the Sustainability Division, based on their ability to avoid CO2e emissions while promoting affordable transportation for all.
2. The Accounting & Management Control Division provides the Corporate Finance Division with monthly reports on eligible CAPEX.
3. Green Commercial Paper is issued by the Corporate Finance Division based on available eligible funding envelopes.
4. The Corporate Finance Division, in partnership with the Accounting & Management Control Division, reports annually on the use and management of proceeds.
5. The Corporate Finance Division, in partnership with the Sustainable Development Division, reports on the environmental and social impacts of the investments.

## Management of proceeds

**The temporary management of proceeds<sup>1</sup> for Green CPs and Green Deposits follows the same principles as Green Bond financing:**

**SNCF Group prohibits the allocation of Green proceeds to non-eligible projects, even on a temporary basis.** Until proceeds are finally allocated to eligible assets, the Group must demonstrate that an equivalent amount is maintained in cash.

**Green CPs are issued by the parent company, SNCF SA,** and an equivalent amount is then reallocated to subsidiaries through one or more intra-Group loans between SNCF SA and the subsidiary holding the assets. Intra-Group loans remain transferable whether they are established before or after the issuance of Green Bonds.

**Intra-Group loans remain transferable** whether they are established before or after the issuance of Green Bonds.

**If rolling stock assets are sold or disposed of, an amount equal to the sale proceeds must be reallocated to eligible projects.** Until this reallocation occurs, the equivalent amount remains in cash.

**In addition to these rules, SNCF Group applies two further measures:**

**For CAPEX, there is no final consumption of the intra-Group loan** used to transfer proceeds. Once the instrument is repaid, the intra-Group loan returns to its original state.

As a portfolio approach is used, each year, an external auditing firm reviews SNCF Group's commercial paper programme to ensure that the portfolio contains sufficient eligible assets to ensure that the total of eligible green assets/CAPEX/OPEX exceeds the combined outstanding amount of Green Bonds, Green CPs, and Green Deposits.

Because CP is a short-term instrument, allocations are either carried out immediately or the proceeds are held in cash or cash-equivalent instruments until they are definitively consumed through the transfer of Green Bond proceeds.

Beyond intra-Group loan transfers, Green CP proceeds can also be transferred to subsidiaries if they demonstrate a liquidity need. This can be evidenced, for example, by a debit position of the subsidiary in the Group's cash pool during the week prior to the Green CP issuance. In such cases, proof of need allows for the immediate transfer of an equivalent amount to the subsidiary.

All proceeds are used exclusively and in full for eligible projects.



**Learn more:**

[Green CP press release](#)

1. On an aggregate basis of CPs



# Compliance with standards and risk factors

## Compliance with standards

SNCF Group's Green Bond programme and impact methodologies comply with main market standards, namely the ICMA Green Bond Principles and the Climate Bonds Initiative. SNCF Group also aims to align with the forthcoming EU Green Bond Standards, provided their final version offers added value compared to the two standards currently applied.

Each year, SNCF Group engages an independent Second Opinion Provider to confirm that its Framework aligns with the Green Bond Principles and, after allocation, to verify that proceeds are correctly allocated to CAPEX consistent with those criteria. In addition, the Group's impact reporting is reviewed annually by an external auditor to ensure the accuracy, integrity, and reliability of the information disclosed.



**To learn more about how SNCF Group meets the Green Bond Principles (GBP) and Climate Bonds Initiative (CBI) criteria:**

- [Second Party Opinion of the Green Bond Framework 2024](#)

- [CBI certification for 2024 allocation](#)

- [Green Securities Report 2024, incorporating the auditor's moderate assurance report](#)

## Risk

**Many renewal projects financed under the Green Bond programme require specific methodologies:**

- For certain parameters, average values are applied.
- An extrapolation method is used..

The footprint and impact of each Green Bond-financed project are therefore estimated using a sample of projects that are representative of the overall portfolio, with results extrapolated to the full set of projects.

ESG risks are also taken into account, particularly those related to climate change adaptation, which have been integrated into SNCF Group's major risk mapping for several years. Actions to address these risks are monitored by the Group Executive Committee during biannual meetings.

Each entity prepares and adopts its own major risk mapping, which always includes climate change impacts. Within each entity, a climate change adaptation officer is appointed to ensure the effective execution of related initiatives within their scope.

In addressing social risks, SNCF Group has adopted a series of charters that formalize its commitments and set out the principles to be followed by all employees: the Ethics Charter, the CSR Supplier Charter, and the Diversity/Gender Balance Charter. In addition, a professional whistleblowing system is in place, enabling all employees in France to report any actions or behaviour that are unlawful, non-compliant with regulations, or potentially harmful to the company's operations or reputation.



