

A stylized, flat-design illustration of a cityscape. In the foreground, a person is riding a bicycle on a green path. To the left, a white bus with a blue stripe is parked. In the middle ground, a white train with a blue stripe is moving. A cable car is suspended from two purple cables that stretch across the sky. The background features a large pink building with a blue dome and a cross on top, and several other pink buildings of varying heights. The sky is a gradient of green and blue, with a few white birds and clouds.

2023

GREEN FINANCING framework



Autorité Organisatrice
des Mobilités de la Grande Agglomération Toulousaine

TABLE OF CONTENTS

5 INTRODUCTION

6 GROUP PROFILE

7 ENVIRONMENTAL ISSUES RAISED BY MOBILITY IN THE TOULOUSE CONURBATION



15 GREEN FINANCING FRAMEWORK

24 EXTERNAL REVIEW

INTRODUCTION

Tisséo Collectivités is the *Syndicat Mixte des Transports en Commun* (SMTC, or joint public transport authority) for the Toulouse metropolitan area. It is responsible for organising urban transport and for developing and implementing a public transport policy applicable across the Toulouse metropolitan area.

The Toulouse metropolitan area is at the very heart of a “Euroregion” which has one of Europe’s fastest-growing populations and spans the metropolitan areas of Bordeaux, Toulouse and Montpellier in France along with Bilbao, Saragossa and Barcelona in Spain.

Within France itself, the metropolitan area forms part of the Occitania region which boasts France’s 4th-biggest population.

Such vibrant population growth has a direct impact on traffic conditions, which can make the metropolitan area less economically attractive and cause environmental harm in a region where the transport sector accounts for 38% of greenhouse gas (GHG) emissions ¹.

For travel behaviour to evolve and reduce the use of cars to reduce greenhouse gas emissions, Tisséo Collectivités has embarked on a very ambitious programme of operations, including the development of a third metro line (Line C), an Airport Express Line, a connection between Line C and Line B, and additional Linéo² bus services.

1 : “La consommation énergétique, Agence d’urbanisme et d’aménagement Toulouse aire métropolitaine”, May 2022.

2 : Linéo buses are optimised bus services, running frequently (every 6 to 10 minutes during peak hours and every 8 to 12 minutes during off-peak hours) and all day from 5am to approximately 12.30am.

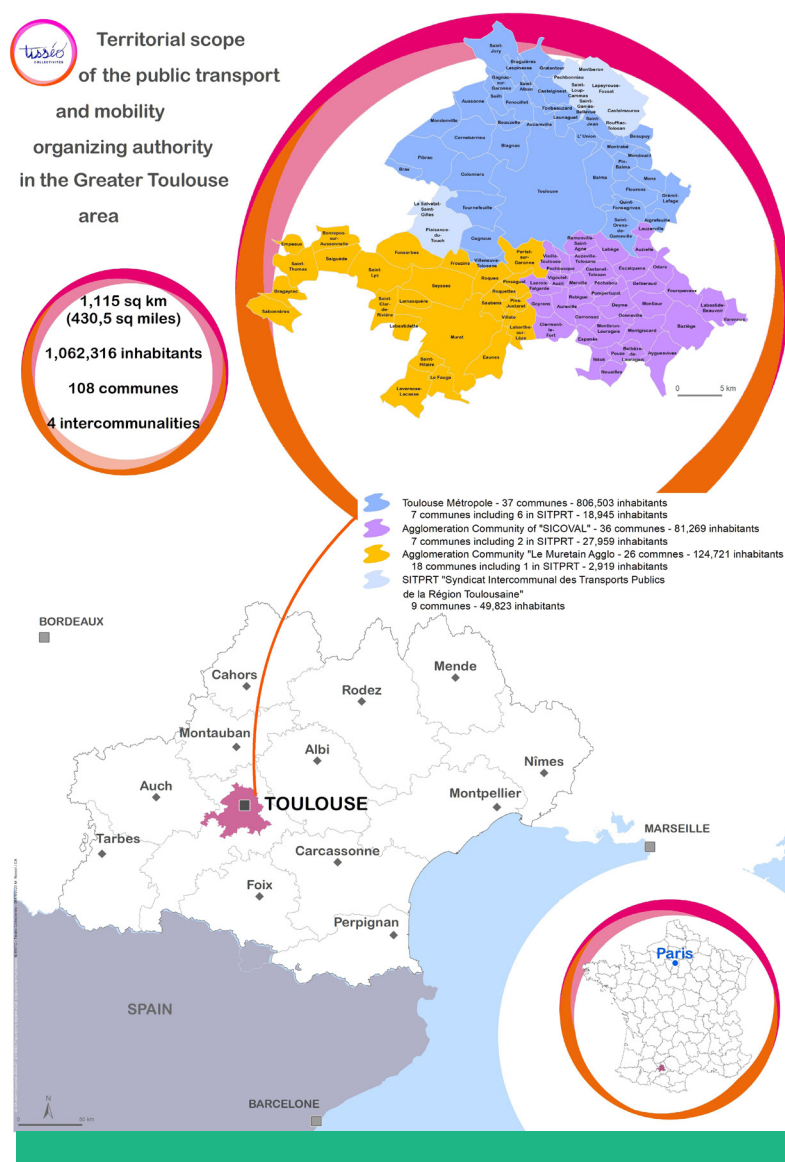


Figure 1 – Metropolitan area of Toulouse in France
Source: Tisséo Collectivités, 2022

Group profile: Tisséo Collectivités

The Tisséo Collectivités SMTC (joint public transport authority) was created by ministerial decree on the 18th of September 1972. The SMTC initially consisted of the Haute-Garonne department, the city of Toulouse and a joint transport authority, before incorporating the *communautés d'agglomération* (intercommunal structures) of the Greater Toulouse area and SICOVAL in 2000.

Since 2017, the Tisséo Collectivités SMTC's membership has been made up of:

- The "Toulouse Métropole" metropolis
- The *Syndicat Intercommunal des Transports Publics de la Région Toulousaine* (intercommunal structure)
- The SICOVAL *communauté d'agglomération* (intercommunal structure)

- The "Muretain Agglo" communauté d'agglomération (intercommunal structure)

As the mobility organisation authority³, for the greater Toulouse area, **Tisséo Collectivités** is responsible for defining the **transport policy and for organising and financing its implementation across the territory**. Its main role is to **offer quality modes of transport** while promoting active (walking, cycling) and shared mobility (carpooling or car-sharing) in a constant effort to apply the principles of sustainable development. It must also ensure that all the elements associated with mobility in the metropolitan area operate properly (see figure 2).

³ : An *autorité organisatrice de la mobilité* (AOM, or mobility organisation authority) is a public body that has the authority to organise forms of mobility located within its territorial remit.

The 5 roles assigned to a mobility organisation authority

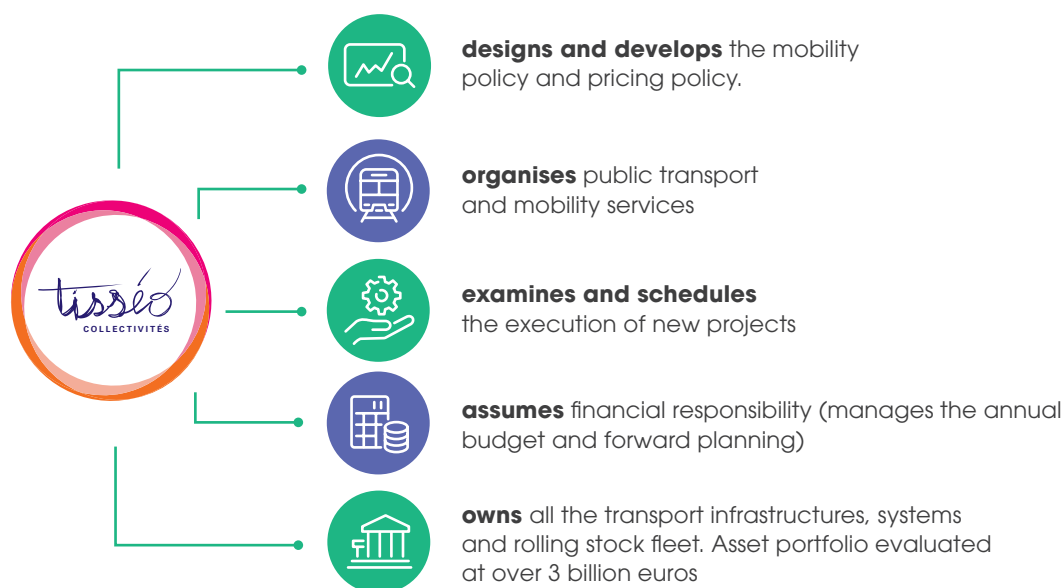


Figure 2 – The 5 roles assigned to a mobility organisation authority
Source: Tisséo Collectivités

Our organisation

Tisséo Collectivités entrusts certain assignments to its partners for the purposes of building transport infrastructure projects or delivering services of a high standard.

Tisséo Collectivités’ activities are divided into three divisions that structure the operations of the Organisation Authority under the President and General Management:

- **The Mobility division** defines and coordinates the mobility strategy;
- **The Technical division** defines projects, invests funds, oversees construction sites and manages the asset portfolio;
- **The Resources division** provides support for compiling project paperwork, drawing up contracts and obtaining financing.

Our partners

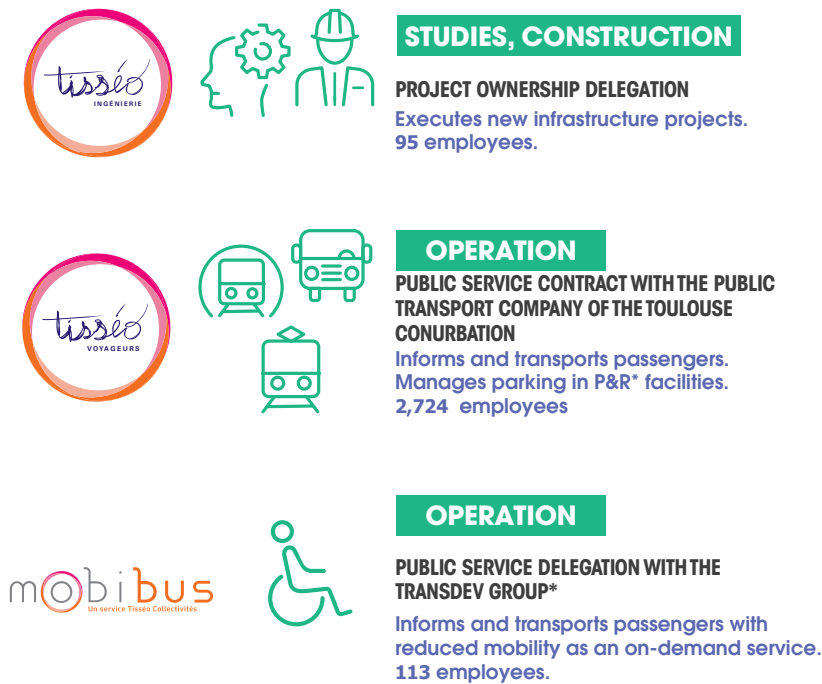


Figure 3 –Tisséo Collectivités’ 3 main subsidiaries. Collectivités.
Source: Tisséo Collectivités.

Tisséo Collectivités’ activities

Tisséo Collectivités carries an average of approximately 620,000 passengers each day throughout its network which consists primarily of 4 modes of public transport:

- **Bus**: 138 standard and 11 core bus routes operated by Linéo, as well as an electric shuttle bus linking up Toulouse city centre to Toulouse-Blagnac Airport, 4 on-demand bus services and 30 school bus routes;
- **Metro**: 2 automated lines, with 116 trains serving 38 stations on 27.1km of rail tracks;

- **Tramway**: 2 tramway lines, with 28 trains serving 28 stations on 17.1km of rail tracks;
- **Urban cable car**: 15 cars each carrying up to 34 passengers and serving 3 stations over a 3km route.

On average, **the network completes 36 million fare-paying kilometres and records more than 160 million ticket/pass validations⁴**, of which approximately **95 million for the metro network alone**.

4 : Validation here refers to a ticket being stamped or a travel pass being swiped. A passenger travelling from point A to point B may follow a direct route (just 1 validation) or make a number of connections (involving several validations). Validation is required each time the passenger transfers to a different line or mode of transport. The connection ratio is the ratio between the number of trips and the number of validations. The connection ratio in 2021 was 1:1.44.

Number of validations (in millions)	Number of trips (in millions)	Number of kilometres travelled (in millions)	Number of metro validations (in millions)	Metro validations as a share of total validations	Metro trips as a share of total trips
162,6	113,4	35,9	94,3	58%	67,8%

Table 1: The Tisséo Collectivités network in numbers (2019-2022 averages)
Source: Tisséo Collectivités

Environmental issues raised by mobility in the Toulouse conurbation

1. Toulouse's conurbation profile

Toulouse concentrates as many as 47,2% of the region's strategic jobs⁵.

This is emblematic of the area's positive image and appeal in the aeronautical, space, research and innovation industries and also as a technological competitiveness hub. **With France's fastest-growing population outside the Paris region**, the Toulouse metropolis also boasts the country's fastest-growing number of jobs: **the number of private sector workers has increased by 70,000 in the space of 10 years to a total of 500,000.**

A large number of projects are helping to make the area even more attractive and will continue to drive growth in the population, economy and public transport usage in the years ahead. They include infrastructure projects, urban projects and amenities such as the Bordeaux-Toulouse high-speed train line.

Population growth is leading to urban sprawl and economic development is mostly concentrated in various hubs at the very heart of the metropolitan area, which means that **commutes, which are condensed in time, have become longer (they now average 10km) and more condensed in space as well.** The large majority of these trips are made by car (around 75%), as **workers living on the outskirts of the city are dependent on their cars and the public transport options covering employment basins in the inner suburbs are not attractive enough** despite the construction of high-capacity infrastructures (public transport and roads).

The population has changed its habits since the early 2000s, with car usage on the decline and mostly replaced by the increasing use of public transport.

⁵ : France's statistics institute, INSEE, defines strategic jobs as being held by managerial staff and executives of companies with 10 employees or more operating in the fields of management, B2B, design & research, intellectual services or culture-leisure (<https://www.insee.fr/fr/statistiques/2664906>).

1993 - Métro Ligne A



2007 - Métro Ligne B



2015 - Tram T1 et T2



Figure 4 – Development of metros and tramways in the Toulouse area
Source: Tisséo Collectivités

Parts modales tous modes par territoire de résidence (en %)

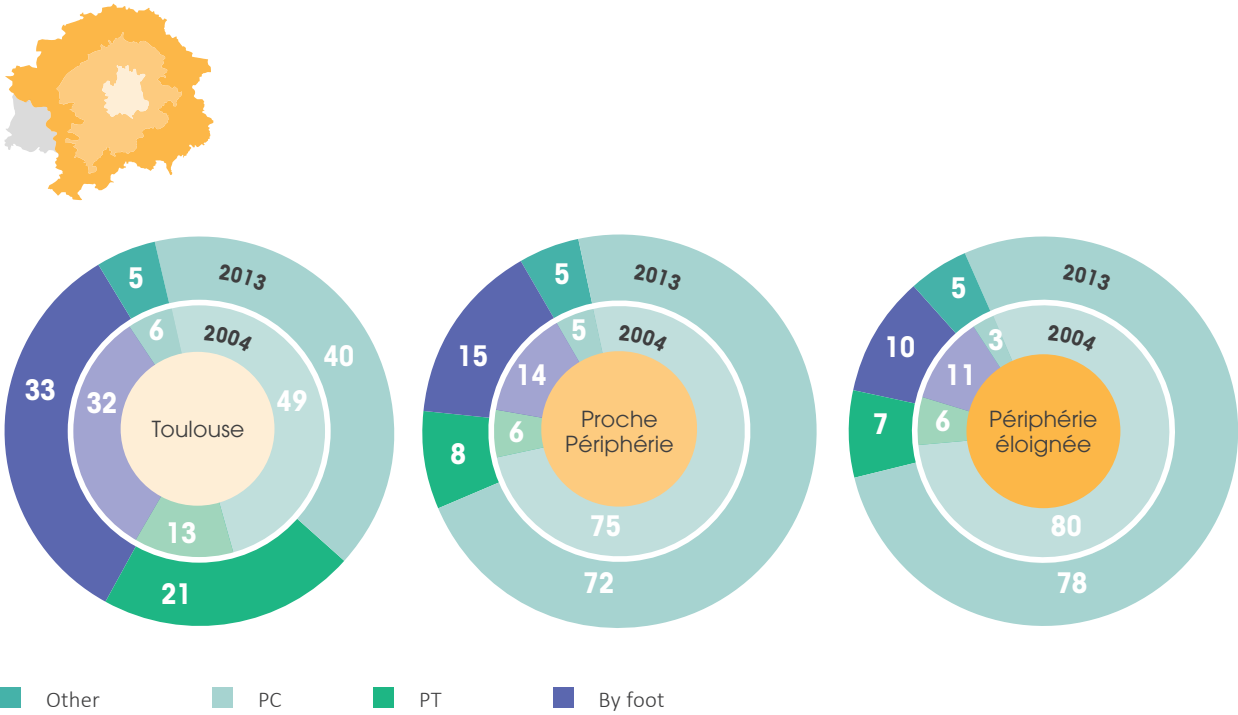
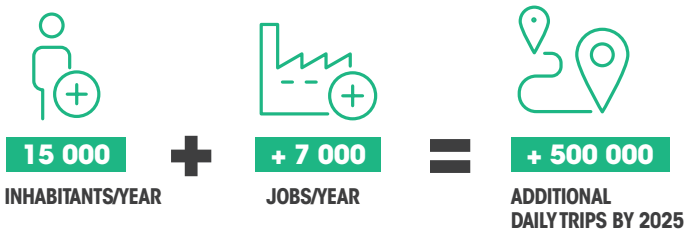


Figure 5 – Developments in the main modes of transport used in the Toulouse metropolitan area
Source: Tisséo Collectivités

However, this decline in car usage is not sufficient considering the metropolitan area’s demographic attractiveness. Its road and public transport networks are saturated, especially during peak hours. This means that public transport is not attractive enough for workers, largely because the area’s employment basins are not sufficiently covered by public transport.

Daily trips are expected to increase by 500,000 within the next ten years

(they currently number around 4 million). If nothing was done to remedy the situation, traffic conditions would deteriorate and transport times would lengthen by 50% between now and 2030; this would undermine the area’s economic appeal as it would become less accessible by transport. Such a situation represents a real risk to the city’s development at a time when cities are having to compete with each other on a global scale.



The GHG emissions generated from transport depend directly on the modes of transport available, used and the distances covered; which would also have a noticeable impact on the environment.

Figure 6 – 2025 projections for the Toulouse metropolitan area
Source: Tisséo Collectivités

2. Impact of mobility on national greenhouse gas emissions

The European Union emitted 3.4 Gt CO₂ equivalent of greenhouse gases (GHG) in 2019, **23.1% from the use of transport⁶**. In France, transport use was the **biggest single emitter in 2019 with 132 Mt CO₂ equivalent, which represents 30% of total GHG emissions.**

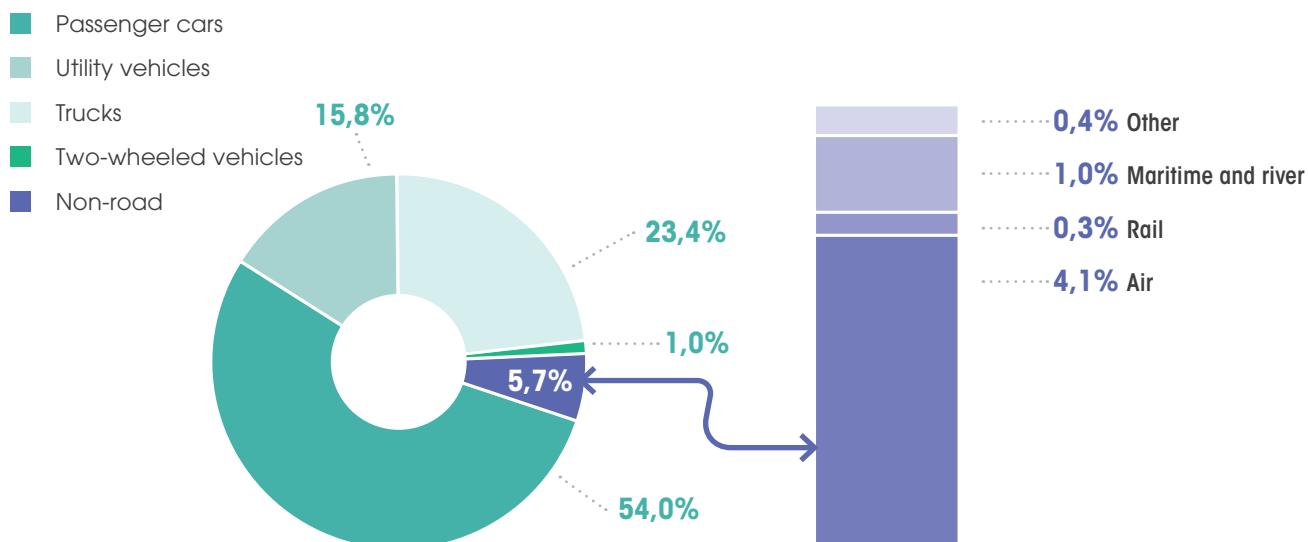


Figure 7 – Breakdown of GHG emissions by mode of transport in France in 2019 (%)
Source: AEE, taken from the French Ministry for Ecological Transition website

97% of GHGs emitted by the transport sector consist of CO₂ generated from fuel combustion⁷. **Road transport accounts for almost all (94%) of the transport sector's emissions, with 54% of road transport emissions attributable to passenger cars.**

The French government intends to **cut GHG emissions by 40% between now and 2030** as part of its National Low-Carbon Strategy (SNBC, or Stratégie Nationale Bas Carbone)⁸, which it drew up in November 2015 and revised in 2020 with the aim of achieving **carbon neutrality by 2050** (net zero emissions). The guidelines set by the National Low-Carbon Strategy for the transport sector include:

- Making vehicles more energy efficient;
- Decarbonising the energy consumed by vehicles and adapting infrastructure;
- Keeping growth in travel demand under control;
- **Promoting a shift to less GHG-intensive modes of transport.**

Regarding this last point, **it is essential to stabilise or reduce demand for personal mobility in order to cut the sector's GHG emissions.** Furthermore, a decline in road traffic will deliver co-benefits, such as less noise pollution, which are also among the priorities set out in France's Energy Transition for Green Growth Act (Loi relative à la transition énergétique pour la croissance verte⁹).

6 : Source: Panorama européen des gaz à effet de serre.

7 : Source : Les émissions de gaz à effet de serre du secteur des transports, Commissariat général au développement durable.

8 : France's roadmap for reducing greenhouse gas emissions. It covers all business sectors and all economic agents (citizens, local authorities and businesses).

9 : Law n°2015-992 of August 17, 2015

3. Impact of mobility on GHG emissions in the Toulouse metropolitan area

The Household Travel Survey (Enquête Ménages Déplacements) carried out in the Toulouse metropolitan area in 2013¹⁰ found that car travel accounted for 59% of trips made and 74% of distances travelled by the area's inhabitants. Car travel accounts for an even larger share of GHG emissions: **88% of emissions are generated by car travel.**

10 : Quel impact de la mobilité sur les émissions de gaz à effet de serre ? Grande Agglomération Toulousaine, décembre 2016.

Place of residence is a particularly important factor determining an individual's GHG emissions as it affects the modes of transport they use and the daily distances they travel. **Someone living in the city centre of Toulouse, where alternatives are highly developed, emits on average 6 times fewer GHGs during their daily travel than someone living on the outskirts.** Toulouse's urban development model, which involves urban sprawl and low density on the outskirts, **encourages substantial car usage.**

Relative weightings of different modes of transport

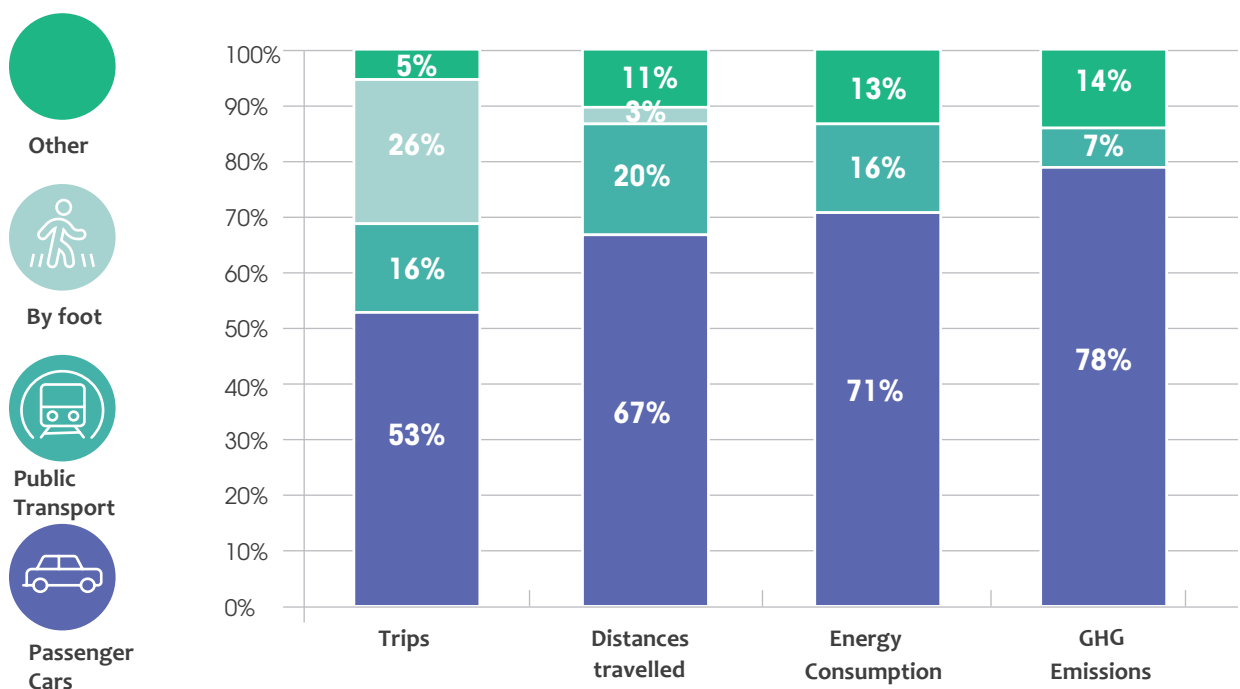


Figure 8 – Relative weightings of different modes of transport
Source: Agence d'urbanisme et d'aménagement Toulouse aire métropolitaine



Tisséo Collectivités: at the heart of the metropolitan area's mobility development strategy

In response to the major challenges of population growth and climate change, the development of low-carbon modes of public transport has a key role to play in the environmental transition.

Tisséo Collectivités has already implemented a large number of projects that contribute to the objectives of the ecological transition:

- An all-electric tramway and metro network;
- Buses that adhere to the Euro VI standard, that can run on renewable natural gas (Bio-GNV)¹¹ and that emit 50% fewer air pollutants than a diesel vehicle;
- Electric and hybrid buses
- Charging stations for electric and hybrid vehicles installed in park-and-ride facilities and carpooling pick-up points
- A carpooling platform for commuters

Tisséo has embarked upon a highly ambitious programme of operations in the short term (doubling of Line A capacity, urban cable car in the south, extension of the T1 tramline, 10 new

Linéo bus services, etc.) **and the medium term (Line C, Airport Express Line (Ligne Aéroport Express or AEL) and the Line B Connection (Connexion Ligne B or LBC), additional Linéo services).**

The aim is to meet the demand for additional transport services expected out to 2025-2030 by launching **large-scale public transport operations.**

1. Line C and the Airport Express Line (AEL)

The Toulouse Aerospace Express operation consists of two inseparable elements: the 3rd metro line (Line C) and the Airport Express Line (AEL). The project will improve public transport coverage of the metropolis centre by creating links with metro Lines A (Marengo station) and B (La Vache, François Verdier and INPT stations), with the tramway network, with the Airport Express Line (Jean Maga station) and with the Linéo network (the network's core bus routes).

¹¹ : Gaz Naturel Vehicule (Vehicle Natural Gas) is a natural gas used to fuel cars and trucks. Bio-NGV fuel is the renewable version of NGV fuel. It is produced by processing biogases recovered from fermented organic waste.



Focus on the 3rd metro line

In a context of growing mobility needs and acute environmental issues, the choice was to create a new metro line, which **is the most suitable and efficient means of transport to meet the challenges of the energy and ecological transition.**

This 3rd metro line expects **200,000 ticket/pass validations** per day as soon as commercial operation begins in 2028, with an average travel time of 20 minutes. The 3rd metro line will:

- link and connect business parks and employment basins on the outskirts of the city;
- make the metropolitan area more attractive thanks to an increased urban network and improved public transport coverage of the area, with links to the regional rail network;
- encourage the population to change its habits and shift to new sustainable modes of transport.

The 3rd metro line will be called **Line C**. It will provide direct access to the West, North, East and South-East of the Toulouse metropolitan area and serve the towns of Colomiers, Blagnac, Toulouse and Labège.

The line will be approximately 27 kilometres long. It will be **mostly underground** (around twenty kilometres) and include a viaduct in the far south. The line will have **21 stations** (17 underground and 4 above ground), **7 of which will offer links to the core public transport network as well as the train network.** **18 underground ancillary facilities** are to be built to operate the line.

Focus on the Airport Express Line

The itinerary of the Airport Express Line (AEL) **will largely build on that of the current tramway line T2** whose infrastructure is to be adapted in order to offer better service, in particular by running more frequently (every 5 minutes as opposed to every 9 to 10 minutes at present).

The highlight of this part of the project is the construction of the Jean Maga station, which will enable passengers to transfer between Line C of the metro, the Airport Express Line and tramway line T1.

2. Line B Connection (LBC)

A study has been launched on an extension of metro Line B, thereby offering access from the end of Line B at Ramonville to the economic hubs of Parc du Canal and Enoxa Labège-Toulouse and enabling passengers to connect between Line B of the metro and the future Line C. The ground coverage of this 2.7km-long Line B Connection (LBC) will be minimal thanks to the way it is designed, including 500m below ground and a 2.2km viaduct.

The connection point was selected based on its **strategic geographic location**. The station will serve areas with shops, amenities and employment basins, as well as university buildings and businesses. **The connection with Line B will improve coverage of the southern part of the metropolitan area, along with the urban cable car in the south (Téléphérique Urbain Sud)** with stops at Université Paul Sabatier, the CHU Rangueil university hospital and the Oncopole research campus. Around 14,000 trips are expected to be made each day.

3. The various benefits offered by the Line C, Airport Express Line and Line B Connection projects

The Line C, AEL and LBC infrastructure projects together make up a global project that is going to transform the Toulouse metropolitan area. It is a high-capacity and high-performance alternative to excessive passenger car usage as it simultaneously adheres to several of the territorial objectives that have been set since early 2015¹²:

- **Improve** access to major employment basins;
- **Provide** access to dense urban areas where public transport is insufficient;
- **Work** in tandem with the development of areas in which numerous projects have already been identified;
- **Connect** these new infrastructures with other core networks (train, metro, tramway, Linéo buses);
- **Improve** access to the airport hub and the Matabiau train station;
- **Target** new areas capable of hosting large populations in areas that will become well connected to the public transport network.

¹² : Deliberation by the Tisséo Collectivités Syndicate Committee on 4th February 2015.

Optimal connections and easier access throughout the metropolitan area

The itinerary selected for the line C will directly serve more than 100,000 inhabitants living within 600m of a station and over 80,000 jobs.

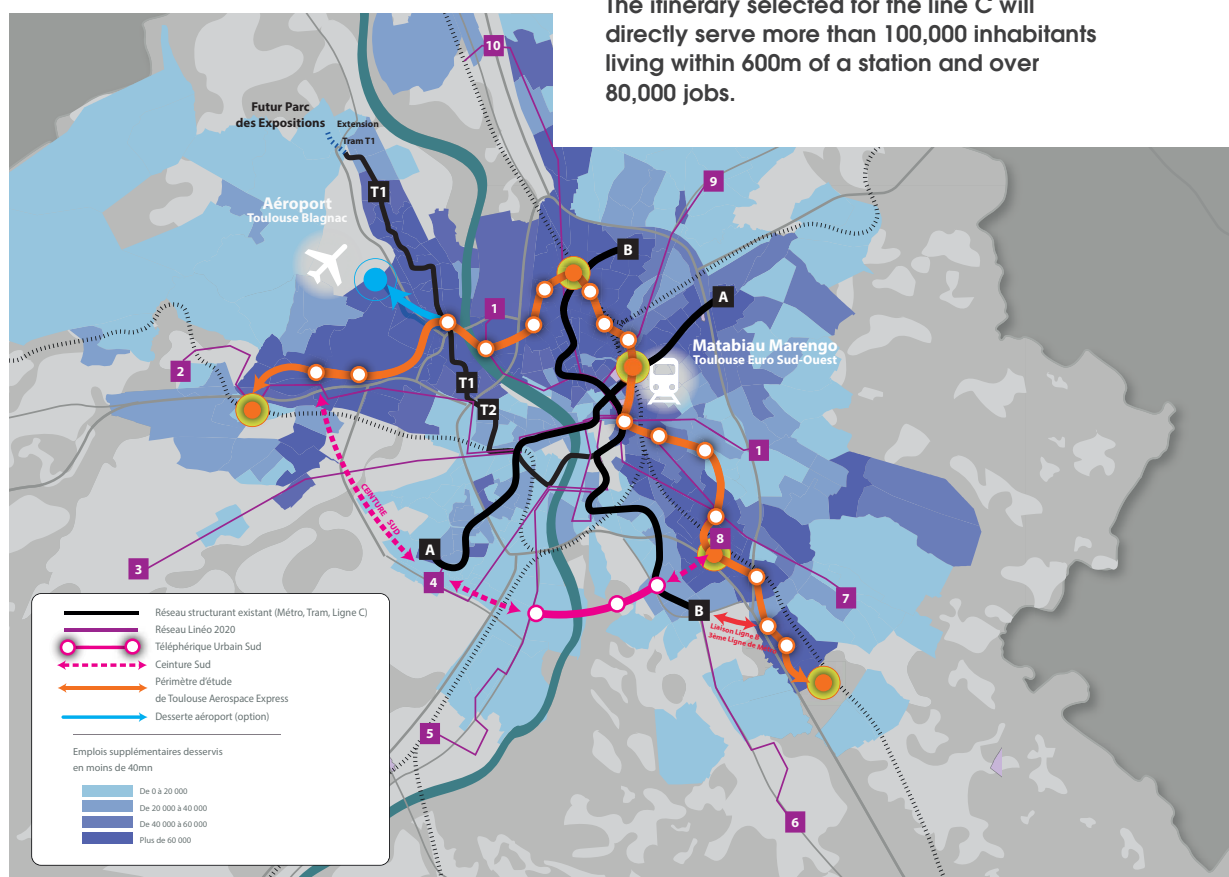


Figure 9 - The impacts of Line C, AEL and LBC on job accessibility
Source: Tisséo Collectivités



A comprehensive and environmentally friendly project

Transport infrastructure projects that extend or build metro lines have a sizeable impact on mobility and urban structure, and as a result impact greenhouse gas emissions (GHG).

Tisséo Collectivités has conducted numerous consultations and analyses throughout the project preparation stage in order to factor as many parameters as possible into the various phases of the project.

The environmental impacts and GHG emissions arising from the construction of these infrastructures have been assessed. Emission reduction measures have been put in place, with itineraries selected so as to limit land take and the project incorporating “greened zones” or zones dedicated to agriculture from parts of the initial land take. To a large extent, the positive effects of the Line C, Airport Express Line and Line B Connection operations on countering urban sprawl will offset the adverse effects of the land sealing resulting from these

Tisséo Collectivités commits to introduce a certain number of best practices during the commercial operation phase aimed at reducing greenhouse gas emission

Jean-Michel Lattes,
Président de Tisséo Collectivités

three opérations¹³. Toulouse's urban planning agency (AUAT, Agence d'urbanisme et d'aménagement Toulouse aire métropolitaine) estimates that around 200 to 400 hectares of land sealing will be avoided thanks to the indirect effects of these projects on reducing urban sprawl. Based on an emissions factor of 290 metric tons of CO₂ / hectare of land take¹⁴, it is estimated that 55,100 to 113,100 metric tons of CO₂ emissions will be avoided.

Impacts and measurements during the commercial operation phase have also been evaluated in order to demonstrate the many positive environmental impacts generated by these three operations - Line C, AEL and LBC.

The greatest benefit expected will be a shift by commuters from passenger cars to public transport, bearing in mind that commuting currently accounts for around 50% of kilometres travelled within the metropolitan area.

The expected drop in road traffic will have significant impacts on:

- Greenhouse gas emissions, which are seen falling by close to 50,000 metric tons of CO₂ equivalent / year, corresponding to the emissions of 10,000 people ;
- Energy consumption, as the modal shift is expected to reduce fuel consumption by more than 20 million litres / year ;
- Noise pollution, as there will be fewer cars on the roads and public spaces around stations will be reappropriated by pedestrians and cyclists ;
- The number of accidents, which is expected to fall by 1.3%.

Besides using all-electric rolling stock, Tisséo Collectivités commits to introduce a certain number of best practices during the commercial operation phase aimed at reducing greenhouse gas emissions, for instance by recovering and recycling the energy that metro trains generate during braking.

¹³ : These effects are estimated at less than 10 hectares.¹

¹⁴ : ADEME emissions factor – direct land use change – meadowland to sealed land.

GREEN FINANCING FRAMEWORK

Tisséo Collectivités' green financing framework ("Framework") is aligned with the 2021 Green Bond Principles (GBP) with the June 2022 appendix¹⁵, published by the International Capital Market Association (ICMA).

In accordance with these Principles, Tisséo Collectivités ensures that each green finance instrument issued is aligned with the **following 4 core components** of the GBPs as presented in this Framework:

The Framework also follows the GBP's key recommendations for heightened transparency by including an external review. Tisséo Collectivités has carried out an in-depth environmental review of its activities and eligible expenditure, **largely thanks to the studies carried out to obtain the environmental permit¹⁶** and the various procedures in place to ensure compliance with applicable environmental regulations .



USE OF PROCEEDS



PROCESS FOR PROJECT EVALUATION AND SELECTION



MANAGEMENT OF PROCEEDS



REPORTING

¹⁵ : Green Bond Principles: https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

¹⁶ : <https://www.haute-garonne.gouv.fr/Publications/Declarations-d-intention-enquetes-publiques-et-avis-de-l-autorite-environnementale/Eau/Autorisation-loi-sur-l-eau/3e-ligne-de-metro-et-ligne-aeroport-express>



Tisséo Collectivités commits, where possible, to update this Framework to bring it as closely as possible in line with market best practice and with the latest developments in European standards and regulations.

The Framework enables Tisséo Collectivités to issue green bond instruments, including via private placements.

GREEN BOND

an amount equivalent to the proceeds of the bond will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible green projects aligned with at least one of the technical screening criteria defined in the Use of Proceeds part of this Framework.

If Tisséo Collectivités were to consider setting up a short-term green bond instrument programme, said programme would be governed by this Framework.

1. Use of Proceeds

An amount equivalent to the proceeds of any green bond instrument issued will be applied to finance and/or refinance new and/or existing Eligible Green Projects. The combination of all Eligible Green Projects constitutes the Eligible Projects portfolio.

For a Green Project to be included in this Eligible Projects portfolio, it must meet at least one of the technical screening criteria defined in the tables below.

Tisséo Collectivités will endeavour not to allocate more than 40% of its Eligible Projects portfolio to refinancing. As part of a best efforts approach, Tisséo Collectivités will inform investors of the breakdown between financing and refinancing prior to issuing instruments.

And in accordance with the “High-Level Mapping to the Sustainable Development Goals” document published by the ICMA in June 2022¹⁷, Tisséo Collectivités also provides in the tables below the **positive contributions expected to be made by its Green Projects to the United Nations Sustainable Development Goals (SDGs)**.

Besides the SDGs identified by the ICMA, Tisséo Collectivités has chosen to also include its contributions to SDG 5 - Gender equality, SDG 9 - Industry, innovation and infrastructure, and SDG 10 - Reduced inequalities.

17: Mapping-SDGs-to-GSS-Bonds_June-2022-280622.pdf (icmagroup.org)

ELIGIBLE GREEN PROJECT CATEGORY	GBP CATEGORY	TECHNICAL CRITERIA	CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)
Public transport rolling stock	Transport and sustainable mobility	<p>Purchase and maintenance of electric rolling stock (zero tailpipe emissions):</p> <ul style="list-style-type: none"> - Metro carriages - Tramway - Electric or hydrogen buses 	 <p>11.2: By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.</p>
Infrastructure enabling low-carbon public transport	Transport and sustainable mobility	<p>Construction and maintenance of infrastructure dedicated to electrified public transport:</p> <ul style="list-style-type: none"> - Infrastructure for new metro lines (tunnels, stations, information systems, etc.) - Measures allowing accessibility to persons with reduced mobility 	 <p>13.2: Integrate climate change measures into national policies, strategies and planning.</p>

EXCLUSION LIST

Tisséo Collectivités will not use the proceeds from the green bond instrument to finance or refinance projects related to the following activities:

- The purchase of vehicles running on fossil fuels;
- The portion of assets already financed by another financial sponsor or operator (European Investment Bank, Caisse des Dépôts et Consignation, etc.)

2. Process for Project Selection and Evaluation

Committee for Evaluating and Monitoring Green Issuances

Tisséo Collectivités has set up a committee to evaluate and monitor green issuances for the Framework's overall governance purposes and to ensure that the funds raised from green issuances are used exclusively to finance eligible projects.

This process instructs in Tisséo Collectivités' departments to evaluating and monitoring Green Issuances via the committee.

The committee is made up of the following departments:

- Finance and Legal Affairs Department;
- Purchasing and Public Procurement Department;
- Territorialised Projects Department;
- Properties Management Department;
- Strategy and Planning Department;
- Network and Mobility Services Attractiveness Department;

The committee is led by the Finance and Legal Affairs Department and a summary of decisions is sent to Tisséo Collectivités' President and General Services Department. The committee meets at least once a year after the financial year closing date corresponding to the year in which green bonds have been issued.

In a best efforts approach, Tisséo Collectivités will make this document available to the public on Tisséo Collectivités' website at <https://tiseo-collectivites.fr/financement-de-tiseo-collectivites>.

The Committee for Evaluating and Monitoring Green Issuances has the following duties:

Selection of eligible projects

The Finance and Legal Affairs Department begins by drawing up a short-list of eligible properties (if an impact study has been carried out, this will be incorporated into the decision-making process). Projects are then selected based on their relevance and any existing reporting documentation, potentially supplemented with relevant new information.

Identification of expenditures

Asset expenditures consist of direct expenditure on tangible capital assets (construction including land, rolling stock, construction works, equipment).

Tisséo Collectivités has set up a committee to evaluate and monitor green issuances for the Framework's overall governance

Fabienne Cresci,
Director General of Services

Implementation and execution of green financing

The process of implementation and execution of green financing is overseen by the Finance Department. The Department carries out each of these tasks with the backing of Toulouse Métropole's expertise and resources (Toulouse Métropole being the joint public transport authority's main contributing member) under a resource sharing agreement.

The members of this steering committee are:

- Tisséo Collectivités' President
- Toulouse Métropole's Vice President in charge of Finance, a member of Tisséo Collectivités' Syndicate Committee
- General Management and deputy general management
- The Finance Departments of Tisséo Collectivités and Toulouse Métropole

The committee's duties are as follows:

- To define the broad outlines of the green debt and financing strategy;
- To make sure that these guidelines are applied correctly based on an annual review of the actions taken and outcomes achieved;
- To ensure that the major milestones involved in arranging the green financing are consistent with the financing needs set out in the roadmap;
- To make any adjustments needed with regards to prioritising actions.

The steering committee meets in the first half of each year. The committee may meet at any time if need be.

Oversight of the eligible projects selected

In accordance with current regulations, Tisséo Collectivités carries out impact studies on projects in order to assess their environmental impact prior to selecting them.



The projects selected are then monitored from four different angles:

- **Technical:** these aspects are monitored directly by the technical teams responsible for overseeing project execution so as to ensure that the various green indicators and execution schedule are being adhered to.
- **Environmental:** these aspects are monitored directly by the technical teams responsible for each project's environmental issues so as to ensure that the various measurements, diagnoses and remedial measures are applied to the various projects according to the **Avoid, Reduce, Offset principle**.
- **Financial:** these aspects are monitored by the Finance Department based on actual expenditure and any updates to the budgets allocated so as to ensure that the financial amounts allocated are being adhered to and that the performance monitoring indicators are consistent with those announced.
- **Risk:** these aspects are monitored by General Management, which will call on the services of specific departments depending on the type of controversy in question (technical, financial, legal, political) so as to forestall (where possible) or address any controversies.

Each of these aspects is monitored by a dedicated unit. These units meet at least once a year to share views and provide updates on the project's overall progress. General Management will make any necessary arbitrations (e.g. with regards to risk management or a substantial modification to a project).

An annual review is produced, overseen by the Finance Department.

Updating annual reports

The evaluation committee is responsible for approving and supplementing annual reports based on the reporting elements prepared by the operational departments.

The Committee for Evaluating and Monitoring Green Issuances also approves any scope of work changes to Tisséo Collectivités' projects.

Responsible management of projects and operations

Each of Tisséo Collectivités' operations programme (including its Eligible Green Projects) is submitted to Tisséo Collectivités' Syndicate Committee for deliberation; the committee will ensure that the programme's execution complies with current European regulations, the French Public Procurement Code and the internal purchasing procedure.

Depending on the case, project ownership will come either under Tisséo Collectivités directly or under a project ownership delegation mandate entrusted to Tisséo Ingénierie or Tisséo Voyageurs.

For all major transport projects, Tisséo Collectivités must first obtain an **environmental permit** which will be delivered based on an **impact study** carried out in accordance with the provisions set out in the French Environmental Code.

Similarly, Tisséo Collectivités is required to perform specific environmental controls during the construction and commercial operation phases; these are mandatory and governed by **France's national transport framework law (Loi d'Orientation sur les Transports Intérieurs (LOTI) n°82-1153) of 30th December 1982**.

Operations to execute Line C of the metro and its connection with the existing Line B are inseparable and were submitted to a joint public inquiry in 2019, on which basis they were declared as being of public interest in February 2020. The projects were the subject of a socio-economic assessment, which was incorporated into the 2019 public inquiry file. The assessment was supervised by Tisséo Collectivités' Scientific Council¹⁸ with a second opinion obtained from France's Secretariat General for Investment (Secrétariat Général Pour l'Investissement, (SGPI)¹⁹, which reports to the Prime Minister²⁰.

18 : The council was set up subsequent to a deliberation on 24th May 2017 and is made up of renowned and universally acknowledged specialists in the fields of town planning and development, socio-economic analysis, technical and financial engineering, and infrastructure projects. Each of its members offered the independence credentials that are essential to performing their duties.

19 : cf. https://www.gouvernement.fr/sites/default/files/contenu/piece-jointe/2021/04/rapport_ce_toulouse_lm3.pdf

20 : Tisséo Ingénierie, commissioned by Tisséo Collectivités, has drawn up a Project Management Plan to make sure that the project is executed in accordance with the qualitative objectives stipulated during the public inquiry. The plan specifies the organisational aspects that will ensure the objectives set out in its project ownership mandate are met, with an emphasis on the fact that a Performance Department has been designated specifically for this plan and serves as the interface with Tisséo Collectivités, guaranteeing observance of the terms and conditions of this mandate, i.e. the operations programme, with regard to all 4 its components: Cost, Deadline, Functional Scope, Objective / Outcome.





Tisséo Collectivités will endeavour to allocate the proceeds of each green bond instrument in full within one year

Sacha Briand,
Deputy mayor of Toulouse

3. Management of Proceeds

The net proceeds obtained from each green bond instrument will be managed in Tisséo Collectivités' usual cash accounts, and an amount equivalent to the net proceeds will be allocated to the portfolio of Eligible Projects selected by the Committee for Evaluating and Monitoring Green Issuances.

Tisséo Collectivités will endeavour to allocate the proceeds of each green bond instrument in full within **one year** of the issuance date for each green bond instrument. In case of refinancing, the look-back period will be limited to 24 months.

Pending full allocation of the proceeds, Tisséo Collectivités commits to keep the unallocated net balance invested in cash and cash equivalents managed by its cash management department and in accordance with its cash management policy.

Tisséo Collectivités' internal **information system** will enable monitoring of the proceeds of its green bond instruments until project completion. The Finance Department is responsible for supervising the pool of eligible project candidates.

The Committee for Evaluating and Monitoring Green Issuances ensures that the total amount of proceeds raised from green bond instruments remains below the amount of the Eligible Projects portfolio.

Once a project has been completed and sold, or in the event of divestment, postponement, cancellation, ineligibility or controversy, Tisséo Collectivités will reallocate the proceeds to other Eligible Green Projects within a period of 12 months. Any reallocation of proceeds will be documented in the **following allocation and impact report**.

4. Reporting

For each bond issued, an allocation and impact report will be published as of the year following the bond's issuance on the Tisséo Collectivités website and on an annual basis and until the proceeds have been fully allocated.

The report will demonstrate fulfilment of the use of proceeds commitments made at issuance and compliance with eligibility criteria for each project/measure financed, and it will include a presentation of impact indicators common to all projects.

Tisséo Collectivités will also make sure to report on the social co-benefits of its projects, such as employment or accessibility for persons with reduced mobility.

In addition, Tisséo Collectivités commits to publish the following on its website:

- **Two impact assessments :**

- During the project execution (construction) period, focused on construction indicators;
- Once the metro line is in operation and before instrument maturity, with impact indicators on commercial operation, as part of its ex post review requirements under the national transport framework law (LOTI).

- **The use of proceeds report** will include at least the following information:

- Amount of proceeds allocated versus unallocated;
- Amount allocated per eligible category;
- List of eligible projects and a description of each one;
- % of refinancing and look-back period;
- Share of co-financing.

Any material change to the projects financed (e.g. an ESG controversy) resulting in a change to the green spending portfolio will be described in detail in the report.

The impact reports will provide environmental outcomes and social co-benefits (CO₂ avoided, energy savings, type of beneficiaries) and include the calculation methods used and underlying assumptions.



EXAMPLES OF OUTCOME AND IMPACT INDICATORS FOR THE CONSTRUCTION PHASE

Infrastructure enabling low-carbon public transport

Environmental indicators:

- Number of kilometres of railway constructed
- Carbon footprint of the construction phase
- Metric tons of construction waste reduced/recycled/recovered
- Number of trains/buses purchased
- Number of trees planted as part of the Line C project

Social co-benefits:

- Number of direct and indirect jobs linked to the construction sites
- Number of construction site visits made by an ecology specialist
- Number of neighbourhood mediators deployed
- Number of complaints received from local residents
- Number of complaints received from local residents and handled at the construction site
- Local retailer compensation:
 - Number of retailers compensated
 - Total amount of compensation paid

EXAMPLES OF OUTCOME AND IMPACT INDICATORS FOR THE COMMERCIAL OPERATION PHASE

Infrastructure enabling low-carbon public transport

Environmental indicators:

- GHG emissions avoided
- Reduction in air pollution (NO_x, SO_x, etc.)
- Reduction in motorised transport
- Noise reduction
- Change in the number of journeys
- Reduction in road traffic

Social co-benefits:

- Number of beneficiaries
- Time saved for users
- Number of jobs created or sustained
- Estimated modal shift
- Reduction in noise pollution
- Number of infrastructures accessible to persons with reduced mobility

EXAMPLES OF OUTCOME AND IMPACT INDICATORS

Public transport rolling stock

- Number of trains purchased
- CO₂ emissions per passenger-kilometre
- CO₂ emissions avoided thanks to the equipment purchased
- Number of recycled batteries
- Portion of recycled products in the purchased materials
- Number of passengers transported



EXTERNAL REVIEW

1. Second Party Opinion

Tisséo Collectivités commissioned Moody's Investor Services to provide an independent opinion ("Second Party Opinion") on the green financing framework, including on:

- Its alignment with the GBP;
- Its contribution to sustainable development;
- The issuer's sustainability performance;
- EU Taxonomy Climate Delegated Act.

The Second Party Opinion is available on the Tisséo Collectivités website at <https://tisseo-collectivites.fr/financement-de-tisseo-collectivites>.

Tisséo Collectivités commits to request a review of the Second Party Opinion in the event of a major modification to its green financing framework.

2. External verification

The Regional Directorate for Public Finances (*Direction Régionale des Finances Publiques, DRFIP*) verifies the regularity of the expenditures authorised by Tisséo Collectivités. As the designated auditor for Tisséo Collectivités, the Regional Director for Public Finances certifies that the expenditures appearing on the statement produced have been paid.

Tisséo Collectivités undertakes to have an external auditor carry out an annual review of the allocation of proceeds from green bond issues in accordance with the Framework, and to publish these reports on its website: <https://tisseo-collectivites.fr/>





tisseo-collectivites.fr