

Société du Grand Projet du Sud-Ouest

Second-Party Opinion – Green Framework

Société du Grand Projet du Sud-Ouest (SGPSO) is a public entity established with the mandate to finance the first phase of the high-speed railway infrastructure for the New Line of the South-West (Ligne Nouvelle du Sud-Ouest). Instruments issued under this green financing framework will solely finance this project. The framework is aligned with the core pillars of the ICMA Green Bond Principles (GBP) and its clean transportation use of proceeds (UoP) category.

Excellent



Good

Aligned

Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Excellent	<ul style="list-style-type: none"> The UoP of the New Line of the South-West demonstrates excellent environmental impact. The project involves constructing a high-speed rail line operating on fully electric ground infrastructure, including the associated subsystems. The UoP aligns with the ICMA GBP category of clean transportation and EU taxonomy category 6.14, which indicate strong positive impact and substantial contribution to climate change mitigation.
Use of Proceeds – Other Information	Excellent	<ul style="list-style-type: none"> The UoP demonstrates strong additionality, as expenses constitute 100% new capex for constructing the new line. Dedicating funds to one project provides good assurance in terms of allocation. The framework also sets clear exclusions in line with Paris-aligned benchmarks and restricts any link to fossil fuel storage or transport.
Evaluation and Selection	Excellent	<ul style="list-style-type: none"> The evaluation and selection process is robust, with various expertise involved in evaluating financings for the project. The evaluation committee proposes expenditures that are overseen by SGPSO's supervisory board and project manager SNCF Réseau; the multi-layered process improves accountability.
Management of Proceeds	Excellent	<ul style="list-style-type: none"> SGPSO was set up to manage the project's financing from local authorities, ensuring ring-fencing. Unallocated funds are deposited with the French treasury in line with general management policies, which aligns with market practice.
Reporting and Transparency	Excellent	<ul style="list-style-type: none"> The annual allocation and impact reporting commitment is in line with market practice. Allocation is verified by the national public finances authority. The impact metrics are clearly measurable and are subject to verification at SGPSO's request. They will be verified by the General Inspectorate for the Environment and Sustainable Development (Inspection générale de l'environnement et du développement durable; IGEDD) at least once as part of the guideline law on domestic transport.

Relevant UN Sustainable Development Goals



**EU TAXONOMY
ALIGNED**

Framework Type	Green
Alignment	<ul style="list-style-type: none"> ✓ Green Bond Principles 2025 (ICMA) ✓ Green Loan Principles 2025 (LMA/LSTA/APLMA) ✓ The EU Taxonomy Regulation (EU) 2020/852
Date assigned	29 January 2026
SPO Methodology	
See Appendix B for definitions.	

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Use of Proceeds Summary – ICMA Categories

Green	Clean transportation
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Source: SGPSO green financing framework 2025

Framework Highlights

Sustainable Fitch considers transactions under this green finance framework to be aligned with the four pillars of the 2025 ICMA GBP as well as the 2025 LMA, LSTA and APLMA Green Loan Principles (GLP).

The green bonds issued under the framework will be exclusively devoted to finance expenses related to the New Line of the South-West. The line is a high-speed rail infrastructure project serving the Nouvelle-Aquitaine and Occitanie regions, connecting Bordeaux, Toulouse and Dax, with a planned extension to Spain in a subsequent phase. The project aims to enhance passenger and freight rail services across the Greater South-West, supporting sustainable mobility and balanced regional development.

The framework is created specifically to finance the first phase of the New Line of the South-West, which comprises several key operations, including constructing new high-speed railway lines between Bordeaux, Toulouse and Dax, totalling 327km, and railway upgrades south of Bordeaux and north of Toulouse.

The project includes integration of the new lines with the national rail network at strategic points (south of Bordeaux; north of Toulouse; north of Dax, Agen and Montauban) and the development of three new stations to improve connectivity for the cities of Agen, Montauban and Mont-de-Marsan. Construction of the project commenced in 2024 for the sections north of Toulouse and south of Bordeaux, with completion targeted for 2031 and 2032.

Overall, the project is designed to expand rail service offerings, facilitate long-distance and daily travel, and strengthen the regional rail network in support of sustainable and balanced territorial development. These operations were declared to be of public interest by decree n° 2016-738 of 2 June 2016.

SGPSO's framework integrates the requirements for EU taxonomy activity 6.14, "infrastructure for rail transport" in its UoP eligibility criteria, under the climate change mitigation environmental objective. Our assessment of taxonomy alignment confirms that the project will be aligned with the EU taxonomy's substantial contribution criteria (SCC), do no significant harm (DNSH) criteria and minimum safeguards (MS) for this activity.

Source: Sustainable Fitch, SGPSO green financing framework 2025

Entity Highlights

SGPSO is a public institution established pursuant to Ordinance No. 2022-307 of 2 March 2022, as ratified by Article 153 of Law No. 2023-1322 of 29 December 2023. SGPSO is attached to local authorities and groups of local authorities in the Occitanie and Nouvelle-Aquitaine regions. Its principal mandate is to contribute to the financing of the railway infrastructure project known as the New Line of the South-West.

SGPSO is responsible for managing the financial participation of local authorities and their groupings in the project. The institution enters into financing agreements with the French State and the project owners, SNCF Réseau and SNCF Gares & Connexions, covering the execution of studies, land acquisition, preparatory works and final infrastructure works. These agreements define the reciprocal commitments of all parties, particularly regarding financing arrangements and the allocation of risks associated with the project's implementation.

SGPSO was established to ensure the project's long-term visibility and stability; to structure public contributions from both the state and local authorities; and to facilitate access to financial markets, notably through green financing instruments. The project is characterised by a collaborative approach involving local, national and European public stakeholders and benefits from budgetary support provided by 25 local authorities, the French state and

European co-financing. The indicative funding structure is as follows: 40% from the state, 40% from local authorities and 20% from the EU. The estimated investment cost for phase one of the project is EUR14 billion, in accordance with the financing plan adopted in February 2022.

The New Line of the South-West is designed to play a pivotal role in reducing GHG emissions in the Nouvelle-Aquitaine and Occitanie regions. The issuer expects the project to deliver substantial annual CO₂ savings by promoting both passenger and freight transport's modal shift to low-carbon rail from high-emission modes such as air and road; it estimates savings to be 340,000tCO₂e 10 years after launch, rising to 550,000tCO₂e after 20 years.

The New Line of the South-West supports both European and French climate strategies and directly supports regional targets for emission reductions by 2050 (75% compared to 2010 for the Région Nouvelle-Aquitaine and 76% compared to 2015 for Région Occitanie). Public surveys indicate strong support for the rail alternative over air and car travel, which is further reinforced by eco-design measures to maximise energy efficiency and minimise the project's own carbon footprint.

Overall, the line is a cornerstone infrastructure project that enables the regions to meet their ambitious climate goals by facilitating a modal shift to sustainable transport and encouraging lasting behavioural change among residents and travellers.

Source: Sustainable Fitch, SGPSO green financing framework 2025



Use of Proceeds – Eligible Projects

Alignment: Excellent

Company Material

Sustainable Fitch's View

High-speed railway: the New Line of the South-West

- An amount equivalent to the proceeds of any green financing instrument will be allocated to the financing of a single project: the New Line of the South-West.
- The project complies with the technical screening criteria for both SCC and DNSH set by the EU taxonomy in the eligible activity 6.14 "infrastructure for rail transport", as well as with MS.

- This UoP has an excellent environmental impact. Electrified rail directly supports climate change mitigation as a low-emissions transport mode. Expanding the electrified rail network can substantially reduce GHG emissions as it offers a viable alternative to other passenger transport modes with higher emissions profiles.
- The New Line of the South-West will facilitate shifts from both road and air transport and contribute to the decarbonisation of the transport sector, which accounts for around 25% of total EU emissions. The project fully aligns with the EU's climate objectives and the French national low-carbon strategy, and SGPSO expects it to avoid between 340,000tCO₂e annually 10 years after commissioning and 550,000tCO₂e annually 20 years after commissioning.
- All net proceeds from SGPSO's green financing instruments are allocated to the New Line of the South-West. The allocation covers the construction of 327km of new high-speed rail lines, upgrade of existing infrastructure and development of new stations and connections. The framework confirms that allocations are monitored and reported annually, with impact indicators including CO₂ avoided, energy savings and jobs created.
- France's rail sector is key for decarbonisation, as it supports national and EU targets for modal shift and emissions reduction. The South-West region is characterised by strong economic growth, high car dependency and ageing rail infrastructure. The project will improve accessibility, regional integration and support economic development, with SGPSO expecting more than 5 million passengers per year on the new routes and over 10,000 direct and indirect jobs created during construction.
- SGPSO conducted a study to understand the project's biodiversity impact, which will inevitably disrupt the natural environment. The study analysed an area with a width of 3,000m, with a more detailed inventory conducted over an area with a width of 500m. The study was conducted over two biological cycles and covered six groups of animal and plant species: flora and habitats, invertebrates, amphibians and reptiles, mammals, birds and aquatic fauna.
- The study identified emblematic species in the area, such as the European mink and European pond turtle. It also indicated that the project would affect Natura 2000 sites, special protected areas.
- SGPSO developed an "Avoid, Reduce, Compensate" approach that set out restoration measures to respond to identified risks.
- The "Avoid" measures included assessment of several routes to define the areas with least negative impact caused. Part of this assessment stated that the project will maximise use of already existing infrastructure such as along the A4 motorway, the Garonne Canal and the existing railway.
- SGPSO also conducted route optimisations following the identification of Natura 2000 sites to reduce the areas to be affected to 40 hectares across eight Natura 2000 sites, from the initial route that would have affected around 20,000 hectares and 22 Natura 2000 sites.
- The "Reduce" efforts included minimisation of land-use through steeping embankments and structures to maintain ecological corridors that maintain movement of small and large wildlife. The management plan during the construction





phase also includes temporary relocation of wildlife (such as substitute ponds) and adaptation of work schedules (such as avoidance of breeding periods).

- The “Compensate” stage ensures that any residual negative impacts will still be remedied, such as restoring or constructing new habitats.
- Moreover, the project includes measures to reduce negative impact on other environmental aspects, including eco-design features; circular economy measures; and compliance with national and EU regulations on environmental impact, noise and waste management.
- The project is eligible under EU taxonomy category 6.14 “infrastructure for rail transport” and aligned with the SCC, DNSH criteria and MS. Full taxonomy alignment is a strong indication of the project’s positive environmental impact and contribution to climate change mitigation.
- There are also strong social co-benefits. The new line will serve more than 5 million passengers per year for Bordeaux-Toulouse and Bordeaux-Dax, and more than 3.5 million passengers per year will benefit from improved performance due to network strengthening. The new line will generate significant time-savings for passengers of up to one hour on the Paris-Toulouse and the Bordeaux to Marseille routes, which will incentivise wider uptake. The new line will also increase the capacity of passengers that can travel along the routes.
- The new line will connect urban areas with more rural areas through the construction of new lines and three new stations in Agen, Montauban and Mont-de-Marsan. This further facilitates movement along with access to jobs and services as well as tourism; this in turn facilitates general economic prosperity.
- This UoP is in line with the ICMA GBP category of clean transportation.

Source: SGPSO green financing framework 2025

Source: Sustainable Fitch



Use of Proceeds – Other Information

Company Material

- SGPSO will allocate 100% of proceeds to new financing.
- SGPSO will not use the proceeds of a sustainable financing instrument to finance the share of assets already financed by another financier or operator (European Investment Bank, Banque des Territoires, etc.).
- SGPSO's financial products comply with the exclusion criteria set out for Paris-aligned indices, so they do not finance any of the activities referred to in Article 12(1) of Commission Delegated Regulation (EU) 2020/1818.

Source: SGPSO green financing framework 2025

Alignment: Excellent

Sustainable Fitch's View

- The excellent outcome for this section is supported by strong commitments in terms of the financing criteria and exclusions that are present in the framework.
- The New Line of the South-West is the sole project, which creates a clear and transparent understanding on the allocation of funds.
- The project carries strong impact in terms of additionality. All funds will be allocated to the realisation of the new railway line, with 100% of the expenditures financing capex.
- The framework has clearly defined exclusion criteria. The financings are ringfenced for the project by default, providing strong allocation assurance. The framework also specifically excludes other financings and complies with Paris-aligned indices exclusions. Finally, the issuer confirmed in its EU taxonomy alignment disclosures that the railway line will not be dedicated to transportation or storage of fossil fuels.

Source: Sustainable Fitch

Evaluation and Selection

Company Material

- SGPSO establishes a committee to evaluate and monitor green financing, with the aim of ensuring adequate governance of the framework document. This committee will ensure that the financial resources obtained through bank loans or bond issues are exclusively intended for the financing of the eligible project as defined.
- This committee includes the director general, the deputy director general – technical and the deputy director general – finance.
- This committee meets at least once a year in order to take stock of the SGPSO's various outstanding green financings, take stock of the green and social indicators monitored by the SGPSO, and validate the allocation and impact report for lenders and investors.
- Any controversy identified regarding a project previously financed by a sustainable bond will be presented at this committee. The funds may be reallocated depending on the committee's decision.
- The committee will propose changes to the SGPSO's issuance framework so that it reflects legislative developments and the latest market practices. The committee will pay particular attention to the categories of eligible green projects and the eligibility criteria relating to those categories, and to the impact indicators and their calculation methodologies.
- The results of this committee and a general summary of the discussions will be included in the activity report published by the SGPSO. These conclusions will also be forwarded to the supervisory board.

Source: SGPSO green financing framework 2025

Alignment: Excellent

Sustainable Fitch's View

- We view SGPSO's project evaluation and selection process as aligned with the ICMA GBP and the LMA, LSTA and APLMA GLP.
- The excellent outcome of this section reflects the transparent and robust evaluation and selection process that SGPSO has established.
- The eligibility criteria are clearly defined in the framework. There is clarity on the project and its sustainability credentials, such as EU taxonomy alignment and environmental impact assessment outcomes.
- We view the requirement for environmental authorisation, public inquiry and socioeconomic evaluation as positive, as it provides additional assurance that the project is thoroughly evaluated and documented at every stage. The public inquiry process involves making project documents available to the public, gathering feedback and allowing stakeholders to express concerns or support; this ensures transparency and broad community engagement before any final decisions are made. This process strengthens the legitimacy and accountability of the project's development.
- Following the public inquiry, the committee includes representatives from technical and financial departments and integrates sustainability considerations. The multidisciplinary involvement constitutes adequate checks and balances for the process. The committee is further overseen by SGPSO's supervisory board, while SNCF Réseau, the entity that holds the project management mandate for the New Line of the South-West, assists the supervisory board.
- We view the overall evaluation and approval process as multi-layered, separating the roles between proposal, and evaluation and approval. This structure provides better checks and balances than a single-layered project evaluation and selection structure.
- Additionally, the sustainability expertise in the committee ensures the company's sustainability strategy is reflected in investment decisions.

Source: Sustainable Fitch

Management of Proceeds

Company Material

- An amount equal to the net proceeds raised from SGPSO's green issuances is used to finance (including pre-finance) all or part of the expenditures related to the New Line of the South-West.
- Unallocated funds are only placed on deposit with the French Treasury, in accordance with the provisions of Article 47 of Decree No. 2012-1246

Alignment: Excellent

Sustainable Fitch's View

- The management of proceeds aligns with the ICMA GBP and the LMA, LSTA and APLMA GLP.
- The excellent outcome for this section reflects the clear segregation of funds and the close monitoring of allocation, which provides good transparency.



Management of Proceeds

Alignment: Excellent

Company Material

- on public budgetary and accounting management (2012). These deposits do not bear any interest (Article 197 of the same decree).
- The net proceeds of any green financing transaction are allocated to all expenditures that contribute to the current or future value of the New Line of the South-West asset, representing the “eligible asset”.
- Each annual allocation report specifically accounts for any amount pending allocation in respect of the pre-financing of future needs.
- In the event of cancellation, disposal, failure to meet eligibility criteria or major controversy affecting part of the project, SGPSO will make every effort to reallocate the proceeds as quickly as possible to the financing of other eligible assets. Any reallocation of funds will be documented in the new allocation and impact report following the reallocation of funds.

Sustainable Fitch's View

- The financings are dedicated towards one specific project, so there is clear ringfencing in terms of allocation, in line with market best practice.
- Unallocated proceeds are managed by the French treasury in line with its general management policies. Market best practice is to maintain unallocated proceeds in short-term green projects that carry equivalent positive environmental impact, but SGPSO is a government-owned entity governed under article 47 of Decree No. 2012-1246 on public budgetary and accounting management, which requires funds to be deposited in the French treasury and managed as a non-interest-bearing deposit in line with this Decree.
- The issuer monitors the proceeds and removes assets that no longer comply with the framework's eligibility criteria. It commits to replace them with new eligible green project expenses on a best-effort basis and to report on new allocation within a year.
- The project's loss of eligibility is unlikely, considering the rigorous environmental studies undertaken prior to its validation, but SGPSO commits to reassess the instrument's green nature should the project no longer be eligible. This assures investors that the use of proceeds will undergo continued monitoring to ensure its positive environmental and social impact, as intended, throughout the instrument's term.

Source: SGPSO green financing framework 2025

Source: Sustainable Fitch

Reporting and Transparency

Alignment: Excellent

Company Material

- The allocation and impact report is published annually by the SGPSO in the year following the issuance on the SGPSO website until the funds are fully allocated.
- It illustrates the respect of commitments concerning the allocation of funds, the respect of the eligibility criteria for each of the components of the financed project, and the presentation of cross-cutting impact indicators to the projects including the social co-benefits of the project.
- In addition, the SGPSO undertakes, on a best-effort basis, to publish on its website:
 - a dashboard for the monitoring of various site indicators during the period of the works, making it possible to report, in particular, on the progress of the works; and
 - an impact report once the line has been put into service on the commissioning indicators, as part of its ex-post assessment obligations under the Inland Transport Orientation Law.
- The impact reporting will be carried out at least three years after and at the latest within five years of commissioning and will include:
 - establishment of an initial state before work;
 - an interim assessment one year before commercial commissioning, ie at the end of the work;
 - an interim assessment one year after commissioning; and
 - a final assessment five years after commissioning.
- The allocation of funds report will include at least the following information:
 - amount of funds allocated versus unallocated;
 - inventory of the progress of the work and description; and
 - co-financing share.
- Material changes in the funded projects leading to a change in the green spending portfolio will be detailed in the report.
- The impact reports will focus on environmental results and social co-benefits (CO₂ avoided, energy savings, number of jobs).

Sustainable Fitch's View

- The reporting commitments align with the ICMA GBP and the LMA, LSTA and APLMA GLP.
- The excellent outcome for this section reflects strong commitments around the frequency, granularity and measurability of its allocation and impact reporting.
- We positively view the issuer's commitment to annually report on the allocated proceeds.
- We also view it positively that the allocation will be verified by the national public finances authority as SGPSO's dedicated accountant.
- SGPSO intends to report annually on the project's environmental impact. It discloses a detailed list of impact metrics it will report on its website, including construction indicators during implementation, and commissioning impact indicators after the line's commissioning.
- We consider the impact metrics to be specifically measurable and aligned with the recommendations of the ICMA Handbook – Harmonized Framework for Impact Reporting from June 2023. We positively view the issuer's selection of impact metrics, as they align with recognised international market standards.
- We view positively that the issuer commits to disclose social co-benefits indicators, such as number of jobs on construction sites created. Furthermore, the company has taken all the necessary actions to be aligned with the EU taxonomy, which we view as best practice in terms of demonstrating positive environmental impact.
- The issuer confirmed that the calculation methodology will be published on its website, which is a good additional layer of transparency.
- Finally, the issuer confirmed that it will publish an impact report as part of its ex-post obligations stemming from the Transport Orientation Law. This reporting is mandated by French Law No. 82-1153 of 30 December 1982, which requires socioeconomic and environmental assessments for major transport infrastructure projects. Article 9 of the Decree No. 84-617 of 17 July 1984 mandates the IGEDD to carry out the verification.

Source: SGPSO green financing framework 2025

Source: Sustainable Fitch



Relevant UN Sustainable Development Goals

- **9.1:** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all



- **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.



- **13.3:** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning



Source: Sustainable Fitch, UN



EU Taxonomy Assessment

Alignment with EU Taxonomy - Summary of criteria applied within the EU

UoP	E/T	Technical Screening Criteria												MS	Full Alignment
		SCC						DNSH							
		EO1	EO2	EO3	EO4	EO5	EO6	EO1	EO2	EO3	EO4	EO5	EO6		
UoP 1	E	✓	—	—	—	—	—	—	✓	✓	✓	✓	✓	✓	✓
Overall instrument alignment															✓

Key

- ✓ Fully aligned with the requirements
- ✗ Not aligned with the requirements
- P Partially aligned with requirements
- No applicable requirements

- UoP Use of proceeds
- E Enabling, as per EU Taxonomy Compass
- T Transitional, as per EU Taxonomy Compass
- SCC Substantial contribution criteria
- DNSH Do no significant harm criteria
- MS Minimum safeguards

Source: Sustainable Fitch

EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

Use of Proceeds	UoP 1: the New Line of the South-West (electrified railway infrastructure)														
Contribution to EU Environmental Objectives (EOs)	EO1														
Applicable Economic Activity	<ul style="list-style-type: none"> 6.14 Infrastructure for rail transport 														
Substantial Contribution Criteria (SCC)	<p>Yes. The project fully aligns with the SCC. There is one applicable environmental objective, EO1.</p> <p>The New Line of the South-West encompasses fully electrified high-speed railway infrastructure, including its associated subsystems, which is aligned with the SCC.</p> <p>In addition, SGPSO confirmed that the New Line of the South-West is not dedicated to the transport or storage of fossil fuels, which aligns with the SCC.</p>														
Do No Significant Harm (DNSH)	EO1	n.a.													
	EO2	<p>Yes. The New line of the South-West demonstrates compliance with the criteria in Appendix A to Annex I of the EU taxonomy.</p> <p>SGPSO conducted a rigorous climate risk and vulnerability assessment for the New Line of the South-West Line to identify relevant physical climate risks that could impact operations during construction and the expected lifetime of the railway line. A detailed assessment is carried out where exposure to significant risks is found to determine their significance for the project. Adaptation solutions are then evaluated to mitigate these risks.</p> <p>The assessment is proportionate to the project's scale and duration, using climate projections at the appropriate resolution. Short-term projects use localised data, while major investments rely on advanced, long-term climate scenarios. All projections and analyses follow best practices and the latest scientific guidance, drawing on authoritative sources such as the Intergovernmental Panel on Climate Change reports and peer-reviewed research.</p> <p>A study on exposure to climate risks and recommendations to enhance the new line project's resilience to climate hazards was conducted in 2022-2023 by the Centre for Studies and Expertise on Risks, the Environment, Mobility and Urban Planning. This report presented the main climate hazards and their evolution according to two Intergovernmental Panel on Climate Change scenarios (RCP4.5 and RCP8.5), then analysed the impacts on the various components of the railway infrastructure and lists the different categories and levers that can be considered or have already been implemented for infrastructure of this nature.</p>													



EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

The key climate hazards identified for the New Line of the South-West included both historical climate analysis and conclusions around the key risks going forward.

Historically, climate analyses of the relevant regions indicated significant warming, particularly in spring and summer, with average temperatures rising by about 1°C since 1900 and summer temperatures increasing by 3°C since 1950. Annual precipitation levels have remained relatively stable, but there has been a shift in seasonal patterns and a marked increase in droughts.

The railway line spans four departments and two regions. Key risks were examined, indicating that the line is exposed to high flood risks in areas such as Bordeaux, Agen, Montauban-Moissac and Toulouse, as well as marine submersion in the Gironde estuary. Additionally, the line is vulnerable to land movements, including clay shrink-swell and differential settlement, especially between Agen and Toulouse. The risk of forest fires is also rising, amplified by more frequent and severe droughts, particularly in the Landes de Gascogne massif.

Adaptation measures were identified following the risk analysis and will be implemented as part of the project.

In general, the New Line of the South-West complies with the national climate change adaptation plan, published on 10 March 2025, which considers the EU adaptation strategy and identifies the country's adaptation measures to the effects of climate change.

Specifically, the construction of the line will consider modern design techniques meeting highest technical standards for resilience, with a focus on preventing the impact from floods. For example, the new infrastructure is built to resist torrential rainfalls like those that halted traffic on existing railway lines in the Bordeaux-Toulouse area during 2025.

The adaptation solutions implemented do not negatively affect adaptation efforts or the level of resilience to physical climate risks of other populations, nature, cultural heritage, property and other economic activities; are compatible with adaptation strategies and plans at the local, sectoral, regional or national levels; and consider the use of nature-based solutions or rely, where possible, on blue or green infrastructure.

EO3 Yes. The New Line of the South-West demonstrates compliance with the criteria in Appendix B to Annex I of the EU taxonomy.

The New Line of the South-West railway project follows strict European and French regulations to ensure it does not harm the good status of any water bodies. All companies that are involved in the construction of the New Line of the South-West comply with the EU Water Framework Directive 2000/60/EC, which is transposed into French Law No. 2004-338 of 21 April 2004.

All risks to water quality and water stress are carefully identified and managed, with measures to protect wetlands and aquatic environments. For example, project manager SNCF Réseau published a water preservation framework in 2025 that specifically outlines how the project will be managed to reduce physical impact on the natural environment. The framework focuses on maintaining water flow, preventing pollution and promoting sustainable water management practices, including alternatives to synthetic chemicals. It describes the processes to monitor compliance.

In addition, the project conforms with the objectives of the French outline for the organisation of the development and management of water resources, which steers permit and investments for water infrastructure and ecosystem and set six-year goals and strategic directions to protect and restore water resources and aquatic ecosystems. Its guidance is then implemented locally through local water management plans at the sub-basin/territory level. The outline for the organisation of the development and management of water resources implements the EU Water Framework Directive in France, including achieving "good status" for water bodies.

These safeguards collectively ensure the railway supports good water health throughout its development and operation.

EO4 Yes. The New Line of the South-West demonstrates compliance with the DNSH criteria.

The framework confirms that at least 70% (by weight) of the construction and demolition waste generated from the New Line of the South-West project will be prepared for reuse, recycling or other forms of recovery (excluding naturally occurring material referred to in category 17 05 04 in the European List of Waste established by Decision 2000/532/EC).

The project will respect the waste hierarchy, including backfilling of excavated areas with waste instead of new materials. Waste minimisation is also realised in the construction and demolition processes by applying best-available techniques and selective demolition to remove hazardous substances and using sorting systems.

The companies involved in the project, and particularly SNCF Réseau as the project manager, comply with Article 79 of the French law on energy transition for green growth, which requires activities to recover at least 70% of materials and waste



EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

	<p>produced on construction sites in line with the EU Waste Framework Directive (Directive 2008/98/EC) at both the national level and the local authority level. SGPSO will ensure that this requirement is met by also including the requirement for 70% recovery in the tendering selection criteria for companies involved in the construction. SNCF Réseau is also applying the practices of its own circular economy strategy from 2015, which mainly targets reducing emissions from material use.</p> <p>There are further applicable national commitments, including measures for selective sorting of waste, storage of hazardous products in sealed containers, site cleanliness, compliance with disposal channels and recovery of construction site waste. All measures to minimise waste during the construction phase will be documented as part of the project's impact assessment.</p>
EO5	<p>Yes. The New Line of the South-West demonstrates compliance with the criteria of the EU taxonomy regarding the use and presence of chemicals.</p> <p>The project will be constructed considering mitigating measures to reduce noise and vibrations from the finished trainline, such as open trenches and noise barriers. The EU Directive on assessment and management of environmental noise (Directive 2002/49/EC) has been transposed into French law through Ordinance No. 2004-1199 of 12 November 2004, Decree No. 2006-361 of 24 March 2006, Order of 3 April 2006 and Order of 4 April 2006.</p> <p>Measures will also be adopted to reduce noise, dust and pollutant emissions during the construction phase.</p>
EO6	<p>Yes. The New Line of the South-West demonstrates compliance with the criteria in Appendix D to Annex I of the EU taxonomy.</p> <p>Environmental impact assessments were conducted for the project in line with Directive 2011/92/EU, and relevant mitigation and compensation measures have been identified through its Avoid, Reduce, Compensate framework. First, negative impacts are avoided by selecting routes that bypass sensitive areas – such as using viaducts to cross rivers without disturbing ecological corridors. Next, unavoidable impacts are reduced through measures like restoring forest edges, reestablishing waterways, and installing retention basins to minimise effects on ecosystems. Finally, any remaining impacts are compensated by creating new habitats or restoring wetlands – often at double the affected area – and providing substitute nesting sites for protected species, with ongoing sustainable management in consultation with stakeholders.</p> <p>In addition, a study was carried out for the New Line of the South-West to identify sensitive biodiversity areas, including Natura 2000. The assessment was conducted in accordance with Article 6(3) of Directive 92/43/EEC. The study identified natural and aquatic areas in the regions of the New Line of the South-West with significant roles in the ecosystem including forests, cave networks, open environments, wetlands and major rivers. The study also included two Natura 2000 sites the Gât-Mort and Saucats hydrographic network and the Special Conservation Area of the Cadaujac and Saint-Médard d'Eyrans wet bogage.</p> <p>SGPSO identified necessary mitigation measures based on these assessments to avoid significant effects on the areas and Natura 2000 sites and ensure the activity does not harm conservation objectives. Measures will include enhancing blue and green corridors to enable wildlife movement, restoring degraded areas to prevent fragmentation across the project areas, adapting timing of works to avoid sensitive periods for wildlife and using wildlife friendly infrastructures such as green bridges and underpasses. Finally, it will avoid development in ecologically important areas, especially within Natura 2000 areas.</p>
Minimum Safeguard (MS)	<p>Yes.</p> <p>SGPSO ensures alignment with MS through a multi-layered compliance and governance framework, combining national regulation, international standards and robust in-house procedures.</p> <p>As a French public entity, SGPSO is subject to stringent national legislation on human rights and environmental due diligence, which is compliant with EU requirements. The supervisory board comprises representatives from 24 local authorities, the state and SNCF Réseau. It oversees strategic decisions, financing and employment conditions, ensuring transparency, accountability and broad stakeholder involvement. The board sets specific borrowing thresholds and authorises significant investments, providing rigorous financial oversight.</p> <p>Dedicated commissions – such as those for financial engineering, contracts and tendering – offer technical advice and review operations, supporting integrity in procurement and project management. All procurement activities are governed by strict French and EU legal frameworks, which include anti-corruption clauses and require contractors to comply with relevant laws; non-compliance leads to sanctions such as exclusion from future tenders.</p> <p>SGPSO's activities are aligned with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and all eight fundamental International Labour Organization conventions, as France is a signatory. Compliance with these international standards is enforced through public procurement procedures, which require contractors to adhere to French and EU labour laws. Contractual clauses and sanctions are in place for violations, such as exclusion from tendering. The human resources committee oversees employment standards, ensuring alignment with international labour and</p>

EU Taxonomy Assessment

EU Environmental Objectives: climate change mitigation (EO1); climate change adaptation (EO2); sustainable use and protection of water and marine resources (EO3); transition to a circular economy, waste prevention and recycling (EO4); pollution prevention and control (EO5); protection of healthy ecosystems (EO6)

	<p>human rights principles. All activities are governed by legal provisions applicable to the public sector, further reinforcing compliance with global best practices.</p> <p>SGPSO established several internal mechanisms to verify ongoing compliance and prevent major controversies. The evaluation and monitoring committee conducts regular asset reviews to ensure continued alignment with minimum safeguards and identify and address any issues proactively. SGPSO reserves the right to audit project management and reported indicators, adding an extra layer of scrutiny. Territorial monitoring committees and regular reporting promote transparency and dialogue with local stakeholders, supporting good governance and stakeholder engagement.</p> <p>SGPSO demonstrates robust alignment with the MS through this comprehensive approach—integrating national regulation, international frameworks and rigorous internal controls. This multi-layered system supports transparency, accountability, anti-corruption and responsible business conduct across all its activities, ensuring that both legal and ethical standards are consistently upheld.</p>
Full Alignment	

Source: Sustainable Fitch, SGPSO green financing framework 2025



Appendix A: Principles and Guidelines

Type of Instrument: Green

Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes
Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.
1) Use of Proceeds (UoP)	
Renewable energy	No
Energy efficiency	No
Pollution prevention and control	No
Environmentally sustainable management of living natural resources and land use	No
Terrestrial and aquatic biodiversity conservation	No
Clean transportation	Yes
Sustainable water and wastewater management	No
Climate change adaptation	No
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	No
Green buildings	No
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.
2) Project Evaluation and Selection	
Evaluation and Selection	
Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability instrument proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.
Evaluation and Selection, Responsibility and Accountability	
Evaluation and selection criteria subject to external advice or verification	Yes
In-house assessment	No
Other	n.a.
3) Management of Proceeds	
Tracking of Proceeds	
Sustainability instrument proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.



Type of Instrument: Green

Additional Disclosure

Allocations to future investments only	Yes
Allocations to both existing and future investments	No
Allocation to individual disbursements	Yes
Allocation to a portfolio of disbursements	No
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.

4) Reporting

UoP Reporting

Project-by-project	Yes
On a project portfolio basis	No
Linkage to individual instrument(s)	Yes
Other	n.a.

UoP Reporting/Information Reported

Allocated amounts	Yes
Sustainability instrument-financed share of total investment	No
Other	n.a.

UoP Reporting/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.

Impact Reporting

Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual instrument(s)	No
Other	n.a.

Impact Reporting/Information Reported (exp. ex-post)

GHG emissions/savings	Yes
Energy savings	No
Decrease in water use	No
Other ESG indicators	Reduction in air pollution (NOx, SOx, etc.); change in number of trips; number of days of infrastructure unavailability due to weather conditions; change in road traffic; change in airport passenger traffic; number of beneficiaries; time savings for users in minutes; number of jobs created or supported; estimated modal shift; number of infrastructures accessible to people with reduced mobility.



Type of Instrument: Green

Impact Reporting/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.

Means of Disclosure

Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.

Source: Sustainable Fitch, ICMA, LMA, LSTA and APLMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance



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