

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Securities Framework

SNCF SA

11 December 2023

VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green Securities

Relevant standards

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)

Scope of verification

- SNCF SA Green Securities Framework (as of December 11, 2023)
- SNCF SA Selection Criteria (as of December 11, 2023)

Lifecycle

- Pre-issuance verification
- 2nd Update of SPO as of July 12, 2022 (<https://www.iss-corporate.com/file/documents/spo/spo-20220712-sncf.pdf>)

Validity

- Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK

SNCF SA (“the Issuer”, “the Company”, or “SNCF”) commissioned ISS Corporate Solutions (ISS-Corporate) to assist with its Green Securities by assessing three core elements to determine the sustainability quality of the instruments:

1. SNCF’s Green Securities Framework (as of December 11, 2023) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP).
2. The Selection Criteria – whether the project categories contribute positively to the United Nations Sustainable Development Goals (UN SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Linking the transaction(s) to SNCF’s overall Environmental, Social, and Governance (ESG) profile – drawing on the issuance-specific Use of Proceeds (UoP) categories.

SNCF BUSINESS OVERVIEW

SNCF engages in train operation business, passenger and freight transport. It is classified in the rail transport industry, as per ISS ESG’s sector classification. Its business segments offers mobility services through his trains and commercial brands: Intercités, Ouigo, RER, TER, TGV, TGV and Transilien. The company was founded on January 1, 1938 and is headquartered in Saint Denis, France.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
<p>Part 1:</p> <p>Alignment with GBP</p>	<p>The Issuer has defined a formal concept for its Green Securities regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA’s GBP.</p>	<p>Aligned</p>
<p>Part 2:</p> <p>Sustainability quality of the Selection Criteria</p>	<p>The Green Securities will (re)finance eligible asset categories which include:</p> <p>Green categories: Development, Maintenance and Renewal of The Electric Rail Network, Purchase and Renovation of High-Speed Electric Rolling Stock Fleet, Expenditures Related to Energy-Efficiency on The Electric Rail Network, Renovation Investments (Mid-Life Operation) of The High-Speed Electric Rolling Stock Fleet</p> <p>Product and/or service-related use of proceeds categories² individually contribute to one or more of the following SDGs:</p> <div data-bbox="699 1256 933 1370" style="text-align: center;">   </div> <p>Process-related use of proceeds categories³ individually improve (i) the Issuer’s operational impacts and (ii) mitigate potential negative externalities of the Issuer’s sector on one or more of the following SDGs:</p> <div data-bbox="699 1655 933 1769" style="text-align: center;">   </div>	<p>Positive</p>

¹ The evaluation is based on the SNCF’s Green Securities Framework (December 11, 2023 version) and on the ISS ESG Corporate Rating updated on the July 11, 2023 and applicable at the SPO delivery date.

² Development and Renewal of The Electric Rail Network, Purchase and Renovation of High-Speed Electric Rolling Stock Fleet

³ Maintenance of The Electric Rail Network, Purchase and Renovation of High-Speed Electric Rolling Stock Fleet, Expenditures Related to Energy-Efficiency on The Electric Rail Network, Renovation Investments (Mid-Life Operation) of The High-Speed Electric Rolling Stock Fleet

	The environmental and social risks associated with those use of proceeds categories are managed.	
Part 3: Linking the transaction(s) to SNCF's ESG profile	<p>The key sustainability objectives and the rationale for issuing Green Securities are clearly described by the Issuer. All of the project categories considered are in line with the sustainability objectives of the Issuer.</p> <p>At the date of publication of the report and leveraging ISS-Corporate Research, no severe controversies have been identified.</p>	Consistent with Issuer's sustainability strategy

SPO ASSESSMENT

PART I: ALIGNMENT WITH ICMA’S GREEN BOND PRINCIPLES

This section evaluates the alignment of the SNCF’s Green Securities Framework (as of December 11, 2023) with the ICMA’s GBP.

ICMA’S GBP	ALIGNMENT	OPINION
<p>1. Use of Proceeds</p>	<p>✓</p>	<p>The Use of Proceeds description provided by SNCF’s Green Securities Framework is aligned with the ICMA’s GBP.</p> <p>The Issuer’s green categories align with the project categories as proposed by the ICMA’s GBP. Criteria are defined in a clear and transparent manner. Disclosure of an allocation period and commitment to report by project category has been provided. Proceed from Commercial Papers (CP) are allocated to existing assets. Environmental benefits are described and quantified.</p> <p>The Issuer defines a look-back period of two years, in line with best market practice. SNCF also confirmed that the level of fossil fuel cargo transported represents less than 25% of freight transported.</p>
<p>2. Process for Project Evaluation and Selection</p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by SNCF’s Green Securities Framework is aligned with the ICMA’s GBP.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process. Moreover, the projects selected show alignment with the sustainability strategy of the Issuer.</p> <p>The Issuer clearly defines responsibilities in the process for project evaluation and selection and is transparent about it. It also involves various</p>

		<p>stakeholders in this process, in line with best market practices.</p>
<p>3. Management of Proceeds</p>	<p>✓</p>	<p>The Management of Proceeds provided by SNCF’s Green Securities Framework is aligned with the ICMA’s GBP.</p> <p>The net proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The net proceeds are tracked in an appropriate manner. The net proceeds are managed on an aggregated basis for multiple Green Securities (portfolio approach). Moreover, the Issuer discloses that unallocated proceeds will be exclusively placed into SNCF’s treasury accounts.</p> <p>The risk of double counting is addressed by SNCF, by ensuring that at any given time the volume of year N Green Bonds issuances and year N outstanding green CPs does not exceed the total amount of eligible category 1 assets, and the Issuer is also transparent on the nature of temporary instruments, in line with best market practices.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting provided by SNCF’s Green Securities Framework is aligned with the ICMA’s GBP.</p> <p>The Issuer commits to disclose the Green Bond allocation of proceeds transparently and to report annually. Commercial Papers allocation reporting will also be done, the total amount of CPs issued and allocated will be reported and SNCF will not report associated impacts because those will be valued in a second step, post-allocation of the Green Bonds proceeds. The reporting will be publicly available on the Issuer’s website. SNCF explains the type of information that will be reported and that the level of expected reporting will be at the project category level and at project level for the train fleets.</p>

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		<p>Moreover, the Issuer commits to report annually, until the proceeds have been fully allocated.</p> <p>The Issuer discloses the location and link of the report(s) and commits to get the allocation report audited by an external party. The Issuer is also transparent on the level and duration of the green bonds impact reporting, in line with best market practices.</p>
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PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

A. CONTRIBUTION OF THE GREEN SECURITIES TO THE UN SDGs⁴

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. The aim of this section is to assess the SDG impact of the UoP categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- specific products/services,
- improvements of operational performance.

1. Products and services

The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the UN SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the ICMA Green and/or Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a 3-point scale (see Annex 1 for methodology):



Each of the Green Securities' Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Development and renewal of the electric rail network, for the most circulated sections (UIC 1 to 6 and HSL) ⁵	Contribution	 

⁴ The impact of the UoP categories on UN Social Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

⁵ This is intended to be for public transportation.

Purchase of High-speed electric rolling stock fleet⁶

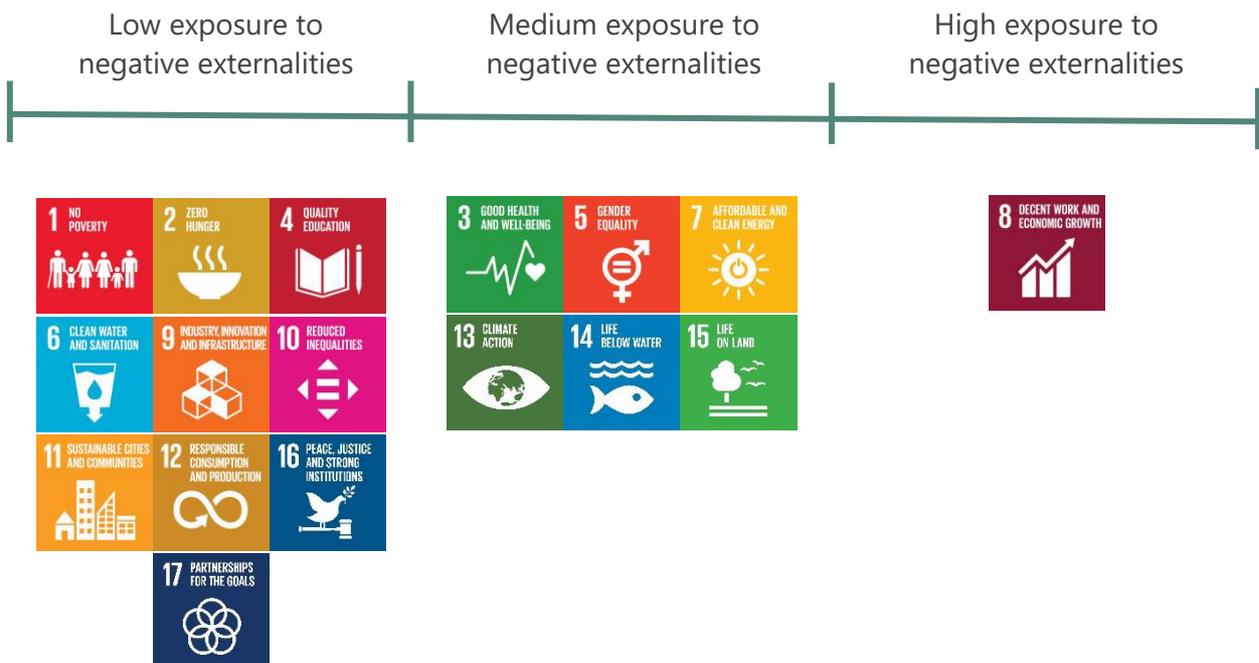
Contribution



2. Improvements of operational performance (processes)

The below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Issuer.

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities⁷ in the Rail Transportation (to which SNCF belongs) are the following:



The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

⁶ This is intended to be for public transportation.

⁷ Please, note that the impact of the Issuer’s products and services resulting from operations and processes is displayed in Part III B of the SPO.

USE OF PROCEEDS (PROCESSES) ⁸	OPERATIONAL IMPACT IMPROVEMENT ⁹	SUSTAINABLE DEVELOPMENT GOALS
Maintenance of the electric rail network, for the most circulated sections (UIC 1 to 6 and HSL)¹⁰	✓	 
Expenditures related to energy-efficiency on the electric rail network, for the most circulated sections (UIC 1 to 6 and HSL).	✓	 
Renovation investments (mid-life operation) of the high-speed electric rolling stock fleet	✓	 

⁸ The assessment is limited to the examples listed in the Framework.

⁹ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

¹⁰ This is intended to be for public transportation.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

The table below evaluates the Selection Criteria against issuance-specific KPIs. All of the assets will be located in France, with high-speed electric rolling stock fleet to be used within the European Union and manufactured in France.

ASSESSMENT AGAINST KPIs

Labour, Health, and Safety

Relevant for all use of proceeds categories



The Issuer has measures in place systematically ensuring that assets financed under this Framework provide for high health and safety standards for own employees, volunteers and in the supply chain. Since 2015, the SNCF Group has been at the advanced level of the United Nations Global Compact. Furthermore, the Issuer finances assets exclusively in France, a country that ratified all the ILO Core Conventions and has high health and safety standards in place.

On-Site Safety KPIs relevant for rolling stocks & trains and transport infrastructures categories

Relevant for rolling stocks & trains and transport infrastructures categories



The Issuer has measures in place systematically ensuring that assets financed under this Framework provide which ensure health and safety for both passengers and operators and high operational safety standards. Those include measures to secure access to production sites, signage and audible announcements warning users, particular in degraded operating conditions or crisis situations, information, awareness-raising and prevention campaigns for customers and schools, securing of freight transport, training and equipping of Rail Security personnel (pedestrian cameras), commercial and passenger service employees. Quality, Health, Safety, Environment integrated management systems are also certified (ISO14001, ISO45001, ISO9001). Through SNCF PRISME (Pro-activity – Risks –Interfaces – Simplification – Management – Equipment) safety management transformation programme, in place since 2016, major Occupational Health and Safety and Railway Operations Safety actions have been implemented, covering aspects such as developing risk management and simplifying procedures and functional modes, contributing to reduction in the number of remarkable safety events and reduction in the work accident frequency rate. The Group respects and values the regulatory obligations defined by the States where it conducts its activities. The regulatory framework in France is largely based on the French

Transport Code, as well as Law 2006-10 of 5 January 2006, which transposes European directives into French law. It also includes Decree 2006-369 of 28 March 2006 relating to the mandates and by-laws of the EPSF and Decree 2006-1279 of 19 October 2006, relating to rail traffic safety and rail system interoperability, amended by the Decrees 2010-814 of 13 July 2010, 2014-121 of 11 February 2014, 2015-143 of 10 February 2015, 2015-960 of 30 July 2015 and 2015-1757 of 24 December 2015.

Environmental aspects of construction (or production) and operation

Relevant for rolling stocks & trains



The Issuer has measures in place systematically ensuring that assets financed under this Framework for which comprehensive life-cycle-assessments have been conducted. SNCF integrate into its approach the entire life cycle of products, services and projects, whether they are delivered directly by SNCF employees within SNCF companies or, on its behalf, by our service providers and suppliers. SNCF mentioned that it has a circular policy that covers four main points. Promotion of eco-design by integrating life-cycle costs in all areas, from procurement to the design of infrastructure projects and building construction, adaption of industrial processes to optimise the lifespan of components and make the best possible use of material resources, development of partnerships with existing or emerging eco-organisations and industrial waste recovery sectors and creating value for the company and the regions. The Issuer also has policy in place to limit the consumption of resources, reducing waste in all its operating processes, and recovering products at the end of their life cycle and has a zero non-recovered recoverable waste by 2030 aim for the core railway activity.



The Issuer has measures in place systematically ensuring that assets financed under this Framework provide for a comprehensive environmental management system. By 2022, all the company's activities were committed to an EMS approach and 95% of the industrial facilities were ISO 14001 certified. The continuous improvement process of the Environmental Management System is based on: The compliance plan (PMC), based on the regulatory assessment of sites in relation to environmental regulations, and also on the continuous environmental improvement plan (PACE), based on environmental analysis. The aim of this PACE analysis is to identify, analyse and prioritise the main sources of environmental damage from activities (water, air, soil, noise, biodiversity, energy, waste, etc.), taking into account the sensitivity of the sites. The aim is to take preventive actions to reduce the likelihood of risks occurring or to reduce the severity of the consequences. A water policy is also in place since 2020 to specifically cover water management throughout the company

and the SNCF PRISME programme the company has in place is also designed to analyse risks upstream and downstream.

Relevant for transport infrastructures



The Issuer has measures in place systematically ensuring that assets financed under this Framework provide for measures to reduce transport-related noise emissions. SNCF noise policy is based on four strands of action: preventive actions for investment projects in the design, construction and operation phases; curative actions through a programme to reduce noise black spots: insulation of the facades of sensitive buildings, installation of noise barriers; actions on track components and equipment to reduce noise at source and innovation and research actions to develop scientific knowledge and technological solutions with the aim of understanding, modelling and reducing acoustic or vibratory emissions and associated nuisances.

Conservation and biodiversity management

Relevant for transport infrastructures



The Issuer does have measures in place systematically ensuring that assets financed under this Framework underwent environmental impact assessments at the planning stage. SNCF Group projects are subject to a pre-analysis to determine whether an environmental impact assessment (EIA) in line with EU directives is required. Depending on the outcome, the project may be exempted. On the contrary, if an environmental impact assessment is required, the assessment must be conducted and mitigation and compensation measures for protecting the environment are implemented. Furthermore, the issuer has other commitments such as the ones made under the Act4Nature International scheme¹¹ and its sectoral version Transport4nature. A support framework (RA372) was developed in 2017. It aims to take the environment into account in works contracts. This document describes the existing systems as well as the areas of responsibility and intervention of the various internal and external stakeholders at SNCF for taking into account the environment (including biodiversity) in the conduct of works contracts. Two systems concretize the implementation of this framework: the green construction site charter (low risks) and the NRE (moderate to high risks). The Company has also develop biodiversity footprint indicators in line with the new updated National Biodiversity Strategy scheduled for early 2023. Application of the ARC principle "avoid, reduce, compensate", with the deployment of a tool for monitoring compensatory measures has also been in use since 2020.

¹¹ SNCF committed to preserving biodiversity, <https://www.sncf.com/fr/engagements/developpement-durable/preserver-la-biodiversite/act4nature>



The Issuer has measures in place systematically ensuring that assets financed under this Framework are not located in key biodiversity areas. By 2022, all the Company's activities were committed to an Environmental Management System approach (including screening through a compliance plan, based on the regulatory assessment of sites in relation to environmental regulations) and 95% of the industrial facilities were ISO 14001 certified.

Community dialogue

Relevant for transport infrastructures



The Issuer has measures in place systematically ensuring that assets financed under this Framework feature community dialogue as an integral part of the planning process. The Stakeholder Committee is an advisory committee that meets twice a year and promotes the dialogue between the SNCF Group and its stakeholders (elected representatives, local authorities, associations, customers and suppliers). SNCF image survey is also in place since 1987. This survey tracks French people's opinions of SNCF on a monthly basis and measures the impact of current events, the Company's strategy and its communication on its image. Since 1994, the SNCF mediation system has also allowed passengers to request a second opinion on their complaints directly from an Ombudsman. This service is a simple, free and confidential method of settling disputes between operators (SNCF Voyageurs, Eurostar, Thalys and Chemins de Fer de la Corse) and their customers. The Ombudsman is competent for commercial disputes of a contractual nature, both national and international, between carriers and their customers, as well as for claims arising from infringements of the rail transport policy.

PART III: LINKING THE TRANSACTION(S) TO SNCF'S ESG PROFILE

A. CONSISTENCY OF GREEN SECURITIES WITH SNCF'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

SNCF has set medium and long-term targets to contribute to the climate transition and has committed to the Science Base Target Initiative (SBTi) to guide target setting and progress reporting.

The Group aims to reduce by 30% the Greenhouse Gas (GHG) emissions (scopes 1 and 2) linked to the activities of the transport sector by 2030 and reduce by 50% greenhouse gas emissions (scopes 1 and 2) linked to the activities of the building sector, respectively from a 2015 baseline¹². The long-term target for the Group is to become net-zero by 2050. To date, SNCF has not set short term targets in a define timeline.

- To mitigate climate change, the Group has established the following action plan:

SNCF aims to reduce the emissions coming from the transport sector by implementing, for example, the following measures:

- a. Eco-driving: Creating a training dedicated to the drivers of the passenger's train fleet to drive in an energy-saving way.
- b. Eco-parking: Optimizing the parking in the train maintenance process.
- c. Decarbonization of rolling stocks: By developing hybrid trains, battery-powered trains, hydrogen trains and to reduce the energy consumption from certain rolling stock components.
- d. Electrification: SNCF also aims to electrify around 30% of its vehicle fleet (20,000 vehicles in total) by 2030.

SNCF aims to reduce the emissions coming from the building sector by implementing, for example, the following measures:

- a. Energy renovation in buildings: by for example replacing oil heating with heat pumps and biomass heating plants.
- b. Energy rehabilitation works: insulation, woodwork replacement, etc.
- c. Energy conservation measures, such as turning off communication screens on major sites, shutting down tertiary hot water tanks excluding showers, etc.
- d. Development of photovoltaic energy production on many of SNCF's sites.

¹² SNCF Group Annual Finance Report, 2022, p.134-139, https://medias.sncf.com/sncfcom/finances/Publications_Groupe/sncf-group-annual-financial-report-2022.pdf

- In order to have healthy economies and societal progress, the Group is committed to implement, for example, the following measures:
 - a. Launching a program, SNCF & Moi, which aims to increase the engagement, satisfaction and well-being at work of the employees¹³.
 - b. Create a well-developed social dialogue with employees, by giving the opportunity to the employees to regularly participate in dialogues on wages and remuneration with the representative trade unions.
 - c. Improving workplace health and safety, by for example creating awareness-raising modules for all employees concerned by the risks of work accident.
 - d. Development of training and raising awareness for staff on sustainability issues: 100% of the members from SNCF receive training course on green transition¹⁴.
- In order to ensure good corporate governance, SNCF has created a department named “The Social, Territorial and Environmental Commitment Department” which is responsible in overseeing ESG topics, identify and mitigate ESG risks and to report on it to the Chairman and Chief Executive Office of the SNCF Group. Moreover, SCNF has conceived measures and policies, for example, on the following issues: Ethics charter which outlines the ethics principles that each employee must follow in their professional practices and behaviors; Code of conduct on combatting corruption and influence peddling; Stakeholder Committee to reinforce the dialogue between SNCF Group and its stakeholders.

Furthermore, SNCF is a signatory of many charters and commitments related to environmental and climate protection as well as agreements on reducing inequalities. To name a few, SNCF is a signatory of the French Business Climate Pledge, UN Global Compact, EcoWatt Charter, Démoclès Charter for the recovery of construction waste, etc.

SNCF annually reports non-financial information into its Annual Financial Report, in accordance with the Global Reporting Initiative (GRI) standards.

The Issuer has already issued multiple Green Bonds in the past, to finance green and sustainability mobility (i.e., investments in rail system maintenance, upgrades, and energy efficiency). SCNF states that between 2016 and 2021, the investments financed by Green Bonds generated a saving of 35.2 million tons of CO₂ equivalent from GHGs being released into the atmosphere.

Rationale for issuance

The issuance of green securities directly supports SNCF’s goal to have 100% of its financing and investments in ‘Green’ or ‘Sustainable’ format in 2025. Moreover, SNCF has set clear targets, defined in the section above, to reduce the GHG emissions coming from the transport sector. Therefore, the green securities contribute to SCNF’s commitment to reduce by 30% the

¹³ IBID, p.121.

¹⁴ IBID, p.139.

Greenhouse Gas (GHG) emissions (scopes 1 and 2) linked to the activities of the transport sector by 2030 from a 2015 baseline year.

Opinion: *The key sustainability objectives and the rationale for issuing Green Securities are clearly described by the Issuer. All of the project categories financed are in line with the sustainability objectives of the Issuer.*

B. SNCF’S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the Issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer’s industry

The Issuer is classified in the Rail Transportation, as per ISS ESG’s sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note, that this is not a company specific assessment but areas that are of particular relevance for companies within that industry.

ESG KEY ISSUES IN THE INDUSTRY
Climate Protection
Labor standards and working conditions
Transport safety and stakeholder responsibility
Pollution prevention

ESG performance of the Issuer

Leveraging ISS ESG’s Corporate Rating research, further information about the Issuer’s ESG performance can be found on ISS ESG Gateway at: <https://www.issgovernance.com/esg/iss-esg-gateway/>.

Please note that the consistency between the issuance subject to this report and the Issuer’s sustainability strategy is further detailed in Part III.A of the report.

Sustainability impact of products and services portfolio

Leveraging ISS ESG’s Sustainability Solutions Assessment methodology, the contribution of the Issuer’s current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs) has been assessed as per the table below. This analysis is limited to the evaluation of final product characteristic ISS-Corporate and does not include practices along the Issuer’s production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE ¹⁵	DIRECTION OF IMPACT	UN SDGS
Passenger road mass transport (conventional combustion engine vehicles)	72%	CONTRIBUTION	
Rail infrastructure, rail transport (diesel, diesel-electric), rail transport (electric)	58%	CONTRIBUTION	
Air transport, freight road transport (conventional combustion engine vehicles)	27%	OBSTRUCTION	
Public transport services	38%	CONTRIBUTION	 

Breaches of international norms and ESG controversies

At Issuer level

At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Rail Transportation industry are as follows: Strike action, Failure to prevent air pollution and Failure to respect the right to health.

Please note that this is not a company specific assessment but areas that can be of particular relevance for companies within that industry.

¹⁵ Percentages presented in this table are not cumulative.

DISCLAIMER

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the sole minority shareholder of the combined entity. The combination is expected to be completed in the third quarter of 2023. In July 2023, the stakes of Genstar and ISS management in ISS HoldCo Inc. were acquired by DB. The non-interference and similar policies implemented by ISS related to Genstar are no longer applicable and disclosures regarding Genstar and ISS management's ownership of ISS are withdrawn.

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ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labelled transactions against international standards using ISS-Corporate proprietary methodology. For more information, please visit: <https://www.issgovernance.com/file/publications/SPO-Use-of-Proceeds-Bonds-and-Loans.pdf>

ANNEX 2: ISS ESG CORPORATE RATING METHODOLOGY

ISS ESG Corporate Rating provides relevant and forward-looking environmental, social, and governance (ESG) data and performance assessments. For more information, please visit: <https://www.issgovernance.com/file/publications/methodology/Corporate-Rating-Methodology.pdf>

ANNEX 3: QUALITY MANAGEMENT PROCESSES

SCOPE

SNCF commissioned ISS-Corporate to compile a Green Securities SPO. The Second Party Opinion process includes verifying whether the Green Securities Framework aligns with the ICMA's GBP and to assess the sustainability credentials of its Green Securities, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion:

- ICMA's Green Bond Principles

ISSUER'S RESPONSIBILITY

SNCF's responsibility was to provide information and documentation on:

- Framework
- Selection criteria
- Documentation of ESG risks management at the project category level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Green Securities to be issued by SNCF has been conducted based on a proprietary methodology and in line with the ICMA's GBP.

The engagement with SNCF took place from August to December 2023.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this SPO

Companies turn to ISS Corporate Solutions (ISS-Corporate) for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the Issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>

For more information on SPO services, please contact: SPOsales@iss-corporate.com

Project team

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