



# Sustainability Bond Framework

November 2023

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# 1. Introduction

## 1.1. About Bordeaux Métropole

### 1.1.1. Introduction

Bordeaux is a French metropolis, located within the Gironde *département* in the Nouvelle Aquitaine region. Bordeaux Métropole is formed of 28 constituent municipalities (26 of which are within the Bordeaux urban area), spanning some 578.3 km<sup>2</sup>. The metropolis was home to a population of 830,284 in 2023, around half of the total population of the *département*. By 2030, the population of Bordeaux Métropole may be close to a million.



Formerly known as the Urban Community of Bordeaux (or CUB), “Bordeaux Métropole” officially came into existence on 1st January 2015, by governmental order dated 23 December 2014, in application of the MAPTAM<sup>1</sup> Act of 27 January 2014. The creation and development of metropolitan authorities reflect the government's ambition to ensure that France's most economically dynamic territories are equipped with political and administrative structures capable of rising to the specific challenges they face.

Bordeaux Métropole is a major economic hub, home to around 75,000 companies employing over 425,000 people. 80% of those jobs are in the tertiary sector. That includes 315,000 jobs in the private sector.

The biggest employers within the metropolitan area are the healthcare sector (60,000 jobs), the wine trade (35,000), digital services (32,000), aeronautics/space/defence (26,000), tourism (23,000) and finance (21,000).

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<sup>1</sup> Law for the modernisation of territorial government and metropolitan authorities

The metropolis is also home to 4 accredited competitiveness clusters:

- **Aerospace Valley – “Aeronautics, Space, On-board Systems”**: international hub with the largest concentration of jobs in this sector in Europe – 146,000 employees – 1900 firms, 8500 researchers – Annual turnover of €10 billion. 3 sectors of strategic importance: aeronautics, space and drones.
- **ALPHA RLH Photonics and Hyperfrequencies**: 60 start-ups founded – 3000 highly-qualified direct employees - 700 researchers – 200 graduates/year.
- **XyloFutur – Forestry Products and Materials**: 28,300 firms – 60,000 jobs in the region – 200 researchers – 34 research and training centres - Annual turnover: €10.2 billion Europe's largest managed forest.
- **AGRI Sud-Ouest Innovation**: An agricultural and agri-industrial cluster spanning the Occitanie and Nouvelle-Aquitaine regions, France's largest agricultural cluster - 220,000 jobs in our region - 1400 researchers - Annual turnover of €12 billion

### 1.1.2. Organisational structure

The metropolis is administered by a Metropolitan Council made up of 104 elected councillors. Each constituent municipality has at least one seat on the Metropolitan Council.

Since 1st January 2016 Bordeaux Métropole has been structured into 8 major divisions,<sup>2</sup> formed by merging various departments of the metropolitan municipalities:

- Mobility Division
- Ecological Transition and Environmental Resources Division
- Economic Development Division
- Urban Planning Division
- Finance and Public Procurement Division
- Digital Services and Information Systems Division
- HR and General Administration Division
- Territorial Governance Division

### 1.1.3. Prerogatives of the metropolitan authority

In accordance with Article L.5217-2 of the Local Authorities Code, the metropolis has full authority, on behalf of its constituent municipalities, in certain domains. Only the most important are listed here:

#### 1. Economic, social and cultural development and planning:

- Creation, planning and management of industrial, commercial, tertiary, craft, tourist, port and airport zones;
- Economic development initiatives, including taking a stake in businesses, as well as supporting or contributing to the running of competitiveness clusters within the metropolitan territory;
- Construction, planning, maintenance and operational running of cultural, socio-cultural, socio-educational and sporting facilities within the metropolis;
- Promoting tourism, including the creation of tourist information centres;

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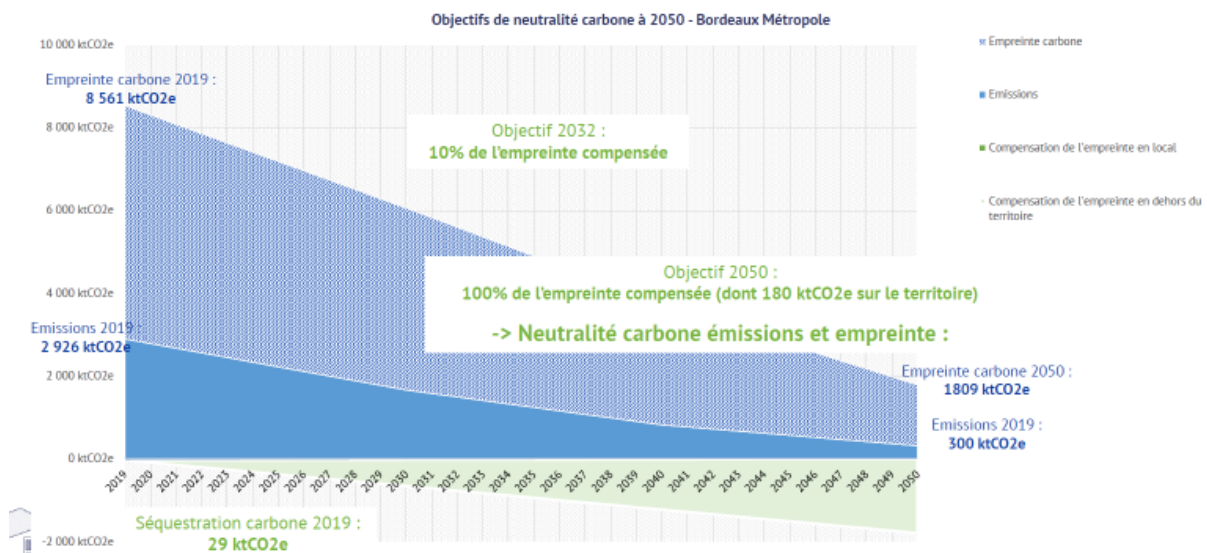
<sup>2</sup> <https://www.bordeaux-metropole.fr/Metropole/Organisation-administrative/Organigramme-des-services>

- A programme of support and subsidies for higher education and research institutions, and for research projects
- 2. Urban planning and development:**
- Territorial Cohesion Strategy and sectoral plan; local planning strategy; definition, creation and execution of metropolitan development operations as defined in Article [L. 300-1](#) of the Town Planning Code; initiatives to promote natural heritage and landscapes constitution of land reserves;
  - Coordination of mobility as defined in Articles [L. 1231-1](#), [L. 1231-8](#) and [L. 1231-14 to L. 1231-16](#) of the Transport Code; road creation, lay-out and maintenance; signposts; shelters; parking facilities and mobility strategy;
  - Creation, lay-out and maintenance of public spaces dedicated to all forms of urban transportation, and associated structures;
- 3. Local housing policy:**
- Local housing policy;
  - Housing policies; financial subsidies for social housing; actions to promote social housing; actions to promote access to housing for disadvantaged citizens;
  - Improving existing buildings, redeveloping and overhauling unsanitary housing;
  - Creation, lay-out, maintenance and management of halting sites for travellers and of leased family plots as defined in Paragraph II.1-3 of Article 1 of the 5 July 2000 Act on housing and services for traveller communities.
- 4. Urban management policy:**
- Conducting a territorial diagnosis and determining the key priorities of the City Contract;
  - Oversight and coordination of the contractual dimensions of urban development, local development and social and economic integration, along with local crime-reduction initiatives;
  - Action programmes specified in the City Contract;
- 5. Management of public interest services:**
- Waste water management, as per Article L. 2224-8 of the General Local Authorities Code (CGCT), urban rainwater management as per Article L. 2226-1 of the CGCT;
  - Creation, management, extension and transferral of metropolitan cemeteries and mausoleum sites, and creation, management and extension of crematoria;
  - Abattoirs, market-abattoirs and national wholesale markets;
  - Public firefighting services, including funding of the SDIS;
- 6. Protecting and promoting the environment, and looking after the lived environment:**
- Management of household waste and associated materials;
  - Combating air pollution;
  - Contributing to the energy transition;
  - Supporting initiatives to reduce energy demand;
  - Preservation of aquatic milieus and flood prevention, subject to the conditions set out in Article L. 211-7 of the Environmental Code;

## 1.2. Environmental and social policy

### 1.2.1. Climate strategy

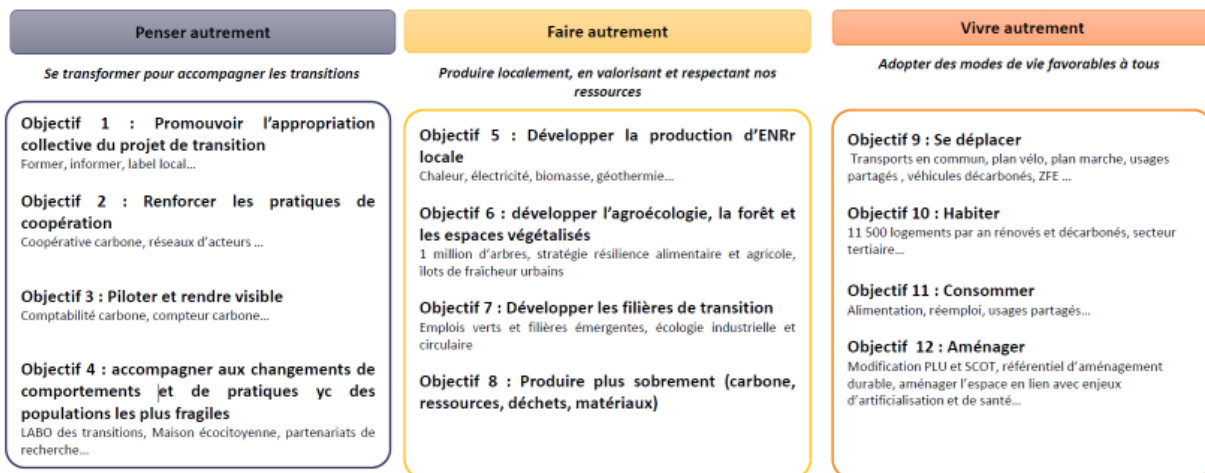
In response to the climate emergency, Bordeaux Métropole updated its Territorial Climate, Air and Energy Strategy (PCAET)<sup>3</sup> in 2022 to include an objective of achieving carbon neutrality by 2050. The ambition which informs Bordeaux Métropole’s new Climate Strategy is to form a united public policy front, coordinating the array of territorial initiatives working to achieve carbon neutrality and getting all stakeholders on board (residents, associations, businesses) in order to meet the 2050 deadline.



With its new Climate Strategy, Bordeaux Métropole has set out its ambition to become a resilient, low-carbon, inclusive territory capable of galvanising employment and the local economy as a whole. Bordeaux Métropole is also committed to keeping the cost of living down, while looking after the quality of life, health and well-being of its residents.

Bordeaux Métropole’s climate strategy is structured around 3 headline priorities: “Thinking differently, acting differently and living differently” in order to reconcile the demands of the ecological transition with social protection, respect for the environment and a renewed sense of local cohesion. Numerous projects and strategies have already been launched with a view to decarbonizing our transport system and housing, while protecting and preserving resources, ecosystems and biodiversity.

<sup>3</sup> <https://www.bordeaux-metropole.fr/sites/MET-BXMETRO-DRUPAL/files/2023-05/%5B0084%5D%20Plan%20Climat%20Air%20Energie%20Territorial%20%20Adoption%20D%C3%A9cision%20Autorisation.pdf>



Bordeaux Métropole's climate strategy enables us to plot new trajectories towards meeting our commitment to being an energy-positive territory by 2050, with specific actions targeting key domains such as mobility, biodiversity protection, renewable energy production, the decarbonization of industry and energy-efficient home renovations.

- **Objective 1: Encouraging collective engagement with the transition project**

Emissions directly attributable to the metropolitan authority account for barely 10% of total greenhouse gas emissions from our territory. In this context, Bordeaux Métropole is working to encourage all stakeholders to take responsibility for their own contribution to the territorial carbon footprint, urging all parties (municipalities, businesses, associations, residents) to get involved with the metropolitan objectives enshrined in the climate strategy.

- **Objective 2: Strengthening cooperation**

Mobilising all actors within our territory will be essential to achieving the carbon neutrality target adopted by Bordeaux Métropole. Major players such as the Grand Port, the ADEME,<sup>4</sup> the University Hospital and the University will be essential partners in this undertaking. Facing up to these shared responsibilities, Bordeaux Métropole will co-construct road maps for priority actions and mutual commitments in response to territorial objectives.

By establishing co-development contracts, Bordeaux Métropole is also working to support its constituent municipalities with projects conducive to the ecological and energy transition.

- **Objective 3: Leadership and Transparency**

Meeting our targets for reducing energy consumption, carbon emissions and atmospheric pollutants will require widespread mobilisation, a common understanding of what is at stake and broad agreement on the measure to be taken.

With this in mind, Bordeaux Métropole is working to develop and disseminate tools (transition budgets, carbon budgets etc.) which will allow all stakeholders to face up to the challenges of climate change and the urgent need to preserve resources in a spirit of continuous improvement.

<sup>4</sup> France's national energy and environment agency

- **Objective 4: Supporting more vulnerable groups in making lifestyle changes and adapting to the challenges of the transition**

The LABO des transitions<sup>5</sup> was founded to provide the leadership and resources required to bring about certain concrete changes:

- A vision of the energy and environmental transition which everybody can get behind
- The change in mindset which this entails
- The participatory tools needed to power this progress

Territorial organisations working to raise awareness and share information on the ecological transition (resource spaces, associations etc.) have proliferated in Bordeaux Métropole in recent years. In this new context, the metropolitan authority is keen to reposition the Maison Ecocitoyenne as a key player, working with local stakeholders to boost the impact of their climate actions and providing invaluable resources in terms of organisation, coordination and support for innovation.

- **Objective 5: Developing local energy production from renewable sources**

The revised Climate, Air and Energy Strategy aims to make Bordeaux Métropole a zero-carbon territory by 2050. Numerous measures and resources have already been put in place to help our metropolis achieve this goal: a vigorous waste management policy, more stringent water policies and more support to help citizens change their habits.

Electricity accounts for a third of our territory's energy consumption, and that proportion could rise to over 50% by 2050. Renewable energy production is vital to achieving energy independence (from fossil fuels and nuclear power), as well as hitting our climate targets (reducing greenhouse gas emissions) and long-term ecological safety and stability (specifically with regard to the risks posed by nuclear power and nuclear waste). In the specific urban context of Bordeaux Métropole, with large artificialized surfaces available over car parks and on rooftops, solar power is the most promising form of renewable energy production (with an annual output target of 290Gwh by 2032).

In recent years, Bordeaux Métropole has also been overseeing the installation of more district heating networks across the territory, and gradually increasing the proportion of renewable energies in the energy mix used to generate this heat. The aim is to decarbonize our heat sources while also improving home insulation, abandoning oil and gas boilers in favour of renewable energies, district heat networks, wood-fired boilers and heat pumps.

- **Objective 6: Developing agro-ecology, forests and green spaces**

The territory of Bordeaux Métropole spans 58,000 hectares,<sup>6</sup> of which 51% are classified as natural spaces, agricultural land or forest woodland. This high proportion is testament to the acute environmental sensibility and ecological richness so characteristic of Bordeaux Métropole. Our panoply of projects, initiatives and strategies is testament to the ambition of Bordeaux Métropole to become a natural, ecological and sustainable metropolis, deserving of the Natural Territory label.

Faced with the climate emergency and pressing environmental challenges, Bordeaux Métropole has embarked upon a vast programme of planting, with a target of 1 million<sup>7</sup> more trees within the next decade in order to:

- Improve air quality and help combat climate change by producing more oxygen
- Promote biodiversity in the city

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<sup>5</sup> An intersectional, participatory structure powered by a network of contributors from local authorities and elsewhere

<sup>6</sup> <https://www.bordeaux-metropole.fr/Grands-projets/Projets-d-amenagements/Territoires-et-projets-Nature>

<sup>7</sup> <https://www.bordeaux-metropole.fr/Grands-projets/Plantons-1-million-d-arbres/Pourquoi>



- Combat the phenomenon of urban heat islands and reduce the temperature in the city (1 tree planted = up to 50 kg of CO<sup>2</sup> captured each year)
- Improve the health and quality of life of residents

Meanwhile, in order to nurture new initiatives for protecting biodiversity, Bordeaux Métropole has funded a series of ecological analyses for local farms, conducted by the association Cistude Nature. This initiative has enabled us to form partnerships with farmers interested in adopting measures to protect biodiversity in general and certain sensitive and protected species in particular.

- **Objective 7: Developing capacities for the transition**

The ecological transition is all about promoting new forms of production and consumption compatible with the preservation of planetary resources. In order to be implemented at the local level, new breakthroughs need to be integrated into existing structures, particularly the business sector in our territory. Bordeaux Métropole is keen to assess the ecological expertise of local businesses, in order to identify essential skills requirements and steer education and continuing training policies accordingly.

On this subject, in March 2022 Bordeaux Métropole and the Bordeaux Tourism and Convention Board launched a joint strategy aimed at making the city a leading destination for responsible tourism. This plan of action is structured around several key commitments: reducing greenhouse gas emissions and waste, and promoting our cultural and natural assets in a manner which is more respectful of the environment.

- **Objective 8: More frugal production (resources, waste, materials)**

Construction, road maintenance and industry are all sectors which consume vast quantities of various materials. Some of these operations generate considerable amounts of pollutants and greenhouse gas emissions (steel, concrete, road surfaces etc.). In order to reduce the environmental impact of these sectors, we need to make greater use of bio-sourced and upcycled materials. The metropolis is keen to encourage the use of such materials while supporting the sectors in question, via financial subsidies and public contracts, and working closely with those economic stakeholders which consumer the most resources.

In addition to the associated greenhouse gas emissions, the processing or decomposition of waste can pollute our land, waterways and air. Hence the focus on reducing waste at the source, as well as more effective waste collection and processing, in the recently-published Local Plan for the Prevention of Household and Similar Waste (PLPDMA), echoing the priorities of the Climate Strategy. Bordeaux Métropole intends to further pursue the efforts made in recent years, strengthening the network of stakeholders across the territory working to reduce the flow of waste from all sources.

- **Objective 9: Getting around**

In light of the metropolis' demographic growth and attendant ecological and social imperatives, mobility is one of the foremost priorities of Bordeaux Métropole. Bordeaux Métropole's mobility strategy for 2020-2030 contains a raft of actions aimed at increasing the use of public transport (with a target of increasing the modal share by 5%<sup>8</sup> by 2030):

- Bordeaux Métropole is determined to consolidate its rail network by developing a metropolitan light rail network.

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<sup>8</sup> The modal share of public transport is calculated by dividing the total number of journeys made by public transport in a given period of time (generally an average working day) by the total number of journeys made in that same time period.

- Meanwhile, Bordeaux Métropole continues to ramp up efforts to encourage cycling. The first two cycling strategies deployed across the whole of Bordeaux Métropole succeeded in doubling the total provision of cycle lanes from 750 km to 1500 km between 2010 and 2021. A third cycling strategy was formally adopted on 10 November 2021. It includes a target to increase the modal share of cycling to 18% by 2030, compared with 8% in 2017. The terms of the bike lease scheme were also updated in 2020, with 3086 bicycles now available for free.
- As part of our mobility strategy for 2020-2030, Bordeaux Métropole is keen to support the roll-out of decarbonized vehicles, in keeping with the national electric vehicle strategy (the transition scenarios presented by the ADEME<sup>9</sup> set a target for 90% of private cars to be electric by 2050, and more than 45% of utility vehicles).
- A study is under way into the possibility of creating a network of rapid bus lines.

- **Objective 10: Living in the metropolis**

Housing accounts for a third of consumption within our territory, and 20% of greenhouse gas emissions. In order to achieve our goal of becoming an energy-positive, carbon-neutral territory, we need to cut the energy consumed by our homes in half.

Building on existing initiatives such as the MaRénov platform,<sup>10</sup> and supplementing the financial incentives offered by the national government, Bordeaux Métropole has adopted a more ambitious policy of home renovation subsidies for the period 2022-2026. The goal is to renovate 9500 private homes each year (5100 houses and 4400 apartments) as well as 2000 homes from the social housing stock. These renovation operations should allow 11500 homes per year to achieve energy efficiency scores of A or B, amounting to an annual energy saving of 60GWh from 2026.

- **Objective 11: Consumption (Food, recycling, shared usage)**

Food accounted for 18% of the carbon footprint of Bordeaux Métropole in 2019. Ensuring that everybody is able to eat healthy, local, seasonal produce can help us to reduce the emissions generated by shipping food, while also reinforcing the food resilience of our metropolis. Reducing food waste allows us to protect the environment by minimising excess production, saving money and allowing us to prioritise quality produce. The metropolis has already demonstrated its commitment to cutting food waste, launching campaigns to raise awareness among local authorities and residents, while also incorporating food waste into the recently-launched Waste Strategy (2021-2026).

Purchasing of materials represented the largest single item in Bordeaux Métropole's carbon accounts in 2019, accounting for 23% of total emission in CO<sub>2</sub> equivalent. Our goal is to reduce the proportion of new products we buy, increasing the proportion of existing materials consumed by residents and businesses and extending the product life cycle, in order to reduce the quantities of energy and raw materials used in manufacturing. Committed to leading by example, in 2021 the metropolitan authority adopted a charter for socially and environmentally responsible procurement (SPASER), containing numerous measures designed to reduce the environmental impact of public sector purchasing.

- **Objective 12: Land management**

Changes to land usage linked to agriculture or urban expansion can affect biodiversity as well as releasing large amounts of carbon. Bordeaux Métropole is committed to a land management policy which puts nature first, getting a head start on the "zero net artificialisation" target set for 2050.

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<sup>9</sup> France's national energy and environment agency

<sup>10</sup> <https://marenov.bordeaux-metropole.fr/>

The Gironde is well-endowed with water resources, with deep groundwater reserves and more than enough water to meet the demand for drinking water, even as the population continues to grow rapidly. Nonetheless, some of these deep reserves, including the Eocene water table, are over-stretched in places. In order to preserve these resources for the long term (and future generations), some wells need to be relocated to tap less thinly-stretched water sources.

Climate change is also increasing the likelihood of sharp peaks in consumption, much of it driven by demographic growth. The full impact on the output of water resources remains to be seen, defined as it is by so-called effective rainfall (in the period November-March).

Keeping water consumption under control and diversifying the supply will be essential in order to preserve and promote this precious natural resource for the future.

### 1.2.2. Social initiatives

Bordeaux Métropole is spearheading a diverse array of social initiatives, focusing on the fight against inequality and exclusion while also promoting a vision of economic development defined by solidarity. The metropolitan authority has launched a variety of projects and initiatives in pursuit of this goal:

- **The Housing for All programme:** Bordeaux Métropole has set itself a goal of providing more tailored support and solutions for people living in particularly vulnerable circumstances, including homeless people and squatters.
- **Rent caps:** In recent years, Bordeaux Métropole has witnessed a sharp increase in tension on the private rental market. The city council has thus approved Bordeaux Métropole's request to the national government to adopt an experimental rent control system for a 5-year period, applying to all new rental contracts within specific parts of the city of Bordeaux (including renewals), in order to avoid excessive increases in the cost of renting.
- **Building 6000 student accommodation units by 2030.**
- **A new programme to help those furthest from the labour market to get back to work:** Bordeaux Métropole recently launched a dedicated fund to help young people, endowed with €200,000 to be used to promote economic integration and opportunities for the most vulnerable citizens in the 18-25 age group.
- **Measures to combat energy poverty:** Within the metropolitan area, 1 in 10 households are living in energy poverty: a total of 36,660<sup>11</sup> households. Those in rented accommodation are most at risk, particularly in the private rental sector. In 2017 Bordeaux Métropole launched a new scheme to combat energy poverty under the banner "Mon Energie Bordeaux Métropole".
- Since 2020, Bordeaux Métropole's Tourism and Convention Board has officialised its commitment to **sustainable tourism** with ISO 20121 Certification, a quality label ensuring sustainable event management. Event organisers must abide by certain guidelines in order to improve their environmental, social and economic impact.

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<sup>11</sup> Bordeaux Métropole, report on the social and ecological transition 2021

- **Supporting businesses with their ecological transition:** The metropolitan authority is responsible for just a small percentage of total territorial emissions, and we cannot hope to hit our targets for reducing energy consumption and greenhouse gas emissions by working alone. To achieve these goals, we will need to draw upon the strengths of key stakeholders including local businesses, of all sizes and from all sectors of activity. Hence the dedication shown by Bordeaux Métropole to supporting economic stakeholders throughout our territory as they tackle the ecological transition, providing technical support and advice as well as introducing both incentives and constraints.
- Another key priority of Bordeaux Métropole is to look after the **health** and well-being of all residents. The metropolitan authority is currently working on introducing a low-emissions zone, or ZFE-m<sup>12</sup>. Access to this zone would be restricted for vehicles in the most polluting categories. Low-emissions zones are now a legal obligation for all cities with a population of more than 150,000 (since the Climate and Resilience Act of 22 August 2021), with local authorities given until 31st December 2024 to implement the measure. Local authorities are thus responsible for defining the perimeter of the low-emissions zone, the types of vehicles to be excluded (which may change over time), access times etc. Currently, the planned ZFE-m for Bordeaux Métropole covers the whole metropolitan area within the ring road, with 14 municipalities wholly or partially affected.
- Bordeaux Métropole is committed to protecting **air quality**, in order to reduce the concentration of pollutants to which citizens are exposed. We conduct targeted analyses to measure air quality in and around certain key areas (“sensitive” facilities, factories, the port etc.), imposing improvement measures if the results are unsatisfactory.

### 1.2.3. An investment strategy in support of the ecological and social transition

In order to achieve the objectives set out in our climate strategy, Bordeaux Métropole has adopted a multi-year investment plan (PPI) worth 3.9 billion Euros for the period 2022-2026. In accordance with our ambitions and commitments for the ecological and social transition, the investment plan addresses a broad array of themes grouped into 4 policy priorities:

#### **High standards of living: €480.6 million**

Goal: fighting for the climate and the quality of life of local people

Examples:

- Energy-efficient home renovations are an important way of reducing greenhouse gas emissions, as well as keeping household bills down, especially for lower-income households.
- Reducing and managing household waste and associated materials, with a 15% reduction per resident and per year, as well as plans to capture and use the biomethane generated by waste water processing plants.
- Expanding renewable energy production across the metropolitan territory.
- Accelerating the roll-out of district heat networks.

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<sup>12</sup> Low-emission transport zones

- Updating town planning regulations to better protect biodiversity.
- Establishing a low-emissions zone to support biodiversity.

### **Mobility, transport and travel: €1,626 million**

Objective: to organise and diversify mobility solutions across the territory, creating new infrastructure to encourage green transport options and expanding the public transport network.

Examples:

- Relieving congestion across the metropolitan territory (public transport: Bus Express, metropolitan light railway)
- Better connections between the left and right banks (New bridge over the River Garonne - Pont Simone Veil)
- Offering attractive transport connections to areas outside the metropolis (the metropolitan light railway)
- Low-carbon mobility (promoting walking, the metropolitan cycle highway, electric buses, ferry service on the river, low-emissions zone)

### **Territorial development: €1,416 million**

Objective: to promote responsible economic development within our territory, with high quality developments consistent with the challenges of the transition and a housing policy which ensures that the most vulnerable groups do not lose out.

Examples:

- On target to build 50,000 new homes: Mérignac Soleil, Bassin à Flots, Bastide Niel, Brazza à Bordeaux...
- Supporting economic development and promoting the creation of stable, local jobs
- Developing local tourism
- Developing business tourism, focusing on the sectors in which our territory excels
- Implementing a plan of action for strategic economic developments: the Bordeaux Aéroparc project (the heart of our territory's aeronautics, space and defence sector), Bordeaux Inno Campus, OIN Bordeaux Euratlantique, Arc Rive Droite (established 2021, comprising 11 member municipalities)
- Galvanising the social and solidarity economy, nurturing entrepreneurship and job creation in our territory in sectors compatible with Bordeaux's environmental commitments (circular economy, zero-carbon mobility, eco-construction, local economy)
- Fighting climate change and defending ecosystems and biodiversity (nature in the city, urban forests)
- Planting a million trees to attenuate the problem of urban heat islands

### **Digital: €236.2 M**

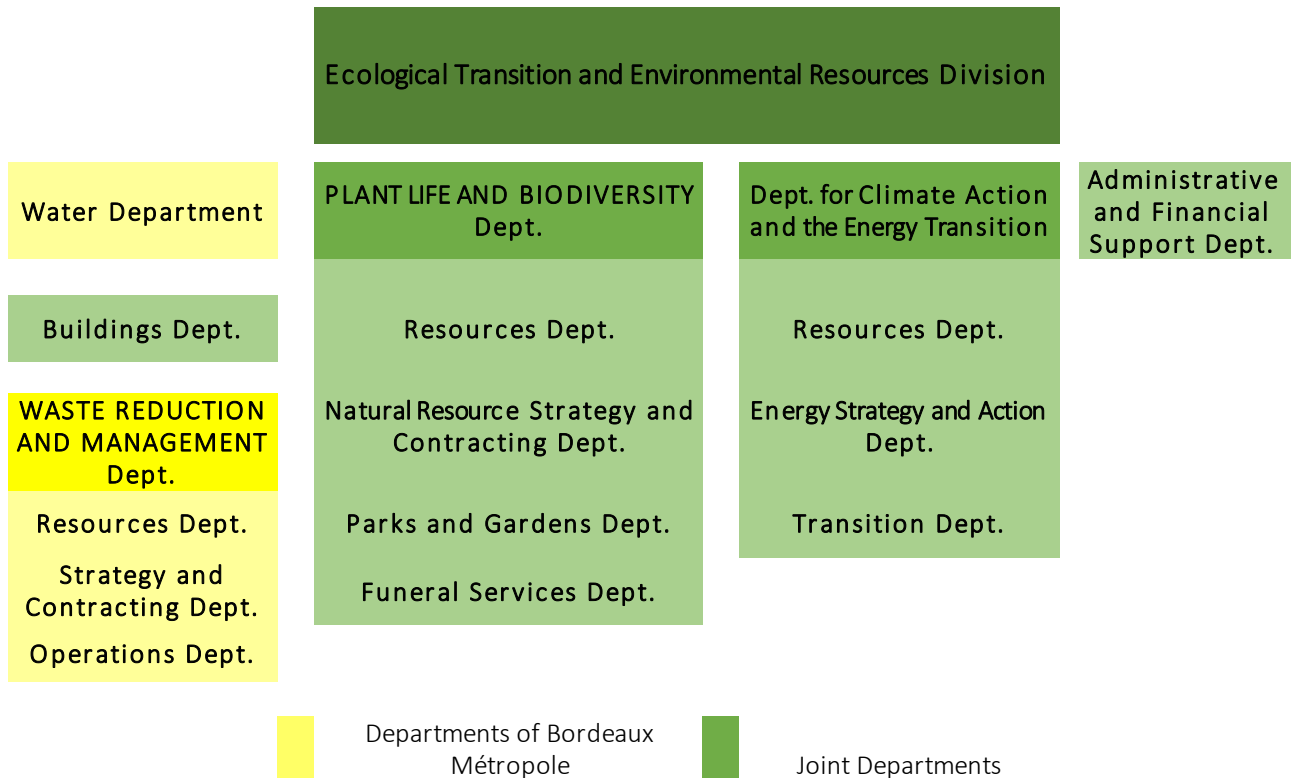
Objective: Local digital services for the metropolitan population, changing the way we work and live

Examples:

- Combating digital exclusion
- Responsible digital development
- Connected territories for greater attractiveness, efficiency and impact for the ecological transition

- Safe, resilient, autonomous digital capabilities for dependable public services

### 1.3. Governance of sustainable development



The individual departments of Bordeaux Métropole handle matters falling under the aegis of intermunicipal authorities (e.g. waste reduction and management), while the joint departments operate on behalf of the Métropole and its constituent members in areas where responsibility is shared.

The Ecological Transition and Environmental Resources Division (DG TERE) at Bordeaux Métropole oversees metropolitan projects for the ecological transition, in its broadest definition. It comprises:

- *An Administrative and Financial Support Dept.*
- *A Buildings Dept.*
- Three subsidiary departments devoted to specific priorities: Waste reduction and management; Plant resources and biodiversity; and Climate action and the energy transition.

Generally speaking, the organisational structure of these departments comprises:

- A “Strategy and Contracting” department responsible for applying our long-term territorial vision;
- An “Operations” department handling the day-to-day delivery of public services and user relations;
- A “Resources” department covering support services and admin (HR, procurement, finance, digital services, internal coordination etc.)

The DG TERE has almost 2000 employees.

## 1.4. A Sustainability Bond framework for the ecological transition

The adoption of a Sustainability Bond Framework will make it easier for Bordeaux Métropole to finance investments and projects with a strong social and environmental impact. Bordeaux Métropole regards green, social, sustainable financial instruments as being of paramount importance to our ecological transition strategy, as well as providing national and international investors with opportunities to diversify their portfolios with more sustainable assets.

The purpose of this Framework is to steer Bordeaux's investment programme towards a more sustainable financing model, with the help of a multi-year investment plan (PPI). Our goal is to use this tool to promote our actions in support of the ecological transition and our social initiatives, as well as highlighting our efforts to identify and quantify financial resources to meet these challenges. By adopting this new approach, Bordeaux Métropole hopes to champion the work of its operational departments, highlighting the progress made on issues of social justice and the ecological transition. Issuing Green, Social & Sustainability bonds will also enable Bordeaux Métropole to contribute to the development of the sustainable finance sector, as well as balancing the budget in a manner which benefits progressive projects within our territory.

## 2. A Sustainability Bond Framework which complies with the principles of the International Capital Market Association

This Sustainability bond Framework has been drafted in accordance with the principles published by the *International Capital Market Association* (ICMA), namely the *Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1)*<sup>13</sup>, *Social Bond Principles (SBP) 2023*<sup>14</sup> and *Sustainability Bond Guidelines (SBG) 2021*<sup>15</sup> (hereafter referred to as "ICMA Principles").

For each sustainable financing instrument issued, Bordeaux Métropole commits to align with the following core components of the ICMA principles:

- Use of proceeds;
- Process for projects evaluation and selection;
- Management of proceeds;
- Reporting ; and
- External review

### 2.1. Use of proceeds

An amount equivalent to the net proceeds raised by each green, social or sustainability bond issued by Bordeaux Métropole will be allocated, to finance and/or re-finance, in full or in part, to eligible social and environmental projects meeting the criteria listed below.

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<sup>13</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>

<sup>14</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>

<sup>15</sup> <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-100621.pdf>

The below green and social project categories are in line with the ICMA GBP, SBP and SBG definitions. The tables below also highlight the alignment of the project categories with the UN Sustainable Development Goals (SDGs).

### 2.1.1. Eligible green projects

Aligned with GBP	Aligned with SDGs <sup>16</sup>	Eligibility criteria
Renewable energy	 	<ul style="list-style-type: none"> <li>Renewable energy generation projects utilising the following energy sources: solar, wind, geothermal<sup>17</sup>, and biomass<sup>18</sup></li> </ul>
Clean transportation		<ul style="list-style-type: none"> <li>Construction of infrastructure enabling low-carbon road transport dedicated to public passenger transport</li> <li>Acquisition and renovation of equipment with zero tailpipe CO<sub>2</sub> emissions (trains, metro trains, tram-train, trams, river shuttles)</li> </ul>
Pollution prevention and control		<ul style="list-style-type: none"> <li>Waste reduction, recycling and recovery projects<sup>19</sup></li> </ul>
Sustainable water and wastewater management	 	<ul style="list-style-type: none"> <li>Wastewater recovery programmes, focused on water reuse and recycling, as well as water-saving initiatives</li> <li>Water distribution infrastructure</li> </ul>
Green buildings and energy efficiency		<ul style="list-style-type: none"> <li>Construction of new low-energy buildings qualifying for one or more of the following labels: LEED (&gt;=gold), BREEAM (&gt;=excellent), HQE (&gt;=Very good), BBCA or equivalent certification</li> <li>Renovation of existing buildings (insulation and installation of renewable energy production equipment), delivering an improvement of at least 30% in energy efficiency.</li> </ul>

<sup>16</sup> UN Sustainable Development Goals: <https://sustainabledevelopment.un.org/?menu=1300>

<sup>17</sup> Projects whose lifecycle GHG emissions are below 100 gCO<sub>2</sub>e/kWh




<sup>18</sup> Produced using sustainable feedstock (abiding by the criteria set out in EU directive 2018/2001)

<sup>19</sup> Bordeaux Métropole finances investment in infrastructure for improving the rate of reuse and recycling: incinerators are not eligible; eligible projects include recycling centres, professional waste disposal centres, recycling firms, biowaste collection and compost projects



<p><b>Environmentally sustainable management of living natural resources and land use</b></p>		<ul style="list-style-type: none"> <li>• Restoration and renovation of ecosystems (e.g. Rewilding the river banks, rediscovering urban streams, planting hedges)</li> <li>• Developing agro-ecology, forests and green spaces</li> <li>• Sustainable forestry management</li> </ul>
<p><b>Climate change adaptation</b></p>		<ul style="list-style-type: none"> <li>• Financing of action plans and activities related to flood prevention, management of aquatic environments and restoration of dikes.</li> </ul>

### 2.1.2. Eligible social projects

Aligned with GBP	Aligned with SDGs	Eligibility criteria	Target beneficiaries
<p><b>Affordable housing</b></p>		<ul style="list-style-type: none"> <li>• Development of affordable housing<sup>20</sup> and shelters for disadvantaged groups</li> <li>• Renovation, maintenance and improvement of existing social housing</li> </ul>	<ul style="list-style-type: none"> <li>• Elderly citizens</li> <li>• Low income people<sup>21</sup></li> <li>• People with disabilities</li> </ul>
<p><b>Access to essential services: Education</b></p>		<ul style="list-style-type: none"> <li>• Development of education and professional training programmes aimed at young people or disadvantaged groups</li> </ul>	<ul style="list-style-type: none"> <li>• Young people</li> <li>• People with disabilities</li> <li>• People on low incomes</li> <li>• Disadvantaged citizens</li> </ul>
<p><b>Employment generation through SME financing</b></p>		<ul style="list-style-type: none"> <li>• Financing small and medium-sized enterprises (SMEs and micro-businesses)<sup>22</sup> in Bordeaux Métropole</li> <li>• Supporting the launch of new companies and start-ups, to reduce unemployment in Bordeaux Métropole</li> </ul>	<ul style="list-style-type: none"> <li>• Small businesses working to decarbonize their activities</li> <li>• Companies operating in the social and solidarity economy<sup>23</sup></li> </ul>

### Excluded activities

<sup>20</sup> In accordance with the « [règlement d'intervention de la politique de la ville et de l'habitat](#) »

<sup>21</sup> [Decree of 27 December 2022 amending decree of 29 July 1987 regarding means testing for beneficiaries of rent-controlled housing and new government subsidies for the rental sector - Légifrance \(legifrance.gouv.fr\)](#)

<sup>22</sup> SMEs are companies with fewer than 250 employees. To qualify as an SME a company's annual turnover must not exceed 50 million Euros, nor should the total value of assets on their balance sheet exceed 43 million Euros. [Small and medium-sized enterprises \(SMEs\) - Structural statistics about businesses - Eurostat \(europa.eu\)](#)

<sup>23</sup> [According to the French law on the Social and Solidarity Economy \(SSE\)](#)

Activities belonging to the following sectors are not considered eligible to be financed any sustainable financing instrument issued under this framework:

- Manufacture and sale of weapons or ammunition
- Fossil fuel production
- Production and sale of tobacco
- Energy production from nuclear or fossil sources
- Any form of production or economic activity which contravenes local, national or international laws.

## 2.2. Process for project evaluation and selection

The process of evaluating and selecting “Eligible Green and Social Projects” is coordinated by the Finance and Public Procurement Division at Bordeaux Métropole, in partnership with the relevant technical departments for each project category.

Bordeaux Métropole has established a Sustainable Finance Committee (SFC, whose members include:

- The Vice-President for the Metropolitan Transition
- The Vice-President for Finances
- the Vice-President for Climate, Health and the Energy Transition
- The Vice-President for Major Road and Rail Transport Infrastructure

And representatives of:

- The Finance and Public Procurement Division
- The Ecological Transition and Environmental Resources Division

The SFC will be charged with:

- Assessing the eligibility of projects for green, social and sustainability bonds scheme, in accordance with the pre-defined eligibility criteria detailed in the Use of Proceeds paragraph above.
- Supervising the systems put in place to ensure that the green, social and sustainability bonds remain aligned with the ICMA Principles.
- Supervising the systems put in place to ensure that the funds raised by green, social and sustainability bonds are allocated in accordance with the criteria stipulated in the framework.
- Supervising the introduction and implementation of measures to supply the information required to produce regular reports on the green, social and sustainability bonds, in accordance with the framework and the GBP, SBP and SBG.

Eligible projects will be selected from among those qualifying for the multi-year investment programme. As such, the launch and completion of authorisations for the programmes corresponding to the selected eligible projects will be closely monitored during working sessions of the dedicated Committee, which will meet twice a year.

## 2.3. Management of proceeds

In cash flow terms, the proceeds raised from bond issuances go into the cash reserves of Bordeaux Métropole. French local government authorities are required to keep the entirety of their cash balance in a single account with the Trésor Français.

From a budgeting and accounting perspective, the proceeds raised from the bond issuances are counted as investment income and used to cover investment expenditures in the current financial year. This annual accounting provides investors with a guarantee that the proceeds raised by the green, social and sustainability bonds will be used in the same year that the bonds are issued, to finance investments by Bordeaux Métropole.

In the event that any of the selected projects should be affected by a major controversy, or lose its eligibility status, or else be postponed or cancelled, Bordeaux Métropole commits to reallocate the corresponding proceeds from the green, social and sustainability bonds to another eligible project within no more than 24 months.

## 2.4. Reporting

Every year, Bordeaux Métropole will publish an allocation report and an impact report on the green, social or sustainability bonds issued, as detailed hereunder. This report will be updated annually until all of the proceeds raised by the green, social and sustainability bonds have been fully allocated.

### 2.4.1. Funding Allocation Report

Bordeaux Métropole will provide details of the Portfolio of Eligible Green/Social Projects on its website. At the very least, these details will include:

- I. The total amount of proceeds allocated to each eligible programme
- II. A breakdown of the proceeds allocated to the different project categories
- III. A breakdown of the proceeds allocated by geographical zone
- IV. Outstanding balance of unallocated proceeds

### 2.4.2. Impact Report

Wherever possible, Bordeaux Métropole will publish reports detailing the environmental and social impact of eligible green and social projects. The impact report will be transparent about the methodology and assumptions used to calculate impact metrics. Below is a list of potential impact indicators which Bordeaux Métropole will aim to report within its impact report:

- **Renewable energy**
  - Quantity of renewable energy produced or used (MWh)
  - Quantity of energy saved (MWh)
  - Quantity of CO<sub>2</sub> emissions avoided/reductions made (tCO<sub>2</sub>e)
  - Volume of locally-produced renewable energy (EnR Locale certification) consumed within the metropolitan territory

- Power capacity of solar panels installed on canopies, public and private buildings and on the ground (MW)
- **Clean transportation**
  - Modal shift (number of additional users)
  - Reduction in greenhouse gas emissions (tCO<sub>2</sub>e)
  - Number of electric vehicles deployed
  - Number of passengers transported in clean transport
  - Number of charging stations for electric vehicles
  - Number of kilometers of vehicles saved
  - Increase in bike traffic, bike shelters and bike loans
  - Number of pedestrian crossings freed
- **Pollution prevention and control**
  - Reduction of waste volumes (kg/inhabitant)
  - Number of projects using materials from reuse of circular economy
  - Greenhouse gas emissions saved or avoided (tCO<sub>2</sub>e)
  - Number of buildings enrolled on waste sorting schemes
  - % of waste recycled or recovered
  - Number of individual, collective and public compost bins
  - Number of electric waste containers
- **Sustainable water and wastewater management**
  - % reduction in water consumption
  - Annual water collection in m<sup>3</sup>
  - Area covered by sustainable resource management practices m<sup>3</sup>
- **Green buildings and energy efficiency**
  - kWh/m<sup>2</sup> saved and/or % reduction in energy consumption
  - Reduction in the carbon footprint of renovated buildings (tCO<sub>2</sub>e)
  - Proportion of organic, geo-sourced and recycled materials used in all construction projects within the territory
- **Environmentally sustainable management of living natural resources and land use**
  - Urban spaces replanted or rewilded, in hectares or m<sup>2</sup>
  - Surfaces de-artificialized or protected
  - Number of urban heat islands (UHIs) treated out of total UHIs identified
  - Number of trees planted, number of trees saved
- **Climate change adaptation**
  - Number of wetlands protected
  - Number of flood mitigation infrastructure projects
- **Affordable housing**
  - Number of beneficiaries of affordable housing projects
  - Number of social and collective homes built or renovated each year
  - Amount of aid allocated

- **Access to essential services: Education**
  - Number of school groups created or renovated
  - Number of beneficiaries of digital training programmes
  
- **Employment generation through SME financing**
  - Number of green and greening jobs<sup>24</sup>
  - Number of employment integration clauses included in public contracts
  - Number of social and solidarity economy initiatives and start-ups

## 2.5. External review

### 2.5.1. External verification of the Sustainability Bond Framework

The Sustainability Bond Framework was subject of an external verification, in the form of a Second Party Opinion (SPO), prior to the first issue carried out under this Framework. Bordeaux Métropole commissioned Moody's Investor Services (MIS) to offer the SPO on this Framework.

Their report is available on the Bordeaux Métropole website: [Financements | Bordeaux Métropole \(bordeaux-metropole.fr\)](https://www.bordeaux-metropole.fr/financements)

### 2.5.2. External verification of allocation reports

The Direction Régionale des Finances Publiques (DRFiP) verifies the legality of spending approved by Bordeaux Métropole, and handles payments. As the legal public accountant of Bordeaux Métropole, the DRFiP certifies that the spending detailed in the reports does indeed correspond to the sums allocated.

## 2.6. Modifications to this Framework

If the Sustainability Bond Framework should be updated, Bordeaux Métropole shall undertake to seek a new Second Party Opinion for the updated Framework.

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<sup>24</sup> Green jobs are defined as jobs "whose purpose and/or skills contribute to measuring, preventing, controlling and correcting negative impacts and damage to the environment". Greening jobs are traditional jobs whose skill sets are evolving to incorporate an environmental dimension, although this is not their primary focus.