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Sustainalytics Second Party Opinion

La Caisse de dépôt et placement du Québec Green Bond Framework

19 December 2025

Framework owner and location:
La Caisse de dépôt et placement du Québec

Sector:
Asset Management

Overall Assessment

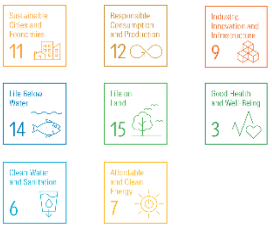
Sustainability Contribution

Principles Alignment

Aligned

Green Bond Principles 2025

Contribution to SDGs



Assessment Summary

La Caisse de dépôt et placement du Québec or La Caisse has developed the La Caisse de dépôt et placement du Québec Green Bond Framework dated December 2025, under which La Caisse and its subsidiaries intend to issue green bonds to fund projects across various countries and regions worldwide, including the United States, Canada, Europe, Asia Pacific, and Latin America, in 11 environmental categories.

We have assessed the overall Sustainability Contribution of the Framework as **Strong**, based on the average Sustainability Contribution of the Framework's 11 use of proceeds categories. As per our methodology, we have applied equal weighting across categories.

La Caisse intends to finance environmental expenditures in Green Buildings, Renewable and Low-Carbon Energy, Clean Transportation, Energy Efficiency, Pollution Prevention and Control, Eco-efficient and Circular-Economy Products, Environmentally Sustainable Management of Living Resources and Land Use, Preservation of Nature and Biodiversity, Climate Change Adaptation, Sustainable Water and Wastewater Management, and Green Enabling Activities.

Under the Green Buildings category, La Caisse will finance certified green buildings that either have a carbon intensity below the 2040 1.5°C CRREM pathway or are fully electric without on-site fossil fuels. Expenditures under the Pollution Prevention and Control category may include waste to energy (WtE) projects that can serve as an interim solution to landfilling. Overall, expenditures under these categories are expected to significantly contribute to decarbonization efforts. Expenditures under Renewable Energy may include low carbon electricity generation, including nuclear energy, though nuclear waste disposal remains unresolved in some jurisdictions. Overall, these expenditures are expected to strongly contribute to low carbon energy systems. Expenditures under the Green Enabling Activities category may include the extraction and processing of critical minerals and the manufacture of components that are dedicated to low carbon technologies, such as zero-emission transport and renewable or low carbon energy. Overall, expenditures under the category are expected to strongly contribute to the transition to a low carbon economy.

We have assessed the Framework as **Aligned** with the Green Bond Principles 2025.

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Breakdown per Use of Proceeds Category

We have assessed the overall Sustainability Contribution of the Framework as **Strong**, based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories, as shown below.

Category	Sustainability Contribution Level	Weight
Green Buildings	Neutral · Moderate · **Significant** · Strong	9%
Renewable and Low-Carbon Energy	Neutral · Moderate · Significant · **Strong**	9%
Clean Transportation	Neutral · Moderate · Significant · **Strong**	9%
Energy Efficiency	Neutral · Moderate · Significant · **Strong**	9%
Pollution Prevention and Control	Neutral · Moderate · **Significant** · Strong	9%
Eco-efficient and Circular-Economy Products	Neutral · Moderate · Significant · **Strong**	9%
Environmentally Sustainable Management of Living Resources and Land Use	Neutral · Moderate · Significant · **Strong**	9%
Preservation of Nature and Biodiversity	Neutral · Moderate · Significant · **Strong**	9%
Climate Change Adaptation	Neutral · Moderate · Significant · **Strong**	9%
Sustainable Water and Wastewater Management	Neutral · Moderate · Significant · **Strong**	9%

Green Enabling Activities		9%

Issuer Overview & Sustainability Strategy

Established in 1965 and headquartered in Québec City, Canada, La Caisse is one of Canada's leading institutional asset managers. It serves as an asset manager for the public-sector pension and insurance plans in the Province of Québec. La Caisse invests the funds received from its depositors across four primary asset classes: fixed income, real assets, equities and other investments. As of 30 June 2025, La Caisse had more than CAD 496 billion in net assets, with nearly two thirds of its assets invested internationally across more than 65 countries.[1] As of the same date, La Caisse employed nearly 2,200 people across its offices.[2]

In 2017, La Caisse launched its first climate strategy with a target to reduce the carbon intensity of its portfolio by 25% by 2025.[3,4] By 2024, it had reduced the carbon intensity of its portfolio by 69%, compared to 2017, surpassing its initial target.[5] In 2025, La Caisse introduced its 2025-2030 climate strategy which focuses on accelerating the decarbonization of companies and investing CAD 400 billion in climate action by 2030. This strategy also supports La Caisse's goal of having a carbon-neutral portfolio in 2050.[6] To implement its strategy, La Caisse is focused on investing in companies that are: i) transitioning towards decarbonization; and ii) providing climate solutions including low-carbon assets, nature-based solutions, adaptation and resilience solutions, and products or services that enable such solutions.[7]

La Caisse is an active participant in several sustainability-based coalitions, including Nature Action 100,[8] the United Nations Principles for Responsible Investment (UNPRI),[9] and the Farm Animal Investment Risk and Return (FAIIR) initiative.[10]

La Caisse integrates sustainability across each stage of its investment process, through the integration of its Sustainable Investing Policy,[11] which ensures sustainability factors are considered both before and after investment. The Board of Directors approves the Policy and any updates to La Caisse's sustainable investing strategies. Oversight is provided by the Governance and Ethics Committee, which supervises all sustainable investing work.[12] The Executive Vice President of La Caisse's Sustainable Investment Group is responsible for implementing the Policy and supporting investment teams in integrating sustainability factors.[13] La Caisse includes sustainability disclosures in its annual reporting and publishes a standalone sustainable investing report each year.[14]

[1] La Caisse, "Global Investor Presentation", (2025), at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/2025-08_LaCaisse_Global_Investor_Presentation.pdf
[2] Ibid.
[3] La Caisse, "Climate Strategy", (2025), at: https://www.lacaisse.com/en/news/pressreleases/caisse-announces-its-2025-2030-climate-strategy
[4] La Caisse, "2017 Stewardship Investing Report", (2017), at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/ra/id2017_rapport_investissement_durable_en.pdf
[5] La Caisse, "2024 Annual Report", (2024), at: https://www.lacaisse.com/en/performance/annual-reports/2024
[6] La Caisse, "Climate Strategy", (2025), at: https://www.lacaisse.com/en/news/pressreleases/caisse-announces-its-2025-2030-climate-strategy
[7] Ibid.
[8] Nature Action 100: https://www.natureaction100.org/
[9] United Nations Principles for Responsible Investment (UNPRI): https://www.unpri.org
[10] Farm Animal Investment Risk and Return (FAIIR): https://www.fairr.org/
[11] La Caisse, "Policy – Sustainable Investing", (2022), at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/policy_sustainable_investing_2022.pdf
[12] Ibid.
[13] Ibid.
[14] La Caisse, "2024 Sustainable Investing Report", (2024), at: https://www.lacaisse.com/en/sir/2024

Principles Alignment

We have assessed the La Caisse de dépôt et placement du Québec Green Bond Framework as follows:

Green Bond Principles 2025 – **Aligned**

La Caisse and its wholly owned subsidiaries, including CDP Financial Inc., intend to issue green bonds under the Framework.

La Caisse will ensure alignment of all issuances by its subsidiaries with the four core components of the Principles, as defined in the Framework.

Principles Alignment Detailed Evaluation

Use of Proceeds **Aligned**

Alignment with core requirements

- The Framework describes eligibility criteria appropriately.
- All expenditures are expected to provide clear environmental benefits.

Additional considerations

- La Caisse has committed to the following practices, which go beyond the core requirements:
  - The Company has established a look-back period of 24 months for refinancing activities.

Project Evaluation and Selection **Aligned**

Alignment with core requirements

- The Framework describes a governance process for the evaluation and selection of eligible projects.
- The Framework communicates the environmental objectives of eligible projects.
- The Framework describes a process to identify and manage perceived environmental and social risks associated with eligible projects.

Additional considerations

- La Caisse has committed to the following practices, which go beyond the core requirements:
  - La Caisse describes how eligible projects support its overarching sustainability objectives and strategy.
  - La Caisse indicates the SDGs to which it expects to contribute through eligible projects.
  - The Framework also intends to align with the EU Taxonomy Delegated Act and Climate Bonds Initiative (CBI) criteria, where applicable and relevant.
  - The Framework excludes the financing of activities related to weapons, munitions, intensive feed-lot livestock, large-scale monoculture, conversion or logging of primary or high-carbon natural ecosystems, tobacco, and extraction, transport, refining and combustion of fossil fuels.

Management of Proceeds	**Aligned**

Alignment with core requirements

- The Framework describes a governance structure for the management of proceeds.
- The Framework describes the processes and systems that will be used to track the proceeds.
- The Framework describes the intended temporary placement for the balance of unallocated proceeds.

Additional considerations

- La Caisse will manage the proceeds from the financing using a portfolio approach.
- La Caisse has committed to the following practices which go beyond the core requirements:
  - La Caisse intends to allocate all proceeds to eligible projects within 12 months of issuance.
  - Pending full allocation, the Company will place proceeds temporarily in liquid assets in the form of government bonds, money market securities or cash.
  - La Caisse will obtain a third-party verification report for its allocation of proceeds on an annual basis, until full allocation is achieved.

Reporting	**Aligned**

Alignment with core requirements

- La Caisse will provide an annual allocation report until full allocation of proceeds and renew it in case of material changes until maturity.

Additional considerations

- La Caisse has committed to the following practices which go beyond the core requirements:
  - La Caisse will publish category-level allocation and impact information in a Green Bond Report on its website.
  - The Company will report on the projects' qualitative and quantitative impact using relevant metrics.
  - The Framework indicates at least one impact metric for each category.

Sustainability Contribution

La Caisse and its subsidiaries intend to use the proceeds from bonds issued under the Framework to finance and refinance projects and activities that are expected to lead to environmental benefits across various countries and regions worldwide, including the United States, Canada, Europe, Asia Pacific, and Latin America.

La Caisse may also invest equity in entities, or provide general-purpose loans to entities, that derive at least 90% of either their revenue or assets from green activities that comply with the eligibility criteria in the Framework. While project- and activity-based lending generally results in more direct environmental or social benefits and ensures compliance with the criteria in the framework of the issuer, equity investment in or the financing of pure play companies through sustainability bond proceeds is a commonly accepted approach, which is likely to generate positive impacts.

We have assessed the overall Sustainability Contribution of the Framework as **Strong** based on the average Sustainability Contribution of the Framework's use of proceeds categories. As per our methodology, we have distributed weight equally across categories.

Sustainability Contribution

Sustainability Contribution per Use of Proceeds Category

Green Buildings

We have assessed the Sustainability Contribution of the Green Buildings category as **Significant**.

La Caisse will invest in buildings that have achieved a green building certification. Additionally, the Framework's eligibility criteria require that the buildings either be designed or renovated to have their carbon intensity fall below the 2040 1.5°C CRREM[15] decarbonization pathway or be electric without on-site use of fossil fuels. The Company may also finance buildings that are not zero-carbon-ready, creating a risk of fossil fuel lock-in, which is particularly relevant to new builds. Nevertheless, such buildings are required to align with the 2040 1.5°C CRREM decarbonization pathway that is consistent with internationally agreed climate goals. In this context, such expenditures are anticipated to significantly contribute to the decarbonization of the building sector.

Category Expenditures

Expenditure	Description
Construction of new buildings	► Construction of buildings: i) with a carbon intensity designed to be below the CRREM science-based decarbonization pathway of a 1.5°C warming scenario by 2040; or ii) designed to be electric without on-site fossil fuels, except for back-up power. ► Additionally, all projects will meet at least one of the following green or "Net Zero Carbon" certifications: o Green building certifications: i) LEED Gold Design and

[15] CRREM: https://crrem.org/crrem-pathways/

	Construction;[16] ii) BREEAM Excellent;[17] iii) HQE Excellent;[18] iv) Australia Green Star 5;[19] v) Label China Green Building 3+;[20] vi) Green Mark Gold;[21] vii) BOMA BEST Gold;[22] or viii) DGNB Gold.[23] o Net Zero Carbon certifications: i) CAGBC Zero-Carbon Building Standard (Design);[24] ii) US Department of Energy (DoE) National Definition of Zero Emissions Building;[25] iii) UK Net Zero Carbon Buildings Standard;[26] or iv) Low Carbon Buildings Initiative (LCBI) Performance level or above.[27]
Acquisition of existing buildings	► Acquisition of buildings, constructed before, on or after 1 January 2024, that: i) have a carbon intensity below CRREM's decarbonization targets for a pathway of a 1.5°C scenario by 2030; or ii) are electric without on-site fossil fuels, except for back-up power. ► In addition, all projects will meet or exceed at least one of the following green or Net Zero Carbon certifications: o Green building certifications: i) LEED Gold Design and Construction;[28] ii) BREEAM Excellent;[29] iii) HQE Excellent;[30] iv) Australia Green Star 5;[31] v) Label China Green Building 3;[32] vi) Green Mark Gold;[33] vii) BOMA BEST Gold;[34] or viii) DGNB Gold.[35] o Net Zero Carbon Certifications: i) CAGBC Zero-Carbon Building Standard (Design);[36] ii) CAGBC Zero-Carbon Building Standard (Performance)[37] combined with Energy Star 85;[38] iii) US Department of Energy (DOE) National Definition of Zero Emissions Building;[39] iv) UK Net Zero Carbon Buildings Standard;[40] or v) Low Carbon Buildings Initiative (LCBI) Performance level or above.[41]
Renovation of existing buildings	► Renovation expenditures that either result in: i) the buildings' carbon intensity aligning with the CRREM decarbonization pathway for a 1.5°C scenario by 2030; or ii) achieving the certifications noted above. ► The above improvements will be achieved within five years.
Additional Information	

[16] LEED: https://www.cagbc.org/our-work/certification/leed/
[17] BREEAM: https://breeam.com/about/how-breeam-works
[18] HQE: https://www.gsegroup.com/en/articles-en/sustainable-articles-en/hqe-the-french-seal-of-environmental-excellence/
[19] Australia Green Star: https://new.gbca.org.au/green-star/rating-system/
[20] Label China Green Building: https://worldgbc.org/wp-content/uploads/2022/02/Introduction-to-China-Green-Building-Assessment-Standard-3rd-Edition.pdf
[21] Green Mark: https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certification-scheme/green-mark-2021
[22] BOMA BEST: https://bomabest.org/
[23] DGNB: https://www.dgnb.de/en/certification/important-facts-about-dgnb-certification/about-the-dgnb-system
[24] CAGBC Zero Carbon Building Standards: https://www.cagbc.org/our-work/certification/zero-carbon-building-standard/
[25] US DOE National Definitions of a Zero Emissions Building: https://www.naiop.org/advocacy/news/2024/us-department-of-energy-publishes-definition-of-zero-emissions-building/
[26] UK Net Zero Carbon Buildings Framework: https://www.nzcbuildings.co.uk/_files/ugd/6ea7ba_1ef36b6835de46668f2ad8b589ff1b93.pdf f
[27] Low Carbon Buildings Initiative: https://www.lowcarbonbuilding.com/
[28] LEED: https://www.cagbc.org/our-work/certification/leed/
[29] BREEAM: https://breeam.com/about/how-breeam-works
[30] HQE: https://www.gsegroup.com/en/articles-en/sustainable-articles-en/hqe-the-french-seal-of-environmental-excellence/
[31] Australia Green Star: https://new.gbca.org.au/green-star/rating-system/
[32] Label China Green Building: https://worldgbc.org/wp-content/uploads/2022/02/Introduction-to-China-Green-Building-Assessment-Standard-3rd-Edition.pdf
[33] Green Mark: https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certification-scheme/green-mark-2021
[34] BOMA BEST: https://bomabest.org/
[35] DGNB: https://www.dgnb.de/en/certification/important-facts-about-dgnb-certification/about-the-dgnb-system
[36] CAGBC Zero Carbon Building Standards: https://www.cagbc.org/our-work/certification/zero-carbon-building-standard/
[37] CAGBC Zero Carbon Building Standards: https://www.cagbc.org/our-work/certification/zero-carbon-building-standard/
[38] Energy Star: https://www.energystar.gov/buildings/building-recognition/building-certification
[39] US DOE National Definitions of a Zero Emissions Building: https://www.naiop.org/advocacy/news/2024/us-department-of-energy-publishes-definition-of-zero-emissions-building/
[40] UK Net Zero Carbon Buildings Standard: https://www.nzcbuildings.co.uk/_files/ugd/6ea7ba_1ef36b6835de46668f2ad8b589ff1b93.pdf
[41] Low Carbon Buildings Initiative: https://www.lowcarbonbuilding.com/

- Eligible properties include offices, logistics, hospitality, retail, residential and mixed-use buildings.
- Financed buildings will not be used for the transportation, exploration and storage of fossil fuels.

Analytical Commentary

In 2022, building operations accounted for 30% of global final energy consumption and 26% of energy-related greenhouse gas (GHG) emissions.[42] Many countries are strengthening building energy codes and performance standards, and accelerating the adoption of energy efficient systems and renewable energy technologies to reduce emissions and improve sustainability in the construction sector. However, the buildings sector will need to further accelerate its decarbonization progress to achieve net zero emissions by 2050. A key benchmark for the building stock to meet net zero emissions goals is the implementation of zero-carbon-ready codes for the residential and commercial sectors by 2030. As of 2020, only 5% of new buildings were zero-carbon-ready, while the goal is to reach 100% by 2030 to keep on-track with the internationally agreed upon climate goals.[43] Buildings that are highly energy efficient and do not rely on on-site fossil fuel energy generation play a vital role in bridging this gap and are critical to decarbonizing the global buildings sector.

The financed buildings will be certified under one of the eligible green building schemes defined in the Framework. All eligible certified buildings are additionally required to either align with the CRREM 1.5°C decarbonization scenario or be zero carbon ready in their energy use. Although CRREM pathways and targets are consistent with internationally agreed climate goals, they may be achieved solely through procurement of renewable energy without addressing energy efficiency.

La Caisse's investments in existing buildings comprise mostly those built before 1 January 2024. For such buildings, the certifications within the Framework's criteria are expected to place eligible buildings among the top performers in their region in terms of energy efficiency. Certified buildings constructed on or after 1 January 2024, especially those not required to be zero carbon ready, create a risk of fossil fuel lock-in, which is particularly relevant to new builds. Although, such buildings are expected to align with the 2040 CRREM 1.5°C decarbonization pathway which ensures such buildings follow a credible trajectory for reducing operational emissions.

Overall, such green building expenditures are expected to significantly contribute to the decarbonization of the buildings sector.

Renewable and Low-Carbon Energy

We have assessed the Sustainability Contribution of the Renewable and Low-Carbon Energy category as **Strong**.

Investments in energy generation from renewable sources – including solar, wind, marine, geothermal and hydropower – as well as the production of green hydrogen, hydrogen-derived fuels and batteries, are critical to reducing energy sector emissions and supporting the sector's decarbonization. There is uncertainty regarding the long-term safety and security of the waste

[42] IEA, "Buildings", at: https://www.iea.org/energy-system/buildings
[43] Ibid.

generated for nuclear projects in certain regions. Overall, these investments are projected to strongly advance the transition to low carbon energy systems.

Category Expenditures

Expenditure	Description
Wind power generation	► Onshore and offshore projects. ► Fossil fuel backup for offshore projects will be limited to ensuring operational continuity.
Solar power generation	► Solar photovoltaic and concentrated solar power (CSP) facilities. ► Fossil fuel backup for CSP projects will be limited to 15%.
Power generation from ocean energy technologies	► Marine energy projects, specifically tidal, wave and ocean thermal power. ► All projects must be 100% renewable, adhering to CBI Marine Criteria's definition.[44] ► Fossil fuel backup will be limited to monitoring or restart capabilities.
Geothermal power generation	► Geothermal projects with a life cycle emissions intensity below 100g CO_2e/kWh.
Hydropower generation	► Hydropower plants will meet one of the following: i) power density greater than 5 W/m^2 or life cycle emissions less than 100 gCO_2e/kWh, if the facility became operational before 2020; or ii) power density greater than 10 W/m^2 or life cycle emissions less than 50 gCO_2e/kWh, if the facility became operational after 2020. ► Environmental and social risks will be assessed for each new hydropower project, and plans will be prepared to mitigate these risks.
Production of hydrogen and hydrogen-based synthetic fuels	► Production of green hydrogen through electrolysis powered by electricity derived from at least 90% renewable sources or carbon pollution-free electricity. The projects will achieve the following life cycle emissions: i) 3.0 kgCO_2e/kgH_2 in 2023; ii) 1.5 kgCO_2e/kgH_2 by 2030; iii) 0.7 kgCO_2e/kgH_2 by 2040; and iv) close to net zero emissions by 2050. ► Hydrogen-derived fuels will emit at least 70% fewer GHG emissions than their fossil fuel equivalent over their lifetime, measured against the EU's RED II fossil comparator baseline. ► For e-fuels, the hydrogen used to produce the derived fuels will be from green or renewable hydrogen and the CO_2 used will not be sourced from fossil fuel production, in alignment with ReFuel EU/Fuel EU.[45]
Transmission, distribution and Storage of hydrogen	► Associated infrastructure for hydrogen and hydrogen-based synthetic fuels may include transmission, distribution and storage facilities that will be 100% dedicated to the hydrogen produced in line with the abovementioned criteria.
Storage of electricity	► For traditional electricity storage systems, the facilities will be directly connected to: i) renewable electricity sources; ii) grids where more than 67% of newly installed generation capacity is from renewable energy sources; or iii) grids where the average emissions intensity is below 100 g CO_2e/kWh, based on a rolling five-year average. ► New pumped hydropower storage facilities will undergo an environmental and social impact assessment conducted by a credible body. Additionally, the facilities will: i) be built in conjunction with

[44] Climate Bonds Initiative, "The Marine Renewable Energy Sector Eligibility Criteria of the Climate Bonds Standards", (2020), at: https://www.climatebonds.net/files/documents/Marine_Renewable_Energy_Criteria_July-2020_2025-03-18-142943_gsci.pdf

[45] International Air Transport Association (IATA), "ReFuelEU Aviation Handbook: September 2024, Version 1" (2024), at: https://www.iata.org/contentassets/d13875e9ed784f75bac90f000760e998/refuel-eu-aviation-handbook.pdf

	intermittent renewables; ii) contribute to a grid with at least 20% of its energy from intermittent renewables, or demonstrate a pathway to reach this level within the next 10 years; and iii) will not use off-peak power to charge when the grid's carbon intensity is higher than that of the electricity the system will displace upon discharge.
Manufacture of batteries	► Rechargeable batteries and off-grid energy storage. ► The facilities will be dedicated to producing batteries for use in transportation and storage of electricity, to facilitate greater renewable energy penetration and grid balancing.
Storage of thermal energy	► Thermal energy storage facilities that: i) are connected to renewables, waste heat or concentrated solar heat; and ii) do not use waste heat from fossil fuel operations or heat produced from fossil fuels.
Transmission and distribution of electricity	► Transmission and distribution (T&D) of electricity that comply with either: i) an average grid emissions intensity factor at or below 100 g CO_2e/kWh; or ii) grids where more than 67% of newly installed generation capacity in the system has an average emissions intensity factor below 100 g CO_2e/kWh. In both cases, the intensity factor is measured on a product carbon footprint basis, over a rolling five-year average. ► All T&D investments will be made on grids with an emissions intensity below 445 g CO_2e/kWh.
Electricity generation from new or existing nuclear power plants	► New and existing nuclear power generation assets, including life extension projects, that align with the respective EU Taxonomy activities.[46] ► Nuclear projects will have life cycle emissions below 100 g CO_2e/kWh. ► Financing will be limited to projects located in the 33 members states of the OECD Nuclear Energy Agency,[47] jurisdictions with: i) strong governance and regulatory oversight; ii) secure, long-term storage of high-level radioactive waste; iii) no evidence of unsafe operations in the last 10 years; and iv) in the case of evidence of unsafe operations, evidence that the underlying causes have been remedied.

Analytical Commentary

Investments in low carbon energy generation and storage are critical for the energy transition, as the production of electricity and heat were responsible for 44% of global CO_2 emissions from fuel combustion in 2022.[48] Meanwhile, unabated fossil fuels continue to supply over 60% of global electricity generation.[49] To achieve internationally agreed-upon climate goals, the share of renewable energy for electricity generation must increase rapidly to 90% by 2050 compared to 29% in 2022.[50]

Investments in solar, wind, marine renewables, geothermal and hydropower energy that have life cycle GHG emissions intensities below the technology-agnostic threshold of 100 g CO_2e/kWh are aligned with limiting global temperature rise at 2°C.[51,52] Financing of green hydrogen can play a

[46] EU, "COMMISSION DELEGATED REGULATION (EU) 2022/1214 of 9 March 2022" at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R1214
[47] OECD Nuclear Energy Agency: https://oecd-nea.org/
[48] IEA, "CO_2 Emissions in 2022", (2023), at: https://www.iea.org/reports/co2-emissions-in-2022
[49] IEA, "Electricity – Tracking", (2023), at: https://www.iea.org/energy-system/electricity
[50] IEA, "Net Zero by 2050", (2021), at: https://www.iea.org/reports/net-zero-by-2050
[51] EU Technical Expert Group on Sustainable Finance, "Taxonomy Report Technical Annex", (2020), at: https://finance.ec.europa.eu/system/files/2020-03/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf
[52] IEA, "Integrating Solar and Wind", (2024), at: http://iea.org/reports/integrating-solar-and-wind

major role in decarbonizing hard-to-abate sectors, such as heavy industry, transport and power, by offering a clean energy carrier where other renewable alternatives may be unfeasible.

In addition, electricity storage systems, such as battery energy storage systems, support the integration of intermittent renewable energy. La Caisse may also finance electricity T&D systems where the average grid emissions factor, or where 67% or more of newly generated electricity is, below 100 g CO_2/kWh, and where the carbon intensity of the financed grids is expected to be lower than the global average of 445 g CO_2e/kWh.[53] Such investments are expected to strongly contribute to the decarbonization of electricity grids.

Investments in nuclear power will be limited to jurisdictions with strong regulatory oversight, a proven safety record, and that have taken concrete steps towards long-term radioactive waste management. However, certain projects may be financed in regions where permanent long-term waste disposal facilities have not yet been commissioned and remain at the preliminary stage, creating some uncertainty regarding the long-term safety and security of the waste generated. Nonetheless, such expenditures are expected to modestly contribute to zero emission energy generation.

Collectively, investments under this category are expected to significantly contribute to the decarbonization of energy systems.

Clean Transportation

We have assessed the Sustainability Contribution of the Clean Transportation category as **Strong**.

Investments under this category include zero-emission and low carbon road, rail and water transportation vehicles and infrastructure. La Caisse may also finance zero- or low carbon freight rail and hybrid ships that rely on low carbon fuels and pose a risk of carbon lock-in. Nonetheless, these expenditures are expected to reduce GHG emissions and strongly contribute to decarbonizing the transportation system.

Category Expenditures

Expenditure	Description
Road transport vehicles	▸ Zero direct emissions passenger cars and light-commercial vehicles.
Freight rail	▸ Zero-emission freight vehicles and low carbon freight rail, including rolling stock, that have an emissions intensity below 25 gCO_2/tonne-km. ▸ Transportation of fossil fuel cargo will be limited to 25% of maximum capacity
Road passenger transport systems	▸ Zero-emission urban public transport systems, specifically buses and trams.
Passenger interurban rail transport	▸ Zero-emission interurban public transport systems, specifically light rail transit, metro, rail and rolling-stock.
Infrastructure for rail transport	▸ Infrastructure for zero-emission rail transport, specifically expenditures relating to the track, stations, catenary and signalling.

[53] IEA, "Electricity 2025", at: https://www.iea.org/reports/electricity-2025

Infrastructure enabling low carbon road transport	► Public EV charging hubs, fast-chargers for zero-carbon vehicle depots, hydrogen refuelling stations and associated electrical grid upgrades.
Ships	► Zero-emission and hybrid ship vessels propelled by batteries or zero-carbon fuels, specifically green hydrogen and ammonia, or e-methanol. ► Hybrid ships, built before 2026, are eligible if: i) at least 25% of the energy comes from zero-carbon fuels; and ii) the Energy Efficiency Design Index (EEDI)[54] is at least 10% below the 2022 baseline. ► Ships dedicated to the transport of fossil fuels, such as oil tankers or LNG carriers, are excluded.
Infrastructure enabling low carbon water transport	► Port infrastructure that enables low carbon water transportation, specifically port shore-to-ship power supply, e-tugs and electric cargo handling equipment.

[54] International Maritime Organization's Energy Efficiency Design Index: https://www.imo.org/en/ourwork/environment/pages/improving%20the%20energy%20efficiency%20of%20ships.aspx

	► Infrastructure must align with the EU Taxonomy's Alternative Fuels Infrastructure Regulation Article 9[55] within 10 years.

Analytical Commentary

The transportation sector is responsible for 37% of global CO_2 emissions, with emissions having increased at an average annual rate of 1.7% from 1990 to 2022, outpacing all sectors except industry. To achieve net zero emissions by 2050, CO_2 emissions from the sector must decrease by more than 3% annually through 2030.[56] With global transportation volumes projected to double by 2050 from the 2015 baseline, developing infrastructure for low carbon transportation and adopting low- or zero-emission vehicles are essential as part of broader efforts to decarbonize the sector.[57]

Investments under the Framework include zero-emission and low carbon road, rail and water transport, including passenger cars, light commercial vehicles and freight vehicles. La Caisse may also finance low carbon freight rail and hybrid ships that pose a risk of carbon lock-in. Finally, investments may include infrastructure that supports clean transport such as zero-emission rail systems, EV charging hubs, and low carbon port infrastructure such as shore-to-ship power and electric cargo-handling equipment.

Overall, these investments are critical to achieving a low carbon transportation system and are expected to strongly contribute to the transition to clean mobility.

Energy Efficiency

We have assessed the Sustainability Contribution of the Energy Efficiency category as **Strong.**

Investments under this category include the financing of energy-efficient solutions for buildings, and electricity transmission and distribution infrastructure. All heat pump projects will have a GWP less than 675 along with refrigerant management systems. The expenditures are expected to demonstrate a strong contribution towards the improvement of energy efficiency in buildings and transmission infrastructure.

Category Expenditures

Expenditure	Description
Heat pumps	► Installation and operation of electric heat pumps with: i) a minimum EU Energy-label rating[58] of A; or ii) an ecolabel equivalent to ENERGY STAR[59]. ► All financed heat pumps will use refrigerants with a Global Warming Potential (GWP) less than 675. ► Refrigerant management system addressing leakage and recovery plans will be in place for all heat pumps.
Energy efficient technologies	► Manufacture, installation, maintenance and repair of high efficiency building services that are driven by electricity and dedicated to enabling energy efficiency gains, specifically certified HVAC, heat recovery ventilation and energy efficient lighting, with a minimum EU

[55] EU, "Regulation (Eu) 2023/1804 of the European Parliament and of the Council", (2023), at: https://eur-lex.europa.eu/eli/reg/2023/1804/oj/eng
56 IEA, "Transport", (2023), at: https://www.iea.org/energy-system/transport
[57] World Economic Forum, "7 Reasons Why Global Transport is so Hard to Decarbonize", (2021), at: https://www.weforum.org/agenda/2021/11/global-transport-carbon-emissions-decarbonise/
[58] EU Energy Label Rating: https://europa.eu/youreurope/business/product-requirements/labels-markings/energy-labels/index_en.htm
[59] Energy STAR: https://www.energystar.gov/

	Energy-label rating[60] of A; or ii) an ecolabel equivalent to ENERGY STAR.[61] ► Investments exclude the manufacture or purchase of household appliances.
T&D of electricity	► T&D network upgrades that improve system flexibility and minimize technical energy losses. ► Such upgrades will not be dedicated to connecting the grid with fossil power plants.
Instruments for measuring, regulating and controlling energy performance of buildings.	► Installation, maintenance and repair of smart grid and digital efficiency solutions, specifically advanced metering, demand-response and grid-optimization software. ► Excludes investments in smart gas meters and upgrades that are dedicated to connecting the grid with fossil power plants.
District heating and cooling	► Installation of district heating and cooling projects where at least 80% of energy is produced using biofuels with emissions at least 80% lower than the relevant fossil fuel baseline. ► The biomass feedstock used in these projects will be certified under the Forest Stewardship Council (FSC),[62] Programme for the Endorsement of Forest Certification (PEFC)[63] or an equivalent standard.

Analytical Commentary

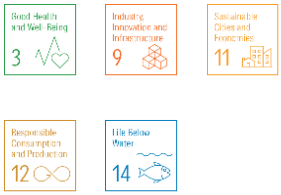
Global energy efficiency improved by only 1% between 2023 and 2024.[64] Accelerating energy efficiency improvements can reduce CO_2 emissions by more than one-third by 2030, compared to 2024, and help reach net zero emissions by 2050.[65] Regarding district heating, approximately 90% of heat production supplied to the network is run on fossil fuels worldwide. This presents opportunities to efficiently integrate low-emission energy sources into the heating energy mix and decarbonize heating networks.[66] To align with the IEA's net zero emissions scenario, CO_2 emissions intensity of district heat production needs to reduce by at least 20% by 2030 compared to 2022.[67] Similarly, heat pumps are a critical technology for the decarbonization of heat, and the IEA estimates that globally, heat pumps have the potential to reduce carbon emissions by at least 500 million tonnes in 2030, an amount equivalent to the carbon emissions from all European cars in 2022.[68]

The Framework's expenditures related to equipment dedicated to improving the energy efficiency of buildings will contribute to reducing GHG emissions. These investments include electric HVAC and heat pumps, which when limited to a GWP less than 675 and paired with leak-avoidance and recovery plans, are crucial for decarbonizing heating systems. Similarly, improving efficiency in electrical transmission grids and installing smart grid solutions can enhance grid reliability and support the decarbonization of power systems.

[60] EU Energy Label Rating: https://europa.eu/youreurope/business/product-requirements/labels-markings/energy-labels/index_en.htm
[61] Energy STAR: https://www.energystar.gov/
[62] Forest Stewardship Council: https://fsc.org/en
[63] Programme for the Endorsement of Forest Certification: https://pefc.org/discover-pefc/what-is-pefc
[64] IEA, "Energy Efficiency", (2024), at: https://iea.blob.core.windows.net/assets/f304f2ba-e9a2-4e6d-b529-fb67cd13f646/EnergyEfficiency2024.pdf
[65] Ibid.
[66] IEA, "District Heating", at: https://www.iea.org/energy-system/buildings/district-heating
[67] Ibid.
[68] IEA, "The Future of Heat Pumps", (2022), at: https://www.iea.org/reports/the-future-of-heat-pumps

Collectively, investments under this category will strongly contribute to advancing energy efficiency and accelerating the transition to a low carbon economy.

Pollution Prevention and Control



We have assessed the Sustainability Contribution of the Pollution Prevention and Control category as **Significant**.

Investments focus on waste reduction, recycling and composting, which directly reduce landfill volumes and support a circular economy. Funding may also be directed to air pollution control systems and technologies integrated into hard-to-abate industrial sectors. Finally, WtE projects can serve as an interim solution to landfilling, while landfill gas recovery projects can offer short-term methane emissions reduction. Collectively, these investments are expected to make a significant contribution to improving waste management practices and reducing greenhouse gas emissions.

Category Expenditures

Expenditure	Description
Waste reduction, sorting, recovery sorting, recycling and composting	► Material recovery facilities that either convert inputs into original materials or convert at least 50% of the processed waste into secondary raw materials or ensure source segregated of the waste received. ► Recycling of non-hazardous waste where recycling of electronic wastes include a robust waste management system. ► Mechanical and, where mechanical recycling is not feasible, chemical recycling of plastics, including single-use plastic. Chemical recycling will have life cycle GHG emissions lower than virgin plastic production. ► Facilities for the treatment and composting of bio-waste, such as garden and park waste, food and kitchen waste, and waste from food processing plants. ► Facilities for the anaerobic digestion of bio-waste, excluding the following: i) wastewater from fossil fuel operations; ii) animal manure from both industrial-scale and non-industrial-scale livestock operations; and iii) animal fats, oils, as well as other animal processing by-products.
Energy generation through the incineration of waste	► Facilities that generate energy from: i) combustion of municipal solid waste (MSW) or mixed residual waste (MRW); and ii) gasification of residual MSW. ► Facilities must have a life cycle emissions intensity below 100 gCO_2e/kWh. ► The majority of recyclable materials are segregated before incineration. ► Waste streams of the facilities will not be dedicated to fossil-based inputs such as fossil-based plastics, rubber, scrap tires and tire-derived fuels (TDF), refuse-derived fuel (RDF) and solid recovery fuel (SRFs).
Emissions control systems and technologies	► Equipment or technologies aimed at reducing particulate and non-GHG pollutants beyond regulatory requirements.
CCS and Direct Air Capture (DAC)	► Application of DAC and CCS technologies (with CCS specifically applied to hard-to-abate industrial sectors including cement, steel, aluminium, chemicals, glass and ceramics industries), where the capture efficiency is

	at least 90% and CO_2 is either permanently stored or utilized in products with at least 90% net abatement. ► CCS will only be applied to hard-to-abate industrial emitters where the facilities: i) currently meet sector-specific emissions intensity thresholds (as defined by CBI or the EU Taxonomy); and ii) follow a credible decarbonization pathway aligned with TPI or equivalent (e.g. Sustainable Steel Principles (SSP)[69] for Steel, CBI or ACT for Chemicals).[70] ► For transport of CO_2: i) appropriate leakage detection and monitoring systems will be in place to minimize CO_2 leakages during transport; and ii) captured CO_2 will be transported to a permanent CO_2 storage site. If the CO_2 originates from hard-to-abate industrial facilities, the facilities will meet CBI or EU Taxonomy's sector-specific emissions intensity thresholds and will follow decarbonization pathways aligned with TPI or equivalent. ► For permanent underground storage of CO_2: i) measuring, reporting and verification (MRV) plans will be in place, including an assessment of whether the geological formation of the storage area is suitable for CO_2 storage; and ii) leakage detection and monitoring systems will be in place to prevent CO_2 leakages from the underground formation. ► Neither the transport nor storage of CO_2 will be dedicated to carbon captured from fossil fuel activities, nor will CO_2 be transported or used for enhanced oil recovery.
Capture of landfill and wastewater gas	► Landfill and wastewater gas recovery facilities that: i) have at least 75% gas capture efficiency; ii) operate on landfills closed or decommissioned since 2020; and iii) are equipped with controls and monitoring systems to manage methane emissions and leakages from landfill gas capture. ► Excludes gas capture for flaring.

Analytical Commentary

Investments in waste management systems and recycling facilities are critical in curbing GHG emissions and transitioning to a circular economy. In 2020, approximately 2.1 billion tonnes of municipal solid waste was generated globally, and this amount is projected to rise by 56%, reaching 3.8 billion tonnes by 2050, driven by population and economic growth.[71] Of the total waste generated, 30% is sent to landfills, 13% is processed in WtE facilities, 19% is directed to recycling centres, and the remaining is either dumped or openly burned. Improving waste management practices has the potential to reduce global GHG emissions by 15-25%, highlighting the importance of recycling measures.[72] Furthermore, investments in emission reduction and control systems are essential in preventing pollution as these systems minimize or eliminate the emission of toxic gases and particulate matter from vehicles, industrial processes and other combustion sources.

La Caisse may finance material recovery from non-hazardous waste, waste recovery, sorting and recycling, composting of biowaste and waste reduction initiatives that may help in directly reducing waste disposed in landfills. These activities enhance overall resource efficiency and promote more sustainable waste management practices.

La Caisse may also finance recycling facilities for processing various waste streams, including electronic waste and plastics. All recycling activities involving e-waste and plastics will be supported by robust waste management systems. However, recycled plastic may ultimately be

[69] Sustainable Steel Principles: https://steelprinciples.org/
[70] ACT Initiative, "Assessing low-Carbon Transition: Chemicals", (2024), at: https://actinitiative.org/wp-content/uploads/pdf/act-chemicals-v2.0.pdf
[71] United Nations Environment Programme, "Global Waste Management Outlook 2024", (2024), at: https://wedocs.unep.org/handle/20.500.11822/44939
[72] Ibid.

used for single-use applications, posing a risk of leaking into the environment. Nonetheless, these expenditures are still expected to significantly enhance recycling practices and reduce the environmental impact of wastes.

Additionally, La Caisse may finance WtE facilities with a life cycle emissions intensity below 100 gCO_2e/kWh. The composition of waste, especially its fossil carbon content, is critical to ensuring low emissions intensity for such projects. Under the Framework, recyclable waste will be segregated before incineration and will only include MSW or MRW. Although WtE can reduce landfill volumes and methane emissions, it may also divert materials that could otherwise be recycled, shifting focus from circular economy principles that prioritize minimizing waste. Nevertheless, in regions lacking adequate recycling infrastructure, WtE can serve as an interim solution, offering a short-term alternative to landfilling. The financed facilities may be located in countries such as the US, Canada, the UK, France, Germany and Australia, where effective waste management systems and recycling infrastructure are already in place. In this context, La Caisse's financing is expected to make a moderate contribution to improving waste management practices.

Further, the Framework allows financing for DAC and CCS, with CCS limited to industrial emitters meeting sector-intensity thresholds under the CBI or EU Taxonomy and following a decarbonization plan aligned with TPI or an equivalent benchmark. DAC technologies are currently at an advanced R&D stage and have high energy demands, that could potentially lead to increased emissions.[73] CCS is an emerging technology, faces engineering and operational complexities, along with challenges in implementation and scale up.[74] In light of this, the long-term efficacy of CCS in delivering substantial, durable emissions reductions remains uncertain and has the potential to create the risk of carbon lock-in.

Finally, the Framework allows for financing of gas capture from decommissioned landfills, where gas is captured with at least 75% efficiency and systems are in place to control methane emissions and prevent leakages from gas collection. Although such projects reduce methane emissions in the short term and enable the use of captured gas for energy production, reducing reliance on landfills for waste management remains critical.

Collectively, investments under this category are expected to contribute significantly to improvements in waste management practices and to GHG emissions reduction.

Eco-efficient and Circular-Economy Products

We have assessed the Sustainability Contribution of the Eco-efficient and Circular-Economy Products category as **Strong**.

La Caisse may finance the manufacture of low carbon industrial materials such as cement, steel, aluminium and chemicals, where manufacturing facilities demonstrate alignment with sector-specific emissions thresholds defined by the CBI or EU Taxonomy, are backed by robust decarbonization plans consistent with TPI or equivalent pathways and leverage proven technologies for emissions reductions. There is lack of clarity regarding the specific technologies, which may also include novel solutions, such as CCS. Financing may also extend to the battery value chain, including closed-loop recovery of critical materials. These activities are expected to

[73] World Resources Institute, "6 Things To Know About Direct Air Capture:", (2025), at: https://www.wri.org/insights/direct-air-capture-resource-considerations-and-costs-carbon-removal
[74] Intergovernmental Panel on Climate Change, "Climate Change 2023 Synthesis Report", (2023), at: https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf

play a meaningful role in promoting resource circularity and advancing the transition to a low carbon economy.

Category Expenditures

Expenditure	Description
Low carbon materials	► Manufacture of low carbon materials (cement, steel, aluminium, chemicals) where the manufacturing facilities: i) meet sector-intensity thresholds from CBI or EU Taxonomy; ii) have a decarbonization plan that is aligned to a credible pathway such as the TPI; and iii) use proven technological levers to drive emissions reductions.
Battery value-chain	► Battery value-chain production, including recycling, refurbishment and closed-loop recovery of critical materials like copper (Cu), lithium (Li), nickel (Ni) and cobalt (Co). ► The production facility will be wholly and exclusively dedicated to the production of batteries for use for transportation or storage of electricity.

Analytical Commentary

Materials such as cement, steel, aluminium and chemicals are indispensable to modern economies,[75] yet their production accounts for a substantial share of global industrial emissions. For instance, steel alone contributes 8% of global CO_2 emissions, while cement adds another 6%.[76] Transitioning production to meet low carbon intensity thresholds, such as those defined by industry tools like the CBI or regulatory frameworks like the EU Taxonomy, helps drive decarbonization in sectors that are traditionally hard to abate.

La Caisse may finance investments to support the production of low carbon industrial materials including cement, steel, aluminium and chemicals. These sectors present significant carbon lock-in risks, arising from long-lived, capital-intensive, high-emission facilities, as well as the low commercial viability or limited technological maturity of low-carbon alternatives.[77] The manufacturing processes will meet sector-specific emissions thresholds, as defined by credible frameworks like the CBI or EU Taxonomy, are supported by robust decarbonization plans aligned with pathways such as the TPI, and leverage proven technological levers to drive emissions reductions. There is lack of clarity regarding the specific technologies that might be financed across sectors, including novel solutions, such as CCS, which is an emerging technology, faces engineering and operational complexities, along with challenges in implementation and scale up.[78] In light of this, the long-term efficacy of CCS in delivering substantial, durable emissions reductions remains uncertain and has the potential to create the risk of carbon lock-in.

In addition, financing may extend across the battery value chain including the production, refurbishment, recycling and closed-loop recovery of critical materials like copper, lithium, nickel and cobalt.

[75] McKinsey, "Global Materials Perspective 2024", at: https://www.mckinsey.com/industries/energy-and-materials/our-insights/global-materials-perspective
[76] World Economic Forum, "Here's how steel and cement could help turn climate change on its head", (2022), at: https://www.weforum.org/stories/2022/05/steel-and-cement-can-drive-the-decade-of-action-on-climate-change-this-is-how/
[77] Energy Transitions Commission, ""Mission Possible: Reaching Net-Zero Carbon Emissions From Harder-to-Abate Sectors By Mid-Century", (2018), at: https://www.energy-transitions.org/wp-content/uploads/2020/08/ETC_MissionPossible_FullReport.pdf
[78] Intergovernmental Panel on Climate Change, "Climate Change 2023 Synthesis Report", (2023), at: https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf

Overall, the expenditures under the category are expected to play a substantial role in advancing industrial decarbonization, strengthening resource circularity and supporting the transition to a low carbon economy.

Environmentally Sustainable Management of Living Resources and Land Use

We have assessed the Sustainability Contribution of the Environmentally Sustainable Management of Living resources and Land Use category as **Strong.**

La Caisse may finance sustainable forest management projects certified under the FSC or PEFC or supported by a sustainable management plan which promotes responsible use and long-term health of forest resources. Eligible projects may also include regenerative agricultural practices and precision agricultural tools applied on certified farms or farms that demonstrate prevention of environmental harm through sustainable management practices. Overall, these expenditures will contribute strongly to ecosystem resilience and sustainable agriculture.

Category Expenditures

Expenditure	Description
Environmentally sustainable forestry	► Afforestation, reforestation and forest rehabilitation projects will be certified under FSC[79] or PEFC,[80] or supported by a sustainable management plan, which covers aspects such as soil health, biodiversity management, pest management, plant coverage and species selection. ► Projects will: i) use native or climate-resilient species; and ii) not take place in habitats that are particularly vulnerable to biodiversity loss, or of high conservation value, or in areas set aside for restoration, in accordance with national law; and iii) exclude GMO planting, monoculture plantations, and primary forest logging.
Environmentally sustainable agriculture techniques and climate smart farm inputs	► Regenerative agricultural practices such as agroforestry, silvopasture and perennial polyculture systems, which can increase soil organic carbon or reduce nitrous oxide (N_2O) emissions. ► Precision agriculture tools and specialized machinery and IT systems that enable land-management practices on farms. ► All investments will be made on farms that demonstrate prevention of environmental harm through management practices including: i) crop rotation and minimum/no tillage practices; ii) use of organic fertilizers; iii) use of organic or low toxicity pesticides; iv) minimal pesticide use through methods such as Integrated Pest Management; v) water-saving irrigation methods (such as drip or precision irrigation); and vi) precision fertigation or nutrient management technologies. ► Expenditures will be financed in agricultural facilities that adopt the following environmental management measures: i) soil health; ii) minimizing the use of chemical inputs; iii) resource use; and iv) emissions from the farm; or certified by standards that incorporate these measures.

[79] Forest Stewardship Council: https://fsc.org/en
[80] Programme for the Endorsement of Forest Certification: https://pefc.org/discover-pefc/what-is-pefc

- Expenditures exclude livestock management projects at industrial-scale livestock facilities; conversion of high conservation value areas (forests, wetlands, grasslands) for agriculture; and the purchase, distribution and use of inorganic or synthetic fertilizers, herbicides or pesticides, especially those specified in Annex III of the Rotterdam Convention.

Analytical Commentary

Global biodiversity is rapidly declining due to land-use change, pollution, overexploitation of natural resources, invasive species and climate change. Wildlife populations decreased by 69% between 1970 and 2018, and approximately one million species are threatened with extinction.[81,82] Deforestation persists at a rate of 10 million hectares annually, largely due to the conversion of forests for agricultural land and unsustainable logging.[83] The loss of nature poses growing financial risks, as more than half of the global GDP is reliant on ecosystem services.[84] With food production projected to increase by over 50% by 2050 compared to 2010, pressures on land, resources and ecosystems are expected to further intensify.[85] Achieving the 2030 targets to protect 30% of land and sea, and restore 30% of degraded ecosystems, while meeting the demands of a growing global population, will require increased investments in nature protection, sustainable forestry and conservation agriculture.[86,87]

La Caisse's investments in sustainable forest management projects that are certified by FSC or PEFC will strongly contribute to maintaining biodiversity, productivity and regeneration capacity. Where such projects take place on uncertified operations, a sustainable management plan will be in place. In addition, the use of tree species that are well adapted to local conditions will improve the stability and resilience of forest ecosystems. Although credible certifications generally provide a stronger assurance of long-term sustainability outcomes, these projects are nevertheless expected to improve the stability and resilience of forest ecosystems.

The Framework also allows the financing of regenerative agricultural practices and precision farming technologies, such as intercropping and drip irrigation, which contribute to improved soil health, water retention and soil carbon storage. These practices are expected to be implemented on farms that are FSC or PEFC certified or have land management practices in place to support sustainable outcomes. Overall, such expenditures will support the transition to more sustainable agricultural systems.

Collectively, expenditures under this category are expected to make a strong contribution to enhancing ecosystem resilience and advancing sustainable agricultural practices.

Preservation of Nature and Biodiversity

We have assessed the Sustainability Contribution of the Preservation of Nature and Biodiversity category as **Strong**.

[81] IPBES, "2019 Global Assessment Report on Biodiversity and Ecosystem Services", (2019) at: https://files.ipbes.net/ipbes-web-prod-public-files/inline/files/ipbes_global_assessment_report_summary_for_policymakers.pdf
[82] WWF, "WWF's Living Planet Report: Devastating 69% drop in wildlife populations since 1970", (2022), at: https://www.wwf.eu/?7780966/WWF-Living-Planet-Report-Devastating-69-drop-in-wildlife-populations-since-1970
[83] FAO, "The state of the World's Forest", (2020), at: https://www.fao.org/state-of-forests/en/
[84] World Economic Forum, "Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy", (2020), at: https://www3.weforum.org/docs/WEF_New_Nature_Economy_Report_2020.pdf
[85] World Resources Institute, "Executive Summary (Synthesis)", at: https://research.wri.org/wrr-food/executive-summary-synthesis
[86] Convention on Biological Diversity, "Kunming-Montreal Global Biodiversity Framework: 2030 Targets (with Guidance Notes), at: https://www.cbd.int/gbf/targets
[87] FAO, "Conservation Agriculture", at: http://www.fao.org/conservation-agriculture/en/

La Caisse may finance biodiversity conservation and restoration activities, including the restoration of wetlands and peatlands, in line with Ramsar Convention resolutions or national wetland policies of countries that are contracting parties to the Ramsar Convention. Eligible projects may also include the rehabilitation of forests following extreme events, that are either certified under FSC, PEFC or SFI or managed with site-appropriate species and sustainable management plans, the purchase of private land for permanent protection, and the creation of ecological corridors and pollinator habitats. These investments are expected to strongly contribute to ecosystem resilience, biodiversity conservation and the long-term protection of natural resources.

Category Expenditures

Expenditure	Description
Biodiversity conservation and restoration	► Restoration of wetlands, peatlands and other high carbon ecosystems, that are accompanied with a restoration plan that complies with the relevant resolutions of the Ramsar Convention or adheres to national wetland policies and regulations of countries that are contracting parties to the Ramsar Convention.[88] ► Rehabilitation of forests following extreme events. The forests will be either certified under FSC, PEFC and SFI, or use tree species well adapted to site conditions, and be managed under a sustainable management plan ► Purchase or easement of private land for permanent protection for long-term conservation. ► Creation of ecological corridors, pollinator habitats and similar natural habitat restoration projects.

Analytical Commentary

Globally, biodiversity loss is occurring at an alarming rate owing to human activities such as deforestation, habitat fragmentation and climate change. For example, the degradation of wetlands, which filter freshwater, has led to a 35% decline in global wetland coverage since 1970.[89] Peatlands are also facing pressure from human encroachment with 15% having been drained for agriculture, while an additional 5-10% are degraded in some way, including through the removal of their native vegetation.[90] Yet, these terrestrial ecosystems play a vital role in carbon storage. Covering just 3% of earth's surface, terrestrial wetlands store 600 billion tonnes of carbon, or more than all the world's forest biomass combined, yet only 17% of peatlands fall within a protected area.[91] Restoring and conserving such ecosystems is essential not only to enhance biodiversity, but also to sustain critical ecosystem services like carbon sequestration, water quality protection and flood regulation.[92,93]

La Caisse may finance biodiversity and ecosystem restoration initiatives across land and freshwater environments, such as the rehabilitation of wetlands and peatlands, in alignment with

[88] Ramsar, "Contracting Parties to the Ramsar Convention", at: https://www.ramsar.org/sites/default/files/documents/library/annotated_contracting_parties_list_e.pdf
[89] World Health Organization, "Biodiversity", (2025), at: https://www.who.int/news-room/fact-sheets/detail/biodiversity#:~:text=Biodiversity%20loss%20is%20occurring%20at,Sustainable%2C%20healthy%20food%20systems
[90] WCS Newsroom, "New Study: Worldwide, Carbon-Rich Peatlands are Dangerously Under-Protected", (2025), at: https://newsroom.wcs.org/News-Releases/articleType/ArticleView/articleId/24148/New-Study-Worldwide-Carbon-Rich-Peatlands-are-Dangerously-Under-Protected.aspx
[91] Ibid.
[92] International Institute for Sustainable Development, "Wetlands", at: https://nbi.iisd.org/wetlands/
[93] European Commission, "Wetland restoration can reduce nitrogen pollution and improve water quality in major European rivers - European Commission", (2025), at: https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/wetland-restoration-can-reduce-nitrogen-pollution-and-improve-water-quality-major-european-rivers-2025-08-19_en

the Ramsar Convention or national policies and regulations of countries that are contracting parties to the Ramsar Convention. Funding may also be directed toward post-disaster forest recovery projects that either achieve recognized sustainable forestry certifications (FSC, PEFC or SFI), or ensure the use of native species and site-specific management strategies. Other eligible projects could involve acquiring privately owned land for long-term conservation, establishing ecological corridors to connect fragmented habitats, and developing pollinator-friendly landscapes. Collectively, the expenditures under the category are expected to strongly contribute to the resilience of natural ecosystems and preservation of biodiversity.

Climate Change Adaptation

We have assessed the Sustainability Contribution of the Climate Change Adaptation category as **Strong**.

Expenditures under the category include the financing of structural and non-structural climate adaptation projects. The projects are designed to enhance resilience and strengthen adaptation to the impacts of climate-related hazards, including floods, stormwater and wildfires. Overall, expenditures under the category are expected to substantially enhance resilience to physical climate impacts.

Category Expenditures

Expenditure	Description
Climate Resilient Upgrades to Buildings and Infrastructure	► Structural measures include flood defence, storm water systems, wildfire and wind resilience upgrades. ► Non-structural measures include early warning and monitoring systems. ► All projects will follow a climate risk and vulnerability assessment and an adaptation plan, while structural measures will additionally be monitored over the lifespan of the investment.

Analytical Commentary

Extreme weather events have seen a significant rise in the past 20 years due to climate change. Comparing the 20 year periods of 1980-1999 and 2000-2019, extreme climate events have increased in frequency by 83%.[94] It is estimated that extreme weather events have cost the global economy more than USD 2 trillion over the past decade.[95] Drought and flood risks are projected to further increase as the global temperature rises, illustrating the need for adaptation measures targeting infrastructure and water supply. Climate resilient infrastructure plays a key role in supporting communities and businesses to continue functioning and better mitigate climate-related risks to their assets.[96] Nature-based solutions can further reinforce climate resilience by helping restore and stabilize natural hazards, thereby decreasing the risk and intensity of disasters.[97]

Investments in climate change adaptation projects, when supported by climate risk and adaptation plans, help ensure that these projects effectively address physical climate risks. La

[94] Oxera, "The economic cost of extreme weather events", (2024), at: https://iccwbo.org/wp-content/uploads/sites/3/2024/11/2024-ICC-Oxera-The-economic-cost-of-extreme-weather-events.pdf
[95] Ibid.
[96] OECD, "Infrastructure for a Climate-Resilient Future", (2024), at: https://www.oecd.org/en/publications/infrastructure-for-a-climate-resilient-future_a74a45b0-en.html
[97] Institute for European Environmental Policy, "Nature-based solutions ad their socio-economic benefits for Europe's recovery", (2021), at: https://ieep.eu/wp-content/uploads/2022/12/Nature-based-solutions-and-their-socio-economic-benefits-for-Europes-recovery-IEEP-2021-WEB.pdf

Caisse's investments in structural measures, such as building climate-resilient infrastructure including flood defence, storm water systems and upgrades to withstand wildfires and high winds are expected to enhance resilience against physical climate risks, such as floods, storms or wildfires. Eligible non-structural expenditures, such as early warning and monitoring systems will be supported by climate risk and vulnerability assessment, while structural expenditures additionally require continual monitoring processes throughout the lifespan of the project.

Furthermore, all expenditures under the category will not support assets that undermine other environmental objectives, thereby avoiding significant environmental harm while pursuing targeted adaptation goals.

Overall, investments in this category are expected to make a strong contribution to enhancing resilience against the adverse impacts of climate change.

Sustainable Water and Wastewater Management

We have assessed the Sustainability Contribution of the Sustainable Water and Wastewater Management category as **Strong**.

Investments under the category include water-network rehabilitation, leakage control and efficiency upgrades, efficient water supply and distribution networks, flood and drought protection measures, ecological restoration works, rainwater harvesting systems and water quality monitoring and warning systems. Projects will include a climate risk and vulnerability assessment and an adaptation plan, or leakage level assessments, as appropriate. Collectively, these investments are expected to contribute strongly to reducing water loss and promoting sustainable water resource management.

Category Expenditures

Expenditure	Description
Water Network Rehabilitation and Leak Control	► Water-network rehabilitation and smart leakage control delivering at least 20% reduction in non-revenue water. ► A leakage level assessment will be carried out.
Water Supply Efficiency	► Efficient water-supply, distribution and storage that cut energy use by at least 20% (e.g. gravity pipelines, low-head pumps, covered reservoirs). ► A leakage level assessment will be carried out.
Flood Protection	► Flood protection and ecological restoration works such as levees, dikes, seawalls, flood retention basins, storm surge barriers and improved drainage systems. ► The projects will follow a climate risk and vulnerability assessment and an adaptation plan. Monitoring processes will be in place over the lifespan of the investment.
Drought Warning Systems	► Drought early warning systems and quality monitoring sensors. ► The projects will follow a climate risk and vulnerability assessment and an adaptation plan
Rainwater Harvesting	► Rainwater harvesting and re-use schemes (potable or non-potable) in water-stressed regions.

Analytical Commentary

According to UNESCO, approximately 26% of the global population lacks access to safe drinking water. In addition, around one-quarter of the world's population experiences extremely high levels of water stress, consuming more than 80% of their annual renewable freshwater supply.[98] The number of urban residents facing water scarcity is projected to rise from 930 million in 2016 to between 1.7 billion and 2.4 billion by 2050. Globally, 20% to 50% of distributed water is lost, largely due to leakages and deteriorating infrastructure,[99] making leak reduction essential for more efficient water resource management. This combination of high-water stress, extensive freshwater usage and aging infrastructure highlights the need for more efficient systems that deliver water where it is most needed while minimizing losses.

La Caisse may invest in water network rehabilitation and leakage control projects which deliver at least a 20% reduction in non-revenue water, and efficient water-supply, distribution and storage systems that cut energy use by at least 20%. Eligible projects will include leakage level assessments to identify further opportunities for leakage reduction. Investments may also include rainwater harvesting and re-use schemes targeted at water-stressed regions. Such investments contribute strongly to water supply, efficiency and network reliability.

The Framework also includes investments in early drought warning systems, water quality monitoring systems, and flood protection and ecological restoration works such as flood retention basins, storm surge barriers and improved drainage systems. For such projects, a climate risk and vulnerability assessment will be carried out followed by an adaptation plan, while ongoing monitoring will additionally be conducted for flood protection projects throughout the lifespan of the investment. Such investments are expected to enhance protection against water-related climate risks such as floods and droughts.

Overall, expenditures under this category are expected to make a strong contribution to sustainable water management efforts.

Green Enabling Activities

We have assessed the Sustainability Contribution of the Green Enabling Activities category as **Strong**.

Investments in this category include the manufacture of components necessary for enabling green projects, such as batteries and e-axles for EVs, grid power cables for eligible T&D systems, and battery energy storage systems for renewable energy. In addition, investments may include the extraction and processing of ores containing critical minerals that are necessary enablers of green assets such as EVs, solar PV and wind turbines, battery storage systems and grid-storage packs for eligible T&D infrastructure. Eligible projects will undergo environmental and social impact assessments to identify, monitor and address associated risks. The financed facilities will be fully dedicated to green end-use applications. For carbon-intensive activities such as mining, facilities will be on a credible decarbonization pathway to mitigate the risk of carbon lock-in. Overall,

[98] UNESCO, "Imminent risk of a global water crisis, warns the UN World Water Development Report 2023", at: https://www.unesco.org/en/articles/imminent-risk-global-water-crisis-warns-un-world-water-development-report-2023

[99] AbuEltayef H. et al.,"Addressing non-revenue water as a global problem and its interlinkages with sustainable development goals", The International Water Association, (2024), at: https://iwaponline.com/wpt/article/18/12/3175/98008/Addressing-non-revenue-water-as-a-global-problem

investments in these projects are expected to make a strong contribution to supporting zero-emission transport and low carbon or renewable energy infrastructure.

Category Expenditures

Expenditure	Description
Electric Vehicle Components	► Manufacturing facilities fully dedicated to the production of batteries, e-axles, battery management systems, e-drive units and on-board chargers necessary for EVs. ► Eligible facilities will follow a process for identifying, monitoring and addressing environmental and social impacts associated with the financed projects. Facilities with unaddressed controversies will be excluded under the Framework.
Critical Minerals Extraction	► Extraction and processing of: ► Critical minerals fully dedicated to energy storage systems used in EVs and grid storage packs. Eligible minerals are limited to lithium, nickel, cobalt and manganese. ► Rare earth minerals fully dedicated to high efficiency traction motors for EVs and direct-drive generators for wind turbines. Rare earth minerals are limited to neodymium, praseodymium, dysprosium and terbium. ► Critical minerals fully dedicated to EV charging hardware and lightweight vehicle chassis components for EV. Minerals are limited to copper and bauxite ore (containing aluminium). ► Silicon fully dedicated to power conversion and solar PV energy generation. ► Eligible facilities will be on a credible decarbonization pathway aligned with the 1.5- or 2-degree scenario or have emissions reduction targets and a credible decarbonization strategy.
Manufacture of Grid Power Cables	► Manufacturing of grid power cables fully dedicated to the transmission and distribution of energy where: i) an average grid emissions intensity factor at or below 100 gCO_2e/kWh; or ii) grids where more than 67% of newly installed generation capacity in the system has an average emissions intensity factor below 100 gCO_2e/kWh. In both cases, the intensity factor is measured on a product carbon footprint basis, over a rolling five-year average.
Equipment Enabling Energy Storage	► Manufacture of batteries based on electrochemical technologies which are dedicated to renewable energy storage, including lithium-ion, high temperature sodium sulphur, vanadium redox flow, zinc bromide hybrid flow and lead acid. ► New battery energy storage capacity dedicated to renewable energy storage.

Additional Information:

► All eligible facilities under the category will follow a process for identifying, monitoring and addressing environmental and social impacts associated with the financed enabling projects. Facilities having adverse environmental and social impacts or unaddressed controversies will be excluded under the Framework.

Analytical Commentary

Investments in low carbon energy are critical for the global energy transition, as electricity and heat generation were responsible for approximately 44% of global CO_2 emissions from fuel combustion in 2022. Electricity storage is a key enabler of low carbon energy expansion, as it helps

manage hourly and seasonal variations in renewable energy. To achieve the net zero emissions scenario by 2030, approximately 120 GW of additional storage capacity will be needed annually.[100] In addition, approximately 80 million kilometres of grids will need to be installed or refurbished by 2040 to facilitate global electrification.[101] Furthermore, the transport sector accounted for more than one-third of CO_2 emissions from end-use sectors in 2023, with road transport alone contributing over 15% of global energy-related emissions.[102] Achieving net zero emissions in the transport sector by 2050 will require scaling up the electrification of vehicles, a pivotal step toward decarbonizing road transport.[103]

La Caisse may invest in the extraction and processing of ores containing critical materials dedicated to enabling low carbon technologies, including: i) electric vehicles that typically use lithium-ion batteries (cathodes and anodes); ii) solar PVs and wind turbines that require silicon and rare earth elements, respectively; and iii) energy storage systems that rely on cobalt, manganese and graphite. Even though the mining sector is highly emissions intensive, responsible for 2% to 7% of global GHG emissions,[104] the extraction and processing of critical minerals is a necessary enabler of the green transition. Eligible facilities will be required to be on a credible decarbonization pathway aligned with the TPI 1.5°C or 2°C scenario, or have emissions reduction targets supported by a credible decarbonization strategy leveraging technological solutions. In addition, eligible facilities will follow a process for identifying, monitoring and addressing environmental and social impacts, while mining facilities having adverse environmental and social impacts or unaddressed controversies will be excluded under the Framework. Additionally, La Caisse's Sustainable Investment Due Diligence Procedure, material issues related to human rights are taken into account during pre and post investment phases in accordance with their Human Rights Policy.[105] Notably, the Human Rights Policy sets guidelines for assessing how investments exposed to high-risk sectors prevent and mitigate human rights impacts.[106] As part of the due diligence process, periodic environmental and social impact assessments verified by a third party, will be conducted. These assessments will cover known environmental and social risks for mining operations, as well as any additional material risks specific to the respective operations, such as i) occupational health and safety, effluents, tailings management, Indigenous Peoples' rights, biodiversity and child labour; and ii) the closure and rehabilitation plan for such mining facilities. Although the adoption of such practices has the potential to address environmental and social impacts associated with mining operations, facilities that are certified by credible third-party standards have the potential to provide higher assurance on the sustainability performance of the facility and mitigation of facility-level environmental and social risks.

Furthermore, eligible investments include the manufacture of equipment or components necessary to enable the production of grid power cables, EVs and battery energy storage. Grid power cables will be connected to T&D systems eligible under the Renewable or Low-Carbon Energy category, and battery storage to renewable sources of energy. All green enabling projects

[100] IEA, "Grid-scale Storage", at: https://www.iea.org/energy-system/electricity/grid-scale-storage
[101] IEA, "Electricity Grids and Secure Energy Transitions", (2023), at: https://iea.blob.core.windows.net/assets/ea2ff609-8180-4312-8de9-494bcf21696d/ElectricityGridsandSecureEnergyTransitions.pdf
[102] IEA, "Transport", 2023, at: https://www.iea.org/energy-system/transport
[103] IEA, "Road transport", 2023, at: https://www.iea.org/reports/road-transport
[104] Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development, "Decarbonization of the Mining Sector: Scoping study on the role of mining in nationally determined contributions", (2024), at: https://www.iisd.org/system/files/2024-08/igf-decarbonization-mining-sector.pdf
[105] La Caisse, "Human Rights Policy", (2024), at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/policy_human_rights.pdf
[106] Ibid.

will be required to implement processes for identifying, monitoring and addressing environmental and social impacts associated with the financed projects. In cases where the manufacturing processes are powered by fossil fuels, decarbonization plans will be in place to transition away from the use of fossil fuel to adopt proven low-carbon technologies, and mitigate the risk of carbon lock-in.

Overall, investments under this category are expected to strongly support the supply of critical inputs needed for zero-emission transport and the low carbon or renewable energy infrastructure.

Environmental and Social Risk Management

We have identified the following areas of environmental and social risk associated with the expenditures eligible under the Framework: land use and biodiversity; waste, effluents and emissions; occupational health and safety; community relations and stakeholder engagement; management and long-term disposal of radioactive waste from nuclear projects; business ethics; and human rights. La Caisse has the following policies and processes in place to identify and mitigate such risks.

While we acknowledge that as an investor, La Caisse has a limited role in the development and operations of specific eligible activities financed under the Framework, we note that La Caisse has the following policies and processes in place to identify and mitigate such risks.

E&S risk identified	Applicable policies, procedures and measures
Land use and biodiversity; Waste, effluents and emissions	►La Caisse integrates environmental risks, including land use and biodiversity loss, into its due diligence throughout the investment process under its Sustainable Investing Policy. This policy bases ESG integration on materiality, geography and sector, and considers key ESG factors in investment decisions, including climate change, energy and emissions management, air and water quality management, toxic and hazardous materials management and biodiversity.[107] ►The Sustainable Investing Policy flags high-impact projects for further scrutiny or engagement with portfolio companies to ensure risk mitigation is prioritized where impacts are most material. Furthermore, La Caisse also monitors its portfolio companies' management of ESG issues and uses an automated watch system for public companies.[108]
Occupational health and safety	►La Caisse's Sustainable Investing Policy establishes a due diligence process whereby it assesses the portfolio companies' health and safety practices and labour standards.[109] ►As part of its Human Rights Policy, La Caisse works with suppliers that share its commitment to respecting human rights and adopting responsible ESG practices including those related to human rights and working conditions. The Company conducts initial screening and ongoing monitoring process for suppliers.[110]
Community relations and stakeholder engagement	►The Sustainable Investing Policy considers community relations of the portfolio companies as a key area in its investment decision and expects its partners and portfolio companies to comply with laws and international conventions, including respecting the communities in which they operate.[111] ►La Caisse maintains an open dialogue with its portfolio companies and external managers to share its expectations concerning risk management and the integration of ESG factors into their business plans. It also engages an external shareholder engagement services provider, to increase its engagement capacity on subjects such as the circular economy and water management.[112]

[107] La Caisse, "Sustainable Investing Policy" (2022), at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/policy_sustainable_investing_2022.pdf
[108] Ibid.
[109] Ibid.
[110] La Caisse, "Human Rights Policy", (2024), at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/policy_human_rights.pdf
[111] La Caisse, "Sustainable Investing Policy" (2022), at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/policy_sustainable_investing_2022.pdf
[112] La Caisse, "SIR 2023 - Dialogue and Engagement", at: https://www.lacaisse.com/en/sir/2023/governance#section-2/2

Management and long-term disposal of radioactive waste from nuclear projects	►La Caisse invests exclusively in companies and sectors that comply with Canadian laws and international conventions, as well as in entities that respect Canada's financial prohibitions.[113] ►La Caisse will ensure that all nuclear power projects are undertaken in jurisdictions that have regulations and regulatory enforcement mechanisms to ensure the safe management of radioactive waste from nuclear power facilities, as per the Country Nuclear Profiles maintained by the International Atomic Energy Agency.[114]
Business ethics; Human rights	►La Caisse's Code of Ethics[115] outlines principles of integrity, ethical business conduct and transparency. The Company has set up mechanisms to ensure that all employees comply with the Code. ►La Caisse upholds a zero-tolerance approach to fraud, corruption and bribery through its Policy on Fraud and Corruption Prevention and Detection.[116] The Policy applies to all employees, subsidiaries, and third-party agents, to ensure that all business activities are conducted with integrity and in compliance with applicable laws. La Caisse has also established a programme to prevent, detect, and investigate fraud and corruption risks, supported by accurate record-keeping and mandatory annual training. Finally, La Caisse provides confidential reporting channels and safeguards whistle-blowers to maintain ethical conduct and accountability. ►La Caisse is committed to respecting internationally recognized human rights standards, in alignment with the UN Guiding Principles on Business and Human Rights. The Company has established a Human Rights Policy[117] that guides its approach to identifying, preventing, and mitigating adverse human rights impacts across its investment activities and operations. As part of this policy, La Caisse integrates human rights considerations into investment decisions, shareholder engagement, and supplier management.

[113] La Caisse, "Sustainability integrated into every stage of the investment process", at: https://www.lacaisse.com/en/sir/2024/governance#section-1/2
[114] IAEA, "Global Status and Development of Nuclear Power Programmes", at: https://cnpp.iaea.org/public/
[115] La Caisse, "Code of Ethics", (2024), at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/code_ethics_cdpq.pdf
[116] La Caisse, "Policy – Fraud and Corruption Prevention and Detection", (2024) at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/policy_anticorruption_2024.pdf
[117] La Caisse, "Human Rights Policy", (2024) at: https://www.lacaisse.com/sites/default/files/medias/pdf/en/policy_human_rights.pdf

Annex 1: Assessment Framework Overview

The following is a brief overview of the Assessment Framework that we use to assess debt instruments and the frameworks that support them. Using this Assessment Framework, we provide two key signals in our Second Party Opinions: **Principles Alignment** and **Sustainability Contribution**.

Principles Alignment indicates a framework's alignment with the requirements of applicable sustainable debt market Principles.[118] This assessment is structured according to the four components of the Principles: Use of Proceeds, Project Evaluation and Selection, Management of Proceeds and Reporting. Principles Alignment is expressed at one of following levels:

- **Aligned:** Meets all requirements across the four components.
- **Partially Aligned:** Meets requirements on two or three of the four components.
- **Not Aligned:** Does not meet requirements on most or all of the four components.

In addition, we provide commentary on any shortcomings as well as best practices.

Sustainability Contribution provides a clear and comparable signal of the expected contribution of the use of proceeds to one or more environmental or social objectives. We assess each expenditure defined in a framework by looking at the activities, assets and projects that they finance. This assessment is carried out using a set of factors that we have identified as driving the expenditure's contribution to a primary objective as well as its avoidance of harm to other objectives. The assessment results in one of the four levels of Sustainability Contribution described in the table below.

We determine the average contribution of the expenditures within each use of proceeds category (as defined by the issuer) to produce an expected Sustainability Contribution for each category. We then aggregate across categories to determine the Sustainability Contribution of a framework overall. In most cases, weight is distributed equally across use of proceeds categories. However, we adjust the weighting if information regarding percentage allocation is provided by the issuer.

Level of Sustainability Contribution	Description
	The expenditure finances an activity that makes a strong contribution to an environmental or social objective. The activity is well aligned with credible standards; there are no significant lock-in risks; and the risk of negative impact to other sustainability objectives is low.
	The expenditure finances an activity that makes a significant positive contribution to an environmental or social objective while having minor shortcomings compared to a strong contribution. This is either because the activity falls somewhat short of credible standards; there is some risk of lock-in (in the case of some environmental activities); there is a risk of negative impact to other sustainability objectives; or there is some ambiguity in the criteria for the expenditure.
	The expenditure finances an activity that represents a step towards an environmental or social objective but has substantial shortcomings compared to expenditures that make a strong contribution. Although the activity will result in benefit over a relevant baseline, either it falls substantially short of credible standards; there is significant risk of lock-in; there is significant ambiguity in the criteria; or there is a risk of significant negative impact to other sustainability objectives.
	The expenditure finances an activity that entails no net positive contribution to environmental or social objectives. Even in cases where there is some positive contribution to an objective, this is offset by shortcomings in other areas. Alternatively, the eligibility criteria may be unclear to the extent that contribution cannot be determined.

[118] These primarily include the Green Bond Principles and the Social Bond Principles, published by the International Capital Market Association (ICMA); and the Green Loan Principles and the Social Loan Principles, published by the Loan Syndications and Trading Association, the Loan Market Association, the Asia Pacific Loan Market Association (LSTA-LMA-APLMA), and the Association of Southeast Asian Nations (ASEAN).

Scope of Work and Limitations

This Second Party Opinion provides a point-in-time independent opinion of the Framework as of the Evaluation Date. Our opinion may consider additional documentation and information that the Framework owner may have provided during the engagement, in addition to public and non-public information. The owner refers to the entity featuring as an issuer, borrower, special-purpose vehicle or any other entity as described in the Framework.

As part of this engagement, we communicated with representatives of the Framework owner, who acknowledge that: i) it is the sole responsibility of the Framework owner to ensure that the information provided is complete, accurate and up to date; ii) they have provided us with all of the relevant information; and iii) that all of the information has been provided in a timely manner.

This Second Party Opinion provides our opinion of the Framework and should be read in conjunction with that Framework. Any update of this Second Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the Framework owner.

Our Second Party Opinion provides our opinion on the alignment of the Framework with current market standards and practice but provides no guarantee of alignment nor warrants alignment with future versions of any such standards. In addition, it does not guarantee the realized allocation of proceeds towards eligible activities.

No information provided in this Second Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the Framework owner may have made available to Sustainalytics for the purpose of this Second Party Opinion.

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