

Building a sustainable and inclusive city: Lyon's ecological commitment



Lyon is France's third-largest city, serving as the vibrant capital of the Auvergne-Rhône-Alpes region, the country's second-largest tourist destination, nestled amid stunning landscapes of vineyards, lakes, mountains, and volcanoes.

The City of Lyon is committed to several green initiatives, like the C40 organisation and carbon neutrality. What projects can cities implement to support GHG reduction and biodiversity objectives?

The City of Lyon uses the climate-air-energy labelling system from ADEME's Region Committed to Ecological Transition programme (*Territoire Engagé pour la Transition Écologique*, or TETE). This has helped the City achieve the highest level of sustainable ambition, providing a rigorous framework and methodology for assessing and strengthening its action plan and climate policy, supported by strong cooperation from municipal staff.

In 2024, the City of Lyon adopted the Ecological Transition Strategy for Municipal Assets (STEP), which sets targets for reducing the energy consumption and CO₂ emissions of municipal buildings by 2030 and 2050, compared with 2019 as the baseline year. In 2024, this strategy enabled a reduction of 2.1 GWh in energy consumption.



Alongside its commitment to lowering greenhouse gas emissions and energy use, the City is also working to adapt to the consequences of climate change, particularly extreme heat. Since 2024, *Objectif Fraicheur* (Mission Cooldown) has served as Lyon's short-term response system for heatwaves, and the City is currently developing a wider adaptation strategy.

The City of Lyon took a further step forward by adopting its first biodiversity strategy on 26 June 2025. The strategy aims to reinforce and expand initiatives in favour of biodiversity by mobilising all municipal departments and local stakeholders, so as to offer future generations a vibrant, diverse and thriving city. **The strategy is built around three pillars: better knowledge for better management; managing and developing ecosystems to enhance their quality and diversity; and raising awareness, mobilising and communicating.**

Lyon is also investing in social welfare, with the inclusion of social projects in its sustainable framework. How do you blend these projects with green ambitions?

The connection between ecological transition and the social dimension emerges as a strong ambition across several of the City of Lyon's strategic plans.

This ambition is expressed through a number of concepts, including a 'just and inclusive ecological transition' (part of the Mandate Plan); an 'ecological and climate transition that must go hand in hand with a social and societal transition' (Lyon 2030 Climate Pact); and 'a public policy that matches the scale of the climate emergency while placing social inclusion and justice at the heart of its priorities' (Climate Plan).

In strategic documents relating to social policy, this link is not explicitly developed, but it does appear implicitly through certain issues such as energy poverty and food provision.

Nevertheless, this connection is actively addressed within the City's public policies. The *Lyon in Transition(s)* (Lyon en Transitions(s)) report, through its alignment with the Sustainable Development Goals (SDGs), is the monitoring document that goes furthest in this direction: it develops specific narrative elements and explains how certain municipal projects combine ecological and social ambitions.

For a city such as Lyon, the challenge of ecological transition is twofold. It involves developing public policies that meet the urgency of the climate crisis while placing solidarity-based inclusion and social justice at the centre of our priorities.

This systemic approach has led to the adoption of a climate plan that encompasses transitions extending beyond purely climate-related issues. It is therefore built on two essential and complementary principles: inclusivity, and social justice, ensuring a climate transition for all residents of Lyon.

The municipality is politically oriented towards sustainable development; how does this impact your funding strategy?

Since the beginning of the current term, the City of Lyon has pursued a financial strategy firmly oriented towards green, social and ethical finance. This approach has resulted in the establishment, in 2022, of a green, social and sustainable bond programme and a preference for cooperative banking institutions during financial consultations. In this respect, since the end of 2024, Crédit Coopératif has become the City's leading banking lender.

The City is also continuing to broaden its partnerships in order to support the financing of projects that meet the CSR criteria defined in its Multi-year Investment Plan (*Plan Pluriannuel d'Investissement* or PPI). As part of this, on 11 July 2025, the City of Lyon and the European Investment Bank (EIB) concluded a Framework Loan of €50 million over five years, intended to finance eleven flagship projects. These projects focus primarily on the energy transition of municipal buildings and on the development and redevelopment of green spaces.



Further, during banking and bond consultations, the City's ability to rely on a clearly defined green municipal strategy is a factor that strengthens the confidence of investors and financial partners. They know that projects labelled as green, social or sustainable are subject to rigorous monitoring, accompanied by reporting and communication in line with expected standards.

Finally, the City of Lyon's debt management strategy can be summed up in three key areas:

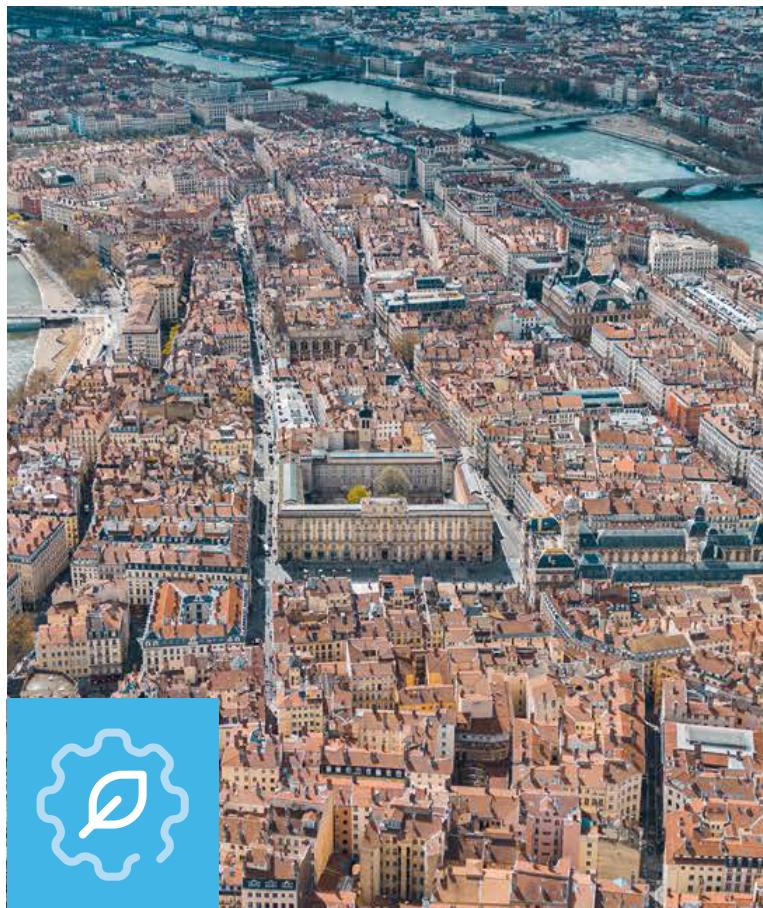
- Prioritising green, social and sustainable finance;
- Seeking competitive and flexible financing;
- Diversifying sources of funding.

How does the ESG framework transform the way debt is managed within the City of Lyon?

The ESG Framework for the City of Lyon's green, social and sustainable bonds is a strategic tool that goes beyond the financial sphere alone. It broadens the way debt is considered by involving a range of operational, technical and strategic departments whose activities are directly linked to eligible investments. This mechanism therefore strengthens cross-departmental collaboration and helps to build a shared culture around sustainable financing.

Within this framework, extensive dialogue is carried out with operational departments, including among others:

- The Construction Department (*Direction de la Construction*) and the Technical Building Management Department (*Direction Gestion Technique des Bâtiments*), to identify projects relating to energy renovation, improvements to the performance of school or sports buildings, or the deployment of low-carbon technical equipment;
- The Department of Urban Lighting (*Direction de l'éclairage Urbain*), for programmes to modernise lighting systems and reduce energy consumption;



- The Department of Biodiversity and Nature in the City (*Direction de la Biodiversité et de la Nature en Ville*), for projects involving renaturing, the extension of green networks and the creation of cooling islands;
- The Department of Urban Amenities (*Direction de l'Aménagement Urbain*), for public space projects that integrate energy efficiency, active mobility or sustainable stormwater management.
- The Mission for Ecological Transition (*Mission Transition Ecologique*), responsible for ensuring overall coherence with the City's climate commitments.

Based on this dialogue, raising funds through an ESG framework involves meaningful cross-departmental deliberation to validate the green, social and sustainable projects requiring financing. Departments must not only present their projects but also explain their energy, environmental or social impacts so that these can be properly assessed and reflected in the required reports (allocation, impact assessment, annual reporting).

Shaping capital markets for future generations



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