

CSR SECTOR POLICY – TRANSPORT INFRASTRUCTURE

1. Scope of the Policy

The present policy (the “Policy”) applies to all financings and investments activities and more broadly involvements of Crédit Agricole CIB (the “Bank”) that directly relate to the construction, the expansion, the operation, the acquisition and/or the ownership of land, sea and air transport infrastructure.

As part of this policy, the transport infrastructure concerned are defined by their ground coverage and precisely deal with airports, harbors, waterways infrastructures, railway stations, railways, mass transit transport infrastructure (tramways, metros), highways, roads and road structures (bridges, tunnels...).

Operation of infrastructure is understood here as operating, servicing, maintaining operations of the infrastructure itself and does not include services and commercial activities made possible by the installations. For illustrative purpose, with respect to an airport, the operation will include the management of aircraft, passenger and good flows on and inside the airport (excepted navigation control), but not the transport of passengers and goods by aircraft which is under the responsibility of airlines. The same difference applies in the railway sector where the infrastructure manager (railway stations, railways) must be distinguished from operators who market transport offers and operate trains.

The involvements of Crédit Agricole CIB related to transport services are covered by special CSR¹ Sector Policies (automotive, shipping, aviation CSR Sector Policies).

The Policy applies from the date it is published. Are excluded pre-existing activities in this sector, including commitments already made or business opportunities which are already at an advanced stage of negotiation.

The Policy will be reviewed from time to time.

2. Stakes and objectives of the Policy

Transport infrastructure allow vehicles², passengers and goods reception and management. They consist in installations necessary to make land, sea and air transport sectors viable and dynamic. They can play an important role in opening up certain territories and assure trade growth and economic development.

Transport infrastructure construction, expansion and operation activities have to take into account social and environmental considerations. They can trigger negative impacts in terms of biodiversity (ecosystems fragmentation, air and water pollution), human rights (economical and physical people displacements, labour force...). They can also cause pollution and nuisance, especially noise pollution.

The Policy comes as a supplement to the rules regarding transport policies from Countries and the investment policies from the clients of the Bank and is not intended to supplant them. It seeks to state the CSR analysis criteria and requirements of the Bank in the transport infrastructure sector, according to the identified societal issues. It supplements the implementation of the Equator Principles for transactions subjects to these principles.

¹ Corporate Social Responsibility

² Air, sea, waterway or land transport vehicles

3. Regulatory framework

Loans and investments in the transport infrastructure sector will be analyzed accounting for identified stakes and taking particularly into account the works and standards issued by or resulting from the following conventions, initiatives or organizations:

- the standards of the World Bank group and in particular the International Finance Corporation (IFC) Performance Standards and Environment Health and Safety Guidelines;
- the Ramsar Convention on Wetlands (Ramsar, Iran, 1971);
- the sites inscribed as World Heritage Sites by the United Nations Educational, Scientific and Cultural Organizations (UNESCO).

4. Analysis criteria

The Bank will analyze every transaction linked to the construction, expansion, operation, acquisition and / or ownership of a Transport Infrastructure according to the following criteria:

Capacity and commitment of the project or client to manage environmental and social risks and engage with stakeholders:

- safety of structures (geological surveys, seismic risk, materials quality, constructor experience);
- quality of the environmental and social impacts assessment;
- quality of the management plans;
- quality of accident management plans;
- consultation of affected populations and, if necessary, consent from indigenous peoples;
- setting up of a grievance mechanism at the project level;
- inter-States consultations in the event of cross-borders impacts;

Environmental commitments:

- potential impacts to biodiversity (in particular ecosystems fragmentation, important access to natural environments);
- discharge of pollutants and in particular emission of greenhouse gas;
- management of water resources;
- soil erosion;
- noise pollution;
- visual impacts, especially on landscapes;

Social and human rights commitments:

- labour rights and working conditions including compliance with International Labour Organization (ILO) core conventions³;
- quality of the migrant workers influx management;
- community health and safety;
- impact on local communities (physical or economical displacement of population);
- rights of indigenous people over traditional lands;
- impact on cultural heritage.

Concerning existing infrastructures, the various analysis criteria above will be used *a posteriori* (impacts observed on ecosystems, management of potential displacement of population, safety of the

³ ILO's 8 core conventions on fundamental human rights relate to elimination of forced and compulsory labour (C-29 and C-105), abolition of child labour (C-138 and C-182), elimination of discrimination in respect of employment and occupation (C-100 and C-111) and freedom of association and collective bargaining (C-87 and C-98)

facilities...). It will result into an overall positive or negative assessment of the project with respect to its social and environmental impacts.

5. Exclusion criteria

The Bank will not participate in transactions linked to the construction, expansion, operation, acquisition and/or ownership if aware of the following characteristics:

- critical impact on a protected area or on wetlands of international importance covered by the Ramsar Convention⁵,
- the project is located within a site listed on the UNESCO World Heritage list,

or when a significant non-compliance risk has been identified, unless it has received according to its own judgment, a satisfactory reply concerning:

- the IFC Performance Standards⁴ (or similar standards when a export credit agency or a multilateral institution is involved in the financing) or the Environment, Health and Safety Guidelines, in particular with respect to:
 - establishing an ESMS⁵
 - protection of the fundamental rights of the workers
 - forced displacement of population
 - rehabilitation and closure plans
 - biodiversity conservation
 - impact on critical natural habitats
 - consent from Indigenous People⁶
 - protection of cultural heritage
- public consultation or, when necessary, consent from affected indigenous peoples;
- inter States consultation in the event of major cross-borders impacts.

6. Implementation

Where the transaction is directly linked to the construction, expansion, operation, acquisition and/or ownership of a transport infrastructure, the project will be assessed against all the analysis criteria above and the Bank will seek to determine if an exclusion criterion exists.

If an exclusion situation is identified or if the outcome of the general assessment is negative, the Bank will not participate in the transaction. Any potential exception will be dealt with in accordance with section 8 below.

Compliance with the environmental and social management plans and conditions will be monitored in cooperation with the sustainable development specialists of the Bank from the beginning of the transaction and along the life of the financing as part of the annual review process of the transaction.

Where the transaction is an advisory mandate, the Bank will seek to promote the principles included in this Policy. The Bank will not enter into an advisory mandate when aware at the date of the mandate that the envisaged project definitely exhibits an exclusion criterion. When considering financing a project for which the Bank has acted as financial advisor, it shall only do so in compliance with the present Policy, including in respect of the exclusion criteria.

⁴ Compliance with the Performance Standards is assumed in High Income OECD Countries, provided that satisfactory due diligence on Environmental and Social issues has been duly performed.

⁵ Environmental and Social Management System

⁶ As defined by IFC Performance Standards relative to Indigenous People

7. Involvement of the Bank not linked to a specific transport infrastructure

Some transactions are not directly linked to the construction, expansion, exploitation, acquisition and / or ownership of one or several specific transport infrastructure but nonetheless fall within the scope of implementation of the Policy. This is particularly the case for activities of a “corporate nature” in favour of companies significantly active in the transport infrastructure sector.

The Bank expects from its clients that they implement good practices and that they have a behaviour enabling to limit their Environmental & Social impacts in accordance with section 4 of the Policy.

The regulatory framework in which the client operates should entail compliance with the principles set out in the Policy for activities located in High Income OECD Countries.

In other cases, the client’s policy will be assessed against the principles set out in the Bank’s Policy on the occasion of the annual review of the relationship. The bank will also assess whether the client monitors and assesses⁷ impacts and mitigation measures, and is publicly reporting on these aspects (website, annual report⁷,...).

If a significant difference is noted between the client’s and the Bank’s policies, the CERES committee’s recommendation will be required.

A decision to start a relationship with a new counterparty within the scope of the Policy will be made only after due analysis of the above criteria. This analysis will have to confirm, if appropriate in CERES meeting, that the client’s practices are in line with the principles set out in the Bank Policy.

The assessments will be made on the basis of public information or information provided to the Bank by the client.

8. Exceptional circumstances

Those transactions which would involve significant uncertainties in terms of compliance with the Policy will be submitted to the CERES committee, for recommendation. If the committee considers that the transaction does not comply with the Policy, it will be referred to Crédit Agricole CIB Executive Management for a final decision following the credit process (Counterparty Risk Committee).

9. References and glossary

IFC Performance Standards and Environmental, Health and Safety Guidelines:
<http://www.ifc.org/ifcext/sustainability.nsf/Content/PerformanceStandards> and
<http://www.ifc.org/ifcext/sustainability.nsf/Content/EHSGuidelines>

Voluntary Principles on Security and Human Rights:
http://www.voluntaryprinciples.org/files/voluntary_principles_english.pdf

Wetlands of international importance covered by the Ramsar Convention:
http://www.ramsar.org/cda/fr/ramsar-documents-list/main/ramsar/1-31-218_4000_1

Site listed on the UNESCO World Heritage list:
<http://whc.unesco.org/fr/list/>

United Nations : Principles for Responsible Investment (PRI) :
<http://www.unpri.org/>

⁷ Reporting according to the Global Reporting Initiative is regarded as a good practice.