

# ACTING FOR THE CLIMATE



## OUR CONTRIBUTION TO CARBON NEUTRALITY BY 2050

WORKING EVERY DAY IN YOUR INTEREST  
AND FOR SOCIETY



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# EDITORIAL



# EDITORIAL

The Crédit Agricole Group has placed ecological transition and social utility at the heart of its Purpose and its development strategy. Our mutualist model encouraged us from the very beginning to support the transformations of society, from the electrification of the countryside in the past, to the climate transition we are facing today.

It has now decided to use the strength of its universal banking model to support the transition to carbon neutrality by 2050. Crédit Agricole continues its role as a committed player by equipping all its customers, from the most modest households to large international companies, with solutions and services based on green energy. The climate emergency has forced us to speed up the switch to renewable energies from fossil fuels, while pursuing the major challenge of making the energy transition accessible to all of society.



**Philippe BRASSAC**

Chief Executive Officer of Crédit Agricole S.A.

Our method for decarbonising our financing and investment portfolios and contributing to carbon neutrality consisted of selecting the 10 most emitting sectors, which represent 75% of global GHG emissions and 60% of Crédit Agricole S.A.'s outstandings, and defining a trajectory for each sector. At the end of 2022, we started by publishing 5 decarbonisation trajectories covering: oil and gas, electricity production, automotive, commercial real estate and cement. At the end of 2023, we will publish decarbonisation targets for the other 5 sectors: aviation, shipping, steel, residential real estate and agriculture. This guide is a reminder of our commitments and explains the details of our methodology.

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# OUR CLIMATE STRATEGY

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# INTRODUCTION

Faced with numerous yet pressing challenges – large-scale alteration of the climate, environmental degradation and loss of biodiversity, social cohesion, geopolitical instability... – human societies, everywhere across the globe, must now solve a new equation.

It involves successfully transforming, in the space of just a few years, the economic and social model on which these societies have been built for more than 150 years. A model based on the simultaneous growth of wealth production, providing economic and social prosperity, together with greenhouse gas emissions, of which climate and ecosystem upheavals are the direct consequences.

Evidence of the climate crisis is harsher and more pronounced with every passing year and combined with repeated warnings from the scientific community, this has brought about a growing awareness at international level. Everyone agrees on the urgent need to resolve this equation in order to achieve the decarbonisation of economies and societies and thus hope to contain global warming below the 1.5°C threshold by the end of the century.

For scientists, the solution to this equation requires a drastic reduction, starting today, in the quantity of greenhouse gases emitted into the atmosphere and a parallel increase in the

sequestration of residual emissions in carbon sinks, a double movement that should make it possible to reach the emission equilibrium point by 2050, commonly referred to as “carbon neutrality” or “Net Zero Emissions”.

Aware of the immensity of the task as well as of the categorical imperative it imposes, of the singular place of the financial sector in this equation, and of its role as the world’s leading cooperative bank, leading European asset manager and leading financier of the French economy, the Crédit Agricole Group is resolutely committed to acting responsibly. For the Group, it is a question of contributing fully to this collective effort intended to support the radical metamorphosis of our economic model towards carbon neutrality while avoiding any sudden social and democratic disruptions.

This is why, in 2021 and 2022, it joined the “Net Zero” alliances of the financial sector, through which the Crédit Agricole Group has undertaken to contribute to achieving planetary carbon neutrality by 2050. To put this commitment into action, the Group initiated the **“Net Zero by 2050 project”**, a vast methodological and operational project involving all of its businesses, in order to define trajectories for reducing GHG emissions and specific action plans for its own activities as well as for its investment, financing and insurance portfolios.

The purpose of this document is to explain the methodological foundations and the **“roadmap”** of this Net Zero by 2050 project intended to lay the groundwork for the “transition plan” towards the Group’s carbon neutrality.

It is structured around two main parts. The purpose of the first is to enable the reader to understand the strategic framework for reflection and action used to develop this project: on the one hand, the particularly complex and demanding environmental and social context currently in place today and on the other hand the historical commitments and decisions taken by the Group in recent years which have shaped the basis of its climate strategy:

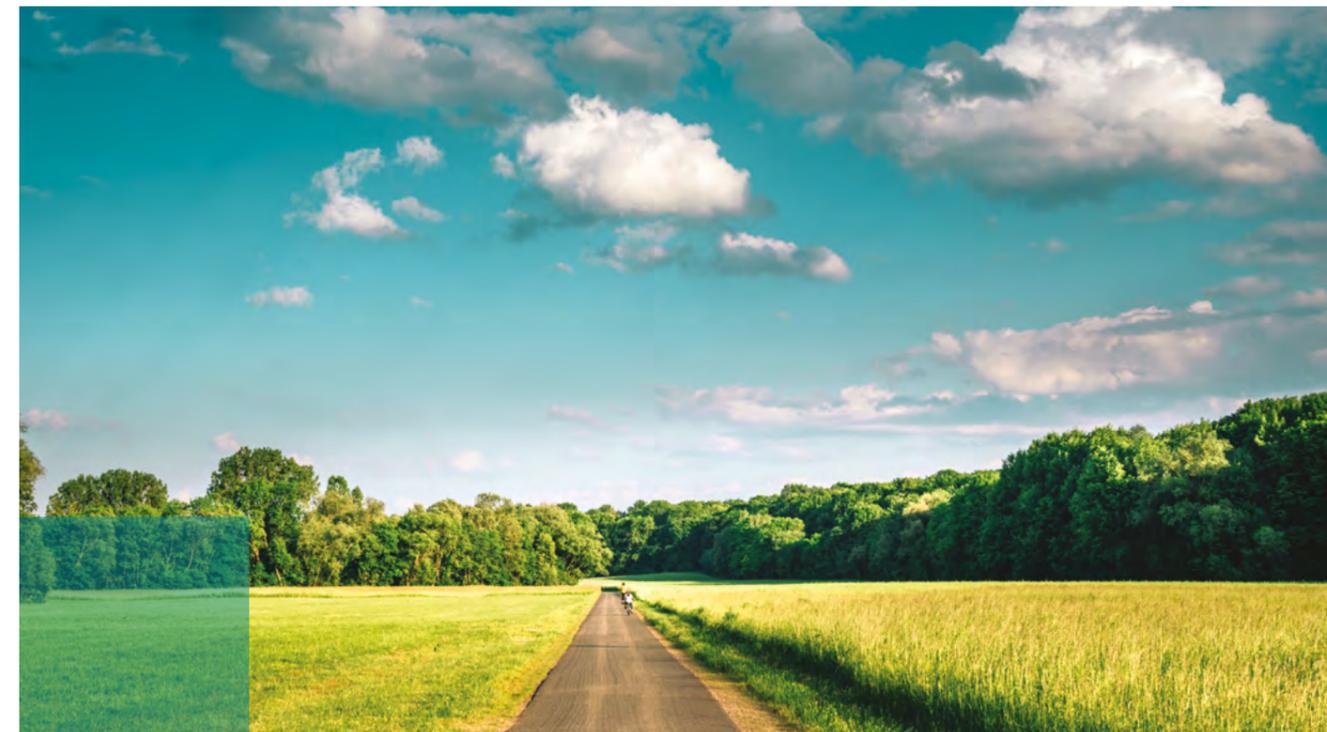
- Adoption of a **Purpose** making social utility the focus of its value creation model;

- Definition of a Societal Project structuring all of the Group’s actions and businesses around 3 pillars of commitments (climate, social, agricultural);

- Development of a science-based **climate strategy**, aiming to align as of 2019 the Group’s financial flows with the trajectory of the Paris Agreement, followed by the carbon neutrality goal from 2021;

- Creation of offers designed to accelerate the use of **renewable energies and low-carbon solutions** to equip all of the Group’s customers;

- Constant confirmation of the need to **gradually phasing out fossil fuels** in order to achieve carbon neutrality by 2050, while ensuring that this transition is socially just.



The second part of this document describes the decarbonisation trajectories and action plans, both defined by each of the Group’s businesses to reduce not only GHG emissions related to operating activities, but also and above all, emissions related to financing, investment

and insurance portfolios. In particular, the methodological choices adopted to develop decarbonisation targets and trajectories for the most emissive sectors of its financing portfolios for which work has been carried out to date is described.

# 1- OUR VISION FOR A JUST TRANSITION

## 1.1 A COMPLEX GLOBAL CONTEXT UNCERTAIN BUT PROMISING

In 2022, extreme heat waves, historic droughts, floods and mega-fires ravaged the planet, affecting millions of people and causing billions of dollars in economic losses. Proof that the profound disruption of our climate offers no respite, the last eight years have been the hottest on record, according to the World Meteorological Organization (WMO<sup>(1)</sup>). In France, 2022 was the hottest year ever recorded according to Météo France.

While the global temperature has already increased by 1.2°C since the pre-industrial era, global CO<sub>2</sub> emissions have continued to grow in 2022<sup>(2)</sup> due to the effect of human activities and in particular the combustion of fossil fuels (coal, oil and gas), despite the short break linked to the pandemic. If nothing is done to curb this rise, the planet will experience a warming of more than 2.5°C on average by the end of the century<sup>(3)</sup>, far from the targets of the 2015 Paris Agreement aimed at limiting it to well below 2°C and if possible to 1.5°C.

*"We are heading for a global catastrophe"*, warned the UN Secretary General, Antonio Guterres, two weeks before COP27 (November 2022), denouncing the glaring insufficiency of the efforts of the international community to stem the climate crisis.

This alert is in addition to those raised for several decades already by IPCC scientists.

But scientists have also taught us that this threat is not a foregone conclusion. The last part of the 6th IPCC assessment report

highlighted concrete solutions to limit global warming to 1.5°C by the end of the century. According to experts, the sine qua non condition for hoping to reach this temperature target is to achieve carbon neutrality by 2050, that is to say at the point of balance between GHG emissions and removals achieved on a planetary scale. Achieving this so-called *"net zero emissions"* point (also called: *"Net Zero"*), requires above all a drastic reduction in the emissions produced, followed by the carbon sequestration of residual emissions into natural and/or technological carbon sinks.

### CARBON NEUTRALITY: WHAT ARE WE TALKING ABOUT?

According to ADEME<sup>(4)</sup>, *"carbon neutrality aims to offset, on a global scale, any greenhouse gas (GHG) emissions resulting from human activity by sequestration of equivalent quantities of CO<sub>2</sub>, i.e. keeping them out of the atmosphere over the long term. In other words, it is a question of sequestering as much carbon as we emit so as to stabilise the level of concentration in the atmosphere and thus limit a rise in the global temperature of the planet."*

ADEME adds that *"the objective of carbon neutrality only really makes sense on a planetary scale. Through the Paris Agreement, countries are therefore coordinating to achieve it by the second half of the 21<sup>st</sup> century. To do this, each one sets national strategies to achieve this target. Carbon neutrality - as a balance between emissions and the sequestration of GHGs - cannot work on any scale (subnational territory, organisation, companies, associations, communities, product or service) other than a planetary level or countries working together as part of the Paris Agreement."*

The IPCC emphasises that this objective, while arduous and ambitious, is nevertheless technically within our reach. Solutions for replacing fossil fuels with low-carbon energy sources, implementing nature-based carbon dioxide elimination processes, or changing our lifestyles and consuming less energy, all exist today.

Yet, it is still imperative that these solutions are implemented in a proactive and coordinated manner on a global scale. Indeed, meeting the climate challenge does require a radical transformation of the economy and lifestyles that will only be possible through comprehensive and ambitious political action by all stakeholders at a global level.

Unfortunately, this climate and environmental transition must now take place in a particularly complex and uncertain geopolitical and social context: aftermath of the Covid health crisis, the war in Ukraine, volatility of energy prices,

the return of global inflation, agricultural shortages, rising social inequalities, societal expectations in terms of health, food, etc. But this high-risk situation for the ecological transition has actually reinforced the need to accelerate the switch to a low-carbon economy. Paradoxically, it also contributes to speed up environmental action because it promotes a return to state interventionism, with measures being considered that until now seemed impossible, such as a tax on fossil fuels or on air and sea transport.

Despite the increased use of fossil fuels by some governments to try to offset the effects of this situation, the global energy crisis triggered by Russia's invasion of Ukraine has also prompted many countries to turn to other energy sources to replace Russian natural gas supplies.

2022 thus saw an unprecedented acceleration at global level of the deployment of renewable energies and electric vehicles.

**(1)** The World Meteorological Organization (WMO). **(2)** The concentrations of CO<sub>2</sub> or methane have reached new records. These are the highest levels in more than 2 million years for the first greenhouse gas and more than 800,000 years for the second, emissions have continued to rise in 2022. (IPCC (2023). Climate Change 2023: Synthesis Report of the IPCC Sixth Assessment Report.) **(3)** United Nations Framework Convention on Climate Change (2022). 2022 NDC Synthesis Report. **(4)** <https://presse.ademe.fr/2021/04/avis-de-IADEME-tous-les-acteurs-doivent-agir-collectivement-pour-la-neutralite-carbone-mais-aucun-acteur-ne-devrait-se-revendiquer-neutre-en-carbone.html>

# 1- OUR VISION FOR A JUST TRANSITION

According to Fatih Birol, Executive Director of the International Energy Agency (IEA), *“the encouraging news is that solar and wind are filling much of the gap, whereas the uptick in coal appearing to be relatively small and temporary<sup>(5)</sup>”*. In fact, the CO<sub>2</sub> intensity of the global energy supply improved slightly in 2022 (after deteriorating in 2021, with the strong economic recovery following the pandemic). Without this record deployment of low-carbon solutions, the increase in global CO<sub>2</sub> emissions this year would have been much higher – more than triple, reaching nearly one billion tonnes.

The director of the IEA wants to believe that the measures taken by governments in 2022 are likely to bring about structural changes in the energy economy. These changes are expected to accelerate thanks to the major clean energy strategic plans that have been moving forward around the world in recent months.

The European Union has indeed been able to react quickly, in particular with its REPowerEU plan, which reinforces its *“Fit for 55”* roadmap, while ensuring the energy security of the 27. In the last months of 2022, the European Parliament agreed on major aspects of the Green Deal by adopting an important series of legislative texts: priority to renewable energies now presumed to be of greater public interest, ban on the sale of new thermal cars from 2035, reform of the carbon market, introduction of a carbon tax at borders, ban on importing products from deforestation, progress on corporate climate reporting and their transition plans.

In response to the energy and climate crisis but also to the *Inflation Reduction Act*, the American law for massive investment in low-carbon technologies (nearly \$400 billion), the EU presented its *“Green Deal Industrial Plan”*, the main focus of which will be the *“Net Zero Industry Act”* (Regulation for a carbon neutral industry). Complementing the measures adopted under the REPower EU Plan,

the objective of which is to bring about *“clean European technology by 2030”* in the words of the President of the European Commission at the Davos Summit, this regulation must contribute to reaching or even exceeding the target of a 55% reduction in GHG emissions by 2030 in the EU (compared to 1990).

For its part, France also intends to accelerate the decarbonisation of its industry. To halve the GHG emissions of the 50 highest-emitting manufacturers, the government has asked them to detail decarbonisation roadmaps (transition plans), a condition for obtaining new credits from the France 2030 Plan.

In this changing and demanding context, a concerted effort by all players involved is essential to move towards the transformation of our model of society: public authorities, companies, as well as each of us.

Faced with this challenge affecting our lifestyles, financial institutions must do their part to finance the transition in accordance with the most recent scientific data. The IPCC thus estimates that at global level, between now and 2030, it is necessary to multiply by 2 to 7 the financial flows for energy efficiency, by 10 to 31 for agriculture<sup>(6)</sup>. In France, ADEME estimates that it is necessary to reduce energy demand by 23% to 55% by 2050 compared to 2015 depending on the scenarios<sup>(7)</sup>, but also, for example, to multiply by 11 the installed solar power capacity.

For several years, the Crédit Agricole Group has been convinced that the financial sector must get involved in the challenge, as access to financing is crucial to find the necessary resources to achieve global carbon neutrality by 2050.

This is why the Crédit Agricole Group is now more committed than ever to contributing to this global target in order to further amplify its action.

## 1-B THE GROUP'S SOCIETAL PROJECT WORKING FOR A JUST TRANSITION CLOSER TO THE TERRITORIES

### Working for a just transition

According to the World Bank, for the first time in more than 20 years, the global rate of extreme poverty increased in 2020, as a result of the Covid-19 pandemic<sup>(8)</sup>.

In a context marked by social imbalances, the Group is convinced of the importance of combining sustainability and social cohesion in the service of just climate transition. The Paris Agreement of 2015, and more recently the COP27 with the establishment of the Loss and Damage Fund for climate-vulnerable countries, have underlined the importance of the notion of *“just transition”*.

To succeed, the metamorphosis of our economic model must be socially acceptable and supported by the public. It must also be supported by coordinated political efforts at a global level.

In fact, achieving our climate objectives cannot be dissociated from a constantly renewed commitment to social cohesion, ensuring the protection of the most vulnerable players, people with low incomes, small businesses which would find themselves weakened by overly demanding contractors. While the transition to a low-carbon economy is unavoidable, it must not be made to the detriment of jobs, consumers and future generations, but on the contrary, it must make it possible to move towards a more inclusive economy.

A just and responsible transition requires convincing and involving all stakeholders, it needs to be shared and adjusted, without currents injunctions letting us lose sight of the final goal. It can only succeed if it is based on a clear vision of the real social project defined in a transparent, collective and pragmatic way and makes sure that nobody is left by the wayside. Moreover, it can only succeed if everyone is on board and driving their own change.

The Crédit Agricole Group wants to use and implement this transformative vision every day in all its businesses, through its Purpose defined in 2019: *“Working every day in the interest of our customers and society”*. It is on this Raison d’Être that it has built its Societal Project, an expression of its commitment to social utility, deployed in all of its entities.

The Crédit Agricole Group has thus decided to use the strength of its universal banking model to support the transition to carbon neutrality for as many people as possible. By equipping all of its customers, from large international companies to the most modest households, with products and services using green energies and by constantly adopting a process of innovation and progress, Crédit Agricole continues its role as a player engaged in major societal transitions.

(5) Defying expectations, CO<sub>2</sub> emissions from global fossil fuel combustion are set to grow in 2022 by only a fraction of last year's big increase - News - IEA. (6) Source: IPCC (2022). Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change. (7) ADEME (2021). Transition(s) 2050: the time for acting for the climate is now.

(8) World Bank (2022). 2022: the year in numbers.

# 1- OUR VISION FOR A JUST TRANSITION

**ERIC CAMPOS**

CEO of Crédit Agricole Transitions & Energies and Head of the Societal Project



*We contribute to the construction of a low-carbon economy by following the path of a just transition with what makes the cement and the singularity of our group: the knowledge and the respect of the ecosystems, the respect of the actors and their history, the desire to leave no one by the wayside, individual support for each project and of course the desire to ensure the economic development of the communities where we operate.*



## Combining universality and social utility

In 2019, the Group strengthened its commitment by formalising the Societal Project, which has since continued to strengthen and gain in scope. This Group roadmap is driven by the desire to support all its customers in the climate transition, and to position itself as a facilitator and accelerator of all societal transitions.

To deploy this strategy, the Crédit Agricole Group relies on the uniqueness of its local universal banking model, its community of elected officials and members and the collective power of its businesses and entities. In a world where local action is becoming a driving force for the economy and social cohesion, the Group's anchoring within the territories is a major asset in supporting the acceleration of their transformation through innovative and solidarity-based economic and social solutions.

The Societal Project is also based on the group's historical model, combining social utility and universality, and on its DNA as a player involved in major societal transitions.

Social utility, which has always guided Crédit Agricole's action, consists of working in the interest of society as a whole, making progress accessible to all and supporting changing needs and major societal transformations.

Universality is utility serving the greatest number of people possible. Crédit Agricole is committed to serving everyone, from those with modest means to the wealthiest, from micro-enterprises to large international groups, across all territories and distribution channels.

It is the combination of social utility and universality that enables Crédit Agricole to position itself as a global and sustainable relationship bank, with the largest customer base in Europe and competitive and innovative businesses at their service.

The Group's Societal Project experienced a strong acceleration at the end of 2021 through a broad collective mobilisation of all its entities, employees and managers, all elected officials. This mobilisation made it possible to implement the societal goals of the Group through a programme plan consisting of 10 commitments which revolve around three collective commitment topics:

- **Acting for the climate and transition towards a low-carbon economy**
- **Strengthening social cohesion and inclusion**
- **The success of agricultural and agri-food transitions.**

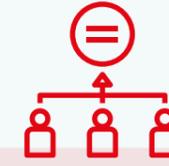


**Acting for the climate and transition towards a low-carbon economy**

**#1 Contribute** to carbon neutrality by 2050 for our own footprint and for our investment and financing portfolios

**#2 Advise** and support 100% of our customers in their energy transition

**#3 Incorporate** extra-financial performance criteria in the analysis of 100% of our financing to businesses and farmers



**Strengthening social cohesion and inclusion**

**#4 Propose** a range of offers that does not exclude any customer, to promote social and digital inclusion and adapt to economic and societal changes

**#5 Contribute** to the revitalisation of the most fragile regions and reduce social inequalities

**#6 Promote** the integration of young people through employment and training

**#7 Amplify** gender equality and diversity in all Crédit Agricole entities as well as in Management



**Successfully achieving agricultural and agri-food transitions**

**#8 Support** changes in technology geared towards a competitive and sustainable agri-food system

**#9 Enable** French agriculture to actively contribute to the fight against climate change

**#10 Help** to strengthen food sovereignty

Through this special **"Programme Plan"**, Crédit Agricole intends to further increase the impact of its actions for its 53 million customers (individuals, professionals and farmers, businesses) to make these three closely interconnected (climate, social and agricultural) transitions just and accessible to all.

Aware of the acuteness of the climate crisis and of its responsibility as the leading finance company in the French economy, the Group has included the markers of its climate strategy in its first action item: "Acting for the climate and transition towards a low-carbon economy".

**Starting in 2019, in line with its climate strategy and within the framework of its Ambitions 2022 plan, Crédit Agricole S.A. set itself several objectives:**

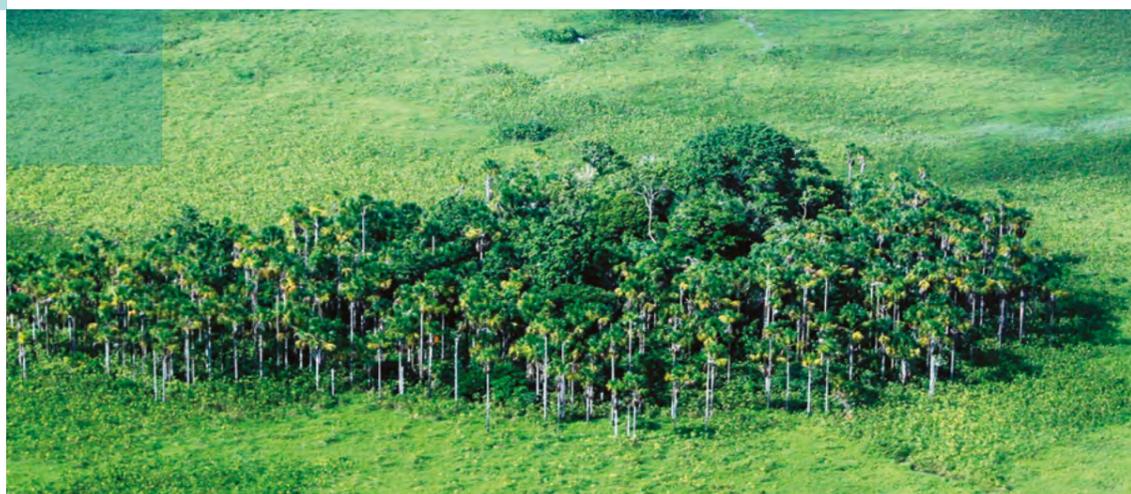
- **finance one out of three renewable energy projects** in France by 2022, in order to consolidate the Group's leading position in the French market and become a major player in the sector in Europe;
- **double the size of the green loan portfolio** to reach €13 billion by 2022 (€16 billion reached at 31<sup>st</sup> December 2022);
- **establish a fund of €300 million to develop environmental transition projects;**
- **double green investment portfolios to €12 billion** for institutional customers, and triple the Retail portfolios to 10 billion euros.

# 2-ACTING FOR THE CLIMATE AND A LOW-CARBON ECONOMY

Crédit Agricole has for many years demonstrated its commitment to fighting global warming and to the energy transition. The Group therefore joined the pioneering climate finance initiatives from the very beginning. Since 2003, it has been a signatory of the Equator Principles, the United Nations Global Compact, the Climate Principles in 2008, the Science Based Targets initiative since 2016, the Principles for Responsible Banking in 2019, the Principles for Responsible Investment in 2011 and the Principles for Sustainable Insurance in 2021.

Starting in 2010, it positioned itself as a pioneer in climate finance by becoming one of the world leaders in the structuring and issuing of Green Bonds and co-founder of the Green Bonds Principles. The Crédit Agricole Group was also one of the first companies that decided to measure and limit the potential negative impact of its activities on the environment and climate through innovative and ambitious initiatives: estimate of the carbon footprint of its portfolios from 2011, implementation of sectoral policies on fossil fuels including its refusal to finance the Arctic offshore in 2012, and to stop project financing for mines and coal-fired power plants from 2015.

In 2019, our climate strategy, based on science, was focused on aligning the Group's financial flows with the trajectory of the Paris Agreement. Since 2021 and the Group's membership to the four alliances<sup>(1)</sup> of the "Glasgow Financial Alliance for Net Zero", our course has been set with the objective of contributing to carbon neutrality in accordance with the Net Zero by 2050 scenario of the International Energy Agency.



(1) Net Zero Banking Alliance, Net Zero Asset Owner Alliance, Zero Asset Managers initiative and Net Zero Insurance Alliance

## Our strategy is based on the combination of three components:

### 1 Accelerate the advent of renewable energies

To achieve carbon neutrality by 2050, France must produce 60% more electricity than today, of low-carbon origin, having planned to reduce nuclear production to 50% of needs, by multiplying by ten the total power of the solar production plants and by four the production capacity of offshore and onshore wind energy plants. In addition to nuclear power, whose strategic place in the energy mix has been reaffirmed, renewable energies carry a promise that goes beyond their strict environmental interest. These local energy systems can be a promising asset for the industrial sector. Recent studies have actually shown that the breeding ground for this new coupling between the energy system and industrial production is often located in medium-sized towns which may constitute the new industrial cradle of France. These new infrastructures call on local resources and jobs that cannot be relocated. They promote short energy consumption circuits, contribute to the development of local VSEs and SMEs and generate employment in the regions. All of our financing and investment businesses are therefore instructed to support the development of the renewable energies sector.

### 2 Equip all of the Group's customers with low-carbon solutions and support the society in its transitions

The energy strategy of nations is based on two major projects: massively produce low-carbon energy, on the one hand, and adopt energy conserving behaviours that are more respectful of the finiteness of the planet's resources, on the other. This conservation approach is not in conflict with prosperity, but actually becomes a key component of it. The Energy Transition is driven by the regulatory context. By its nature it applies to everyone, i.e. our customers, and must be carried out quickly so that the commitments made by France and the European Union are fulfilled. The efforts required to comply with the regulations create the conditions for the development of new services upstream (advice, diagnostics) and downstream (tools

for monitoring consumption and management of the equipment fleet) of the value chain. The energy savings sought are based on a major overhaul of production processes for goods and services, on the sustainable adoption of eco-behaviours, the massive continuation of housing renovations, the renewal of the motor vehicle fleet and, more generally, on the decarbonisation of all sectors of the economy.

### 3 Gradually phasing out the use of fossil fuels

The energy crisis at the end of 2021, as well as the fact that 80% of the global energy mix is still based on fossil fuels, remind us to what extent our economies are dependent on these energies. If the financial sector suddenly stops financing these sectors, the world economy will collapse. This is why Crédit Agricole is working on a project to gradually phase out fossil fuels in line with the net zero by 2050 trajectory of the International Energy Agency, taking greenhouse gas emissions as an indicator in absolute value while ensuring that players in the sector succeed in rapidly transitioning to low-carbon energy production. The withdrawal must take place at a steady somewhat accelerated pace. To do this, we are taking the following steps: assess our exposure to fossil fuels, set divestment objectives by determining the amount and timing of the divestment, develop a transition strategy to determine the commitment to low-carbon sectors (investments in renewable energy projects, energy transition initiatives, etc.), communicate on the actions taken to raise awareness among stakeholders of the necessary transition to sustainable finance and, lastly, monitor progress in order to adjust our strategy if necessary according to changes in the financial markets or developments in public policies.

Divesting from fossil fuels is a key initiative in the energy transition and the fight against climate change. We are convinced that this disengagement and engagement approach also responds to a growing demand from our customers for a contributory finance.

# 2-ACTING FOR THE CLIMATE AND A LOW-CARBON ECONOMY

## 2-A ACCELERATE THE ADVENT OF LOW-CARBON ENERGIES

As it is already one of the world leaders in green bond issues and the leading private financier in France of renewable energies<sup>(1)</sup>, the Crédit Agricole Group wants to continue its commitment in this direction and take on an even more active role in the energy transition.

**All of the Group's businesses are committed to the development of renewable energies.**

- Unifergie, a subsidiary of CAL&F, is committed to doubling the annual financing of renewable energy by 2025 (from 1 to 2 billion of commercial production). As of 31<sup>st</sup> December 2022, Unifergie has already financed renewable energies and energy efficiency projects of more than 1 billion euros (production in 2022), which represents the equivalent of 865 megawatts.
- The Crédit Agricole Group's corporate and investment bank, Crédit Agricole CIB is very committed to structuring financing dedicated to the decarbonisation of the global economy. Among the world leaders in green and sustainable bonds, Crédit Agricole CIB has an extensive range of financing that can be adapted to the needs of its private or institutional customers. This entity is committed to accelerating in this direction with the goal of increasing its exposure to non-carbon and low-carbon energy by 60% by 2025 and to accelerating the development of its platform dedicated to the consulting and financing of hydrogen projects. Crédit Agricole CIB also supports its customers in their transition by financing renewable energies projects, low-carbon assets and transition in various sectors (Real estate, Transport, etc.) or even energy efficiency. The portfolio of green assets ("Green Loan

Portfolio") financed by Crédit Agricole CIB amounted to 16 billion euros at the end of 2022. Lastly, Crédit Agricole CIB has been developing innovative solutions for its customers for years, with for example the implementation in 2022 of green Repo transactions or investment solutions including a carbon offset mechanism.

	"Green" operations carried out by Crédit Agricole CIB at the end of 2022
<b>Global Green social and sustainable bonds</b>	<b>\$33.7 billion</b>
<b>Global Green bonds</b>	<b>\$18.9 billion</b>
<b>Global Social bonds</b>	<b>\$10.6 billion</b>
<b>Global all ESG bonds<sup>(1)</sup></b>	<b>\$36.3 billion</b>
<b>EMEA Green social and sustainable bonds</b>	<b>\$29.4 billion</b>
<b>Global Green social and sustainable bonds - SSA</b>	<b>\$20.4 billion</b>
<b>Green loans (bookrunner)</b>	<b>\$3.4 billion</b>
<b>Sustainability linked loans (bookrunner)</b>	<b>\$17.9 billion</b>

(1) Source ASF, scope of SOFERGIE



- In addition, LCL is involved in supporting the transition of its customer companies via impact financing, as an arranger or bilateral lender. For its SME and mid-caps customers, LCL structures and arranges "impact financing" broken down into two categories:
  - earmarked financing - green loans/social loans where the funds are allocated directly to an asset or a project with environmental or social benefits;
  - indexed financing or - sustainability-linked loans - which are financing operations whose margin is indexed to ESG performance criteria specific to the company. In addition, LCL supports its Business customers in their transitions and finances projects identified with an environmental benefit according to certain criteria of the European taxonomy, via earmarked financing. This comprehensive offer allows customers

to align their CSR strategy with the financing of their development. LCL's target is that more than 50% of its business loans take the form of impact financing by 2025. At the end of 2022, 26% of the financing provided to companies was impact financing.

- As a major institutional investor in the energy transition in France, Crédit Agricole Assurances is continuing its investments in renewable energies and is committed to ensuring that its investments in renewable energies installations reach the production capacity of 14 GW by 2025 (compared to 5.2 GW at the end of 2020), i.e. the equivalent of the average annual consumption of more than 5 million households in France. At the end of 2022, Crédit Agricole Assurances's contribution made it possible to reach a total installed capacity of 11.8 GW.

# 2-ACTING FOR THE CLIMATE AND A LOW-CARBON ECONOMY

## THE COMMITMENT OF THE REGIONAL BANKS: EXAMPLE OF CRÉDIT AGRICOLE DU LANGUEDOC

**In terms of renewable energies production**, the Languedoc Regional Bank provided €185 million in financing in 2021 to bring the outstanding amount to €1 billion. It currently finances 300 power plants, i.e. 500MW. In addition, equity investments have been made to co-invest with project leaders up to €33 million, which will be increased to €60 million by 2025.

**To promote future energy solutions in the regions**, the Languedoc Regional Bank provides debt and equity support for the Eolmed off-shore wind farm pilot project off the coast of Gruissan. It also supports Genvia, a hydrogen factory based in Béziers.

**The Regional Bank also supports its customers in terms of own consumption and energy efficiency** by offering turnkey “*transition*” services in cooperation with local partners: technical and economic study, installation, maintenance, financing, even porting of the investment.

## Creation of Crédit Agricole Transitions & Energies

For the benefit of customers and the economic development of the territories, considerations that took place within the framework of Crédit Agricole S.A’s last Medium-Term “*Ambitions 2025*” Plan, led to the creation, beyond the amplification and acceleration of the development trajectory of Crédit Agricole by 2025, of a new business within the Group, through the creation of the entity Crédit Agricole Transitions & Energies (CA T&E).

By relying on the experience of new energies and energy transition sector of the Group’s entities as well as on industrial and strategic partnerships, this new business aims to bring the Group into the world of production and supply of renewable energy beyond the financing and investment activities in which it is already the leader in France.

will also develop its role as an aggregator and marketer of corporate PPAs benefiting from the backing of carbon-free energy production parks developed and operated by partner developers or production parks owned by Crédit Agricole. Initially, Crédit Agricole Transitions & Energies plans to enable local authorities to supply their public assets with electricity from renewable sources produced locally, in order to encourage them to promote the development of new renewable energy installations in their territory, to promote the sharing of value between producers and local authorities and to secure the energy supplies of local authorities in terms of both volume and price over the long term.

Like financing, energy appears to be the second source of oxygen for a new competitive and sustainable economy. Investing in the sustainable energy value chain is a strategic turning point for the Crédit Agricole Group to establish itself as a leader in the advent of a low-carbon economy. To take on and affirm this new role, the Crédit Agricole Group must be able to support the transition of economic players, private or public, natural or legal persons, towards decarbonisation and, adaptation to climate change and at the same time, produce and supply renewable energy to promote its use.

To promote the production of renewable energies in the heart of the territories, Crédit Agricole Transitions & Energies plans to cover the entire production and sale of carbon-free energy value chain. This will involve strengthening the Group’s position as a financier and investor in the development of renewable energy parks alongside developers with whom Crédit Agricole has already partnered, or even other independent developers in the heart of the regions. Crédit Agricole Transitions & Energies



## Indicators and targets

	Financing	Investment portfolio and investments <sup>(5)</sup>	Savings and asset management
As of 31/12/2022	<p><b>No. 1</b> 1<sup>st</sup> financier of renewable energies in France<sup>(1)</sup></p> <p><b>€26.3 billion</b> Settlement of green, social and sustainable bonds<sup>(2)</sup></p> <p><b>€16.2 billion</b> Green loans (CACIB)</p>	<p><b>No. 1</b> CAA 1<sup>st</sup> institutional investor of renewable energies in France (<b>11.8 GW</b>)<sup>(6)</sup></p> <p><b>€20.4 billion</b> Cash invested by the CAG in <b>green, social and sustainable bonds</b></p>	<p><b>€440 million</b> Invested by AET Amundi funds<sup>(7)</sup></p> <p><b>€21 billion</b> Outstandings invested in labelled responsible account units<sup>(8)</sup> (CAA)</p> <p><b>€1.7 billion</b> Invested in the LCL Climate Impact range of funds</p>
Objectives for 2025	<p><b>&gt;50 %</b> Sustainability Linked Loans<sup>(3)</sup> in the production of new credit to LCL businesses by 2025<sup>(4)</sup></p> <p><b>1 out of 2 new vehicles</b> Financed by CACF by 2025 (hybrid or electric)</p>	<p><b>14 GW</b> Installed renewable energies capacity through <b>CAA investments</b> by 2025</p> <p>Continue our investments in new forms of low-carbon energy such as hydrogen (CAA)</p>	<p><b>€20 billion</b> Impact investments (Amundi) through development of the range of impact solutions<sup>(9)</sup></p> <p><b>€28 billion</b> Outstandings invested in labelled responsible account units (CAA)</p>

(1) Info from Sofergie ASF, end of 2021; €2.6 billion. (2) 34% of total bonds arranged by CACIB; Bloomberg as of 28/11/2022. (3) With at least one KPI related to climate protection in each SLL. (4) Sustainability linked loans or green earmarked credits, production of business loans. (5) Equity and funds in euros. (6) Area of application: Europe. (7) AET - Amundi Energy Transition Funds, which invests in infrastructures for the production, distribution and consumption of renewable energies. (8) SRI, Greenfin, Finansol. (9) Including climate impact solutions.

# 2-ACTING FOR THE CLIMATE AND A LOW-CARBON ECONOMY

## 2-B EQUIP ALL CUSTOMERS WITH LOW-CARBON SOLUTIONS

In order to meet the climate challenge, the Crédit Agricole Group is equipping itself with innovative offers to support its customers in their transition, with particular emphasis on the sectors of renewable energy, low-carbon mobility and the energy renovation of buildings.

### • For businesses

The Group launched the Energy Transition Hub in 2022, providing our 1.7 million professional customers and 180,000 business customers with self-diagnosis tools and putting them in touch with energy transition advisers on building themes, vehicles and types of energy mainly used, as well as concrete financing solutions.

The Group relies on a network of technical, national, regional or local partners selected for their skills and their commitment to quality of service. Audit and energy balance, supply of green energy, energy efficiency, solar self-consumption and mobility constitute a wide range of offers available to customers that are supplemented by Crédit Agricole financing solutions.

The LCL Smart Business programme also makes it possible to support customer companies (SMEs, mid-caps large companies and professionals) in their transitions, especially in the area of energy transition, with partners offering advice, renewable energy contracts or more tools to measure and reduce their environmental footprint.

### • For individuals

In 2022, as part of its Societal Project, Crédit Agricole provided support to all individual customers regarding energy renovation of housing by offering them comprehensive support with access to educational content.

The *"I'm eco-renovating my home"* approach tested by the Group actually explains how to set up energy renovation work in homes to make them more efficient and lower energy bills. This offer includes diagnostic tools, simulations for the cost of work and any available grants,

various financing solutions as well as a contact list of local craftsmen and partners.

To help with its goal to finance €1 billion by 2025, including €800 million in the French market, and to best support its customers in their energy renovation projects, Sofinco launched the YouRenov web platform in November 2022, offering support for works estimates, personalised simulations, a file with instructions on how to apply for premiums, contact lists of qualified RGE craftsmen and proposals for financing solutions for the remainder of the costs. The network of Regional Banks offers various loans that allow the financing of work intended to improve the energy performance of housing, such as:

- The zero-rate eco-loan (eco-PTZ); from 1<sup>st</sup> January 2022 to the end of September 2022, 19,753 files were completed by the Crédit Agricole Regional Banks for more than €255.5 million. The total amount of LCL's eco-PTZs stands at €88 million. Crédit Agricole Group's market share in eco-PTZs thus reached 34.59% in the third quarter of 2022.
- Housing green credits: used by the Regional Banks to finance energy renovation works (main, secondary and rental residences) at preferential rates for a total amount of more than €287 million since the creation of consumer loans to the end of December 2022.
- LCL also offers:
  - "Sustainable city - Energy-saving works" loans to finance, at preferential rates, expenses related to the insulation or equipment of housing intended to make them less energy-intensive for amounts between 3,000 and 20,000 euros. These loans represented €105 million in outstandings at the end of 2022.
  - "Sustainable city - Green mobility" consumer loans intended to finance sustainable modes of transport at preferential rates (vehicles emitting less than 50 gCO<sub>2</sub>/km, bicycles, two-wheelers or other motorised transport devices) for amounts between 500 and 75,000 euros. These loans represented €110 million in outstandings at the end of 2022.

At the same time, to enable its customers to direct their savings towards companies acting against climate change, LCL has designed the innovative "Climate Impact with LCL" programme. At the end of 2022, inflows reached €1.7 billion.

### • For member customers

The Crédit Agricole Group also wants to strengthen its commitment and that of its 12 million member customers with regard to climate, agricultural and agri-food transition as well as social cohesion.

By developing its "Member Savings Account" offer, the Group now offers holders of a Member Savings Account the opportunity to contribute to the financing of projects relating to these topics by depositing their savings in this accessible and flexible savings account. Crédit Agricole's commitment is completely transparent which is evidenced by its customer charter and concretely illustrated by symbolic

examples in the territories (creation of a shared house for seniors, installation of photovoltaic panels on co-working buildings, financing of a dairy farm in short circuit and with a sustainable approach, etc.).

With the Livret Engagé Sociétaire (Member eco-savings account), the Crédit Agricole Group is one of the first major establishments to offer a liquid bank savings account with a strong and verifiable promise: each euro in this account effectively contributes to the financing of an eligible project and nothing else. It is an opportunity offered to member customers to strengthen their role as stakeholders in the major climate and societal challenges, at all times and whatever their means. On the Crédit Agricole side, a system has been put in place to ensure that the announced commitment is kept over time, in particular by monitoring the nature, content and use of the financing granted.

### Another major pillar of the Crédit Agricole Group's Climate strategy: accelerating mobility decarbonisation.

While the demand for green mobility is exponential, one of the major levers for action is the electrification of the vehicle fleet, which faces many challenges. For example, access to clean vehicles, often more expensive to purchase despite the continued state grants available, remains difficult for many individuals. At the same time, the state of charging station equipment in France is still very unsatisfactory.

### Faced with these challenges, the Crédit Agricole Group is committed to decarbonising mobility:

- CA Consumer Finance has set itself the goal of financing one out of two new electric or hybrid vehicles by 2025, and a 50% reduction (vs 2020) in CO<sub>2</sub> emissions linked to its auto financing activities by 2030.
- The long-term rental offer and all associated services (choice of vehicle, financing, insurance, assistance) will be extended from 2022 to all Group customers, in particular through the creation of a joint venture between Stellantis and CACF (entry into force of the partnership in Q1 2023), to give them access to clean vehicles. Offers such as Long-Term Rental and LOA Auto (Lease Purchase Option) with services accelerate the transition

to green mobility because they both soften any additional costs of electric mobility and avoid the technological risk related to electric motorisation.

- In order to accelerate the transition and allow accessibility to eco-mobility for as many people as possible, CACF, via Agilauto and the partners at Sofinco Auto, has been offering a new leasing option since October 2022 with moderate leases starting at €100/ month.
- CACF, in collaboration with the Provence Côte d'Azur Regional Bank, is launching a car-sharing solution for electric vehicles in rural areas in France.
- The Group relies on its network of agencies to equip the territory with charging stations to allow everyone, regardless of their region, to travel effortlessly in electric cars.
- Crédit Agricole Assurances offers insurance for electric vehicles and their batteries, NVEI (New Electric Vehicles for Individuals), and includes the transfer of the driver's personal injury cover when using a bicycle.
- Crédit Agricole CIB supports its customers in the Automotive sector for their major financing needs to electrify their vehicles and decarbonise their business.

# 2-ACTING FOR THE CLIMATE AND A LOW-CARBON ECONOMY

## 2-C GRADUALLY PHASING OUT FOSSIL FUELS

For several years now, Crédit Agricole S.A. has been committed to a gradual withdrawal from fossil fuels. This was initially marked, in 2015, by the commitment to put an end to the financing of coal extraction, then, in 2019, by the announcement to end financing thermal coal (mines, power plants, dedicated transport infrastructure) by 2030 (in EU and OECD countries) and 2040 (in the rest of the world). In 2022, Crédit Agricole S.A. reinforced this decision by announcing several structuring commitments:

- **30% reduction** in CO<sub>2</sub> emissions from oil and gas by 2030 (in absolute terms)
- **25% reduction** in Crédit Agricole CIB's exposure<sup>(1)</sup> to oil extraction and production by 2025
- **no** direct financing of new oil extraction projects
- **exclusion** of direct financing for the extraction of unconventional hydrocarbons (shale oil and gas, oil sands)
- **exclusion** of direct financing of oil and gas extraction in the Arctic<sup>(2)</sup>

- **annual analysis** of the transition plan for customers in the oil-gas sector, based mainly on the choice of a reference scenario (vs. Net Zero by 2050 scenario) and on the strategy for divestment in carbon energies and investment in decarbonisation

- **commitment** to dedicate 80% of our advisory and asset financing services to green or natural gas assets over the 2023-2025 period, for our customers in the oil and gas sector

Our financing portfolio is therefore made up of twice as much financing in renewable and low-carbon energies than in oil and coal exploration. And we are accelerating: over the past two years, for each dollar from oil and coal exploration, Crédit Agricole has invested 4 euros in renewable energies. In 2021 and 2022, Crédit Agricole's exposure to oil exploration and coal decreased by an average of \$500 m per year and our exposure to renewables increased by an average of €2 billion per year.

These goals are part of a broader approach embodied by the decarbonisation trajectories resulting from joining the Net Zero Banking Alliance (see below).



(1) The exposure used is Exposure At Default (EAD). The allocation percentage is on capital expenditure (Capex).  
 (2) AMAP for the terrestrial Arctic and beyond the Köppen line in the marine Arctic.



# 2-ACTING FOR THE CLIMATE AND A LOW-CARBON ECONOMY

## 2-D SUMMARY OF PRINCIPLES COMMITMENTS AND IMPLEMENTATIONS

### Summary of main commitments

**Set Net Zero goals**



**60%** of outstandings covered by Net Zero by 2050 goals by 2023

Net Zero Banking Alliance



**18%** of assets under management in funds/mandates aligned with the Net Zero by 2050 goals by 2025

Net Zero Asset Managers Initiative



**-25%** of carbon emissions per €M invested in 2025 vs 2019<sup>(1)</sup>

Net Zero Asset Owner Alliance



### Achievements by the Crédit Agricole Group at the end of 2022

- Accelerate the advent of renewable energies
- Make the transition accessible to all and enter a new era based on new initiatives
- Gradually phasing out fossil fuels

Performance Indicators	Unit	2022	2021	2020	Entity in question
Financing of green activities	€ billion	16	13.2	11.14	CACIB
Financing of renewable energy	€M	298	268	241	LCL
Additional number of companies committed to the climate (compared to a 2021 baseline)	Number	418	NP	NP	Amundi
Contribute to the financing of installed capacity of 14 GW in renewable energy through investments by 2025	GW	11.8	NP	NP	CAA
Doubling the financing in renewable energies by 2025	€M	939	722	NP	CAL&F
Achieving a commercial production for Unifergie of 2 billion euros by 2025	€M	1,154	1,046	NP	CAL&F
Reduction of exposure to oil extraction and production by 25% between 2020 and 2025 (outstanding of financing)	€ billion	6.1	6.3	7.2	CACIB
Reduction of exposure to oil extraction and production by 25% between 2020 and 2025 (% change)	%	-15	-12	NP	CACIB
60% growth in exposure to low-carbon energies by 2025 (outstanding of financing)	€ billion	10.5	8.2	7.4	CACIB
60% growth in exposure to low-carbon energies by 2025 (% change)	%	+42	+11	NP	CACIB
Thermal coal exposure <sup>(2)</sup>	€ billion	0.946	1.02	0.670	Amundi
Thermal coal exposure	€M	557	572	623	CACIB

<sup>(2)</sup> The increase between 2020 and 2021 is explained by an increase in positions in companies with activities that remained exposed to thermal coal, but for a percentage of revenues below the materiality thresholds defined in the thermal coal sector policy. The decrease between 2021 and 2022 is linked to a double effect: on the one hand the inclusion of Lyxor and methodological refinements, on the other hand, the variation in the outstanding amounts and/or the share of thermal coal in the revenues of companies.

# 3- OUR ROADMAP TO NET ZERO

## 3-A A VOLUNTARY COMMITMENT BY CREDIT AGRICOLE

Accelerating investment and financing in green energies instead of fossil fuels is essential to respond effectively to the urgency of the energy transition and to the needs of society. Actually, abruptly stopping the financing of fossil fuels would make it possible to quickly make the Bank's balance sheet "greener", but would penalise all the populations still dependent on these energies without supporting them in their own transition.

In line with its Societal Project, the Crédit Agricole Group is proactively committed to decarbonising the real economy, in a daily partnership with its customers.

This document discusses our contribution to the UN Net Zero alliances, including the Net Zero Insurance Alliance, the Net Zero Asset Owner Alliance, the Net Zero Asset Managers initiative and, more specifically, the Net Zero Banking Alliance.

While each of the alliances involves commitments specific to each business, certain requirements form a common base: setting both long-term (2050) and short-medium-term (2025, 2030) goals, with intermediate milestones, establishment of a reference year for the annual measurement of emissions, selection of a demanding decarbonisation scenario recognised by science, approval of goals and trajectories by the highest governance bodies, etc.

At the end of 2021, Crédit Agricole initiated a major methodological project, bringing together the Group's main financing entities (subsidiaries of Crédit Agricole S.A. - Crédit Agricole CIB, Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring, LCL, Crédit Agricole Italy - and the Regional

Banks), in order to define these Net Zero alignment trajectories for each business and entity, for the main sectors of the economy financed by the bank, and as a priority for the most carbon-intensive sectors of the economy (energy, transport, etc.).

The result of this collective work carried out throughout 2022 is presented in detail in the second part of this document: the Crédit Agricole Group actually firmly believes in the virtues of transparency and is aware of having to ensure "the integrity" of its commitments as recommended by the report of the UN High Level Panel of Experts, in a context of multiplication of "Net Zero" commitments conducive to the risk of greenwashing<sup>(1)</sup>.

The Crédit Agricole Group thus intends to adopt its approach within the framework of the recommendations by the alliances for carbon neutrality which it has joined and which recommend the publication by financial institutions of their action plan for achieving the goals of carbon neutrality.

The Group's approach is also in line with the discussions and regulatory advances made at European Union level, which now place the issue of the "Net Zero" transition plan at the heart of the debates. Thus the CSRD regulation on corporate CSR reporting, which entered into force on 5<sup>th</sup> January 2023, requires each large financial and non-financial company, and each listed SME to publish its transition plan for achieving carbon neutrality by 2050. Published in November 2022 by EFRAG, the draft standards selected for these plans can be considered ambitious and up to the challenges. With regard to the banks, it is now official that they will have to publish their transition plan.



Q ENERGY, La Brède solar park, Gironde, financed by the Crédit Agricole Group

The second part of this document therefore explains the outlines of the contribution to planetary decarbonisation roadmap implemented by the Crédit Agricole Group. Being aware of the scale of the task still to be accomplished in order to contribute to carbon neutrality by 2050, it is a question of presenting an inventory to date of the approach carried out collectively by the business lines and which has led to:

• **The definition of decarbonisation trajectories**

**and alignment with a scenario compatible with carbon neutrality by 2050** for financing and investment portfolios

- The setting of goals for:
  - **a reduction in the operating footprint** and footprint of the Group's portfolios in the medium/long term, in line with the trajectories established
  - **financing and investment in low-carbon energies**
  - **gradual withdrawal from fossil fuels.**

<sup>(1)</sup> United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities (2022). Integrity matters: Net Zero commitments by businesses, financial institutions, cities and regions.

# 3- OUR ROADMAP TO NET ZERO

## 3-B GOVERNANCE

At the highest level of the company, the Board of Directors of Crédit Agricole S.A., a listed company and central body of the Crédit Agricole Group, ensures that environmental and social issues and risks are taken into account in the Group's strategic orientations and in its activities. It ensures the consistency of the company's commitments and project in the context of monitoring the implementation of the Societal Project.

The extra-financial performance of Crédit Agricole S.A. and its subsidiaries is supervised by the Executive Committee, which monitors the definition of the ESG strategy and its operational implementation as part of the management of the Group Project and more particularly the Societal Project which is the subject of regular presentations and quarterly reporting.

Created in 2022 to be the steering body for decarbonisation trajectories, the **Net Zero Committee** regularly presents the progress of these subjects to the decision-making bodies overseeing the implementation of the Group's ESG strategy:

- the **Group Societal Project Committee** chaired by a Chairman of a Regional Bank and made up of 12 members, half of whom are Managing Directors of Crédit Agricole S.A. and the other half managers of the Regional Banks. It ensures the implementation of the Group's societal commitments as well as the consistency of its ESG strategy. Held quarterly, it notably ensures the implementation of the Group's climate strategy based on the work carried out by several specialised Committees including the **Scientific Committee**<sup>(1)</sup> to which the work on Net Zero trajectories has been presented;

- the **Sustainable Finance Umbrella Committee** chaired by the Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of steering and control, and made up of representatives of General Management of the subsidiaries and business lines, proposes the Group's ESG strategy, coordinates its deployment and monitors its progress as well as the key extra-financial performance indicators in various entities. To formulate guidelines for sustainable finance, the Umbrella Committee relies on the Sustainable Finance Committee, which is made up of various representatives of the Crédit Agricole S.A. departments. It reports to the Executive Committee of Crédit Agricole S.A. and to the Federal Bureau of the Fédération Nationale du Crédit Agricole (Crédit Agricole National Federation).

### GOVERNANCE OF THE NET ZERO PROJECT

The Net Zero project linked to the reduction of financed emissions (NZBA) is subject to dedicated governance ranging from the definition of decarbonisation trajectories to their approval by the highest authorities. The objectives thus defined are the subject of an annual review by business and by

sector as well as regular publication as to their achievement. The projects undertaken within the framework of the other Net Zero alliances also have specific governance and report to the Net Zero Committee, which provides coordination.

#### Net Zero Committee

- Management of Net Zero trajectory definition work
- Approval of proposed decarbonisation trajectories, public commitments and major guidelines and their implications for businesses
- **Composition:** President of the Savoie Regional Bank, Managing Director of the Provence Côte d'Azur Regional Bank, Deputy Managing Directors of Crédit Agricole S.A. (Management and Control, Universal Bank, Large Customers), top Managers of Crédit Agricole S.A. subsidiaries. (Amundi, CAA, CACF, CACIB, CA Italia), Deputy Managing Director of the National Federation of Crédit Agricole (Finance and Operations), Corporate, Institutional and Wealth Management Director of LCL, Heads of Crédit Agricole S.A. (Societal Project, Strategy)

Informs and consults

Authorises and guides

#### Core Net Zero Team

- Project management by the Societal Project Department
- Guarantor of the framing phase and the summary of the Group trajectory
- **Composition:** Societal Project Department, Strategy Department

Informs and consults

Authorises and guides

#### Sector working groups

- Definition of the methodology of decarbonisation trajectories
- Creation of the baseline for each sector
- Assessment of associated business impacts and customer support solutions
- **Composition:** Social Project Department, CSR managers and business lines of Crédit Agricole S.A. subsidiaries (CACIB, CACF, CA Italia, CAL&F, LCL)

(1) The scientific committee is a multidisciplinary body made up of recognised experts in climate and environmental issues. For more information, see the 2022 Universal Registration Document section 3.2. of Chapter 2 "Extra-financial performance" (<https://www.credit-agricole.com/finance/publications-financieres>)

# 3- OUR ROADMAP TO NET ZERO

## 3-C METHODOLOGY

The four Net Zero alliances are each based on different methodologies to adapt to the real footprint of the businesses involved in the alliance.

As part of the work related to its membership of the NZBA, Crédit Agricole is implementing a methodology that reconciles a bottom-up approach and a progressive approach, while relying on the 10 sectors covering around 60% of the Crédit Agricole Group's outstandings and representing more than 75% of global greenhouse gas emissions.

The bottom-up approach consists of co-constructing a methodology based on science and on market standards, common and shared between our different entities; then to work on the trajectories individually within each of them, in order to take into account the specificities of the businesses, the local and regional particularities, to capitalise on each expertise. Once the trajectories by entity have been finalised, a consolidation at Group level makes it possible to present a unified trajectory for the Crédit Agricole Group.

Progressivity is on two levels. It consists of gradually defining decarbonisation trajectories and gradually bringing all our entities on board. In 2022, we announced our commitments in

five sectors (fossil fuels, automotive, electricity, commercial real estate and cement) for CACIB, CACF, CAL&F, LCL and CA Italia. In 2023, three of them will be completed within the scope of the Regional Banks and five new sectors will be announced (aviation, shipping, steel, agriculture and residential real estate), with an extended scope (CACIB, CACF, CAL&F, LCL, CA Italia, and Regional Banks). But Crédit Agricole views this as part of a continuous process and will continue its commitment in the years to come: the current scopes taken into account today in the decarbonisation trajectories of these 10 sectors will be widened, and the sectoral scope too (more sectors), as well as the Group scope (more entities). Crédit Agricole's target: Net Zero.



# 3- OUR ROADMAP TO NET ZERO

## 3-D KEY MILESTONES

### Since 2022

- **Total cessation of all project financing directly** linked to the extraction of unconventional hydrocarbons from January 2022.
- **Cessation of direct financing** of new oil extraction projects.
- **Protection of the Arctic zone** where we have suspended any direct financing of oil and gas projects.

### By 2025

#### Crédit Agricole CIB

- Significant drop in our exposure to oil extraction by 25%.
- 60% growth in exposure to non-carbon energies by 2025 (vs 2020).

#### Amundi

- Implementation of a complete range of “Net Zero” savings products in active management, across all major asset classes (with a Net Zero advisory offer and Net Zero & Climate analysis and decision-making tool support).
- 18% of assets under management in 2025 in funds/mandates managed with targets
- €20 billion in outstanding impact savings solutions to support any investment that has a positive contribution to the environmental and social cohesion dimensions.

- Significant deployment of a Climate commitment plan extended to +1,000 companies, so that they define credible strategies in terms of reducing their greenhouse gases, and methods of alignment (remuneration, AGM).

#### Crédit Agricole Assurances

- Increase in the production capacity of the renewable energies facilities in which Crédit Agricole Assurances invests to reach 14 GW by 2025, i.e. the equivalent of the average annual consumption of more than 5 million households in France.
- Commitment to reduce the footprint of the listed equity and corporate bond investment portfolios by 25% by 2025.

### By 2030

- Total exit from coal in EU and OECD countries.
- Absolute reduction in our emissions related to our Oil & Gas sector financing.
- Reduction in intensity related to our financing in 9 other key sectors: electricity generation, automotive, commercial real estate, steel, cement, shipping, aviation, agriculture, and residential real estate.

### By 2040

- Total exit from coal in the rest of the world

### By 2050

- **Achievement of the net zero emissions target across all of our activities, financing, investments and insurance.**

1

2

3

# OUR NET ZERO BY 2050 TARGETS

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# 1-REDUCE OUR OPERATING FOOTPRINT

## 1-A COMMITMENTS

As a financial institution, the majority of our emissions are related to our financing and investment activities. However, in order to set an example, we attach great importance to the reduction of emissions linked to the environmental footprint related to our own operations<sup>(1)</sup> as a company.

In line with our Net Zero commitment, we are committed to reducing the environmental impact of our operating footprint to achieve net zero emissions by 2050, with four medium-term goals.



Achieve **net zero emissions on our operating footprint** by 2050 **NET ZERO**



**-50 % greenhouse gas emissions linked to Scopes 1 and 2** by 2030 (vs 2019) **SCOPES 1 AND 2**



**-50 % greenhouse gas emissions related to business travel** by 2030 (vs 2019) **BUSINESS TRAVEL**



**100 % renewable electricity** in France and abroad by 2030 **RENEWABLE ELECTRICITY**



Crédit Agricole S.A. undertakes that its suppliers covering 40% of its expenses related to the purchase of goods and services, **have science-based Net Zero targets by 2027.** **PURCHASES**

<sup>(1)</sup> Throughout the document, the term "operating footprint" refers to the carbon footprint excluding financing and investments and excluding insurance.

## 1-B METHODOLOGY

Our commitments to reduce our operating footprint relate to the major sources of emissions for the Group, i.e. all of our Scopes 1 and 2 as well as business travel (Scope 3 category 6 of the GHG Protocol) and purchasing (Scope 3 category 1 of the GHG Protocol).

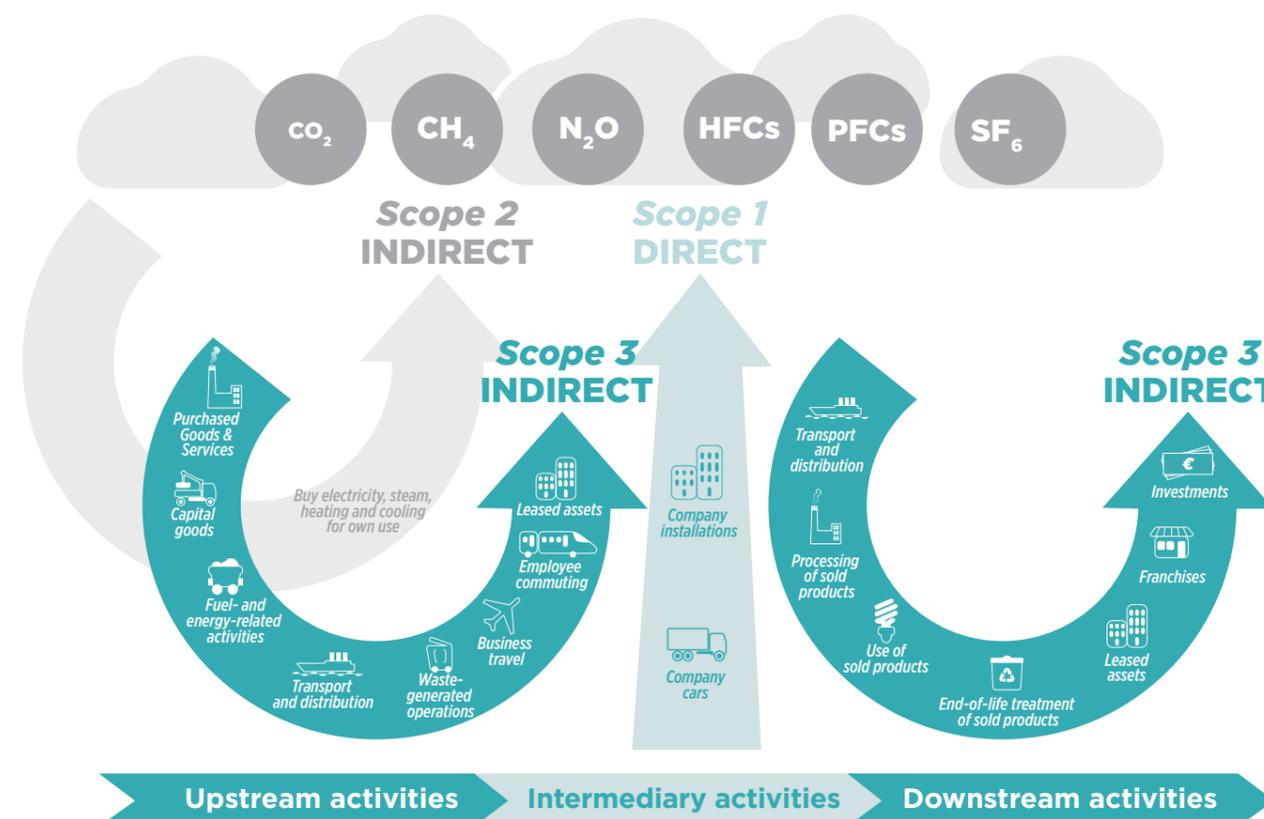
### Scope of GHG emissions

A company's GHG emissions are divided into three main categories:

**Scope 1:** direct emissions from fixed or mobile installations located within the company's perimeter, i.e. emissions from sources owned or controlled by the organisation.

**Scope 2:** indirect emissions associated with the production of electricity, heat or steam imported for the organisation's activities.

**Scope 3:** other emissions indirectly produced by the organisation's activities which are not accounted for in Scope 2 but which are linked to the entire value chain (e.g., business travel, transport of goods upstream and downstream, purchases of goods and services).



# 1-REDUCE OUR OPERATING FOOTPRINT

To contribute to carbon neutrality by 2050, **we have based our targets for reducing our operating footprint<sup>(1)</sup> on a rigorous methodology, aligned with limiting global warming to 1.5°C by 2100.** This methodology is in accordance with the recommendations of the

Science-Based Target initiative (SBTi<sup>(2)</sup>).

The reduction targets set by Crédit Agricole S.A. and its subsidiaries for their operating footprint are as follows:

<p><b>Based on scientific data</b></p>	 <p>The targets presented were established according to the SBTi recommendations, which are based on the 1.5°C scenarios listed by the Group.</p>
<p><b>Established using an absolute contraction approach</b></p>	 <p>The absolute contraction approach imposes a linear reduction in emissions in absolute terms for companies in the financial sector for Scopes 1 and 2.</p>
<p><b>Set with a short-term deadline</b></p>	 <p>The first reduction targets are set for 2030.</p>
<p><b>Set over a large perimeter</b></p>	 <p>The selected scope covers 95% of current emissions in Scopes 1 and 2. All energy consumption and the vehicle fleet are included. We have voluntarily made the commitment to also define targets for business travel.</p>
<p><b>Implemented at entity level</b></p>	 <p>The reduction target for the Group is broken down into targets at subsidiary level, taking into account the degree of decarbonisation of their respective operating footprints.</p>

According to the SBTi recommendations, which are based on the 1.5°C scenarios listed by the IPCC, the emissions of our Scopes 1 and 2 must follow a linear reduction trajectory of -4.2% per year in absolute emissions, i.e. a target of -46.2% by 2030. **Our reduction target for these Scopes is more ambitious and has been set at -50% by 2030 compared to 2019.**

Because the Crédit Agricole Group wishes to reduce its environmental impact as much as possible, **we have voluntarily made the commitment to reduce part of our Scope 3, namely emissions linked to our business travel, by 50% by 2030 compared to 2019** and this in absolute value and not by FTE (Full Time Equivalent).

By halving our emissions within the scope adopted, we have chosen to set more ambitious reduction targets than those recommended by the SBTi.  
After reviewing the impact of our value chain on

our operating footprint, we have also committed to ensuring that **our suppliers covering 40% of spend on goods and services purchases have science-based Net Zero targets by 2027.**



(1) Based on the GHG Protocol.  
(2) SBTi (2022). Getting started guide for the SBTi Net Zero standard.

# 1-REDUCE OUR OPERATING FOOTPRINT

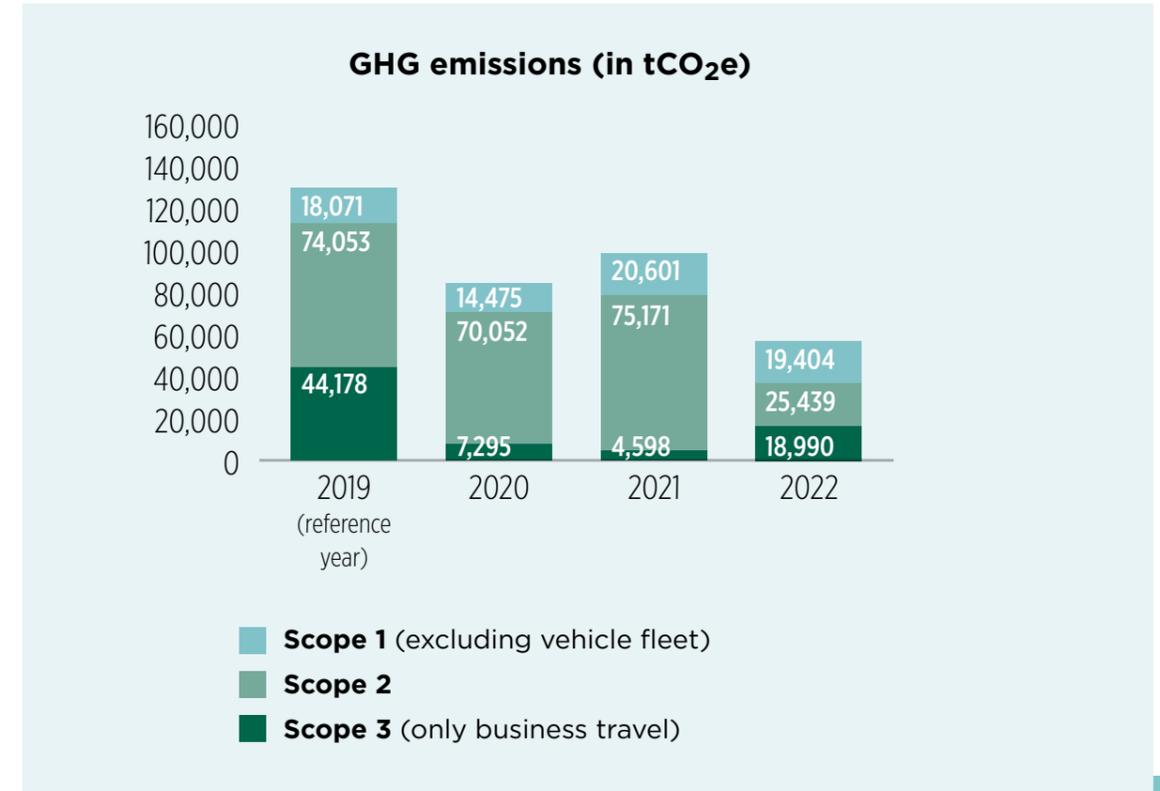


Evergreen, Crédit Agricole's headquarters in Montrouge (92) . Site labelled "Biodiversity Life" and League for the Protection of Birds (LPO)

## TEC SITUATION ON 31<sup>ST</sup> DECEMBER 2022

Since the first measurements of their carbon footprint, Crédit Agricole S.A. and its subsidiaries have implemented actions aimed at reducing their emissions. The work carried out between 2016 and 2019 helped us reduce our operating footprint by nearly 15%.

Since 2019, emissions related to energy consumption (Scopes 1 and 2) and business travel have decreased by more than 50%. This decrease is explained both by the effect of Covid-19 over the 2020-2021 period and the efforts made by the Group to establish new working habits over the long term, particularly related to business travel. This commitment is also reflected in the implementation of an energy conservation plan (see part 1-D "Next steps") and the continuation of its work to use renewable electricity.



Evergreen, headquarters of Crédit Agricole

# 1-REDUCE OUR OPERATING FOOTPRINT

In line with its goal to reduce its environmental impact, **the Group has been using 100% renewable electricity for all of its French sites since 2016<sup>(1)</sup>**.

This electricity is purchased via Guarantees

of Origin, mainly from hydraulic energy produced in France. Internationally, a similar strategy is used with a focus on countries whose electricity mix is particularly carbon-intensive (e.g., Poland, Italy).



Regarding the vehicle policy, Crédit Agricole S.A. updated its car fleet catalogue in May 2021 **for executive, company and service vehicles with the objective of reducing emissions**. It does not include any vehicle

subject to the penalty in force in 2021 and is made up of two-thirds of low-emission vehicle models, more than half of which are direct zero-emission vehicles.



**With regard to business travel, Crédit Agricole S.A. is one of eight companies to have received the maximum score of A in 2022** from the Transport & Environment NGO for its ambitious policy to reduce GHG emissions. As the first French company in ranking, this policy stood out in the analysis of 230 companies around the world. Once the need for travel has been proven, business travel is governed by a new travel policy

which has a dual objective: to reduce GHG emissions and to allow travel in the best conditions so that employees can use their travel time in the most useful way. Trains are therefore preferred for journeys lasting up to 4 hours. Finally, a new booking tool is being rolled out to make travellers aware of the emissions generated by their travel, right at the time of booking.



(1) With the exception of one building supplied with renewable electricity since 2022

# 1-REDUCE OUR OPERATING FOOTPRINT

## Voluntary contribution to carbon neutrality



Photo Credit Livelihoods - Mangroves, Senegal

During the transition period towards the Net Zero target and in parallel with its actions to reduce its emissions, Crédit Agricole contributes to global carbon neutrality by offsetting part of its residual operating emissions by financing environmental projects that promote the reduction or sequestration of greenhouse gases in the atmosphere.

Crédit Agricole has thus invested, since its launch in 2011, in the Carbon Livelihoods Funds financing projects that contribute to the fight against climate change, the restoration and protection of natural ecosystems and the improvement of the living conditions of rural communities.

**The Livelihoods funds finance projects for**

**reforestation, restoration of degraded ecosystems, agroforestry, regenerative agriculture and small rural energy (improved stoves) in Africa, Asia, Latin America and, since 2021, in France (Soils of Brittany).** The funds are provided by investors who pre-finance the projects and get certified Verra and Gold Standard carbon credits in return. Crédit Agricole S.A. and Crédit Agricole CIB have invested €13 million in two funds since 2011.

In 2022, eight projects were verified and will generate 126,849 carbon credits which will be used to offset the equivalent of operating residual emissions related to energy, the vehicle fleet and business travel of Crédit Agricole S.A. and its subsidiaries.

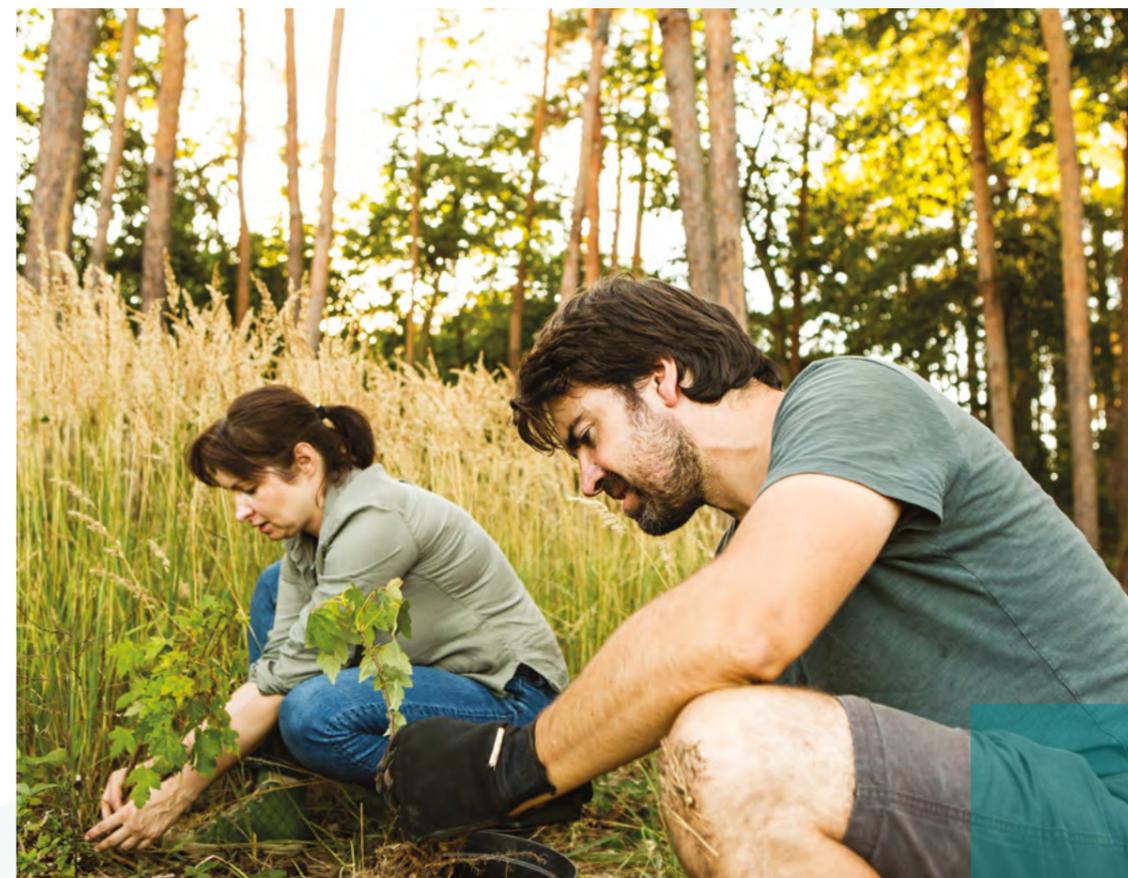
## Reforestation

Crédit Agricole Assurances has also set up two major reforestation operations.

**Carried out with Reforest'Action, the "1 contract subscribed = 1 tree planted or regenerated" operation** combines the subscription of an eligible life or accidental death insurance policy with the planting/regeneration of a tree. At the end of 2022, more than 1.5 million trees had been planted or regenerated in France under this campaign.

Crédit Agricole Assurances has also partnered with Plantons Pour l'Avenir (Plant for the Future) for the benefit of French forests relating to residual carbon emissions. At the end of 2022, more than 1 million trees had been planted in France under this second campaign.

**Crédit Agricole Assurances is committed to making it possible to plant or regenerate 4 million trees by 2025.**



# 1-REDUCE OUR OPERATING FOOTPRINT

## 1-D NEXT STEPS

The reduction of our emissions aligned with the objective of carbon neutrality, requires a reinforcement of the actions already undertaken and an enlargement of the scope of action. This is why several projects have already been implemented to accelerate the transition of Crédit Agricole S.A. and its subsidiaries.

To meet our commitment of 100% renewable electricity at all our sites, we are currently focusing on the purchase of renewable electricity for our international entities via certificates of guarantee of origin, and are working on the implementation of Power Purchase Agreements (PPA).

**In September 2022, Crédit Agricole committed to an energy conservation plan for all of its French sites:**

- **By adjusting its lighting** (adjustment of lighting levels in communal areas and switching off lights in unoccupied areas, modernisation and continued use of LED lights).
- **By aligning the temperatures with those recommended by ADEME:** heating of buildings at a temperature of 19°C and air conditioning at a temperature of 26°C; decrease of temperature to 16°C in premises unoccupied for 48 hours.

These commitments were made to optimise energy consumption within its two largest campuses - i.e. 300,000 m<sup>2</sup> - which will therefore make it possible to target an overall

energy saving of 14% over 2 years compared to 2019, broken down as follows: 7% obtained through operational actions, and an additional 7% through the involvement of its employees.

This involvement which was started in 2022, will go for larger participation in the French championship of energy savings (previously the CUBE competition). Instead of the two committed and winning buildings, Crédit Agricole S.A. and its subsidiaries will enter twelve buildings into this championship and will rely on a network of voluntary energy ambassadors. In addition, the Group has signed up to the EcoWatt commitment charter in France, developed by RTE and ADEME, which aims to reduce or shift electricity consumption in France during periods of high voltage on the electricity system.



**In addition to our commitment to business travel, we are now working to reduce other Scope 3 emission sources:**

- By taking steps to reduce the emissions caused by our employees' commute to work (Scope 3 category 7). The Group has taken a proactive approach of electrifying the travel of its employees and customers by providing electric charging terminals on sites and in branches. New mobility plans have also been designed to reduce the environmental impact of commuting.
- By reducing emissions related to the purchase of goods and services made by the Group (Scope 3 category 1) through the commitment of our suppliers to Net Zero trajectories based on science. The latter are encouraged to include a process to improve their carbon maturity adapted to their size. Carbon criteria are gradually being added to all tender evaluation grids. At the same time, the decarbonisation proficiency improvement of buyers and prescribers is required for each purchasing category.

- By reconciling technological development, accessibility for all and respect for the environment for Crédit Agricole Group IT. As part of the IT 2025 programme to transform its IT and its Societal Project, the Group is taking action to reduce the environmental footprint linked to its information system.

To achieve this goal, several steps have been taken:

- a carbon footprint of the Group's IT has been created to help identify our most important emission sources;
- an awareness-raising approach to responsible design has been adopted and a training plan has been set up to transform our practices;
- the "responsible IT" labelling of certain entities;
- the management of waste from electrical and electronic equipment (WEEE);
- trying cooling our servers with oil baths in our data centres;
- measuring the carbon footprint of our digital services;
- participation in local working groups (ADEME and AFNOR).

# 2 - REDUCE EMISSIONS LINKED TO OUR FINANCING

As part of the Net Zero Banking Alliance, Crédit Agricole has undertaken to reduce emissions related to its financing. This programme launched in April 2021 as part of the United Nations Environment Programme Finance Initiative (UNEPFI) brings together nearly 50% of the global banking sector. Institutions that join this alliance commit to aligning their proprietary investments and financing portfolios with the goal of net zero emissions by 2050. Combining short-term action and accountability, this ambitious commitment commits banks to setting an interim target for 2030 or earlier, by using strong guidelines. This alliance aims to accelerate the implementation of decarbonisation strategies while providing an international framework within which the financial sector can manage its ecological transition.

## 2-A METHODOLOGY

For the sake of transparency, Crédit Agricole S.A. would like to state again that its methodologies are likely to evolve as well as the quality of the data and the reference scenarios. The Group undertakes to publish its emissions every year concerning the sectors to which it is committed, as well as any major changes to the methodologies.

In addition, the Group has chosen to base itself on market methodologies and standards (GHG Protocol, PCAF, SBTi, etc.) to establish suitable targets based on the projections and action plans provided. Finally, it should be noted that the targets, trajectories and action plans established will be presented each year to the Board of Directors of the Group.

### These targets are:

<b>Based on scientific data</b>	 <p>To align our portfolios with the objective of limiting global warming to 1.5°C, we have backed our trajectories with the work of the IEA (NZE 2050 scenario) for the majority of sectors and have been supported by a dedicated Scientific Committee.</p>
<b>Specific to each sector</b>	 <p>We are convinced that each sector has a role to play in the energy transition towards a low-carbon world, with its specificities and its own levers for action. Our targets have thus been established at each sector level.</p>
<b>Useful in the decision-making process of each business</b>	 <p>For each sector, one or more metrics have been established to capture the performance and progress of companies towards decarbonisation. These metrics will be tracked and managed to engage in ongoing dialogue with our customers and make informed financing decisions.</p>
<b>Based on the best data available to date</b>	 <p>Determining the starting point of emissions by sector requires the collection and refinement of multiple sources of data. The quantity and quality of available data can have a significant impact on these benchmark figures. As there are gaps in the data available today, we plan to update our methodology as these data improve.</p>

**This approach is part of our drive to create impact with our customers by steering these key sectors towards technologies that underpin a low-carbon future.** It is also aligned with the recommendations of the NZBA and those of the SBTi.

### Our approach is based on 5 major steps within which we opt for key methodological choices:



## 1 ANALYSIS OF MATERIALITY AND PRIORITISATION OF SECTORS

**In 2022, and initially, the Group committed to reduction targets in 5 sectors: oil and natural gas, electricity production, automotive, commercial real estate, cement.**

- Their place in the list of sectors prioritised by the SBTi and the NZBA.
- The feasibility of calculating the reference base and defining trajectories during this first phase of work.

These priority sectors were selected based on a number of factors:

- Their contribution to global greenhouse gas emissions.
- The exposure of Crédit Agricole to these sectors.
- The existence of recognised decarbonisation trajectories based on scientific data for these sectors.

For the other remaining carbon-intensive sectors, reduction targets will be announced before the end of 2023. The sectors in question are the following: Real estate loans to individuals, shipping, aviation, agriculture and steel.

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

These 10 sectors thus cover 80% of the emissions financed by the Group in Scope 1 and 60% of outstandings.



## CALCULATION OF THE BASELINE OF FINANCED EMISSIONS BY SECTOR

To establish achievable targets, we first estimated the baseline of financed emissions for each sector considered. Creating these baselines forced us to address several methodological issues.

This is how we determined the scope of the assets included to measure Crédit Agricole's exposure to its customers. To date, a certain number of considerations have led us to take into account all of our medium and long-term loans (>1 year) to companies:

- More than 90% of Crédit Agricole Group business loans are medium or long term
- Medium and long-term loans correspond to the financing of real activities in each sector. Short-term loans, for their part, often represent operational debt.
- Crédit Agricole's decarbonisation levers are also less compelling in the short term: the commitment of our customers and the financing of the transition require a long-term implementation.

For the automotive sector, loans to individuals have also been taken into account. For commercial real estate, electricity production and automotive, loans to professionals have been added.

To calculate these benchmarks, we used the so-called PCAF<sup>(1)</sup> methodology, an initiative that we joined in 2022 and which is based on the GHG Protocol (Global GHG Accounting and Reporting Standard for the Financial Industry). PCAF<sup>(1)</sup> attributes customer emissions to the

institutions that finance them based on the following formula:

$$\frac{\text{Financed emissions}}{\text{Exposure of the Group}} \times \text{Customer or goods emissions} = \text{Value of the financed company or good}$$

To attribute financed emissions to banking institutions, the PCAF<sup>(1)</sup> methodology only takes into account the funds used (funds actually taken from the credit available to a customer). Nevertheless, we believe that committed funds (total credit that Crédit Agricole makes available to a customer) reflects more accurately our commitment to our customers, and that it is a more stable measure. For carbon intensity metrics (i.e., tCO<sub>2</sub>/sector metric), we have therefore decided to measure our exposure to customers on the basis of the entire loan commitment, including unused loans (except for the Oil and Gas sector initially) which has the effect of increasing our emissions baseline. On the other hand, when we express a carbon metric in absolute terms (i.e., tCO<sub>2</sub>), we stick to the PCAF approach which only retains the funds used (for example, for the Oil and Gas sector).

Finally, we selected 2020 as the reference year and 2030 as the intermediate target year. Making 2020 the baseline year meets the SBTi and NZBA requirements to have a baseline that is no later than two years before the year of publication of the reduction targets. Furthermore, this decision was motivated by the absence of a significant impact of COVID on funding in 2020.

(1) PCAF stands for Partnership for Carbon Accounting Financials. This is a global initiative to measure and publish greenhouse gas emissions financed by loans and investments.



## SELECTION OF METRICS (ABSOLUTE EMISSIONS/INTENSITY)

One of the key decisions in establishing a climate strategy is to select the type of emission metric to use: either in absolute emissions or in intensity of emissions.

When using an absolute value target, the amount of reduction in greenhouse gas emissions is set; for example, reducing 2020 baseline emissions by 30% by 2030.

With an emissions intensity target, a target rate of greenhouse gas emissions is set relative to a specific business, for example, kilograms of CO<sub>2</sub> released per megawatt hour (MWh).

We consider emissions intensity to be the most appropriate measure, as it encourages the transition of sectors towards less emissive operators, projects and technologies.

Within a given sector, the measurement in intensity, compared to a measurement in absolute value, allows greater support for transforming projects of the sector. Where an absolute value

objective could lead to a withdrawal by certain customers, an intensity objective allows us to support our customers in their transition. For example, in the electricity sector, an intensity target helps direct financing towards renewable energies.

The decision to go for an intensity target was approved by the Scientific Committee of Crédit Agricole.

An exception exists for the fossil fuel sector where an absolute reduction is necessary to achieve the net zero emissions target: the main lever for decarbonising a barrel of oil being not to extract it.

The Group's Net Zero target is therefore based on the CO<sub>2</sub> intensity for all sectors, with the exception of fossil fuels where the target is based on absolute terms. At the same time, we measure and monitor our emissions in absolute value across all sectors to guarantee control.



Q ENERGY, Mas d'en Ramis solar park, Pyrénées Orientales, financed by the Crédit Agricole Group

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## 3 ... (CONTINUED) SCENARIO SELECTION

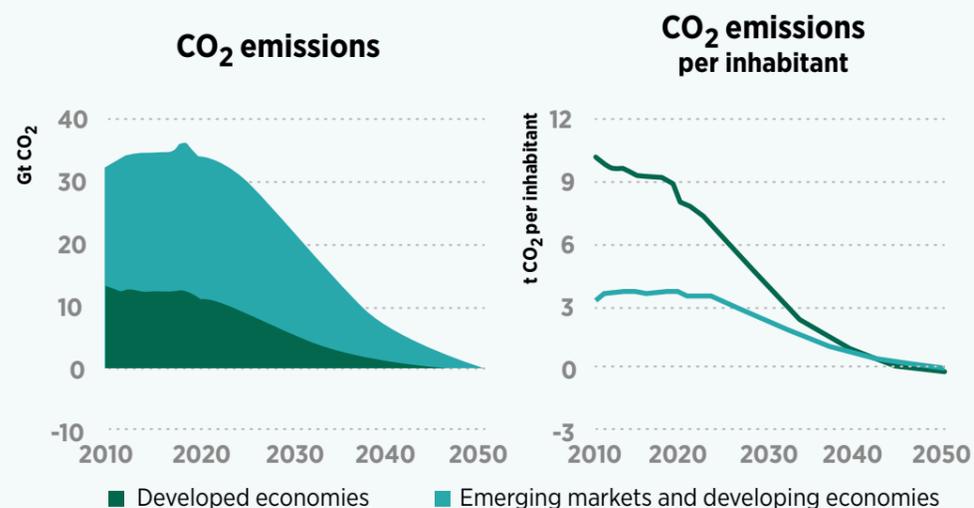
To reach our goal of net zero emissions by 2050, we must establish a decarbonisation trajectory for each of the sectors. We therefore studied a variety of scenarios such as those published by the IEA and the Network for Greening the Financial System (NGFS).

Given the widespread use and sector specificity of the various scenarios published by the IEA in its annual World Energy Outlook report and its interim special reports, we decided to use

the Net Zero Emissions by 2050 reference scenario (IEA NZE 2050 scenario published in 2021), based on a temperature increase limited to +1.5°C. For commercial real estate, we have replaced this scenario with the CRREM scenario, whose carbon budget is equivalent, in order to be able to have a better geographical and/or sectoral granularity.

This scenario selection was approved by the Scientific Committee of Crédit Agricole.

Global net CO<sub>2</sub> emissions in the IEA NZE scenario  
(Source : IEA)



## 4 ESTABLISHMENT OF INTERMEDIATE TARGETS AND ACTION PLANS

Based on the metrics and scenarios selected, we determined the appropriate trajectory for each sector and translated it into concrete action plans in our businesses. To do this, the Net Zero core team regularly conducts work with the subsidiaries by calling on the teams responsible for centralising the feedback

coming directly from the business managers. The decarbonisation trajectories are thus fully integrated into the deliberations of the different businesses. In total, more than a hundred people are involved in implementing and monitoring the action plans.

## 5 CONTINUOUS IMPROVEMENT OF DATA AND UPDATE OF SCENARIOS, REDUCTION TARGETS AND ACTION PLANS

Emissions scenarios, like those of the IEA, are usually updated on an annual basis, to reflect relevant changes in energy and emissions. These updates may cause changes in trajectories, which may require updating our reduction targets. At the same time, new data may become available, allowing us to improve the

measurement of our emissions.

Therefore, a key step in our methodology is to periodically reassess input data and key assumptions, and recalibrate our targets if necessary.

### POSITION WITH REGARD TO CARBON OFFSETTING

Wherever possible with the data available, we do not take into account carbon credits that our customers might buy to offset their emissions: **only the capture and sequestration of CO<sub>2</sub> directly in our customers' operations are taken into account, since they directly reduce their Scope 1** (CO<sub>2</sub> is not emitted into the atmosphere).

The reduction trajectories on which we align ourselves are scientific trajectories calculated on the basis of carbon and emission reduction budgets for each sector. They are not based

on the purchase of carbon credits. This is the most robust and ambitious scientific approach in terms of a carbon neutrality target.

We nevertheless remain involved in the work of local authorities to define separate accounting standards for our customers' carbon credits.

At the same time, Crédit Agricole is committed to a policy of developing and financing carbon sequestration.

*For more information on the methodology, refer to the complete methodology in the appendix of this document.*

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## 2-B SECTORAL VARIATIONS

The table below summarises, for each of the prioritised sectors, the metric used, the 2020 baseline and the reduction target for 2030.

Sector	Application scope	Scope	Metric	2020 Value	2030 Value	% of reduction 2020-2030
 Oil and Natural gas	Entire value chain (upstream, midstream, downstream) <sup>(1)</sup>	Scopes 1 and 2 + Scope 3 for Upstream	MtCO <sub>2</sub> e	26.9 MT CO <sub>2</sub> e for the balance sheet	18.8 MtCO <sub>2</sub> e	- 30 % in absolute terms for the balance sheet
 Electricity production	Electricity producers	Scope 1	gCO <sub>2</sub> e/kWh	224 gCO <sub>2</sub> e/kWh	95 gCO <sub>2</sub> e/kWh	-58 % in intensity
 Automobile	Car manufacturers, professionals and individuals Light vehicles only	Scope 3 of car manufacturers and Scope 1 of users	gCO <sub>2</sub> /km	190 gCO <sub>2</sub> /km	95 gCO <sub>2</sub> /km	- 50 % in intensity
 Commercial real estate	Real estate professionals	Scopes 1 and 2	kgCO <sub>2</sub> e/m <sup>2</sup>	46 kgCO <sub>2</sub> e/m <sup>2</sup>	28 kgCO <sub>2</sub> e/m <sup>2</sup>	- 40 % in intensity
 Cement	Cement producers	Scopes 1 and 2	kgCO <sub>2</sub> e/t	671 kgCO <sub>2</sub> e/t	537 kgCO <sub>2</sub> e/t	- 20 % in intensity

The values above are based on available data and scenario projections as of April 2022. Future updates to the IAE's NZE scenario or other data (for example, to reflect changes, available technologies or economic conditions) will result in changes to the trajectory required to reach the 1.5 °C target, and therefore in our targets for these sectors.

Improved data availability and quality may also impact our 2020 baseline in certain sectors. We will pay particular attention to the evolution

of these parameters and will assess the relevance of recalibrating our baselines and our reduction targets.

In addition, at this first stage we are giving priority to accounting for the emissions that we finance on the basis of the long and medium-term credits that we grant. The scope could change in the future.

<sup>(1)</sup> Upstream (exploration, production, etc.), intermediate (refining, etc.) and downstream (transport, trading, etc.) activities

## OIL & NATURAL GAS

ENTITY: CREDIT AGRICOLE CIB

Fossil fuels have been an essential asset for humanity over the past two centuries. They have made it possible to meet the basic needs (food, housing, healthcare, transport) and to improve the living conditions of a world population which has grown from less than one billion people at the start of the Industrial Revolution to more than 8 billion today.

However, the scientific findings are clear: if we want to protect the planet, its biodiversity and populations, we must greatly reduce in thirty years the use of these same fossil fuels which, through their combustion, release carbon dioxide, warm the climate and destabilise the great planetary atmospheric and oceanic cycles.

Oil and natural gas today provide more than half of our primary energy needs and emit nearly 55% of global energy-related greenhouse gases, through their production but above all their use by all the sectors in the economy<sup>(2)</sup>.

Significantly reducing our dependence on fossil fuels therefore requires a transition on a scale that is undoubtedly unprecedented in the history of humanity, and the success of which depends in a non-linear manner on the next eight years: as per the 6<sup>th</sup> report of the IPCC, it is essential that we halve global CO<sub>2</sub> emissions by 2030 and then achieve net zero emissions by 2050 if we hope to limit global warming to 1.5°C.

<sup>(2)</sup> International Energy Agency (2021). Greenhouse Gas Emissions from Energy Data Explorer.

Jean-François GRANDCHAMP

Global Head of Energy & Infrastructure, Crédit Agricole CIB



*“ We are resolutely committed to supporting companies in the energy sector towards the production and use of low-carbon energies. ”*

Crédit Agricole wants to play its role in this transition, which must be systemic and fair. Through our commitments in all sectors, we want to help the societies in which we operate to reduce their dependence on fossil fuels: support farmers in adopting more efficient and sustainable practices, support our individual customers in the purchase of electric vehicles or the renovation of their homes, finance the deployment of renewable energies, invest in the low-carbon companies of tomorrow.

The energy transition must take place while preserving universal and equitable access to energy, avoiding action that could create shocks that may be detrimental to the most fragile populations.

But if this transition depends above all on the transformation of sectors that consume fossil fuels, the companies that produce them also have a key role to play. Technological and operational know-how, diversification, innovation: companies in the energy sector can and must be the driving force behind the transition, and Crédit Agricole is also committed alongside them through our corporate and investment bank (Crédit Agricole CIB).

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## OIL AND NATURAL GAS

**This year we are publishing an ambitious new target for the entire Oil & Gas value chain by 2030, which is in line with the objective of reducing our exposure to upstream oil announced by Crédit Agricole CIB in 2021.**

**Our strategy in the fossil fuel sector is therefore based on 3 main levers:**

- **Select and support our customers committed to transition.** If their global production is to decrease in line with the drop in demand, hydrocarbons will continue to play a fundamental role in the transition of our societies, whether to support the development of alternative solutions, to offer a just transition to developing countries, or to maintain essential services related to their non-energy uses (e.g. production from hydrocarbons, plastics or fertilisers). It is crucial that those

who continue to extract these energies over the coming decades do so in the most respectful way possible for the climate, the environment and local communities. We will therefore select the beneficiaries of our decreasing portfolio of financed emissions on criteria that include their climate, environmental and social performance.

- **Support low-carbon diversification.** By using their skills and resources, oil and gas companies can actively contribute to transforming not only their own value chain but also those of the adjacent energy and heavy industry sub-sectors and thus build a more diversified, more resilient and more attractive low-carbon business model. In line with our goal to best support the transition of our customers, we will seek to direct an increasing portion of our financing towards low-carbon activities: bioenergy, carbon capture, use and storage, production of renewable electricity, hydrogen, etc.
- **Decrease the carbon intensity of our medium and long-term financing for the sector.**

**It is on the combined activation of these three major levers that our new commitment to oil and gas is based: to reduce by 30% by 2030 our financed emissions across the entire sector, compared to 2020.** This goal covers the entire value chain: involved operators, exploration & production, pipeline transport, refining, trading, services. It covers CO<sub>2</sub> and CH<sub>4</sub><sup>(1)</sup> emissions emitted both within the sector (Scopes 1 and 2 of oil and gas companies) and during the combustion, by other downstream sectors, of products of our customers (their Scope 3), whether in engines, boilers or industrial furnaces. The definition of a target in absolute CO<sub>2</sub>e emissions (and not in gCO<sub>2</sub>e/\$ or gCO<sub>2</sub>e/

MJ intensity), the inclusion of Scope 3 and the consideration of methane are three key aspects of our goal allowing us to fully meet the expectations of science and society. They commit us both to supporting our customers in their transition and to aligning ourselves with the sharp reduction in demand for fossil fuels expected in scenarios compatible with 1.5°C.

**The absolute reduction of -30% in ten years is more ambitious than that predicted by the IEA's NZE scenario<sup>(2)</sup>. We will thus reduce our financed footprint in the sector from 26.9 MtCO<sub>2</sub>e in 2020 balance sheet outstandings to 18.8 MtCO<sub>2</sub>e in 2030.**

### OUR GOAL FOR THE OIL & GAS SECTOR BY 2030\*

**-30%** In absolute CO<sub>2</sub>e Scopes 1, 2, 3, over the entire value chain  
In line with IEA NZE > **18.8**

Our 2020 reference base



(1) Data difficult to control and currently modelled  
(2) The reference scenario is the NZE 2050 published by the IEA in 2021.

\* Figures in the Medium and Long Term Balance sheet at this stage

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## ELECTRICITY PRODUCTION

ENTITIES: CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE LEASING & FACTORING

Currently supplying a fifth of the total energy consumed in the world<sup>(1)</sup>, electricity is the most crucial energy carrier of energy transition. Electricity production needs to be decarbonised. It currently emits a quarter of global greenhouse gas emissions, with more than 60% still coming from fossil fuels: coal, gas, and to a lesser extent fuel oil<sup>(2)</sup>. This is one of the sectors with the most mature technical and economic decarbonisation levers. We must continue and accelerate the deployment of low-carbon energies to replace and eventually decommission fossil production capacities. At the same time, the stability and flexibility of electrical networks must be ensured by maintaining non-intermittent basic and peak energies (e.g., new generation gas) and through innovation (long-term storage, smart grids, demand response management, etc.). Electricity production is also set to increase because it is one of the main levers for helping the decarbonisation of all the other sectors, via their electrification: conversion of the fleet of thermal vehicles to electric, electrification of industrial processes in the metallurgy, switching from oil or gas boilers to electric heat pumps in buildings, production of green hydrogen by electrolysis to supply heavy industry and transport, etc. All the scenarios of the IEA, RTE or ADEME show that, whatever our efforts in energy conservation and efficiency, the production of low-carbon electricity will have to increase massively by 2050 to support the transition of the whole economy.

**Christine DELAMARRE**  
Head of Unifergie  
(Crédit Agricole L&F)



“*Unifergie, together with the Group's banks, took the challenge and switched to renewables almost 20 years ago and supported projects in the territories. As a leader in this market, our challenge now is to support all our customers in their energy conservation schemes and to accelerate our commitment to carbon-free financing.*”

Crédit Agricole has been committed to the energy transition since 1997. We are the first private financier of renewable energies in France and have been pioneers in the structuring of Green Bonds.

Through all of the Group's business lines: wholesale and retail banking, insurance investments and asset management, we support all producers (large electricity groups and small independent producers), and support projects of all types (large nuclear/hydraulic/photovoltaic/offshore wind projects and the deployment of renewables distributed to our farmers and professionals).

- In 2016, the Crédit Agricole Group showed the way by making a commitment not to finance coal-fired power plants.
- In 2021, Crédit Agricole CIB committed to increasing the financing of low-carbon energies, with the objective of increasing its exposure by +60% by 2025, compared to 2020.
- Unifergie, CAL&F's subsidiary specialising in renewable energies financing across the territories, aims to double its renewable energies financing by 2025.

This year, we are publishing for the first time the carbon intensity of the financed electricity mix. It was 224 gCO<sub>2</sub>e/kWh at the end of 2020 for Crédit Agricole CIB & Unifergie, which cover approximately 80% of the electricity production financed by the Group (and more than 90% of the GHG emissions financed).

### This metric allows us to:

- Show the fruit of our efforts over the past years to support renewable energies: **at the end of 2020, nearly 50% of our exposure to electricity production was dedicated to renewable energies**, which means that the carbon intensity of our financed electricity mix is already less than half the global average intensity (459 gCO<sub>2</sub>e/kWh according to the IEA's 2021 WEO).
- Accurately reflecting our ambition to further accelerate our efforts in the years to come, with the announcement of our new intensity reduction target, in line with the 1.5°C scenarios defined by science.

As part of our commitments with the NZBA, **we are announcing this year a quantified objective of decarbonising our financed electricity mix** by Crédit Agricole CIB and Unifergie. The goal of the 39 regional banks and our International Retail Banks will be published in 2023.

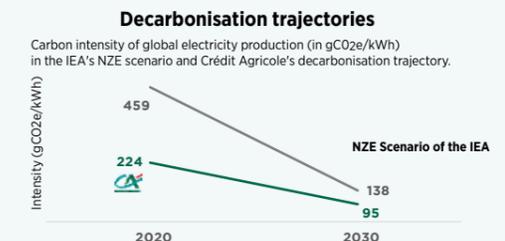
**Guillaume RICHARD**  
Global Head  
of the Electricity sector  
Crédit Agricole CIB



“*CACIB financed its first wind farm in Spain in 1997, and today our electricity production project financing portfolio is made up of more than two-thirds of renewable energies financing. The announcement of our "Net Zero" commitments demonstrates our accelerated strategy to support our customers in their efforts to decarbonise the sector, in all of our countries of operation, and with all of our corporate and investment banking.*”

In line with the decarbonisation objective of the IEA's NZE scenario (138 gCO<sub>2</sub>e/kWh in 2030), **we are committed to reducing the average carbon intensity of our electricity production financing to 95 gCO<sub>2</sub>e/kWh by 2030.**

WE ARE COMMITTED TO ACHIEVING  
**-58% > 95**  
gCO<sub>2</sub>e/kWh  
on the average carbon intensity of our electricity production financing  
**by 2030**



This very ambitious objective demonstrates our conviction as to the role that **Crédit Agricole can play in the energy transition, by activating 3 levers:**

- Supporting our large business customers in the electricity sector in their transition.
- Remain the leading financier of renewable energies in France with a target of a +60% increase in exposure to the production of low-carbon energies for Crédit Agricole CIB in 2025 vs 2020 and a 50% growth in the financing of renewable energies projects by 2025 for Unifergie. The financing of renewable energies will be multiplied by 3 overall by 2030, and the production financed (TWh) by 3.6.
- Pursue our commitment to completely phase out coal by 2030 (EU and OECD) and 2040 (rest of the world) and be more selective and restrictive on the financing of gas-fired power plants.

In 2019, the Crédit Agricole Group announced its withdrawal from thermal coal by 2030 (for EU and OECD countries) and 2040 (rest of the world). This implies in particular the cessation of financing for the production of electricity from coal, with the withdrawal from coal-fired power plants. This exit from thermal coal is fully integrated into the Net Zero trajectory of the Electricity production sector, by contributing to the withdrawal of production units based on fossil energy and therefore to the decarbonisation of the financed electricity mix.

(1) International Energy Agency (2022). World total final consumption by source, 1971-2019

(2) International Energy Agency (2022). Electricity Sector.

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## AUTOMOBILE

ENTITIES: CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE LEASING & FACTORING / CRÉDIT AGRICOLE CONSUMER FINANCE

Faced with the double challenge of a growing demand for mobility and the strengthening of environmental expectations, the automotive sector has been undergoing major changes for several years, which are the result of changes in lifestyles and consumer needs.

The automotive sector is in fact at the centre of environmental concerns. This is a decisive sector in the Net Zero trajectories since it currently represents nearly 12% of global greenhouse gas emissions<sup>(1)</sup>. The fuel consumed by vehicles (Scope 1 for users) is today the main source of emissions and constitutes approximately 70% of the sector's greenhouse gas emissions.

Reducing the environmental footprint of various players in the automotive sector is both necessary and urgent. The major lever for this is the electrification of the vehicle fleet. This is complementary to current and future societal changes (for example, modal changes towards less emissive soft mobility via public transport, bicycles, carpooling, etc.).

In Europe, regulations are gradually aligning with the decarbonisation of the automotive sector (e.g. CAFE program, EU Fit for 55). Financial institutions must participate in this transition and support the reduction of emissions from the automotive sector in order to reach Net Zero by 2050.

**Todor TODOROVSKI**  
Global Head  
of the Automobile sector  
Crédit Agricole CIB



“CACIB's Net Zero trajectory is a global commitment designed to support the ambitious electrification efforts of our car manufacturing customers. We aim to shape this transformation by strategically deploying our capital, knowledge and advisory services to help the world's best car manufacturers achieve their public electric vehicle goals by 2030. We recognize that the journey may be unstable given the complexity of the electric vehicle value chain, but we believe we have a successful trajectory and strong partnerships with our customers, which will ultimately allow CACIB and its customers to achieve their Net Zero goals together.”

Crédit Agricole, motivated by the active role it plays to promote growth and development in the automotive sector through its financing, is committed to supporting the transition to a model that is more respectful of the environment. The Group effectively participates in the financing of the automotive sector, and this throughout the value chain – from the construction of vehicles, to their sale / resale, to financing for end users (transport professionals or individuals). **Crédit Agricole financed players in the automotive sector for more than €80 billion in outstandings at the end of 2020 (with a 100% vision for the various capital partnerships that the Group has).**

Crédit Agricole's strategy to support the reduction of greenhouse gas emissions in the automotive sector is based on various levers to be activated:

- The main lever for reducing the carbon footprint of the automotive sector remains its **rapid electrification**. This is a lever on which Crédit Agricole is positioned at all levels, both through support for manufacturers and the implementation of new types of incentive financing for end users of electric vehicles. To support the decarbonisation of the Automobile sector, Crédit Agricole is committed to taking advantage of its regional presence to equip the territory with charging stations to allow

everyone, regardless of their region, to travel effortlessly in electric cars.

- We are committed to directing our financing towards **manufacturers and vehicles that emit less greenhouse gas per kilometre** (for example, financing of hybrid and electric vehicles) with a target of at least one new vehicle out of two meeting these criteria from 2025 for CACF.

“**Richard BOULIGNY**  
Head of International  
Automotive Partnerships,  
Crédit Agricole  
Consumer Finance



”*Full-term rentals will be powerful vectors of the energy transition for vehicles. Crédit Agricole Consumer Finance is now equipped to support this change and become the leader in green mobility in Europe.*



(1) International Energy Agency (2022). Cars and vans.

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## AUTOMOBILE

It is on the combined activation of these levers that our commitment to the automotive sector is now based: **reduce the average emissions intensity of Crédit Agricole's automotive financing portfolio by 50% by 2030**. This represents a transition from an average intensity estimated in 2020 at 190 gCO<sub>2</sub>/km to an average intensity in 2030 of 95 gCO<sub>2</sub>/km.

This reduction target is based on a scope which to date includes corporate financing (balance sheet and off-balance sheet, medium and long term) and vehicle financing (individual loans, leasing, securitisation), i.e., the financing of car manufacturers as well as loans for private and professional vehicles, with a limited scope, to date, on light vehicles.

Crédit Agricole measures the Tank-To-Wheel (TTW) emissions of its financing, i.e. emissions related to the use of the vehicle (scope 3 for manufacturers and scope 1 of users).

The scope selected is justified by the materiality of the Group's financing for car manufacturers and individual or professional users. Suppliers (upstream of manufacturers) and resellers are excluded from the measurements of TTW emissions of the vehicles they are involved in building or distributing due to the limited availability of data and in order to limit double-counting of emissions within the value chain.

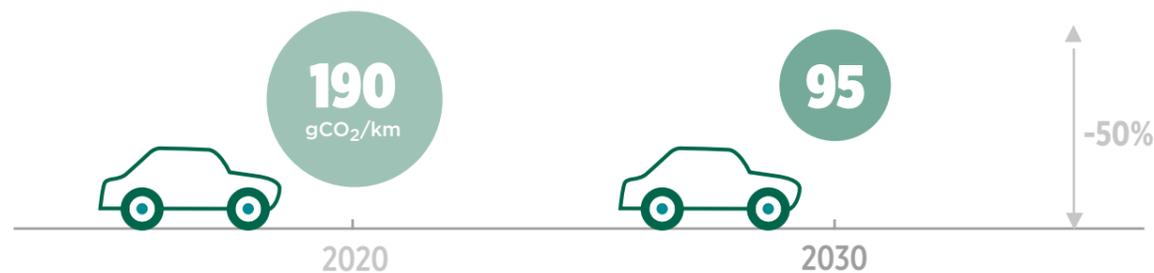
This reduction target is more ambitious than the IEA's NZE scenario targeting a reduction of 46% by 2030.

We are committed to improving and updating our metrics and trajectories during baseline scenario updates and as data becomes available. Major changes in greenhouse gas emissions are, in fact, anticipated, in particular with the

electrification of the vehicle fleet, which will lead to an increase in the share of emissions from battery production (estimate of around 30% of greenhouse gas emissions in the automotive value chain in 2030).

Our next steps also include extending our work and targets to heavy vehicles, with this first release focusing only on light vehicles.

### Decarbonisation trajectory - Intensity (gCO<sub>2</sub>/km) - TTW use in real situation

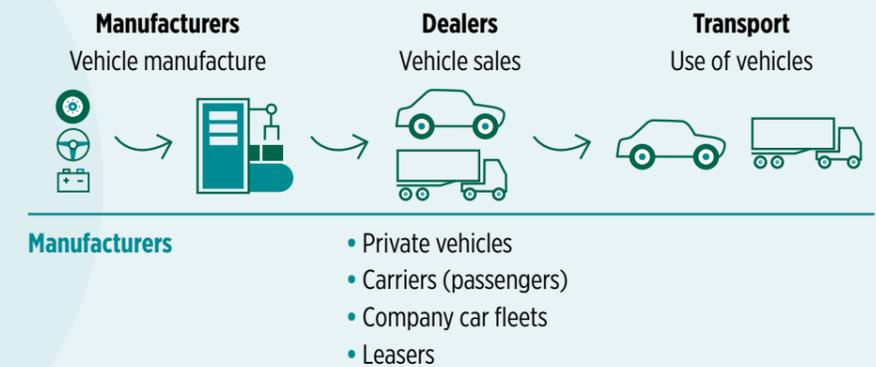


### OUR TARGET BY 2030

**-50% > 95**  
gCO<sub>2e</sub>/kWh

TTW emissions  
(Scope 3 manufacturers & Scope 1 users)  
**In line with the IEA NZE scenario**

### VALUE AND MATERIALITY CHAIN



# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## COMMERCIAL REAL ESTATE

ENTITIES: CRÉDIT AGRICOLE CIB / LCL / CRÉDIT AGRICOLE LEASING & FACTORING / CRÉDIT AGRICOLE ITALY

At the origin of approximately 20%<sup>(1)</sup> of global GHG emissions according to the IEA, of which a third comes exclusively from tertiary buildings<sup>(2)</sup>, the commercial real estate sector must today initiate a transition to a new model in order to meet growing societal and environmental expectations.

The entire value chain of the sector will have to evolve, from assembly and construction to the use of buildings. This last milestone is particularly decisive; it represents almost all of the Scopes 1 & 2 emissions of the commercial real estate sector in developed economies (approximately 75% in France<sup>(3)</sup>).

The growth and development of commercial real estate has traditionally been supported by financial institutions through the financing of real estate within the framework of commercial activities, but also through the financing of companies belonging to the real estate development and the hotel industry, with a property leasing business<sup>(4)</sup>.

Now it is up to banks to take an active role and promote the energy and ecological transition of this sector to help reduce global GHG emissions by 2030 and achieve net zero emissions by 2050.

**Olivier NICOLAS**  
Head of  
Corporate Banking and  
LCL Wealth Management



“  
*The very significant share of commercial real estate in CO<sub>2</sub> emissions requires urgent and massive decarbonisation action. Banks, traditional financiers of the sector, obviously have a major role to play in initiating and then flawlessly pacing this movement. Crédit Agricole's Net Zero commitments will contribute to achieving this objective, while seeking maximum support from all stakeholders. Advice and innovation will therefore have a big role to play.*

Crédit Agricole has decided to take an active role in the energy and ecological transition of commercial real estate due to the considerable volume of greenhouse gases emitted, the major influence that banks have on this sector through their financing and the maturity of the transition levers.

The Group's strategy is based on several levers to be activated in a combined way, which affect both entering into a relationship with new customers and supporting existing customers:

- In order to participate effectively in the reduction of greenhouse gas emissions relating to the commercial real estate sector, it is also imperative for us to provide **effective support to customers**, by encouraging them to acquire less energy-consuming buildings, to renovate their existing buildings and by supporting them in their decarbonisation trajectories. In fact, the achievement of Crédit Agricole's Net Zero trajectory strongly depends on the ability of our customers in the real estate sector to achieve their own Net Zero target.

- To enable our customers to move towards energy conservation, we are committed to developing specific offers to support them in **energy-efficient renovations** of their buildings and to **facilitate access to carbon-free energy sources** (for example, solar panels and heat pumps). To do this, we will develop partnerships with real estate and construction players in order to make quality renovation and construction accessible to our customers using techniques and materials that are more environmentally friendly.

### OBJECTIVE

**+50%**  
financing<sup>(5)</sup>  
of green buildings<sup>(6)</sup>  
in commercial real estate  
for CRÉDIT AGRICOLE CIB  
in 2025 vs 2020

It is on the combined activation of these levers that our commitment to the commercial real estate sector is based: reduce the average emissions intensity of the portfolio of tertiary building and real estate customers of Crédit Agricole by 40% by 2030. This means moving from an average intensity estimated in 2020 at 46 kgCO<sub>2</sub>e/m<sup>2</sup> to an average intensity of **28 kgCO<sub>2</sub>e/m<sup>2</sup>** across the entire portfolio.

Our reduction target is based on a scope that to date only includes emissions related to the use of buildings. This is due to the materiality of these emissions, which is substantial compared to the other stages of the value chain. In France, emissions related to the use of buildings represent approximately 75% of all emissions from the commercial real estate sector (CITEPA). Emissions related to the production of construction materials (mainly cement and steel) are subject to a specific reduction target. With regard to the construction of the building, we are committed to including this milestone in our future work.

In addition, in terms of scope, our target includes all greenhouse gas emissions from tertiary real estate (financing of real estate and financing of companies in the real estate sector). These emissions are mainly carbon dioxide and hydrofluorocarbons from the cold chain (e.g., air conditioning).

We are committed to achieving

**-40% > 28**  
kgCO<sub>2</sub>e/kWh

on our average emissions intensity<sup>(7)</sup>  
of the Commercial Real Estate  
portfolio by 2030.

(5) Medium-long term off-balance sheet + balance sheet financing

(6) Green buildings according to the CASA Green Bond Framework to date (<https://www.credit-agricole.com/finance/dette-et-notations>)

(7) CACIB, LCL, CA Italia and CAL&F. Taking into account the use of the building, excluding construction

(1) Taking into account the use of the building, excluding construction

(2) International Energy Agency (2022). Buildings

(3) CITEPA (2022). Inventory of atmospheric pollutant and greenhouse gas emissions in France – Secten format.

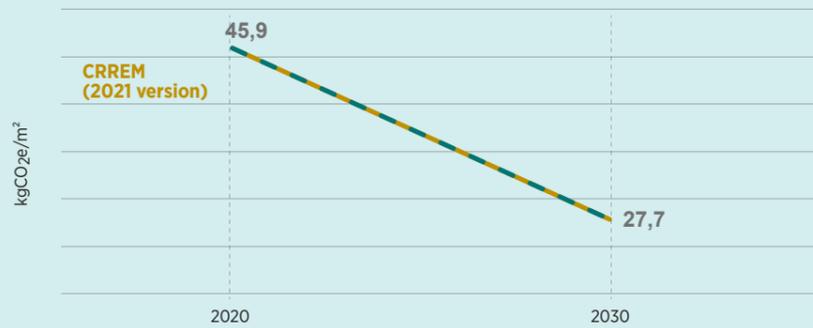
(4) A property finance lease is a rental contract for a building between a company and a real estate finance leasing company, with the possibility of purchase at the end of the contract.

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## COMMERCIAL REAL ESTATE

### OUR OBJECTIVE FOR THE COMMERCIAL REAL ESTATE SECTOR IN 2030

Decarbonisation trajectory of our commercial real estate financing portfolio, aligned with a CRREM scenario compatible with limiting global warming to 1.5°C.

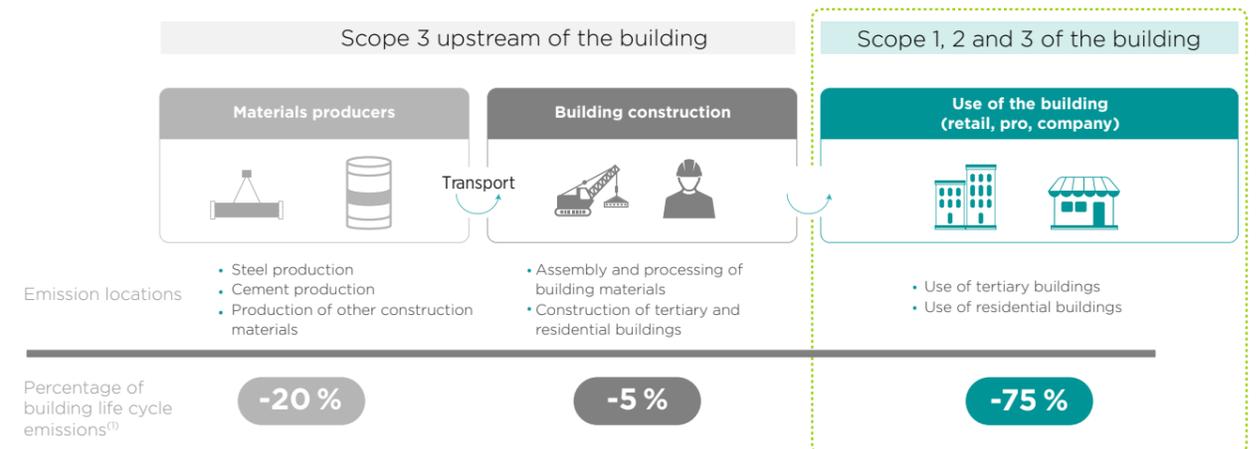


This ambitious reduction target is aligned with the CRREM scenario which aims to keep global warming below 1.5°. To date, our PCAF score for the commercial real estate sector varies between 3 and 5, depending on the availability of data from our various entities. We will gradually refine our reference base by collecting data and improving the quality of data both on the financing of real estate (monitoring of covered outstandings, surfaces, value at set-up) and on the financing of real estate companies. We will also continue to develop our tools to improve the quality of monitoring of our financed emissions in the commercial real estate sector, which will be published annually as part of our Extra-financial performance declaration.

Our next steps include expanding the scope of our target to building construction, but also and above all, communicating our commitments in the residential real estate sector by the end of 2023.



Harmonia Verde residential programme in Montpellier completed by Crédit Agricole Immobilier



(1) France Area

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## CEMENT

ENTITY: CRÉDIT AGRICOLE CIB

**ELENA BURDYKINA**

Sustainable Finance  
Sector Manager  
Crédit Agricole CIB



*Our goal is to encourage our cement-producing customers to make ambitious commitments, and to continue to support them in their efforts to reduce their CO<sub>2</sub> emissions. We will then be able to support them in the deployment of the various decarbonisation levers in the sector such as the substitution of clinker, the reduction of the use of fossil fuels, the improvement of energy efficiency, or the development of CCUS-type technologies<sup>2</sup>.*



Cement production emits 8% of global greenhouse gases, and is one of the highest-emitting industrial activities<sup>(1)</sup>. Emissions from the cement value chain are concentrated in the production of clinker and cement. About 50% of these emissions come from the chemical process of decarbonation of limestone during calcination. The other two main sources of emissions are the firing of limestone and clay (“clinkerisation”) during the clinker production phase, and the mixing and grinding of materials during the production of cement.

The industry is now exploring various decarbonisation levers. On the one hand, it is a question of reducing CO<sub>2</sub> emissions during the production of clinker, in particular by using other types of materials (low CO<sub>2</sub> content clinker), by reducing energy emissions (electrification, use of hydrogen), or by deploying CCUS<sup>(2)</sup> type technologies. On the other hand, in addition to these emissions linked to the production of clinker, the challenge is also to reduce the CO<sub>2</sub> emissions linked to the production of cement, with in particular a drop in the clinker-to-cement ratio.

By 2030, according to the IEA NZE 2050 scenario, the two main decarbonisation levers are the reduction of the clinker-to-cement ratio and changes in the energy mix, including the use of alternative fuels. Over the 2030-2050 period, CCUS<sup>(2)</sup> type technologies, still in the development phase today, will be responsible for most of the reduction in emissions.

Crédit Agricole is committed to supporting its cement-producing customers in the decarbonisation of their businesses.

Crédit Agricole’s strategy to support the reduction of greenhouse gas emissions in the cement production sector is based on various levers to be activated.

The main lever consists of engaging in close dialogue with our cement-producing customers in order to encourage them to set ambitious decarbonisation targets relating to their Scopes 1 and 2 gross carbon intensity. Most cement manufacturers now actually set decarbonisation targets on their net carbon intensity, thus considering the use of alternative fuels (example: combustion of plastic waste) as a lever for decarbonisation.

At the same time, Crédit Agricole will continue to support its customers to support them in the massive investments required to decarbonise their businesses.

These two levers are in line with our ongoing desire to support customers committed in the transition.

It is on the combined activation of these levers that our commitment to cement production is based today: reduce by 20% our gross

financed emissions per ton produced, scopes 1 & 2, by 2030. **This target actually comprises 3 components:**

**-20% minimum**  
of gross emission intensity  
in Scopes 1 & 2  
between 2020 and 2030  
in cement production  
(from 671 kgCO<sub>2</sub>e/t  
to 537 kgCO<sub>2</sub>e/t)



**Close dialogue**  
with our customers to  
encourage them to set  
ambitious gross intensity  
targets



**Commitment to revise  
the target in 2025**  
based on  
customer  
commitments

We are committed to reviewing our target in 2025 to take into account the changing objectives of our cement-producing customers.

### The chosen target is ambitious in several respects:

- It covers both Scope 1 and Scope 2 cement producers.
- It is expressed in gross emissions from the combustion of non-renewable waste, in order to take into account all the emissions linked to the production of cement and to promote the deployment of decarbonisation levers other than the use of alternative fuels (example: combustion of plastic waste) in particular the reduction of the clinker-to-cement ratio.
- Physical production is in tons of cementitious material, which avoids double counting and produces a comparable intensity between the players, in line with the recommendations of the Global Cement and Concrete Association (GCCA).

These different methodological choices are aligned with climate scenarios, including the IEA’s NZE 2050 scenario, and comply with the best practices recommended by the standards.

We are committed to improving and updating our metrics and trajectories during baseline scenario updates and as data becomes available. Cement producers will actually have to update their decarbonisation strategies and targets, in particular by communicating more about their gross emissions and increasing their level of ambition.



(1) Chatham House Report (2018). Making Concrete Change: Innovation in Low-carbon Cement and Concrete.  
(2) Carbon Capture, Utilization and Storage

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## SHIPPING

ENTITIES: CRÉDIT AGRICOLE CIB / LCL

Since the 1960s, shipping has established itself as the spearhead of international trade. Today, more than 80% of world trade in goods is transported by this mode of transport<sup>(1)</sup>.

But this important link in our economy is not without consequences. Ships are overwhelmingly powered by the combustion of fossil fuels needed to run the engines. This combustion releases carbon dioxide which contributes to global warming and permanently modifies the meteorological balance of our ecosystems. Shipping is thus responsible for around 3% of global greenhouse gas emissions<sup>(2)</sup>.

Facing the climate emergency, the shipping sector must evolve and be part of a sustainable model in order to make the essential function it fulfils in our economy compatible with the preservation of the environment.

Achieving a sufficient reduction in emissions will necessarily require technologies used to evolve, in particular propulsion technologies. This transition is a major project for shipping: the cost of this transition is estimated at \$2,400 billion, including \$1,700 allocated to the development and deployment of alternative fuels<sup>(3)</sup>.

Such an effort requires a strong and immediate commitment from all stakeholders in the shipping sector.

**Thibaud ESCOFFIER**  
Global Head  
of the Shipping Sector  
Crédit Agricole CIB



“  
*As a founding member of the Poseidon Principles, the Crédit Agricole Group supports its shipowner customers in the decarbonisation of the shipping sector. Ambitious new “Net Zero by 2050” trajectories are being developed within the Poseidon Principles, in order to support the sector in its necessary transformation.*  
”

Crédit Agricole is aware of the magnitude of the transition to be carried out in the shipping sector and plans to actively contribute to the efforts to achieve it. This is why in 2019, Crédit Agricole CIB committed as a founding member of the Poseidon Principles, a pioneering initiative led by the main international financing banks in the sector whose objective is to create a global framework for measurement and communication on the alignment of the sector’s financing portfolios with the decarbonisation trajectory adopted by the International Maritime Organisation (IMO), with the aim of ensuring a transition towards low-carbon shipping. Crédit Agricole CIB is now a member of the Poseidon Principles steering committee.

The initiative now brings together 30 major banks and export credit agencies involved in shipping finance, and represents 65% of the shipping finance market. The signatories undertake to measure their carbon intensity and their climate alignment each year with respect to the reference decarbonisation scenario, in accordance with the methodology developed within the framework of the Poseidon Principles. Carbon intensity is measured with the Annual Efficiency Ratio (AER) approach, on the basis of fuel consumption, distance travelled and deadweight tonnage.

The decarbonisation trajectories currently used by the Poseidon Principles are aligned with the IMO trajectories, namely a minimum 50% reduction in greenhouse gas emissions by 2050. These trajectories are to be reviewed by the IMO by the end of 2023, in order to increase the level of ambition to align with a Net Zero target in 2050. In advance of schedule, the members, the members of the Poseidon Principles have asked specialists in the maritime sector to build Net Zero trajectories compatible with the Paris Agreement and plan to adopt these new trajectories from the first quarter of 2023.

Crédit Agricole has set up systems to measure the carbon footprint of the ships it finances and support shipowners with the measures to be taken to reduce the carbon intensity of their ships. Our objective as of now is to support our customers in the financing of more virtuous boats, motorised with natural gas and bio-fuel, while supporting the development and construction of future generations of ships over the next decade, powered by hydrogen and other low and zero carbon marine fuels.



(1) United Nations Conference on Trade and Development (2022). Review of Shipping 2022.  
(2) European Commission (2022). Fourth Annual Report from the European Commission on CO<sub>2</sub> Emissions from Shipping.  
(3) Boston Consulting Group (2021). Global Shipping’s Net Zero Transformation Challenge.

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## AVIATION

ENTITIES: CRÉDIT AGRICOLE CIB

**José ABRAMOVICI**  
Global Head  
of the Aviation Sector,  
Crédit Agricole CIB



“  
*As a founding member of the Climate Aligned Finance Working Group, Crédit Agricole is committed to setting up an ambitious framework for the decarbonisation of the aviation sector and to supporting its customers to invest in the most energy efficient technologies in terms of CO<sub>2</sub> emissions.*  
”

In 2019, the aviation sector was responsible for 3% of global energy-related greenhouse gas emissions<sup>(1)</sup> and 13% of transport emissions<sup>(2)</sup>. These increased by 33% between 2013 and 2019, while traffic increased by 50% over this period<sup>(3)</sup>.

More than 99% of the sector's emissions come from the combustion of kerosene necessary for the operation of aircraft. As this fuel represents the main item of operational expenditure for airlines, the sector has always had a strong economic incentive to improve the energy efficiency of aircraft. Thus, since 1990, technological developments have made it possible to halve CO<sub>2</sub> emissions per passenger-km (IATA).

However, the levers that enabled this significant reduction now leave less room for improvement. Only new technologies still under development will allow the sector to align itself with a 1.5°C target, such as Sustainable Aviation Fuels (SAF) or new generation aircraft using electricity or hydrogen either totally or partially (hybrid technologies).

Reducing emissions from air transport therefore consists, first of all, in continuing to reduce the average consumption per passenger and volume of goods transported, in developing and expanding the production of near-CO<sub>2</sub>-neutral life-cycle fuels and, in the future, to fly planes using disruptive technologies.

Crédit Agricole is committed to actively supporting the transition of the aviation sector towards a sustainable model.

We are one of the founding members of a working group that partners with the Rocky Mountain Institute (RMI) that aims to create a collective aviation financing framework aligned with climate goals and objectively measure the progress of banks on the reduction of emissions linked to their loan portfolio. This framework will allow participating financial institutions to assess and publish annually, in accordance with the Net Zero Banking Alliance (NZBA), the CO<sub>2</sub> emissions alignment score of their financing portfolio of airlines and aircraft rental companies with climate objectives to limit the temperature increase to 1.5°C.

Crédit Agricole is also committed to directly supporting its customers and stakeholders in the aviation sector in their transition by sharing its expertise in the sector, the new financing put in place being primarily oriented towards the latest technology aircraft and the most fuel-efficient.

With regard to the reduction of emissions from the sector we finance, Crédit Agricole is currently assessing the CO<sub>2</sub> footprint of the aircraft, airlines and aircraft leasing companies it finances, with a view to building a realistic

trajectory with a target of 1.5°C based on the various potential levers for reducing emissions in the sector. This work will be presented by 2023.



(1) International Energy Agency (2022). Aviation.  
(2) International Energy Agency (2022). Global CO<sub>2</sub> emissions from transport by sub-sector in the Net Zero Scenario, 2000-2030.  
(3) International Council on Clean Transportation (2020). CO<sub>2</sub> emissions from commercial aviation: 2013, 2018 and 2019.

# 2-REDUCE EMISSIONS LINKED TO OUR FINANCING

## RESIDENTIAL REAL ESTATE

ENTITIES: REGIONAL BANKS, LCL, CRÉDIT AGRICOLE ITALIA

At the origin of nearly 20%<sup>(1)</sup> of global greenhouse gas emissions, the real estate sector<sup>(2)</sup> must carry out an in-depth transformation of its model to be able to align itself with the 1.5°C scenario. Among the real estate sub-sectors, residential buildings account for two-thirds of the sector's global greenhouse gas emissions.

In France, the use of buildings is the fourth most emitting sector (18% of total emissions in 2020<sup>(3)</sup>), housing representing two thirds of these emissions.

Today, 74% of direct emissions from buildings in France come from heating, 12% from domestic hot water, 6% from cooking and 8% from other uses<sup>(4)</sup>. To reduce these emissions, the challenge is twofold: first of all, it is a question of massively renovating existing housing built before the implementation of environmental requirements: in fact, three-quarters of the housing units of 2050 are already built. Lastly, it will be necessary to continue to increase the performance levels of new buildings beyond those currently available.

Given the maturity of the transition levers and the influence of banks on real estate financing, the residential real estate sector for individuals is one of the key sectors expected to have Net Zero standards.

Marc OPPENHEIM  
CEO of  
Crédit Agricole Immobilier



*The leading financial partner of the French, and a real estate player, Crédit Agricole wants to support everyone in their move towards more sustainable housing. A complex issue, impacting the budgets and assets of all our customers, we will support their projects using all our expertise, over the long term: new housing to the highest standards, overall renovation, works, self-production of renewable energy, etc.*



As the leading real estate financier in France, the Crédit Agricole Group has decided to commit fervently to the transition of the residential real estate sector, which is essential and strategic since the Group finances one in three homes in France<sup>(5)</sup>.

To help reduce emissions from the residential real estate sector, we are committed to combining different levers to advise our customers in their eco-renovation projects and support government measures. Crédit Agricole supports, among other things, the ban on installing the most greenhouse gas-emitting heating methods and finances the efficient renovation of "thermal sieves" (low energy performing housing in France) as well as the construction of new and energy-efficient buildings.

Work is currently underway to define the baseline of financed emissions as well as the reduction trajectory of Crédit Agricole's financed emissions and will be communicated by the end of 2023.

## STEEL

ENTITIES: CRÉDIT AGRICOLE CIB

The steel industry accounts for around 7% of global energy-related greenhouse gas emissions<sup>(6)</sup>.

According to the IEA NZE 2050 scenario, global steel demand is marked by a slight increase until 2030 and then stabilises until 2050. The decarbonisation of this sector is therefore a central issue in climate transition.

The decarbonisation of the steel industry is mainly based on the transition from coal to electricity in the steel production process, with the deployment of a set of technologies such as the Electric Arc Furnace (EAF), hydrogen-based Direct-Reduced Iron (DRI), the electrolysis of iron ore, the electrification of equipment, etc.

Over the 2020-2030 period, most of the reduction in emissions will be achieved through technologies already available in the market, with an increase in production based on scrap (scrap metal), an overall improvement in energy efficiency, and with the switch to gas-fired DRIs (which represent about -30% emissions compared to coal).

Over the 2030/2050 period, technologies currently under development will make it possible to continue the decarbonisation of the sector (DRI powered by hydrogen, electrolysis of iron ore, CCUS).

Crédit Agricole is committed to actively supporting the transition of the steel sector towards a low-carbon model.

Jérôme BERNARD  
Global Head  
of the Metals and Mining Sector,  
Crédit Agricole CIB



*Crédit Agricole CIB is a very active bank in the steel sector and the principles of sustainable steel are a fundamental tool. They will allow our customers to standardise their reports on carbon emissions and the bank to follow the evolution of carbon emissions of its steel portfolio. In this way, we will continue to serve the steel industry during its decarbonisation journey, as we always have.*



In September 2022, we joined the Sustainable STEEL Principles as a founding signatory, in partnership with the Rocky Mountain Institute (RMI), and with five other banks active in financing the steel production sector. This initiative which is supposed to expand and bring together the largest banks involved in the sector, is based on the Poseidon Principles for shipping model.

The work carried out within the framework of the Sustainable STEEL Principles has led to a global framework comprising a dual methodology:

- A methodology for companies in the steel sector, allowing them to report their carbon intensity and production data.
- A methodology for banks to measure and report on the carbon intensity of their loan portfolios.

The goal is to empower financial institutions to facilitate the decarbonisation of their customers while improving their alignment with climate scenarios in line with NZBA guidance. Banks that have signed the Sustainability STEEL Principles will therefore be required to calculate an alignment score for their Steel portfolios with reference to climate scenarios, and publish this score annually. Furthermore, Crédit Agricole will use this work to define a carbon intensity trajectory, in line with other sectors.

(1) Taking into account the use of the building, excluding construction. (2) International Energy Agency (2022). Buildings. (3) CITEPA (2022). Inventory of atmospheric pollutants and greenhouse gas emissions in France - Secten format. (4) SDES (2023). Energy renovation monitoring table in the residential sector. (5) Banque de France (2022). Housing finance in 2021

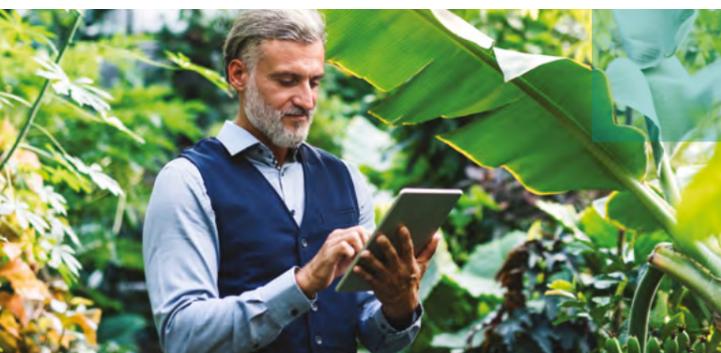
(6) International Energy Agency (2022). Iron and Steel.

# 3-REDUCE EMISSIONS LINKED TO OUR INVESTMENTS

## 3-A INVESTMENTS AS AN INSURER

As an investor, Crédit Agricole Assurances makes every effort to participate in the global reduction of greenhouse gas emissions by reducing the footprint of its investment portfolios. We are therefore committed to reducing the carbon footprint (in tonnes of CO<sub>2</sub> equivalent per million euros invested) of our listed equity and corporate bond investment portfolios by 25% by 2025 (compared to 2019).

Signatory of the Principles for Responsible Investment (PRI) since 2011, Crédit Agricole Assurances has been involved in the financing of renewable energies since 2014 and joined the Net Zero Asset Owner Alliance (NZAOA) in October 2021. Launched in September 2019 at the United Nations Climate Action Summit, the NZAOA alliance brings together insurers and investors who are committed to the carbon neutrality of their investment portfolio by 2050.



In line with Crédit Agricole's Societal Project, these commitments underline Crédit Agricole Assurances' desire to be a major player in the energy transition, by promoting the decarbonisation of the real economy in partnership with its customers. As a leader in these markets and a leading investor (+€272 billion in assets under management), Crédit Agricole Assurances has the ability and responsibility to act and have a positive impact for its customers and society.

### OUR OBJECTIVE

Reduce by **25%** the footprint of our listed equity and corporate bond investment portfolio by 2025

As of now, and in line with the Group's coal sector policy, Crédit Agricole Assurances excludes any direct investment in a company that develops new coal projects and capacities (mines, power stations and transport infrastructure) and no longer holds any in its portfolio. Furthermore, in line with its membership of the

NZAOA, Crédit Agricole Assurances undertakes to no longer invest in new oil and gas extraction infrastructures and to encourage players in the sector to adopt decarbonisation objectives compatible with the 1.5°C scenarios.

### As an investor, Crédit Agricole Assurances also plays a major role in supporting transition sectors and technologies:

**#1** Institutional investor in renewable energies in France

Crédit Agricole Assurances is committed to ensuring that its investments in renewable energies installations reach the production capacity of 14 GW by 2025 (compared to 5.2 GW at the end of 2020), i.e. the equivalent of the average annual consumption of more than 5 million households in France.

**€100M** invested in the Clean Hydrogen Infrastructure Fund

We are investing in new forms of low-carbon energy such as decarbonated hydrogen. For example, we have invested €100M in the Clean Hydrogen Infrastructure Fund, the world's largest fund dedicated to decarbonated hydrogen.

**50%** in surface area of real estate assets certified at the end of 2022

50% (i.e. €12 billion in appraised value) of real estate assets in our portfolios have environmental certification by the end of 2022.

**Florence BARJOU**  
Head of Investments,  
Crédit Agricole Assurances



**“**  
*By committing to reducing the carbon footprint of its listed equity and corporate bond investment portfolios by 25% by 2025 and by positioning itself today as France's leading institutional investor in renewable energies, Crédit Agricole Assurances is reaffirming its active contribution in the transition to a low-carbon economy.*  
**”**

# 3-REDUCE EMISSIONS LINKED TO OUR INVESTMENTS

## 3-B ASSET MANAGEMENT

European leader in asset management with €1,904 billion in assets under management as of 31<sup>st</sup> December 2022, Amundi is one of the pioneers of responsible investment, which it has placed at the heart of its development strategy since its creation in 2010.

Amundi is a founding signatory of the Principles for Responsible Investment (PRI) and actively contributes to the application of these principles through its commitment to sustainable finance and its responsible investment processes. It also joined the Net Zero Asset Managers<sup>(1)</sup> initiative.

Amundi is convinced that the inclusion of Environmental, Social and Governance (ESG) topics has a positive impact on long-term financial performance, due to the strategic management of risks and opportunities. This conviction has led it to consider, in its investment philosophy and practices, the main issues of sustainable development such as climate change, the preservation of natural capital and social cohesion.

actively managed open-ended funds<sup>(2)</sup>, in order to offer its customers investment solutions that seek to reconcile financial performance and achievement of extra-financial objectives, while respecting the level of risk they have chosen. This approach is supplemented by the implementation of exclusion policies and the systematic consideration of ESG factors in our dialogue with companies, through our commitment and voting activities.

Amundi's strategy in terms of responsible investment is based in particular on the generalised inclusion of ESG criteria in all

This strategy is part of the implementation of the Societal Project which serves as a roadmap for the whole of Crédit Agricole.

**Elodie LAUGEL**  
Chief Responsible Investment Officer,  
Amundi



“  
Joining the Net Zero Asset Managers initiative and the launch of the “ESG Ambitions 2025 Plan” are part of our strategy to accelerate Amundi’s ESG transformation and support the overall objective of carbon neutrality by 2050.  
”

### Net Zero Asset Managers Initiative

On 6<sup>th</sup> July 2021, Amundi joined the Net Zero Asset Managers (NZAM) initiative and announced its intention to gradually align its activities and a growing share of its portfolios with a goal of net zero emissions by 2050, in order to limit global warming to 1.5°C. The NZAM initiative is an international group of asset managers comprising 301 global asset managers responsible for \$59 trillion in assets under management (as of 31/12/2022). The initiative is managed by six networks of founding partner investors: Asia Investor Group on Climate Change (AIGCC), CDP, Ceres, Investor Group on Climate Change (IGCC), Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI).

By joining the NZAM initiative, Amundi confirms its support for global carbon neutrality goals and takes steps to accelerate investments aligned with the goal of net zero emissions by 2050. This is a key step in Amundi's commitment to contribute positively to solving global societal challenges and a major step in its climate action plan.

### AMUNDI'S KEY COMMITMENTS OVER THE PAST 20 YEARS



(1) Literally, “Carbon neutral asset manager”. This international initiative brings together asset managers who have made a commitment to support the achievement of carbon neutrality by 2050 at global level.  
(2) All open-ended funds actively managed by Amundi to which an ESG rating methodology can be applied.  
(3) European Investment Bank.  
(4) Asian Infrastructure Investment Bank.  
(5) Finance for Tomorrow is now renamed Institut de la Finance Durable (IFD)

### OUR APPROACH

In line with the Crédit Agricole Group policy, Amundi's Climate approach is based on 3 convictions:

- Economic and financial actors carry, as well, a strong responsibility towards society;
- The integration of Environmental, Social or Governance (ESG) criteria in investment decisions is a driver of long-term financial performance;
- The acceleration of our ESG ambition is the first lever of growth for Amundi globally.

# 3-REDUCE EMISSIONS LINKED TO OUR INVESTMENTS

Aware of our responsibility and our obligations towards customers for whom we invest, we are adopting a gradual approach with intermediate steps to setting the goals of our long-term climate strategy.

Amundi thus announced in early November 2022 that it had set an initial target of 18% of its assets under management<sup>(1)</sup> with Net Zero alignment targets by 2025. Only strategies (funds and mandates) with explicit and binding alignment objectives, mentioned in their legal documentation, will be counted as assets with alignment objectives.

This goal is both ambitious and realistic. Setting a short horizon, in particular, involves immediate transformation efforts to be carried out on three fronts. First of all, products, with investment solutions aligned with the Net Zero trajectory for all types of investors. On the customer front, secondly, engaging and advising them on how to align their investments with the Net Zero goal. Lastly, on the emitter front, by encouraging the adoption and implementation of credible transition plans towards the overall objective of carbon neutrality through the practice of commitment. Details of the commitment and the methodology adopted are available on the Amundi website.

## Accompanying customers towards investing in favour of carbon neutrality

Amundi offers its customers a full range of expertise based on its unique operating model, built on its two main businesses: the provision of savings solutions for retail customers and the provision of investment solutions intended for institutional investors and large companies. The wide range of expertise of Amundi's management teams helps to meet the specific needs of its customers, by providing solutions adapted to all asset classes.

Investors are particularly sensitive to major environmental and societal challenges. To meet these challenges, Amundi sets up events and promotional actions for institutional customers, distributors and individuals to highlight its

responsible investment practices and present ESG and climate issues.

Furthermore, in accordance with the "ESG Ambitions 2025 Plan" and its commitments to the Net Zero Asset Managers Initiative, Amundi supports the Net Zero transformation of its institutional customers. The institutional sales force engages in discussions with its customers to understand their needs, challenges and commitments in terms of developing a climate strategy supporting carbon neutrality objectives, in order to propose in particular options integrating the target definition protocols of the Net Zero alliances in existing strategies.



## Amundi's "ESG Ambitions 2025 Plan", a new step in its climate ambition

In December 2021, Amundi unveiled its "ESG Ambitions 2025 Plan" built around ten objectives, which makes it possible to concretely define the roadmap to be followed in order to meet the commitments made in terms of contributing to carbon neutrality. The plan is built around three axes:

1. Strengthen Amundi's savings offering with regard to sustainable development and carbon neutrality.
2. Highlight Amundi's action with the companies in which it invests, particularly on climate issues.
3. Set internal alignment objectives that match its commitment, particularly in terms of controlling its environmental footprint<sup>(5)</sup>.

### 1. STRENGTHEN AMUNDI'S SAVINGS OFFERING WITH REGARD TO SUSTAINABLE DEVELOPMENT AND CARBON NEUTRALITY

1. Include a new energy transition rating into our actively managed open funds<sup>(2)</sup>. This rating assesses companies with regard to their decarbonisation efforts and the development of their green activities<sup>(3)</sup>.
2. Offer open funds across all asset classes<sup>(4)</sup> with a Net Zero by 2050 management objective.
3. Reach €20 billion of assets in so-called impact investment funds.
4. Have 40% of our ETF range made up of ESG funds.
5. Develop within Amundi Technology the ALTO<sup>(6)</sup> Sustainability offer, a technological solution for analysis and decision support for investors on environmental and societal issues.

<sup>(2)</sup> Scope of actively managed open funds, where an ESG rating methodology is applicable.

<sup>(3)</sup> In order to encourage them to carry out this transformation, these portfolios will invest in greater proportions in the companies which make the most effort in their energy transition than in the others, with the stated objective of having a better environmental transition profile than that of their reference universe.

<sup>(4)</sup> Real estate, diversified, developed market equities, developed market bonds.

<sup>(5)</sup> Management objectives consisting of setting trajectories for reducing the "carbon footprint" of portfolios compatible with the 2050 carbon neutrality objectives.

<sup>(6)</sup> Amundi Leading Technologies & Operations.

\* Oil sands, shale oil and gas

<sup>(1)</sup> The scope does not include partner joint ventures, which carry out their investment activities independently or autonomously from Amundi Asset Management, fund hosting, and specific advisory mandates for which Amundi does not have fiduciary responsibility and authorisation to make investment decisions on our own behalf or on behalf of customers.

# 3-REDUCE EMISSIONS LINKED TO OUR INVESTMENTS

## 2. HIGHLIGHT AMUNDI'S ACTION WITH THE COMPANIES IN WHICH IT INVESTS, PARTICULARLY ON CLIMATE ISSUES

- 6. Extend to 1,000 additional companies the scope of companies with which we engage in ongoing climate dialogue<sup>(1)</sup>.
- 7. Exclude, from 2022, as of our investments, companies that carry out more than 30% of their business in the unconventional oil and gas sectors<sup>(2)</sup>.

## 3. SET INTERNAL ALIGNMENT OBJECTIVES THAT MATCH ITS COMMITMENT, PARTICULARLY IN TERMS OF CONTROLLING ITS ENVIRONMENTAL FOOTPRINT

- 8. Take into account the level of achievement of our responsible investment objectives when calculating the allocation of performance shares for the 200 senior executives up to 20%. We will also set ESG objectives for all of our managers and sales representatives.
- 9. Reduce our own direct greenhouse gas emissions by nearly 30% per employee by 2025 compared to 2018.
- 10. Present our climate strategy to our "Say on Climate" shareholders at our General Meeting in 2022.



<sup>(1)</sup> With the objective that these companies define credible strategies for reducing their carbon footprint, have them voted on at General Meetings and that their managers commit part of their remuneration to these strategies.  
<sup>(2)</sup> Oil sands, shale oil and gas

## Focus on Amundi's "Say on Climate" initiative

Amundi plans to participate in the transparency movement concerning climate strategies, in line with its expectations of the companies in which it invests. For this reason, presenting its climate strategy to shareholders in the form of a so-called "Say on Climate"<sup>(3)</sup> resolution is one of the commitments in the "ESG Ambitions 2025 Plan".

demonstrating its goal to align internal and external stakeholders on a transparent climate strategy. It also details how Amundi includes the climate issue in its third-party management business and seeks to accelerate the alignment of its investments with the Net Zero objective by 2050. Lastly, it describes Amundi's actions towards the companies in which it is invested, in particular the use of ambitious resources during the committal process, in order to support them in their necessary transition towards carbon-free development models.

At its 2022 General Meeting, Amundi submitted its climate strategy to the advisory vote of its shareholders and received 97.7% of votes in favour. In addition to the need for a scientific approach and the search for social and economic progress that guarantees the acceptability of the energy transition, Amundi's climate strategy is based on the conviction that companies must be supported in their transition, and impose exclusions to highly emissive business sectors for which scaled alternatives exist.

Amundi's "Say on Climate" shows how the climate issue is included in its way of doing business,

<sup>(3)</sup> The "Say on climate" is a resolution presented for opinion on the agenda of general meetings. It can be filed by the company itself, or by its shareholders. Its purpose is to get shareholders to vote on the company's policy in favour of the climate or on its progress and, in doing so, to ensure a recurring dialogue on the subject.



**A TARGET OF €20 BILLION  
IN IMPACT INVESTMENTS BY 2025  
AS A RESULT OF THE DEVELOPMENT  
OF A RANGE OF IMPACT SOLUTIONS**

# 4 - REDUCE OUR EMISSIONS LINKED TO OUR INSURANCE OPERATIONS

## 4-A ACHIEVEMENTS

### Joining the NZIA

**In October 2021, Crédit Agricole Assurances joined the Principles for Sustainable Insurance (PSI) and then joined the Net Zero Insurance Alliance (NZIA) in April 2022.**

Regular working groups have defined, for all members of the alliance, the methodology for calculating insurance-related emissions (published in November 2022).

Crédit Agricole Assurances contributed to the establishment of the protocol for the development of decarbonisation objectives for insurance portfolios (published in January 2023).

In line with the NZIA timetable, we will publish our first emission reduction targets in July 2023.

**Without waiting for the completion of the NZIA work, Crédit Agricole Assurances is already committed to action benefiting the climate and will support all of its insured customers in their transition and adaptation.**

Committed for a long time to protecting the French forests, Crédit Agricole Assurances is proud to be the leading forest insurer in France. In the event of a covered claim, Crédit Agricole Assurances pays insurance compensation to forest owners. It helps them organise the work needed to replant and maintain their forest.

**As an insurer, Crédit Agricole Assurances has set itself the task of supporting all its customers (individuals, professionals, companies and farmers) to meet all their needs, at all times of their lives.**

A CSR frame of reference has been created with internal and external stakeholders, to include CSR criteria in the entire value chain of offers. It is gradually being rolled out with all our stakeholders for all offers so that 100% of new offers will be drafted with this CSR benchmark by 2025.



## 4-B GOALS BY 2025

**Crédit Agricole Assurances has set ambitious goals for 2025:**

- Promote the transition to new forms of mobility by ensuring soft mobility and by extending the body protection guarantee for the driver of the car contract to the use of a bicycle.
- Support the installation of renewable energies production units on farms with the aim of doubling the number of Agricultural Multi-Risk contracts covering these activities.
- Support 1 out of 4 farmers facing climatic events by 2025 with an adjusted climate insurance solution for crops (Hail insurance, Crop insurance, Pasture insurance).
- Develop our prevention systems to limit the personal and material impacts of climatic events.
- Reach €28 billion in responsible labelled account units by 2025 (SRI, Greenfin, Finansol labels) compared to €14 billion at the end of December 2021, to support customers wanting to invest their savings in solidarity or environmental projects.



1

2

3

# APPENDICES

METHODOLOGY  
FOR FINANCING

1 - OIL & GAS



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2 - ELECTRICITY PRODUCTION



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3 - AUTOMOBILE



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4 - COMMERCIAL REAL ESTATE



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5 - CEMENT



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# OIL & NATURAL GAS

ENTITY: CREDIT AGRICOLE CIB

## 1-A SECTOR SUMMARY

<b>Outstandings concerned</b>		<ul style="list-style-type: none"> <li>• €15.3 billion in gross medium and long-term financing on the balance sheet</li> </ul>
<b>2020 Starting point</b>		<ul style="list-style-type: none"> <li>• 26.9 MtCO<sub>2e</sub> financed (balance sheet financing basis)</li> <li>• 49 MtCO<sub>2e</sub> financed (balance sheet financing basis, and committed portion not drawn off-balance sheet)</li> </ul>
<b>Target by 2030</b>		18.8 MtCO <sub>2e</sub> financed (-30 %) on the balance sheet
<b>Reference scenario</b>		IEA NZE Scenario (2021)
<b>Application scope</b>		Scopes 1 & 2 of all companies in the Oil & Gas Sector, scope 3 of upstream players
<b>Data source and quality</b>		<ul style="list-style-type: none"> <li>• <b>Sources:</b> customers' annual reports, S&amp;P Trucost</li> <li>• <b>Quality:</b> PCAF score 2.38</li> </ul>
<b>Levers available to Crédit Agricole CIB</b>		<ul style="list-style-type: none"> <li>• Reduction in medium and long-term financing commitments</li> <li>• Selection / Deselection of customers</li> <li>• Financing of low-carbon activities (renewable electricity, biofuels, carbon capture and sequestration, etc.)</li> </ul>

## 1-B SCOPE OF BUSINESS AND GREENHOUSE GASES

### SECTOR EMISSIONS

80 to 90% of the Oil<sup>(1)</sup> & Gas sector's greenhouse gases are emitted outside its value chain, in other consuming sectors downstream the distribution of hydrocarbons: when oil burns in engines, when gas is consumed in boilers or industrial furnaces.

In other words, category 11 of Scope 3, "Use of products sold", is the dominant emission item in the carbon footprint of oil and gas companies, regardless of their profile: integrated or specialised players.

The rest of the sector's main emissions take place in its operations (Scopes 1 & 2): they are linked on the one hand to the consumption of energy (in the form of fuels or electricity) to extract hydrocarbons from the ground, transport, process, refine and

distribute them, and on the other hand to emissions related to extracted natural gas, when it escapes via gas pipeline or storage leaks (CH<sub>4</sub>), or when it is directly evacuated (CH<sub>4</sub>) or flared (CO<sub>2</sub>) during oil extraction.

### SCOPE USED

Given the materiality of Scope 3 for our producer customers and the CO<sub>2</sub> and methane emissions in Scopes 1 & 2 over the entire value chain, we include in the scope of our financed emissions and our reduction commitments, Scopes 1 & 2 and Scope 3 of combustion, in CO<sub>2e</sub> (unit aggregating CO<sub>2</sub> and CH<sub>4</sub>).

### Scopes 1 and 2

As the transition must be a global effort by all players in the sector, we cover Scopes 1 and 2 of the entire oil and gas value chain: integrated multinational and national oil companies as well as independent players involved in exploration and production (E&P), refining, transport & storage, distribution and marketing, as well as all service companies dedicated to the sector (EPC contractors, offshore engineering, etc.).

### Scope 3

With regard to Scope 3, we decided to attribute it only to extraction players (integrated companies, national companies or independent E&P players), so as not to double-count emissions. This is because the oil transiting through actors specialised in transport or refining is the same oil that was extracted by E&P actors upstream. Counting the Scope 3 combustion of the

same barrel that is extracted by producer A, transported by actor B and refined by actor C multiple times would therefore overestimate our financed footprint. As it is not currently possible to determine precisely what quantities of barrels are exchanged between each player in our portfolio at each stage of the value chain (whether between them, or with players outside our portfolio), the best way to avoid double counting is to calculate the Scope 3 of combustion from the volumes transiting at a given stage of the value chain (taking a 'slice'): we take this volume data at the source, because upstream production volumes are the best documented (the publication of extracted volumes is more common than that of refined or transported volumes), and based on a logic of tracking emissions at their primary source.

<sup>(1)</sup> Carbon Disclosure Project (2018). Beyond the cycle: Which oil and gas companies are ready for the low-carbon transition?"

# OIL AND NATURAL GAS

ENTITY: CREDIT AGRICOLE CIB

## 1-1 METRICS AND CALCULATION OF FINANCED EMISSIONS

### SELECTION OF METRICS

We have chosen to commit to reducing our financed emissions in absolute value and not in intensity.

This choice of metric in absolute value is justified by the levers we and our customers have to decarbonise their activities and products.

As we have seen, 80 to 90% of the carbon footprint of oil and gas companies is linked to the combustion of products sold downstream the value chain<sup>(1)</sup>. However, oil companies have very little influence on Scope 3 emissions from the combustion of fossil hydrocarbons: a barrel of oil or a m<sup>3</sup> of natural gas burned for energy uses and excluding carbon capture will emit in order of magnitude as much carbon in 2050 as in 2020. The main levers for changes in the intensity of Scope 3 are based on trends exogenous to the players in the sector: they are linked to an increase, in the other sectors that consume hydrocarbons downstream, in their energy efficiency or their share of non-energy use (e.g. production of plastics and basic chemical components, lubricants, rubbers, or asphalt for oil, production of hydrogen, fertiliser or methanol for natural gas) and the use of carbon capture and sequestration (CCS) in natural gas-consuming plants and power stations.

**The Scope 3 decarbonisation of our customers will therefore be mainly based on an absolute reduction in volumes, and to a lesser extent on a reduction in the intensity of Scope 3: the most effective lever for decarbonising a barrel of oil is to prevent it from being consumed and therefore, it is not necessary to extract it.**

The fossil fuel sector is the only economic sector that will see its production volumes decrease from this decade onwards in the IEA's NZE scenario while all the others will continue to grow (TWh of electricity, pkm of transport, m<sup>2</sup> of building, tonnes of steel, etc.). This is why it is the only sector in which we are committed to reducing absolute emissions and not carbon intensity.

At the same time, we want to support and promote the efforts made by our customers in the sector to decarbonise their footprint. Hydrocarbons, although gradually being substituted, will continue to play an important role over the coming decades: it is therefore fundamental that the quantities that will continue to be extracted are done so in the most respectful way for the climate, the environment and local communities.

### CALCULATION OF FINANCED EMISSIONS

As for the other sectors, we apply the PCAF methodology to calculate financed emissions on the basis of our medium and long-term financing (balance sheet exposure).

**For emissions, the calculation differs between companies with extraction activities and those specialising in phases further down the value chain (transport, refining, distribution or services):**

- For companies with extraction activities (integrated companies, national companies or independent upstream producers): we systematically collect their oil and gas production volume data (in barrels of oil equivalent), either through their communications or via external data providers.
- For Scopes 1 & 2 emissions, we use emissions reported by the company (either via the company or via external aggregators such as S&P Trucost). If these emissions are not communicated or seem very far from reality, we estimate them based on volumes (boe): we multiply the volumes of crude oil and natural gas sold, or in the case of certain integrated companies, the average mix of products leaving the refinery, by an upstream emission factor (kgCO<sub>2</sub>e/boe) taken from ADEME's Base Carbone.
- Finally, for Scope 3 emissions, the data communicated by companies is of too heterogeneous quality, some not yet including category 11 of Scope 3. We therefore do not use the Scope 3 reported by the companies: we systematically estimate it based on production volumes, multiplied by the combustion emission

factors of oil and gas.

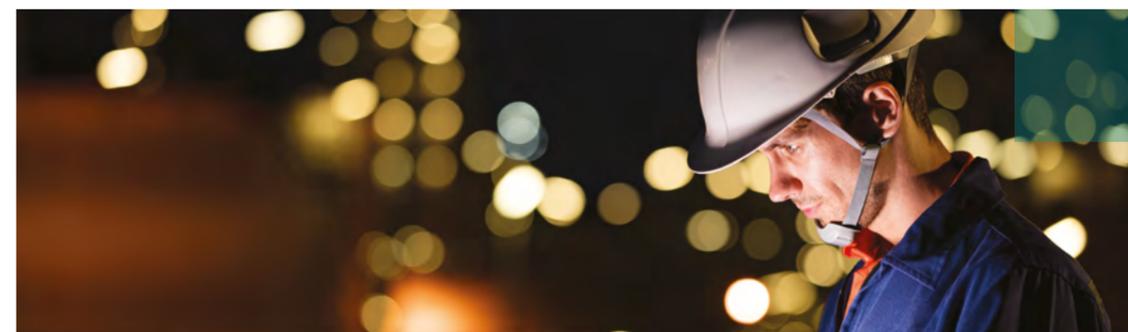
- For companies with no extraction activities (pipe transport, refiners, distributors, etc.), data on the volume of oil & gas transported or refined is less often published. For Scopes 1&2 emissions, we use the emissions communicated directly by the company, and if not available, we apply an average ratio tCO<sub>2</sub>e/€M of company value from other customers in the same value chain of our portfolio.

**For EVIC (Enterprise Value Including Cash), three levels of calculations are carried out:**

For listed oil and natural gas producing companies, data provided by Standard & Poor's is used: market value of equity if available, book value otherwise as recommended by PCAF and book value of debt not deducted from cash.

For unlisted oil and natural gas producing companies, a modelled EVIC is used allowing a more homogeneous assessment of the attribution factor: this modelled EVIC is calculated by multiplying the production volumes of these players (in barrels of oil equivalent) by the ratio between the average value per barrel (\$/bbl) derived from a benchmark of listed producing companies and the share that production represents in the EVIC.

For the other companies (transport specialists, refining, trading, service), we use either the debt and equity data provided by S&P directly, or average ratios of EVIC/turnover by value chain.



(1) Carbon 4 Finance (2020). The oil industry: is it up to the challenge?

# OIL AND NATURAL GAS

ENTITY: CREDIT AGRICOLE CIB

## 2020 STARTING POINT

Our credit exposure (on the balance sheet and with a maturity of more than 1 year) to the entire Oil & Gas value chain was €15.3 billion in 2020. By applying the PCAF methodology to this exposure, we estimated our starting point for financed emissions at 26.9 MtCO<sub>2e</sub>, including 5.2 MtCO<sub>2e</sub> for our customers' Scopes 1 and 2 and 21.8 MtCO<sub>2e</sub> for their Scope 3 combustion.

Given our consistent use of company published emissions or production volumes, our PCAF Quality Score for most of our customers is between 1 and 3, with an average of 2.90 (weighting by exposure) or 2.38 (weighting by financed emissions):

PCAF Score	Description	Exposure	Emissions
1	Actual Scopes 1&2 emissions	38%	37%
2	Emissions calculated via customer consumption volumes	-	-
3	Emissions calculated via customer production volumes	28%	58%
4	Emissions estimated with a CO <sub>2e</sub> /€ of customer turnover ratio	-	-
5	Emissions estimated with a CO <sub>2e</sub> /€ of exposure ratio	34%	6%
<b>Weighted PCAF score of our portfolio</b>		<b>2.90</b>	<b>2.38</b>

Our PCAF score already favourably compares to the industry average in this sector, and our teams are encouraged to continue to improve it, in particular by developing our tools and

procedures to industrialise the collection of data on emissions and volumes of business of our customers. To calculate our baseline, we used the following emission factors:

## Oil and gas emission factors<sup>(1)</sup>

	EF upstream by boe	Combustion EF by boe	
	tCO <sub>2e</sub> /boe	tCO <sub>2e</sub> /boe	
Crude Oil	0.038	0.450	
Bitumens	0.050	0.498	
Natural gas (15°C)	0.062	0.343	
	US	Europe	World (avg. US & EU)
Average oil product	tCO <sub>2e</sub> /boe	tCO <sub>2e</sub> /boe	tCO <sub>2e</sub> /boe
Weighted Average Combustion	0.448	0.442	0.445
Weighted Average Upstream	0.088	0.087	0.087

(1) Sources: ADEME (2022). Documentation on the Base Carbone® emission factors; Energy Information Administration (2022). Oil and petroleum products explained; International Energy Agency (2019). Fuels Europe: Statistical Report 2018.

## 1-D SCENARIO AND TARGET

As with the other sectors, the reference scenario for our Oil & Gas target is the IEA's NZE 2050 scenario.

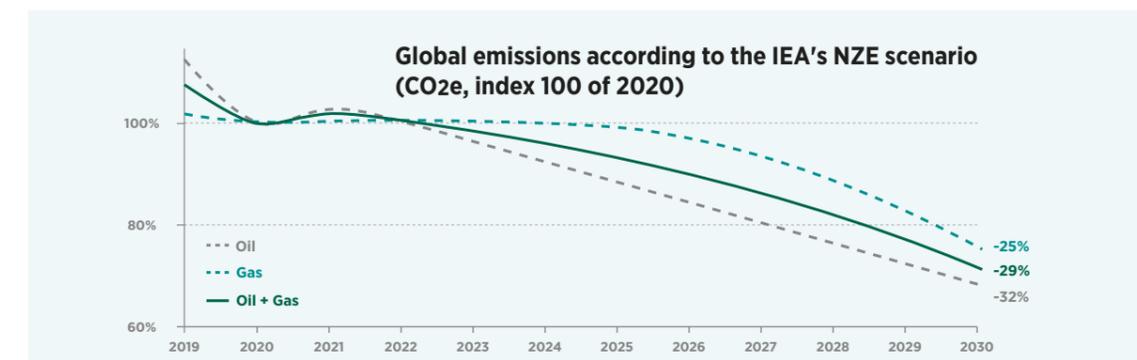
This normative scenario estimates that limiting global warming to less than 1.5°C by 2100 implies, for the oil and gas sector, a rapid decrease in the volumes consumed.

While this reduction is partly based on the achievement of strong progress in the operational efficiency of players in the sector, it depends above all on major transitions in the other sectors, downstream, major consumers of oil and gas: transport, construction, industry, and to a lesser extent agriculture. These transitions must activate many simultaneous levers to be successful: massive electrification of uses, decarbonisation of electricity, energy efficiency and conservation, technological progress, public policies, etc. Our sector commitments on electricity production, automotive, commercial real estate aim to support this systemic transition. Triggered in time, this transition would make it possible, according to the IEA's NZE scenario, to reduce oil production almost linearly until 2050: **primary energy linked to oil would be 21% lower in 2030 than in 2020, and 76% lower in 2050**. The associated emissions would fall even faster due to improved efficiency in sector operations (elimination of flaring and evacuations, drastic reduction of leaks). A growing share of the remaining oil would be used for non-energy uses for which the carbon would be stored in materials and not released into the atmosphere (plastics, lubricants, asphalt, etc.): **oil-related CO<sub>2e</sub> emissions would decrease by**

**32% between 2020 and 2030 and by more than 90% between 2020 and 2050.**

For gas, production is likely to continue to grow until the mid-2020s before decreasing rapidly from 2026. In 2030, global natural gas production (in primary energy) could be 6% lower than in 2020. In 2050, it could be 56% lower than in 2020. In the same way as for oil, emissions linked to natural gas would decrease even more rapidly than the volumes produced due to the operational efficiency of the sector, the growing share of non-energy uses, but also due to the rapid deployment of carbon capture and sequestration (especially after 2030). Natural gas-related CO<sub>2e</sub> emissions are likely to decrease by 25% between 2020 and 2030 and by more than 95% between 2020 and 2050. Overall, **total CO<sub>2e</sub> emissions linked to oil and gas are likely to decrease according to the IEA's NZE scenario by 29% between 2020 and 2030**

Overall, total CO<sub>2e</sub> emissions linked to oil and gas are likely to decrease according to the IEA's NZE scenario by 29% between 2020 and 2030. Our goal is to reduce our total financed emissions (Scopes 1+2+3) in the Oil & Gas sector by 30% between 2020 and 2030, which goes beyond the goal of the IEA's NZE scenario. Our footprint in the sector would thus decrease from 26.9 MtCO<sub>2e</sub> to 18.8 MtCO<sub>2e</sub> in ten years, through the activation of three major levers: decreasing the carbon intensity of our medium and long-term financing commitments in the sector, selecting and supporting our customers engaged in the transition and supporting low-carbon diversification.



**OUR GOAL**  
Reduce our total financed emissions

**BY 30% BETWEEN 2020 AND 2030 (SCOPES 1+2+3)**

# OIL AND NATURAL GAS

ENTITY: CREDIT AGRICOLE CIB

## 1-E LEVERS AND ACTION PLAN

Our strategy in the Oil and Natural Gas sector is based on 3 main levers.

- 1. Decrease the carbon intensity of our medium and long-term financing commitments in the sector.** The IEA's NZE scenario indicates that an increase in fossil fuel consumption is no longer compatible with a 1.5°C future. This year, therefore, we are publishing an ambitious target for a 30% reduction in financed emissions across the entire Oil & Gas value chain by 2030, which is in line with the objective for oil extraction announced by Crédit Agricole CIB in 2021.
- 2. Select and support our customers committed to the transition.** If their global production is to decrease, fossil fuels will continue to play a fundamental role in supporting the transition of our economy, whether to support the development of alternative solutions, to offer a just transition to developing countries, or to maintain essential services related to their non-energy uses (e.g. production from hydrocarbons of plastics, lubricants or fertilisers: essential products for health, food, etc.). It is crucial that those who continue to extract these energies over the coming decades do so in the most respectful way possible for the climate, the environment and local communities. We will therefore select

the beneficiaries of our decreasing portfolio of financed emissions on criteria that fully include their climate, environmental and social performance. We will thus support oil and gas companies that are implementing robust plans to improve their operational efficiency and reduce their carbon footprint: by reducing leaks, eliminating flaring, using low-carbon electricity or the deployment of carbon capture, and through rigorous monitoring of their carbon intensity of Scopes 1 and 2 (in kgCO<sub>2</sub>e/boe).

- 3. Support low-carbon diversification.** The sector today focuses on engineering and innovation skills as well as unique financial and operational resources. By using these skills and resources, oil and gas companies can actively contribute to transforming not only their own value chain but also those of the adjacent energy and heavy industry sub-sectors and thus build a more diversified, more resilient and more attractive low-carbon business model. In line with our goal to best support the transition of our customers, we will seek to direct an increasing portion of our financing towards low carbon activities: bioenergy, CCUS, production of renewable electricity, green hydrogen, etc.



# ELECTRICITY PRODUCTION

ENTITIES: CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE LEASING & FACTORING

## 2-A SECTOR SUMMARY

<b>Outstandings concerned</b>		€16.5bn (balance sheet and off-balance sheet, MLT)
<b>2020 Starting point</b>		224 gCO <sub>2</sub> e/kWh
<b>Target by 2030</b>		95 gCO <sub>2</sub> e/kWh (-58 %)
<b>Reference scenario</b>		IEA NZE Scenario (2021)
<b>Application scope</b>		Scope 1 of electricity production (company or project financing)
<b>Data source and quality</b>		<ul style="list-style-type: none"> <li>• <b>Sources:</b> customers' annual reports, S&amp;P Trucost, project credit files</li> <li>• <b>Quality:</b> PCAF score 2.8</li> </ul>
<b>Levers available to the CA Group</b>		<ul style="list-style-type: none"> <li>• Financing of renewables (wind, solar, etc.)</li> <li>• Withdrawal from coal-fired electricity production</li> <li>• Support for players ensuring stability and network flexibility</li> </ul>

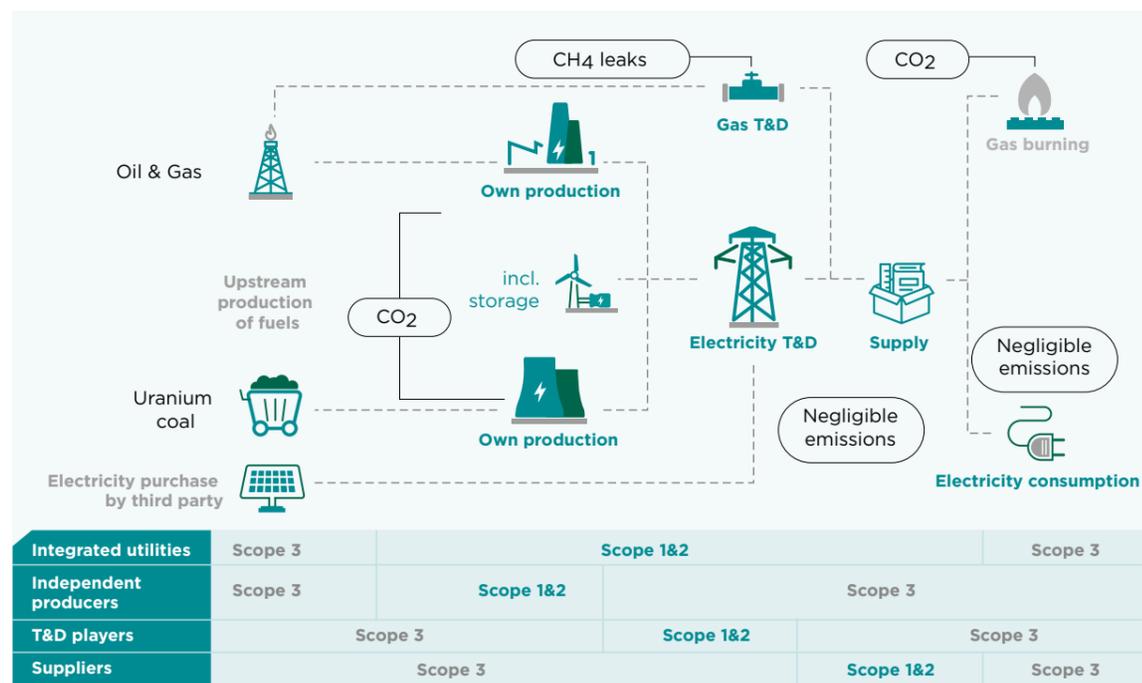
# ELECTRICITY PRODUCTION

ENTITIES: CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE LEASING & FACTORING

## 2-B BUSINESS SCOPE AND GREENHOUSE GASES

The players in the electricity sector are positioned along the chain: production, transmission, distribution, marketing. Vertically integrated players cover the entire chain, while specialised players position themselves on a value chain, for example independent producers, network operators or energy suppliers. These players can also be involved in both the distribution of electricity and natural gas.

For sectoral logic purposes, for our Electricity production objective we focus on the value chain of the electron and not the gas molecule, the distribution of the latter being included in our commitment in the Oil and Natural Gas sector.

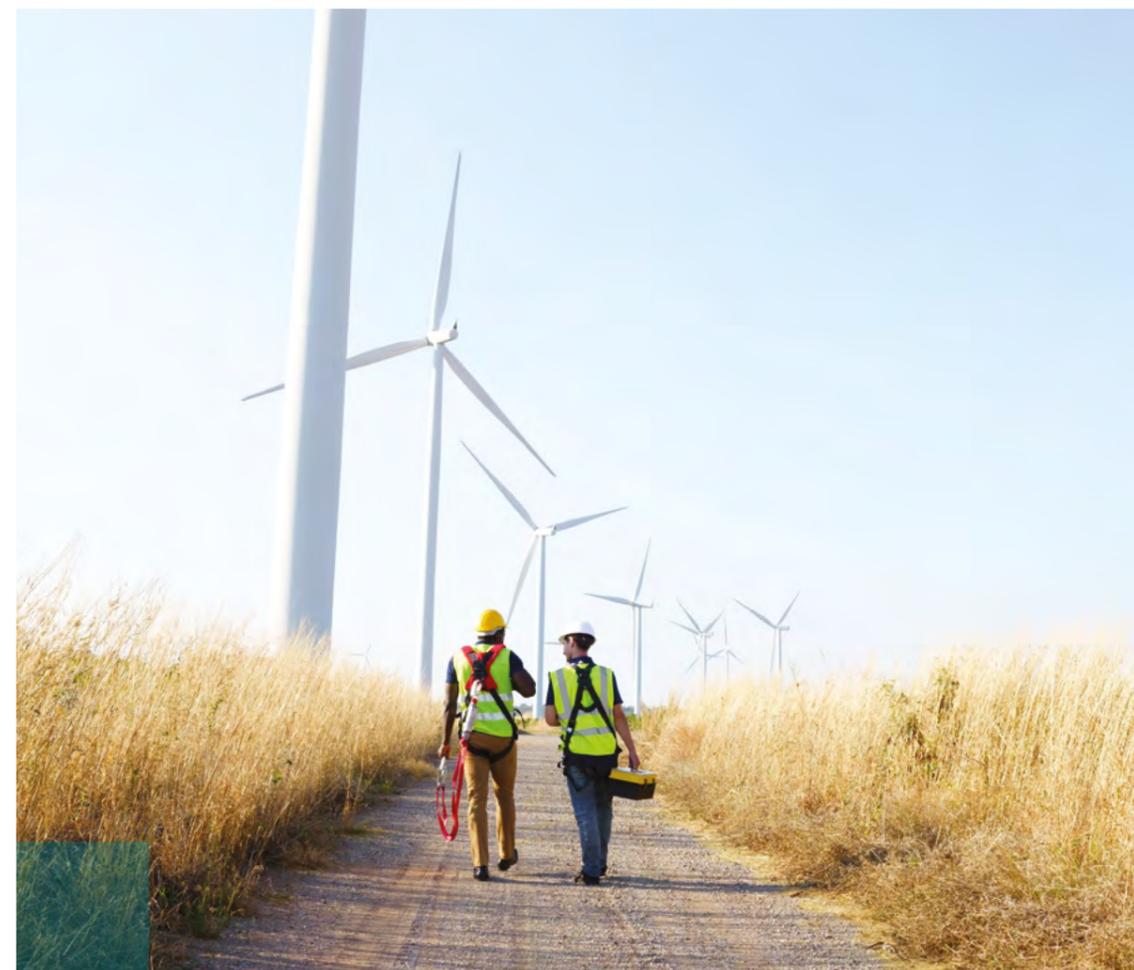


Within the electricity value chain, emissions mainly take place during the production of electricity from fossil fuels: these emissions (Scope 1 type) represent almost all (>95%) of the included players and independent producers.

Scope 2 of the players in the sector is negligible because the electricity they consume is what they have produced themselves: as a result,

Scope 2 is for electricity producers already counted in their Scope 1. Finally, Scope 3 for electricians typically has two main items: upstream of fuels, and electricity production by third parties.

Upstream of fuel are emissions from the extraction, processing, storage and transportation of fuels upstream of power plants (whether coal, natural



gas, fuel oil or uranium). These emissions are lower compared to Scope 1 production, and are covered (for fossil fuels) by our commitments in the Oil, Natural Gas and Coal sectors. For these reasons and in accordance with the recommendations of the standards (SBTi, PCAF, NZBA), Scope 3 upstream of fuel extraction is not included in our analysis of the Electricity sector.

In order to limit double-counting within the sector, we also do not include our customers' Scope 3 emissions related to the production of electricity that they buy and resell but have not produced: these emissions belong to Scope 1 of the independent producers who sold it to them and would otherwise be counted twice.

Our analysis and electricity sector commitments therefore focus on the business of electricity production, whether it is generated by a large

integrated player or by a professional or farmer installing a photovoltaic panel, and which we finance by a corporate credit or through direct project financing. We measure the Scope 1 emissions of this production in gCO<sub>2</sub>e/kWh. The CO<sub>2</sub>-equivalent metric includes all greenhouse gases (but almost all GHGs emitted during electricity production are CO<sub>2</sub>).

These emissions are the highest for coal production (approx. 1000 gCO<sub>2</sub>e/kWh), then fuel oil (~750-800 gCO<sub>2</sub>e/kWh), followed by natural gas (between 300 and 600 gCO<sub>2</sub>e/kWh depending on the technology). They are zero for low-carbon energies: nuclear, hydroelectricity, wind, solar, etc. because these are the direct emissions emitted during a production year (and not those in the life cycle taking into account the construction and maintenance of the power plants).

# ELECTRICITY PRODUCTION

ENTITIES: CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE LEASING & FACTORING

## 2-C METRICS AND CALCULATION OF FINANCED EMISSIONS

### SELECTION OF METRICS

Selecting the carbon metric for the sector is based on the intensity measurement (gCO<sub>2</sub>e/kWh), in order to manage the financed electricity mix. A parallel monitoring of absolute emissions is also carried out for information purposes.

This metric can be improved both by withdrawing from fossil-based electricity production projects and industrialists with a significant share of carbon-based production and by financing more low-carbon electricity. It thus makes it possible to measure the trajectory of a growing sector. The Scope of emissions considered is Scope 1, which represents more than 95% of the Scopes 1 and 2 emissions of electricians.

### CALCULATION OF FINANCED EMISSIONS

Calculating the carbon intensity and absolute emissions of our financed electricity production mix is based, as for the other sectors, on the PCAF methodology.

For this, we first collect the financial and physical data of our financing at customer and project level:

- As recommended by PCAF, for business financing we collect the EVIC (Enterprise Value Including Cash), production volumes (GWh) by technology (nuclear, gas, wind, etc.) and if available, the Scope 1 emissions 1 (MtCO<sub>2</sub>e) published. The EVIC is either directly calculated from equity (market value if available, book value if not) and total debt data provided by S&P, or estimated from industry average EVIC/revenue proxies. Production data (GWh) by technology is either taken from external suppliers such as S&P Trucost, or collected by

our bankers from customers' annual reports, or - in some cases such as for unlisted customers - recalculated from installed capacity data (MW) published by the companies (multiplied by load factor assumptions). If not available, Scope 1 emissions are recalculated from production data.

- For project financing, we collect the total debt and equity of the project, its technology and its installed capacity. Technology data is granular: for example, onshore wind is distinguished from offshore wind, open-cycle gas turbines from combined-cycle, or peaking power stations from baseload ones. This data is collected in our internal credit files and databases. It is thus possible to apply the most suitable theoretical load and emissions factors to each type of project to calculate both the production volumes and the associated emissions.

The load and emissions factors that we use when emissions or production data are not available are taken from the averages (worldwide for Crédit Agricole CIB, French for our local banks in France) calculated by the IEA, IRENA and RTE. When, in rare cases, neither emissions, nor production, nor capacity are available, we use average ratios by technology (gas, solar, wind, etc.) of capacity costs (kW/€ of financing) to calculate the installed capacity, which is then multiplied by the same load and emissions factors as before.

Thus, depending on the information available, the following data can be calculated:

- Production (GWh) = Capacity (GW) x Load factor (%) x 8760 (hrs)
- Absolute emissions (tCO<sub>2</sub>e) = Production (GWh) x Emission factor (gCO<sub>2</sub>e/kWh)

After collecting or calculating emissions and production data for each customer and project, we calculate two absolute values: our total financed emissions (MtCO<sub>2</sub>e) and our total

financed production (GWh). The financed production is calculated with the same 'PCAF' formula already mentioned for emissions:

$$\text{Financed production} = \sum_{\text{customers or projects}} \left( \frac{\text{(Medium term commitment) / (EVIC of the customer or Project Value)}}{\text{EVIC of the customer or Project Value}} \times \text{Customer or project production} \right)$$

At this stage, we are able to establish our financed electricity production mix, i.e. what quantity of GWh we finance in each energy type (nuclear, wind, gas, etc.).

The last step is to divide the two absolute values calculated above: our total financed emissions divided by our total financed production, to obtain the overall weighted carbon intensity of our portfolio. (gCO<sub>2</sub>e/kWh). To calculate our baseline, we used the following emission factors:

Due to this dominant share of renewable energies in our financed electricity mix, to which is added our support for nuclear players, particularly in France, the total carbon intensity of our Electricity production portfolio in 2020 was 224 gCO<sub>2</sub>e/kWh, i.e. 49 % lower than the world average which stood at 459 gCO<sub>2</sub>e/kWh as per the IEA (World Energy Outlook 2021).

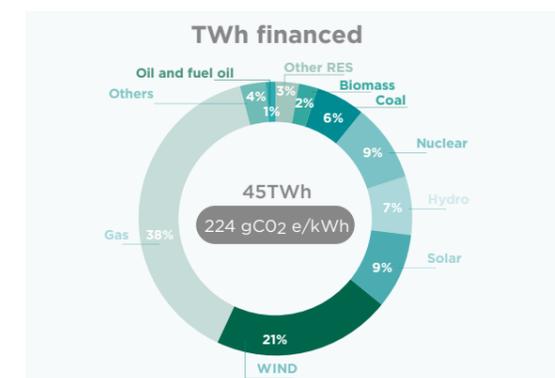
The average intensity of our portfolio results from the financing of 45 TWh, broken down as follows: 50% low-carbon energy (RES or nuclear), 38% of electricity produced with natural gas, and 7% electricity from coal.

### Electricity production<sup>(1)</sup> emission factors

Production means	Scope 1 emission factor (in gCO <sub>2</sub> e/kWh)
Coal	986
Fuel oil	777
Gas (combustion turbine)	486
Gas (gas and co-generation combined cycle)	352
Gas (other)	583
Waste	0
Nuclear, hydraulic, biomass, other renewable energies	0

### 2020 STARTING POINT

Our credit exposure (drawn and undrawn, with a maturity of >1 year) on loans to companies producing electricity and on our financing of electricity production projects, through Crédit Agricole CIB and Unifergie, amounted to €16.5bn in 2020 (the other Group players will be included in 2023). Nearly 50% of this exposure finances renewable energies (hydroelectricity, wind, solar mainly but also biomass and geothermal energy) both directly via our project financing or indirectly via our loans to companies operating RES capacities.



### OUR CURRENT EXPOSURE (Crédit Agricole CIB, Unifergie)

**€16.5BN** in 2020, nearly 50% of which finances renewable energies

(1) Source: RTE (2022). eCO<sub>2</sub> mix - CO<sub>2</sub> emissions per kWh of electricity generated in France.

It should be noted that although RES represent around 50% of our electricity production financing, their share in the mix of TWh financed is slightly lower (around 40%) because the load factors (number of hours of production during the year) of wind and solar power are lower than those of nuclear, gas and coal power plants. Finally, it should be noted that their installation cost (in €/MW) is on average higher than that of fossil fuel power plants.

# ELECTRICITY PRODUCTION

ENTITIES: CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE LEASING & FACTORING

## MEASUREMENT QUALITY

Due to the substantial data collection work, we were able to collect real data for our 2020 baseline (emissions, production or installed capacity) on more than 90% of the electricity produced in our portfolio. According to the PCAF score scale, which assigns a score of 1 to

emissions directly published by companies, 3 to emissions calculated from physical production data (GWh or MW) and 5 to emissions estimated from economic ratios (CO<sub>2</sub>/€), our overall score is therefore 2.84 (weighting by exposure).

PCAF Score	Description	Exposure
1	Scopes 1 and 2 emissions	28%
2	Emissions calculated via customer consumption volumes	-
3	Emissions calculated via customer production volumes	52%
4	Emissions estimated with a CO <sub>2</sub> e/€ of customer turnover ratio	-
5	Emissions estimated with a CO <sub>2</sub> e/€ of exposure ratio	20%
<b>Weighted PCAF score of our portfolio</b>		<b>2.84</b>

## 2050 SCENARIO AND TARGET

### IEA NZE SCENARIO

As with the other sectors, the reference scenario for our electricity production is the IEA's NZE 2050 scenario.

This scenario gives a central role to the electricity segment to support the transition of the economy as a whole. In the scenario, electricity production decarbonises rapidly to reach net zero emissions by 2035 in developed countries, and by 2040 worldwide. At the same time, total electricity consumption increases by 40% between 2020 and 2030 and is almost tripled between 2020 and

2050, pushed to 75% by developing countries and accelerated by the electrification of uses in transport (deployment of electric motors), industry (e.g. electric arc furnaces in metallurgy), buildings (switching from oil or gas boilers to electric heat pumps) and the development of the green hydrogen sector.

This combined trajectory of decarbonisation and strong growth induces a considerable acceleration in the development of renewable energies: between 2020 and 2030, the



production of wind power is multiplied by 5 and photovoltaic by 8.5, accompanied by rapid technological progress on long-term storage duration to compensate for the intermittency of these energies.

Nuclear (+40%), hydropower (+35%), geothermal (+250%) and biomass (+96%) are also all growing by 2030, depending on deposits and political incentives in each region.

This rapid growth in low-carbon energies has made it possible, at the same time, to drastically reduce the production of electricity from coal and fuel oil, by 70% and 75% respectively in ten years.

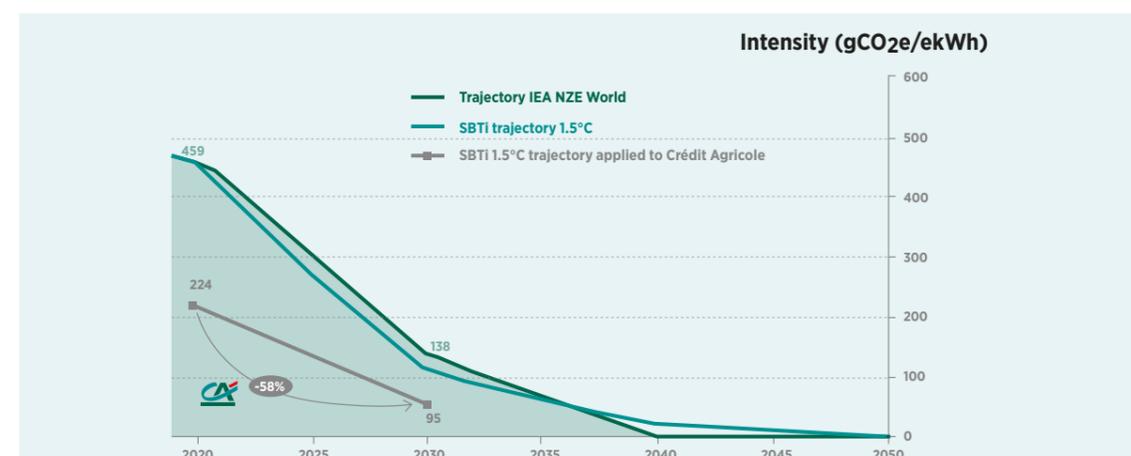
Lastly, the production of electricity from natural gas remains stable (+3% between 2020 and 2030) and gradually begins to be supported by carbon capture and sequestration technology towards the end of the decade.

**In total, nearly 60 trillion dollars will be needed by 2050 to finance this transition in the electricity production sector**, mainly for the installation of low-carbon capacities but also for stabilising networks (connections, reinforcement, storage, smart technologies, etc.) and for optimising the remaining fossil capacities (carbon capture, conversion to include portions of low-carbon fuels, etc.).

By 2030, this transformation of the global electricity system will thus considerably reduce the average carbon intensity of global electricity, which will drop from 459 gCO<sub>2</sub>e/kWh in 2020 to 138 gCO<sub>2</sub>e/kWh in 2030 (-70 %).

## OUR COMMITMENT

### Decarbonisation trajectory vs IEA NZE scenario



We intend to achieve this objective through the activation of three main levers: support for our corporate customers, in particular to move away from coal, the massive financing of renewable energies projects, and the limitation of our natural gas project portfolio.

# ELECTRICITY PRODUCTION

ENTITIES: CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE GROUP LEASING & FACTORING

## 2-E LEVERS AND ACTION PLAN

These ambitious objectives are fuelled and reinforced by the proven experience of the Crédit Agricole Group in the financing of renewable energies, and bring business opportunities.

The Crédit Agricole Group plans to significantly increase its financing of renewable energies by capitalising on its unique positioning allowing it to identify projects both locally and globally. The financing of renewable energies will be multiplied by 3 by 2030, and the production financed (TWh) by 3.6.

At the same time, the Group will selectively withdraw from fossil fuel-based production units by finalising its exit from coal by 2030 (OECD) and 2040 (rest of the world) and by being more selective and restrictive on financing gas-fired power plants.

**In order to achieve these ambitious objectives, several levers are available to Crédit Agricole CIB:**

- The reduction in the intensity of the CACIB portfolio will be led in particular by the growth of financing for projects and companies with renewable assets. CACIB has already made a commitment to increase its exposure to non-carbon energies by 60% between 2020 and 2025.

- CACIB will also use its international position to broaden its customer base in order to better reflect the growing diversity of the sector in terms of technologies and geographies. CACIB is also stepping up its support for companies dedicated to transitioning energies and assets.

**To achieve its portfolio decarbonisation target of 60% by 2030, Crédit Agricole Leasing & Factoring has developed and is implementing the following action plan:**

- Reinforced support for our French customers in Europe and the development of local commercial potential with the Group's banks in Italy and Poland.
- A strong position in market innovations such as hydrogen and RES storage and new business models (corporate PPA and self-consumption).
- A reduction in our exposure to gas while continuing to support the agricultural world (greenhouses) and public authorities (heating network).



# AUTOMOBILE

ENTITIES: CRÉDIT AGRICOLE CONSUMER FINANCE / CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE LEASING & FACTORING



## 3-A SECTOR SUMMARY

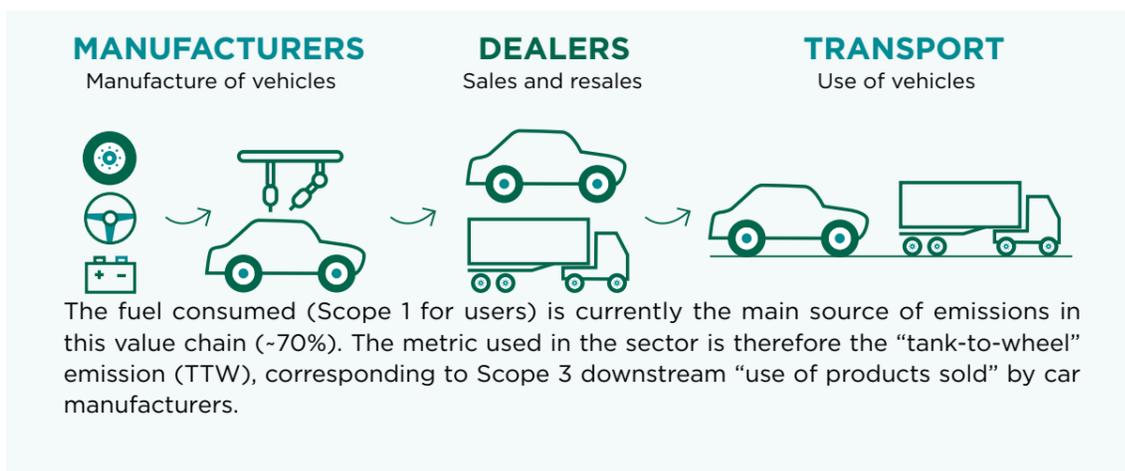
<b>Outstandings concerned</b>		€38.5bn (balance sheet and off-balance sheet, MLT)
<b>2020 Starting point</b>		190 gCO <sub>2</sub> /km
<b>Target by 2030</b>		95 gCO <sub>2</sub> /km (-50 %)
<b>Reference scenario</b>		IEA NZE Scenario (2021)
<b>Application scope</b>		<ul style="list-style-type: none"> <li>• Financing of car manufacturers (balance sheet, off-balance sheet, MLT) and vehicles (individual loans, leasing, securitisation)</li> <li>• Scope of actual 'Tank-To-Wheel' emissions (Scope 3 for manufacturers, Scope 1 for users)</li> </ul>
<b>Data source and quality</b>		<ul style="list-style-type: none"> <li>• <b>Sources:</b> S&amp;P Trucost, IHS (sales data), EPA (US intensity data), EEA (Europe intensity data), MIIT (China intensity data)</li> <li>• <b>Quality:</b> PCAF score 3.0</li> </ul>
<b>Levers available to the CA Group</b>		Financing of manufacturers and vehicles with lower emissions per km (lighter, electric, etc.)

# AUTOMOBILE

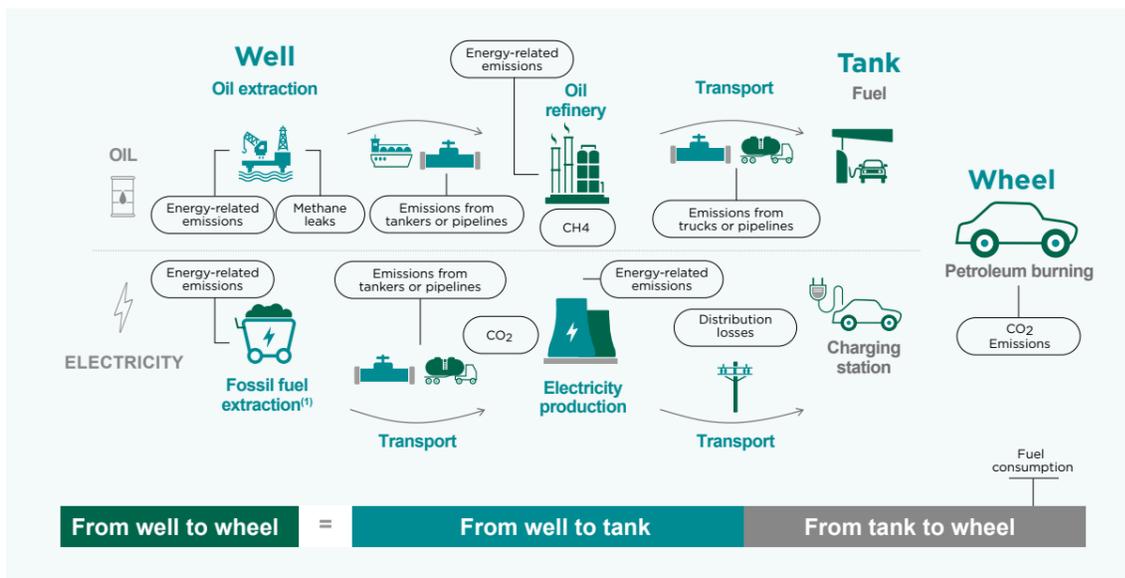
ENTITIES: CRÉDIT AGRICOLE CONSUMER FINANCE / CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE LEASING & FACTORING

## 3-B SCOPE OF ACTIVITY AND GREENHOUSE GASES

The Crédit Agricole Group participates in the financing of the Automotive sector at different levels: in the construction of vehicles, in the sale and resale and through the financing of end users (transport professionals or individuals).



### Details about “well-to-tank” (WTT) and “tank-to-wheel” (TTW) notions



In this value chain, Crédit Agricole financing is particularly important to car manufacturers (by Crédit Agricole CIB in particular), and private or professional users (with Crédit Agricole Consumer Finance and Crédit Agricole Leasing & Factoring in particular). Suppliers (upstream of manufacturers) and resellers are excluded from measuring the emissions of the vehicles they are involved in building or distributing. This choice was made following the limited availability of data and in order to limit the double-counting of emissions within the value chain for players whose emission reduction levers are still limited today. These two scopes (suppliers and distributors) are also less important in terms of Crédit Agricole Group financing, compared to car manufacturers and private and professional vehicle financing (<10% of exposure in the value chain).

The measurement is therefore now focused on the 'Tank-To-Wheel' (TTW), excluding upstream emissions in the value chain of fuel and electricity, known as 'Well-To-Tank' (WTT), and upstream emissions in the vehicle manufacturing chain (for example from steel production, energy from assembly plants, etc.).

This methodological choices was taken to align with the IEA's NZE scenario, defining a trajectory based on the TTW metric. The electrification of the vehicle fleet will quickly increase emissions from battery production in the value chain (estimated around ~30% in 2030), justifying a review of metrics and trajectories, during reference scenario updates.

This first publication focuses on light vehicles (passenger and light commercial vehicles), with the aim of extending it to heavy vehicles in the future.

## 3-C METRICS AND CALCULATION OF FINANCED EMISSIONS

The Crédit Agricole Group measures the TTW emissions of its financing for car manufacturers and financing for private or professional vehicles. This measurement is made in intensity per kilometre (i.e., vehicle.kilometre), in gCO<sub>2</sub>/km.

This vehicle emission intensity is now calculated in different ways depending on the region, using the test cycle for new vehicles produced, in particular the New European Driving Cycle - NEDC and the Worldwide Harmonised Light Vehicles Test Procedure - WLTP. Several studies, led in particular by the ICCT (International Council on Clean Transportation), have highlighted the discrepancies between the actual emission intensities and the measurements carried out during these cycles. The emission intensity results shared in this report are intended to be as close as possible to the actual emission

intensities: a correction factor is therefore applied to correct the values of the NEDC and WLTP cycles (respectively +39% and +15%). This “standardised” result is called “real-world fuel use TTW” (a term used by the ICCT and the Environmental Protection Agency). The term “gCO<sub>2</sub>/km emission intensity” refers below to this standardised measure.

The calculation of the emission intensity of Crédit Agricole Group financing differs between corporate financing (car manufacturers) and targeted vehicle financing (for individuals or professionals). The measurement of financed emissions and intensity at the scale of a financing portfolio follows the PCAF approach (total emissions financed / total distances financed).

# AUTOMOBILE

ENTITIES: CRÉDIT AGRICOLE CONSUMER FINANCE / CRÉDIT AGRICOLE CIB / CRÉDIT AGRICOLE LEASING & FACTORING

## CAR MANUFACTURERS

For a car manufacturer, the emission intensity is calculated using data from the American (EPA), European (EEA) and Chinese (MIIT) agencies, providing a single and comparable measurement between manufacturers.

- The EPA directly provides a measurement of 'real-world emissions' by manufacturer (in gCO<sub>2</sub>/miles, converted to gCO<sub>2</sub>/km), for all light vehicles (Cars and Light Trucks)
- The EEA provides databases of light vehicles (Passenger Cars and Vans) with vehicle emission intensities, aggregated to obtain manufacturers' average intensities

The MIIT provides a database of average fuel consumption by manufacturer for passenger vehicles, extrapolated to light vehicles. The China intensity data is reprocessed to convert it to the same format as the other intensities.

These different sources are combined based on vehicle sales in the North America, Europe and China regions to estimate the average global intensity of manufacturers financed by the Crédit Agricole Group.

This approach is also used for the securitisation outstandings of the captive financing subsidiaries of the main car manufacturers.

## PRIVATE AND PROFESSIONAL VEHICLES

The intensity of the financed vehicle is used if available, a proxy depending on the information available on the vehicle (e.g. brand, model and energy) is used if not. These proxies are estimated using the EEA light vehicle registration databases (for Europe).



## 3-D SCENARIO AND TARGET

The IEA's NZE scenario refers to the Automotive sector as well. The reduction in intensity measured by this scenario between 2020 and 2030 is -46% for passenger vehicles, which we apply to all the

light vehicles financed. The Group has decided to go further by targeting a reduction of -50% by 2030.

**Decarbonisation trajectory** - Intensity (gCO<sub>2</sub>/km) - TTW use in real situation



The Crédit Agricole Group's target is 95 gCO<sub>2</sub>/km in 2030 compared to the 190 gCO<sub>2</sub>/km in 2020 for the same scope (-50%).

## 3-E 2030 TARGET AND ACTION PLAN

The main key to achieving this scenario lies in the rapid electrification of the vehicle fleet, a lever on which the Crédit Agricole Group is positioning itself at all levels: support for manufacturers and incentive financing of electric vehicles for users.

action plan reflects Crédit Agricole Consumer Finance's strong desire to become the leader in green mobility from 2025, with one new financed vehicle out of two equipped with a 100% electric or hybrid engine.

The Crédit Agricole Group also plans to support the transformation of the sector by financing new players, such as battery manufacturers and operators of charging solutions, manufacturers exclusively dedicated to electric vehicles and with close monitoring of the trajectories of manufacturers in terms of carbon emissions.

### Crédit Agricole Consumer Finance:

Reducing the carbon footprint of **Crédit Agricole Consumer Finance's** automotive outstandings will mainly be achieved through the impact of the CAFE tax applied to manufacturers (-35%). The supplement will be due in the new agreements signed by **Crédit Agricole Consumer Finance** with the new 100% electric manufacturers (Tesla, Lucid, MG, VinFast, etc.), but also for the new joint-venture with Stellantis dedicated to long-term rental operations, for which the average age of the fleet will be 2 years. This

### Crédit Agricole Leasing & Factoring:

The objective of decarbonising Crédit Agricole Leasing & Factoring's automobile portfolio by 50% will benefit from the same effects of the regulations and will also be achieved due to the implementation of the following levers:

- The optimisation of our distribution paths, in particular within the Group's banks, to facilitate the sale of electric vehicles as well as the associated services
- An uptick in campaigns promoting green mobility with the conclusion of partnerships in particular
- The development of offers relating to carbon-free mobility with actions on residual values and the optimisation of prices on associated services and insurance.

# COMMERCIAL REAL ESTATE

ENTITIES: CRÉDIT AGRICOLE CIB / LCL / CRÉDIT AGRICOLE LEASING & FACTORING / CRÉDIT AGRICOLE ITALIA

## 4-A SECTOR SUMMARY

<b>Outstandings concerned</b>		€26.4bn (balance sheet and off-balance sheet, MLT)
<b>2020 Starting point</b>		46 kgCO <sub>2</sub> e/m <sup>2</sup>
<b>Target by 2030</b>		28 kgCO <sub>2</sub> e/m <sup>2</sup> (-40 %)
<b>Reference scenario</b>		CRREM (Carbon Risk Real Estate Monitor) Scenario – Global Decarbonisation Pathways 2021
<b>Application scope</b>		<ul style="list-style-type: none"> <li>• <b>Sub-sectors (value chain):</b> Tertiary and residential real estate (built and under construction excluding financing to individuals), players in the real estate sector, hotels and real estate development</li> <li>• <b>Scope of emissions:</b> Emissions from the use of buildings (Scopes 1 and 2)</li> </ul>
<b>Data source and quality</b>		<ul style="list-style-type: none"> <li>• <b>Quality of data:</b> PCAF score 3 to 5</li> <li>• <b>Sources:</b> customer data, company reports, EPC, PCAF/CRREM database, MSCI, Statista</li> </ul>
<b>Levers and action plan</b>		<ul style="list-style-type: none"> <li>• <b>Commitment of existing customers:</b> financing of renovation, development of partnerships and offers promoting energy conservation</li> <li>• <b>Acquisition of new customers:</b> financing of low-carbon buildings and renovations</li> </ul>



## 4-B ACTIVITY SCOPE AND GREENHOUSE GASES

To date, we include medium and long-term balance sheet and off-balance sheet outstandings gross of guarantees for building financing and business loans, a financial scope that allows us to better estimate the Crédit Agricole Group's contribution to the real economy of the sector.

The Crédit Agricole Group has decided to prioritise quality data and to include all segments of the value chain whose intensity of emissions has been reliably estimated. As specified in the preamble, the emissions baseline is likely to undergo changes in a logic of continuous improvement of the quality of the data used.

Within the building financing business, we have calculated the intensity of emissions for all tertiary and residential buildings (excluding real estate for individuals), built and under construction. The company loan business is divided into 3 financing sub-sectors: property companies, real estate

developers, the hotel sector. All of the segments included cover all of Crédit Agricole Group's financing in the commercial real estate sector.

**Emissions related to the use of buildings represent more than 75% of emissions related to the building sector in France according to CITEPA.** The scopes of emissions selected are therefore initially Scope 1 (building operation) and Scope 2 (electricity and heat supplied) emissions related to the use of buildings. As soon as the quality of the data permits, the next step for the Group will be to include emissions related to the construction of buildings in the baseline.

No carbon offset has been taken into account in the calculation of emissions intensity.

# 4-C METRICS AND CALCULATION OF FINANCED EMISSIONS

The Crédit Agricole Group has decided to calculate its financed emissions from the commercial real estate sector in intensity of emissions per square metre: kgCO<sub>2e</sub>/m<sup>2</sup>. This unit corresponds to the quantity of CO<sub>2e</sub> emitted per m<sup>2</sup> used and per year.

As recommended by the standards, we calculate an average intensity of financing by dividing the sum of the emissions financed by the sum of the surfaces financed.

$$\text{Average intensity of financing} = \frac{\sum \text{financed emissions}}{\sum \text{financed surfaces}}$$

The methodology for calculating the emissions financed and the area financed is not the same for the financing of real estate and for the financing of companies.

### Financing of property:

- Financing portion: Balance sheet and off-balance sheet MLT outstandings divided by the last value at the date of the asset or at origin
- Surface: Total surface area of the asset
- Emission intensity: EPC of the property if available, otherwise intensity of emissions by type of asset and by country provided by PCAF/CRREM or other publications for countries outside Europe

### Financing of companies in the real estate sector:

- Financing: balance sheet and off-balance sheet MLT outstandings
- Average price/m<sup>2</sup>: MSCI price of the country at the end of the year according to the asset category or price from Statista source
- Emission intensity: intensity published by the company if available, otherwise intensity of emissions by type of asset and by country provided by PCAF/CRREM or other publications for countries outside Europe

The two main types of customer data necessary for the calculation of the baseline (or from external service providers if not available) are emissions intensity data and surfaces (when the surface is not available, price data per m<sup>2</sup> is used to calculate the area financed). Depending on the availability of data, the PCAF data quality score varies between 3 and 5.

The availability of emissions data varies widely by geographic area. As such, financed emissions from the commercial real estate sector have been estimated on a proxy basis, and as far as possible on real data when available.

Thus, the sources of this data were selected by first choosing the most reliable: Customer data, PCAF/CRREM, MSCI, Osservatorio del Mercato Immobiliare, Statista, Australian Bureau of Statistics.

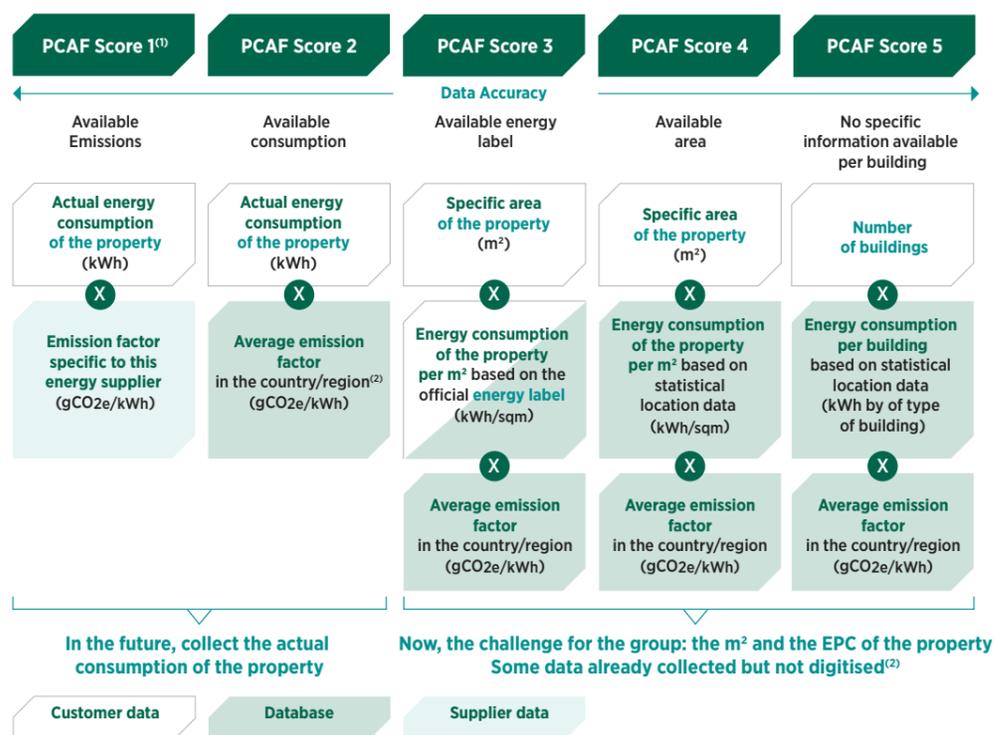
It should be noted that CRREM has announced the publication of a new version of emissions intensity data by geography and by asset type,

and new trajectories for final application in January 2023, which may substantially modify our baseline for financed emissions. This new methodology will have to be reviewed.

Considering the still limited data quality of our baseline for certain geographies and entities, we are including this review as part of a continuous improvement of our baseline calculation.

To do this, we will work with our customers to obtain and automate the collection of the following data across our portfolio:

- The area used as well as the value of the property at purchase.
- The original EPC of the property, and if necessary, after renovation works and then the actual emissions intensities.
- The emissions intensity of the financed company.



(1) PCAF quality score 1/5 (best possible performance; scale from 1/5 to 5/5)  
 (2) Potentially by energy source



## 4-D LEVERS AND ACTION PLAN

We have identified several transition levers available to the Group and are working with all of our business teams to organize them into action plans to best support our customers.

### For new customers:

- Selection criterion for new customer acquisitions (emissions intensity criterion – see below)
- Renovation
- Emissions intensity: criterion for new construction
- Incentive to acquire less energy-consuming buildings or to renovate

### For existing customers:

- Support our customers in the renovation of their buildings
- Develop partnerships with real estate and construction players to facilitate access to quality renovation
- Facilitate access to carbon-free energy sources (solar panels and heat pumps)
- Development of offers to help customers with their energy conservation

With regard to **Crédit Agricole CIB**, 3 categories of levers will allow them to reach their decarbonisation target:

- **Continue to improve knowledge of the portfolio intensity** to replace the proxies used today and if necessary adapt the Green criteria (while continuing to include physical intensity)
- For the corporate segment, **include emission criteria more specifically** (to be specified according to geography and type of building), supporting the best players by geography and segment, which therefore requires more precise selections/deselections (selecting the most efficient and/or ambitious customers) and substantially increasing our share of indexed financing (SLL - Sustainable Linked Loans) to support customers in their ESG transition and goals.

- For the project segment, **get involved in more virtuous projects at the level of the countries concerned**. For this, the outlook is to strengthen the bank's green portfolio<sup>(1)</sup> as well as to develop financing for new buildings and major renovations.

With regard to **LCL**, the collection and recording of the energy performance of assets will be a priority to ensure the reliability of average intensity calculations and to offer suitable financing. The result of this collection will potentially lead to an adaptation of the action plan. The actions can be categorised as follows:

- **Adopt a systematic, incentive-based sales approach** (of the SLL type indexed on the progression of the EPC) by developing new commercial offers (works bullet loan without guarantee, package of financing + works, advice for Net Zero transition).
- **Make energy performance of the property the key consideration for the granting of a loan**, and gradually aim to include a criterion of satisfactory carbon intensity into the credit decision and/or the financing of thermal renovation works sufficient to receive an EPC as target.
- **Initiate a proactive approach for the portfolio** to encourage thermal renovation work, through financial incentives, and/or increased constraints on the bullet financing in particular.

Lastly, with regard to **Crédit Agricole Leasing & Factoring**, the objective will be achieved in particular with the creation of 2 offers:

- A renovation offer for assets in the portfolio to support our customers in their transition and increase the average value of our portfolio;
- An offer from the Energy Transition HUB to implement green solutions at our customers (LED offer, photovoltaic roofing).

# CEMENT

ENTITIES: CREDIT AGRICOLE CIB

## 5-A SECTOR SUMMARY

<b>Outstandings concerned</b>		€0.7bn (balance sheet and off-balance sheet, MLT)
<b>2020 Starting point</b>		671 kgCO <sub>2</sub> e/tonne of cementitious material
<b>Target by 2030</b>		537 kgCO <sub>2</sub> e/tonne of cementitious material(-20 %)
<b>Reference scenario</b>		IEA NZE Scenario (2021)
<b>Application scope</b>		Scopes 1 and 2 of cement production
<b>Data source and quality</b>		<ul style="list-style-type: none"> <li>• <b>Sources:</b> customers' annual reports</li> <li>• <b>Quality:</b> PCAF score 3.0</li> </ul>
<b>Levers available to the CA Group</b>		<ul style="list-style-type: none"> <li>• Close dialogue with our customers to encourage them set ambitious decarbonisation targets for their gross Scope 1 and 2 emissions, by 2030 (less than 500 kgCO<sub>2</sub>e/tonne of cementitious materials)</li> <li>• Support for our customers in their important financing needs to enable them to reach their decarbonisation targets</li> <li>• Management of our cement portfolio according to customer intensities, with a reallocation in favour of the most efficient and/or most ambitious cement manufacturers</li> </ul>

(1) According to the Green Bond Framework of Crédit Agricole available here: <https://www.credit-agricole.com/finance/dette-et-notations>

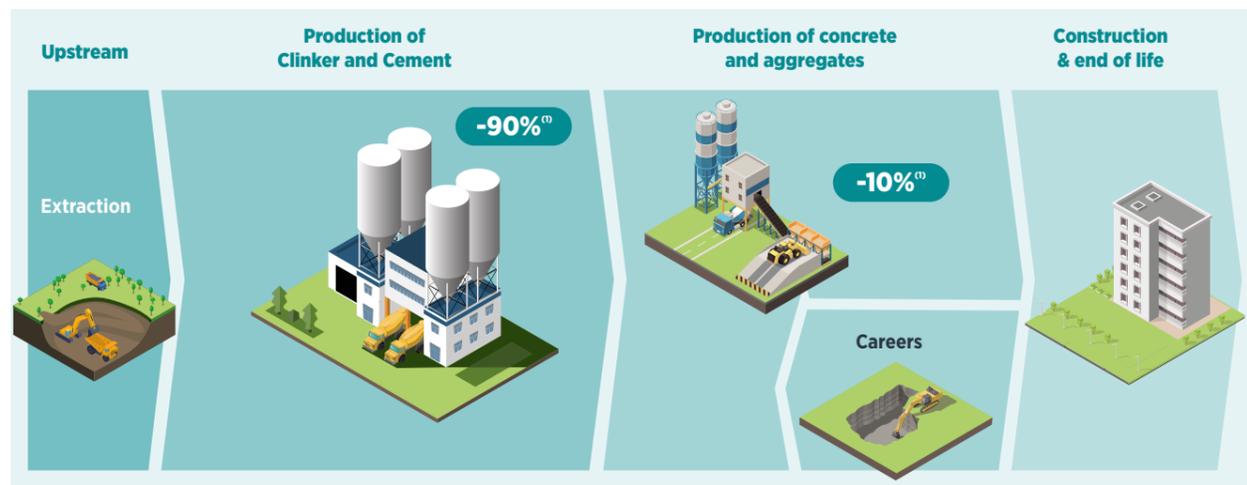
# CEMENT

ENTITIES: CREDIT AGRICOLE CIB

## 5-B BUSINESS SCOPE AND GREENHOUSE GASES

The scope used for our decarbonisation target concerns the cement production business. Cement production is the source of 4% of global GHGs (Scope 1). Emissions related to this business are considered *hard-to-abate*, due to the difficulty of implementing technically complicated and costly decarbonisation levers (reduction of clinker rate, capture of emissions via CCUS<sup>(1)</sup>).

Emissions from the cement value chain are concentrated in the production of clinker and cement, representing nearly 90% of emissions, compared to around 10% for the downstream part of the value chain with the production of concrete and aggregates. We have therefore decided to focus on the production of cement and clinker, excluding for the moment the production of concrete and other materials downstream of the value chain.



About 50% of the emissions linked to the production of cement and clinker come from the chemical process of decarbonation of limestone, necessary for the production of clinker. The

remaining 50% comes from heat, with cooking at a temperature above 1400°C during the clinkering process, and electricity used for mixing and grinding the materials.

(1) Carbon capture, utilisation and storage



## 5-C METRICS AND CALCULATION OF FINANCED EMISSIONS

### SELECTION OF METRICS

The selection of carbon metric for the sector is based on gross Scopes 1 and 2 intensity measurements ( $\text{kgCO}_2\text{e/tonne of cementitious material}$ ). This metric is based on several methodological choices:

- **Production decision:** the metric used for production is “*tonne of cementitious material*”. This metric, defined by the *Global Cement and Concrete Association* (GCCA), is centred on the net production of clinker (sum of the mass of clinker produced and the mass of the additions necessary for the production of cement), without double-counting the clinker sold before the manufacture of the cement. It enables the physical production linked to cement to be covered, while ensuring the comparability of the intensities of cement manufacturers, regardless of the level of inclusion in the value chain.
- **Emission decision:** emissions take into account Scope 1 and Scope 2 for cement manufacturers, which includes emissions related to the limestone decarbonation process as well as emissions related to the energies used for the production of clinker and cement. Emissions are expressed as a gross outlook of emissions related to alternative fuels (i.e. non-organic waste such as plastics), in order to provide comprehensive information on all emissions related to cement production. This metric selected also encourages cement manufacturers to communicate in a similar way, by setting decarbonisation targets on their gross Scopes 1 and 2 emissions, current commitments mainly relating to Scope 1 in net emissions from the combustion of alternative fuels.

### CALCULATION OF FINANCED EMISSIONS

The calculation of the carbon intensity associated with our cement production financing follows, as for the other sectors, the PCAF methodology, with on the one hand the calculation of the cement production financed, and on the other hand the calculation of the absolute emissions financed in our cement portfolio.

In the same way as for the previous sections, the attribution factor is calculated, for each customer, with:

- For the numerator, our drawn and undrawn credit exposure, with maturity > 1 year.
- For the denominator, the *Enterprise Value Including Cash* (EVIC), as defined above.

CO<sub>2</sub> emissions and production data for cementitious materials were collected directly from customer publications. Since cement manufacturers generally communicate on their Scope 1 intensity, the gross Scopes 1 and 2 intensity was calculated from the data available in the customer’s publications (from the gross Scope 1 intensity and the absolute Scope 1 and Scope 2 emissions data). The customer’s production and its gross Scopes 1 and 2 emissions are each multiplied by the attribution factor associated with the customer, to obtain the financed production and the financed emissions (absolute) for this customer. This data is then summed up for all the customers included in the scope, to obtain the total production financed and the total emissions financed. Dividing these two quantities makes it possible to obtain the carbon intensity financed, in  $\text{kgCO}_2\text{e/tonne of cementitious materials}$  in the cement portfolio.

# CEMENT

ENTITIES: CREDIT AGRICOLE CIB

## 2020 STARTING POINT

Our credit exposure (drawn and undrawn, with a maturity of >1 year) on loans to companies producing cement (taking into account only the exposure of CACIB, which represents

approximately 60% of the Group's exposure to the production of cement) amounted to €725 million in 2020.

BASELINE (only CACIB):

**671 kgCO<sub>2e</sub>/tonne of cementitious materials in 2020**

This equates to about 0.4% of CACIB financing. Nevertheless, this very emissive sector can account for 3 to 4% of the emissions financed by CACIB.

This financing corresponds to a total financed intensity of 671 kgCO<sub>2e</sub>/tonne of cementitious materials, for gross Scope 1 and 2 emissions. The decision to communicate a gross outlook increases the value of our financed carbon

intensity compared to those announced by our peers. This is part of our plan to communicate transparently on all emissions associated with cement production, including emissions from the combustion of alternative fuels (non-organic waste), and to encourage cement manufacturers to make commitments on their gross emissions, in order to promote decarbonisation levers other than increasing the share of alternative fuels.

## QUALITY OF THE MEASUREMENT

Due to the substantial data collection work, we were able to collect production and emissions data published by cement manufacturers for our 2020 baseline. According to the PCAF score scale, which assigns a score of 1 to emissions

directly published by companies, 3 to emissions calculated from physical production data and 5 to emissions estimated from economic ratios (CO<sub>2</sub>/€), our overall score is therefore 3 (weighting by exposure).



PCAF Score	Description	Exposure
1	Actual Scope 1 emissions	-
2	Emissions calculated via customer consumption volumes	-
3	Emissions calculated via customer production volumes	100%
4	Emissions estimated with a CO <sub>2e</sub> /€ of customer turnover ratio	-
5	Emissions estimated with a CO <sub>2e</sub> /€ of exposure ratio	-
<b>Weighted PCAF score of our portfolio</b>		<b>3</b>

## 5-D SCENARIO AND TARGET

### IEA NZE SCENARIO

The IEA's NZE scenario predicts that optimising the use of cement and concrete will be key to decarbonising the sector. The demand for cement should thus remain stable, around 4000 Mt, over the period 2020 - 2050, despite the increase in the floor area of buildings.

Some of the key technologies in the decarbonisation of the sector are already being implemented today, with the improvement of energy efficiency, the use of other types of fuels, and the reduction of the clinker-to-cement ratio. These technologies will drive most of the sector's emissions reductions between 2020 and 2030. Over the 2030 - 2050 period, other technologies

currently under development, in particular CCUS-type technologies (carbon capture, utilisation and storage), will be essential to reduce emissions linked to the cement production process itself. CCUS-type technologies will therefore be responsible for a 55% reduction in emissions in 2050 compared to 2020. Other decarbonisation levers such as the direct electrification of cement kilns and the use of hydrogen should contribute to reducing the sector's emissions from 2040.

# CEMENT

ENTITIES: CREDIT AGRICOLE CIB

## OUR COMMITMENT

Our target of reducing our gross Scopes 1 and 2 carbon intensity by 20% is slightly lower than the 23% reduction announced by the IEA scenario. However, the scenario projections are in gross Scope 1 intensity, and not Scopes 1 and 2, which means they cannot be compared to our commitment.

In addition, our target includes a review commitment in 2025, which will allow it to be adapted based on changes in the decarbonisation commitments made by cement manufacturers.

## 5-D LEVERS AND ACTION PLAN

Our action plan to reach this target is based on two main levers:

- A close dialogue with our customers to encourage them set ambitious decarbonisation targets for their gross Scope 1 and 2 emissions (lower than 500 kgCO<sub>2</sub>e/t). At the same time, we will continue to provide the necessary support to our customers with regard to the massive financing required to achieve their decarbonisation objectives, and help them implement the various decarbonisation levers in the sector.
- Management of our portfolio according to the carbon intensity targets set by customers, by making reallocations in favour of the most committed cement manufacturers.



# GLOSSARY

## Green activities

The European Taxonomy Regulation of 18<sup>th</sup> June 2020 lists the activities considered “green” at the European Union level. These are economic activities that contribute substantially to an environmental objective, while not causing significant harm to one of the other environmental objectives as set out in said regulation and respecting certain minimum social guarantees. They contribute to climate change mitigation, climate change adaptation, to the transition to a circular economy, to pollution prevention and reduction, to the protection and restoration of biodiversity and ecosystems and to the sustainable use and protection of water and marine resources.

## ADEME

The French Agency for Ecological Transition is a public industrial and commercial establishment which participates in the implementation of public policies in the fields of the environment, energy and sustainable development.

## IEA

The International Energy Agency is an international organisation created by the OECD that works primarily on energy security, economic development, environmental awareness and international commitment. Its mission is to ensure a sustainable and secure energy future for all. It publishes its annual report, the World Energy Outlook, which establishes energy projections for the years to come.

## CO<sub>2</sub>e

CO<sub>2</sub> equivalent or carbon dioxide equivalent is a metric created by the IPCC that allows greenhouse gases to be compared based on their global warming potential. It converts the amount of greenhouse gases emitted (other than CO<sub>2</sub>) into the equivalent amount of carbon dioxide with the same global warming potential. This metric makes it possible to compare the impacts of greenhouse gases on the environment and to simplify this comparison with a single index.

## Scientific Committee

The Scientific Committee is a multidisciplinary Crédit Agricole body made up of 10 external members, recognised experts in climate and environmental issues (academic partners or individuals), which meets on a quarterly basis. Its mission is to shed light, through the specific expertise of each of its members, on issues related to the implementation of the climate strategy, as well as to draw up recommendations on its guidelines for the Group Societal Project Committee.

## Voluntary contribution to carbon neutrality

The contribution to carbon neutrality refers to reducing its own emissions to levels compatible with the objective of the Paris Agreement while financing carbon reduction and sequestration projects, in particular through the purchase of carbon credits.

(Source : <https://www.carbone4.com/neditespluscompensation-de-compensation-a-contribution>)

## Decarbonisation

Decarbonisation includes all the measures and techniques put in place to reduce greenhouse gas emissions and reduce the carbon footprint of an organisation, a business sector, a country.

## Energy efficiency

Energy efficiency is the process of reducing the amount of energy needed to perform a task or provide a product or service, and avoid wasting energy. This process includes a number of measures and energy efficiency is usually achieved by adopting a more efficient technology or production process or by applying methods to reduce energy losses. Energy efficiency is one of the means of combating global warming and achieving net-zero greenhouse gas emissions.

## Absolute value emissions vs intensity emissions

Absolute emissions are the basic unit for measuring greenhouse gas emissions and simply correspond to the total emissions produced (expressed in Mt or tonnes of CO<sub>2</sub> for example). Emissions intensity measures the volume of emissions produced relative to another relevant unit of measurement. CO<sub>2</sub> emissions can be measured, for example, per unit of production or per dollar generated.

## Financed emissions

Financed emissions are the GHG emissions generated by loans.

## Operating footprint

The operating footprint refers to all of Crédit Agricole's greenhouse gas emissions or carbon footprint linked to Crédit Agricole's own business, i.e. the daily operating activity of the Group (building heating, electricity, business travel, etc.). It does not include financed, insured or invested emissions.

## ESG

Environmental, Social and Governance criteria are the three main criteria used to measure the sustainability and impact of a company's strategy. The environmental criterion takes into account the impact of the organisation's activities on the environment. The social criterion takes into account the quality of social dialogue within companies, the employment of disabled people and the training of employees. The governance criterion assesses the transparency of the remuneration of company directors, anti-corruption measures and the proportion of women within the boards of directors.

## EVIC

Enterprise Value Including Cash is the sum at fiscal year end:

- Of the market capitalisation of ordinary shares
- Of the market capitalisation of preferred shares
- And the book values of total debt and non-controlling interests.

No deductions of cash or cash equivalents are made. It measures the total value of a company and provides a more comprehensive alternative to market capitalisation.

(Source : <https://www.lawinsider.com/dictionary/enterprise-value-including-cash>)

## Responsible Finance

Responsible finance or SRI (Socially Responsible Investment) is a branch of sustainable finance which refers to all practices aimed at reconciling economic performance and positive social and environmental impact. It consists of financing companies and public entities that contribute to sustainable development regardless of their sector of activity.

(Source : <https://www.financeresponsible.com/comprendre-la-finance-responsible/>)

## Impact Finance

Impact finance is a branch of sustainable finance in which investments are made with the aim of generating a positive and measurable environmental and social impact alongside a financial return.

(Source : <https://www.financeresponsible.com/comprendre-la-finance-responsible/>)

## GHG

Greenhouse Gases are a number of gases naturally present in the atmosphere that absorb the sun's rays, stabilising the temperature on the surface of the planet at a reasonable level. This is called the greenhouse effect. However, as a result of human activities, the concentration of these gases has increased in the atmosphere, which reinforces the greenhouse effect. They are therefore responsible for and greatly contribute to global warming. There are several greenhouse gases with different global warming effects, the main ones being CO<sub>2</sub>, methane, nitrous oxide and hydrofluorocarbons.

(Source : <https://www.novethic.fr/lexique/detail/gaz-a-effet-de-serre.html>)

## IPCC

The Intergovernmental Panel on Climate Change, created in 1988, is an intergovernmental body responsible for evaluating the scientific, technical and socio-economic information available in order to provide a detailed assessment of the reality, causes and consequences of global warming.

## Green IT

Green IT or responsible IT refers to all the practices and solutions that reduce the ecological, environmental and social impact of a company's digital technology. This involves a number of measures such as extending the life of electronic devices, using a more ecological search engine or greening the web hosting.

## IRENA

The International Renewable Energies Agency is an intergovernmental organisation, made up of 180 countries, responsible for promoting renewable energies on an international scale. It serves as a platform for international cooperation, supports countries in their energy transitions and provides data and analysis on technology, innovation policy, finance and investment related to renewable energies.

## Financed electricity mix

The financed electricity mix refers to all energy sources financed by the Crédit Agricole Group used for the production of electricity in France (wind, coal, gas, etc.).

## NET ZERO

The term Net Zero or "Net Zero Emission"

means that global greenhouse gas emissions are reduced to as close to zero as possible. The remaining greenhouse gas emissions are absorbed by natural or artificial carbon sinks.

(Source : <https://www.un.org/fr/climatechange/net-zero-coalition>)

## Carbon neutrality

Carbon neutrality is defined by science as a balance between anthropogenic (i.e. human-made) CO<sub>2</sub> emissions and anthropogenic CO<sub>2</sub> removals at planetary level. To achieve carbon neutrality, human societies must both reduce their CO<sub>2</sub> emissions and increase natural or artificial carbon sinks.

(Source : <https://www.carbone4.com/publication-referentiel-nzi>)

## NZAOA

The Net Zero Asset Owner Alliance is an alliance of institutional investors whose members commit to having "**net zero emissions**" investment portfolios by 2050.

(Source : <https://www.unepfi.org/net-zero-alliance/>)

## NZAM

The Net Zero Asset Managers Initiative is an international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 and investments in businesses aligned with Net Zero decarbonisation trajectories.

(Source : <https://www.netzeroassetmanagers.org/>)

## NZBA

The Net Zero Banking Alliance is an alliance of banks that support the implementation of decarbonisation strategies by providing a coherent framework and guidelines for financial institutions. It brings together more than 120 banks from 41 countries, for total assets amounting to more than 70 trillion dollars and representing 40% of global banking assets.

(Source : <https://www.unepfi.org/net-zero-banking/>)

## NZIA

The Net Zero Insurance Alliance brings together leading insurers who support the implementation of a strategy to decarbonise their insurance and reinsurance underwriting portfolios in order to achieve a goal of net zero greenhouse gas emissions by 2050.

(Source : <https://www.unepfi.org/net-zero-insurance/>)

## NZE 2050

The IEA's NZE 2050 Scenario is a roadmap and set of recommendations that provides a scenario for achieving net zero emissions globally by 2050 and limiting global warming to 1.5°C.

## OECD

The Organisation for Economic Cooperation and Development is an international organisation committed to economic studies bringing together some thirty countries, which works to implement public policies that promote prosperity, equal opportunity and well-being for all. It provides data, analysis and advice on public policy, economics and development to the leaders of the member states of its institution.

(Source : <https://www.oecd.org/fr/apropos/> ; <https://www.lejdd.fr/International/quest-ce-que-locde-4056006>)

## PCAF

PCAF stands for Partnership for Carbon Accounting Financials. This is a global initiative to measure and publish greenhouse gas emissions financed by loans and investments.

## PRB

With over 300 signatory banks representing almost half of the global banking industry, the UN Principles for Responsible Banking are the world's foremost sustainable banking framework. Through the Principles, banks take action to align their core strategy, decision-making, lending and investment with the UN Sustainable Development Goals, and international agreements such as the Paris Climate Agreement.

(Source: *Principles for Responsible Banking – United Nations Environment – Finance Initiative (unepfi.org)*)

## PRI

Adopted by the United Nations in 2006, the PRI are based on six principles intended for investors wishing to incorporate Environmental, Social and Governance (ESG) issues into the management of their investment portfolio.

(Source : <https://www.unpri.org/about-us/about-the-pri>)

## Poseidon Principles

The Poseidon Principles establish a quantitative assessment framework for responsible ship financing. This framework aims to promote a common approach to measuring and monitoring the carbon impact of shipping activities and thus contribute to the objectives of the International Maritime Organisation (IMO) to reduce greenhouse gas (GHG) emissions from shipping by 50% by 2050 compared to 2008. It is an initiative set up by the main financial institutions active in the financing of the sector and shipping, supporting the transition to low-carbon shipping.

(Source : <https://www.glossaire-international.com/pages/tous-les-termes/principes-de-poseidon-ou-poseidon-principles.html>; <https://www.armateursdefrance.org/actualite/principes-poseidon-premier-rapport-financement-climatique>)

## Societal Project

Crédit Agricole's Societal Project is a programme plan that revolves around three issues (acting for the climate and the transition to a low carbon economy, strengthening cohesion and social inclusion and successfully complete the agricultural and agri-food transitions). It is broken down into 10 collective commitments at the heart of all of Crédit Agricole's activities and businesses.

## PSI

Launched at the 2012 United Nations Conference on Sustainable Development, the Principles for Sustainable Insurance serve as a global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities. The PSI initiative is the largest collaborative initiative between the UN and the insurance industry.

(Source : <https://www.unepfi.org/insurance/insurance/>)

## Rocky Mountain Institute

The Rocky Mountain Institute is a global non-profit organisation bringing together experts across disciplines working to accelerate the clean energy transition and improve lives. It is dedicated to research activities to transform global energy consumption and secure a clean, prosperous and zero-carbon future for all.

## RTE

The Réseau du Transport d'Electricité (French Electricity Transmission Network) is the operator of the French high-voltage electricity transmission network in metropolitan France. It is responsible for providing everyone with access to an economical, safe and clean power supply.

## SBTi

The Science-Based Target Initiative defines "Science-Based Targets" which are a series of recommendations and long-term greenhouse gas emission reduction objectives, aligned with the level of decarbonisation required to achieve the target set by the Paris Agreement and limit global warming to 1.5°C by the end of the century.

## Scopes 1, 2 and 3

Scopes 1, 2 and 3 constitute an international standard set up by the GHG Protocol which maps the greenhouse gas emissions of an organisation into three main categories based on their nature and their origin. This standard was created in 1998 to help organisations calculate their carbon footprint, by identifying the main direct and indirect emission items.

## Scope 1

covers all of an organisation's direct emissions and is divided into two categories: emissions related to equipment and facilities and emissions related to fuel consumed by company vehicles.

## Scope 2

covers indirect emissions associated with the production of electricity, heat or steam imported for the organisation's activities. These emissions depend on the source of energy used (coal, gas, renewable energies, etc.). The more carbon-based the energy used, the higher the scope 2 emissions (e.g. electricity in Poland being largely produced from coal, the associated emissions are much higher than in France where electricity is mainly produced from low-carbon energies).

## Scope 3

covers "everything else", i.e. the indirect and direct emissions of the various stakeholders of the organisation, up and down its value chain and not included in Scopes 1 and 2. Upstream of the value chain of an organisation are mainly emissions from suppliers (Business travel, transport of goods and distribution, downtime, etc.) and downstream, emissions related to the use of products and services and their end of life (Transport of goods and services, end of life of products sold, etc.).

## Scope 3 Category 15

Scope 3 Category 15 relates to investments and includes financed Scope 3 emissions associated with the company's investments during the reporting year and not included in Scopes 1 and 2. This category applies to investors and companies that provide financial services.

(Source : [https://ghgprotocol.org/sites/default/files/standards\\_supporting/Chapter15.pdf](https://ghgprotocol.org/sites/default/files/standards_supporting/Chapter15.pdf); <https://www.epa.gov/climateleadership/Scope-3-inventory-guidance>)

## Carbon sequestration

Carbon sequestration is a set of processes for the long-term storage of carbon dioxide outside the atmosphere, which notably makes it possible to mitigate greenhouse gas emissions responsible for global warming. There are two main modes of sequestration: industrial or artificial sequestration and biological or natural sequestration.

(Source : <https://www.supagro.fr/ress-pepites/processusecologiques/co/RegSequestrationC.html>)

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