



December 2024

GROUP CSR SECTOR POLICY

DEFORESTATION AND ECOSYSTEM CONVERSION

INTRODUCTION

Crédit Agricole S.A. is committed to fighting against climate change and protecting the environment whilst contributing to a just and socially inclusive transition. In 2021, the Crédit Agricole Group published its Societal Project¹, including a climate strategy aimed at aligning its activities with the goals of the Paris Agreement². In 2023, Crédit Agricole S.A. published its first Declaration on Biodiversity and Natural Capital³ to accelerate its commitments on nature.

Crédit Agricole S.A. committed to support company investees and clients towards a more environmentally friendly approach by encouraging them to adopt sustainable and responsible practices for people and the planet.

Crédit Agricole S.A. has developed responsible financing or investment policies⁴ for sectors that have a significant negative environmental and social impacts. The purpose of this Policy is to provide Crédit Agricole S.A.'s entities with a framework for the timber industry and the production of agricultural commodities linked to potential tropical deforestation⁵.

Forests fulfill essential ecological functions, notably to foster climate stability and biodiversity conservation. Despite their vital role for the planet, more than 7 million hectares of forest have already disappeared each year between 1990 and 2020⁶. Deforestation⁷ alone is responsible for around 10% of global greenhouse gas emissions. In addition, 80% of the world's terrestrial biodiversity is found in forests,⁸ and 95% of deforestation occurs in tropical and subtropical areas.

Deforestation in tropical and subtropical areas mainly affects High Conservation Value (HCV) and/or High Carbon Storage (HCS) capacity forests, primary forests, protected areas, peatlands or mangroves⁹.

Deforestation is mainly caused by seven commodities worldwide. In the Global Forest Review, the World Resources Institute (WRI) has identified forest areas converted to agricultural land by commodities between 2001 and 2015. Those seven main commodities are the following by order of impact: cattle, palm oil, soy, cocoa, rubber, coffee and timber.

In addition to deforestation, the commodities mentioned above can generate negative environmental and social impacts, particularly from a human rights perspective. Social issues related to deforestation are important, as 86 million "green jobs" are linked to forests worldwide.¹⁰

¹ [Our societal project | Crédit Agricole \(credit-agricole.com\)](#)

² [Report of the Conference of the Parties on its twenty-first session, held in Paris from 30 November to 11 December 2015. Addendum. Part two: Action taken by the Conference of the Parties at its twenty-first session. \(unfccc.int\)](#)

³ [Statement on biodiversity and natural capital | Crédit Agricole \(credit-agricole.com\)](#)

⁴ [Our sector policies | Crédit Agricole No. 1 bank for individuals and professionals1 \(credit-agricole.com\)](#)

⁵ [These are agricultural and forestry commodities at risk of deforestation imported according to the French government: https://www.statistiques.developpement-durable.gouv.fr/importations-francaises-de-matieres-premieres-visees-par-la-strategie-nationale-de-lutte-contre-la?list-actu=true](#)

⁶ [Unprecedented mapping of forest cover change reveals the loss of 220 million hectares of tropical moist forest since 1990 | Cirad](#)

⁷ [The FAO \(fao.org\) defines deforestation as the conversion of forest to other land uses or permanent reduction of forest cover below the minimum threshold of 10%.](#)

⁸ [Deforestation - Consilium \(europa.eu\)](#)

⁹ [Specifically in relation to palm oil.](#)

¹⁰ [Deforestation - Consilium \(europa.eu\)](#)

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1. CONTEXT AND POLICY OBJECTIVES

Objectives

THIS POLICY OUTLINES THE CRITERIA USED BY CRÉDIT AGRICOLE S.A.'S ENTITIES TO EVALUATE THEIR POTENTIAL DEFORESTATION-RELATED EXPOSURE LINKED TO THE PRODUCTION AND USE OF AGRICULTURAL AND TIMBER COMMODITIES FROM TROPICAL FORESTS, AS WELL AS LIMIT THEIR NEGATIVE ENVIRONMENTAL AND SOCIAL IMPACTS. IT COMPLEMENTS EXISTING DEFORESTATION-RELATED REGULATIONS AND DOES NOT INTEND TO SUPERSEDE THEM.

This Policy applies from December 2024, to all financial products and/or services mentioned in Section 2 of this Policy, except for already established commercial engagements or business opportunities in advanced phases of negotiation. The application of this Policy is impacted by the availability, quality and relevance of the information collected. It will also evolve over time, depending on which type of data and information becomes available on all commodities identified in this Policy. Potential regulatory developments related to the deforestation on these commodities may also impact the Policy in the future.

Sectoral challenges

Activities in the forest-timber industry and production of agricultural commodities linked to deforestation can generate negative environmental and social impacts. These risks may take place in several forms, including but not limited to:

Environment

- Risks of deforestation, forest degradation, soil erosion through the conversion of ecosystems and natural habitats into agricultural land;
- Risk of negative climate impacts related to greenhouse gas emissions from fires, forest clearing, dewatering peatlands, mangrove processing and/or forestry and agricultural crop activities;
- Risk of loss of biodiversity, including the disappearance of protected species, and loss of ecosystem services;
- Risks related to air, soil and water pollution and/or disturbances related to forestry and agriculture, in particular its use of chemical pesticides and/or fertilizers;
- Risks of water stress and;
- Risk of non-compliance with animal welfare in agricultural practices, if applicable.

Social

- Risks related to working conditions: health and safety, working hours and conditions, wages, gender equality in the workplace, access to career development opportunities;
- Risk of illegal, forced and child labour;
- Risks of affecting local communities and particularly indigenous populations:
 - Risk of land grabbing, land tenure and land use disputes, population displacement, disruption of access to ecosystem services, negative impacts on livelihoods of communities and smallholders; conflictual relationships with armed forces deployed in conflict zones;
 - Risks associated with the absence of a policy to manage escalated grievances via a dedicated complaint recording and management mechanism;
 - Risks related to water access and/or quality in local communities and;
 - Risks of appropriation of natural resources and related to food security (responsible management of supplies, particularly agro-fuels).

2. SCOPE OF THE POLICY

2.1 SCOPE OF ACTIVITIES

This Policy covers commodity-driven deforestation for the following financial activities within Crédit Agricole S.A.'s business lines:

- Banking and financial products and services;
- Financing dedicated to projects (project financing, buyer loans);
- General purpose financing, including revolver loans;
- Sureties, guarantees, letters of credit and documentary credits, and;
- The debt and capital market.
- For insurance, the following investments, the management of which is delegated to the Group's asset manager:
 - Investments made directly or through dedicated funds in listed equities and corporate bonds under the euro funds of life insurance policies.
 - Investments made directly or through dedicated funds in equities and corporate bonds listed as equity.

In addition, asset management activities on behalf of third parties will comply with the principles and objectives of the Policy presented in Sections 1, 2 and 4.3.2 and will define the specific application and procedures adapted to its business as an investor on behalf of third parties.

This Policy applies to all relevant companies, clients and company investees, and to all new transactions from the date indicated in Section 1. Only activities that Crédit Agricole S.A. and its subsidiaries will carry out from December 2024, of the Policy are concerned. As a reminder, current engagements are excluded, as are all activities that have already been the subject to a contract or that have already given rise to a formal commitment by Crédit Agricole S.A. and its subsidiaries. However, these commitments made prior to the commencement date of this Policy will be reviewed during their periodic review and/or in the event of a potential renewal.

Deforestation issues related to activities other than agricultural commodities and forestry sectors (e.g. extractive industries, real estate, etc.) are addressed in the available sector policies [here](#).

2.2 SCOPE OF AGRICULTURAL AND FORESTRY COMMODITIES

Agricultural and forestry commodities- covered by this Policy are the following: cattle, palm oil, soy, cocoa, rubber, coffee and timber.

These commodity linked activities are assessed based on the various steps of the value chain given by the CDP Forest classification¹¹: producers, processors, traders, manufacturers and retailers. A description of the different stages in these commodities' value chain can be found in the glossary.

For the purposes of this Policy, agricultural commodity-driven deforestation cover the following categories:

- **Producers:** Production is the first step in the supply chain. It generally refers to the production of agricultural and forestry commodities at risk by farm owners, smallholders and local communities;
- **Processors:** Processing encompasses initial activities that add value to agricultural and forestry commodities;
- **Traders:** Trading includes the purchase and sale of these products for domestic or export markets;
- **Manufacturers:** Manufacturing includes the production of final ingredients for the food, feed and fuel sectors from raw or processed agricultural and forestry commodities;
- **Retailers:** Retail trade includes the sale of products directly to individual consumers by companies.

¹¹ CDP Forest definitions are based on the work of Forest 500 Selection Methodology and the Accountability Framework

2.3 GEOGRAPHICAL SCOPE

This Policy applies to companies that produce and/or purchase the agricultural or forestry commodities mentioned above, from the following countries, according to the CDP Forest list published in 2023¹² and depending on data availability:

- Angola, Argentina, Australia, Bolivia (Plurinational State of), Brazil, Cambodia, Cameroon, Central African Republic, Colombia, Congo, Democratic Republic of the Congo, Ecuador, Gabon, Ghana, Guatemala, Guinea, Guinea-Bissau, Honduras, India, Indonesia, Ivory Coast, Kenya, Lao People's Democratic Republic, Liberia, Madagascar, Malaysia, Mexico, Mozambique, Myanmar, Nepal, Nicaragua, Nigeria, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Sierra Leone, Thailand, United Republic of Tanzania, Venezuela (Bolivarian Republic of), Vietnam, Zambia and Zimbabwe.

3. INTERNATIONALLY RECOGNIZED FRAMEWORKS

FINANCING AND INVESTMENT ACTIVITIES IN SECTORS LINKED TO AGRICULTURAL COMMODITY-DRIVEN DEFORESTATION WILL BE ANALYSED BY TAKING INTO ACCOUNT, WHERE FEASIBLE, IDENTIFIED ENVIRONMENTAL AND SOCIAL (E&S) ISSUES ARISING FROM THE FOLLOWING REGULATIONS, CONVENTIONS, STANDARDS, AND INTERNATIONAL INITIATIVES DEVELOPED BY GOVERNMENTS, INTERNATIONAL ORGANISATIONS AND PROFESSIONAL ASSOCIATIONS IN THE FOREST-TIMBER INDUSTRY AND AGRICULTURE, SUCH AS:

- The European Deforestation-free Regulation (EUDR)¹³
- The National Strategy to Combat Imported Deforestation – France (SDNI)¹⁴;
- The CDP Forests programme.¹⁵

In addition to the above, Crédit Agricole S.A. draws inspiration from the following internationally recognized frameworks:

- Global Canopy Roadmap for the financial sector to eliminate deforestation from agricultural and forestry commodities¹⁶;
- *WWF Seeing the Forest for Trees* – practical guide for financial institutions to take action against deforestation and conversion risk¹⁷;
- Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (FAO);
- FAO-OECD Directive on Responsible Business Conduct throughout the Agricultural Supply Chain¹⁸;
- [Fundamental conventions of the International Labour Organization \(ILO\)](#)¹⁹.

In addition to current regulations, new regulatory developments on deforestation are expected to come into effect, as well as better access to a wider range of forest-related data. Under these circumstances, Crédit Agricole S.A.'s entities may take them into account when implementing this Policy.

International references and voluntary standards, certificates and programmes specific to projects and/or agricultural or forestry commodities are highlighted below in Sections 4.3.1 and 5.

¹² “CDP Forest risk country” based on GCP, 2019; WWF, 2015 & TFA, 2019.

¹³ [The European Deforestation-free Regulation - Stratégie nationale de lutte contre la déforestation importée \(ecologie.gouv.fr\)](#)

¹⁴ https://www.ecologie.gouv.fr/sites/default/files/2018.11.14_dp_sndi_mtes.pdf

¹⁵ https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/004/839/original/Forests_champions_tear_sheet_2023_%282%29.pdf

¹⁶ <https://guidance.globalcanopy.org/roadmap/>

¹⁷ https://www.panda.org/discover/our_focus/finance/?5852466/Financial-institutions-must-address-deforestation-and-conversion-risks

¹⁸ https://www.panda.org/discover/our_focus/finance/?5852466/Financial-institutions-must-address-deforestation-and-conversion-risks

¹⁹ the ILO's fundamental human rights conventions concern the elimination of forced or compulsory labour (C-29 and C-105), the abolition of child labour (C-138 and C-182), the elimination of discrimination in respect of employment and occupation (C-100 and C-111) and freedom of association and collective bargaining (C-87 and C-98).

4. IMPLEMENTATION

THE CRITERIA HIGHLIGHTED IN SECTION 4 WILL EVOLVE DEPENDING ON DATA AVAILABILITY, BASED ON A “BEST-EFFORT” BASIS TO ENSURE ACCURACY.

4.1 ANALYSIS CRITERIA

A non-exhaustive list of analysis criteria will be considered, although not mandatory, to assess companies concerned by this Policy. Crédit Agricole S.A.’s entities will therefore examine the activities of clients and/or company investees according to their mitigation actions as well as the relevance of environmental and social (E&S) issues, to manage E&S risks in terms of:

Environmental considerations:

- Quality of assessment of negative impacts on the environment;
- Consideration of the ecological value of land and documentation via an environmental impact study (analysis of HCV zones and HCS forests);
- Water resource management;
- Soil fertility and erosion management;
- Measurement of soil pollution and management of class 1A or 1B substances by the World Health Organization (WHO).

Social and human rights considerations:

- Quality of assessment of social and human rights impacts;
- Labour law and working conditions, and in particular compliance with the fundamental conventions of the International Labour Organization (ILO);
- Health risks;
- Consultation of relevant populations and in particular indigenous populations, including Free, Prior and Informed Consent (FPIC) of local communities involved in new agricultural projects;
- Establishment of a mechanism for recording and managing grievances at project level;
- Impact on cultural heritage.

Obtaining relevant commodity-specific certifications, mentioned in Section 5 of the Policy, will be considered a satisfactory demonstration that these criteria have been taken into account. A certification commitment with a target date or ongoing certification for a particular company or activity will also be taken into account as a significant assessment element.

However, Crédit Agricole S.A. acknowledges that obtaining certifications for certain commodities is still far from systematic in some countries. In such cases, companies involved in the activities covered by this Policy may be required to undergo further due diligence in alignment with recommendations provided in referenced certifications²⁰ or to provide relevant elements and documentation to assess their proper alignment of practices with these recommendations.

Crédit Agricole S.A.’s entities will remain attentive to all forms of deforestation-related controversies highlighted by relevant and/or reputable stakeholders or media.

²⁰ See Section 5 of the Policy.

4.2 CLIENT ENGAGEMENT²¹ OR ENGAGEMENT WITH ISSUERS

Client engagement or company (issuers) engagement applies to all activities defined in Section 2, and within the limit of available data across the entire value of the seven identified commodities, to raise awareness on deforestation among clients and company investees. For financing activities, a client engagement will consist of at least sending an annual note to concerned clients to inform them of this new Policy, as well as inviting them to adopt a “Zero Deforestation” strategy and proposing a discussion on the subject.

After this initial contact, depending on which E&S criteria have been identified, Crédit Agricole S.A.’s entities will engage with clients or company investees that do not meet one of the analysis criteria in Sections 4.1 and 5 of the Policy. Corrective actions will be proposed by Crédit Agricole S.A.’s entities relating to, for example and not limited to, the adoption of an ambitious “Zero Deforestation” strategy and/or participation in the CDP Forest questionnaire.

Crédit Agricole S.A.’s entities will collect data from their clients or company investees to measure their progress on deforestation issues following an engagement. Following this engagement, Crédit Agricole S.A.’s entities may refuse to provide financial services or products or choose to not participate in certain transactions. If these companies do not show improvement from one year to the next during this engagement process, they will be closely monitored.

It is possible that Crédit Agricole S.A.’s entities may request additional actions and checks before deciding to finance or invest in a company, even if the E&S assessment criteria outlined in this Policy are met.

4.3 EXCLUSION CRITERIA

4.3.1 Dedicated transactions, products and services

Crédit Agricole S.A.’s entities will not provide financial products and services to dedicated project financing assets with²² the following characteristics:

- Illegal or unrecognised exploitation in the specific country;
- Conversion of land with high environmental value:
 - IUCN Category I to IV protected areas²³;
 - Primary or HCV and HCS forests;
 - Sites listed by the Alliance for Zero Extinction (AZE);
 - Peatlands;
 - Mangroves;
- Activity or asset located in the sites listed above or listed as a UNESCO World Heritage site.

Or if a substantial risk of non-compliance has been identified for a company, and a non-satisfactory response has been received by Crédit Agricole S.A.’s entities concerning:

- The Performance Standards (or equivalent standards in case of co-financing with an export credit agency or multilateral institution) or the IFC Performance Standards on Environmental and Social Sustainability, including SGES²⁴ for the protection of workers’ fundamental rights, population displacement, closure and rehabilitation plans, biodiversity conservation, impact on critical natural habitats, indigenous peoples’ consent and protection of cultural heritage;
- Policies concerning the supply chain and, where applicable, corrective measures taken regarding serious problems identified in this chain in terms of human rights or biodiversity;
- Public consultation or, where appropriate, consent of affected indigenous peoples;
- Consultation between States in the event of major cross-border impacts.

²¹ As specified in several UNEP FI publications for banks, “client engagement” consists of having a constructive dialogue with a client on a particular ESG topic. It is not the same approach taken by asset managers and owners when “engaging” with issuers (this process is known as “stewardship” and defined by the Principles of Responsible Investment (PRI) for investors).

²² Production, processing and trading only.

²³ The International Union for Conservation of Nature: <https://www.iucn.org/theme/protected-areas/about/protected-area-categories>

²⁴ Environmental and Social Management System.

4.3.2 Target date for potential exclusion²⁵

As outlined in the scope of this Policy, a company producing or purchasing cattle, soy, palm oil, or timber and having a “Critical”²⁶ impact on deforestation:

- On the upstream value chain (producers, processors, traders);
- From countries at high risk of deforestation²⁷;

Must have published a public “Zero Deforestation” strategy by end 2027 at the latest. This strategy must contain time-based bound targets as well as a monitoring plan in their production and/or supply chains.

If a company does not meet this criterion, a potential exclusion from financing and investing activities may take place in accordance with the operational procedures of each business line by the end of 2027²⁸. Crédit Agricole S.A.’s entities reserve the right to exclude companies as soon as this Policy comes into effect, even if the requirements related to this cut-off date are met.

This potential exclusion on financing activities will be applied in a targeted manner according to the principle of segregation defined below:

An Entity is a counterparty considered to be independent for its financing. Within the same group, subsidiaries may be considered as separate (or “segregated”) Entities, in the event of segregation defined by compliance with one of the following criteria:

- A subsidiary dedicated to a project or activity, with no financial link with the company investee other than the provision of equity, the receipt of dividends and standard guarantees dedicated to a project, or;
- An autonomous subsidiary in its financing (for example, not benefiting from a guarantee from another Entity of the same group, benefiting from its own rating and raising its financing itself), or;
- A minority subsidiary (for example, a subsidiary that is less than 50% owned directly or indirectly)

Depending on the legal and financial organisation of its financing, a conglomerate may thus be considered as a single Entity, or as several Entities.

The principle of segregated entity allows Crédit Agricole S.A.’s entities to apply a possible exclusion of a targeted relationship on a specific entity of a customer without excluding all other entities whose activities comply with this Policy. Similarly, this principle allows transactions to be carried out with a specific segregated entity while the rest of the group to which it belongs is excluded because it does not comply with the Policy.

In the event that the company investee in question is exposed to deforestation controversies, it is possible to include additional E&S criteria specific to certain commodities in its assessment.

²⁵ https://accountability-framework.org/fileadmin/uploads/afi/Documents/OG_Cutoff_Dates-2020-5.pdf

²⁶ “Critical” impact according to the CDP Forest database.

²⁷ The list of countries at risk of deforestation taken into account is that of CDP Forest published in 2023, depending on the availability of data. This criterion will only be applicable if Crédit Agricole S.A.’s entities have access to data on the production or origin of these agricultural and forestry commodities of the companies analysed.

²⁸ This applies only to companies on the upstream value chain of these agricultural and forestry commodities, as defined by CDP Forest (Production, Processors and Traders).

5. SPECIFIC CRITERIA BY COMMODITY

THIS PART OF THE POLICY SPECIFIES THE GENERAL CRITERIA ADDRESSED IN THE PREVIOUS PARTS OF THE POLICY FOR THE SEVEN COMMODITIES AT RISK OF DEFORESTATION:

5.1 CATTLE, SOY, PALM OIL AND TIMBER

Manufacturers and retailers purchasing cattle, soy, palm oil and timber, based on the criteria mentioned below, will be subject to constructive dialogue or engagement only in the event of major controversies involving the client or the company investee.

5.1.1 Cattle

Scope:

With respect to cattle, this Policy applies only to clients and companies involved in:

- Cattle breeding and production in at-risk South American countries, as described in Section 2.3;
- The processing²⁹ and trading of cattle in South American countries at risk, as outlined in Section 2.3

Main assessment criteria:

In the E&S assessment of companies, Crédit Agricole S.A.'s entities take the following criteria into consideration in addition to those of the General Policy:

- Adhere to [The Global Roundtable on Sustainable Beef](#) directives (and its national chapters depending on the location of the asset);
- Prohibit the production or processing of cattle from the areas of the Brazilian Amazon converted after 2009³⁰ and the Cerrado zone³¹ converted after 2020;
- Companies report on progress in traceability and deforestation on its farms and its direct and indirect supply chain by 2027;
- Have a Policy of commitment to respect human rights in all operations and the supply chain.

Other assessment criteria:

- Clients concerned by this Policy are expected to have a monitoring plan for all operations and the value chain, as well as its compliance with its commitments to combat deforestation. The scope in question will be determined by the various Crédit Agricole S.A.'s entities. Each entity will be able to assess the credibility and robustness of the monitoring plan for the various clients

²⁹ For cattle products, activities at this stage mainly involve the slaughtering of cattle and the processing of raw hides into leather.

³⁰ "Terms of Adjustment of Conduct (TAC) Monitoring Protocol for Cattle Suppliers".

³¹ "Voluntary Monitoring Protocol for Cattle Suppliers in the Cerrado".

5.1.2 Soy

Scope:

This section concerns transactions, products and services related to soy, in particular companies and clients involved in them:

- Production and processing³² of soy in high-risk South American countries, as outlined in Section 2.3;
- Trading in soy and its by-products (Oil and Meal) from at-risk South American countries, as indicated in Section 2.3

Main assessment criteria:

In the E&S assessment of companies, Crédit Agricole S.A.'s entities take the following criteria into consideration in addition to those of the General Policy:

- Adhere to [the Global Roundtable on Responsible Soy initiative](#) (and its national chapters depending on the location of the asset);
- Prohibit the production or processing of soy from areas of the Brazilian Amazon converted after 2008³³;
- Company report on progress in traceability and deforestation on its farms and supply chain;
- Have a Policy of commitment to respect human rights in all operations and the supply chain.

Other assessment criteria:

- Adhere to the Basel criteria for responsible soy production;
- Clients concerned by this Policy are expected to have a monitoring plan for all operations and the value chain, as well as its compliance with its commitments to combat deforestation. The scope in question will be determined by the various Crédit Agricole S.A.'s entities. Each entity will be able to assess the credibility and robustness of the monitoring plan for the various clients.

5.1.3 Palm oil

Scope:

This section concerns transactions, products and services related to palm oil, in particular companies involved in them:

- **Industrial oil palm plantations;**
- **Palm oil mills, traders and refiners.**

Main assessment criteria:

In the E&S assessment of companies, Crédit Agricole S.A.'s entities take the following criteria into consideration in addition to those of the General Policy:

- Adhere to [the RSPO \(Roundtable on Sustainable Palm Oil\) initiative](#) ;
- Adhere to the [NDPE Policy](#) (no deforestation, peat and exploitation) on all upstream and downstream palm oil related operations;
- Have a Policy of commitment to respect human rights in all operations and the supply chain.

Other assessment criteria:

- Achieve traceability across the entire palm oil supply chain;
- Clients concerned by this Policy are expected to have a monitoring plan for all operations and the value chain, as well as its compliance with its commitments to combat deforestation. The scope in question will be determined by the various Crédit Agricole S.A.'s entities. Each entity will be able to assess the credibility and robustness of the monitoring plan for the various clients.

³² Production of soybean oil and flour from soybeans are included in this category. Further processing activities in the form of refining and fractionation should be considered at the manufacturing stage.

³³ Amazon Soy Moratorium.

5.1.4 Timber³⁴

Scope:

This section concerns transactions, products and services related to the forest-timber industry in particular the companies that take part in it:

- The cutting and cultivation of timber in artificial plantations and forest areas;
- The pulp industry;
- Timber trading;
- Tree cutting and timber processing³⁵.

Main assessment criteria:

In the E&S assessment of companies, Crédit Agricole S.A.'s entities take the following criteria into consideration in addition to those of the General Policy:

- Adhere [to the Program for the Endorsement of Forest Certification](#);
- Adhere to the [FSC \(Forest Stewardship Council\) Principles and Criteria](#);
- Prohibit the conversion of natural forests and HCV areas and peatlands in forest operations;
- Have a Policy of commitment to respect human rights in all operations and the supply chain.

Other assessment criteria:

- Clients concerned by this Policy are expected to have a monitoring plan for all operations and the value chain, as well as its compliance with its commitments to combat deforestation. The scope in question will be determined by the various Crédit Agricole S.A.'s entities. Each entity will be able to assess the credibility and robustness of the monitoring plan for the various clients.

5.1.5 Rubber, Cocoa and Coffee

Scope:

This section concerns transactions, products and services related to these activities, as well as company investee and clients involved in these activities and involved in major controversies:

- The entire value chain upstream and downstream of rubber, cocoa, and coffee production according to the CDP Forest methodology (producers, processors and traders, manufacturers and retailers).

Main assessment criteria:

In the E&S assessment of companies, Crédit Agricole S.A. takes the following criteria into consideration in addition to those of the General Policy:

- Commit to no net deforestation and to sourcing from production sites that protect HCV forests;
- Commit to respecting human rights, including by providing good working conditions.

Recommendations:

Rubber:

- Adhere to the [GSPNR \(Global Platform for Sustainable Natural Rubber\)](#);
- Adhere to [FSC principles and criteria](#)

Coffee:

- Adhere to 4C [The Common Code for the Coffee Community](#);
- Adhere to the [Global Coffee Platform](#).

Cocoa:

- Adhere to the [World Cocoa Foundation](#).

³⁴ Crédit Agricole S.A. uses the CDP Forest definition of timber products.

³⁵ In the case of timber products, companies whose activities include the processing of timber products in factories (i.e. sawmills, plytimber and veneer factories, pulp and paper factories) are included in this stage.

6. APPLICATION, COMMUNICATION AND MONITORING OF POLICY

THIS POLICY APPLIES FROM DECEMBER 2024. ITS APPLICATION IS IMPACTED BY THE AVAILABILITY, QUALITY AND RELEVANCE OF THE INFORMATION COLLECTED BY THE ENTITIES OF CRÉDIT AGRICOLE S.A.

This Policy is publicly available and published on the Crédit Agricole's website for transparency purposes, which the Group is committed to as part of its CSR Policy.

The Group will continue its dialogue with all stakeholders that wish to provide constructive opinions or comments.

The Policy will be reviewed periodically and whenever the context or circumstances require, with due consideration of regulatory factors.

This Policy has been published in French and English, with the French version prevailing.

7. GLOSSAIRE

TERME	DEFINITION	SOURCE
Cattle products	This includes all food products containing cattle, all leather clothing, furniture and accessories, tallow and all other products derived from livestock. Dairy products are not included in this category. Note that tallow used for biofuel production is also included in this category.	CDP Forest
Timber products	This includes all solid wood as well as products made from processed wood fibres, such as paper, packaging, cardboard and special fibres (e.g. viscose).	CDP Forest
Cocoa	This includes all foodstuffs or other products containing cocoa, cocoa derivatives such as cocoa butter or pectin, or any product derived from cocoa shells such as animal feed or potash.	CDP Forest
Coffee	This includes all products from or derived from coffee plants, including beans, cherries and husks.	CDP Forest
Value chain	All the activities, resources and relationships linked to the company's business model and the external environment in which it operates. The value chain includes players upstream and downstream of the company. Upstream players (suppliers, for example) provide products or services that are used to develop the company's products or services. Entities located downstream of the company (distributors and customers, for example) receive products or services from the company.	Corporate Sustainability Reporting Directive (CSRD)
Rubber	This includes all rubber products resulting from the production of natural rubber.	CDP Forest
International Union for Conservation of Nature (IUCN) protected area categories I-IV	Categories used to classify protected areas according to their biodiversity conservation or protection objectives developed by the International Union for Conservation of Nature (IUCN). It includes: Strict nature reserve; wilderness area; national park; natural monument; habitat/species management area.	IUCN
Retailer	The retail stage involves companies selling products directly to individual consumers. This includes supermarkets, convenience stores, wood and DIY shops, furniture shops, online retailers, restaurant chains, etc.	CDP Forest
Manufacturer	The manufacturing stage includes the production of final ingredients for the food and feed sectors. For wood products, for example, the manufacturing stage involves the secondary transformation of wood into multiple products such as furniture and flooring. For pulp, this may involve the transformation of pulp into printing and writing paper or packaging board.	CDP Forest
High carbon density (HCS) forests	High carbon value forests. HCS areas include high-, medium- and low-density forests, as well as recently regenerating forests.	High Carbon Stock Approach (HCSA)

Free, Prior and Informed Consent (FPIC)	This is a specific right granted to indigenous peoples and recognised in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), which is in line with their universal right to self-determination. FPIC enables indigenous peoples to give, refuse or withdraw their consent, at any time, for projects that have an impact on their territories. FPIC enables indigenous peoples to enter into negotiations to influence the design, implementation, monitoring and evaluation of projects.	United Nations Human Rights
High Conservation Values (HCV)	A biological, ecological, social or cultural value of capital or critical importance, recognised as unique or remarkable compared to other examples in the same region.	Forest Stewardship Council (FSC)
Palm oil	This includes crude palm oil, palm kernel oil and all its derivatives. Note that palm oil used for biofuel production is also included in this category.	CDP Forest
Agricultural and forestry raw materials at risk	<p>The agricultural and forestry raw materials that contribute most to deforestation are: soya, palm oil, cattle and processed products, cocoa and rubber, as well as wood and wood products</p> <p>For the purposes of this Policy in particular, agricultural and forestry raw materials refer to the following raw materials: cattle, soya, palm oil, wood, coffee, cocoa and rubber.</p>	As part of the National Strategy to Combat Imported Deforestation 2018 - 2030 (SNDI)
Trader	At the trading stage, companies buy and sell agricultural or forestry products, either raw or having undergone initial processing, for domestic or export markets. This includes the shipping, transport and storage of agricultural and forestry raw materials at risk.	CDP Forest
World Health Organisation (WHO)	A global organisation dedicated to improving the future and future health of people everywhere, it has 194 Member States and more than 150 offices in six Regions.	OMS
Producer	Production is the first stage in the supply chain and generally refers to the production of raw agricultural and forest products by farm owners, smallholders and communities. Vertically integrated farms are also involved in production activities if they own or manage land used for the production of raw materials and forests at risk of deforestation.	CDP Forest
UNESCO World Heritage Sites	<p>World cultural and natural heritage sites of outstanding value to humanity.</p> <p>UNESCO World Heritage Centre - World Heritage List</p>	UNESCO
Alliance for Zero Extinction (AZE) sites	A conservation area whose aim is to prevent extinctions by promoting the identification and safeguarding of key sites, each of which is the last refuge of one or more endangered or critically endangered species.	AZE
Ramsar sites	A Ramsar site is the designation of a 'wetland of international importance' included in the list drawn up by the Ramsar Convention. A Ramsar site must meet a set of criteria, such as the presence of vulnerable species of fish and waterbirds.	Ramsar Convention

Soya	This includes all flours or oils containing soya and all derivatives obtained from soya (including soya used by suppliers to feed animals reared for consumption or to produce dairy products or eggs). Note that soya used to produce biofuels is also included in this category.	CDP Forest
Peat bogs	A wetland characterised by an accumulation of layers of organic matter in a water-saturated environment. Peatlands represent the largest terrestrial carbon reserve per hectare. Damage to these fragile ecosystems, which take thousands of years to transform into carbon sinks, is a major source of greenhouse gases.	Muséum national d'Histoire naturelle
Transformer	Transformation encompasses the initial activities that add value to raw materials. This is the case, for example, for companies involved in the production of crude palm oil from crushed fruit or in the production of soya oil and soya meal from soya. Further processing activities in the form of refining and fractionation are considered part of the manufacturing stage.	CDP Forest

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