



Statement on biodiversity and natural capital

Summary

Beyond the climate emergency, the world is facing another equally important crisis requiring urgent action: the collapse of biodiversity and nature loss. Halting and reversing nature loss is an essential component of Crédit Agricole's ESG strategy, in line with our Sustainability and Social Responsibility commitments. **Crédit Agricole S.A. has identified five priority areas** to address this major crisis:

- Assessing material impacts and risks of nature loss on our activities;
- Embedding nature and biodiversity into our sectoral policies;
- Mobilising financial resources to contribute towards nature-positive actions and activities;
- Supporting collective initiatives to address nature loss and ecosystem services' decline;
- Reducing our internal environmental footprint and promoting biodiversity onsite.

As nature is complex and multidimensional, a universal metric does not exist to measure impacts, dependencies, risks and opportunities (IDROs) on biodiversity and ecosystems, as is the case for climate with tonne of CO₂e. Collective and joint efforts with key stakeholders and other financial institutions (FIs) in France and globally will therefore be needed to define and agree on common standards, norms, metrics and scenarios, specifically for FIs. This will allow us to collectively fight against the loss of nature and biodiversity, with a science-based approach.

In addition to this complexity, negative impacts on biodiversity are localised and difficult to measure on a global scale, as each ecosystem and biome on Earth is unique. For example, deforestation-related issues in tropical forests differ considerably from the health of oceans, where plastic pollution constitutes a major challenge for marine ecosystems.

Crédit Agricole S.A. recognises that several metrics will most likely be needed to concretely measure the potential impact of one or more economic activities on nature. While a local-based approach is favoured to understand the real impact of an activity on an ecosystem, this approach is difficult to apply from FIs perspective, as FIs primarily have an indirect impact on biodiversity through their financing and investments activities.

As part of Crédit Agricole S.A.'s nature journey, this statement outlines its current approach to biodiversity and natural capital. It also includes Crédit Agricole S.A.'s collaboration with key stakeholders at national and international levels to provide an overview of its current actions and five priority areas on a rapidly evolving topic.

Nature is at the heart of our society and economy

Crédit Agricole's definition of "nature or natural capital"¹ includes both all living organisms (biodiversity) and non-living elements of the physical world, such as water, soil, minerals and air.

According to the World Economic Forum study of 163 sectors and their value chains, half of the world's GDP, or USD\$44 trillion, is moderately or highly dependent on nature and its ecosystem services. In addition, 75% of terrestrial environments and 66% of marine ecosystems are severely altered, with one million species threatened with extinction (at a rate 100 to 1,000 times the natural rate of extinction)². This highlights the urgency of working collectively, with governments, businesses, civil society and local communities, to combat nature loss and reverse this alarming trend.

According to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services³ ("IPBES", the equivalent of the IPCC for biodiversity), the five direct drivers of biodiversity loss:

1. Changes in land and sea use (30%)
2. Direct exploitation of organisms (23%)
3. Climate change (14%)
4. Pollution (14%)
5. Invasive alien species (11%)

Given the link between the economy, finance and nature, financial institutions (FIs) have a role to play in protecting and preserving biodiversity and conserving natural capital. Crédit Agricole S.A. is aware that nature loss is primarily driven by human activities, such as the unsustainable use of land, water, and energy, as well as climate change. In alignment with the United Nations Convention on Biological Diversity (CBD, 1992), Crédit Agricole S.A. recognises the central role of biodiversity conservation for humanity and the importance of preserving it, together with combatting climate change.

The nature and climate nexus

The fight against climate change will not be possible without nature. A third of climate solutions depend on nature to meet the Paris Agreement, thanks to natural carbon sinks, such as oceans, soils and forests. For example, 5.6 gigatonnes of CO₂e per year are stored in terrestrial and marine ecosystems, equivalent to 60% of the emissions generated from fossil fuels. Technological solutions, such as large-scale renewable energy deployment, will be needed, as well as 'nature-based solutions'⁴ to combat climate change whilst protecting biodiversity.

Over the last decade, Crédit Agricole Group has made its mission for the financial sector to play an active role to effectively address climate change. In 2022, for example, Crédit Agricole S.A. announced a number of new climate commitments such as: 1) setting ambitious climate targets within the context of the Net Zero Banking Alliance 2050 for financing activities in 10 sectors, representing approximately 60% of the Crédit Agricole Group's exposure⁵, and; 2) creating a new business line 'Crédit Agricole Transitions & Energies' to support its clients' energy transition. With climate change being the third leading direct driver of biodiversity loss, it is essential to recognise the close link between nature and climate and not to address these two issues in isolation.

Strategic priorities on nature and biodiversity

Nature and biodiversity are essential to Crédit Agricole's environmental strategy. This section defines the five priority areas and provides examples of several nature-related initiatives⁶ undertaken by Crédit

¹ Definitions of "nature", "biodiversity", and "natural capital" can be found in the Universal Registration Document (URD 2022). Moreover, Crédit Agricole S.A. has adopted the Capital Coalition's definition for "natural capital".

² <https://www.ipbes.net/news/Media-Release-Global-Assessment>

³ In June 2023, our biodiversity and natural capital expert, Thao Fabregas, was selected as a co-author of the future IPBES "Business and Biodiversity Assessment" report, to be published in 2025.

⁴ [Nature-based Solutions | IUCN](#)

⁵ <https://www.credit-agricole.com/en/pdfPreview/196182>

⁶ A full list of actions taken by each Crédit Agricole S.A. business line is available in our 2022 Universal Registration Document.

Agricole S.A.'s different business lines to date.

1. Assessing material impacts and risks of nature loss on our activities

A significant challenge for FIs today is to measure the **impacts** (negative or positive) and **dependencies** of their clients and companies on ecosystem services in their financing and investment portfolios. Crédit Agricole S.A. has begun to identify and evaluate tools capable of aggregating several biodiversity indicators, in particular those that incorporate the five direct drivers of biodiversity loss as identified by the IPBES.

- In 2023, Crédit Agricole S.A., Amundi and Crédit Agricole CIB participated in **two Taskforce on Nature-Related Financial Disclosures (TNFD) pilots** to test the LEAP process⁷ and provide feedback on the beta reporting framework for FIs. We conducted these initial pilots on a small sample of agri-food companies in our financing portfolios and investment portfolios.
 - 2023 [TNFD pilot on agri-food](#) with Iceberg Data Lab and I Care
 - 2023 [TNFD pilot on agriculture and fisheries](#) with UNEP FI and CDC Biodiversity
- In 2022, Crédit Agricole S.A.'s various business lines tested several biodiversity tools on an experimental basis, such as the BIA-GBS⁸, CBF⁹ and ENCORE¹⁰, to carry out an initial mapping of potential impacts and dependencies on nature and biodiversity to help guide the Group's reflection on this topic.
 - The first results of this analysis, for example, carried out on part of Crédit Agricole Assurances' portfolio, excluding Sovereigns and assimilates and excluding Financials and assimilates, were published in **Crédit Agricole Assurances'** 2022 ESG-Climate Policy.
 - In 2022, **Crédit Agricole CIB** developed two biodiversity-related indices, with the potential of being deployed in 2023, that aims to assess corporate clients' potential impact and dependencies on biodiversity.

2. Embedding nature and biodiversity into our sectoral policies

Crédit Agricole S.A. has undertaken various initiatives to manage biodiversity-related risks in its financing and investment portfolios to minimise the negative impacts of its activities:

- Biodiversity is one of the themes addressed in **Amundi's** ESG analysis. It is reflected in the methodology grid through the "Biodiversity & Pollution" criterion and thus contributes to the construction of an issuer's ESG rating. Due to the limited data available on biodiversity, the primary objective of this engagement is to establish a baseline of how companies take biodiversity into account, then to ask them to assess the sensitivity of their activities to biodiversity loss, as well as to manage the impact of their activities and products on biodiversity.
- The protection of biodiversity has been incorporated into **Crédit Agricole CIB's** sectoral policies for large corporates. For example, sectoral policies explicitly refer to the International Finance Corporation's (IFC) Performance Standard 6, as well as exclusion criteria for project financing or activities located in protected areas (UNESCO World Heritage, Ramsar sites, etc.).
- To ensure that nature and biodiversity issues are taken into account in the design of some of its financing and investment activities, **Crédit Agricole S.A.** is working to integrate biodiversity impacts and risks as part of its analysis of new opportunities and existing holdings. The full list of **sectoral policies** can be found on [Crédit Agricole S.A.'s website](#). The forestry policy is expected to be updated in 2024 based on internationally recognised standards to contribute to the fight against deforestation.

⁷ Locate, Evaluate, Assess and Prepare (LEAP, TNFD)

⁸ Biodiversity Impact Analytics powered by the Global Biodiversity Score (BIA-GBS) by CDC Biodiversity and Carbone 4 Finance.

⁹ Corporate Biodiversity Footprint (CBF) of Iceberg Data Lab.

¹⁰ Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) by the Natural Capital Finance Alliance and UNEP-WCMC.

3. Mobilising financial resources to contribute towards nature-positive actions and activities

Even though common metrics, indicators and standards for biodiversity are in a nascent stage compared to climate change, **Crédit Agricole S.A.** has already begun to integrate nature in its financing, investment and insurance activities. The Group¹¹ also supports projects or initiatives designed to raise awareness on biodiversity among staff, clients and companies.

- In 2023 and 2022, CPR Asset Management¹² launched two **CPR Invest thematic funds**: [Circular Economy](#) and [Blue Economy](#), respectively. These two funds have a thematic strategy of actively managing international equities, with each fund investing in the transition to a circular economy or to protect marine ecosystem. In conjunction with the One Ocean Summit, Amundi and Accor also announced a close collaboration with the Fondation de la Mer, which has developed an analytical framework to help companies measure and reduce their seabed impacts.
- In 2021, the Group launched a new fund "to support the development of agricultural techniques towards a competitive and sustainable agri-food system", with a **target of raising up to one billion euros**. As part of this commitment, the first €300m fund dedicated to the [transition of agri-food companies](#) in France and Italy was launched in 2023.
- Crédit Agricole Assurances continued to increase the proportion of its real estate assets with environmental certifications (e.g., HQE¹³, BREEAM¹⁴ or LEED¹⁵), all of which provide a minimum guarantee for biodiversity protection – including good practices for water management, as well as minimising the use of pesticides and fertilizers. By the end of 2022, **nearly 50% of the surface area** of Crédit Agricole Assurances' real estate portfolio was certified, including nearly 40% at the highest level (construction and operation). All new construction and refurbishment projects will aim to obtain an environmental certification.
- Since 2018, Crédit Agricole Group has been working alongside [Plastic Odyssey](#) in the fight against plastic pollution. As part of this partnership, the Group provided **€1.2 million** over a period of five years to the organisation's three-year maritime expedition around the world in 2019 to raise awareness on this issue.

4. Supporting collective initiatives to address nature loss and ecosystem services' decline

Crédit Agricole S.A. has been collaborating with national and international initiatives to better understand the impacts and risks of nature loss, as well as to identify potential opportunities to contribute to the preservation, conservation and restoration of biodiversity. To date, Crédit Agricole S.A. participates in the following coalitions, among others:

- In 2023, Crédit Agricole S.A. became a co-chair of the [Nature Target Setting Working Group](#) for **UNEP FI PRB**¹⁶ which brings together 36 banks worldwide to develop an initial guidance note of recommended nature targets for banks, aligned with the Kunming-Montreal Agreement (Global Biodiversity Framework).
- Since 2022, Crédit Agricole S.A. has been a **TNFD Forum** member and is also part of France's Consultation Group with Sustainable Finance Institute (Institut de la Finance Durable) and Enterprises for the Environment to better identify, assess, manage and eventually report on nature-related risks and opportunities.
- Since 2021, Amundi has been a signatory of the **Finance for Biodiversity Pledge**, a collective initiative of FIs committed to assessing the impact of their portfolios, engaging with companies to promote greater consideration of biodiversity, collaborating and sharing knowledge, and setting and

¹¹ Group Crédit Agricole.

¹² CPR Asset Management is a subsidiary of Amundi.

¹³ Haute qualité environnementale

¹⁴ Building Research Establishment Environmental Assessment Method

¹⁵ Leadership in Energy and Environmental Design

¹⁶ Principles for Responsible Banking of United Nations Environment Programme Finance Initiative (PRB, UNEP FI).

reporting publicly biodiversity targets by 2025.

- Since 2021, Crédit Agricole Immobilier and Amundi Immobilier have been partners of the **Biodiversity Impulsion Group** (BIG), an applied research programme on the biodiversity footprint of property projects. In 2022, BIG announced the launch of a platform that will incorporate for the first time some indicators to assess the state of biodiversity.

5. Reducing our internal environmental footprint and promoting biodiversity onsite

Beyond reducing Crédit Agricole S.A.'s indirect environmental footprint from its financing, investment, and insurance activities, the Group¹⁷ also strives to reduce its direct environmental footprint to help protect biodiversity.

- The Montrouge (Evergreen) and Saint-Quentin-en-Yvelines (SQY Park) campus' have been awarded the "**Refuges LPO**" label, in recognition of Crédit Agricole S.A.'s commitment to preserving and welcoming local biodiversity. In addition, the Evergreen campus was among one of the first French sites to obtain the **BiodiverCity Life label**, which confirms our commitment to develop a site that values biodiversity. Other initiatives supported on the Evergreen campus include:
 - In 2019, Crédit Agricole made a commitment to fight against plastic pollution by aiming to have **zero plastic** at two of its corporate sites (Crédit Agricole S.A. Headquarters) which accommodate more than 10,000 employees every day.
 - Recently, a bio-waste composter was installed on the Evergreen campus: the compost obtained is used to fertilize the campus' gardens and is also distributed to staff. In the event of a surplus, some of the compost is provided to the town of Montrouge for its public parks.
- As a member of **Citéo**, Crédit Agricole Assurance is committed to Crédit Agricole Group's "Grenelle papier" initiative, which is based on two distinct objectives: to raise awareness to reduce paper use while increasing paper recycling rates across all departments (office, publishing, customer communications).

Conclusion

This statement reflects some Crédit Agricole S.A.'s initial actions to date to address nature loss, in line with our climate commitments. With the topic developing rapidly, Crédit Agricole S.A. is committed to continuing to collaborate with relevant stakeholders to contribute to the development of common metrics, norms and standards, and nature-related scenarios based on the best available science for FIs as well as the businesses and customers we support through our financing, investment and insurance activities. Crédit Agricole S.A. recognizes the urgent need to act collectively to move towards a nature-positive journey and is determined to play an active role in collaboration with governments, businesses, clients and civil society.

¹⁷ Crédit Agricole .S.A.