



CRÉDIT AGRICOLE S.A.

**ESG –
CACIB SUSTAINABLE
FINANCE CONFERENCE**

WORKING EVERY DAY IN THE INTEREST OF
OUR CUSTOMERS AND SOCIETY



December 14th 2021

THE GROUP'S ESG STRATEGY AND SOCIETAL PROJECT

Turn "Raison d'être" into action - From meaningful change to measurable value:
Our ESG strategy, a leverage for a **socially acceptable transformation**.

FACTS ARE WHAT DRIVE US AND SHAPE OUR CONVICTIONS

“ **WORKING EVERY DAY IN THE INTEREST OF OUR CUSTOMERS AND SOCIETY** ”

A STRONG CONVICTION INTEGRATED IN MTP 2022 AS WELL AS EMBEDDED IN OUR GLOBAL ESG STRATEGY...

MEDIUM TERM PLAN 2022

- **Commitment** to society
- **Empowered teams** for **customers**
- **Excellence** in customer relations

ESG STRATEGY

- Our **science-based environmental strategy**
- Our **social strategy** shaped on an **inclusive approach**
- A **committed governance** to build a **strong and sustainable business model**

...WHICH IS ALIGNED WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



THE GROUP'S ESG DYNAMIC: A SPECIFIC AND POWERFUL VISION AT THE HEART OF OUR ECONOMIC DEVELOPMENT

To steer the ESG strategy, we have created a committee at the highest level of our Group. This Committee is composed of 12 Crédit Agricole Group executives. It issues recommendations on social and environmental issues for the business lines.



Our distinctive strengths...



...dedicated to a unique vision...



...towards a powerful and profound transformation



Environmental S G

AN AMBITIOUS CLIMATE STRATEGY RELYING ON A SCIENTIFIC APPROACH

OUR APPROACH

Aligned with TCFD recommendations



Identifying **climate risks**

Towards **Net zero 2050**



Turning the **energy transition** into an **opportunity**

Helping customers move towards the **energy transition**



SCIENCE-BASED KNOWLEDGE



Scientific committee



Support TCFD
since 2017

NET ZERO CA Group trajectories will be validated by **Science Base Target initiative** as of 2020

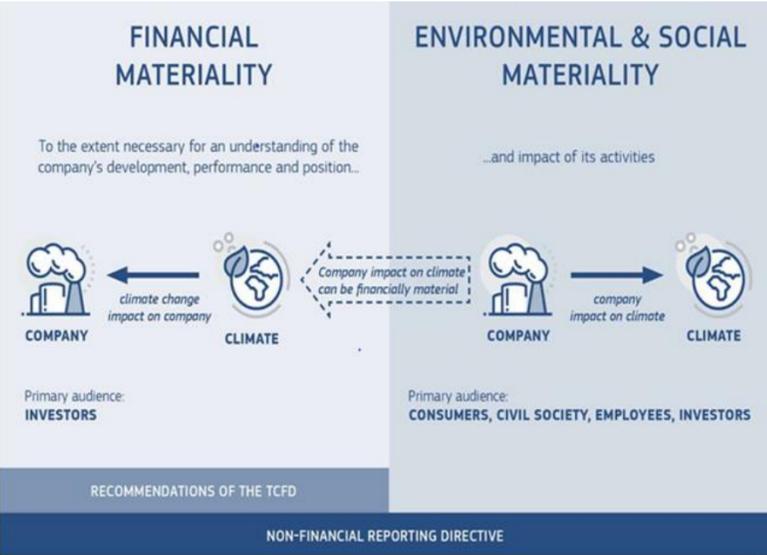
SAFE Method:
methodologies approved by academic experts

SAFE : SINGLE ASSESSMENT OF FINANCED EMISSIONS AND CLIMATE RISK MANAGEMENT

Academic work was undertaken in 2011 by the Chair of Finance and Sustainable Development hosted in Paris Dauphine (P9), in which the Ecole Polytechnique (X) participates, at the request of Crédit Agricole (CA). The first name of the methodology used so far had been P9xCA, but a more simple and international name has been chosen afterwards (SAFE*)

Key objectives of the work undertaken:

- Assess an order of magnitude of the emissions induced by FIs
- Estimation of an order of magnitude for the global portfolio has been preferred to more precise figures for a small part of it (ex: the project finance portfolio)
- Questioning, if necessary, approaches based on the aggregation of emissions of projects/assets – «bottom-up approach».
- Avoid all kind of double accounting
- The values should be additive.
- To protect the estimation of the order of magnitude from obvious bias
- Transparency
- Favor official, public, free and open access databases, and break with the use of databases of consultancy firms (« black boxes »).
- Clarity and simplicity:
- Choice of a methodology as simple as possible to facilitate understanding
- Compare to calculations from others:
- Use common assumptions/rules when possible



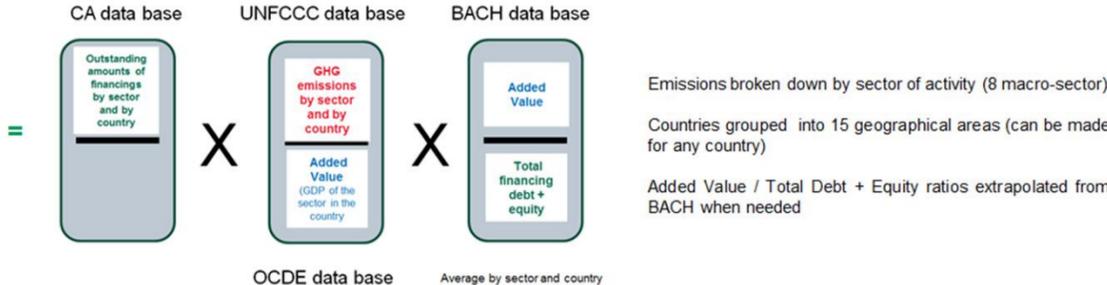
A « top-down » methodology was developed with academics: P9XCA

- In accordance with the objective of assessing a first order of magnitude and avoiding all kind of n-accounting, the choice of a « top-down » approach was made. It is based on the fairest and most equitable sharing of global GHG emissions measured by national inventories.

Allocating GHG emissions to amounts of finance or investment:

$$\frac{\text{GHG emissions by sector and by country} \times \text{Financings granted by the Bank by sector and by country}}{\text{Total financing debt + capital by sector and by country}}$$

Using public data bases



*Single Accounting of Financed Emissions methodology

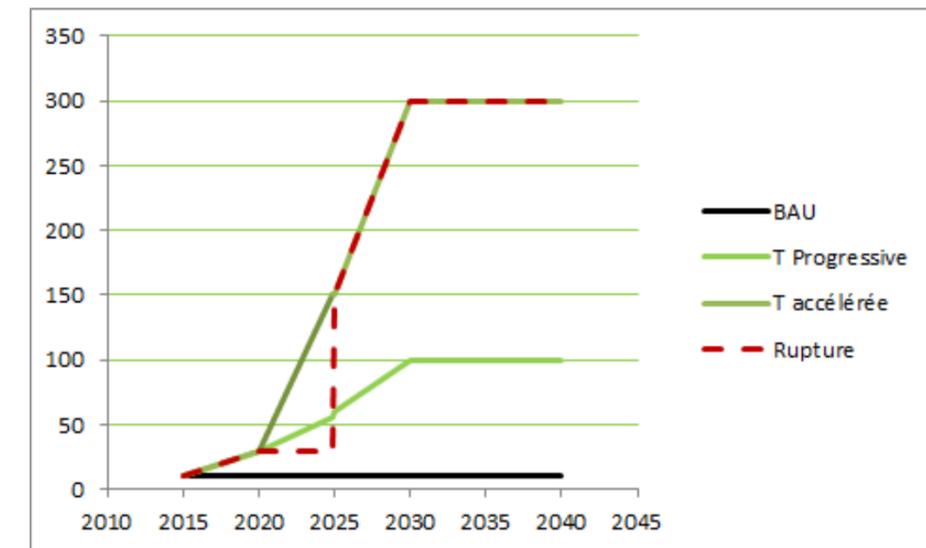


SAFE : SINGLE ASSESSMENT OF FINANCED EMISSIONS AND CLIMATE RISK MANAGEMENT (2)

From carbon intensity to carbon footprint

Facteur d'émission (tCO2/MEUR)	Agriculture & utilisation des sols	Construction	Energie	Industrie	Transport	Déchets	Administration	Service et divers	Moyenne
France	0,3	0,1	0,1	0,3	0,9	0,7	0,0	0,0	0,2
Allemagne	0,5	0,1	1,5	0,3	0,5	0,1	0,0	0,0	0,2
Espagne	0,1	0,0	0,2	0,3	1,1	0,3	0,0	0,0	0,2
Italie	0,0	0,0	0,4	0,2	0,7	0,6	0,0	0,0	0,2
Royaume-Uni	0,2	0,0	0,2	0,2	0,7	0,3	0,0	0,0	0,1
Autres Europe ouest	0,1	0,1	0,4	0,3	1,0	0,3	0,0	0,0	0,2
Autres Europe	0,0	0,2	1,3	0,9	1,3	1,2	0,0	0,0	0,6
Afrique Moyen Orient	0,9	0,1	0,3	0,9	1,3	16,6	0,0	0,0	0,5
Etats-Unis	-0,1	0,1	0,7	0,5	1,2	1,2	0,1	0,0	0,3
Autres Amérique Nord	0,2	0,1	0,3	0,6	1,4	1,1	0,0	0,0	0,3
Amérique Sud	0,6	0,1	0,3	1,7	0,8	2,8	0,0	0,0	0,3
Chine	0,1	0,4	1,3	1,3	1,6	1,3	0,0	0,0	0,6
Inde	0,1	0,2	2,3	1,4	1,7	2,1	0,0	0,0	0,5
Japon	0,1	0,1	0,9	0,4	0,4	0,1	0,0	0,0	0,2
Autre Asie	0,5	0,1	0,8	0,6	1,4	3,0	0,0	0,0	0,5
MOYENNE	0,3	0,2	0,6	0,9	1,1	1,5	0,1	0,0	0,4

Transition risk has been assessed by comparing the value of the “carbon issue” (at a given carbon price) with value added using 4 scenarios have used



SAFE method enables to quantify and map the carbon footprint of financial institutions:

- By applying the emission factors by sector and country to the outstanding amount of finance or investment by sector and country, one can quantify the carbon footprint by sector and country
- Footprints can be added to calculate the global footprint of any financial institution (amounts to 143 million tons of CO2 in the case of the Crédit Agricole S.A. Group)
- Sectorial and geographical breakdown of the global carbon footprint provides with useful information to prioritize action (has influenced the choice of CSR sector policies in the case of Crédit Agricole)

It can be done by combining **top-down** and

bottom-up approaches

Extent to which clients in a given sector will be impacted by the transition risk (level of challenges clients are facing)

Importance the country places on reducing greenhouse gas emissions

ability of the client to adapt to and benefit from the transition

P9XCA Emission factors

INDCs

Individual assessment of corporates (extra-financial Database)

P9XCA provides with comparable carbon intensities by sector and country when adopting the issue-based approach

CACIB Transition Risk Index

A relative score has been chosen (can be positive or negative)

AN AMBITIOUS CLIMATE STRATEGY RELYING ON A SCIENTIFIC APPROACH

OUR APPROACH

Aligned with TCFD recommendations

SCIENCE-BASED KNOWLEDGE

OUR CLIMATE STRATEGY

INCORPORATING CLIMATE TRANSITION CHALLENGES INTO CUSTOMER RELATIONSHIPS

- **Climate Transition rating** : a tool for both **dialogue and customer support**;
- **12 sector policies** based on the Scientific Committee's research and recommendations;
- A network of **Sustainable Banking coordinators** was launched in April 2020, it totalize more than 100 staff involved on Green and Sustainable Finance.

THE GRADUAL REALLOCATION OF OUR LOAN, INVESTMENT PORTFOLIOS AND ASSETS UNDER MANAGEMENT TO ALIGN WITH THE PARIS AGREEMENT

- A mechanism to **shift** our balance sheet **towards green assets**;
- Promoting **sustainable investment policies**;
- Planning a **total divestment of thermal coal** in accordance with a timetable; aligned with the Paris Agreement.

A STRONG COMMITMENT FOR THE NET ZERO TARGET

All the Group's businesses are converging in contributing to carbon neutrality by 2050 and thus align the operational and attributable emissions of our loan and investment portfolios with trajectories aimed at reaching net zero by 2050 or earlier.



NET ZERO
ASSET
MANAGERS
INITIATIVE



By December 2022 at the latest, Crédit Agricole will publish the roadmaps and targets for 2025, 2030 and 2050, with intermediate milestones to be set every 5 years starting in 2030, consistent with the most recent scientific data.

A STRONG COMMITMENT FOR THE NET ZERO TARGET SUPPLEMENTED BY OUR OWN COMMITMENTS



A SELECTIVE OIL AND GAS POLICY

- **Cessation** of direct financing to the **extraction of non-conventional hydrocarbons** (January 2022).
- **Protection of the Arctic area**: exclusion of oil and gas projects.
- **20% reduction in our exposure to oil extraction** by 2025.
- **100%** of Amundi's actively managed **open-ended funds** (€400Bn), with **better rating in terms of energy transition** than that of their benchmark universe.

EFFORTS TO FINANCE RENEWABLE ENERGIES

- **€20Bn** committed, via Amundi, in funds investing in companies contributing **to environmental or societal performance** (January 2022).
- **Doubling** the production capacity of **renewable energy facilities** financed by CAA to reach **10.5 GW** by 2025.
- **50% growth** in **renewable energy project** financing in France by 2025 by Unifergie.
- **60% growth** in Crédit Agricole CIB's exposure to **non-carbon energy** by 2025.
- Creation of a platform dedicated to consulting and financing **hydrogen projects**.

MAKE RESPONSIBLE SAVINGS AFFORDABLE

- **Only 12%** of French people are comfortable with the notion of responsible investment.

A GLOBAL MECHANISM TO SHIFT OUR BALANCE SHEET TOWARDS GREEN ASSETS

SECTOR POLICIES

12 sector policies published since 2010 and reviewed one by one on a regular basis (coal-related policies have been reviewed in March 2020), based on **the Scientific Committee's research and recommendations**,

For each sector, the Group identified the best practices recognised by the **leading professional organisations and international bodies**.

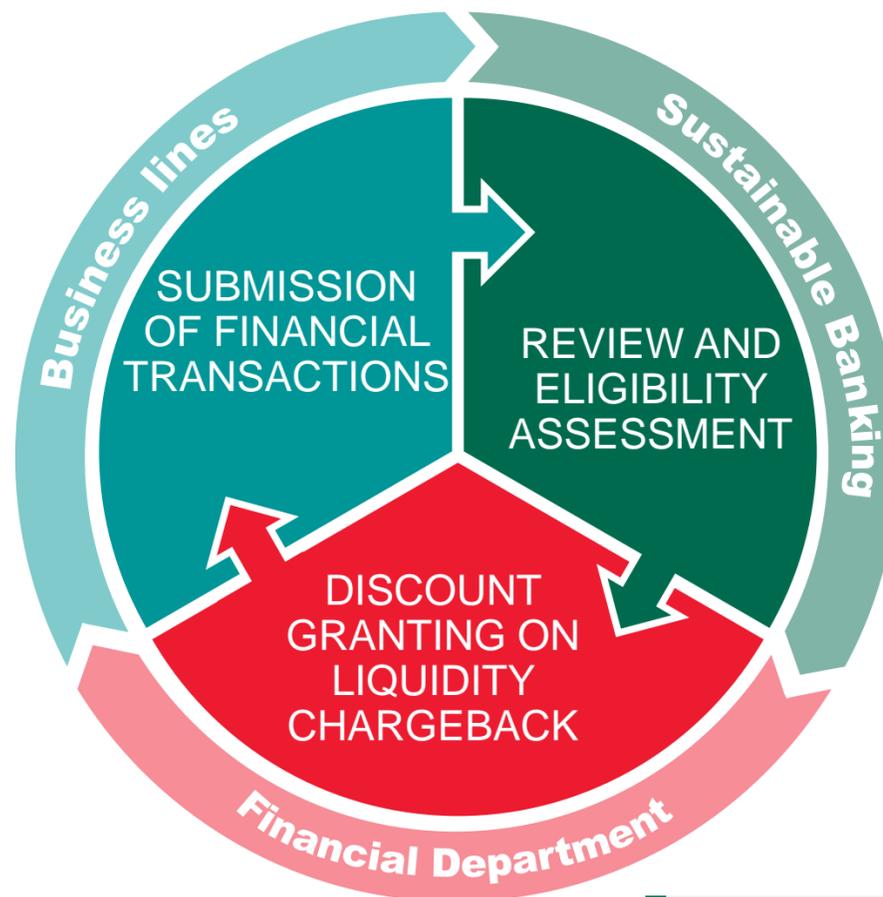
INVESTMENT POLICIES' OBJECTIVES

Apply the **ESG policy to 100% of Amundi's funds**

Double green investment portfolios to €12 billion for institutional clients, and triple those of the Retail offer to €10 billion,

Allocate €6 billion for Green, Social and Sustainability Bonds in the Group liquidity portfolio.

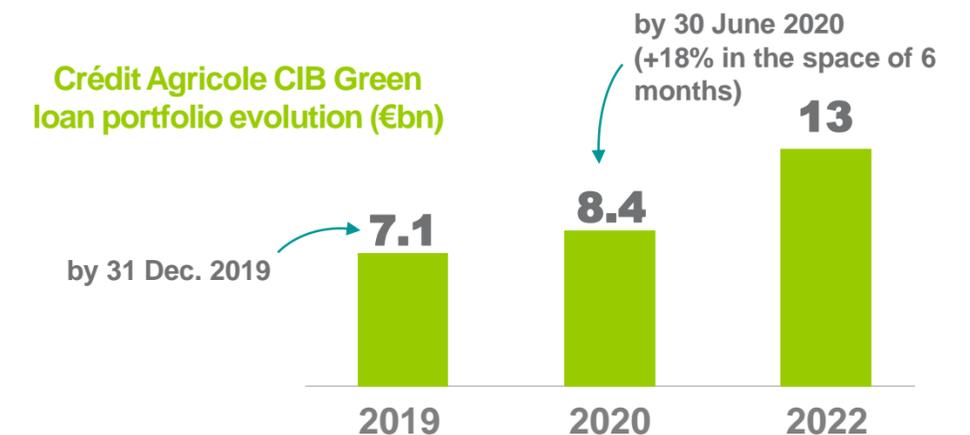
Crédit Agricole was the world's first bank to announce the exit from thermal coal financing in 2030 in the EU and the OECD and in 2040 in the rest of the world.



LIQUIDITY GREEN SUPPORTING FACTOR

An integrating and iterative mechanism:

- Crédit Agricole CIB introduced in 2015 this mechanism to **encourage green financing products**.
- To support its business lines in this path, Crédit Agricole CIB grants **projects tackling climate change** with a **premium** internal provision cost (5 bps).



A GREENER ACTIVITY REFLECTED IN OUR ENERGY MIX¹



1. URD 2020 Crédit Agricole SA

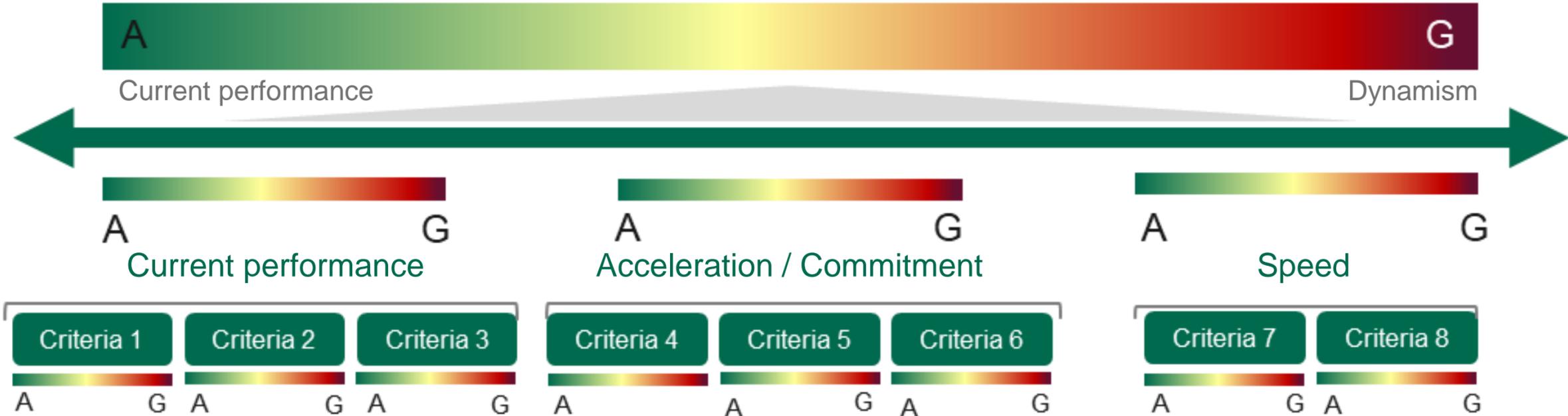


AN INNOVATIVE CLIMATE TRANSITION SCORE TOOL TO SUPPORT THE GROUP'S TRANSFORMATION

Climate at the heart of customer relationship. Crédit Agricole's transition score is a new tool designed to meet one of the major ambitions of its climate strategy adopted in June 2019: **integrating energy transition issues at the very heart of customer relations.**

Transition Score

Third party's transition score



AN INNOVATIVE CLIMATE TRANSITION SCORE TOOL TO SUPPORT THE GROUP'S TRANSFORMATION

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Based on the combined expertise of Credit Agricole CIB and Amundi, the energy transition score is today in its last designing stages and will be **applied to their portfolios' large corporate clients by the end of 2021.**

100% RATED END OF 2021



The scoring is based on a double approach:

- an **understanding of the client's performance** to date on energy / climate issues,
- a **dynamic vision** of the intensity and speed of its decarbonation process.

DOUBLE APPROACH



The scoring is based on external / public data. Given the large volume of the Group's client companies, the **score implies relying on public and easily available / exploitable data** for reasons of feasibility, cost and time, via the purchase from data providers

INDUSTRIALIZED DATA FULFILMENT

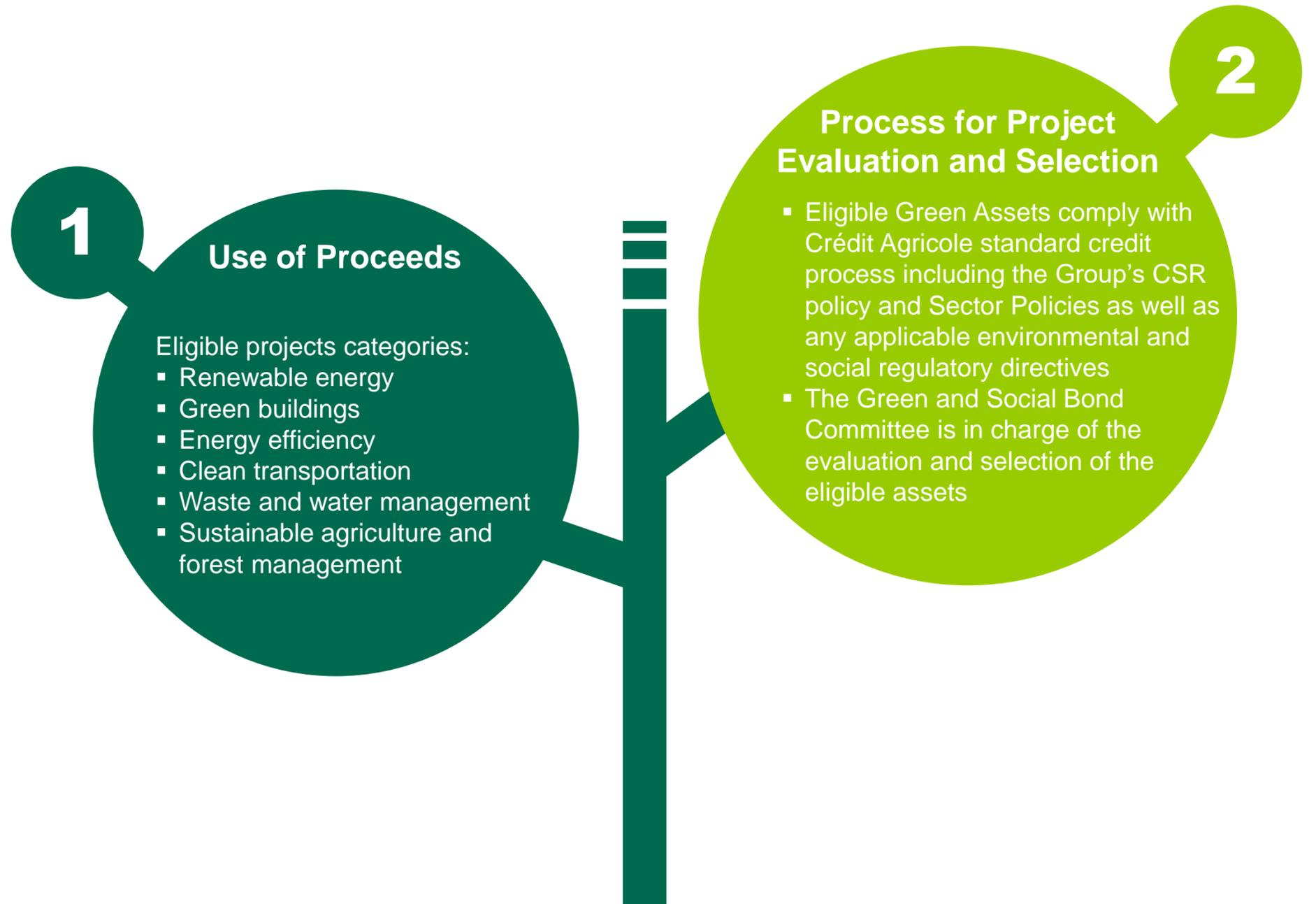
A STRONG CRÉDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

Launched in November 2018, the **Crédit Agricole Group Green Bond Framework** completed by the Green Real Estate Appendix serves as the reference document for the Green Bond issues of all Crédit Agricole Group entities: Crédit Agricole S.A., the Crédit Agricole Regional banks, their subsidiaries and refinancing vehicles. In particular, this Green Bond Framework replaces the one published by Crédit Agricole CIB in 2013.



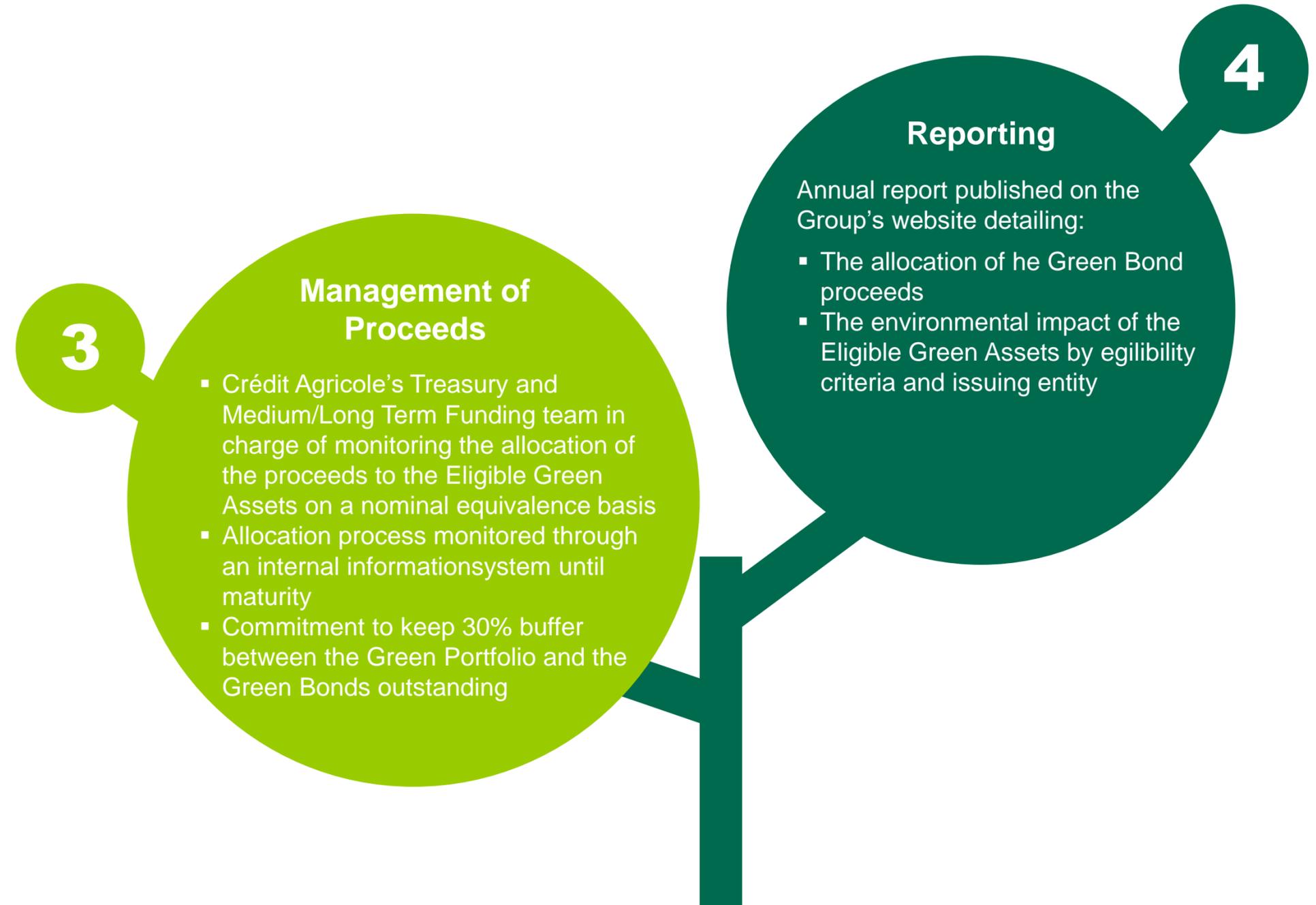
OVERVIEW OF CRÉDIT AGRICOLE GROUP GREEN BOND FRAMEWORK

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ESG

Social

THE SOCIAL COMMITMENT OF CA GROUP IS ROOTED ON THE GROUP'S MUTUALIST DNA

The goal of **social, financial and digital inclusion** is to reduce the risks of social division within and between regions. This goal is based on **three commitments**.



**BRING ABOUT
ECONOMIC
DEVELOPMENT
FOR ALL**

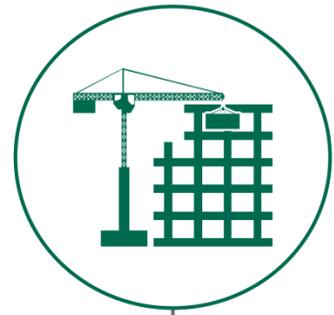


**DEVELOP SOCIAL
IMPACT
FINANCING**



**MAINTAIN
RESPONSIBLE
TIES WITHIN THE
COMMUNITY**

A STRONG COMMITMENT FOR INCLUSIVE DEVELOPMENT FOR ALL



BRING ABOUT ECONOMIC DEVELOPMENT FOR ALL

- Developing a range of **affordable products for everyone** (LCL Essential & EKO by CA)
- Get better at **preventing and tackling over-indebtedness** (CA Consumer Finance & Point Passerelle)
- Promoting and supporting **entrepreneurship** (Le Village by CA & LCL)



DEVELOP SOCIAL IMPACT FINANCING

The Group has laid out three ambitious goals in its “**Ambitions 2022**” strategic plan for:

- Amundi: double SSE investment to **€500 million**;
- Crédit Agricole Assurances: increase the promotion of its “**Contrat solidaire**” life insurance policy;
- Crédit Agricole CIB: strengthen its leadership in arranging **social bonds**.



MAINTAIN RESPONSIBLE TIES WITHIN THE COMMUNITY

In France, Crédit Agricole S.A. forges partnerships to boost Group support for its communities:

- Through the Group’s projects, Crédit Agricole S.A. supports programmes and projects for supporting a **just transition**;
- With regard to inclusion, Crédit Agricole S.A. **supports associations** working with people in need and is expanding its support of youth integration,
- Crédit Agricole S.A. supports the charitable ventures of its employees and in 2019 set up a **skills-based volunteer programme** for employees.

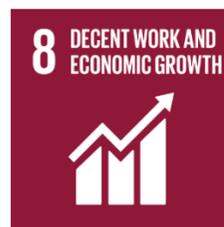
THE CA SOCIAL BOND FRAMEWORK REFLECTS OUR SPECIFIC SOCIAL COMMITMENT



SMEs financing

ICT in rural areas

Development projects in emerging countries



TERRITORIAL ECONOMIC DEVELOPMENT



Non-profit organizations

Social Housing



SOCIOECONOMIC ADVANCEMENT AND EMPOWERMENT



Public Hospitals

Elderly care facilities

SMEs in health-care



ACCESS TO HEALTHCARE

ACCELERATE THE INTEGRATION OF
ESG DIMENSIONS
IN OUR CORE BUSINESS

THE TEN COMMITMENTS

In the context of **climate transition urgency**, the Crédit Agricole Group has **decided to accelerate its engagement into ten commitments**, based on three priority topics.



**ACTING FOR THE
CLIMATE AND
TRANSITION TO A
LOW-CARBON
ECONOMY**



**STRENGTHENING
COHESION AND
SOCIAL INCLUSION**



**SUCCESSFULLY
ACHIEVING
AGRICULTURAL
AND AGRI-FOOD
TRANSITIONS**

These commitments are the result of the work carried out by the Group's executive team.

ACTING FOR THE CLIMATE AND TRANSITION TO A LOW-CARBON ECONOMY

1 Achieving net zero by 2050

Our clean footprint
Our investment and financing portfolios

2 For 100% of our individual customers and businesses

Individual customers: to improve housing and mobility
Businesses: provide an energy transition and advice and support offering

3 In 100% of our financing to businesses and farmers

Integrate extra financial performance criteria



10 COMMITMENTS

SUCCESSFULLY ACHIEVING AGRICULTURAL AND AGRI-FOOD TRANSITIONS

10 Contribute to strengthening food sovereignty

Help new generations of farmers get started

9 Enable French agriculture to contribute fully to combatting climate change

Structure France's carbon credits trading platform of French agriculture

8 Support the development of farming techniques promoting a competitive, sustainable agri-food system

Launch a dedicated fund



STRENGTHENING COHESION AND SOCIAL INCLUSION

4 Propose a range of products and services that do not exclude any customers,

to encourage social and digital inclusion and to adapt to economic and societal developments

5 Contribute to revitalising weakened territories

by helping employment, solidarity, access to goods and services as well as digital.



7 Develop social mixity and diversity in all Crédit Agricole entities

6 Promote the insertion of young people

through employment and training: train 50,000 trainees by 2025; Set up a guarantee fund