

Crédit Agricole Group CSR Sector Policy Transport infrastructure

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1. Scope

This policy covers the transport infrastructure sector on the following activities within the Crédit Agricole S.A. Group (the "Group"):

- Financing dedicated to projects (project financing, buyer credits, advisory mandates, etc.) and non-dedicated financing (general purpose financing): "dedicated and non-dedicated financing services"
- Equity investments: "investments"
- Active and passive asset management: "asset management"
- Property insurance: "insurance"

For the purposes of this policy, the transport infrastructure sector refers to activities and companies involved in the construction, expansion, operation, acquisition, and/or ownership of air, sea, and land transport infrastructure.

As part of this policy, the transport infrastructure concerned is defined by its ground coverage on the territories and precisely deals with airports, harbors, waterway infrastructure, railway stations, railway lines, mass transit transport infrastructure (tramways, metros), roads, highways, expressways, and roadworks (bridges, tunnels, etc.).

The "operation" of infrastructure here refers to the management, servicing, and maintenance of the infrastructure itself and does not include commercial activities and services made possible by the facilities. For example, with respect to an airport, operation will include the management of flows of aircraft (excluding navigation control), passengers, and goods on and inside the airport, but not the transport of passengers and goods by aircraft, which is the responsibility of airlines. The same distinction applies in the railway sector, where the infrastructure manager (railways and stations) must be distinguished from operators who market transport services and operate trains.

The Group's involvement in transport services is covered by dedicated CSR sector policies (air transport, shipping, automotive, etc.). In addition, activities related to transport infrastructure dedicated to thermal coal are covered by the Group CSR sector policy "Thermal coal".

This policy will be reviewed periodically.

2. Issues and objectives of the policy

Transport infrastructure permits the reception and management of vehicles¹ as well as their transported passengers and goods. They consist of the installations necessary to make air, sea, and land transport sectors viable and dynamic. They can play an important role in opening up certain territories and assure trade growth and economic development.

Transport infrastructure construction, expansion, and operation activities must take into account environmental and social considerations. They can trigger negative impacts in terms of biodiversity (ecosystem fragmentation, air and water pollution), human rights (physical and economic population displacements, labour force, etc.). They can also cause nuisances, especially noise pollution.

This Policy supplements the transport policies of the States and the investment policies of the Group's clients and is not intended to replace them. It aims to specify the Group's CSR² criteria in the transport

¹ Air, sea, waterway, or land transport vehicles

² Corporate Social Responsibility

infrastructure sector and the Group's conditions of involvement based on the identified societal issues. It supplements the Equator Principles within their scope.

3. Frame of reference

Financing and investments in this sector will be analyzed taking into account the identified issues and, in particular, the work and standards resulting from the following conventions, initiatives, or institutions:

- The standards of the World Bank group and in particular the International Finance Corporation (IFC) Performance Standards and IFC Environmental, Health, and Safety Guidelines.
- The Ramsar Convention: The Convention on Wetlands (Ramsar, Iran, 1971).
- The list of UNESCO World Heritage sites (United Nations Educational, Scientific, and Cultural Organization).

4. Exclusion criteria

The Group will not support the following activities:

- Activities that have a critical impact on a protected area or on wetlands of international importance covered by the Ramsar Convention.
- Activities located within a UNESCO World Heritage site or a site meeting the criteria for designation by the Alliance for Zero Extinction (AZE).

Furthermore, with regard to dedicated financing activities, the Group will also abstain from transactions when a risk of material non-compliance has been identified and the Group has not received, in its opinion, satisfactory answers with respect to:

- The IFC Performance Standards (or equivalent standards for cofinancing with an export credit agency or a multilateral institution) or the IFC Environment, Health, and Safety Guidelines, in particular with respect to the ESMS³, protection of the fundamental rights of workers, population displacements, closure and restoration plans, biodiversity conservation, impact on critical natural habitats, consent of indigenous peoples, and protection of cultural heritage.
- Public consultation or, where applicable, consent of affected indigenous peoples⁴;
- Inter-State consultations in the event of major cross-border impacts.

5. Dedicated financing

a. Analysis criteria

The Group will analyze each transaction related to the construction, expansion, operation, acquisition, or ownership of transport infrastructure according to the following criteria:

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

- Safety of structures (geological studies, seismic risk, materials quality, constructor's experience).
- Quality of the environmental and social impacts assessment.
- Quality of the plans for managing these various impacts.
- Quality of accident management plans.
- Consultation of affected populations and, where appropriate, consent of indigenous peoples.
- Establishment of a grievance mechanism at the project level.
- Inter-State consultations in the event of cross-border impacts.

Environmental commitments:

- Potential impacts on biodiversity (and in particular ecosystem fragmentation and increased access to

³ Environmental and Social Management System

⁴ As defined by IFC Performance Standard 7 on Indigenous Peoples

natural environments).

- Emissions of pollutants and in particular greenhouse gases.
- Management of water resources.
- Soil erosion.
- Noise pollution.
- Visual nuisances, impacts on the landscape.

Social and human rights commitments:

- Labor rights and working conditions including compliance with the ILO core conventions⁵.
- Quality of care for the influx of migrant workers.
- Community health and safety.
- Impact on local communities (physical or economic population displacements).
- Rights of indigenous peoples on traditional lands.
- Impact on cultural heritage.

With regard to involvement for existing infrastructure, the various analysis criteria above will be reviewed retrospectively (impacts observed on ecosystems, management of possible population displacements, safety of the structure, etc.), which will make it possible to give an overall positive or negative opinion on the project as to its environmental and social impact.

b. Implementation

Where the transaction is directly related to the construction, expansion, operation, acquisition, and/or ownership of transport infrastructure, the project will be assessed according to all the indicated analysis criteria, and the Group will seek to determine whether there is an exclusion criterion.

If an exclusion situation is identified or if the outcome of the general analysis is negative, the Group will not participate in the transaction. Any potential exceptional situation will be handled in accordance with section 7 below.

Compliance with the environmental and social impact management plans will be monitored in cooperation with the Group's sustainable development specialists from the beginning of the transaction and throughout the life of the financing as part of the transaction's annual review process.

Where the involvement is an advisory mandate, the Group will seek to promote the principles included in this Policy. The Group will not accept an advisory mandate if it is aware of the confirmed, definitive existence of an exclusion criterion. During the course of the mandate, if it appears that the project contradicts the principles of this Policy, the Group will not participate in the considered financing.

6. Other modes of involvement

This paragraph applies to non-dedicated financing, investments, asset management, and insurance for clients significantly active in the commercial operation of transport infrastructure.

The Group expects its clients to develop good practices and behaviour that limit their environmental and social impacts in accordance with sections 4 and 5 of the Policy.

With regard to non-dedicated financing activities, the client's policy will be assessed against the principles of the Group's Policy during the annual review of the credit facilities. The analysis will also assess whether the client monitors and evaluates impacts mitigation measures, and is publicly reporting on these aspects (website, annual report⁶, etc.). The Group will not develop a relationship with companies where a majority of their activity meets exclusion criteria.

⁵ The ILO core 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 employment and occupation (C-100 and C-111), and freedom of association and collective bargaining (C-87 and C-98).

⁶ Reporting according to the Global Reporting Initiative (GRI) is considered as a good practice.

With regard to investments, asset management, and insurance, decisions will take into account the general analysis of the non-financial performance of companies as well as the possible existence of exclusion criteria.

7. Exceptional circumstances

Transactions that present uncertainty with respect to compliance with the Policy will be reviewed according to the decision-making processes in place.

8. References and glossary

IFC Performance Standards and Environmental, Health, and Safety Guidelines:

https://www.ifc.org/wps/wcm/connect/24e6bfc3-5de3-444d-be9b-226188c95454/PS_English_2012_Full-Documents.pdf?MOD=AJPERES&CVID=jkV-X6h

and

<https://www.ifc.org/wps/wcm/connect/29f5137d-6e17-4660-b1f9-02bf561935e5/Final%2B-%2BGeneral%2BEHS%2BGuidelines.pdf?MOD=AJPERES&CVID=jOWim3p>

Wetlands of international importance covered by the Ramsar Convention:

<https://rsis.ramsar.org/?language=en>

UNESCO World Heritage sites:

<http://whc.unesco.org/en/list/>

Alliance for Zero Extinction

<https://zeroextinction.org>