

CREDIT AGRICOLE S.A. GROUP

FReD initiative methodological guide

Date: October, 1st 2019

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I General presentation of the FReD initiative

The purpose of FReD is to monitor the Crédit Agricole S.A. group's corporate social responsibility (CSR) initiative. It is intended as a collective and innovative initiative.

Crédit Agricole S.A.'s CSR initiative, also known as FReD, is one of the strategic lines of Group Project since 2010, which affirms the desire to implement an ambitious and innovative CSR policy, supported by hard facts. This desire was reaffirmed in Crédit Agricole's new Medium-Term Project (2019-2022) in which CSR is a major focus at the heart of each business line.

Through FReD, the objective is to promote and improve our corporate social responsibility (CSR). The principle is as follows: in the fields of compliance, human resources and the environment, every Group entity participating in the initiative must choose areas for improvement in which they would like to boost their performance.

FReD is innovative on a number of levels:

- It represents a transformational approach, in which every entity has the opportunity to contribute to the Group in its own way.
- FReD will allow for a practical response to the concerns of customers, employees, civil society and stakeholders in general.
 - .
- It is a collective initiative in which everyone has a part to play in measuring progress. This initiative helps to make everyone aware of their responsibilities and to encourage emulation while avoiding senseless inter-entity rivalry.
- It is a dynamic initiative in which we measure the progress made rather than the attainment of 'set-in-stone' absolute values, and where every successfully completed action is replaced by a new one.

1. FReD's guiding principles

The purpose of the FReD initiative is to formalise, monitor and encourage the efforts made by the Crédit Agricole S.A. group in the sphere of corporate social responsibility (CSR).

As part of FReD, entities in the Crédit Agricole S.A. group have recourse to three frameworks established collectively at Group level, encompassing the main CSR topics in terms of compliance, human resources and the environment:

- for the economic pillar: FIDES, respect for customers, a programme launched in 2005 to raise awareness and provide training on compliance;

- for the social pillar: RESPECT, respect for employees, charter signed by the Group at end-2009;
- for the environmental pillar: DEMETER, respect for the planet, a work programme undertaken in 2009 on environmental issues.

Each entity draws up 12 action plans – 4 per framework – that will enable it to make progress on the areas identified. The action plans submitted by the teams are approved by the entity’s management body.

The entity evaluates the progress made on each action plan annually. This evaluation is approved by the entity’s Chief Executive Officer using a tool provided by Crédit Agricole S.A. The progress recorded between two annual evaluations is used to calculate the entity FReD rating and, in turn, the Group FReD rating. Every entity is assigned the same weighting when calculating the Group rating, which is the arithmetic average of the entity ratings.

An audit is to be carried out annually to ascertain whether the action plans are actually in place and the evaluation reliable. This audit will be carried out by an external firm and may be supplemented by internal controls.

2. FReD initiative glossary

- **The FReD initiative:** this term describes the overall process, the people involved and the action plans put in place as part of the Crédit Agricole S.A. group’s CSR improvement initiative.
- **Frameworks:** three frameworks constitute the core of the FReD initiative: the FIDES (respect for customers), RESPECT (respect for employees) and DEMETER (respect for the planet) frameworks. Together, they describe all of the Crédit Agricole S.A. group’s CSR challenges. These frameworks are sub-divided as follows:
 - the **commitments:** 19 are defined in the frameworks (4 for FIDES, 7 for RESPECT, 7 for DEMETER), representing the Group’s key CSR issues.

▪ FIDES : 6 commitments to strengthen trust

- Protect customers’ interests
- Develop products and services which integrate social and societal concerns
- Facilitate access to products and services by largest number
- Establish responsible suppliers and subcontractors relations
- Build up dialogue with stakeholders
- Be ethic in business and operations

▪ **RESPECT: 7 commitments to benefit people and our ecosystem**

- Act in line with the Group’s values and cultures
- Encourage staff’s development and employability
- Promote quality of life at work
- Promote economic, social and cultural development in local areas
- Promote our social commitments to suppliers and other external stakeholders
- Promote staff participation and social dialogue
- Ensure equity and promote diversity

▪ **DEMETER: 6 commitments to protect the environment**

- Develop “green” products and services (indirect impacts)
- Encourage green innovation in our industrial production (direct impacts)
- Control our direct environmental footprint and preserve the nature
- Build up dialogue with stakeholders
- Consider environmental factors in purchasing processes
- Formalise policies and processes which integrate environmental factors in our activities

- **Strategic areas:** the commitments are split into strategic areas corresponding to the CSR issues associated with the commitments.



- **Action plans:** for the strategic areas identified in the framework, the entities must draw up action plans designed to improve their level of commitment on the CSR area in question (action plan characteristics are set out in II.3.). Examples of possible action plans can be found in the frameworks.

Entities must explain in their scoping notes how each action plan contributes to CSR policy objectives of the entity and the Group

II The FReD initiative in detail

1. What steps are involved in putting together the FReD initiative?

The FReD initiative is based on identifying and pursuing action plans. It is structured around the following steps, in chronological order:

- **Selecting strategic areas for improvement:** within each framework, there are 19 strategic areas for improvement. Each entity selects the areas on which it would like to work (a maximum of 12 out of a possible 60). The manner in which the strategic areas are selected is set out below.
- **Selecting action plans:** on the basis of the selected strategic areas, each entity draws up 12 action plans – 4 per framework – that will enable it to make progress on the areas identified. Each action plan must have a governance system, a schedule, a budget, numerical objectives and an associated indicator. As many employees as possible should be involved in the process of selecting **strategic areas for improvement and defining action plans** (See 4a).
- **Approval of action plans:** the selected action plans are approved by the entity's management bodies (Executive Committee or Management Committee). To ensure the initiative is properly rolled out, action plans must be reported to the FReD Steering Committee for reference once they have been approved by the management bodies.
- **Implementation of action plans:** as many employees as possible should be involved in implementing action plans (cf. 4a). The action plan supervisors, pillar managers and FReD managers within the entity will carry out regular follow ups, and regular reports will be submitted to the Crédit Agricole S.A. group's FReD Steering Committee.
- **Self-assessment of action plan progress:** the entity evaluates the progress level on each action plan annually. This evaluation is approved by the entity's Chief Executive Officer using a tool provided by Crédit Agricole S.A.
- **Calculation of the FReD rating:** the progress recorded between two annual evaluations is used to calculate the entity's FReD rating and, in turn, the Group's FReD rating.
- **Reporting of action plans to Crédit Agricole S.A.:** to ensure close monitoring of progress by entities and to document the initiative, entities must send their new action plans for Year N+1 along with an estimated evaluation of the plans implemented in Year N by the end of Year N at the latest. The schedule can be found below.

2. What is a FReD action plan?

a. How is an action plan selected?

Within each framework, the entity must first select the strategic areas for improvement which it wishes to prioritise. A single area may be covered by a number of action plans. However, to ensure diversification, it is recommended that entities cover at least 3 different strategic areas per framework.

On the basis of the selected areas, each entity draws up 4 action plans per framework, constituting a portfolio of 12 action plans.

The action plans that are integrated must aim to implement a transformation, an innovation and/or to reach one of the CSR objectives in the MTP rather than reaching a recurring annual objective.

For each of the FIDES, DEMETER and RESPECT pillars, the group annually sets a priority action group, to decline by each entity in the renewal of its portfolio.

Except in the case of priority areas, the entities are free to select the areas for which they wish to draw up action plans (participative process recommended).

The objective of each action plan must be:

- Realistic
- Achievable
- Measurable
- Reportable
- Verifiable

For FIDES, the entities must specify action plans for the priority areas, in accordance with risk mapping.

b. What are the key elements of a FReD action plan?

To qualify for FReD, an action plan must have the following five characteristics:

- a governance system (a project manager and a team);
- a schedule;
- a budget;
- numerical objectives;
- and an associated indicator.

These items must be set out in a scoping document. Indeed, to ensure that the actions undertaken are closely monitored, including by the Crédit Agricole S.A. group, all action plans must be documented.

They must also be input into the Group's FReD database at the latest by the time of the action plan implementation.

The portfolio of FReD action plans must be diversified. In other words, it must combine old/new, "easy"/"difficult" and ST/MT/LT action plans. FReD's objective is to implement ambitious actions that will enable the Crédit Agricole S.A. Group to develop its CSR policy. Therefore the implementation of MT/LT action plans should be fostered. The implementation of ST action plans is pursued to ensure that sufficient annual progress is made on the rating by replacing completed action plans.

c. Can an action plan under way be added to FReD?

Action plans under way can be added to FReD. This allows entities to build on pre-existing actions. An action may be introduced into FReD when it already has part of the 5 necessary characteristics (governance system, schedule, budget, objectives and an indicator) and even that part of the objectives have already been reached.

When it is implemented, the action will be evaluated at 1. The aforementioned scoping document that has been defined must then serve as a guide for the steps that must be undertaken.

d. How are the portfolios replenished when an action plan is completed?

When an action is completed, it must be replaced by a new action, which must follow the same selection and approval process as the previous ones.

FReD's objective is to drive change and improve the company's practices through the implementation of a specific action. The implemented actions must not be a recurring annual process such as the renewal of an action plan.

The new selected and added action plan must also be associated with a strategic area, which if possible should differ from the area associated with the previous action plan.

e. Can we replace an action finished during the year with an other plan?

It is possible to replace an action plan that reaches maturity during the year with a new action plan. This can be done without waiting for a new year under certain conditions.

The action plan that has come to term:

- Can only be replaced by another plan that is focused on the **same pillar** (ex: a FIDES action plan that has come to term can only be replaced by another FIDES action plan)
- Can only be replaced by a plan that was **initiated subsequently** to the date at which the first plan finished (ex: the first plan ends in September, a new plan can start in October)

- Can be replaced by another plan **with a maximum of one plan per pillar**. This means that there can only be 3 replaced plans per year.

Furthermore, the **cumulated progression cannot exceed +3** per year. This is done in an effort to insure that the calculation of the FReD rating is coherent and to avoid resorting to a succession of short-term action plans.

EX : The action plan that has come to term during the year indicates a progression of +2. It is replaced by a second plan which shows a progression of +2. This makes an annual progression of +4, yet the progression that will be kept for the calculation of the Fred rating will be +3.

f. Who approves action plans?

The entity’s management body approves the action plans. These plans are then reported to the Crédit Agricole S.A. group via a reporting tool, for reference and documentation.

Details of the reporting tool are set out below.

g. Is approval by Crédit Agricole S.A. necessary?

Approval by the Crédit Agricole S.A. group is not necessary. However it is recommended to share projected plans with the Crédit Agricole S.A. pillar manager in order to insure that the ambitions of the project match those of the group and that the cohesiveness.

However, for reference and for the purposes of calculating the rating, action plans and their progress rating are reported to Crédit Agricole S.A. once approved by the entity’s management body.

h. How long is the first reporting period?

The first reporting period need not be 12 months; there is no minimum length but it may not exceed 18 months. After the first reporting period, the “standard” length of a reporting period is 12 months.

i. What is the optimal timeframe for having action plans approved?

It is advisable to put together the FReD action portfolio in tandem with the schedule for the budget process, in order to ensure that the action plans are feasible as regards available resources.

j. Some concrete examples of action plans

Example 1

Framework	FIDES
Area for improvement	Ethics/Employee training

Action Plan	Train employees on compliance procedures on a programme that is already developed
Governance/Who is in charge	Entity's Compliance Department
Planning	ST plan: start in January 2012 and end in December 2012
Budget	Cost of rolling out the training programme
Indicator	The number of people trained/entity headcount
Objective:	Train 96% of employees

Example 2

Framework	RESPECT
Area for improvement	Gender equality in the workplace
Action Plan	Create and roll out a development programme on female leadership
Governance/Who is in charge	HR Department
Planning	MT plan: start in January 2012 and end in December 2013
Budget	Costs of designing and rolling out the programme
Indicator	Number of female managers trained/number of female managers
Objective:	Train 70% of female managers

Example 3

Framework	DEMETER
Area for improvement	Resources/paper
Action Plan	Increase the proportion of eco-certified paper in total paper usage
Governance/Who is in charge	Entity's Sustainable Development Department
Planning	LT plan: start in January 2012 and end in December 2014
Budget	Project operating costs
Indicator	% certified paper/total paper usage
Objective:	Increase recycled paper usage by 40%

k. Can an action plan be modified or cancelled?

- Modification of an action plan

A scoping document validated by the Executive Committee may be subject to substantial modifications. These changes must be mentioned and dated in the scoping document. The substantial modifications must be validated by the Executive Committee.

- Adandonment of an action plan

An action plan may be cancelled in exceptional circumstances subject to approval by the entity's management body. There must be grounds for cancelling it and these **must be documented**, as the cancellation may be audited. The cancelled action plan must be replaced so that there are always 12 action plans ongoing.

For strategic areas defined as priorities by the Group, approval must be obtained from the business line. For example, in the case of the HR business line, disability and diversity are two priority areas. Approval must be obtained from Crédit Agricole S.A. to cancel action plans involving these two areas for improvement.

The following procedure must be adhered to when cancelling an action plan:

- the business manager concerned informs the entity's Executive Committee or Management Committee that they wish to cancel the action plan.
- They present the entity's Executive Committee or Management Committee with a carefully argued case for cancelling the action plan as well as a proposal for launching a new action plan (the new action plan put forward must involve the same framework, but need not necessarily involve the same strategic area or criterion).
- The Executive Committee or Management Committee makes its decision as to whether or not the action plan should be cancelled and the new action plan launched. **A written record of this decision is required** and must be input into the Group's FReD database.
- If the Executive Committee or Management Committee decides to cancel the action plan, it must approve the new action plan at the same meeting.

3. Who implements FReD?

a. Within the entities

Within the entities, a number of parties are involved in the FReD initiative:

- the entity's Chief Executive Officer has overall responsibility for the initiative and the entity's rating, and is in charge of allocating the budgetary and human resources required for the success of FReD;
- the entity's management bodies (Executive Committee or Management Committee) approve the action plans;
- the FReD manager is responsible for the proper implementation of the initiative, ensuring the coordination of the various parties concerned within the entity, following up and reporting on action plan progress, and is in charge of calculating the entity FReD rating to be approved by the management bodies. It is advisable that the FReD manager be chosen from among the members of the entity's Executive Committee or Management Committee;
- the Pillar managers coordinate the action plan supervisors;
- the **business managers** who are directly concerned, namely Compliance, Human Resources and Sustainable Development, Internal Communications, play a part in **drawing up action plans**;
- the action plan supervisors are responsible for rolling them out;
- **employees** can participate at various stages of the initiative: selecting areas for improvement, **selecting action plans**, carrying out action plans, etc.

b. At Crédit Agricole S.A. group level

At Crédit Agricole S.A. group level, the FReD system comes under the responsibility of the CSR Committee, which is chaired by the Company Secretary of Crédit Agricole S.A. and which makes an annual presentation to the Board of Directors on the sustainable development policy.

The FReD project team is responsible for driving the initiative and for ensuring it always stays relevant by adapting it and developing it as required. It is responsible for the proper roll-out of the initiative across the Group. The project team regularly reports to the FReD Steering Committee.

The members of the FReD Steering Committee are as follows:

- **the Company Secretary of the Crédit Agricole S.A. group;**
- **the Communications Department;**
- **the Compliance Department;**
- **the Corporate Social Responsibility Department;**
- **the Human Resources Department.**

The FReD Steering Committee meets at least once a month, ensures the proper implementation of FReD across the Group and takes whatever decisions may be required.

4. How can the initiative be energised?

To prolong the FReD approach and keep business lines involved, it is recommended :

- That each pillar manager regularly touch base with the action plan supervisors throughout the year, both within the entity and Crédit Agricole S.A. level, in order in particular to ensure the action plans are successfully completed, the objectives set are achieved and appropriate documentation is kept providing proof of progress on the action plans;
- to communicate regularly on action plans implemented in the entity
- to make employees aware that they can carry FReD actions themselves;
- to set up actions in connection with the MTP, particularly on the following subjects : impact finance, green finance, HR commitments

5. How can employees be involved in FReD?

It is essential that employees be involved in the FReD initiative. Indeed, their involvement helps generate widespread commitment and increase their sense of belonging to the group. Employees can take part in discussion groups, working groups, surveys, etc. at various stages of the initiative:

- Selecting areas for improvement;
- Selecting action plans;
- Carrying out action plans.

For example, when rolling out the initiative at Crédit Agricole S.A., a FReD contact person was appointed in each department and tasked with organising a working group of employees to come up with ideas for action plans to implement. All ideas were compiled and then reviewed by the Crédit Agricole S.A. Management Committee.

6. How can FReD be integrated into employee evaluations?

In order to ensure the proper implementation of the action plans and objectives set as part of the FReD initiative, it is highly recommended that the action plans drawn up be included in the annual personal objectives of the action plan supervisors as well as in those of key action plan contributors.

7. How can progress on action plans be measured?

a. Progress levels

The entity evaluates progress on each of its action plans annually. For this purpose, an evaluation grid has been drawn up on the basis of 4 steps.

Stage	Definition	Rating
Scope	<p>The entity has selected an action plan that it undertakes to implement but that is not yet defined in detail.</p> <p>The action plan is defined and has the following five characteristics:</p> <ul style="list-style-type: none"> • a governance system (a project manager and a team); • a schedule; • a budget; • numerical objectives; • and an associated indicator. <p>A scoping document must be drafted, containing a description of these items.</p>	1
Roll out	<p>The action plan is being rolled out and the implementation phase has commenced.</p> <p>The objectives have been at least 40% achieved and/or a step that was defined as step 3 when drawing up the action plan's scoping document has been achieved, with supporting documentation, for action plans with qualitative objectives.</p>	2
Carry on	<p>The action plan has been rolled out.</p> <p>The objectives have been 40%+ achieved and/or a step that was defined as step 4 when drawing up the action plan's scoping document has been achieved, with supporting documentation, for action plans with qualitative objectives.</p>	3
Finalise	<p>The action plan has been rolled out.</p> <p>The objectives have been achieved or exceeded.</p>	4

NB : The introductory year, or reference year, the action plan is rated 1 (not 0). Thus, if the first year an action plans reaches the score 2, the action has progressed by 1 point (not 2).

b. Documenting the evaluation

Progress levels must be carefully defined and planned for each action plan. These various aspects are formalised in the scoping document. The scoping document must therefore:

- carefully specify each progress level for each action plan;

- indicate the expected delivery dates for each level;
- plan for the necessary documentation for each progress level, i.e. the supporting documentation that must be filed in the Group FReD database. This documentation will be checked as part of the review of the initiative at the end of the year.

Example of how to define the action plan objectives and progress indicators when drafting the scoping document

Action plan description: Increase the percentage of recycled paper out of total paper used by 40%

Stage	Objectives sets for each progress level	Anticipated delivery dates	Documentation to be provided Audit evidence
1: Scope	Decision taken to increase the proportion of recycled paper in total paper usage The action plan is defined: it has the expected characteristics for a FReD project and each project step is defined	2017	Scoping document drafted and approved by the steering committee established for the action plan For this project, it must include the list of data required to calculate the indicator, the values of these data at project launch, as well as the description of the tools needed to report them: - total paper usage at the start of 2012, reported by the entities and departments concerned using the dedicated Grenelle Paper Sharepoint (includes A4 reams, envelopes, business cards, electronic communication, etc.) - recycled paper usage at the start of 2012 and reported by the entities and departments concerned using the dedicated Sharepoint - percentage certified paper out of total Group usage (ratio 1/2)
2: Roll out	Recycled paper represents 20% of total usage	2018	Documentation confirming certified paper represents 20% (the percentage indicated here depends on the percentage for the reference year, calculated at the start of 2012 and specified in the scoping document)

3: Carry out	Recycled paper represents 40% of total usage	2019	Documentation confirming certified paper represents 40%
4: Finalise	Recycled paper represents 40% of total usage.	2020	Documentation confirming certified paper represents 40%

8. Is a reporting tool available? 

A shared reporting tool was created for the Group in order to harmonise reporting on FReD action plans. It is presented in the appendices along with a user guide (GHR). This tool satisfies a number of objectives:

- inputting action plans by framework, together with all related documentation;
- self-assessing progress on action plans;
- calculating entity and Group ratings;
- reporting on the initiative to the Steering Committee.

The tool has 2 types of files:

- “framework” files making it possible to input and self-assess progress on action plans by framework
- the “FReD global summary” file containing summaries of the 3 frameworks and enabling calculation of the entity rating.

All files are to be sent to the FReD project team in accordance with the timetable established for their compilation and the calculation of the Group FReD rating.

9. How is the FReD rating calculated?

a. Calculation of the entity rating

The entity FReD rating is calculated annually for each entity. This rating is based on the average progress recorded between 2 evaluations.

Example: (Based on 2 action plans)

- Project 1:
 - evaluation in Year N = 2
 - evaluation in Year N+1 = 3
 - ⇒ Progress recorded = 1

- Project 2:
 - evaluation in Year N = 1
 - evaluation in Year N+1 = 4
 - ⇒ Progress recorded = 3

The entity FReD rating in Year N+1 is thus 2 (average progress).

The year in which the initiative is launched represents the reference year for the purposes of calculating the following year's rating.

Example of the rating calculation over a number of years:

Action plan	Reference year	Year 2	Calculation of the rating	Year 3	Calculation of the rating
A	1	2	1	3	1
B	1	3	2	4	1
C	1	2	1	4	2
D	1	3	2	3	0
Average progress			36/4=1.5		4/4=1
FReD rating			1.5		1

The amount of actions per pillar may vary according to a scale of -1/+1. It is thus recommended to calculate the FReD rating according to the following methodology :

- Calculate the progression grade of each action by comparing the grade at the start of the year (1 if the action is starting or the grade on the 31/12/N-1 if the action is ongoing) and the end of year grade
- Sum the totality of the progress grades
- Divide by 12

If a plan is replaced by an other throughout the year (with a maximum of 3 replacements per year ; 1 per pillar), the same methodology must be implemented. It is imperative that the sum of the old and the new plan does not surpass 3 points.

b. How can a sufficiently dynamic portfolio of projects be put together in order to achieve the target entity rating?

The FReD action plan portfolio must be diversified. In other words, it must combine action plans with different timeframes:

- Short-term action plans (e.g. 1 year);
- Medium-term action plans (2-3 years);
- Long-term action plans (over 3 years).

This variety is designed to ensure that sufficient annual progress is made on the rating by replacing completed action plans. In fact, in most cases, the first 2 steps of action plans should be achieved more quickly and easily than the final 2, and the inclusion of new action plans in the portfolio makes it possible to make up for the slower progress on “old” action plans already in the portfolio at step 2 or 3.

Indeed, the objective is to improve the Group rating by 1,5 points every year. This objective reflects the initiative’s ambitious nature and the desire of the Group, to make rapid progress in the various CSR fields. The 1,5 point annual objective may change over time and with the broadening of the scope of application of FReD within the Group. Any decision to adjust the Group FReD rating progress objective will be taken by the Crédit Agricole S.A. group’s management bodies.

c. Calculation of the entity rating where FReD has been branched within an entity

Where the FReD initiative has been branched within an entity, the Group rating is calculated by determining the arithmetic average of the sub-entities’ ratings. It is proposed that each sub-entity roll out 12 action plans on the same specific areas for improvement as those selected by the entity.

d. Rating calculation tool

The entity FReD rating can be automatically calculated using the reporting tool on the shared intranet. Entity ratings are communicated to the Crédit Agricole S.A. FReD project team for consolidation and use in the calculation of the Group FReD rating.

e. Calculation of the Group rating

The FReD rating is a group rating. It is an arithmetic average of entity FReD ratings. Every entity rating is assigned the same weighting when calculating the Group rating. The Group rating is calculated by determining the arithmetic average of the entity ratings

Example of a Group rating calculation:

Entity	Reference year rating	Year 1 annual rating	Year 2 annual rating
E 1	NA	2	2.2
E 2	NA	1.9	2
E 3	NA	2.1	2.1
<i>Calculation of the Group rating</i>	NA	$(2 + 1.9 + 2.1)/3$	$(2.2 + 2 + 2.1)/3$
Group FReD rating	NA	2	2.1

The Group rating is calculated annually by the tool and is reported to the Chief Executive Officer of the Crédit Agricole S.A. group by the person responsible for calculating the rating at Group level, namely the Chairperson of the Corporate Social Responsibility Committee.

10. How is the initiative audited?

a. Regular auditing

A number of internal and external audits are carried out in order to guarantee the reliability of the initiative.

The audits may relate to the following:

- at entity level, annually: checking that the actions plans are actually in place and their evaluation is accurate.
- at Group level, annually: checking the calculation of the rating and the reliability of the ultimate FReD rating value.

A number of bodies may be involved, at a frequency to be defined (General Inspection, Permanent Controls, external auditor, etc.).

b. Examples of supporting documentation to be supplied

It is particularly important that all action plans are properly documented and that the sign-off process is traceable. Indeed, these items must be provided to the auditors every year. The supporting documentation to be supplied may include:

- Minutes of meetings of the Executive Committee/Management Committee that signed off on the action plan
- Scoping documents
- Budget documents
- Action plan modifications / abandonment document, etc.

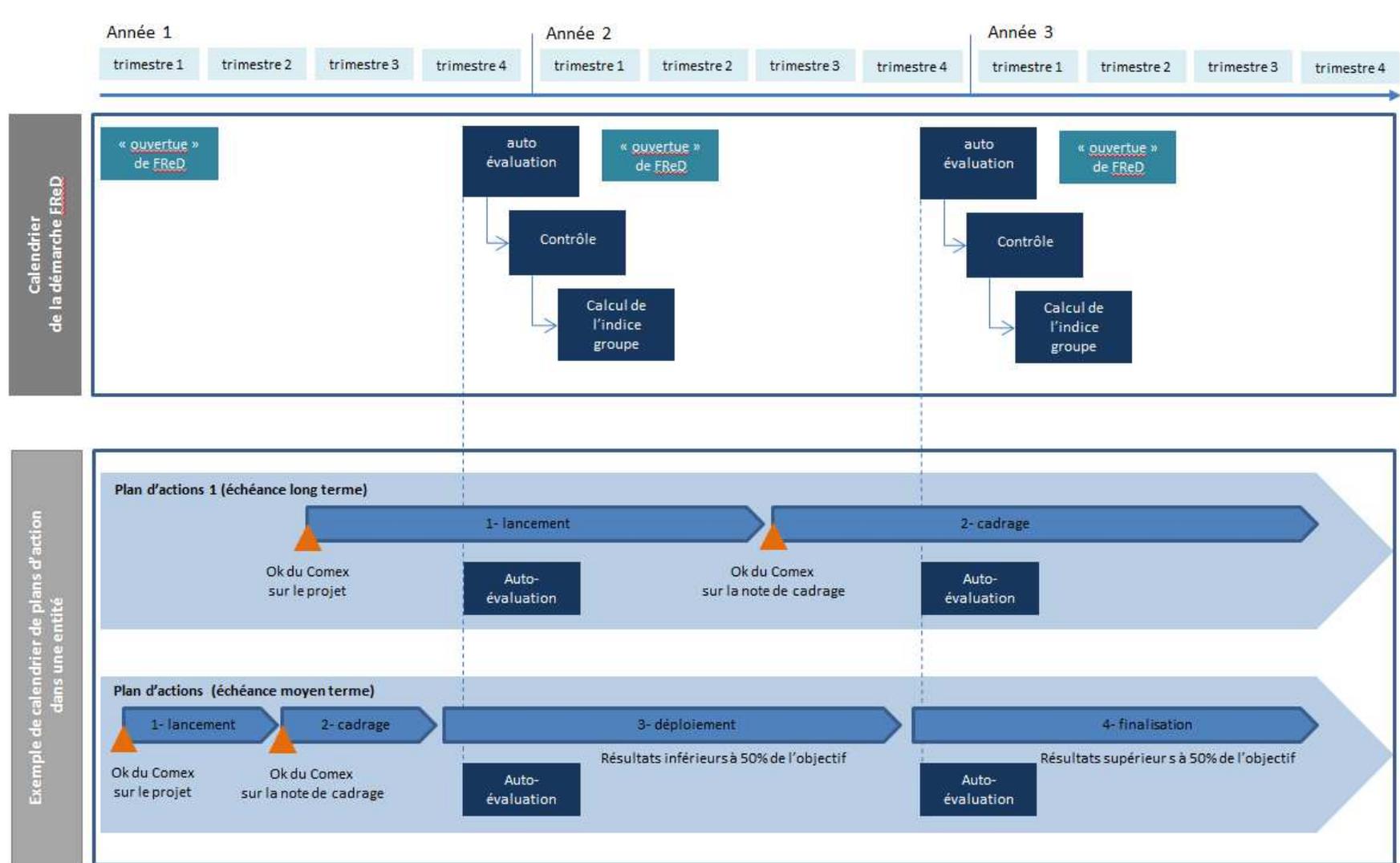
11. What is the FReD timeline?

FReD evaluations are carried out annually. Progress on action plans is self-assessed each year by the entities and the progress points recorded for the period. Each entity must calculate and approve its FReD rating for Year N before 31/01/N+1 or before the first meeting of the Crédit Agricole S.A. Remuneration Committee, should this be held before 31/01/N+1.

FReD results for Year N are audited annually in January Year N+1.

The chart below shows the timeline for the FReD initiative, along with an example of two action plans that might be undertaken by an entity.

Projected timetable



12. What entities participate in FReD ?

The FReD initiative currently involves the following entities:

- Crédit Agricole S.A.
- LCL
- CA Italia
- CA Consumer Finance
- CA Leasing & Factoring
- Amundi Group
- CACEIS
- Indosuez Wealth Group
- CA Assurances
- CACIB
- CAPS
- CA Immobilier
- Uni-Editions
- CA Polska
- Crédit du Maroc

AVEM and Crédit Agricole Egypt are currently in test phase. In 2020 CAGIP also joins the initiative in test phase.

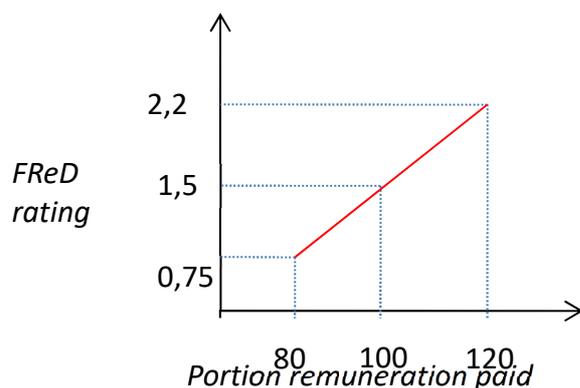
13. What impact does FReD have on long-term variable remuneration?

Long-term variable remuneration, approved as part of the new management remuneration policy, is conditional on performance.

This performance is measured on the basis of three criteria, each of which accounts for 1/3 of the overall award:

- the financial performance of the Crédit Agricole S.A. group;
- performance relative to the Crédit Agricole S.A. stock;
- the CSR performance of the Crédit Agricole S.A. group : measured by the growth in the Group FReD rating. The objective over one year is to obtain a FReD rating of 1,5.

The portion of remuneration connected with the FReD rating is calculated as follows:



For example:

The Group FReD rating is equal to 0,75: 80% of the variable remuneration is paid.

The Group FReD rating is equal to 2,25: 120% of the variable remuneration is paid.

The FReD rating is a group rating. It is an arithmetic average of entity FReD ratings. Every entity rating is assigned the same weighting when calculating the Group rating.

It is the Group rating that is factored into management remuneration.

1. Annex : FRED Referentials

FIDES : « Reinforcing trust » - 6 Commitments

Protecting the interests of our clients

- Transparency of information
- Customer relations
- Data protection

Guaranteeing ethics in business and in operations

- Preventing corruption – anti-competitive behaviors – fraud – conflicts of interest – market abuse
- Combatting money laundering
- Operations monitoring
- Employee personal data

Establishing responsible relations with suppliers and subcontractors

- Payment delays – mutual dependency... (purchasing charter)

Building a constructive dialogue between stakeholders

- Customers – consumer associations – NGO – local authorities – others...

Making our products and services accessible to the most

- Accessibility to economically vulnerable population
- Accessibility for the physically handicapped

Developing offers and procedures which integrate social and societal elements

- Investment / financing / lending / insuring / saving activities
- For our own account

DEMETER : « Preserving the environment» - 6 Commitments

Developing a « green » offer (indirect impacts)

- Investment / financing / lending / insuring / saving offers

Formalizing procedures and policies that integrate environmental factors in the procurement process

- Investment / financing / lending / insuring / saving activities
- For our own account

Taking in account the environmental factors in supplying process

- Screening – accompaniment of suppliers on environmental question

Building a constructive dialogue between stakeholders

- On environmental matters

Managing our direct environmental footprint and preserving nature

- Energy – paper – waste – transportation – biodiversity - water

Promoting green innovation in our industrial production (direct impacts)

- Eco-design of our production process

RESPECT : « Staff development and social ecosystem » - 7 Commitments

Acting in coherence with the group's values and culture

- Values and culture
- Behavioral coherence

Ensuring fairness and promoting diversity

- Fair treatment
- Promoting diversity

Promoting the participation of employees and social dialogue

- Information for employees – Participative approach – social climate
- Social Dialogue

Promoting our social commitments towards our suppliers and other external stakeholders

- Screening – Accompanying suppliers on social criteria
- Dialogue with stakeholders

Promoting social, economic and cultural development in the territories

- Local employment – Insertion – Supporting local entrepreneurs, etc...
- Dialogue with local stakeholders
- Public interest causes
- Employee involvement

Fostering the quality work life

- Health and Safety / PHI
- Work-life balance

Fostering the development and employability of employees

- Responsible management
- Co-constructed professional evolution
- Anticipation and accompaniment of transformations