# 2023 Climate Workshop

December 14th, 2023

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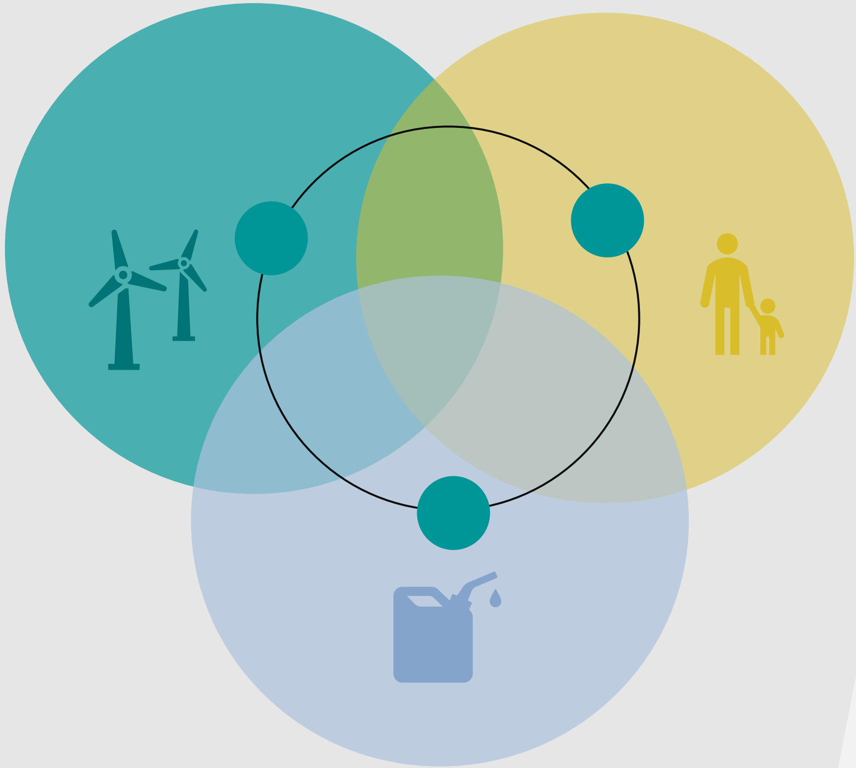


# Introduction

# First strong results in favour of energy transition

## A long-standing leadership position

**#1**

**Non-state financer of renewable energy in France[1]**

**#1**

**Institutional investor in renewable energy in France[2]**

## Many major steps towards achieving our commitments

**-40%** In financed emissions related to the **Oil & Gas** sector[3]

**-17%** In **upstream oil** exposure[3]

**-8%** In the average intensity of financing of the **Automotive** sector[3]

**1/4** **Proportion of electrified vehicles** amongst all new vehicles financed by CACF

**+43%** In exposure to **low-carbon energies**[3]

**-16%** In the average intensity of financing of the **Power** sector[3]

**-0%** In the average intensity of financing of the **Commercial real estate** sector[3]

**+3%** In the average intensity of financing of the **Cement** sector[3]

1. Source: ASF Sofergie data, end 2021
2. Source: Scope: Europe. Data as of 09/30/2021

3. In 2022 vs 2020

# Strengthening and accelerating our Climate Strategy

*Following the* ***strengthening of our Climate strategy,*** *we resolutely focus our financial resources on renewable energies, stop financing new fossil fuel projects, and consider on a case-by-case basis the financing of energy players, based on their commitment to transitions. This strengthening will be* ***reviewed quarterly by the Group top management.***

## We focus and amplify our commitment towards renewable energy

**x3**
In Renewable financing structured every year (from 2020 to 2030) in France by CATE, leading to a cumulated financing amount of
**€19bn** by 2030

**+80%**
In CACIB's exposure to low-carbon energies between 2020 and 2025, reaching
**€13.3bn** in 2025

We consider the financing of any energy project, as long as it is low-carbon[1]

## As a consequence, our financed emissions linked to financing of Oil&Gas sector will decrease twice as fast as the IEA Net Zero scenario

We will not finance any new fossil fuel capacities.

› Also, in Q1 2024, we will publish our total exposure to pre-existing fossil extraction projects for which we are still committed.

We are accelerating the reduction of financed emissions

**-75%**
**In financed emissions linked to the Oil & Gas sector by 2030** (vs 2020), vs -30% initially announced in 2022

i.e.
**2×**
faster than the IEA NZE scenario

## We review every general purpose financing to energy players on a case-by-case basis

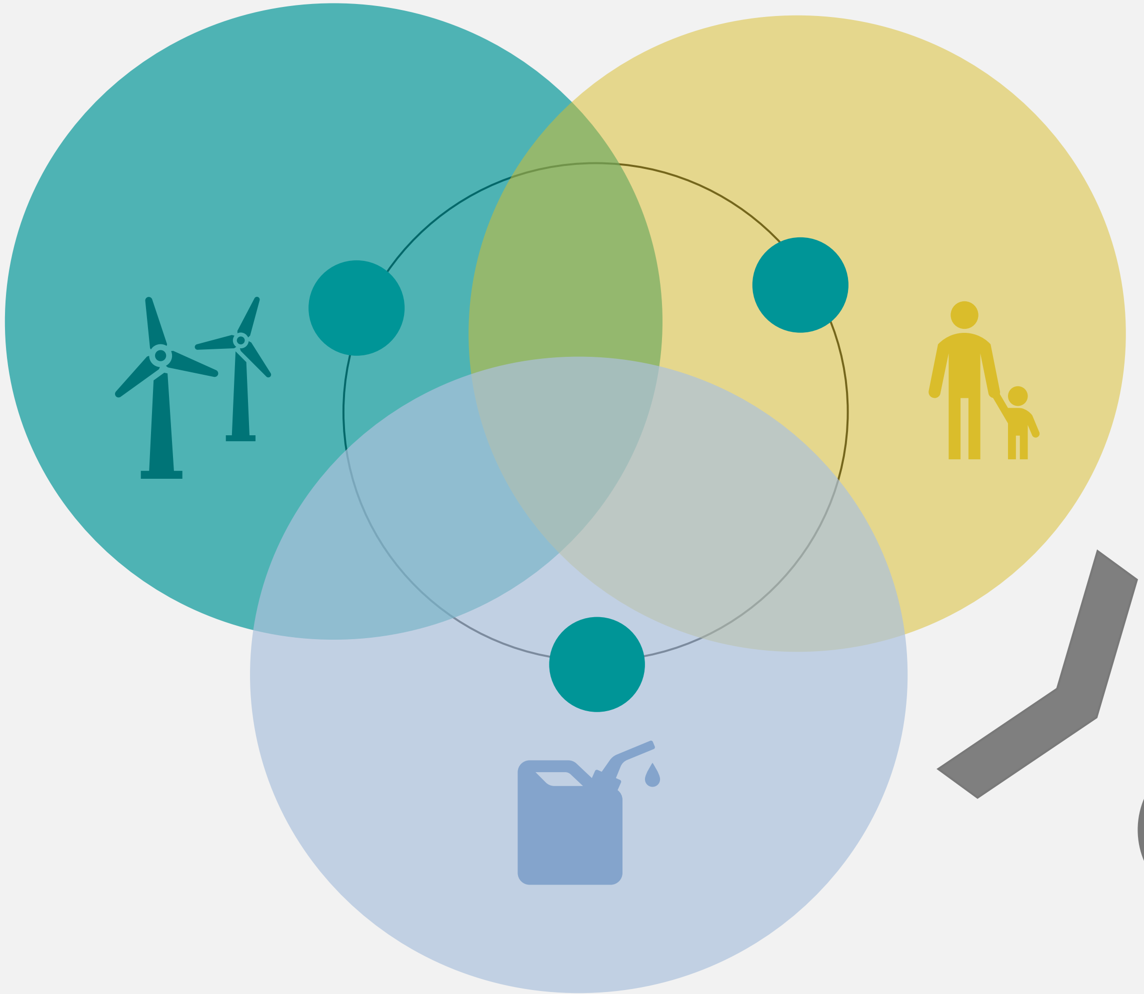
On the basis of a regular assessment of their transition policies. For this reason, we stop financing independent producers, exclusively specialized in exploring for and extracting Oil&Gas.

1. Low-carbon infrastructure, clean technologies and energy-efficiency projects;

# Contents

1

**Accelerate the development of renewable energy**



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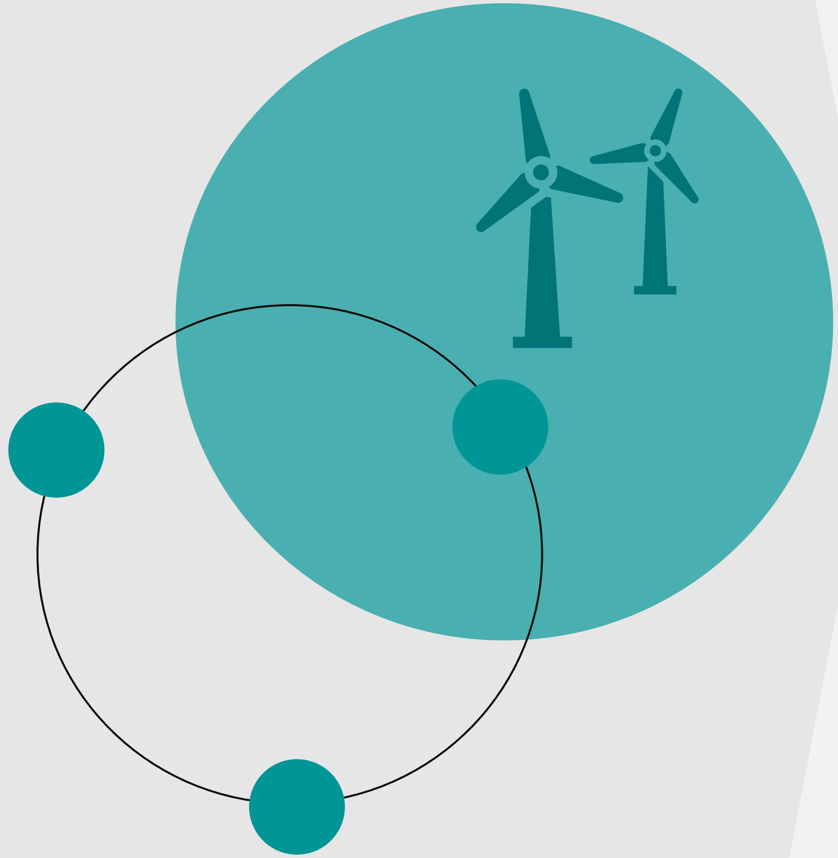
**Support the transitions**

3

**Implement**

**Disengage from fossil fuels**



1

# Accelerate the development of renewable energy

# A leader in the investment and financing of renewable energy

## Financing

TRANSITIONS & ÉNERGIES

**€2.2bn** **New financing of renewable energy projects** in 2022 by Unifergie and Regional Banks

**€10.5bn** **Exposure (EAD) to low carbon energies** (+43% vs 2020)

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK

**#1**

**Non-state financer of renewable energy in France[1]**

## Investment

CRÉDIT AGRICOLE ASSURANCES

**€4.4bn** **CAA investments in renewable energy**

**11.8 GW** **Renewable energy generation capacity to which CAA's investments contribute**

- i.e. **+126%** since 2020
- equivalent to the consumption of **4.2m households**

**€440m** Amundi ASSET MANAGEMENT

**Investments by Amundi Energy Transition**

**€113m** IDIA CAPITAL INVESTISSEMENT

**Group investments in renewable energy through IDIA**

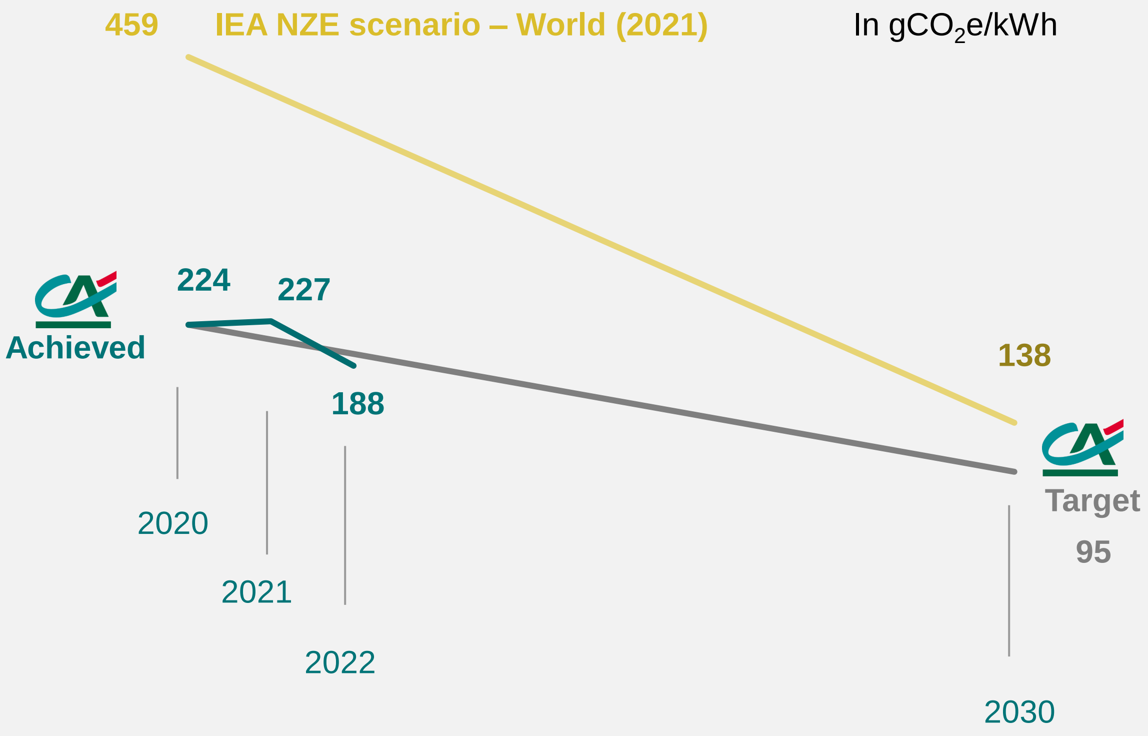
**#1**

**Institutional investor in renewable energy in France[2]**

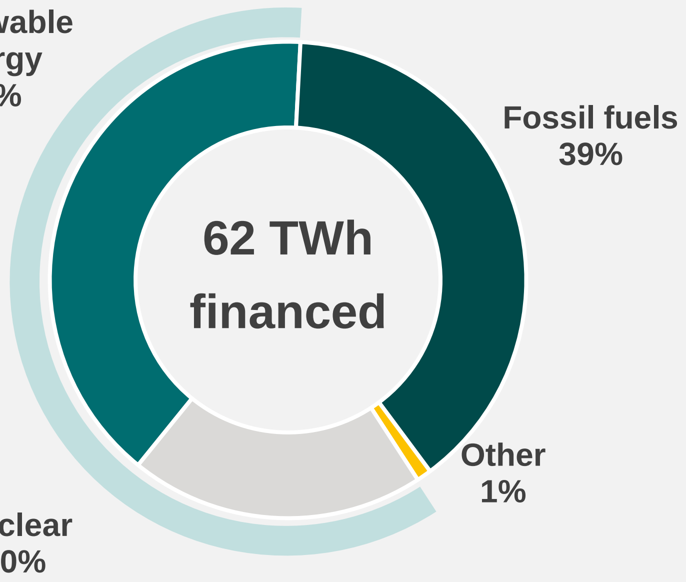
1. Source: Data ASF Sofergie, end-2021
2. Scope: Europe. Data at 30 September 2021

*Unless otherwise stated, all figures in this document are at end-2022*

# A Power trajectory demonstrating the acceleration in favor of renewable energy



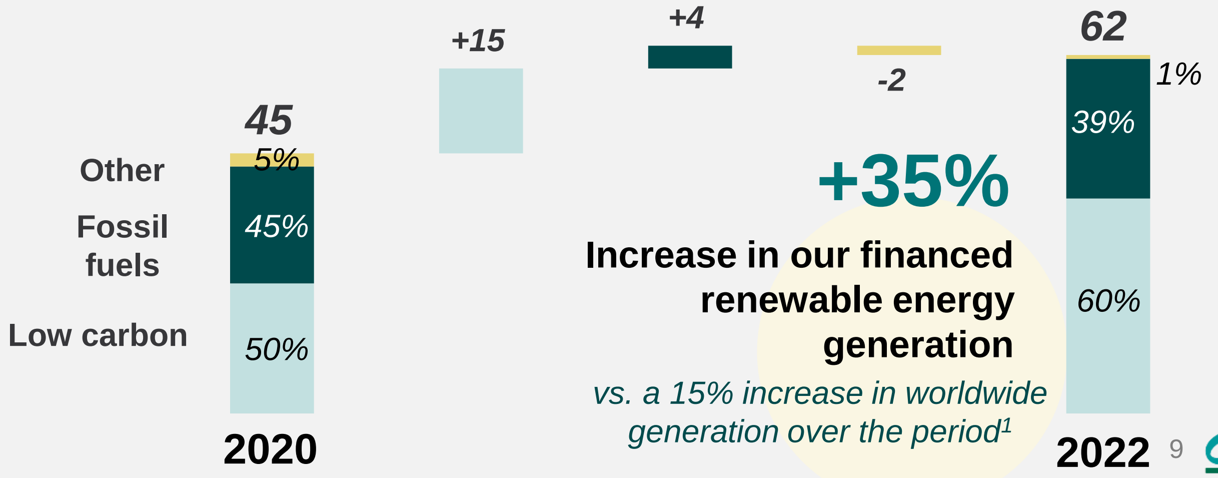

**-16%** In carbon intensity of our financing, in 2022 vs 2020, slightly ahead of our ambitious 2030 target of -58%[2]




**60% Low carbon**

**2022**

## Electricity mix trend financed (TWh)




**+35%**

**Increase in our financed renewable energy generation**

*vs. a 15% increase in worldwide generation over the period[1]*

1. Source: AIE Renewables 2022
2. Perimeter includes CACIB and Crédit Agricole Transitions & Energies

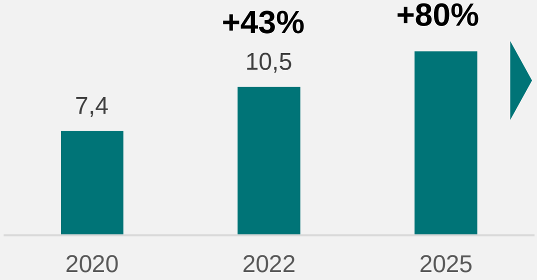
# An increasing commitment supported by our local footprint and our expertise

## Massive financial efforts in the coming years at local and national levels

**X3** **European Union commitment at COP28 to develop renewable energy generation capacity by 2030[1]**

### Amplifying our commitment to the development of renewable energy

**+80%** CACIB exposure to low carbon energy by 2025 vs 2020 *(upward revision of the +60% target announced in the MTP),* i.e.




**€13.3bn**

**Exposure in 2025** (EAD)

**€1bn** Enhanced equity mobilisation in favour of renewable energy sector, from 2024

**x3** On annual production of financing structured in France by 2030, i.e:

**€19bn** Cumulated financing by 2030

### A pioneering position making us a natural leader in new production modes

**A natural leadership in agrivoltaics and methanation**

The bank of 8 out of 10 farmers

25 years of experience in renewable energy financing

**A recognised position in tomorrow's technologies such as green hydrogen and off-shore wind**

**> €30bn** **Combined value of green hydrogen projects with advisor role for CA**

*Excl. potential future extensions*

POLAND - SEPTEMBER 2023

ORLEN NORTHLAND POWER

Project Baltic Power

**EUR 4,465 million**

Debt financing for the 1.14 GW Baltic Power offshore wind farm

**MLA, Technical Bank, Hedge and Deal Contingent Hedge Provider**



1. Source: commitment made by 116 countries during the COP28, on November 2, 2023

# A new business line to support our clients and the sector evolution

## A deeply evolving French power generation sector

| **Yesterday** | **Tomorrow** |
|---|---|
| A highly centralised power sector, with most of the production coming from nuclear power plants | With the development of wind and solar energies, shift towards a decentralised model with a multitude of small producers |

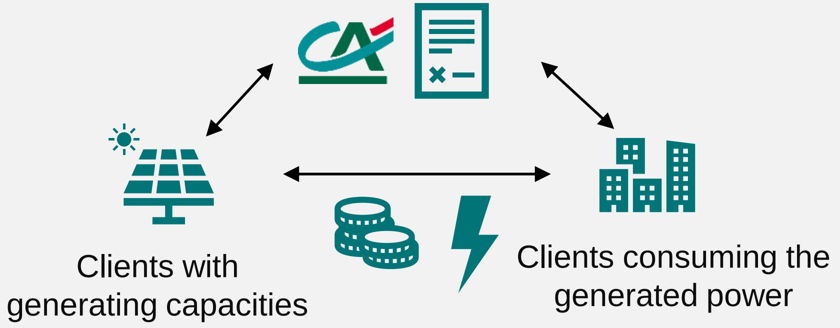
## With Crédit Agricole Transitions & Énergies, we are becoming a local energy player throughout France

### **Supply low carbon power favouring direct distribution channels and at controlled price**, intended for local authorities

Acquisition of an aggregator to offer energy engineering solutions to our local authorities customers, enabling:

- Development of self-consumption on a regional scale
- Direct purchasing of low-carbon local electricity
- Real-time supply to public facilities
- Control of budgetary expenses over the long term
- Reduced exposure to market price volatility

### Offer **Corporate Power Purchase Agreements** using electricity produced by our assets




**2 GW** **Renewable energy capacity of assets owned by Credit Agricole, by 2028**

2

# Support the transitions

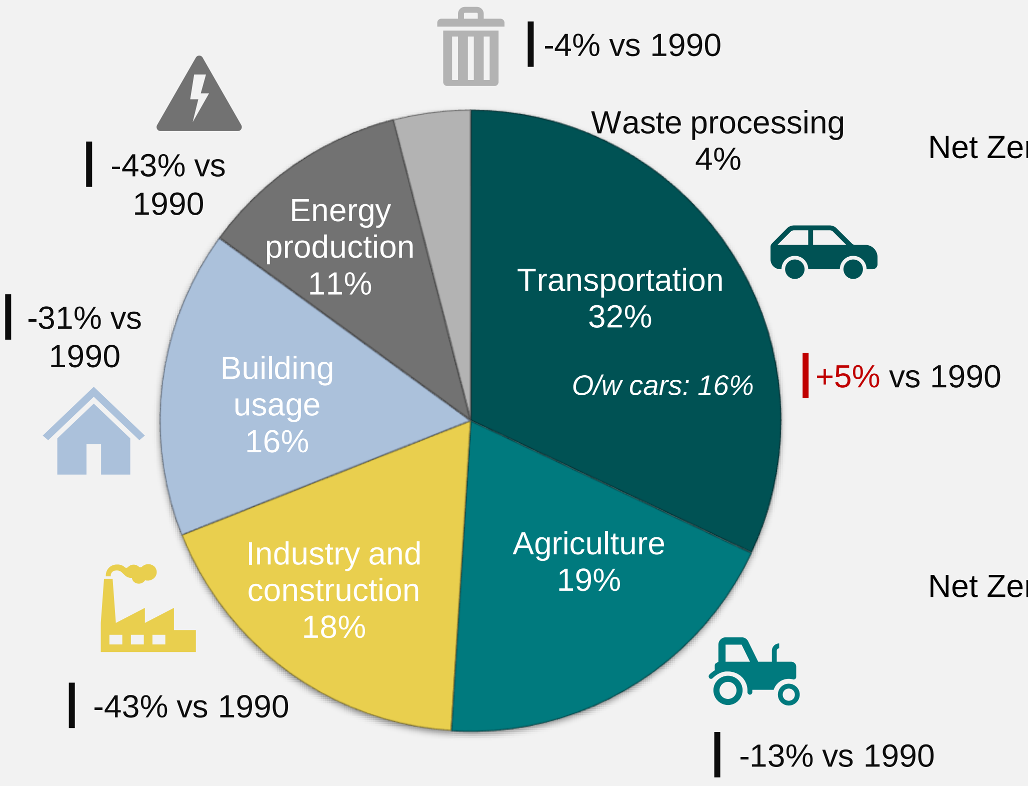
# Multiple transitions and a will of Credit Agricole to support them in the real economy

## Greenhouse gas emissions in France, in 2022 (387 Mt eq$CO_2$)

Net Zero Commitment
*Power*

Net Zero Commitment
*Commercial Real Estate*
*Residential Real Estate*

Net Zero Commitment
*Steel*
*Cement*




Net Zero Commitment
*Automotive*
*Shipping*
*Aviation*

Net Zero Commitment
*Agriculture*

Source: 2022-2023 Report of the High Council on Climate

**As a universal bank, Crédit Agricole supports the transitions of its 53 million customers in their everyday lives**

Through the definition of decarbonization trajectories for key sectors

Through the mobilization of all business lines to provide innovative offers

# Residential Real Estate

# Residential real estate – Sector overview in France

## A key sector for decarbonization

A sector accounting for **11% of French emissions**[1]

A housing stock of 38 million units:

- **5.2 million primary housing units with energy performance certificate (DPE) F and G**
- **only 5% of the housing stock is in line with the 2050 target**[2]

**74%** of direct emissions come from heating[2]

## Clearly identified and mature decarbonization levers

**Achieve massive global and energy-efficient renovation**, prioritising the most emissive homes

Decarbonise **heating production**

Further improve the **thermal performance of new buildings**

*Quantified national targets*

**200,000 energy-efficient renovations from 2024**

## But significant challenges to mobilise the construction sector and public authorities

Develop the construction sector and its shift towards renovation

Simplify and secure renovation processes for households

Enhance financial support provided to households experiencing energy insecurity

Rely on the use of data to better target and assess the impact of measures

1. CITEPA (2022). Inventory of air pollutant and greenhouse gas emissions in France – Secten format
2. SDES (2023) Energy renovation monitoring matrix in the residential sector

# Residential real estate - Our positioning

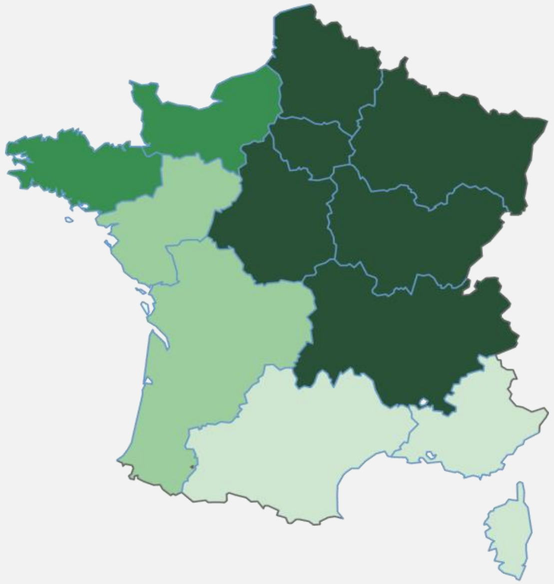
## A natural leader

| | |
|---|---|
| **1 / 3** | Market share in home loans |
| **~250,000** | Acquisition projects financed in 2023 |
| **43%** | Market share on interest-free loan scheme (PTZ) |
| **Top 4** | In institutional property management in France[1] |
| **Top 5** | In Real estate services to individual customers[1] |

1. Internal source

## A portfolio reflecting the heterogeneous nature of French regions and the magnitude of their challenges

**Average intensity of housing units by administrative region**
Source: ADEME, national building stock



- >27 $kgCO_2/m^2$
- 22 to 26 $kgCO_2/m^2$
- 18 to 21 $kgCO_2/m^2$
- <17 $kgCO_2/m^2$

**22 $kgCO_2e/m^2/year$**

**Average carbon intensity of the homes financed by**[1] **&**

1. Scope: Regional Banks and LCL at end-2020, Scope 1 and 2 (Building use); long and mid-term, on and off-balance (undrawn) sheet exposure considered: €349.4 billion. PCAF score: 4.32

# Residential real estate - Our commitment

## Support property owners and contribute to reach the French target of 12.4 kg$CO_2$e/m²/year by 2030[1]

**Decarbonization will depend on the mobilization of all stakeholders, including the will of each homeowner, working in synergy with local stakeholders to address regional specificities, the existence of an incentive public policy, and the structuring of an efficient construction sector.**

**Crédit Agricole will fully assume its role as a supporter and facilitator**

- **Systematise dialogue with customers on global and energy-efficient renovation, particularly for transfers of property rated E, F and G**
- **Develop innovative customer solutions, while making full use of our financial engineering**
- **Adapt our credit and pricing policies to incentivise renovation work**
- **Capitalise on our strong regional presence to strengthen our local actions**

J'ÉCORÉNOVE MON LOGEMENT

**Recommandation on renovation work**
**Cost estimate**

**> 650 000** visits in 2023

**Energy performance certificate (DPE)**
**Incentive audit**

**Subsidies**

**Q1 2024**

**Advances on grants**

**Integrated lending offerings**

**2024**

1. Reference scenario: CRREM FR 2021 version

# Agriculture

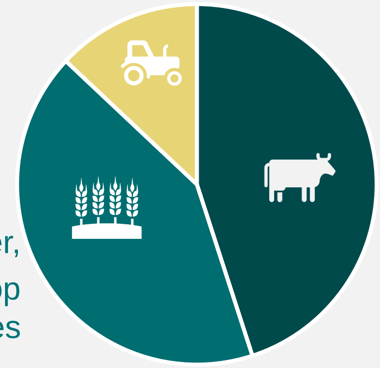
# Food sovereignty and decarbonisation: The challenges of the agriculture sector

## An ecosystem faced with a multiplicity of challenges

- Maintaining a local production with a reduced carbon footprint
- Energy sovereignty (production of biomass for renewable energy, photovoltaics, methanation, ...)
- Renewal of farming generations and preservation of farms livelihood
- Preservation of natural resources (biodiversity, soils, water, animal well-being)
- Adaptation to climate change

## GHG emissions and sequestration related primarily to biological processes

- A sector representing **19%[1] of French emissions**, intrinsically related to actual production
- A sector that also allows **storage of $CO_2$** (grasslands, hedges etc.)




### The National Low-Carbon Strategy[2] sets two targets for agriculture

**Reduce emissions**
-18% by 2030
-46% by 2050

**Increase soil $CO_2$ storage capacity**

### Technical levers identified but decarbonisation road maps not finalised for the main sectors

- Optimisation of herd management
- Greater protein autonomy
- Better manure management

- Optimisation of fertilisation practices
- Vegetation cover development
- Introduction of legumes

- Decrease in fossil fuel consumption coupled with renewable energy generation

1. Source: CITEPA-SECTEN; 22% worldwide (Source: GIEC 2022)
2. Stratégie Nationale Bas Carbone 2 published in 2020. The targets listed are vs 2015

# Our positioning and our commitment

## Agriculture: at the core of our identity and of our contribution to the regions

**8/10**

French farmers are our customers[1]

**~300,000**

Farms supported in France

**73%**

Penetration rate in setting-up of new farmers[1]

**1/3**

Farm in France is covered by a Credit Agricole insurance policy[2]

**€45bn**

Outstanding[3]

**€10bn**

Annual loan production[3]

**A partnership of all industry players (farmers, cooperatives, unions, etc.)**

In the wake of the challenges to be met together with public authorities, the industry and our customers

**Crédit Agricole is committed to support the agricultural world in its decarbonization efforts while strengthening food sovereignty**

- By providing support for the implementation of the roadmaps set by the industry and its sectors
- At sector level and at farm level

1. Source: Adquation barometer 2022
2. Internal Source, Pacifica 2023
3. Outstanding and commercial production on balance sheet, excluding home loans as of end 2022

# Actions serving a double ambition

## NATIONAL AMBITION

### Support "*Ferme France*"[1]

**Structure the voluntary carbon market** — Carbon credit exchange platform

Village by CA Supernova fund — **Promote and finance innovation**

**Support the transitions of the upstream/downstream players in agriculture** — Ambition Agri-Agro funds, partnerships

## REGIONAL AMBITION

### Support farmers

Customer questionnaire on transitions — **Initiate dialogue about the sector's challenges**

**Support the transition initiatives** — *Trajectoires Agri* tool

Renewable energy solutions (methanation and solar) — **Develop new activities**

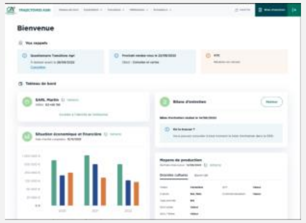
1. *Ferme France* means the French agricultural production ecosystem as a whole

# Three structuring schemes to support our action

## Providing tools to increase awareness

### *TRAJECTOIRES AGRI*

A tool intended for relationship managers and our farmer customers



Acculturation and training of relationship managers

Awareness-raising and support solutions offered on :

- Energy transition
- Climate risks
- Decarbonisation & carbon storage

Roll-out within all he Regional Banks in **spring 2024**

## Monetizing virtuous practices

### CARBON CREDIT PLATFORM


A platform designed and operated as a joint venture with France Carbone Agri[1] to connect:

- Corporates or local authorities willing to contribute to carbon neutrality, in addition to their decarbonisation strategy
- Farmers engaged in "*Label Bas Carbone*[2]" projects

Launch in **Q1 2024** with a catalogue of agricultural projects available by region

## Investing and innovating for tomorrow

### TRANSITION FUNDS

**€1 bn**

Investment solutions complementary to bank loans to finance the transition strategy of agriculture and agrifood players

| | |
|---|---|
| **€300m** | Private equity fund with IDIA |
| **€60m** | Capital innovation fund with Supernova invest (target of €100m) |
| **€140m** | Private debt fund with Amundi (target of €750m) |

**Three funds launched in 2023**

1. Acting as Farmers' representative
2. *Label bas carbone*: a climate certification tool adopted by France used to certify GHG emission reduction and carbon sequestration projects

# Aviation, Shipping & Steel

# The challenges of the sector

**~ 3%** of global GHG emissions

Primarily related to the **combustion of kerosene**

Due to the **constant rise in air traffic**

**+3%**

**Projected annual growth** of worldwide air traffic starting in 2024 *(vs +5% per year over the 1990-2019 period)*

**Net Zero 2050 Commitment made by the sector worldwide**

By the International Air Transport Association (IATA)[1]

By the International Civil Aviation Organization[2]

## Decarbonisation levers

- New generation aircraft, with lower fuel consumption, and disruptive technologies (electric/hydrogen aircraft)
- Use of Sustainable Aviation Fuels
- Optimisation of aviation operations

## Challenges

- Increasing demand
- Technologies that are not yet mature
- Development of disruptive technologies in the long term

1. More than 300 airline companies representing 83% of worldwide air traffic
2. Comprising 193 member states

# Our target and action plan

**Aviation Climate-Aligned Finance Working Group (ACAF)**

Crédit Agricole is a founding member of a working group with the Rocky Mountain Institute to create a collective aviation financing framework aligned with climate objectives and to objectively measure banks' progress in reducing the emissions intensity of their loan book

➢ *Shared standard methodology (RTK[1], Well-to-Wake[2], scope including commitments secured by aircraft and corporate commitments)*

## 2022 Key figures

**$10bn** **Loan outstanding**

**>800** **Financed aircrafts**

## Our target

**-25 %**

*2030 vs. 2019[3]*

*(-37% vs. 2020)*

*2030 intensity Well-to-Wake[2]*

**750**

$gCO_2e$ per RTK[1]

*Target in line with the 'Prudent' scenario developed by the Mission Possible Partnership[4] – aligned with 1.5°C – and ACAF*

*Assuming 6% SAF in 2030[5]*
*Very high sensitivity to the future share of SAF (2% more SAF = ~1bp less carbon intensity)*

## Action plan

Priority on financing 4th Generation aircraft, as the most fuel efficient ones

*Share of 4th generation aircraft[6] in the portfolio*

| 33% | 58% | >90% |
|---|---|---|
| *2019* | *June 2023* | *2030* |

Participation in the Sustainable Aviation Fuels (SAF) value chain

Ongoing dialogue with our clients on sustainability issues

1. RTK = Revenue-Ton-Kilometer,i.e. « paying » tonne-kilometer
2. Well-to-Wake (WTW) methodology taking into account upstream emissions related to kerosene production
3. Reference year 2019 (pre-Covid) more representative than 2020. Perimeter: CACIB. Medium and long term on and off-balance sheet loans considered for baseline: $10Md; PCAF data quality score: 2.89
4. 'Making Net-Zero Aviation Possible' – July 2022. MPP PRU and IEA NZE scenarios include similar cumulative emissions from 2020 to 2050 (around 19.4 GT), MPP PRU scenario being more transparent and realistic concerning allocation of these emissions up to 2050. MPP PRU model provides granular and transparent hypothesis on efficiency improvement, operational change and development of new technologies.
5. Hypothesis of share of SAF in global consumption in 2030, applied to asset-based loans and lessors; Level of the European mandate ReFuelEU – Applied globally in CA-CIB's scenario whereas some regions are and will be lagging behind compared to Europe
6. Weighted by gross commitment (excluding engines and EETCs liquidity facilities)

# Sector challenges

~ 2%
of global GHG emissions

**85%** of global trade carried by sea
**60,000** deep-sea vessels
$1.3 Tr value

One of the "**hard to abate**" sectors

## Two main regulators

**IMO**

New International Maritime Organization (IMO) decarbonization ambitions: net zero "by 2050 or close", Well-to-Wake and $CO_2e$ measurement, new CII trajectories under calculation (i.e computed on $CO_2e$ and Well-to-Wake basis), to apply from 2026 onwards

**EU**

FuelEU Maritime: GHG reduction targets of marine fuel emissions of **6% by 2030**, 31% by 2040, 80% by 2050

## Decarbonization levers

**Slow steaming** (gradual speed reduction)

**Retrofit** of existing fleet (bow, propeller, coating, rotor sails, carbon capture, …)

Accelerated investment in new, **low/zero emission vessels** combined with :

1. Accelerated **scrapping** of older part of the fleet
2. **Low and zero carbon fuels**: LNG, green methanol, green ammonia, H2O and E-fuels

## Challenges

Limited shipyard capacity to build new vessels and/or retrofit existing fleet

Slow steaming implementation constrained by market forces

Essential ramp up of green fuels & low share of renewable power available to shipping

# Our targets and action plan

## Signatory of Poseidon Principles

The Poseidon Principles enable financial institutions to align their ship financing portfolios with a responsible model and encourage decarbonization of international shipping. They rely on the mandatory regulations established by the IMO

## Member of The 1.5° Initiative

A group of 10 ship financing banks, most of them NZBA members, has formed the **1.5°C Initiative for Shipping and mandated DNV Maritime Advisory to build bottom-up trajectories, being "ambitious yet realistic" while meeting, under given assumptions, a 1.5°C or low overshoot (< 1.6°) ambition[1]**

## 2022 Key figures

**€12 bn** **Loan outstanding**

**>1100** **Financed vessels**

## Our target

**-36 %**

*In intensity of emissions[2] 2030 vs. 2020*

*2030 intensity Well-to-Wake[3]*

**3.98**

$gCO_2/DWT.nm$[4]

***Subject to***

- *alternative fuels availability*
- *slow steaming implementation (depending on various speed reduction scenarios to be met by the industry)*
- *final WtW and $CO_2e$ conversion factors to be published by IMO (exp 2025)[5]*

## Action plan

Working with our clients to assess the carbon score of each vessel and put in place measures to finance the necessary investments (retrofit financing)

Developing an active policy for financing the construction of new vessels using green fuel, in collaboration with export credit agencies, in order to:

- support our clients in their new generation vessels orders
- accelerate the scrapping of the most polluting vessels.

Continuously improving our methodology in line with regulatory and industry requirements

1. The 1,5°C Initiative scenario provides a more detailed approach and greater granularity than the IEA scenario
2. Perimeter: CACIB. On-balance sheet mid and long term outstanding considered for the baseline: $6Bn. PCAF data quality score : 2
3. Well-to-Wake (WTW) methodology taking into account upstream emissions related to fuel production
4. Dead Weight Tonnage by nautical mile (and Gross Tonnage for vehicle carriers)
5. Passenger vessels to be excluded from the scope until correcting factors on the CII formula for passenger ships have been formally sanctioned and implemented by the IMO

# Steel

## The sector

**~ 7%** of global GHG emissions[1]

**~75%** Share of coal in energy demand *(the majority of steel production is from carbon-intensive blast furnaces)*

## Our positioning

**€1.5bn** Loan outstanding in 2022

**1.88** $tCO_2$/ton of crude steel financed in 2020[4]

## Target and action plan

**-26%** in intensity of emissions (2030 vs 2020)

i.e. **1.4 $tCO_2$**/ton of crude steel financed by 2030

Ongoing dialogue with our clients not aligned on a 1.5°C trajectory to help them decarbonize their business

Development of our project financing of low-carbon steel production technologies

Management of our Steel portfolio, with reallocation in favor of the most ambitious clients

## Decarbonization levers

Increased recycling (scrap)

Replacing Blast Oxygen Furnace (BF-BOF) routes by Direct Reduced Iron (DRI)[2] routes powered by gas; Developing DRI routes based on hydrogen and other innovations

Using low-carbon electricity and technologies like CCUS[3]

## Challenges

Heavy dependence on coal

Limited stock of scrap

Long investment cycles: low-carbon technologies must be on the market by 2030

1. Source: IEA Net Zero Roadmap (Sept. 2023)
2. Blast oxygen Furnace are the most emissive production method, as it uses coal as a reducing agent
3. Carbon capture, utilisation and storage
4. Perimeter: CACIB. Mid and long term, on and off balance sheet exposure considered:€1.5Bn. On the basis of the fixed system boundaries defined by the SSP.As part of our SSP membership, we also calculated an alignment score (-0.17 in 2022). This score is in line with IEA NZE scenario. PCAF data quality score: 1.

# Follow-up on Commercial Real estate, Automotive and Cement targets

# Update on the trajectories announced in 2022: Commercial Real Estate, Automotive and Cement

2030 target

Methodology

## Commercial Real Estate

**-40%**

Kg of $CO_2$e emitted per sq. metre per year (use) by our corporate clients' buildings[1]

The baseline announced in 2022 has changed due to:

- The inclusion into the scope of the Regional Banks, which are structurally less carbon intensive (French market)
- The improved quality of data resulting in the adjusted baselines of the CASA entities

❯ **A baseline lowered from 46 to 36**

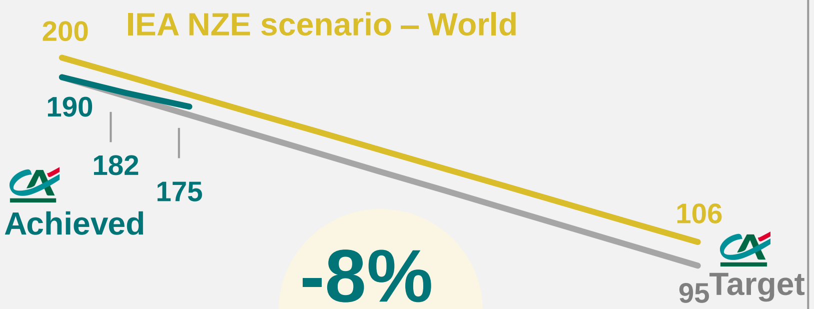

**-0%**

in 2022 vs 2020[2]

## Automotive

**-50%**

Grams of $CO_2$e emitted per km driven (use) by our customers or the cars they manufacture[1]




**-8%**

in 2022 vs 2020[3]

## Cement

**-20%**

Kg of $CO_2$e emitted per ton of cement produced by our clients[1]

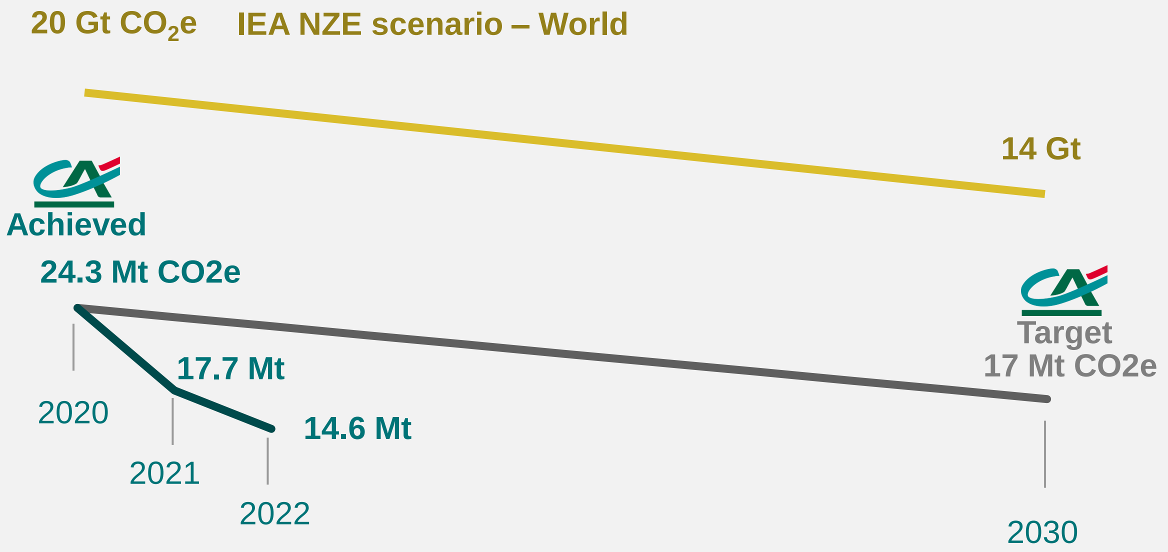
For this small portfolio (<10 customers), the departure of several relatively less carbon-intensive customers triggered an automatic increase of the portfolio intensity which does not reflect the reality of the sector or that of our action.


**+3%**

in 2022 vs 2020[4]

1. In 2030 vs 2020; 2. PCAF data quality score: 4.5. 2022 oustanding considered: €79.2Bn; Pending the stabilization of the entity's calculation methodology, the financed emissions selected for CA Italia in 2021 and 2022 are those of 2020. CA Italia represents ~5% of baseline; 3. Financed emissions used for CA Consumer Finance in 2021 are the average of the CA Consumer Finance intensities calculated for 2020 and 2022. PCAF data quality score unchanged. 2022 oustanding considered: €37.6Bn. 4. 2022 outstanding considered: €0.8Bn.

# A significant decrease in our emissions related to the Oil & Gas sector and new commitments




*The variations of the 2020 baseline (24.3 MtCO2e vs 26.9 MtCO2e previously announced) can be attributed to the improved quality of the collected data, following work carried out in 2023.*

**- 40%** **Decrease in our financed emissions in the Oil & Gas sector, significantly ahead of our target** (-30% by 2030)

**-17%** **Reduction of our exposure to oil extraction in 2022 vs 2020** (vs a -25% target in 2025)

Those figures are the result of proactive actions, such as:

- The exit of independent producers in the United States
- The reduction of our exposure on customers that have failed to engage in the transition

## New Oil&Gas commitments

**- 30%** ➤ **- 75%** **Increase of our financed emissions reduction target** (2030 vs 2020)

Starting in 2024, **publication** of **separate upstream oil and upstream gas exposures**.

## Focus on coal

Crédit Agricole formally **commits to not finance any project of metallurgical coal extraction** (no project in portfolio as of today)

In addition, **CACIB continues its exit from thermal coal** (incl. through its clients): €557M exposure in 2022, vs €623M in 2020



1. 2022 outstandings: €12.1bn. PCAF data quality score: 2.55.

2

# Support the transitions

## Support the transitions by the definition of innovative offers

# Turning our support of transitions into one of the drivers of our development and our usefulness

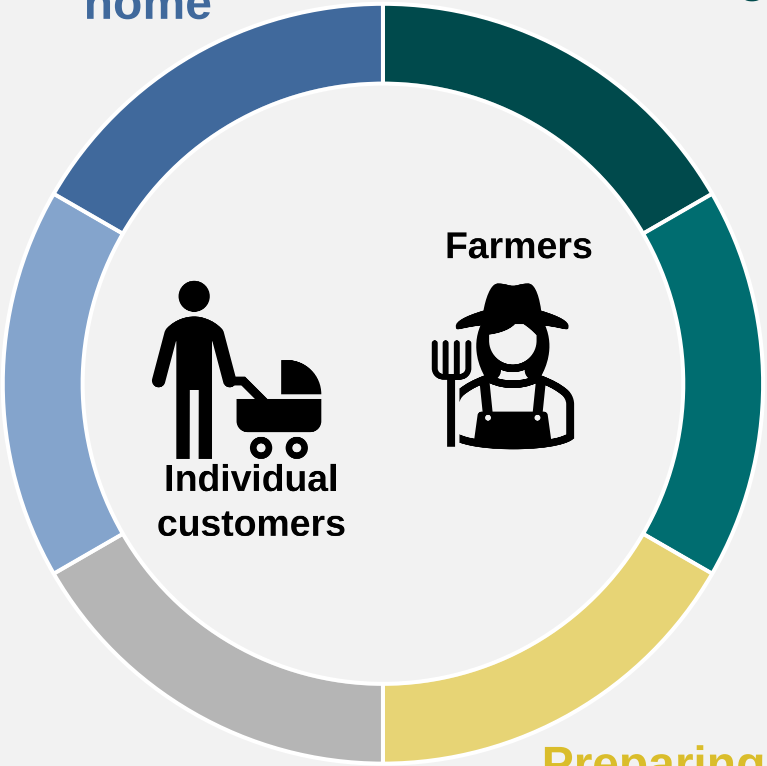
**Leveraging on our local footprint and business expertise, we are taking a leadership position:**

LCL
CRÉDIT AGRICOLE ASSURANCES
Amundi ASSET MANAGEMENT
TRANSITIONS & ÉNERGIES
CRÉDIT AGRICOLE LEASING & FACTORING
CRÉDIT AGRICOLE CONSUMER FINANCE
CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
INDOSUEZ WEALTH MANAGEMENT

**Universality & Proximity**

- **In supporting the transition of households**
- **In sustainable savings**
- **In the investment in, and financing of, a new energy model**

# Support all our customers in all their needs, with our comprehensive and innovative offerings




## Finding a home

***J'écorénove mon logement* (home eco-renovation)**
More than 650,000 visits in 2023

**Zero-interest loan scheme for home renovation (ECO-PTZ)**
38% market share

## Saving

***Livret Engagé Sociétaire* saving account**
€12.8bn collected for climate and transition related projects

**Green & Social EMTN**
€1.2bn structured by CACIB and marketed by the Regional Banks and LCL

## Getting around

**Social leasing**
An electric vehicle on lease for €100 per month[1]

***Agilauto Partage* car sharing**
A pilot launched in 2023 for the first 100%-electric rural car sharing solution

## Settling

**Young farmers**
7 out of 10 young farmers starting their business are supported by Crédit agricole

## Contributing

**Renewable energy production**
Advisory and financing solutions to install renewable energy capacities infarms

**Carbon platform**
An exchange platform for farmers and corporates seeking carbon credits

## Preparing the future

***Trajectoires Agri***
A new tool to foster dialogue and support transitions, to be rolled out in spring 2024

**Transition funds**
Launch of three funds in 2023, amounting to €500m

1. Subject to conditions; crit'air 1 or 2 vehicles less than five years old

# Support all our customers in all their needs, with our comprehensive and innovative offerings

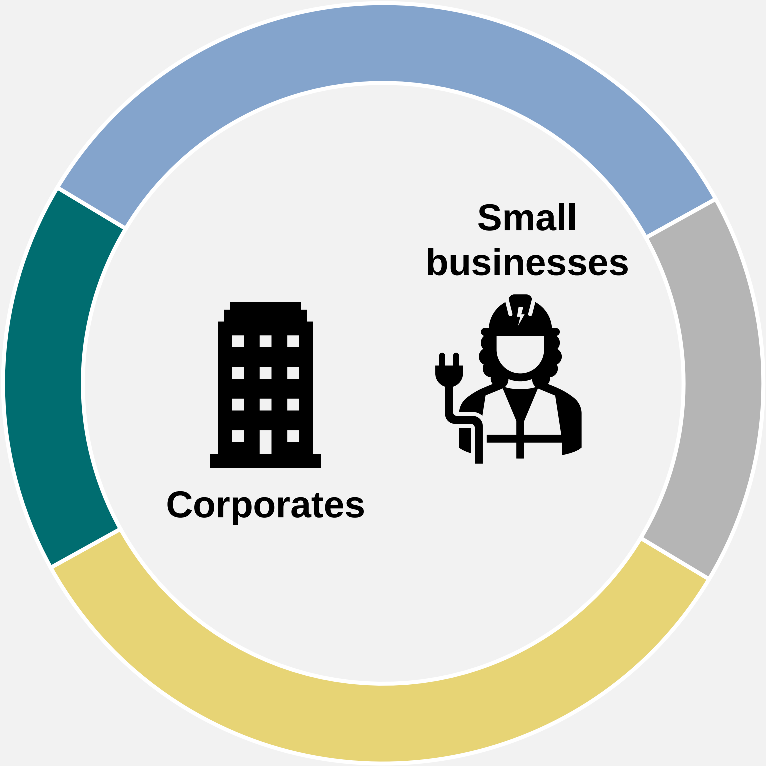
## Receiving support

**R3**
Advisory solutions by more than 100 sector experts

**Areas of expertise**
Leading CACIB experts in low carbon sectors such as green hydrogen

**Transition Hub**
Online assessments, connecting to professional and financing solutions

**Smart Business**
Access to expert partners to carry out carbon assessments, steer ESG performance, etc.




## Access to sustainable energy

**Corporate Power Purchase Agreements**
Over-the-counter electricity purchase agreements

**C3PE**
Energy-efficiency agreements connecting economic, energy and environmental objectives

## Getting around

**Watèa**
Electric utility vehicle fleet management solutions in partnership with Michelin

**Agilauto car leasing**
Long-term car leasing solutions to facilitate the switch to electric mobility

## Investing

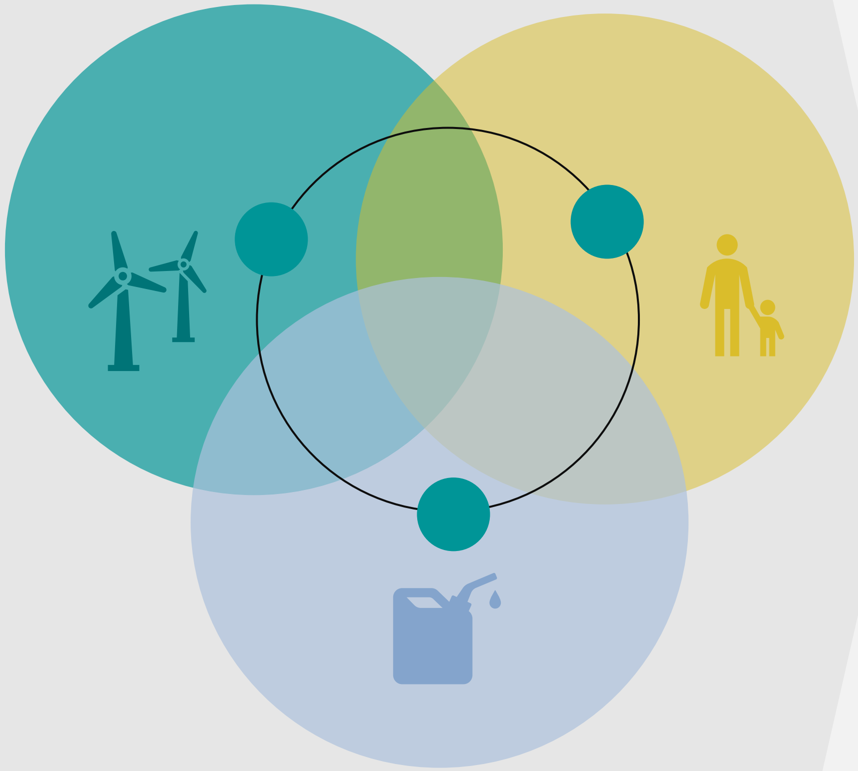
**Green loans**
€16bn in green loans in CACIB's loan book

**Green Bonds**
#1 in the arrangement of Green & Social Bonds in euros

**Sustainability linked loans**
Loans indexed to the achievement of non-financial and climate KPIs

**Targeted loans**
Loans earmarked for a financing purpose that is compatible with the taxonomy

# Contents



3

# Implement

# Placing our Climate commitments at the heart of our processes to drive transformation

**A group dynamic to let each and everyone be an actor and promoter of our commitments**

**Implement governance at the Group's highest level to define and follow through with our commitments**

**Translate our commitments into our risk policies and frameworks**

**Incorporate carbon into our budgetary processes, to manage it as a rare and declining resource**

**Incorporate climate into our loan analysis and approval processes**

**Develop our expertise to remain relevant, useful and innovative**

# Enhanced governance to place our Climate commitments at the heart of our Group

## Societal Commitment Committee

Chaired by D. Lefebvre

Approves the ESG strategy, monitors compliance with the commitments within the Group

## ESG Strategy Committee

Chaired by P. Brassac

Puts forward the ESG strategy, reviews sector policies

## Net Zero Sponsor Committee

Chaired by two Deputy CEOs of the Group and two Regional Bank executives

Oversees work for the definition of the Net Zero trajectories and their roll-out

## Sustainable Finance Decision-Making Committee

Chaired by J. Grivet

Oversees implementation of the Sustainable Finance regulation, coordinates its roll-out and monitors its progress and application

## Scientific Committee

Clarifies, through the specific expertise of each of its members, the questions related to the implementation of the climate strategy and prepares guideline recommendations

**Training of all our employees, elected officials and executives in climate-related matters**

**43%** Of employees have received generic training[1]

**Incorporation of CSR performance criteria into the compensation of executive corporate officers**

**20%** Of annual variable compensation

**33%** Of long-term variable compensation

1. At 29/11/2023

# Integrating environmental risks monitoring in all our processes

## Disclosure & monitoring of environmental risks

### Risk monitoring

Systematic assesment of environmental risks in all relevant country, entity & sector risk frameworks

Assessment of our portfolio sensitivity to certain types of environmental risks, including using stress scenarios

### Transparency & Disclosure

Adoption of TCFD[1] standards and description of environmental risk management approaches within our Statement of non financial performance

Close monitoring by the Risk Committee, a specialized committee of the Board of Directors

**Environmental risks**

## Customer relationships & Operations

### Customer relationship

Hand in hand with other business lines, participation of Risk and Compliance teams in the monitoring of customer relationships

### Product design

Integration of environmental risks in product design processes (New Product Committees)

Definition of ESG framework in the sector policies

### Credit granting

Inclusion of ESG criteria in the analysis of some transactions and strengthened analysis for most sensitive deals

1. Taskforce for Climate-related Financial Disclosure

# Carrying out our commitments while working closely with our customers

## Developing our expertise

### Taking on the role of adviser and supporter and acquiring the necessary expertise

**250** Coordinators within the Crédit Agricole CIB expert community

**50** Energy Transition advisers within the Regional Banks

**100** Experts, consultants and engineers specialized in transition within our partner R3

**ESG Academy** | Module-based training closely matching each collaborator's needs based on four levels of expertise

## Taking into account non-financial criteria in our financings

### Incorporating non-financial criteria into credit decisions

**SME & Midcap customers: ESG questionnaires** intended for the advisers

**Corporates**: A **simulation tool** for the impact of each case on the Net Zero trajectory
Decision making systematically incorporating expert opinions for the cases with the highest impact

### Adopt incentive pricing

**1/4** LCL small business and corporates loans indexed to achieving non-financial KPIs[1] (sustainability linked loans)

**38%** Market share of the zero-interest eco loans made by Crédit Agricole Group in 2023 in France

1. Or targeted loans

# Management of our Net Zero commitments integrated into our budgetary processes

**Manage carbon as a rare and rarefying resource …**

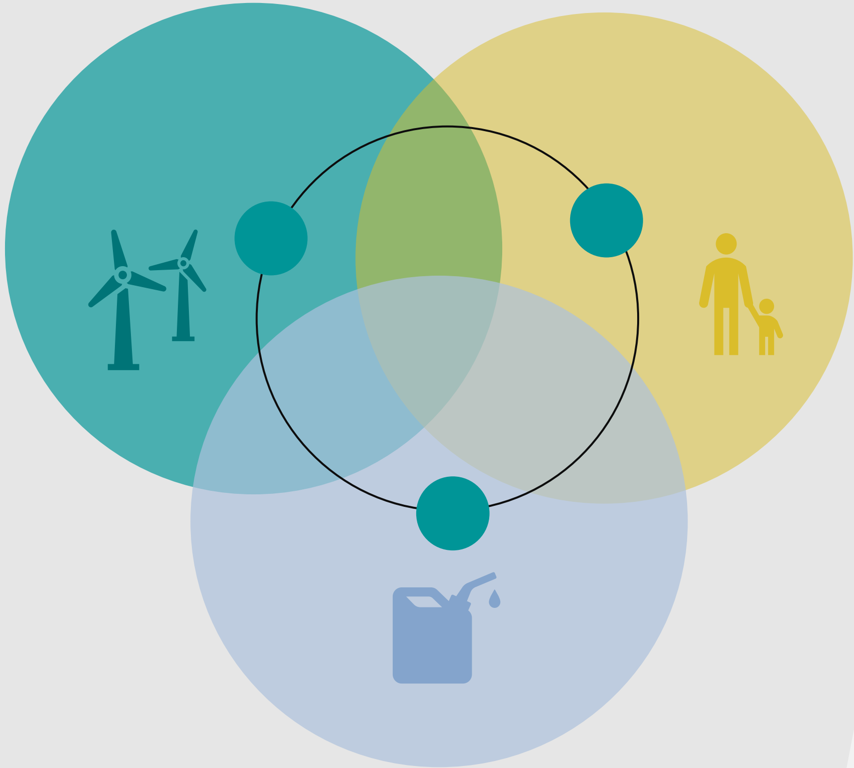
- Based on the 2030 targets announced by the Group
- Translated into three-year forecasts and targets for each sector
- And targets per entity

**… Managed centrally and by each entity…**

- Through the creation of a team dedicated to carbon management within the Group's Finance department
- Through incorporation into budgetary planning carried out yearly
- Through half-yearly monitoring

**… And placed at the heart of our strategies**

- Optimisation of carbon management with other rare resources (liquidity, RWAs)
- Estimation of the Climate and Net Zero impact systematically incorporated into the strategic decisions



# Conclusion

# In conclusion: strong initial achievements and a robust mechanism to carry out our commitments

## Major steps forward in achieving our commitments

**-40%** In financed emissions related to the **Oil & Gas**[1] sector

**-17%** In **upstream oil**[1] exposure

**+43%** in exposure to **low-carbon energies**[1]

**-16%** in **the average intensity** of financing in the Power sector[1]

**-8%** in the intensity of financed emissions related to the **Automotive**[1] sector

**1/4** **Share of electrified vehicles** among new vehicles financed by CACF

**-0%** in **the average intensity** of financing in the Commercial real estate sector[1]

**+3%** In **the average intensity** of financing in the Cement sector[1]

## New commitments announced today

**-75%** In financed emissions related to the Oil & Gas sector by 2030 (vs 2020)

No financing of new fossil fuel projects

Commitment to help reach 12.4 $gCO_2/m^2/year$

**-25%** *In $gCO_2e$/RTK in 2030 vs 2020*

**-36%** *In $gCO_2e$/DWT.nm² in 2030 vs 2020*

*Support the sector roadmaps*

**-26%** *in $tCO_2e$/tonne crude steel in 2030 vs 2020*

## A collective call to action to place our commitments at the heart of our actions

### In our offers

Continue working towards the Universal Banking Model and Local Focus by nurturing the expansion of our scope of services and of our expertise

### In our processes

Manage carbon as a rare resource, incorporated into our budgetary processes, our risk policies and our credit decisions

### In our reporting

Communicate in a transparent manner annually regarding the progress of our decarbonization trajectories

1. In 2022 vs 2020

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