



# **Crédit Agricole 2023 Climate Workshop**

Thursday, 14<sup>th</sup> December 2023

## **Introduction**

Cécile Mouton

*Head of Investor Relations, Crédit Agricole S.A.*

### **Welcome**

Good afternoon, everyone, and welcome to Crédit Agricole Second Climate Workshop. I have a few minutes to do a short introduction to summarise the previous episode, and also to give you some indications on the course of today's workshop.

### **Recap of last climate workshop**

So let's start with what we already said last year. Remember, of course, it was on the 6<sup>th</sup> December, we had our first climate workshop. And during this workshop, we presented to you the global equation of our climate strategy. Remember that it was accelerating the advent of renewable energy, equipping all of society and moving to green rather than fossil fuels.

We presented the actions already implemented in order to respond to this equation, and also the ones to come, notably with the creation of a new business line, Crédit Agricole Transitions & Énergies.

And as Crédit Agricole has joined different market initiatives, we reminded the targets already set in the framework of the Net-Zero Asset Owner Alliance with Crédit Agricole Assurances, in the framework of the Net-Zero Asset Management Initiative with Amundi. And the ones to be defined in the framework of the Net-Zero Banking Alliance on our financing activities.

Concerning this Net-Zero Banking Alliance, what we said is that we would set targets on our portfolios in terms of reduction of greenhouse gas on 10 sectors representing more than 75% of greenhouse gas global emissions, and around 60% of Crédit Agricole Group outstandings.

We said that we would use the International Energy Agency's net zero 1.5 degrees scenario to set targets in 2030. And on five of the 10 sectors that were oil and gas, power, commercial real estate, cement and automotive, we announced our starting point in 2020, our targets in 2030, and also the action plans to implement in order to reach those targets. And we committed to come back in 2023 with the five remaining sectors that are: shipping, aviation, steel, agriculture, and residential real estate. So this is one of the objectives of today's workshop.

We will also give you an update on the five trajectories that we have already announced. And we will also present to you a wrap up of all the innovative offers developed in order to support the energy transition of our clients, as well as we will spend some time on the effective implementation of our climate strategy internally: adapting our governance, our different policies and processes, as well as enhancing our expertise.

### **Agenda**

Before I leave the floor, so a few words on the course of today's workshop. We will have around one hour and a half of presentation, which will be followed by a Q&A session of roughly one hour and a half. So the analysts, which are with us today in the auditorium, you will have the possibility to address your question directly to the speakers and to the experts which are in the room.

And for those following us online, you will have the possibility to address your questions through the chat.

It's now time to begin this workshop, and to do that, let me welcome on stage, Mr. Philippe Brassac, Chief Executive Officer of Crédit Agricole S.A.

## **Overview**

Philippe Brassac

*CEO, Crédit Agricole S.A.*

### **Introduction**

Thank you so much, Cécile. Good afternoon to all of you. And thank you so much for being present or simply connected. I'm really very pleased to host you and to welcome you in the offices of Montrouge today. And I would like to tell you that I feel it's a long time since we met together, but it was exactly as Cécile said, one year ago in this auditorium and for this first workshop that was fully dedicated to our climate policy.

One year later COP28 has just concluded with probably a historical statement, historical agreement about the necessary phase out from fossil fuels. And probably this is an important step in terms of political commitment, so much the better.

But the question is now what do we have to do? What can we do for the future as an international financial institution?

Let me first of all share our convictions very simply. Yes, at Crédit Agricole Group, we do think that scientists are right. Unfortunately, we do think that they are right when they say that the planet is not on the right trajectory, when they say we are too slow or not quick enough, when they say that this is probably a huge threat against mankind as a whole. Mankind means for each of us, for our children, grandchildren, for some of us.

For our loved ones, we can say that with this world to qualify this kind of challenge. So yes, we have to move once again. And moving for us means, first of all, accelerating one point, and second point focusing our - at the end of the day, always limited financial means to the solution, that means to low carbon solution, to renewable energy. And this is the main announcement that we do today that will be completed, of course, by a kind of follow-up and update for the different net-zero trajectory of the Group.

But our main announcement is to accelerate and to focus on the solutions. Once again, low carbon solutions and renewable energy.

But first of all, I have only two slides. So I shall be quick. Don't worry about this.

### **First strong results in favour of energy transition**

First of all, I would like on my first slide to come back on the last 12 months, and to answer the question, what did we do? What did we succeed to achieve when we compare our current metrics to the previous commitments we made in front of you one year ago?

It's quite fortunately, very simple. The first point is that on the left side of the slide, we succeeded to consolidate our long-standing leadership position on renewable energy in France. We are always, and I think more and more, number one as non-state financier, and

number one as an institutional investor in renewable energy in France. This is the first point. This is what we did on the last 12 months.

And second point, we can fortunately report today some very positive metrics in terms of appreciation of the achievement of our different commitments. Let me read them with you. Minus 40% in financed emissions related to the oil and gas sector; minus 17% in upstream oil exposure; minus 8% in the average intensity of financing of the automotive sector.

One quarter, one out of four, this is the proportion of electrified vehicles amongst all new vehicles financed by Crédit Agricole Consumer Finance. Plus 43% in exposure to low-carbon energies; minus 16% in the average intensity of financing of the power sector.

And then perhaps less positive metrics. But just for the first glance, I shall explain. Probably flat 0% in terms of variation in the average intensity of financing of the commercial real estate sector. But I think it will be explained that there was a shift in the perimeter of this portfolio since I think that we have integrated now the portfolio of Regional Banks, and this is a shift within our previous definition. It will be explained probably more clearly than I can do this in the introduction.

And same thing for the plus 3% in the average intensity of financing of the cement sector. Of course, that could be seen as a degradation. But once again, I would like to outline the fact that this is a very small portfolio, less than 10 customers. And the departure - unfortunately, the departure of two or three of our customers from our books, and they were probably best-in-class. This explains this metric and probably this misleading counter performance, I'm sure that this will be more clearly explained further in this meeting.

### **Strengthening and accelerating our Climate Strategy**

Second and last slide. Now we decide to accelerate. So what does it mean? First, accelerating towards what? Once again, towards solutions for the future. That means mainly by focusing and then amplifying our commitments towards renewable energy. Tripling, I do repeat tripling renewable financing structure every year in France by Crédit Agricole Transitions & Énergies when we shall compare 2030 to 2020 and leading to accumulated financing amount of €19 billion by 2030.

Plus 80% in CACIB's exposure to low-carbon energies between 2020 and 2025, reaching €13.3 billion in 2025.

And we like to add naturally that we shall consider the financing of any project as long as it is low-carbon. I mean, without excluding any kind of energy producer or energy player. It's perhaps obvious, but I think it's better to state this point. We shall look at any kind of energy project as long as it is low-carbon project.

And as a consequence of this focus policy, and I do insist on the fact that this is more consequence than the target. As a consequence of this focusing on renewable, our finance emissions linked to financing of Oil & Gas sector will decrease twice - I do say twice as fast at the IEA Net Zero scenario.

You know that we disclosed this morning that we won't finance anymore any new fossil fuel capacities. That means that quickly, probably during the first quarter, we shall publish our total exposure to pre-existing fossil extraction projects for which we are still committed. So that, to be fully transparent on this point.

And thus, all in all, we can say that we are accelerating the reduction of financed emissions. Our new target will be minus 75% in financed emissions linked to the Oil & Gas sector by 2030 versus minus 30% that was initially announced in 2022. And once again twice faster than the IEA Net Zero scenario.

Let me end by a complementary question that is very often asked to us when we are speaking notably about fossil projects. Many people ask us, yes, you give up fossil projects, but what about corporate financing? I mean general purpose financing. What does it mean? Bond issuance or RCF, I mean revolving credit facilities. What do we do for this?

Our decision is simply to decide of this for each kind of energy players on a case-by-case basis concretely linked to our assessment, this is our responsibility, of their own transition policies. And naturally, and this is for this reason, as we say that we give up financing the new kind of project for fossil fuel. Of course, we stop financing independent producers when they are exclusively specialised in exploring for and extracting oil and gas because financing corporates and not project, but for corporates only focused on extraction and exploring oil and gas could be a really a kind of, a way to hide, of course our main target.

So, I mean, this is very clear. We focused on renewable, on the solution. We decrease on oil and gas project. We give up financing new projects of extraction. But for corporate financing, we shall appreciate on case-by-case situation to see how much different energy players are really part of the energy transition. And at the end of the day, I'm sure that all our target goals will be reached in the schedule we are disclosing today.

I would like to stop on this point, and simply to conclude this introduction, I would like to tell you that I started my speech stating the fact that - and stating our conviction that we needed to mobilise much more to fight against a kind of historical threat against mankind as a whole.

I would like to conclude stating our optimism. I do say optimism. And the fact that we can succeed and let us decide that we shall succeed, not in optimism as a principle, but optimism simply because we do have the solutions. They do exist. And for most of them immediately, technological solutions already exist and they work.

For most of them, they are already major. They are already efficient. And for some of them, they are even less costly than fossil energy. So, our very simple appreciation is that we simply need to give the priority to the solutions and really to accelerate. This is exactly what we have decided to do today and to explain to you.

Thank you so much for your listening. I do wish you to have a pleasant and very useful workshop.

And Jérôme and Eric, the floor is yours once again. Thank you so much.

**Eric Campos:** Thank you. Yes, thank you, Philippe. Let's welcome Christine Delamarre and Guillaume Richard.

## **Accelerate the Development of Renewable Energy**

Christine Delamarre

*Deputy CEO, Crédit Agricole Transitions & Energies*

### **A leader in the investment and financing of renewable energy**

Good afternoon. Remember that Crédit Agricole has a strong commitment in renewable sector. We are leader in the investment and financing renewable energy.

In terms of financing since the beginning of the decade, Crédit Agricole is pioneer in the sector to assist new generation companies, independent production of renewable energy. In 2022, we are the first [non-State] private bank in France. We lead the market with Unifergie and Regional Banks, which provide more than €2 billion of loan at parity to greenfield project.

We finance photovoltaic panels, wind farm, biomass and biogas plant. CACIB is a major player in power finance with a low-carbon energy exposure of more than €10 billion.

In terms of investment, Crédit Agricole Assurances is the first institutional investor with more than €4 billion fund. It's equivalent to 12 gigawatt renewable energy generation capacity.

## **Accelerate the Development of Renewable Energy**

Guillaume Richard

*Global Head of Power & Utilities, Crédit Agricole*

### **A Power trajectory demonstrating the acceleration in favour of renewable energy**

On the back of our announcements last year at CACIB and at CASA Group, we have started implementing our net zero strategy. So, we have put together a simulator to calculate the impact on our own emission trajectory of the - of our client's own pledges.

More importantly, we have set up a governance framework with involving senior banking, sustainable banking coverage and the power sector to exit, onboard or accelerate our support to the clients depending on their own decarbonization strategies. And we are seeing the first effects of our efforts having reached an intensity of 188 grams- of CO2 per kilowatt hour of generated electricity through both our corporate and our project finance book, as you can see on the graph on the left.

This is mainly due to the acceleration of our financing of renewables through both corporate and project finance. And you can see that we have increased by 15 terawatt hours of our financed power generation from renewables versus only plus 4% from thermal generation. So, a ratio of one to four.

We've been very selective on the thermal side and the gas assets that we finance, and we are now only financing the one that replaced coal generation, can be fitted now or in the future with carbon capture, can burn hydrogen or act as peaking plants to compensate for renewable intermittency.

But it's not been all plain sailing. As we are witnessing that our performance is dependent on broader political and economic environment. We've seen the effects of Ukrainian war and the lower French nuclear production in 2022. We're also suffering from the long lead time - long

collection time it takes to get the emission data for our clients. And we're also standing by our own commitments of 90 grams by 2030 when the IEA have on their side increased their own targets.

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

As a Group, as Mr. Brassac was mentioning, we are consistently in increasing our commitments to the deployment of renewables despite the challenging environment that they're currently facing with inflation, supply chain bottlenecks or the rise in interest rates. As CACIB, as of the end of December '22, we had increased our exposure to renewables by 43%, i.e., €10.5 billion, and we are now announcing a new commitment of plus 80% of our own commitments to renewables to €13.3 billion.

CATE on their side have announced that they will increase by three by 2030, the annual structuring of power generation, of renewable projects. And we'll have structured a total amount of €19 billion between now and 2030. The Group is also earmarking an additional €1 billion funded by Crédit Agricole Transitions & Énergies and the Caisses régionales [Regional Banks] to invest in equity in renewable developers and projects.

**Christine Delamarre:** We are pioneer and leader, and for example, we are a natural bank to accompany to support farmers to development in renewable energy. For example, we are leading the biogas market, a methanisation project, is a project to collect agriculture waste and to extract methane contained to produce decarbonised gas.

For example, in France, we introduce the gas in the network of the communities to provide local residents, so it's a concrete action at Crédit Agricole. And the - plus the advantage, the waste of methanisation is a natural fertiliser to return to the field.

So Crédit Agricole is very satisfied because biogas is the only sector in which the targets of energy planning law have been achieved in France.

The other sector for agricultures is panels, and we anticipate big scale up in this space with a new law in France acceleration renewable energy that sets a strong ambition, which name is Agrivoltaïsme, I say to you in French. It's a French law. So, the idea is to mix agricultural activity and production of electricity. And an example of that is for sheep – sheep are in better condition to grow with in the shadow of solar panels, for example.

**Guillaume Richard:** And at CACIB, we have closed just south of 80 projects in the last two years in renewable. Our support to the development in wind and solar is illustrated, last year in our key role in the closing of the first offshore wind project in Poland, our role as financial advisor to EDF and Maple power in the bid for the A04 tender in France, one gigawatt. And our positioning in the USA on the back of the Inflation Reduction Act, where we are currently working on the second largest ever onshore wind farm - to be built in the country.

We are also expanding our low-carbon and hydrogen team who are now covering the whole molecule side of the energy transition, focusing more widely on hard-to-abate industries, including hydrogen, but also e-fuels and sustainable aviation fuels. They're currently advising on projects worth more than €30 billion of capital expenditure in aggregate.

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

**Christine Delamarre:** At last, we are new business line to support our clients and the evolution of the sector. To focus, we want to be a local energy player in through France with Crédit Agricole Transitions & Énergies.

From a sector focused on a large installation nuclear power in France, electricity production will be involved there, where, in local abandoned small and medium plants, solar, wind, and local producer. With our Regional Banks, we are naturally involved in a proximity model of electricity supply to support our clients.

We want to scale up renewable energy by three actions. The first you know, expanding, increasing financial resources to renewable energy, expanding our collaboration with a specific organization of the market in France is independent players. And third supply electricity produced by our power plants to our customers in the territory. We aim to have two gigawatts of installed capacity in 2028.

We have now a subsidiary, which name is Selfee. It's a market player supplier in France. And Selfee is able to develop for - in particular, for local authority, low-carbon electricity at stable prices. With a crisis of energy in 2022, local authorities need to secure their electricity supply. The expertise of Selfee permit an additional value for the municipality, provide electricity by local plant, produce and develop by a local producer.

It's not a dream, it's a reality. We are discussing, for example, with the municipality of Châtelleraut that wants to develop local projects in electricity – in renewable electricity.

To conclude, we trust our new business energy player and be confident to reach our ambition.

**Support the Transitions**

Eric Campos

*Head of Societal Commitment, Crédit Agricole S.A.*

**Multiple transitions and a will of Crédit Agricole to support them in the real economy**

Thank you, Christine and Guillaume. And now let's raise the curtains to the new five sectors.

So last year we present commercial real estate, power, cement, oil and gas, and automobile. And this year we will present to you five new sectors: shipping, aviation, steel, agriculture and residential real estate.

As you can see, the 10 sectors we present cover the main sectors of the French national strategy of low-carbon. They cover also 60% of the outstanding of the bank and 75% of the world energy CO2 emission sector in the world.

The new five sectors present kind of great complexity for the three first: aviation, shipping and steel. We have to know that processes are not all effective and we need new technologies to accelerate the reduction of CO2 emissions.

The following two sectors, agriculture and residential real estate, both have the particularity of being made up of hundreds of thousand of customers. So, it's not a portfolio with big corporates, it's a big portfolio with small corp - with small clients. And the process of decarbonising these sectors is particularly difficult.



So, the methodology we used is based on a bottom-up approach. This is very important because it's quite singular for Crédit Agricole. We start from the field and then we consolidate at the level of the Group, which means that as good as we can, we have taken into account all local specificities, but our figures on the two last sectors are mainly proxies.

However, even for proxies, I recall you that our method allows us to have an approach not built on national average, but local figures as much as we can. We have to know that this methodology is based on the huge workload, more than 900 colleagues from the Group, bringing together skills from sales, finance, risk, data and sustainable development carried out the work. So, it's therefore a very large scale work that we have coordinated.

So, I would therefore like to thank the team which coordinate this huge, very large scale work and all the colleagues who actively contributed to it.

So, we have five presentations starting with residential real estate. So please welcome Claire-Lise Hurlot, the CEO of Regional Bank of Centre-Loire.

**Claire-Lise Hurlot:** So good afternoon, ladies and gentlemen. First of all, I invite you to watch a short video to launch the subject.

[Video]

### **Residential real estate – Sector overview in France**

**Claire-Lise Hurlot:** So, the residential estate is a key sector for decarbonisation. It's the first largest emitting sector, accounting 11% emissions from France. We count 38 million homes in France, including 5.2 primary housing units with an energy performance certificate F or G. Only 5% of the housing stock is in line with 2050 targets. And 74% of direct emissions come from heating.

So, we have clearly identified major decarbonisation levers. The first one is to achieve massive renovation with priority given to the most emissive homes. The second one is to decarbonise heating production. The third one is further improve the thermal performance of new housing.

200,000 energy efficient renovations are targeted in 2024, but we still have key challenges to overcome, develop the construction industry and increasing its expertise in renovation, simplify and secure renovation pathways for householders, enhance support provided to households insured poverty. And finally, use data to target better and quantify the impact of measures.

### **Residential real estate – Our positioning**

But what is our position in the residential estate - real estate? Crédit Agricole Group is a natural leader in the domestic markets. A third of mortgage loans in France is financed by Crédit Agricole. 250,000 houses – house purchase projects financed by Crédit Agricole are planned in 2023.

We have 43% share of the zero interest loan, and we have other specialised businesses to support our customers in addition to financing. Obviously, we are in the top four in institutional property management in France and in the top in property services to individual customers.

In 2023, the 38 Regional Banks and LCL have analysed their mortgage loan portfolio. Our portfolio reflects the diversity of our regions and the scale of their challenges, as you can see on the map. The average carbon intensity of the financed homes is about 22 kilogram per square metre a year, near the national average.

### **Residential real estate – Our commitment**

Crédit Agricole Group is committed to helping property owners achieve French targets of 20 per - 20.4 [*actually the correct number is 12.4*] per square metre by 2030. And the stakeholders need to work together in particular with local stakeholders to address territorial specificities. Decarbonisation will be based on the existence of an incentive public policy too, and the structuring of an efficient construction sector.

As part of this challenge, Crédit Agricole is committed to playing its full role as a supporter and a facilitator. We will systematise dialogue with customers on global and energy efficient renovation. Every time there is a transition of carbon intensive property, and particularly for transfer of property rated E, F and G.

We will extend our range of services to provide advice and support, and develop offers dedicated to improve the energy performance of homes. And offer financing solutions for the acquisition and renovation of all types of property, particularly co-owned property - properties.

We will also adapt our credit and pricing policies to intensify renovation work. We will capitalise on our strong regional presence to strengthen our local actions.

To support these actions, we develop a web platform, *J'écorénove mon logement*, as you've seen in the video, or I Ecorenove my home, which is a real expression of Crédit Agricole's ambition to support home renovation by promoting turnkey solutions.

The first operational version in the entire group has been rolled out in May 2023, and you just have seen in the video, it provides energy, performance, diagnostic and incentive audits. You can define your project using the simulators, subsidies, financing, and you can calibrate your project with recommendations of renovation works and cost estimates.

In 2023, we recorded more than 650,000 visits in our web platform, and we aim to go much further.

In 2024, additional functionalities will emerge to improve the experience, advances on grants and integrated lending offerings.

In conclusion, the support of this key sector is strategic for Crédit Agricole Group. It's at the core of our banking model based on universality and proximity. Thank you.

**Eric Campos:** Thank you, Claire-Lise. Thank you very much. Please now welcome Jean-Christophe Roubin for the agriculture sector.

## Agriculture

Jean-Christophe Roubin

*Director of Agriculture and Food Industry, Crédit Agricole S.A.*

### Introduction

Good afternoon, ladies and gentlemen. So let's start with a short video of testimonial from an agriculture [*farmer*].

[Video]

So, as you have seen in this video, farmers are really aware of all the climate issue and are starting to implement levers to reduce their impact.

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

So, on the first slide, I would like to explain that agriculture is really different from any other sectors. It is a living sector that must respond to a complexity of challenges, which most important is food sovereignty. Food production generates, we all know, greenhouse gases from livestock or from field crops.

But agriculture, and I would like to mention it, is also a solution for climate change because it's a storage well for carbon. France and SNBC [*Stratégie nationale bas carbone*, or national low-carbon strategy targets that you can see in this slide is minus 18% for 2030 and minus 46% for 2050. But agriculture is also a challenge of soil storage capacity.

Everyone agrees that we must move towards a more sustainable agriculture, but it is very difficult also at an economical level to be competitive. So, it's the main challenge, how to ensure competitiveness and sustainability for agriculture.

The technical levers for decarbonisation are well known as you can see in the right part of the slide. But at the present time, they have not finalised all the road maps by the sectors.

### Our positioning and our commitment

As a market leader in agriculture with eight farmers in 10 in France, we would like to support all the initiatives in the decarbonisation process. We - at the same time, we would like to keep in mind that we must defend food sovereignty. We will do that by providing support for the implementation of the road maps that we have already talked, and also to describe a strategy at the global and local level.

### Actions serving a double ambition

We are very proactive on many things and many initiatives in the agri sectors, thanks to our presence on all the territory. So, as I can describe before, we have two ambitions: a national ambition and a regional ambition. I don't want to list all the initiatives taken by the Group on the agri sectors, but let's focus on three key initiatives for agriculture.

### Three structuring schemes to support our action

So we would like to launch or to implement three key initiatives for the agri sectors. Three different ones, three innovative ones that doesn't exist in the market. The first one is *Trajectoires Agri*. *Trajectoires Agri* is a tool for all the agriculture advisors in France. We are about - we think about 2,000 advisors in order to help them to have a strategic dialogue with

all the customers about the transitions to describe and - how to describe and to finance the new projects of agriculture.

It could be about energy, it could be about farm productions. So, it's clearly a tool for constructing a dialogue. And we will launch it in the first quarter of 2024.

Second initiative, major initiative is credit - it's carbon credit platform. What it could be? It's a platform to help for the transactions between the operation from the farmers as we saw in the video and the markets and the big customers on voluntary markets. So, it would be the first platform in Europe for the agri carbon voluntary. And we will launch it in the first quarter also of 2024 with a goal to have around 100 - 1,800 farmers project for the launch.

And last but not least, we also launched in 2023 several funds that represent €1 billion to help farmers and all the agri/agro sectors in the transitions. So, it's first of all, one private equity fund of 3000 - of €300 millions. One VC [venture capital] of - one of €60 million. And finally, a private debt funding that could attain €750 million.

So, three main initiatives in order to help the transition and the decarbonisation of the agri/agro sector. So, thank you for listening to me, and I will be available for all the questions during the Q&A session. Thanks.

**Eric Campos:** Thank you, Jean-Christophe. And now please welcome Danielle Baron for the three last sectors in a row.

## **Aviation, Shipping & Steel**

Danielle Baron

*Global Head of Energy & Real Assets, Crédit Agricole CIB*

### **Introduction**

Thank you, Eric. Hello, and good afternoon, everyone. I will be presenting Crédit Agricole's engagements in aviation, shipping and steel. Each of these three sectors is considered what we call hard to abate. They are essentially industries with fewer economic or technological alternatives to decarbonise their activity.

Nevertheless, we do not give up hope. They do have pathways for decarbonisation, and I will briefly discuss these and what Crédit Agricole is doing to accompany its clients and decarbonise our own portfolio in each of these sectors. Okay, so beginning with aviation.

### **Aviation: The challenges of the sector**

So, the aviation sector represents approximately 3% of worldwide greenhouse gas emissions. There are three main levers to lower emissions in this sector. Replacing the existing fleet of aircraft with fourth generation planes that are currently in production. Examples include the A320Neo, Boeing 7 - excuse me, Boeing 37 - 737 Max, A350, etc. These fourth-generation planes lower emissions by up to 25% versus previous technology. In the coming decades, we also expect the introduction of new disruptive technologies, including electric and hydrogen-powered aircraft.

Our second lever is progressive use of sustainable aviation fuel, which can reduce CO2 emissions by plus or minus 80% on a lifecycle basis versus fossil fuels. And the last lever is optimisation of airline operations, including air traffic control, airports and eco-piloting.

### **Aviation: Our target and action plan**

So, what is Crédit Agricole doing? When it comes to asset-based financing, and I'm going to divide this into two: our financing directly of the assets and our financing of our corporates. Okay?

So, when it comes to asset-based financing since 2019, we have decided to focus primarily on the financing of fourth generation aircraft in order to steer our portfolio towards the most efficient airplanes. As I just mentioned, a new technology aircraft consumes 20% to 25% less fuel than an aircraft of the previous generation.

Consequently, this is one of the most effective tools and most effective means that we have today to lower carbon intensity in our aviation portfolio. The percentage of new technology aircraft in Crédit Agricole's portfolio has increased already from 2019 to June 2023 from a level of 33% to 58%. So we've already begun this journey of new technology aircraft in our portfolio.

On corporate loans, we are focusing on the most ambitious airlines with a re-fleeting plan, precise SAF objectives for 2030, SAF, sustainable aviation fuels, and clear decarbonisation trajectories. We are also focusing on aircraft leasing companies, which have an ambitious strategy to increase the percentage of new technology aircraft in their global leased fleet.

In addition to the improvement of our loan portfolio, Crédit Agricole has engaged in a dialogue with its airline customers, airports, manufacturers, and other key stakeholders to advise and facilitate their access to SAF.

Crédit Agricole has set a CO2 emissions intensity target of 750 grams of CO2 equivalent per RTK, RTK stands for revenue ton kilometre, by 2030. This represents a decrease of 25% of the emissions intensity of our portfolio from a 2019 baseline, and we've chosen 2019 as a reference here because it's pre-COVID, which we feel is a more appropriate benchmark than 2020 when there weren't many planes in the air.

Nevertheless, our target represents a decrease of 37% from 2020. So, you have both numbers.

So how is this target calculated? Crédit Agricole is a founding member of the Aviation Climate-Aligned Finance Working Group. It's a mouthful, I'm going to call it ACAF. ACAF has been accompanied by the Rocky Mountain Institute to build a framework with five other banks, allowing financial institutions to independently measure and disclose the climate alignment of their aviation portfolio.

Financial institutions that will join ACAF will commit to use this methodology to calculate the climate alignment of their aviation portfolios and disclose their alignment annually based on a common standard of methodology, metrics and roadmap. This will allow transparent comparison amongst banks.

As mentioned previously, the ACAF metric is grams of CO2 equivalent per RTK. This metric is also consistent with SBTi's guidance for the aviation sector, which currently uses this metric

for airline target setting and disclosure and allows to capture both passenger and cargo activity.

In other words, an airline operating with a high load factor for passengers and cargo will benefit from lower emission intensity than an airline operating the same plane on the same route with a low load factor. The methodology also accounts for the utilisation of sustainable aviation fuel. The ACAF methodology accounts for SAF use on a full lifecycle basis by comparing the lifecycle emissions for each type of SAF to fossil fuel baseline.

This approach is also consistent with SBTi's guidance for calculating airline level emissions reductions due to sustainable aviation fuel. Again, as a practical matter, an airline with progressive SAF usage will benefit from lower emissions than an airline that's only using fossil fuel.

Crédit Agricole has assumed a 6% SAF availability in 2030 since the availability of fuel is critical to us in these calculations. This is based upon the RefuelEU mandate.

Turning to our trajectory and roadmap in the future, ACAF has selected the so-called "prudent" roadmap created by the Mission Possible Partnership, which is a bottom-up technical model of the aviation sector. This prudent scenario was selected by ACAF for three reasons.

One, it is aligned with a 1.5-degree Celsius target. Two, it's expected to be recognised as such by the Net-Zero Banking Alliance. And three, it's similar to SBTi's recently released interim pathway for aviation.

Each member of ACAF will compare its emissions to a benchmark value and calculate its alignment with a selected roadmap. As the benchmarks are all derived from the same reference trajectory, the alignment can be readily compared among all ACAF members, rather than having each institution communicate an alignment against a different scenario.

So, in conclusion, for aviation, our target has been set on the back of a very clear strategy, focusing on the financing of fourth generation aircraft and supporting airlines and lessors, which are committed to the progressive decarbonisation of the aviation industry. At the same time, Crédit Agricole will also contribute to the creation of a favourable environment for the development of sustainable aviation fuels. Our strategy should allow Crédit Agricole to meet our 2030 target, which will be aligned once again with a 1.5-degree Celsius scenario.

### **Shipping: Sector challenges**

So next sector, shipping. Like aviation, shipping is a hard-to-abate sector, yet an essential part of the world economy.

The shipping sector is made of circa 60,000 deep-sea vessels of all sorts, bulkers, container ships, oil tankers, LNG carriers. These vessels carry more than 85% of the world's trade. Shipping is an essential, basically irreplaceable and yet almost invisible part of our economy.

The combined value of this ocean-going fleet is an excess of US\$1.3 trillion. So, the CapEx required to replace this fleet with low or zero emission ships is massive. Shipping greenhouse gas emissions account for approximately 2% of global emissions. So, the sector also needs to play its part in the necessary decarbonisation of our world.

Ships, like other transportation assets, airplanes, trucks, freight trains, etc., rely on fuel to produce the power that moves them. So, a large part of the solution and the greatest challenge for us at this point is, first, the availability of low carbon marine fuels, and second, the capacity in the shipyards to build the new vessels that will be able to burn such green fuels. Neither of these solutions are very advanced, and this is what makes shipping hard to abate.

The shipping sector is tightly regulated with two main sets of regulations driving the sector's decarbonisation process to 2050. The first is set by the International Maritime Organisation, or IMO, which is a UN agency. A new net zero by 2050 or close regulation was decided at the last IMO's Marine Environment Protection Committee in July.

The second body of regulation is FuelEU Maritime with the integration of maritime transport into the EU emissions trading system as part of the fit-for-55 package of the European Union.

Under the new IMO legislation, ship operators will have to gradually reduce their greenhouse gas emissions down to net zero or close to net zero by 2050. Importantly, greenhouse gas emissions will now be measured on a well-to-wake basis. So similarly to what I mentioned in aviation, the full lifecycle of that fuel, not just what you're burning on the ship. So, the full lifecycle.

The IMO is now working on a definition of the well-to-wake and CO<sub>2</sub> equivalent conversion factors. The e stands for equivalent CO<sub>2</sub> weight, which also takes into account methane and nitrous oxide. These factors are needed to calculate the new net zero 2050 trajectories for each vessel type. We expect the IMO to publish these conversion factors and the resulting new carbon intensity index trajectories, the so-called CII, by the end of 2025.

The new IMO decarbonisation rules will then start to apply from 2026 onwards. Importantly, the IMO is also expected to publish by 2025 a revised CII formula for passenger ships. The existing formula tailored for cargo ships does not apply or work for passenger ships.

Under the new FuelEU Maritime legislation, the average carbon intensity of the fuel used by the ships operating in EU waters will need to decrease. In other words, the amount of green fuel in the total bunker mix will need to increase by 6% in 2030, 14.5% in 2035, 31% in 2040 and 80% by 2050.

The above are important guidelines for ship operators and for shipping banks like us. So final and important implementation of these details are still being worked out by the IMO and the European Commission and will hopefully be clarified by the end of 2025.

Since the Net-Zero Banking Alliance requires banks to define and publish their decarbonisation policies by the latest mid 2024, we could not wait for the final IMO and EU rules and had to come up with our own trajectories. Turning to that.

### **Shipping: Our targets and action plan**

Consequently, Crédit Agricole and nine other major shipping finance banks have set up the 1.5-degree shipping initiative. The banks of the 1.5-degree initiative mandated DNV, the shipping classification and consultancy group, to assist us in building a bottom-up decarbonisation methodology for the shipping sector. Bottom-up means that all levers available to ship operators have been assessed and then used to build a complex model.

The main levers and key assumptions used, shipping demand - in other words, the demand for marine transportation of all the different commodities until 2050; the ramp up of green fuels by 2030, '40 and '50; the speed reduction capability of the existing fleet, also known as slow steaming; and fifth - fourth, sorry, fourth, the capacity of the shipyards to build the new generation of zero emission vessels, but also an importantly retrofit some of the existing fleet with carbon emission reduction equipment.

So, for example fitting different propellers, they have this thing called a nose job, which is replacing the bow of the boat to make it more efficient. Cold ironing, which is ship-to-shore electricity. So various different levers of retrofitting also available to us.

The key well-to-wake and CO<sub>2</sub>e conversion factors required to properly calculate a 1.5-degree NZBA compliant decarbonisation trajectory have been estimated in the absence, again, of the final numbers yet to be published by the IMO.

Based on the work done by DNV and our 1.5-degree shipping group, and taking into account the specificities of our ship finance portfolio, Crédit Agricole has the - has set the following targets: a reduction of the carbon intensity of our ship finance activities based on a 2020 baseline of minus 36%. All the different vessels in Crédit Agricole shipping portfolio will be included with the exception of passenger vessels until the IMO publishes a revised CII formula for these ships. Again, that's expected at the end of 2025.

## **Steel**

Okay, steel. The iron and steel sector actually accounts for 7% of worldwide greenhouse gas emissions. That important volume of emissions is due to the sector's heavy reliance on coal, which represents 75% of the sector's total energy demand. Steel is a relatively small sector for CACIB and accounts for - for Crédit Agricole, forgive me - and accounts for €1.5 billion in medium and long-term loans.

However, steel is a key sector for the economy that we want to support in its decarbonisation. Indeed, demand for steel is set to increase in the coming years since steel has a central role to play in the energy transition for building wind turbines, solar panels, electric vehicles, hence the importance of developing a decarbonised production pathway.

To support the steel sector in its transition, we joined last year the Sustainable Steel Principles, a sectorial initiative inspired by the Poseidon Principles, which was - with the purpose of bringing together key players from the financial sector and from the industry.

The purpose of the initiative is to create a common methodology in order to incentivise a sector-wide transition.

There's only one slide?

**Eric Campos:** Yeah, only one.

**Danielle Baron:** Okay, sorry. Okay, then I'll carry on. This steel sector will rely on several decarbonisation levers to achieve its transition. First, technologies that are currently on the market will deliver most of the emission savings in steel production to 2030. This includes an increase in secondary scrap production but also the decarbonisation of primary steel production with the replacement of carbon intensive blast furnaces by natural gas direct reduced iron facilities.



New innovative production routes will also contribute to the sector's decarbonisation with the development of hydrogen-based direct reduced iron production or with the addition of carbon capture underground storage technologies to existing facilities. The challenge is to ensure that these innovative technologies, which are still at prototype and demonstration stage today, reach markets within the next decade. Indeed, after 2030, the bulk of emissions reduction in primary steel production should come from the use of those new technologies that are still under development.

The objective we set on our steel portfolio is to reduce our financed emissions intensity by 26% by 2030, reaching an intensity of 1.4 tons of CO<sub>2</sub> per ton of crude steel compared to a 2020 baseline of 1.88.

Achieving our objective will rely on our client's own decarbonisation. And therefore, on the deployment of those innovative technologies to produce low carbon steel. Therefore, we are going to strengthen the dialogue with our steel clients to support them in their massive investments needed to decarbonise their activity and to help them align with a 1.5-degree Celsius trajectory.

In particular, we tend to develop our project financings in the steel sector targeting innovative near-zero emissions technologies. We also plan to review our target in 2025 in order to take account of technological developments in the sector. Thank you very much.

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

Eric Campos

*Head of Societal Commitment, Crédit Agricole S.A.*

**Eric Campos:** Thank you very much, Danielle. So, the marathon of the 10 sectors presentation is now ended. But I would like just to take stock of the five sectors who presented last year.

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

Well, first was the power trajectory, as already presented by Guillaume and Christine. Just to recall you, that we started at 224 grams per kilowatt-hour, and now we are at 188. So, we are on track on power trajectory.

Then - yes, thank you. On commercial real estate, first, we have improved the methodology. So, this was clearly stated in the presentation last year. So, we of course are improving the methodology, we're improving the data, so it's crystal clear. But we are in - it's important for us to say that we have - first improving the quality of the data. Plus, we have integrated the footprint of the Regional Banks.

So, we have enhanced the perimeter of the Group by integrating the Regional Banks. And the outcome was to move the baseline of the commercial real estate from 46 kilogram of CO<sub>2</sub> by square metre to 36. Yes, to 36. So, this is first as the methodology has changed a little bit, but as you can see, it's difficult to decarbonise. So, it's a long journey in this particular sector to decarbonise the real estate.

So, we're not - let's say we're not sceptical. We will succeed, but so far so is not very good. So, we are above the trend of the carbon decarbonisation trajectory.

On automotive, I remember the objective which is to move from 190 grams per kilometre to less than 100, 95 exactly. So, we're roughly on track decreasing the emission CO2 in intensity. So, at 175 we're roughly on track.

Cement, it was stated by Philippe Brassac in the beginning of this presentation. Of course, we have two, let's say, best-in-class customers which left the portfolio. It's a very small portfolio, so logically the emission is increasing in this portfolio. It's a deal that we try to manage, of course. Next slide please.

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

So, the next is the decrease in our emission – absolute emission related to the oil and gas sector. So we are, as you can see, eight years ahead of our initial target. I remember it was 24.3. We are improving by improving the quality of the collected data. We have improved the base of reference moving from 26.9 million of ton of CO2, which was previously announced last year. Actually, we're at 24.3 ton, millions of tons of CO2.

But nevertheless, we keep the same trend and we have decided to move from 17 million of tons of CO2, which was initially the first target in 2030 to six tons of CO2, so a decrease of minus 75%, which is the target that we have chosen.

Just something that we wanted to recall is that Crédit Agricole formally commits to not finance any project of metallurgical coal extraction. It was obvious for us, but it's better for us to state it on that specific point because we have seen that the competition has already showed some exclusion. So, it's important for us to, of course, show this point. And in addition, it's not seen or presented like a sector, but it's very carefully following that CACIB continues its exit from thermal coal. So, the exposure in 2022 is €557 million. It was at the level of €623 million.

So that - sometimes we succeed in the - certain sector and sometimes it's quite difficult, but of course, it's a long journey and difficult journey to decarbonise the emission financed by Crédit Agricole as you have seen.

And now let's give the floor to Olivier Gavalda.

## **Support the Transitions by the Definition of Innovative Offers**

Olivier Gavalda

*Deputy CEO, Crédit Agricole S.A.*

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

Good afternoon, everyone. As mentioned by Philippe Brassac, the Crédit Agricole Group has set ambitious targets to promote investments in EnR [renewable energy] and support the transition to the low carbon economy.

Today, with only one slide, if you have the end? Okay. Excuse me. Okay. I would like to go further and emphasise that supporting transition, which is course at the heart of our values, also generates business opportunities for the Group.

We are even convinced that thanks to our very singular positioning and especially a significant presence on territories, we have all the means to play a leading role on the market.

I see three main businesses development areas. First, thanks to our large footprint, we are on the frontline to support retail clients in their transition with a wide range of products. For instance, we designed solution on home renovation, such as platform J'écorénove mon logement, as you have seen, and which a real success. We plan now to enrich the - this platform to become business platform and with dedicated loans tomorrow and offer relative to energy performance diagnosis.

Another example is mobility. Crédit Agricole Consumer Finance has worked extensively in the recent years on, to become, to build a green franchise. They developed notably, an accessible leasing solution for electric cars at €100 per month. It's news for the President Macron today, and an electric car sharing everywhere in France and in Italy. I will not multiply any - many examples as there are too numerous, but you should know that we want to widen in the next months a range of sustainable products.

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

Second business development areas is - for the Group is obviously savings. Actually, we centralise a large part, as you know of our client savings, and now we help them prepare the future with dedicated sustainable saving solutions.

I will take three examples to demonstrate the appetite for our clients. First, the Regional Banks have collected around €13 billion euros of Livret Sociétaire Engagé in 2023. Second, the Regional Banks and also LCL distribute more than €1.2 billion of green and social CACIB EMTN. And third, and the last example, €8.7 billion are invested by our clients in Amundi's Impact Solutions.

The last development axis I want to highlight is that we want to become, but we have seen that in the previous presentations - become the leaders in advising and financing transition projects. I'm not talking here about the major projects already financed by CACIB. No, I'm talking about smaller projects developed by SMEs, farmers or professionals.

Last year, we created Crédit Agricole Transitions & Énergies, CATE, to reinforce capacity or capacity to support them. To this end, we invest in companies such as R3, a specialist in energy saving advisory and financing, or Selfee, an EnR [renewable energy] aggregator and distributor.

Thanks to the experience gained by CACIB on the major projects, and there's new CATE capacities, we are now able to offer our smaller clients with standard design solutions to achieve their transition goals. This is a case when we help them to structure SPVs, for example, or to negotiate at the low level PPA contracts.

A conviction that the sum of local initiatives will accelerate some transition trigger the launch of CATE with the commitment of our 100 experts today, and we plan tomorrow to have 500 experts on the ground.

To conclude, I would like to highlight that we have several million clients with whom we have built a longstanding relationship, as you know. For years, they trust in our capacity to offer banking and insurance products. Now, they also expect us to support the transition. We are fully determined that to meet those expectations and are committed to develop more and more solutions to help them to reach the net-zero objective.

Thank you for your attention. And I give the floor to Jérôme, I think for the last part. Thank you.

## **Implement**

Jérôme Grivet

*Deputy CEO, Crédit Agricole S.A.*

### **Introduction**

Thank you, Olivier. Let me reassure all of you, I am indeed the last speaker of the afternoon. So, we are now getting close to the Q&A session, and to the moment where you are going to really challenge us on all what has been presented today.

### **Placing our Climate commitment at the heart of our process to drive transformation**

Let me start the - this part relative to implementation of all those policies by a joke, but it's not only a joke, the main difference between telling and doing is indeed doing. So, what we need to make sure is that we have all the tools in hands in order to really embed all these strategies into the processes that a bank like us must develop everywhere.

And the quick presentation I'm going to do on this page is simply to highlight some elements of implementation, I would say, tools that we've started to put in place in order to make sure that all these targets, all these objectives, all these ambitions and commitments are really starting to operate clearly.

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

Of course, we start with our organisation, and we have decided to embed at each level of our organisation, the highest level of the governance, which is the Board and its different committees, but also the executive committee and many more committees and decision circles in the organisation in order to make sure that our policies are followed, developed, fine-tuned permanently in order to adapt to the reality. This is the first element.

### **Integrating environmental risks monitoring in all our processes**

Second element, because we are again, an organisation in which we must process, all our investments, all our decisions. We have embedded - we have started this year actually to embed into our budget processes, CO2 emissions as another scarce resource we have to manage. You know that we permanently try to manage liquidity and risk-weighted assets. And now we have started in the 2024 budget process to integrate carbon emissions as another scarce resource in order to make sure that we do not only follow the achievements of all these strategies, but we have really enhanced the levers in order to make sure that they happened really, in reality.

**Carrying out our commitments while working closely with our customers**

Third point, of course, we must make sure that we have in our organisations, all the people that really have the skills and the expertise to handle those matters. We have roughly 500-plus people that are really experts of these energy transition issues that are at CACIB, are in different entities of the Group in order to develop our policies.

But much more important, we have decided that all our staff must be trained on these issues, and we have started to do so. So now 43% of our staff is already trained and has got a certain level of expertise on all these issues. And the target is, of course, that 100% of our staff is fully trained on environmental issues and energy transition issues.

We are taking regular decisions on credit granting, and we have now completely embedded in our credit processes these energy transition issues and climate risks issues.

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

And last point when we decide, or when we update any kind of policy, we integrate in those policies, in those frameworks, the climate issues. So simply - and you have much more details in the appendix of this document, but I wanted simply to give you these highlights in order really to make you feel that all that has been presented today here is not only the nice story that is presented, but that it's really part of all our decision-making processes internally.

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

I think that I have now to conclude this afternoon before, of course, giving you the floor for your questions. And I just wanted without repeating all the figures that have been presented already, either by Philippe or by the different speakers today that presented our policies in these five new sectors. And also the figures that Eric presented related to the five sectors that we've presented last year.

But as a conclusion, I just wanted to simply highlight the fact that energy transition is about taking, I think, five routes at the same time. The first route is probably the route of sobriety, i.e., using less energy or developing activities that need less energy.

The second route is efficiency. It's the route of trying to generate the same outcome, the same output with less energy. The third route is about electrification, i.e., using more - much more power than other primary sources of energy.

The fourth route is, of course, to generate a growing part of electricity with renewable energies. And the fifth route is carbon capture. And I think that all that has been presented today shows that Crédit Agricole is acting very decisively in all these five routes in order to push all the society, all the economy, to accelerate in the sobriety, in the efficiency, in the electrification, in the renewable energy production and in the carbon capture.

So, I don't want, again, to repeat all that has been presented by our colleagues this afternoon. But really, you can think - you can assess, you can see that we are addressing these issues by tackling all these five levers that are going to help our societies and our economies to transition with - towards a decarbonised world.

I will stop here, Eric, if you think it's okay. And I think we can go directly to the Q&A session.

## Q&A

**Cécile Mouton:** Okay. So, I see already hands raising in the room. So, I will start with the analysts in the room. And Gulnara, if you want. Gulnara?

**Gulnara Saitkulova (Morgan Stanley):** Thank you. Gulnara from Morgan Stanley. Given that you are reducing the exposure to certain sectors like fossil fuel, oil and gas, do you expect any revenue attrition going forward from this reduction? And what is your outlook for the margins for the new ESG- related businesses? Is overall this green transition, is it more net positive or net negative for your revenues? Thank you.

**Jérôme Grivet:** Maybe Xavier, because I think this is mainly a -

**Eric Campos:** CACIB.

**Jérôme Grivet:** CACIB topic.

**Xavier Musca (CEO, Crédit Agricole Corporate and Investment Bank):** Well, it's very difficult to give precise figures in answering your question. Undoubtedly, the fact that we decide to reduce our exposure to oil and gas producers will have a direct effect on our NBI, that's for sure.

We have made some assessment, but it is very difficult to unveil them here because as Philippe Brassac said, it'll be a case by case basis on which we will decide progressively to reduce these exposures. But undoubtedly, on the medium term, we will expect that on that front we'll reduce our NBI. That's for sure.

But what we are confident on is the fact that we will gain in other dimension for a variety of reasons. The first one is that we see a very strong, steady and constant development of all the other source of energy renewable on which we have a real excellence, and we are very much confident. It has been mentioned by Guillaume Richard a few minutes ago that we are following all our clients in that dimension.

Those clients are indeed - well, first of all, some oil and gas producers, which themselves are investing through project finance. And we are clearly saying today that through project finance we will continue to follow them in this direction. There will be also - and they are also sponsors, all the big infrastructure funds, which are investing massively. You have power company, EDF, EDP. I was yesterday in Portugal with EDP who are also investing massively.

So, we do not consider that what we're announcing today for CACIB, but then I will comment on the other business lines, would on all reduce our capacity to attain our objectives in terms of profitability. We think we are doing a switch from one energy to another source of energy. And we think that it is promising, first of all, because those entering the first and the most forcefully in this business will be the winners and will gain a credibility for the development of new project. And that's our case for the time being.

Second, because there is also a risk dimension. I think that what is illustrative in this respect, what is happening on planes, my colleagues who are here and who are dealing with these issues can tell you that obviously the planes which are the more secure in terms of credit risk are those who are consuming the less, because everyone in the industry is projecting itself in the future in which they will have to have a reduction in CO2 production for aircraft companies.

So by putting ourselves on the rail - sorry to use the word rails, talking about airplanes - on those rails is the best way to secure the value of the asset we are financing. I hope that my answer, which is a bit long, is a convincing one. But on top of that, we are also convinced, and that's the purpose of all the other dimension which has been shown, in other dimension that CACIB, we are convinced that we have in front of us a lot of investment to be financed, both by companies and by others, and by positioning ourselves very strongly and very forcefully on the segment will generate profitability. It supposes, indeed, and that's my last word, that we also make the effort because all of this is not easy. It supposes to recruit new people to enhance our capabilities to be more efficient in our reporting, etc., etc. It will need a lot of work, a lot of business, but at the end of the day, we will make profitable business out of all of that.

**Jérôme Grivet:** Yes, and maybe more globally and in addition to what Xavier just said, it's clear that no one of these projects is whatsoever jeopardising the targets that we have set for 2025. I would say it's precisely the opposite. All these elements are going to generate additional flows of businesses for the different entities of the Group. And clearly this is fuelling our future growth.

**Cécile Mouton:** The micro is coming to you.

**Tarik El Mejjad (Bank of America):** Well, I will start - sorry, I'll start first to thank you for the update. I mean, you promised last year to keep us up to date with the progress, and clearly that was very helpful, and we see really, even when the progress hasn't been significant, you've showed that. So thank you first for that.

Secondly, back on the competition, and I mean I know that all the banks and all the competitors are on the same boat, so to use another analogy for complaints and others, but the - what about the shadow banking and actually the competition that those financing routes that are not actually obliged on the same actually objectives and trends? And how you see the competition from there?

And also maybe, Jérôme, this is for you. I mean, on the green asset ratio, what's the progress there? And I mean, we haven't heard much for the last few months, and maybe you can update us on the progress and outlook there. Thank you.

**Jérôme Grivet:** First point on the shadow banking and what the shadow banking has to do or is not doing whatsoever in this direction. I think it's not our issue. We are dealing with our balance sheet, the balance sheet of the banking activities of the Group, the balance sheet of the insurance activities of the Group, and all the assets that are managed by Amundi. And that's far enough for us. And we are not going to bother whatsoever with the shadow banking sector and their capacity maybe to do things that we do not want to do any longer. This is completely outside our responsibility.

When it comes to the green asset ratio, of course, we are going to continue to publish these figures according to the taxonomy regulation. We clearly think that this regulation is not perfectly accurate, to say the least. So probably the green asset ratio is not going to, I would say, translate very clearly all these efforts that we've presented because the taxonomy is full of, I would say, shortcuts and implementation difficulties.

But please follow much more all the targets that we have set today and all the updates that we are going to provide year-after-year, rather than a ratio which is not taking into account the completeness of our balance sheet. And that is full, again, flaws and shortcuts.

**Jacques-Henri Gaulard (Kepler Cheuvreux):** Thank you very much. Jacques-Henri Gaulard, Kepler Cheuvreux. First of all, it's great because I come from close to Châtelleraut and it's fantastic to see that the local authorities are using [inaudible] actually, very moving for me. Anyway, on the first question, actually, it's completely complementary to what my respective colleagues said. While I was reading your presentation yesterday of last year, which was fantastic. It was spot on. And I was wondering why following up that quickly or the more that, as Danielle said in her presentation, some sectors you had to more or less make estimates on the back of some decarbonisation pathways.

And why did you feel you had to actually update that quickly in a way from a situation that was pretty clear, precise, and very well done last year?

The second question, you mentioned also last year that renewable was competitive. You voiced it, it was complicated. You have revised upwards your ambitions in renewables. So, if you could have a little bit of a view of how the market evolved and what makes you confident you can actually grow renewables faster. And maybe CATE was created so, a few months ago when you think about it, and you seem to have made phenomenal progress. So just to say, versus the budget you have, how you stand simply in terms of some of the advisory fees and everything. I know it's internal but just to have a qualitative view of how you feel about it. Thank you.

**Jérôme Grivet:** Maybe Eric on the methodologies? Why do we update our methodologies so quickly?

**Eric Campos:** Yes, quickly. We have three main reasons to update: methodology, data and perimeter. So - and of course we stated clearly the change, as I mentioned. We will issue a guide in any case, the one that we issued, it was last in May. Okay. So, we will disclose a second book, a white book of climate guidelines from our methodology, so it will be clearly stated. But in any case, perimeter, data and methodology. This for the first question.

The second was renewable, maybe Guillaume? The business you mentioned -

**Jérôme Grivet:** And maybe while Guillaume is waiting for the mic, just another element, which is that we are going to update regularly on the achievements on all these trajectories whatsoever. So, if we need to assess a change of methodology, we will do so. But even without any change in methodology, we think that we owe you a regular update on the achievements that we are going to realise.

**Eric Campos:** On a yearly basis.

**Guillaume Richard:** So, on renewables, first, we are investing in our teams with the support of our shareholders. So, you have heard Crédit Agricole is investing in Crédit Agricole Transitions & Énergies.

On the CACIB front, we have additional headcount as well that we are hiring to essentially deploy the additional volumes that we have committed to. But being more practical we have a few areas of growth. We - geographically, we focus on Europe, of course, and there are very



significant investment in the main Western Europe countries. But you have seen that we have increased our effort in offshore wind.

So, you saw our offers financing in Poland, but we've also done the same in South Korea. We are monitoring key markets in Asia, that there's Taiwan, which continue its development, but there's also Japan which will unveil the results of the round two tenders very soon. So that's a key area of growth for us. We have in - we're using our engineers, in-house engineers within CASA ECO team on that. So that's a significant area of growth on that front.

If I stay at the asset level, we are increasing our investment in the US as well on the back of the Inflation Reduction Act in the last quarter. And heading into early next year, we would probably have had 15 credit committees on transactions in the US. So we are seeing the volumes increase significantly over there. So that's - and you heard the commitment in France. We clearly want to remain the leader on that. So that's on the asset side, I would say.

But also on the corporate side, we are onboarding new clients, existing one in the sector, but also new ones, either subsidiaries of oil and gas majors, but also, as Xavier mentioned, subsidiaries of - or companies set up by financial investors, which are investing billions into the space. And we have set up a very specific strategy with a risk parameter and an envelope for what we call new energy clients, but which is a buzzword to say renewable developers, frankly.

**Pierre Chédeville (CM-CIC):** Yes, thank you. Pierre Chédeville from CIC. I have five questions, but I had - as I don't want to be too emissive by speaking too much, I stick to three.

First of all, we are all convinced by the switch of oil and gas energy to renewables. But it's a question of time. And I was wondering about bio policy regarding oil and gas, you contribute not to produce energy. And I was wondering if by financing renewables, you were contributing to produce the same amount of energy in the same time? Because if not, and if we assume that, worldwide speaking, we need a constant amount of energy and probably more an increase of global energy, then you are contributing to a recession scheme, in my view. First point.

The second point is regarding the concept that I think Mr. Brassac likes a lot is about retailisation of the transition - energy transition. And I was wondering why like you do, for instance, in insurance or other products, you don't talk about equipment rate of your clients in terms of, I would say, low carbon transition products, for instance, for real estate for individuals. Why you want to say we want to equip 10%, 20% of our clients with our green finance? I launched the idea, but I was wondering. Because I was thinking about your triangle, rectangle organic growth strategy. And I don't want what - you do not involve equipment rate on that stuff.

My third question, and that would be my last for now, is about aviation. If we consider that, as you say, this is a sector that - which growth is 3% per year, and you are targeting a decrease of 25% of your outstanding. If I understand well, you are okay to lose your leading position on this sector, and what would be the impact of not being the leader on aviation? Because to be the leader brings you the best clients because you're recognised as a leader.

But if you apply your policy within five years, will not be anymore the leader. So, what is your view on that? Thank you.

**Eric Campos:** So, we have three questions? One was the recession increase of electrification. So does move to the second? Now the third, we expect an increase of 30% of electrification usage, at least in France, for the rest of the world I don't really know, but for France is plus 30%, the market is moving in that direction.

So green products, it could be a good idea. I don't know how we can manage it, but it could be a good idea to - in terms of equipment rate to move from natural equipment to green. But okay, we got the point. And the third, maybe -

**Jérôme Grivet:** Aviation, I think that José is -

**Eric Campos:** Huge specialist, a worldwide specialist.

**Jérôme Grivet:** Ready to answer.

**José Abramovici (Managing Director, Global Head of Aviation & Rail Finance):** Thank you very much for your question. I would have been disappointed if there was no question on aviation. So just one thing. The minus 25% is not in our outstanding. This is minus 25% in intensity expressed in term of gram of CO2 per RTK. So, we do not intend to reduce the book.

As far as the growth is concerned, yes, we have assumed 3%. We think it's credible. But just to remind that before the COVID crisis, since 1990 to pre-COVID, the growth was 5%. So already we have factored, of course, a reduction of traffic. There will be less business flights. There will be a switch from - in certain countries, for example, Europe, from the flight to rail. Even my elder son does not fly anymore. He's taking the trains.

As far as the leadership of CACIB in aviation is concerned, what I can say is for this year, 2023, not only we were ranking number one by Airline Economics, so we are still number one. But the new thing was that we were also awarded the Most Sustainable Aviation Bank in the World. So, I think it's a good achievement. And maybe we have rendez-vous early next year because there will be another session of vote, and we are trying to keep our ranking, so not to disappoint you.

**Eric Campos:** Thank you, José. Thank you.

**José Abramovici:** I just want to say something as well. We are targeting - I mean, our roadmap is, I feel very solid. It's been working. We've been working for more than 18 months with five other banks, and you know Rocky Mountain Institute. We have demonstrated that we could really focus on new technology aircraft. We had 33% of the book in 2019. We have met this year, 58, and we have all altogether with my teams model the future production. And I am super confident that we'll reach the 90%.

And financing new technology has a lot of advantages. If you want to syndicate, and the bank has a clear strategy of distribution, it's much easier to syndicate brand new technology aircraft than a midlife aircraft. So, we'll be able to rotate the portfolio much faster. Also on new aircraft, we have a lot of added value products. There is a product that I don't want to enter into details, but Japanese operating lease, for example, which earn us fees. And we have done a lot for first class airline this year. This brings fees as well.

So, I am confident. And anyway, Danielle Baron, my boss, has fixed the budget for next year, which I cannot miss. So, we have to comply.

**Flora Bocahut (Jefferies):** Flora Bocahut from Jefferies. I'd like to talk about capital and regulation as far as climate risk is concerned, with the first question being, do you feel there is enhanced scrutiny from the regulators also on the climate risk? I guess you must have looked at the methodology that is being used by the regulators to assess environmental risks on the loan books at banks. Did you see differences in the way they look at it and the way you analysed and presented it today?

And then we talked about the revenue impact, but not about the capital impact of better managing the environmental risk in your books. Would you say this could also help in terms of future capital requirements or average risk weighted assets?

**Jérôme Grivet:** It's clear that the supervisor is having a growing look on all these issues. It's focusing on climate risks a lot, but also on all these elements that are going to lead us to really embed our strategies into our actions. So, it's clear that what we are doing now and what we are announcing now is going in the direction that the supervisor wants us to follow.

But this is also an area in which sometimes when we are, I would say, on the ground, we are much more efficient and we are a little bit ahead of the curve as compared to the different regulation I was mentioning earlier, the taxonomy, which is probably a little bit unrealistic to a certain extent. And so, clearly, it's not given that we are going to be permanently exactly where the supervisor wants us to be.

But we are following our path and we hope that we are going to convince all the stakeholders that this is the right direction in which we go.

When we - when it comes to capital intensity in RWAs, it's the same issue. We are calculating our risk-weighted assets with different models. In those models we include all the elements related to risks with the most accurate and the most, I would say, updated regard that we can put on that. So, of course, climate risks are going to grow in the computation of RWA.

So, definitely what we're doing here is also going certainly, and I'm not able to give you precise calculation, but certainly it goes also in into the right direction in terms of monitoring our RWA consumption.

**Sam Moran Smyth (Barclays):** Thank you. Sam Moran Smyth from Barclays. So, two questions. Firstly, to what extent do you consider your peers' published targets when devising your own and kind of benchmarking yourself against those? And then second question is a follow up to Jacques-Henri's question. So just on, to the extent that you're using some proxies and you're hoping now to start reporting quarterly in the kind of ratios and numbers that you're reporting, should we expect some level of volatility or restatement as new data becomes available to you? Or do you think those data sets are now or solid and something that you can keep reporting and we can track the trajectory of? Thank you.

**Eric Campos:** So, sorry, the first question was –

**Jérôme Grivet:** Benchmarking and how do we compare with peers? So, I think we can say Eric, under your control, that what we are presenting today in addition to what we've presented last year, represent a very comprehensive set of trajectories. And I don't have in

mind many peers that have been so precise, and so widely covering their balance sheet with these trajectories. But maybe Eric, you can complement.

**Eric Campos:** Yes. First you have to compare intensity and absolute emission on oil and gas, for instance, we disclose on absolute emission, and this is quite particular to Crédit Agricole to disclose that way.

Second, we have disclosed 10 sectors. I think that we are quite away from the competition on that perimeter. And then it depends. Yeah. Yes. I forgot. Sorry, no - sorry.

And then it depends on the competition you benchmark. Of course, if we compare with the French banks, we are - I mean, in the same spirit, let's say. But I think in terms of sectors we are far away. In terms of absolute emissions, we are alone. And then, it depends. From retail side, we're the first disclosing agriculture in France and with [residential] real estate as well.

So I think that for the competition side, we're well placed.

**Xavier Musca:** If you allow me to complement. I think that the - your - very often our competitors are presenting the areas in which they are reducing the exposure. I think that today what we have tried to show is that obviously we're doing that, but we don't start from that. We start from first our willingness to develop the new energies, and we take commitments very precise on that.

Second, we show the way we will follow very closely all our commitments on both sides, reduction and increase. And third, I think also that the originality of what we are doing is, as it was said, the fact it is comprehensive. It's not just CACIB, which say, I will finance less oil and gas producers. It's the whole institution, the retail banks, the consumer finance, the leasing and factoring, etc., etc. The whole bank, which is committed in the same direction. And I don't see for other banks such an encompassing, so broad, so comprehensive commitments for the whole institutions.

And we have created a new business line in our - well, in our institution, which is transition and territories, which highlight this willingness of the whole institution to go in this direction.

**Eric Campos:** In terms of volatility, it was the second question. Yes, of course, PCAF has a kind of volatility depending on the value of the company. You have maybe this in mind. So, we try to improve the data, improve the methodology to decrease this risk of volatility. But of course, there is one volatility risk for sure.

**Sam Moran Smyth:** Thank you.

**Delphine Lee (JP Morgan):** Good afternoon. Delphine Lee from JP Morgan. Just two questions. My first one is on commercial real estate, which has been a little bit more of a focus for the market, given the - well the challenges that that sector specifically is facing and also the - maybe the more limited financing from banks. Any concerns around asset quality on the sector?

And the second question is on renewable energies. I mean, so the Nordic - some of the Nordic banks have been highlighting some asset quality issue and credit risk from some of those new companies. Are you seeing anything or on your portfolio, which is growing relatively rapidly? Thank you.

**Jérôme Grivet:** I think that Mikaël Prébet from the risk department is here, and as your questions are addressing risks issues, maybe Mikaël, if you want to say a few words.

**Mikaël Prébet (Group Head of Environmental Risk Management, Crédit Agricole S.A.):** Well, we are obviously monitoring this risk on commercial real estate. And I would say the many issues are not coming from - primarily from I would say climate issues. So, it's another story, and I'm not sure it's something we have to develop here in this climate workshop.

On the renewable energies, of course, it's something maybe CACIB can comment. But as we are talking about new type of assets, we may face some assets which are not mature enough, and we may have some, I would say, not enough long story to have an assessment of the risk.

So obviously it's something which is closely monitored. We have expertise in CACIB and in risk department to assess these risks. So, we are pretty much confident on that. I don't know, Danielle, if you want to maybe elaborate a little bit more on these aspects.

**Franck Genet (Global Head of Real Estate & Lodging, Crédit Agricole CIB):** Bonjour, Franck Genet, Global Head of Real Estate. So - okay, so yes, commercial real estate is going under headwinds, that's for sure. But what we can say is the green assets are the ones which are performing the best. There is a premium today for green asset, and there is a discount for brown asset.

So having said that, at CACIB, we have focused for the past three years on increasing the share of our book related to green assets. And as of today, we are at 60% of the book, which is green, or which is improving substantially over the next few years. This 60% obviously will increase over time in order to achieve the best and the commitment of the bank in that respect.

**Jérôme Grivet:** Thank you. Maybe Danielle, on the risks embedded in new technologies and green energy producers.

**Danielle Baron:** Yeah. So, I think one thing I just want to emphasise is that the majority of the energy transition is going to happen with proven technologies. And I think sometimes we lose sight of that because we read about things that are new and they're exciting and they're important and they're necessary. But I maintain that the biggest risks are the old-fashioned risks, like market risk, right?

So, if people are losing money in renewables, they're going to lose it because they've done a merchant scheme, assuming that a power price in the market is available for them at a certain price, and it doesn't deliver. It's not the actual turbine or the solar panel that creates your problem. It's your assumptions on the underlying market risk.

So, the transformation of the electricity sector and the electrification of the planet moving us from where we are today, like 20% of electricity for all energy needs moving to something like 50%, that transformation is going to happen mostly with proven technologies.

So, from a risk perspective, we have to be very careful about market risk. And we've always been very careful about market risk, and I know that our risk department will continue to challenge us on that as they should. But I'm not pessimistic from a technological perspective, at least for the majority of things.

Now, there will be new technologies that we also have to invest in, right? So, hydrogen, green hydrogen, for example. Electrolysers have also existed for a very long period of time. The issue isn't really the underlying electrolyser. The issue is building these projects at scale, which definitely bring a whole new set of risks. But so do refineries, which are huge and complex, and we've managed in the past to do huge ungodly fossil fuel deals that are very complex. And we eventually figured out the technology or the size of the complexity of the technology, and I think the same will happen for things like hydrogen.

So, I think we have to be cautious on the very new stuff. I think we need not overly focus on the technology, on the established technologies. And as ever, we need to be mindful of the old-fashioned risks, market risk really, mostly.

**Jérôme Grivet:** Thank you, Danielle. Any other question? You have your last two questions?

**Cécile Mouton:** No, we have some questions coming from the chat.

**Jérôme Grivet:** Pierre?

**Cécile Mouton:** Pierre, sorry. Mic is coming.

**Pierre Chédeville:** Thank you. Yes, I have one question regarding credit consuming - consumer business ex automotive, because we all know that crazy consuming behaviour is contributing a lot to the deterioration of the planet. And I was wondering what was your policy regarding your credit consumer business, because you didn't talk about that today. For instance, do you make promotion for Black Friday with Sofinco or things like that, which will be a little bit contradict - in contradiction with your message on Earth.

And my second question is - so have you changed, or do you have any policy regarding that aspect of the question of the transition? And my second question is about the performance of ESG products. This year, it seems - I'm not talking specifically about Amundi because I don't know exactly the performance of Amundi, performance regarding these products. But, generally speaking, 2023 was not a good year for ESG products, and I was wondering if you feel in your customer base of this product, any reticence regarding this product that did not perform very well or raised any questions? Thank you.

**Jérôme Grivet:** On the consumer credit side, maybe I'll hand the floor to - yes, Richard Bouligny is here. But it's outside the car leasing business, Richard.

**Richard Bouligny (Crédit Agricole Consumer Finance):** Yeah, I'm the car guy of the Group. So, for your - in order to answer to your question, no, Black Friday for Sofinco, no specific issue on that. The main activity of CACF today is car financing, and we're supportive the commercial aspect of our partner.

In order to answer to your question, maybe we can give a look to the list of the 10 best electric vehicle, best sellers in the world. And we're partner of half of this top 10. The first one is Tesla in the world. And for example, we are a pan-European partner of Tesla in the 10 main major car markets in Europe. So, no Black Friday, sorry.

**Xavier Musca:** Maybe also to answer your question, I have no detailed, precise answer to that. But first of all, we are following what our partners are doing, and more and more those partners in the retail are integrating this dimension. So, we are not - we, the banks, those

who order the retail network, etc., etc., to green what they're selling. We are trying to follow the paths on which they are. And I can tell you some of them are entering into this direction.

And I would just like to keep - to give you one example, not on the consumer side, but on leasing and factoring. We have acquired a few years ago, Olinn, which is a company which finance not only cars, but also telephones, IT devices, etc., etc., for SMEs. And this company, which is interesting, is that they finance it through locations, through leasing, but when at the end of the life of the product, they take back the product, they revamp it and they sell it again. So, it's second use products which are reused for other SMEs, etc., etc.

So, we are integrating more and more circular economy in these processes, and I'm convinced that that's a start of a process. It will continue.

**Jérôme Grivet:** Thank you, Xavier. I think there is someone from Amundi, Elodie Laugel is...

**Elodie Laugel (Chief Responsible Investment Officer, Amundi):** Hello. I'm Elodie Laugel indeed from Amundi, the ESG department. On performance, I can answer on the performance of ESG product. ESG product as any type of investment is submitted to cycle. So, from that perspective, you are right. We had, I would say talking generally about ESG, good years, like '20 and '21. '22 was generally speaking, very bad years. And '23 honestly is far more mixed in terms of, I would say, generalist outcome.

What is very true is that when you enter into an ESG product, you embark sector bias and not having energy sector as part of 2022 was impacting the performance, which is not the case really this year. And so, you have geographical bias, you have sector bias that impact your performance. Ultimately, it's really cycle that we have to manage. And the range of ESG product is so wide. On top of that, there are so many ways to be ESG, more or less climate oriented, more or less generalist.

I think for us, what is very key is to make sure that the product suitability is well done, that when a product - I mean, ESG is not a *martingale*, it's not a free lunch. There are cycles. And what we really need to make sure is that when a ESG product is proposed to a client, it fits ESG preferences of the client, which are very wide and diverse as well. So, this matching is very critical in this context.

**Jérôme Grivet:** Thank you very much. I think Cécile, we can now switch to the questions that were asked on the chat.

**Cécile Mouton:** Okay. So, we have three questions, and the first one is about methodology and SBTi. Last year, Crédit Agricole mentioned that it has submitted its climate targets for SBTi approval. Is there any update on it?

**Eric Campos:** Yes. So, we have - I mean we start discussing with SBTi, it was last year in October 2022. You may know that the new methodologies under consultation for some sectors, for instance, oil and gas. They're working on oil and gas methodology. And they ask us to be part of the pilot working with methodology, SBTi. So, we keep on discussing with SBTi.

And of course, due to that, I think that some of trajectory - validation trajectory by SBTi will be delayed probably in 2024 according to the latest news that we have. And we have discussed with SBTi head, it was, if I remember well in October last - end of October. So, I think that in any case, we keep on working with SBTi.

**Jérôme Grivet:** Thank you.

**Cécile Mouton:** Okay, second question is about agriculture. And so, regarding the agriculture sector, Crédit Agricole mentioned three transition funds with total of €1 billion to finance the transition strategy within the sector. What are the priorities in the funds? This is the first question. And what policies is Crédit Agricole enacting to attract and incentivise such transition financing?

**Jérôme Grivet:** Jean-Christophe?

**Jean-Christophe Roubin:** So, I would like to sum up in two minutes. First of all, we would like to anticipate all the question of taxonomy because there is no taxonomy about agri/agro sector in Europe. So, it's the first thing.

Second thing, we would like to accompany all the customers from the farm to the fork. So, it's very important to have some new tools in order to help the transitions, because we have a real shift in the agri/agro sectors today. So, we need some tools. So, we define a common thesis for all the funds based on five axis and 15 measures, for example, to preserve soils and biodiversity, but it's also for all the industry to reduce plastic in the food sector.

So, I think it's a very innovative tool, the first time in Europe that we developed such a product. So, we are very proud about it, and we have a lot of customers and a lot of enterprise interested in, companies, SMEs, large caps, mid-caps interested by these new tools.

We implement also some KPIs on it. So, if you don't respect the KPIs fixed in the contract, you have some penalties. So, we help all the agri/agro sectors to evolve in a new way for the transitions.

**Jérôme Grivet:** Thank you, Jean-Christophe. And the last one.

**Cécile Mouton:** And last question is about residential real estate. So, the question is, when we consider the mobilisation of all stakeholders in the residential real estate sector, how much of this effort is really in Crédit Agricole's control, and how much is really dependent upon public policy incentives? Can Crédit Agricole really differentiate its emission footprint versus peers in a meaningful way?

**Eric Campos:** So, it's a difficult question. Well, we can say first that residential real estate, of course, it's a big challenge in the national low-carbon strategy. It's above 20% of the challenge. Second, that we have worked a lot on that way, and you have to know that there is a clear inequality between the different territories of France.

On the north of France, the average footprint emission per square meter above 30 kilo rather than - I mean - and you have a look on the south could be about 15. So - and the target in 2030 is a CRREM scenario, 12.4. So, it means that even without Crédit Agricole, the challenges for different regions of France are totally - and quite different, heterogeneous.

So of course, we tried to estimate what kind of lever Crédit Agricole could move alone, but at the end of the day, we decided not to be committed on one target because it's impossible for one actor in this full sector to be committed on one target. We depend on each other.



The first - of course, the first actor that have to be convinced is the owner of the flat. This is the first actor, because we cannot convince if the client doesn't choose to start renovating the house. So first.

Second, all the workers working on the value chain has to be enough in terms of methodology expertise and so on and so forth. Then, of course, the public sector. And the banking is at the end of the day, the one who can be part of this renovating process. So unfortunately, we are all dependent of each other in this particular sector.

**Xavier Musca:** If you allow me to complement, I think that obviously it is not us. We will resolve all this problem. I think that our role is slightly different. The problem that households are confronted with is very often the complexity of the system. So, what we should try to do, and we're trying to do that with some offers like *J'écorénove mon logement*, is to, I would say, liaise all these actors to help the customers find the right solution. And that's - our problem is not that the household with this client from Crédit Agricole would have a house which is better isolated than the one of BNPP - it's to bring to our clients a complete service, which is the way to differentiate ourselves.

**Eric Campos:** I think that we're now done with the questions. And maybe before thanking you for attending this dedicated workshop, maybe Philippe Brassac has a few words to tell us as a conclusion - global conclusion to this meeting.

**Philippe Brassac:** Well, to be transparent, shame on me. I didn't prepare any conclusion for this meeting because I was not said to be present at the end of this meeting. But fortunately, I could, and it was very interesting for me to listen to the questions, to the answers too, and I would like, if I can, give you a takeaway message after all these questions.

I would like to emphasise the fact that the matter is not to give up activities and then looking at new activities to offset, notably within our P&L, different revenues. The matter is simply to accompany the transition of the society. And this is an ongoing process. The matter is really to be the best competitor in accompanying the societal challenges that societies have to face and that they will succeed to face probably, and with hope on this point.

I think that there is a kind of optical effect due to some statement as net zero. Net-zero means simply decreasing. This is not the matter. The matter is to be on the solution. Really, this society is really speaking too much about the problem, not enough investing on the solution, and solutions are existing. So, we wanted to prove that we are really on track. We shall be best-in-class in this new kind of competition to accompany the society.

And let you remind that my main announcement is not to give up something, it's to triple financing on the solution to be best-in-class once again.

Let me on a more general point of view and a strategical point of view point the fact that on the very long term for Crédit Agricole Group, and when I say very long term, it's - that means always challenging our business and accompanying societies in shifts was always successful for us. When our predecessors decided to accompany the development of agriculture, when our predecessors decided to help equipment for modest households in the 50s or 60s, when our predecessors decided to help ownership for housing in the 80s.

I mean, all these kinds of challenges was necessary and useful for society and was really nice gap for us to be stronger, both on commercial point of view and on financial point of view. I

think that we - perhaps we didn't show how much this is a matter of management. When we say that we must invest much more on the renewables, that means that - you are professionals - you know that we are under constraints, constraints of RWA, constraints of liquidity, constraints of staff, and expertise on staff. That means that we are shifting towards the future, not giving up the past time. We are investing toward the future.

And I would like to remind that this is a very important workshop, but we could, and we should probably make all the workshop on the other challenges of society for 2030, about the shift for agri and agro processes, not only for carbonised matter, but to protect environment, because we know that the matter is not to produce less, to produce better and to protect environment, but to produce more and better. This is another challenge we have pointed in our medium-term plan.

The third one is about health solution. We know that they are not sufficient for aging population in Europe. So, this is not the matter of this workshop, but we decide in Crédit Agricole Santé & Territoires to invest a lot toward this future for accompanying this needs of society, and same thing for a higher level of inclusiveness in society. And notably by developing all kind of entry offers for everybody in our range of offers, notably with offers like EKO.

I mean, there are many, many things in terms of challenges for 2030. And this workshop, it is just the workshop on about, are we on track for the matter of energy transition? And my conviction, of course, I'm optimistic, but probably not only because I'm responsible of Crédit Agricole Group, because I try to analyse that.

I think that not only we're on track, but we are really professional about this. And I would like you to remind that this was not a way to report how much we comply with constraints, but how much we develop for the future on business, on usefulness for society and development for our activities.

So last point, I think that COP28 was really something very special because we could think that and things could be slower and slower on the future. Now we know there will be a great acceleration towards solutions of the future. So not only we are on the good track but we are able to accelerate and I'm very optimistic on this point.

So, this is my main conclusion. Thank you so much for being present. Thank you so much for your questions. And once again, I would like to thank all the presenters and all the workers of this workshop, for this workshop about development of Crédit Agricole Group. Thank you so much.

[END OF TRANSCRIPT]