

PRESENTATION OF THE CSR SECTOR POLICY

Nuclear plants and fuel cycle facilities

Preamble: this summary presentation of the sector policy is not intended to replace the official text of the Policy as presented on CACIB website:

[CSR Sector Policy – Nuclear plants and fuel cycle facilities](#)

SCOPE OF THE POLICY:

The present policy applies to all forms of involvement of the Bank in the nuclear plants and fuel cycle facilities sector and excludes any mining operations, and research, medical, food and military nuclear activities.

ISSUES:

Nuclear energy is usually regarded as the only source of energy that is both not intermittent, low carbon, widely available and economically competitive. It is therefore likely to play an important role in the energy mix of a country. There is however a number of issues associated with nuclear energy (safety, waste management...) which require specific attention and result in a number of States willing to limit the share of nuclear energy in their energy mix. Rules related to nuclear safety definitively constitute one of the key issues of the sector.

A set of principles and standards has been developed by the International Atomic Energy Agency and is a useful reference frame. The role of States nevertheless remains fundamental in the regulation of this activity. In particular, national safety agencies play a major role in order to ensure that the necessary safety conditions are applied when a civil nuclear program is developed. The existence of an appropriate regulatory frame and the establishment of a skilled safety agency are thus two key elements of a country's capacity to accommodate a nuclear project.

The choice of the technology, the specific characteristics of the project (including its location) and the experience of the operators are other important issues. Only a few OECD countries have a first-rate expertise, a national safety agency that meets best practice and usually a well-developed nuclear industrial sector. They are at the forefront of taking into account the lessons of nuclear accidents by continuously maintaining an up-to-date safety level for existing operations and by researching and developing technologies which enable to reach the highest possible level of safety (in particular third-generation reactors). These countries may be regarded as reference countries in order to assess whether a given existing or new technology is acceptable.

REFERENCE FRAME:

In this sector, funding and investments are analyzed considering the identified issues and the works and standards emanating from the main conventions and initiatives of the sector (including the International Atomic Energy Agency (IAEA), the Non Proliferation Treaty, and the standards of the World Bank group and the numerous specialized international agreements).

ANALYSIS CRITERIA:

Nuclear projects are analyzed according to 4 dimensions:

- The technology used and the technical characteristics of the project (from IAEA's standards);
- The capability of the host country to monitor a nuclear project, notably through the nuclear experience of the country, the ability of its safety authority to perform its tasks, the level of international cooperation and whether appropriate measures are in place in relation to decommissioning and waste management;
- The capability of the operator to operate the nuclear project beyond all financial aspects;
- The environmental and social impacts.

EXCLUSION CASES:

The Bank will not participate in the financing of any project if aware of the following characteristics:

- The host country is not member of the International Atomic Energy Agency;
- The host country has not ratified the main conventions on nuclear activities;
- The national safety agency of the host country has not the statutory power to issue authorizations and to conduct examinations that can lead to sanctions;
- The technology used wouldn't be accepted in a reference country;
- The nuclear operator is inexperienced;
- An adequate program for periodic measurement of radioactivity inside and around the facility is not in place;
- The project has a critical impact on a protected area or on wetlands of international importance covered by the Ramsar Convention;
- The project is located within a site listed on the UNESCO World Heritage list.

These exclusions are adding up to cases where the Bank wouldn't receive, in its opinion, a satisfactory answer about the standards of the technology, the insufficiency of audit missions by the IAEA of the operator and/or the safety authority, or the non-compliance with the IFC's Performance Standards or Environmental, Health and Safety Guidelines.

IMPLEMENTATION:

When the transaction is directly linked to the construction of a nuclear plant, the project is assessed against all the analysis criteria above. When the transaction is directly linked to the refinancing or the operation of an existing asset, the project is assessed according to the same analysis and exclusion criteria with the exception of the criteria related to the construction of new projects.

When the transaction is not directly linked to a project but the client has a significant activity in this sector, the Bank expects the client to develop a policy consistent with the principles set out above. The Bank will in particular take into account the proportion of the client's controversial activities, the possibilities of evolution and may, if appropriate, limit its interventions to particular transactions (financings dedicated to specific investments for example).

Transactions that present uncertainty with respect to compliance with the Policy shall be referred to the CERES committee (ad hoc Evaluation Committee for transactions involving an Environmental or Social Risk) for recommendation, before a final arbitration by the General management of Crédit Agricole CIB.

This Policy falls within the implementation of the CSR Policy of "Crédit Agricole CIB, a useful and responsible Corporate and Investment Bank".