

# Crédit Agricole CIB,

A useful and responsible

Corporate and Investment Bank

## CSR Policy

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**CRÉDIT AGRICOLE**  
CORPORATE & INVESTMENT BANK

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Corporate and Investment Bank



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## 1. Our approach

Crédit Agricole CIB's social, societal and environmental approach is fully part of the Crédit Agricole S.A. Group's CSR policy, which has 3 ambitions:

- To support territories in their sustainable growth challenges,
- To seek excellence in the relations with our clients, our staff and in the way we operate,
- To control all risks, including non-financial risks.

Crédit Agricole CIB is resolutely focused on financing the real economy and considers its CSR as a source of value creation.

The principles, policies and implementation procedures presented below were approved at the highest level of the Bank (Board of directors, General management, Executive Committee or Strategy Committee) or are formalised by Governance documents whose application is mandatory. The main part of our reporting is included in the reference document that is audited by our statutory auditors.

### 1.1. Clearly identified priority challenges

In serving the real economy Crédit Agricole CIB supports very many clients and projects that durably energise their territories, on all continents and in all sectors of activity.

Given our levers of action and characteristics, we are determined to play a particularly significant role in fighting climate change. We also believe we can indirectly help with sustainable development goals, in preserving biodiversity and in respecting human rights.

Even if Crédit Agricole CIB endeavours, more generally, to contribute on its own scale and according to its characteristics to reach the 17 sustainable development goals of the United Nations, our priorities are defined by the following global social challenges: fighting against global warming, preserving biodiversity and respecting human rights. Crédit Agricole S.A has defined them as key priority challenges. We analysed how our stakeholders view these challenges for the Corporate and Investment Bank (CIB) in order to better define Crédit Agricole CIB's priorities of action. This revealed that innovating in the client relationship, federating our peers to foster good practices and the internal appropriation of our CSR policy were particularly significant issues for the CIB.

The positive and negative environmental and social impacts indirectly created by the Bank's activity are far greater than its direct footprint. This is why taking these indirect impacts into account is one of Crédit Agricole CIB's main sustainable development challenges. Our action aims to increase the positive impacts and to reduce the negative impacts linked to our financings and investments.

Our main lever of action is our financing and investment policy, even though we remain active with more direct initiatives towards our staff and other stakeholders.

We have therefore set ourselves ambitious goals in terms of financing the energy transition and defined CSR policies linked to the assessment and management of environmental and social risks linked to our activity and that define our rules of intervention.





In all circumstances we want to reconcile a useful and loyal support to our clients with our regulatory obligations, a reasonable approach of the direct and indirect environmental and social impacts of our business and a responsible behaviour towards our staff and other stakeholders. These policies comply with the commitments taken towards other international institutions whose values we share and which can be consulted on our internet site, in an effort to be completely transparent with all our stakeholders.

[Link to Our good practice guide : our principles to build the future](#)

## **1.2. Strong societal commitments**

### **1.2.1. Fighting climate change**

#### **Challenges for the Bank:**

There is a scientific consensus defined by the Intergovernmental Panel on Climate Change (IPCC) concerning the existence of global warming, its human origins and the levels at which greenhouse gases must be contained in order to maintain the consequences of climate change within acceptable limits. One of the major difficulties lies in the extremely different levels of greenhouse gas emissions per person or GDP unit according to each country, and the legitimate growth ambitions of very populated regions.

International negotiations are taking place within the United Nations Framework Convention on Climate Change (UNFCCC), on the differentiated commitments to reduce greenhouse gas emissions for each country and the mechanisms that must be set up to reach these goals. An important agreement was reached during the 21<sup>st</sup> Conference of the Parties held in Paris in 2015 with the global goal to limit the increase of global temperature below 2°C. This goal requires important reductions of emissions compared to current levels. The individual commitments made by each country in 2015 are only a first step that should limit global warming to around 2.7 to 3°C according to UNFCCC calculations.

It is therefore clear that one of the major 21<sup>st</sup> century challenges for financial players is to finance the development of an increasingly low carbon economy that meets nevertheless the needs of the world population. This transition, necessarily gradual, is nevertheless indispensable and urgent if we want to contain climate disorders within acceptable environmental, social and economic limits.

Climate change also carries risks linked to its consequences on economic activity and population (physical risks), to the mitigation measures to be implemented (transition risks) or to possible legal actions. While these risks concern above all our clients, the Bank must nevertheless assess them.

Finally the Bank must also ensure it improves its direct carbon footprint.

#### **Our Climate Policy:**

Crédit Agricole CIB's climate policy reflects these various challenges.



Concerning the financing of the energy transition, Crédit Agricole CIB:

- Is developing its project financing activities in favour of renewable energies and its green bond structuring. The goal is in particular to structure at least 60 billion USD in new climate financings from December 2015 to the end of 2018,
- Encourages relevant partnerships.

Concerning the management of climate risks, Crédit Agricole CIB has over the last several years launched work to better understand and manage climate risks and intends to pursue them:

- By assessing the carbon footprint linked to its financing and investment portfolio,
- By defining sector policies for the sectors that represent a large portion of this footprint. The goal is to cover 80% of this footprint.
- By gradually introducing an analysis that takes into account the challenges of global warming and a carbon price in analysing credit files. The goal is to identify the most relevant climate risks for the Bank and to define a methodology to evaluate them.

Finally in September 2014, with more than 1 000 private economic players, Crédit Agricole CIB made a public appeal for governments to set up as quickly as possible the conditions required to introduce a carbon price to encourage the energy transition.

Concerning its direct impacts, Crédit Agricole CIB evaluates its global greenhouse gas emissions using an assessment made for its main entities, according to scopes 1, 2 and 3. The Bank's goal is to reduce these impacts through initiatives linked to the management of its buildings and staff travel, and to compensate part of the residual emissions. Initiatives to control the Bank's direct carbon footprint are part of the Group's objective to reduce emissions by 10% over three years.

This policy reflects commitments taken by Crédit Agricole in 2009 through the Climate Principles and is fully part of the 5 **Mainstreaming Climate Action within Financial Institutions Principles** that the Crédit Agricole Group supported as early as October 2015:

- **Committing to Climate Strategies** because the involvement of top leadership is a crucial element of any policy in the fight against global warming.
- **Managing Climate Risks** by evaluating our portfolios and new transactions and working with our clients to better evaluate and manage these risks.
- **Promoting Climate Smart Objectives** by encouraging instruments, tools and knowledge to overcome risks and obstacles that impede investment in low carbon and climate resilient projects.
- **Improving Climate Performance**, in particular by defining operational tools that improve activities' climate performance.
- **Accounting for Climate Activities**, as much as possible to develop financings in favour of the climate, the carbon footprint of portfolios and the management of climate risks.

[Link to Mainstreaming Principles](#)

[Link to Call for carbone pricing](#)



### 1.2.2. Preserving biodiversity

#### Challenges for the Bank:

An Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) was created in 2012 under the aegis of the United Nations on the IPCC model to help political decision-makers.

In the same way as for climate change, international negotiations were conducted within the framework of the Convention on Biological Diversity (CBD), negotiated under the aegis of the United Nations and adopted in Rio de Janeiro in 1992. The CBD is based on three pillars: the conservation of biodiversity, the sustainable use of resources and the fair and equitable sharing of benefits extracted from genetic resources.

While there is now a consensus on the importance of biological diversity for humankind, and on its deterioration because of human activities<sup>1</sup>, progress has not gone as far as for global warming, with the major exception of the mechanisms to access and share these benefits defined by the Nagoya Protocol adopted in 2010.

In spite of the complex nature and slower progress made in this area, the challenges of biodiversity are nevertheless important for a major financial player like Crédit Agricole CIB because of the indirect impact of financings granted.

#### Our Biodiversity Policy:

Out of caution, Crédit Agricole CIB expects its clients to develop their business in compliance with CBD principles and to follow the widely accepted hierarchy of values: avoid negative impacts, contain impacts that can't be avoided, and offset if possible the negative residual impacts.

The Bank will in particular not finance projects or activities requiring the transformation of land with high biodiversity value, that would significantly impact a wetland of international significance covered by the Ramsar convention or that is incompatible with a site listed by Unesco as a World Heritage site.

A specific water policy completes these principles.

[Link to IFC's Performance Standard 6](#)

*Policy on water resources: cf. Appendix*

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<sup>1</sup> According to the Millennium Ecosystem Assessment report launched in 2000 by the UN General Secretary 60% of vital services provided to man by ecosystems are already damaged. It is generally considered that the current rate at which species disappear is 1000 times faster than in a 'natural' situation.



### 1.2.3. Human rights

#### Challenges for the Bank:

Human rights are defined as the natural and fundamental rights of human beings, independently of national, ethnic or legal contexts. They cover fundamental freedoms (physical, family, and religious freedom, freedom to enjoy property rights, freedom of expression), social rights (work, health, education...), and collective rights (development, self-determination...). These rights are universal, inalienable, indivisible and interdependent.

Their implementation might lead to contradictions (social rights vs. freedom in particular), these rights also imply obligations (respecting others, paying taxes...), and their conditions of application are generally specified by international and national rules. In 1948 the United Nations General Assembly adopted a Universal Declaration of Human Rights that covers fundamental freedoms and social rights. In 2007 the General Assembly adopted a specific declaration on the rights of Indigenous Peoples.

The first responsibility to effectively enforce these rights lies with the States. However, in accordance with the clarification brought by the guiding principles adopted in 2011 by the UN's Human Rights Council, called Ruggie Principles, companies must respect these rights, even if there is no local obligation to do so. These principles also restate the need for victims to be able to access judicial or non-judicial remedy, to redress possible abuses.

The OECD's Guidelines for Multinational Enterprises stipulate that companies must conduct reasonable due diligence to "try to prevent and reduce the negative impacts on human rights directly linked to their activities, goods and services because of a business relationship with another entity even if they do not contribute to these impacts". This is a significant challenge for a financial player like Crédit Agricole CIB because of the very many business relationship it has all over the world in every sector of activity.

#### Our Human Rights policy:

Crédit Agricole CIB's policy in terms of human rights is expressed through RESPECT, the Human Rights Charter published in 2009 by the Crédit Agricole Group. The charter states the Group's commitments both towards its staff and in its sphere of influence. In compliance with the principles mentioned above, the Bank makes the commitment to "exercise the due diligence required with its clients, suppliers and service providers in order not to be, directly or indirectly, an involuntary accomplice in human rights violations." A specific policy concerning equality between men and women completes this general charter.

Crédit Agricole CIB expects in particular its business relations, clients or suppliers, to be reasonably vigilant in terms of human rights in the operations they control and regarding their supply chain.





This means in particular, concerning operations owned or controlled by clients, that they comply with the 8 fundamental conventions of the International Labor Organisation, that they collect secure the agreement, if need be, of indigenous peoples impacted, and that they encourage reparation of possible abuses committed in particular through procedures to manage these grievances. These principles are clearly mentioned in the Bank's CSR sector policies and in the Equator Principles concerning project finance (cf. below).

It also includes, concerning clients' and suppliers' supply chains, the need for our business relations to be particularly vigilant to ensure there is no slavery or human trafficking<sup>2</sup>.

[Link to Human Rights Charter](#) (French only)

*Gender policy: cf. Appendix*

### **1.3. Making daily progress**

Aware of the limited influence of an isolated player, however significant, on market practice, Crédit Agricole CIB has decided to work consistently and efficiently to define market standards with its peers. The Crédit Agricole Group thus spearheaded or was in the first circle of institutions that supported and developed important initiatives to encourage good practices (Equator Principles, Climate Principles and Mainstreaming Climate Action within Financial Institutions principles, Green Bonds Principles...).

The CSR sector policies that we develop to manage the social and environmental impacts of our activities complete the measures we have set up to protect our clients' interests defined and supervised by Compliance and implemented by all Crédit Agricole CIB business lines, as well as all the policies defined by the human resources department and the good practices guide developed by Crédit Agricole CIB.

Even though we have already made strong commitments and set up a system that is relatively complete to manage social and environmental risks, we are aware that improvements are possible and convinced that it is necessary to maintain a momentum of continuous progress. This is what the Group's FReD approach is about, initiatives to formalise and launch action plans in the following three pillars: trust (FIDES), respecting people and territories (RESPECT) and preserving the environment (DEMETER).

Crédit Agricole CIB tries to conduct its business according to principles and standards of good practices that are consistent with applicable laws and internationally recognised standards. In particular, the Bank refers to the OECD's Guidelines for Multinational Enterprises and to the Group Charter on human rights. It might nevertheless happen that stakeholders (staff, clients, suppliers, third parties directly impacted or not by the Bank's activity) believe they suffer from negative consequences stemming from the Bank's initiatives that do not comply with these values. In such a situation the Bank will make its best efforts to study the elements that are presented to it and, as the case may be, launch corrective actions.

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<sup>2</sup> Cf. in particular the UK's Modern Slavery Act of 2015 for a precise definition of these terms.



## 2. Our financing and investment policy

Two areas, project finance and green bonds, are of particular importance as potential action levers for banks and are suitable for greater analysis on their part. In these two areas Crédit Agricole CIB has strongly contributed to create standards of good practice with the Equator Principles and the Green Bonds Principles.

In other areas where it is more difficult to standardise practice, Crédit Agricole CIB has adopted CSR sector policies that detail the environmental and social criteria used by the Bank.

### 2.1. The Equator Principles

The Equator Principles are a voluntary commitment to analyse in detail the environmental and social aspects of each new project financing and to require that projects be developed and operated in compliance with the environmental and social standards of the International Finance Corporation (IFC).

Crédit Agricole CIB was the first French bank to adopt these principles when they were launched in 2003. The Equator Principles have become in a few years a reference for responsible finance in project finance.

[Link to Equator Principles](#)

### 2.2. The Green Bond Principles

Green Bonds are bonds exclusively meant to finance projects or assets with an environmental and/or social purpose.

Green Bond Principles create a framework for the use of proceeds, the process for project evaluation and selection, the management of proceeds and the reporting for the issuance of these Green Bonds. They offer investors the availability of the information required to evaluate the environmental impact of their investments.

Crédit Agricole CIB is a co-founder of the Green Bond Principles and the only European bank that took part in drafting them in 2013.

These principles have become a market standard. In 2016 under the leadership of 3 banks, including Crédit Agricole CIB, they were extended to Social Bonds, by drafting Guidance for Issuers of Social Bonds.

[Link to Green Bond Principles](#)



## 2.3 Sector Policies

CSR Sector policies detail the social and environmental criteria taken into account in the Bank's financing policies.

These criteria mainly reflect the societal challenges that were identified as most relevant for a corporate and investment bank, in particular concerning human rights, the fight against climate change and the protection of biodiversity.

Crédit Agricole CIB looked for good practices recognised by international institutions or important professional bodies, and defined analysis and exclusion criteria using these references. The principles and rules defined apply to all Crédit Agricole CIB's financings and investments and will be revised according to the progress of its knowledge and to its assessment of challenges.

For each sector a framework of reference is defined to list the relevant norms and standards to appreciate clients' environmental and social practices compared with the sector's good practices. The policies specify the criteria used to analyse the transactions and the exclusion criteria used to define the projects and transactions the Bank does not wish to support.

Crédit Agricole CIB drafted and published CSR sector policies for sectors in which environmental and social challenges are the strongest.

- Armament ([Armament](#)),
- Energy ([Oil and gas](#), [Shale oil and gas](#), [Coal-fired power plants](#), [Hydroelectric power plants](#), [Nuclear power](#)),
- Mining ([Metals and mining](#)),
- Transportation ([Aviation](#), [Shipping](#), [Automotive](#)),
- Construction ([Transport infrastructure](#), [Real estate](#)),
- Agriculture and forestry ([Forestry and palm oil](#)).

## 3. Implementing our financing policy

### 3.1. A dedicated Sustainable Banking team

In 2010 a Sustainable Banking team was created within Crédit Agricole CIB's commercial division. Its role is to advise the Bank's main clients on their transactions, taking social and environmental considerations into account.

Since 2010, the Sustainable Banking team supports clients' projects with a social or environmental purpose linked to one of Crédit Agricole Group's 4 areas of excellence: agriculture and agro-food, housing, health and ageing, energy and the environment.



The Bank also became an issuer of Green Bonds and developed in particular in 2013 a new product called 'Crédit Agricole CIB Green Notes'. Green Notes are bonds or any other financing tools issued by Crédit Agricole CIB for which the proceeds are dedicated to projects with an environmental purpose.

Crédit Agricole CIB's Green Notes are presented according to 4 axes defined by the Green Bond Principles:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting

### **Use of proceeds**

Funds raised by Crédit Agricole CIB through the issuance of Green Notes support Crédit Agricole CIB's green loan portfolio, which is made of loans granted to companies and projects that demonstrate a very good environmental and social performance and that belong to a key sector in the transition towards an economy that is more respectful of the environment.

### **Process for project evaluation and selection**

The projects and companies are selected according to a rigorous methodology. Each counterparty in Crédit Agricole CIB's portfolio is given an environmental, social and governance (ESG) rating according to its relative performance within its sector of activity with a 'Best in Class' approach. These marks range from A to G, A being the best, G the worst.

These ratings are for instance defined thanks to ESG ratings given by an external independent service provider.

Companies eligible to the green portfolio must:

- Be among the best players in their sector, both in terms of global ESG performance but also more specifically in terms of environmental performance. Only companies with a rating above D on both these criteria are eligible to the green portfolio;
- Belong to a key sector for the transition towards an economy that is more respectful of the environment and the fight against climate change, which means the renewable energy sector (wind, solar or hydro-electricity) and the energy efficiency sector (for instance energy efficient transport and collective transport in particular, low energy consumption buildings or energy-positive buildings, energy efficiency, sustainable agriculture or forestry, water and waste management).



## Management of proceeds

The identification of loans making up the green portfolio and the follow up of their amounts are integrated within Crédit Agricole CIB's IT loan management system and supervised by a dedicated internal team. This team ensures the amounts raised with Crédit Agricole CIB's Green Notes are permanently in line with the amount of the green portfolio. For investors there is therefore an immediate match between the green portfolio and their investments, with prompt disbursement by Crédit Agricole CIB. Crédit Agricole CIB made the commitment that the amount raised with the Green Notes is strictly lower than the amount of the green portfolio managed by Crédit Agricole CIB. If ever the amount raised by the Green Notes is greater than the amount of the portfolio, the difference would be temporarily used for the Bank's general needs.

## Reporting

Crédit Agricole CIB publishes every semester a report on the use of these funds. Given the confidentiality it owes to its clients, the reporting is based on anonymous examples of projects and companies financed, highlighting the best environmental practices of the companies and projects financed. Crédit Agricole CIB's auditors verify that the procedure set up by the Bank is followed and complies with the methodology defined on a yearly basis.

[Link to Sustainable Banking](#)

## 3.2. Evaluation and management system for environmental and social risks

Crédit Agricole CIB has developed a system to evaluate and manage risks stemming from environmental and social impacts linked to transactions and clients, which is codified in a governance text.

The system is based on three pillars : the application of the Equator Principles for transactions directly linked to a project, CSR sector policies, and an analysis of clients' or transactions' environmental and social sensitivity.

### 3.2.1. Implementing as closely as possible to the field

The model developed by Crédit Agricole CIB is based on the daily involvement of all members of staff viewed as sustainable development players within their business line to appreciate and manage direct or indirect social and environmental risks.

The relationship managers and senior bankers are in charge of analysing social and environmental issues linked to their business. They are helped, if necessary, by the Economic Research specialists of Crédit Agricole S.A. (ECO), and by the expertise of the Sustainable Development division which reports to the General Secretary and coordinates Crédit Agricole CIB's sustainable development initiatives.





The gradual generalisation of sustainable development issues in business (extension of the application of the Equator Principles, CSR sector policies, corporate client scoring...) and the central role given to staff in its organisation led the Bank to launch an awareness raising and training campaign for staff. An awareness raising programme for all staff was completed in 2013. In 2014 a mapping of training needs was carried out. The training programmes considered to be a priority were completed in 2015 and their implementation was achieved in 2015. These training programmes deal with the Bank's policies and procedures in these matters.

Relationship managers and senior bankers use the analyses of independent environmental and social experts in cases provided for by procedures. ECO sector specialists provide additional help for all types of clients and transactions according to the sectors of activity.

The most complex transactions from an environmental or social point of view are submitted, in view of obtaining a recommendation, to an ad hoc Evaluation committee for transactions involving an Environmental or Social Risk (CERES), once the file is examined by the Sustainable Development Division.

The CERES committee, chaired by the head of Compliance, acts as the head committee of the evaluation and management system for environmental and social risks linked to the Bank's activity. This committee ratifies in particular the transaction scoring defined by the Equator Principles, issues opinions and recommendations on A-rated transactions or considered sensitive from an environmental or social point of view, and approves CSR sector policies before their approval by the Strategies and Portfolios Committee.

Transactions rated A or sensitive by the CERES committee can only be approved by the Bank's highest credit committee chaired by General Management.

### 3.2.2. Applying the Equator Principles

In line with the general principles presented above, the evaluation and management of environmental and social risks are first conducted by relationship managers. For project finance, relationship managers are assisted by a network of local correspondents who bring the support required in each regional structuring centre, in permanent contact with a coordination team. This team is composed of operational staff from the Project Finance business line, and coordinates in particular the practical aspects linked to the implementation of the Equator Principles. It manages a network of local correspondents and organises specific training sessions for participants.

The Equator Principles were defined to respond to the constraints and action levers of the project finance process as defined by the Basel Committee on banking control. Even if they cannot be transposed as such to other financings, they offer nevertheless a useful methodological framework to take into account and prevent environmental and social impacts when the financing is linked to the construction of a specific industrial asset (plant, transport infrastructure...).



These principles initially only concerned project finance, but since January 1<sup>st</sup> 2014 they apply to 4 kinds of banking activities defined by the Equator Principles Charter:

- Project finance advisory services where total project capital costs are USD 10M or more,
- Project financings with total project capital costs of USD 10M or more,
- Project-Related Corporate Loans (PRCL) including export finance in the form of a buyer credit when 4 conditions are met: the majority of the loan is linked to a single project on which the client has operational control (direct or indirect), the amount of the loan is at least USD100 M, the bank's initial commitment is at least USD 50M and the maturity at least 2 years,
- Bridge loans of less than 2 years that are intended to be refinanced by a project financing or a Project-Related Corporate Loan.

In addition to cases provided for by the Equator Principles Charter, Crédit Agricole CIB wants to enforce these principles on a voluntary basis for all financings directly linked to a project (including the cases in which the thresholds mentioned in the Equator Principles are not reached).

For the Bank the Equator Principles imply a due diligence process and for borrowers the obligation to develop their projects in compliance with the Standards of the International Finance Corporation (IFC).

For the Bank, the first step is to evaluate each project according to the environmental and social risks and impacts using IFC's categorisation system. Crédit Agricole CIB categorises the projects based on a tool to evaluate social and environmental impacts developed by the Bank in 2008. The relevance of this tool is continuously evaluated according to the experience accumulated; the last update was in 2010.

Environmental and social obligations are then written in the loan contracts to ensure the projects are developed and run in compliance with IFC's environmental and social standards. This includes in particular the obligation to consult populations involved, and in certain situations, to obtain their consent.

The CERES committee approves the projects' categorisation and the files rated A require an opinion by this committee before they are presented to the credit committee. After they are signed the CERES committee examines the A-rated financings every semester.

[Link to IFC's projects categorisation system](#)

### 3.2.3. Implementing sector policies

In line with the general principles presented above, the compliance of transactions with CSR sector policies is analysed by the relationship manager with the Sustainable Development division if necessary. If there is a doubt, the case is submitted to the CERES committee, which formulates an opinion before the presentation to the credit committee.

These policies apply to all the Bank's activities, the application depending on the nature of the transactions as defined in the policy texts.



When the transaction is directly linked to the development, extension, operation or acquisition of an asset included in the scope of a policy, the project will be studied according to all the analysis criteria mentioned and the Bank will determine whether an exclusion criterion exists.

For activities involving existing operations, the various analysis criteria will be reviewed *a posteriori*, to reach an overall positive or negative opinion on the project's environmental and social impacts.

When the Bank has an advisory role, it will promote the principles included in the policy. The Bank will thus not accept an advisory role if it is aware of the proven and definite existence of an exclusion criterion and will comply with the sector policy to participate in the financings if there are any, especially concerning compliance with exclusion criteria.

For transactions that are not directly linked to the development, extension, operation, acquisition of a specific asset but that are nevertheless included in the scope of these policies such as, in particular, Corporate activities with clients significantly involved in the sectors concerned, the Bank expects its clients to develop good practices and a behaviour that will limit their environmental and social impacts in line with the policies concerned.

A client's approach will be judged according to the Bank's principles and sector policies during the annual review of its facilities.

#### 3.2.4. Sensitivity analysis

The environmental or social sensitivity of transactions is appraised since 2009 within Crédit Agricole CIB. It reflects the existence of questions on the management of environmental or social impacts judged critical, or the existence of controversies linked to the client's transaction.

The sensitivity analysis is conducted as soon as possible and is updated according to information available during each stage of the file's analysis.

In compliance with the general principles mentioned above, the compliance of transactions with CSR sector policies is analysed by relationship managers with, if necessary, the help of the Sustainable Development division. If there is a doubt, the case is submitted to the CERES committee which issues an opinion before presentation to the credit committee. After signature, financings rated Sensitive are examined every semester by the CERES committee.

#### 3.2.5. Due diligence and CSR client scoring

For transactions directly linked to a project, the quality of the management of environmental and social aspects of the project is evaluated on the basis of information provided by the client. The depth of analysis, generally conducted by independent consultants, depends on each specific context and in particular on the nature and importance of the likely environmental and social impacts.

In other cases, the lack of specific information concerning a project (study of impacts, impacts' management plan) leads to an approach that is more focused on the client. In addition to the analysis of sector policy specific criteria, the quality of the environmental and social management of clients with which the Bank would like to develop a business relationship is appraised to reach a CSR scoring of corporate clients on the following scale: Advanced, Compliant, Sensitive.



In 2016 the Bank tested the use of ratings calculated by an extra-financial agency. These tests allowed a change in the CSR scoring of clients according to three levels of due diligence: a light level, a standard level, and a strengthened level.

A light level is confined to the search for negative information. It involves certain clients in very regulated environments (High Income OECD countries) as long as the rating given by the extra-financial agency is not judged too low.

The standard level involves seeking the client's explicit commitments in terms of environmental and social management (system to manage impacts, reference to ILO standards...).

The strengthened level involves a more detailed analysis of the client's commitments and practices on issues considered very important for the Bank: climate, water and human rights. This strengthened level is triggered according to sector and geographical criteria and to the client's apparent expertise of the issues involved. The client can be rated independently on all three issues.

### 3.2.6. Third party complaints

The most appropriate and efficient way to respond to possible complaints linked to projects financed is to do so for each project. This is why the Bank expects its clients to implement a free, prior and informed consultation process, and that they obtain if necessary, a free, prior and informed consent from indigenous peoples and that they define a procedure to manage complaints at the project level.

The Bank will consider the complaints it receives linked to the transactions in which it is involved, from people directly impacted or from civil society organisations, but its lever of action is often limited and the publication of information on the transaction generally constrained by client confidentiality.

According to the Bank's internal procedures, any mail received from a third party in relation to a transaction must be given immediately to the Sustainable Development division with copies to the commercial relationship manager, to the business line head involved, to the head of communications and to the compliance department.

The Sustainable Development division will study the material received with the help of the business lines concerned and will communicate its conclusions to the CERES committee. The corrective measures that might be considered necessary will generally require support from the Bank's clients. The Bank will interact in good faith with its clients in order to find a solution. In the most extreme cases the Bank might reconsider its commercial relationship.

The Bank will make its best efforts to respond to mail received taking into account confidentiality constraints.



## 4. Protecting clients' interests and following business ethics

Crédit Agricole CIB follows Crédit Agricole Group's Ethical Charter and the values it promotes. Within this framework the Bank applies all the regulatory provisions of the Crédit Agricole Group in terms of market integrity, client protection rules, client needs, loyalty and diligence towards clients.

Each member of staff within the Bank must aim simultaneously to protect the interests of investors, clients, Crédit Agricole CIB's assets and the Group's image. The Group must at all times deserve the trust of its clients and counterparties. Protecting Crédit Agricole CIB's image and reputation relies on the professionalism of its staff and their capacity to act according to the law, regulations and good practices, and according to the best standards in terms of ethics.

Crédit Agricole CIB has also established a Code of Conduct « Our principles to build the future » that define a common base of principles that must guide the behaviour of all our staff and define their relations with internal or external partners.

### 4.1. The primacy of clients' interests

#### 4.1.1. Supervising the sales process

The Bank has a secure process to start a client relationship and to supervise the sale of market products. Clients' protection is based on a complete client classification system, not only in application of the MIFID rules (European Directive on Markets in Financial Instruments adopted on 30/4/2004) applicable in the European Economic Area (increased protection of non-professional clients to whom an investment service is provided), but also worldwide following an internal process called « internal suitability rating ». These measures are part of the sales process to ensure that financial instruments that are proposed to clients are consistent with their needs and their knowledge of risks.

As part of this process the Compliance department issues prior recommendations on transactions considered sensitive and controls *a posteriori* that the advice is followed. Furthermore, Compliance pays particular attention to commercial margins and to the documentation meant to inform clients, while preserving the proper archiving and conservation of underlying data.

#### 4.1.2. Governance linked to the introduction of new products in the Bank's commercial offering

Every new product or activity must be approved by the New Activities and Products Committee (NAP), which analyses the related risks and defines supervisory measures. A presentation to the NAP includes an analysis of CSR aspects and always includes a legal and compliance opinion. These measures also cover aspects linked to the transparency of the documents given to the commercial network and to clients, and their relevance with targeted clients' needs and understanding.





## 4.2. Ethics

### 4.2.1. Preventing market abuse

One of Crédit Agricole CIB's main priorities is its obligation to be vigilant in preventing and detecting market abuse. Preventing and detecting market abuse revolves around three main axes: the training of staff concerned, setting up dedicated measures and procedures, and controls. Crédit Agricole CIB has set up a specific organisation to follow market transactions on a global scale via detection tools that trigger alerts on the basis of selected criteria. They thus allow a control of transactions that might be linked to price manipulation or to a fraudulent use of insider information.

The goals of this whole organisation are to detect suspicious orders or transactions, to qualify alerts and to declare them if necessary to the appropriate regulator.

The entry into force of Market Abuse (Regulation 596/2014) on July 3<sup>rd</sup> 2016 widened the perimeter of market abuse. A surveillance plan and specific training programmes were carried out to meet the new requirements.

### 4.2.2. Preventing conflicts of interest

As a Provider of Investment Services (PIS) and a member of the Crédit Agricole Group, the Bank might be confronted with situations in which the interests of a client might be in conflict with:

- Those of another client, or
- Those of the Bank (or the Crédit Agricole Group), or
- Those of Persons Concerned.

In line with the MIFID Directive, the Bank has established, implemented and kept operational an efficient policy to manage conflicts of interest. The aim of this policy is to:

- Give consistent and practical instructions on the identification of conflicts of interest based on the requirements of the MIFID directive, and on local rules and regulations;
- Present the Bank's internal controls and systems relating to the management of conflicts of interest, and to specify the measures that enable it to protect its clients' interests;
- Ensure that all Persons Concerned are informed of their obligations and responsibilities concerning the handling of confidential and/or insider information.

Furthermore, a dedicated team, the Conflicts Management Group or « CMG » was created within Compliance. This team's mission, whose responsibility covers the whole world, is to identify as early as possible the situations where there is a potential conflict of interest within the Bank, and, with a view of solving these problems, to inform Senior Management.



Finally, the entire Bank's staff must follow a mandatory training programme to be able to identify all situations of conflict of interest that might arise as part of the Bank's activities and services it provides on the one hand, and those that might arise in a personal capacity.

#### 4.2.3. Complying with competition rules

In line with its culture and values, Crédit Agricole CIB has committed to do everything it can to be a loyal competitor, respectful of measures in force. Crédit Agricole CIB has developed procedures to strengthen its compliance with the free competition principle and the compliance of its operations with competition laws in force.

All Crédit Agricole CIB's business lines and support functions must:

- Know the main kinds of anti-competition behaviour that might arise within Crédit Agricole CIB;
- Understand the benefits of free competition that apply in a professional environment;
- Behave in a way that fosters free competition in a professional environment;
- Take all necessary and reasonable measures to ensure compliance with competition laws in all aspects of their job;
- Declare suspicions or shortcomings to competition rules by colleagues, clients, competitors or any other stakeholder that are subject to competition laws.

#### 4.2.4. Preventing fraud and fighting corruption

Crédit Agricole CIB continues to strengthen its organisation to fight internal and external fraud and corruption. Crédit Agricole CIB has in particular taken part in the audit to certify Crédit Agricole Group's arsenal to fight corruption conducted during the first half of 2016 by SGS. This audit was concluded by the certification of the arsenal according to the BS 10500:2011 standard. The correspondents of the fraud prevention steering team within the business lines and support functions are regularly made aware of risk elements. Alert and vigilance messages are sent to all personnel, in particular via Crédit Agricole CIB's intranet. Targeted prevention initiatives are also launched for certain business lines considered sensitive.

#### 4.2.5. Fighting money laundering, terrorism financing and complying with international sanctions

The Group's Compliance department is in charge of implementing for the whole Group a Financial Security arsenal, with measures to prevent money laundering and terrorism financing and to comply with international sanctions.



The Crédit Agricole Group has taken into account the requirements linked to the transposition in internal law of the third European Directive 2005-1960/CE of October 26<sup>th</sup> 2005, concerning the prevention of the use of the financial system for money laundering and terrorism financing. A mapping of risks is carried out and set up for all the Group's business lines, as part of the vigilance measures adapted to the level of identified risks, both when starting a relationship and during the life of a business relationship. Crédit Agricole CIB has continued to adapt and strengthen existing measures by implementing the fourth Directive 2015/849, voted by the European Parliament on May 20<sup>th</sup> 2015.

Therefore, at the start of a business relationship, the due diligence process required concerning the client is the first filter to prevent money laundering. This prevention is based on the knowledge of the client and its beneficial owners, corroborated by information search in specialised databases, and by the knowledge of the envisaged purpose and nature of the business relationship. During the business relationship, an appropriate and proportionate vigilance to identified risks is ensured. IT client profiling tools and tools to detect unusual transactions are used to help Group staff.

The fight against terrorism financing and the measures to ensure international sanctions are followed involve a constant screening of client files, both at the start of and during the course of a business relationship, with the list of sanctions, and by monitoring international transactions.

All staff concerned is regularly trained in the fight against money laundering and in complying with international sanctions.

#### 4.2.6. Code of Conduct

In 2014 the Bank developed a plan of actions to strengthen the Compliance Culture. One of the initiatives was to conduct a review to encourage compliant behaviour by defining a common base of principles to guide the conduct and the relations with internal and external partners. This initiative defined a common base of principles to guide daily staff behaviour and disseminate it through a code of conduct.

This code of conduct has 7 principles:

- Responsibility and integrity;
- Expertise and challenges;
- Cooperation and team spirit;
- Mutual respect;
- Commitment to client service in the long-term;
- Promotion of the Bank's reputation;
- Knowledge and adherence to rules.

### 4.3. Managing dysfunctions and whistleblowing

The whole compliance set up (organisation, procedures, training programmes) aim to encourage ex ante control. However, when preventive measures have not fulfilled their role, and a dysfunction occurs, it is important that this dysfunction is:



- Detected and analysed as quickly as possible;
- Brought to the attention of compliance functions and to the right operational managers within each business line;
- Followed and corrected, and that its causes be eliminated.

The centralisation of dysfunctions by the information process described in the specific governance text, allows the highest levels of management to measure the exposure to non-compliance risk within the Bank. As soon as a member of staff is aware of a dysfunction he or she must inform their superior who informs operational managers and Compliance, Permanent Control and Legal functions.

These measures are completed by a whistleblowing faculty, allowing the member of staff - if he/she is aware of an anomaly in the way a dysfunction is dealt with which he/she thinks stems from a shortcoming or from pressure coming from his/her superior, or if he/she feels he/she is being actively or passively pressured in encouraging him/her to act in a dysfunctional way or to hide a dysfunction, - to alert the compliance manager of his/her entity or, possibly, his/her superior's boss.

#### **4.4. Managing client complaints**

The Bank is permanently trying to strengthen client protection measures by improving its system to follow complaints. These must be systematically registered, communicated to a Complaint Correspondent appointed in each one of the bank's departments. An answer must be provided within 10 days and the complaint dealt with within 2 months.

Clients who are not satisfied with the Bank's response can use an external ombudsman.

*Address of the ombudsman:* [www.lemediateur.fbf.fr](http://www.lemediateur.fbf.fr) (French only)

#### **4.5. Training**

Crédit Agricole S.A.'s Compliance department has developed a training programme covering all compliance issues. This programme is managed by human resources and available to all Crédit Agricole CIB staff.

Simultaneously, this training programme is completed by training focused on target issues and groups that are developed and given by Compliance's sectors of expertise in the form of e-learning and classroom learning. Also, the annual Affirmation Campaign reminds members of staff of their main obligations in terms of Compliance.

#### **4.6. Tax policy**

The Bank and all its subsidiaries ensure all the existing tax regulations (ETNC, FACTA, AEI, etc.....) are followed in every country.



## 5. Being a responsible and committed employer

### Values shared through a worldwide Code of Conduct

Crédit Agricole CIB's code of conduct aims to guide staff on a daily basis, in a changing and increasingly demanding environment, thanks to the dissemination of common values. 7 principles are contained in this code of conduct:

- Responsibility and integrity;
- Expertise and challenges;
- Cooperation and team spirit;
- Mutual respect;
- Commitment to client service in the long-term;
- Promotion of the Bank's reputation;
- Knowledge and adherence to rules.

These principles aim to align the behaviour of members of staff with the Bank's values, in particular concerning their relations with internal and external partners. To be a member of Crédit Agricole staff is to adopt these principles.

This Code of Conduct is one of the Bank's initiatives aiming to strengthen Compliance and risk culture.

### 5.1. Fostering staff development

Crédit Agricole CIB ensures its approach to staff career management is harmonised and shared at the global level to take into account the international nature of its business and corporate culture. These commitments are demonstrated by several measures offered to members of staff.

#### 5.1.1. Members of staff are active participants in their own training

Crédit Agricole CIB has an active training policy to meet strategic challenges. Indeed, the Bank encourages a permanent adaptation of the skills of its staff to the quick changes in the economic, regulatory and technological environment.

Crédit Agricole CIB wants to offer its staff, whatever their level in the organisation, the possibility to develop the skills they will need in the future thanks to a training offering that is rich and accessible to all, all year long. A global learning portal, HRE learning, gives a global view of the training programmes on offer and free access to digital courses in the areas of banking, finance, desktop, and personal development. This portal is organised according to business line and transverse academies, and allows staff to be actively involved in their training, thus fostering curiosity. This digital approach around indispensable business line skills and expected attitudes completes classroom learning offered to members of staff.





### 5.1.2. Annual appraisal, a major aspect of career management

Appraisal and objectives setting campaigns make it possible to focus on individual and collective performance, achievements and development needs. To professionalise these meetings Crédit Agricole CIB has set up a global performance management support and training programme.

Two other series of measures complete Crédit Agricole CIB's global appraisal process of performance and skills:

- Cross Feedback is a tool to evaluate certain transverse functions, and offers the possibility to have practical feedback from the people who work daily with the member of staff. This tool promotes a better cooperation between teams by developing a feedback culture. It is a constructive approach that concerns a member of staff's work throughout the past year.
- The 360° campaign is a tool to evaluate leading managers, it allows members of the extended executive committee and their N-1 to be evaluated by their N+1, their peers and their N-1.

Crédit Agricole CIB is keen to promote a responsible management that is respectful of individuals, both in France and abroad. The manager is a key player in the personal fulfilment and development of members of staff. This is why Crédit Agricole CIB sets up initiatives aiming to professionalise managers and strengthen their role in terms of human resources. Among these initiatives, the Management Academy aims to develop a managerial culture that is shared by all Crédit Agricole CIB's managers. This training programme revolves around four groups of skills: leadership, management, accompanying change and personal development.

### 5.1.3. Internal mobility, how to expand a career path

Crédit Agricole CIB encourages internal mobility to allow all members of staff to progress within the Bank and the Crédit Agricole Group. Internal mobility is thus preferred to external recruitment as often as possible. MYjobs, a dedicated portal, is accessible to all Crédit Agricole CIB staff. It lists all the jobs available within the CIB but also in the Crédit Agricole S.A. group, both in France and abroad, and offers practical advice on mobility.

Crédit Agricole CIB has various ways to encourage more transversality, to develop a mobility culture and to accompany its staff in their professional career: mobility committees, business forums, CV workshops, and speed interviews.

Thanks to its network and presence in the largest global financial centres (Paris, London, New York, Hong Kong, Singapore, Tokyo), Crédit Agricole CIB offers its teams many opportunities to acquire an international experience.

Each year approximately 500 internal mobility career changes take place, of which approximately 100 in the international network.



## 5.2. Encouraging staff commitment and participation

Staff commitment is a major lever for Crédit Agricole CIB to reach its goals; the Bank seeks to increase their participation through several measures.

### 5.2.1. The commitment survey, promoting staff participation

In 2017, Crédit Agricole CIB conducted for the third consecutive year its global commitment survey with a 63% participation rate. This approach helped to measure the satisfaction, feeling of belonging, commitment level and willingness to recommend the Bank. The results identified Crédit Agricole CIB's universally acclaimed strong points but also the aspects that need to be improved. Thanks to the contributions from its staff, Crédit Agricole CIB was able to implement the necessary initiatives to make progress in particular throughout 9 global actions plans sponsored by the Bank's top management. This survey is part of an approach to measure Crédit Agricole Group's Commitment and Recommendation Index for its entire staff.

### 5.2.2. The collective and individual expression reflects the company's responsibility

Crédit Agricole CIB encourages an active and constructive dialogue with its members of staff and their representatives. This participation can take various forms: direct public speaking, surveys, social barometers, collaborative tools and establishing a good social dialogue.

Conference calls and management meetings organised in France and broadcast live abroad, allow managers to meet members of Crédit Agricole CIB's general management. 1000 managers are invited to these meetings and conference calls organised each time quarterly results are published, and regularly during the rest of the year on strategic issues. Participants are invited to ask their questions anonymously in advance, general management then answers these questions during the sessions. A dedicated space on the global intranet "Managers' corner" also gives managers all the information they need to communicate with their teams.

In France, social dialogue is conducted through several bodies whose members are elected by staff: the Works Committee and its commissions, the Hygiene, security and work conditions committee (CHSCT) and personnel delegates.

The member of staff can make his/her opinion known to the Human Resources department and more specifically to his or her dedicated HR manager. As part of the prevention of psychosocial risks, Crédit Agricole CIB wants all company players to mobilise and to voice the possible difficulties encountered by staff (Top management, managers, health at work department, social assistant, human resources manager, personnel representatives and staff).



### 5.2.3. Compensation, rewarding performance

The wage policy is key to Crédit Agricole Group's strategic human resources management. Crédit Agricole CIB's remuneration policy is based on principles of fairness, performance incentives in line with risk management and the sharing of the Company's values. This policy is deployed taking into account the economic, social and competitive context of the markets in which the Bank operates, as well as applicable legal and regulatory obligations.

Crédit Agricole CIB places a great importance on the principle of equal treatment at work. Provisions can be made locally to reduce possible gender wage gaps, for example as in France under the agreement on gender equality at work.

Within Crédit Agricole CIB, variable compensation plans indexed on individual and collective performance are set up in line with the defined goals, the entity's results and taking risks into account.

Variable compensation amounts are determined according to the business lines' performance taking into account the business' risk profile and all the costs including the cost of risks, liquidity and capital remuneration. Individual allocations to members of staff are decided by managers according to a global evaluation of their performance, taking into account financial and non-financial goals and their knowledge and respect of rules defined internally.

### 5.2.4 Social benefits, contributing to the well-being of staff

As a responsible employer, Crédit Agricole CIB promotes a wide range of social benefits that contribute to the well being of its staff while supporting them through the uncertainties of life wherever they are located geographically. The Bank pays special attention to the fact that these social benefits fit within a framework that is:

- Ethical, reflecting the Group's values,
- Attractive and reasonable regarding local practice in the banking sector,
- Adapted to the population it is addressing.

In many countries healthcare is made easy through programmes partly financed by the Bank. Ensuring family protection in case of death or work interruption is also an important issue for Crédit Agricole CIB. The Bank completely finances these schemes for its staff throughout the world.

Concerning pension preparation, Crédit Agricole CIB has been for multiple years now at the forefront in many countries via the creation of company-subsidised savings. It is the case in France, Spain, Italy, the UK and the United States where this kind of scheme has been in place for more than 20 years.

Employee savings offerings give staff a stake in the company's performance and results. Since 2016 this programme has concerned 10 countries in which Crédit Agricole CIB is present.

Employee savings schemes involve employees in the company's performance and results. Since 2016 in France, a profit-sharing arrangement includes FReD, the Bank's CSR indicator, which reflects the shared commitment of staff and of the company to the success of its CSR policy. Capital increases are regularly offered to Group members of staff worldwide. In 2018 this programme concerned 11 countries in which Crédit Agricole CIB is established.



Internationally mobile populations benefit from specific social benefits that are adapted if necessary to the country of origin / host country.

### **5.3. Encouraging a professional / personal life balance**

Crédit Agricole CIB is keen to ensure the well being of its staff and offers an environment and work conditions that guarantee their security and health.

#### **5.3.1. Teleworking, a work organisation that benefits both staff and the Bank**

The development of information and telecommunications, the arrival in the labour market of a new digital native generation and increasing commuting times for some, was an incentive for Crédit Agricole CIB to set up new forms of organisation such as teleworking. In France an agreement was therefore signed unanimously with social partners at the end of 2015. It stipulates that members of staff have one teleworking day a week, two days in some cases. Teleworking allows for a better balance between professional and personal lives. While gaining in terms of efficiency, far from disturbances in the office that can impede concentration, members of staff reduce tiredness, risks and uncertainties linked to transport. They also develop their autonomy thanks to greater control over their activity and organisation. While the goal is to offer teleworking to all Crédit Agricole CIB staff, some activities are not eligible because of confidentiality and security issues.

Teleworking also encourages work on digital documents, which reduces the use of paper. Limiting transport also reduces CO2 emissions.

Ways to roll out these teleworking and flexibility initiatives in the international network are currently under consideration.

#### **5.3.2. Quality of life at work, a performance lever**

Crédit Agricole CIB considers that quality of life at work is a personal fulfilment and performance lever and an indispensable condition of its efficiency. The Bank therefore launched training programmes to prevent stress, especially through the Management Academy and its Diversity Academy. All the training programmes requested during evaluation interviews or during the year by members of staff and managers in this area are systematically approved.

Throughout the year Crédit Agricole CIB also organises health issue events in its entities: advisory services in human factors engineering, free testing, vaccination campaigns, first aid training, nutrition workshops, etc.



## 5.4. Promoting diversity

As a socially responsible employer, Crédit Agricole CIB wants to reflect society's diversity and does everything it can to treat each member of staff fairly.

### 5.4.1. Understanding and managing diversity

To ensure its members of staff are able to understand diversity, Crédit Agricole CIB created on its HRE-Learning portal a Diversity Academy. It is accessible to all the Bank's members of staff in France and abroad and gives the keys to understand the challenges of diversity. The Diversity Academy contributes to the personal fulfilment of each member of staff by encouraging the ability to keep an open mind, to listen, to understand oneself and others via e-learning modules on inter-cultural, gender and disability issues.

### 5.4.2. Diversity, a win-win challenge

Crédit Agricole CIB is convinced that diversity is a real performance and innovation lever, and has in the last several years launched a determined policy, defining diversity action plans with its Management Committee.

Throughout the year General Management and the Human Resources department follow the indicators of gender diversity within the Bank. To promote more diversity, Crédit Agricole CIB has defined quantitative goals to be reached before the end of 2019 taking into account the demographics of each business line. The Bank organises each year a Diversity Week both in France and in the international network, during which members of staff take part in awareness campaigns. Staff can also take advantage of development programmes such as self-marketing workshops, women's leadership training programmes, etc.

In 2015, Crédit Agricole CIB conducted in France a survey on maternal leave. The results led to action plans on information issues, on organising replacements and on supporting women when they come back from their leave.

Created by women who want to discuss, interact and share their experience on various issues of concern to them, networks also raise the awareness of Crédit Agricole CIB staff on gender diversity issues (PotentiElles in Paris, CACIB Women's Network in New York, CWEEN in India, SPRING in London, RISE in Hong Kong, WING in Tokyo and MORE in Taiwan).

## 6. Managing impacts linked to the Bank's operations

Even if indirect environmental and social impacts created by financing activities are much higher than the Bank's direct impacts, Crédit Agricole CIB is nevertheless careful to manage as best as possible its direct footprint and the direct impacts in its supply chain.

### 6.1. Buildings' certification

In 2016 Crédit Agricole CIB moved its head office to two campuses: Evergreen in Montrouge and SQY Park in Saint-Quentin-en-Yvelines.





Evergreen is an eco-campus with a low carbon footprint in particular because the buildings are certified with the BBC label (low consumption buildings). They are also run according to the HQE reference (High environmental quality).

Protecting biodiversity was also taken into account as the site has 4 ha. of green spaces, more than 90 plant species and a bird refuge that follows the LPO (Bird protection league) charter.

The SQY site was extensively renovated and is aiming for the BBC renovation certification.

## **6.2. Carbon footprint of operations**

An assessment of greenhouse gas emissions (scopes 1, 2 et 3) was conducted in 2012 on Crédit Agricole CIB's French sites and in its main entities in the international network (Germany, Spain, Hong-Kong, India, Italy, London, New-York, Shanghai, Singapore and Tokyo). Covering 85% of staff, the perimeter is sufficiently significant to extrapolate on the global amount of greenhouse gas emissions generated by the Bank's operations (scopes 1, 2 et 3). A new carbon assessment is underway and will lead to reduction initiatives.

The main possible improvements concern:

- Buildings management,
- Professional travel,
- Commuting.

Initiatives are now underway to reduce for the whole group the carbon footprint of operations by 10% over three years.

### Buildings management and green energy:

The certification of buildings and measures to improve lighting and air conditioning optimise energy consumption.

Also, the electricity used on two sites in the Ile-de-France region comes from renewable energy sources.

### Professional travel:

Various initiatives were launched to reduce the emissions linked to professional travel, which is an important item of the greenhouse gas emissions' assessment. On the one hand, a rigorous transport policy favours train travel over air travel, while the distances covered with these two modes of transport is followed over time. On the other hand, the generalisation of new communication technologies such as video conferencing aims to reduce the number of professional trips.



#### Commuting:

In France the use of public transport is encouraged by the reimbursement of 90% of the travel pass. A car-pooling system and shuttles are also available to employees, while teleworking is developing.

Finally a significant share of residual emissions is offset.

### **6.3. Sustainable use of resources and waste management**

#### Paper:

Crédit Agricole CIB's initiatives are part of the Group's responsible paper policy whose aims are to reduce the consumption of paper, to generalise the purchase of responsible paper and to recycle all used office paper.

The automatic configuration of printers in black and white and recto-verso, the removal of individual printers and the use of lighter paper contribute to lower paper consumption.

#### Water:

Various devices were installed to optimise water consumption and members of staff are aware that leaks must be reported.

Rainwater is also used on the Montrouge site to minimise water required for plants.

#### Waste:

Separate waste collection is set up for Montrouge, Saint-Quentin and London.

In Paris printer cartridges and toners are collected and recycled by printer suppliers. A broker recommended by the Crédit Agricole Group collects IT hardware (system units and screens). Several collections take place each year and detailed reports are given to Crédit Agricole CIB. The buildings' light bulbs and neon tubes, used batteries and pens are also collected for recycling. Finally, the methanation of organic waste from the company restaurants offers an additional way to recycle waste.

### **6.4. Relations with suppliers**

A governance text describes the general principles and functioning of purchasing within Crédit Agricole CIB as part of Crédit Agricole S.A. Group's Purchasing business line. These rules apply to all purchases made by Crédit Agricole CIB units. The text insists on including if possible a company from the sheltered sector in the list of bidders.

As part of the MUST CSR programme applied to Purchasing and launched by Crédit Agricole S.A. Group, research has been carried out to change the evaluation of suppliers' CSR performance - which was previously carried out with a questionnaire – as well as our commitments towards them.

Several initiatives were therefore launched starting in 2016:

- Adding in the contracts a clause providing for a recourse to Crédit Agricole S.A. Group's ombudsman in case of a dispute before going to court;
- Adding in the contracts a sustainable development appendix reminding Group commitments in this area and our expectations towards suppliers;
- The collection of the CSR rating of prospective suppliers by an external provider during tenders or consultations, when the amount is above 100kEUR and for strategic providers belonging to Crédit Agricole S.A. and Crédit Agricole CIB panels.

Providers can refer to the Bank's ombudsman for suppliers:

[mediateur.fournisseur@credit-agricole-sa.fr](mailto:mediateur.fournisseur@credit-agricole-sa.fr)



## 7. Volunteer work, sponsoring and university research

The Crédit Agricole S.A. Group, in line with its values of solidarity and proximity, has an interest, historically, in initiatives that improve education, public health and the access to culture in the regions in which, in France and abroad, its units are established.

Crédit Agricole CIB is in particular keen to encourage the commitment of its staff in extra-professional projects that are consistent with its values. The Skills based volunteering programme *Solidaires by Crédit Agricole CIB* has three parts:

- Solidarity events: staff are encouraged to give some of their time by taking part in solidarity events,
- Volunteer solidarity missions: staff use their time and/or their skills for a charitable organisation, on the basis of a specific mission,
- The Solidaires “Helping Hand”: the Bank offers financial support to non-profit organisations’ projects in which members of staff have a leading role, in the areas of solidarity, social inclusion, the environment, education and health, both in France and abroad.

Many of these initiatives or projects fit within the 17 sustainable development goals defined by the United Nations.

The Bank also directly supports forward looking projects that encourage artistic creation, the discovery of world cultures and the transmission of cultural heritage, as well as practical initiatives that protect our environment.

Crédit Agricole CIB also encourages knowledge and exchanges between the academic and corporate world. The Bank supports in particular research and innovation via the Finance and Sustainable Development Chair of Paris Dauphine University and the École Polytechnique.

This multi-disciplinary research project supported from the beginning by Crédit Agricole CIB brings together specialists in quantitative finance, mathematicians and specialists in Sustainable Development. One of the directions of research pursued since 2010 by the Finance and Sustainable Development Chair involves the quantification of the indirect impacts of financing and investment activities, in particular greenhouse gas emissions caused by the activities of the Bank’s clients.



**CRÉDIT AGRICOLE**  
CORPORATE & INVESTMENT BANK

Crédit Agricole CIB, a useful and responsible  
Corporate and Investment Bank

## 8. Measuring and reporting on our initiatives

A complete report is included each year in Crédit Agricole CIB's registration document.

[Link to Registration document](#)



## APPENDICES:

### CSR Policy: water resources

Water is an essential resource for life and to maintain ecosystems. It is also an essential resource for the production of goods and services<sup>3</sup>. Agriculture, energy and large industry represent respectively 70%, 15% and 5% of fresh water withdrawal in the world. The 10% remaining cover the needs of households and institutions.<sup>4</sup>

Fresh water is however a limited resource that is unequally distributed in the world. There are also increasing pressures on fresh water. Some 663 million people today do not have an access to improved drinkable water (separating human and animal use and protected from faecal contamination), and 1.8 billion people do not have access to sources that are suitable for human consumption.<sup>3</sup>

Water demand tends to increase considerably because of population growth and living standards (global economic development) that create an increase in the demand for food, energy and manufactured goods.

According to the reference scenario of the Environment Outlook (OECD 2012) fresh water withdrawal in the world will increase by 55% between 2000 and 2050 mainly because of the increase in manufacturing (+400%), electricity production (+140%) and household needs (+130%). There is a de facto increased competition between the various users i.e. individuals, economic sectors and ecosystems.

The increasingly critical pressure of human activities on water also creates negative consequences on the quantity of resources (for instance the depletion rate of water tables more than doubled between 1960 and 2000<sup>3</sup>), but also on their quality. Most problems of water pollution are linked to intensive agriculture, industrial production, mining and the absence of treatment of wastewater in urban areas.

Moreover, issues linked to water are exacerbated by climate change. Changes in rainfall, increasing droughts and flooding, deterioration of the quality of water are all the potential negative consequences due to climate change.

With this increased competition between water users, the main challenge in the future will be to be able to combine the fundamental right to water access, the preservation of ecosystems and sustainable economic development<sup>3</sup>. For this, governments will need to intervene in order to promote a durable management of water resources<sup>4</sup>. The private sector will also need to control the impacts of its activities on water.

To meet these challenges the Bank expects its clients to implement policies on the reasonable use of water resources and on preventing water pollution. Effective procedures are particularly important for clients that use large amounts of water in countries in which water management is a critical challenge.

<sup>3</sup> UN Water (2015). "World Water Development Report 2015, Water for a sustainable world"

<sup>4</sup> UN Water (2016). "World Water Development Report 2016, Water and jobs"





## Gender equality policy

Crédit Agricole CIB is entirely committed to RESPECT, Crédit Agricole S.A. Group's charter of human rights.

Equality between men and women is an important component of this Charter.

### **Our policy**

The charter recognises the right to equal opportunities and pay for all, in our economic activities and our sphere of influence.

In particular we want to prevent any discrimination in our global human resources policy, whether in terms of hiring, training, promoting, paying, employment security or working conditions.

It is also important for us not to contribute or be an accomplice to human rights violations that might occur with our clients, suppliers or service providers.

### **Implementing our policy through appropriate procedures and action plans**

We are convinced that appropriate procedures and action plans are required to ensure our policy is followed.

Concerning our staff, we have set ourselves a 25% goal for the proportion of women in management positions as part of FReD, our CSR programme. Another FReD Group action plan will, from 2016 to 2018, set up suitable diversity indicators that will be regularly monitored at the highest levels of the Bank.

We have introduced an environmental and social scoring of our suppliers and clients that takes relations at work into account. In the case of operations linked to a project financing, the issues linked to gender equality are evaluated and managed as part of the Equator Principles analyses. These principles are based on the International Finance Corporation's Environmental and Social Performance Standards.

The Bank also developed an internal document to help take into account these issues, specifying how gender equality considerations must be included when analysing and following transactions.

### **Developing and disseminating skills**

We believe that the development and dissemination of suitable skills concerning the promotion of gender equality are an important part of the implementation of our CSR policies.

To highlight the importance of gender equality, Crédit Agricole CIB offers its staff a certain number of initiatives such as awareness measurement and specific training programmes.

An annual event, the Diversity Week, is also organised in France since 2013 and abroad since 2016, in order to develop the awareness of all the Bank's staff concerning the importance of gender diversity and its contribution to global performance.



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Furthermore to help Crédit Agricole CIB reach its targets in terms of diversity on a global scale, women's networks were launched in several places: in India in 2008, in Paris and New York in 2010, in London in 2015 and in Hong Kong in 2016. These networks offer a forum, both for women and men, to discuss and share information and also seek to increase the awareness at all levels of management concerning the importance of the gender equality issue.

In the case of operations linked to a project financing, the Bank will try to ensure that the consultants hired to analyse the project have the skills required concerning possible issues of gender diversity.