

# SECOND PARTY OPINION<sup>1</sup>

## ON THE GREEN ABCP PROGRAMS ANNEX TO CREDIT AGRICOLE'S GREEN BOND FRAMEWORK

August 2020

### SCOPE

In October 2019, Vigeo Eiris was commissioned to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the sustainability credentials and management of the “Green Bonds”<sup>2</sup> (the “Bonds”) to be issued by Crédit Agricole S.A. (the “Group”) in compliance with its “Green Bond Framework” (the “Framework”).

Crédit Agricole CIB (the “Sponsor”) has created special purpose entities (consolidated by Crédit Agricole CIB) to issue multi-seller Asset-Backed Commercial Paper notes (“ABCP”). These entities include Atlantic Asset Securitization LLC, La Fayette Asset Securitization LLC and LMA S.A., each an “ABCP Program” and an “Issuer”, together the “ABCP Programs” and the “Issuers”.

Today, Vigeo Eiris is commissioned to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the sustainability credentials and management of the Asset-Backed Commercial Paper notes (the “ABCP Notes”) to be issued by the ABCP Programs in compliance with the Green ABCP Programs Annex to the Framework (the “Annex”).

Our opinion is established according to Vigeo Eiris’ Environmental, Social and Governance (“ESG”) exclusive assessment methodology and to the latest version of the ICMA’s Green Bond Principles (“GBP”) voluntary guidelines, edited in June 2018.

Our opinion is built on the review of the following components:

- 1) **Group and Sponsor:** we assessed the Group’s and Sponsor’s ESG performance<sup>3</sup>, its management of potential stakeholder-related ESG controversies and its involvement in controversial activities.<sup>4</sup>
- 2) **Issuance:** we assessed the coherence between the Framework, the Annex, and the Group’s and Sponsor’s environmental commitments, as well as the Green ABCP Programs’ potential contribution to sustainability and alignment with the four core components of the GBP 2018.

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from Vigeo Eiris’ exclusive ESG rating database, and (iii) information provided from the Sponsor through documents.

We carried out our due diligence assessment from July 15<sup>th</sup> 2020, to August 03<sup>rd</sup>, 2020. We consider that we were provided with access to all the appropriate documents we solicited. To this purpose we used our reasonable efforts to verify such data accuracy.

### VIGEO EIRIS’ OPINION

**Vigeo Eiris is of the opinion that Crédit Agricole’s Green ABCP Programs Annex is aligned with the four core components of the Green Bond Principles 2018.**

**We express a reasonable assurance<sup>5</sup> (our highest level of assurance) on the Group’s and Sponsor’s commitments and on the contribution of the contemplated ABCP Notes to sustainability.**

<sup>1</sup> This opinion is to be considered as the “Second Party Opinion” described in the GBP voluntary guidelines (June 2018 Edition) edited by the International Capital Market Association ([www.icmagroup.org](http://www.icmagroup.org)).

<sup>2</sup> The “Green Bond” is to be considered as the bond to be potentially issued, subject to the Issuer’s discretion. The name “Green Bond” has been decided by the Issuer: it does not imply any opinion from Vigeo Eiris

<sup>3</sup> The “the Group’s” and “the Sponsor’s” ESG performance was assessed in June 2019 by a complete process of rating and benchmark developed by Vigeo Eiris. All potential evolutions and data published after this date are not included in the rating.

<sup>4</sup> The 17 controversial activities screened by Vigeo Eiris are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

<sup>5</sup> Definition of Vigeo Eiris’ scales of assessment (as detailed in the Methodology section):

## 1) Group and Sponsor (see Part I):

- ▶ As of June 2019, Crédit Agricole displays an overall advanced ESG performance, ranking 5<sup>th</sup> in our “Diversified Banks” sector which covers 31 banks. The Group’s managerial approach is advanced in the Environmental and Social pillars, and good in the Governance pillar.
- ▶ As of today, Crédit Agricole faces 17 stakeholder-related ESG controversies linked to the following domains: Business Behaviour, Human Rights, Environment, Community Involvement, and Corporate Governance. The frequency of the controversies is considered persistent. The severity of their impact on both the company and its stakeholders is considered critical. Crédit Agricole is considered overall reactive.
- ▶ As of May 2020, we found a minor involvement of Crédit Agricole in two of the 17 controversial activities screened under our methodology, namely: Alcohol and the Fossil Fuel Industry. Crédit Agricole appears to not be involved in any of the 15 other controversial activities screened under our methodology.

## 2) Issuance (see Part II):

The Sponsor has described the main characteristics of the Green ABCP Programs within a formalized Green ABCP Programs Annex which covers the four core components of the GBP 2018 (the last updated version was provided to Vigeo Eiris on July 2<sup>nd</sup> 2020). The Sponsor has committed to make this document publicly accessible on Crédit Agricole CIB’s website<sup>6</sup>.

We are of the opinion that the contemplated ABCP Notes are coherent with the Group’s and Sponsor’s strategic sustainability priorities and sector issues, and contribute to achieving the Group’s sustainability commitments and targets.

### Use of Proceeds

- ▶ The net proceeds of the ABCP Notes will exclusively finance and refinance, in full or in part, assets falling within five Eligible Categories (“Eligible Green Assets”), namely: Renewable Energy, Green Buildings, Energy Efficiency, Clean Transportation, and Waste and Water Management. We consider that these Eligible Categories are clearly defined. Another Eligible Category, namely “Sustainable Agriculture and Forest Management”, is also included in the Framework, yet, as of today, no assets or expenditures have been identified under this Eligible Category, and the category is not assessed in this SPO.
- ▶ The Eligible Green Assets are intended to contribute to four main sustainability objectives, namely: climate change mitigation, pollution prevention and control, air quality improvement and natural resources protection. We consider the intended objectives are relevant and clearly defined.
- ▶ Eligible Green Assets are expected to provide clear environmental benefits. The Sponsor has committed to assess, quantify and report on the environmental benefits of the ABCP Notes annually, to the extent that data is provided by underlying client sellers.
- ▶ The Eligible Categories are likely to contribute to seven of the United Nations’ Sustainable Development Goals (“SDGs”), namely : Goal 3. Good Health and Well-being, Goal 6. Clean Water and sanitation, Goal 7. Affordable and Clean energy, Goal 9. Industry, Innovation and Infrastructure, Goal 11. Sustainable Cities and Communities, Goal 12. Responsible Consumption and Production and Goal 13. Climate Action.
- ▶ The Sponsor has transparently communicated that the estimated share of refinancing for the ABCP Programs will not necessarily be of 100%. It has committed that, in case of re-financing, a look-back period of a maximum of 36 months from the issuance date will be applied, in line with market practices.

### Process for Projects Evaluation and Selection

- ▶ The governance and the process for the evaluation and selection of the Eligible Green Assets is clearly defined and formalised in the Green Bond Framework and Green ABCP Programs Annex. We consider that the process is reasonably structured, transparent and relevant.
- ▶ The selection and evaluation process relies on explicit eligibility criteria (selection and exclusion), overall relevant to the environmental objectives defined for the Eligible Categories of assets.

<sup>6</sup> Crédit Agricole Website: <https://www.credit-agricole.com/>

- ▶ The identification and management of the environmental and social risks associated with the Eligible Green Assets are considered good.

#### Management of Proceeds

- ▶ The rules for the management of proceeds are clearly defined and will be verified. We consider that they would enable a documented and transparent allocation process. The allocation and tracking processes are clearly defined.

#### Reporting

- ▶ The reporting process and commitments appear to be good overall. The Sponsor will report to investors on the proceeds allocation for the ABCP Notes and commits that, to the extent that data is provided by underlying client sellers, it will report on the environmental benefits of the ABCP Notes.

The Sponsor has committed that the Green ABCP Notes will be supported by the following external reviews:

- A pre-issuance consultant review: the hereby Second Party Opinion delivered by Vigeo Eiris, covering all the features of the Green ABCP Programs Annex, based on pre-issuance assessment and commitments, to be made publicly available by the Sponsor on Crédit Agricole CIB's website.

An area for improvement consists in having an external verification performed by a third-party auditor, covering (i) the actual allocation of proceeds to the Eligible Green Assets and their alignment with the eligibility criteria and (ii) the impact reporting, annually and until the ABCP Programs' full allocation and in case of any material change.

*This Second Party Opinion is based on the review of the information provided by the Issuer according to our exclusive assessment methodology and to the GBP voluntary guidelines (June 2018). Crédit Agricole S.A acknowledges that in case of changes of such standards and market practices and expectations, VIGEO EIRIS shall exclude any liability regarding the use of the concerned Second Party Opinion and its compliance with then-current standards and market practices and expectations.*

Paris, August 4<sup>th</sup>, 2020

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#### **Disclaimer**

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has executed 3 audit missions for Crédit Agricole over the past 5 years. No established relationship (financial or other) exists between Vigeo Eiris and Crédit Agricole.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the notes, based on the information which has been made available to Vigeo Eiris. Vigeo Eiris has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Crédit Agricole. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Crédit Agricole. The latter is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by Vigeo Eiris neither focuses on the financial performance of the notes, nor on the effective allocation of its proceeds. Vigeo Eiris is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction.

**Restriction on distribution and use of this opinion:** The deliverables remain the property of Vigeo Eiris. The draft version of the Second Party Opinion by Vigeo Eiris is for information purpose only and shall not be disclosed by the client. Vigeo Eiris grants Crédit Agricole all rights to use the final version of the Second Party Opinion delivered for external use via any media that Crédit Agricole shall determine in a worldwide perimeter. Crédit Agricole has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned bond(s) issuance. Crédit Agricole acknowledges and agrees that Vigeo Eiris reserves the right to publish the final version of the Second Party Opinion on Vigeo Eiris' website and on Vigeo Eiris' internal and external communication supporting documents.

## DETAILED RESULTS

### Part I. Group and Sponsor

Crédit Agricole S.A. is a French banking group that offers banking and insurance services through a network of regional, local banks and its branches. The bank's principal lines of business include Retail Banking which covers French and International retail banking; Specialized Financial Services which cover asset management and securities, insurance, consumer finance, private banking, leasing & factoring and specialized subsidiaries and activities; and Corporate and Investment Banking which offers a range of products and services in capital markets, brokerage, investment banking, structured finance and commercial banking.

### Level of ESG performance

Crédit Agricole's ESG performance was assessed through a complete process of rating and benchmark.

As of June 2019, Crédit Agricole S.A. displays an advanced ESG performance, ranking 5<sup>th</sup> in our "Diversified Banks Europe" sector which covers 31 banks. Crédit Agricole's performance is advanced in the Environment and Social pillars, and good in the Governance pillar.

Domain	Comments	Opinion
Environment	<p><b>Crédit Agricole's performance in the Environment pillar is advanced.</b></p> <p>The Group has made formalized commitments to environmental protection in its corporate social responsibility (CSR) Policy and FReD initiative that address all its responsibilities and cover all its activities. In December 2017, the Group sets a climate change mitigation target covering both its direct impacts and portfolio, consisting in the reduction of greenhouse gas emissions (GHG) by 15% over the 2016-2020 period, complemented in June 2019 by a new Climate Strategy focussing on reducing business relations with corporations involved in the thermal coal sector. Furthermore, Crédit Agricole CIB signed the "Poseidon Principles" supporting the IMO's targets to reduce the GHG emissions in the shipping sector.</p>	Advanced
	<p>Crédit Agricole's commitment to integrate environmental issues in its financing activities is formalized and comprehensive. The Group has set policies on 13 sensitive sectors that are applied Group-wide, including fossil fuels, thermal, hydro and nuclear power; mining, aviation, shipping, automotive, transport infrastructure, real estate and forestry, and palm oil. Crédit Agricole is a co-founder of the Green Bond Principles and a signatory to the Equator Principles III. Amundi, part of the Group, is a signatory of the UN Principles for Responsible Investment. The bank has implemented processes to identify, assess and classify the environmental risks of its transactions and clients. A CSR scoring system covers Crédit Agricole Corporate &amp; Investment Bank (CA CIB) corporate customers. Since June 2019, the Group has committed to set up a EUR 300m envelop to develop environmental transition projects, to apply ESG policy to 100% of its Amundi's actively managed funds and allocate EUR 6 bn for SRI loans by 2022.</p>	Good
	<p>The Group is a signatory of the Montreal Carbon Pledge and has implemented processes to systematically consider climate risks in its financing activities. It monitors and publicly reports on the climate related risks and/or CO2 emissions associated with its portfolio. Since 2011, Crédit Agricole CIB has used a methodology developed in partnership with the Paris Dauphine University and École Polytechnique to estimate the carbon footprint of its portfolio and to undertake sector-based and geographical mapping of the carbon emissions it generates. The percentage of loans to finance the energy transition in France has remained stable over the past three years (amounts to EUR 635m in 2017). Non-governmental organizations point out the involvement of the Bank in the financing fossil fuel projects.</p>	Limited
		Weak

Social	<p><b>Crédit Agricole's performance in the Social Pillar is advanced.</b></p>	Advanced
	<p>The Company's performance in the Humans Rights domain is advanced. Human rights considerations are widely embedded in all relevant banking activities (project finance, lending, and investments). With regard to labour rights, Crédit Agricole has signed an agreement and collaborates with the union representatives. In terms of non-discrimination, the Company has set quantified targets and extensive measures are in place, including measures to reduce salary gaps or to retain senior employees. KPIs overall record a positive trend.</p>	Good
	<p>The Company's performance in the Human Resources domain is advanced. Social dialogue is anchored in the Company's culture and a framework agreement was signed with employee representatives on reorganisations. Extensive measures are in place, although the company has not been able to avoid layoffs. In terms of career management and training, measures are deployed to support the employment of older employees; staff is regularly trained in risk and compliance; and KPIs record a positive trend. Extensive measures are in place to cope with stress, including employee participation tools and complementary measures for seniors.</p>	Limited
	<p>Crédit Agricole's performance in the Community Involvement domain is advanced. In its Group Project &amp; MTP 2022, the Company reaffirmed its strong commitment and set specific targets with regard to social and economic development, financial inclusion and support to clients in financial distress, investment in food commodities and tax practices. The Bank has measures in place to prevent tax evasion of clients and committed to withdrawing from States classed as non-cooperating by the OECD. Overall, KPIs record a positive trend.</p>	Weak
Governance	<p><b>Crédit Agricole's performance in the Governance pillar is good.</b></p>	Advanced
	<p>Crédit Agricole's performance in the corporate Governance domain remains good, but has decreased since the last review, with a lower independence rate at Board and Committee level due to members' tenure. In addition, Crédit Agricole recorded a decreased leverage ratio as of December 2018 and the performance in terms of internal control structure is affected by the recurrent and severe controversies faced. Finally, the ratio of CEO compensation vs. average employee salary shows an increasing trend over the past three years. Despite the low independency rate, we note that the Board diversity remains advanced with 44% of female directors and two employee representatives sitting on the Board. CSR issues are clearly integrated at the governance level, in terms of Board responsibilities, internal controls and remuneration policies. A confidential reporting system is in place for accounting issues and the company has adopted measures for the supervision of material risk takers.</p>	Good
	<p>Crédit Agricole's performance in the Business Behaviour domain is robust. Through its Group Project &amp; 2022 Medium-Term Plan, the Company confirmed its customer-focused model. CA also announced new measures, such as the creation of a Customer Champion function, to complement the framework already adopted, which includes an information security management system regularly audited by E&amp;Y. The Group's commitment is supported by a decreasing trend in complaints received over the past three years. In terms of business ethics, the bank works to disseminate an internal culture of responsible business conduct. Internal controls are also subject of external audits and permanent measures are in place to prevent money laundering. The Company describes its main lobbying activities and cooperates on the issue with Transparency International France.</p>	Limited
	<p>Crédit Agricole's performance in the Business Behaviour domain is robust. Through its Group Project &amp; 2022 Medium-Term Plan, the Company confirmed its customer-focused model. CA also announced new measures, such as the creation of a Customer Champion function, to complement the framework already adopted, which includes an information security management system regularly audited by E&amp;Y. The Group's commitment is supported by a decreasing trend in complaints received over the past three years. In terms of business ethics, the bank works to disseminate an internal culture of responsible business conduct. Internal controls are also subject of external audits and permanent measures are in place to prevent money laundering. The Company describes its main lobbying activities and cooperates on the issue with Transparency International France.</p>	Weak

### **Management of stakeholder-related ESG controversies**

As of today, Crédit Agricole is facing 17 stakeholder-related ESG controversies, linked to five of the six domains we analyse :

- Business Behaviour, in the criteria of “Responsible Customer Relations”, “Prevention of anti-competitive practices”, “Responsible Lobbying” and “Corruption and money laundering”.
- Human Rights, in the criterion of “Fundamental Human Rights”.
- Environment, in the criteria “Green products and SRI” and “Climate Change”.
- Community Involvement, in the criterion “Social and economic development”.
- Corporate Governance, in the criterion of “Internal controls & risk management”.

**Frequency:** On average, the controversies are considered persistent, compared to frequent at sector average.

**Severity:** The severity of their impact on both the company and its stakeholders is considered critical, compared to high at sector average. Crédit Agricole faces one case of critical severity, eleven of high severity, four of significant severity and one of minor severity.

**Responsiveness:** Crédit Agricole is overall reactive, in line with the sector average: the company is remediative in one case (of high severity), it is reactive on twelve cases (of significant and high severity) and is not communicative on four cases (of critical, high, significant and minor severity).

### **Involvement in controversial activities**

As of May 2020, Crédit Agricole appears to be involved in two of the 17 controversial activities screened under our methodology, namely:

- Alcohol (minor involvement): Crédit Agricole operates in the distribution and production of alcoholic beverages through its subsidiaries such as winealley.com or CA Grands Crus. In January 2019, the bank announced it was looking for buyers for Château Blaignan in the Médoc and Château La Tour de Mons in Margaux. CEO Christophe Blancy said in a statement that the sales of the two estates would be “reinvested directly as minority financing (buyout capital or growth capital) for Credit Agricole Group customers.” In December 2019, it was reported that Blaignan was still up for sale while the sale of La Tour De Mons was being finalised. CA Group is holding on to three other vineyards properties, the Pauillac fifth growth Château Grand Puy Ducasse, Château Meyney in Saint Estèphe and Château de Santenay in Burgundy, France.
- Fossil Fuels (minor involvement): Credit Agricole has an estimated turnover from fossil fuels, which is below 10% of total turnover. This turnover is derived from wholly-owned subsidiary, Crédit Agricole Assurances, which holds a 40.1% stake in CIM-CCMP, the holding company of Pisto (MSSFH), through its subsidiary Predica. CIM-CCMP Group is involved in crude oil and refined product storage in France and also holds a 44% stake in Trapil, owner and operator of pipelines.

Crédit Agricole appears to not be involved in any of the 15 other controversial activities screened under our methodology.

The controversial activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval of their content from Vigeo Eiris

## Part II. ISSUANCE

### Coherence between the Issuance and the Group and Sponsor

**Context note:** As the global economy's largest sector by market capitalization, banks have great potential to support society's transition to a low carbon and sustainable economy. Their action is key in the promotion of effective solutions for the development of sustainable finance products and services, and the minimization of the negative impact of their investments and activities on environment, people and society. The banking sector can effectively contribute to these challenges by integrating ESG factors in their financing operations and by mobilizing the resources needed to close the financial gap, estimated around USD 1.5 trillion per year,<sup>7</sup> to meet the objective of the Paris Agreement to limit global temperature increase to below 2°C.

**We are of the opinion that the contemplated ABCP Notes are coherent with Crédit Agricole's strategic sustainability priorities and sector issues, and contribute to achieving the Issuer's sustainability commitments and targets.**

Crédit Agricole S.A. appears to acknowledge its role in providing solutions to sustainability and has developed sustainable finance products and services to minimize its impact on climate change and society.

- The Group was the first French bank to join the United Nations' Equator Principles in 2003, the year of their creation. In 2013, the Group was the only European bank to contribute to the draft of the Green Bond Principles as a co-founder member. The company is also a signatory of UN Global Compact, a member of Paris Finance for Tomorrow; and a member of the European Union Technical Expert Group on Sustainable Finance. Crédit Agricole CIB is a signatory of the Green Bonds Principles and of the Equator Principles III. Amundi (one of its subsidiaries) is a signatory of the UNPRI.

- In 2010 the Group created a Sustainable Banking team to support and advise its main clients on their transactions involving social and environmental considerations and selected six areas as its growth drivers: energy and environmental economics, agriculture and agri-food, housing, and health and aging of the population. Crédit Agricole also commits to integrating environmental issues in its lending and investment activities in 'FReD', the Group CSR policy rolled out in 15 Group entities, while Crédit Agricole CIB adopted sector policies for the Energy Sector, Mining Sector, Transport Sector, Construction Sector, Agriculture and forestry.

- In 2013, Crédit Agricole joined the Science Based Target Initiative,<sup>8</sup> to which it committed to align its greenhouse gas emissions (GHG) to the Intergovernmental Panel on Climate Change's (IPCC) 2-degree scenario. This initiative was reaffirmed in 2016 with the launch of the Group's corporate social responsibility Medium-Term Plan: "Strategic Ambition 2020", with a new greenhouse gas reduction target by 15% over the 2016-2020 period. In June 2019, the Group released a "new Climate Strategy", with strong commitments regarding climate change, in particular to withdraw from business relations with corporations involved in the thermal coal sector (coal-based mining and production) chain of value. The Group has set the targets to set up a EUR 300m envelope in order to develop environmental transition projects, bring loans to green companies to help them structure green bonds; double the size of the green loan portfolio to EUR 13bn by 2022 (CACIB); and apply its ESG policy to 100% of Amundi's actively managed funds. It also committed to double green investment portfolios to EUR 12bn for institutional clients, and triple those for retail clients to EUR 10bn (Amundi), as well as to allocate EUR 6bn for SRI loans in the Group liquidity portfolio by 2022. Crédit Agricole CIB (CACIB) also announced it signed The Poseidon Principles, thus committing to disclose climate alignment of shipping portfolios with International Maritime Organization's strategy to reduce the total annual GHG emissions by at least 50% of 2008 levels by 2050.

By creating a Green Bond Framework and its Green ABCP Programs Annex, which are intended to finance or re-finance projects related to Renewable Energy, Green Buildings, Energy Efficiency, Clean Transportation, Water and Waste Management, and Sustainable Agriculture and Forest Management, the Issuer/Sponsor coherently aligns with its sustainability strategy and commitments, and addresses the main issues of the sector in terms of sustainable development.

<sup>7</sup> According to the United Nations Framework on Climate Change.

<sup>8</sup> The Science Based Targets initiative champions science-based target setting as a way of boosting companies' competitive advantage in the transition to the low-carbon economy. It is a collaboration between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and the United Nations Global Compact (UNGC).

### Use of proceeds

The net proceeds of the ABCP Notes will exclusively finance and refinance, in full or in part, assets falling within five Eligible Categories (“Eligible Green Assets”), namely: Renewable Energy, Green Buildings, Energy Efficiency, Clean Transportation, and Waste and Water Management. We consider that these Eligible Categories are clearly defined. Another Eligible Category, namely “Sustainable Agriculture and Forest Management”, is also included in the Framework, yet, as of today, no assets or expenditures have been identified within this Eligible Category, and the category is not assessed in this SPO.

The Eligible Green Assets are intended to contribute to four main sustainability objectives, namely: climate change mitigation, pollution prevention and control, air quality improvement and natural resources protection. We consider the intended objectives are relevant and clearly defined.

Eligible Green Assets are expected to provide clear environmental benefits. The Sponsor has committed to assess, quantify and report on the environmental benefits of the ABCP Notes annually, to the extent that data is provided by underlying client sellers.

The Sponsor has transparently communicated that the estimated share of refinancing for the ABCP Programs will not necessarily be of 100%. The Sponsor has committed that, in case of re-financing, a look-back period of a maximum of 36 months from the issuance date will be applied.



Crédit Agricole S.A's Green Bond Framework			Vigeo Eiris' Analysis
Eligible Categories	Definition	Environmental objectives and benefits	
Renewable Energy	<p><i>Renewable energy generation:</i></p> <p>Loans to finance the equipment, development, manufacturing, construction, operation, distribution and maintenance of the following renewable energy generation sources:</p> <ul style="list-style-type: none"> <li>- Onshore and offshore wind energy</li> <li>- Solar energy</li> <li>- Geothermal energy (with direct emissions <math>\leq 100</math> gCO<sub>2</sub>e/kWh, will meet the IFC's Environmental and Social Performance Standards, and will only include the two types of assets accepted by French Label "Transition énergétique et écologique pour le climat" (Label TEEC), namely geothermal electricity and ground source heat pump (GSHP), in line with best market practices)</li> <li>- Biomass energy (with direct emissions <math>\leq 100</math> gCO<sub>2</sub>e/kWh):               <ul style="list-style-type: none"> <li>- Not originating from fields resulting reconverted carbon sinks (such as forests, marshy areas)</li> <li>- Not originating from high diversity fields (such as primary forests)</li> <li>- Not suitable for human consumption and only channelled through sustainable transport means (to avoid indirect GHG emissions)</li> </ul> </li> <li>- Waste-to-energy (only methanation assets and the two types of assets accepted by French Label TEEC, namely incineration with energy capture level R1 according to European Directive 1 or equivalent and waste gasification)</li> </ul>	<p><b>Climate change mitigation</b></p> <p>Reduction of GHG emissions</p>	<p>The definition is clear. The eligible renewable energy generation sources are clearly defined and align with recognized national and/or international standards. Relevant characteristics and eligibility conditions are specified to limit potential negative impacts.</p> <p>The main environmental objective is clearly defined and is relevant. The expected environmental benefits of the Renewable Energy category have been defined in the Framework. The Sponsor has committed that it will assess and quantify the environmental benefits expected to be achieved by these assets.</p> <p><i>An area for improvement is to specify -and justify whether the expected benefit is reduction and/or avoidance of GHG emissions.</i></p>

Crédit Agricole S.A's Green Bond Framework			
Eligible Categories	Definition	Environmental objectives and benefits	Vigeo Eiris' Analysis
Green Buildings	<p><i>Residential:</i></p> <p>Loans or investments to finance new or existing residential buildings aligned with current environmental regulations and belonging to the top 15% of the most carbon efficient buildings (kg CO2/m sq.) in their respective countries.</p>	<p><b>Climate change mitigation</b></p> <p>Reduction of GHG emissions</p> <p>Energy savings</p>	<p>The definition is clear. The characteristics of the Green Buildings assets included in the category are in line with good market practices: the definition of the Residential and Commercial buildings relies on internationally-recognized green building standards, which include relevant threshold requirements that demonstrate a good carbon performance compared with local baseline.</p> <p>The main environmental objective is clearly defined and relevant.</p> <p>The expected environmental benefits have been defined in the Framework. The Sponsor has committed that it will assess and quantify the environmental benefits expected to be achieved by these assets.</p> <p><i>An area for improvement is to specify - and justify- if the expected benefit is reduction and/or avoidance of GHG emissions</i></p>
	<p><i>Commercial:</i></p> <p>Loans to finance new or recently constructed buildings belonging to the top 15% of the most carbon efficient buildings (kg CO2/m sq.) in their respective countries or that have obtained the following Green Building certifications (or equivalent):</p> <ul style="list-style-type: none"> <li>- LEED ≥ "Gold"</li> <li>- BREEAM ≥ "Very Good"</li> <li>- HQE ≥ "Very Good"</li> </ul>		
Energy Efficiency	<p><i>Improving building energy efficiency:</i></p> <p>Loans to finance energy efficiency works in residential building assets, based on French government eco-loan at zero interest rate (éco-PTZ) and Crédit Agricole's energy saving loans product, i.e.:</p> <ul style="list-style-type: none"> <li>- Central heating systems renovation</li> <li>- Hydraulic pumps and other geothermal energy systems</li> <li>- Highly energy-efficient glazing</li> <li>- Insulation retrofitting</li> </ul>	<p><b>Climate change mitigation</b></p> <p>Reduction of GHG emissions</p> <p>Energy savings</p>	<p>The definition is clear. The Energy efficiency assets included in the category are in line with good market practices, relying on internationally and nationally recognized standards, particularly on French Label TEEC.</p> <p>The intended environmental objective is clearly defined and relevant.</p>

Crédit Agricole S.A's Green Bond Framework			Vigeo Eiris' Analysis
Eligible Categories	Definition	Environmental objectives and benefits	
	<ul style="list-style-type: none"> <li>- Thermostatic valves</li> <li>- Solar panels</li> <li>- Energy audits</li> </ul> <p>There are several conditions that clients must comply with to receive this type of loans:</p> <ul style="list-style-type: none"> <li>- The energy-saving works must be carried in the client's principal residence, which must be at least 2 years' old.</li> <li>- A professional must conduct a diagnosis of the energy-saving works needed and provide a certificate with specific technical recommendations.</li> <li>- The type of energy-saving works proposed by the professional must fit in the technical criteria provided by the French government's energy transition tax Crédit (Crédit d'impôt pour la transition énergétique (CITE))</li> <li>- The energy-saving work must be carried out by a contractor certified by the French public authorities (Label RGE).</li> </ul>		<p>The expected environmental benefits of the Energy efficiency category have been defined in the Framework.</p> <p>The Sponsor has committed that it will assess and quantify the environmental benefits expected to be achieved by these assets.</p>
	<p><i>Electricity consumption optimization:</i></p> <p>Loans to finance the equipment, development, acquisition and maintenance of electrical equipment fleets. These loans will be limited to one loan agreed between CA CIB, GreenFlex<sup>9</sup> and a borrower for the renovation and replacement of electrical equipment fleets (i.e. energy-efficient refrigeration equipment for supermarkets). As part of the loan agreement, the reduction in the energy consumption has been estimated to be between 15 and 40% and will be monitored by GreenFlex.</p>	<p><b>Climate change mitigation</b></p> <p>Energy consumption reduction of 15-40%</p>	

<sup>9</sup> GreenFlex is a specialized company that provides support, financing and data intelligence to companies to help them transition to energy-efficient equipment.

Crédit Agricole S.A's Green Bond Framework			Vigeo Eiris' Analysis
Eligible Categories	Definition	Environmental objectives and benefits	
	<p><i>Energy efficiency in energy distribution:</i></p> <p>Loans to finance energy distribution assets : the equipment, development, fabrication, construction, operation, distribution and maintenance of energy distribution networks exclusively required to connect and/or support the integration of renewable energy:</p> <ul style="list-style-type: none"> <li>- Smart Grids,</li> <li>- Urban heating networks (geothermal heat pumps, or heating networks with energy capture)</li> <li>- Energy storage systems</li> </ul> <p>The definition of this eligible subcategory relies on French Label TEEC taxonomy, and is restricted to the support and connection of renewable energy integration to the network, in line with good market practices.</p>	<p><b>Climate change mitigation</b></p> <p>Reduction of GHG emissions</p> <p>Energy savings</p>	
Clean Transportation	<p><i>Clean vehicles:</i></p> <p>Loans to finance the development, construction or acquisition of:</p> <ul style="list-style-type: none"> <li>- Vehicles or heavy goods private vehicles: electric, hybrid (with direct emissions <math>\leq 85\text{g CO}_2/\text{pkm}</math>), hydrogen and fuelled by biogas, excluding biofuels (biodiesel and ethanol).</li> <li>- Clean maritime transport (electric boats, hybrids, and other types of nonfossil energy, excluding biofuels (biodiesel and ethanol)</li> <li>- Rolling stock (electric locomotives, metro, tram, wagons, except wagons dedicated to the transport of fossil fuels, and excluding biofuels (biodiesel and ethanol)</li> </ul> <p>Hybrid vehicles belong to a technology category where the per passenger-km or per tonne-km Scope 1 emissions of the vehicles are universally estimated to be lower than the appropriate thresholds (IEA 2DS Passenger Activity emissions target through 2050 (gCO<sub>2</sub> per p-km))</p>	<p><b>Climate change mitigation</b></p> <p>Reduction of GHG emissions</p> <p><b>Air quality improvement</b></p>	<p>The definition is clear. The assets included in the category are in line with good market practices, relying on internationally and nationally recognized standards, particularly the French Label TEEC.</p> <p><i>An area for improvement would consist in defining a specific threshold of maximum GHG emissions per km-passenger or kmtonne, for each of the eligible hybrid vehicles subcategory.</i></p> <p>The two main sustainability objectives are relevant but partially clearly defined. An area of improvement would be to include in the Framework the objective "Air Quality improvement".</p>

Crédit Agricole S.A's Green Bond Framework			Vigeo Eiris' Analysis
Eligible Categories	Definition	Environmental objectives and benefits	
	<p><i>Public transportation:</i></p> <p>Loans to finance public transport operators in the design, development, construction, acquisition, operation and maintenance of public transport equipment, infrastructure and the transport network.</p> <p>Public transport assets include namely trains, metro, tram, bus, etc.</p> <p><i>Transport infrastructures:</i></p> <p>Loans to finance the design, development, construction and maintenance of infrastructure dedicated to low-carbon transport, in line with the French Label TEEC recommendations:</p> <ul style="list-style-type: none"> <li>- Electrical charging infrastructure for electric vehicles</li> <li>- Extension of railway lines (except for lines dedicated to the transport of fossil fuels)</li> <li>- Infrastructures dedicated to low-carbon land transport (i.e. updating IT infrastructures, signalling, means of communication)</li> </ul>		<p>The expected environmental benefits of the Clean Transportation category have been partially defined in the Framework : they are defined regarding "climate change" while not defined for "air quality improvement". The Sponsor has committed that it will assess and quantify the environmental benefit expected to be achieved by these assets.</p> <p><i>Areas for improvement would be (i) to specify if the expected benefit is reduction and/or avoidance of GHG emissions ; (ii) to define in the Framework what are the expected environmental benefits regarding the objective "air quality improvement".</i></p>
Waste and Water Management	<p><i>Waste and water management:</i></p> <p>Loans to finance the equipment, development, fabrication, operation and maintenance of diverse water and waste management projects, i.e.:</p> <ul style="list-style-type: none"> <li>- Water recycling and wastewater treatment facilities</li> <li>- Water distribution systems with improved efficiency/quality</li> <li>- Urban drainage systems</li> <li>- Flood mitigation infrastructure (such as antinfiltration infrastructure)</li> <li>- Water storage facilities</li> </ul>	<p><b>Climate change mitigation</b></p> <p>Reduction of GHG emissions</p> <p><b>Pollution prevention and control</b></p> <p>Securitization of the access to water</p> <p><b>Natural resources protection</b></p>	<p>The definition is clear. The assets included in the category are in line with market practices, relying on nationally recognized standards (French Label TEEC).</p> <p><i>An area for improvement would consist in specifying GHG emission reduction thresholds and adaptation selection criteria for this category.</i></p> <p>The intended environmental objectives are relevant and overall clearly defined.</p> <p><i>An area for improvement would be to add the objectives "climate change mitigation" and "natural resources protection" in the Framework.</i></p>

Crédit Agricole S.A's Green Bond Framework			Vigeo Eiris' Analysis
Eligible Categories	Definition	Environmental objectives and benefits	
		Water resource quality preservation	<p>The expected environmental benefits have been partially defined in the Framework : they are defined for all the claimed objectives except for "natural resource protection". The Sponsor has committed that it will assess and quantify the environmental benefits expected to be achieved by these assets.</p> <p><i>Areas for improvement would be (i) to specify if justified if the expected benefit is reduction and/or avoidance of GHG emissions; (ii) to define in the Framework what are the expected environmental benefits regarding the objective "natural resources protection".</i></p>

The Eligible Categories are likely to contribute to seven of the United Nations' Sustainable Development Goals ("SDGs"), namely : Goal 3. Good Health and Well-being, Goal 6. Clean Water and sanitation, Goal 7. Affordable and Clean energy, Goal 9. Industry, Innovation and Infrastructure, Goal 11. Sustainable Cities and Communities, Goal 12. Responsible Consumption and Production and Goal 13. Climate Action.



Eligible Categories	UN SDGs identified	UN SDGs targets
Renewable Energy	SDG 7. Affordable and Clean Energy	7.2 Increase substantially the share of renewable energy in the global energy mix 7.3 Double the global rate of improvement in energy efficiency
	SDG 13. Climate Action	N/A
Green Buildings	SDG 7. Affordable and Clean Energy	7.3 Double the global rate of improvement in energy efficiency
	SDG 13. Climate Action	N/A
Energy Efficiency	SDG 7. Affordable and Clean Energy	7.3 Double the global rate of improvement in energy efficiency
	SDG 9. Industry, Innovation and Infrastructure	9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
	SDG 13. Climate Action	N/A
Clean Transportation	SDG 3. Good Health and Well-being	3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
	SDG 9. Industry, Innovation and Infrastructure	9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
	SDG 11. Sustainable Cities and Communities	11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons. 11.6. Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management .
	SDG 13. Climate Action	N/A

Eligible Categories	UN SDGs identified	UN SDGs targets
Waste and Water Management	SDG 6. Clean Water and Sanitation	6.2 Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation  6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
	SDG 11. Sustainable Cities and Communities	11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
	SDG 12. Responsible Consumption and Production	12.2 Achieve the sustainable management and efficient use of natural resources  12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil
	SDG 13. Climate Action	N/A

### Process for Project Evaluation and Selection

**The governance and the process for the evaluation and selection of the Eligible Green Assets is clearly defined and formalised in the Green Bond Framework and Green ABCP Programs Annex. We consider that the process is reasonably structured, transparent and relevant.**

The evaluation and selection of Eligible Green Assets is clearly defined and reasonably structured, based on relevant internal expertise, with well-defined roles and responsibilities:

General procedure:

- The account managers are responsible for responding to the financing requests of all type of transactions and clients, negotiating lending terms and conducting the due diligence processes.
- Experts from Economic and Sustainable Departments and/or independent environmental and social experts are responsible for providing support to account managers or for carrying out *ad hoc* analyses respectively.
- The Risk Department is responsible for reviewing and issuing a recommendation about the transaction and/or client's risk management and their alignment with the Group's policies.
- The directors of the Regional Banks or the Credit committees are responsible for reviewing and granting the final transaction or client loan approval.

Bonds procedure:

- The different entities of the Group conduct a pre-selection of potential Eligible Green Assets, which is presented to the Green Bond Committee.
- A Green Project Group composed of representatives of the teams in charge of identifying and monitoring the Eligible Green Assets of each entity, will be responsible for advising the Group entities on the implementation and development of internal systems for the identification and selection of Eligible Green Assets. Moreover, the different entities of the Group conduct a pre-selection of potential Eligible Green Assets, which is presented to the Green Bond Committee.



- The Green Bond Committee is comprised of the Head of the Group CSR, the Head of the Group Treasury and Medium/Long Term Funding, a Senior Manager from Regional Banks and a Senior Manager from each entity contributing to the Green Portfolio. The Committee is responsible for reviewing the compliance of the pre-selected potential Eligible Green Assets with the eligibility criteria set out in the Framework and the Group CSR Policy, and for selecting and validating the Green Portfolio to be financed by the Bonds.

ABCP Programs procedure:

- Crédit Agricole CIB will oversee the evaluation and selection of the Eligible Green Assets backing the Green ABCP Programs.
- The Green ABCP Program Structuring Teams will participate in the pre-selection of potential Eligible Green Assets and, together with the Sustainable Banking Team, will evaluate and verify the eligibility of the Eligible Green Assets identified. Additionally, both teams will address documentation and on-going reporting requirements based on the Eligible Categories defined in the Framework.

The traceability and verification of the selection of projects is ensured throughout the process:

Bonds:

- The Green Bond Committee will meet every quarter to verify that the Green Portfolio financed by the Bonds continues to comply with the eligibility criteria, and minutes of each meeting will be created to ensure decision traceability.
- An independent external reviewer will verify annually the compliance of the Green Portfolio with the eligibility criteria.

ABCP Programs:

- At least once a year, the Green Bond Committee will monitor the compliance of the Underlying Assets with the eligibility criteria of the Green ABCP Programs and will review annually the sample pool data reports to ensure the compliance of Eligible Green Assets with the eligibility criteria.

An area for improvement consists in having an external reviewer that will verify annually the compliance of the ABCP Programs with the eligibility criteria.

**The selection and evaluation process relies on explicit eligibility criteria (selection and exclusion) and overall relevance to the environmental objectives defined for the Eligible Categories of assets.**

- The eligibility requirements are based on the definitions of the Eligible Green Assets in the Use of Proceeds section of this SPO.
- The Group is committed to exclude any asset or activity related to nuclear energy, weapons and fossil fuels from eligibility.
- The Sustainable Development teams of each entity of the Group will monitor and analyse the potential ESG controversies associated with the Eligible Green Assets. Reports will be presented to the Green Bond Committee, which will be responsible for analysing the controversy and for deciding on exclusion or retention of the concerned asset in the Green Portfolio.

The Group reports that explicit eligibility criteria may include specification of “energy efficiency” and/or “GHG emissions” thresholds allowing to select only projects with clear environmental benefits for the Eligible subcategories such as “district heating system” (Energy Efficiency) and “hybrid” maritime transport vehicles” (Clean transportation).

**The identification and management of the environmental and social risks associated with the Eligible Assets are considered good.**

The Group and Sponsor have committed that all Eligible Green Assets shall comply with Crédit Agricole standard credit process including compliance with the Group's CSR policy and dedicated sector policies, as well as with any applicable regulatory environmental and social requirements.

The Group and Sponsor have established a structured process to ensure the appropriate identification, assessment and classification of the environmental and social risks of all its transactions and clients, including Regional Banks:

- Account managers are responsible for conducting the environmental and social risk evaluation, relying on formalised procedures according to the type of financing; and for reviewing the compliance with the Group sector policies.
- An internal industry and sector research is carried out by engineers from the Economic Department who are specialized in industrial sectors and are responsible for providing understanding and skills on technical and environmental issues. Their role is to provide opinions, which are of utmost importance for high risk and sensitive transactions.
- The Risk Department is responsible for reviewing the environmental and social risk evaluation conducted by the account managers and for providing its own conclusions.
- Since 2005, the Group has an ad hoc Environmental and Social Risk Evaluation Committee (CERES, for its initials in French) responsible for the review and evaluation of Category A transactions, i.e. transactions or clients considered sensitive by the public opinion or in which there is a doubt of their compliance with sector policies. CERES provides specific recommendations prior to credit decisions and monitors the category A and sensitive transactions or clients every six months.
- Risks internal monitoring and control systems are good. Internal evaluation tools guarantee the exhaustive coverage of environmental and social risk identification and promote the empowerment of account managers in the process of risk evaluation. Second levels of control are ensured by the Risk Department and CERES respectively.

In addition, specific criteria applies to the type of financing:

- Project Financing: The Group's Project Financing Environmental and Social Risks Management System is well-structured in three pillars, ensuring project risk identification and management:
  - The implementation of the Equator Principles (EPs): The EPs apply to the Sponsor's entire project finance business line, without a required threshold. Moreover, since 1 January 2014 the EPs have been extended to the four areas of banking: project finance advisory services, project finance, project-related corporate loans and bridge loans.
  - The application of the EPs is supported by internal environmental and social impact evaluation tool developed by the Sponsor in 2008. Environmental and social requirements are included in the loan contracts to ensure that the projects are developed in compliance with the IFC Performance Standards.
  - The application of the Group's 13 CSR sector policies: Sector policies were constructed based on international standards and conventions. They set the conditions for investment and define the criteria for analysis and screening in all transactions involving the sectors concerned and apply to all the entities of the Sponsor.
  - The assessment of the environmental and social sensitivity of transactions: it applies to all transactions and it is implemented when the management of environmental or social impacts is considered critical (i.e. the existence of controversies related to the transaction or the client). The assessment is conducted using an internal tool.
- Crédit Agricole CIB has a client CSR scoring system in place since 2013 that covers corporate customers of Crédit Agricole CIB. This scoring system is clearly defined and transparent. It is designed to supplement the environmental and social risk assessment system for transactions. Customers are scored each year on a scale composed of three levels (advanced, compliant or sensitive). Regular communications and exchange of information is done with the clients scored as "sensitive". The CSR scoring system has reportedly been improved in 2018 using three levels of due diligence: reduced, standard and higher. The scoring system focuses on four issues, covering most of the relevant CSR issues: physical risk, energy transition, biodiversity and human rights.

- Regional Banks and the local Le Crédit Lyonnais (LCL) network: Regional Banks mainly provide financing to small and medium enterprises, which are systematically subject to an economic due diligence (i.e. analysis of the business plan). Regional Banks do not conduct a formalized ESG analysis, though account managers analyse some risks related to human rights, environment and governance at corporate level and improvement processes in this regard are reportedly initiated. For instance, some ESG criteria are now integrated in the economic analysis part of the Analysis of Company Commitments File. Since 2017, five Regional Banks have implemented a questionnaire and tools to raise the awareness of relationship managers. This process is expected to be deployed in the rest of the Regional Banks in 2018 and 2019.

### Management of proceeds

**The rules for the management of proceeds are clearly defined and will be verified. We consider that they would enable a documented and transparent allocation process. The allocation and tracking processes are clearly defined.**

Bonds:

- The total amount of the net proceeds of the Bonds will be allocated at the settlement date.
- The net proceeds of the Bonds will be credited, managed and monitored on a portfolio and nominal equivalence basis by the Treasury and the Medium/Long-term Funding Department. The Group has committed to maintain a Green Portfolio at least 30% greater than the total amount of proceeds raised by the Bond until its maturity date.
- The Group has put in place an internal accounting system to ensure the appropriate earmarking of the Green Portfolio and the tracking of proceeds until the Bond's maturity date.
- If 100% of proceeds of the Bonds were not allocated at the settlement date or in case of a shortfall of Eligible Green Assets, the Group has committed to keep unallocated proceeds in the form of money market products or to invest them in Green Bonds, in line with good market practices.
- In case an asset no longer complies with the eligibility criteria, Crédit Agricole has committed to make its best effort to replace this asset with another Eligible Green Asset respecting the eligibility criteria.

An area for improvement would be to specify the "best effort" to replace an asset with another Eligible Green Asset, through a formalized maximum accepted duration.

In particular, for ABCP Programs:

- As the Administrative Agent,<sup>10</sup> Crédit Agricole CIB will maintain a pool of Eligible Green Assets greater than net Green ABCP outstanding. A minimum of 10% and a maximum of 30% safeguard (buffer) between the amount of Eligible Green Assets and the outstanding Green ABCP will be established to ensure Eligible Green Asset collateral sufficiency.
- Eligible Green Assets may be pre-funded by the Green ABCP Program in order to have systematic draws of project investment funds during the planned phases of the project. This is due to the short-term nature of the Eligible Green Assets and Green ABCP.
- Unallocated proceeds will be invested in permitted investments until the maturity of the Green ABCP notes issued to finance the green project.

Traceability and verification are ensured throughout the process.

- The Green Bond Committee will quarterly verify that the net proceeds match the Green Portfolio until the Bond's maturity date and will also be responsible for monitoring the ABCP Programs Portfolio annually.

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<sup>10</sup> The financial institution that acts as agent for a syndicate of lenders in administering the loan facility with the borrower under a loan agreement. After the loan agreement closes, payments and communications between the borrower and the lenders are made through the administrative agent.

- An independent party will verify the allocation of proceeds once the Bond's proceeds are fully allocated.

An area for improvement consists in having the same external verification, annually, for the ABCP Programs proceeds.

In particular, for ABCP Programs:

- The allocation process of the Green ABCP Programs will be monitored through an internal information system called Securitization Information System (SIS). It is intended that seller pool data reports and any allocations of Eligible Green Assets per stated criteria for the eligible green category or green asset type will be stored in the SIS and available in the context of a monitoring process.

### **Monitoring & Reporting**

**The reporting process and commitments to monitoring appear to be good overall. The Sponsor will report to investors on the proceeds allocation for the ABCP Notes and commits that, to the extent that data is provided by underlying client sellers, it will report on the environmental benefits of the ABCP Notes.**

The process for monitoring, data collection, consolidation, validation and reporting is clearly defined by the Issuer in internal documentation although not formalized in the Framework. It is based on relevant internal expertise:

Bonds:

- The Assets Allocation teams will be responsible for monitoring the Eligible Green Assets and for the creation of the Bond's post-issuance reports.
- The Green Bond Committee will review the Bond's post-issuance reports.

ABCP Programs:

- Crédit Agricole CIB will collect relevant financial information related to the Eligible Green Assets and provide monthly investor report data for the applicable ABCP Programs.

The Group and Sponsor have committed to communicate on the Bonds and on the Notes of the Green ABCP programs.

For both the Bonds and the ABCP Programs, the Group/Sponsor has committed to report on the allocation of proceeds annually and until the maturity of the Bonds and/or the Notes through dedicated reports to be made publicly available on the Group's website. The reporting will be at category level and by Group entity (in line with confidentiality practices).

The annual report will also cover the sustainability benefits of the Eligible Green Assets for the Bonds programme. Regarding the ABCP Programs, the Sponsor has committed to quarterly allocation reporting and will assess, quantify and report on the environmental benefits of the ABCP Notes annually, to the extent that data is provided by underlying client sellers.

- Allocation of proceeds: the selected reporting indicators are considered relevant.

<b>Reporting indicators</b>
- Total amount issued at Group level and each relevant entity
- Total amount of net proceeds allocated to the Green Portfolio
- An analysis of the Green Portfolio by Eligible Category and by Group's entity (breakdown of Eligible Green Assets by category, Group's entity and geographic location)
- Potential amount of unallocated proceeds, if any
- Eligible Green Asset pool balances, by industry, asset type, purchase limit, and invested amount, along with Green ABCP issued and any pre-funding balances.

Areas of improvement include: i) to commit to communicate, at least to the investors, what are the type of temporary placement of the unallocated funds, if any.

- Environmental benefits: the selected reporting indicators are considered relevant overall, with partially relevant/exhaustive indicators for the Clean transportation and Waste and Water Management categories.

Eligible Categories	Environmental benefits indicators	
	Results Indicators	Impact Indicators
<b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>- Energy capacity installed (MW)</li> <li>- Expected renewable energy generation (MWh/year)</li> </ul>	Annual avoided GHG emissions (tCO2e/year)
<b>Green Buildings</b>	<ul style="list-style-type: none"> <li>- Commercial real estate assets by certification type (%) and year of certification</li> <li>- Average energy performance level of the dwellings financed (kWh/m<sup>2</sup>/year)</li> </ul>	Annual avoided GHG emissions (tCO2e/year)
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>- Expected energy savings (MWh/year)</li> <li>- Storage capacity (MWh)</li> </ul>	Annual avoided GHG emissions (tCO2e/year)
<b>Clean Transportation</b>	<ul style="list-style-type: none"> <li>- Number of passengers transported annually</li> <li>- Tons of goods transported annually</li> <li>- Number of electric vehicles financed annually</li> <li>- Kilometers of infrastructure constructed or renovated</li> </ul>	Annual avoided GHG emissions (tCO2e/year) (Scope 1)
<b>Waste and Water Management</b>	<ul style="list-style-type: none"> <li>-Waste and water management technology type (%)</li> <li>- Volume of water treated (m<sup>3</sup>/year)</li> <li>- Volume of waste treated (m<sup>3</sup>/year)</li> </ul>	N/A

The calculation methodologies and assumptions that will be used to calculate the impact of Eligible Green Assets will be publicly disclosed by the Group and Sponsor's impact reports.

Regarding the indicators, areas of improvement include :

- To report on both the expected and the actual measured benefits.
- To ensure that the reporting indicators cover all the sustainability benefits and all the Eligible Green Assets, at least for all the claimed environmental objectives and expected benefits.
- Beyond the Impact Reporting Metrics suggested by the GBP Impact Reporting Working Group, to identify and select reporting indicators measuring the outcomes and impacts of the "Waste and Water Management" category (in terms of climate change mitigation, pollution prevention and natural resources protection), on the "Clean Transportation" category (in terms of air quality), and on the "Green Building" category (in terms of energy consumption and savings in comparison to a local baseline).
- To specify in the Framework what are the baselines and assumptions considered to measure avoidance, saving, improvement, etc.

The Group and Sponsor also commits to include in the reporting any substantial evolution of the Green Portfolio composition, on ad-hoc basis. The Group and Sponsor also commit to report, at least to the investors, in case of material events and/or of material ESG controversies relating to the Eligible Green Assets.

## METHODOLOGY

In Vigeo Eiris' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organization, activity or transaction. In this sense, Vigeo Eiris writes an opinion on the Issuer's Corporate Social Responsibility as an organization, and on the process and commitments applying to the intended issuance.

Vigeo Eiris' methodology for the definition and assessment of the corporation's ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and is organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behaviour and Corporate Governance. Our evaluation framework of the material ESG issues have been adapted, based on the specificities of the Issuer's business activity.

Our research and rating procedures are subject to internal quality control at three levels (analysts, heads of cluster sectors, and internal review by the audit department for second party opinions) complemented by a final review and validation by the Director of Methods. Our SPO are also subject to internal quality control at three levels (consultants in charge of the mission, Production Manager, and final review and validation by the Director of Sustainable Finance and/or the Director of Methods. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team in contact with the company, then the Director of Methods, and finally Vigeo Eiris' Scientific Council.

All employees are signatories of Vigeo Eiris' Code of Conduct, and all consultants have also signed its add-on covering financial rules of confidentiality.

### Part I. ISSUER

*NB: The Issuer's level of ESG performance (i.e. commitments, processes, results of the Issuer related to ESG issues), has been assessed through a complete process of rating and benchmarking developed by Vigeo Eiris*

#### Level of the Issuer's ESG performance

Crédit Agricole's ESG performance has been assessed by Vigeo Eiris on the basis of its:

- Leadership: relevance of the commitments (content, visibility and ownership).
- Implementation: coherence of the implementation (process, means, control/reporting).
- Results: indicators, stakeholders' feedbacks and controversies.

#### Management of stakeholder-related ESG controversies

A controversy is an information, a flow of information, or a contradictory opinion that is public, documented and traceable, allegation against an Issuer on corporate responsibility issues. Such allegations can relate to tangible facts, be an interpretation of these facts, or constitute an allegation based on unproven facts.

Vigeo Eiris reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

Vigeo Eiris provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies faced. At corporate level, this factor reflects on the overall number of controversies faced and scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy will relate to stakeholders' fundamental interests, will prove actual corporate responsibility in its occurrence, and will have adverse impacts for stakeholders and the company, the highest its severity. Severity assigned at corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, Vigeo Eiris' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

### Involvement in controversial activities

17 controversial activities have been analysed following 30 parameters to verify if the company is involved in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the company.

## **Part II. ISSUANCE**

*The Framework and the Annex has been evaluated by Vigeo Eiris according to the GBP 2018 and on our methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.*

### Use of proceeds

The definition of the Eligible Projects and of their sustainable objectives and benefits are a core element of Green/Social/Sustainable Bonds or Loans standards. Vigeo Eiris evaluates the definition of the Eligible Categories, as well as the definition and the relevance of the aimed sustainability objectives. We evaluate the definition of the expected benefits in terms of assessment and quantification. In addition, we evaluate the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

### Process for evaluation and selection

The evaluation and selection process has been assessed by Vigeo Eiris on its transparency, governance and relevance. The eligibility criteria have been assessed on their explicitness and relevance vs. the intended objectives of the Eligible Projects. The identification and management of the ESG risks associated with the Eligible Projects are analysed based Vigeo Eiris' ESG assessment methodology, international standards and sector guidelines applying in terms of ESG management and assessment.

### Management of proceeds

The rules for the management of proceeds and the allocation process are evaluated by Vigeo Eiris on their transparency, coherence and efficiency.

### Reporting

Monitoring process and commitments, Reporting commitments, reporting indicators and methodologies are defined by the Issuer to enable transparent reporting on the proceeds allocation and tracking, on the sustainable benefits (output and impact indicators) and on the responsible management of the Eligible Projects financed. Vigeo Eiris has evaluated the reporting based on its transparency and relevance.

## **VIGEO EIRIS' ASSESSMENT SCALES**

Performance evaluation		Level of assurance	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the objective of social responsibility. Reasonable level of risk management and using innovative methods to anticipate emerging risks.	Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Good	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.	Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Limited	Commitment to the objective of social responsibility has been initiated or partially achieved; fragmentary evidence of command over the issues. Limited to weak level of risk management.	Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework
Weak	Commitment to social responsibility is non-tangible; no evidence of command over the issues. Level of insurance of risk management is weak to very weak.		



Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organizations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organizations.

Vigeo Eiris offers a wide range of services:

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Vigeo Eiris is committed to delivering client products and services with high added value: a result of research and analysis that adheres to the strictest quality standards. Our methodology is reviewed by an independent scientific council and all our production processes, from information collection to service delivery, are documented and audited. Vigeo Eiris has chosen to certify all its processes to the latest ISO 9001 standard. Vigeo Eiris is an approved verifier for CBI (Climate Bond Initiative). Vigeo Eiris' research is referenced in several international scientific publications.

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