

# GREEN BOND FRAMEWORK

# GREEN ABCP APPENDIX 2023 EDITION

NOVEMBER 2023



CRÉDIT AGRICOLE

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# INTRODUCTION

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

Depending on the ABCP Program, the programs generally purchase securities or financial instruments or make loans, secured by, or otherwise acquire interests in, trade receivables or financial assets (“Underlying Assets”) from Crédit Agricole Corporate and Investment Bank clients (“Sellers”). The ABCP Programs finance the foregoing through the issuance of A1/P1/F1-rated commercial paper notes.

The ABCP Programs may issue green ABCP (“Green ABCP”) to finance and re-finance, in whole or in part, underlying assets within the ABCP Programs that provide qualifying environmental benefits in line with eligibility criteria defined in the Use of Proceeds section of the Appendix (“Eligible Assets”).

The ABCP Programs operate within the Crédit Agricole Group and are consolidated under IFRS by Crédit Agricole Corporate and Investment Bank. The process for the identification, management and reporting of Eligible Assets within the ABCP Programs is integral to, and falls within the scope of, the Crédit Agricole Group’s green bond framework (the “Crédit Agricole Framework”)<sup>1</sup>.

The purpose of this Appendix is to provide further clarity around the application of the Crédit Agricole Framework and the four pillars of the Green Bond Principles of the International Capital Markets Association (ICMA)<sup>2</sup> (“GBP”), in the context of Green ABCP which may be issued using Secured Green Standard Bond<sup>3</sup> method defined by the June 2022 Annex of the GBP to finance Eligible Assets within the ABCP Programs.

The Green ABCP program will be presented for review, at least once per year, to the Credit Agricole Group Green and Social Bond Committee referenced in the Crédit Agricole Framework.

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<sup>1</sup> For the sake of clarity, the Framework is relevant for Green ABCP with the specificities described in this Appendix

<sup>2</sup> Green Bond Principles, June 2021 (with the June 2022 appendix).

<sup>3</sup> As per the GBP June 2022 Annex: “The Green Project(s) of the issuer, originator or sponsor, where such Green Projects may or may not be securing the specific bond in whole or in part (a “Secured Green Standard Bond”). A Secured Green Standard Bond may be a specific class or tranche of a larger transaction.”

## A. USE OF PROCEEDS

The Crédit Agricole Group entities can issue notes, in the form of asset-backed commercial papers, refinanced by the ABCP Programs within the scope of the Crédit Agricole Framework. The criteria described in the Use of Proceeds section of the Crédit Agricole Framework therefore will apply to the ABCP programs.

Eligible Assets in the ABCP Programs may include:

- (1) Underlying assets designated to be Eligible Assets, either due to the seller being active only in eligible activities pursuant to the Crédit Agricole Framework<sup>1</sup> (e.g., if the seller is a renewable energy developer) or as demonstrated through the seller data reports (e.g., electric vehicles in pools of auto loans, receivables from a “pure player”), referred as “Secured Green Collateral Bond”<sup>2</sup> or
- (2) Underlying assets for which there are representations and reporting by the applicable sellers that all or part of the proceeds received from the receivables transaction under the ABCP Programs will be used to finance or refinance assets or investments or provide working capital financing to assets belonging to eligible categories as defined in the Crédit Agricole Framework (e.g., a company using the proceeds of the securitization to finance its green working capital), referred as “Secured Green Standard Bond”.

## B. PROCESS FOR PROJECT EVALUATION AND SELECTION

As the administrative agent for the ABCP programs (the “Administrative Agent”), Crédit Agricole Corporate and Investment Bank will oversee the evaluation and selection of the Eligible Assets backing the Green ABCP issued. The respective ABCP Program structuring teams will participate in the pre-selection of potential Eligible Assets, and, in conjunction with the Sustainable Banking Team, evaluate and verify the eligibility of the Eligible Assets and address documentation and on-going reporting requirements based on the eligible categories defined in the Crédit Agricole Framework.

## C. MANAGEMENT OF PROCEEDS

The allocation process will be monitored through an internal information system avoiding double counting of Eligible Assets under Green ABCP with any other type of outstanding green financing. For each ABCP Program, Crédit Agricole Corporate and Investment Bank, as Administrative Agent, intends to maintain a pool of Eligible Assets greater than the net Green ABCP outstanding.

### Pre-Funding

In certain cases, given the short-term nature of Eligible Assets and Green ABCP, Eligible Assets may be pre-funded by Green ABCP in order to have orderly drawings of project investment funds during the planned phases of the project. In these instances, excess funds not yet applied to Eligible Assets may be invested in permitted short-term investments for a matched investment period. Any unutilized proceeds allocated to the applicable green project will be held as permitted investments until the maturity of the Green ABCP issued to finance the green project.

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<sup>1</sup> Eligible companies are companies demonstrating that at least 90% of their revenues are generated by the operation of one or more eligible activities, as per the eligibility criteria set in the Crédit Agricole Framework. In addition, the counterparty will not be eligible if it operates within any activity/sector excluded under the Crédit Agricole Framework.

<sup>2</sup> Green Bond Principles, ICMA 2022 Appendix

## Eligible Green Asset Sufficiency

A minimum 10% buffer between the amount of Eligible Assets and the net Green ABCP outstanding will be established to safeguard Eligible Asset collateral sufficiency. This buffer will be adjusted by the Administrative Agent depending on the nature of the assets and the Eligible Asset projection methodology applied in the respective ABCP Programs. The repayment structure of the Eligible Assets may be in the form of fixed, revolving or amortizing collateral pools. In the case of revolving or amortizing pools, if the Eligible Assets balance falls below the referenced Green ABCP issuance amount prior to maturity, such that there is a deficiency of eligible green collateral, excess Green ABCP issued will either be, depending on the investor's preference:

- (1) Allocated to the financing of other Eligible Assets [Green ABCP],
- (2) Allocated to the financing of non-Eligible Assets [non Green ABCP], or
- (3) Reinvested in the form of permitted investments (cash or cash-equivalents) until the maturity date of the Green ABCP purchased [non Green ABCP].

Green ABCP issued will have a dedicated CUSIP for publication and monitoring purposes. To the extent permitted, Green ABCP issued may be structured with an issuer call and/or investor put right to accelerate the maturity of the notes in the event of an Eligible Asset insufficiency.

## D. REPORTING

### Allocation Reporting

Crédit Agricole Corporate and Investment Bank, as Administrative Agent of the ABCP programs, will report, to the extent the relevant information is provided by sellers, at a minimum, quarterly, on eligible green asset pool balances, by industry, asset type, purchase limit, and invested amount, along with Green ABCP issued and any pre-funding balances, in the monthly investor reports for the applicable ABCP programs.

### Impact Reporting

Crédit Agricole Corporate and Investment Bank, as Administrative Agent of the ABCP programs, may provide impact reporting, to the extent impact reporting is provided by sellers, at a minimum, on a yearly basis, about the environmental impact of Eligible Assets, with emphasis on the most frequent metrics (e.g., tons of carbon emissions avoided: tCO<sub>2</sub>/y)<sup>1</sup>.

## E. EXTERNAL REVIEW

The Crédit Agricole Framework, including this Appendix, has received an independent Second Party Opinion from [ISS Corporate Solutions \(ICS\)](#).

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<sup>1</sup> For the sake of clarity, the ABCP program reporting will not be included in the annual Allocation and Impact Green Bonds Report of the Group, as CACIB is the only entity administrating green ABCP.



12, place des États-Unis - 92127 Montrouge Cedex - France

[www.credit-agricole.com](http://www.credit-agricole.com)

