CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

CSR SECTOR POLICY – ROAD TRANSPORTATION SECTOR
July 2026

1. Scope of the Policy

The present policy (the "Policy") applies to relevant commitments of Crédit Agricole CIB (the "Bank") in the road transportation sector, as defined below.

For the purpose of the Policy, the road transportation sector includes the following registered vehicles:
- light vehicles;
- heavy vehicles;
- buses;
- two-wheels.

This policy concerns the following players in the sector:
- the **manufacturers** with a turnover superior or equal to 100M€[1];
- the primary (**dealer**) and secondary **distributors;**
- **transportation service operators;**
- vehicle **rental** companies;
- companies with a **fleet of vehicles** and solely for the financing of these fleets.

The Policy applies from the date it is published. Are excluded pre-existing activities in this sector, including commitments already made or business opportunities which are already at an advanced stage of negotiation.

This CSR sector policy "Road transportation" is part of the Crédit Agricole S.A. Group CSR sector policy "Road transportation". The policy formalizes the operational implementation of the Group's Road transport policy, incorporating the specificities of Crédit Agricole CIB's activities and businesses.

This CSR sector policy will be updated periodically.

2. Sector Issues and Objectives of the Policy

The road transportation sector faces various environmental and social issues (health and safety) throughout its value chain, particularly in countries with a weak regulatory environment.

In 2023, the sector is notably responsible of around 11%[2] of global greenhouse gas emissions (mainly in the form of CO_2) and strongly contributes to air pollution. Fine particles, nitrogen dioxide, volatile organic compounds and carbon monoxide emitted by road vehicles also strongly contribute to ambient air quality degradation[3]. According to the European Environment Agency (EEA), at least 253,000 deaths in the EU in 2021 were due to exposure to fine particles above the concentration recommended by the World Health Organization (WHO)[4].

[1] Large size companies are usually subject to reporting requirements that may include environmental and social aspects. For instance, European companies with a turnover over 100 MEUR are required to publish a non-financial reporting - *Déclaration de Performance Extra-Financière (DPEF)* following the article L. 225-102-1 of Code de commerce.
[2] Global GHG emissions shares by subsector 2023 | Statista
[3] Diesel engines are for instance responsible in developed countries for nearly a half of nitrogen dioxide emissions, which cause important respiratory diseases
[4] https://epha.org/wp-content/uploads/2018/11/embargoed-until-27-november-00-01-am-cet-time-ce-delft-4r30-health-impacts-costs-diesel-emissions-eu-def.pdf

The sector can progress in decarbonation, notably with hydrogen and electrification technologies. These technologies make it possible to significantly reduce emissions of GHGs and fine particles and contribute to reduce noise pollution. The International Energy Agency (IEA) scenario assumes the phase-out of emissions from motorcycles by 2040, rail by 2050 and small trucks by 2060. The European green reindustrialization strategy ("net zero industry act" NZIA)[5] should contribute to accelerating the electrification of road transportation by allowing public support for investment in strategic decarbonation technologies for the EU.

In parallel, according to the the International Energy Agency's (IEA) Net Zero scenario, **65% of new light-duty vehicle sales will have to be electric by 2030 and 95% by 2035[6].** Concerning **heavy goods vehicles and electric buses**, the IEA respectively forecasts a 3-fold and 7-fold increase in sales by 2035 compared to 2023.[7]

The extraction of natural resources requires varying amounts of energy. Energy expenditure generates significant greenhouse gases: 45% of global greenhouse gas emissions can be attributed to the extraction of materials and the production of goods[8]. Extraction can also lead to **environmental and social consequences** related to land use change, artificial land use, water depletion and/or pollution of water used, exposure to heavy metals and human rights violations.

According to the IEA, electric cars contain more than 200 kg of minerals on average, six times more than a thermal[9] car. **The recovery of metals contained in batteries** at the end of their life is therefore key to both limiting pressure on raw materials and reducing the carbon footprint, as well as protection against tensions in critical mineral supply chains in the medium term.

Similarly, the repairability of electric vehicle battery vehicles, the **recycling** of construction materials (metals, plastics, glass, tires, etc.) and the **reuse** of spare parts by manufacturers play a crucial role in reducing the sector's environmental impact.

These challenges are the subject of scientific studies to enable the emergence of technological developments around the lifetime, recycling, composition and weight of electric vehicle batteries. These scientific advances could accelerate the electrification of the vehicle fleet while reducing their environmental impact. In addition, the European Union has set[10] targets for recycling battery components that will significantly reduce the pressure on demand for new materials and thus limit the environmental and social impact that the extraction of raw materials may have.

3. Reference Frame

The Bank will expect its clients to be guided by and comply with, when relevant, the standards resulting from the following conventions, initiatives or institutions:

- the European Commission (including the EURO standards established by the European institutions regarding vehicles emissions sold on the European market);
- the Ministry of Economy, Trade and Industry of Japan (including the Top Runner Program regarding vehicle fuel efficiency standards),

and with respect to the financing associated with the construction or expansion of new industrial facilities (in particular a vehicle assembly plant):

- the standards of the World Bank group and in particular the International Finance Corporation (IFC) Performance Standards and Environment Health and Safety Guidelines;
- the Ramsar Convention: Convention on Wetlands of International Importance (Ramsar, Iran, 1971)
- UNESCO's list of World Heritage Sites (United Nations Educational, Scientific and Cultural Organization);
- Location in or critical impact on a site that meets Alliance for Zero Extinction (AZE).

[5] NZIA regulation of 13 June 2024
[6] Outlook for electric mobility – Global EV Outlook 2024 – Analysis - IEA
[7] Executive summary – Global EV Outlook 2024 – Analysis - IEA
[8] Ellen MacArthur Foundation, 2023
[9] https://www.iea.org/data-and-statistics/charts/minerals-used-in-electric-cars-compared-to-conventional-cars
[10] https://alternative-fuels-observatory.ec.europa.eu/system/files/documents/2024-06/EU%20Aggregated%20Report%202023_0.pdf

4. Analysis Criteria

The Bank considers the following environmental and social aspects as the most relevant for the automotive sector:

- GHG emissions / energy efficiency aspects;
- air pollutants emissions such as NOx and fine particles;
- The existence of an Environmental and Social risk Management System (ESMS)[11] (including potentially with respect to the overall supply chain) ;
- social and human rights (e.g. respect of the core International Labour Organization conventions, respect of the health and safety conditions of local communities …).

5. Implementation

The Bank expects its clients to develop appropriate good working practices and behaviour to manage their environmental & social impacts such as those listed in section 4 of this Policy and to adhere to industry good practice principles. As such, on the occasion of the annual review of the relationship, the criteria above will be assessed for existing clients based on available information. The decision to enter into relation with a new client falling under the scope of the Policy will only be taken after an analysis of the activities of the client according to the same criteria. This analysis shall confirm, if needed at a CERES[12] committee level, that the client practices durably comply with the principles enacted by the Policy. The Bank expects its clients to integrate the principles of the Policy toward their value chain.

The Bank will consider the existence of energy efficiency considerations and take into account the client capability to adapt to regulatory evolutions (CO2, NOx, particles emissions targets, safety issues…). The Bank will also take into consideration the potential existence of severe/repeated sanctions from competent authorities with respect to environmental or social matters and the indication by the company of corrective measures.

These evaluations will be conducted on the basis of the information available or communicated by the client to the Bank.

6. Exclusion Criteria

The Bank will not participate in transactions directly related to the development, construction or expansion of any industrial installations (in particular automotive assembly plants)if aware of the following characteristics:

- critical impact on a protected area or on wetlands of international importance covered by the Ramsar Convention;
- location in or critical impact on a site meeting the definition criteria of AZE;
- the project is located within a site listed on the UNESCO World Heritage list.

or when it has not received, in its opinion, satisfactory answers with respect to:

- material non-compliance with the IFC Performance Standards (or with equivalent standards when a export credit agency or a multilateral institution is involved) or the Environment, Health and Safety Guidelines, in particular with respect to the ESMS, protection of the fundamental rights of workers, displacement of population, management of tailings, closure and rehabilitation plans as appropriate, biodiversity conservation, impact on critical natural habitats[13];
- consent of indigenous people and protection of cultural heritage.

The Bank will reconsider its relationship or not initiate a new relationship with players of the sector:

- if there is evidence that the Environmental and Social risk Management System and/or energy efficiency considerations are lacking;

[11] According to IFC Performance Standard 1, one important objective of an Environmental and Social Management System is "to adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize, and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment".

[12] Evaluation Committee for transactions and clients involving an Environmental or a Social Risk.

[13] Compliance with the Performance Standards is, in theory, assumed in High Income OECD Countries of the Performance Standard 7 on Indigenous Peoples. Nevertheless, the entity is requested to assess the inherent risks to determine whether one or more of the IFC Performance Standards could serve as a basis, in addition to the laws of the host country, for addressing those risks.

- when the company has been convicted for severe and/or repeated infringements in matter of vehicles safety and/or human rights by a competent authority, if it has not indicated taking any appropriate corrective measures.

7. **Exceptions**

Transactions that present uncertainty with respect to compliance with the Policy shall be referred to the CERES committee for recommendation. If the committee considers that the transaction does not conform to the Policy, such transaction will be subject to a final arbitration by the General management of Crédit Agricole CIB.

8. **References and glossary**

European Commission, Mobility and Transports Committee:
http://ec.europa.eu/transport/index_en.htm

Environmental European Agency (EEA):
http://www.eea.europa.eu/themes/transport

EURO 7 standards: Emissions in the automotive sector - European Commission

Ministry of Economy, Trade and Industry of Japan (METI) and Automotive Top Runner program:
https://www.unescap.org/sites/default/files/29.%20CS-Japan-Top-Runner-programme.pdf

IFC Performance Standards and Environmental, Health and Safety Guidelines:
https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards
www.ifc.org/ehsguidelines

Wetlands of international importance covered by the Ramsar Convention:
https://rsis.ramsar.org/?pagetab=1

Site listed on the UNESCO World Heritage list:
http://whc.unesco.org/fr/list/

Global Map of Alliance for Zero Extinction
https://zeroextinction.org/site-identification/2018-global-aze-map/