3.4.6.2 Animal welfare

Crédit Agricole has always demonstrated its desire to guide its customers towards sustainable business models and animal welfare is one of the undeniable components of this sustainability. Pursuant to European Directive 98/58/EC that establishes minimal standards for the protection of animals, animal welfare is defined by the World Organisation for Animal Health (OIE) as based on five fundamental freedoms: freedom from hunger and thirst; freedom from physical restraint; freedom from pain, injury and disease; freedom to express normal behaviour; freedom from fear and distress.

Crédit Agricole ensures respect and anticipates changes in regulations and societal demand in order to support its customers in investments that respect animal welfare and are economically viable. This support includes particularly raising awareness and training employees responsible for agri-agro projects.

It encourages corporates to adopt best practices throughout the industry and asks companies, according to their business activities, to:

- comply with the European Convention for the protection of breeding animals and Directive 98/58/EC that establishes minimal standards for the protection of animals at the European level;
- respect by industry of European directives 1999/74/EC (laying hens), 2007/43/EC (meat chickens), 2008/119/EC (cattle) and 2008/120/EC (pigs), all of which are transposed into French law.

Amundi is already including animal welfare in its non-financial rating criteria for issuers in the food sector. In 2021, Amundi continued its work in cooperation with FAIRR, a coalition of investors whose aim is to engage in dialogue with food sector companies to raise awareness of (i) the environmental, social and governance risks associated with intensive livestock farming to change their practices, and (ii) the business opportunities that new modes of agriculture can represent. Amundi has joined three engagement campaigns led by FAIRR:

- Building Sustainable Protein Supply Chains: supported by 88 institutional investors representing close to US$13.1 trillion in assets under management, the campaign is asking 25 food sector companies to diversify their protein sources to stimulate growth, increase profitability, reduce their exposure to animal proteins and improve their competitiveness in a world of limited resources;
- Meatsourcing: supported by 90 investors representing close to US$11.4 trillion, this campaign is asking six companies in the fast food sector to reduce the risks due to meat and dairy products in their supply chain;
- *Antimicrobial Resistance:* supported by 12 investors representing nearly US$7 trillion and in collaboration with the Access to Medicine Foundation, this campaign was launched in 2020 and is conducted with pharmaceutical companies to encourage them to implement best market practices during the development of new antibiotics.

3.4.7 Targets for reducing our internal footprint

After reaching the targets set for the period from 2016-2020 (a 15% reduction in internal footprint greenhouse gas (GHG) emissions), **Crédit Agricole S.A. and its subsidiaries** are strengthening their policies to reduce their GHG emissions.

In line with the participation of the Crédit Agricole Group in the Net-Zero Banking Alliance and in line with its goal to support the decarbonisation of the economy for the benefit of the ecological transition, Crédit Agricole S.A. and its subsidiaries continue their actions to reduce the emissions of its internal footprint. As this is an indispensable prerequisite for the zero net emissions target on financing and investment activities, Crédit Agricole S.A. and its subsidiaries conducted an assessment of their GHG emissions (in carbon equivalent) and are working on building trajectories that are able to meet carbon neutrality targets by 2050. According to the methodology of the Science-Based Targets initiative (SBTi) to which Crédit Agricole S.A. and its subsidiaries adhere, the reduction targets will be established as follows:

- **-46.2%** of absolute emissions linked to energy consumption (scopes 1 and 2) between 2019 and 2030;
- **-46.2%** of emissions linked to business travel (scope 3) between 2019 and 2030.

The subsidiaries are acting to reach these ambitious targets with a desire to set an example for their stakeholders. In addition to taking action to reduce its footprint, the Crédit Agricole Group helps to offset its residual emissions by investing in CO_2 sequestration and emissions reduction projects in France and internationally.

At the same time, Crédit Agricole S.A. and its subsidiaries are continuing their efforts to promote energy transition in terms of their internal footprint, with the target of using only renewable electricity by 2030 worldwide (all French sites already use fully renewable electricity).[1] The Group also launched a proactive policy to encourage its employees and customers to make the switch to electric travel with the roll-out of electric charging stations on its sites and in-branch. It is continuing its actions to decarbonise the mobility of its employees when they are on the move.

In addition, all Crédit Agricole S.A. sites are committed to preserving the use of resources through innovative infrastructure, property and furniture investment, as well as the recycling and recovery of waste and the restriction of its production.

Consideration was given to the implementation of the *flex-office* aimed at enhancing building sobriety while maintaining a balance between employee well-being and compliance with environmental commitments. Crédit Agricole CIB, CAA, Amundi, and CAL&F have now finalised their project.

Since 2007, **energy consumption** has been monitored at all Crédit Agricole S.A. entities in France and abroad. Action plans are put in place within the Group for permanent energy optimisation.

(1) With the exception of one CAA building.

Refer to the glossary on page 715 for the definition of technical terms.

The Maintenance and Operations departments of **Crédit Agricole Immobilier** set about establishing a real estate master plan in 2021, combining the challenges of meeting the obligations of the commercial decree[(1)] and those of new ways of working *(flex-office),* within the scope of the Evergreen and SQY Park campuses. This real estate master plan aims to work on three levers: the behaviour of occupants, operation and energy renovation work. For the first lever regarding use, Crédit Agricole Immobilier launched the Efficient Building Use Competition, known as CUBE, organised by Ifpeb[(2)] across two buildings, Silvae and Alsace, combining inter-company and inter-entity competition. For the second lever regarding operation, a contract with a bonus/malus scheme for energy savings was set up in 2019 with the maintenance company for the largest buildings. For the third lever regarding investments, a costing of the work required to achieve the targets was drafted, allowing the roll-out of various optimisation scenarios.

Regarding the vehicle policy, **Crédit Agricole S.A.** introduced a new car fleet catalogue in May 2021 for executive, company and service vehicles with a view to reducing emissions. It does not include any vehicles subject to the 2021 malus and comprises two-thirds low-emission vehicle models, more than half of which are zero-emission vehicles. To ensure the most effective use of the new catalogue, the Group will increase access to recharging facilities for its employees on Group sites and for its customers through its branch network in 2022.

Crédit Agricole Group Infrastructure Platform (CA-GIP) initiated Phase 2 of the Voltaire Project launched in 2019, which consists of immersing servers in oil to cool them down. The benefits are numerous, as oil conducts heat 1,500 times better than air, thus naturally capturing the heat emitted while maintaining a homogeneous temperature. Furthermore, the machines are protected against thermal shock, pollutants and oxidants in the air. This technique can thus reduce the energy consumption of immersed servers by 30% compared to air cooling. In 2020, extensive adaptation work was carried out at the Greenfield data centre in Chartres to deploy this technical solution more widely and put more than 400 virtual servers into production at the beginning of 2021.

Offset our residual direct footprint

In the transition period towards the Net Zero target and alongside actions to reduce its emissions, Crédit Agricole helps to offset part of its residual emissions by supporting environmental projects that promote the reduction or sequestering of greenhouse gases (GHG) in the atmosphere.

Since their launch in 2011, Crédit Agricole has thus invested in the Livelihoods Carbon Funds, which support projects to reduce CO_2 emissions and to sequester carbon in soils and trees and, more broadly, make it possible to: sustainably improve the living conditions of rural communities; restore and protect natural ecosystems with high agricultural potential; and help to slow climate change through CO_2 capture and emission avoidance.

Our carbon offsetting scheme: the Livelihoods carbon funds

The methodology used by the Livelihoods Carbon Funds is based on six main principles:

1. REDUCING CO_2 FIRST AND FOREMOST	2. IMPACT	3. LARGE-SCALE PROJECTS
All investors and Livelihoods partner companies must have an ambitious policy to reduce CO2 emissions. Carbon offsetting only occurs after this reduction.	All Livelihoods projects have a positive environmental or social impact on the countries or regions where they are implemented, and they contribute to the fight against global warming.	Livelihoods funds provide seed funding to NGOs seeking to implement large-scale projects.
4. RISK MANAGEMENT	**5. LONG-TERM PROJECTS**	**6. DIRECT BENEFICIARIES**
Livelihoods is not a commercial organisation and does not buy carbon credits to resell directly to businesses. It is a mutual fund created by companies that invest in high-risk stocks and earn carbon credits.	Livelihoods funds are a long-term investment vehicle. Contracts are drawn up based on projects that will be spread over 10 or 20 years.	The value created by Livelihoods Funds stays in the regions where it works. Livelihoods does not own any land, trees or crops.

The Livelihoods funds finance projects for reforestation and restoration of degraded ecosystems, agroforestry, regenerative agriculture, and small-scale rural energy (improved stoves) in Africa, Asia and Latin America. For the first time in 2021, the LCF 2 Fund invested in a regenerative agriculture project in Brittany (Soils of Brittany).

Inflows to the funds come from investors who pre-finance projects and recover Verra and Gold Standard certified carbon credits. Since 2011, Crédit Agricole S.A. and Crédit Agricole CIB have invested €13 million in two funds (LCF 1 and LCF 2).

In 2021, five projects were verified (Fundaeco, News, Hifadhi, Tiipaalga and Hifahdi2). These projects generated 117,648 tonnes of CO_2 for Crédit Agricole S.A. and Crédit Agricole CIB (estimated as at January 2022), which make it possible to offset the equivalent of the residual internal emissions related to energy and business travel of Crédit Agricole S.A. and all its subsidiaries (in France and abroad).

(1) A key measure of the Elan Law, Decree no. 2019-771, effective from 2021, aims to gradually reduce the energy consumption of the French commercial sector for buildings with a surface area of 1,000 sq.m or more.

(2) French Institute for Building Efficiency.