



Mobility sector policy

ROAD TRANSPORT SECTOR

Introduction

Crédit Mutuel Alliance Fédérale may be requested, through its various activities, to participate in operations related to sensitive sectors involving social and environmental risks. Being concerned about taking these issues into account responsibly, the group has undertaken to define sector policies aimed at delimiting the scope of action and establishing criteria and principles to be observed during the performance of its activities in areas where the social and environmental impact is the highest.

The measures stemming from these policies apply to the entire group, subject to compliance with the legal and regulatory provisions applicable to each entity.

These measures may be revised each time the group deems it necessary.

Crédit Mutuel Alliance Fédérale implements a responsible policy in keeping with its mutualist values. Its ambition is to support its clients in the transformation of their business model and thus contribute to the fight against global warming, reduced biodiversity, and environmental degradation

Crédit Mutuel Alliance Fédérale's road transport mobility sector policy aims to reduce the impact of transport-related emissions, which currently account for 24% of global emissions. Road transport alone is responsible for nearly three-quarters of these CO₂ emissions.¹

The road transport mobility sector policy aims to promote sustainable transport and to support technological innovations in the field of low-emission engines.

The scope of this policy also concerns financing carried out on the corporate market in the leasing, credit and financing of freight and passenger rail assets.

This policy is a first step in a programme aimed at facilitating the financing of clean, new or second-hand rolling stock for private, professional and agricultural clients by 2024.

This road transport mobility sector policy falls within the framework of the Corporate and Social Responsibility (CSR) policy.

In addition to complying with applicable national and international obligations and legislation, Crédit Mutuel Alliance Fédérale, a partner of companies in the road transport sector, has chosen to adopt additional rules to define the framework for participating in operations in this sector.

1 Scope

This policy applies primarily to the road transport sector, which includes light utility vehicles (less than 3.5t), industrial vehicles (more than 3.5t) and the bus and coach market, which is subject to leasing and credit operations for companies. However, this policy also includes the rail sector, notably through the financing of freight and passenger rail assets.

Crédit Mutuel Alliance Fédérale will not provide banking and financing services in cases where it has insufficient knowledge of the transaction (KYT), the client and its counterparties (KYC), and/or countries concerned (countries that are exposed or not) given its internal rules.

As no two operations are ever exactly the same, the group refrains from taking a systematic approach to financing decisions. Crédit Mutuel Alliance Fédérale will be especially attentive to the corporate and social responsibility policy developed by its clients, especially during banking and financial service operations.

2 Analysis criteria

Through its policy, Crédit Mutuel Alliance Fédérale works alongside its clients in their energy transition to a smart and sustainable mobility, while not losing sight of the growing need to transport passengers and goods.

¹ Data retrieved from www.iea.org/reports/tracking-transport-2020

2.1 Road vehicle assets to transport goods and passengers

The analysis criteria used in the road transport mobility sector policy are rooted in the requirements of Crédit Mutuel Leasing's existing criteria in order to pursue an effective environmental approach for the corporate market. Special attention is paid to the engine as well as to the age of the vehicle fleet.

The new vehicles need at least the Euro6^[1] standard, which sets maximum pollutant limits on new vehicles; any new vehicle that falls short of this standard will be excluded.

The financing period must not exceed seven years for light utility vehicles and ten years for industrial vehicles, buses and coaches in order to secure a fleet of eco-friendly vehicles.

2.2 Rail assets to transport freight and travellers

Crédit Mutuel Alliance Fédérale undertakes to support sustainable mobility in the rail sector with the financing of electric and hybrid assets, among others.

2.3 Host country eligibility criteria

The group may provide funding for financing or banking operations provided the country in which the counterparty is located is not subject to

international financial sanctions imposed by the French, European or international authorities in the road transport sector.

The group asks that companies respect the local laws and regulations applicable in the host countries, as well as the international conventions ratified by the countries in which said companies operate.

Moreover, all financing is subject to an analysis of risks, including the regulatory context, the country risk including internal compliance due diligence, and economic and environmental issues and the general sustainable development commitments of companies across the span of their business activity. In this area, the analysis will be based in particular on the extra-financial rating provided by an expert and independent agency when available.

3 Means

Unless otherwise indicated, the data and information in this policy pre-date its initial dissemination. Moreover, in order to ensure compliance with the criteria and principles laid down under its "Mobility sector policy – Road transport sector", Crédit Mutuel Alliance Fédérale may use and rely on the expertise, valuations and/or information provided by various experts or external service providers selected with reasonable care, and it also draws on information provided by the road transport sector companies concerned.

[1] www.ecologie.gouv.fr/normes-euros-demissions-polluants-vehicules-lourds-vehicules-propres