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Declaration of extra-financial performance

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5.1 Introduction: a CSR goal incorporated into the Group strategy

5.1.1 Main areas of CSR policy

The Move 2025 strategic plan places Corporate Social Responsibility (CSR) at the heart of the Group's strategy: the Responsibility pillar, called Move for Good, is one of the foundations of the strategy (see section 1.4.3 "Move for Good: placing people and corporate social responsibility at the heart of everything we do").

In practice, ALD's CSR policy is developed around four focus areas:

- promoting **sustainable mobility in customer solutions** (with electric vehicles at the heart of the system);
- being a **responsible and committed employer**, and developing human capital;

- **ethical and responsible business practices**, both in internal behaviours and with external stakeholders (environmental and social risk management, customer satisfaction, and responsible purchasing);
- reducing the Group's **internal environmental footprint** (its own emissions).

Our goal is to create added value for all our stakeholders and support society's positive transformations. As a major player in mobility and a service company, ALD's greatest environmental and social impact resides in the products and services sold, primarily through the emissions of vehicles managed on behalf of customers. This is why, the CSR policy is firmly rooted in the theme of sustainable mobility.

5.1.2 CSR governance and main commitments

The CSR policy is defined and coordinated by a dedicated team that reports directly to the Group Chief Administrative Officer, a member of the Executive Committee.

The presence of local CSR ambassadors in the operating entities is key to ensure the consistency and impact of the CSR setup across the various geographies. The **CSR community** was first built by appointing correspondents in the seven main European countries (France, Italy, Belgium, Spain, Germany, the Netherlands and United Kingdom), and gradually expanded throughout the ALD Group. More than 30 countries now have an identified CSR ambassador. This community is managed via quarterly calls and a range of internal communications channels.

A similar community of correspondents in ALD SA's various Operations Departments was also created in 2020.

The CSR policy and sustainable development results are regularly reported to ALD top management, namely the Executive Committee every two months, and the Management Committee. It is also the subject of an annual update with the Board of Directors.

ALD gives particular importance to **dialogue with internal and external stakeholders** on environmental and social issues. There are multiple external stakeholders:

- strategic suppliers (see section 5.4.3);
- customers, specifically large multinationals (see section 5.4.1);
- coalitions like ChargeUp Europe (see section 5.2.1.2);
- non-governmental organisations specialising in mobility;
- professional organisations (LeaseEurope and national equivalents);

Lastly, ALD's CSR setup is fully **integrated with that of Societe Generale**, in terms of process and strategy. In terms of process, this integration takes many forms:

- annual environmental reporting and associated methods (tools, emissions factors);

- business line animation (integration into Societe Generale's CSR committees);
- environmental and social risk management system (see section 5.4.2);
- participation in thematic working groups (including biodiversity, alignment of the automotive portfolio).

In substance, ALD steers its development according to the **values and principles set forth in the key agreements and international pacts** to which Societe Generale adheres:

- the Universal Declaration of Human Rights and its additional commitments;
- the fundamental conventions of the International Labour Organisation (ILO);
- the UNESCO World Heritage Convention;
- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights;
- the United Nations Framework Convention on Climate Change and the Paris Climate Agreement; and
- the United Nations Sustainable Development Goals (SDGs).

ALD is also a stakeholder in Societe Generale's **public environmental and social commitments**, specifically:

- 2003: joined the UN Global Compact, which urges companies to incorporate principles of human rights and working conditions;
- 2016: signed the Women's Empowerment Principles;
- 2016: signed the ILO "Business and Disability" Charter;
- 2018: supported the UN Guiding Principles against anti-LGBT+ discrimination;
- November 2019: signed the Responsible Digital Charter;

- 2019: renewed the Global Agreement on Fundamental Rights, with international trade union federation UNI Global Union;
- 2021: founding signatory to the Net Zero Banking Alliance (NZBA), a UNEP-FI initiative, for a commitment to align its portfolios with trajectories aimed at total carbon neutrality by 2050, with the target of limiting global warming to 1.5°C.

In terms of **climate commitments**, ALD publicly committed to the Science-Based Targets (SBTi) in November 2021 during COP26. This commitment will consist of reducing greenhouse gases across all scopes, according to a trajectory compatible with achieving the “net zero” target no later than 2050. The CO₂ reduction targets, announced as part of the Move 2025 Plan, cover carbon emissions linked to internal operations as defined in Sections 5.5.1 and 5.5.2 of this Universal Registration Document (-30% in 2025, and -50% in

2030 vs 2019), as well as emissions produced by vehicles leased to clients (Scope 3, -40% in 2025 vs 2019). These objectives were set in 2020 and are globally in line with the required trajectory. However, they will be reassessed, completed and reinforced when necessary, on scopes 1, 2 and 3.

SBTi must validate these targets within 24 months after the initial commitment. The work to build this trajectory will begin once the LeasePlan acquisition is finalised, as it makes sense for these commitments to relate to the new, combined entity.

Note that ALD is also the driving force behind the “Women in Fleet” movement launched at the Fleet Europe Summit in November 2022. Amid a largely male-dominated industry, this movement is designed to give visibility to women leading the industry and, more generally, make women’s voices heard.

5.1.3 New regulations

This Declaration of Extra-Financial Performance is established pursuant to the legislative framework that enacts into local law the (EU) Non-Financial Reporting Directive (NFRD) (Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code). It is established on a voluntary basis, as ALD may be exempt from it given that the Group is consolidated by Societe Generale. For ALD, it is an opportunity to clarify the link between its business model (see Chapter 1 of this Universal Registration Document), its CSR ambition and the policies and processes established to manage the environmental and social (E&S) risks inherent in its activities. Alongside risks, the Declaration of Extra-Financial Performance also highlights the CSR opportunities for the Group and its customers. Along the same lines, ALD is also reporting for the first time about the way its activities align with the **European Sustainable Finance Taxonomy** (Section 5.8 of this Universal Registration Document).

Prior to completing this Declaration of Extra-Financial Performance, ALD prepared non-financial risk mapping. The Group’s risk typology (see Chapter 4 of this Universal Registration Document) was cross-referenced with climatic, environmental and social risk factors that could exacerbate those risks.

The CSR Department developed the mapping and scoring methodology in collaboration with the Risk Department, the Human Resources Department, the Purchasing Department, the Compliance Department, the Innovation and Marketing Department and the Used Vehicle Remarketing Department. The risk factors identified by this analysis were evaluated according to two criteria: their potential severity (low to very high) and their probability of occurrence (very low to almost certain). The combination of these two factors constitutes the extent of the risk for the ALD Group. The methodology and results of this mapping have been approved by the Executive Committee and presented to external auditors. The mapping for 2022 is in line with that of the previous year.

5.1.4 Main risk factors identified

The non-financial risk factors standing out as the most significant in the mapping are:

Significant risks (severity x probability)	CSR challenges and main policies	Associated URD section
Environmental impact and climate change • Implementation of traffic restriction policies in urban centres: impact on vehicle demand • Rapid unfavourable change in the regulatory environment for cars (including taxation) and on certain types of assets (e.g. diesel); • Reputation risk from the managed fleet’s overall environmental impact (CO₂) and its impact on public health (NOx) • Physical risks: impact of climate change on ALD’s assets (premises/vehicles)	• New uses and new mobility, Smart Cities (Mobility as a Service, Sharing, etc.) • Energy transition and low-emission vehicles • Reduction of the internal carbon footprint • Reducing our own impact on the planet to slow down climate change • Asset insurance measures to minimise financial impact	• 5.2.2 • 5.2.1 • 5.5 • 5.8.2.2.3
Customer expectations and market risks • Decreased appetite for the automotive segment due to changes in values (mature markets): potential impact on demand for new and used vehicles • Increase in automotive costs for BtoB and BtoC customers (e.g. rising oil prices, taxes, reduction in subsidies for electric vehicles, shortage of raw materials/semiconductors): potential negative impact on demand • Customer and operational dissatisfaction risk associated with electric vehicles (vehicle recall campaigns, problems installing charging stations) • Change in regulations and taxation on company cars	• “Second Lease” remarketing strategy • New uses and new mobility, Smart Cities (Mobility as a Service, Sharing, etc.) • Customer satisfaction and experience programme • Consulting services, alternative mobility offers (car-sharing, second lease, mobility budget, etc.) • Consulting, awareness-raising education on electric vehicles • Acquisitions or shareholding: Skipr, Fleetpool • Consultancy/Regulatory Watch/EV Programme	• 5.1.4 & 5.2.1.2 • 5.2.2 • 5.4.1 • 5.2.2 • 5.2.1.2 • 5.2.2 • 5.2.1.2

Significant risks (severity x probability)	CSR challenges and main policies	Associated URD section
Human capital and working environment - Insufficient support for employees in the transformation of the business model - Risk of discrimination, in particular, gender equality - Insufficient consideration of well-being at work issues (impact on employee commitment) - Difficulties in recruiting and retaining qualified employees - Risks associated with the planned acquisition of LeasePlan: risk of work overload for employees	- Employability and agility of employees - Promotion of diversity, including gender balance - Recruitment, retention and engagement - Commitment and initiatives to foster well-being at work - Recruitment, retention and engagement - Societal commitment - Creation of the IMO (Integration Management Office): teams dedicated to the acquisition project of LeasePlan	5.3.3 5.3.4 5.3.2 5.3.2.3 5.3.2.4 5.3 & 4.5.1
Infringements of human rights and breaches of ethical rules - Reputation risk from environmental and social causes (deals, customer or supplier), heightened by the business model built on a service assembly - Selection of maintenance services providers - Purchases/sourcing of raw materials for tyres, spare parts - Choice of customers/suppliers: corruption, money laundering, embargoes/sanctions (incl. new EV players)	- Responsible purchasing - "Know Your Supplier" (KYS) - Culture and conduct - Environmental and social policies - "Know Your Customer" (KYC)	5.4.3 5.4.2 5.4.2.3

Some of these risk factors involve major risks for the Group (especially residual value risk) and are dealt with in Chapter 4 "Risk factors" of this Universal Registration Document.

CSR risk factors are dealt with in the Declaration of Extra-Financial Performance, which focuses on the four CSR themes. In each of the paragraphs below, the salient intrinsic non-financial risk factors are listed, as well as the policies implemented to limit their occurrence and mitigate their impact. Lastly, key performance indicators supplement the implementation of these measures. The table above states which chapters contain details about the mitigation measures established for each risk identified.

Given the nature of the activities, the following topics do not pose a major CSR risk and do not warrant being expanded upon in this management report:

- food waste;
- the fight against food insecurity;
- respect for animal welfare;
- responsible, equitable and sustainable food.

With regard to the **circular economy**, we believe that this area is less important to us than the other priorities developed in this Chapter due to the nature of ALD's services. ALD's core business consists of leasing new vehicles for an average period of three to four years. During the life of the contract, the maintenance and repair of vehicles are issues relevant to the circular economy, particularly with regard to the area of wear and tear, tyre recycling and windscreen repairs. These opportunities are increasingly considered in supplier referencing policies (Section 5.4.3 of this Universal Registration Document), even if they primarily remain the responsibility of the manufacturers that produce these vehicles and the maintenance networks that provide these services.

At the end of the lease, the vehicles, for which ALD ensures maintenance of a high standard, are resold on the second-hand market, giving them a second life and thus significantly extending the initial ownership period. As a reminder, the average duration of full-service leases is 45 months, and the average age of the vehicle fleet is well above 10 years in Europe. This general feature of the Full Service leasing model is of particular interest when it comes to electric vehicles (EVs): ALD will play a role in **increasing the adoption of EVs** by supplying the used vehicle market with a recent,

well-maintained fleet that is more affordable than new EVs. These vehicles will be available for purchase or full service lease. Over time, as large volumes of such cars will come off lease, the business will generate a substantial benefit to society.

The Move 2025 plan introduces the notion of extending the duration of asset ownership by alternating different usage modes (full service leasing, car-sharing or used car lease, etc.). A target of 125,000 Full Service leases of used vehicles has been set for 2025 in the Move 2025 Strategic Plan. At the end of 2022, ALD had already sold 52,000 leases of this kind.

With regard to **tax evasion**, ALD believes that such risk is limited due to its very low likelihood of occurring (see methodology described above). It includes two sub-risks:

- the risk of tax evasion by ALD (holding company or local entities), deemed low. Indeed, the international structure of ALD Group relies on local activities operated through subsidiaries with workforces and physical infrastructure in the 43 countries where it is present. The very diverse geographical locations are reflected in the amount and nature of taxes and duties that the Group pays in each of these countries, such as corporate tax, local taxes, customs duties, registration duties and social security contributions. The Group ensures that the various local entities comply with all international laws, regulations and treaties in the place where they operate. This involves filing the necessary tax returns, and the timely payment of taxes due. The ALD Group makes sure that it complies with all applicable regulations through tax monitoring and use of external consultants;
- the risk of tax evasion by customers using ALD services. Such risk is deemed low due to the local nature of operations. The only business that could be exposed to tax risk is used vehicle exports, the volumes of which allow precise control. In this respect, ALD makes sure it obtains all the necessary supporting documents for the value added tax exemption from the professional buyer.

Tax risks are discussed in Chapter 4 of this Universal Registration Document; ALD complies with the Societe Generale Tax Code of Conduct available at:

https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/tax_code_of_conduct_of_societe_generale_group_uk.pdf

5.2 Sustainable mobility at the heart of the business

Significant risks identified:

- implementation of traffic restriction policies in urban centres;
- rapid unfavourable change in the regulatory environment for cars (including taxation) and on certain types of assets (e.g., diesel);
- changes in regulations and taxation on company cars;
- reputation risk from the impact of the managed fleet on climate change (CO₂) and public health (NOx);
- increased automotive costs for BtoB and BtoC customers (e.g., higher oil prices, taxes, reduction in subsidies for electric vehicles (EVs), commodities/semiconductors): potential impact on demand;
- reduced appetite for cars due to changes in attitudes (mature markets): potential impact on demand for new and used vehicles;
- customer and operational dissatisfaction risk associated with EVs (vehicle recall campaigns, problems installing charging stations).

Contribution to United Nations Sustainable Development Goals (SDGs)



For a player such as ALD, the commitment to sustainable mobility is multifaceted and related primarily to the following issues:

- the profile of the fleet in terms of powertrains, with the transition from fossil fuels to electrification as a fundamental challenge;
- new types of usage, in phase with societal trends regarding the sharing economy, on-demand and bespoke offerings;
- driver safety, *via* means of raising awareness, preventive training and accident management services.

5.2.1 The energy transition and low-emission vehicles

The ESG challenges of automotive leasing are closely linked to those of the automotive sector as a whole. The first issue in terms of materiality is **climate change**. Road transport has a special status when it comes to reducing greenhouse gas emissions to reach “net

zero emissions” by 2050. Right now, it is responsible for 20% of emissions in the European Union, the vast majority (16%) of which is tied to passenger vehicles and light commercial vehicles (Source: *International Energy Agency -IEA, Tracking Transport 2019*).

The second major impact of transport is in **pollution** from nitrogen oxide (NOx) emissions and fine particulates during the vehicle use phase, especially for diesel engines. Transport is responsible for about half of nitrogen oxide emissions (Source: IEA, see above), and therefore entails major public health issues.

To reduce all emissions (greenhouse gases and pollutants), electrification is the best technical solution for individual mobility in the short and medium term: during the use phase, Battery Electric Vehicles (BEVs) produce zero CO₂ and NOx emissions, and pollutant emissions are limited to brake and tyre wear.

Historically, the vast majority of vehicles in corporate fleets have been powered by internal combustion engines, with diesel engines dominating in Europe. This dominance is explained by the intensive use of certain categories of company vehicles (high mileage) but it has also been artificially amplified by tax breaks. For ALD, this portfolio re-balancing and the emergence of electric powertrains relate to a risk management policy, social responsibility, and commercial development opportunities.

In terms of risk, financial risks are closely linked to climate risk, and may be observed in the differences between expected residual values and the actual resale values of vehicles. Changes in market preferences for low-emission vehicles could impact resale values of vehicles equipped with conventional internal combustion engines, especially diesel.

With regard to responsibility, although the environmental footprint of the vehicle fleet depends broadly on the offer (car and equipment manufacturers) and use by end-users (customers), ALD intends to act responsibly in terms of its recommendations, supporting customers in the energy transition of their fleet and more generally helping to find low-emission mobility solutions.

In commercial terms, this is particularly relevant to ALD's B2B customers, since the automotive fleet often represents a significant share of their emissions. There is an increasing expectation of support in the transition to low-carbon mobility solutions and is key to securing the loyalty of existing customers and winning over new customers. In addition, decision-making mechanisms, which have long focused on the overall cost of use more than the initial vehicle price, are likely to make corporate fleets a market segment “ahead of the curve” on the path to electrification.

For ALD, the energy transition consequently covers two interconnected corporate projects:

- the general issue of **rebalancing the Group's fleet, moving away from diesel**;
- the **emergence of electrified vehicles**.

5.2.1.1 Rebalancing and diversifying the portfolio

The change in the vehicle mix across different types of powertrains (diesel, petrol, conventional hybrid, plug-in hybrid, battery electric) is being monitored closely by the Group's operational governance bodies (Executive Committee, Operating Board).

ALD's mission is to guide customers towards optimal technology from an economic and environmental point of view, taking into account the real use of vehicles. This involves profiling work that considers customers' business models, types of users and the real use of vehicles. The aim is to identify the **right vehicle for the right use**, making sure that diesel engines (and combustion engines in general) are used **only** in cases where it continues to make sense, primarily for high mileage and in certain categories of vehicles where the alternative proposals are still underdeveloped (light commercial vehicles, for example).

While the market share of diesel is naturally tending to decline due to various external factors (public policy, image, technical price increases), ALD has implemented **proactive internal policies** since 2017 to support and drive this movement by acting on different levers:

- the pricing of the full-service leasing offer, by improving the attractiveness of alternative solutions to diesel, specifically through a policy of adjusting residual values;
- providing customers with commercial support: implementation of a comprehensive consultancy approach, reshaping of vehicle listing policies;
- developing certain distribution channels including with private customers (who are less inclined towards diesel) or some of the white label partnerships;
- launching new products and services, in particular to promote the emergence of electric vehicles (see below);
- communication initiatives, for example customer events dedicated to alternative energies (e.g. product presentations, vehicle tests).

Results and ambitions

This holistic approach is producing tangible results, with the share of diesel engines in new contracts down by 47 percentage points between Q4 2017 and Q4 2022. Over the full year of 2022, the share of **diesel** in passenger vehicle deliveries stood at **24 %** (-3 percentage points vs. 2021), and low-emission electric powertrains continued to take market share from internal combustion engines.

In the running fleet, the share of diesel is falling rapidly and is now below 40% for Passenger Cars (PC), and below 50% when including Light Commercial Vehicles (LCVs).

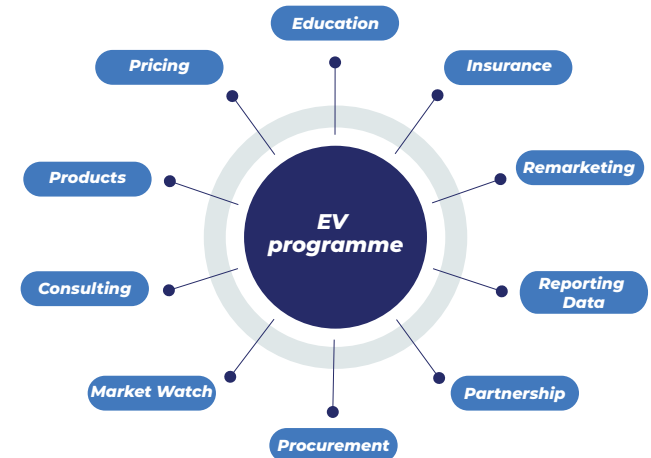
5.2.1.2 Electrification

Reducing exposure to conventional internal combustion vehicles is meaningful only if it makes way for electric vehicles (specifically battery electric vehicles – BEV). In view of the sector's relative immaturity and the significant national differences in electric vehicle adoption, it was decided in 2018 to launch an **"EV Programme"** (electric vehicle programme). This EV programme aims to systematically address the main components of the leasing value chain in order to seize all the opportunities related to electric vehicles and manage the related risks.

The governance of this EV programme is based on regular Steering Committees in the presence of the Group Executive Committee, and it is organised by a network of ambassadors in the main countries. Executive sponsorship of the programme is provided by the Chief Commercial Officer and operational sponsorship by the CSR director.

The backbone of the programme remains unchanged, with ten main projects (streams), whose content may change year to year. Two cross-cutting projects were added in 2021 and 2022: external communications (social media, blog, press) and the light commercial vehicle (LCV).

Ten interlinked projects within the "EV Programme"



- Pricing, *via* a systematic review of the methodologies used to determine **residual values** and **maintenance** prices that reflect both the intrinsic benefits of electricity and the speed of changes in technological standards, future demand trends and regulatory changes. A specific EV pricing task force was set up for this purpose in 2020 and continued since, combining central and local experts from 10 major countries. The residual value risk management approach is described in Section 5.4 of this Universal Registration Document.
 - The implementation of **consultancy** services for customers, for which various energy transition solutions have been developed and launched. This involves supporting customers from end to end in their electrification trajectory, from helping to define strategy to controlling actual costs and carbon footprint. The tools and methods developed include:
 - a carbon trajectory development tool ("My Net Zero"), based on electric conversion rates and renewal cycles, a sustainable mobility guide for each country, including "electric maturity" scoring of markets, mechanisms for identifying users "eligible" for EVs based on actual use, (user survey, use of for on-board telematics);
 - and calculation engines for total cost of ownership (including charging costs and the various tax or usage benefits related to these vehicles for both the client company and the driver).
- The latter received special attention in 2022, as energy prices rose and became more volatile in Europe.

- The development of **specific products and services**. ALD is adapting its existing services, going well beyond a simple lease offer of an electric vehicle. This involves facilitating the customer experience by incorporating access to charging infrastructures at home, at work and in public places in the leasing offers as much as possible ("end-to-end" offer), under the **"ALD Electric"** banner. This approach is facilitated by strategic partnerships with "pure players" in the electricity ecosystem that can supply both the charging stations (hardware) and the associated software and data flows (software). In this regard, in early 2019 ALD entered into a preferred partnership with ChargePoint, one of the world's leading companies in charging solutions. As such, the target ALD Electric offer includes financing of the vehicle itself, plus the option of providing an advisory service (see above), access to charging solutions at home, in the workplace and in public places, and reporting services. The goal is to guarantee access to charging solutions for every user, and to make the customer's and

the end user's experience as simple as possible. Indeed, in a highly fragmented market that has yet to mature, installing charging stations can be technically complex, some information on charging prices is still not transparent, and networks remain loosely linked. Without assistance, customers may face difficulties, and ALD is working to overcome these with its ALD Electric solutions. The rollout of the ALD Electric offer expanded significantly in 2022, with 34 countries (vs. 22 in 2021) able to offer this "all-inclusive" package with access to charging solutions included in monthly lease payments.

- Apart from the adaptation of the traditional product offering, EVs also generate opportunities for the creation of new **"enabler" services**. For example, the ALD Switch offering, already available in 9 countries (Belgium, the Netherlands, Luxembourg, France, Portugal, Austria, Switzerland, Finland, and Czech Rep) provides an electric vehicle and includes the supply of a combustion engine/hybrid vehicle when the customer needs it (for up to 60 days per year). This type of service removes the psychological barriers linked to range anxiety of battery electric vehicles. The new short- and medium-term "ALD Flex" offers, which meet more specific customer needs (projects, construction sites, peaks of activity) and are adapted to the uncertain economic environment, will also EVs to reach new types of customers.
- The development of **commercial partnerships**, specifically with car manufacturers (OEMs). Distribution partnerships with "white label" car manufacturers are a major growth area for ALD in general and EVs in particular. This obviously involves supporting long-standing partners (Ford, Jaguar Land Rover, Volvo) in their own electrification strategy (product presentations, customer paths, specific residual values). However, new entrants to the automotive market, with a "pure electric" product approach and often without a physical distribution network, also need financial partners to access the market. Since 2020, ALD has been successively chosen by Tesla, Polestar, Lynk & Co. and Smart as preferred partner in Europe to market the Full Service leasing offer. For example, ALD Automotive has been chosen as the preferred leasing partner by the Tesla Group in 16 European countries. Tesla's business customers (large companies and SMEs) opting for a full-service leasing package on the Tesla website are referred to ALD Automotive. They can now benefit from a Full Service leasing offer for the Model 3, Model Y, Model S and Model X. In 2021, Smart, a pioneer in urban mobility, chose ALD Automotive as its exclusive digital leasing partner for its new generation of all-electric vehicles. The offer will be launched in 11 European countries by the end of 2023.
- The adaptation of **vehicle purchasing policies**, in a context specific to electric vehicles, marked by strong pressure on supply. At the same time, new purchasing categories are appearing, particularly charging stations. ALD is also actively monitoring the environmental and social impact of the supply chain, particularly the production of batteries (for example, the social conditions of the extraction of cobalt, or the environmental impact of the exploitation of lithium in emerging countries), as much work remains to be done to ensure ethics from an environmental and social point of view. In 2023 ALD will evaluate the ways to get better traceability and visibility over the complete supply chain.
- Adaptation of processes and techniques for **reselling electric vehicles at the end of the contract** ("remarketing"). Buyers of used electric vehicles will require new technical information (range, battery "health certificate") which will have to be provided on resale platforms. More generally, the electric vehicle lends itself to second-life offers (leasing, car-sharing), and ALD is developing "multi-cycle" leasing offers especially for electric vehicles.

- Review of the reporting tools and information management systems, mainly to deal with the increased complexity of the vehicle offering (increasing hybridisation levels), and also to ensure that customers have a complete overview of their costs, including charging costs.
- Building expertise in insurance, whether in the setting of premium levels in relation to specific risks related to electric vehicles, or the creation of specific offerings for electric vehicles and the charging ecosystem. This work is discussed between ALD Re, ALD's reinsurance entity, and the subsidiaries and insurance companies used locally.
- Market watch is particularly important because this new emerging electric ecosystem is developing very quickly from both a technological and an ownership point of view. The objective is to acquire tools for monitoring the market, to identify the movements of car manufacturers (historical or new entrants), as well as changes in the charging and energy sector that may impact ALD's business model in the short or medium term. ALD is also involved in discussions and pilot projects on the issue of hydrogen, via the Societe Generale internal Hydrogen Council and bespoke approaches with certain key account customers, particularly in France and Belgium. This market watch is accompanied by a regulatory watch, which is especially important at a time when the mobility sector is being heavily regulated. This regulation emanates from the various levels of public authorities (local, regional, state, and European Union) and affects vehicle use in urban areas (low emission zones), tax rules applicable to businesses as well as users, CO₂ emissions standards applicable to manufacturers, and accessible charging infrastructures in public or private places.
- An **internal and external educational and communication programme**, both with ALD employees, who must be the first ambassadors of the energy transition, and customers. ALD has also added more digital communication initiatives (the "Ready to Move You" social media campaign, in-depth articles on the Mobility Blog at aldautomotive.com, and participation in virtual or physical events (Fleet Europe, World EV Day, and the EV Summit). **Multiple events** were also held for customers around the world, regardless of the EV market's maturity (including in France, Hungary, Denmark, and Colombia). These communication and engagement plans are supplemented by a commitment to a market initiative: ALD is the only leasing company belonging to the **ChargeUp Europe** association as an "ecosystem member". This association brings together the main companies involved in charging infrastructure and aims to facilitate access to charging through dialogue with public decision-makers, particularly at the EU level. In 2022, discussions at ChargeUp Europe focused on the European draft regulation known as AFIR (Alternative Fuels Infrastructure Directive). This regulation will be focused on imposing strict targets on Member States in terms of public charging infrastructure. It will make pricing more transparent and networks more interoperable, both of which are required conditions for continued electrification of the company fleets. In-house, it is essential to educate the teams about electric vehicles, their ecosystem, and the impacts on ALD's value chain. To this end, a major training programme known as **"BIC Academy"** has been deployed globally. Made up of seven core modules, it is designed primarily for business and consulting groups.

Finally, beyond the different components of the product offering, electrification also has an impact on the **financing strategy of ALD** (described in Section 2.5 of this Universal Registration Document), and generates new funding opportunities. To have the necessary funding to finance the commercial development of electric vehicles, ALD issues **Green Bonds**. In June 2022, the Groupe has updated its Green and Positive Impact Bond Framework (<https://www.aldautomotive.com/LinkClick.aspx?fileticket=PC0PfZav3Hg%3d&portalid=17&language=en-US×tamp=1654690993215>).

This new version places future emissions at the best market standards. For example, it focuses eligible assets on 100% electric vehicles (BEV), in anticipation of the evolution of the European Financial Taxonomy in 2025. On this basis, on 28 June 2022, ALD successfully issued a EUR 500 million, 5-year green and positive impact bond (maturity July 2027). The important oversubscription confirmed investor interest in ALD's sustainability strategy.

Results and ambitions

The **share of electric vehicles** (EVs – battery electric vehicles and plug-in hybrids) in new passenger car (PC) contracts increased considerably in 2021, then remained stable in 2022 (**27%** in Europe), slightly below initial expectations as the objective was to reach the 2025 Goal of 30%. The basis for calculating this ratio (PC in Europe) matches the scope across which ALD can really play its full role, because the product range and public policies are the most developed there. It is representative in that it covers 75% of ALD deliveries worldwide.

In 2022, growth in low-emission vehicles was clearly hampered by **supply chain disruptions**. The automotive market was shaken by one thing after another: the semiconductor crisis, successive lockdowns in China and the war in Ukraine. EVs were particularly hard hit, and with production volumes limited, OEMs gave priority to the most profitable distribution channels (favouring private customers over fleets). This caused considerable delivery delays for battery electric vehicles and plug-in hybrids, often beyond 12 months.

From a tax standpoint, some countries with high-incentive packages as part of their stimulus plans (Germany, France, Great Britain) began scaling back their electric vehicle subsidies, making them financially less attractive. Even amid this disruption, the proportion of electric vehicles in all orders, which is a reliable indicator of business momentum, rose to above 30% in Europe.

Overall, thanks to its influential positioning, its efforts to build a competitive sales offer, and increasing customer demand, ALD's electrification is significantly **ahead of the market as a whole** (23% of Passenger Car registrations in Europe – source: EV Volumes).

Cumulated yearly deliveries have a mechanical impact on the stock of vehicles managed (running fleet). At the end of 2022, ALD financed more than 190,000 full electric or plug-in hybrid vehicles, and more than 260,000 including traditional hybrids (but excluding "mild hybrids").

As part of its 2025 strategic plan, ALD has set itself the target of increasing the share of "EV" vehicles (battery electric vehicles and plug-in hybrid vehicles only) to 30% of private vehicle deliveries in Europe ⁽¹⁾ by 2025. In 2030, the share of "pure electric" vehicles (BEV) is expected to reach 50%. **These targets will be reviewed in 2023** when LeasePlan is integrated and will be a fundamental focus of the new entity's strategy. These new targets will factor in the latest market developments, in terms of product offering and regulatory environment (EU target of 55% reduction in CO₂ emissions on sales of new vehicles in Europe in 2030). They will also be built to support the ambition of a CO₂ emissions trajectory that aligns with the Net Zero 2050 scenario.

5.2.1.3 Carbon footprint: emissions and emissions prevented

Vehicle CO₂ emissions can be considered from different angles:

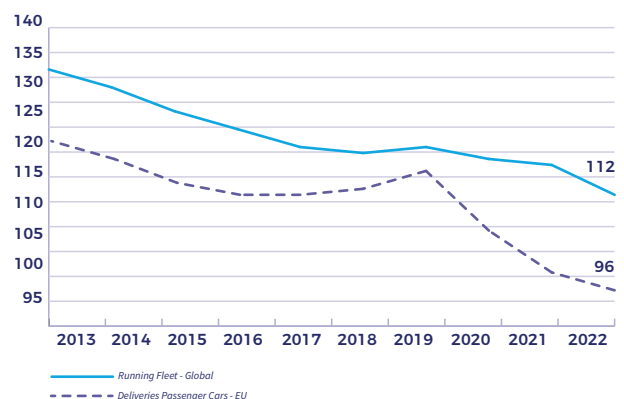
- emissions related to the use phase ("Tank to Wheel");
- emissions including the entire life cycle of vehicles ("Well to Wheel").

At present, vehicle approval and regulatory and tax measures relate exclusively to the **use phase** and are based on theoretical data provided by manufacturers during the technical approval of vehicles. Since 2019, the New European Driving Cycle ("NEDC") standard has been replaced by the Worldwide Harmonised Light Vehicle Test Procedure ("WLTP"). The latter introduces a new laboratory test protocol aimed at bringing measured emissions closer to actual emissions, by using longer test times, increased speed, and more varied driving cycles. The newly calculated standard therefore has an automatically higher impact compared to the NEDC data, about 20% for passenger vehicles and 30% for light commercial. However, these theoretical emissions remain underestimated compared to actual emissions, which ALD is not in a position to assess because it would require knowing the actual fuel consumption of each vehicle on the road.

Due to its business model characterised by regular fleet rotation, the fleet of vehicles managed by ALD (inventory) is **much more recent than the average vehicle fleet** (around 2 years old vs. 12 years on average in Europe) and meets the latest certification standards. As a result, its emissions are much lower than the average fleet in a given country.

New vehicles put on the road are also subject to in-depth analysis by ALD and its customers. Carbon efficiency is a virtually automatic criterion for selection in car policies. Emissions from ALD deliveries are historically lower than the market (99g vs. 115g in 2021).

Average CO₂ emissions (g/km) – ALD



Results and ambitions

The emissions of the ALD fleet had increased in 2019 under the combined effect of the trend towards Sport Utility Vehicles (SUVs), the massive transfer of diesel volumes to petrol, and the entry into force of the WLTP certification standard.

In 2020 and 2021, average emissions fell again. This trend continued in 2022: for passenger cars in Europe ⁽²⁾, the average for deliveries was **96 grams** of CO₂ per km (intensity indicator), down by 17 grams compared to 2019.

1) Targets set on new passenger vehicle deliveries for EU + Norway + UK + Switzerland.

2) Europe: European Economic Area, UK and Switzerland.

The significant decrease in emissions since 2020 is due to the **ramp-up of deliveries of electric vehicles**, as well as the increased efficiency of combustion engines. There are two important methodological points worth noting:

- the average is not immediately comparable to the standard of 95 grams which is the EU-wide target. ALD data do not take into account super credits granted to OEMs for the sale of zero-emission vehicles, bonuses granted for eco-innovations, or the average vehicle weight. In ALD's case, it is a mathematical average across all vehicles delivered;
- while almost all data on 2019 deliveries are expressed per NEDC standards, 2022 data are in WLTP standard (increasing by approximately 20% on Passenger Cars). ALD will recalculate the trends neutralising these changing standards during 2023, factoring in the changeover dates from NEDC to WLTP chosen by each country in the local fiscal framework.

As part of its 2025 strategic plan, ALD has set itself the target of reducing emissions from deliveries of passenger vehicles in Europe⁽¹⁾ by 40% by 2025 compared to 2019, i.e., 70 grams in NEDC correlated terms. The gross result for 2022 – 96g – is down by 17pts. In NEDC correlated terms, the 2022 result would be corrected to about 80g, a 30% drop compared to 2019.

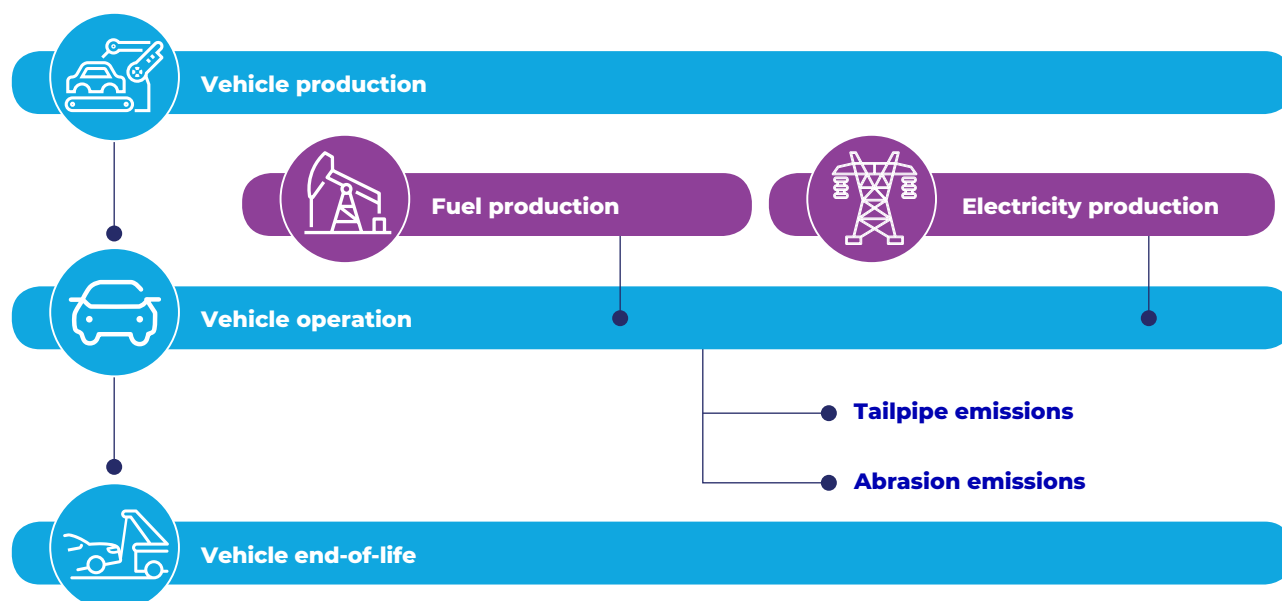
The gradual electrification of deliveries (“flow”) has a mechanical impact on the average intensity of ALD's financed fleet (“stock”), all countries and all vehicle types combined. The average for the entire fleet is down to 112 grams of CO₂ per kilometre, since the new vehicles automatically replaced product generations launched in 2017-2018, which produced higher emissions. Compared to the fleet financed by ALD (1,464,024 vehicles, up 3%) and the average annual mileage travelled (slightly below 25,000 km), the estimated volume of emissions is 4 million tonnes, a 4% decline despite the fleet increase. These data are integrated into the carbon footprint of Scope 3 (downstream leased assets under the GHG Protocol) presented in Section 5.5.3 of this Universal Registration Document.

ALD has also developed a life cycle analysis (LCA) tool as part of a positive impact bond issue. This tool makes it possible to assess not only carbon emissions from the fleet, but also carbon and NOx emissions avoided by its fleet of electrified vehicles. The financed part of this fleet, recorded on ALD's balance sheet, stands at more than 260,000 vehicles (cf. section 5.2.1.2). **It enables over 445,000 tonnes of CO₂ equivalent and 1,790 tonnes of nitrogen oxide to be avoided per year**, compared to an internal combustion engine fleet of equivalent power. The gains in CO₂ emissions during the usage phase (and in particular the vehicle's emissions from the exhaust) far exceed the additional emissions associated with the production phase (vehicle and batteries).

Methodological reminder: In order to measure the impact of this portfolio in a robust and transparent way, ALD has worked with consultants Quantis to develop a pioneering methodology that measures both greenhouse gas emissions and pollutant discharges (NOx, fine particles) affecting air quality, at all stages of the life cycle (vehicle production, battery production, power production during the usage phase, end of life), in over 20 countries and taking into account all technologies available. To the best of ALD knowledge, there was no existing tool in the automotive sector which enabled neutral reporting, over a wide geographical area, of

the reality of the life cycle. Measurements of CO₂ and pollutants carried out in laboratories for vehicle certification focused solely on the vehicle in use, and other studies focused on a single model/country. This approach is even more necessary with electric vehicles, which are presented as being “zero emissions”: there is some debate about the carbon emitted during the production phase. The ALD tool shows, for example, that CO₂ and NOx emissions from battery-powered vehicles are about 50% lower than their combustion engine equivalent, with, of course, big disparities depending on how the electricity is generated.

Sources of emissions considered in life-cycle analysis



1) Europe: European Economic Area, UK and Switzerland.

SUMMARY OF ACTIONS RELATED TO SECTION 5.2.1

CSR issue (description)	Policies implemented (description)	Indicator (indicator type/box)	Qualitative/quantitative objective (indicator type/box)	Result (indicator type/box)		
				2022	2021	2020
Energy transition	Reduction in the share of diesel	Share of diesel in private vehicle deliveries (world)	<2021	24% (Q4 21%)	27% (Q4 24%)	40% (Q4 37%)
Energy transition	Increase in the share of low-emission vehicles	Share of green vehicles in passenger car deliveries ⁽¹⁾	>2021	27% (Q4 31%)	27%	18%
Energy transition	Implementation of an end-to-end service offer: ALD Electric	Number of countries deployed	34	34	22	12
Greenhouse gas emissions	CO ₂ emissions of vehicles leased to customers (use phase)	Average passenger car (PC) emissions in Europe ⁽²⁾	<2021	96	99	106

(1) Battery-powered electric vehicles + plug-in hybrids + hydrogen, Europe (EU + UK + Switzerland + Norway), Passenger Cars. The geographic and product (PC) scope chosen for this indicator represents 75% of total deliveries for the Group and is therefore representative.

(2) Europe: scope identical to previous indicator.

2022 Highlights

- Reinforcement and extension of the ALD Electric offer
- Stabilising the proportion of EVs in total deliveries, and increasing orders
- Continuing to reduce the share of fossil fuels
- Launch of new strategic partnerships focused on EVs (e.g., Smart)
- Strengthening the consulting offering

2023 Priorities

- Reinforcement and extension of the ALD Electric offer
- Increasing electric vehicles as a proportion of PCs and LCVs, in deliveries as well as orders
- Continuing to incorporate EVs into the Group's new offerings (ALD Move, ALD Flex, used vehicle leasing)
- Enhanced support for international and local customers in electrifying the fleets

Move 2025: Move for Good



Shaping the future of sustainable mobility

- A low-emission fleet - *Powertrain shift, electrification*
- New types of usage - *Sharing, MaaS, Flex*
- Safety - *Training & policy advice*

30%
of new car deliveries to be EV⁽¹⁾

- 40%
on CO₂ emissions vs. 2019⁽²⁾

(1) EV = BEV (Battery Electric Vehicle) + PHEV (Plug-in Hybrid Electric Vehicle) + Hydrogen Fuel Cell. Targets set on new passenger car shipments for EU + Norway + UK + Switzerland.

(2) Average emissions on passenger cars for EU + Norway + UK + Switzerland (CO₂ in g/km - NEDC norm).

5.2.2 New uses and new mobilities

ALD's strategic goal is to invest in new mobility solutions that address changing expectations and new types of usage. To define its innovation strategy, ALD analysed the mega-trends that might impact its business model, which is based essentially on "traditional" use of cars. Analysis of new uses, connectivity, environmental constraints, mobility policies at the city or regional level, and the rapid growth of mobility platforms led us to identify five main areas to consider when refining the business model for the next few years to 2025: digital technology and connected vehicles, flexibility, **new mobility solutions**, payment and electrification.

When allocating resources, ALD has structured its governance around the innovation process, from creative thinking to industrialisation and then scale-up of new products and business models. The process is managed by a dedicated team overseen by an "Innovation Board" of managers and managing directors in key countries.

Convinced that the best ideas come from experts on the ground, ALD has introduced systems that allow ALD employees to submit a new idea (the "ideation campaign") and created an international community of local innovation contacts, who can report up new trends and initiatives at the subsidiaries. In 2022, a massive ideation campaign was launched, the "**Sustainable Mobility Challenge**". It was open to everyone at ALD and sought to bring through ideas on new service offerings with positive environmental or social impacts. The campaign was a great success: 58 projects submitted, 34 successfully completing all development stages, and 2 winning projects, which will be brought to market as a product in the next few months.

ALD also draws on the innovation ecosystem it shares with external partners, for instance by leveraging its links with Societe Generale's innovation arm – SG ventures – to partner with Drive TLV, an Israel-based innovation hub focused on the mobility start-ups ecosystem. Lastly, ALD is improving the way it listens to customers and partners to better tailor services to their needs, notably through the Customer Advisory Board (see Section 5.4.1 of this Universal Registration Document).

But good ideas are not enough on their own and the capacity to scale up new products is key. To make sure this industrialisation phase succeeds, ALD calls in teams from any subsidiary where they have developed expertise in the relevant field. These teams act as “champions”, consulting on product development for products the Group sees as strategic, and helping roll them out at other subsidiaries.

ALD United Kingdom, historically ahead of the curve in the management of connected fleets and digitisation of acquisition processes, has created the Digital Factory, which helps deploy these solutions in other parts of the Group.

ALD Netherlands, an expert in multi-modal mobility solutions thanks to its **ALD Move** offer, is leading development of this product and playing a key role in advancing ALD's **Mobility-as-a-Service** (MaaS) strategy. ALD Move allows customers and their employees to access different types of transport while meeting the employer's various objectives (mobility budget, reduction of CO₂ emissions, etc.). It was co-created with our customers and led to the acquisition of a stake in Skipr, a start-up specialising in B2B MaaS and a vital technological component for any large-scale deployment. This was the first time ALD had invested in a start-up focused on sustainable mobility.

The ALD Move offer incorporating Skipr was launched in France and Belgium in 2022.

Some of the subsidiaries have also developed service offerings focused on other forms of “soft” mobility: including bicycles (electric or conventional) and electric mopeds or scooters, mainly in Belgium and more recently in France.

In 2019, ALD Automotive announced that it was joining the MaaS Alliance, a public-private partnership paving the way for a common approach to mobility as a service (MaaS) and seeking to identify the economies of scale needed for successful roll-out and take-up of MaaS products. As a leader in mobility services, this membership is fully in line with ALD Automotive's strategy of fostering innovation, experimentation and partnerships with key players in the mobility ecosystem in order to adapt to a rapidly changing market.

ALD Flex offers corporate customers a mobility solution on a medium-term contract, a shorter commitment than for a classic full-service leasing product. Vehicles are available immediately and in different pricing bands. The Flex offering is ideal for ALD customers that have occasional needs for mobility. At end-2022 there were 78,000 vehicles in the Flex fleet. To better address the specific needs of retail customers, ALD acquired Fleetpool in Germany, a pioneer in B2C and B2B car subscription services. Fleetpool's offers and services have been rolling out internationally to the first ALD subsidiaries during 2022 and are due to go live for retail customers from 2023.

SUMMARY OF ACTIONS RELATED TO SECTION 5.2.2

CSR issue (description)	Policies implemented (description)	Indicator (indicator type/box)	Objective qualitative/quantitative (indicator type/box)	Outcome (indicator type/box)		
				2022	2021	2020
New uses/sharing economy (car or ride sharing)	ALD Move	Number of countries deployed	Geographical footprint of ALD Move with Skipr	3 countries (France, Belgium, Netherlands)	Co-creation with a Dutch customer and acquisition of stake in Skipr	Minimum viable product (MVP)
New uses/sharing economy	Flexibility	Number of countries deployed	Integration and launch of Fleetpool's internationalisation plan	- ALD Flex in 32 countries - Integration of Fleetpool in Germany - Implementation of subscription under way in 4 countries (Austria, Italy, France and Spain)	ALD Flex: 32 countries Acquisition of Fleetpool	

2022 Highlights

- Sustainable mobility challenge with 2 winning teams: "Green Insurance" and "All in Move". Plus many other ideas for our innovation portfolio coming out of this challenge
- Creation of a network of partners who can be called on to support the acceleration of innovation, thanks to contacts with a network of mobility start-ups. ALD has leveraged its links with Societe Generale's innovation arm SG ventures to partner with Drive TLV, an Israel-based innovation hub focused on the mobility start-ups ecosystem.
- Launch of ALD Move in France and Belgium

2023 Priorities

- Geographical extension of ALD Move with Skipr
- Fleetpool internationalisation plan
- Continue to expand innovation at ALD and meet the Group's needs thanks to the external capacity generated by the start-up universe
- The 2 winning ideas from the “Sustainable Mobility Challenge” included in ALD's offering. Others at the right stage of development may also be included

5.2.3 Safety

Road safety is a major source of operational and human risk, posing risks of image damage and financial, social and environmental costs.

5.2.3.1 Give customers the highest standards on the market

ALD works with the manufacturers and its customers to offer catalogues of models incorporating the latest technological innovations, particularly in terms of active and passive safety, that meet the highest standards (notably the increasingly demanding Euro NCAP - *New Car Assessment Program* - standards).

The main recent breakthroughs in this area are related to Advanced Driver-Assistance Systems (ADAS), which have improved vehicles' range and pedestrian safety.

Since vehicle maintenance is included in the service contract, fleet managers know their drivers are safe in well-maintained cars.

5.2.3.2 A specific service offering

- **ALD road safety offering**

The customer care package covering accidents, with a 24/7 hotline, and customer reporting solutions, is always provided under insurance policies taken out as part of a full-service leasing insurance contract.

In contracts where the customer arranges their own direct insurance, 29 of the ALD Group subsidiaries can still provide this Accident Management service on request.

- **Changing behaviour and change management**

A range of training programmes for drivers: on-road or on-track training for local instructors and partners, personalised e-learning programmes that run throughout the year. An e-learning offer (ALD Safe Drive) is offered jointly by ALD and its North American partner Wheels Inc. to international large corporate customers in all countries where they operate. The companies that have offered

these training courses to their employees have seen a significant fall in their accident rates (accident rate down by 7% in the month after training), as well as a significant drop in fuel consumption (3%). The ALD Safe Drive global offer is currently available in seven countries, and more than 30 Group countries offer physical or online training.

There is a long-standing practice of holding events and providing information for customers on this topic.

In Turkey, for instance, driving tips were emailed out every month (one tip per month) via Eloqua. A driving school was invited to the annual e-vehicles event in Turkey to raise awareness of defensive driving and the effects of alcohol using a simulator and special glasses.

In ALD Brazil, business reviews are performed every three months with customers to review number of damages and traffic fines but also to provide safety awareness. In the meantime, driver communication and campaigns are performed in Instagram, campaigns and e-books specialised in safety are sent to customers who asked for and safety lectures are performed by commercial team. ALD Denmark cooperates with *FDM Sjællandsringen* (trainer specialised in driving courses), to give "good driver" trainings to customers. They also perform damage analysis, which allow them to run a bonus-malus system: the damage percentage must be below 70% for the insurance premium to remain unchanged. If not, sales teams are given "road tips" to customers to avoid damages in the future.

ALD France continued to publish its "ALD Safety" awareness newsletter for corporate customers in 2022, an initiative launched during Covid when face-to-face events were impossible.

Finally, one of the pillars of the ALD consulting offering is wholly dedicated to road safety: assistance with accident data analysis, review of Company car policies, advice on choice of vehicles. This comprehensive approach has a single goal: to reduce the human, financial and environmental cost of accidents, as safe driving is also ecological driving.

5.3 Responsible employer

Objectives	Policies implemented	Indicators	2022	2025 objective
Discrimination risk: gender equality	Move 2025 Gender Diversity KPIs	% of women in top management	33,2% [*]	35% ^(NB)
Non-consideration of well-being at work issues (impact on employee commitment)	Move 2025	% employee commitment	74% ^{**}	80% ^(NB)
Difficulties in recruiting and retaining employees	Move 2025 HR Transform	% of employees who endorse ALD strategy and direction	78% ^{**}	
		% employees satisfied at work	78% ^{**}	
Insufficient support for employees in the transformation of the business model	Move 2025 ALD Highway ALD Academy IMO (Integration Management Office) – Culture Stream	% employees present at 31/12 and trained	87,52% ^{***}	
Acquisition risks: risk of excessive workload for employees during the proposal phase for the acquisition of LeasePlan	Creation of the IMO (Integration Management Office)	% employees with good work-life balance	71% ^{**}	

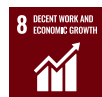
^{*} Source: CnB ALD

^{**} Source: SG Employee Barometer 2022

^{***} Source: Planethic

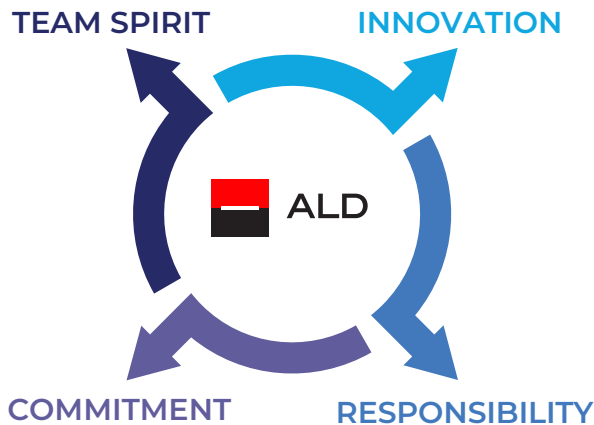
(NB): it is planned to review these objectives in light of the future LeasePlan acquisition based on the new merged structure.

Contribution to sustainable development goals



5.3.1 The ALD employee experience: a positive, engaging and learning experience

The policies in place to manage the major human resources risks are part of a wider framework which seeks to make working for ALD a positive, engaging and learning experience rooted in the values of the Societe Generale leadership model:



These values are the cornerstones of ALD's strategy, which focuses on the quality of relationships with employees, customers and partners.

Innovation

ALD strives to continually improve the customer experience by working together to adapt its solutions, practices and relationships to meet the needs of tomorrow and by taking advantage of technological innovation.

The same is true for the employee experience. True to its entrepreneurial culture, ALD adapts its ways of working by encouraging discussion and experimentation. ALD is committed to encouraging its employees to work outside the box so as to simplify processes and improve operational efficiency, while still focusing on the end customer.

Team spirit

ALD's ambition is to be the partner of choice, thanks to the quality of the relationships we build with customers, and to collaborate with them in the same way we work with each other in the Group, using all our energy and talents for the benefit of the collective.

Responsibility

ALD supports its customers to realise their projects, while remaining attentive to all kinds of risks. ALD employees are expected to act ethically and courageously and place as much importance on how results were achieved as on the results themselves.

Commitment

ALD co-workers' commitment comes from the customers' continued satisfaction and the way in which the Group operates. In particular, caring for others and relationships based on trust and mutual respect are an integral part of the Group's values, and contribute to this commitment.

As a responsible employer and subsidiary of Societe Generale Group, ALD is committed to respect and apply the agreements and charters

signed by Societe Generale in all its entities, including the global agreement on fundamental rights signed with UNI Global Union. Not only does it guarantee the highest standards of integrity and behaviour, protecting the human rights defined by the United Nations and freedom of association, but also fosters a working environment that promotes inclusion and diversity among employees, so that they reflect our customers and societies, and combats all forms of discrimination.

To support its development and drive its transformation plans, while placing people at the core of its business, ALD has developed a responsible approach to employment based on three main areas over many years:

- 1) onboarding, retaining employees and fostering commitment;
- 2) developing the employability and agility of employees;
- 3) promoting diversity and inclusion.

Local labour markets are highly active but sometimes produce few suitable candidates for a post. Implementing this strategy will be a differentiating factor to help ALD attract and retain workers.

ALD coordinates more than 40 foreign subsidiaries and takes a collaborative approach to its companies. All contribute to defining the ambitious vision and objectives of the Group, which makes it possible to apply the spirit and values of ALD locally on the ground. The Group then leaves it up to local companies to define their own action plans in light of the issues they face and local circumstances.

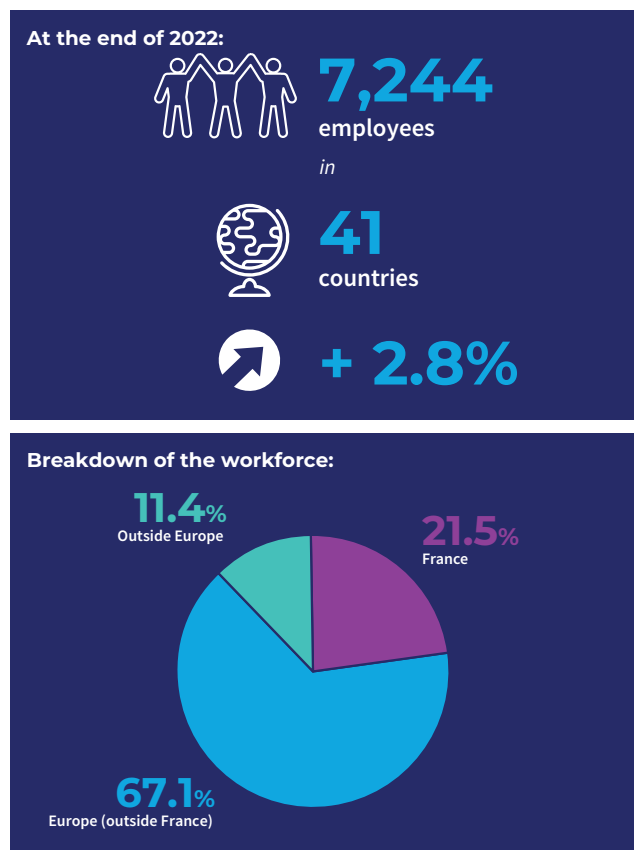
2022 was marked by the Ukraine conflict. As a responsible employer, ALD put in place several initiatives and a dedicated accompaniment to support the employees of its Ukrainian subsidiary, as detailed below:

- financial aid: two months' salary was paid in advance to help employees deal with urgent needs. The local Cr dit Agricole bank provided cash and made sure employees could access bank accounts even when abroad. Fuel costs were also reimbursed;
- additional financial support was offered for nine months to all employees and their families both inside and outside Ukraine's borders. The aim is to help them meet the extra costs incurred, such as higher living costs, need to buy clothes, costs linked to children's education, etc.;
- emergency aid was put in place: employees who have the need could borrow unused vehicles from the ALD fleet. Various other resources were also made available (water, food, medicine, cash reserve, etc.). Also, some Polish employees working for ALD Poland welcomed Ukrainian employees and their families into their homes;
- accommodation was rented in western Ukraine, including a hotel when the conflict first broke out, and in Poland to host employees and their families. This accommodation is still available and employees, as well as their families, can use it at any time;
- employees whose home has been damaged get a cash grant to make repairs.

What is more, all ALD Ukraine employees can access individual psychological support as soon as they feel the need. To maintain links, daily contacts were instituted *via* Teams and Telegram to keep up to date with individual circumstances and be able to react quickly with help if necessary.

5.3.2 Onboarding, retaining employees and encouraging their commitment

ALD's people in figures



Source: Planethic

See all the quantitative indicators in Section 5.3.5

5.3.2.1 Onboarding

Newcomer onboarding is an important milestone for both employees and ALD. This is why we have always paid great attention to how we welcome employees, making sure newcomers are integrated from day one and have a learning path that gives them a comprehensive view of the business, its teams and its know-how. Each subsidiary of the Group manages its onboarding programme independently, based on local practice, to create a sense of belonging to a single Group with shared values in each local entity.

In the increasingly hybrid post-COVID workplace, onboarding is more important than ever and the key to making sure newly hired staff integrate smoothly into the firm. For this reason, some subsidiaries have adapted and evolved their processes, combining face-to-face with remote sessions, when possible and appropriate to local circumstances.

ALD SA, for instance, ran a hybrid onboarding course in June 2022, spread over 2 half-days and involving 26 employees. The new joiners attended presentations from each business line and had opportunities to talk and mingle, including an ice-breaking session and lunch with a member of ALD's Executive Committee.

For the same purpose, in 2022 ALD Romania ran a week-long hybrid onboarding programme for the new joiners. The programme

included various presentations (ALD, Group values, departments and fields) plus coffee chats where participants could mix, talk, get used to their new environment and develop a feeling of belonging to the Group.

5.3.2.2 Retention

Compensation policy

The Group has a compensation policy that complies with standards and regulations in force in every country where it operates. The policy seeks to ensure employees are rewarded at competitive market rates by offering an overall compensation package of monetary compensation and benefits. Monetary compensation includes fixed compensation – which rewards the capacity to do their job satisfactorily making use of the required skills – plus, where applicable, variable compensation. Variable compensation recognises collective and individual performance by rewarding each employee for their contribution to Group performance. It depends on how successfully they met targets set at the start of the year, assessed in light of the context and also whether the methods used complied with the Group ethical principles and Code of conduct. ALD is a highly international group and has to deal with a wide range of living standards in many different currencies. As a result, averages covering multiple countries are not meaningful.

Since 2018, some employees of ALD Group have benefited from a long-term incentive plan, which takes the form of grants of free ALD shares mandated by resolutions at the General Shareholders' Meeting. These share grants contribute to build loyalty and motivate certain categories of employees, especially executives and strategic talents. Other ALD shares are awarded under the deferred variable compensation plan for so-called "regulated" employees, in line with the CRD5 Directive. All awards of ALD shares are subject to conditions of continued employment and performance assessed by the ALD Board of Directors.

Some firms, such as ALD France and ALD Mexico have incentive and profit-sharing programmes that comply with local law. In 2022, to take account of ALD's exceptional earnings and the impact of inflation in some countries, exceptional bonuses or special arrangements were put in place locally for eligible employees in line with applicable regulations.

Employer-employee dialogue

Dialogue with employee representatives is fundamental to the relationships that ALD builds with its employees.

As a subsidiary of Societe Generale, which is a signatory to the global agreement on fundamental rights with the UNI Global Union, ALD is committed to human rights and freedom of association. The Group is particularly attentive to union representation, collective bargaining and the maintenance of a favourable working environment.

Within ALD Group, 83% of employees are represented by employee representatives (*internal HR source*).

In France, employees are represented by the Social and Economic Committee (CSE). The CSE is particularly involved in the discussions and initiatives put in place, in order to sustain free and fluid dialogue with employees. It is consulted regularly before any decision of its concern was made and in accordance with the requirements of the French Labour Code.

Agreements/resolutions are regularly signed with employee representatives. These cover issues such as compensation, benefits, working hours and gender equality.

At ALD SA, a framework agreement on working time was signed with the CSE in 2022, which included the creation of a time-savings account (*compte épargne temps*).

Four other agreements/amendments to agreement were signed in 2022 with the unions in ALD France: annual pay agreement, amendment to the working time agreement, amendment on remote working agreement, agreement on exceptional release of the incentive and profit-sharing plans.

Outside France, each ALD subsidiary maintains its own dialogue with employees according to modalities that may vary depending on the scale, the structure of local teams and laws in force in the country concerned.

5.3.2.3 Fostering employee commitment

ALD lays special emphasis on placing employees at the heart of its systems and does everything possible to optimise the employee experience. This is especially important in the increasingly active post-COVID labour market, where employees' priorities may have changed.

a) Encourage employees' expression to support continuous improvement of the employee experience

Every year, the SG Employee Barometer collects ALD Group employees' opinions about, among other matters, their commitment, job satisfaction and confidence in the Group's strategy.

In 2022, the SG Employee Barometer was held in the final quarter of 2022.

- **The participation to this Barometer** is traditionally high at ALD, which means the Group can extract results that are both reliable and representative, and so implement effective action plans tailored to each entity.



77%

participation rate



5,026

respondents



41

entities surveyed

Source: SG Employee Barometer 2022

Subsidiaries in Ukraine, Russia and Kazakhstan did not take part in the 2022 Barometer because of the special circumstances prevailing, but Germany and Malaysia took part for the first time.

- **The commitment of our employees** is a long-standing driver of performance. ALD has therefore set a target of achieving an 80% employee commitment rate as part of the Move 2025 strategic plan.



74%

Commitment rate

Source: SG Employee Barometer 2022

b) An Employee Barometer to guide future actions

This annual exercise in listening to the voice of employees on any issue is used to deliver tangible results. Survey results are analysed for each entity and then feed into specific action plans, communicated to all tiers of the organisation (Executive Committee, employee representatives, employees).

As such, many initiatives described below were implemented or maintained in 2022 in our entities as a result of the survey. Their aim is to make daily working life easier, encourage employee commitment and so continuously adapt our offering as an employer.

- **Continue to roll out and support home office**



67%

Employees satisfied with their new local working practices

Source: SG Employee Barometer 2022

Even before the pandemic, in response to a growing need for flexibility at work and better work-life balance for employees, various ALD entities – including ALD SA, ALD France, Belgium, Netherlands, Germany, United Kingdom, Mexico, Hungary, Russia, Latvia, Poland, Bulgaria, Brazil, Portugal, Italy and the Nordic countries – had already put in place or trialled the home office system, which allowed most of the Group's employees to try out and familiarise themselves with these new ways of working and organisation. At ALD SA, for instance, home office was launched in 2018.

Then in 2020, when the pandemic forced the first lockdown, all ALD entities migrated all tasks that could be done remotely to home office and were in this way able to maintain business continuity. Several systems and resources (corporate facilities and physical equipment) were put in place to support employees and managers in this mode of organisation being progressively generalised within the whole ALD Group (provision of laptops, remote connection solutions, etc.).

Building on this experience, ALD decided to continue this process post-COVID and make remote working a normal method of working across ALD Group, eventually accessible to all employees who can perform their tasks remotely. Similarly, several companies including ALD SA, ALD France, United Kingdom, Netherlands and Brazil, reviewed and adapted their home office policy and support associated to make them more flexible. ALD SA, for instance, now offers employees an option to work from home 2 to 3 days per week tailored to the business needs and has opened up home office to non-managerial and temporary staff (fixed-term contracts, apprenticeship).

Finally, to help employees who regularly work from home, companies such as ALD France and ALD SA decided to pay a regular home office allowance to help them set up and cover general expenses (electricity, heating, etc.).

- **Manage working time, work-life balance and the right to disconnect**



Source: SG Employee Barometer 2022

Some entities have launched actions to raise awareness and introduce flexible working hours. ALD Bulgaria, for instance, has been investigating ways of managing working hours with flexible rosters. ALD Netherlands has developed its Flex working 2.0 programme, in which employees can use their usual working time for other activities such as sport and compensate these hours at the end of the day or in the evening.

ALD Italy signed a major agreement in 2022 to embark on a cultural transformation that will rethink the way work is structured and develop smart ways of working (SWOW). The agreement formalises the new home office modalities and includes additional provisions to support parenthood: fathers can work from home all the time until the new baby is three months old, as can pregnant women in their seventh and eighth months. The agreement also strengthens the right to disconnect.

Whenever possible, employees can make their own arrangements to suit their own needs, in a situation where everyone is experiencing changes to their personal and professional life.

- **Rethinking workspace**

In a similar vein, continuing a process already under way, the Group is encouraging the creation of working spaces that promote discussion and innovation, in modifiable offices, using digital tools and collaborative workspaces. While this already happens at many of our subsidiaries, all entities are now being encouraged to reconsider how best to structure their working space as they adapt to our new ways of working. ALD SA, for example, has fitted out a whole separate floor for visiting consultants so sensitive projects can be kept confidential, when necessary, from the other teams on other floors.

- **Incentivise sustainable commuting**

Also, to meet the increasingly demanding expectations of its employees, ALD incentivises its people to embrace new ways of travelling to and from work, notably through initiatives that help them to change the way they commute. This is the goal of the ALD Move programme for instance, rolled out notably at ALD France, and now being piloted at ALD SA. This programme allows eligible employees to claim EUR 38 a month if they use greener modes of transport, such as bike, public transport, car-sharing, etc.

Meanwhile, the Czech Republic proposes bike rentals to its employees. Italy also developed its own home/office Mobility Plan in 2022, which main objective is to incentivise employees to swap their private vehicles for more sustainable alternatives when commuting.

In 2022, ALD SA installed more e-vehicle charging points in its employee parking spaces.

- **Safe working environment**



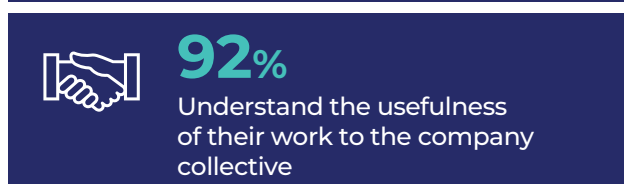
Source: SG Employee Barometer 2022

ALD is committed to developing a safe and respectful working environment and safeguarding the mental and physical health of its employees. The aim is that everyone should be able to work in the best possible conditions to foster health and well-being, reducing the risks of accidents or poor mental health in today's increasingly hybrid working environments.

As a subsidiary of Societe Generale, ALD is committed to respecting Societe Generale's policy on Health and Safety at Work. There are specific health and safety policies and measures in place at many of our subsidiaries. They address specific issues related to hybrid working and include measures to smooth the return to work post-COVID. Austria, for instance, has its ALD Care programme, which provides a range of different measures to promote employees' health and safety at work, such as stress management, preventative eye and back care, ergonomic ball chairs to improve sitting posture and vaccination campaigns, supported by an occupational physician and an occupational psychologist. In Spain, the ALD Healthy programme runs actions to promote emotional health, physical health and quality of life at work to safeguard employees' health, safety and well-being at work. Other entities such as Luxembourg, Italy and ALD SA provide specific medical services and health websites that employees can consult confidentially. Finally, the UK and Latin America region have run various in-house projects such as workshops on well-being or advice on posture at workstations.

There are also initiatives to promote sport, encouraging employees to maintain their physical health. Italy, for example, has the FitMind programme for employees, which organises group sports activities. India also runs group sports events to foster not just health but also team-building.

- **Implement specific employee communications**



Source: SG Employee Barometer 2022

Systems for sustained and regular communications between management and employees provide opportunities for discussion, create transparency on management decisions, ensure information is disseminated throughout all levels of the organisation and make sure employees feel connected to the Company. Regular meetings are held for various groups, including all-staff meetings, encounters with ALD top management (such as ExCo lunches at ALD SA) and convivial occasions such as breakfasts in Sweden, to present the entity's strategy and results to its employees and promote transparency and better understanding.

• Prevent and combat inappropriate behaviours and harassment

ALD is committed to providing each of its employees with a respectful working environment that encourages their personal development. The Group has therefore undertaken several initiatives to prevent and combat inappropriate behaviour in the workplace, notably mental and sexual harassment.

ALD is signed up to the policy deployed by Societe Generale to prevent and combat any behaviour that breaches the principles in its Code of Conduct. Accordingly, ALD has reinforced this commitment by setting up systems to effectively prevent, process and quickly resolve issues raised. This means ensuring all employees take responsibility, creating the conditions for safe and equitable working relationships and encouraging victims to speak up.

ALD Group also has a mandatory and recurring e-learning module for its managers and Human Resources Business Partners (HRBP). The module is designed to embed an awareness of the standards of behaviour expected in the Group and of the policy on disciplinary sanctions recently adopted by Societe Generale.

The procedure for raising and dealing with inappropriate behaviours reminds employees of their options for reporting an inappropriate situation, including the whistleblowing tool.



86%

Employees who would report inappropriate behaviour if they witnessed or experienced it

Source: SG Employee Barometer 2022

• Encourage feedback and discussion



75%

Employees who think their manager gives regular constructive feedback on the quality of their work



89%

Employees who believe they can confidently give their opinion or express new ideas or concerns to their manager or colleagues



89%

Employees who are clear about what is expected of them at work

Source: SG Employee Barometer 2022

Such behaviour is encouraged using tools like Friday Pulse, a weekly survey platform for employees that seeks to share best practice and foster discussion *via* regular feedback between employees and managers. Adopted in 2022 by new entities including Sweden, Mexico and India, the platform is now used by 750 employees in 5 ALD Group entities (*internal HR source*). The deployment continues in 2023.

Other subsidiaries propose other initiatives to encourage feedback. Austria and Switzerland train managers to give positive feedback. Italy has the ALD Talk initiative, which arranges opportunities for direct discussion between employees and local top management.

All these HR initiatives have been recognised with awards and certifications from external bodies:

Great Place To Work®

Great Place to Work certification: in recent years, several Group entities have been honoured by the *Great Place to Work* institute, either being nominated for *Best Workplaces* awards or certified as a *Great Place to Work*.

ALD Luxembourg and ALD Netherlands, for instance, have won awards 3 times and 5 times, respectively.

top EMPLOYERS

Top Employer certification: in 2022 ALD Spain was certified as a Top Employer for the 6th consecutive year.

5.3.2.4 Societal commitment

It is important for ALD to make a positive contribution through societal commitment and community engagement. Its contribution takes different forms, including supporting citizen initiatives, solidarity and philanthropy. The aim is to involve employees in these actions as much as possible and thus generate pride in belonging to the Group.

Contribution to Sustainable Development Goals



ALD's solidarity initiatives and its civic commitment are developed locally by local entities to best meet the needs of each country or region.

The societal commitment focuses on three main themes:

- **aid to children.** This has historically made up one-third of the actions financed within the Group and takes the form of donations (in cash, vehicles or other contributions in kind) to charities, schools, hospitals or orphanages. ALD's specific angle, developed alongside Societe Generale, is to support initiatives that promote social inclusion of disadvantaged children through education. ALD SA continued to support an Indian non-governmental organisation by financing the studies of about 200 disadvantaged children at a Bangalore school for one year. Several of the Group's countries are especially active in this area. This can take the form of financial support, as with ALD Brazil

which funds two projects to promote inclusion of disadvantaged children and teenagers: one through art and culture *Construindo Cidadania com Arte* in cooperation with the *Instituto Hatus*, and another through sport, with the *Instituto Rugby Para Todos*. Support can also mean free provision of vehicles, such as ALD France's support for the charity *Imagine for Margo*.

- **environmental protection**, through reforestation, waste collection, or support for the protection of biodiversity. Many countries took part in reforestation programmes. ALD Luxembourg supports reforestation projects in Africa in partnership with NGO *Graine de Vie*. ALD Netherlands is working with the charity *Trees for All*, and ALD Mexico with the charity *Pro Natura*. Finally, ALD Greece has partnered with *We4All* to help replant areas ravaged by the forest fires of summer 2022.

ALD France, in partnership with the ONF (*Office National des Forêts*) has helped fund four forest ponds in the Haute-Provence Alps, which will promote biodiversity by offering the varied environments that certain species need;

- **mobility for all**. This is a principle that feeds into two types of programme:
 - providing mobility solutions for deprived populations where vehicles are a big factor in social inclusion. For instance, ALD SA renewed its funding for the NGO *"Ecoliers du Sénégal"* to finance a school bus service for children who live a long way from school. ALD UK makes available a free minibus (with 16 seats and wheelchair access) to a pool of schools and charities in the community around its Bristol head office, optionally driven by ALD employee volunteer drivers.
 - making vehicles available free of charge to businesses in the social economy. ALD France supports the charities *MaMaMa* and *ATD Quart Monde*. ALD Spain has donated a people carrier for two years to residents of a retirement home. ALD Belgium has also helped the charity *Les Petits Riens*.

ALD India supported the United for Road Safety project, a project coordinated by the Regional Police for the three great metropolises of Mumbai, Delhi and Bangalore that provides road safety training to the public. The aim is to hold 90 sessions and train 1,800 people.

The Ukraine war dominated 2022 and led the ALD Group to focus its efforts on charities helping refugees and the Ukrainian people. Nearly twenty countries contributed to a global Solidarity Plan, supported and led by ALD SA.

The main actions taken by the "ALD Solidarity Plan" are as follows:

- 1) **financial and in-kind donations**: EUR 581,000 were raised in cash donations to support NGOs on the ground – International Red Cross and its local iterations, *Médecins sans Frontières*, *La Fondation de France*, *Save the Children*, *Emergency*, etc. Group employees also contributed directly to the French Red Cross through a crowdfunding campaign, which collected EUR 30,000 (100% matched by ALD SA). They also held collections of basic necessities and hygiene products. Employees and subsidiaries in countries bordering Ukraine were also mobilised to support colleagues from ALD Ukraine. For instance, ALD Poland provided vehicles for employee volunteers to run shuttles between Warsaw and the Ukrainian frontier and pick up Ukrainian colleagues who wanted to leave the country. ALD Poland then took responsibility for finding them housing in Warsaw;
- 2) **loan/donation of vehicles**: more than ten vehicles in Ukraine and neighbouring countries were made available free of charge to help carry volunteers from charities and ferry supplies and medicines to where they were needed.

Adding up all of these initiatives, ALD allocated **EUR 1.4 million to solidarity actions** in 2022.

Besides the financial contributions, ALD is keen to involve employees in solidarity activities. Several entities (UK, ALD SA, ALD Finland) have set up initiatives that encourage charitable actions by their employees during working time, backed up by volunteering hours authorised under the solidarity plan. In total, Group employees donated **203 days** in 2022, mainly in the UK and Poland.

5

5.3.3 Developing the employability and agility of employees

Developing the employability and agility of employees at all levels of the company, particularly in today changing work environment, is a key issue for ALD. The Group wants employees at all levels to be empowered and share a common mindset focused on innovation, diversity and sustainability, so they can better meet the expectations of customers today while building the world of mobility of tomorrow.

5.3.3.1 Responsible training policy

ALD has a responsible training policy that meets the needs of business lines and promotes employee development.

2022

87.52% of employees present at 31/12 and trained

- 7,364 employees trained*
- 186,848 hours of training*
- 3.17 days of training in average*

Source: Planethic

*These figures include trained employees who left the Group during the year.

• “Business line” training courses

The hours of training provided are mainly focused on the development of “business line” skills. They aim to meet the challenges of optimising customer relations and changing working methods through the use of innovative technologies.

This is the case in Italy, for example, which following discussions with its top management, sets a target for each department to receive skilled-based training in at least one key area for the entity, such as e-commerce management, insurance, IT data management, negotiations or ISO standards.

Several programmes, some of which are presented below, have been developed by numerous ALD entities. These are shared transparently, either formally or informally, between the entities so that they can be rolled out and adapted to each entity’s needs.

One Ready Smile: customer experience

The One Ready Smile programme, launched by ALD Belgium, was replicated across several entities, notably: Algeria, Brazil, the Czech Republic, India, Mexico, Morocco, Norway, Poland, Portugal, Romania, Russia, Sweden, Turkey, Bulgaria, Ukraine and France. In 2022, the Group’s Latin American subsidiaries joined the list of entities to roll out a local version of this programme. The programme encourages employees to think actively and collaboratively about the customer experience and thus leads them, based on customer feedback, to reflect on possible ways of improving communication, behaviour and internal processes.

Customer Excellence

ALD UK has relaunched its Customer Excellence training programme which had been a great success with customer service employees. The programme now includes a new module to support customers with financial difficulties. Through a series of lessons and coaching sessions, this training course teaches in-depth communication and emotional intelligence skills aimed at establishing an efficient attitude towards customers.

Clicks n’Bricks: digital sales

The Clicks n’Bricks programme, initially launched by ALD Denmark, aims to transform our traditional used car sales or rental processes for private customers towards digital offerings. This requires adapting the profiles of on-site used car salespeople to digital salespeople on the online platform. Their role is changing and is becoming more focused on finalising sales with customers. Salespeople are now efficiently processing demands *via* various tools such as a dedicated CRM. The programme has therefore helped efficiently adapt the sales process for private customers. Following an initial roll out in 2019 and 2020, Belgium, Morocco, France, the Czech Republic and Slovakia also implemented the programme in 2021 and 2022.

BIC Academy and Global Corporate Clients: responding to the need to acquire transversal skills

Transversal programmes and initiatives have also been launched to support the Group’s transformation, improve cooperation between entities and develop the employability of employees by training them in line with the Group’s needs.

The BIC Academy programme, which was launched in 2021 and is available within all entities, thus helps develop the language and understanding of common issues relating to electrification. It teaches how to “talk about and sell electric mobility” and provide better support to our customers in this transition (see section 5.2.1.2).

The Global Corporate Clients programme also continued in 2022, to develop a set of shared skills within the Group’s sales teams who deal with our international customers.

• Training for the use of collaborative and digital tools

At a time when asynchronous working is on the rise, several initiatives have been launched in various entities to provide support to employees in their use of collaborative and digital tools.

ALD has improved its current digital training offering by providing access to digital platforms to develop its tailor-made training solutions for its employees with the aim of empowering them in their professional development choices. These platforms can be rolled out either globally or on a more local level.

For example, Spain offers access to an online training platform called “Campus ALD” for all its employees. This platform offers training on a range of subjects including digital transformation, the use of the Office pack and customer services by providing, for certain modules, specific courses for employees and managers.

With this same objective of offering a digital knowledge-sharing solution, ALD launched its ALD Academy in 2021. This is a unique and global platform within the Group and is accessible to all entities where knowledge and internal best practices can be exchanged, drawing on existing expertise as well as the promotion of digital solutions and learning across the various ALD entities.

This platform contains several programmes relating to business line expertise and personal development (for example, a page dedicated to managers for the development of their management skills). The long-term aim is to make it a unique training platform, on which the entire development offering for employees will be accessible, regardless of the entity to which they belong.

• Training in behavioural skills development

Training also develops employee behavioural skills.

For example, the Insight tool continues to be used within ALD SA. Based on the principle of four colours (red, blue, yellow, green) corresponding to dominant personality features, the tool helps employees get to know themselves and their environment better, understand their comfort and discomfort zones and become more aware of their strengths and weaknesses. Understanding our behaviour and recognising that of others, is a major advantage to help improve individual and collective performances.

This tool is used to guide employees during team building workshops, management coaching, and leadership coaching and advice sessions. In 2022, three development sessions using this tool were organised within ALD SA for new joiners.

• Specific training for managers

The support and development of ALD managers of all levels is a key focus. In this respect, a range of dedicated development programmes have continued to be offered within our entities. The main purpose is to support managers in their role as coaches and examples to all teams, and to ensure that they represent the Group’s values and culture – especially in a changing environment.

For example, Spain has developed specific manager support programmes called *Conversa* and “Management Boost”. ALD SA also introduced a training programme in 2022 which gradually provides year-round support to managers on essential skills required. ALD Italy offers specific training to help managers develop operational risk management skills related to their day-to-day work.

Finally, 37 managers from the Southern Europe region (ALD Bulgaria, ALD Greece, ALD Turkey and ALD Romania) benefited from a joint co-development programme in 2022, made up of six sessions spread out over several months. The managers met in small groups from different entities and roles, with the aim of encouraging them to take a step back, share best practices and ideas to meet operational and managerial challenges, encourage communication among themselves and strengthen ties.

• Diversified learning methods

Training at ALD is also based on diversified learning methods that combine traditional face-to-face training, digital training, the use of innovative methods such as design thinking as well as Test & Learn training methods and collaborative communication tools such as the Slack, Friday Pulse and Teams platforms.

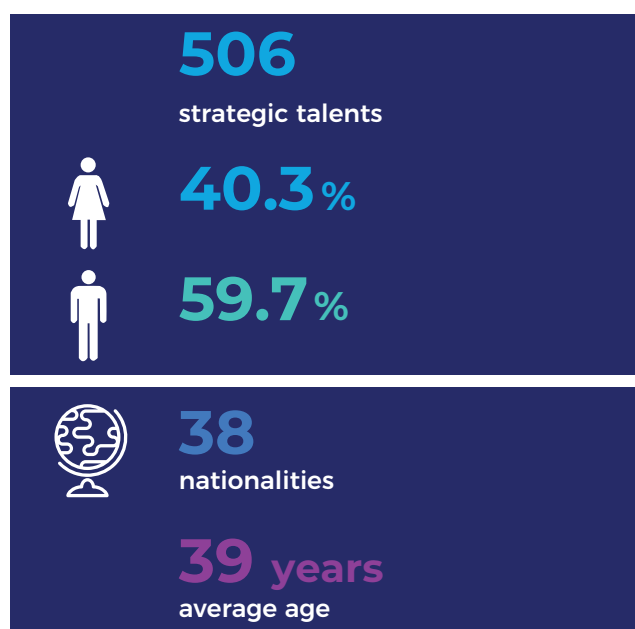
• On-the-job training

ALD is convinced that training is a daily process, carried out on the job, through the learning achieved through sharing expertise and skills with one other, thus promoting team spirit.

This is why Spain developed the "*Learning on the Job*" initiative and Turkey introduced the "*Learning from each other*" initiative, which allows employees mastering certain skills to train colleagues who need to develop them.

5.3.3.2 Strategic talents development policy

The strategic talents approach is common to all Group entities and is structured around Societe Generale's Leadership Model. This approach aims to detect, develop and retain ALD's strategic talents, by providing them with growth prospects within the Group and ensuring succession plans are in place for top management positions.



Internal HR source

Because ALD's primary talents are its leaders, the Group continues to roll out ALD HighWay, its international development programme dedicated to the Group's top management.

Its aim is to:

- provide them with the means to successfully achieve transformations and to support their teams in achieving the Group's objectives;
- build on each individual's strengths in a collaborative manner;
- facilitate the transition towards the Group's values;
- support them on a long-term basis by introducing continuous development, notably through dedicated moments to step back and share insights into their activities and leadership.

In 2022, ALD HighWay thus brought together 40 of the Group's General Managers and Top Leaders of 17 different nationalities. Participants followed a development programme focused on transformation.

Local initiatives were also launched to support our entities' leaders and local talents:

- ALD Algeria and ALD Morocco launched the TRANSMED development programme, enabling the talents of these two French-speaking entities to work on transversal projects under the supervision of ALD France;
- entities in the Benelux region have set up the "*Benelux Talent Academy*", enabling talents from these countries to develop and prepare for their first leadership positions;
- to support potential talents, ALD Italy has been focusing on behavioural skills with the entity launching an assessment based on targeted prerequisites to identify areas for improvement, as well as a development programme to support employees in the acquisition of key ALD skills;
- ALD Bulgaria carried out a review of its employees considered as experts, to provide them with perspectives on the contributions they can make to the Group.

5.3.4 Promoting diversity and inclusion

The various initiatives and policies introduced to promote diversity and inclusion are recognised by employees.



Source: SG Employee Barometer 2022

Diversity is a response to ethical as well as performance challenges. ALD has made it a priority to continue to promote women and staff with international profiles to positions of responsibility within the Group's management bodies.

In addition to these priorities, ALD is committed to improving other areas of diversity by paying particular attention to the intergenerational dimension, to employees with disabilities and the inclusion of LGBT+ persons. As a subsidiary of Societe Generale, ALD adheres to the Group's Diversity and Inclusion Policy and is committed to fighting all forms of discrimination.

Various initiatives are carried out within our entities, according to their challenge, their needs and local regulations.

This is the case in the Latin America region which has drafted the first version of its local Diversity Policy and has introduced Regional Manager Committees to share best practices for an inclusive work environment.

Moreover, India offers employees the option of setting up a "cultural committee" to share thoughts on diversity issues and plan events.

ALD Spain is also committed to promoting diversity in several ways:

- the entity has embarked on a long-term *ALD Diversidad* strategy among its employees through conferences, events and workshops throughout the year on topics such as the impact of unconscious bias, inspiring leadership through diversity, design thinking for innovation and diversity in corporate life;
- it is also part of a corporate network committed to diversity and equality and members of the European Diversity Charter.



"Diversity Leading Company" awarded to ALD Spain in 2022 in recognition of measures carried out in favour of diversity.

5.3.4.1 Diversity of international profiles

ALD's employees are spread across four continents and are mainly from the countries that employ them. This diversity has been encouraged throughout the Group's development process and now constitutes an asset that is part of the Group's fundamentals.

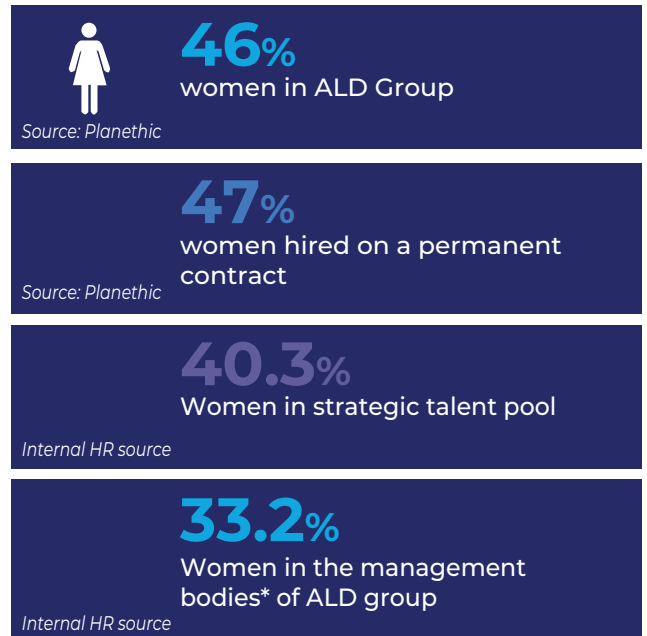
Figures as of 31 December 2022



*Management bodies of ALD group: Executive Committee and management committees of ALD S.A. (holding) + Operating Board and Chief Executive Officers and management committees of Group entities internationally.

5.3.4.2 Gender diversity

Gender balance



*Management bodies of ALD group: Executive Committee and management committees of ALD S.A. (holding) + Operating Board and Chief Executive Officers and management committees of Group entities internationally.

Gender diversity is considered as a performance issue for the Group and is an important consideration in all ALD entities, as reflected in the following initiatives:

• Presence of women in top management bodies

Several initiatives have been taken locally to support women's careers and strengthen their presence, in particular in the top management committees of each entity. A few examples can be found below.

Since 2018, the Chief Executive Officer of ALD Group has, among his annual objectives, a target aimed at improving female representation within the Group's top management bodies. The same target has been defined for all ALD entities' General Managers since 2021.

Moreover, ALD's Executive Committee has drawn up the following action plan with three main drivers as part of a long-term strategy:

- 1) promote women to top management positions;
- 2) promote gender equality;
- 3) develop future generations of managers

■ **Close monitoring of the executive committee in the development of women GMs**

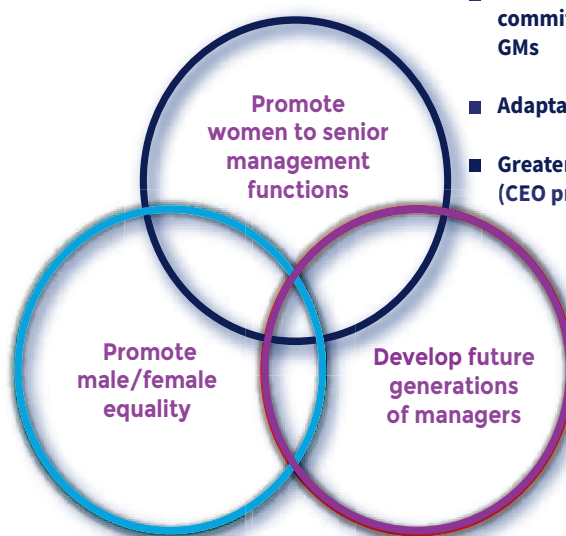
■ **Adaptable career offers**

■ **Greater visibility and improved training (CEO program)**

■ **Acceleration of visibility via ALDway (stand by in 2022)**

■ **Individualized coaching offer**

■ **Introduction of a mentoring program (upcoming)**



■ **Increased attention in Executive Committee and GMs to women's access to positions of responsibility**

■ **Reducing salary differences by introducing quantitative indicators for the largest entities**

■ **Implementation of initiatives to make cultures evolve**

Measures carried out by ALD in favour of gender equality helped the Group get closer, as of the end of 2021, to the objective set for 2025 of 35% of females within ALD Group's top management bodies. At the end of 2022, this rate stood at 33.2% (source: CnB ALD).

• Gender equality index

Legislation introduced in France in 2019 makes it mandatory for companies with over 50 employees to publish an annual gender equality index. This index allocates points according to pay gaps between women and men by age and comparable job, and according to differences in the rates of individual salary increases. This index also takes into account the number of women in the 10 highest-paid jobs in the Company and the percentage of female employees who have benefited from a pay rise in the year in which they returned from maternity leave. For ALD France, the promotion rate is an additional criterion. The points of this index in France should total at least 75. Below this threshold, an action plan must be put in place by the Company.

At the end of December 2022, ALD SA and ALD France published index values of respectively 84 points* and 91 points* (versus respectively 91 points* and 91 points* in 2021). These scores are the result of a policy that has been pursued actively by ALD SA and ALD France for several years, in particular under the agreement on gender diversity in force at ALD France and the action plan implemented within ALD SA. Based each year on the provisional index results, ALD SA implements targeted corrective measures, notably the reduction of pay gaps at certain levels of responsibility and for certain age groups.

With the aim of strengthening the measures related to the gender pay gap and reducing these gaps, it was decided in 2020 to roll out the Gender Equality Index calculation using the same methodology as in France, in ALD's main European subsidiaries, which are ALD United Kingdom, Germany, Italy, and Belgium. The index values, based on data as of June 2022, are between 57 points and 94 points depending on the country*.

* Source: CnB ALD

• Other gender equality initiatives

To strengthen the Group's action plan in favour of gender diversity, the Chief Executive Officer of ALD signed the *#JamaisSansElles* charter, committing it to ensuring that women are well represented in all internal and external discussions in which it participates worldwide. This principle has been shared with the Group's top management teams.

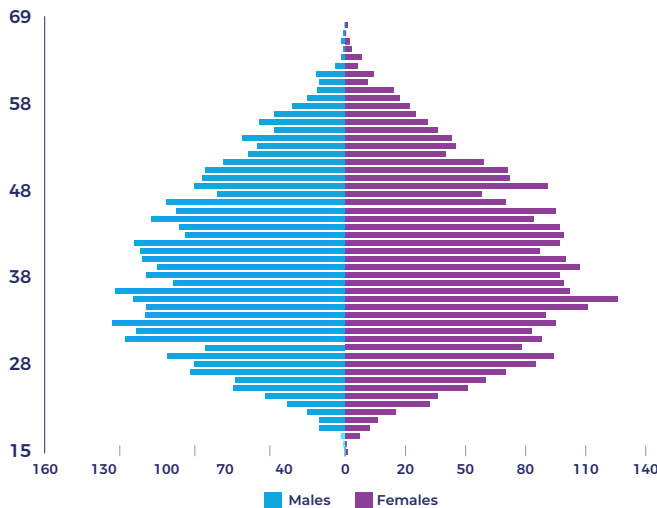
Additional initiatives promoting gender equality have also been introduced in various entities such as, Luxembourg which organises coaching sessions for women who have been identified as talents, and the Netherlands, which offers brainstorming sessions where groups of women can discuss issues such as female recruitment and their professional development. Moreover, ALD Italy has renewed its partnerships with the *Valore D* association and the Professional Women's Network (PWN), which promote gender diversity and mentoring. Latin American entities have introduced the monitoring of gender indicators (percentage of women in the workforce, by department, in the talent pool and among top management) and have set recruitment rules in favour of women to increase their representation in the workforce.

Inclusion of LGBT+ persons

ALD France and ALD SA, as French subsidiaries of Societe Generale, are committed to promoting an inclusive work environment for LGBT+ persons. These entities are notably signatories of the *L'Autre Cercle* charter for the integration of LGBT+ persons.

5.3.4.3 Age diversity

The average age of ALD Group's workforce is 39.3, as shown in the age pyramid (source: Planethic):



- The average age of ALD employees is 39.3
- The average age of women is 39
- The average age of men is 39.4

The Group applies the principle of no age-based discrimination throughout the organisation.

At the same time, additional measures are also in place. ALD France is continuing its partnership with the "École de la 2^{ème} chance", an integration programme that supports young people working under apprenticeship contracts.

In the same manner, ALD Luxembourg renewed the operation that the entity has been conducting since 2007, taking on students in apprenticeship so that they can obtain an Administrative and Commercial professional diploma (DAP) at the end of a two-year course.

In 2022, on a voluntary basis, ALD SA launched an initiative allowing employees to welcome students in their last year of middle school, from priority education zones, for one-week work placements to discover the business world. These work placements will take place during the first quarter of 2023.

5.3.4.4 Inclusion of people with disabilities



Source: Planethic

More than ten agreements have been signed at our entities in recent years in favour of the work and professional integration of persons with disabilities. As a subsidiary of Societe Generale, ALD adheres to the Global Business and Disability Network Charter of the International Labour Organization's (ILO). Some subsidiaries are also undertaking more specific actions on the subject.

At ALD France, it was agreed to set up a *Mission Handicap* whose purpose is to increase the percentage of employees with disabilities in the entity. A new agreement was unanimously signed until 2023 by the trade unions representing ALD France on 5 November 2020.



Source: ALD France's HR teams

Moreover, Spain offers inclusion forums about inclusion to highlight testimonies of disabled employees through their personal stories. These exchanges give them the opportunity to explain how to interact with them naturally.

5.3.5 Key HR data

5.3.5.1 Changes in the workforce

5.3.5.1.1 Workforce by geographical zone

The table below shows the changes in the workforce over the past three years. All employees, whether with full-time or part-time work contracts, are counted as one in the workforce. These figures exclude the external workforce such as trainees, service providers and consultants.

	31 December 2020	31 December 2021	31 December 2022
France	1,411	1,491	1,556
Europe (excluding France)	4,544	4,736	4,859
Excluding Europe	741	823	829
TOTAL	6,696	7,050	7,244

Source: Planethic

5.3.5.1.2 Hires on permanent contracts

The table below presents the total number of employees hired on permanent contracts over the past three years.

	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
France	64	66	87	98	67	82
Europe (excluding France)	196	238	366	418	378	402
Excluding Europe	56	74	40	102	61	86
TOTAL	316	378	493	618	506	570

Source: Planethic

5.3.5.1.3 Hires on fixed-term contracts

The table below presents the total number of employees hired on fixed-term contracts over the past three years.

	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
France	48	47	55	57	68	47
Europe (excluding France)	123	81	123	90	172	176
Excluding Europe	5	5	18	24	30	33
TOTAL	176	133	196	171	270	256

Source: Planethic

5.3.5.1.4 Total departures

The table below shows the total number of departures (including voluntary and involuntary departures, dismissals for cause and termination by mutual consent) from the Group over the past three years.

	2020	2021	2022
France	192	210	191
Europe (excluding France)	522	770	816
Excluding Europe	114	121	163
TOTAL	828	1,101	1,170

Source: Planethic

5.3.5.1.5 Permanent contract turnover

The table below presents the turnover rate of employees on permanent contracts over the past three years.

	2020	2021	2022
	10.25%	13.17%	13.47%

Source: Planethic

The table below presents the voluntary turnover rate of employees on permanent contracts over the past three years.

	2020	2021	2022
	5.26%	8.96%	9,85%

Source: Planethic

5.3.5.2 Breakdown of the workforce**5.3.5.2.1 Breakdown by country**

As of 31 December 2022, the breakdown of the Group's workforce by country was as follows:

	31 December 2021	31 December 2022
Western Europe	4,708	4,868
o.w.		
Belgium	280	288
France	1,491	1,556
Germany	553	571
Italy	587	578
Spain	482	494
United Kingdom	745	787
Northern Europe	465	480
Central and Eastern Europe	1,054	1,067
South America, Africa and Asia	823	829
TOTAL	7,050	7,244

Source: Planethic

5.3.5.2.2 Breakdown by type of employment contract

The table below shows the proportion of employees on fixed-term contracts over the past three years.

	31 December 2020	31 December 2021	31 December 2022	
	Fixed-term/workforce	Fixed-term/workforce	Fixed-term/workforce	Share of women
France	9%	11%	14%	50%
Europe (excluding France)	4%	4%	6%	48%
Excluding Europe	3%	9%	5%	44%
TOTAL	5%	6%	7%	49%

Source: Planethic

5.3.5.2.3 Breakdown by socio-professional category

The table below shows the proportion of managers in the workforce over the past three years.

	31 December 2020	31 December 2021	31 December 2022	
	Managers/workforce	Managers/workforce	Managers/workforce	Share of women
France	18%	19%	18%	41%
Europe (excluding France)	19%	19%	19%	38%
Excluding Europe	17%	19%	14%	33%
TOTAL	19%	19%	18%	38%

Source: Planethic

5.3.5.2.4 Breakdown by gender

The table below presents the breakdown of the Group's workforce by gender over the past three years.

	31 December 2020		31 December 2021		31 December 2022	
	Women	Men	Women	Men	Women	Men
France	677	734	714	777	742	814
Europe (excluding France)	2,126	2,418	2,220	2,516	2,278	2,581
Excluding Europe	279	462	296	527	308	521
TOTAL	3,082	3,614	3,230	3,820	3,328	3,916

Source: Planethic

5.3.5.2.5 Breakdown by age category

The table below presents the breakdown of the Group's workforce by age bracket over the past three years.

	2020	2021	2022
<25 years	5.2%	5.8%	6.03%
25-35 years	31.5%	30.7%	29.61%
35-45 years	34.7%	33.9%	32.97%
45-55 years	23.5%	22.6%	23.18%
>55 years	5.1%	7.1%	8.21%
TOTAL	100.0%	100.0%	100.0%

Source: Planethic

5.3.5.3 Absenteeism

The table below presents the rate of absenteeism over the past three years.

	31 December 2020	31 December 2021	31 December 2022
Rate of absenteeism	2.90%	2.75%	2.98%

Source: Planethic

5.3.5.4 Training

The Group invests heavily in training to enable its employees to evolve, acquire new skills in line with the realities of the company and their foreseeable career path, and offer each employee the opportunity to fulfil his or her potential.

NUMBER OF EMPLOYEES WHO ATTENDED AT LEAST ONE TRAINING SESSION DURING THE YEAR *

	2020	2021	2022
France	1,221	1,484	1,544
Europe (excluding France)	4,204	4,746	4,985
Excluding Europe	675	778	835
TOTAL	6,100	7,008	7,364

Source: Planethic

* These figures include employees trained who left the Group during the year.

TOTAL NUMBER OF TRAINING HOURS *

	2020	of which remotely	2021	of which remotely	2022	of which remotely
France	9,331	63%	14,735	65%	24,397	55%
Europe (excluding France)	48,912	57%	85,648	74%	109,575	55%
Excluding Europe	10,206	62%	61,969	96%	52,876	89%
TOTAL	68,449	68%	162,352	80%	186,848	64%

Source: Planethic

* These figures include employees trained who left the Group during the year.

5.3.5.5 Workplace accidents

The table below shows the number of workplace accidents over the past three years, excluding commuting (as defined by local regulations).

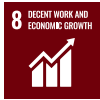
	31 December 2020	31 December 2021	31 December 2022
Number of workplace accidents	6	11	12

Source: Planethic

For the French perimeter composed of ALD SA and ALD France, the severity rate of work incidents is respectively 0 and 0.087 (internal HR source).

5.4 Responsible practices

Contribution to Sustainable Development Goals



5.4.1 Customer satisfaction culture

Significant risk identified:

- risk of customer and operational dissatisfaction related to electric vehicles (vehicle safety recalls, issues with the installation of charging terminals).

ALD aims to put the customer at the centre of all its concerns and all its projects. In recent years, many initiatives have been conducted to develop a strong customer culture, including training in "Design Thinking" methods that allow us to start from the customer experience to define new offers or improve existing services. In 2017, ALD also launched a major programme to improve customer experience called One Ready Smile.

One Ready Smile (ORS) is a turnkey customer experience improvement programme that primarily targets ALD countries with declining NPS (Net Promoter Score). The first ORS workshop raises awareness among all employees in the ALD country of customer experience indicators (NPS, CSAT, CES), how they are calculated, the results obtained by the country and the analysis of those results, including the reasons behind the scores obtained. One Ready Smile (ORS) is based on satisfaction surveys and detailed interviews that integrate both the overall level of satisfaction and detailed customer comments. This "Voice of the Customer" helps identify the main pain points in detail and set up targeted workshops to resolve them by systematically studying the experiences of drivers and fleet managers. In addition, key interactions with customers (delivery of a new vehicle, end of contract, return of the vehicle) are reviewed and improved not only for the customer but also from an internal process point of view, including an analysis of digital interactions, channels of communication and a presentation of best practices from the Group at every stage of the process. One Ready Smile raises awareness of cross-divisional communication best practices (email, web) and behaviour (on the phone, face-to-face) with the customer. Finally, the use of continuous customer feedback is studied during the ORS workshop using an agile methodology to allow countries to implement continuous and autonomous improvement action plans independently. In 2021, ORS adapted to the public health crisis, with content digitalised and made available on the ALD Academy, the e-learning platform focused on ALD's business lines to support employees in digital, cultural and business transformations. This allowed the Group to offer hybrid sessions (remote + digital content) to ALD countries. The platform had almost 3,000 internal users at the end of 2022.

The **Net Promoter Score (NPS)** is the measurement of customer satisfaction based on their likelihood of recommending the brand, products or services. The NPS is calculated based on satisfaction surveys filled out by drivers and fleet managers/decision-makers for the direct sales channel, B2B and for full-service lease vehicles. The 2022 NPS survey covered 39 countries in which ALD operates (countries affected by the Ukrainian conflict were not surveyed).

Survey results are regularly presented to the Executive Committee.

The **overall NPS reached +27 points**, -4 points compared with the previous year.

The main reason for this decrease is mainly the general context of tension on the automotive market (semiconductor crisis, vehicle and spare parts shortages, long delivery times, increase in interest rates and energy costs). Nevertheless, the majority of countries have a continuous improvement approach based on the survey results.

Progress has nonetheless been made in Germany, Mexico, Chile and Turkey thanks to the optimised management of the customer experience.

These local surveys are complemented by measures at the international level, particularly in the specific customer segment of Large International Accounts.

The most recent survey of international customers showed a recommendation rate of 88%. Corporate Social Responsibility now rates among the top three criteria in terms of importance for these customers, and 74% are satisfied with ALD's action in terms of CSR and sustainable development (+11 points compared with 2021).

Finally, the **ALD Customer Advisory Board**, set up two years ago, meets twice a year, and consults major international customers on strategic decisions, particularly regarding product or commercial development. This initiative has also been replicated in 26 countries in which ALD is present (Belgium, France, Germany, Italy, the Netherlands, Spain, the United Kingdom, Austria, the Czech Republic, Hungary, Bulgaria, Finland, Turkey, Romania, Greece, Poland, Peru, Brazil, Chile, Colombia, Mexico, Portugal, Algeria, Morocco, Ukraine and Russia). These Customer Advisory Boards pay particular attention to energy transition issues (electric vehicles, charging solutions, energy market and costs).

5.4.2 Behaviour/ethical and responsible culture

Significant risks identified:

- choice of customers: corruption, money laundering, embargoes/sanctions, reputational risk of an environmental and social origin;
- choice of suppliers: corruption, money laundering, embargoes/sanctions, reputational risk of an environmental and social origin exacerbated by a business model based on a combination of services:
 - selection of garages;
 - purchasing/supply of raw materials for tyres, spare parts.

ALD, as a subsidiary of Societe Generale, conducts its development in accordance with the values and principles set out in various texts and founding commitments for Societe Generale:

- the Universal Declaration of Human Rights and its complementary commitments;
- the fundamental conventions of the International Labour Organisation (ILO);
- the UNESCO World Heritage Convention;
- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights.

5.4.2.1 Code of Conduct

The Code of Conduct, common to the entire Societe Generale Group both in France and abroad, describes the Group's commitments to each stakeholder (customers, employees, investors, suppliers, regulators/supervisors, public/civil society) as well as the expected principles of individual and collective behaviour. It forms the basis of Societe Generale and ALD professional ethics.

It promotes respect for human rights, the environment, prevention of conflicts of interest and corruption, the fight against money laundering and the financing of terrorism, respect for the integrity of markets, protection of data and conduct with respect to gifts and hospitality and responsible purchasing.

These rules go beyond the strict application of the laws and regulations in force, especially when they, in some countries, cannot guarantee compliance with the ethical standards imposed by the Group and prevent reputational risks.

It also sets forth the procedures for exercising the right of whistle-blowing when a particular situation warrants it and notes that the Group protects whistle-blowers and guarantees their anonymity when local law allows it. In 2019, the Group rolled out a new secure and anonymous whistleblowing tool.

The Code of Conduct is available to all stakeholders on Societe Generale's website:

(https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/code_of_conduct_eng.pdf).

The Culture and Conduct programme

Initiated in 2016, and moved from the project phase to the run phase in 2020, the Culture and Conduct programme aims to build stakeholder confidence in Societe Generale and its business units, including ALD, by putting values, the quality of leadership, and behavioural integrity at the core of its business activity to achieve the highest standards of quality of service and integrity.

The programme at ALD is co-sponsored by two members of the Group's general management, the Chief Administrative Office and the Head of Human Resources.

Since the end of 2019, each year, an appropriation test of all employees is organised using the **MyLearning** training platform.

In 2021, governance was improved within ALD through the publication of a best practices guide and the creation of a Corporate Secretary function within the entities which report functionally to the holding and, in 2022, of the HR Director.

Since 2022, Conduct indicators are reported to members of the Group's Executive Committee once a quarter and to Societe Generale's General Management once a year.

5.4.2.2 The fight against corruption

ALD is an integral part of the Societe Generale's system of anti-corruption obligations (stemming in particular from the French law n° 2016-1691 of 9 December 2016 ("Sapin II") and of those relating to the law on the Duty of Care, which require the establishment and implementation of a vigilance plan to identify risks and prevent serious violations of human rights, fundamental freedoms, personal health and safety and the environment.

In this regard, all previous commitments made by Societe Generale apply *de facto* to ALD. Since 2000, Societe Generale has made commitments under the Wolfsberg Group and, in 2003, the Global Compact. In practice these commitments are reflected in:

- the application of the internal anti-money laundering and anti-terrorist financing scheme, as well as the fight against corruption;
- the application of strict principles that are set out in its Code of Conduct and its Code governing the fight against corruption and influence peddling;
- the updating of the framework standards and the strengthening of mechanisms relating to gifts and events, the management of conflicts of interest, the whistle-blowing mechanism within the framework of the transparency law, the fight against corruption and the modernisation of economic life (referred to as Sapin II law).

Since 2019 specifically, ALD started the full application of the anticorruption section of the Societe Generale remediation programme, which gave rise to the main following actions in 2022:

- an update of the policy governing the fight against corruption;
- an update of the policy for the identification of counterparty risks for customers and suppliers, and notably the introduction of an "ABC flag" for customers at risk of corruption.

Legal action against Societe Generale by French and US authorities was dropped at the end of 2021, following the effective implementation over the past three years of a set of remediation measures to effectively combat the risk of corruption.

Note that ALD does not have a legal obligation to formalise its own Vigilance Plan but is fully in line with that of Societe Generale, which is presented in Societe Generale Universal Registration Document.

5.4.2.3 Environmental and Social (E&S) policies

Sector and cross-Group E&S policies

Developed by cross-functional working groups, E&S policies are approved by Societe Generale's General Management and implemented within ALD.

They present the main E&S issues and risks for the sectors covered, identify the international standards of reference, and provide a framework for analysis, which is used in customer evaluations and the resulting transactions. In a continuous improvement process, a sector watch is carried out to evaluate whether existing policies need to be updated. These policies will also be reviewed in the light of the findings of the mapping carried out as part of the Duty of Care.

There are twelve E&S policies in total, nine sector policies and three declarations on major cross-divisional issues (human rights, climate and biodiversity). These policies cover sectors considered as potentially sensitive in terms of E&S or ethics. Energy and extractive sectors are covered by several sector policies, through their potentially significant impacts in terms of emissions (including greenhouse gases) and their effect both on the natural environment and local communities (dams and hydro-electric power, thermal power stations, coal-fired power stations, mines, civil nuclear, oil and gas).

Agriculture and forestry are also subject to a policy which covers several sectors (agriculture, aquaculture and fishing, palm oil, soya beans and beef in Latin America, forestry, paper pulp and paper). Defence and merchant vessels are also covered. The E&S policies are public and available on the Societe Generale website:

<https://www.societegenerale.com/en/publications-documents?search=&theme=rse&category=politiques-sectorielles&year=&op=Filter>

These policies are systematically circulated to the ALD local teams responsible for the Know Your Customer (KYC) process.

E&S identification list (or watch list)

To facilitate the management of E&S risks, an identification list is prepared and updated quarterly by Societe Generale experts. This list shows the projects, companies and sectors of activity/countries that are the subject of controversy or public campaigns by civil society for E&S reasons. This internal list aims to alert operational teams ahead of the customer and transaction review process to establish a stronger E&S assessment for the transactions and customers in question.

E&S exclusion list

In addition to the identification list, an exclusion list has been prepared by Societe Generale and is updated on a quarterly basis. It includes companies excluded from the sector defence policy due to their involvement in the production, storage or marketing of controversial weapons, including anti-personnel mines or cluster munitions. Societe Generale has undertaken not to knowingly provide banking and financial services to these companies, their parent companies or their subsidiaries. Exclusions are also made on a case-by-case basis, in particular for new account analyses or specific types of activities.

The sector policies described above contain exclusion criteria that are checked systematically.

Before entering into a relationship with a new customer, and during the renewal of dedicated credit lines, the monitoring and exclusion lists are systematically examined by the local functions in charge of the KYC processes. Any cases presenting risks related to the monitoring lists and sector policies are sent to the Compliance and CSR Department of ALD SA for analysis (11 cases reported in 2022).

This process was made official in 2021 in an instruction published by all Group entities covering the management of E&S risks. This instruction was subject to a specific training programme in all Group countries.

The identification, assessment and management of E&S risks was also subject to specific training for the risk, compliance, purchasing and CSR teams.

The rate of completion for this module at the end of 2022 was **97% of targeted individuals** (1,551 out of 1,593 persons completed this module). Training is repeated regularly as employees change positions and new recruits arrive (41 “underway” as of end-2022).

5.4.3 Responsible purchasing

The Purchasing activity is an important factor in CSR goals, since ALD is integrated into the policies and practices of Societe Generale. Launched in 2006, the responsible purchasing policy is implemented through multi-annual action plans. In the continuity of the previous plans, the sixth responsible purchasing action plan named “Positive Sourcing Programme” (PSP) 2021-2023, will consolidate the achievements of previous plans and is based on two ambitions:

- conduct of the CSR Duty of Care Plan, described in Section 5.5 of Societe Generale Universal Registration Document (https://www.societegenerale.com/sites/default/files/construire-demain/12112018_sustainable_sourcing_charter_vf_eng.pdf)
- promotion of positive-impact purchasing strategies.

To support this plan, the Group’s normative documentation (Societe Generale Code) relating to the conduct of responsible purchasing sets out the management measures for risks of E&S origin to be implemented.

The Group’s purchasing practices are in line with the continuous improvement approach and the implementation of purchasing and ethics rules, applicable in terms of purchasing, annexed to the global agreement on fundamental rights with the UNI Global Union. Purchasing practices have been improved in recent years to systematically take environmental and social aspects into account in purchasing processes.

Structure

For several years, ALD has been strengthening its Purchasing Department at ALD SA to better coordinate the production (or “direct”) purchases of all ALD entities and apply the principles and rules defined at the Societe Generale level, particularly with regard to CSR. Accordingly, in terms of production purchases (directly related to leasing operations), centralised tendering in ALD SA’s Purchasing Department is conducted in close collaboration with the Societe Generale Purchasing Department.

For other categories of “indirect” purchases made in France (whether by ALD France or ALD SA), such as supplies, travel, mobile telephony or building management, for example, ALD France and ALD SA benefit from framework agreements negotiated by the Societe Generale Purchasing Department. Lastly, for certain categories, ALD France works closely with the Societe Generale Purchasing Department.

Responsible purchasing charter and CSR clause in contracts

Since April 2017, all suppliers listed by the Purchasing function are sent a copy of the Sustainable Sourcing Charter

(https://www.societegenerale.com/sites/default/files/construire-demain/12112018_sustainable_sourcing_charter_vf_eng.pdf)

The commitments set out in the Sustainable Sourcing Charter are mainly based on the fundamental principles of the United Nations Global Compact in terms of human rights, working conditions, the environment and the fight against corruption.

The **CSR clause** that was updated in 2018 is now integrated into 100% of new contract templates. It refers to the Societe Generale Code of Conduct and the Sustainable Sourcing Charter. Its purpose is to involve suppliers in the implementation of due diligences in the fields of human rights, working conditions (health and safety), the environment and the fight against corruption.

Risk identification, evaluation and control in the purchasing process

In 2006, Societe Generale defined its first Purchasing-related environmental and social risk map, thus allowing each buyer to assess the CSR risks intrinsic to its purchasing categories. A complete review of that risk map was conducted between 2017 and 2018 in consortium with three other French banks and with the support of a specialised consulting firm. The risk map covers almost 100 categories of products or services, every category is analysed according to 13 criteria linked to ethics and fair practice, the environment, human rights and social conditions, and finally ranked according to four levels of risk, from weak to very strong.

The duplication of this approach to approximately 20 ALD-specific “production” purchasing categories using the same methodology was finalised in 2020. It has already been used as a methodological support in international calls for tenders and was widely distributed since 2021 for use in local calls for tenders (see below).

Know your supplier (KYS) analysis

Tier 1 suppliers are assessed against Societe Generale standards and international standards for operational risk management, compliance and reputation (including environmental and social issues). This assessment is systematic and is the subject of an internal Directive.

Integration of E&S criteria into tender processes

Based on the risks identified in the new Purchasing-related CSR risk map, CSR criteria specific to each eligible purchasing category are integrated into the main calls for tender and taken into account in their analysis. The level of weighting of these criteria in the supplier's final choice depends on the level of risk identified by the mapping and varies between 5% and 15% depending on the environmental and social risk associated with the purchasing category.

The main international calls for tender launched by ALD SA's Purchasing Department include this mechanism (short-term rental in 2019, tyres in 2020, maintenance in 2021). The first two categories (short-term rental and tyres) represent more than EUR 200 million in annual expenditure, and the international suppliers selected around 80% of these purchases. Maintenance represents expenditure of around EUR 500 million and the share of international suppliers, which remains a minority, is expected to grow with the accelerated implementation of these international contracts. The average weighting of CSR criteria in these calls for tender was 12%.

This process was made official in 2021 in an instruction published by all Group entities. In 2022, the Responsible Purchasing section of this instruction was the subject of a specific training programme with 100% of the Group buyers.

2022 was dedicated to the implementation of this system (adoption of mapping and integration of CSR criteria into tender processes) with a concrete application in France for calls for tender in the “transport and storage” category.

Developing positive impact purchases

- **Developing the circular economy:** with the objective to further develop the circular economy within our supply chain, in 2022, the Purchasing and CSR Departments launched discussions with tyre manufacturers aimed at expanding the purchase of reconditioned tyres produced from used tyres. A pilot is planned in 2023 with ALD France.
- **Action for the climate:** the Purchasing Department also takes part in Group initiatives in favour of biodiversity and, more specifically, in its objective of eliminating single-use plastics of petroleum-sourced origin from the employee environment by end-2025. To do so, it works with a network of suppliers to source alternative solutions that can be introduced throughout the Group.

5.4.4 Data protection

This additional year of applying GDPR has notably helped consolidate the status of personal data protection as an essential value at ALD Group. At the same time, the compliance mechanism has been adjusted to recommendations from the regulator and feedback from third parties. Two major projects took place in 2022:

- work relating to the definition of an alternative solution to replace Google Analytics, following the position of several data protection authorities which consider Google Analytics non-compliant due to the fact that personal data is transferred to the United States;
- work to remedy existing contracts to ensure compliance with Schrems II ⁽¹⁾ (TIA ⁽²⁾ and SCC ⁽³⁾ if necessary).

The data privacy system is managed centrally by a Data Protection Officer, who reports directly to the Corporate Secretary and who is the dedicated contact person at the competent national authority (the CNIL). This system relies on a network of DPCs ⁽⁴⁾ in ALD subsidiaries. As part of Societe Generale's global governance of IT, legal and cybersecurity processes, its aim is not only to ensure ALD's compliance in terms of personal data processing, but also to ensure its capacity to develop its service offer in a spirit of mutual trust with its stakeholders.

5.4.5 Responsible digital technology

Societe Generale has been a founding member of the Institut du Numérique Responsable since December 2018 and has signed the Responsible Digital charter. In particular, it undertakes to:

- optimise digital tools to limit their environmental impact and consumption;
- develop inclusive and sustainable services that are accessible to all;
- promote ethical and responsible digital practices.

1) Schrems II is the law that regulates transfers of personal data of European citizens outside the EU, in particular to the US.

2) Transfer Impact Assessment - impact assessment based on the country importing the data (can the importing country guarantee the same level of protection as the GDPR requirements?).

3) Standard Contractual Clauses - a set of clauses that must be added to the basic contract if we work with third parties based outside the EU or if there is a subsequent transfer by our providers to their 2nd Tier providers located outside the EU.

4) Data protection correspondent.

ALD is a stakeholder in the Societe Generale's work within the "CSR by IT" programme. In 2021, it also reworked this programme around the most significant issues for ALD:

- IT purchases, with the specific objectives of integrating CSR standards into purchases (see Section 5.4.3) in this Universal Registration Document, digitising purchasing processes (DocuSign system), introducing recycling and second life contracts for IT equipment and installing a video conferencing solution to reduce business travel;
- CSR by Design, a set of principles which puts frugality and environmental efficiency at the heart of development, in terms of IT architecture, hosting strategy, project management, programming and code;

- digital accessibility of sites and applications offered by ALD to disabled populations;
- development of training and awareness-raising initiatives for ALD employees.

This programme is sponsored by the Executive Committee (Deputy Chief Executive Officer) and managed by the team of the Chief Information Officer of the ALD Group in conjunction with multiple contributors including the CSR Department.

The main achievements in 2022 are related to the IT purchasing objective, notably with the deployment of DocuSign within ALD SA and the implementation of partnerships with companies specialising in the recycling and repair of IT equipment in several countries. On the "CSR by Design" pillar, 2022 saw the creation of a dedicated training programme for IT project managers.

With regards to the accessibility objective, ALD France audited all of its sites and has started to implement remediation plans

SUMMARY OF ACTIONS RELATED TO SECTION 5.4

CSR issue (description)	Policies implemented (description)	Indicator (indicator type/box)	Qualitative/quantitative objective (indicator type/box)	Result (indicator type/box)		
				2022	2021	2020
Customer service	One Ready Smile Programme	NPS	Improvement of the NPS	27%	31%	33%
Selection of suppliers	Systematic E&S verification in KYS process	Number of ALD entities that have adopted the GR63.3 describing the launch of KYS	100%	43	43	42
Selection of suppliers	Consideration of E&S aspects in purchasing decisions	Integration of CSR Clause into all international tenders	100%	100%	100%	100%
Selection of suppliers		Number of ALD entities taking the selection of its suppliers into account	Cover strategic categories and increase the geographical scope	28	28	24
Culture and Conduct	Appropriation test ⁽¹⁾	% of target population trained	100%	89% ⁽¹⁾	93%	89%

(1) Training received in 2022 - underway. At 15 February, the training completion rate was 89%.

Highlights for 2022

- High NPS maintained despite the impact of COVID-19
- Deployment of Group Regulation GR63.4 describing the due diligence to be carried out on intermediaries in cooperation with public authorities
- Continuation of the implementation of responsible purchasing policies for entities' purchases
- Execution of a corruption risk mapping exercise
- Update of the instruction relating to combating corruption
- First deliverables from the Responsible digital technology programme

Priorities for 2023

- First deliverables from the Responsible digital technology programme
- Deployment of the CREW tool for the management of KYS in interphase with our Call for tender management tool (Sourcing Hub)
- Implementation of a reporting process on Environmental
- Participation in the ESG by Design project

Move 2025: Move for Good



Implementing responsible business culture & practices

- Ethics and governance
- Responsible purchasing
- Satisfaction client

ESG embedded in 100% policy, process, controls with external stakeholders

NPS *
> 40%

*Net Promoter Score. Measure of client satisfaction (on fleet managers and drivers) defined as difference between % of promoters and detractors. Measure is updated annually.

5.5 Responsible conduct of the Group's own operations

ALD's carbon reduction programme is twofold:

- an **internal carbon reduction plan** linked to the direct operations of the Group, covering Scopes 1, 2, and a fraction of Scope 3 that can be directly linked to day-to-day operations (e.g., waste, business travel): Sections 5.5.1 and 5.5.2 of this Universal Registration Document;
- a **carbon footprint reduction** including the largest part of scope 3 emissions **linked to customer fleet emissions**: Section 5.5.3 of this Universal Registration Document.

5.5.1 2019-2025 internal carbon reduction programme

As part of the Move2025 strategic plan, ALD is committed to reducing its greenhouse gas (GHG) emissions of its own operations by 30% compared with 2019 (as 2020 was an atypical year, it seemed more appropriate to use 2019 as the reference year). For 2030, the objective is a 50% reduction compared to 2019. The main levers activated to reach these objectives are: electrifying ALD's internal fleet of vehicles, continually improving the energy performance of its buildings and increasing the share of renewable electricity to 50% of kWh purchased.

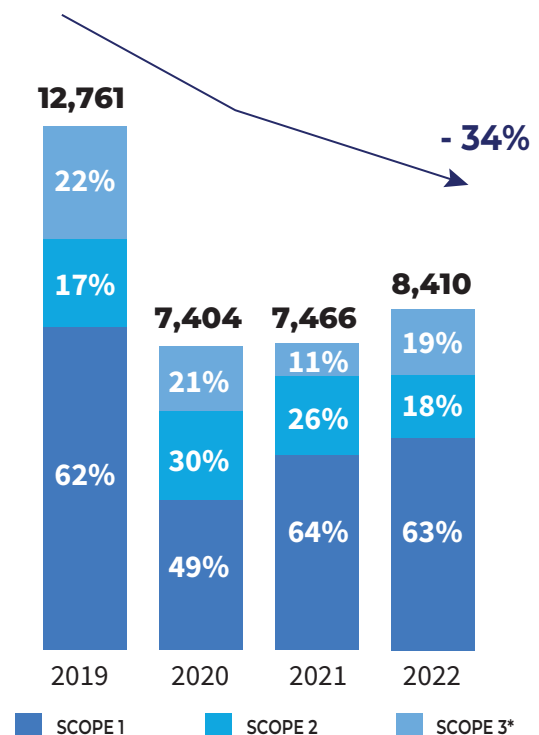
This proactive programme is accompanied by an "internal carbon tax" system that has been in place for eight years at Societe Generale. This programme has been enriched over the years and is based on a double incentive mechanism. Each year, a carbon tax is applied to Societe Generale entities based on their greenhouse gas emissions (EUR 25/t CO₂ eq.), and the amount collected is redistributed to reward the best internal environmental efficiency initiatives as part of the Environmental Efficiency Award. Three ALD subsidiaries were awarded for their initiatives during the 2022 edition, including one (ALD Belgium) which was ranked in the jury's top five, **with total emissions avoided of 117 tonnes of CO₂ equivalent**.

Some Group entities have supplemented this internal emissions reduction programme by contributing to **CO₂ sequestration projects** through **the purchase of certified carbon credits**. This is the case for ALD SA which, in partnership with the NGO Conservation International, financed 825 tonnes of CO₂ equivalent (825 VCS and CCB gold level certified carbon credits) with the "Vida Manglar, Blue Carbon" project which aims to protect the mangrove forest in Colombia. This is also the case for ALD France which, in partnership with WeNow, contributed via the purchase of 396 "Label Bas Carbone" credits to a project in the "La Pyramide forest" which aims to restore a depleted forest following a succession of droughts and heat waves in recent years. ALD France also contributed (UN-certified carbon credits) to an avoided emissions project for the construction of a metro in Delhi set to replace a certain amount of CO₂-emitting journeys (taxis, bus, motorbike, cars, etc.).

5.5.2 Entity internal carbon footprints

ALD measures greenhouse gas emissions across its entire value chain (Scopes 1, 2 and 3) based on the international GHG Protocol (see methodological note).

For the 43 ALD entities that took part in the collection campaign this year (same scope as in previous years plus Fleetpool in Germany which was acquired by ALD in 2022), greenhouse gas (GHG) emissions, defined as "internal" are estimated at **8,410 tonnes of CO₂ equivalent**, i.e., **1.12 tonnes of CO₂ equivalent per occupant**, a **34% decrease compared to the 2019 baseline**. The measured scope includes direct and indirect emissions related to energy, business travel, total paper consumption and waste but excludes emissions linked to customer fleet usage (detailed in Section 5.5.3 of this Universal Registration Document).



*Scope 3 excluding emissions linked to customer fleet usage

Declaration of extra-financial performance

Responsible conduct of the Group's own operations

	2019	2020	2021	2022	Change 2022 vs 2019
Scope 1	7,858	3,631	4,746	5,263	-33%
Scope 2	2,158	2,191	1,924	1,526	-29%
Scope 3 (without customer fleet usage)	2,745	1,582	796	1,621	-41%
	12,761	7,404	7,466	8,410	-34%

Scope 1 and 2 greenhouse gas emissions

		2019	2020	2021	2022	Var 2019-2022
Gas	t CO ₂ eq	825	1,028	1,012	897	+9%
Fuel/other fluids	t CO ₂ eq	34	19	144	47	+41%
Company vehicles	t CO ₂ eq	6,999	2,584	3,590	4,319	-38%
TOTAL SCOPE 1 EMISSIONS	T CO₂ EQ	7,858	3,631	4,746	5,263	-34%
Electricity	t CO ₂ eq	3,105	2,829	2,842	2,918	-6%
<i>Of which renewable electricity *</i>		26%	20%	37%	68%	
Emissions avoided through the purchase of renewable electricity	t CO ₂ eq	-1,091	-794	-1,069	-1,581	+45%
Iced/superheated water	Teq CO ₂	144	156	151	189	+32%
TOTAL SCOPE 2 EMISSIONS	T CO₂ EQ	2,158	2,191	1,924	1,526	-29%

* Electricity from renewable sources has been taken into account in emission calculations since 2021 and historical data has been recalculated accordingly.

The energy efficiency of buildings is a major focus of Societe Generale's environmental policy. The **total energy consumption of the buildings** occupied by ALD stands at **22 GWh** in 2022, representing consumption of 2,998 kWh per occupant (+5.7% vs 2019, see explanation of the increase below).

Gas consumption was **3.9 GWh** on the reporting period, which represents a 17% increase in gas-related emissions vs 2019. The consumption of fuel remained negligible and decreased markedly in 2022 by 97% (3,247 kWh vs 103,652 kWh in 2019, decrease due to reporting errors in previous years corrected in 2022).

The increase in Scope 1 and Scope 2 emissions compared with 2021 was due to the fact that 2022 was a "normal year" in terms of the pandemic (no COVID-19 or lockdowns) and that business travel by car resumed.

ALD employees travelled a total of **29.7 million km this year for their business travel by car** (-3% vs. 2019), but the CO₂ emissions generated by these trips decreased by 38% vs 2019 (4,319 tons of CO₂).

This reduction is explained by the proactive policy adopted by ALD on the electrification of its internal fleet. For example, to date, 11 entities (ALD SA, Austria, Belgium, Germany, Finland, France, the United Kingdom, Hungary, Mexico, the Netherlands, and Turkey) have a new car policy: employees only have the choice among BEV or PHEV vehicles. And to facilitate the transition towards these new types of vehicles, several countries have installed charging stations at their premises (France, Italy, Belgium, the Netherlands, Spain, Romania, Turkey, Germany, Slovenia, Czech Republic, etc.).

Since 2019, targeted actions have been deployed to promote alternative solutions to the individual use of vehicles. The main entities located in France (headquarters of ALD SA and ALD France) created a mobility plan proposing new solutions for travel and working conditions. At ALD France headquarters and in many subsidiaries, a car-sharing service is in place. In certain subsidiaries (such as the Benelux hub or ALD France based in Paris, Lyon and Strasbourg), employees are provided with electrically assisted bicycles.

In 2022, **electricity consumption was 16 GWh** for all 43 entities, up 17% compared with 2019 (13.6 GWh). **Purchases of certified renewable electricity** accounted for **68% of the total energy** bought this year (vs. only 26% in 2019) and 49% of the total energy consumed (vs. 19% in 2019). The consumption of superheated water also increased and reached 2.5 GWh (+34% vs 2019).

Nevertheless, **Scope 2 emissions fell by 29% compared with 2019**, mainly due to the inclusion of emission factors for renewable energy in the calculation (see *methodological note*).

The energy consumption increase was mainly due to employees returning to the office which generated higher energy consumption, and also to a better quality of reporting which allowed us to correct certain missing data from previous years such as the energy consumption of datacentres and sites dedicated to used cars. Moreover, 2022 saw a marked increase in the number of occupants - employees + subcontractors - (+9% compared with 2021) which required more office space and therefore resulted in more energy consumed.

Scope 3 greenhouse gas emissions (share integrated into the own account target, excluding emissions of customer fleet)

ALD measures Scope 3 indirect emissions relating to business travel, paper consumption, datacenters, transport of goods and waste:

		2019	2020	2021	2022	Change 2019 vs 2022
Business travel by plane	t CO ₂ eq	2,017	956	366	1,155	-43%
Business travel by train	t CO ₂ eq	153	69	21	65	-57%
Paper consumption	t CO ₂ eq	272	190	148	87	-68%
Waste management	t CO ₂ eq	303	309	183	152	-50%
Others*	t CO ₂ eq	0	58	78	162	-
TOTAL EMISSIONS	T CO₂EQ	2,745	1,582	796	1,621	-41%

* Transportation of goods & Electricity for datacenters hosted

The very high degree of internationalisation of ALD means that there is a very high level of air travel. To limit trips, audio or videoconferencing exchanges are strongly encouraged. ALD SA's headquarters as well as the majority of other sites have been fitted out with the equipment needed for audio conferences.

The pandemic and the lockdowns of 2020 and 2021 affected the travel habits of ALD employees and helped reduce the carbon footprint by 82%. This year, with a return to a normal public health situation, employees travelled a total of **7.7 million km by plane and train** for their business travel. This was three times more than the distance of 2021 but **50% less than in 2019**. Despite this, CO₂ emissions generated by these trips amounted to **1,220 tonnes, down 44% vs. 2019**.

ALD introduced a **new travel policy** during 2022 to avoid an excessive rebound in emissions relating to air/train travel. Among the main measures of this policy:

- the application of a "train first" policy;
- a significant reduction in "internal" travel;
- travel by train has become mandatory for any journey of less than 3.5 hours by train (one way), compared to 2.5 hours previously (including journeys such as Paris-Marseilles, Paris-Geneva, Paris-Amsterdam, Paris-Cologne, Madrid-Barcelona).

Paper consumption

As the leading consumable used by service activities, paper represents a significant economic challenge and a sensitive environmental subject (waste management, combating climate change and pollution).

ALD's total paper consumption amounted to **60 tons in 2022, a decrease of 61% compared to 2019. 64% of the paper purchased by the Group is recycled** (up 37% compared to 2019).

A return to a normal public health situation has not had an impact on the results for 2022, as paper consumption has fallen consistently since 2019. This is the result of a range of measures taken within the Group in recent years, such as the proper use of printers, the dematerialisation of paper documents in favour of digital media and the use of recycled paper.

Moreover, ALD Greece won the 2022 Energy Efficiency & Environment Award for its project to implement a **dematerialisation process** across all departments which allowed to save 61kg of paper.

Pool printing solutions (centralised badge printing) widely deployed within the Group limit the number of printers, reduce the use of paper and ink and thus contribute to the reduction of greenhouse gas emissions and to waste reduction (cartridges, maintenance kit, paper).

Water consumption

In 2022, ALD recorded water consumption of 56 thousand cubic metres with an average consumption per occupant of 8 cubic metres, representing a 5% decrease compared to 2019.

Waste management

Due to the nature of its activities, which involve the predominantly administrative tertiary sector, ALD generates very little specialised waste.

With regard to ordinary waste (non-hazardous industrial waste NHIW), its handling and processing are part of sectors over which ALD entities often have little control, particularly when their teams are located in buildings shared with other companies.

However, paper and cardboard are collected separately. Waste electrical and electronic equipment (WEEE) as well as the furniture replaced during office moves.

They represent low and non-recurrent volumes. With regard to computer waste in particular, the Group has an increasing number of partnerships with associations/companies that deal with the recovery/reuse/recycling of such equipment (such as the partnership between ALD SA and Recyclea or between ALD Belgium and OUT OF USE).

Estimated waste production in 2021 was 362 tonnes, a decrease of 41% compared to 2019.

As part of the Societe Generale, ALD subscribes to the Group's commitment to eliminate single-use plastic of petroleum-sourced origin from employees' work environment. Some examples of initiatives adopted in several countries: the installation of water fountains, removal of disposable cups and cutlery, plastic plates and their replacement by alternative products.

The catalogue of office supplies and promotional gifts has also been gradually adapted.

SUMMARY OF OBJECTIVES AND RESULTS RELATED TO SECTION 5.5

CSR issue (description)	Policies implemented (description)	Indicator (indicator type/box)	Quantitative objective/qualitative (indicator type/box)	Result (indicator type/box)		
				2022	2021	2020
Carbon footprint of internal emissions	Reduction of GHG emissions	GHG emissions*	-30% 2025 vs. 2019	-34%	-41%	-42%

* Greenhouse gas.

Move 2025: Move for Good

Reducing our internal environmental footprint

• Carbon reduction programme

- 30%

internal emissions
vs 2019

Note: This internal carbon footprint reduction target defined in 2020 does not include the emissions linked to customer fleet usage

5.5.3 Carbon footprint including Scope 3 (use of products sold)

ALD's most significant impact, in terms of CO₂ emissions, is that of the managed fleet. The strategy to reduce those emissions is extensively described in chapter 5.2 of this document. These emissions amounted to 4 million tons in 2022 (Section 5.2.1.3). As a reminder, within the Move 2025 Strategic Plan, ALD committed these emissions on the basis of an intensity indicator (-40% emissions in g/km on Passenger Car deliveries in Europe).

When emissions from the customer fleet are added to the Scope 3 already included in internal emissions as defined above, ALD's Scope 3 therefore amounts to slightly over **4 million tons of CO₂** and represent 99.8% of ALD's total carbon footprint.

ALD's recalculated carbon footprint taking into account emissions from the customer fleet in Scope 3:

(in thousands of tonnes)	2019	2020	2021	2022
Scope 1	7.9	3.6	4.7	5.3
Scope 2	2.2	2.2	1.9	1.5
Scope 3 (linked with internal operations)	2.7	1.6	0.8	1.6
TOTAL « INTERNAL » EMISSIONS	12.8	7.4	7.5	8.4
Scope 3 (including vehicle fleet leased to customers)	4,403	4,192	4,151	4,002
GRAND TOTAL	4,414	4,198	4,158	4,008

As described in Section 5.2.1.2 of this Document, the objectives in terms of electrification (and consequently scope 3 emissions) will be reviewed in 2023 when LeasePlan is integrated, and will be a fundamental focus of the new entity's strategy. These new targets will factor in the latest market developments, in terms of product offering and regulatory environment (EU target of 55% reduction in CO₂ emissions on sales of new vehicles in Europe in 2030). They will also be built to support the ambition of a CO₂ emissions trajectory that aligns with the *Net Zero* 2050 scenario.

5.6 Non-financial ratings

2022 was marked by very intense activity in terms of non-financial assessments.

For many years, ALD has been subject to a CSR assessment conducted by EcoVadis at the Group and subsidiary level. At end 2022, 33 Group entities had received an EcoVadis assessment (+8% vs. 2021): Nine (+3 vs. 2021) were given Platinum status (France, Luxembourg, Poland, Spain, the United Kingdom, Slovenia, Switzerland, Portugal and Italy), 12 (+2 vs. 2021) Gold status (ALD SA [Group], Germany, Austria, Belgium, Croatia, the Czech Republic, Slovakia, Romania, the Netherlands, Serbia, Turkey and Greece), 12 Silver status (Brazil, Finland, Hungary, Mexico, Russia, Ukraine, Peru, Bulgaria, Colombia, Chile, Morocco and Denmark). We aim to continue to extend the scope of this assessment in 2023. With a score of 74, the ALD Group rises to the top 2% of companies assessed.

The table below provides an overview of the ratings and non-financial assessments received by the Group.

Between 2021 and 2022, the Gaïa Research rating framework was substantially revised to take into account controversies and to better understand emerging environmental and social issues as well as new regulatory requirements. The rating history has therefore been revised in order to assess the evolution of the rating over three years at iso reference frame.

ALD France has obtained “CSR Committed” status following the AFAQ 26000 audit carried out by AFNOR. Seven other countries have ISO 14001 certification (Spain, Italy, the Netherlands, Portugal, Romania, Sweden and the United Kingdom). These seven countries represent 39% of the global fleet managed by ALD. Moreover, fourteen countries (Algeria, Germany, Belgium, Brazil, France, Hungary, India, Italy, Luxembourg, the Netherlands, Portugal, Romania, the United Kingdom, Ukraine) are certified ISO 9001.

Agencies	2019	2020	2021	2022	Position vs Peers
	Gold : 68/100	Gold : 70/100	Gold: 70/100	Gold: 74/100	Top 2% of companies in our sector
	D	B	B	B	Better than European and Rental & leasing sector average: C
	A	A	A	A	Top 40% within the Trading Companies & Distributors
	n/a	67/100	67/100	67/100	Category 'Advanced' ranking #1 in Business Support Services sector panel worldwide and Top 1% Global Universe
	n/a	15.3	16.2	16	Top 12% on global Universe, Top 8% within Transportation
	68/100	69/100	74/100	74/100	ALD in leading category Top 15% within the Services sector
	FTSE Russell ESG Rating: 3.3	FTSE Russell ESG Rating: 3.5	FTSE Russell ESG Rating: 3.3	FTSE Russell ESG Rating: 3.3	Percentile rank: 67 Included in the FTSE4Good Index Series
			C	C	Rated “Prime” on sustainability performance Top 20% in the sector”

5.7 Methodological note

The purpose of this notice is to explain the reporting methodology used by ALD to develop the indicators contained in this Universal Registration Document (specifically, Section 5.2 "Sustainable mobility at the heart of the business"; Section 5.3 "Responsible Employer"; Section 5.5 "Responsible conduct of the Group's own operations").

5.7.1 Scope of the report

For environmental data related to its own business activities, in compliance with Societe Generale's scope criteria whereby reporting is mandatory for all fully-consolidated entities within Societe Generale plus all companies in which Societe Generale holds at least a 50% stake, ALD has integrated all of its entities (43 subsidiaries ⁽¹⁾). Regarding the social data campaign providing data for the human resources indicators, as well as the data related to sustainable mobility, ALD has integrated all of its entities (44 subsidiaries ⁽²⁾).

5.7.2 Reporting protocol used

Most of the information in this report is based on data provided in accordance with Societe Generale's CSR reporting protocol. The majority of this data is collected using the Planethic Reporting tool which is used by all Societe Generale entities. Data collection and consolidation is carried out under the supervision of Societe Generale's Sustainable Development Department. It is coordinated at ALD SA's level by the CSR Department. Société Générale reviews and optimises this process of collecting information and CSR indicators each year.

Efforts to raise awareness are regularly made among contributors to strengthen engagement with reporting and the tool used and thus contribute to the reliability of the data.

Reporting protocols are regularly updated. New protocols were established in 2022 with indicators that make it possible to assess more precisely all of the non-financial risk factors identified as the most significant for the Group.

5.7.3 Indicators

5.7.3.1 Details of employment (social) indicators

Most entities in the reporting scope input data related to the employment (social) indicators. However, for certain indicators, such as average compensation, where comparisons cannot really be drawn between one country and another, the analysis is limited to the French scope. In this case the scope is explicitly indicated.

Permanent contract (PC) turnover is the ratio between the total number of PC employee departures/total PC workforce.

The absenteeism rate is the ratio between the total number of paid days of absence/the total number of days paid.

The calculation method of the training indicator evolves. As of now it is calculated in proportion to the workforce present at the end of the period and having been trained during the year.

The severity rate of work incidents is the number of lost days/number of worked hours, then multiplied by 1,000.

5.7.3.2 Details of environmental indicators for the Group's own data

Environmental data is calculated based on invoices, direct statements, and information received from suppliers or based on estimates. For buildings that are shared with other Société Générale entities, both the square meter and the workforce indicators are used to ensure the breakdown of collected data.

The following controls and ratios are used to manage the reported data:

- controls of variations compared with the previous year were applied to all environmental indicators. An alert message asks the contributor to check the data entered in the event of a variation of more than 30%;
- data collected relating to energy, office paper and transport is considered in relation to the number of occupants declared by the entity;
- energy consumption (electricity, water vapour, iced water, fuel, gas) is also considered in relation to the surface area (expressed in square meters);
- with a view to ensuring the permanent reliability of data, qualitative questions (expected responses via written comments) are used to identify the various scopes of the data, collect best practices and understand year-on-year variations.

Water consumption and waste generation data is still difficult to obtain, due either to the absence of individual meters, or to the small amount of waste generated per site and its processing when collection is carried out by local authorities. More precise data could be collected in all cases where selective sorting and/or recycling systems have been put in place by the entity.

The notion of occupant covers all people who, due to their presence or activity at the site in question, consume energy, water and paper, travel and produce waste. In addition to staff members employed under permanent or fixed-term contracts (including seconded employees, temporary workers, trainees and work-study trainees), this notion includes contractors and subcontractors working on-site as at 30 September on a given year. As such, it is more extensive than the number of employees counted to establish social indicators, it being specified that the notion of occupant concerns the number of persons rather than that of Full Time Equivalents which takes into account the possibility of part-time employees.

1) For 2022, FleetPool Germany was added to the scope.

2) For 2022, Ford Fleet Management in the United Kingdom was also added.

5.7.3.2.1 Changes in methodology

In 2021, Societe Generale decided to review its methodology for the calculation of carbon footprint associated with car travel. Until 2020, emissions were calculated based on kilometres travelled to which we applied an emissions factor per country based on the manufacturer's data expressed in g/km.

Since 2021, the basis is actual consumption in litres by type of fuel to which a unique emission factor by type of fuel (source ADEME) is applied when this information is available. Failing this, kilometres driven are used, to which an emission factor per country based on the manufacturer's data in g/km plus a realistic mark-up is applied.

To value the renewable electricity purchases of our entities, and with a view to adhere to the market-based methodology recommended by the GHG Protocol which takes into account actual emission factors of energy consumed and of renewable energy purchased (instead of the current average emission factors of the energy mix per country), ALD decided to subtract CO₂ emissions avoided through the purchase of renewable electricity from the total amount of emissions relating to electricity consumption. As a result, CO₂ emissions relating to electricity consumption were recalculated for previous years (See next section).

5.7.3.2.2 Restatement of historical data

As explained above with regard the inclusion of the purchase of renewable electricity in the calculation of the carbon footprint, data for 2019 and following years was recalculated as follows:

	2019	2020	2021
CARB01C: CO ₂ emissions due to electricity consumption	3,105	2,829	2,842
CARB011C: Avoided emissions due to renewable electricity purchases	1,091	794	1,069
New CARB01C (corrected with CO₂ avoided thanks to RE)	2,014	2,035	1,773

5.7.4 Reporting period

With certain exceptions, data related to sustainable mobility (Section 5.2 of this Universal Registration Document) and social indicators (Sections 5.3 and 5.4) are calculated on an annual basis from 1 January to 31 December 2022, with data as at 31 December 2022.

Environmental indicators are generally established over a rolling 12-month period from 1 October 2021 to 30 September 2022, with the data finalised on 30 September 2022.

5.7.5 Data collection

The methods used for data collection and consolidation are as follows:

- **for sustainable mobility indicators:**
 - data relating to the on-road fleet of "green" vehicles, the proportion of diesel and "green" vehicles used for deliveries, as well as the average CO₂ emissions of the fleet are extracted from ALD's data warehouse, and therefore relate to all 42 subsidiaries. Average CO₂ emissions is the officially approved data from manufacturers;
- **almost all other data is collected at the site level using the Planethic Reporting tool:**
 - all contributors are officially informed at the launch of each collection campaign. This notification includes the campaign schedule and an updated version of the protocol for the domain in question so that each contributor can easily find the definition and application criteria for each indicator;

- The *Planethic Reporting* tool provides several levels of control:
 - data collectors input the data related to their subsidiary;
 - validators check the data input within their entity before validation;
 - central administrators at the Societe Generale level carry out the last controls before the final consolidation.

5.7.6 Calculation of CO₂ emissions for the Group's own account

The calculation of CO₂ emissions by ALD is divided into three sections:

- **Scope 1**, which includes direct emissions related to energy consumption (mains gas and fuel oil), as well as fugitive gas emissions related to cooling systems and emissions relating to the internal car fleet;
- **Scope 2**, which includes indirect emissions related to energy consumption (electricity, water vapour and external chilled water);
- **Scope 3**, which includes GHG emissions generated by business travel, office paper consumption and waste generation. It also includes emissions from the use of vehicles leased to customers (downstream leased assets within the meaning of the GHG Protocol).

CO₂ emissions are calculated using the GHG Protocol method ⁽¹⁾.

With regard to emissions generated by air travel, the calculation takes into account not only the distance travelled, but also the class of travel.

1) The Green House Gas Protocol (GHG Protocol) accounting standard introduced in 1998 by the World Resource Institute and the World Business Council for Sustainable Development is today the most widely recognised method for carbon accounting. Scope 3 corresponds to other indirect emissions caused by the Company's activities, which come from sources other than those related to energy or from sources that the Company uses but does not own.

5.8 European Taxonomy

5.8.1 ALD economic activity eligibility analysis

ALD's vehicle leasing and Fleet Management activities are **eligible for European taxonomy under the Clear Transportation criterion**, in **activity 6.5** listed in the EU Commission Delegated Regulations (EU) 2021/2139 of 4 June 2021 and (EU) 2021/2178 of 6 July 2021: "Transport by motorbikes, passenger cars and light commercial vehicles", defined as "Purchase, financing, renting, leasing and operation of vehicles". As a result, activities related to Full-Service Leasing and Fleet Management are eligible⁽¹⁾.

Conversely, **the resale of used vehicles does not fall within the scope of the taxonomy** as it stands.

The taxonomy includes six environmental objectives, two of which have been described in detail in terms of technical eligibility and alignment criteria for 2022 reporting: climate change mitigation and climate change adaptation. However, ALD's activity is **only eligible to climate change mitigation objective**, as activity 6.5 is not "enabling" under climate change adaptation objective. Moreover, the fundamental agenda of corporate fleets electrification is about the fight against climate change, not adapting to it.

SUMMARY OF ALD'S ACTIVITIES EU TAXONOMY ELIGIBILITY ASSESSMENT

ALD activities as presented in Chapter 1	Activity covered by the Taxonomy	Description of the Taxonomy activity	Environmental objective
Rental Activity: Full-Service Lease	6.5 Transportation by motorcycle, passenger vehicles and light commercial vehicles	<i>The Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1 or L</i>	Climate change mitigation
Rental activity: Fleet Management			
Used Car Sales	Not eligible	Not eligible	Not eligible

The identification of the share of activity aligned with the taxonomy, and the production of revenue, capital expenditures (CAPEX) and Operational Expenditures (OPEX) indicators has justified the creation of a task force involving the CSR Department, the Finance Department and the Digital Transformation and Operating Systems Department.

ALD's activity being about the aggregation of products and services provided by a broad ecosystem of business partners, the process requires to reach out to many external stakeholders:

- Third party data providers;
- Tyre manufacturers;
- Car manufacturers (OEMs).

The latter have concentrated the majority of the interactions given the nature of the criteria required by the Taxonomy. As a multi-brand leasing company, ALD had to engage discussions with 15 different OEMs selling more than 50 different brands.

5.8.2 Principle applied by ALD to identify the share of aligned activity

As disclosed in Article 3 of Regulation EU 2020/852, an eligible economic activity shall qualify as environmentally sustainable or aligned where that economic activity:

- contributes substantially to one or more of the environmental objectives** set out in Article 9;
- does not significantly harm (DNSH) any of the environmental objectives** set out in Article 9;
- is carried out in compliance with **the minimum safeguards** laid down in Article 18.

To meet this requirement, ALD performed a detailed analysis to identify the share of rental activity (eligible under activity 6.5) qualifying as aligned to the EU Taxonomy. The nature of the substantial contribution criteria and DNSH criteria attached to activity 6.5 required assessing the alignment of vehicles at car-by-car level to build an internal database of aligned vehicles. In other words, the whole fleet has been screened in a "funnel-like" approach, in order to identify the final pool of aligned vehicles.

As a preliminary screening, the selection has been narrowed down to:

- **Financed fleet:** vehicles in fleet management only (i.e. not financed by ALD) generate no CAPEX investment, account for a non-significant share of revenues and operational expenses. Moreover, for fleets owned by clients, most of the time ALD has less vehicle technical data in its possession;
- **Passenger Cars and Light Commercial vehicles** (categories M1 and N1), bikes and 2-wheels accounting for a non-significant share of CAPEX, revenues and operational expenses;
- **The top 12 countries for Battery Electric Vehicles, Plug-in Hybrids and Fuel Cell vehicles:** (Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, United Kingdom). They represent 96% of ALD deliveries across powertrains that are the only ones potentially aligned with the Taxonomy.

¹⁾ The services components are packaged in the lease with other costs and are included in the "leasing and operations" dimension of the 6.5 activity.

5.8.2.1 Substantial contribution to climate change mitigation related to activity 6.5

Description as per Commission Delegated Regulation 4 June 2021

The activity complies with the following criteria:

- 1) for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No. 715/2007: (i) until 31 December 2025, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50g CO₂/km (low- and zero-emission light-duty-vehicles), (ii) from 1 January 2026, specific emissions of CO₂, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero;
- 2) for vehicles of category L, the tailpipe CO₂ emissions equal to 0g CO₂/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.

Note: the gCO₂/km values are expressed under WLTP method. "N1 vehicles" as referred in Art. 4(1).b.i of Regulation (EU) 2018/58: maximum mass not exceeding 3.5 tons.

Judgement applied and methodology used to assess compliance

The official data provided by OEMs as part of the vehicle homologation process has been used. It is mainly sourced from third party data providers, stored in local operating systems, and sent daily to ALD international data warehouse from where the information was extracted. When WLTP metrics were available, they were used as such. When only NEDC-correlated data was available, a conversion factor published by the European Commission's Joint Research Centre in 2017 (<https://publications.jrc.ec.europa.eu/repository/handle/JRC107662>) has been used, differentiating Passenger Cars and Light Commercial Vehicles. Only vehicles with CO₂ values ranging from 0 to 49g were retained.

5.8.2.2 Compliance with DNSH related to activity 6.5

Water and marine resources and biodiversity DNSH do not apply for Activity 6.5 as disclosed in Commission Delegated Regulation 4/6/2021. The same goes for protection and restoration of biodiversity and natural ecosystems.

5.8.2.2.1 DNSH Pollution prevention

Description as per Commission Delegated Regulation 4 June 2021

- 1) Vehicles comply with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval set out in accordance with Regulation (EC) No. 715/2007.
- 2) Vehicles comply with the emission thresholds for clean light-duty vehicles set out in Table 2 of the Annex to Directive 2009/33/EC of the European Parliament and of the Council.
- 3) Vehicles comply with Regulation (EU) No. 540/2014 of the European Parliament and of the Council.
- 4) For road vehicles of categories M and N, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 and as can be verified from the European Product Registry for Energy Labelling (EPREL).

Judgement applied and methodology used to assess compliance

ALD applied the following judgement to assess this DNSH criteria:

- 1) The "most recent applicable stage of the Euro 6 regulation" is Euro 6d, encompassing successively Euro 6d-temp and Euro 6d). The choice to include Euro 6d-temp is linked to the fact that both the new WLTP test cycle and real Driving Emissions (RDE) were introduced with this phase. Euro 6d-temp started to be introduced for New Types (new models or engines) in September 2017 and was mandatory for all types (all new vehicles sold) in September 2019. All BEV vehicles are compliant "by design" (classification AX according to Euro standards), because they emit no tailpipe pollutants at all. Regarding PHEVs, compliance depends on their specific homologation and date of production, specific to each model. Compliance with this criteria has been assessed by data request to OEMs on a vehicle-by-vehicle basis. Given the extreme diversity in responses and to adopt a conservative approach, it has been decided to retain PHEV vehicles ordered from September 2019, and which therefore have been manufactured after the enforcement date of Euro 6d -temp "all types".
- 2) The Regulation (EC) No. 715/2007 and the thresholds set out in Table 2 of the Annex to Directive 2009/33/EC of the European Parliament and of the Council cannot be applied to ALD's fleet, because it sets CO₂ and pollutant thresholds in reference to a price in euros, for public procurement. The legislation clearly mentions the 2009 regulation and never refers to subsequent amendments to this text. ALD's normative analysis was therefore limited a strict reading of the original 2009 legislation.
- 3) This criterion related to vehicle noise reflects legislation currently in place. All vehicles currently sold within the EU are by definition compliant. All vehicles comply with Regulation (EU) No. 540/2014 or UN ECE Regulation 51-03 (phase 2), listed as alternative to EU Regulation 540/2014. OEMs have all confirmed its application to vehicles in ALD fleet in scope;
- 4) Delegated Regulation (EU) 2021/2139 of 4 June 2021 was completed by the FAQ released by the European Commission in December 2022 (<https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf>). It is clear from the FAQ that scales are not to be understood as absolute (*i.e.* A only for noise, A+B only for rolling resistance), but as relative (*i.e.* the labelling of specific tyres compared to those available on the market that meet the same technical parameters). Alignment with the criteria therefore requires a multi-step approach:
 - obtaining the labels for rolling noise resistance and noise, that can be different between front and back tyres, and can be changed during the contract life, sometimes twice a year when winter tyres are fitted,
 - obtaining the following technical specifications for tyres (size designation, load capacity index, speed category, season),
 - manually run these parameters in the European EPREL database for a correct comparison of the selected tyres,
 - generate a table producing a split of the labelling of all tyres with the given specification to establish whether the tyre(s) belong to the highest populated class.

ALD made its best effort to assess compliance for original, factory-fitted tyres, because they equip the vehicle for a significant part of the contract life, and because at the moment, ALD does not monitor the labels in case of tyre changes during use phase. However, no OEMs were able to provide the required information with enough granularity (lack of centralised data, outright refusal, or aggregated data only). Because of the quantity of models concerned (more than 240) split across many production years, the multiplicity of possible tyre combinations, the extreme complexity of the process and general unavailability of data, ALD has therefore declared this criterion inoperable for this first alignment exercise. This position will be reassessed for 2023 reporting.

5.8.2.2.2 DNSH Circulation Economy

Description as per Commission Delegated Regulation 4 June 2021

1) Vehicles of categories M1 and N1 are both of the following:

- reusable or recyclable to a minimum of 85% by weight;
- reusable or recoverable to a minimum of 95% by weight.

2) Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy.

Judgement applied and methodology used to assess compliance

1) ALD's business model is to purchase new fleets and lease the fleets for an average of 3.5 years before reselling them to the market. ALD therefore does not directly deal with the end-of-life of the fleets. However, car manufacturers have a legal responsibility to ensure recyclability and reusability. The reusability and recyclability criteria are aligned with Directive 2000/53/EC of 18 September 2020. Under this directive, vehicles type-approved should be re-usable and/or recyclable to a minimum of 85% by weight per vehicle and re-usable and/or recoverable to a minimum of 95% by weight per vehicle. Under the same directive, manufacturers must provide systems to collect End of Life Vehicles (ELV) and when feasible, used parts. They must also meet all (or a significant part) of the costs involved in the delivery of an ELV to a waste treatment facility. Moreover, EU Directive 2000/53/EC was transposed by UK-wide legislation to "The End-of-Life Vehicles (Producer Responsibility) Regulations 2005". Similar legislations are in place in Norway and Switzerland. The criteria therefore reflect legislation in force. OEMs have confirmed its application to vehicles in ALD fleet in scope.

2) ALD is responsible only for the use phase of the criteria and ALD has charters in place with car manufacturers, covering their garage networks, to ensure they address waste management appropriately. Waste management both in the use phase and maintenance in the brand dealerships is governed by OEM dealer standards, which is a pre-requisite for sale of vehicles by distributors and dealers. These standards require compliance with local waste management regulations and are subject to routine inspection by national distributors. Although independent garages are not covered by such charters, ALD makes its best effort to select "premium" garages that are part of national and international networks, and whose environmental and social practices during the initial contracting phase. Regarding critical materials (used in vehicle batteries in particular), there is currently no such regulatory framework to track and testify that CRMs (Critical Raw Materials) are recycled, and no OEM interrogated provided quantified information.

5.8.2.2.3 DNSH Climate Change Adaptation (Generic criteria to all activities)

Description as per Commission Delegated Regulation 4 June 2021, Appendix A

The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment with the following steps:

- a) screening of the activity to identify which physical climate risks from the list in Section II of this Appendix may affect the performance of the economic activity during its expected lifetime;
- b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Section II of this Appendix, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;
- c) an assessment of adaptation solutions that can reduce the identified physical climate risk.

The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:

- a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;
- b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10-to-30-year climate projections scenarios for major investments.

Judgement applied

Definition of Physical and transition risks

- **Physical risk** refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss deforestation. Physical risk is therefore categorised as "acute" when it arises from extreme events, such as droughts, floods and storms, and "chronic" when it arises from progressive shifts, such as increasing temperatures, sea-level rises, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity. This can directly result in, for example, damage to property or reduced productivity, or indirectly lead to subsequent events, such as the disruption of supply chains.
- **Transition risk** refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This could be triggered, for example, by a relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences.

For the business model of ALD, the most material transition risks are linked to the vehicle fleet and its emissions. Their mitigation is described in detail in this Document, under Residual Value risk management and energy transition in sustainable mobility offering.

This section will therefore focus on Physical Risks.

To calculate the physical risk on its asset, ALD worked in a close cooperation with Societe Generale, which has chosen to focus on developing internal tools for identifying physical climate risks. R&D work on the impacts of physical risks on its portfolios began with the portfolio of real estate loans to individuals in France, for which the exact location of the assets financed is known.

In 2022, the Societe Generale Group developed its physical risk assessment tool. The geographical scope of the study has been extended to include France and Europe. Emphasis was placed on acute risks, in particular drought, floods and forest fires. New models have been developed to estimate future drought, flood, and forest fire risks under the Intergovernmental Panel on Climate Change ("IPCC") PCR scenarios (PCR 4.5 Reference Case and PCR 8.5 Worst Case) and at different time horizons. In addition, these projection mappings have been combined with the location of the assets of the Group's counterparties in France to provide an overview of the type and level of physical risks to which an enterprise is exposed.

Due to its activity of car leasing company, the most sensitive assets identified that can be impacted by extreme events in the ALD portfolio are:

- the vehicles fleet financed and leased to its customers;
- the ALD premises.

Methodology used

1. Physical risks on vehicles

Defining physical climate risks on an automobile fleet involves assessing potential weather-related hazards such as extreme temperatures, storms, flooding, and other natural disasters that can damage or disable vehicles. This can be done by:

- identifying the geographical locations where the fleet operates, and the potential risks associated with each location;
- assessing the current infrastructure, maintenance and storage facilities of the fleet to determine their resilience to extreme weather events;
- analysing historical weather data to determine the frequency and severity of weather events in each location;
- evaluating the design and construction of the vehicles to determine their ability to withstand extreme weather conditions;

- developing contingency plans to ensure the fleet can continue operating during and after a weather event;
- regularly reviewing and updating the risk assessment to ensure it remains relevant and effective in identifying and mitigating physical climate risks.

To comply with DNSH criteria and as explained before, ALD decided to focus specifically on electric vehicles (Battery Electric Vehicles and PHEVs) in defining the physical risks of its vehicle fleet because only those two technologies can meet the substantial contribution criteria.

A vehicle is by design a moving asset. It is therefore not relevant to consider the corporate address of the customer as location data. ALD chose to analyse the risk at the granularity of the country, considering that:

- 1) The vehicles are predominantly used in their country of registration and
- 2) Geographical usage of vehicles generally matches economic activity of the given country in terms of regional split.

To be able to estimate a risk on our car fleet, an average risk by country was needed on the different type of events (Heat stress, flooding and sea level rise, Wildfire and water stress). The selected data source was **Moody's**, that can provide a Sovereign Risk Based on Spatial Exposure based on the following solutions:

- Granular socioeconomic data mapped to granular climate risk data;
- 1 Sovereign Climate Risk Score for each of the 200 sovereigns in their dataset;
- 6 Hazard Climate Risk Scores for each sovereign;
- 42 metrics for each sovereign (percent and total GDP, population and agriculture exposed to each hazard).

2. Physical risks on ALD infrastructures

For ALD own buildings, ALD premises were analysed in the twelve countries studied with a focus on the used car remarketing centres where ALD is storing vehicles before they are resold on the used car market.

Contrary to that of the mobile fleet, risk was assessed based on the exact address of each building. The data source chosen is Munich RE, which is the data provider selected by Societe Generale.

Summary of assumptions for the physical risks analysis of ALD assets:

- Focus on 12 European countries representing 96% of the total running fleets of EVs in 2022 and 17% of total ALD fleet;
- As ALD owns those vehicles for a short period (between 3 and 6 years), it is not mandatory, nor meaningful, to analyse the risk on different climate scenarios. The choice made is to concentrate on the Moody's scenario SSP5-8.5, the worst scenario defined by the IPCC experts (temperature rising above 4° in 2050);

- As vehicles are by design mobile, it was decided to make the analysis on the country granularity with specific data given by Moody's on percent and total GDP and population exposed to each hazard;
- On the other hand, for ALD's buildings, the risk calculation was carried out taking into account the exact address of each location and based on data from Munich RE, Societe Generale's data provider.

Results

Following the data provided by Physical risk data providers, 2 main risks appear to be treated by ALD:

- **Physical risks on own operations**, which includes ALD Buildings and vehicles in our possession (used cars to be resold mainly)
- **Physical risks on value chain**, which includes the vehicles "on the road" with customers and the Repair, Maintenance & Tires Partners (RMT)

1. Physical risks on own operations

Thanks to the data provided by MunichRE for each ALD location in the 12 countries studied, the risk index is the following :

Risk Description	TCFD Category	Belgium	Denmark	Finland	France	Germany	Italy	Luxem-Bourg	Nether-Lands	Norway	Spain	Sweden	United Kingdom
Flash Flood	Acute	2	2	2	3	2	4	2	2	4	3	2	2
Flood		2	2	2	10	2	44	2	81	4	3	2	2
Wildfire		0	1	-1	0	1	-1	1	1	1	2	1	0
Tornado		3	2	2	2	3	2	2	3	2	2	2	3
Storm		6	8	5	6	6	6	5	6	5	3	4	6
Hail	Chronic	2	2	2	3	2	4	3	2	2	2	1	2
Precipitations		2	2	3	4	2	7	3	2	4	2	2	2
Drought		4	3	1	5	4	5	4	3	2	9	2	5
Heat Stress		4	2	2	5	3	6	3	3	2	7	2	2

Low
Medium
High
Extreme

Those risks have been weighted by surfaces of each ALD location within a given country.

2. Physical Risks on ALD's value chain

Thanks to the data provided by Moody's for the 12 countries in scope , the risk index is the following:

Risk Description	TCFD Category	Belgium	Denmark	Finland	France	Germany	Italy	Luxem-Bourg	Nether-Lands	Norway	Spain	Sweden	United Kingdom
Flooding	acute	23%	10%	15%	27%	27%	35%	7%	71%	8%	13%	13%	20%
Wildfires		0%	0%	0%	2%	0%	10%	0%	0%	0%	30%	0%	0%
Hurricanes		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Water Stress	Chronic	24%	0%	0%	7%	0%	60%	18%	19%	0%	78%	0%	0%
Sea Level Rise		4%	44%	14%	6%	2%	11%	0%	10%	36%	17%	24%	14%
Heat Stress		0%	0%	0%	10%	0%	76%	0%	0%	0%	32%	0%	0%

Low
Medium
High

Those data represent the share of Gross Domestic Product (GDP) that is considered "high risk" to physical risks, calculated for each country. The GDP-weighted result has been chosen because it is the most representative of our client's profiles in each country.

Physical Risks mitigations plans

In addition to the specific mitigation plans detailed afterwards, ALD main mitigation plan is **to avoid the occurrence of extreme events and then to reduce ALD's direct and indirect impact on the climate** by reducing CO₂ emissions. This applies both to emissions linked with ALD own operations and to emissions from the fleet leased to clients.

- 1) The ambitions and actions taken in relation to internal operations are described in Section 5.5 of this Universal Registration Document
- 2) The ambitions and actions taken in relation to the leased fleet are covered in Section 5.2.

ALD own operations	
Risk description	Severe weather events causing damage to ALD own operations (mainly offices & used-car Remarketing Centres)
Type of risk	Acute : Flash Floods, Floods, Wildfires, Tornado & Storms Chronic : Hail, Drought, Heat Stress, Precipitations
Potential Impact	Acute events could cause damage on ALD own assets. Buildings and vehicles in its possession (used cars waiting to be resold mainly) could be exposed to : • Total destruction of the car, leading to an obligation to replace the vehicle or resulting to a non-sale of the car (a loss of profit); • Damage on buildings (even total destruction in case of Fire or Tornado and Storms), resulting in high cost of reparation or necessity to move; • Risk of Human losses; • Risk of data loss from datacentres. Heat stress impacts are less obvious and limited to electric batteries of vehicles, resulting in a reduction of its autonomy. Precipitations and hails may impact the car body or windshields, which an obligation to repair or replace (maintenance costs). Global effects will result in an increase in catastrophe (CAT) claims and increasing insurance premium. In addition, this could lead to an inability for ALD to reinsure risk in some countries, further reducing insurance profits.
Likelihood (Hypothesis RCP 8.5 in 2050, scenario of increase of temperature higher than 4°)	Extreme risks concern only three countries (Italy, Netherlands and Spain) due mainly to floods (for Italy and Netherlands) and drought for Spain. Spain also has high risk on Heat Stress. All the countries have medium risk of tornadoes or storms (Belgium, Denmark, France, Germany, Italy, Netherlands & United Kingdom). Italy and France are the countries where extremes climate hazards will be higher if the climate change rise to 4° in 2050, so more mitigation actions should be done on those countries.
Mitigation plan	To protect our activities and continue to service our clients, ALD has implemented the following mitigation plan: • A comprehensive understanding on the activities performed in each location, with list of activities, required IT applications and staff, all with Recovery Time Objectives. This information is recorded in Business Impact Analysis (BIA) documents stored in a dedicated SG Group tool. There are currently 38 BIAs for the whole ALD Group; • Based on this understanding of the organisation, each entity is writing a Recovery Strategy aiming at quickly respond to events and restore in a timely manner our activities. The effectiveness of ALD's existing risk response to disruptions to its operations was demonstrated during the Covid-19 pandemic and ALD's ability to run and grow its business while working from home. • For Crisis Management, ALD has a dedicated Crisis Management Team, listing core management staff that will be responsible to decide on action to resume the activities. BIAs, Recovery Strategy and Crisis Management Team are reviewed and validated on a yearly basis. In 2023, ALD SA will be helping the main ALD entities to enhance the quality of this set of documents. In addition, for buildings & car park, ALD maintains procedures to protect our staff and our vehicles from damages. For used cars and pool of cars in ALD possession : - Natural Catastrophe ("Nat Cat") cover for vehicle storage sites: ALD purchases insurance against damages to its owned and operated assets. ALD Re, ALD's own reinsurance company providing insurance solutions to entities within the ALD Automotive Group, also provides insurance for vehicles stored in ALD sites in 11 countries (9 in Europe and 2 in Latin America) The covered perils are: Windstorm, hail, thunderstorm, tornado, earthquake, seaquake, tidal wave, volcanic eruption and floods with a cover limit of EUR 5 millions per event. Other markets can subscribe equivalent policies from other insurers.

ALD value chain	
Risk description	Severe weather disrupting ALD supply chain and critical outsourced services (vehicles “on the road” with customers and the Repairing, Maintenance & Tyres (RMT) Partners)
Type of risk	Acute : Floods, Wildfires, Hurricanes & Typhons Chronic : Heat Stress, Sea level rises, Water stress & Precipitations
Potential Impact	Severe weather events could negatively impact ALD supply chain in two aspects : • ALD’s core assets – its vehicles – may be damaged by severe weather events (e.g., hail, flood, wildfire and wind), resulting in an increase in catastrophe (CAT) claims and reducing insurance profits. In addition, this could lead to an inability for ALD to reinsure risk in some countries, further reducing insurance profits; • Impacting the production, transportation and availability of vehicles or key components, as well as potentially leading to price increases of vehicles or components if capacity in the supply chain falls. We currently assess the potential impact on ALD to be low, due to the company’s ability to pass on inflationary costs to its customers. In addition, supply chain issues leading to shortages of vehicles or components would increase prices for used cars, which would have a beneficial impact on ALD’s financial performance.
Likelihood (Hypothesis RCP 8.5 in 2050, scenario of increase of temperature higher than 4°)	Four countries (Denmark, Italy, the Netherlands and Spain) have medium to high risks of having their share of GDP considered “high risk” for physical risks. Italy alone has three high risks (76% temperature rise, 60% water stress and 35% flood risk). The risk of flooding is also high in the Netherlands. Spain has the highest rate of water stress (78%). Norway (36%) and Denmark (44%) present, due to their geographical location, high rates of risk of sea level rise.
Mitigation plan	Concerning the customer fleet, this risk is in the first instance a motor-insurance risk because increasing damage to ALD vehicles will impact either ALD Insurance profitability, as a result of increasing Nat Cat claims, or increase the insurance premiums ALD pays to its insurance providers. Because ALD requires all of its entities to retain insurance against hail, rain and fire, the potential impact of damage to ALD vehicles as a result of severe weather events is transferred to its insurers. Damage to ALD vehicles does not yet impact ALD’s Asset Risk category due to the fact that ALD has insured its vehicles against damage, whether as a result of severe weather or due to other causes. Three main mitigation plans are in place : 1) Implementing a preventive maintenance programme: as maintenance is managed by ALD, a regular maintenance checks and repairs is done in order to help to reduce the likelihood of vehicle failures due to extreme weather conditions; 2) Transfer the risk through insurance and pass on higher insurance costs to customers because severe weather would impact market-wide and not just ALD vehicles; 3) ALD offers insurance for clients to cover those risks. ALD RE “Nat Cat” cover is included on vehicles where ALD provides insurance for own damage (MOD). The policy has been renewed for the third year in 16 countries (including Denmark, Finland Norway & Sweden), with 117,000 vehicles in scope. Covered perils and cover limit are the same as for vehicle storage. France, Belgium, the Netherlands and Luxemburg offer similar setups with other insurance partners. In Spain, Nat Cat events are covered by a government scheme. Concerning the value chain itself, this risk is an operational risk for ALD. The potential impacts of disruption to ALD supply chain and critical outsourced services are mitigated through Service Level Agreements with its suppliers. Despite this, delivery times of both vehicles and spare parts may increase. To mitigate this effect, the main actions that can be taken by ALD are 1/ extension of the current vehicle contract until new car delivery or 2/ provide a replacement vehicle, sourced from short-term-rental partners or the internal pool fleet. Furthermore, disruption to ALD’s supply chain would not necessarily have a negative impact on ALD. For example, ALD’s supply chain has been disrupted by the Ukraine War and COVID, resulting in delays in the delivery of new vehicles. Although this disruption has increased the cost of providing temporary vehicles to customers, it has also resulted in an increase in the price of second-hand vehicles resulting in a positive impact on ALD’s Profit and Loss on Used Car Sales and ALD’s overall net result.

5.8.2.3 Compliance with Minimum Safeguard (Generic criteria)

Description as per Article 18, Regulation (EU) 2020/852

Legislation requires minimum safeguards to be fulfilled for being able to classify activities as “aligned”:

- 1) the minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights;
- 2) when implementing the procedures referred to in paragraph 1 of this Article, undertakings shall adhere to the principle of "do no significant harm" referred to in point (17) of Article 2 of Regulation (EU) 2019/2088.

Judgement and methodology applied

Human and Labour Rights

ALD has implemented the following policies and procedures aimed at protecting human and labour rights in its own operations and its supply chain:

- as a subsidiary of Societe Generale, ALD is committed to the UN Global Compact and as such, is committed to supporting the 10 principles pertaining to human and labour rights, environment and anti-corruption;
- Societe Generale also adheres to the Universal Declaration of Human Rights and the International Labour Organisation's principles. (see Section 5.1 of this Universal Registration Document)
- the Company's Code of Conduct is based on the International Bill of Human Rights. This policy aims to ensure equal employment, a non-discriminatory work environment and an adequate procedure for employees' complaints and grievances, among other provisions. The Company's Code of Conduct outlines its commitment to act with integrity, honesty and trust, as well as to respect the law and human rights.
- Societe Generale's Modern Slavery Statement (https://www.societegenerale.com/sites/default/files/documents/CSR/Modern_Slavery_Act.pdf) is aimed at preventing modern slavery and human trafficking in all aspects of their operations, including their supply chain
- Concerning the supply chain, ALD implements a responsible sourcing policy (see Section 5.4) and applies the principles defined in Societe Generale's Duty of Care plan described in Section 5.4 of Societe Generale's Universal Registration Document (https://www.societegenerale.com/sites/default/files/documents/2023-03/2023-Universal-Registration-Document_EN.pdf)

As stated in Section 4.5.2 of this Document, ALD has not finally been convicted in court on violating labour law or human rights. ALD has not refused to enter in a dialogue or received a final statement on non-compliance OECD National Contact Point. ALD has not refused to respond to allegations by the Business & Human Rights Resource Centre.

Anti-bribery and corruption

ALD has implemented the following policies and procedures that aim to address anti-bribery and anti-corruption:

- ALD has established a policy on conflicts of interest, anti-bribery and anti-corruption policy that applies to all employees and third parties acting for or on behalf of the Company. The policy states a zero-tolerance approach towards bribery and corruption, and ensures any suspicion is notified, documented and monitored in an appropriate manner. It also sets out requirements to ensure any potential conflict of interest is identified, assessed, mitigated or prevented adequately;
- Concerning the supply chain, ALD implements a responsible sourcing policy (see Chapter 5.4.3) and applies the principles defined in Societe Generale's Duty of Care plan (section 5.5 of Societe Generale's Universal Registration Document: https://www.societegenerale.com/sites/default/files/documents/2023-03/2023-Universal-Registration-Document_EN.pdf); For example, ALD performs counterparty due diligence on its core suppliers and regularly screens suppliers against sanctions lists as part of its KYS process;
- ALD has developed a whistle-blower mechanism that enables all employees to report infringement. The whistleblowing policy ensures employee safeguards when raising concerns through the confidentiality or anonymity of the process.

As stated in section 4.5.2, ALD or its senior management, including the senior management of its subsidiaries, has not finally been convicted in court on violating anti-corruption and anti-bribery laws.

Taxation and fair competition

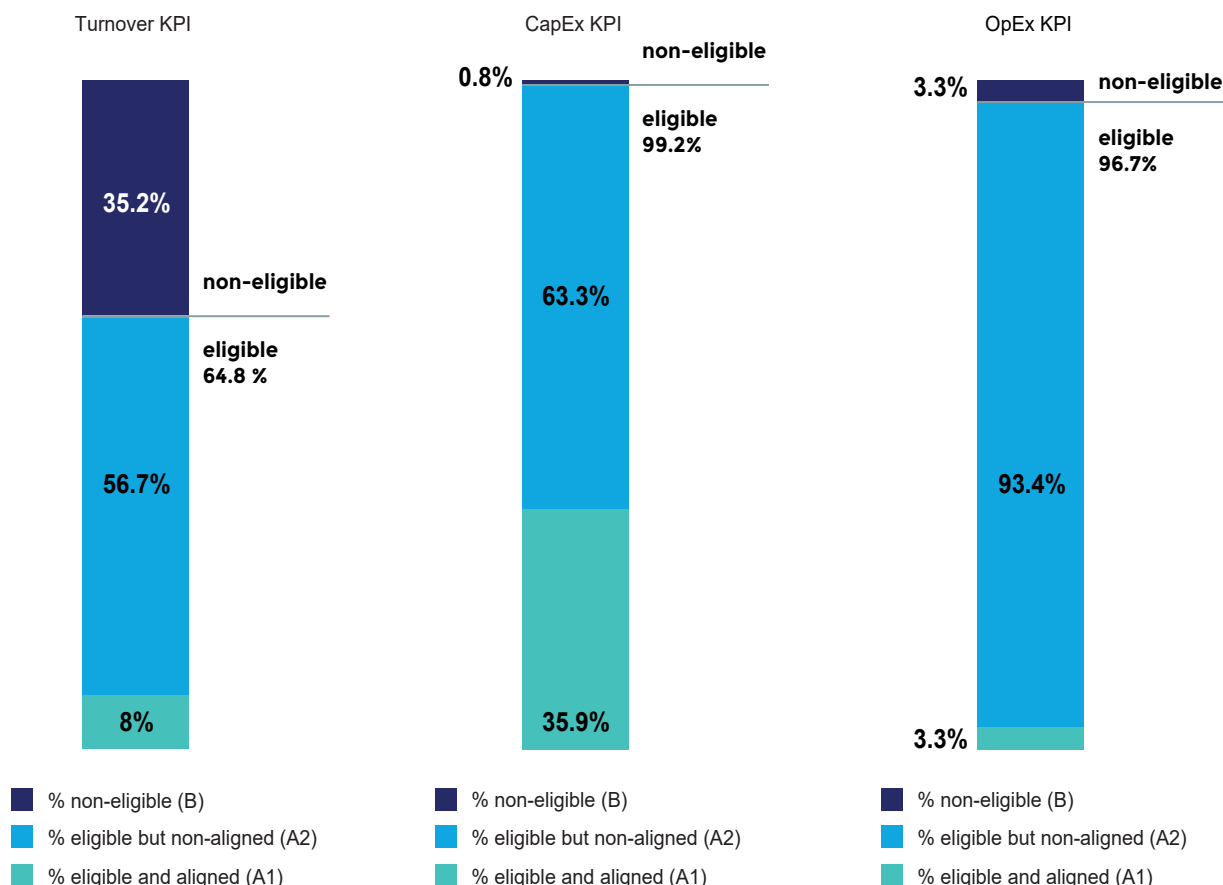
Tax risks are discussed in Chapter 4 of this document. ALD complies with the Societe Generale Code of Conduct: https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/tax_code_of_conduct_of_societe_generale_group_uk.pdf.

Also, ALD carries out its activities in a manner consistent with all applicable competition laws and regulations, considering the competition laws of all jurisdictions in which the activities may have anticompetitive effects. ALD refrained from entering into or carrying out anti-competitive agreements among competitors, including agreements to fix prices, make rigged bids (collusive tenders), establish output restrictions or quotas, share or divide markets by allocating customers, suppliers, territories or lines of commerce.

The Company or its subsidiaries have not been finally convicted in court on violating tax laws or competition laws.

5.8.3 2022 ALD Taxonomy results and disclosures

5.8.3.1 Summary KPIs



64.8 % of ALD Group revenues is eligible to the EU taxonomy as part of activity 6.5 “Transport by motorbikes, passenger cars and light commercial vehicles”, corresponding to the rental activity revenues. The non-eligible turnover is generated by the sale of used cars. Within the eligible turnover, 12.4% of the rental revenue is aligned to the EU taxonomy (**8.0 % of the total revenues**).

99.2% of ALD Group CapEx is eligible to the EU taxonomy mainly as part of activity 6.5, corresponding to the acquisition costs of vehicles bought in 2022. The acquisition costs of the aligned vehicles, a share of ALD EV⁽¹⁾ vehicles, account for 36.5% of the rental fleet acquisition costs (and **35.9% of total CapEx** reported in the denominator).

This ratio reflects the electrification acceleration of ALD fleet in 2022 - 27% of 2022 deliveries being **EV vehicles**. It also shows the price effect of electric vehicles, at least EUR 10,000 more expensive than an equivalent internal combustion engine vehicle. Commercial terms granted by OEMs also tend to be higher. And since EVs tend to be overrepresented in the higher market segments, the average investment value stands at approximately EUR 40,000 vs less than EUR 25,000 for traditional diesel and petrol vehicles.

Finally, **the definition of OpEx provided by the EU Commission being very specific and restrictive, the value of this KPI remains questionable⁽²⁾**. However, applying the Delegated Regulation, 96.7% of the ALD Group OpEx is eligible to the EU taxonomy mainly as part of activity 6.5, corresponding mostly to maintenance and tyres costs of rental vehicles. Only 3.4% of eligibles OpEx are aligned (and **3.3% of the Group total OpEx**). This is mainly explained by the categorisation of all tyres costs as eligible but non-aligned to the taxonomy, indeed the Group’s policy on tyre management focuses on “Tyre qualities” and does not follow “Tyre labels” as defined by the EU Taxonomy.

1) EV = BEV (Battery Electric Vehicles) + PHEV (Plug-in-Hybrids)

2) The OpEx definition provided in Commission Delegate Regulation EU 2021/2178 is very specific and restrictive: only covering direct non-capitalised that relate to R&D (non-applicable for ALD), building renovation measures, short term lease and maintenance and repairs. This definition does not correspond to the definition of “Operating Expenses” used by ALD in the consolidated financial statements disclosed in chapter 6. The costs included in the EU Taxonomy OpEx KPI denominator are classified in the Group’s consolidated income statements as “Operating expenses”, but also for their major part as “Cost of service revenue” and for a minor part as “Cost of car sold”.

5.8.3.2 Turnover KPIs

5.8.3.2.1 Turnover template

Economic activities	Code	Absolute Turnover	Proportion of turnover	Substantial contribution criteria		DNSH Criteria ⁽¹⁾			Minimal Safeguards	Taxonomy aligned proportion of turnover FY22	Category (enabling activity or transitional activity)
				Climate change mitigation	Climate Change adaptation ⁽²⁾	Climate change adaptation	Circular economy	Pollution			
		(in EUR million)	(in %)	(in %)	(in %)	Y/N	Y/N	Y/N	Y/N	%	E/T
A. TAXONOMY ELIGIBLE ACTIVITIES											
A.1 Environmentally sustainable activities (Taxonomy-aligned)											
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	901.0	8.0%	100%	0%	Y	Y	Y	Y	8.0%	Non applicable to activity 6.5 ⁽²⁾
Turnover of environmentally sustainable activities (A.1)	6.5	901.0	8.0%	100%	0%	Y	Y	Y	Y	8.0%	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	6,364.2	56.7%								
Turnover of Taxonomy-eligible but not environmentally sustainable (A.2)		6,364.2	56.7%								
TOTAL TURNOVER OF TAXONOMY ELIGIBLE ACTIVITIES (A.1 + A.2) (A)		7,265.2	64.8%								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
TURNOVER OF TAXONOMY NON-ELIGIBLE ACTIVITIES (B)		3,953.6	35.2%								
TOTAL A+B		11,218.8	100%								

(1) As disclosed in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, Water and Marine Resources and Biodiversity DNSH do not apply to activity 6.5. Thus these two DNSH are not included in the table above.

(2) See section 5.8.1

Additional KPI: Aligned Turnover KPI after sustainable bond adjustment

ALD issued two Green Bonds, respectively in 2018 and in 2022. However, ALD did not calculate the adjusted turnover KPI due to a lack of clarity on the calculation methodology disclosed in the Commission Delegate Regulation EU 2021/2178 and the FAQ released on 19 December 2022.

5.8.3.2.2 Methodology applied by ALD

As required, ALD disclosed 4 KPIs in the Revenue Template:

- 1) **Turnover of eligible and aligned activity (A.1)**, relating to activity 6.5;
- 2) **Turnover of eligible but non-aligned activity (A.2)**, relating to activity 6.5;
- 3) **Turnover of eligible activity (A)**, relating to activity 6.5;
- 4) **Turnover of non-eligible activity (B)**, relating to used car sales activity.

Denominator of Turnover KPI

Applying the definition disclosed in Commission Delegated Regulation EU 2021/2178, the Turnover denominator (A+B) is the net turnover of ALD Group as disclosed in its 2022 financial statements « Total Revenues » in Note 9 (EUR 1,218.8 million), covering both results from rental activities and from used car sales activity.

Numerator used for “eligible and aligned activity” Turnover KPI (A.1)

ALD included the sum of monthly lease revenues from leased vehicles defined as Taxonomy-aligned based on methodology described in section 5.8.2. The revenues generated by the rental activity vehicles defined as non-aligned to the EU taxonomy are excluded from this KPI and reported in Category A2.

Numerator used for “eligible activity” Turnover KPI (A)

This is the sum of A1 & A2 and can be reconciliated with 2022 financial statements « Sub-Total Revenues from Rental activities 2022 » in Note 9 (EUR 7,265.2 million)

Numerator used for “non-eligible activity” Turnover KPI (B)

This is the amount disclosed in 2022 financial statements « Proceeds of Cars sold » in Note 9 (EUR 3,953.6 million)

5.8.3.3 CapEx KPIs

5.8.3.3.1 CapEx Template

Economic activities	Code	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria		DNSH Criteria ⁽¹⁾			Minimum Safeguards	Taxonomy aligned proportion of CapEx FY22	Category (enabling activity or transitional activity)
				Climate change mitigation	Climate Change adaptation ⁽²⁾	Climate change adaptation	Circular economy	Pollution			
		(in EUR million)	(in %)	(in %)	(in %)	Y/N	Y/N	Y/N	Y/N	%	E/T
A. TAXONOMY ELIGIBLE ACTIVITIES											
A.1 Environmentally sustainable activities (Taxonomy-aligned)											
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	3,488.5	35.9%	100%	0%	Y	Y	Y	Y	35.9%	Non applicable to activity 6.5 ⁽²⁾
CapEx of environmentally sustainable activities (A.1)	6.5	3,488.5	35.9%	100%	0%	Y	Y	Y	Y	35.9%	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	6,130.2	63,0%								
Acquisition and ownership of buildings	7.7	27.2	0.3%								
CapEx of Taxonomy-eligible but not environmentally sustainable (A.2)		6,157.4	63.3 %								
TOTAL CAPEX OF TAXONOMY ELIGIBLE ACTIVITIES (A.1 + A.2) (A)		9,645.9	99.2%								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
CAPEX OF TAXONOMY NON-ELIGIBLE ACTIVITIES (B)	NA	79.5	0.8%								
TOTAL A+B		9,725.4	100%								

(1) As disclosed in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, Water and Marine Resources and Biodiversity DNSH do not apply to activity 6.5. Thus these two DNSH are not included in the table above.

(2) See section 5.8.1

Additional KPI : Aligned CapEx KPI after sustainable bond adjustment

As required by the Commission Delegated Regulation EU 2021/2178, non-financial undertakings that issued use of proceeds sustainable bond(s) that finance part or all of their CapEx during the reporting period, should disclose also adjusted CapEx KPIs so that financial undertakings avoid double-counting that CapEx in their other exposures to non-financial undertaking. In the adjusted Capex, a portion of Taxonomy aligned CapEx incurred during the reporting period, that is paid with the proceeds from the issuance of use of proceeds sustainable bonds should be deducted from the numerator of the adjusted CapEx and/or OpEx KPIs.

ALD issued two Green and Positive Impact Bonds, respectively in 2018 and in 2022. The Bond originated in 2018 was reimbursed in 2021 and therefore did not finance any new “aligned” vehicle acquisitions in 2022. The Green Bond issued in June 2022 is focusing solely on Battery Electric Vehicles (see Section 5.2.1.2 of this Universal Registration Document), and financed a fraction of ALD taxonomy-aligned vehicles acquired in 2022, and included in 2022 aligned CapEx, for an amount of EUR 106 million. As a result:

Main CapEx KPI = **35.9%**

Adjusted CapEx KPI after deducting aligned capex financed with 2022 green bond = **34.8%**

5.8.3.3.2 Methodology applied by ALD

As required, ALD disclosed four KPIs in the CAPEX Template:

- 1) CapEx of eligible and aligned activity (A.1), related to activity 6.5;
- 2) CapEx of eligible but non-aligned activities (A.2), related to activity 6.5 and activity 7.7;
- 3) CapEx of eligible activities Capex (A);
- 4) Capex of non-eligible activities (B).

Denominator of CapEx

Applying the definition disclosed in Commission Delegated Regulation EU 2021/2178⁽¹⁾, ALD included in the denominator (A+B) the following CapEx:

- Rental Fleet Additions as disclosed in 2022 financial statements Note 15 (EUR 9,554,0 million), accounting for 98.2% of the total additions reported in the denominator;
- Other Land, Property and Equipment Additions as disclosed in 2022 financial statements Note 16 (EUR 40.9 million);
- Other Intangibles Assets Additions as disclosed in 2022 financial statements Note 16 (EUR 68.3 million);
- Right-of-use Assets (vehicles) additions and Right-of-use Assets (property lease) additions as disclosed in 2022 financial statements Note 17 (respectively EUR 40.9 million and EUR 21.3 million).

Numerator used for “eligible and aligned activity” CapEx KPI (A.1)

Applying the definition disclosed in Commission Delegate Regulation EU 2021/2178⁽²⁾, the numerator equals to the part of the Capex included in the denominator that is any of the following:

- a) CapEx related to assets associated with Taxonomy-aligned economic activity (activity 6.5 for ALD);
- b) CapEx part of a plan to expand Taxonomy-aligned economic activity “CapEx plan”, the CapEx plan explains how the Company aims to upgrade its Taxonomy-eligible economic activities to render them Taxonomy-aligned;
- c) CapEx related to purchase of output from Taxonomy aligned economic activity (for example, if the company purchases solar panels for its offices, these Property CapEx are defined as aligned as part of activity 7 “Construction and Real Estate”).

ALD only included in the alignment numerator the CapEx related to assets associated with taxonomy-aligned activity 6.5, i.e. the rental fleet additions linked to vehicles defined as aligned based on methodology described in section 5.8.2. The CapEx related to rental activity vehicles defined as not aligned to the EU taxonomy are excluded from this KPI and reported in Category A.2 “Eligible as part of activity 6.5 but not aligned”.

The other additions remaining are mainly related to Real Estate (Land, Property and Right-of-use Property lease Assets), Equipment, Intangible assets and Right-of-use vehicle assets.

- Due to their low materiality, Land, Property and Right-of-use assets (property lease) additions, eligible to activity 7.7 “Acquisition and ownership of buildings”, have not been analysed to determine whether they are aligned or not as part of “CapEx related to the purchase of output from taxonomy-aligned”. Thus, they are considered as “Eligible as part of activity 7.7 but not aligned” and reported under category A2.
- All other additions are considered as “Not eligible” and reported under category B at the exception of Service Vehicles additions and Right-of-use vehicle assets. Due their low materiality, their alignment has not been analysed, thus are considered as “eligible as part of activity 6.5 but not aligned” and reported under category A2.

Finally, CapEx part of a plan to expand Taxonomy-aligned economic activity (CapEx plan) do not apply to ALD.

1) The denominator shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortisation, and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations. For non-financial undertakings applying international financial reporting standards (IFRS) as adopted by Regulation (EC) No 1126/2008, CapEx shall cover costs that are accounted based on: (a) IAS 16 Property, Plant and Equipment, paragraphs 73, (e), point (i) and point (iii); (b) IAS 38 Intangible Assets, paragraph 118, (e), point (i); (c) IAS 40 Investment Property, paragraphs 76, points (a) and (b) (for the fair value model); (d) IAS 40 Investment Property, paragraph 79(d), points (i) and (ii) (for the cost model); (e) IAS 41 Agriculture, paragraph 50, points (b) and (e); (f) IFRS 16 Leases, paragraph 53, point (h).

2) The numerator equals to the part of the capital expenditure included in the denominator that is any of the following: (a) related to assets or processes that are associated with Taxonomy-aligned economic activities; (b) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned (“CapEx plan”) under the conditions specified in the second subparagraph of this point 1.1.2.2; (c) related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

5.8.3.4 OpEx KPIs

5.8.3.4.1 OpEx Template

Economic activitiesCode	Absolute OpEx (in EUR million)	Proportion of OpEx (in %)	Substantial contribution criteria		DNSH Criteria ⁽¹⁾			Minimum Safeguards	Taxonomy aligned proportion of OpEx FY22 (in %)	Category (enabling activity or transitional activity) Y/N
			Climate change mitigation (in %)	Climate Change adaptation ⁽²⁾ (in %)	Climate change adaptation	Circular economy	Pollution			
A. TAXONOMY ELIGIBLE ACTIVITIES										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	27.2	3.3%	100%	0%	Y	Y	Y	Y	3.3%
OpEx of environmentally sustainable activities (A.1)	6.5	27.2	3.3%	100%	0%	Y	Y	Y	Y	3.3%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	759.1	92.1%							
Acquisition and ownership of buildings	7.7	10.5	1.3%							
OpEx of Taxonomy-eligible not but not environmentally sustainable (A.2)		769.6	93.4%							
TOTAL OPEX OF TAXONOMY ELIGIBLE ACTIVITIES (A.1 + A.2) (A)		796.8	96.7%							
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES										
OPEX OF TAXONOMY NON ELIGIBLE ACTIVITIES (B)	NA	27.3	3.3%							
TOTAL A+B		824.1	100%							

⁽¹⁾ As disclosed in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, Water and Marine Resources and Biodiversity DNSH do not apply to activity 6.5. Thus, these two DNSH are not included in the table above.

⁽²⁾ See section 5.8.1

Additional KPI : Aligned OpEx KPI after sustainable bond adjustment

As allowed by Commission Delegated Regulation EU 2021/2178 ⁽¹⁾, ALD chose not to calculate this adjusted KPI, considering it non-relevant.

1) Regarding the disclosure of CapEx and/or OpEx KPIs, non-financial undertakings that issued use of proceeds sustainable bond(s) that finance part or all of their CapEx and/or, where relevant, OpEx during the reporting period, should disclose also adjusted CapEx and/or OpEx KPIs so that financial undertakings avoid double-counting that CapEx and/or OpEx in their other exposures to non-financial undertaking.

5.8.3.4.2 Methodology applied by ALD

As required, ALD disclosed 4 KPIs in the CAPEX Template:

- 1) **OpEx of eligible and aligned activity** (A.1), related to activity 6.5;
- 2) OpEx of eligible but non-aligned activities (A.2), related to activity 6.5 and activity 7.7;
- 3) OpEx of eligible activities OpEx KPIs (A);
- 4) OpEx non-eligible activity (B).

Denominator of OpEx KPI

Applying the restrictive OpEx definition disclosed in Commission Delegate Regulation EU 2021/2178⁽¹⁾, ALD included in the denominator (A+B) the following costs:

- Maintenance & repairs costs, Tyres Costs related to rental fleet activities (accounting for respectively 75% and 21% of the OpEx denominator);
- Short-term lease and Building renovation measures (accounting for 1% of the OpEx denominator);
- Maintenance costs related to Used Car sales activity (accounting for 3% of the OpEx denominator);
- Regarding non-capitalised R&D costs, these do not apply to ALD.

Due to the specific definition of OpEx provided by the EU Commission, the OpEx denominator cannot reconcile with an existing aggregate published in the URD.

Numerator used for “eligible and aligned activity” OpEx KPI (A.1)

Applying the definition disclosed in Commission Delegate Regulation EU 2021/2178⁽²⁾ based on the same logic as CapEx KPI numerator, **ALD only included in the numerator the maintenance costs of rental activity vehicles (activity 6.5) defined as aligned based on the methodology described in Section 5.8.2.** The maintenance costs linked the rental activity vehicles defined as non-aligned to EU taxonomy are excluded from this KPI and reported in Category A2 “Eligible to activity 6.5 but not aligned”.

Regarding Tyre costs, the Group's policy on tyre management is focused on “Tyre qualities” and does not follow “Tyre labels” as defined by the EU Taxonomy. As a result, Tyre costs are considered as “Eligible to activity 6.5 but not aligned” and reported under category A2.

Real estate costs (Short-term lease and building renovation measures) are considered as not material: their potential alignment has not been analysed. These are considered as “Eligible to activity 7.7 but not aligned” and reported under category A2.

Finally, maintenance & repairs costs related the sale of used cars are reported under category B, the activity of used cars sale being non-eligible to the EU Taxonomy.

1) The denominator shall cover direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

2) The numerator equals to the part of the operating expenditure included in the denominator that is any of the following: (a) related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development; (b) part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of this point 1.1.3.2 (c) related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

5.9 Third-party report on the verification of the consolidated declaration of extra-financial performance

To the Annual General Meeting,

In our role as an independent third party accredited by the COFRAC under number 3-1681 (scope of accreditation available at www.cofrac.fr) and a member of the network of one of your Company's Statutory Auditors (hereinafter the "Entity"), we have conducted our work to provide a reasoned opinion expressing limited assurance on the compliance of the consolidated declaration of extra-financial performance, for the financial year ended 31 December 2022 (hereinafter the "Declaration"), with the provisions of Article R. 225-105 of the French Commercial Code and on the fairness of historical information (observed or estimated) provided pursuant to paragraph 3 of sections I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the Entity's procedures (hereinafter the "Guidelines"), presented in the management report pursuant to the provisions of Article L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Conclusion

Based on the procedures that we have implemented, as described in the section "Nature and scope of work", as well as evidence we have obtained, we found no significant irregularities that would call into question the compliance of the consolidated declaration of extra-financial performance with the applicable regulatory provisions and that the Information, taken as a whole, is fairly presented, in compliance with the Guidelines.

Preparation of the declaration of extra-financial performance

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measure of information allow for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time. Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Declaration.

Limitations inherent in the preparation of the Information

As stated in the Declaration, Information may be subject to uncertainty due to the state of scientific or economic knowledge and the quality of external data used. Certain information may be sensitive to choices in terms of methodology, assumptions and/or estimates used to prepare it and presented in the Declaration.

The entity's responsibility

It is the Board of Directors' responsibility:

- to select or establish the appropriate criteria for the preparation of Information;
- to prepare the Declaration in compliance with legal and regulatory provisions, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies applied with regard these risks, as well as the outcomes of said policies, including key performance indicators and the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy); as well as
- to implement the internal controls it deems necessary to ensure that the Information does not include any material misstatements, whether due to fraud or error.

The Declaration has been prepared in accordance with the Entity's Guidelines as referred to above.

Responsibility of the independent verifier

It is our role, based on our work, to express a limited assurance conclusion on:

- the compliance of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the historical information (observed or estimated) provided pursuant to paragraph 3 of Section I and II of Article R. 225 105 of the French commercial Code, namely the results of the policies, including key performance indicators, and the actions related to the main risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of said Information, as this could compromise our independence.

It is not our responsibility to comment on:

- the Entity's compliance with other applicable legal and regulatory provisions, notably the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax avoidance legislation;
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

The work described below has been carried out in accordance with the provisions of Articles A. 225-1 *et seq.* of the French Commercial Code, the professional standards of the French Institute of Statutory Auditors (“CNCC”) applicable to such engagements acting as a verification programme, and with the international standard ISAE 3000 (as revised) ⁽¹⁾.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11 of the French Commercial Code and by the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with applicable legal and regulatory requirements, ethical standards, and professional standards.

Means and resources

Our verification work mobilised the skills of four people and took place between December 2022 and March 2023 for a total intervention period of eight weeks. We called on our sustainable development and social responsibility experts to help us complete our mission. We conducted four interviews with the persons responsible for the preparation of the Declaration, who notably represented the CSR Department, the Human Resources Department, the Digital Marketing Department and the Business Intelligence and Consultancy Department.

Nature and scope of work

We planned and performed our work taking into account the risk of material misstatement of the Information. In our opinion, the procedures that we have performed in the exercise of our professional judgement enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities’ activities and the description of the main risks;
- we assessed the suitability of the Guidelines with respect to their relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- we verified that the Declaration included each category of information provided in Section III of Article L. 225-102-1 of the French Commercial Code in terms of social and environmental matters;
- we verified that the Declaration provided the information required under Section II of Article R. 225-105 of the French Commercial Code where relevant to the main risks and included, where applicable, an explanation for the absence of the information required under the second paragraph of Section III of Article L. 225-102-1 of the French Commercial Code;
- we verified that the Declaration presented the business model and a description of the main risks related to the Entity’s activity and of all the entities included in the scope of consolidation including, if relevant and proportionate, the risks created through its business relationships, products or services, policies, actions and results, of which the key performance indicators associated with the main risks are part;
- we referred to documentary sources and conducted interviews to:
 - assess the process undertaken to identify and validate the main risks as well as the consistency of the outcomes, including the key performance indicators selected, in accordance with the main risks and the policies presented, and
 - corroborate the qualitative information (actions and results) that we considered to be the most important (presented in the Appendix). For some risks, our work was carried out at the level of the consolidating entity, for other risks, work was performed at the level of the consolidating entity and in the following entities: ALD France and ALD Brazil;
- We verified that the Declaration covers the consolidated perimeter, i.e. all the entities included in the scope of consolidation in accordance with the Article L. 233-16 of the French Commercial Code with the limits specified in the Declaration;
- we obtained an understanding of the internal control and risk management procedures implemented by the Entity and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important (presented in the Appendix), we implemented:
 - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions;
 - detailed tests based on samples or other selection methods, consisting of checking the correct application of the definitions and procedures and reconciling the data with supporting documents. This work was carried out with the contributing entities listed above and cover between 11% and 22% of consolidated data selected for these tests;
- we assessed the overall consistency of the Declaration based on our knowledge of the entities included in the scope of consolidation.

The procedures applied to obtain a moderate level of assurance are less extensive than those required to obtain a reasonable level of assurance carried out in accordance with professional standards; assurance of a higher level would have required more extensive verification work.

Paris-La Défense, the 20 March 2023
The independent third party

EY & Associés
Caroline DELERABLE
Partner, Sustainable Development

1) ISAE 3000 (as reviewed) - Assurance engagements other than audits or reviews of historical financial information.

Annex: information considered as the most important

Social information

Qualitative Information (Actions or results)	Quantitative information (Key performance indicators and coverage ratio)
- Employee training - Equal treatment (gender equality) - Well-being at work	- Average number of hours of training per employee who attended at least one training session (22% of the workforce) - Number of permanent contract positions filled internally (%) (22% of the workforce)

Business information (including environmental and societal information)

Qualitative Information (Actions or results)	Quantitative information (Key performance indicators and coverage ratio)
- The programme to increase the share of green vehicles and its deployment - The new mobility strategy and offers and their deployment - The consulting strategy and the deployment of the solutions and offers resulting from it	- Number of green vehicles (electric or hybrid vehicles) (22% of ALD's green fleet) - Share of diesel engines in contracts produced in 2022 (%) (15% of contracts produced in 2022) - Carbon footprint (11% of ALD's GHG emissions) including the review of GHG emissions (tCO₂eq) in Scopes 1, 2 and 3 (with Scope 3 including the consumption of paper, business travel, freight transport, the energy consumption of datacentres hosted in France and waste production)

5.10 Declaration of extra-financial performance (DEFP) – Cross-reference table

Where can I find the items referring to the Declaration of extra-financial performance (DEFP)?

1. Business model		Pages
Business model: key resources, value provided to stakeholders		7 - 9
Organisation: presentation of main activities, workforce, governance		7 - 13, 153 - 156, 60 - 78, 81 - 82
Strategy, outlook and objectives		23 - 30
2. Significant non-financial risk factors for the Group and reminder of key policies		
	• Energy transition and low-emission vehicles • Electrification • New uses and new mobility (Mobility as a Service, Sharing, etc.)	133 - 138
	• Reduction of the internal carbon footprint	162 - 165
	• Responsible purchasing	159 - 160
	• Management of environmental and social (E&S) risks	158
Environmental impact and climate change	• Physical Risks assessment	171 - 175
	• New uses and new mobility (Mobility as a Service, Sharing, etc.) • Customer satisfaction and experience programme • Consulting services, alternative mobility offers (car sharing, second lease, mobility budget, etc.)	134 - 136 , 138 - 139 , 157
Customer expectations and market risks		
	• Employability and agility of employees • Recruitment, retention and commitment of employees • Societal commitment • Diversity policy, including gender balance • Collective agreements signed with social partners • Health, safety and prevention policy	141 - 156
Human capital and working environment		
	• Responsible purchasing policy • Being a responsible employer • Culture and Conduct Programme, Code of Conduct • Anti-money laundering policy, sanctions and embargoes policy, KYC • E&S risk management process • Personal data security policy	141 - 156 , 157 - 161
Corruption		
3. Other regulatory issues		
	• Tax Code of Conduct • Anti-money laundering system	131 - 132 , 157 - 161
The fight against tax avoidance		
	• Responsible purchasing policy • Being a responsible employer • Code of Conduct • E&S risk management process • Personal data security policy	141 - 156 , 157 - 161
Action in support of human rights		
EU Taxonomy	• ALD's activities EU Taxonomy eligibility assessment	169 - 183
Circular economy		131 - 132

As a company providing financial products and services, ALD considers that the following subjects do not constitute key CSR risks and do not warrant detailed consideration in this management report: food waste, fight against food insecurity, respect for the animal welfare, responsible, equitable and sustainable food.

