

Julia Hovenier
Banks and Steel Campaigner
BankTrack

January 15th, 2024

Concerning: call to engage with POSCO steel on blast furnace relining plans

Dear Julia,

We have received your letter regarding Posco and have shared it with the relevant teams within the Crédit Agricole Group as requested.

In reply to your call to engage with POSCO steel on blast furnace relining plans, we would like to draw your attention to our recent Climate Workshop held on December 14th, 2023, in which Crédit Agricole presented its net zero trajectory for the steel sector. The presentation of the Climate Workshop is available [here](#).

Crédit Agricole's has set a target is to reduce emissions intensity for the steel sector by 26% by 2030 versus 2020 which is more ambitious than the IEA NZE scenario of a drop in 24%.

Our action plan includes:

- Ongoing dialogue with our clients not aligned on a 1.5°C trajectory to help them decarbonize their business.
- Development of our project financing of low-carbon steel production technologies
- Management of our Steel portfolio, with reallocation in favor of the most ambitious clients

Crédit Agricole has clearly identified the decarbonization levers for the steel sector:

- Increased recycling (scrap)
- Replacing Blast Oxygen Furnace (BF-BOF) routes by Direct Reduced Iron (DRI) routes powered by gas; Developing DRI routes based on hydrogen and other innovations.
- Using low-carbon electricity and technologies like CCUS

Crédit Agricole has also formally committed to not financing any metallurgical coal extraction projects as indicated at our Climate workshop.

We hope that this information regarding our commitments for the steel sector is helpful to you.

Kind regards,

The Sustainability Department

 **DIRECTION DE
L'ENGAGEMENT SOCIÉTAL**