

# ALLOCATION AND IMPACT REPORT

**NEU CP ESG**

**NOVEMBER 2023**









Crédit Mutuel Arkéa's NEU CP ESG programme is broken down into three compartments: NEU CP Green, NEU CP Social and NEU CP Durable (Sustainable), which make it possible to issue according to the eligible asset categories defined in [Crédit Mutuel Arkéa's Green, Social and Sustainable Bond Framework](#).

This report only includes NEU CP ESG issues carried out in the first half of 2023, in order to take into account the short maturity of NEU CP (less than or equal to one year).

NEU CP ESG reports are published half-yearly.







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# ISSUES OF CREDIT MUTUEL ARKEA NEU CP ESG

Crédit Mutuel Arkéa is the first French bank to have issued NEU CP Green through its NEU CP ESG programme, available on the Banque de France website: <https://eucpmtn.banque-france.fr/public/#/liste-des-emitters/3f8b9dec-b611-ea11-80f7-001dd8b71ea9>

Outstandings increased in the first half of 2023 from **€402 million at 31 December 2022 to €565 million at 30 June 2023.**

## Breakdown of outstandings by issue:

Issue date	ISIN	Format	Nominal amount of issue (in € millions)	Maturity
23.08.2022	FR0127578641	NEU CP Green	50	22.08.2023
22.09.2022	FR0127591560	NEU CP Green	25	22.09.2023
06.01.2023	FR0127792655	NEU CP Green	100	06.07.2023
19.01.2023	FR0127815050	NEU CP Green	50	19.07.2023
19.01.2023	FR0127815019	NEU CP Green	30	19.07.2023
18.01.2023	FR0127815498	NEU CP Green	20	18.07.2023
20.01.2023	FR0127815696	NEU CP Green	20	20.07.2023
15.02.2023	FR0127868802	NEU CP Green	20	15.11.2023
23.02.2023	FR0127886440	NEU CP Green	25	23.11.2023
02.03.2023	FR0127889311	NEU CP Green	5	04.12.2023
31.03.2023	FR0127922765	NEU CP Green	50	29.09.2023
27.04.2023	FR0127988261	NEU CP Green	40	18.03.2024
24.05.2023	FR0128019280	NEU CP Green	38	26.02.2024
24.05.2023	FR0128019280	NEU CP Green	7	26.02.2024
24.05.2023	FR0128019280	NEU CP Green	5	26.02.2024
24.05.2023	FR0128019710	NEU CP Green	10	24.04.2024
06.06.2023	FR0128039940	NEU CP Green	15	06.06.2024
09.06.2023	FR0128042530	NEU CP Green	50	08.12.2023
14.06.2023	FR0128045707	NEU CP Green	5	14.06.2024
TOTAL			565	



# ALLOCATION OF AMOUNTS RAISED

As of the date of this report, the amounts raised during the NEU CP Green issues carried out by Crédit Mutuel Arkéa have been allocated in full.

Eligible asset classes financed or refinanced by NEU CP Green issues (extract from the framework):

- > **Green Buildings**
- > **Residential buildings**

*"Loans to finance new dwellings since granted from 1<sup>st</sup> June 2013 in line with RT2012<sup>(1)</sup> regulation as a minimum requirement"*

The pool of eligible assets of the NEU CP Green issues consists entirely of housing loans distributed by the local banks affiliated with the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud Ouest federations in 2019 and 2020 for the acquisition of new homes, mainly in Brittany and Nouvelle-Aquitaine and complying with the RT2012 standard (see methodology on page 9).

**Concerns 7,641 loans for 3,289 customers and for a total outstanding capital of €565,012,489 at 30 June 2023.**

<sup>1</sup> RT2012 regulation: primary energy consumption for residential buildings limited to 50kWh/m<sup>2</sup>/year





# IMPACT INDICATORS

Alignment with the UN Sustainable Development Goals (SDGs):



7.3 By 2030, double the global rate of improvement in energy efficiency



13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

According to the methodology described on page 9, **the 7,641 loans selected** for these issues and granted by Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest to private individuals for the acquisition of new homes meeting the

RT2012 standard enable:

energy savings of 61,570,080 kWhEP year and avoid 5,181 TCO<sub>2</sub>eq/year of greenhouse gas emissions.





#### 4.1 Eligible home loans

Housing financed by housing loans granted for less than 36 months to private individuals for the purchase or construction of a new home (purpose of the loan: "new purchase", "construction only", "construction + land", "off-plan sales") are considered to comply with the RT2012 standard, mandatory in France between 01.01.2013 and 31.12.2021 for the construction of new housing.

##### Erosion of the pool:

The pool of eligible assets may suffer erosion due to the amortization of loans or early repayments. Each half-year, an assessment is made of the outstanding principal under pool loans.

If erosion is identified, new eligible loans are added to the pool so that the total amount remains equal to that of the associated issue.

##### Refinancing of pool loans in the event of a transaction not renewed by the investor:

In the event that a portion of the loans in the pool of eligible assets is no longer refinanced due to the fact that a NEU CP reaching maturity is not renewed, the refinancing will be provided by Crédit Mutuel Arkéa while a new investor is found so that the amount of outstanding NEU CP ESG is once again equal to that of the asset pool.





## 4.2 Impact calculation methodology

To achieve carbon neutrality in 2050 and to comply with the objectives of the Paris Agreement, the acceleration of the transitions initiated in the areas of energy efficiency and sobriety is essential.

Buildings are the most energy-intensive sector in France. The sector represents 42% of total final energy and generated 23% of greenhouse gas (GHG) emissions in 2020, according to the Ministry for the Ecological Transition.

Faced with these challenges, the renovation of homes as well as the development of low-energy homes play a central role in the forward-looking scenarios for alignment with the objectives of the Paris Agreement and the French national Low-Carbon Strategy. The portfolio of eligible assets consists entirely of housing loans granted to individual customers by the local banks affiliated with the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations for the construction and acquisition of new homes, mainly in Brittany and Nouvelle-Aquitaine. These homes comply with the RT2012 thermal regulation, which sets requirements in terms of energy consumption, comfort and building design.

The estimated impact of housing financed by housing loans granted by the local banks affiliated with the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations is defined according to two key indicators:

> annual energy savings in primary energy (kWhEP/year)

> the greenhouse gas emissions avoided annually (TCO<sub>2eq</sub>)

For home loans granted to individual customers, Crédit Mutuel Arkéa does not currently have all the actual data necessary to calculate these impact indicators. Thus, to estimate them, the choice has been made to use the statistical data made available by the Ministry for the Ecological Transition, ADEME (French Environment and Energy Management Agency) and by the OID (Sustainable Real Estate Observatory).

### Two assumptions have also been made:

- > In the case of individual customer projects, 100% of the impact of the housing is attributed to financing provided by Crédit Mutuel Arkéa.
- > The same home may be financed by several loans from the pool of eligible assets. To avoid counting the same home several times in the impact calculation, we consider all loans with the same customer identifier as a single loan: number of homes selected = number of customer identifiers

Thus, the 7,641 loans selected are recognised for 3,289 homes for the calculation of the impact.





### Concerning primary energy saving data:

The RT2012 regulation reduces the cap on energy consumption to 50 kWhEP/m<sup>2</sup>/year (primary energy calculation). The cautious assumption that homes complying with the RT2012 regulation have an energy performance of 50 kWhEP/m<sup>2</sup>/year, was used. Each asset therefore has a default energy performance of 50 kWhEP/m<sup>2</sup>/year.

Quantifying energy savings depends on the choice of the reference scenario. Since all selected home loans finance housing located in Brittany and Nouvelle-Aquitaine, the reference base identified as the most relevant is the average primary energy consumption of housing in the Brittany and Nouvelle-Aquitaine regions. According to data for the H2 climate zone revealed by the Phebus survey of the French Ministry for the Ecological Transition (Housing Performance Survey, Facilities, Needs and Usages of energy), it amounted to 258 kWhEP/m<sup>2</sup>/year in 2018 in the Brittany and Nouvelle-Aquitaine regions.

The average surface area used for a financed property is 90m<sup>2</sup> (source: INSEE data for individual housing in mainland France).

$$\begin{aligned} &\text{Annual energy savings in primary energy} \\ &\quad \text{of a home (kWhEP/year)} \\ &= \\ &(\text{Average energy consumption of housing} \\ &\quad \text{units by climatic zone (kWhEP/m}^2\text{/year)} \\ &\quad - \\ &\quad \text{RT2012 energy consumption ceiling} \\ &\quad \text{(kWhEP/m}^2\text{/year)}) \\ &\quad \times \\ &\quad \text{Average surface area} \end{aligned}$$

### With regard to avoided emissions:

The “avoided emissions” indicator aims to calculate the GHG emissions avoided thanks to the financing of low-emission housing.

To calculate these avoided GHG emissions, it is necessary to have the annual primary energy savings achieved and the average emission factor related to the primary energy consumption of a home in France.

### This is the formula used:

$$\begin{aligned} &\text{Emissions avoided by home} \\ &\quad \text{(kg CO}_2\text{eq/year)} \\ &= \\ &\text{Annual energy savings in primary energy} \\ &\quad \text{of a home (kWhEP/year)} \\ &\quad \times \\ &\quad \text{Average emission factor of a kWh of} \\ &\quad \text{primary energy (kgCO}_2\text{/kWhEP)} \end{aligned}$$





To calculate the emission factor for a kWh of primary energy consumption (PE), a conversion factor<sup>(1)</sup> is applied to the emission factor of one kWh of final energy consumption (FE).

> The average emission factor for a home's final energy consumption in France depends on its average energy mix. In 2020, in France, the average emission factor for one kWh of final energy in a home was 0.13 kgCO<sub>2</sub>/kWhFE.

> Based on the calculated conversion factor, it is possible to estimate that 1 kWhEP is equivalent to 0.6473 kWhFE.

**Average emission factor of a kWh of primary energy (kgCO<sub>2</sub>/kWhEP)**

**=**

**Average final energy emission factor (kgCO<sub>2</sub>e/KWHFE)**

**x**

**Conversion factor**

To calculate the total annual avoided emissions for the scope of the portfolio, the estimated result per home is multiplied by the number of assets financed.

<sup>1</sup> Factor calculated based on the conversion factors used to switch from final energy to primary energy, applied to the average energy mix of homes



# APPENDIX







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# Crédit Mutuel Arkéa

**Report of the independent practitioner on the verification of a selection of information disclosed in the NEU CP ESG Allocation and Impact Report**

Year ended June 30th 2023

Crédit Mutuel Arkéa

1, rue Louis Lichou, 29480 Le Relecq-Kerhuon

KPMG S.A., a French audit and accounting limited liability company registered with the Paris Association of Chartered Accountants under n°14-30080101 and a member of the Regional Association of statutory auditors of Versailles and Centre.

A French company, member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a Private English company

Public limited company with board of directors

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Tour Egho  
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92066 Paris la Défense Cedex  
Capital : 5 497 100 €.

## Crédit Mutuel Arkéa

1, rue Louis Lichou, 29480 Le Relecq-Kerhuon

### Report of the independent practitioner on the verification of a selection of information disclosed in the NEU CP ESG Allocation and Impact Report

Year ended June 30th 2023

To the President of Crédit Mutuel Arkéa

In our capacity, and appointed as independent practitioner of Crédit Mutuel Arkéa (hereinafter the “entity”), and in accordance with your request, we have undertaken a limited assurance engagement on the following information (the “Information”) presented in the NEU CP ESG Allocation and Impact Report (hereinafter the “Report”), available on the company’s website:

- the allocation, as of June 30<sup>th</sup>, 2023, of funds raised by the entity through the Negotiable European Medium Term Green Commercial Paper issued since August 2022 (“the Issuing”) contained in the Report,
- the projects financed by the Issuing and identified as eligible by the entity (“Eligible Projects”).

The Information has been prepared in the context of the “Green, Social & Sustainability Bond Framework” (hereinafter the “Framework”) defined by the entity, and in accordance with the basis of preparation set out in section 4.1 of the Report, available on the entity’s website<sup>1</sup>.

## Conclusion

Based on the procedures we performed, as described under the “Nature and scope of procedures” paragraph, and the evidence we obtained, nothing has come to our attention that causes us to believe that the Information is not prepared, in all material respects, in accordance with the Framework and in accordance with the basis of preparation set out in section 4.1 of the Report, available on the entity’s website.

<sup>1</sup> [https://www.cm-arkea.com/banque/assurance/credit/mutuel/c\\_37866/fr/page-de-contenu-green-social-bonds](https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_37866/fr/page-de-contenu-green-social-bonds)

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## Preparation of the Information

The absence of a commonly used and generally accepted reporting framework or of a significant body of established practices on which to draw to assess and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Framework and with the basis of preparation set out in section 4.1 of the Report.

## Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- selecting the Eligible Projects regarding the eligible criteria,
- preparing the Information in accordance with the “Framework” and with the basis of preparation set out in section 4.1 of the Report, and
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

## Our responsibility

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on the fact that the Information is free from material misstatement, whether due to fraud or error, and has been prepared, in all material respects, in accordance with the Framework and in accordance with the basis of preparation set out in section 4.1 of the Report.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence

It is not our responsibility to:

- Challenge the eligibility criteria as defined in the Framework, and, in particular, we give no interpretation on the final terms of this Framework,
- Form an opinion on the effective use of the funds allocated to the Eligible Projects after such funds were allocated.

## Applicable professional guidance

We performed the limited assurance engagement in accordance with the international standard ISAE 3000 (revised)<sup>2</sup>.

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<sup>2</sup> ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information



## **Means and resources**

Our work was carried out by an independent and multidisciplinary team including specialists in sustainable development and corporate social responsibility.

## **Nature and scope of procedures**

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

To assess this risk, we took into account the entity's internal controls on the preparation of the Information in order to design appropriate assurance procedures, and not with the purpose of expressing a conclusion as to the effectiveness of the entity's internal control system.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We identified and conducted several interviews with the persons responsible for the collect of the Information, with the Directions in charge of overseeing the collect of the Information and, where appropriate, with those responsible for internal control and risk management procedures,
- We assessed the suitability of the procedures used by the entity to report the Information with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified the existence of internal control and risk management procedures implemented by the entity,
- We verified the consistency of the Information with the accounting records and underlying data,
- We reviewed the processes used for data collection, aggregation, processing, monitoring and control, in particular the procedures relating to the allocation of funds as of June 30<sup>th</sup> 2023,
- On the basis of a representative sample of projects, namely refinanced loans:
  - verify the eligibility of these projects with regard to the eligibility criteria defined in the Framework,
  - verify the concordance of the amounts of the projects as of June 30<sup>th</sup>, 2023, with the accounts and the data underlying the accounts,
- verify that the amount of funds allocated to projects is less than or equal to the amount of these projects as of June 30<sup>th</sup>, 2023.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion, a higher level of assurance would have required us to carry out more extensive procedures.





This report has been prepared within the context described above and may not be used, distributed or referred to for any other purpose.

Paris la Défense, November 30<sup>th</sup>, 2023

KPMG S.A.

A blue ink signature of Antoine Le Penven, written in a cursive style.

Antoine Le Penven  
Partner

A blue ink signature of Brice Javaux, written in a cursive style.

Brice Javaux  
ESG Expert

## Appendix



# ALLOCATION OF AMOUNTS RAISED

As of the date of this report, the amounts raised during the NEU CP Green issues carried out by Crédit Mutuel Arkéa have been allocated in full.

Eligible asset classes financed or refinanced by NEU CP Green issues (extract from the framework):

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**Crédit Mutuel**  
**ARKEA**

**CREDIT MUTUEL ARKÉA**

NEU CP ESG 2023 ALLOCATION  
AND IMPACT REPORT  
NOVEMBER 2023

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