



SECTORIAL POLICY

OIL AND GAS

POLICY FOR THE SUPERVISION OF FINANCING AND INVESTMENTS
IN OIL AND GAS EXPOSED ACTIVITIES AND EXIT TRAJECTORY

EXECUTIVE DATE : 01/01/2024

Crédit Mutuel
ARKEA

DE NOUVEAUX LIENS POUR CHANGER DEMAIN

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CRÉDIT MUTUEL ARKÉA, A COMMITTED PLAYER

Crédit Mutuel Arkéa's "Raison d'être" (Purpose) expresses the group's commitment to be an actor in a world that is designed for the long term and takes into account major social and environmental issues.

In May 2022, Crédit Mutuel Arkéa was one of the first French banks to become an "Entreprise à mission". Convinced that a company's performance cannot be solely financial but must be both financial and extra-financial, Crédit Mutuel Arkéa applies this conviction to its own operations and to its interactions with its stakeholders. In order to accelerate the transition to a low-carbon society, Crédit Mutuel Arkéa has committed to adopt a trajectory to align its financing,

compatible with the objectives of the Paris Agreement, by 2030. This commitment has been reinforced by joining the Net Zero Banking Alliance in 2022.

Supporting environmental and social transitions implies engaging in progressive and long-term dynamics alongside all economic actors. Some business sectors are in urgent need of profound change. Such is the case of the energy sector, where the production and use of fossil fuels have a strong, scientifically proved impact on global warming and biodiversity loss. Pollution arising from oil and gas operations has negative impacts, particularly on air and water quality, and consequently on ecosystems. Some of the sector's practices also

have a negative impact on human rights, particularly those of local communities.

Following the position took on coal¹ in 2019, Crédit Mutuel Arkéa wished to reinforce its commitments by formalizing an 'oil and gas' policy, paying particular attention to the challenges of Unconventional Fossil Energy. In this context, **Crédit Mutuel Arkéa is committed to exit the Non-Conventional Fossil Energy players by the end of 2030²**. Since the beginning of 2022, Crédit Mutuel Arkéa has also formalized its financing and investment framework for companies whose activities are linked to fossil fuels, **while promoting energy transition finance within this sector.**

1 - policy available on cm-arkea.com

2 - according to the criteria described in point 3



SCOPE OF THE POLICY

This framework policy applies to **Crédit Mutuel Arkéa's financing and investments related to oil and gas**. The scope of relevant activities within Crédit Mutuel Arkéa is as follows:

- ▶ **Financing activities** carried out by local banks affiliated with the **Crédit Mutuel de Bretagne** and **Crédit Mutuel du Sud-Ouest** federations, **Arkéa Banque Entreprises et Institutionnels**, **Arkéa Banque Privée³** and **Arkéa Crédit Bail**;
- ▶ **Private equity investments**, managed by **Arkéa Capital**;
- ▶ **Investments** made by **Suravenir**,

as part of euro funds management, and **Suravenir Assurances**;

- ▶ **Treasury investments** managed by **Crédit Mutuel Arkéa**;

- ▶ **Proprietary investments** of **Keytrade**.

- ▶ **New investments** made by **Crédit Mutuel Arkéa** and **Arkéa Capital** in funds are subject to exclusion

clauses related to oil and gas.

With the exception of indirect outstanding where Suravenir's control ratio is less than 50%;

These exceptions are to be reviewed annually.

³ - in the event of the realization of the pledges on clients' securities accounts of Arkéa Banque Privée concluded in relation to banking activities

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FRAMEWORK PRINCIPLES

AS OF 1ST JANUARY 2024

Corporates

- ▶ Prohibition of new financing/ investments of/in **players with unconventional fossil energies** representing more than 5% of their annual fossil energy production;
- ▶ Prohibition of financing/ investment for **players involved in exploration of new conventional fossil energy or unconventional fossil energy projects**;
- ▶ Prohibition of financing/ investment to oil/gas sector **players involved in controversies linked to violent conflicts, environmental destruction, local communities human rights violations and/or subject to legal action⁴**.
- ▶ Prohibition of new financing/ investments of/in **players which develop their existing conventional or unconventional fossil energy capacities**;
- ▶ Prohibition of financing/ investment in **MIDSTREAM players which develop pipelines or expand LNG terminal capacity**;

Projects

- ▶ Prohibition of any financing/ investment in a project dedicated to Fossil Energy:
 - > **UPSTREAM projects**: new oil or gas drilling or exploration projects; new oil/gas platforms or extension of existing oil/gas platforms;
 - > **MIDSTREAM projects**: transportation infrastructures (new pipelines or extension of existing pipelines); storage or processing infrastructures (new gas storage and liquefaction terminals or extension of existing terminals).

⁴ - controversies identified by Urgewald's "Global Oil & Gas Exit List" and described on <https://gogel.org/reputational-risk-projects>

BY THE END OF 2030

Beyond these principles, which apply to new financing and investments, the **Crédit Mutuel Arkéa group**, within the scope specified above, is committed to withdraw from players involved in Unconventional Fossil Fuels by the end of 2030, as well as from conventional and unconventional developers.

The following players are concerned by this withdraw:

- ▶ **Players whose unconventional fossil fuels represents more than 5% of annual fossil energy production or which are developing production capacities in unconventional and conventional fossil fuels.**
- ▶ **Actors involved in exploration for new conventional fossil energy or unconventional fossil fuels projects.**
- ▶ **MIDSTREAM players which develop pipelines or expand LNG terminal capacities.**

- ▶ **Players involved in controversies linked to violent conflict, environmental destruction, local communities human rights violations and/or subject to legal action³.**

The targeted players are:

- > **those identified in URGEWALD's GOGEL list ("UPSTREAM" players and "MIDSTREAM" players)**
- > **or whose NACE code is:**
 - 06.10** : extraction of crude oil;
 - 06.20** : extraction of natural gas;
 - 09.10** : support activities for oil and natural gas extraction;
 - 19.20** : petroleum refining;
 - 35.21** : production of gaseous fuels.

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SUPPORTING THE ENERGY TRANSITION

The Crédit Mutuel Arkéa group is committed to support the energy transition of players in the sector. Consequently, the subsidiaries, projects and funding vehicles of these actors, dedicated to the energy transition, are not concerned by the framework principles defined at point 3.

The Crédit Mutuel Arkéa group also supports energy transition projects across the entire value chain.

- ▶ **Projects for the production of biomethane only**
 - > from the methanization of organic waste, waste from the agri-food industry or from wastewater

- treatment plants and biowaste;
- > from landfill gas capture;

- ▶ **Natural Gas for Vehicles (NGV) charging station projects** (Compressed Natural Gas and Liquefied Natural Gas). NGV reduces both CO₂ emissions and fine-particle emissions compared with gasoline or diesel. The provenance of gas will systematically be requested;

- ▶ **Green and pink hydrogen projects** (whose electricity comes from the French electricity mix) only;

- ▶ **Gas-fired heating network projects.** The origin of the gas supplying these heating networks will

be systematically requested;

- ▶ **Cogeneration projects;**

- ▶ **Projects to capture mine gas and convert it into heat or electricity.** Capturing mine gas avoids the emission of methane gas held in mining basins and escaping from galleries into the atmosphere.

These projects can be part of Green Bonds dedicated to energy transition, issued by Crédit Mutuel Arkéa.

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APPLICATION OF PRINCIPLES

The exclusion principles described above apply to each identified company and its subsidiaries, excluding the specific cases of projects and subsidiaries dedicated to the energy transition described in part 4.

In order to implement this policy and to monitor compliance, **Crédit Mutuel Arkéa group** has chosen to rely on the 'Global Oil & Gas Exit List' of Urgewald. The principles previously described therefore apply to the players identified by this list and according to the thresholds below:

- ▶ **Oil and Gas Production:** ≥ 20 million barrels of oil equivalent and ≥ 2 million barrels of oil equivalent on any of the unconventional fossil energies;
- ▶ **Development of oil and gas production capacities:** ≥ 20 million barrels of oil equivalent;
- ▶ **Exploration :** capital expenditure > 10 million USD on average over 3 years. Companies with an

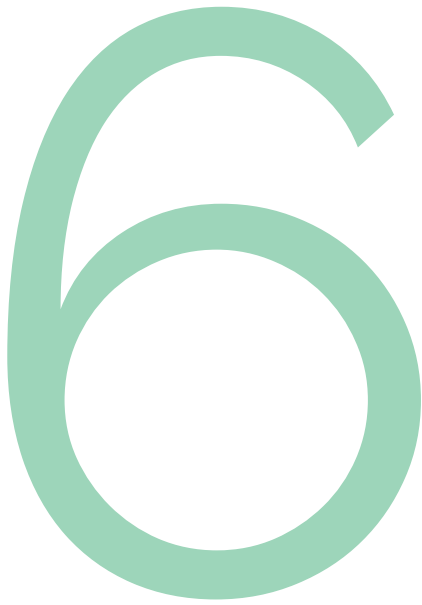
exploration capex below USD 10 million are only included, if they meet another upstream criterion;

- ▶ **Actors developing pipelines or developing LNG terminal capacity:** ≥ 100 km of pipeline development or ≥ 1 million tons/year of capacity (LNG terminal);
- ▶ **Actors involved in controversies:** controversies identified by Urgewald and described on <https://gogel.org/reputational-risk-projects>;

Each group entity covered by this policy is responsible for integrating these principles into its existing financing and investment policies, as well as monitoring and control procedures.

POLICY DEFINITION OF UNCONVENTIONAL FOSSIL OIL:

- > **Fracking:** shale oil, shale gas, tight liquids and gas, oil shale;
- > **Oil sands;**
- > **Offshore ultra-deep:** offshore wells below 1500 m;
- > **Arctic:** geographic definition provided by the Arctic Council's Arctic Monitoring and Assessment Program Assessment Program (AMAP) of the Arctic Council;
- > **Coalbed methane;**
- > **Extra-heavy oil;**
- > **Methane hydrates** are also included in the definition of unconventional fossil fuels. They are taken into account since 2022 in the analysis of financed projects. Regarding the analysis of the players, in case of database absence, they will be taken into account within the limits of the data initially available.



VALIDATION AND REVIEW OF THE POLICY

This policy was approved by the group's Board of Directors on November 26 2021 and has been revised several times since, most recently on December 19 2024.

This policy will be regularly reviewed to ensure that it is consistent with the Crédit Mutuel Arkéa group's progress in addressing ESG-Climate issues and to take into account banking industry recommendations.

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The Crédit Mutuel Arkéa cooperative group is made up of Crédit Mutuel Arkéa, the Crédit Mutuel de Bretagne and Sud-Ouest federations and their member local banks, as well as some forty specialised subsidiaries (Fortuneo, Monext, Arkéa Banque Entreprises et Institutionnels, Arkéa Asset Management, Suravenir, etc.)

