



SUSTAINABLE FINANCE

SERVING THE REGIONS AND THEIR STAKEHOLDERS

March 2023

Crédit Mutuel
ARKEA

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THE FINANCIAL SECTOR HAS A KEY ROLE TO PLAY

In view of the **environmental emergency**, it is essential to support and contribute to a **socially just transition** that promotes everyone's well-being, including that of future generations.

The financial sector has a key role to play in speeding up the transition to a **more sustainable economic growth model**, by taking into account non-financial issues (ESG) alongside financial criteria.



IMPULSER
S'ACTIVER

Crédit Mutuel
ARKEA

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CRÉDIT MUTUEL ARKEA'S INITIATIVES



Crédit Mutuel Arkéa strives to be a **fully engaged player** in this major challenge of building a more sustainable economy and financial approach:

- **by channelling capital** towards investments and financing that benefit society and the environment;
- by reconciling financial performance with social and environmental non-financial performance: **overall performance.**

CRÉDIT MUTUEL ARKÉA'S RAISON D'ÊTRE

We want to be **a player in a world that takes a long-term view** and takes into account **the major societal and environmental challenges facing our planet** for future generations.

We contribute to this by providing **finance that serves the regions and their stakeholders** in a sustainable way and **helps everyone achieve their potential**.

To this end, we have chosen to be **a cooperative and collaborative bank** that promotes **a balanced sharing of value** with its members, customers, employees, partners and regions. A **socially responsible, ethical and inclusive** company that focuses on **respect for its environment**.

Each and every day, we work with our stakeholders to develop **innovative solutions** that help our members and customers achieve their **life goals** and **fulfil their aspirations**.

FINANCE THAT SERVES THE REGIONS AND THEIR STAKEHOLDERS

to support two high-priority transitions

Climate transition and preservation of natural capital

- Climate change mitigation
- Climate change adaptation
- Preservation of biodiversity and ecosystems
- Responsible consumption and production
- Preservation and responsible management of natural resources



Transition to an inclusive and balanced society in the regions

- Local decision-making, job development and creation
- Development of education, training, new skills
- Infrastructure/mobility
- Access to health
- Access to housing
- Support for longer life expectancy
- Access to financial services for as many people as possible



**OPTIMISME
VISION**

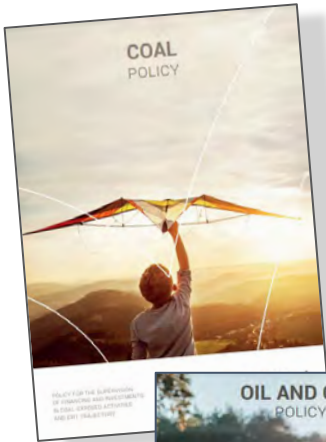
INVESTIR TENTER APPORTER



The **Climate Strategy** formalises the commitments made by the group and its entities to transform financing and investment practices in light of the climate challenge

CHANNELLING FINANCIAL FLOWS TOWARDS THE CLIMATE TRANSITION

ABANDONED ACTIVITIES



Commitment to **exit Coal** by the end of 2027



Commitment to end involvement in **Unconventional Fossil Fuels** by the end of 2030

FINANCING OF ENVIRONMENTAL TRANSITION PROJECTS

€885M

Outstanding loans to individuals at 31/12/2022 for transition finance (Financo, CMB and CMSO): **sustainable mobility, energy renovation, etc.**

€609M

Outstanding loans to companies at 31/12/2022 for transition finance, including €589M in loans to finance renewable energies

CREATION OF SAVINGS PRODUCTS IN SUPPORT OF THE ENVIRONMENTAL TRANSITION

Structured products for individual savers based on **green bonds** or **labelled funds**



Autofocus Climate Transition October 2022



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SUPPORTING SOCIAL ISSUES IN THE REGIONS

COMMITMENTS



Commitment
to support health in
the regions



Commitment to a
**tobacco exclusion
policy in addition** to
the policy on
supporting health.
(tobacco production
and manufacturing
activities and wholesale
trade)

CREATION OF SAVINGS PRODUCTS IN SUPPORT OF SOCIAL ISSUES



€377,000

donated to associations thanks to the **Livret Solidaire passbook account (2022)**

This account allows individual customers to donate, each year, some or all of the interest earned on their savings to public interest associations chosen from the list of partner organisations in four areas: social and housing international solidarity and environment.

Federal Solidaire

In 2022, Federal Finance Gestion launched Federal Solidaire, a specialised fund for professional investors that **strengthens its presence in the Social and Solidarity Economy (ESS) sector.**

To give individual investors access to the ESS, Federal Finance Gestion also offers three solidarity-based **FCPE company mutual funds**

NON-FINANCIAL SUPPORT: NEW SERVICES OFFERED TO CUSTOMERS

COMPANIES

Over €600M at 31/12/2022
in **ARKEA PACT** loans



A credit offering that includes:

- a **regular non-financial assessment** conducted by an external third party;
an interest rate that varies according to changes in the customer's ESG assessment;
- a **report** given to the customer **to help it make improvements.**

FARMERS / WINE GROWERS



A SUPPORT POLICY

An ongoing commitment to operators in **key economic sectors** in Brittany and Nouvelle-Aquitaine, regions where it has long been established

Crédit Mutuel de Bretagne co-finances the **PASS'BAS CARBONE** with the Bretagne Region to help livestock farmers perform a **carbon audit** and identify **possible ways to improve it.**

PRIVATE INDIVIDUALS

PLATFORM SUSTAINABLE HOUSING



Réaliser votre diagnostic

A service that can be used to:

- estimate the **energy performance diagnostics** of housing,
- identify appropriate renovations,
- know the amount of **related assistance**
- and predict possible **energy savings.**

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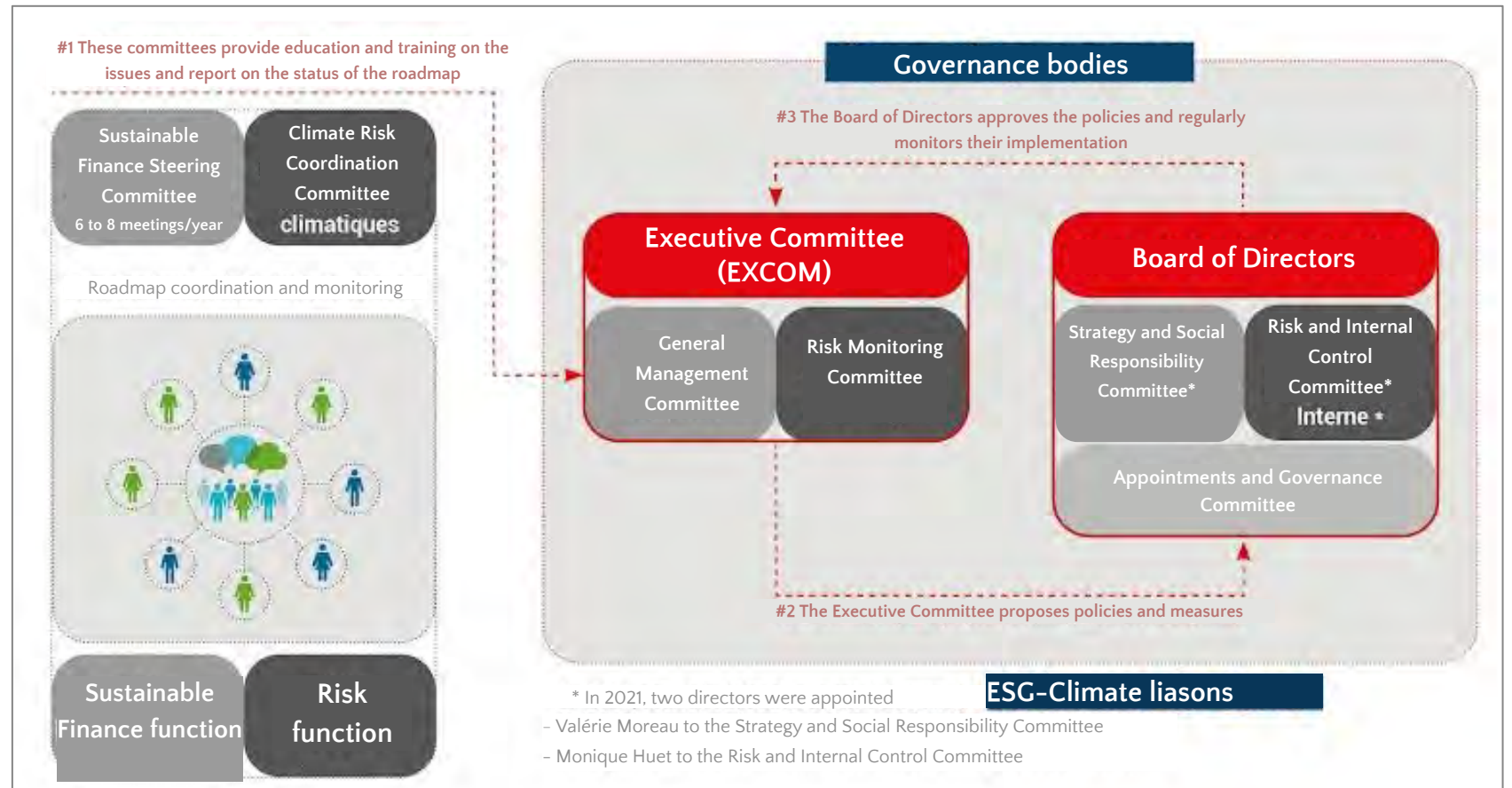
TRANSFORMATION OF THE ORGANISATION

2 TRANSFORMATION OF THE ORGANISATION AND GOVERNANCE

To respond to such critical challenges, **governance and the organisation** must be **adapted** in terms of:

- **committee structure**
- **expertise**

These changes allow for **better integration of sustainability issues into Crédit Mutuel Arkéa's business model transition** in terms of opportunities and risks.



THE ADDED VALUE OF EXTERNAL DIRECTORS

In 2021, two directors, Valérie Moreau and Monique Huet, were appointed as **ESG-Climate Liaisons** on the **Strategy and Social Responsibility Committee** and the **Risk and Internal Control Committee**, respectively.



Valérie Moreau

Valérie Moreau holds a Master's degree in human sciences and business coaching and **specialises in human resources and management.**

She began her career as a consultant at Pôle Emploi, where she then worked for 10 years as a manager, including as a Branch Manager, while also working as a trainer at a management university. In 2020, she formed Auxilium Talents and works as a business coach.

Monique Huet

A graduate of HEC, **Monique Huet has spent her career in the energy sector**, first with EDF and then with Gaz de France.



She was Finance Director of GDF Production Nederland BV in the Netherlands and then of the Exploration & Production Business Unit of the GDF SUEZ group (Engie).

She now provides consulting and training services. She is a certified director at Sciences Po - Institut Français des Administrateurs.

ACQUISITION OF NEW SKILLS

Ongoing educational and training efforts are needed to:

- ensure that employees have **new non-financial skills** to enable them to **advise** customers and take **investment** decisions that combine financial performance and ESG;
- allow **the governance body** to adopt **long-term strategic policies**.

TRAINING



5,500 employees received awareness training at the **Fresque du climat** as of 31/12/2022

Presentations by experts on climate, biodiversity, behavioural contributors and barriers to change aimed at **employees** and **directors**.

Webinars aimed at **customers** on the green taxonomy for business customers, and on energy renovation (Financo).

RECRUITMENT

Integration of new skills into the group through the hiring of **ESG experts** and **environmental engineers**.

PARTICIPATION IN INDUSTRY INITIATIVES

CRÉDIT MUTUEL ARKEA

WE SUPPORT



Since 2015, Crédit Mutuel Arkéa has been involved in the **United Nations Global Compact** social responsibility initiative and its 10 principles on human rights, labour standards, the environment and the fight against corruption.



Signatory of the
**Net-Zero
Banking
Alliance
of UNEP FI**



SUBSIDIARIES



Principles for Responsible Investment



Membership in the FAIR association



Principles for Responsible Investment,
CDP - formerly Carbon Disclosure Project,
Signing of the Paris Call,
Signing of the UNEP FI "Global Investor Statement on Climate Change",
Climate Action 100+,
Finance for Biodiversity Pledge



CDP - formerly Carbon Disclosure Project,
Principles for Responsible Investment,
Finance for Biodiversity Pledge



Manifesto of the International Climate Initiative (2019),
Principles for Responsible Investment,
France Invest Gender Equality Charter



Principles for Responsible Investment

OPTIMISME
VISION

A COMMITMENT TO TRANSPARENCY

To **meet the expectations of its investors, regulators** and its **customers**, the group is strengthening the **transparency** of its actions in support of more sustainable finance: commitments made, concrete actions, indicators.

The group encourages its stakeholders to follow the same approach.

Response to questionnaires and collaboration with:

- non-financial rating agencies that assess the group;
- investors and customers who assess the group's ESG performance.

S&P Global

MSCI

V.E PART OF
Moody's ESG Solutions

SUSTAINALYTICS

CDP
INVESTOR
SIGNATORY

Participation in voluntary initiatives and working groups in the financial industry in support of more sustainable finance

Publication of all commitments made and regular progress reports: Climate strategy, TCFD climate report, etc.





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