



Crédit Mutuel Arkéa has recently set up a new NEU CP ESG programme, which increases its possibilities in terms of sustainable refinancing, while at the same time being a natural part of its overall performance strategy, both financial and extra-financial.

This programme is divided into 3 sub-funds: NEU CP Green, NEU CP Social and NEU CP Sustainability, which allow issuance according to the eligible asset classes defined in Crédit Mutuel Arkéa's Green, Social and Sustainable Bond Framework available on the website at the following address¹:

¹https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_37851/en/green-social-bonds?nav=public

This report completes the allocation and impact report published in September 2022 and only includes the NEU CP ESG issues made in the first half of 2022, in order to take into account the short maturity of the NEU CP (less than or equal to 1 year). Future reporting on ESG NEU CPs will be published on a semi-annual basis.



CONTENTS

1. NEU CP ESG Crédit Mutuel Arkéa issues	6
2. Allocation of amounts raised	7
3. Impact indicators	8
4. Methodology	9
4.1. Eligible housing loans 4.2. Methodology for calculating the impact	9 10
5. Appendix	
Contacts	

1. NEU CP ESG ISSUES CRÉDIT MUTUEL ARKÉA

Crédit Mutuel Arkéa is the first French bank to have issued NEU CP Green through its new NEU CP ESG programme, available on the Banque de France website¹.

¹ https://eucpmtn.banque-france.fr/public/#/liste-des-emetteurs/3f8b9dec-b611-ea11-80f7-001dd8b71ea9

After an inaugural issue in April 2022, the outstanding amount of the programme has grown to 116 million at 30/06/2022.

Détail des émissions :

Date of issue	ISIN	Format	Nominal amount of issue (€M)	Maturity
20/04/2022	FR0127363259	NEU CP Green	50	24/10/2022
25/04/2022	FR0127385005	NEU CP Green	30	27/04/2023
06/05/2022	FR0127410324	NEU CP Green	20	10/05/2023
17/05/2022	FR0127415117	NEU CP Green	16	17/05/2023
		TOTAL	116	





2. ALLOCATION OF AMOUNTS RAISED

As of the date of this report, the amounts raised by Crédit Mutuel Arkéa's NEU CP Green issues have been fully allocated.

Eligible asset categories financed or refinanced by NEU CP Green issues:

Loans for the financing of new housing since 1 June 2013 according to the RT2012* regulation as a minimum requirement.

*RT2012 regulation: primary energy consumption of residential buildings limited to 50kWh/m²/year.

The pool of eligible assets for NEU CP Green consists entirely of housing loans distributed by the Crédit Mutuel de Bretagne network in 2019 for the acquisition of new homes, mainly in Brittany, that comply with the RT 2012 standard (see methodology on page 9).

These are 2,082 loans for 943 customers and a total outstanding capital of €116,047,413 at 30/06/2022.





3. IMPACT INDICATORS

Alignment with the UN Sustainable Development Goals (SDGs)



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



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

According to the methodology described on page 9, the 2,082 loans selected for these emissions and granted by Crédit Mutuel de Bretagne to individuals for the purchase of new homes that meet the RT2012 standard make it possible to save 17,113,140 kWh/EP/year of energy and avoid 4.7 TCO2eq/year of emissions.





4. METHODOLOGY

4.1 Eligible housing loans

Housing financed by housing loans granted for less than 36 months to individuals for the purchase or construction of a new home (subject of the loan: «new purchase», «construction only», «construction + land», «VEFA purchase») are considered to comply with the RT 2012 standard, which has been mandatory in France since 01/01/2013 for the construction of new housing.

Pool erosion

The pool of eligible assets may be eroded by loan repayments or early repayments. Every six months, an assessment is made of the outstanding capital of the loans in the pools. If erosion is noted, new eligible loans are added to the pool so that its total amount remains equal to that of the associated issue.

Refinancing of pool loans in case of non-renewal by the investor

In the event that part of the loans in the pool of eligible assets is no longer refinanced because a NEU CP maturing is not renewed, refinancing will be provided by Crédit Mutuel Arkéa until a new investor is found and the amount of outstanding NEU CP ESG becomes equal to that of the asset pool.





4.2 Methodology for calculating the impact

The estimated impact of housing financed by housing loans granted by the local branches affiliated to the Fédération du Crédit Mutuel de Bretagne is defined according to two key indicators:

- Annual energy savings in primary energy (KwhEP/year) and,
- Annual greenhouse gas emissions avoided (TCO2eq).

In the context of housing loans granted to individual customers, Crédit Mutuel Arkéa does not currently have all the actual data required to calculate these impact indicators. Therefore, to estimate them, the choice was made to use the statistical data made available by the Ministry of Ecological Transition, the Ademe (Agency for the Environment and Energy Management) and the OID (Sustainable Property Observatory).

Two assumptions were also made:

- For individual customers' projects: 100% of the impact of the home is attributed to Crédit Mutuel Arkéa financing
- It is possible that the same home is financed by several loans from the eligible asset pool. In order not to count the same home several times in the impact calculation, we consider all the loans in the pool of the same client identifier as a single loan, so that: number of client identifiers = number of loans = number of dwellings. Thus the 2,082 selected loans are counted as 946 for the impact calculation.

Regarding energy data:

The RT2012 regulation reduces the energy consumption ceiling to $50 \, \text{kWhep/m}^2$ an (primary energy calculation). A conservative assumption has been made that homes complying with the RT2012 regulation have an energy performance of $50 \, \text{kWhep/m}^2$ an. Each asset therefore has a default energy performance of $50 \, \text{kWhep/m}^2$ an.

The quantification of the energy savings depends on the choice of the reference scenario. As all the selected housing loans finance dwellings located in Brittany, the most relevant baseline identified is the average primary energy consumption of dwellings in the Brittany region. According to data from the H2 climate zone revealed by the Phébus survey of the Ministry of Ecological Transition (Enquête Performance de l'Habitat, Équipements, Besoins et Usages de l'énergie), it amounts to 251 kWhEP/m²an in 2018 in the Brittany region. For comparison, the average primary energy consumption of housing in France is 243 kWhEP/m². an according to the OID. The energy saving can decrease every year if the average primary energy consumption of housing in France decreases. To estimate the annual energy saving per dwelling, the average surface area of dwellings in France of 90m2 according to INSEE has been used.

To estimate the annual energy saving in primary energy:

Annual primary energy saving of a dwelling (KwhEP/year) = (Average energy consumption of dwellings by climatic zone (kWhEP/ m^2 .an) - RT2012 energy consumption ceiling (kWhEP/ m^2 .an)) * average surface area





Regarding data on greenhouse gas (GHG) emissions:

The «avoided emissions» indicator aims to calculate the GHG emissions avoided by the financed housing compared to the emissions of a reference scenario. The calculation of the emissions of the financed housing is carried out using the annual energy saving described above and the average emission factor linked to the energy consumption of the housing in France.

To make the calculation, it is necessary to convert the estimated primary energy into final energy (1 kWh = 2.3 kWhEP).

The average emission factor of the energy consumption of housing in France depends on its energy mix. According to the SDES (Service des données et études statistiques du Ministère de la Transition Écologique), gas represents 31% of the energy mix of housing in France (all uses combined). For simplicity and in order not to overestimate the avoided emissions, the assumption that the energy mix used is 69% electricity and 31% gas and that it does not include wood and fuel oil was taken. The emission factor for housing energy consumption in France is estimated from the emission factors for the electricity and gas mix in France estimated by Ademe in 2020. The methodological details of the emission factors can be consulted on the SDES and Ademe websites, for more information.

To estimate the avoided emissions per dwelling per year, the following calculation is therefore made:

Avoided emissions per dwelling (kg CO2eq/year) = Annual primary energy savings of a dwelling (KwhEP/year)*2.3*Average emission factor related to the energy consumption of the dwelling in France (kgCO2/kwh)

To calculate the total annual avoided emissions of the portfolio, the estimated result per dwelling is multiplied by the number of housing loans outstanding for the financing of the dwellings.





APPENDIX



KPMG S.A.
Registered office
2 Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France

Tel: +33 (0)1 55 68 86 66 Fax: +33 (0)1 55 68 86 60 Website: www.kpmg.fr

Crédit Mutuel Arkéa

Independent practitioner's limited assurance report on selected information published in the NEU CP ESG Allocation and Impact Report as of 30/06/2022, related to the "NEU CP Green" issuances by Crédit Mutuel Arkéa in April and May 2022.

Crédit Mutual Arkéa

1, rue Louis Lichou 29480 Le Relecq-Kerhuon This report contains 5 pages and 1 page of appendix



KPMG S.A. Registered office 2 Avenue Gambetta CS 60055 92066 Paris la Défense Cedex France

Tel· +33 (0)1 55 68 86 66 +33 (0)1 55 68 86 60

Website: www.kpmg.fr

Crédit Mutuel Arkéa

Registered Office: 1, rue Louis Lichou, 29480 Le Relecq-Kerhuon

Independent practitioner's limited assurance report on selected information published in the NEU CP ESG Allocation and Impact Report as of 30/06/2022, related to the "NEU CP Green" issuances by Crédit Mutuel Arkéa in April and May 2022.

To the President of Crédit Mutuel Arkéa,

In our capacity, and appointed, as external reviewer of the NEU CP ESG Allocation and Impact Report (the "Report") of Crédit Mutuel Arkéa (the "Company"), and in accordance with your request, we have undertaken a limited assurance engagement on the following information detailed in the Report ("the Information"), available on the company website:

- the allocation, as of June 30, 2022 of funds raised by Crédit Mutuel Arkéa, through the Negotiable European Medium Term Green Commercial Paper issued in April and May 2022 ("the Issuing") contained in the NEU CP ESG Allocation and Impact Report
- the projects financed by the Issuing and identified as eligible by the Company ("Eligible Projects");

The Information has been prepared in the context of the Green, Social & Sustainability Bond Framework defined by the Company, and in accordance with the basis of preparation set out in section 4.1 of the Report, available on the Company website1.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the section "Summary of the work we performed as the basis for our assurance conclusion" and the evidence we have 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 Green, Social & Sustainability Bond Framework and with the basis of preparation set out in section 4.1 of the Report (see below under "Understanding how Crédit Mutuel Arkéa has prepared the Information").

¹ https://www.cm-arkea.com/banque/assurance/credit/mutuel/c 37866/fr/page-de-contenu-green-social-<u>bonds</u>



Understanding how Crédit Mutuel Arkéa has Prepared the Information

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure sustainability 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 Green, Social & Sustainability Bond Framework as well as the basis of preparation set out in section 4.1 of the Report.

Crédit Mutuel Arkéa responsibilities

Management of Crédit Mutuel Arkéa are responsible for:

- Selecting or establishing suitable criteria for preparing the Information;
- Selecting the Eligible Projects regarding the eligible criteria;
- Preparation of the Information in compliance with the Issuing, the Green, Social & Sustainability Bond Framework and the basis of preparation set out in section 4.1 of the Report.
- 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 responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Information is free from material misstatement, whether due to fraud or error:
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of Crédit Mutuel Arkéa.

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.

However, we have no responsibility for:

- Challenging the eligibility criteria as defined in the the Green, Social & Sustainability Bond Framework, and, in particular, we give no interpretation on the final terms of this Framework;
- Forming an opinion on the effective use of the funds allocated to the Eligible Projects after such funds have been allocated.



Professional Standards Applied

We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board].

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants].

In addition, [our firm applies International Standard on Quality Control 1 and accordingly] we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements, [professional standards] and French professional guidance.

Our work was carried out by an independent and multidisciplinary team with experience in sustainability reporting and assurance.

Summary of the Work we Performed as the Basis for our Assurance Conclusion

We used our professional judgement to select procedures for our limited assurance engagement, and to assess the risk of material misstatement in the Verified Information, whether due to fraud or error.

To assess this risk, we took into account the Company's internal controls on the preparation of the Verified information in order to design appropriate assurance procedures, and not to express a conclusion as to the effectiveness of the Group's internal control system.

We conducted several interviews with the persons responsible for preparing the Verified Information, with those in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures.

Our work entailed:

- identify the persons responsible for the collect of information regarding the Report Information within the Company and, if applicable, for internal control and risk management procedures;
- assessing the robustness of the reporting procedures in terms of relevance, completeness, reliability, neutrality and understandability;
- verify the existence of internal control and risk management procedures implemented by the entity;
- verify the consistency of the published information presented in the Report with the accounting records and underlying data;





- review 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, 2022;
- 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 Green, Social & Sustainability Framework;
 - verify the concordance of the amounts of the projects as of June 30, 2022, 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, 2022.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

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, October 28 2022

KPMG S.A.

Fanny Houlliot
Partner
ESG Center of Excellence

Arnaud Fromont Partner



Appendix

2. ALLOCATION OF AMOUNTS RAISED

As of the date of this report, the amounts raised by Crédit Mutuel Arkéa's NEU CP Green issues have been fully allocated.

Eligible asset categories financed or refinanced by NEU CP Green issues:

Loans for the financing of new housing since 1 June 2013 according to the RT2012* regulation as a minimum requirement.

*RT2012 regulation: primary energy consumption of residential buildings limited to 50kWh/m²/year.

The pool of eligible assets for NEU CP Green consists entirely of housing loans distributed by the Crédit Mutuel de Bretagne network in 2019 for the acquisition of new homes, mainly in Brittany, that comply with the RT 2012 standard (see methodology on page 9).

These are 2,082 loans for 943 customers and a total outstanding capital of €116,047,413 at 30/06/2022.

CONTACTS

Laurent GESTIN

Head of Investor Relations laurent.gestin@arkea.com

Boris OMNES

Front Office
Treasury & Funding
boris.omnes@arkea.com

Maëva BOUREL

Project Manager Sustainable Finance maeva.bourel@arkea.com