

**ALLOCATION AND IMPACT
REPORT
SOCIAL & GREEN BONDS**

September, 2022

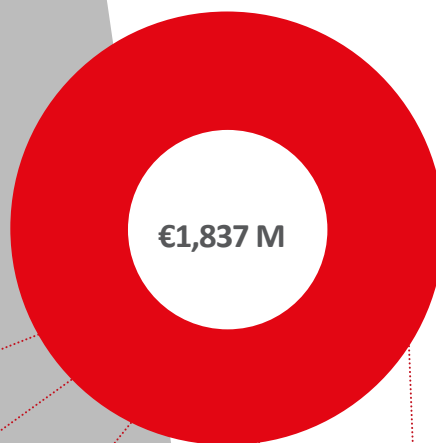
Crédit Mutuel
ARKEA



KEY FIGURES

€1,837 M

of Social & Green Bond
issues



100 %

of amounts
raised already
allocated as at
31/12/21

6

Eligible
asset categories

Social housing

Health and care

Education

Energy transition

Renewable energy

Territorial economic
development

in 15 French
regions

more than
2,500
SMEs

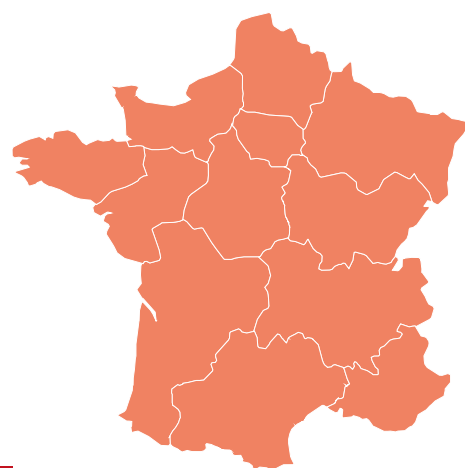
Contributing
to the financing of

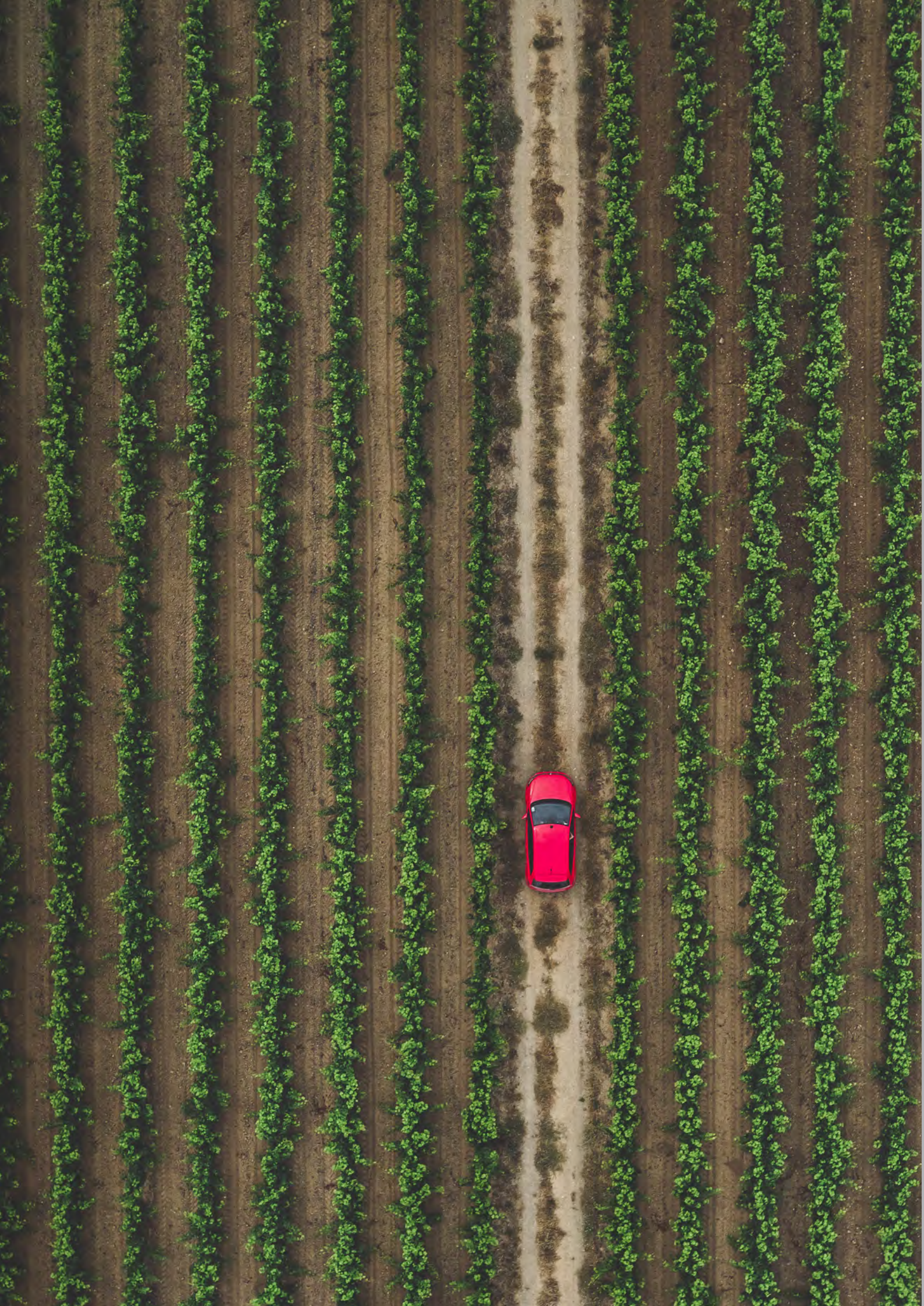
27
hospitals

or more than
35,000 places

13 photovoltaic
plants

more than
4,800
photovoltaic panel
installations in private
homes





CONTENTS

1. Sustainable finance at Crédit Mutuel Arkéa group	6
1.1. The key role of finance	6
1.2. Crédit Mutuel Arkéa's commitments	6
1.3. Concrete actions	8
2. Crédit Mutuel Arkéa's Social & Green Bonds	10
2.1. Social Bond issues	10
2.2. The Green Bond issue	11
3. Allocation of the amounts raised	12
3.1. Categories of eligible assets	13
3.2. Selection and validation process of eligible loans	14
3.3. Categories of eligible assets per issue	15
3.4. Summary of the allocation of the amounts raised by the issue	15
3.5. Focus by issue	21
4. Impact Indicators	27
4.1. Key figures	27
4.2. Impact data by eligible asset class and by issue	28
5. Methodology	37
5.1. General information	37
5.2. Loans eligible for a Social Bond	38
5.3. Loans eligible for a Green Bond	40
6. Disclaimer	43
7. Appendix	
Contacts	

1. SUSTAINABLE FINANCE AT CRÉDIT MUTUEL ARKÉA GROUP

In the face of the climate emergency, it is essential to speed up the ecological transition. All stakeholders must work together to ensure **a socially just transition for the well-being of all**, including future generations.

In this context, where experts are warning about the climate, **societal issues are closely linked to environmental issues**, in particular employment, education, access to health care, access to housing, financial inclusion, etc. **These necessary environmental and societal transitions** carry both risks, which it is important to consider and control, and development opportunities for the territories and their actors, which should be seized.

1.1. The key role of finance

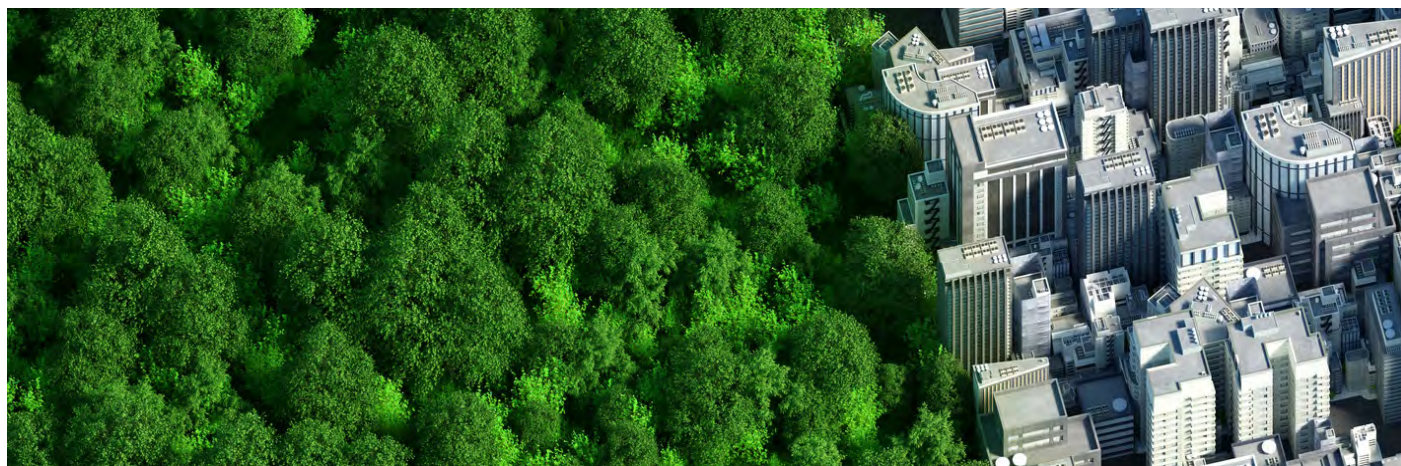
Paradigm shifts are necessary, new business models need to be invented to contribute, in particular, to achieving the commitments of the 2015 Paris Agreement, which aims to limit global warming to 2°C.

To develop, the economy relies on the capital provided by finance. **The financial sector therefore has a key role to play in limiting the impacts of global warming and accelerating the shift to a more sustainable economic growth model.**

Crédit Mutuel Arkéa intends to be a committed player in this major challenge of building a more sustainable economy and finance. Accordingly, the banking group aims to reconcile financial and non-financial (social and environmental) performance, and seeks to direct capital more towards investments and financing that have beneficial effects for society and the environment.

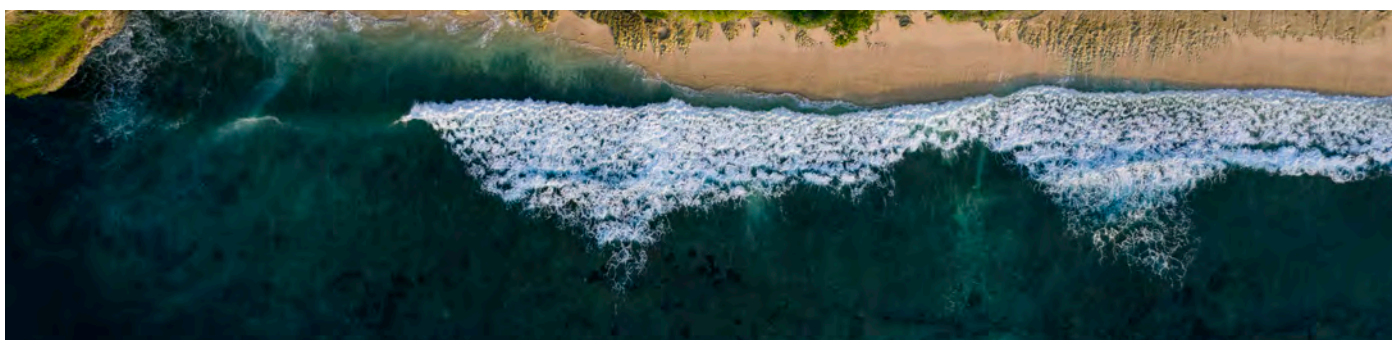
1.2. Crédit Mutuel Arkéa's group commitments

With a view to making an active contribution to the challenges of the future, the Crédit Mutuel Arkéa group is committed to providing finance that serves the regions and their stakeholders over the long term, in order **to support environmental and social change**. The group's actions focus on two transitions that it considers to be priorities: the climate transition and **the transition to an inclusive and balanced society**. The group is thus contributing to the sustainability of ecosystems, whether ecological or economic.



Climate transition and preservation of natural capital	Transition to an inclusive and balanced society in the territories
- Climate Change Mitigation - Climate change adaptation - Preservation of biodiversity and ecosystems - Responsible consumption and production - Preservation and responsible management of natural resources	- Local decision making, development and job creation - Development of education, training, new skills - Infrastructure/mobility - Access to health - Access to housing - Support for the extension of life expectancy - Access to financial services for as many people as possible
        	   

These commitments, supported by the group, are intended **to contribute primarily to the nine United Nations Sustainable Development Goals (SDGs)**. The United Nations Sustainable Development Goals are an international reference framework that sets 17 objectives to be achieved by 2030 by the States of the world and provides for a significant contribution from the private sector.



1.3. Concrete actions

These strong commitments are reflected in concrete actions in the group's various activities.

The Crédit Mutuel Arkéa group is working to **integrate ESG (environmental, social and governance) criteria into its investment and financing activities:**

- The **Climate Strategy 2020-2024** sets out the commitments of the group and its entities to transform financing and investment practices with regard to climate change by 2024. **A first climate report**, responding to the recommendations of the TCFD (Taskforce on Climate-Related Financial Disclosure), was published in 2021.
- The Group has adopted **sectoral policies for coal (2020) and oil and gas (2021)**, committing to a total phase-out of coal by the end of 2027 and of unconventional fossil fuels by the end of 2030. They are regularly updated.
- More specifically, Crédit Mutuel Arkéa is working to **steer capital more towards investments and financing that take environmental and social issues into account.**
 - In terms of financing, **outstanding loans to individuals for financing the transition** (sustainable mobility, energy-efficient home renovation, etc.) totaled €414 million, while **outstanding loans to businesses for financing the transition** totaled €516 million, including €506 million for financing renewable energy.
 - The PACT loan, launched by Arkéa Banque Entreprises et Institutionnels in 2020, which encourages SMEs and SMIs to improve their ESG performance, accounted for €500 million in outstandings. (figures as of 31/12/2021).
 - Finally, **41% of the annual refinancing program and structured investment campaigns are carried out through Green or Social Bonds issued by the group** (in 2021).

In addition to these actions, the group and its subsidiaries participate in and support **market initiatives** and recognized commitments to sustainable finance.

- Since 2015, Crédit Mutuel Arkéa has been committed to the **United Nations Global Compact** social responsibility initiative and its 10 principles on human rights, labour standards, the environment and anti-corruption.

- In 2021, Crédit Mutuel Arkéa became a member of **Finance for Tomorrow** and actively participates in the workshops that bring together various financial players. Last year, Crédit Mutuel Arkéa also signed the **Finance for Biodiversity Pledge** and the **Principles for Responsible Banking**. We also joined the Taskforce on Climate-Related Financial Disclosure (TCFD) and **the Carbon Disclosure Project (CDP)**.

To achieve its sustainable finance goals, Crédit Mutuel Arkéa is aware that it is essential **to mobilize the company's governance and employees**. With this in mind, two women directors, Valérie Moreau and Monique Huet, have been appointed **ESG-Climate Leaders** for 2021, on the Strategy and Corporate Social Responsibility Committee and the Risk and Internal Control Committee respectively.

In 2021, **more than 5,000 employees received training to raise awareness of sustainable finance and the integration of climate change issues in the financing and investment businesses.**

Lastly, the Sustainable Finance roadmap is being steered by a **particularly structured and highly involved governance structure**. Since 2021, a **Sustainable Finance Management Committee**, which reports to the Group's Executive Committee, has been responsible for driving the sustainable finance approach in the Group's businesses. Strategic orientations and commitments are then proposed to **the Strategy and Corporate Social Responsibility Committee**, which reports to the Board of Directors. **The Risk and Internal Control Committee** is also involved in the environmental risk monitoring system. Operational monitoring is carried out by the Sustainable Finance Department, which regularly reports on the progress of the roadmap to the governance bodies.

Sustainable finance within the cooperative and collaborative banking group is an integral part of Crédit Mutuel Arkéa's raison d'être. Formalized in 2020, it reflects our close relationships and local roots, our responsibility in action, our long-term culture, innovation to help our customers and partners carry out their projects, and inclusion and solidarity with all our stakeholders. The actions we have already taken and the increase in our dedicated resources bear witness to our determination and energy to take part in the transitional challenges facing our local and regional communities and, more broadly, our planet.



2. Crédit Mutuel Arkéa's Social & Green Bonds

Social & Green Bonds are fully in line with Crédit Mutuel Arkéa's ESG strategy, as defined in the Transitions 2024 plan, which aims to support customers and territories in their social and environmental transition projects.

This report refers to the Social & Green Bonds issued by Crédit Mutuel Arkéa until December 31, 2021.

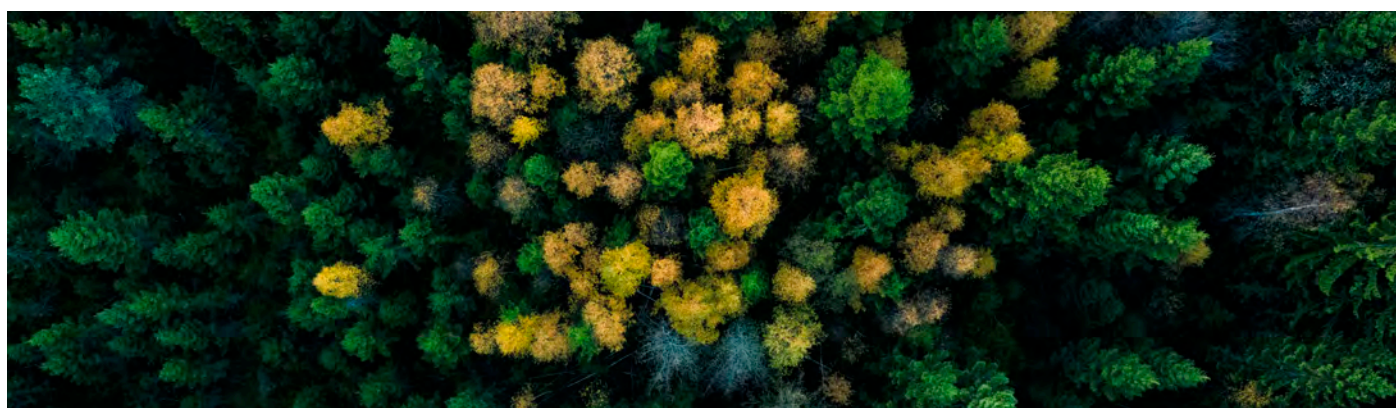
2.1. Social Bond issues

After an inaugural issue in 2019, for a nominal amount of €500 million, Crédit Mutuel Arkéa carried out two public Social Bond issues in 2020 and 2021:

- A second public issue for €750 million, carried out during the health crisis. This bond issue has a «Covid-19» connotation: its objective is to help mitigate the effects of the effects of the pandemic on the French economy and society.
- A third public issue, for an amount of €500 million, to be carried out in March 2021 and aimed at refinancing loans granted to the social housing sector in France.

Crédit Mutuel Arkéa's Social Bonds issues (settlement date before 31/12/2021)

Year of issue	ISIN	Format	Nominal amount of issue (€M)	Settlement date	Due date
2019	FR0013450822	Senior Preferred	500	03/10/2019	03/10/2028
2020	FR0013517307	Senior Non Preferred	750	11/06/2020	11/06/2029
2021	FR0014002BJ9	Senior Non Preferred	500	11/03/2021	11/03/2033
		TOTAL	1,750		



2.2. Green Bond issues

Crédit Mutuel Arkéa has designed the Sérénité Globe and Perspectives Globe products, structured investments marketed by the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks in 2020 and 2021 for Sérénité Globe, and since 2021 for Perspectives Globe.

These savings products, which are eligible for life insurance and ordinary securities accounts, are based on Green bond issues. The funds raised, a total of €87.3 million since the end of 2020, are intended to refinance eligible projects dedicated to renewable energy and the energy transition.

In addition, the performance of the products is assessed according to the evolution of the EURO iSTOXX® Ocean Care 40 Decrement 5% Index, an index composed of 40 companies from the STOXX® universe, selected as the best in implementing sound policies for efficient water management.

Crédit Mutuel Arkéa's structured Green Bond issues (settlement date before 31/12/2021)

Year of issue	ISIN	Product name structured	Forms	Amount issued	Settlement date	Expiry date
2020	FR0013536919	Sérénité Globe Décembre 2020	Senior Preferred	8,0	09/11/2020	07/01/2031
2021	FR00140000J6	Sérénité Globe Février 2021	Senior Preferred	13,8	11/01/2021	17/03/2031
2021	FR0014002JK0	Perspectives Globe Juin 2021	Senior Preferred	21,1	03/05/2021	07/07/2031
2021	FR00140042O4	Perspectives Globe Octobre 2021	Senior Preferred	33,3	14/09/2021	17/11/2031
2021	FR0014005NE8	Perspectives Globe Décembre 2021	Senior Preferred	11,1	08/11/2021	12/01/2032
		TOTAL		87,3		



3. ALLOCATION OF AMOUNTS RAISED

As at the date of this report, the amounts raised by Crédit Mutuel Arkéa's Social and Green Bonds issues have been fully allocated.

	2019	2020		2021	
	Social Bond Issue (FR0013450822)	Social Bond Issue (FR0013517307)	Green Bond Issue structured (FR0013536919)	Social Bond Issue (FR0014002BJ9)	Green Issue Bond structured (FR0014000OJ6, FR0014002JK0, FR00140042O4, FR0014005NE8)
Share of proceeds already allocated to date	100%	100%	100%	100%	100%
Refinancing share	100%	70%	100%	83%	84%
Share of new financing	0%	30%	0%	17%	16%

NB : The refinancing portion corresponds to loans granted before the value date of the bond. The share of new financing corresponds to loans granted after this date.



3.1. Eligible asset class

Crédit Mutuel Arkéa's «Green, Social and Sustainability Bond Framework» («the framework») defines the use of amounts raised in section 4.1:

- The amounts raised through the issue of green and social bonds will be used to «finance and/or re-finance, in whole or in part eligible green or social loans, i.e. loans and/or investments made in France or in Europe by Crédit Mutuel Arkéa and/or its subsidiaries up to 36 months prior to any green or social bond issue and falling within categories of eligible green or social loans that meet the eligibility criteria listed below;
- The categories of eligible green or social loans and the eligibility criteria were reviewed in February 2022 by Moody's ESG Solutions, as part of the work carried out for the issuance of a «Second Party Opinion» on the opinion on the framework.

Eligible asset classes financed or refinanced by Social Bonds issues

(settlement date before to 31/12/2021)



Social housing

Loans dedicated to the financing of regulated social housing projects:

- Prêt d'Accession Sociale (PAS)
- Loans to social housing landlords



Health and care

Loans dedicated to the financing of medical care centers including:

- Public hospitals
- Medical-social centers such as facilities for the elderly



Education

Loans dedicated to the financing of primary and secondary primary and secondary schools and vocational training institutions vocational training institutions, including:

- Construction and/or renovation of buildings and premises
- Specific programs, educational materials, furniture and other equipment



Territorial economic development

Loans dedicated to the financing of territorial economic development activities of local economic actors and/or public interest organizations of public interest:

- SMEs
- Local authorities
- Actors of the Social and Solidarity Economy (SSE) such as the Communal Social Action Centers (CCAS)
- Associations



Eligible asset classes financed or refinanced by Green Bond issues

(settlement date before 31/12/2021)



Renewable energy

Loans for the acquisition, development, operation and decommissioning of renewable energy activities

- Wind farms (on-shore and off-shore)
- Photovoltaic power plants
- Biomass (direct emissions < 100gCO₂/kWh)
 - limited to sources that are not suitable for human consumption,
 - does not compete with deplete existing terrestrial carbon pools (i.e. agricultural or forestry residue)
 - includes anaerobic digestion of bio-waste
- Geothermal (direct emissions < 100gCO₂/kWh)



Energy transition

Including loans for energy saving works:

- ECO-PTZ loans
 - Complementary" ECO-PTZ loans
 - Other energy transition loans with the exclusion of any activity directly dedicated to fossil fuels
- Installation of solar panels (for individuals and SMEs)
 - Acquisition of private vehicles such as electric, hybrid (direct emissions ≤ 85g CO₂/pkm for light vehicles) and hydrogen.

3.2. Selection and validation process of eligible loans

Eligible loans were selected according to selection procedures established for each of the Crédit Mutuel Arkéa group entities concerned. The eligibility of the loans selected and financed/refinanced by the Social and Green Bonds has been validated by Crédit Mutuel Arkéa's Sustainable Bonds Committee, whose role is defined in section 4.2 of the framework.

It should be noted that the selection process includes a controversy search based on a sample of borrowers (legal entities) whose loans have been selected.



3.3. Categories of eligible assets per issue

(settlement date before 31/12/2021)

Eligible asset classes	2019	2020		2021	
	Social Bond issue (FR0013450822)	Social Bond issue (FR0013517307)	Social Bond issue structured (FR0013536919)	Social Bond issue (FR0014002BJ9)	Structured Green Bond issues (FR0014000OJ6, FR0014002JK0, FR00140042O4, FR0014005NE8)
Social housing	X			X	
Health and care	X	X			
Education	X				
Territorial economic development		X			
Renewable energy			X		
Energy transition					X

3.4. Summary of the allocation of the amounts raised by the issue

The funds raised by the Social and Green Bonds were allocated as follows:

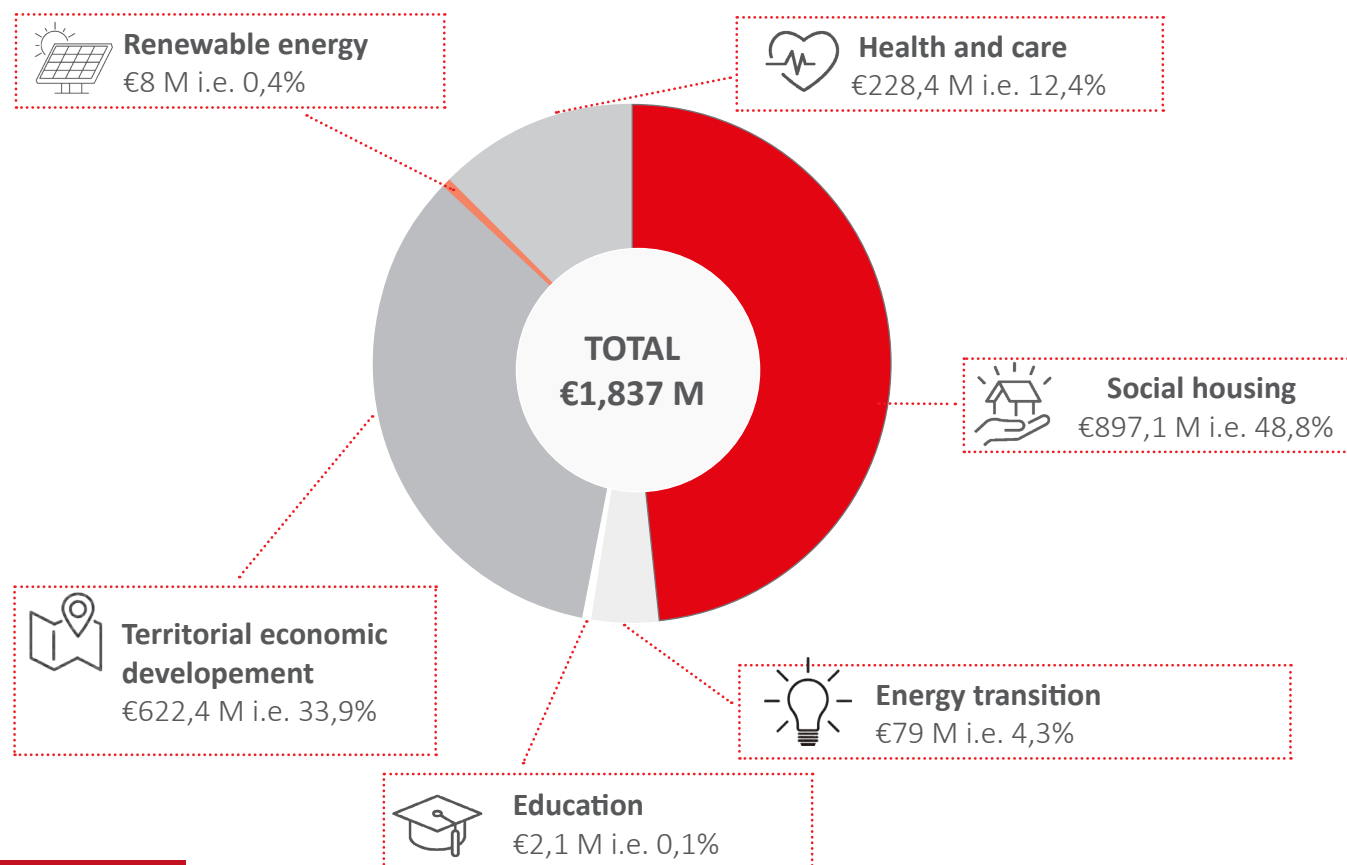
By eligible asset class

Eligible asset classes	Number of loans	Allocated proceeds (€M)	Allocated proceeds (%)
SOCIAL BOND			
Social housing	1,868	897,1	48,8
Health and care	680	228,4	12,4
Education	2	2,1	0,1
Territorial economic development	4,791	622,4	33,9
Subtotal Social Bond		1,750	95,3
GREEN BOND			
Renewable energy	1	8	0,4
Energy transition	4,849	79	4,3
Subtotal Green Bond		87	4,7
TOTAL		1,837	100

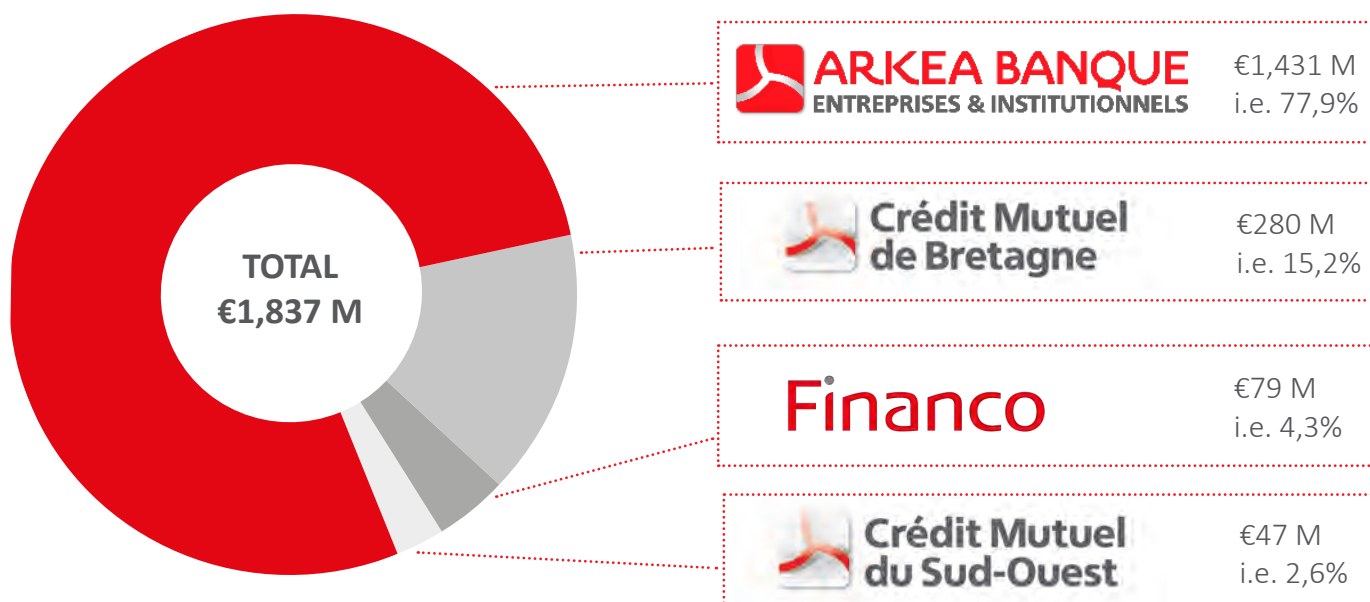
By eligible asset class and issue

Year of issue	ISIN	Green/ Social	Category of eligible assets	Number of loans	Amounts allocated (M€)	Amounts allocated (%)
2019	FR0013450822	Social	Social housing	1,774	397	79,4
			Health and care	14	101	20,2
			Education	2	2	0,4
			Subtotal	1,790	500	100
2020	FR0013517307	Social	Territorial economic developement	4,791	622	82,9
			Health and care	666	128	17,1
			Subtotal	5,457	750	100
2020	FR0013536919	Green	Renewable energy	1	8	100
			Subtotal	1	8	100
2021	FR0014002BJ9	Social	Logement social	94	500	100
			Subtotal	94	500	100
2021	FR0014000OJ6 FR0014002JK0 FR00140042O4 FR0014005NE8	Green	Energy transition	4,849	79	100
			Subtotal	4,849	79	100
			TOTAL	12,191	1,837	100

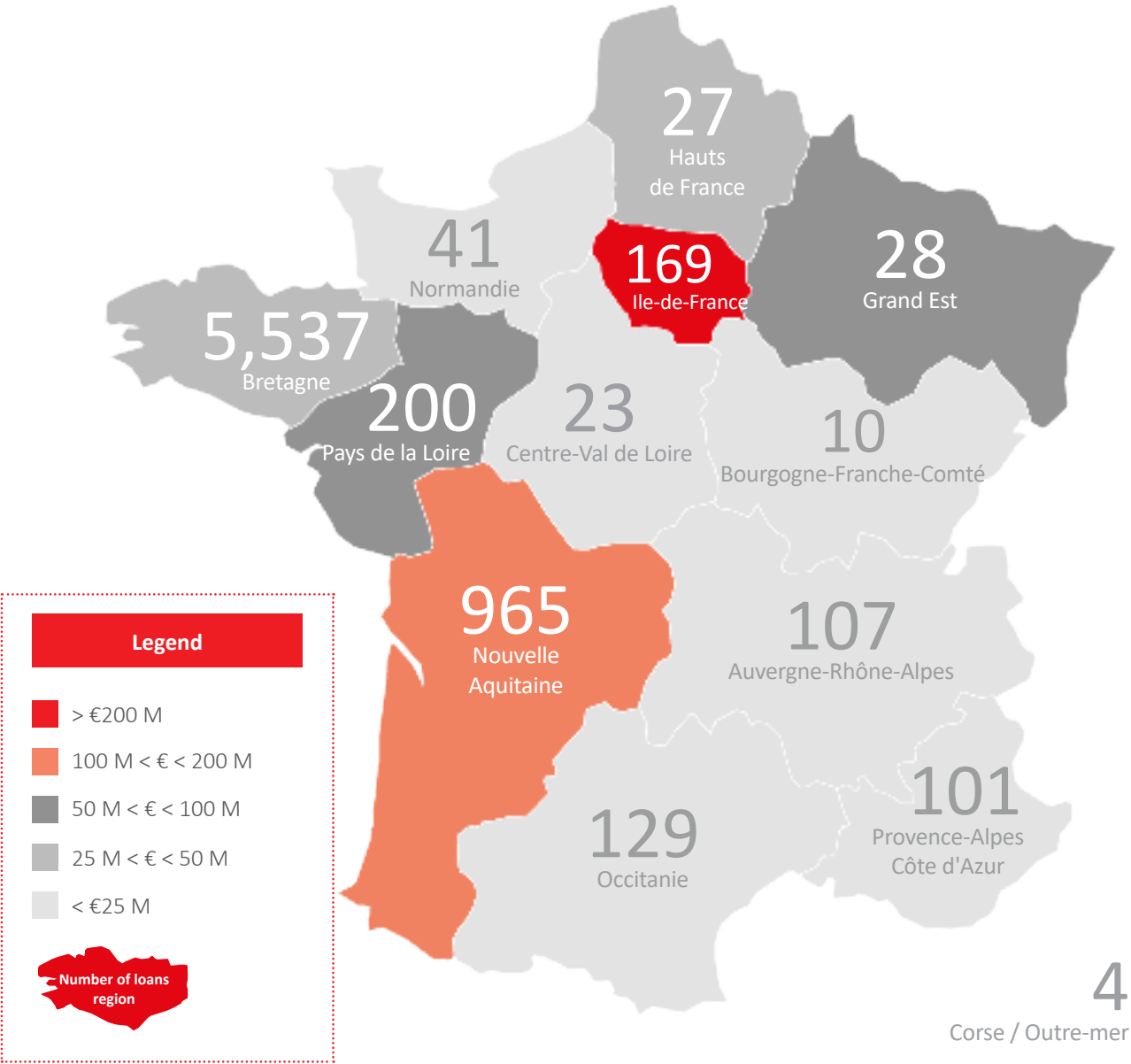
Breakdown of the allocated proceeds by eligible asset category



Breakdown of amounts allocated by lending entity



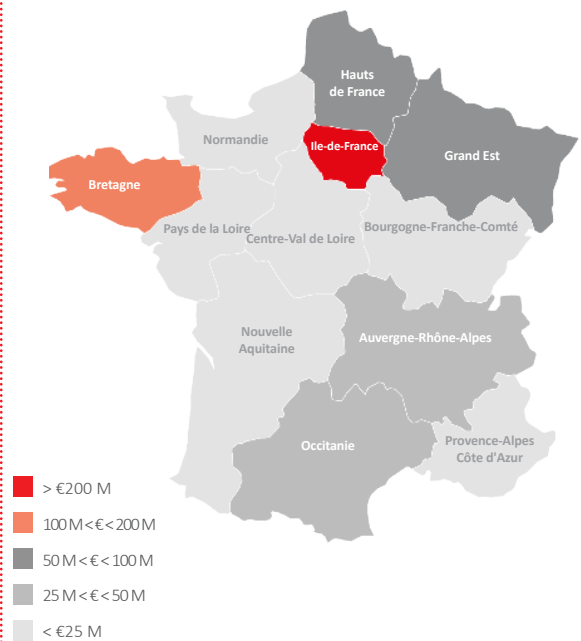
Geographical breakdown of loans financed/refinanced by Social and Green Bond issues
by eligible asset category



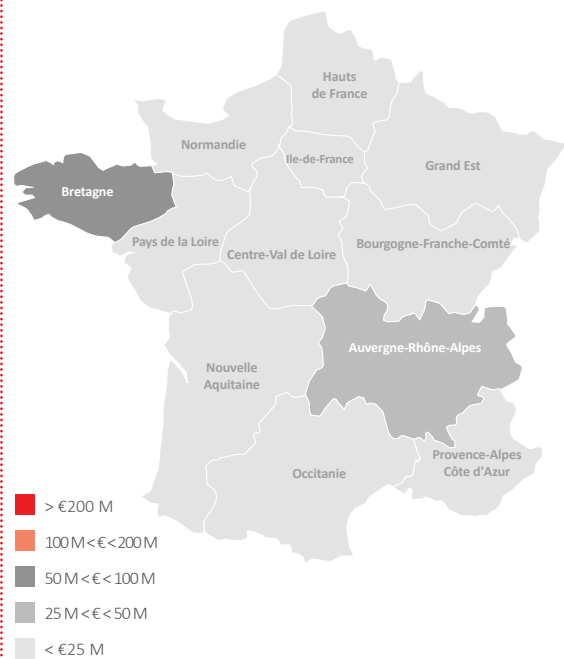
Geographical breakdown of loans financed/refinanced by Social and Green Bond issues
by eligible asset category



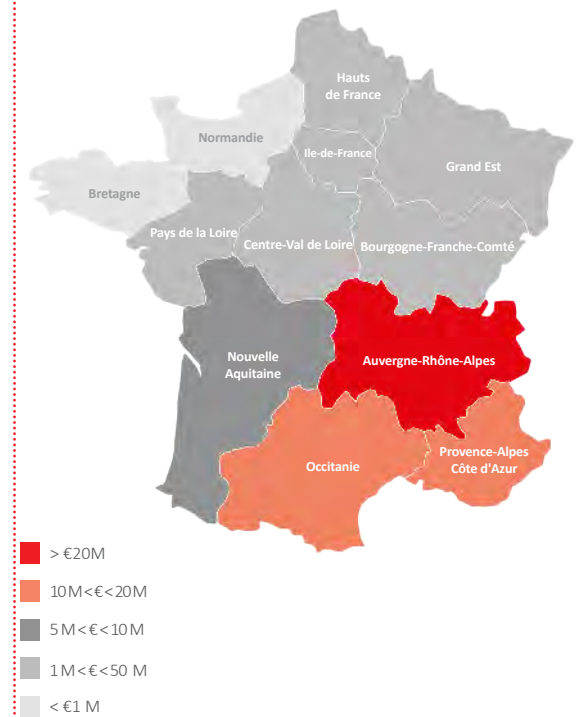
Social housing



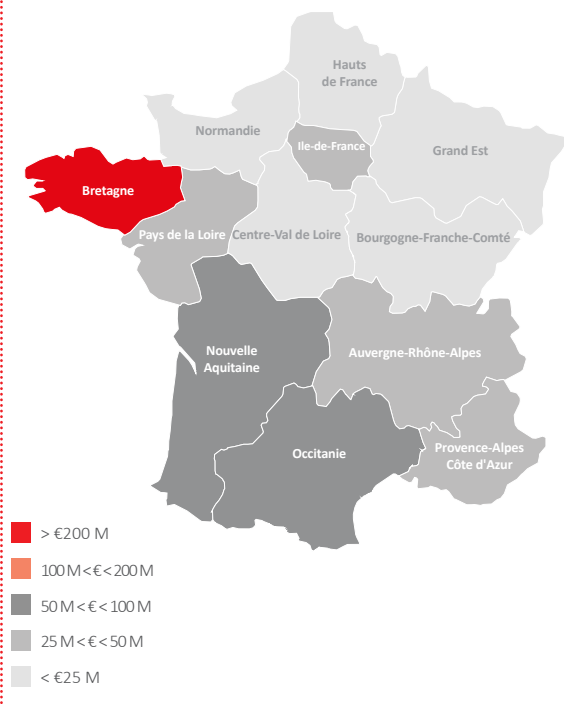
Health and care



Energy transition



Territorial economic
development





Education

The Social Bond refinanced loans issued in 2019 are for the construction and renovation of buildings and premises located in New Aquitaine, specific programs, the purchase of educational equipment or furniture.



Renewable energy

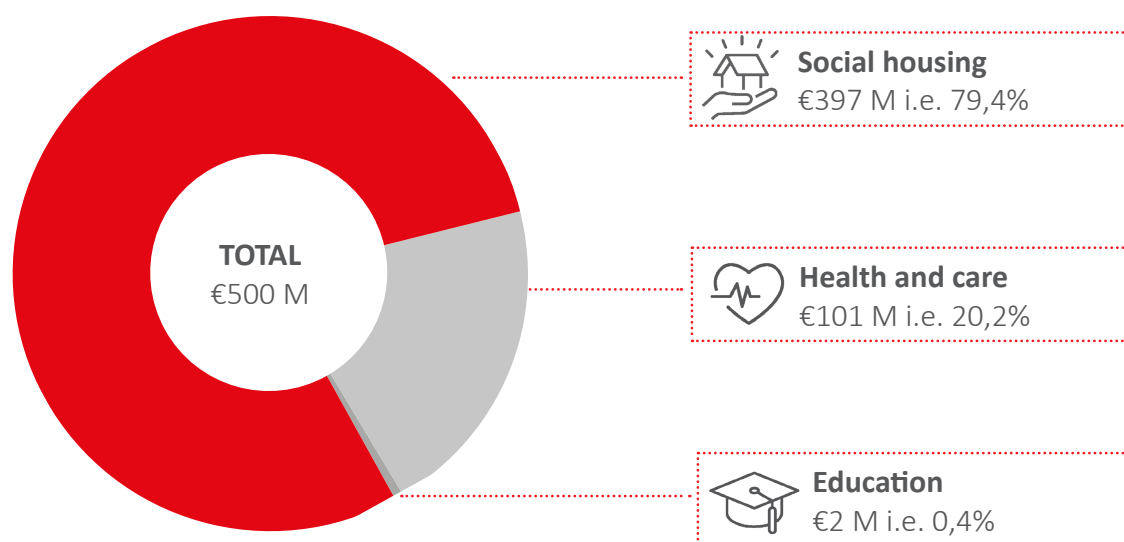
The 13 photovoltaic power plants refinanced by the Green Bond issue in 2020 are located in the Nouvelle Aquitaine and Provence-Alpes-Côte-d'Azur regions.



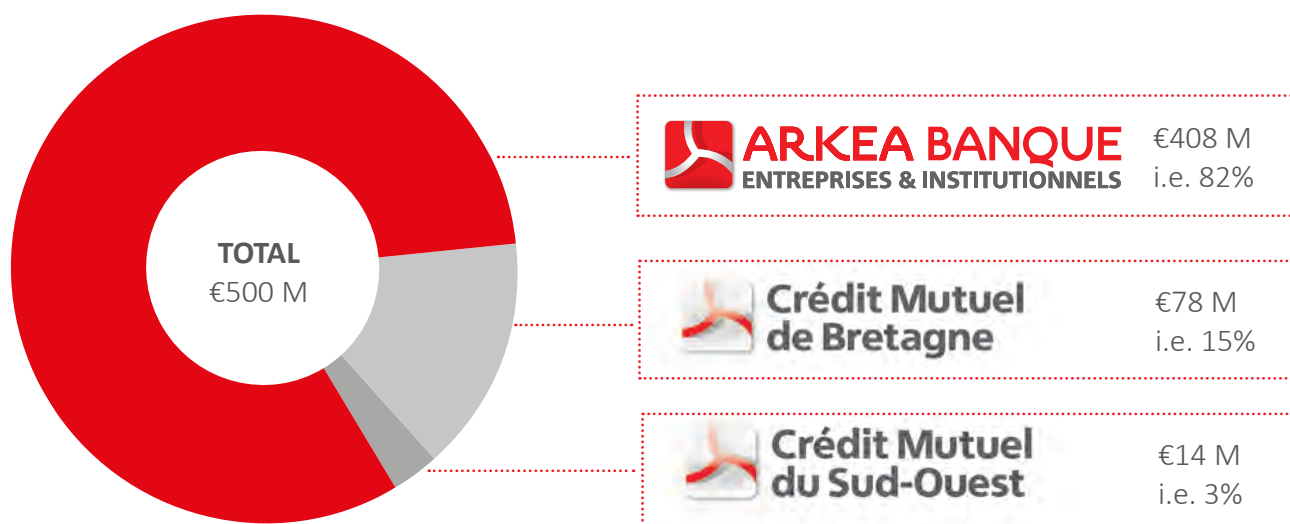
3.5. Focus by bond issue

2019 Social Bond issue (FR0013450822)

Breakdown of allocated by eligible asset category



Breakdown of refinanced loans by lending entity



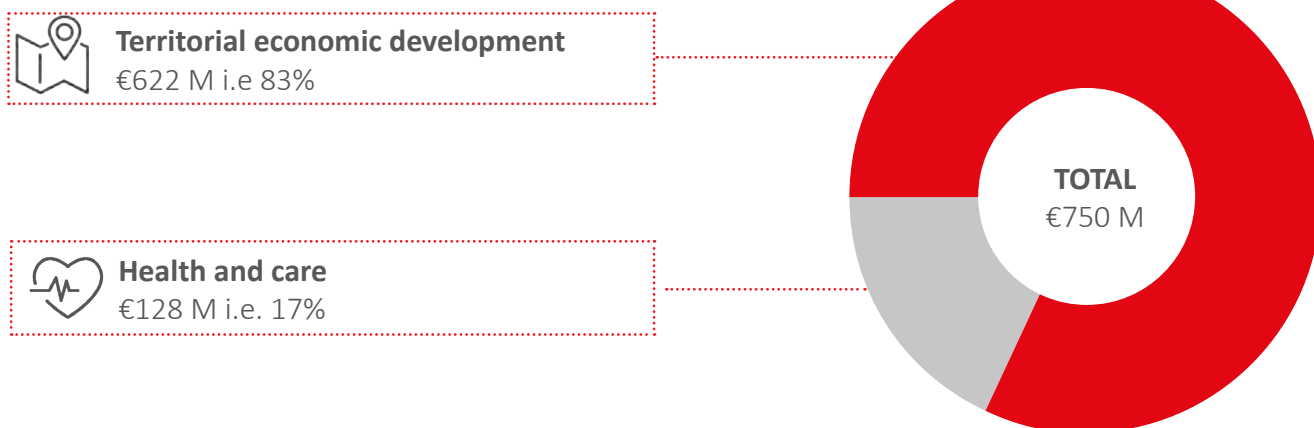
Allocation by type of borrower

Type of borrower	Outstanding loan (€)	Number of loans
Social housing players (public housing offices and private housing organisations)	304,057,683	26
Other social housing players	12,500,000	1
Individuals (PAS)	88,881,126	1,748
Hospitals	91,836,634	10
Other health institutions	603,259	3
Education	2,121,319	2
TOTAL 2019 Emission Social Bond issue (FR0013450822)	500,000,020	1,790

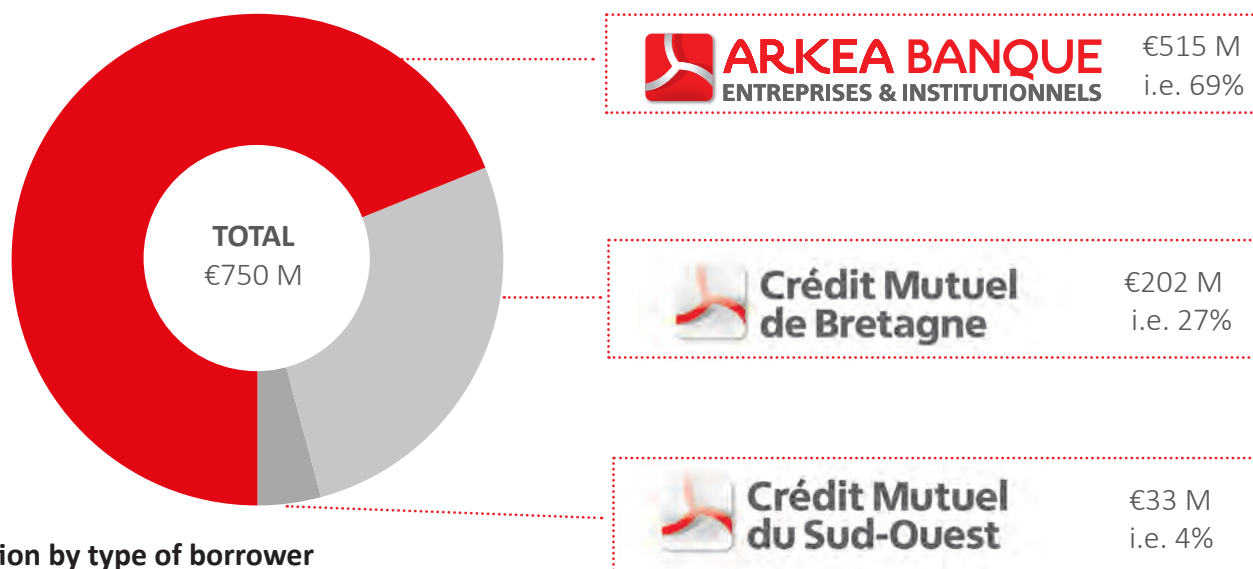


2020 Social Bond issue (FR0013517307)

Breakdown of allocated proceeds by eligible asset category



Breakdown of refinanced loans by lending entity

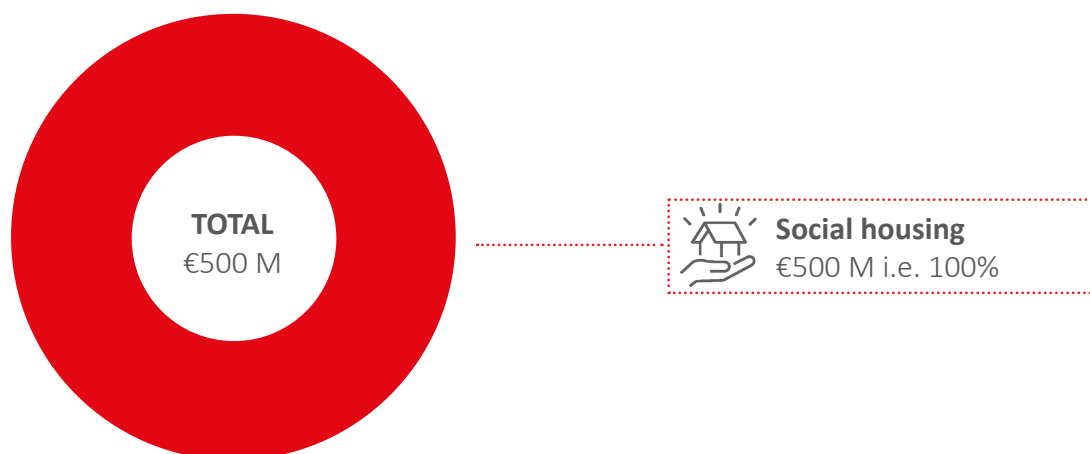


Allocation by type of borrower

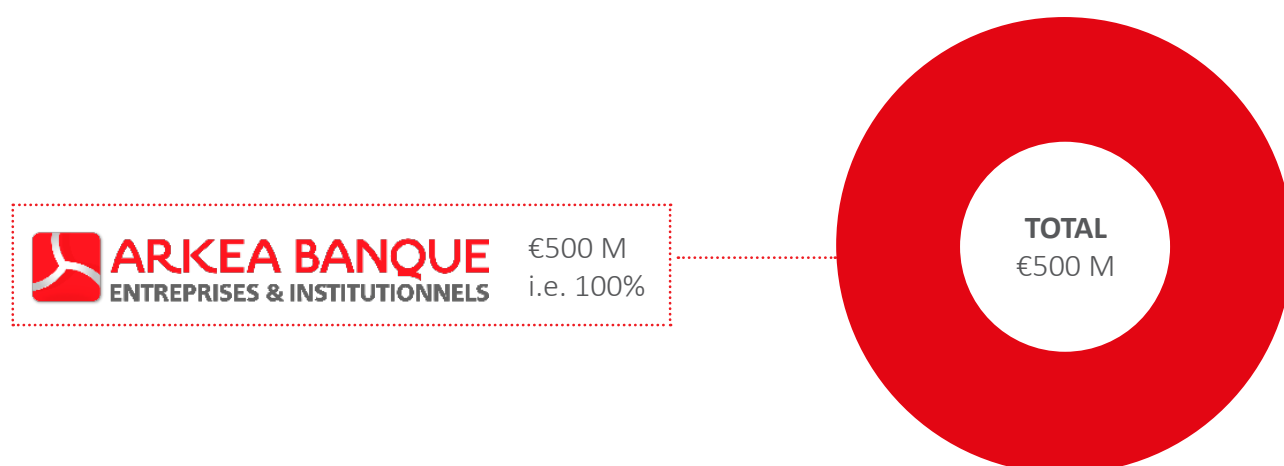
Type of borrower	Outstanding loan (€)	Number of loans
Hospitals	96,090,761	22
Medical laboratories	19,840,122	18
Institutions for dependent elderly people (EHPAD)	784,670	2
Other health professionals	10,910,866	624
SME's	622,373,800	4,791
TOTAL 2020 Social bond issue (FR0013517307)	750,000,219	5,457

2021 Social Bond issue (FR0014002BJ9)

Breakdown of allocated proceeds by eligible asset category



Breakdown of refinanced loans by lending entity



Allocation by type of borrower

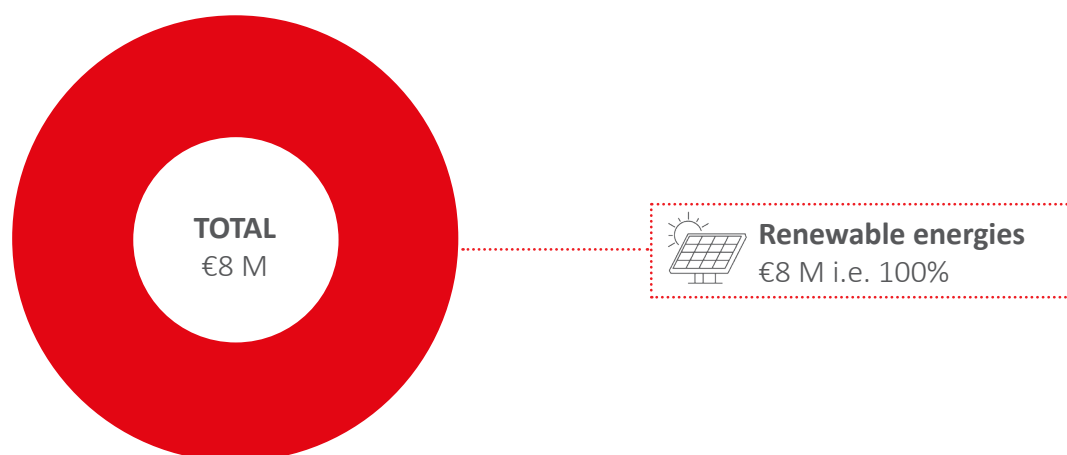
Type of borrower	Outstanding loan (€)	Number of loans
Social housing players (public housing offices and private housing organisations)	500,226,650	94
TOTAL 2021 Social bond issue (FR0014000OJ6, FR0014002JK0, FR00140042O4, FR0014005NE8)	500,226,650	94

2020 Green Bond issue (FR0013536919)

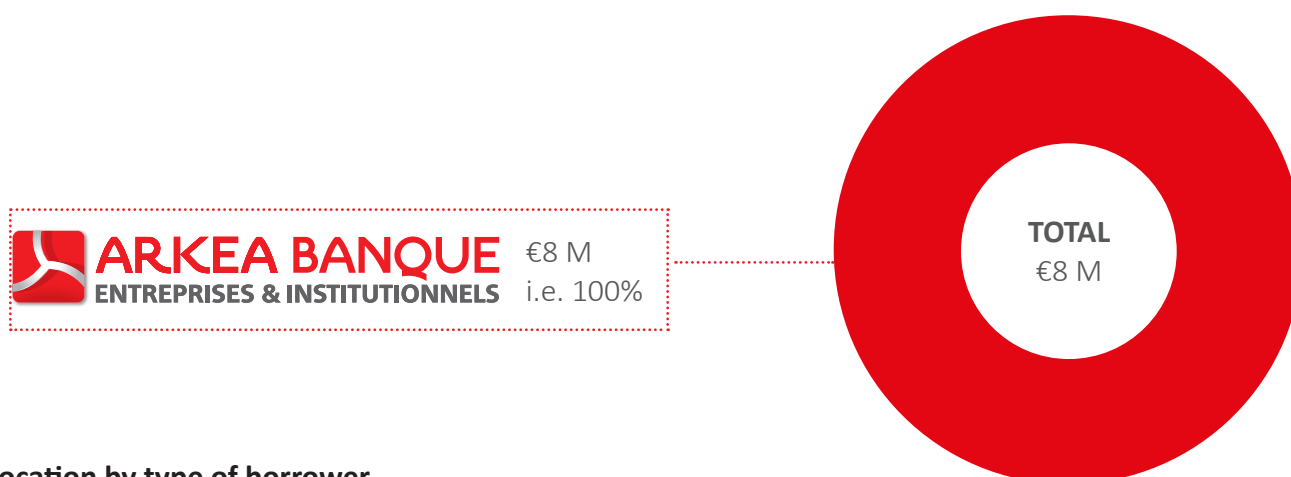
The amount of the structured Green Bond issue (€8 M), carried out at the end of 2020 by Crédit Mutuel Arkéa, was allocated in full to the partial refinancing of a €10 million loan granted by Arkéa Banque Entreprises et Institutionnels to a company specialised in the development of solar energy in France.

The purpose of this loan is to refinance a portfolio of 13 photovoltaic power plants commissioned in 2017 and 2018 in the Nouvelle-Aquitaine and Provence-Alpes-Côte d'Azur regions.

Breakdown of allocated proceeds by eligible asset category



Breakdown of financed/refinanced loans by lending entity

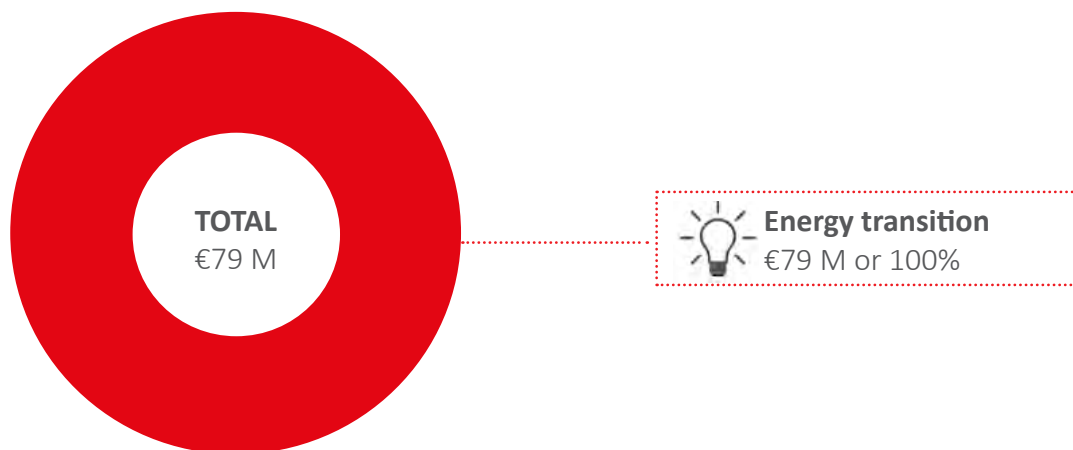


Allocation by type of borrower

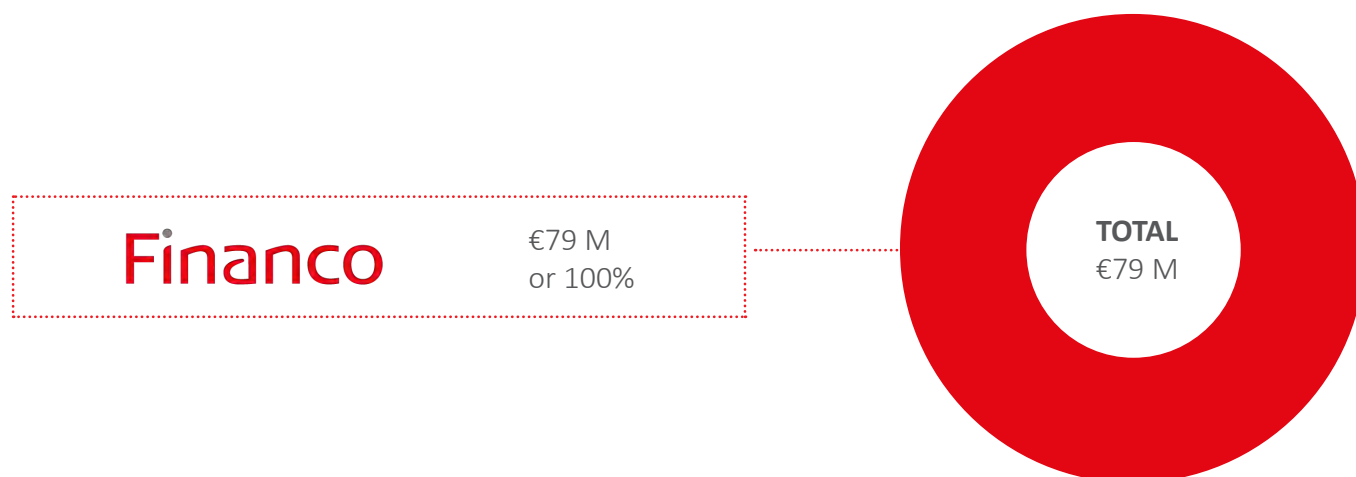
Type of borrower	Eligible asset class	Capital outstanding (€)	Number of loans	Partial Refinancing (€)
Electricity producer	Renewable energies <i>Photovoltaic power plants</i>	8,823,167	1	8,000,000
TOTAL 2020 Green Bond issue (FR0013536919)		8,823,167	1	8,000,000

2021 Green Bond issue (FR0014000OJ6, FR0014002JK0, FR00140042O4, FR0014005NE8)

Breakdown of amounts allocated by category of eligible assets



Répartition des prêts financés/refinancés par entité prêteuse



Allocation by type of borrower

Type of borrower	Eligible asset class	Outstanding capital (€)	Number of loans
Individuals	Energy transition (for the installation of photovoltaic panels)	79,316,737	4,849
TOTAL Structured Green Bond 2021 (FR0014000OJ6, FR0014002JK0, FR00140042O4, FR0014005NE8)		79,316,737	4,849

4. Impact Indicators

4.1. Key figures

**2,500
people**

on low income
helped to buy
a home



**1,332
tons**

of CO₂
emissions
avoided/year

Co-funding of health
facilities for a total
capacity of



35,000 places

more than

€620 M



of loans
granted to SMEs

**1,350
students**



benefitting
from education
projects

4.2. Impact data by eligible asset category and by bond issue



Social housing

Alignment with the UN Sustainable Development Goals (SDGs)



10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.

2019 Social Bond issue (FR0013450822)

Prêt d'Accession Sociale (PAS)¹

- **994 real estate projects** completed, financed by **1,748 loans** (fully financed) and benefiting **2,500 people**
- On average, **2.5 people** occupy the housing units concerned
- These real estate projects are spread over **24 French departments** and **6 regions**

Loans to social housing landlords

Majority contributions¹
in full funding:

- **1,275 beneficiaries**
- **4,902 units**

Minority contributions¹
to full funding :

- **21,776 beneficiaries**
- **9,468 units**

Emission Social Bond 2021 (FR0013450822)

Loans to social housing landlords

Majority contributions¹
in full funding :

- **4,638 beneficiaries**
- **2,118**

Minority contributions¹
to full funding :

- **33,882 beneficiaries**
- **15,015 units**

¹ See. Methodology, page 37.



Alignment with the UN Sustainable Development Goals (SDGs)



4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

2019 Social Bond issue (FR0013450822)

Full financing of the construction and/or refurbishment of school buildings and premises

Création of new classrooms to receive more than 100 additional pupils within 3 years in a school with 389 pupils (primary education)

Full funding of specific programs, teaching materials, furniture and other equipment for schools

Building of a new sports hall in a school and a new Documentation and Information Centre in a secondary school with 1,250 pupils.





Alignment with UN Sustainable Development Goals (SDGs)



3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.

2019 Social Bond issue (FR0013450822)

Public hospitals

Majority contributions¹ to construction or renovation projects:

- Creation of a nursery for nursing staff with 59 cribs, following the expansion of a hospital
- Creation of a **training institute for nurses**
- Création of a training institute for nurses aides

Minority contribution¹ in constructions or renovation projects:

- Construction of a new inter-communal hospital with capacity for **317 additional patients**
- Renovation of a hospital to accommodate **642 new patients**
- Refurbishment of a hospital to accommodate **1,693 additional patients**

Participation Minority interests¹ in capital budgets:

- For a **1,315-bed hospital**
- For a hospital **with 2,542 beds**

¹ See. Methodology, page 37.

Full funding for of medical-social centers such as facilities for the elderly

- **Construction of an institution for 100 dependent elderly people**
- **Construction of a psychiatric hospital for 300 patients**
- Purchase of medical beds, shower trolleys and patient lifts to accommodate additional disabled patients
- **Renovation and expansion of the premises of an association for autistic children, increasing its capacity by 40%.**
- **Purchase and renovation of a building** to accommodate additional disabled patients.



Health professionals

- **€11.7 million in loans to healthcare professionals granted by Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest after 30/06/2019 ¹**
- **Selected loans whose purpose is likely to have the most positive impact in addressing the health crisis.** These are mainly loans to finance the purchase of equipment, tools and rolling stock.

Establishments of Accommodation for Dependent Elderly People (EHPAD)

- **Creation of a new EPHAD with 120 places and development of an alternative care offer to EPHAD (60 places) within a hospital group**
- **Minority financing¹ for the purchase of the business of a retirement home with a capacity of capacity of 80 places (+20 day places)**

Laboratories

- **Total funding of €18.6 million granted to two pharmaceutical laboratories, including €7.2 million** in funding for the consolidation of several laboratories in Brittany and Normandy, which perform Covid-19 screening tests.

¹ See. Methodology, page 37.

Public hospitals

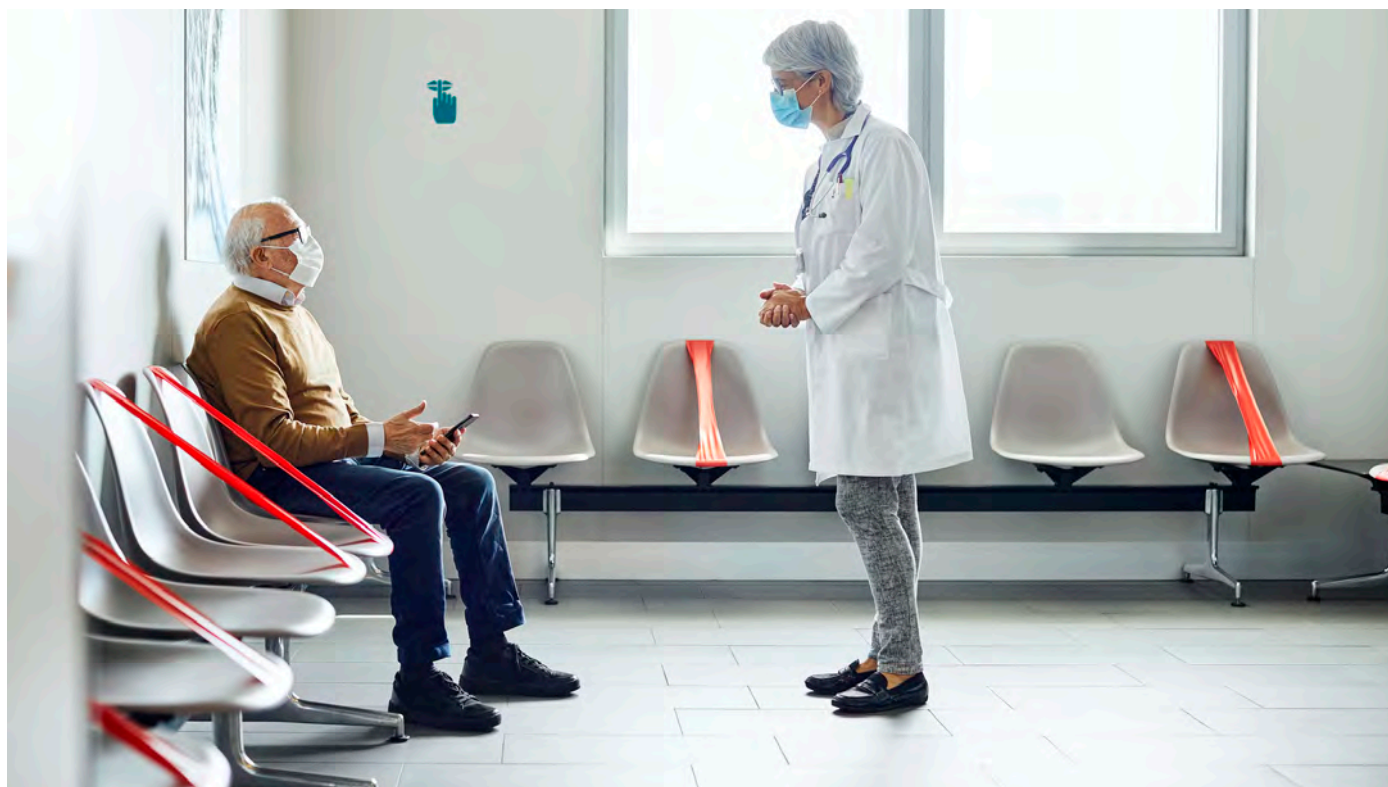
Majority contribution¹ in the financing of 9 projects concerning 9 hospitals with a total capacity of 10,572 patients: €36.2 M

- Works and equipment in the context of **renovation projects**
- Equipment **rehabilitation** and **modernisation**
- Rehabilitation of the structures of a child and adolescent **psychiatric center** and renovation of a **specialised care home**
- Current investments to maintain **the quality of patient care**
- Modernisation of an **analysis laboratory**
- **Complete renovation** and **extension of the birth rooms of a hospital**

Minority contributions¹ in the financing of 13 projects concerning 11 hospitals with a total capacity of 18,121 patients: €59.9 M

- Work to bring a **hospital up to electrical and safety standards**
- Creation of a **park with 320 additional spaces** for a hospital
- Extension and **rehabilitation of a hospital**, creation of a multidisciplinary **consultation center**
- **Renovation** work, regulatory **safety** on the whole of a **University Hospital Centre**, renewal of equipment and information system
- Construction of a **medico-educational institute with a capacity of 77 places**
- Renovation and extension of a **nurse training institute**
- **Modernisation of two psychiatric units**

¹ See. Methodology, page 37.





Territorial economic development

Alignment with the UN Sustainable Development Goals (SDGs)



1.2 By 2030, reduce at least half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.



8.3 P 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.



10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

2020 Social Bond issue (FR0013517307)

In addition to contributing to territorial economic development, in line with Crédit Mutuel Arkéa's Transitions 2024 strategy, one of the objectives of the Social Bond issue carried out in 2020 is to maintain sustained support for SMEs at the height of the economic and health crisis resulting from the Covid-19 pandemic. To this end, the selection of eligible assets in the "Territorial Economic Development" category, for a total of over €622 M, includes:

SMEs classified as "Covid 19" ("CV 19" SMEs)

€458 M of loans refinanced or financed¹

¹ See. Methodology, page 37.

SMEs not classified as "Covid 19" (SMEs "outside CV 19")

€164 M in loans refinanced or financed¹

¹ See. Methodologie, page 37.







Renewable energy

Alignment with the UN Sustainable Development Goals (SDGs)



7.2 By 2030, increase significantly the share of renewable energy in the global energy mix.



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

2020 Green Bond structured issue (FR0013536919)

The impact calculated for the loan refinanced by the Green Bond issued in 2020 concerns the share of emissions avoided annually by the production of the photovoltaic power plants refinanced by Arkéa Banque Entreprises et Institutionnels.

The methodology used for this calculation is detailed in section 5, "Methodology", page 37.

Number of photovoltaic plants refinanced	13
Operations start date	2017 : 1 plant
	2018 : 12 plants
Technology	Mono/Polycrystalline
Total power of the plants	121,75 MWc
Total production of the plants	152,5 GWh
Share of Arkéa Banque Entreprises et Institutionnels financing	11,33%
Unit CO2 gain per kwh produced (gCO2/kWh)	69
Annual CO2 gain (tCO2/year)	10,523
Share of Crédit Mutuel Arkéa (tCO2/year)	1,192

2021 Green Bond structured issue (FR00140000J6, FR0014002JK0, FR00140042O4, FR0014005NE8)

According to the methodology described on page 40, the 4,849 loans selected for these emissions and granted by Financo to individuals for the installation of photovoltaic panels make it possible to produce 15,516,800 kWh/year of energy and avoid 139,651 KgCO2eq/kWh/year of emissions.

5. METHODOLOGY

5.1. General information

Refinancing / financing

Refinanced loans are loans with an origination date prior to the settlement/delivery date of the bond issue. Financed" loans are loans with an origination date later than the settlement/delivery date of the bond issue.

Erosion of the pool

The pools of eligible assets associated with each issue may be eroded as a result of the amortization of loans or early repayments. Each year, an assessment is made at December 31 of the outstanding principal of the outstanding principal of the pools' loans. If erosion is noted, new eligible loans are added to the pool so that the total amount remains equal to that of the associated issue.

Impact data

The impact data presented are those indicated at the time the financing was implemented: changes may have occurred since then, leading to a change in these data compared to the initial project. For example, in the context of financing housing projects, the number of people in the household may have changed without the credit organisation being aware of this.

Majority and minority participations

Participation in the financing of a project is defined as majority if the loans granted by Crédit Mutuel Arkéa exceed 50% of the total amount of the project.



5.2. Loans eligible for a Social Bond



Social housing

Precisions regarding the Prêts d'Accession Sociale (PAS)

Location of the project

The location of the project is determined by the postal code of the property.

Ceiling

The Prêts d'Accession Sociale (PAS) are property loans regulated by the government since 1993, promoting access to property to low-income families.

In order for a household to benefit from a Prêt d'Accession Sociale, its total income must be below a ceiling depending on the location of the project. The median household income ceiling for PAS funded households is 42,000 euros: cf. <https://www.pret-accession-sociale.com/beneficiaires-pret-accession-sociale.html>

The ceiling for each loan has thus been defined to determine the median ceiling of the different projects.

Number of persons occupying the dwelling

The number of persons the home corresponds to the actual average number of people in the household at the time the application was made. the household at the time the Social Access Loan application was made. This number may have changed between the date the application was compiled and the date the Social Bond was issued.

Precisions on loans to social housing landlords

The number of beneficiaries of the housing financed has been calculated by multiplying the number of housing units financed by the average number of occupants of a dwelling in France (main residence) according to INSEE.



Health and care

The Social Bond issued in 2019 has been used to refinance mainly loans granted by Arkéa Banque Entreprises et Institutionnels to hospitals and loans granted by Crédit Mutuel du Sud-Ouest to patient support associations.

With regard to the Social Bond issued in 2020, only loans with a grant date after June 30, 2019, at the closest to the start of the pandemic, have been considered. A large part of the financed/refinanced outstanding amounts relates to loans to hospitals granted by Arkéa Banque Entreprises et Institutionnels.

For loans granted by Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, a selection by NAF section was made in order to retain the healthcare professions most involved in the fight against the pandemic:

- General practitioners,
- Surgical activities,
- Nursing and midwifery activities,
- Hospital activities,
- Ambulances,
- Residential care for the elderly,
- Medical analysis laboratories.

Only loans that directly finance the activities of these professions have been retained: purchase of equipment, rolling stock, inventory, financing of working capital, etc.



Education

In addition to the nature of the projects financed, the impact of the loans selected relates to the capacity of the institutions.



Territorial economic development

Small and Medium-sized Enterprises (SMEs)

According to the European Commission's definition, SMEs are companies with fewer than 250 employees and a turnover of less than 250 employees, with a turnover of less than €50 million or a balance sheet total of less than €43 million.

See. https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

State-Guaranteed Loans (SGP)

PGEs are loans set up by the French government in response to the economic crisis caused by the Covid-19 pandemic in 2020. by the Covid-19 pandemic in 2020. These loans are distributed by French banking institutions. The loans included in the selection of assets eligible for refinancing by the Social Bond issued in 2020 by Crédit Mutuel Arkéa are 90% guaranteed by the French State. Only 10% of the nominal amount has been taken into account in order to eligible for refinancing by the Social Bond issued in 2020.

Exclusion of some activities

Loans granted to SMEs whose NAF section corresponds to "Gambling" have been excluded from the selection of eligible assets. the selection of eligible assets. This is a sector of activity that Crédit Mutuel Arkéa does not wish to eligible assets for a social bond issue. Loans granted to SMEs whose the NAF section does not clearly identify the company's activity have also been excluded: this concerns activities of holding companies, head offices, fund management, investment funds and similar financial financial entities.

Loan selection process

Covid 19" classified SMEs ("CV 19" SMEs)

With a view to risk management, Crédit Mutuel Arkéa has assigned a "Covid 19" classification to companies that have applied for an EMP and/or a moratorium on their outstanding loans in the context of the health crisis. All loans to these "CV 19" SMEs (EMP, paused loans and other loans) were selected to be part of the potentially eligible pool, taking into account a grant date after January 1, 2018 in order to comply with the 36-month "lookback period". The loans finally selected to be part of the pool of eligible assets financed/refinanced by the Social Bond issued in 2020 are those that were granted the most recently.

SMEs not classified "Covid 19" (SMEs "outside CV 19")

Loans to SMEs that have not been assigned a "Covid 19" classification have also been selected eligible assets, provided that their grant date is after March 1, 2020, the start of the health crisis in France. In France

5.3. Green Bond eligible loans



Renewable energy

Unit CO₂ gain per kwh produced (gCO₂/kWh)

This is the difference between the LCA (Life Cycle Analysis) emission factor of the funded technology, in this case photovoltaics, and the carbon content of the benchmark scenario.

The LCA emission factor used by Crédit Mutuel Arkéa corresponds to the emission factor for photovoltaic electricity in France, i.e. 43.9 gCO₂e per kWh, according to data published by ADEME (as of the date of the first impact calculation).

The benchmark scenario used is the "France IFI Harmonized Framework", developed by the UNFCCC (United Nations Framework Convention on Climate Change) and recommended by the French government. Framework Convention on Climate Change) and recommended by the Green Bond Principles and the European Investment Bank). This scenario implies an emission factor of 124.43 gCO₂/kWh for France.

Annual CO₂ gain (tCO₂/year)

This is the product, expressed in tons of CO₂ per year, of the unit CO₂ gain per kwh produced (gCO₂/kWh) and production (in GWh) of all the power plants concerned.

Crédit Mutuel Arkéa share (tCO₂/year)

This is the product of the annual CO₂ gain (tCO₂/year) and the share financed by Crédit Mutuel Arkéa in the total amount of the project.





Solar panel installations (individual customers)

In order to achieve carbon neutrality by 2050 and meet the objectives of the Paris Agreement, it is essential to accelerate the transitions undertaken in the fields of energy sobriety and efficiency, as well as the development of renewable energies. Faced with these challenges, the development of the share of photovoltaic (PV) in electricity production has a central place in the prospective scenarios for alignment with the objectives of the Paris Agreement and in the National Low Carbon Strategy. It is a means to achieve energy autonomy at the territorial level.

The estimated impact of the photovoltaic panel system installation projects financed by the Crédit Mutuel Arkéa group, is measured by two key indicators: the energy produced per year (kwh/year) and greenhouse gas emissions avoided per year (TCO₂eq).

As part of the financing of photovoltaic system installation projects for individual customers, the customers, the Crédit Mutuel Arkéa group does not have the actual data related to these projects to calculate these impact indicators. Therefore, to estimate them, we chose to use statistical data from the Ademe (French Environment and Energy Management Agency) carbon database, as well as the database of the European Commission's internal scientific service, JRC.

Two assumptions have also been made:

- in the case of individual customer projects: 100% of the impact of the installation is attributed to financing of Crédit Mutuel Arkéa;
- one project corresponds to one installation.

Regarding energy data:

The electricity produced per project depends largely on the geographical area where the installation is located and the maximum production capacity of the installed modules. As the projects funded cover all regions of France, the regions of France, average data on the annual energy produced by a facility in France was used. The assumption that the funded projects are for the most common installations, with a maximum production of 3 kWp, was also used. According to the JRC database the energy produced per year for an average 3kWp installation in France is 3200 KWh/year.

Regarding the data on greenhouse gas emissions (GHG):

The "avoided emissions" indicator aims to calculate the GHG emissions avoided thanks to the project, compared to the emissions of a reference scenario. The calculation of the emissions of the financed project is based on the emission factor of the photovoltaic panels estimated by Ademe per kWh. As the majority of panels installed in France come from factories in China, the corresponding value is that recommended by Ademe.





Energy transition

The quantification of avoided emissions also depends on the choice of the reference scenario. As the funded projects are present throughout France, the most relevant baseline identified is the French electricity mix in 2021. Avoided emissions can decrease each year if the emission factor of the French electricity mix decreases. The methodological details of the emission factors can be consulted on the Ademe website, for more information.

To estimate the avoided emissions per installation per year, the calculation is therefore performed:

Avoided emissions per installation of a photovoltaic system (kg CO₂eq/Kwh) = (Emission factor of the French electricity mix (kgCO₂eq/kwh) - Emission factor of a photovoltaic installation (kg CO₂eq/ kwh)) * Energy produced(kWh/year)

To calculate the annual impact of the financing, the result is multiplied by the number of outstanding loans for the financing of installations made per year for the financing of photovoltaic installations for individual customers.



6. DISCLAIMER

This report has been prepared and is distributed by Crédit Mutuel Arkéa (the "Company" or "Crédit Mutuel Arkéa") for information purposes only and does not constitute or form part of any recommendation, solicitation, offer or invitation to purchase or subscribe for any shares, securities, bonds and/or securities (together, if any, the "Securities") that may be issued by the Company.

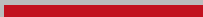
Any recipient of this report should make their own of the adequacy of the information contained herein and should, to the extent they consider it's necessary, consult his or her own legal, regulatory, tax, business, economic, financial and accounting advisors and make his or her own investment decisions based on his or her own judgment and, to the extent necessary, on the advice of such advisors and not on any opinion expressed in this report.

No representation or warranty, express or implied, is made as to the objectivity, accuracy, completeness or correctness of the information and opinions contained in this report. Furthermore, information relating to parties other than Crédit Mutuel Arkéa or coming from external sources has not been independently verified.

The Company reserves the right to make any changes to this report. Neither the Company, nor its subsidiaries or shareholders, advisors or representatives shall be liable (whether in negligence or otherwise) for any loss arising from the use of this report or its contents or otherwise connected with this document.

It is specified that the allocation of the amounts raised has been audited by KPMG (Tour Egho, 2 Avenue Gambetta, 92400 Courbevoie, France). The impact data was not audited and was obtained from the various Crédit Mutuel Arkéa entities concerned, or established according to the methodology described in the report.

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

CREDIT MUTUEL ARKEA

**Limited assurance report on selected information published in the
Allocation and Impact Report Green and Social Bonds for fiscal year
2021 related to the Social Bonds and Green Bonds issuances in 2021,
by Crédit Mutuel Arkéa**

This is a free English translation of the Assurance Report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

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

CREDIT MUTUEL ARKEA

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

Limited assurance report on selected information published in the Allocation and Impact Report Green and Social Bonds for fiscal year 2021 related to the Social Bonds and Green Bonds issuances in 2021, by Crédit Mutuel Arkéa.

To the President,

In response to the request of the company Crédit Mutuel Arkéa (the **Company**), we have conducted our diligences so as to provide a limited assurance conclusion on whether the information detailed hereinafter (the **Verified information**) in the fund allocation table untitled "By eligible asset class and issuance" published in the Allocation and Impact Report Social and Green Bonds for fiscal year 2021 related to the Social Bonds and Green Bonds issuances in 2021 (the **Document**), attached to this report, has been presented, in all material respects, in accordance with the **Guidelines** defined below.

The **Guidelines** comprise the following documents:

- The Green, Social & Sustainability Bond Framework prepared by Crédit Mutuel Arkéa for the Green and Social Bonds issuances and included in the Second Party Opinion provided by the firm Vigeo Eiris prior to the Social and Green Bonds issuances, available on Crédit Mutuel Arkéa website¹; and
- the reporting procedures developed by Crédit Mutuel Arkéa for the preparation of the Document.

Management's responsibility with regard to the Verified information

The Management is responsible for preparing the Document, including the Verified information presented, in accordance with the methods and processes described in the Guidelines, based on the internal controls it deems necessary to ensure that the information is free from material misstatement, whether due to fraud or error.

Management is also responsible for:

- preventing and detecting fraud, as well as for identifying and ensuring that the Company complies with laws and regulations applicable to its activities;
- ensuring that the staff involved in the preparation and presentation of the Document are properly trained and that information systems are properly updated for all Crédit Mutuel Arkéa entities and activities.

¹ https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_37851/fr/green-social-bonds

Verified Information	Part of the Guidelines
The selected projects – Refinanced Loans – in accordance with the eligibility criteria specified in the Framework	— Framework § 4.1 Use of Proceeds — Framework § 4.2 Process for Project Evaluation and Selection
The allocation of the net proceeds to the selected eligible projects for fiscal year 2021	— Framework § 2.4 Reporting

Independence and quality control

We apply International Standard on Quality Control ¹² and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

KPMG's responsibility

Our responsibility is to carry out a limited assurance engagement and to express a conclusion on the Verified Information, based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000. The Standard requires that we plan and perform our work to obtain limited assurance about whether the information has been prepared, in all material respects, in accordance with the Guidelines, based on the accounting records used to prepare the Crédit Mutuel Arkéa Financial statements.

It is not our responsibility to provide an opinion on:

- the eligibility criteria specified in the Framework on which an opinion was expressed by the Second Party Opinion provided by the firm Vigeo Eiris prior to the issuance, and, in particular, to give an interpretation of the terms and conditions of the Framework;
- the management of proceeds once they have been allocated, namely for the first Social Bond issuance of Crédit Mutuel Arkéa in 2019;
- the use of proceeds allocated to the refinanced loans once they have been allocated, namely for the first Social Bond issuance of Crédit Mutuel Arkéa in 2019.

¹² Quality control of firms conducting audit or review engagements, as well as other assurance and related services

Nature and scope of our work

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 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 Crédit Mutuel Arkéa'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 :

- identifying the people responsible for the data collection disclosed in the Document within the company and, where appropriate, for the internal control and risk management procedures implemented;
- assessing the appropriateness of the reporting procedures in terms of their relevance, completeness, reliability, neutrality and understandability;
- verifying the existence of internal control and risk management procedures implemented by the Company;
- verifying the concordance of the information disclosed in the Document, with the accounting and the underlying accounting data;
- examining the processes used for data collection, compilation, processing and control, particularly the procedures relating to the allocation of funds as at December 31, 2021;
- based on a representative sample of selected eligible projects, that is to the refinanced loans:
 - verifying the compliance of the selected eligible projects with the eligibility criteria as specified in the Framework;
 - verifying the concordance of the allocation of the net proceeds to the selected eligible projects with the accounting and the underlying accounting data, as at for the year ended December 31, 2021;
 - verifying the amount of the allocated funds to Refinanced Loans is lower or equal to the outstanding amount of these loans as at December 31, 2021.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the Verified information cannot be eliminated.



Conclusion

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Verified information is not presented fairly in the Document, in all material respects, in accordance with the Guidelines.

Paris-La Défense, June 30th, 2022

KPMG S.A.

Fanny Houlliot
Partner
Sustainability Services



APPENDIX

Par catégorie d'actifs et par émission

Année d'émission	ISIN	Green/ Social	Catégorie d'actifs éligibles	Nombre de prêts	Montants alloués (M€)	Montants alloués (%)
2021	FR0014002BJ9	Social	Logement social	94	500	100
			Sous-total	94	500	100
2021	FR0014000OJ6	Green	Transition énergétique	4849	79	100
	FR0014002JK0					
	FR00140042O4		Sous-total	4849	79	100
	FR0014005NE8					
			TOTAL	4943	579	100

CONTACTS

Laurent GESTIN

Manager

Investor Relations

laurent.gestin@arkea.com

Stéphane CADIEU

Director

Financial Markets

stephane.cadieu@arkea.com

Maëva BOUREL

Manager

Sustainable Finance

maeva.bourel@arkea.com