



BIODIVERSITY AND NATURAL CAPITAL REPORT

2024

Crédit Mutuel
ARKEA

NEW CONNECTIONS TO BRING ABOUT CHANGE FOR THE FUTURE

06

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INTRO- DUCTION

Biodiversity, i.e. the diversity of the living fabric of the planet, is an essential foundation for the sustainability and well-being of our societies. This diversity is threatened, however, by production and consumption patterns that are putting increasing pressure on land and marine ecosystems.

The entire economy is dependent on natural capital. Indeed, biodiversity is the source of many services: "ecosystem" services, such as the supply of raw materials and access to water, and "support" services, such as climate, air and water quality regulation and pollination.

The diversity of living organisms is also a necessary condition for an environment conducive to good physical and mental health.



25%

of plants and animals
are at risk of
extinction globally¹



\$750bn/year

Estimate of
global biodiversity
financing needs²

vs.



\$130bn/year

Estimate of current level
of investment in biodiversity
worldwide²



80%

of jobs depend on biodiversity
in France³



€2.3bn to €5.3bn

Value of pollinating insect
activity in France⁴



596,000ha

have been artificialised
within 10 years in France,
the equivalent of a department
such as Var, Nord or Charentes⁵

1 - Source: IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), 2019 Report: On average, 25% of species of terrestrial, freshwater and marine vertebrates, invertebrates and plants, more than 40% of amphibian species, nearly 33% of coral reefs and more than a third of all marine mammals are at risk of extinction. 10% of insect species are also at risk.

2 - Cornell University Financing Nature Report 2020

3 - Delannoy report 2016

4 - Assessment carried out as part of the EFSE (French national assessment of ecosystems and ecosystem services) in 2016

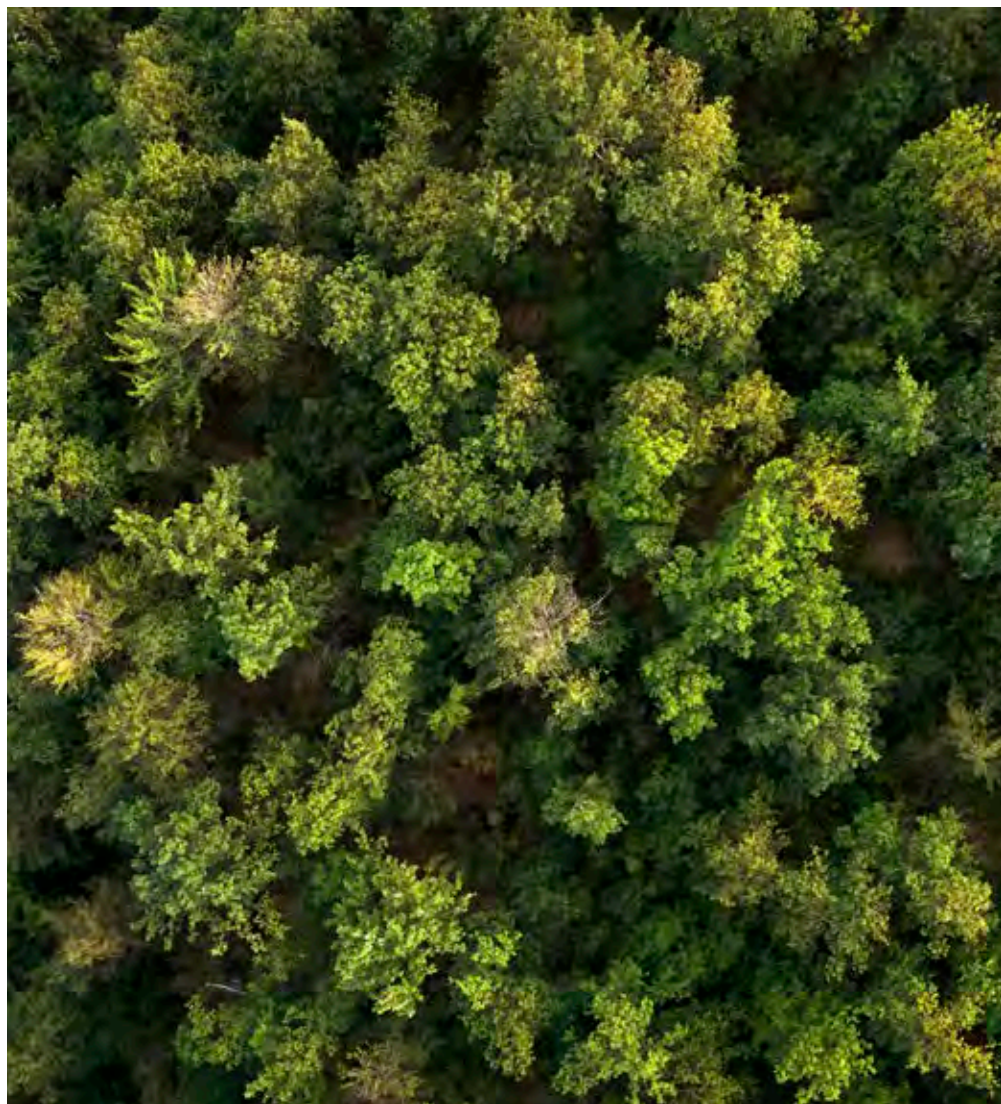
5 - French Court of Auditors (Cour des Comptes), November 2020

Awareness is necessary if practices are to change and we are to have a better understanding of the important role of living organisms in preserving and restoring biodiversity. **It is increasingly urgent and vital that we protect the ecosystem services** that nature provides free of charge by reducing the pressure exerted by human activities on biodiversity and by promoting the conservation and restoration of ecosystems.

As explained in the IPCC (Intergovernmental Panel on Climate Change) Sixth Assessment Report and the first report by IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), **the work to combat climate change and the collapse of biodiversity must be carried out together**, since these two issues are closely linked and impact each other.

For economic players, the loss of biodiversity represents both **a source of financial risk and an opportunity** to rethink their development models. **Financial players have a major role to play in dealing with this enormous issue** through their ability to direct financial flows towards more sustainable growth models. In line with its corporate purpose and the status it adopted as a mission-driven company in May 2022, Crédit Mutuel Arkéa has put corporate social responsibility at the centre of its strategy. It is therefore committed to **financing the regions and their stakeholders in a manner that is sustainable and which supports environmental and societal transitions**. The group has chosen two priority transitions that guide its decisions and actions: the transition to an inclusive and balanced society in the regions and **the climate transition and the preservation of natural capital**.

The Crédit Mutuel Arkéa group incorporates biodiversity objectives into its sustainable finance



strategy. Concrete action is being taken within its various entities to **begin assessing the impacts of its financing and investment portfolios on biodiversity and their dependencies** as well as to **direct financial flows towards projects that integrate natural capital**.

All of this is part of a process of **continuous improvement**, given the complexity and interdependence of the issues involved. What is required first and foremost is to develop the skills of all stakeholders in order to better understand the interactions between the economy and nature.

This first "Biodiversity and natural capital" report published by Crédit

Mutuel Arkéa is intended to **present the various levers implemented within the group to:**

- integrate biodiversity objectives into its financing and investment decisions;
- support the work being carried out by the group's stakeholders in the regions to understand the dependencies and impacts of their activities on living systems, reduce pressure on biodiversity and invest in solutions that integrate natural capital;
- integrate these objectives into its own corporate practices.

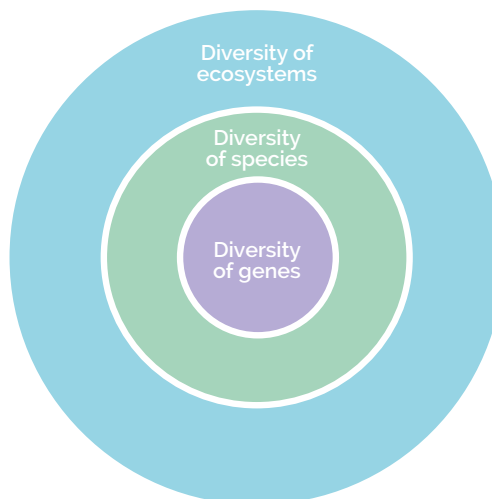
DEFINITIONS OF BIODIVERSITY AND NATURAL CAPITAL

The Crédit Mutuel Arkéa group uses a broad definition of the concepts of biodiversity and natural capital, and incorporates into its work the challenges of preserving ecosystems, terrestrial and marine natural resources, management of freshwater resources and efforts to combat of all forms of pollution. To this end, it draws on scientific work carried out

internationally, in particular the IPBES report and the work of the SBTN (Science-Based Targets Network), a network of more than 45 organisations that develops methods and resources to establish and implement scientific objectives for nature, both for businesses and for cities.

Biodiversity refers to **biological diversity**, i.e. the variety and variability of the living world in all its forms. It includes animal species, plants, insects, microorganisms, etc. It encompasses **three interdependent levels of complexity**: genetic diversity, species diversity and ecosystem diversity. **It is the foundation of the capacity for adaptation of the living world: the richer the biodiversity, the more interactions there are and the greater the capacity for adaptation.**

BIODIVERSITY IS DEFINED BY THE VARIABILITY
OF ECOSYSTEMS, SPECIES AND GENES



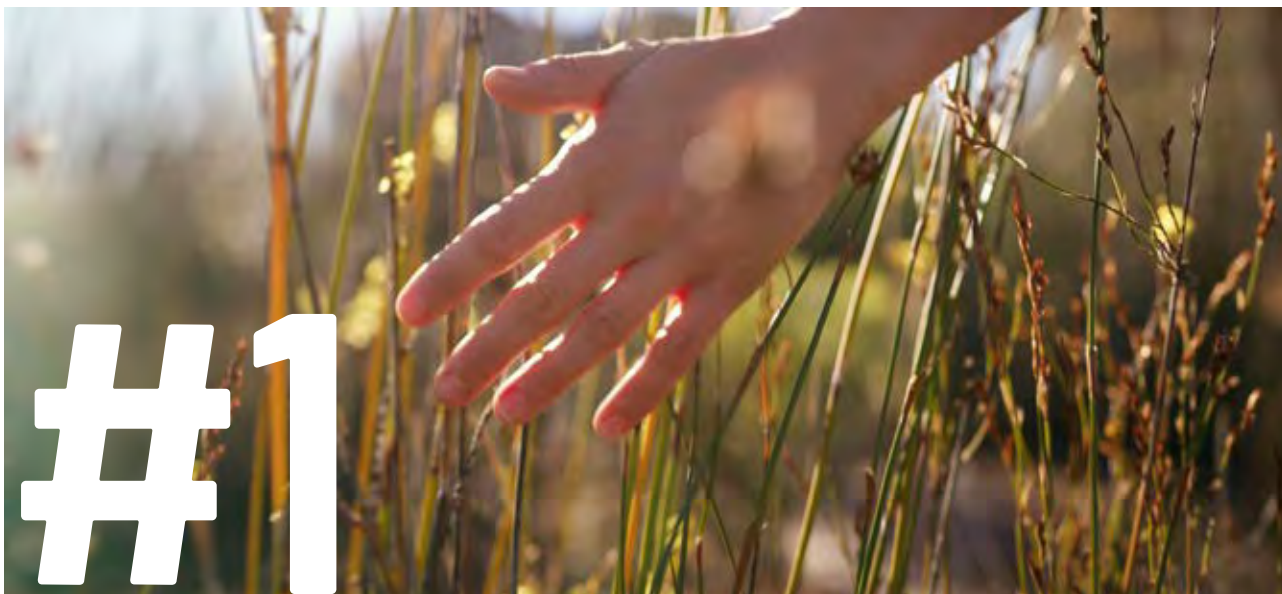
Natural capital refers to the **stock of living and non-living natural resources**, such as minerals.

Ecosystem services refer to **services that are provided by nature free of charge**.

They are essential to human life.

They can be classified into **three main categories**:

- ▶ **supply**: raw materials, fresh water, energy, minerals, medicinal, biochemical and genetic resources, etc.
- ▶ **regulation and support**: creation and maintenance of habitats, pollination, air quality regulation, climate regulation, ocean acidification regulation, soil formation and protection, regulation of hazards and extreme events, etc.
- ▶ **intangible services**: learning and inspiration, physical and psychological experiences, leisure, identity support, etc. Intangible services can generate economic activities such as tourism.



BIODIVERSITY AND NATURAL CAPITAL: STRATEGIC CHALLENGES FOR CRÉDIT MUTUEL ARKÉA

A REFERENCE FRAMEWORK

Crédit Mutuel Arkéa defines its actions to promote biodiversity based on internationally recognised publications.

► **The IPBES report⁶**, published in 2019, which provides an assessment of the quality of ecosystems and defines the five pressure factors responsible for biodiversity loss:

- changes in land and sea use;
- overexploitation of resources;
- climate change;
- pollution;
- invasion of alien species.

► **The objectives set by the Kunming-Montreal Global Biodiversity Framework (COP15)⁷**, which incorporate three ambitions:

- stop the erosion of nature and get on the path to restoration by 2030;
- take into account consumption and production issues;
- the mobilisation of financial funds.

► **The third French 2030 National Biodiversity Strategy (SNB)⁸**, which through various methods and measures aims to raise awareness among economic players of all sizes so that they can identify their dependencies on nature

and the impacts of their activities on biodiversity, and adapt their economic models and the allocation of financial resources.

► **The Taskforce on Nature-related Financial Disclosures (TNFD)**, which provides recommendations and a common framework for financial institutions and companies to assess, monitor and publish the financial risks associated with biodiversity decline. The initial work to integrate biodiversity loss into the group's risk management is based on these recommendations.

👁️ Part 4 • p.16

6 - In 2019, IPBES (Intergovernmental Science-Policy Platform on Biodiversity & Ecosystem Services) observed that a significant proportion of the diversity of the living environment is now on the verge of extinction within a few decades, with direct and severe consequences for ecosystem services for human societies: https://files.ipbes.net/ipbes-web-prod-public-files/inline/files/ipbes_global_assessment_report_summary_for_policymakers.pdf

7 - Convention on Biological Diversity: <https://www.cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-l-25-en.pdf>

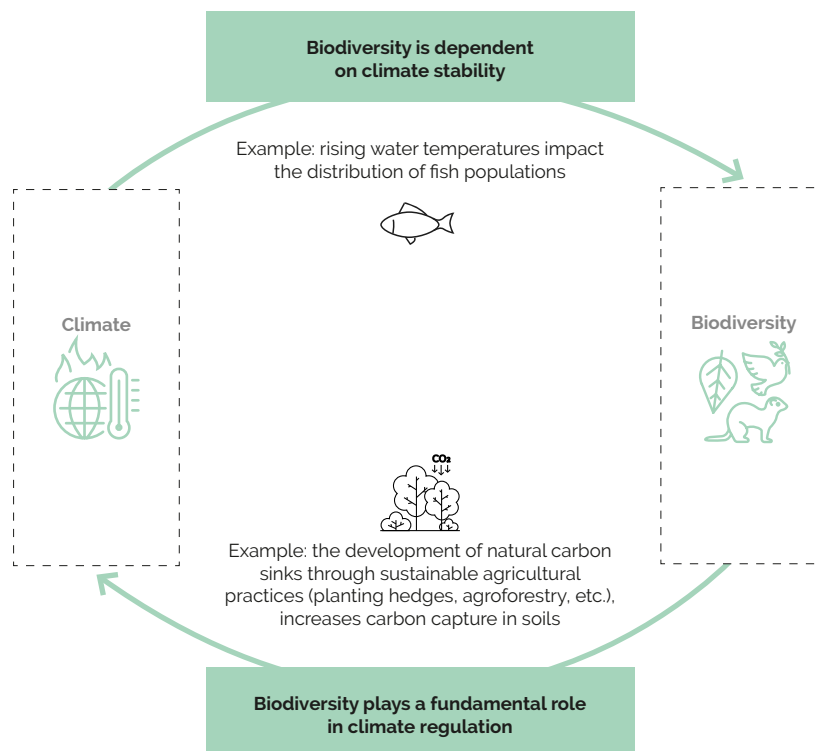
8 - Sources: Ministry of Ecological Transition and BL Evolution: https://www.ecologie.gouv.fr/sites/default/files/Dossier-de-presse_SNB2030.pdf

ISSUES CLOSELY LINKED TO THE CLIMATE

The role of natural ecosystems in absorbing greenhouse gas emissions and helping countries to adapt to climate change was clearly established at COP21 and in the framework of the Paris Agreement adopted on 12 December 2015. It is also scientifically recognised that biodiversity depends on climate stability: **climate change is one of the five pressures responsible for biodiversity loss**. Solutions to combat and adapt to climate change must take into account the preservation and restoration of natural carbon sinks (oceans, forests and soils).

Convinced of this interdependence between climate and biodiversity, since 2019, Crédit Mutuel Arkéa has been dedicating a section of its sustainable finance roadmap to the climate transition and the preservation of natural capital in order to support its customers in these two areas.

CLIMATE CHANGE AND BIODIVERSITY ARE MUTUALLY REINFORCING



GLOBAL AND LOCAL CHALLENGES

The erosion of biodiversity brings huge challenges both on a global scale and for local ecosystems.

The loss of biodiversity is, in fact, **a major global issue**. The impact of human activities on biodiversity affects ecosystems that are vital to the planet. Primary forests, for instance, which are very rich in biodiversity, are being destroyed mainly to meet the world's food needs.

The Crédit Mutuel Arkéa group acknowledges that it may have an indirect influence on these

major global challenges through its financing of and investments in companies, whether national or international, and due to increasingly complex value chains. The globalisation of these value chains is leading to all economies having dependencies on the various global ecosystems.

Biodiversity loss is also of concern **at the local level**. For example, the restoration and preservation of soil quality and the management of water resources require the development of solutions adapted to each territory based on its

specific geographical and natural characteristics, its economic players and its infrastructures. **Projects that promote biodiversity must be initiated by all stakeholders in the territory:** companies, local authorities and associations.

Crédit Mutuel Arkéa is a participant in this cooperative approach given its positioning as a regional bank. **The group wants to actively contribute to the preservation of local, land and marine ecosystems, and the preservation of fresh water.**

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ENGAGED GOVERNANCE

Crédit Mutuel Arkéa is a cooperative and collaborative bank. It has a strong sense of identity that is reflected in the level of engagement of its governance structures in defining the Group's strategy, objectives, commitments and related implementation. Crédit Mutuel Arkéa's corporate governance ensures the implementation of the group's sustainability approach.

The Crédit Mutuel Arkéa charter for directors was amended in 2021 to indicate the requirement of knowledge of the company's environmental, social and governance issues, which are sources of both opportunities and risks. This commitment **aims to strengthen the consideration of these issues in all of the work carried out and decisions taken by the Board of Directors.** Such

upskilling is supported in particular through contributions from the specialised committees and regular training provided to directors.

- To validate the group's strategic directions and ensure its risk monitoring role, the Board of Directors draws on the informed opinions of its specialised committees. Each committee charter makes formal reference to the consideration of environmental, social and governance (ESG) issues.
- **The members of Crédit Mutuel Arkéa's Board of Directors and the directors of its subsidiaries received specific training on biodiversity and on the associated challenges for a financial player in 2022 and 2023 respectively⁹.**

⁹ - In-person training for the Board of Directors and online training for subsidiary directors



#2

**COLLABORATION
AND THE SHARING OF KNOWLEDGE**

Given the complexity of biodiversity-related issues, Crédit Mutuel Arkéa is convinced that **action must be taken collectively and cooperatively**.

As for its commitments and contributions to climate initiatives in the financial marketplace, Crédit Mutuel Arkéa and certain of its subsidiaries have committed to **initiatives aimed at helping to preserve natural capital** both at an international level and at a local level in line with the concerns of the regions in which they operate.

► **Industry commitments to biodiversity and the climate:**

- Crédit Mutuel Arkéa joined the Finance for Biodiversity Pledge in 2021 and the Net Zero Banking Alliance in 2022;
- Federal Finance Gestion and Schelcher Prince Gestion joined the Finance for Biodiversity Pledge in 2021. Federal Finance Gestion is a member of the Advisory Board of the Finance for Biodiversity Pledge.

These market commitments enable us to better take into account the impacts of financial activities on climate change and biodiversity loss and to better understand dependencies on natural capital.

► **Communications**

In addition to its contribution to marketplace initiatives, Crédit Mutuel Arkéa undertakes to demonstrate transparency by publishing information on its approach.

- In accordance with its climate strategy, each year Crédit Mutuel Arkéa voluntarily publishes [a climate report](#), prepared in accordance with the recommendations of the **Taskforce on Climate-related Financial Disclosures**¹⁰. This report presents the interactions of Crédit Mutuel Arkéa's various activities with the climate and provides details of the strategy developed to take climate issues into account, the work carried out and the progress made.
- In their reports published in accordance with **Article 29 of the French Energy and Climate Act**, Federal Finance Gestion and Schelcher Prince Gestion report on their strategy of alignment with long-term biodiversity objectives and communicate on the initial measurements of the impacts of their portfolios on biodiversity. This is also the case for Suravenir and Arkéa Capital in the context of their respective activities.

► **Contributions to local initiatives**

- In line with its positioning as a bank rooted in its regions, Crédit Mutuel Arkéa supports numerous local initiatives through which it can share knowledge and take action to address environmental and economic concerns at the most local level possible. Details of this work are provided in part 5.

🔗 [Part 5 • p.22](#)

AWARENESS-RAISING AND TRAINING

Crédit Mutuel Arkéa organises training and awareness-raising programmes for its employees, including programmes on certain specific topics for group functions and business lines that require them. It may seek support in this regard from external experts. In 2022 and 2023:

- **Three conferences on global and local biodiversity issues were held for the benefit of all group employees:**
 - > Biodiversity issues for a financial player;
 - > Innovating to protect the oceans with Pure Océan;
 - > The fresh water issue in Brittany.
- **"Biodiversity Fresk" and "Ocean Fresk" workshops** have been offered to more than 150 employees and directors since 2022.
- **Webinars on eco-design and the the circular economy in the real estate sector and on biodiversity issues for financial players** have helped to raise awareness among employees in the group's real estate activities and sustainable finance function.
- **Employee awareness initiatives** are also organised locally by various group entities in partnership with environmental protection associations.

¹⁰ - Recommendations in force until October 2023.



ASSESSMENT OF THE DEPENDENCIES AND IMPACTS OF THE GROUP'S FINANCIAL ACTIVITIES

The first step for a financial player is to **understand and assess its dependencies on ecosystem services** and to **measure the impacts of its financing and investment portfolios**

on biodiversity. To this end, it must analyse the interactions between economic players and natural capital, in particular through ecosystem services.

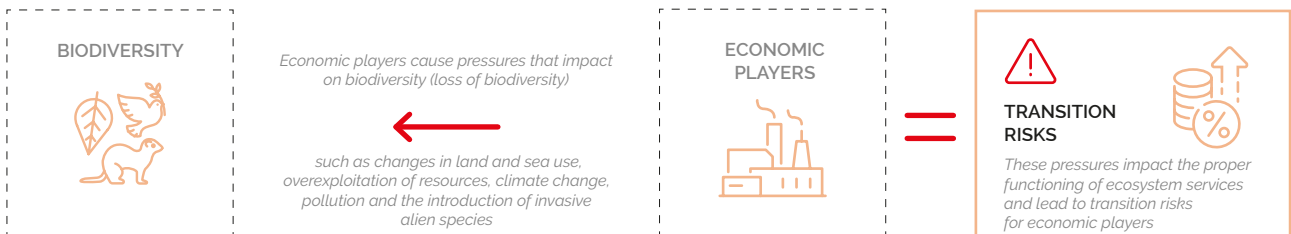
THE INTERACTION BETWEEN BIODIVERSITY AND ECONOMIC ACTIVITIES

► Issues of biodiversity loss for economic activities

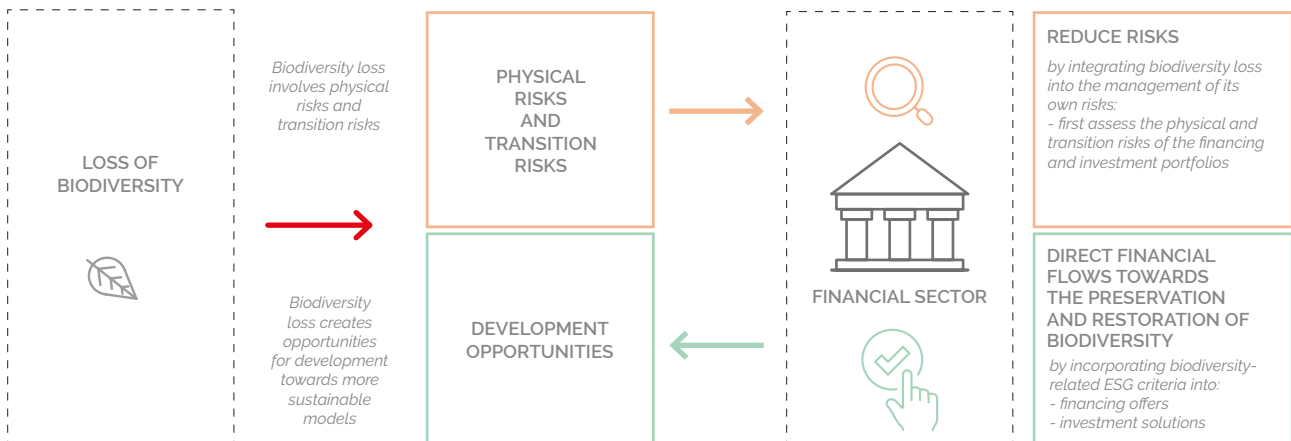
DEPENDENCIES OF ECONOMIC PLAYERS



IMPACTS OF PRESSURES ON BIODIVERSITY



CHALLENGES OF BIODIVERSITY LOSS FOR THE FINANCIAL SECTOR



► The **dependencies** of economic activities on natural capital entail **physical risks** for companies. **Physical risks refer to the direct financial losses associated with damage caused by declining ecosystem services and biodiversity.** These risks result from the degradation of nature and the loss of ecosystem services on

which economic activities depend. The degradation or loss of certain ecosystem services can weaken the value chain and economic model of an activity or sector. Physical risks can be chronic (e.g. gradual decline in pollinator populations in a region over several years) or acute (e.g. zoonosis, natural disasters).

► **Economic activities create pressures on biodiversity:** changes in land and sea use, overexploitation of resources, climate change, pollution, introduction of invasive alien species. **These pressures impact the proper functioning of ecosystem services and lead to transition and reputational risks for economic players.** Transition

risks refer to the economic consequences resulting from a misalignment between the practices of an economic player and the expectations of society in terms of protecting, restoring and reducing the erosion of biodiversity. They can arise, for example, from changes in regulations, policies, case law, investor sentiment, consumer preferences and technological innovation.

These dependencies and impacts can lead to financial risks and opportunities for Crédit Mutuel Arkéa. Initial assessments have been

carried out on the group's financing and investment portfolios. In order to take into account the specific aspects of the business lines and obtain sufficient granularity to put in place appropriate action plans, analyses were also carried out at the level of certain entities.



METHODOLOGIES USED BY THE GROUP

As part of its approach, Crédit Mutuel Arkéa draws on **scientific research** and **various industry-recognised tools** to assess and where necessary aggregate different indicators of the biodiversity impacts and dependencies of its investment and financing portfolios.

In particular, the group uses the ENCORE¹¹ database, the work of the Science-Based Targets Network (SBTN), the asset management tool GBS (Global Biodiversity Score)¹² as well as recommendations from expert firms.

The impact and dependency factors are multiple and complex. For this reason, it is necessary for a player such as Crédit Mutuel Arkéa to aggregate numerous additional indicators to obtain a

relevant analysis. Nevertheless, the group is aware of the limitations of the measurement tools and methodologies available or being developed¹³.

ANALYSIS OF THE IMPACTS AND DEPENDENCIES

Of the financing portfolio

The group carried out an initial analysis of the impacts of its financing portfolios using the ENCORE database. The analysis focused on outstanding loans in the real estate, construction, agriculture and trade sectors and identified the

four pressure factors that have the greatest impacts on biodiversity¹⁴. **These are the use of terrestrial ecosystems, water use, GHG emissions, and air, water and soil pollution.**

11 - The ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) database is a tool developed by the Natural Capital Finance Alliance in partnership with the United Nations Environment Programme Finance Initiative (UNEP-FI) and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). It makes it possible to assess the biodiversity impacts and dependencies of activities: <https://encorenature.org>

12 - Federal Finance Gestion and Schelcher Prince Gestion have integrated the Global Biodiversity Score (GBS), a tool developed by CDC Biodiversité and Carbon4 Finance to enable companies and financial institutions to measure their biodiversity footprint.

13 - Concerning sectoral analysis, the repositories do not yet incorporate all dimensions: the pressures on maritime life and the impact of invasive species remain under-documented. The life cycle of products and in particular the use of services are not always integrated. The models are global in nature and do not sufficiently integrate local particulars and their level of maturity in relation to more virtuous environmental practices. The geolocation of activities and the identification of areas at high risk of biodiversity loss are an additional step in the group's sectoral analysis.

14 - These sectors represented 50% of the financing activities provided to professionals and companies within Crédit Mutuel Arkéa's banking scope, excluding CFCAL and Keytrade Bank, as at 31/03/2022, the date of the analysis.

Of the asset management investment portfolio

Federal Finance Gestion, Schelcher Prince Gestion and Suravenir also carried out an initial analysis of the impacts of their investment portfolios using the Global Biodiversity Score (GBS) tool developed by Carbon4 Finance and CDC Biodiversité¹⁵. The GBS quantifies the impact of these pressures in MSA.km² (mean species abundance per square kilometre) and measures the integrity of the ecosystems and the surface area affected. These impacts can then be aggregated at the portfolio level.

Federal Finance Gestion, Schelcher Prince Gestion and Suravenir wish to develop a strategy of alignment with the objectives set out in the Kunming-Montreal Framework adopted on 19 December 2022 on the occasion of the 15th Conference of the Parties (COP15) to the United Nations Convention on Biological Diversity. The monitoring of a biodiversity footprint indicator for a representative proportion of their asset portfolios will be implemented. **It is important to note that the integration of all aspects of biodiversity into the group's investment activities is part of a continuous process of improvement.**

In terms of private equity

Arkéa Capital carried out a qualitative measurement of the biodiversity footprint of its portfolio in collaboration with BL Evolution. This measurement made it possible to identify priority sectors in which the main transition risks (related to impacts on biodiversity) and the main physical risks (related to biodiversity erosion) are concentrated. The results are published in Arkéa Capital's Article 29 report¹⁶. Based on this work, [in 2023, Arkéa Capital set out its biodiversity strategy for 2030](#).

THE BIODIVERSITY FOOTPRINT OF SURAVENIR

- At 31 December 2022, the biodiversity footprint of Suravenir's portfolio was 882 MSA.km² (mean species abundance per square kilometre). This measurement was based on the investments made in companies covered by the database used, i.e. 40% of the assets, representing a coverage rate of 75.6% of the invested companies. The calculation corresponds to the sum of the companies' terrestrial biodiversity impacts multiplied by the ratio of penetration of the Suravenir portfolio (investment divided by the enterprise value, including cash, of each issuer).
- This compares with a biodiversity footprint of 1,452 MSA.km² for a similar amount invested in the benchmark used (80% Bloomberg Euro Aggregate 5-7 years, 10% Eurostoxx50 and 10% iBoxx EUR Liquid HY).
- > **Definition of MSA.km²:** an impact of 1 MSA.km² is equivalent to the artificialisation of 1 km² of a pristine ecosystem. For example, 1 km² of pristine forest converted into a car park is a loss of 100% of MSA, i.e. 1 MSA.km².

¹⁵ - https://www.federal-finance-gestion.fr/gestion/actifs/upload/docs/application/pdf/2023-07/rapport_article_29_federal_finance_gestion_exercice_2022_2023_06.pdf
https://www.schelcher-prince-gestion.com/gestion/upload/docs/application/pdf/2022-10/rapport_article29_spg.pdf
<https://www.suravenir.fr/wp-content/uploads/pdf/Rapport-LEC-2022-Suravenir-1.pdf>
¹⁶ - [https://www.arkea-capital.com/Medias/Fichier/RAPPORT%20ARTICLE%2029%20\(4\)-avec%20compression.pdf](https://www.arkea-capital.com/Medias/Fichier/RAPPORT%20ARTICLE%2029%20(4)-avec%20compression.pdf)

In terms of the measurement of non-financial performance

The group has developed its own methodology for measuring non-financial performance. It expresses in euros the positive and negative externalities, from an environmental and socio-economic¹⁷ perspective, of the group's activities as part of a global approach.

It is described in a report available on the corporate website cm-arkea.com. An externality refers to the creation by Crédit Mutuel Arkéa of an external effect through its activity by providing its stakeholders with a use or benefit without monetary consideration or causing a negative effect or damage without compensation.

From an environmental perspective, five indicators linked to the pressures responsible for biodiversity loss are included

in the calculation of negative externalities. Depending on the indicator, they cover the scope of the credit activities and the group's purchases and human resources policy:

- **land artificialisation:** the monetisation indicator corresponds to the value associated with the loss of the services rendered by natural ecosystems (forest, grassland, wooded area) due to their artificialisation¹⁸;
- **water eutrophication** through pollution caused by the addition of phosphorus and nitrogen from agriculture, which disrupts the nutrient balance of fresh and sea waters. The monetisation indicator represents the cost of decontamination, mainly water filtering to limit the damage¹⁹;
- **greenhouse gas emissions:** the monetisation indicator used is the shadow price of carbon, which

refers to the price per metric tonne of carbon avoided, as set by the State as part of its commitments (investments in the fight against global warming) as defined by the Quinet report (value for climate action)²⁰;

- **water consumption:** the monetisation indicator used is the cost of water distribution²¹;
- **residual waste production:** the monetisation indicator used is the cost of externalities linked to the production of non-recovered waste²².

For 2023, the overall negative externalities from an environmental perspective surpassed €1 billion. For one million euros of financing granted, Crédit Mutuel Arkéa generates an average of €22,000 in negative environmental impacts.



17 - The scope covered concerns the financing activities for individual and professional customers (Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Crédit Bail, Arkéa Direct Bank and Arkéa Banque Privée), investment activities (private equity in particular), group purchasing and the human resources policy. The methodology is based on relevant non-financial indicators derived from benchmarking market initiatives, in areas of environmental and socio-economic impact. In the absence of actual customer data, the group adopted a "sector-based" approach and will gradually evolve towards a granular approach through the collection of actual customer data.

18 - Scope covered: home loan financing activities for individual customers of Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Banque Privée and Arkéa Direct Bank.

19 - Scope covered: financing activities for farming customers of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest.

20 - Scope covered: financing activities for individual and professional customers (Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Crédit Bail, Arkéa Direct Bank and Arkéa Banque Privée), investment activities (private equity in particular), group purchasing and the human resources policy.

21 - Scope covered: financing activities for individual and professional customers (Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Crédit Bail, Arkéa Direct Bank and Arkéa Banque Privée) as well as group purchases.

22 - Scope covered: financing activities for individual and professional customers (Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Crédit Bail, Arkéa Direct Bank and Arkéa Banque Privée) as well as group purchases.



INTEGRATION INTO RISK MANAGEMENT

Crédit Mutuel Arkéa is responsible for managing its ESG risks, including risks related to biodiversity loss. The integration of risks related to

biodiversity loss into the group's risk management framework involves putting in place systems and tools to identify, measure, manage and monitor them.

IDENTIFYING THE IMPACTS OF BIODIVERSITY LOSS ON BANKING AND INSURANCE RISKS

In 2023, **Crédit Mutuel Arkéa** identified the potential impact of risks related to biodiversity loss on traditional banking and insurance risks.

A three-scale materiality matrix was used to assess the significance of the risks weighing on the group's activity at different time horizons (short, medium and long term²³):

- low materiality (+)
- medium materiality (++)
- high materiality (+++)

The matrix independently distinguishes the impact of physical risks and the impact of transition risks by applying two scenarios from the TNFD framework.

► TNFD Scenario #3 "Sand in the gears" for physical risk – the most pessimistic (= severe degradation of ecosystem services).

► TNFD Scenario #1 "Ahead of the game" for transition risk – the most optimistic/strong in terms of transition (= orderly transition scenario).







This matrix was produced internally: the assessment of risks related to biodiversity loss was based on work to identify and analyse the channels of transmission of biodiversity loss risks to other types of risks. The sources used were the ENCORE²⁴ database and quantitative and prospective internal studies. The matrix concluded that, over the medium-term horizon, the materiality of the impact of biodiversity loss risks on credit risk and on strategic and business risk is high.

For credit risk, initial risk measurement and management systems have been put in place.

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For strategic and business risk, Crédit Mutuel Arkéa acknowledges the potential impact of biodiversity loss risks on its strategy, and will therefore adjust its business model to incorporate biodiversity-related issues.

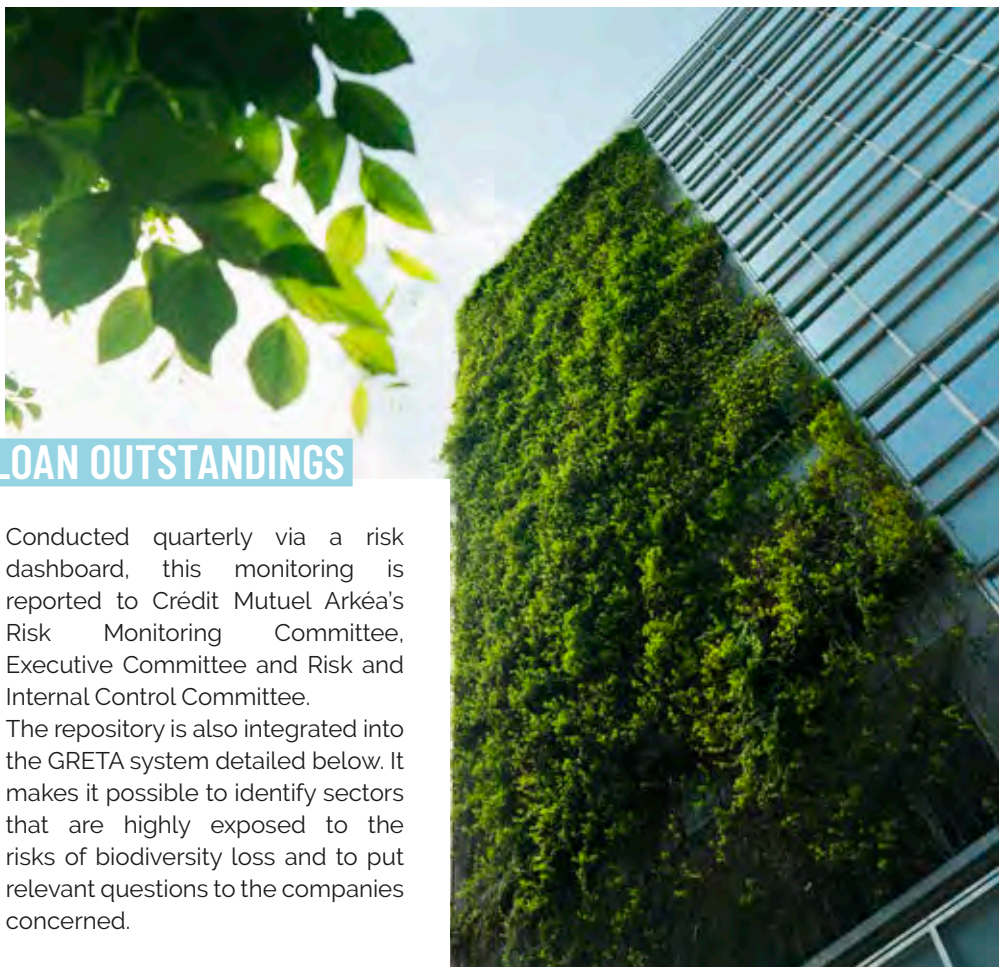
MATERIALITY MATRIX USED BY CRÉDIT MUTUEL ARKÉA TO ASSESS ITS BIODIVERSITY LOSS RISKS

Risk category / Horizon	Physical risk related to biodiversity			Transition risk related to biodiversity		
	Short-term < 3 years 	Medium term 3-10 years 	Long-term > 10 years 	Short-term < 3 years 	Medium term 3-10 years 	Long-term > 10 years 
Credit risks	+	+	++	+	+++	++
Operational risks	+	++	++	+	++	++
Strategic and business risks	+	+	++	+	+++	++
Insurance risks of the conglomerate	+	++	++	+	++	++

Source: Crédit Mutuel Arkéa, 2022.

23 - Short term = less than 3 years, medium term = 3 to 10 years, long term = more than 10 years.

24 - The ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) database is a tool developed by the Natural Capital Finance Alliance in partnership with the United Nations Environment Programme Finance Initiative (UNEP-FI) and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC). It is used to assess the impacts and dependencies of sectors on biodiversity: <https://encorenature.org>



MEASUREMENT AND MONITORING OF EXPOSED LOAN OUTSTANDINGS

Crédit Mutuel Arkéa also measures and monitors gross exposure to risks related to biodiversity loss on a quarterly basis. For this it uses a sector-based approximation, based on a repository used to identify, by business sector, the levels of risks associated with biodiversity loss. This repository is derived from an analysis and aggregation of sector studies produced by recognised and binding sources (TNFD, UNEP, IPBES, SBTN, etc.). Based on these studies, it can obtain an objective assessment of the risk related to the loss of biodiversity associated with a business sector according to three levels: low, medium or high. For the scope of bank loans to businesses²⁵, the repository enables monitoring of outstandings that are highly exposed to the risks of biodiversity loss:

- **physical risks** linked to the dependence of business sectors on biodiversity loss
- **and transition risks** linked to the pressures exerted by the business sectors on biodiversity.

Conducted quarterly via a risk dashboard, this monitoring is reported to Crédit Mutuel Arkéa's Risk Monitoring Committee, Executive Committee and Risk and Internal Control Committee.

The repository is also integrated into the GRETA system detailed below. It makes it possible to identify sectors that are highly exposed to the risks of biodiversity loss and to put relevant questions to the companies concerned.

INTEGRATION IN THE CREDIT APPROVAL AND LOAN MONITORING PROCESS FOR BUSINESS CUSTOMERS

Since July 2022, Crédit Mutuel Arkéa has been using an internal ESG risk rating system called GRETA (Global Risk ESG Topics Assessment), which determines the ESG risk ratings of large corporate borrowers (revenue of more than €10m) on the basis of a questionnaire that collects their ESG risk data. In particular, it assesses the measures taken by the companies to mitigate the ESG risks to which they are exposed due to their sector of activity. **The ESG risk rating is incorporated into the approval process and formally applied as part of the lending decision process.**

Since 2023, the questionnaire has included questions on the performance of a biodiversity analysis. During 2024, the questionnaire will be enriched with new risk factors, including water management and waste management, issues related to biodiversity and the preservation of ecosystems. The GRETA tool is a common system used by the Crédit Mutuel Arkéa entities involved in granting loans to companies: Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Financo, Arkéa Crédit Bail and Arkéa Banque Entreprises et Institutionnels.

²⁵ - excluding CFCAL and Keytrade



SUPPORT FOR KEY SECTORS AND INDUSTRIES IN THE REGIONS

POLICIES SPECIFIC TO CERTAIN SECTORS OF ACTIVITY THAT ARE KEY TO BIODIVERSITY

Support for sectors facing significant transition challenges

Certain sectors which the group supports are highly dependent on natural capital and responsible for pressures on biodiversity, but also offer solutions that promote

the preservation and restoration of biodiversity. **These include agriculture, viticulture, real estate and maritime activities.** Specifically for these sectors, the group has

developed support initiatives that have given rise to the adoption of policies and/or the creation of dedicated functions. Below are some examples.



Agriculture, viticulture and agri-food

- The [agriculture, viticulture and agri-food sector policy](#) applied as of 1 January 2024 reinforces the commitments set out in the policy adopted in 2022 to support agricultural and wine-growing activities, in particular by providing support for transition projects and the implementation of enhanced biodiversity-related due diligence measures.
- The Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations support farmers with their transformation projects, such as organic farming, the Bleu-Blanc-Coeur eco-methane programme (a UN-recognised scientific approach) and the co-financing of carbon audits with the region of Brittany.
- Crédit Mutuel Arkéa invested in the Agrilife Studio startup which offers innovative solutions to

meet the challenges of the agro-environmental transition, such as precision agriculture, carbon storage, bio-controls and bio-stimulants to replace pesticides.

- Crédit Mutuel Arkéa also supports the testing of payments for environmental services (PES) and in 2020 supported the Alli'Homme farmers association in the provision of an environmental service which helps improve the water retention of agricultural plots by changing crops and vegetation cover. This agreement was renewed in 2023 for another three years. These practices help reduce the risk of flooding and promote biological diversity.
- Arkéa Capital's We Positive Invest professional private equity fund (FPCI) has supported Gaïago, an innovative soil revitalisation solution, since 2021.

The real estate sector

Crédit Mutuel Arkéa has adopted a [real estate financing policy](#) through which it has undertaken to reduce the carbon intensity of its home loans and has reasserted support for customers in acquiring energy efficient properties and/or in retrofitting their homes, particularly homes with a high level of heat escape.

To this end, the group is developing retrofitting offers and services, a major factor in helping to reduce greenhouse gas emissions and in reducing the artificialisation of soils caused by new constructions.



The maritime sector

The challenges related to marine biodiversity are included in the group's roadmap for the maritime sector with, in particular, **support for responsible innovation and seatech** (companies and start-ups working to revolutionise maritime activities through regenerative ocean initiatives and the protection of marine ecosystems).

Policies to exclude practices with a high negative impact

Although it wishes to support players in their transition, the Crédit Mutuel Arkéa group also adopts sector "exclusion" policies specifically concerning sectors that, through their production and/or extraction activities, put significant pressure on biodiversity.



SECTOR POLICY

COAL

POLICY GOVERNING THE FINANCING OF AND INVESTMENT IN ACTIVITIES EXPOSED TO COAL AND EXIT TRAJECTORY

DATE OF APPLICATION: 01/01/2023

Crédit Mutuel
ARKEA

INNOVATIVE PROJECTS THAT PROMOTE MARINE BIODIVERSITY

Concerning the maritime sector, **Crédit Mutuel de Bretagne finances a connected platform for the benefit of CEVA, the French algae and technology innovation centre²⁶**. This platform makes it possible to monitor and collect data on water quality, weather and algal biomass in real time in the Trieux estuary (22), an area where numerous aquaculture activities are carried out. It is available to professionals in the algae sector who wish to learn about environmentally friendly cultivation practices and to industrial companies or scientists who wish to carry out specific research work with CEVA. The platform will also help to monitor the impact of climate change on species growth and reproduction.

Crédit Mutuel Arkéa is a sponsor partner of **Pure Ocean, an endowment fund that supports innovative projects to protect marine biodiversity**. For example, in 2023, the prize-winning project "Plasticdrugs"²⁷ led by the Université de Bretagne Occidentale and LEMAR (Laboratory of Environmental Marine Sciences) analysed interactions between microplastics and emerging pollutants and their impacts on animals and humans.

- In 2020, the Crédit Mutuel Arkéa group made a commitment to exit fossil fuels, [coal](#) and [oil and gas](#) (conventional and unconventional, according to certain thresholds). These commitments include, in particular, the exclusion of actors involved in controversial projects linked to violent conflict, the destruction of the environment, breaches of the human rights of local communities and/or subject to legal proceedings, as identified by the NGO Urgewald²⁸.

- Since 1 January 2024, Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and the Crédit Mutuel Arkéa trading room have been implementing certain exclusions applicable to agricultural practices that may lead to deforestation²⁹.



SECTOR POLICY

OIL AND GAS

POLICY GOVERNING THE FINANCING OF AND INVESTMENT IN ACTIVITIES EXPOSED TO OIL AND GAS AND EXIT TRAJECTORY

DATE OF APPLICATION: 01/01/2024

Crédit Mutuel
ARKEA

²⁶ - <https://www.ceva-algues.com/document/plateforme-de-culture-connectee-en-mer/>

²⁷ - <https://www.pure-ocean.org/nos-projets/plasticdrugs/>

²⁸ - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-02/2023_oilandgaz_policy_v1.pdf

²⁹ - https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2023-12/politique-agriculture-viticulture-agroalimentaire-credit-mutuel-arkea-finance-durable_csr_2023.pdf

SUPPORT FOR COLLECTIVE INITIATIVES AT THE REGIONAL LEVEL

The group supports concrete initiatives by local public and private stakeholders to preserve and restore biodiversity. For example:

► In Brittany, the group is the founding sponsor of the **Breizh Biodiv foundation**, which was created at the end of 2020 at the initiative of the region of Brittany. The foundation finances actions with five aims: planting for the future, acting for biodiversity, acting to preserve water resources, adapting to global warming and civic mobilisation.

► In Nouvelle Aquitaine:

- the group has invested in the **VitiREV Innovation fund**, which finances young innovative French and European companies that offer ecological transition solutions for the wine-growing sector, to help it adapt to climate change and reduce its impact on the environment.
- **Crédit Mutuel du Sud-Ouest** is a financial partner of the **Bordeaux Agroecology Summit**, which in 2023 provided a platform for 400 professionals to discuss good agroecological practices.





CHANNELLING FINANCIAL FLOWS TOWARDS BIODIVERSITY

INTEGRATION OF BIODIVERSITY CRITERIA

When supporting companies wishing to adopt a continuous improvement approach

► Arkéa Banque Entreprises et Institutionnels offers the **"Pact Trajectoire ESG"** loan to help companies with their transition projects. Customers who take out this loan benefit from a periodic ESG assessment throughout the term of the loan, based on which the financial terms of the loan are adjusted. This mechanism incorporates biodiversity-related issues, targeted according to the sector of activity, for example the performance of a biodiversity diagnosis, and initiatives and actions to promote biodiversity and the circular economy. In this way, Arkéa Banque Entreprises et Institutionnels contributes to funding

for Eurométropole de Strasbourg, Syndicat d'Eau du Dunkerquois, Hospices Civils de Lyon, Régie des Eaux de Montpellier, public waste recovery company Trifyl and Galapagos Gourmet.

► Arkéa Banque Entreprises et Institutionnels also offers interested customers a **programme for raising awareness, and assessing and improving their ESG performance**. This offer is based on answers given to questions specifically related to biodiversity, targeted according to the business sector. **Based on the responses, action plans can be proposed on identified themes.**

► In November 2023, Arkea Banque Entreprises et Institutionnels also signed a partnership with Birdeo, a pioneering recruitment and HR consultancy firm specialising in CSR. Thanks to Birdeo's subsidiary People4Impact, Arkéa Banque Entreprises et Institutionnels will be able to offer its customers innovative advisory services to enable them to embark on a sustainable transformation of their business model, in particular in relation to climate change adaptation and biodiversity loss.

SUPPORTING LOCAL PLAYERS:

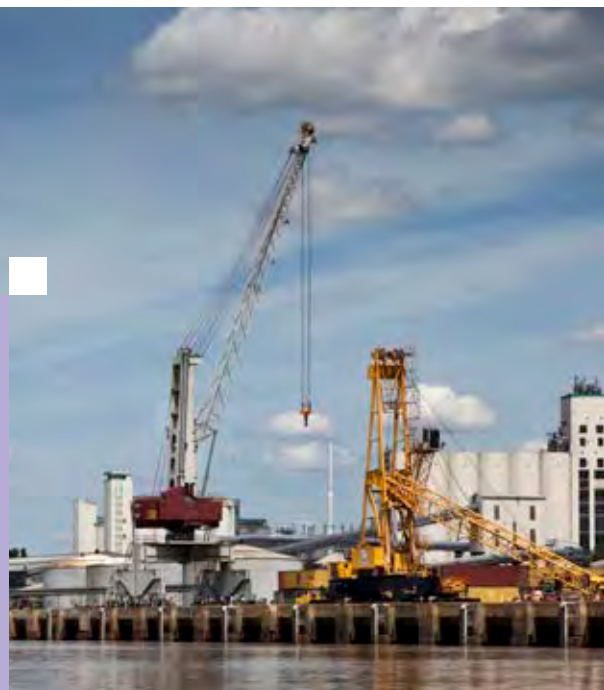
EXAMPLE OF GRAND PORT MARITIME DE BORDEAUX

In 2020, Grand Port Maritime de Bordeaux (GPMB) took out a "PACT trajectoire ESG" loan with Arkéa Banque Entreprises et Institutionnels to finance the modernisation of the Bassens container fleet. In addition to access to financing, this loan allows GPMB to benefit from strategic support with its societal and environmental transformation projects, adapted and measured according to the following aspects: environment, social, port ecosystem and governance. A periodic ESG assessment is provided throughout the term of the loan based on which the financial terms of the loan may be adjusted.

GPMB has adopted a five-strand environmental strategy:

- know your environment;
- sustainable development of spaces;
- control harmful effects;
- manage and preserve natural spaces;
- inform and raise awareness.

The Port of Bordeaux covers 2,500 hectares of land, including 1,000 hectares for "natural areas" and 500 hectares available for logistics and industrial sites. Seven sites classified as Natura 2000 protected areas are also located within the port district.



In asset management

► Integration of biodiversity into the ESG rating

The ESG analysis of corporate issuers developed by Federal Finance Gestion takes into account three out of the five direct risk factors that cause biodiversity loss: climate change, pollution and land use. Where these direct factors involve pressures (expressed in greenhouse gas emissions for climate change, in NOX/SOX for pollution and in km² of land occupied/transformed for land use), they are integrated into the issuer's ESG rating. The issuer's performance in relation to these factors is measured and integrated into the final ESG score

and therefore into the related investment decisions.

► Shareholder engagement of asset management companies

Federal Finance Gestion and Schelcher Prince Gestion have started to implement an engagement approach which involves, as a first step, constructive dialogue with certain companies whose non-financial ratings are below their sector average. This approach aims to encourage companies to adopt responsible policies and behaviour with regard to non-financial issues. Issues related to biodiversity loss are included in this approach.

Federal Finance Gestion and Schelcher Prince Gestion also participate in collective engagement initiatives, in particular via the Finance for Biodiversity Pledge:

- signature of the private sector petition for COP15 at the end of 2022;
- participation since 2023 in **Nature Action 100**, a global initiative led by 190 investors which aims to encourage 100 companies in eight key sectors to show greater ambition and take action to combat the decline in biodiversity and thereby mitigate financial risks.

In private equity activities

Arkéa Capital integrates biodiversity issues throughout the investment cycle. **Biodiversity-related risks and opportunities are subject to pre-investment analysis and post-investment monitoring based on dialogue with and the completion of a questionnaire by portfolio companies.** Arkéa Capital encourages its portfolio companies to protect themselves against risks related to biodiversity erosion, reduce their negative impacts and increase their positive impacts on biodiversity conservation. Details of these risks are provided in Arkéa Capital's report under Article 29 of the French Energy-Climate Act³⁰. Through its We Positive Invest 1 & 2 impact funds, Arkéa Capital invests in companies that offer solutions for the restoration or preservation of nature. For example, Arkéa Capital invested in Poiscaille, which promotes responsible management of the wild fishery resources along the French coast through the development of a subscription

platform for the sale of seafood selections under short supply chain arrangements.

In Crédit Mutuel Arkéa's proprietary investment decisions

All investment decisions are subject to an ESG assessment of counterparty practices, incorporating biodiversity and climate issues.

What's more, Crédit Mutuel Arkéa has acquired direct stakes in investment funds that specifically address biodiversity issues:

- **Swen Capital's Swen Blue Ocean fund**, which invests in innovative solutions for ocean regeneration with three priorities: combat overfishing, pollution and climate change.
- **Go Capital's Impact Ocean fund**, which finances innovative projects developed by start-ups and SMEs in the maritime industry that contribute to the ecological transition and modernisation of the sector.

Taking biodiversity-related controversies into account

The identification, qualification and management of controversies, including those related to environmental damage, are integrated into many of Crédit Mutuel Arkéa group's business processes (asset management, private equity, financing submitted to the credit committee of Arkéa Banque Entreprises et Institutionnels). Controversies are also investigated in connection with acquisitions carried out by Crédit Mutuel Arkéa.



30 - [https://www.arkea-capital.com/Medias/Fichier/RAPPORT%20ARTICLE%2029%20\(4\)-avec%20compression.pdf](https://www.arkea-capital.com/Medias/Fichier/RAPPORT%20ARTICLE%2029%20(4)-avec%20compression.pdf)



THEMATIC SAVINGS SOLUTIONS

Savings solutions that promote the preservation of natural capital are offered to different categories of customers.

► Federal Finance Gestion has developed savings products geared towards the environmental transition, in particular

- the **Federal Global Green Bonds** fund, which invests in international green bonds and obtained the GreenFin label in June 2020;
- the **Autofocus Transition Climat** formula fund, which helps to finance French companies with high ambitions in terms of reducing their carbon footprint.

► Schelcher Prince Gestion offers its institutional clients two "green" infrastructure funds which in particular use the IBAT (Integrated Biodiversity Assessment Tool) geolocation tool to integrate data on protected areas and the species diversity index into investment decisions.

► Crédit Mutuel Arkéa's trading room has developed a structured investment offering of green bonds based on equity indices that incorporate issues related to water, climate, forestry and oceans, such as the **Transition Globe** and **Perspectives Globe** offers. In 2023, 100% of the structured investment marketing campaigns aimed at

individual customers of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest included green bonds.

In addition to these thematic savings products, the customers of **Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Fortuneo and Arkéa Banque Privée** can make donations to certain listed associations dedicated to environmental issues through their LDDS (sustainable development and solidarity) or Livret Solidaire passbook accounts. In 2023, for example, they had the option of supporting Surfrider, France Nature Environnement, Planète Urgence and Pure Ocean.

PROJECT FINANCING SOLUTIONS THAT PROMOTE BIODIVERSITY

Various entities of the group develop financing solutions that can help to reduce impacts on biodiversity.

► Arkéa Banque Entreprises et Institutionnels offers the "**Arkéa Impulse**" loan specifically designed to finance environmental and social transition projects. It has a term of up to 25 years, **enabling support over the long term, with advantageous conditions, for transition projects whose return on investment is not always immediate.** There are three objectives and criteria for obtaining this advantageous loan which are directly related to the preservation of biodiversity:

- promote inputs from sustainable sources;
- reduce water consumption;
- restore biodiversity and reduce the artificialisation of land.

► Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest also offer **dedicated solutions at advantageous rates:**

- **the Pronoveo loan** for businesses to renovate buildings in order to reduce water and electricity consumption, invest in greener vehicles and equipment, reduce waste and packaging and develop sustainable fisheries and aquaculture.

More specifically, in agriculture and viticulture:

- **the Agrinoveo loan** to finance the production of green energy, the renovation of farms with a view to reducing water and electricity consumption, and the acquisition of green agricultural equipment;
- **the Alter Agrinoveo loan** to help speed up agricultural transitions, including animal welfare, quality certification (organic and labels),

the installation of hedges and embankments and the reduction of methane emissions via, for example, pit coverage;

- **the CléMat+ loan** to finance the acquisition of agri-environmental equipment for the sustainable management of crops: mechanical weed control, reduction of pesticides, etc.





COMMITMENTS AS A COMPANY

A RESPONSIBLE PURCHASING POLICY

► The group has mapped potential adverse environmental impacts across its various purchasing categories, using a tool developed by AFNOR. For purchasing categories identified as potentially having significant impacts on natural capital (use of natural resources, management of waste and end-of-life products, pollution, damage to biodiversity), **mitigation plans**

such as the integration of specific constraints in calls for tender and supplier specifications are currently being rolled out.

► For certain high-impact purchasing categories, such as paper, **consumption reduction targets are in place together with purchasing policies that specify compliance with labels or the use of recycled products.**

► The supplier code of conduct appended to contracts also includes requirements relating to the preservation of natural resources and biodiversity.³¹

³¹ - https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_39674/fr/code-de-conduite/-/fournisseurs



MANAGEMENT OF REAL ESTATE ASSETS

Real estate assets include operating buildings occupied by employees and buildings intended for real estate investments. The Crédit Mutuel Arkéa group is committed to making improvements in relation to the pressures that its own buildings can put on biodiversity. It has put in place various initiatives both to better understand the subject and to take action that reduces negative impacts.

► A BREEAM (Building Research Establishment Environmental Assessment Method) certification

process is under way for part of the operating and investment property portfolio. This is the main method of assessing a building's environmental performance. It recognises and reflects the value of the best performing assets throughout the life cycle of the built environment, taking into account construction, use and renovation.

► The group uses the services of ecological experts to better understand the ecological state of its premises. The recommendations of these specialists are taken into

account upstream of construction projects as well as during improvement works on existing sites.

► The optimisation of water management (consumption and management of rainwater) is also an identified objective. In 2023, infiltration wells were built at the head office car parks to supply the water table and optimise rainwater management.



PHILANTHROPY IN FAVOUR OF BIODIVERSITY

As part of its own sponsorship initiatives, Crédit Mutuel Arkéa and its subsidiaries support associations that work to preserve natural capital through awareness-raising and research initiatives. In 2023 and 2024, such associations included Pure Ocean, Surfrider, Tara Ocean Foundation and La Ligue de Protection des Oiseaux. Additionally, Suravenir Assurances has signed a partnership with MiniBig Forest, whose mission is to create mini urban forests using local tree species that are resistant to climate change.



INITIAL MEDIUM-TERM OBJECTIVES

ENVIRONMENTAL OBJECTIVES IN THE ROADMAP OF A MISSION-DRIVEN COMPANY

Having adopted the status of a mission-driven company and in line with its statutory commitment **"#2 Support each of our stakeholders with their environmental transition projects"**, the group has set the following objectives for 2024³²:

- ▶ a target of €900 million in annual financing for the environmental transition (including climate and biodiversity-related projects),
- ▶ a target of €300 million in gross annual savings inflows earmarked for the environmental transition (products or listed solutions of manufacturers).





32 - https://www.cm-artea.com/banque/assurance/credit/upload/docs/application/pdf/2023-05/web_075067_rapport_de_mission_2022_planches.pdf

OBJECTIVES TO ACHIEVE ALIGNMENT WITH THE PARIS AGREEMENT

Crédit Mutuel Arkéa joined the **"Net Zero Banking Alliance"** in 2022 and has therefore committed to aligning its investments and financing portfolios with the goal of achieving "net zero emissions" by 2050 and to

setting an intermediate target for 2030, according to the Alliance's guidelines. In 2023, it adopted carbon intensity targets for 2030 for "carbon-intensive" sectors that put pressure on biodiversity.

Using an analysis of the emissions financed, reference climate scenarios and the economic and regulatory trends of each sector, the group **defined the following carbon intensity targets for 2030**:

Sector	Scope covered	Baseline scenario	GHG emission scope	Carbon intensity target for 2030
 ► STEEL	Steel production companies classified under NACE Code 24.10 ³³	IEA NZE 2050 (2021 version)	Scopes 1 and 2	1,024 kgCO ₂ per tonne of steel produced
 ► CEMENT	Cement-producing companies classified under NACE Code 23.51 ³³	IEA NZE 2050 (2021 version)	Scopes 1 and 2	463 kgCO ₂ per tonne of cement produced
 ► AIR TRANSPORT	Airline companies classified under NACE Code 51.10 ³⁴	IEA NZE 2050 (Sept. 2023 version)	Scope 1	72 gCO ₂ per km and per passenger
 ► RESIDENTIAL REAL ESTATE	90% of the group's home loan portfolio covered by the measure ³⁵	–	Scopes 1 and 2	12 kgCO ₂ e per m ² and per year

NZE 2050 SCENARIO OF THE INTERNATIONAL ENERGY AGENCY (IEA)

The "net zero emissions by 2050" scenario is a normative scenario that shows a pathway for the global energy sector to achieve net zero CO₂ emissions by 2050. It is consistent with limiting the global temperature rise to 1.5°C compared with the pre-industrial era (with at least a 50% probability), in line with emissions reductions assessed in the Intergovernmental Panel on Climate Change (IPCC)'s Sixth Assessment Report. The group began its work using the 2021 version of the IEA's figures, which were available until September 2023, at which point the IEA published an updated version of its scenario. The climate-related data in the air transport sector are therefore based on the version published in September 2023, while the commitments concerning the steel and cement sectors were made based on the 2021 data that was available when those objectives were established.

In addition to the objectives set at group level, the entities of the asset management³⁶ and private equity business lines are deploying, or will deploy in the coming months, initial strategies to align with the objectives of COP15. In 2023, Arkéa Capital established its biodiversity strategy for 2030³⁷.

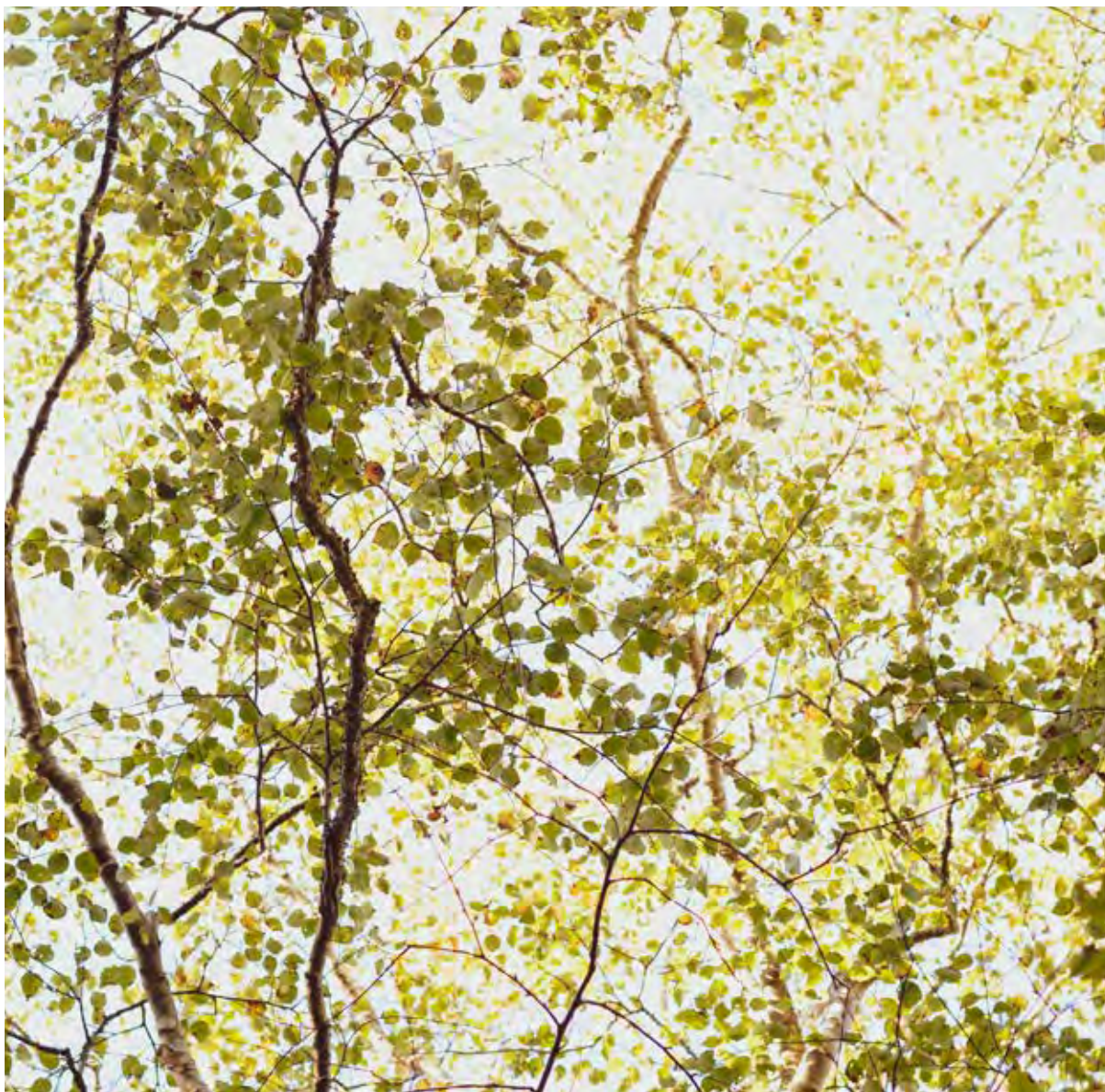
33 - Scope refocused on companies whose main activity is covered by the IEA scenario. Scope of the financing activities of Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Crédit-Bail, Arkéa Banque Entreprises et Institutionnels and the cash investments of the Crédit Mutuel Arkéa trading floor.

34 - Scope refocused on companies whose core business is covered by the IEA scenario. Scope of the financing activities of Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Crédit-Bail, Arkéa Banque Entreprises et Institutionnels and the cash investments of the Crédit Mutuel Arkéa trading floor.

35 - Scope of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest

36 - Scope: Federal Finance Gestion, Schelcher Prince Gestion and Suravenir

37 - [https://www.arkea-capital.com/Medias/Fichier/Strat%C3%Agg%C3%A9e%20Biodiversit%C3%Agg%C3%A9e%20\(2\).pdf](https://www.arkea-capital.com/Medias/Fichier/Strat%C3%Agg%C3%A9e%20Biodiversit%C3%Agg%C3%A9e%20(2).pdf)



The Crédit Mutuel Arkéa group is committed to a continuous improvement approach in contributing to the preservation and restoration of biodiversity and natural capital. **Various levers for action are being harnessed which are consistent with actions to mitigate and adapt to climate change.**

As with the climate issue, the consideration of biodiversity

loss involves **supporting each stakeholder with their individual challenges and taking into account a necessary transition phase** for certain sectors that are both material for the group and strategic for the preservation of biodiversity, **such as food, urban development and housing.**

The action taken by Crédit Mutuel Arkéa is consistent with a long-term approach.

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Registered office: 1 rue Louis Lichou, 29480 Le Relecq-Kerhuon, France - SIREN: 775 577 018 BREST Trade and Companies Register

The Crédit Mutuel Arkéa group comprises Crédit Mutuel Arkéa and the Crédit Mutuel de Bretagne and
Crédit Mutuel du Sud-Ouest federations and their member local banks, as well as around forty specialised subsidiaries
(Fortuneo, Monext, Arkéa Banque Entreprises et Institutionnels, Arkéa Investment Services, Suravenir, Suravenir Assurances, etc.)

