



PRINCIPLES FOR RESPONSIBLE BANKING

2023

Crédit Mutuel
ARKEA

DE NOUVEAUX LIENS POUR CHANGER DEMAIN

Reference

Throughout this report, reference is made to the 2023 Universal Registration Document of Crédit Mutuel Arkéa, available on cm-arkea.com
[2023 Universal Registration Document](#)

PRINCIPLE 1 | ALIGNMENT

► QUESTION 1-1

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Crédit Mutuel Arkéa is a financial services provider. A cooperative and mutual group, it is made up of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations and their member local banks,

as well as some forty specialized subsidiaries. Its activities are mainly based in France (93.7% of its net banking income and more than 97% of its workforce in 2022).

The business model of the Crédit Mutuel Arkéa group and its subsidiaries is summarised below.

1 Our business model

crédit Mutuel Arkéa
adopted the status of a company
with a mission in 2022



OUR 5 COMMITMENTS

- 1 Make our decisions while aiming for a balanced approach between financial performance and positive impact - societal and environmental - through the exercise of cooperative governance anchored in our regions.
- 2 Support each of our stakeholders in their environmental transition.
- 3 Develop regional cooperation and commit to local vitality.
- 4 Commit to inclusion and cultivate a lasting relationship of trust with all our members and customers, from the forerunners to the most vulnerable.
- 5 Promote the commitment of our collective in the service of the common interest, in particular by living our mutualist values.

+ **Sector policies** for coal, oil/gas, tobacco, air transport, real estate financing, agriculture, viticulture and agri-food

+ **Carbon intensity targets for 2030** as part of the Net Zero Banking Alliance

5.1 million members and customers €87.5 billion in gross outstanding loans

€1,004 million production of environmental transition loans €167.3 billion in gross outstanding savings

€689 billion in savings inflows to support the environmental transition

OUR BUSINESS LINES

A balanced and diversified banking and insurance offering strong and complementary brands

INDIVIDUAL & PROFESSIONAL MARKET



CORPORATE & INSTITUTIONAL MARKET



INSURANCE & ASSET MANAGEMENT PRODUCT DEVELOPMENT



BTOB MARKET & SERVICES



REAL ESTATE MARKET



PROTECTION OF PERSONS AND PROPERTY



OUR RESOURCES & ASSETS

HUMAN CAPITAL

11,471 employees	2,592 directors*
1,165 permanent hires	956 work-study students and interns welcomed
96% employees trained in 2022	92.4/100 gender equality index

ORGANISATIONAL CAPITAL

- A cooperative organisation
- An intermediate size that promotes agility
- Strong local roots and regional decision-making centres
- A national reach with its specialised subsidiaries
- Large scale IT projects to support strategy

FINANCIAL CAPITAL

€191.6 billion balance sheet total	€2.1 billion in revenues**
€9.7 billion in equity attributable to owners of the parent	16.9% Common Equity Tier One (CET1) ratio

Decrease of 19% in total energy consumption
since 2019 of which
99% renewable
electric energy and
95% "green" gas

NON-FINANCIAL PERFORMANCE

Non-financial performance of **€9.4 billion**.
€1 million in financing generates on average:

- ⊖ €22,000 in negative environmental impacts
- ⊕ €145,000 in positive socio-economic impacts



SHARING VALUE AT THE SERVICE OF REGIONS AND THEIR STAKEHOLDERS

Members and customers

€1,626 million in interest paid on customer deposits
€86 million paid out in remuneration for the shares

Employees

€546 million paid in compensation
€92 million in employee savings
5% of payroll invested in training

Support for the Regions

€9 million allocated to solidarity schemes

Suppliers

€671 million in purchasing of which
90% from French companies

Government and communities

€124 million in taxes paid



*Including 2,490 local bank directors

**Net banking and insurance income (NBII) and gains on disposal or dilution of companies accounted for by the equity method.

As a regional bank, Crédit Mutuel Arkéa is committed to maintaining decision-making centers and employment areas in the regions. It has 11 471 employees and over 2 490 directors. Its strong regional presence ensures that it is close to its customers and members.

The Crédit Mutuel Arkéa group has nearly 5.1 million customers, including 1.5 million members: individuals, companies (VSEs, SMEs, mid-cap companies) and civil society organizations. Its various entities offer them a wide range of financial solutions tailored to their needs: financing, wealth and asset management, insurance and personal protection, payment solutions, etc.

At 31/12/2023, Crédit Mutuel Arkéa's main activities are broken down as follows, in terms of net banking and insurance income:

- ▶ **Retail and Online Banking:** 42%;
- ▶ **Corporate, Institutional and Real Estate Banking:** 19%;
- ▶ **BtoB activities and specialized services:** 17%;
- ▶ **Insurance and asset management:** 23%.

While most of the activity is carried out in France, other activities are carried out abroad (6.3 %), via subsidiaries and branches such as Procapital (Belgium), Keytrade Bank (Belgium) and Monext (which provides services in 25 countries).

As a cooperative and collaborative bank serving the regions and their stakeholders, Crédit Mutuel Arkéa works with its stakeholders to develop innovative solutions to support its members and customers in their life projects and meet their aspirations.

This approach generates shared value between the various stakeholders in this ecosystem :

- ▶ **Members and customers:** € 1,626 million in interest paid on customer deposits and € 86 million paid out in remuneration for the shares;
- ▶ **Employees:** € 546 million paid in compensation, € 92 million in employee savings and 5% of payroll invested in training
- ▶ **Support to the region :** € 9 million allocated to solidarity schemes
- ▶ **Suppliers:** € 671 million in purchasing of which 90% from French companies
- ▶ **States and local authorities:** € 124 million in taxes paid

▶ QUESTION 1-2

Does your corporate strategy identify and reflect sustainability as a strategic priority(s) for your bank?

Yes

Please describe how your bank has aligned and/or plans to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks.

Does your bank also reference any of the frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

Crédit Mutuel Arkéa is a committed group that aims to combine economic, environmental and social performance to support the regions and the challenges of the future. Aware of the profound

environmental and social changes that are set to accelerate over the next ten years, Crédit Mutuel Arkéa has made the challenges of transition a central part of its strategy. It has also set itself the goal of sup-

porting its customers in the evolution of their business models towards greater sustainability.

Reference

- [2023 Universal Registration Document](#)
- 1.1. Crédit Mutuel Arkéa business model,
- 1.2. Group profile,
- 1.6. The Crédit Mutuel Arkéa business lines,
- 4.1. Crédit Mutuel Arkéa business model

ON CRÉDIT MUTUEL ARKÉA'S STRATEGY

A Raison d'être (Purpose)¹ that meets the challenges of sustainability

After adopting its Raison d'être (Purpose) in 2020, a founding text setting the course for the long term, Crédit Mutuel Arkéa has adopted social, societal and environmental commitments aligned with global standards and ensuring that its economic, social, civic and environmental commitments are integrated into its business operations. The group has adopted **five commitments** in order to concretely support the transformation of its businesses and practices in the service of this Raison d'être.

- 1 Taking our decisions by aiming for a balanced approach between financial performance and positive social and environmental impact, through cooperative governance rooted in our territories.
- 2 Supporting each of our stakeholders in their environmental transition.
- 3 Developing regional cooperation and promoting local vitality.
- 4 Committing to inclusion and cultivating a relationship of lasting trust with all our members and customers, from the most pioneering to the most vulnerable.
- 5 Promoting our collective commitment to serving the common interest, in particular by living our mutualist values.

Crédit Mutuel Arkéa has demonstrated a higher level of ambition by adopting the status of Mission-driven Company

In order to integrate these commitments into its long-term strategy, the group amended its articles of association at the General Meeting in May 2022 to become a 'Company with a mission'. The status, proposed by the Pacte Act 2019, repre-

sents a solid and ambitious level of commitment.

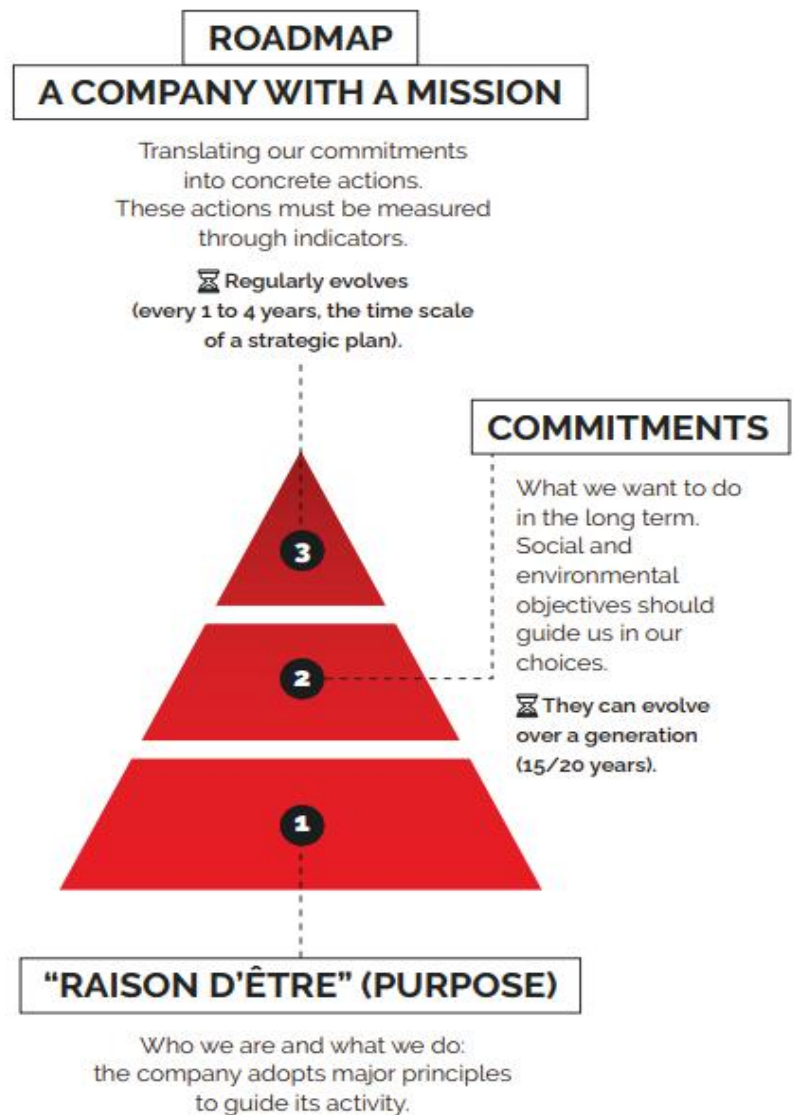
Crédit Mutuel Arkéa has thus become **one of the first French banks to adopt this status**, a founding act that commits the group to a profound transformation in favor of environmental and social transitions at the service of the territories and their stakeholders.

With this status, the group is committed to placing financial and non-financial performance on the same level.

The "Company with a mission" roadmap and the "Transitions 2024" strategic plan constitute the medium-term action plan for these commitments. **The year 2024 will see the conclusion of the deployment of this medium-term plan**

(MTP), which has instilled a collective dynamic throughout the Group. Crédit Mutuel Arkéa is currently defining its next strategic plan.

In summary, Crédit Mutuel Arkéa has adopted founding principles and adopted long-term objectives in the form of five commitments. It has also drawn up a roadmap for the 'Company with a mission' to translate this mission statement into operational objectives and concrete actions. The monitoring of these objectives and indicators is the subject of an annual report by the Mission Committee and regular verification by an independent third-party organization. Some of them will also be presented in the PRB annual report.



1 - https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_42261/fr/raison-d-etre

Internationally recognised commitments

In line with these strategic orientations, Crédit Mutuel Arkéa is also involved in international initiatives.

The group has chosen to focus on **two priority transitions**, which contribute primarily to the **following United Nations Sustainable Development Goals**:

Climate Transition and preservation of natural capital



Transition to an inclusive and balanced society in the regions



Since 2020, Crédit Mutuel Arkéa has also joined various initiatives in the marketplace to share and work with other players, particularly financial players, to develop a more sustainable economy and finance.

It is committed to the **United Nations Global Compact**² (2015), the **Principles for Responsible Banking**³

(2021) as well as to initiatives dedicated to environmental issues: **Net Zero Banking Alliance**⁴ (2022) and **Finance For Biodiversity Pledge**⁵ (2021). These initiatives commit it to orienting its activities towards greater sustainability. Crédit Mutuel Arkéa also responds to the recommendations of the **CDP** (formerly the Carbon

Disclosure Project) and the **Task Force on Climate-related Financial Disclosure** (TCFD). As such, the group has published an annual climate report⁶ since 2021, in line with the TCFD recommendations.

The commitments of Crédit Mutuel Arkéa and its subsidiaries are summarised below:

2 - <https://www.unglobalcompact.org/what-is-gc/participants/73571>

3 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/cma-signs-the-un-principles-for-responsible-banking_cp_19052022_en.pdf

4 - <https://www.unepfi.org/member/credit-mutuel-arkea/>

5 - <https://www.financeforbiodiversity.org/signatories>

6 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/rapport-climat-icfd-credit-mutuel-arkea-2022_finance-durable_csr_2023.pdf



MARKET COMMITMENTS AND INITIATIVES JOINED BY CRÉDIT MUTUEL ARKÉA

UNITED NATIONS GLOBAL COMPACT



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

CDP (FORMERLY CARBON DISCLOSURE PROJECT) AND TASKFORCE ON CLIMATE- RELATED FINANCIAL DISCLOSURES (TCFD)



In 2023, Crédit Mutuel Arkéa responded to the CDP (formerly Carbon Disclosure Project) questionnaire as part of a drive for transparency, continuous improvement and influence. CDP gave Crédit Mutuel Arkéa a B rating, up two notches (C and B-). As a signatory to CDP, Crédit Mutuel Arkéa also took part in the fourth edition of the Science-Based Targets Campaign, through which financial institutions are asking companies with a high climate impact to set science-based emissions reduction targets.

FAIR



Crédit Mutuel Arkéa is a member of the FAIR association, which was created in 2021 from the merger of Finansol, a long-standing player in solidarity finance, and iLab, an impact innovation laboratory. FAIR is the umbrella organisation for social impact finance players in France, and a French centre of expertise in this field at international level, bringing together over 120 committed players. FAIR manages the Finansol label, which distinguishes solidarity savings products

PRINCIPLES FOR RESPONSIBLE BANKING (PRB) AND NET ZERO BANKING ALLIANCE (NZBA)



Crédit Mutuel Arkéa became a signatory to the Principles for Responsible Banking (PRB) in 2021. PRBs constitute an international framework, established by the United Nations, which aims to align the strategy of signatory players with the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

The Crédit Mutuel Arkéa group is committed to:

- analyse the current impact of its activities on society;
- set progress targets and define the improvement measures to be implemented for this purpose;
- publish its results in the form of an annual report.

Crédit Mutuel Arkéa joined the Net Zero Banking Alliance in 2022. This is a programme launched in April 2021 as part of the United Nations Environment Programme Finance Initiative (UNEP-FI). The group is thus committed to aligning its investments and portfolios with the goal of zero net emissions by 2050, and to setting an interim target for 2030 or earlier, using the alliance's guidelines. The Net Zero Banking Alliance aims to accelerate the implementation of decarbonisation strategies while providing an international framework for the ecological transition of the financial sector.

FINANCE FOR BIODIVERSITY PLEDGE



Crédit Mutuel Arkéa joined the Finance for Biodiversity Pledge initiative in 2021 with the aim of strengthening the consideration of biodiversity-related issues in its business lines. Finance for Biodiversity Pledge invites its members to share ideas and collaborate on different valuation methodologies, measures and targets related to the biodiversity theme, as well as the development of positive impact financing solutions. By becoming a signatory, Crédit Mutuel Arkéa has made a public commitment to help protect biodiversity and ecosystems.

PARIS INSTITUTE FOR SUSTAINABLE FINANCE



In early 2023, Finance For Tomorrow became the Paris Institute for Sustainable Finance (*Institut de la finance durable*), a Paris Europlace initiative that aims to redirect financial flows towards a low-carbon, inclusive economy. The Paris Institute for Sustainable Finance brings together all the players, whether private, public or institutional, who want to commit to a form of finance that focuses on a sustainable future and combines long-term investment with consideration of environmental and social challenges. Crédit Mutuel Arkéa's membership in 2021 allows it to participate in commissions and working groups on issues of major importance for the financial market, including impact, just transition, biodiversity and regulatory developments in sustainable finance.



MARKET COMMITMENTS AND INITIATIVES JOINED BY SUBSIDIARIES



Principles for Responsible Investment



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



Membership of the FAIR association



Manifesto of the International Climate Initiative (2019)
Principles for Responsible Investment
France Invest Parity Charter
France Invest Value Sharing Charter



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



Principles for Responsible Investment

ON STAKEHOLDER SUPPORT

In the face of profound environmental and societal changes, the group has chosen to focus its actions on the two priority transitions described above: on the one hand, **the climate transition and the preservation of natural capital**, and on the other hand, **the transition towards an inclusive and balanced society in the territories**.

Convinced that this is a **long-term issue**, Crédit Mutuel Arkéa's ambition is to support its individual, business and institutional customers in their transition and to facilitate the integration of environmental, social and societal issues into their projects or business models. It has defined an action plan that is already being put into practice with concrete applications.

The deployment of a Climate Strategy by 2024 to integrate climate issues into the business model

Crédit Mutuel Arkéa has adopted its Climate Strategy⁷ in 2020. It aims to **strengthen its commitment to businesses** and regions and to integrate climate change as a performance factor and risk factor in the management of its activities.

This work led the group to join the **Net zero banking alliance (NZBA) at the end of 2022**, with the goal of joining a Place framework designed to contribute to efforts to limit global warming and the transition to a low-carbon economy.

Within this framework, Crédit Mutuel Arkéa has carried out work to quantify the carbon emission intensity of its financing and has adopted commitments to 2030 on

certain financed sectors among the most carbon-intensive in its balance sheet.

The measures deployed are detailed in the TCFD annual report and the NZBA report⁸.

Several group subsidiaries have developed their own climate strategy, in line with the group's strategy and their business.

The adoption and revision of sectoral policies relating to the sectors of activity most affected by these transitions

Crédit Mutuel Arkéa's strategy is set out in sectoral policies, which are regularly reviewed with a view to **continuous improvement**.

In response to environmental challenges, it has strengthened its financing and investment framework and **excluded certain activities that are contrary to the transition**, while promoting financing dedicated to the energy transition in the sectors concerned: coal⁹ and oil & gas¹⁰.

In line with its Sustainable Finance roadmap, in 2023, the group has adopted new commitments linked to sectors requiring support in their environmental transition: **a sectoral policy for aviation financing¹¹ and a sectoral policy for real estate financing¹²**.

Concerning social challenges, the group has adopted **a policy dedicated to healthcare¹³** in 2022, which aims, on the one hand, to support access to quality healthcare services for as many people as possible through financing, and, on the other, to support women and men in their healthcare challenges throughout

their lives. The issues of prevention, inclusion, dependency and home care are defined as priorities. It provides for measures to support innovation and research, as well as measures to assist stakeholders in their environmental and societal challenges. Concerning social issues, the group has also adopted a Controversial Weapons and Defense policy¹⁴, which provides a framework for financing these activities.

Covering both environmental and social issues, **a policy dedicated to farming, winegrowing and agri-food businesses¹⁵** has also been adopted, offering transition support schemes. With this approach, Crédit Mutuel Arkéa confirms its commitment to key sectors in the regions where it has historically been present (Brittany and Nouvelle-Aquitaine).

The development of new offers (financing, investment, savings, etc.) aimed at accompanying clients through transitions and contributing to increasing the positive impact or reducing the negative impacts

Crédit Mutuel Arkéa's various entities are committed to developing products and services aimed at specifically supporting projects or activities geared towards environmental and social transitions and adapted to different types of customers. Numerous offers are available to customers to support their transition process, such as financing for energy renovation, sustainable mobility, renewable energy production or, for corporate customers, the implementation of ESG objectives (full list of offers and details in section 3.2 of this report).

7 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/climate-strategy-credit-mutuel-arkea-2024_csr_2021_en.pdf

8 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/nzbareport_credit-mutuel-arkea_csr_2023_en.pdf

9 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/coal_policy-credit-mutuel-arkea_csr_2023_en.pdf

10 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/rde-oil-and-gas-policy_cp_30112021_en.pdf

11 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-transport-aerien-credit-mutuel-arkea_finance-durable_csr_2023.pdf

12 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-immobilier-credit-mutuel-arkea_finance-durable_csr_2023.pdf

13 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/politique-sante-credit-mutuel-arkea_finance-durable_csr_2022.pdf

14 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/politique-armes-controversees-defense-credit-mutuel-arkea_finance-durable_csr_2023.pdf

15 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-01/politique-agriculture-viticulture-agroalimentaire-credit-mutuel-arkea_finance-durable_csr_2023.pdf

MEASURING ITS NON-FINANCIAL IMPACTS

Crédit Mutuel Arkéa has developed **an innovative method for measuring its extra-financial performance**¹⁶. The aim is to express in euros the positive and negative externalities of the group's actions on its stakeholders (members, customers, suppliers and employees).

The methodology is based on a series of indicators related to its activities and its direct footprint. A cross-analysis of financial and non-financial materiality has made it possible to define an impact perimeter composed, to date, of eighteen themes and twenty-five impact indicators. The impact indicators may

be external (relating to the activity of customers and suppliers) or internal (relating to the group's internal activity). The impact trajectory is assessed annually.

Crédit Mutuel Arkéa's extra-financial performance is estimated at €9.4 billion for the year 2023. **For every €1 million of financing granted, the negative environmental impact is estimated at - €22,000 and the positive social impact at + € 168,000.**

This represents an impact of €123,000, down from €150,000 in 2022. Excluding investments, extra-financial performance was penalized by the combined effect of the deterioration of environmental indicators, mainly due to an increase

in carbon and water costs, and socio-economic indicators, mainly concerning access to housing, reflecting the real estate situation in France.

Since 2023, the measurement of extra-financial performance applies to investments made by Crédit Mutuel Arkéa through its life insurance, asset management and private equity subsidiaries. The extra-financial performance of Crédit Mutuel Arkéa's investments on this extended perimeter amounts to 836 million euros for the 2023 financial year. **For every 1 million euros of investments made, the negative environmental impact is evaluated at - €89,000 and the positive socio-economic impact at + €170,000.**

16 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2023-11/referentiel-methodologique-performance-globale-credit-mutuel-arkea_finance-durable_csr_052023.pdf

Reference

[2023 Universal Registration Document](#)

1.3 Overall performance,

1.4 A company with a mission,

1.7 Crédit Mutuel Arkéa's strategy,

3.4 Measuring non-financial impacts,

4.1 Crédit Mutuel Arkéa's business model,

4.2 Sustainability issues at the heart of Crédit Mutuel Arkéa's Raison d'être and Transition 2024 plan,

4.3 Crédit Mutuel Arkéa's main non-financial issues and risks,

4.5 A responsible approach that delivers results

PRINCIPLE 2 | IMPACT AND TARGET SETTING

► QUESTION 2-1

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfill the following requirements/elements (a-d):

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

In 2023, Crédit Mutuel Arkéa published its first report according to the **Principles for Responsible Banking**, an initiative joined in 2021. Through this first report, the group carried out its first impact analysis, defined the main areas of extra-financial impact as well as the associated objectives, in line with its Enterprise à Mission roadmap.

In view of the marginal changes in the group's business model in re-

lation to the year 2022, the impact analysis approach has not been reviewed for this new report.

The analysis focuses on **retail and online banking** (42% of NBI), **corporate, institutional and real estate banking** (14%), **insurance and asset management** (26%), which together will account for 82% of the Crédit Mutuel Arkéa group's revenues in 2023. For the BtoB division, this impact analysis takes into account the

activities of the subsidiaries Financo and CFCAL.

As the group is mainly present in France (93.7% of its NBI and more than 97% of its workforce in 2023), this initial impact analysis has focused on **the activities carried out by the group in France**.

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

i) by sectors & industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

As mentioned in section 2.1.a, the impact analysis covers 82% of Crédit Mutuel Arkéa's revenues in 2023, representing its core

business: banking activities for individual customers, banking activities dedicated to businesses, professionals and institutions, as well as pri-

vate equity activities and insurance and asset management activities.

Corporate, institutional and real estate clients banking 14% of NBI	Retail and online banking 42% of NBI	BtoB activities and specialised services 18% of NBI	Insurance and asset management activities 26% of NBI
Outstanding loans: 87.5 B€ Environmental transition outstanding loans dedicated : 1.95 B€ Sustainable outstanding loans : 0.72 B€			The BtoB activities other than the retail loans of Financo and CFCAL are not yet assessed
Share of total outstanding loans (excluding receivables and provisions): Loans granted to businesses and companies (including VSBs and SMEs) : 21% Loans granted to local authorities : 14% Government Guaranteed loans : 1% Liquidity facilities : 4% Number of corporate and institutional clients : 252,377	Home loans (includes renovation loans) : 47% total outstanding loans Consumer loans (includes renovation loans and mobility loans) of total outstanding loans : 12% Comment: The outstanding loans of the Financo and CFCAL subsidiaries that are BtoB activities are included in this category for impact analysis Number of individual clients : 5.1 M		Savings held in insurance and financial products : 82.2 B€ Environmental transition savings : 689 M€ Share of assets managed with ESG criteria (Suravenir and Federal Finance Gestion) : 72% Share of ISR/Greenfin-labelled assets in the total assets under management (Federal Finance Gestion and Schelcher Prince Gestion) : 64%
Businesses and companies gross exposure sectoral breakthrough (balance sheet and off balance sheet):			
	Corporate Clients	SMEs Clients	
Real estate	29.9%	32.3%	
Finance and insurance	15 %	3.4%	
Professional, scientific and technical activities	13.5%	5%	
Trading and retailing	8.5%	5.4%	
Construction	8.6%	5.1%	
Agriculture, forestry and fisheries	3.3%	18.3%	
Others	21.2%	28.2%	
Banking savings : 85.1 B€			

At 31 December 2023, the Group had more than **5.1 million customers**. It is mainly made up of individual customers: 4.87 million individual customers versus 252,377 professional, business and institutional customers.

Housing loans account for the largest share (47%) of gross outstanding loans at the end of 2023, followed by loans to professionals and businesses (21%), loans to local authorities (14%), consumer loans (12%), cash flow solutions (4%) and state-guaranteed loans (1%).

Among professional and business customers, the real estate sector (social landlords and property companies) is the most represented, with 29.9% of gross exposure (on- and off-balance sheet outstandings) among business customers and 34.6% among SMEs and professionals. Agriculture, wine-growing and fishing are also important markers of economic activity in the areas where Crédit Mutuel Arkéa has historically been present (18.3% of the gross exposure of professionals and SMEs).

Through its various entities, the group offers banking, financial and life insurance savings solutions. **At the end of 2023, outstanding savings amounted to €167.3 billion**, including €85.1 billion for bank savings and €82.2 billion for insurance and financial savings.

Earned premiums on insurance portfolios totalled €502 million, of which €130 million for persons and €372 million for property.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

To determine the main issues and priorities related to sustainable development in France¹⁷.

Crédit Mutuel Arkéa took into account major frameworks such as the Paris Agreement¹⁸, the Kunming-Montreal Agreement¹⁹, the priorities of the EU Green Deal²⁰, France's Sustainable Development Goals (SDGs) agenda²¹, the National Low Carbon Strategy²², the National Biodiversity Strategy 2030²³, and the National Health Strategy²⁴. The group also drew on UNEP FI impact assessment tools.

To conduct its analysis, it relied on initiatives and working groups in the marketplace, such as those organized by :

► UNEP FI as part of the signing of the Principles for Responsible Banking, the Institute for Sustainable Finance and the UN Global Compact for global sustainability issues

► the Net Zero Banking Alliance and

the CDP (formerly the Climate Disclosure Project) for climate issues

► the Finance for Biodiversity Pledge for biodiversity issues.

The analysis identified the most relevant challenges for the group's main activities in France, namely:

► **climate change, biodiversity, circularity and healthy ecosystems;**

► **equality and just transition** which includes the availability, accessibility and/or quality of resources and services, including financial services;

► **education;**

► **health and well-being for all**, including sustainable food and agriculture;

► **citizen participation and local innovation;**

► collaboration at European and in-

ternational level for **the sustainable transformation of societies, peace and solidarity.**

The group regularly monitors these issues in order to provide input for strategic thinking and the work of the business lines.

The group has since conducted a materiality analysis of its activities in relation to environmental, social and governance issues defined by the CSRD (Corporate Sustainability Reporting Directive) regulation. This analysis will aim to identify the negative and positive impacts of the group's activities and its value chain on each of the themes as well as the associated risks and opportunities. The content of the group's sustainability report from 2025 will depend on this analysis.

17 - Scope of the analysis

18 - <https://www.un.org/en/climatechange/paris-agreement>

19 - <https://www.cbd.int/article/cop15-cbd-press-release-final-19dec2022>

20 - https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

21 - <https://www.agenda-2030.fr/feuille-de-route-de-la-france-pour-l-agenda-2030/documents-a-telecharger/article/telecharger-la-feuille-de-route>

22 - <https://www.ecologie.gouv.fr/strategie-nationale-bas-carbone-snbc>

23 - <https://www.ecologie.gouv.fr/strategie-nationale-biodiversite#:~:text=La%20strat%C3%A9gie%20de%20l'UE,r%C3%A9tablissement%20d'ici%20%C3%A0%202030>

24 - <https://sante.gouv.fr/systeme-de-sante/strategie-nationale-de-sante/article/la-strategie-nationale-de-sante-2018-2022>

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.

By identifying the relevant issues for the 2023 financial year, the Crédit Mutuel Arkéa group has

identified the areas of positive and negative impact related to its activities, which are presented below. It used

the tools promoted by the financial community: UNEP FI, the SASB materiality matrix and the SBTN framework.

Main areas of negative impact	Main areas of positive impact
<ul style="list-style-type: none"> Fighting global warming Adaptation to climate change Biodiversity and healthy ecosystems Availability, accessibility, quality of services and resources (water, food, energy, housing, health, education, mobility, information, connectivity, culture, finance) Health and safety Livelihood: people's access to employment and decent work Employee engagement, diversity and inclusion Data security 	<ul style="list-style-type: none"> Availability, accessibility, affordability, quality of services and resources (water, food, energy, housing, health, education, mobility, information, connectivity, culture, finance) Infrastructure Development and creation of sustainable markets, including the development and creation of value through micro, small and medium enterprises. Health and safety

These areas of impact are likely to evolve following the analysis of double materiality conducted by the group in 2024, under the CSRD directive.

To date, three impact areas of strategic importance have been identified, in accordance with the decisions of the Executive Committee and the Strategy and Social Responsibility Committee of Crédit Mutuel Arkéa (detailed in Part 5).

AVAILABILITY, ACCESSIBILITY AND QUALITY OF SERVICES FOR FINANCIAL INCLUSION

In 2023, in France, 5.3 million people (8% of the population) lived below the poverty line²⁵. The worsening of poverty is due both to the decline in income and support in 2022, but es-

pecially to the increase in the cost of living. Food prices rose another 7% in 2023 and energy prices by 23%. This key issue for the country was identified as a priority for France, particularly in retail banking.

The protection of financially vulnerable people has become a reality with the law SRAB (Separation and Regulation of Banking Activities) of 26 July 2013. A banking inclusion and debt prevention charter was adopted by the French Association of Credit Institutions and Investment Companies.

The law n°2017-399 of 27 March 2017 on the duty of care requires companies to prevent social, environmental and governance risks related to their operations. The group has identified the risk of exclusion from the

banking and insurance system of customers in fragile situations as a major issue for its banking and insurance activities. These elements are detailed in the Compliance Plan.

The group is committed to going beyond regulatory obligations. Indeed, Crédit Mutuel Arkéa's raison d'être includes this area of impact in one of its commitments

► Commitment 4: Cultivate a lasting relationship of trust with all our members and customers, from the early adopters to the most vulnerable).

The group has set up dedicated solidarity offers and mechanisms (see details in section 3.2 of this report).

²⁵ - https://www.francetvinfo.fr/societe/plan-pauvrete/precarite-en-2023-5-3-millions-de-personnes-vivaient-sous-le-seuil-de-pauvrete-en-france_6304863.html

FIGHT AGAINST GLOBAL WARMING AND FOR BIODIVERSITY

Identified as a global, European and national priority, this area of impact is also key for the sectors and customers financed by the group. **Crédit Mutuel Arkéa plays a key role in helping professional, business and institutional clients, as well as individual clients, in their environmental transition.**

Crédit Mutuel Arkéa's Raison d'être includes this area of impact in two of its commitments :

- ▶ Commitment 1: **Make our decisions with a view to achieving a balanced approach between financial performance and positive societal and environmental impact**, through cooperative governance anchored in our territories;
- ▶ Commitment 2: Support each of our stakeholders in their environmental transition: **the group has also implemented a Climate Strategy and is committed to initiatives dedicated to environmental issues**: Net Zero Banking Alliance (2022) and Finance For Biodiversity Pledge (2021).

For corporate and institutional customers, the focus is on **financing renewable energy** and energy efficiency. For individual customers, the focus is on **financing energy efficiency of real estate** and **sustainable mobility**.

It should be noted that these first two areas of impact (climate and inclusion) overlap. Low-income people who do not have access to renovation loans are often those who are most exposed to the effects of climate change (e.g. heat waves). **This issue involves both financial inclusion and climate change.**

HEALTH AND WELL-BEING FOR ALL

A key national issue and an SDG priority for France, health has been highlighted by the recent health crisis.

Social and territorial health inequalities in France remain high: 87% of the population lives in a medical desert, 6.7 million French people do not have a doctor, or 11%²⁶ of the population and the number of people who will be dependent in 2040 is estimated at 1.2 million²⁷.

The group has put in place a policy to support healthcare in the regions and, through its funding, supports the research and healthcare sector, access to care and healthcare solutions across the entire value chain.

This impact area is also **linked to financial inclusion**. Health problems can have financial consequences for customers, and in some cases lead to their exclusion from certain services. Crédit Mutuel Arkéa can identify

solutions to avoid the exclusion of certain customers.

In the same way, the impact area is **linked to the issue of climate change and biodiversity**. Pollution, poor air and water quality, and resource-related issues are all factors which, alone or in combination, contribute to the occurrence of numerous diseases (cancers, respiratory diseases, allergies, asthma, cardiovascular diseases, diabetes, obesity). According to the World Health Organisation (WHO), environmental factors are responsible for almost 20% of mortality in the European region.

In addition to these three priority areas of impact, Crédit Mutuel Arkéa also takes into account **other areas of impact**, as shown in the table below.

26 - <https://medias.amf.asso.fr/docs/DOCUMENTS/afab988018dc49fc60b7bdc69593bf2.pdf>

27 - <https://www.insee.fr/fr/statistiques/1371933?sommaire=1372045#-:text=Le%20vieillessement%20de%20la%20population%20en%202040%20contre%20800%20000%20actuellement>

Reference

[2023 Universal Registration Document](#)

3.4. Measuring non-financial impacts.

4.2. Sustainability issues at the heart of Crédit Mutuel Arkéa's Raison d'être and Transition 2024 plan.

4.3. Crédit Mutuel Arkéa's main non-financial issues and risks.

4.5. A responsible approach that delivers results.

5.4. Credit and counterparty risk.

5.13. Environmental risks, including climate

Areas of impact	Examples of actions implemented by the group
Adaptation to climate change	<p>Impact analysis: global warming is a source of physical risks in the event of difficulties in implementing adaptation solutions. A question on physical climate risks is included in the ESG risk rating tool for corporate clients (> €10 million turnover).</p> <p>During 2023, the PRISM (Physical Risks Internal Scoring Model) framework dedicated to the evaluation and geographical measurement of physical climatic risks (six climatic hazards covered) at the level of municipalities for mainland France was deployed in order to measure Crédit Mutuel Arkéa's exposure to acute and chronic physical risks. The PRISM tool is intended to be improved over time by going down to a finer level of geographical granularity and covering more climatic hazards.</p>
Availability, accessibility, affordability, quality of services and resources (water, food, energy, housing, health, education, mobility, information, connectivity, culture, finance)	<p>Offers :</p> <ul style="list-style-type: none"> • Social housing: funding for local authorities, developers, social housing actors, helping them to carry out their initiatives (construction of social rental housing, rehabilitation of housing, urban renewal policy, social ownership, etc.). Partnership between Arkéa Banque Entreprises and an association to support social housing organizations in their ESG reporting with the implementation of the first ESG framework dedicated to the social housing sector. Made available by the federations of the Social Rental Loan Accession (PSLA) and the Real and Solidarity Lease (BRS): nearly 350 households will have been supported in 2023 through these two mechanisms. • Livret Développement Durable et Solidaire (LDDS) and Livret CMB & CMSO (Livret A) contributing to the financing of social housing. • Education: funding of actors, projects and initiatives in the field of education <p>KPIs for measuring overall performance: gain in purchasing power, number of households in social housing, number of homeowners, number of students enrolled, number of vehicles financed</p>
Health and safety	<p>Impact analysis: identification of the sectors of activity most at risk in terms of health and safety of people and questions dedicated to the granting of credit to companies with a turnover of more than 10 million euros, implementation of a human rights risk map by country.</p> <p>Offers: Arkéa on Life, which offers solutions to protect isolated employees with a connected watch</p>
Livelihood: access of the population to employment and decent work	<p>Global commitment: one of the five commitments of the Raison d'être is to support territorial cooperation and local vitality.</p> <p>KPIs for measuring overall performance: added value in the territories, number of jobs supported</p>
Commitment, diversity and inclusion of employees	<p>Company with a mission targets: ambition to implement actions in favor of diversity as well as on the conditions of a sustainable integration into employment (intergenerational, parenthood, disability mission, diversity, etc.). 2024 targets : maintain the level of the index of professional equality compared to the ratio calculated in 2021 (based on 2020 data) and increase the rate of employees with disabilities: + 0.5 pt/ year by the end of 2024. These targets were achieved by the end of 2023.</p> <p>To achieve these targets, the group has expanded its diversity ambassador community for development of diversity, inclusion and equality. The group deployed an initial Diversity & Inclusion diagnostic to assess the feeling of inclusion and discrimination, but also to establish a photograph of diversity, all in a spirit of transparency aimed at shaping a group-specific inclusion strategy. The Dynamic Department of Human Relations has signed a new Handicap agreement that aims to employ more than 6% people with disabilities (UES Arkade). This same directorate has deployed THalent Digital, a training system to promote access for workers with disabilities in the digital sector.</p> <p>Marketplace initiatives: the group is proactive in initiatives to promote gender diversity.</p>
Citizen participation and local innovation	<p>Global commitment: one of the five commitments of the Raison d'être is to support territorial cooperation and local vitality. The group works alongside organisations and associations that work to improve and promote creativity, excellence, expertise and knowledge in the regions, in the fields of culture, education, health and sport.</p> <p>KPIs for measuring overall performance: added value in the territories, number of jobs supported</p>
Collaboration at European and international levels for sustainable transformation of societies, peace and solidarity	<p>Contribution to global and European initiatives and commitments: Crédit Mutuel Arkéa's involvement in these initiatives and commitments, whether international, national or local, aims to make an active and collective contribution to achieving sustainable economic development. Crédit Mutuel Arkéa contributes to a number of international initiatives, such as: UN Global Compact, Finance for Biodiversity Pledge, Net Zero Banking Alliance, TCFD, CDP.</p>

d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The graphs below illustrate the approaches initiated by the group and the estimation of the associated impacts. They are based on the theory of change models developed by UNEP FI.

In particular, they present the strategy, sectoral policies, internal organization, solutions and customer commitments implemented. The impact assessment includes non-financial impact indicators, which express in euros the positive and negative externalities of the group's actions on its stakeholders (in accordance with the methodology described in part 1).

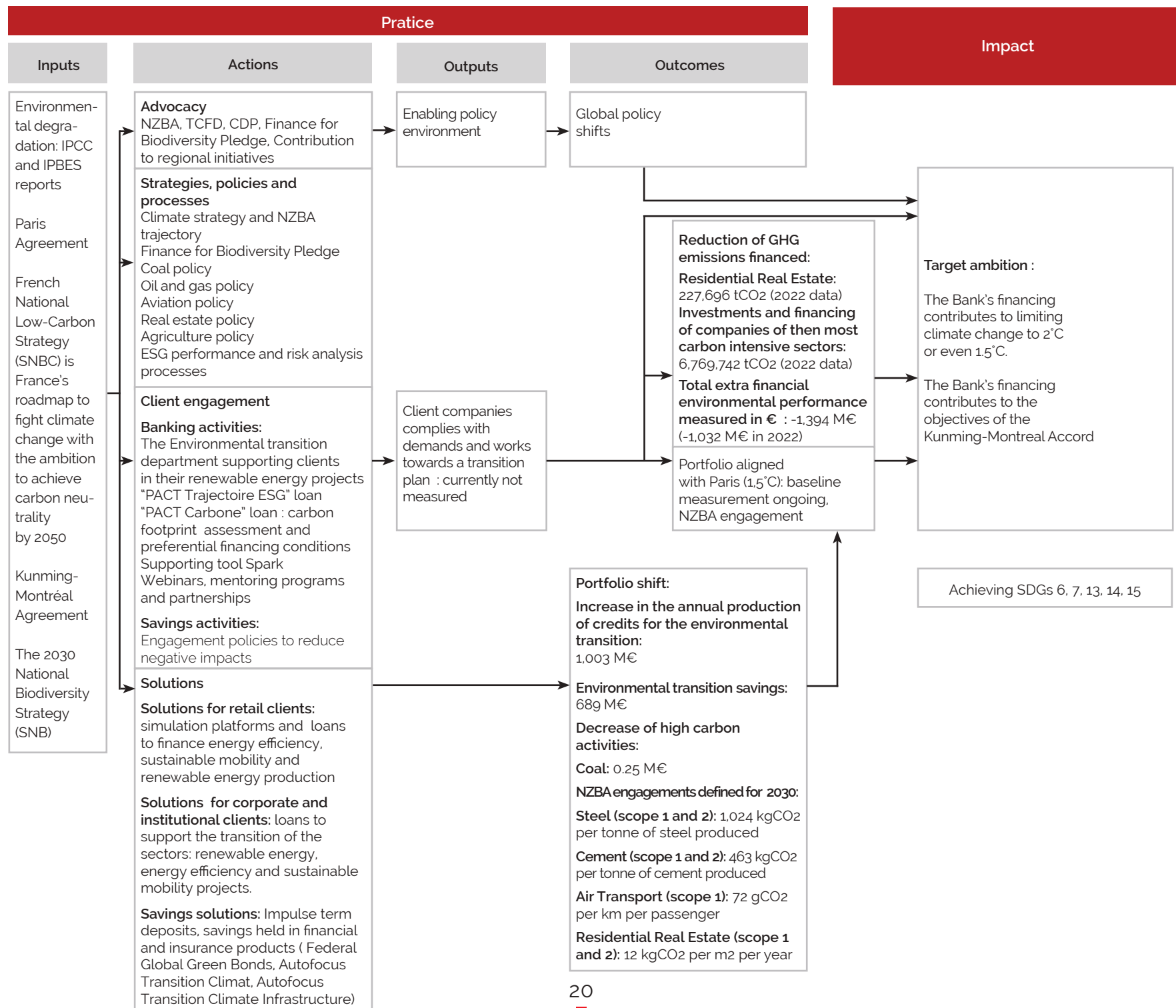
The diagrams below are intended to illustrate the group's approach (they are not exhaustive).

FIGHT AGAINST GLOBAL WARMING

As a financial institution, the vast majority of greenhouse gas (GHG) emissions from Crédit Mutuel Arkéa's activities are linked to its financing and investments.

As part of its Climate Strategy, Crédit Mutuel Arkéa has committed to adopting a low-carbon trajectory for its financing by 2030. This commitment has been strengthened by Crédit Mutuel Arkéa joining the Net Zero Banking Alliance (NZBA) in 2022. This alliance of banks, part of the United Nations Environment Programme Finance Initiative (UNEP FI), supports the implementation of decarbonisation strategies by providing a framework and consistent guidelines for financial institutions, based on science.

The following diagram illustrates the actions in the field of fighting against global warming.



Building on exploratory work conducted in 2022, Crédit Mutuel Arkéa continued its efforts to better understand the climate impact of its financing and adopted 2030 targets on some of the most carbon-intensive sectors on its balance sheet. In its 1st [NZBA - Climate Objectives](#), Crédit Mutuel Arkéa published the measurement of emissions financed at 31/12/2022 on the scope of bank financing and cash investments by the Crédit Mutuel Arkéa trading desk in 2023.

► **Measurement at 31/12/2022 of financed emissions on the perimeter of investments²⁸ and financing²⁹ of companies³⁰ in the ten most carbon-intensive sectors³¹ (for a total of € 20.2 billion outstanding loans): 6,769,742 tCO₂e.**

This measurement was carried out using asset-based proxies provided by the PCAF database. This methodology will evolve over time in order to refine the measurement.

► **Measurement at 31/12/2022 of financed emissions for residential property financing for individual customers (out of an analyzed scope of € 30.9 billion in outstandings³²): 227,696 tCO₂e**

This measure was achieved by combining DPE data of the funded assets, data from an external database (Ademe) as well as statistical data.

These measures allow to define the priority actions to be taken to contribute to a reduction of the impacts of

activities in the medium-long term, in particular by selecting financing with regard to their carbon intensity.

***Note:** the methodologies built and applied by Crédit Mutuel Arkéa to carry out this measure are likely to change over time. They depend in particular on access to non-financial data, the quality of the data, the evolution of the scope covered and the future climate scenarios available. If necessary, these developments will be presented in future annual publications. They are also likely to change the 2030 targets presented in the "NZBA Climate Objectives" report.*

BIODIVERSITY

In its approach to biodiversity and natural capital, the Crédit Mutuel Arkéa group adopts a broad definition of these concepts and incorporates into its work the challenges of preserving ecosystems, natural land and maritime resources, freshwater management and the fight against all forms of pollution. To do this, it draws on scientific work carried out at international level: in particular

the IPBES report (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services) and the work of the SBTN (Science-Based Targets Network), a network of over 45 organizations that develops methods and resources for setting and implementing scientific targets for nature, both for businesses and for cities.

The fight against climate change and against the collapse of biodiver-

sity must be waged in tandem, since these two issues are closely linked and have a mutual impact.

The following diagram illustrates **biodiversity actions**.

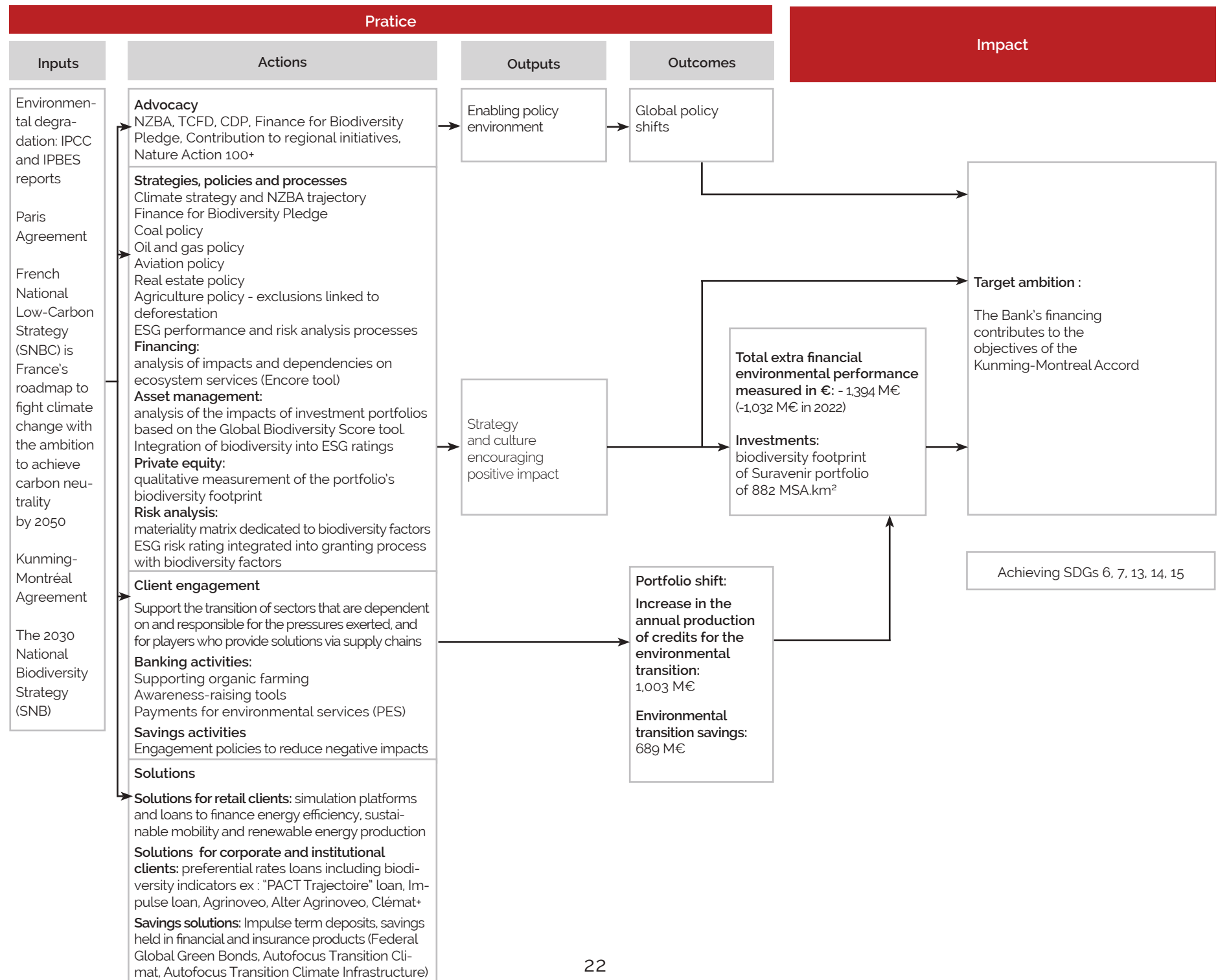
²⁸ - Cash investments by the Crédit Mutuel Arkéa trading desk

²⁹ - Financing of Crédit Mutuel de Bretagne, du Crédit Mutuel du Sud-Ouest, du Crédit Mutuel Arkéa, d'Arkéa Banque Entreprises et Institutionnels, d'Arkéa Crédit-Bail, de Fortuneo, Financo, CFCAL, d'Arkéa Private Bank and investments of Arkéa Capital.

³⁰ - as reported in FINREP

³¹ - corresponding to the following NACE codes: A - Agriculture, forestry and fishing; B - Mining and quarrying; C - Manufacturing; D - Electricity, gas, steam and air conditioning supply; E - Water supply; sewerage; waste management and remediation activities; F - Construction; G - Wholesale and retail trade; repair of motor vehicles and motorcycles; H - Transportation and storage; I - Accommodation and food service activities; L - Real estate activities.

³² - 92% of the scope initially analysed, which concerns Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Fortuneo and Arkéa Banque Privée. The final scope is partial due to a lack of available data, which does not cover all outstanding amounts.



The first step for a financial actor is to understand and assess its dependencies on ecosystem services and measure the impacts of its financing and investment portfolios on biodiversity. In this approach, the Crédit Mutuel Arkéa group relies on various available scientific works and tools recognized by local initiatives. The group uses the ENCORE database, the work of the Science Based Targets Network (SBTN), the GBS (Global Biodiversity Score) tool in asset management, as well as recommendations from expert firms. However, the group is aware of the limitations of available measurement tools and methodologies.

On the financing portfolio, the Group has carried out an initial analysis of the impacts of its financing portfolios using the ENCORE database. This analysis focused on outstanding loans in the property, construction, agriculture and retail sectors, and identified the four pressures that have the greatest impact on biodiversity: use of terrestrial ecosystems, use of water, greenhouse gas emissions and air, water and soil pollution.

Concerning the Federal Finance Gestion asset management investment portfolio, Schelcher Prince Gestion and Suravenir also carried

out a first impact analysis of their investment portfolios based on the Global Biodiversity Score (GBS) tool, proposed by Carbon4 Finance and CDC Biodiversité. The GBS quantifies in MSA.km² (Mean Species abundance square kilometer) the impact of these pressures and measures the integrity of ecosystems and the area impacted. Monitoring of a biodiversity footprint indicator on a representative share of their asset portfolios will be introduced. It is important to note that the integration of all dimensions of biodiversity into the group's investment activities is part of a continuous improvement approach. As of December 31, 2022, the biodiversity footprint of Suravenir's portfolio was 882 MSA.km². This measure is carried out on investments in companies covered by the database used, or 40% of assets representing a coverage rate of 75.6% of the companies invested. This calculation corresponds to the sum of the terrestrial biodiversity impacts of companies multiplied by the ratio of control of the Suravenir portfolio (investment divided by the value of company, including cash, of each issuer).

In terms of private equity, Arkéa Capital carried out a qualitative measure of the biodiversity footprint of its portfolio in collaboration with

BL Evolution. This measure made it possible to identify priority sectors focusing on the main transition risks (related to impacts on biodiversity) as well as the main physical risks (related to biodiversity erosion). The results are published in the report Article 29 Energy Climate Law of Arkéa Capital. Based on this assessment, Arkéa Capital built its biodiversity strategy by 2030 in 2023.

The different actions are specified in the group's biodiversity report³³.

As regards the measurement of extra-financial performance in euros, five indicators, linked to the pressures responsible for biodiversity loss, are included in the calculation of negative externalities: soil artificialization, water eutrophication, greenhouse gas emissions, water consumption, waste generation.

For 2023, the negative externalities associated with the environmental component of the group were estimated at:

- For 1 million euros of funding, the negative environmental impact is estimated at - 22,000 euros.
- For 1 million euros of investments made, the negative environmental impact is estimated at - 89,000 euros.

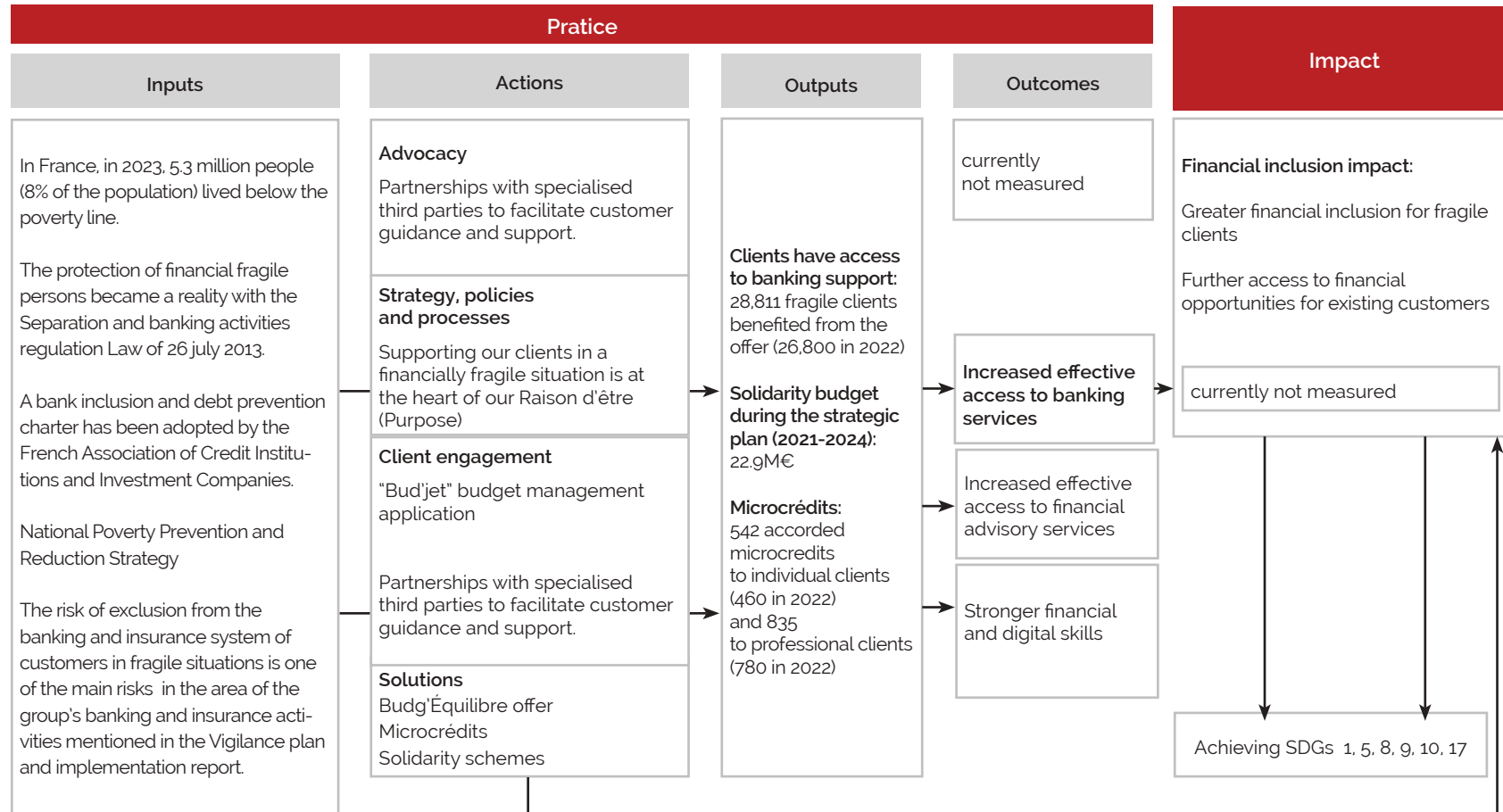
33 - https://www.cm-arkea.com/arkea/banque/upload/docs/application/pdf/2024-03/biodiversityreport_credit-mutuel-arkea_csr_2023_en.pdf

The table below shows examples of existing climate and biodiversity solutions. The products offered by the group are detailed in Section 3 - Business Opportunities.

Retail and online banking for individual clients	Professional, farmers, businesses and institutional banking	Savings	2022 Baselines	2023 KPIs
Housing loans for energy-efficient housing Loans for energy renovation or renewable energy production - zero or preferential rates Energy efficiency simulation tools Energy audit loan Green vehicle loan Supporting eco-responsible approaches with adapted insurance solutions Nidomio platform dedicated to supporting its customers and partners in order to multiply renovation projects	<p>Loans for the environmental transition of the sectors (VSEs, SMEs and mid-cap companies) most exposed to climate risks according to the SNBC and the EU's green taxonomy (examples of offers: PACT Trajectoire ESG, Arkéa Impulse, Pact Carbone, Pronovéo, Agrinovéo, Clémat, Alter Agrinovéo)</p> <ul style="list-style-type: none"> Real Estate and Construction Agriculture, aquaculture and forestry Manufacturing industry Transport and storage Production and distribution of electricity, gas, heat and air conditioning <p>ESG Spark: a tool for raising awareness, assessing and improving their ESG performance, based on the themes of climate change mitigation, adaptation to climate change, biodiversity and social issues.</p> <p>Financing renewable energy, energy efficiency and other green projects for businesses and local authorities:</p> <p>Support from the Environmental Transition Department of Arkéa Banque Entreprises et Institutionnels</p>	<p>Savings products geared towards the environmental transition:</p> <p>Federal Global Green Bonds Fund, Autofocus Climate Transition Fund, Infrastructure Transition Platform, Globe Perspectives, Serenity Globe</p> <p>DAT Impulse CSR Term Deposits Suravenir Sustainable Infrastructures</p>	<p>Outstanding loans for the environmental transition of individual customers: € 885 m</p> <p>Outstanding loans for the environmental transition of companies, institutions: € 609 m</p> <p>Total production of credits that finance the environmental transition: € 860 m</p> <p>Gross savings inflow for environmental transition: € 182 m€</p> <p>Number of beneficiaries of systematic insurance coverage for environmental equipment: 27,970</p> <p>Number of beneficiaries of the insurance cover that rewards and incentivises customers who use their vehicles less or better and contribute to reducing the carbon footprint: 283,849</p>	<p>Outstanding loans for the environmental transition of individual customers: € 1,200 m (+36%)</p> <p>Outstanding loans for the environmental transition of companies, institutions: € 758 m (+24%)</p> <p>Total production of credits that finance the environmental transition: € 1,003 m (+17%)</p> <p>Gross savings inflow for environmental transition: € 689,3 m (+279%)</p> <p>Number of beneficiaries of systematic insurance coverage for environmental equipment: 32,366 (+16%)</p> <p>Number of beneficiaries of the insurance cover that rewards and incentivises customers who use their vehicles less or better and contribute to reducing the carbon footprint: 288,567 (+1,7%)</p>

FINANCIAL INCLUSION

The diagram below illustrates actions in the area of financial inclusion.



The table below illustrates examples of existing financial inclusion offers.

Retail and online banking for individual clients	2022 Baselines	2023 KPIs
Budg'Equilibre offer set at one euro from 1 January 2023, or for the capping of incident charges for financially vulnerable customers. Solidarity schemes for vulnerable clients , including microcredit for individual and professional clients	Encounter rate of Financially Fragile Persons (FFP): 59.3% Number of vulnerable customers who benefit from the specific offer: 26,800 Personal microcredits granted: 460 Average amount of personal microcredit granted: € 3,391 Number of intermediated professional microcredit files: 780 Amount of personal microcredits financed during the year: € 1, 559.794	Encounter rate of Financially Fragile Persons (FFP): 60.3 % (+1%) Number of vulnerable customers who benefit from the specific offer: 28,811 (+7%) Personal microcredits granted: 542 (+18%) Average amount of personal microcredit granted: €3,691 (+9%) Number of intermediated professional microcredit files: 835 (+7%) Amount of personal microcredits financed during the year: € 2,000,293 (+28%) Amount paid for solidarities over the period 2021-2024: € 22.9 m

Since the launch of the plan, over the period 2021-2024, a total of € 22.9 million has been paid in solidarity.

In 2023, 28,811 fragile customers were able to benefit from the specific offer with the elimination of bank incident fees.

The solidarity schemes of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations have supported, for example:

► 542 personal microcredits have been granted for a total amount of more than 2 million euros and more

than 1 million euros of donations have enabled the households to help to improve their financial situation;

► 930 donations were made for start-up or take-over projects;

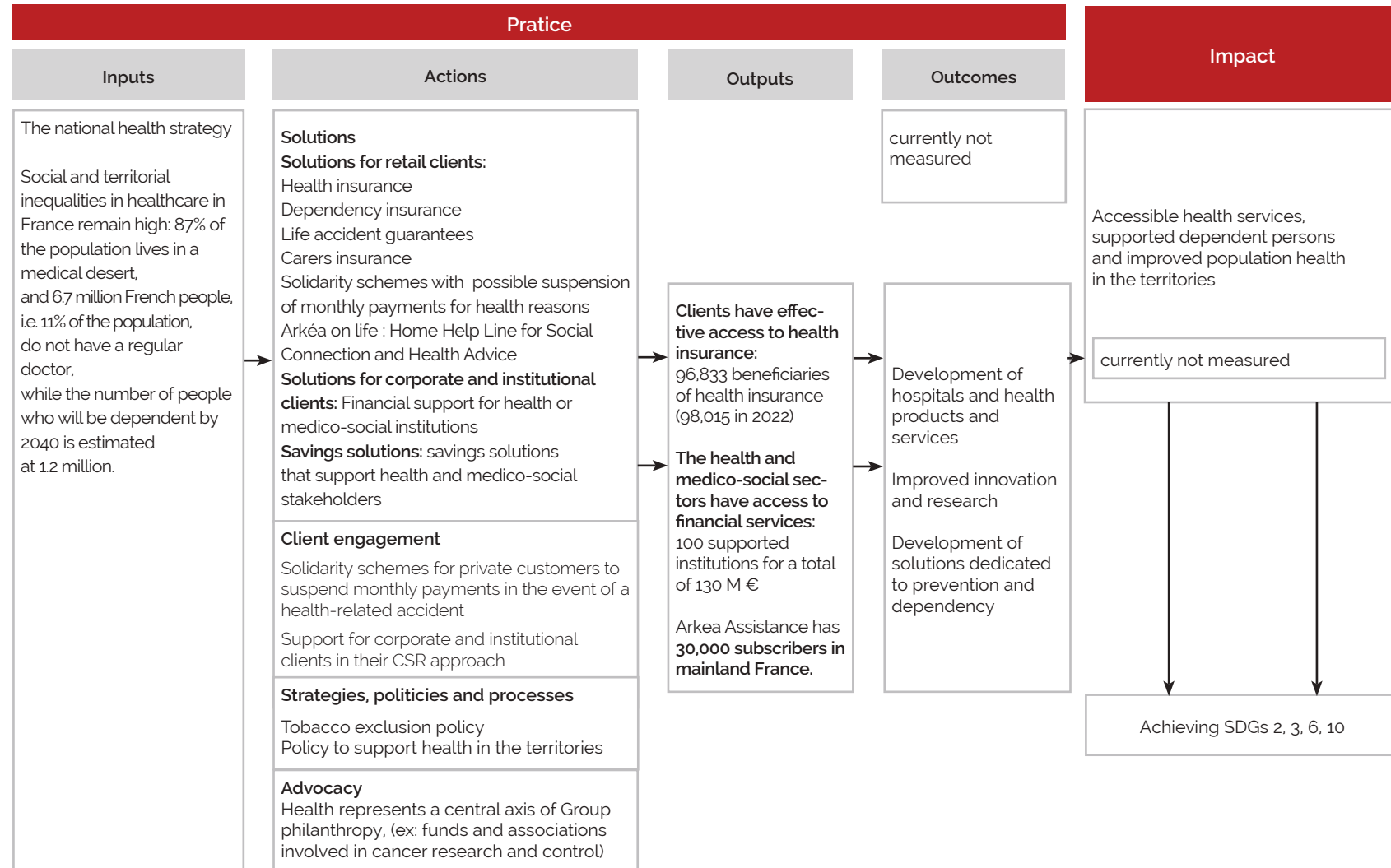
► 1,300 associations have been helped to face difficulties or supported in their solidarity or environmental actions with more than two million euros in donations.

In relation to privacy concerns, we cannot disclose impact data related to our individual clients (such as age, gender, income...).

HEALTH AND WELL-BEING FOR ALL

The diagram below illustrates our **actions in support of health and well-being issues**.

Theory of change : health and well-being



The table below illustrates examples of existing offers for the health sector and related key sectors.

Retail and online banking for individual clients	Professional, farmers, businesses and institutional banking	Savings	2022 Baselines	2023 KPIs
<p>Health insurance</p> <p>Expert unit and mechanism to find tailor-made solutions for people excluded from loan insurance due to health problems</p> <p>Solidarity schemes: possible suspension of monthly payments for health reasons</p> <p>Helpline services</p> <p>Dependency* offer (pension in case of loss of autonomy) and "help for carers"</p>	<p>Supporting health sector actors:</p> <ul style="list-style-type: none"> Hospital sector Retirement homes Manufacturers of pharmaceutical and health products Biotechnology Pharmacies and laboratories Liberal health professions (doctors, nurses, etc.) Health centers and others 	<p>Savings solutions supporting health and medico-social solutions and actors</p>	<p>Number of health insurance beneficiaries:</p> <p>98,015 beneficiaries of health coverage excluding complementary health insurance</p>	<p>Number of health insurance beneficiaries:</p> <p>96,833 beneficiaries of health coverage excluding complementary health insurance (-1 %)</p> <p>Support for more than 100 establishments in the health or medico-social sector, for a total amount of 130 million euros in long-term financing and 271 million in short-term financing</p> <p>Arkéa Assistance has 30,000 subscribers in metropolitan France.</p>

As regards the measurement of extra-financial performance in euros, health issues are taken into account via one of the social impact criteria. In its entirety, the social impact is estimated in 2023:

► For 1 million euros of financing, the positive socio-economic impact is estimated at +145,000 euros.

► For 1 million euros of investments the positive socio-economic impact is estimated at +170,000 euros

Reference

[2023 Universal Registration Document](#)

3.4. Measuring non-financial impacts.

4.2. Sustainability issues at the heart of Crédit Mutuel Arkéa's Raison d'être and Transition 2024 plan.

4.3. Crédit Mutuel Arkéa's main non-financial issues and risks.

4.4. A regional bank committed to serving its customer-members.

4.5. A responsible approach that delivers results

► QUESTION 2-2 | TARGET SETTING | KEY STEP 2

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

c) SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analyzed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Following the completion of the impact analysis, a number of objectives have been defined in 2022, as listed below. They have been completed by climate objectives for 2030 in line with the Group's Net Zero Banking Alliance commitment.

a) ALIGNMENT			b) BASELINE			c) SMART TARGETS		d) ACTION PLAN				
Impact area	Framework	How the indicator and target are linked to the SDGs	Indicator	Baseline	Year of the baseline	Target	KPI 2024	Actions	Retro-planning	Status of implementation	Potentially negative impacts	Actions to avoid, mitigate, or compensate potential negative impacts
Climate and biodiversity	The Paris Agreement The National Low Carbon Strategy The Kunming-Montreal Agreement The National Biodiversity Strategy	Supporting our stakeholders in their environmental transition	Annual production of financing for the environmental transition	Annual production: € 859 million	2022	Develop financing offers dedicated to supporting the environmental transition of all our clients	Annual production: € 900 m	Continue and strengthen the actions initiated since 2020 on the support of our different categories of customers (individuals, professionals, companies, etc.) in their environmental transition with the offers detailed in section 3 - Business opportunities.	Further development of renewable energy financing Continue to develop sustainable mobility offers Investigate the development of sustainable mobility leasing solutions Promoting the energy renovation platform	Continued development of financing solutions	Negative impacts as defined by the EU taxonomy Example: for renewable energy projects - analysis of circular economy issues, climate change adaptation, biodiversity and human rights criteria. Social impacts Example: net zero artificialization in relation to the objective affordable housing	Progressive integration of the EU taxonomic analysis grid which includes a 'Do no significant harm' pillar, for certain categories of funded projects
		Enable our customers to make sense of their savings by developing products that promote environmental transition or have an environmental impact (structured funds, bank savings accounts, etc.) and by training our distribution networks to promote these offers	Gross annual inflow (including arbitrage) of environmental transition savings (manufactured or referenced by manufacturers)	Annual production: € 182 m	2022	Directing our clients' savings towards products that contribute to the environmental transition	Annual production: € 300 m	Develop savings products that allow financial flows to be channelled towards activities that promote environmental transition	Development of new formula funds and structured products. Referencing of Greenfin and Paris Aligned Benchmark Units of Account	Ongoing development		

a) ALIGNMENT			b) BASELINE			c) SMART TARGETS		d) ACTION PLAN				
Impact area	Framework	How the indicator and target are linked to the SDGs	Indicator	Baseline	Year of the baseline	Target	KPI 2024	Actions	Retro-planning	Status of implementation	Potentially negative impacts	Actions to avoid, mitigate, or compensate potential negative impacts
Climate and biodiversity (continued)	The Paris Agreement	NZBA commitment to align bank portfolios with a carbon neutral pathway by 2050	Sector specific targets for carbon intensity by 2030	Set in 2023 :	2022	Alignment with a 1.5°C trajectory of portfolios of financing and investments for own account in the most emissive sectors on the basis of the IEA NZE scenario for scopes 1 and 2.	To date, targets have been set for the following sectors by 2030: STEEL (scope 1 and 2): 1,024 kgCO₂ per tonne of steel produced CEMENT (scope 1 and 2): 463 kgCO₂ per tonne of cement produced TRANSPORT AÉRIEN (scope 1): 72 gCO₂ per km and par passenger RESIDENTIAL REAL ESTATE (scope 1 and 2): 12 kgCO₂e per m² per year	Measure financed emissions and continue to set intermediate targets and action plans for other sectors	The following work will be conducted to optimize the integration of climate issues: - construction of new low-carbon alignment targets for high emitting sectors - study and experimentation of carbon contribution solutions, making it possible to complete the measurement and reduction of carbon emissions undertaken by the group since 2020 - assessment of the group's climate strategy 2020/2024 and definition of the next climate strategy. Key success factors in implementing these commitments include: - support and training for the various stakeholders of the group; - enriching extra-financial data, including climate data, financing and investments; - progress and reliability of measurement methodologies ; - continuous monitoring of emerging solutions to contribute to mitigation and adaptation challenges; - ongoing support for the development of the skills of the various teams in understanding the issues at stake and the measurement indicators.	Definition of the trajectory and ongoing KPIs	Negative impacts as defined by the EU taxonomy Example: for renewable energy projects - analysis of circular economy issues, climate change adaptation, biodiversity and human rights criteria. Social impacts Example: net zero artificialization in relation to the objective affordable housing	Pro-gressive integration of the EU taxonomic analysis grid which includes a 'Do no significant harm' pillar, for certain categories of funded projects
	The National Low Carbon Strategy			Emissions from companies belonging to the 10 most carbon-intensive sectors: 6.8 MTCO₂ for a total of 20.2 billion €								
	The Kunming-Montreal Agreement			Carbon emissions from residential real estate financing for retail customers: 0.2 MTCO₂ for a total of 30.9 billion €								
	The National Biodiversity Strategy											

a) ALIGNMENT			b) BASELINE			c) SMART TARGETS		d) ACTION PLAN				
Impact area	Framework	How the indicator and target are linked to the SDGs	Indicator	Baseline	Year of the baseline	Target	KPI 2024	Actions	Retro-planning	Status of implementation	Potentially negative impacts	Actions to avoid, mitigate, or compensate potential negative impacts
Financial inclusion	National Prevention Strategy and the fight against poverty - 2018	To enable our customers and members, particularly the most vulnerable, to benefit from basic banking services and to control their finances and budget by providing specific solutions and appropriate education	Encounter rate of Financially Fragile Persons (FFP)	59.3%	2022	Promoting banking inclusion and the financial well-being of our most vulnerable clients	Financial fragile persons encounter rate > 60%	Maintain a strong mobilisation of the local mutual networks	Maintain the Banking Inclusion Coordination Committee Establish a financial well-being initiative for customers	In progress	Financial services, including micro-credit, may not be accessible and equitable to all populations if they are not designed in this way	Design accessible products and communication with customers to help them adopt an inclusive approach
Health and well-being of all	The National Health Strategy	Financial support the major challenges of health and health sector actors in the territories Supporting women and men in their health issues throughout their lives through financial solutions Solutions to support dependency and home care	Currently under study	Currently under study	Currently under study	Currently under study	Currently under study	Currently under study	Currently under study	Currently under study	Currently under study	Currently under study

Reference
[2023 Universal Registration Document](#)

4.5. A responsible approach that delivers results,

4.6. Consolidated table of indicators

► QUESTION 2-3 | TARGET IMPLEMENTATION AND MONITORING | KEY STEP 2

For each target separately:

Show that your bank has implemented the actions it had previously defined to achieve the target.

Report on your bank's progress since the last report towards achieving each of set targets and the impact of your progress, resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Impact area	Indicator	Baseline	Year of the baseline	Target	KPI	Year of the KPI	Status of implementation 31/12/2023	Actions
Climate and biodiversity	Annual production of financing for the environmental transition	Annual production: € 859 m	2022	Develop financing offers dedicated to supporting the environmental transition of all our clients	Annual production: € 900 m	2024	Annual production: € 1,003 m	In addition to the existing offers, new support schemes have been implemented: - Corporate and institutional clients: the "Arkéa Impulse" loan, dedicated to financing environmental and social transition projects; and "PACT carbone" loans that allow the client to benefit from a carbon footprint study and a preferential interest rate based on the reduction of its carbon intensity. - Individual customers: the federations have extended the scope of Réno-véo, the preferential rate loan. Projects for renewable energy production or upgrading sanitation systems are now eligible.
	Gross annual inflow (including arbitrage) of environmental transition savings (manufactured or referenced by manufacturers)	Annual gross production: € 182 m	2022	Directing our clients' savings towards products that contribute to the environmental transition	Gross annual revenue: € 300 m	2024	Gross annual revenue: € 689.3 m	Several funds dedicated to environmental transition savings were created in 2023: - Federal Finance Gestion continued the development of Autofocus Transition Climate range; - end of 2023, creation of the Federal Indiciel PAB Europe fund to offer clients a European equity index fund aligned with the Paris Agreement; - a fund for the group's employee savings was launched for the second quarter 2023 campaign. This fund is certified and with guaranteed capital, in line with the green savings criteria defined by the group.

Impact area	Indicator	Baseline	Year of the baseline	Target	KPI	Year of the KPI	Status of implementation 31/12/2023	Actions
Climate and biodiversity <i>(continued)</i>	NZBA commitment to align bank portfolios with a carbon neutral pathway by 2050	<p>Analysis of financed emissions in 2023 based on 2022 data.</p> <p>Emissions from companies belonging to the 10 most carbon-intensive sectors: 6.8 MTCO₂ for a total of 20.2 billion €</p> <p>Emissions des financements de l'immobilier résidentiel</p> <p>Emissions from residential real estate for individual clients: 0.2 MTCO₂ for a total of 30.9 billion €</p>	2022	Alignment with a 1.5°C trajectory of portfolios of financing and investments for own account in the most emissive sectors on the basis of the IEA NZE scenario for scopes 1 and 2.	<p>To date, targets have been set for the following sectors by 2030:</p> <p>STEEL (scope 1 and 2): 1,024 kgCO₂ per tonne of steel produced</p> <p>CEMENT (scope 1 and 2): 463 kgCO₂ per tonne of cement produced</p> <p>TRANSPORT AÉRIEN (scope 1): 72 gCO₂ per km and par passenger</p> <p>RESIDENTIAL REAL ESTATE (scope 1 and 2): 12 kgCO_{2e} per m2 per year</p>	2030	<p>Definition of the trajectory and KPIs ongoing. A trajectory has been defined for 4 sectors.</p> <p>Crédit Mutuel Arkéa has set two types of 2030 climate targets: customer and/or counterparty trajectories to 2030: steel, cement, coal, oil and gas and air transport sectors (airlines) ; carbon intensity trajectories across some financed projects: aircraft and residential real estate.</p> <p>The following work will be carried out to optimize the integration of climate issues:</p> <ul style="list-style-type: none">- construction of new low-carbon alignment targets for emitting sectors- study and experimentation of carbon contribution solutions, making it possible to complete the carbon emissions measurement and reduction approach carried out by the group since 2020 <p>Key success factors in implementing these commitments include:</p> <ul style="list-style-type: none">- support and training of various stakeholders of the group- the enrichment of extra-financial data, including climate data, financing and investments;- progress and reliability of measurement methodologies;- ongoing monitoring of emerging solutions to contribute to mitigation and adaptation challenges;	

Impact area	Indicator	Baseline	Year of the baseline	Target	KPI	Year of the KPI	Status of implementation 31/12/2023	Actions
Financial inclusion	Encounter rate of Financially Fragile Persons (FFP)	59.3% of which CMB: 55.9% CMSO: 71.8%	2022	Promoting banking inclusion and the financial well-being of our most vulnerable clients	Financial fragile persons encounter rate > 60%	2024	Encounter rate of Financially Fragile Persons (FFP): 60.3%	<p>In 2023, the group initiated the development of an indicator to measure the financial well-being of each client in order to offer him personalized support with a global and proactive approach.</p> <p>Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest reduced the price of the Budget'Equilibre offer to one euro per month on 1 January 2023, in accordance with the recommendations of the FBF.</p> <p>Involvement of the Comité de Coordination de l'Inclusion Bancaire (CCIB) which, in 2023, continued its work to improve and make more reliable the system put in place for financially fragile customers.</p> <p>The work was focused on : the adjustment of the criteria for the detection of proven and potential financial fragility, the continuous monitoring of fragile customers, the supervision of operations carried out on the life insurance contracts of financially fragile customers, the training and support of local banking networks in the implementation of the system, the lessons learned from the reporting of the Banking Inclusion Observatory, the maintenance of a strong mobilization of local banking networks in order to promote the specific offer dedicated to financially fragile customers</p>

Impact area	Indicator	Baseline	Year of the baseline	Target	KPI	Year of the KPI	Status of implementation 31/12/2023	Actions
Health and well-being of all	Financing for the health sector	Currently under study	Currently under study	Currently under study	Currently under study	Currently under study	Currently under study	Currently under study
	Banking and non-banking solutions for individual customers facing financial problems related to health							
	Solutions that support dependency and home care							

Reference

[2023 Universal Registration Document](#)

4.5. A responsible approach that delivers results,

4.6. Consolidated table of indicators

PRINCIPLE 3 | CLIENTS AND CUSTOMERS

► QUESTION 3-1

Does your bank have a policy or engagement process in place with clients and customers to encourage sustainable practices?

Yes

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

The group has implemented several measures to support the implementation of sustainable practices for its various categories of clients (individuals, professionals, farmers, businesses and institutions).

Several examples illustrate this point.

► On one hand, Arkéa Banque Entreprises et Institutionnels has deployed a qualitative CSR analysis grid of its counterparties for several years. The [ESG Spark tool](#), implemented in 2023, is dedicated to raising awareness, assessing and improving customers' ESG performance. It is based on the themes of climate change mitigation, adaptation to climate change, biodiversity and social issues. This grid is a relevant tool for both the company and the bank to identify the company's strengths, its levers for progress and increase its non-financial performance.

In terms of financing solutions, Arkéa Banque Entreprises et Institutionnels has developed a range of loans that aims to support clients in their transition.

The **Arkéa PACT Trajectoire loan** was set up in 2020 for companies and was extended to SMEs in 2022. Clients who subscribe to the **Arkéa**

PACT Trajectoire loan with Arkéa Banque Entreprises et Institutionnels benefit, during the term of the loan, from a periodic ESG assessment that determines the preferential financing conditions of the loan. Four themes are evaluated: environment, social, governance and relations with external stakeholders. The evaluation is carried out by the independent non-financial analysis agency Ethifinance, in order to guarantee the **neutrality of the evaluations**. It measures the progress of clients from one year to the next. The assessment is communicated to the client by the bank with comments.

In 2023, Arkéa Banque Entreprises et Institutionnels extended its support offers with the [Pact Carbone loan](#), which allows voluntary clients to benefit from a carbon footprint and a preferential interest rate based on the reduction of their carbon intensity. Carbon measurement and trajectory definition are carried out by an independent third-party organization. A report is provided to the client twice a year.

Also, the [Arkéa Impulse](#) is a loan offer dedicated to the financing of environmental and social transition projects, with a duration of up to 25 years and subsidized conditions, for transition projects whose return on investment is not always immediate. The eligible targets are subject to an

annual review by an external third party to ensure a selection in line with the transition issues and the market standards. Regarding climate impacts, the offer includes an indicator of avoided emissions in the criteria for obtaining a preferential rate for renewable energy, agricultural and food transitions, sustainable buildings, clean mobility and logistics.

To further support its clients in their transition process, Arkéa Banque Entreprises et Institutionnels entered into a **partnership** at the end of 2023 with **Birdeo**, a leading recruitment and HR consulting firm specializing in CSR. Thanks to the subsidiary of Birdeo, **People4Impact**, Arkéa Banque Entreprises et Institutionnels offers to its clients innovative consulting missions, to enable them to engage or accelerate the sustainable transformation of their business model.

Arkéa Banque Entreprises et Institutionnels' **role in raising awareness and providing support** also takes the form of webinars to present the solutions and offerings offered by the bank to support its customers in their environmental and societal transitions. Recurrent ESG training and a network of ESG experts in support of the sales network come to optimize the support.

► On the other hand, at the level of the federations of **Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest**, a platform, called '**Habitat durable**', is proposed to customers and prospects **to support them in the energy renovation of their property**. This tool allows both to estimate the diagnosis of energy performance of his home, to identify the relevant work, to know the amount of associated aid and to project the energy savings envisaged. **The "Renovéo" loan completes this platform, offering a preferential rate to projects dedicated to energy efficiency renovation.**

► Financo, the Crédit Mutuel Arkéa subsidiary specialized in consumer loans, has placed financing for the environmental and climate transition at the heart of its strategy. It supports the transition of its customers through two major axes: energy renovation and green mobility. Various actions are carried out with customers such as the presentation of the available support to renovate homes from an energy point of

view, the creation and distribution of adapted products, or a partnership with Soliha, an association that promotes the maintenance and access to the habitat of disadvantaged, fragile or vulnerable people. Regarding sustainable mobility, Financo continued the partnership developed in 2022 with Rev Mobilities, a company specialized in retrofitting (the conversion of thermal vehicles into electric vehicles).

Crédit Mutuel Arkéa has published several sectoral policies to frame and exclude, where appropriate, practices and activities that are not sustainable or in line with international frameworks and the SDGs. These policies can also lead to **commitments to support social and environmental transition**. In 2023, Crédit Mutuel Arkéa adopted new commitments related to the global warming mitigation objective:

- > an aviation sectoral policy;
- > a real estate sectoral policy;

> and reviewed the oil and gas policy;

> as well as the policy «agriculture viticulture and agri-food».

In the area of social issues, the Board of Directors of Crédit Mutuel Arkéa has also validated a «controversial weapons and defense» policy and a «human rights» policy.

New policies are being defined to broaden the scope of the Crédit Mutuel Arkéa group's commitment.

As a CDP signatory, Crédit Mutuel Arkéa also took part in the fourth edition of the [Science-based targets campaign](#), through which financial institutions are asking companies with a high climate impact to set emission reduction targets, science-based.







► QUESTION 3-2 | BUSINESS OPPORTUNITIES


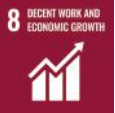

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

The following table gives **examples of existing products** by selected impact areas.

Impact area	Offers
<p>Climate and biodiversity</p> <div data-bbox="175 360 292 477"> </div> <div data-bbox="175 524 292 640"> </div> <div data-bbox="175 687 292 804"> </div> <div data-bbox="175 851 292 967"> </div> <div data-bbox="175 1014 292 1131"> </div> <div data-bbox="175 1178 292 1294"> </div>	<p>Solutions for individual customers</p> <p>► Energy efficiency in housing:</p> <p>a) The Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations offer a range of loans to finance energy renovation work for their individual customers:</p> <ul style="list-style-type: none"> > the regulated zero-rate eco-loan and the complementary zero-rate eco-loan. > the Energy Audit Loan. > the Rénovéo loan. <p>The latter offers preferential loan conditions to finance energy-saving equipment for both primary and secondary residences and rental properties. Since 2023, this loan allows to finance renewable energy production projects and the decontamination of aging facilities (fuel tanks, etc.).</p> <p>The offers are complemented by the energy efficiency simulation tool, the Habitat Durable platform.</p> <p>b) Financo has launched a personal loan specially designed to meet the specific needs of financing energy renovation operations, in partnership with Soliha. The offer is completed by the energy efficiency simulation tool, the Simul'aides platform, which allows the customer to simulate the work required to improve energy efficiency and the aid available. Financo achieved in 2023:</p> <ul style="list-style-type: none"> > the launch of Nidomio, whose mission is to support its customers and partners in order to multiply renovation projects in response to environmental and societal challenges. Its platform dedicated to energy renovation and the adaptation of housing for home support today presents a digital solution facilitating interactions between individuals and professionals of a renovation project; > the launch of a LOA proof of concept on photovoltaics, in order to evolve from a logic of financing the ownership of an installation towards a logic of financing the use of a decarbonized energy production in self-consumption and re-injection of the surplus not consumed in the network. <p>c) Suravenir Assurances supports its clients in their eco-responsible approach to housing by offering systematic coverage of ecological equipment in its policies, such as photovoltaic panels, solar water heaters and heat pumps.</p> <p>In 2023, Suravenir Assurances upgraded its historical HRM offer to offer its customers claims management focused on the circular economy: instead of systematically replacing damaged movable or immovable property, HRM subscribers in Positive formula are offered, as soon as possible, the repair of the damaged property. The Positive formula, this new home insurance formula also aims to support clients on the prevention of climate events, while offering them to contribute to the preservation of biodiversity. The offer is distributed via the networks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest</p> <p>d) CFCAL proposes a mortgage offer that is priced in accordance with the ECD. This offer, distributed by CFCAL's network of partners, is intended for physical persons and allows them to finance energy improvement works (as the main or complementary purpose of a credit consolidation operation). In addition, since October 2023, the CFCAL has been pricing acquisition loans to individuals and SCI based on the ECD of the financed property (bonus or penalty).</p> <p>► Sustainable mobility</p> <p>a) The Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest fédérations offer advantageous loan conditions to future owners (individuals and professionals) of electric or hybrid vehicles.</p> <p>Since 2023, a 0% loan, without application fees, for the purchase of a bicycle, whether electric or not, for individuals (up to €6,000) and professionals (up to €10,000), customers or not of one of the networks.</p> <p>b) Financo pursues its partnership with Rev Mobilities, a company specialized in retrofitting (conversion of thermal vehicles into electric ones).</p> <p>c) Suravenir Assurances: through its IARD offer (Fire, Accident and Other Risks), Suravenir Assurances supports the development of responsible behavior as reductions on automobile insurance contracts covering low CO emissions vehicles including electric vehicles. It rewards and encourages customers who use their vehicles less or better and contribute to reducing the carbon footprint, through measures such as: mileage packages (provision of tariff reductions according to the mileage package declared by the insured), payment for use (W/lov partnership), payment for behavior (AcommeAssure partnership), carpooling, use of public transport.</p> <p>Suravenir Assurances also encourages and supports responsible behaviour through adapted compensation principles such as: the use of reuse parts, windshield repair rather than replacement, the selection of approved garages near the insured's home, a loyalty bonus paid to any insured who, following a claim, purchases (through Financo) a new vehicle eligible for the ecological bonus.</p>

Impact area	Offers
<p>Climate and biodiversity (continued)</p> <div data-bbox="175 360 292 477"> </div> <div data-bbox="175 526 292 642"> </div> <div data-bbox="175 692 292 808"> </div> <div data-bbox="175 857 292 974"> </div> <div data-bbox="175 1023 292 1140"> </div> <div data-bbox="175 1189 292 1305"> </div>	<p>Solutions for corporate and institutional clients</p> <p>► Renewable energy</p> <p>a) Arkéa Banque Entreprises et Institutionnels, via the Environmental Transition Division, a division dedicated to financing the environmental transition, supports SMEs (small and medium-sized enterprises), mid-cap companies), local authorities, institutional investors and real estate professionals in their transition to carbon neutrality.</p> <p>Renewable energies represent the majority of projects financed with mature technologies (photovoltaic, wind, hydraulic, methanisation, biomass, heating networks, GNV stations, etc.).</p> <p>The Environmental Transition Directorate has financed 130 projects for a total production representing near 900 million euros at 31 December 2023 throughout the metropolitan territory.</p> <p>b) Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest offer Pronovéo - a loan for very small businesses and SMEs with preferential terms, to finance investments in green energy production, green transport and energy efficiency of commercial real estate.</p> <p>c) Arkéa Crédit Bail offers leasing solutions dedicated to renewable energy.</p> <p>► Sustainable agriculture</p> <p>Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest offer:</p> <p>a) Agrinovéo: a loan dedicated to environmental transition that encourages the financing of energy production equipment such as methanisation and agricultural photovoltaic systems</p> <p>b) Clé-Mat: a loan dedicated to the acquisition of agricultural equipment, including precision equipment limiting chemical inputs and promoting agro-ecology, with the Clé-mat + offer</p> <p>c) Alter Agrinovéo: a new financing solution that complements the Agrinovéo and Clémat offers of the federations, with a social and societal orientation, intended for projects in favour of animal welfare, the working conditions of farmers and employees, quality sectors, short circuits, decarbonization.</p> <p>► Other sustainable projects</p> <p>Arkéa Corporate and Institutional Banking refocused its investment product offering around responsible investment and created the CSR term deposits, renamed "DAT Impulse" in 2023.</p> <p>► ESG integration</p> <p>The PACT Trajectoire ESG loan provides a preferential rate for SMEs, mid-cap companies and institutional investors whether the client's ESG objectives are met. These targets include climate and biodiversity indicators.</p> <p>In 2023, Arkéa Corporate and Institutional Banking extended its support offers with:</p> <ul style="list-style-type: none"> > the PACT Carbone loan, which allows voluntary clients to benefit from a carbon footprint and a preferential interest rate based on the reduction of their carbon intensity. Carbon measurement and trajectory definition are carried out by an independent third-party organization with a report provided to the client twice a year; > the Arkéa Impulse loan, a loan offer dedicated to the financing of environmental and social transition projects, with a duration of up to 25 years and subsidized conditions, for transition projects whose return on investment is not always immediate; > the ESG Spark tool, implemented in 2023, is dedicated to raising awareness, assessing and improving customers' ESG performance. It is based on the themes of climate change mitigation, adaptation to climate change, biodiversity and social issues. This grid is a relevant tool for both the company and the bank to identify the company's strengths, its levers for progress and increase its non-financial performance. <p>End of 2023, Arkéa Corporate and Institutional Banking also signed a partnership with Birdeo. Thanks to the subsidiary of Birdeo, People4Impact, Arkéa Corporate and Institutional Banking offers to its clients innovative consulting missions, to enable them to engage or accelerate the sustainable transformation of their business model.</p>

Impact area	Offers
<p>Climate and biodiversity (continued)</p> <div data-bbox="175 362 292 479"> <p>7 AFFORDABLE AND CLEAN ENERGY</p>  </div> <div data-bbox="175 528 292 645"> <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  </div> <div data-bbox="175 694 292 810"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> <div data-bbox="175 860 292 976"> <p>13 CLIMATE ACTION</p>  </div> <div data-bbox="175 1025 292 1142"> <p>14 LIFE BELOW WATER</p>  </div> <div data-bbox="175 1191 292 1308"> <p>15 LIFE ON LAND</p>  </div>	<p>Savings solutions</p> <p>► Example of a bank savings product: CSR term deposits</p> <p>Arkéa Corporate and Institutional Banking has also refocused its investment products around responsible investment and created the CSR term deposits, renamed "DAT Impulse" in 2023. The Arkéa Impulse loan is backed by this savings vehicle for amounts from 150,000 euros to 50 million euros and a term of 1 to 5 years. In addition to remunerating available cash, a portion of the interest from these DAT (Term Deposit) feeds the loan envelope and reduces the interest rates of environmental and social projects of customers. ABEI also offers its clients funds that meet ESG criteria in its range of UCITS, including a majority of labeled funds, as well as thematic funds.</p> <p>► Examples of financial savings products and life insurance:</p> <ul style="list-style-type: none"> > Federal Global Green Bonds: fund invested in green bonds with the Greenfin label > Autofocus Transition Climat: a fund that invests in companies aligned with the objectives of the Paris Agreement > Infrastructure Transition Platform which launched two multi-investor infrastructure debt funds to finance environmental and digital transition infrastructure. These two funds include ambitious objectives to align the projects financed with the European Green Taxonomy and for the second, the Crédit Mutuel Arkéa Group's impact funds framework. The first investments were made in the field of renewable energies, the deployment of fiber optic networks, energy efficiency solutions and the construction of a datacenter. > In 2023, the Federal Indiciel PAB Europe fund was created to offer clients a European equity index fund aligned with the Paris Agreement, with an ESG approach in security selection and in line with Crédit Mutuel Arkéa's exclusion policy. > Suravenir and Swen Capital Partners have launched a dedicated fund committed to the energy and ecological transition: Suravenir Infrastructures Durables. It will finance future infrastructure projects with a very ambitious objective of aligning at least 70% of its investments with the European taxonomy. <p>► Examples of structured products:</p> <p>The structured investments Perspectives Globe and Sérénité Globe are based on a green bond issue and are intended to finance or refinance eligible projects dedicated to renewable energy and energy transition. The performance of these structured products is based on 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.</p>

Impact area	Offers
<p>Financial inclusion</p>   	<p>Solutions for individual customers</p> <p>The group supports its financially vulnerable customers by involving its employees and directors and by developing its offers and businesses.</p> <p>► Budg'Equilibre offer</p> <p>In accordance with the banking inclusion and overindebtedness prevention charter adopted by the Association of Credit Institutions and Investment Firms under the conditions provided for in Article L.312-1-1 (A) of the Monetary and Financial Code, a system applicable to all the group's entities defines the practical procedures for implementing the obligations according to the activity carried out (information, proposal of suitable products, customer support).</p> <p>Crédit Mutuel Arkéa has chosen to go further than the obligation imposed by the regulatory framework on capping fees, by eliminating all charges for banking incidents for customers with the specific Budg'Equilibre offer.</p> <p>The product and the mechanisms for identifying vulnerable customers are described in section 4.5.1.2 Inclusion of vulnerable customers of the Universal Registration Document 2022.</p> <p>A budget coaching application Bud'jet is also available for customers.</p> <p>In addition, Crédit Mutuel Arkéa has formed partnerships with specialised third parties to facilitate the referral of customers when financial difficulties cannot be resolved by the bank alone.</p> <p>► Solidarity mechanisms</p> <p>Crédit Mutuel Arkéa has developed specific solidarity actions to help its customers and members in financial difficulty.</p> <p>For example:</p> <p>Assistance to borrowers in difficulty consists of a one-off payment of loan instalments for members (with a ceiling of 7,500 per year and per member) experiencing temporary difficulties in repaying their loans following an accident of life.</p> <p>Within this framework, and through its partners, personal micro-loans of up to €5,000 can also be granted by the local branches. These loans are intended for excluded people of conventional credit.</p> <p>The granting of solidarity gestures is used to support certain vulnerable loyal members in the event of a major insurance claim that is not covered or is only partially covered.</p> <p>Solutions for business customers</p> <p>The group is a partner of the Association pour le droit à l'initiative économique (Adie).</p> <p>This partnership provides for the opening of credit lines enabling Adie to grant micro-credits and endowments of honor loans.</p> <p>These schemes benefit business creators in particular in Brittany and Nouvelle-Aquitaine.</p>

Impact area	Offers
Health	<p>Solutions for individual customers</p> <ul style="list-style-type: none"> ▶ In the field of health, Suravenir Assurances strives to offer products that are accessible to all: health insurance, dependency insurance (annuity in the event of loss of autonomy), life accident coverage, and insurance to help caregivers. ▶ A solidarity insurance fund, provided by the Suravenir and Suravenir Assurances subsidiaries, to help loyal members who face serious events (life accidents, problems accessing credit, claims not covered by their insurance contracts). ▶ Tailor-made solutions for clients who have difficulties in obtaining home loans due to health problems: supporting the population excluded from loan insurance by creating a unit of experts and a system to find solutions for these clients and thus enable them to realize their real estate project and become homeowners (primary, secondary or rental residence). ▶ Arkéa On Life offers a home remote-assistance service for isolated people, as well as a connected watch for elderly people who wish to continue their activities outside the home <p>Arkéa Assistance offers, in addition to its tele-assistance solutions, a new digital offer called "Ensemble" for family caregivers who, thanks to an expert in home support, offer caregivers adapted and personalized solutions to help their loved one affected by the loss of autonomy.</p> <p>Solutions for corporate and institutional clients</p> <ul style="list-style-type: none"> ▶ Financing of health or medico-social institutions ▶ Financing of the health sector ▶ Support for the professions, including health specialists, with loans at preferential rates and financing of vehicles and equipment ▶ Long-term capital support for health actors and innovation stakeholders ▶ Clé-mat + a loan dedicated to financing precision agricultural equipment that can limit chemical inputs and promote agro-ecology, which limits the negative impact that the use of pesticides can have on health. ▶ Accessibility loan - financing dedicated work to enable professionals to make their premises easily accessible to people with disabilities <p>Saving solutions</p> <p>Bank savings:</p> <p>Livret de Développement Durable et Solidaire (LDDS) which contributes to the financing of health actors and allows them to donate the interest or capital invested in their sustainable savings accounts to one or more public interest associations.</p> <p>With the Livret solidaire, the federations propose to individual clients to donate, each year, all or part of the interest collected to associations of public utility chosen from the list of partner organizations. These associations work in four areas of intervention: social and housing, employment, international solidarity and environment. The Livret solidaire has obtained the label of solidarity finance awarded by FAIR.</p>

Reference

2023 Universal Registration Document

4.4 A regional bank committed to serving its customer-members,

4.5 A responsible approach that delivers results,

4.6 Consolidated table of indicators

PRINCIPLE 4 | STAKEHOLDERS

► QUESTION 4-1 | STAKEHOLDER IDENTIFICATION AND CONSULTATION

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Yes

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

The organization of Crédit Mutuel Arkéa, a cooperative and mutual company, enables all members to participate, directly or indirectly, in collective decision-making. By holding at least one share, they are both shareholders and customers. Cooperative governance allows for the representation of the company's stakeholders on the Board of Directors.

During the period 2018-2020, a major process of listening to and involving stakeholders was carried out in order to build the new strategic plan 'Transitions 2024'. This plan was validated in early 2021.

In 2018, the group met with its stakeholders with "cooperation workshops" that were conducted with 1,500 directors of the federations of Crédit Mutuel de Bretagne et du Sud-Ouest, in order to express their expectations of the cooperative movement. As part of the group materiality analysis, interviews and workshops were also held with different categories of group stakeholders (customers, administrators, employees, suppliers, etc.).

In 2019, a diagnostic phase enabled the group's activities, business lines, business relationships and internal practices to be put into perspective with regard to its purpose and raison d'être.

In 2020, all Crédit Mutuel Arkéa's entities worked together to build the 2021-2024 strategic plan, using a participative, bottom-up and cross-functional approach that is as close as possible to the businesses and issues of its members, customers and partners. Each of the entities will have contributed to an in-depth reflection on the global, financial and extra-financial impact of Crédit Mutuel Arkéa's activities. This collaborative approach is structuring.

This approach is complementary to the group's regular exchanges with its internal and external stakeholders. These exchanges allow the group, both to strengthen the knowledge of its impacts on its stakeholders (social, environmental and societal consequences of its activities) and to better understand their expectations. The approach for interaction with stakeholders are presented below.



Prospective customers, customers and members

(individuals, professionals, institutions, etc.)

- Federations: surveys, round tables, barometers, member panels, an event day of collaboration and co-construction with our members
- Digital: collection of customer opinions within the digital interfaces in a logic of continuous improvement, courses co-constructed with a panel of pilot customers and prospects
- Measures of satisfaction
- Responses to non-financial questionnaires submitted by the customers



Media

- Discussions with the General Secretary and Corporate Communication Department
- Press releases, press conferences and media events
- Journalist and media exchanges
- Corporate publications
- Presentations by spokespersons
- Digital communication (SR)



Regulatory authorities

- Regular meetings and exchanges between the relevant Crédit Mutuel Arkéa management and departments and:
 - the ECB, SRB, ACPR and Banque de France in the context of their authorisation, supervision and prudential monitoring missions (agreements and authorisations, prudential reporting, desk audits, on-site inspections, close supervision interviews, consultations, participation in workshops and working groups, questionnaires, various request, etc.)
 - the AMF as part of its regulatory and financial investment protection missions (approvals, authorisations and approvals of prospectuses, information documents and investment products, advice, consultations, document investigations and inspections, on-site inspections and investigations, periodic information reports, various types of requests, etc.)
 - the Luxembourg Financial Sector Supervisory Commission as part of the approval of our EMTN refinancing programmes
 - foreign supervisory authorities to support and supervise subsidiaries and branches operating abroad (in particular the Banque Nationale de Belgique and the Financial Services and Market Authority in Belgium)



Directors

- Boards of Directors and General Meetings
- Federal commissions and specialised committees
- Involvement in Solidarity schemes (federations)
- Participation in collaborative workshops
- Coordination (director/employee) of training modules for directors
- Annual seminar dedicated to group strategy for Crédit Mutuel Arkéa directors and its subsidiaries
- Annual seminar dedicated to group strategy for second-level directors
- Annual assessment and three-year questionnaire for Crédit Mutuel Arkéa directors to evaluate the Board's operation
- Annual seminars for federal elected representatives, members of the Federation's Bureau bringing together in 2023 the members of the CMSO Board of Directors, seminars of the new directors and new local bank Chairmen
- As part of the Medium-Term Plan 2024 and its "Promotion of the cooperative model" pillar, co-construction of changes in the cooperative bodies (in particular the Boards of Directors of the local banks) and the role of federal elected representatives, through participatory workshops
- Surveys of local banks Chairmen and local banks directors



Trade associations (AMAFI, OCBF, etc.) and professional networks

- Meetings, regular exchanges and participation in workshops and working groups
- Monitoring and exchanges on legislative and regulatory developments
- Exchange on common or divergent professional systems and practices
 - Reflections on issues of interpretation and operational implementation
- Participation in exchanges and work with regulators



Schools, associations

- Supervisory authorities Participation and sponsorship of events



Employees

- Relationship with management
- Exchanges with HR managers
- Surveys and barometers
- Internal communication: targeted mailshots, information meetings (HR Dept. videos, PEPS), intranet, events, etc.
- Whistleblowing



Analysts and investors

- Investor Relations team
- Investor area on the cm-arkea.com website
- Market releases
- Presentation of annual and half-yearly results
- Roadshows with French and foreign investors



Suppliers

- Exchanges with the Purchasing Department (including responses to calls for tenders, contracts, questionnaires assessing the risks of non-compliance and CSR policies for the main suppliers, including periodic activity assessment)
- Operational monitoring of the service with the business lines
- Plans to obtain the Responsible Supplier Relations and Purchasing (RFAR) label



Rating agencies

(Financial and non-financial)

- Presentation of annual and half-yearly results
- Exchanges with the Finance and Overall Performance Department correspondents in charge of monitoring the rating agencies
- Periodic meetings between Crédit Mutuel Arkéa staff and each rating agency
- Answers to requests and questions from rating agencies



Social partners

- Employee representative bodies
- Agreement on trade union rights and staff representation

In 2022, Crédit Mutuel Arkéa included the status of Company with a mission in its articles of association. In accordance with the Pacte Law, it has set up a **Mission Committee**³⁵ made up of representatives of its stakeholders: **5 external members** representing the business world, associations and local authorities, **2 directors** of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest and **2 employees**. Its 9 members combine **a diversity of profiles, complementary expertise, a strong commitment** to social and environmental issues, **regional representation** and a real **gender balance**, with **women accounting for 45% of the committee**. This committee is the guarantor of the Raison d'être, through a roadmap that it validated at the end of 2022, with associated targets.

This roadmap incorporates **certain objectives presented in the PRB framework**. They have therefore been **submitted to Crédit Mutuel Arkéa's mission committee for validation**.

These are the following indicators:

► **Climate:**

- > Annual production of financing for the environmental transition
- > Annual inflow of environmental transition savings target

► **Financial inclusion:**

- > Encounter rate of Financially Fragile Persons (FFP) target

In addition, the group interacts with a large number of stakeholders on a regular basis. These and the nature of the interactions with the group

are described in the URD.

In summary, Crédit Mutuel Arkéa opts for a collaborative approach in most of its projects, with an intention to constantly improve its impact on its stakeholders, particularly in terms of environmental, social and societal aspects. This approach also helps us to better understand their expectations, so that we can further enhance the relevance of our actions.

35 - https://www.cm-arkea.com/arkea/banque/assurances/c_8740/fr/comite-de-mission

Reference

[2023 Universal Registration Document](#)

14. A company with a mission.

17. Crédit Mutuel Arkéa's strategy.

41. Crédit Mutuel Arkéa's business model.

42. Sustainability issues at the heart of Crédit Mutuel Arkéa's Raison d'être and Transition 2024 plan.

43. Crédit Mutuel Arkéa's main non-financial issues and risks

PRINCIPLE 5 | GOVERNANCE AND CULTURE

► QUESTION 5-1 | GOVERNANCE STRUCTURE FOR IMPLEMENTATION OF THE PRINCIPLES

Does your bank have a governance system in place that incorporates the PRB?

Yes

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as remuneration practices linked to sustainability targets.

As a cooperative and collaborative banking group, Crédit Mutuel Arkéa reflects this strong identity through the **extensive involvement of its governance and the mobilization of its stakeholders in defining the group's sustainability strategy.**

THE CRÉDIT MUTUEL ARKÉA'S GOVERNANCE GUARANTEES THIS APPROACH AT SEVERAL LEVELS

The Board of Directors of Crédit Mutuel Arkéa approves the group's strategic orientations. It then ensures their implementation through the executive bodies and ensures regular monitoring. As part of its missions, it annually addresses the main orientations of the group's sustainability policy. For example, in 2023, the Board of Directors of Crédit Mutuel Arkéa adopted 2030 climate targets with a view to mitigating the effects of its activities (direct and financing) on climate change.

In line with the group's Raison d'être and Crédit Mutuel Arkéa's Entreprise à mission status, it opts for a balanced approach between financial and non-financial performance. This is the first of the 5 commitments it made: "To take our decisions with a balanced approach between financial performance and positive impact - societal and environmental - through cooperative governance anchored in our territories".

The Board of Directors relies on the expert advice of specialized committees, including the Strategy and Social Responsibility Committee and the Risk and Internal Control Committee. The particular attention to be paid to the consideration of environmental, social and governance (ESG) issues, including climate, is formalized in the charter of each committee.

Concerning the PRB commitments, for the first PTB report published in 2023, the Strategy and Corporate Social Responsibility Committee

validated the results of the impact analysis, the main areas of impact, set targets and follow-up measures.

In addition to Crédit Mutuel Arkéa's governance, a **Mission Committee** was set up in 2022, described at point 4.1. of this report.

In addition, the general management has structured its organization around transversal committees, composed of directors in charge of business lines and support functions. Significant changes to this organization have made it possible, since 2021, to integrate sustainability issues into all the group's decision-making.

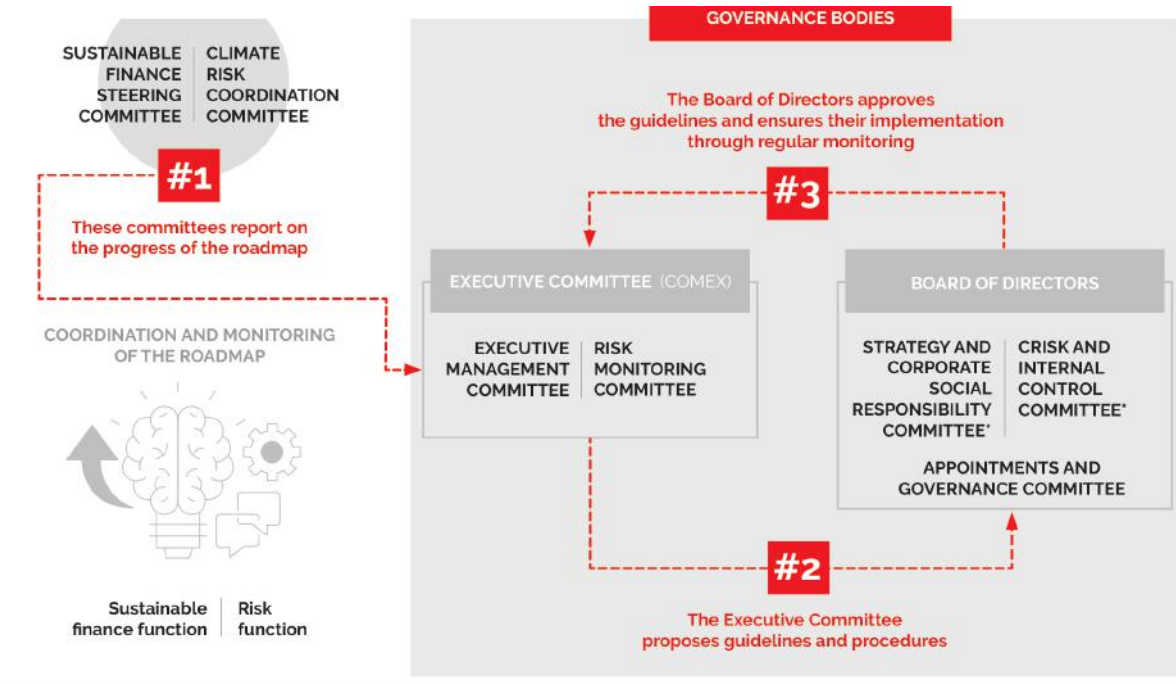
The main task of Crédit Mutuel Arkéa's **Executive Committee** is to assist the group's general management in its strategic management. It proposes strategic orientations to the Board of Directors, including in the area of sustainability - which includes the implementation of PRBs. It then steers their implementation.

A Sustainable Finance General Management Committee was created in 2021, now integrated into the General Management Committee since the end of 2022, in order to involve more departments in sustainable finance related work. It completes the actions of the cross-functional committees, which integrate

at their level sustainability issues into their decision-making. Concerning the PRB commitments, the committee has a role of validation of the annual report.

The group Risk Oversight Committee contributes, on behalf of and by delegation from the Execu-

tive Board, to the governance and overall management of the group's risks, including ESG risks, under the Risk Management Function. ESG risks are fully integrated into this committee and are discussed at each session.



* In 2021, two female directors were appointed as Lead ESG-Climate Directors: Valérie Moreau on the Strategy and Corporate Social Responsibility Committee and Monique Huet on the Risk and Internal Control Committee

Other committees have integrated these sustainability issues into their scope of work:

- the group Counterparty Committee acts under the delegation granted by the General Management and within the limits set - and reviewed at least once a year - by the Board of Directors of Crédit Mutuel Arkéa. He integrates in its work the ESG and sustainability risk analysis of market issuers subject to his validation, complementing the traditional credit risk analysis. Depending on the extra-financial evaluation, the committee may refuse certain referencing requests.
- the group Referral Committee acts under the delegation given by

the General Management and within the prudential framework of Crédit Mutuel Arkéa. As such, it aims to optimize and secure the purchase policy of financial products and services practiced by the entire Crédit Mutuel Arkéa (for its own account and for third parties). Since the Disclosure Regulation came into force, this committee has set up a process to take into account, in its listing decision, the level of maturity of the management company studied in terms of sustainability risk assessment.

- the group Credit Committee acts under the delegation granted by the General Management and within the limits set - and reviewed at least once a year - by the Board of

Directors of Crédit Mutuel Arkéa. Its role is to adjudicate customer credit applications whose amounts or characteristics exceed the powers assigned to lower level committees. It gradually integrates the consideration of an ESG-climate analysis into the credit granting decision-making process.

Other group Management Committees, such as the Client Engagement Committee, reinforce the integration of ESG issues into their scope. These changes have been formalized in their operating charter.

This consideration of ESG issues by the governance bodies is also carried out at the level of the group's subsidiaries.

ALL OF THE GROUP'S BUSINESSES AND FUNCTIONS ARE GRADUALLY INTEGRATING SUSTAINABILITY ISSUES INTO THEIR OPERATIONS

In order to better coordinate the integration of these issues and to actively contribute to this approach, the group relies on an organization structured as follows:

► **the Sustainable Finance function** consists of Sustainable Finance Managers of the group's entities (subsidiaries, federations, central services departments) and a central team, the Sustainable Finance Department. It proposes framework measures for sustainable finance, such as sectoral policies, and implements the associated action plans;

► **a Sustainable Finance Coordination Committee**, which brings together participants from the sector, has the main missions of **proposing approaches and strategies on ESG-Climate themes to the group's governance bodies, monitor the progress of the Sustainable Finance roadmap through the presentation of a dashboard, ensure the implementation of the framework policies on Sustainable Finance, ensure the use of group tools and methods, present and share monitoring and good practices** to the various members;

► **the Risk Department** has been in charge of **ESG risk management**

since June 2019. This activity was initially structured within the Risk Synthesis Department of the Transverse Risk Management Division, which coordinates the Risk Management Function (RMF) and also deals with consolidated risk monitoring (dashboards, URD, etc.) and emerging cross-functional risks (model risk and ESG risks). In order to support Crédit Mutuel Arkéa's ambitions in terms of ESG risk management and to cope with the significant increase in the expectations of the regulator and supervisor, a new organization has been set up in 2022 with **the creation of an ESG Risk Department**.

► **the Risks function**, which has been integrated into the group's climate management system. In 2022, Crédit Mutuel Arkéa's Risk Division appointed ESG risk correspondents within its Risk function with the aim of extending and implementing **ESG risk management at all levels of the group, relying on its network of FGR managers (Risk Management Function) locally**. Because of the transversal nature of ESG risks and the need to treat these risks according to a matrix approach, the ESG risk correspondent is generally the FGR manager.

► **a Climate Risk Coordination Committee** has been in place since 2020. Chaired by Crédit Mutuel Arkéa Risk Director, its tasks include:

> **monitor climate risk integration projects in the Risk Management Function;**

> **report on the implementation of the climate risk strategy, for an eventual arbitrating on any bottlenecks** identified by the operational committees;

> **monitor the project budget;**

> **inform and train its members** on certain technical, or quantitative, points in order to assist them towards **a better understanding of the issues and the related decisions**.

ESG criteria are integrated into the group's remuneration policies at several levels:

> for employees (within the scope of the Economic and Social Unit), the profit-sharing agreement has included, since 2017, a criteria for increasing the envelope linked to the reduction in the group's carbon footprint per employee,

> for the group's corporate officers, executives and senior managers, financial and non-financial indicators linked to the company's mission are defined according to business lines and activities.

Reference

2023 Universal Registration Document

2.2. The Board of Directors of Crédit Mutuel Arkéa,

2.4. Executive management bodies and their work,

4.4. A regional bank committed to serving its customer-members,

5.1.3. Environmental risks, including climate

► QUESTION 5-2 | PROMOTING A CULTURE OF RESPONSIBLE BANKING

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Various training initiatives are put in place each year to raise awareness among employees and help them develop their skills in relation to these sustainability issues.

In 2023, events and training courses were held to enhance the skills of governance and employees in key areas:

► a training course dedicated to the **Entreprise à Mission** was offered to employees and directors of the second degree, in order to raise awareness of the requirements related to this transformation;

► concerning **climate issues**, the deployment of the "Fresque du climat" continued, with **nearly 8,700 employees involved** between 2022 and 2023;

► 2023 was also marked by several awareness-raising to biodiversity issues. After having been provided to the members of the Board of Directors of Crédit Mutuel Arkéa in 2022, the training dedicated to the role of financial players in the preservation and restoration of biodiversity was offered to all directors of second degree. During conferences held at the group's headquarters on the midday break, employees were able to participate in three key moments:

> in January, echoing COP15: a conference entitled "Why the financial sector is concerned by biodiversity and what is Crédit Mutuel Arkéa doing?";

> in May, the intervention of a scientific coordinator of Pure Ocean, aiming to better understand and preserve marine biodiversity;

> in November, two members of the Mission Committee of Crédit Mutuel Arkéa, Thierry Burlot and Patrick Lescop, experts on the issue of fresh water in Brittany, gave a lecture;

► a **human rights** training was provided in December 2023 at the Board of Directors of Crédit Mutuel Arkéa, in particular in relation to the duty of vigilance;

► a training was given in December 2023 to the Board of Directors of Crédit Mutuel Arkéa on environmental risks (regulatory context, transmission channels, etc.) and the various tools developed to manage ESG risk issues (GRETA, PRISM, etc.);

► During 2023, group employees working on ESG topics in the Compliance and Permanent Control Department, the Risk Department, the Trading Room, the Legal Department, The Sustainable Finance Department embarked on a "Sustainable Finance" certification process. On the proposal of the High Certifying Council of Place (HCCP), the Autorité des Marchés Financiers launched in 2021 a module to verify the knowledge of professionals on green and responsible finance. To date, more than 80 employees of the group have validated the AMF Sustainable Finance certification.

In addition, depending on identified needs, **more advanced training is regularly provided** to the group's sustainable finance community, specific departments or within entities, such as:

► at Suravenir Assurances, about fifty employees were trained in "La Fresque de l'Entreprise Responsable" in 2023 as part of a more comprehensive approach to supporting the Climate Strategy within the property and personal insurance company.

► Within Arkéa Banque Entreprises et Institutionnels, 30 employees of the Real Estate Market Department benefited in 2023 from the "la Fresque de la Construction", which aims to raise awareness of the impact of construction and development on the climate and environment;

► At its 2023 General Meeting, Caisse de Bretagne de Crédit Mutuel Agricole, the group's Breton agricultural entity, organized a launching event dedicated to regenerative agriculture. In front of nearly 400 people, the inspiring presentation of this new agronomic approach made it possible to highlight agroecology, its benefits and its contributions in a model of sustainable agriculture;

► Arkéa Capital organized its first Impact Club on the theme "Entrepreneurship with Nature", towards resilient and efficient business models.

Crédit Mutuel Arkéa wishes to organize regular exchanges with its employees concerning the business project and the action plans undertaken. Regular communications and privileged moments of exchange are thus organized between the management and all employees.

► In June 2023, the second edition of a Sustainable Finance seminar brought together more than 130 participants combining exchange times and round tables on themes at the heart of the group's business model. Internal speakers, members of the Mission Committee and a company client shared their convictions and lessons learned.

► The Strategic Plan 2023 Progress Point (PEPS) gathering 460 managers was an opportunity for the Chairman of Crédit Mutuel Arkéa, the Managing Director and the Deputy Managing Director of Crédit Mutuel Arkéa to discuss the progress of the medium-term plan, the overall performance, including non-financial results, but also to provide concrete illustrations related to the quality of Crédit Mutuel Arkéa's

mission-oriented business. In addition to the Senior Management Seminar, which took place on October 16 and 17, 2023, these two days were an opportunity to lay the foundations for the next strategic plan.

Beyond internal awareness, Crédit Mutuel Arkéa also wishes to **share its convictions with the outside world, through its involvement in local organizations and its leaders' statements in the media and at conferences on sustainability issues.**

In 2023, for example:

► appointment of Hélène Bernicot as co-chair of "The Community of companies with a mission" in June 2023³⁶ ;

► in November 2023, publication of an opinion piece, co-signed by Hélène Bernicot and Guillaume Desnoës, on the quality of Company with a Mission;

► support for the Impact France movement's call for a more inclusive and sober economy³⁷;

► continued participation in the community *Les entreprises s'engagent*;

► at the fourth edition of the Breton Economic Forum³⁸ ;

> intervention by Julien Carmona, Chairman of Crédit Mutuel Arkéa, during a plenary session dedicated to the major role of regional companies in the transitions of tomorrow;

> Hélène Bernicot's participation in the themed Lab entitled "Company with a mission or how to move from words to deeds";

> intervention by Anne Le Goff during the opening plenary on the main theme of the FEB: "Reinventing models for regenerative growth".

36 - <https://www.entreprisesamission.org/helene-bernicot-et-guillaume-desnoes-sont-elus-a-la-copresidence-de-la-communaute-des-entreprises-a-mission/>

37 - https://www.lemonde.fr/idees/article/2023/11/07/les-plus-fortes-contraintes-auxquelles-sont-soumises-les-entreprises-ne-sont-pas-leurs-engagements-volontaires-mais-les-limites-planetaires_6198726_3232.html

38 - <https://www.fe-breton.bzh/partner/cc071a71-1253-4624-9824-8fae2ce54f68/credit-mutuel-arkea>

Reference

2023 Universal Registration Document

4.2. Sustainability issues at the heart of Crédit Mutuel Arkéa's Reason d'être and Transition 2024 plan.

4.3. Crédit Mutuel Arkéa's main non-financial issues and risks

4.4. A regional bank committed to serving its customer-members

► QUESTION 5-3 | POLICIES AND DUE DILIGENCE PROCESSES

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Yes

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

As part of its Climate Strategy, the group has made a commitment to "implement climate risk assessment tools for its activities as early as 2021 in order to ensure the best possible control".

In order to integrate the short, medium and long-term effects of ESG risks, Crédit Mutuel Arkéa has optimized its organizational and operational structure, described in question 5-1.

The commitment of Crédit Mutuel Arkéa and its risk management approach is embodied in three actions:

- > have ESG risk identification and assessment processes, systems and tools;
- > define its ESG risks aversion, via the various risk management processes;
- > integrate ESG risk identification and assessment processes, devices and tools into overall risk management based on risk appetite.

Crédit Mutuel Arkéa has implemented various processes, systems and tools to identify and assess activities and exposures that are sensitive and vulnerable to ESG risks:

- > a sectoral approach;

- > a geographical approach;

- > an individualized ESG risk assessment approach;

- > a scenario approach.

In order to understand the potential impact of climate risks on all "traditional" banking risks, Crédit Mutuel Arkéa has developed a **climate risk materiality matrix and a biodiversity loss risk materiality matrix**. These matrices aim to propose an adequate detection and measurement process to assess the significance of environmental risks that weigh on its activity at different time horizons (short, medium and long term).

Concerning the development of the materiality matrices of climate risks and biodiversity loss, environmental risks, including climate risks, have been integrated into Crédit Mutuel Arkéa's **risk mapping** via the main risk factors:

- > transition risk;
- > physical risk;
- > liability risk.

Following the introduction of environmental risks to risk mapping, Crédit Mutuel Arkéa has integrated these risks into the risk appetite framework in order to measure and limit them. This system allows Crédit Mutuel Arkéa to formalize its intrinsic

level of appetite for environmental risks.

The indicators of the risk appetite framework are monitored through the realization of a quarterly risk dashboard. Through this ESG risk dashboard, Crédit Mutuel Arkéa ensures that:

- > inform the governance of the risks incurred and monitor the level of risk taken at the group's borders;
- > decline the risk of Crédit Mutuel Arkéa's strategic commitments, including its climate strategy and its various sectoral policies.

In order to structure environmental risk management, the Risk Division drafts an **internal environmental risk management policy**. The assimilation and management of environmental risks, including climate risks, are materialized by documentation to reflect the commitments of the group and the risk implementation of its environmental and climate strategy. The policies of other types of risks (credit, operational, liquidity, market) are enriched and gradually integrate these issues, thus contributing to the management of environmental risks.

Reference

[2023 Universal Registration Document](#)
[4.3 Crédit Mutuel Arkéa's main non-financial issues and risks](#)

Environmental risks are gradually integrated into the organization and existing tools within risk management, in particular through:

- > integration into financing, investment and savings decisions;
- > deployment within the Risk Management Function;
- > Capital and liquidity adequacy (ICAAP and ILAAP);
- > integration into control plans.

Crédit Mutuel Arkéa extends its approach to other ESG risk factors.

Crédit Mutuel Arkéa publishes a "TCFD Climate Report", available on the Crédit Mutuel Arkéa institutional website, where the processes for identifying, assessing and managing climate risks are described.

Crédit Mutuel Arkéa also publishes a "Biodiversity and natural capital"

report, available on the Crédit Mutuel Arkéa institutional website.

PRINCIPLE 6 | TRANSPARENCY AND ACCOUNTABILITY

► QUESTION 6-1 | ASSURANCE

Has this publicly available information on your PRB commitments been guaranteed by an independent insurer??

No

► QUESTION 6-2 | REPORTING ON OTHER FRAMEWORKS

Does your bank disclose sustainability information in any of the standards and frameworks listed below?

- ☐ GRI
- ☐ SASB
- ☒ CDP
- ☐ IFRS Sustainability Disclosure Standards
- ☒ TCFD
- ☐ Other:...

► QUESTION 6-3 | OUTLOOK

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

As part of its commitment of **continuous improvement**, Crédit Mutuel Arkéa will continue its efforts in 2023 on the basis of improved methodologies and data, in order to **maintain and strengthen the contribution of its activities to sustainability issues**.

Work will continue on **setting 1.5°C targets at 2030** financed emissions of a number of priority sectors.

New sectoral policies are also being considered to support certain sectors of activity particularly affected by transitions.

Concerning the CSRD regulation requirements, the work carried out, in particular on the analysis of double materiality, will contribute to enrich all the studies carried out to date.

Reference

[2023 Universal Registration Document](#)
4.5 A responsible approach that delivers results

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The Crédit Mutuel Arkéa group comprises Crédit Mutuel Arkéa, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations and their member local savings banks, as well as some 40 specialised subsidiaries (Fortuneo, Monext, Arkéa Banque Entreprises et Institutionnels, Arkéa Investment Services, Suravenir, Suravenir Assurances, etc.).

