

The background image is a photograph of a modern, multi-story apartment building. The building has a light-colored facade with dark window frames and balconies. Some balconies have glass railings, while others have wooden slat railings. In the foreground, there is a green courtyard with a paved path, some low-lying plants, and a small tree. The sky is blue with some light clouds. The overall aesthetic is clean and modern.

ALLOCATION AND IMPACT REPORT

SOCIAL & GREEN BONDS

OCTOBER 2023



KEY FIGURES

€2,412m

of Social & Green
Bond issues

87%

of proceeds
already allocated
as at 31/12/22



Social housing



Health and care



Education



Renewable energy



Regional
economic development



Energy transition

in 15 French
regions

Contributing
to the financing of

more than
14,500

energy renovation projects
for individual clients

27
hospitals

or more than
35 000 places

more than
4,800

photovoltaic panel
installations in private
homes

253 photovoltaic
plants

10
wind farms





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SUSTAINABLE FINANCE AT CRÉDIT MUTUEL ARKÉA

1.1. SUSTAINABLE FINANCE AT CRÉDIT MUTUEL ARKÉA

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

In this context, where experts are warning about the climate, **societal issues are closely linked to environmental issues**, in particular employment, education, access to health care, access to housing, financial inclusion, etc.

These necessary environmental and societal transitions carry both risks, which it is important to consider and control, and development opportunities for the regions and their actors, which should be seized.

1.2. THE KEY ROLE OF FINANCE

Paradigm shifts are necessary, new business models need to be invented to contribute, in particular, to achieving the commitments of the 2015 Paris Agreement, which aims to limit the average global rise in temperature to less than 2°C above pre-industrial levels¹.

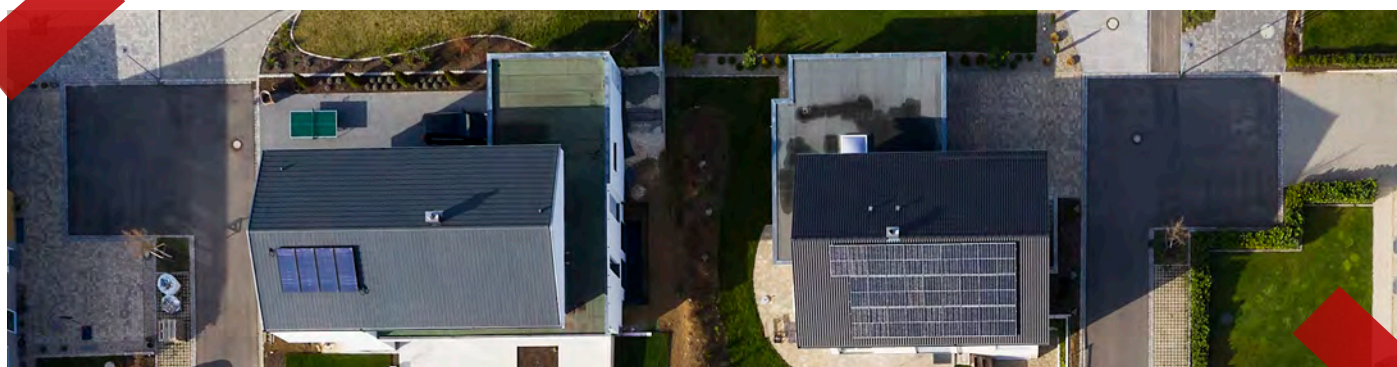
To develop, the economy relies on the capital provided by finance. **The financial sector therefore has a key role**

to play in limiting the impacts of global warming and accelerating the shift to a more sustainable economic growth model.

A mission-driven company since May 2022, **Crédit Mutuel Arkéa intends to be a committed player in this major challenge** of building a more sustainable economy and finance. Accordingly, the banking group aims to reconcile financial and non-financial (social and environmental) performance, and seeks to direct capital more towards investments and financing that have beneficial effects for society and the environment.

1.3. CRÉDIT MUTUEL ARKÉA'S COMMITMENTS

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



¹ <https://unfccc.int/process-and-meetings/the-paris-agreement>

CLIMATE TRANSITION AND PRESERVATION OF NATURAL CAPITAL

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



TRANSITION TO AN INCLUSIVE AND BALANCED SOCIETY IN THE REGIONS

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



These commitments, supported by the group, are intended to **contribute primarily to the nine United Nations Sustainable Development Goals (SDGs)**. The United Nations Sustainable Development Goals are

an **international reference framework** that sets 17 objectives to be achieved by 2030 by the States of the world and provides for a significant contribution from the private sector.



1.4. CONCRETE ACTIONS

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

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

- The **Climate Strategy 2020-2024** sets out the commitments of the group and its entities to transform financing and investment practices with regard to climate change by 2024. Every year, Crédit Mutuel Arkéa publishes a **climate report** that follows the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

- The group has adopted **sectoral policies for coal (2020) and oil and gas (2021)**, committing to a total phase-out of coal by the end of 2027 and withdrawal from businesses involved in unconventional fossil fuels by the end of 2030. They are regularly updated.

- In 2022, Crédit Mutuel Arkéa adopted two new sectoral policies: **one to address health issues** in the regions and one to exclude tobacco.

- More specifically, Crédit Mutuel Arkéa is working to **steer capital more towards investments and financing that take environmental and social issues into account.**

- In terms of financing, at the end of 2022 outstanding loans to individuals for financing the transition (sustainable mobility, energy-efficient home renovation, etc.) totalled €885 million, **while outstanding loans to businesses for financing the transition totalled €609 million, including €589 million for financing renewable energy.**
- The **PACT loan**, launched by Arkéa Banque Entreprises et Institutionnels in 2020, which encourages SMEs and SMIs to improve their ESG performance, accounted for €616 million in outstandings (figures at 31/12/2022).
- Finally, 12.60% of the **annual refinancing programme and structured investment campaigns** are carried out through Green or Social Bonds issued by the group (in 2022).

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

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

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

- In 2022, Crédit Mutuel Arkéa joined the **Net Zero Banking Alliance** initiative.

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

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

In 2022, nearly 5,500 employees were invited to collaborative workshops on climate issues, the "Climate Fresk".

Lastly, the Sustainable Finance roadmap is being steered by a particularly structured and highly involved governance structure. The Executive Management Committee is responsible for driving the sustainable finance approach in the group's businesses. Strategic orientations and commitments are then proposed to the **Strategy and CSR Committee**, which reports to the Board of Directors.

Operational monitoring is carried out by the Sustainable Finance Department, which regularly reports to the governance bodies on progress with the roadmap. The **Risk and Internal Control Committee** is also involved in the environmental risk monitoring system.

Sustainable finance forms an integral part of Crédit Mutuel Arkéa's Raison d'être (purpose) and status as a mission-driven company. Formalised in 2020,

it reflects our close relationships and local roots, our responsibility in action, our long-term culture, innovation to help our customers and partners carry out their projects, and inclusion and solidarity with all our stakeholders.

The actions we have already taken and the increase in our dedicated resources bear witness to our determination and energy to take part in the transitional challenges facing our local and regional communities and, more broadly, our planet.



CRÉDIT MUTUEL ARKÉA'S SOCIAL & GREEN BONDS

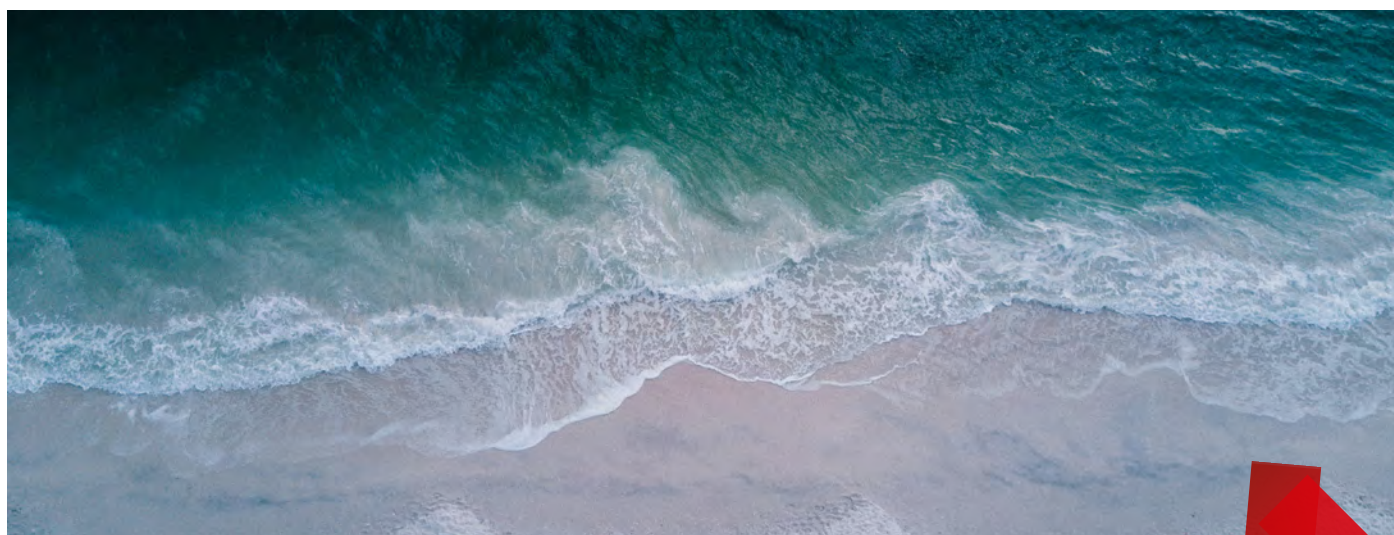
Social & Green Bonds are fully in line with Crédit Mutuel Arkéa's ESG strategy, as defined in the **Transitions 2024 plan**, which aims to support customers and regions in their social and environmental transition projects.

This report refers to the **Social & Green Bonds** issued by Crédit Mutuel Arkéa until 31 December 2022.

2.1. SOCIAL BOND ISSUES

At 31/12/2022, Crédit Mutuel Arkéa had issued a total of €1,750 million of Social Bonds in **3 issues** since 2019:

YEAR OF ISSUE	ISIN	FORMAT	NOMINAL AMOUNT OF ISSUE (€m)	SETTLEMENT DATE	MATURITY DATE
2019	FR0013450822	Senior Preferred	500	03/10/2019	03/10/2028
2020	FR0013517307	Senior Non-Preferred	750	11/06/2020	11/06/2029
2021	FR0014002BJ9	Senior Non-Preferred	500	11/03/2021	11/03/2033
		TOTAL	1,750		



2.2. GREEN BOND ISSUES

- **PUBLIC GREEN BOND ISSUE** (for institutional investors)

In November 2022, Crédit Mutuel Arkéa held its first public issue of a Green Bond for institutional investors, placing a total of €500 million. **The issue was intended to finance or refinance loans to stakeholders in the renewable energy sector such as those involved in photovoltaic, wind and methanisation projects.**

- **STRUCTURED GREEN BOND ISSUES**

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

for Sérénité Globe and since 2021 for Perspectives Globe.

These savings products, which are eligible for life insurance and ordinary securities accounts, are based on Green Bond issues. The funds raised, a total of €162 million since the end of 2020, are intended to **refinance eligible projects dedicated to renewable energy and the energy transition.**

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



Crédit Mutuel Arkéa's structured Green Bond issues (settlement date before 31/12/2022)

YEAR OF ISSUE	ISIN	STRUCTURED PRODUCT	FORMAT	AMOUNT ISSUED (€M)		MATURITY DATE
2020	FR0013536919	Sérénité Globe Décembre 2020	Senior Preferred	8.0	09/11/2020	07/01/2031
2021	FR0014000OJ6	Sérénité Globe Février 2021	Senior Preferred	13.8	11/01/2021	17/03/2031
	FR0014002JK0	Perspectives Globe Juin 2021	Senior Preferred	21.1	03/05/2021	07/07/2031
	FR00140042O4	Perspectives Globe Octobre 2021	Senior Preferred	33.3	14/09/2021	17/11/2031
2022	FR0014005NE8	Perspectives Globe Décembre 2021	Senior Preferred	11.1	08/11/2021	12/01/2032
	FR001400BWS3	Sérénité Globe Octobre 2022	Senior Preferred	39.7	08/11/2022	15/11/2032
	FR0014006N41	Perspectives Globe Février 2022	Senior Preferred	11.5	07/03/2022	15/03/2032
	FR0014007X48	Perspectives Globe Avril 2022	Senior Preferred	5.6	09/05/2022	17/05/2032
	FR0014009CY1	Perspectives Globe Juin 2022	Senior Preferred	17.9	30/06/2022	07/07/2032
		TOTAL		162		





ALLOCATION OF AMOUNTS RAISED

	2019	2020		2021		2022	
	SOCIAL BOND ISSUE (FR0013450822)	SOCIAL BOND ISSUE (FR0013517307)	STRUCTURED GREEN BOND ISSUE (FR0013536919)	SOCIAL BOND ISSUE (FR0014002BJ9)	STRUCTURED GREEN BOND ISSUES (FR0014000OJ6, FR0014002JK0, FR00140042O4, FR0014005NE8)	GREEN BOND ISSUE (FR001400E946)	STRUCTURED BONDS (FR001400BWS3, FR0014006N41, FR0014007X48 FR0014009CY1)
Share of proceeds already allocated at 31/12/2022	100%	100%	100%	100%	100%	35%	100%
Refinancing share	100%	70%	100%	83%	84%	100%	100%
Share of new financing	0%	30%	0%	17%	16%	0%	0%

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



3.1. ELIGIBLE ASSET CLASSES

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

- The amounts raised through the issue of green and social bonds will be used to "finance and/or re-finance, in whole or in part **eligible green or social loans, i.e. loans and/or investments made in France or in Europe** by Crédit Mutuel Arkéa and/or its subsidiaries up to 36 months prior to any green or social bond issue

and falling within categories of eligible green or social loans that meet the eligibility criteria listed below":

- The categories of eligible green or social loans and the eligibility criteria were reviewed in February 2022 by Moody's ESG Solutions, as part of the work carried out for the issuance of a "Second Party Opinion" on the opinion on the framework.

Eligible asset classes financed or refinanced by Social Bond issues

(settlement date before 31/12/2022)



SOCIAL HOUSING

Loans dedicated to the financing of regulated social housing projects:

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



HEALTH AND CARE

Loans dedicated to the financing of medical care centres including:

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



EDUCATION

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

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



REGIONAL ECONOMIC DEVELOPMENT

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

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



Eligible asset classes financed or refinanced by Green Bond issues:
(settlement date before 31/12/2022)



RENEWABLE ENERGY

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

- Wind farms (on-shore and off-shore)
- Photovoltaic power plants
- Biomass (direct emissions < 100g CO₂/kWh)
 - limited to sources that are not suitable for human consumption
 - does not compete with existing terrestrial carbon pools (i.e. agricultural or forestry residue)
 - includes anaerobic digestion of bio-waste
- Geothermal (direct emissions < 100g CO₂/kWh)



ENERGY TRANSITION

Loans to finance energy-saving projects, including:

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

3.2. SELECTION AND VALIDATION PROCESS FOR ELIGIBLE LOANS

Eligible loans were selected according to **selection procedures** established for each of the Crédit Mutuel Arkéa entities concerned.

The eligibility of the loans selected and financed/refinanced by the Social and Green Bonds has been

validated by Crédit Mutuel Arkéa's Sustainable Bonds Committee, whose role is defined in section 4.2 of the framework.

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



3.3. SUMMARY OF THE ALLOCATION OF THE AMOUNTS RAISED BY THE ISSUE

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

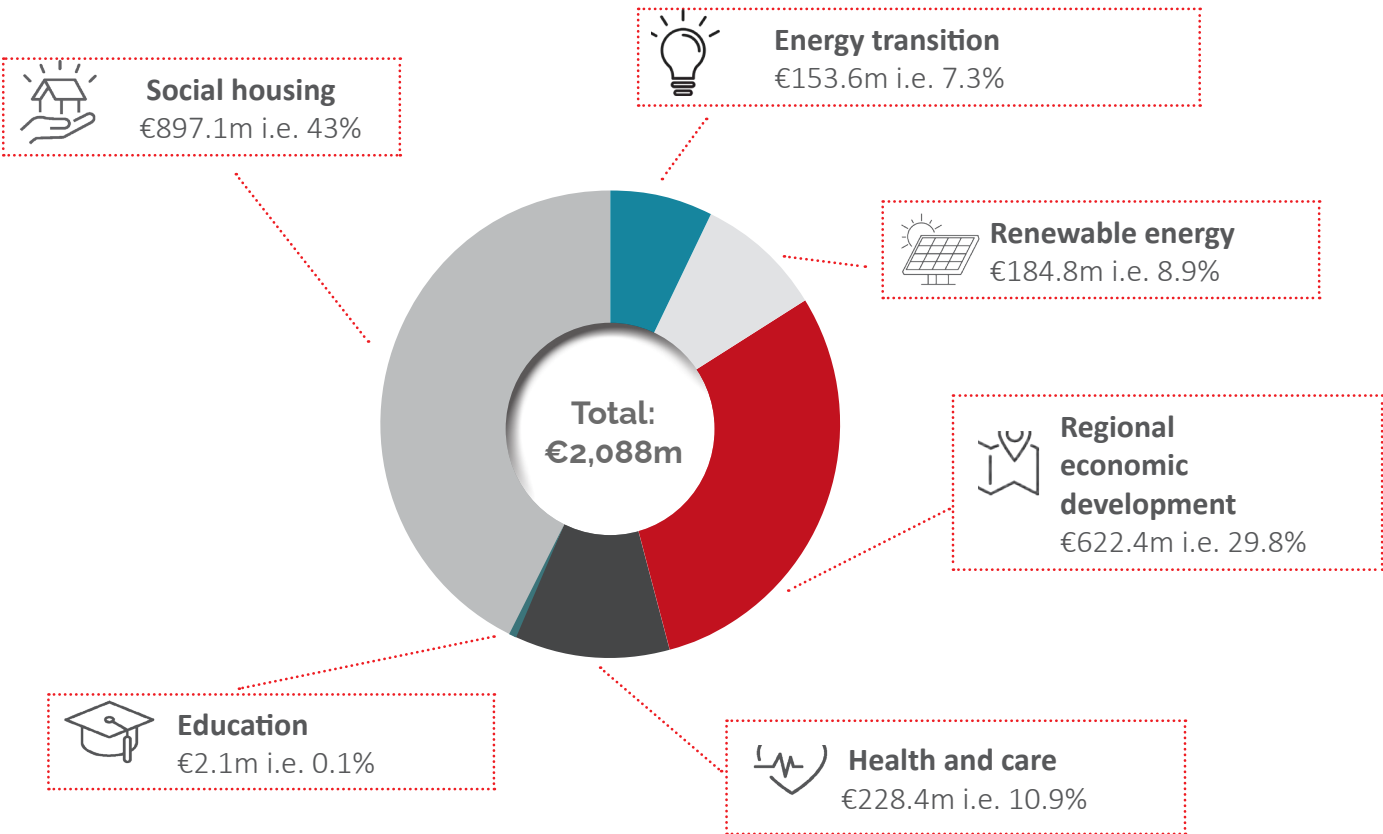
By eligible asset class

ELIGIBLE ASSET CLASSES	NUMBER OF LOANS	ALLOCATED PROCEEDS (€M)	ALLOCATED PROCEEDS (%)
SOCIAL BOND			
Social housing	1,868	897.1	43
Health and care	680	228.4	10.9
Education	2	2.1	0.1
Regional economic development	4,791	622.4	29.8
<i>Subtotal Social Bond</i>		<i>1,750</i>	<i>83.8</i>
GREEN BOND			
Renewable energy	31	184.8	8.9
Energy transition	14,591	153.6	7.3
<i>Subtotal Green Bond</i>		<i>338.4</i>	<i>16.2</i>
TOTAL		2,088.4	100

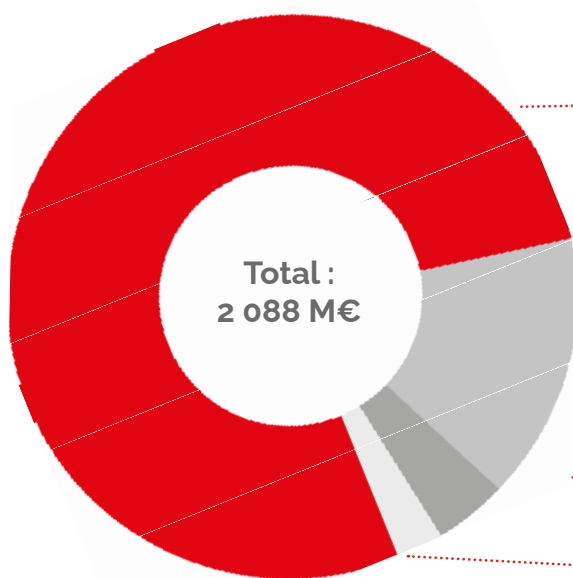
By eligible asset class and issue

YEAR OF ISSUE	ISIN	GREEN/ SOCIAL	ELIGIBLE ASSET CLASS	NUMBER OF LOANS	ALLOCATED PROCEEDS (€M)	ALLOCATED PROCEEDS (%)
2019	FR0013450822	Social	Social housing	1,774	397	79.4
			Health and care	14	101	20.2
			Education	2	2	0.4
			<i>Subtotal</i>	<i>1,790</i>	<i>500</i>	<i>100</i>
2020	FR0013517307	Social	Regional economic development	4,791	622	82.9
			Health and care	666	128	17.1
			<i>Subtotal</i>	<i>5,457</i>	<i>750</i>	<i>100</i>
	FR0013536919	Green	Renewable energy	1	8	100
2021	FR0014002BJ9	Social	Social housing	94	500	100
			<i>Subtotal</i>	<i>94</i>	<i>500</i>	<i>100</i>
	FR0014000QJ6 FR0014002JK0 FR00140042O4 FR0014005NE8	Green	Energy transition	4,849	79	100
			<i>Subtotal</i>	<i>4,849</i>	<i>79</i>	<i>100</i>
2022	FR001400E946	Green	Renewable energy	30	176.8	70.3
	FR001400BWS3 FR0014006N41 FR0014007X48 FR0014009CY1	Green	Energy transition	9,742	74.6	29.7
<i>Subtotal</i>				<i>9,772</i>	<i>251.4</i>	<i>100</i>
TOTAL				21,963	2,088.4	100

Breakdown of allocated proceeds by eligible asset class



Breakdown of allocated proceeds by lending entity



ARKEA BANQUE
ENTREPRISES & INSTITUTIONNELS

€1,607.8m
i.e. 77%



**Crédit Mutuel
de Bretagne**

€280m
i.e. 13.4%

Financo

€153.6m
i.e. 7.4%

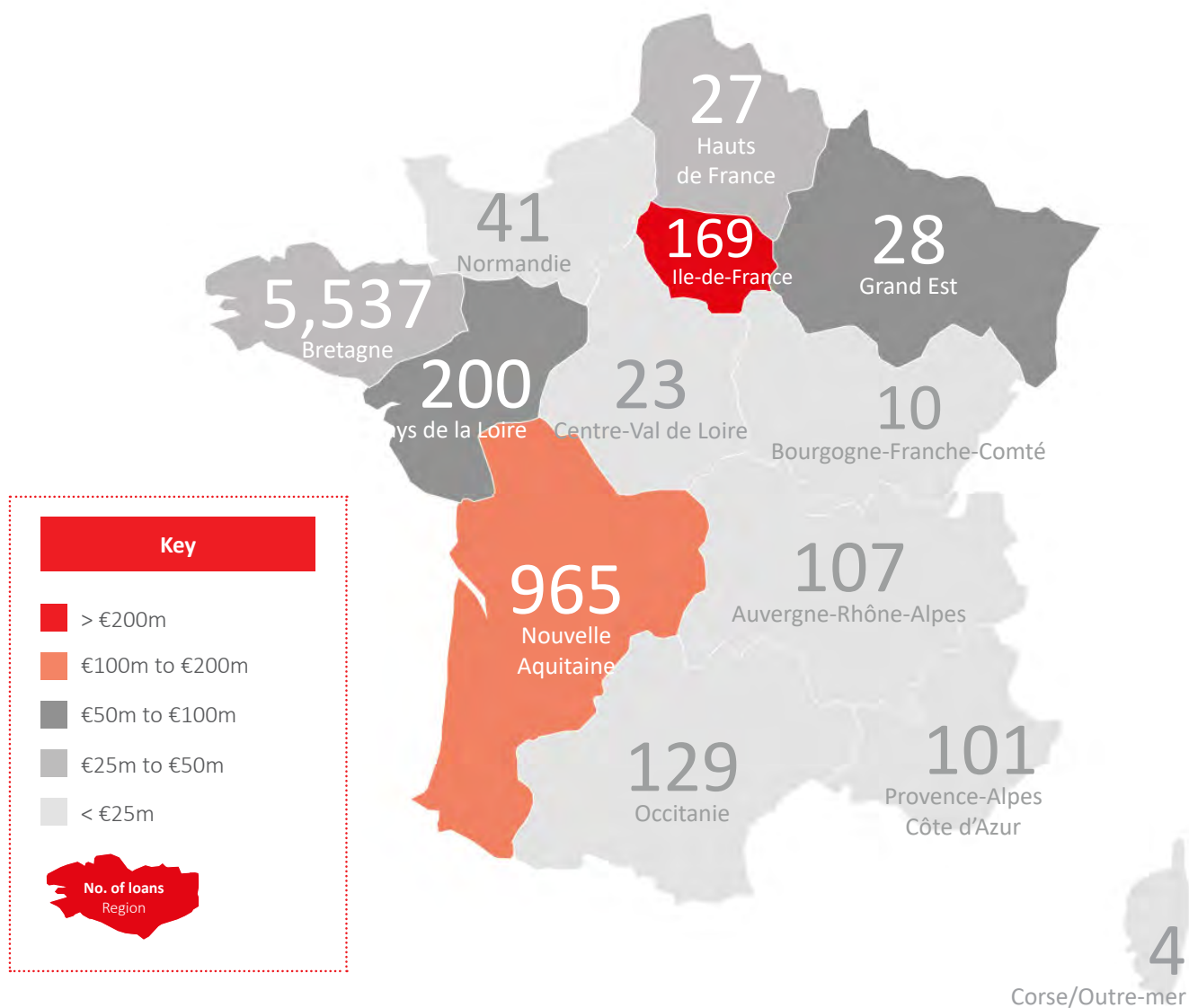


**Crédit Mutuel
du Sud-Ouest**

€47m
i.e. 2.3%



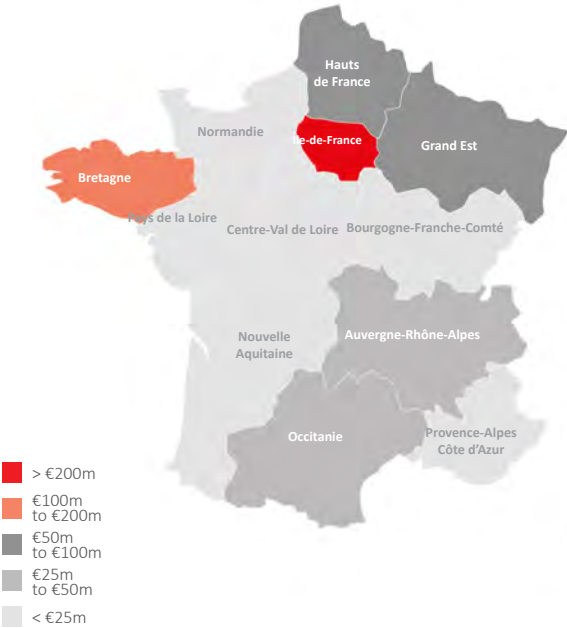
Geographical breakdown of loans financed/refinanced by Social Bond issues
by volume and number of loans



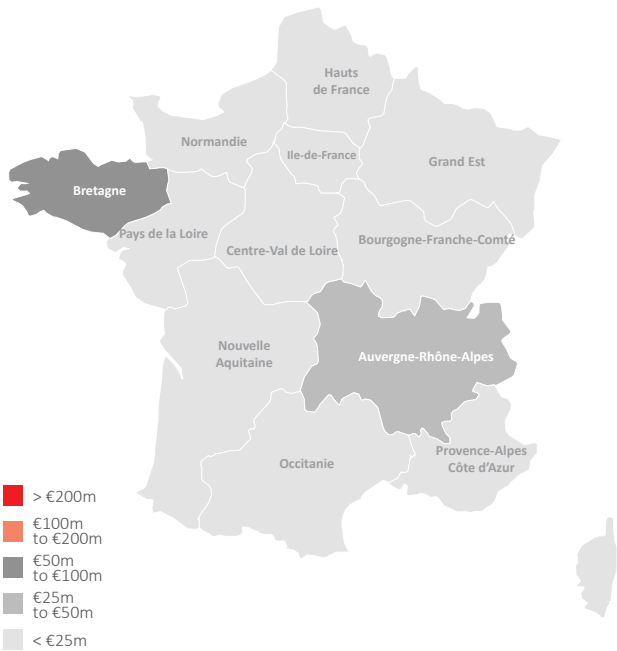
Geographical breakdown of loans financed/refinanced by Social and Green Bond issues by eligible asset class



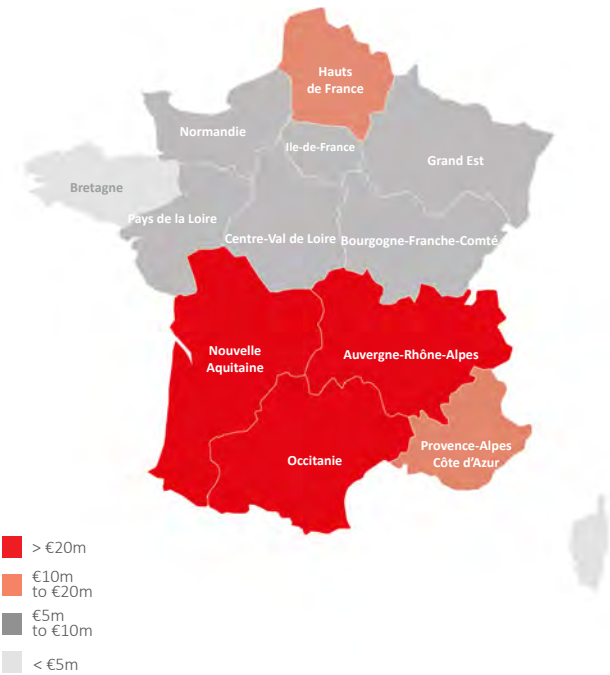
Social housing



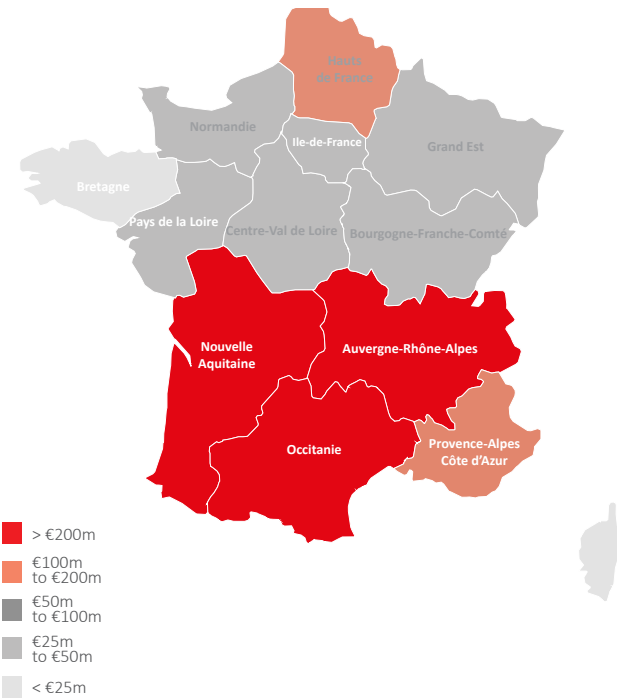
Health and care



Energy transition

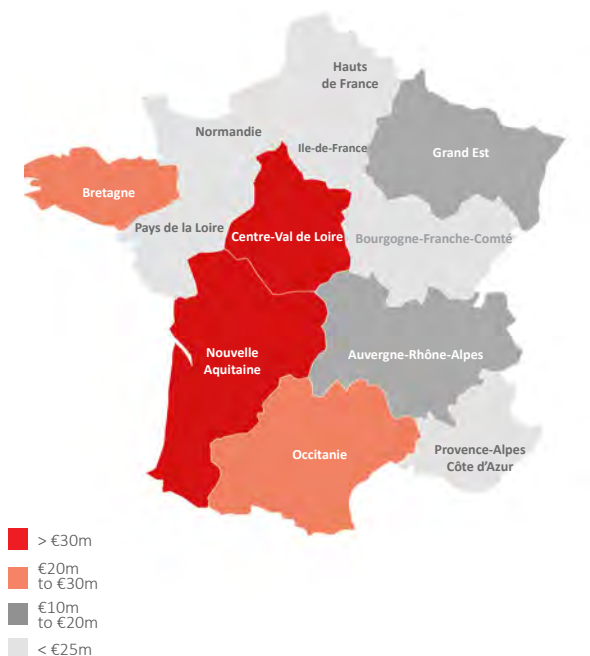


Regional economic development



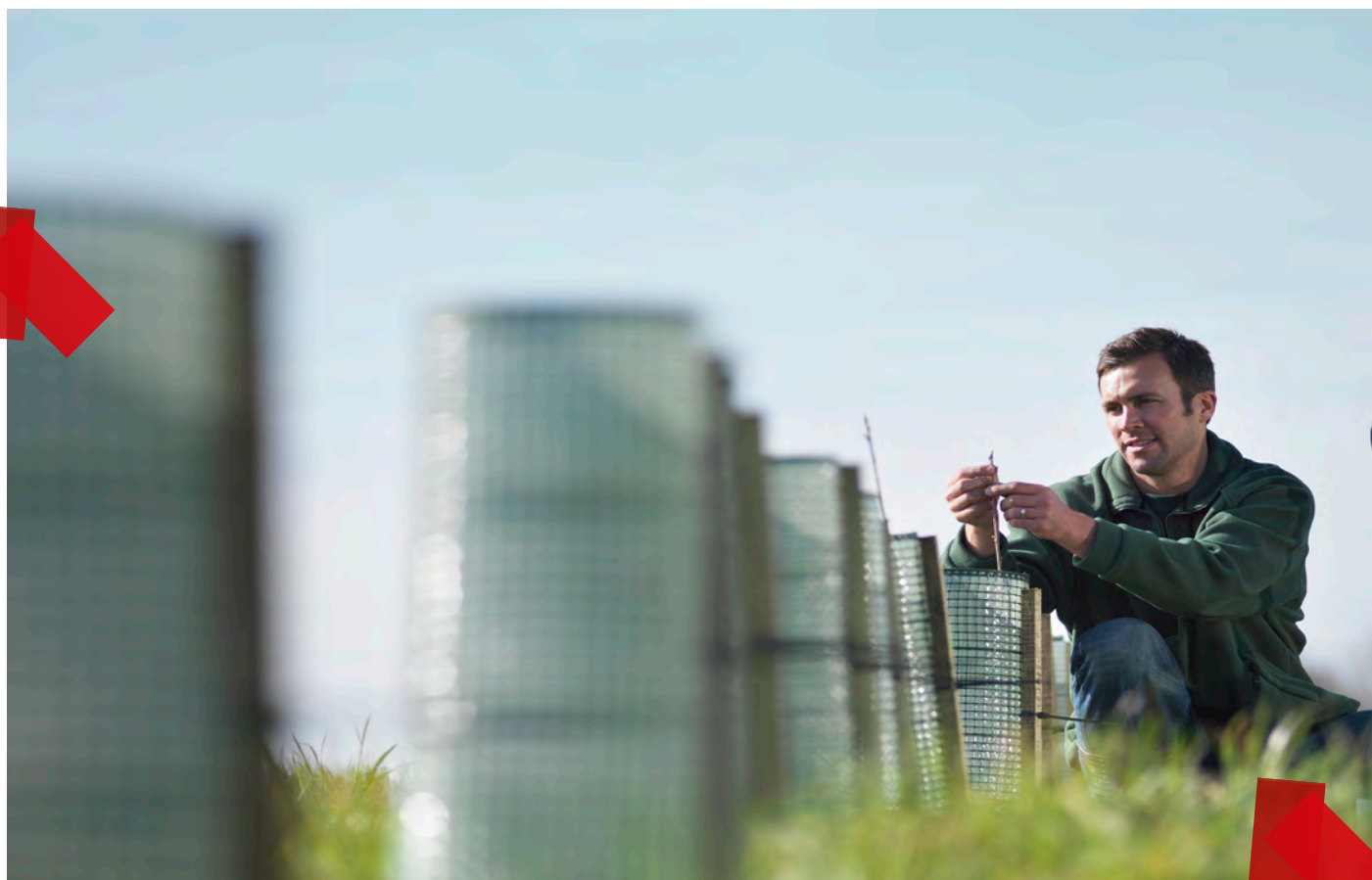


Renewable energy



Education

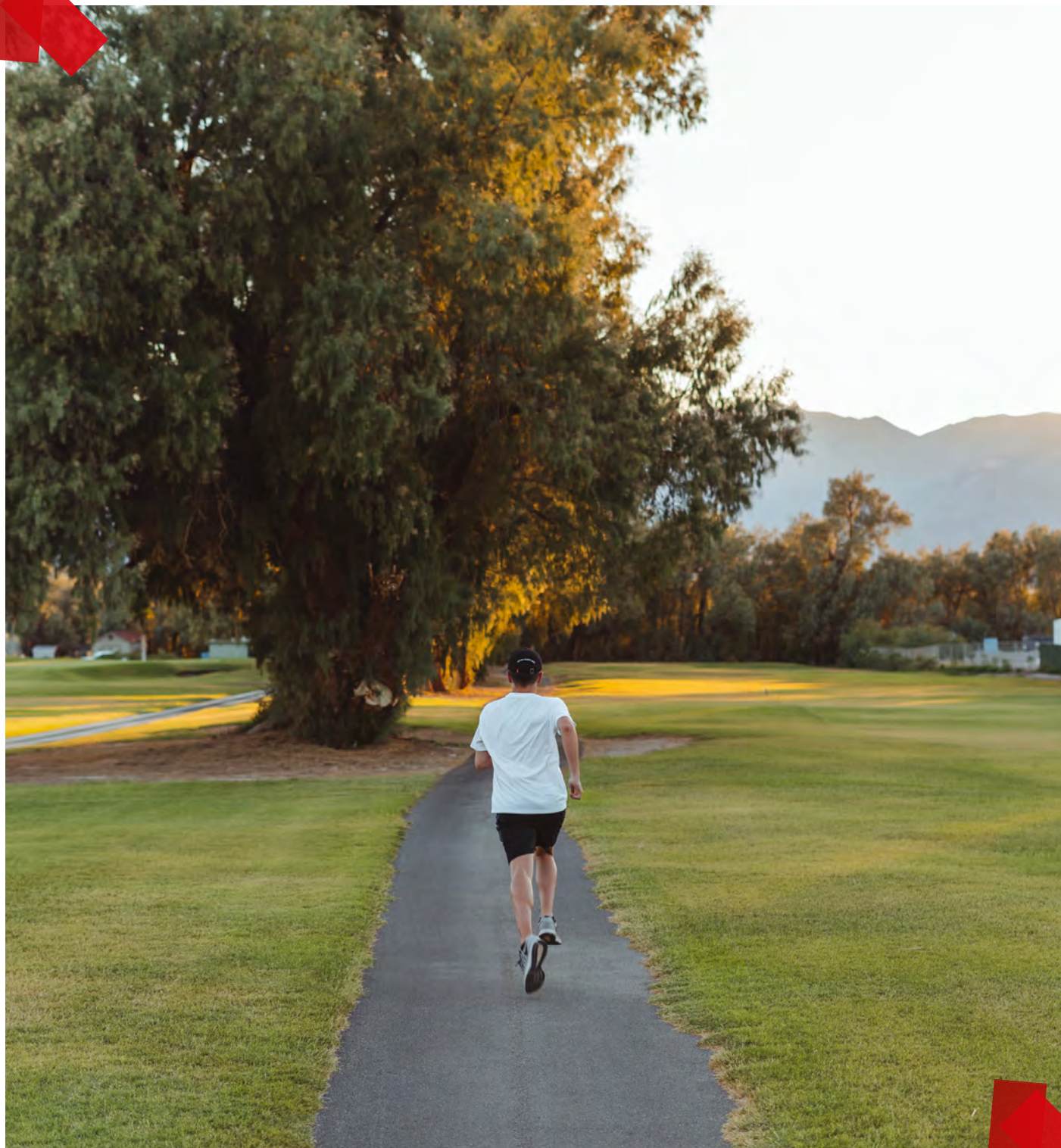
Social Bond refinanced loans issued in 2019 are for the construction and renovation of buildings and premises located in New Aquitaine, specific programmes, the purchase of educational equipment or furniture.



3.4. FOCUS BY BOND ISSUE

For the focus on the 2019, 2020 and 2021 Social Bond and 2020 and 2021 Structured Green Bond issues, see pages 21-26 of the 2022 Social & Green Bond Allocation and Impact Report at:

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



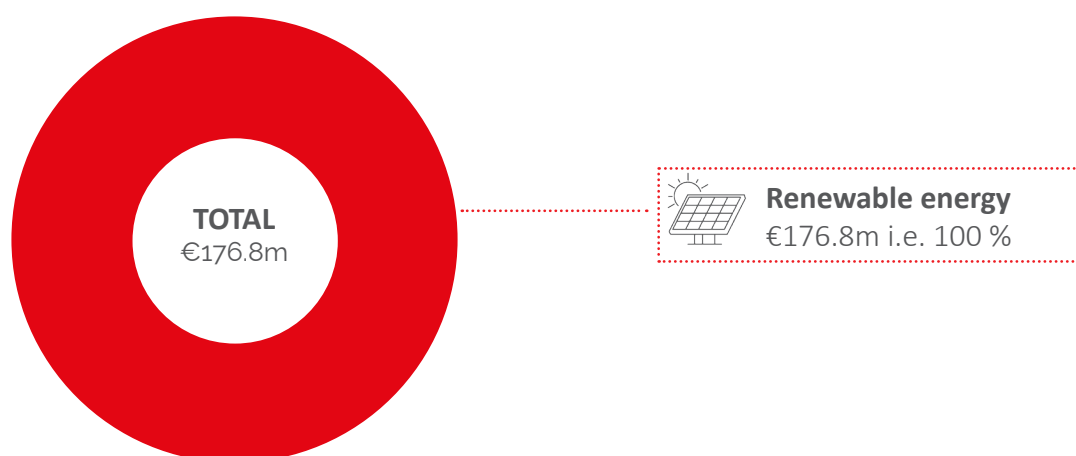
2022 GREEN BOND ISSUE (FR001400E946)

Out of Crédit Mutuel Arkéa's €500 million Green Bond issue carried out in 2022, €176.8 million has been allocated to loans made by Arkéa Banque Entreprises et Institutionnels to organisations involved in renewable energy.

These loans are intended to fully or partly finance **240 photovoltaic plants, 10 wind farms, 5 hydroelectric plants, 4 methanisation units, 6 landfill gas production plants and one biomass plant in France.**

€323.2 million raised by this issue remained unallocated at 31/12/2022 and will be allocated to finance future eligible projects.

Breakdown of allocated proceeds by eligible asset class



Breakdown of refinanced loans by lending entity



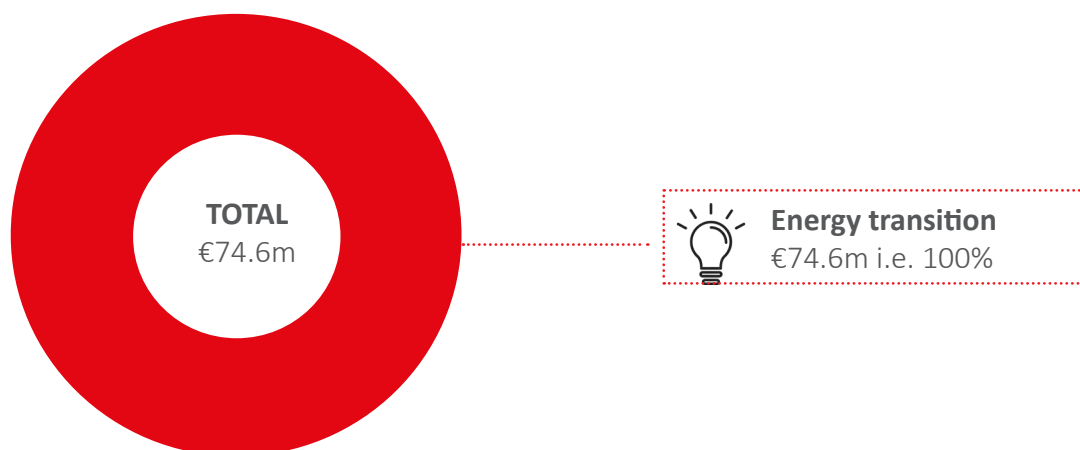
Allocation by type of borrower

Type of borrower	Eligible asset class	Principal outstanding (€)	Number of loans
Electricity producer	Renewable energy	176,800,000	30
TOTAL 2022 Green Bond issue (FR001400E946)		176,800,000	30

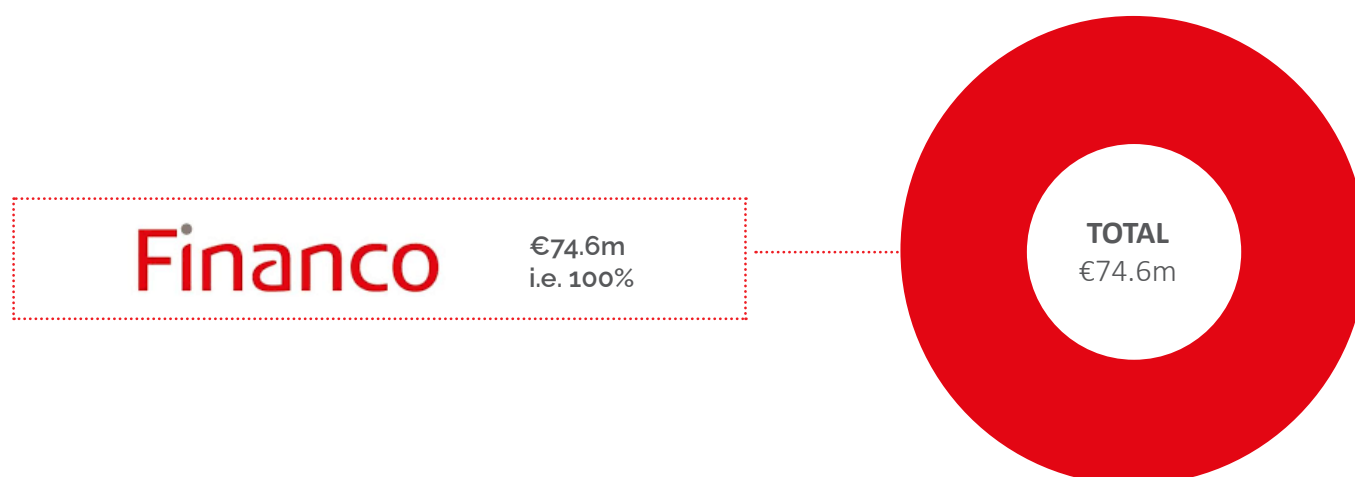
2022 STRUCTURED GREEN BOND ISSUE

(FR001400BWS3, FR0014006N41, FR0014007X48, FR0014009CY1)

Breakdown of allocated proceeds by eligible asset class



Breakdown of financed/refinanced loans by lending entity



Allocation by type of borrower

Type of borrower	Eligible asset class	Principal outstanding (€)	Number of loans
Individuals	Energy transition (windows and fixtures, heat pumps, insulation)	74.597.787	9.742
TOTAL 2022 Structured Green Bond issue (FR001400BWS3, FR0014006N41, FR0014007X48, FR0014009CY1)		74.597.787	9.742





04

IMPACT INDICATORS

4.1. KEY FIGURES

**2,500
people**

on low income
helped to buy
a home



**56,792
tons**

of CO₂
emissions
avoided/
year

Co-funding of
health
facilities for a total
capacity of



35,000 places

more than

€620m



**1,350
students**



benefiting
from education
projects

of loans
granted to SMEs

4.2. IMPACT DATA BY ELIGIBLE ASSET CLASS AND BY BOND ISSUE

For impact data on the 2019, 2020 and 2021 Social Bond and 2020 and 2021 Structured Green Bond issues, see pages 28-36 of the 2022 Social & Green Bond Allocation and Impact Report at:

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





Renewable energy

Alignment with the UN Sustainable Development Goals (SDGs)



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



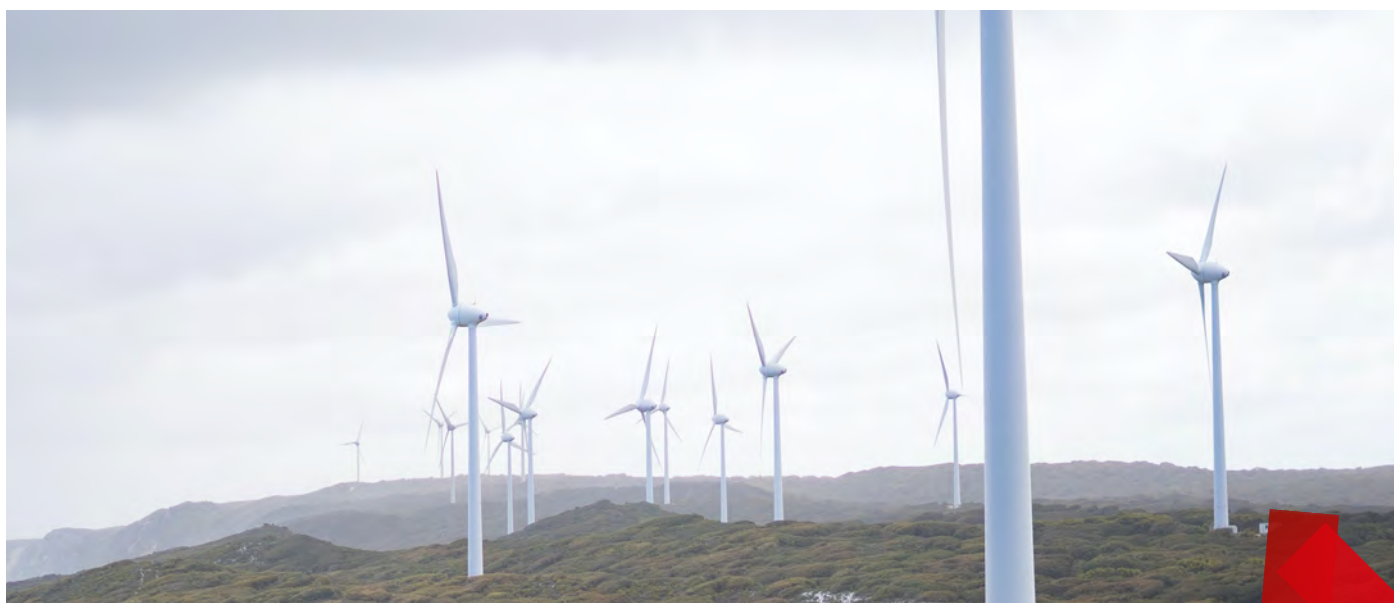
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

2022 Green Bond issue (FR001400E946)

The methodology used for this calculation is detailed in section 5, "Methodology", page 32.

The impact calculated for the loans refinanced by the Green Bond issued in 2022 concerns the share of emissions avoided annually by the production of renewable energy projects refinanced by Arkéa Banque Entreprises et Institutionnels. These consist of 10 wind farms, 240 photovoltaic plants, one biomass plant, 4 methanisation units, 6 landfill gas plants and 5 hydroelectric plants in France.

	Installed capacity (MW)	Annual carbon emissions avoided pro-rata ABEI's share of financing (tCO ₂ eq)
Wind	125.1	13,594
Photovoltaic	78.6	4,580
Biomass	64	17,500
Methanisation	10.6	7,650
Hydroelectric	2.1	567
Landfill gas	Not available	4,372
TOTAL	280.4	48,263





Energy transition

Alignment with the UN Sustainable Development Goals (SDGs)



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

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

According to the methodology set out on page 35, the 9,742 loans selected for these issues and granted by Financo to finance individuals' energy transition projects have prevented 7,196 tCO₂eq/year of emissions.

Financed project	Number of loans	Avoided emissions (tCO ₂ eq/year)
Heat pumps	2,322	1,989
Insulation	1,313	2,723
Windows and fixtures	6,107	2,484
TOTAL	9,742	7,196



5.1. GENERAL INFORMATION

Refinancing/financing

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

Erosion of the pool

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

Impact data

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

Loans eligible for a Social Bond

For information on the methodologies used to determine loans eligible for the Social Bond, see pages 38-39 of the 2022 Social & Green Bond Allocation and Impact Report at:

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



5.2 LOANS ELIGIBLE FOR A GREEN BOND



Renewable energy

1. PHOTOVOLTAIC, WIND AND HYDROELECTRIC POWER GENERATION

This section explains the methodology used to calculate the emissions avoided by three technologies for generating electricity from renewable energy sources:

- Photovoltaic panels (PV)
- Wind (on-shore)
- Hydroelectric

Unit CO₂ gain per kWh generated (gCO₂/kWh)

This is the difference between the carbon footprint of the benchmark scenario and the life-cycle assessment (LCA) emission factor of the technology being financed.

The benchmark scenario used for electricity generation projects is the "France IFI Harmonised Framework", developed by the UNFCCC (United Nations Framework Convention on Climate Change) and recommended by the Green Bond Principles and the EIB (European Investment Bank).

This scenario gives one benchmark value for "intermittent" energies and a second for "continuous" energies:

- intermittent energies: PV panels and wind power;
- continuous energies: hydroelectric.

The emission factors applied by the Crédit Mutuel Arkéa group to its different types of project are:

- specific emission factor for PV panels, with values that vary depending on whether the panels were built in China, Europe or France (source: ADEME - Base Empreinte);
- specific emission factor for on-shore wind projects (source: ADEME - Base Empreinte);
- specific emission factor for hydroelectric power (source: ADEME - Base Empreinte).

Annual CO₂ gain (tCO₂/year)

This is the product, expressed in tons of CO₂e per year, of the unit CO₂e gain per kWh generated (in gCO₂e/kWh) multiplied by the power (in GWh) generated by all the power plants concerned.

Crédit Mutuel Arkéa share (tCO₂/year)

This is the product of the annual CO₂e gain (in tCO₂e/year) multiplied by the share financed by the Crédit Mutuel Arkéa group in the total amount of the project.

2. METHANISATION - DIRECT INJECTION

This section sets out the methodology used to calculate emissions avoided by projects that inject gas from methanisation plants directly into the mains system.

Unit CO₂ gain per kWh generated (in gCO₂eq/kWh)

This is the difference between the carbon footprint of the benchmark scenario and the life-cycle assessment (LCA) emission factor of the technology being financed.

The benchmark scenario used is based on the emission factor of the average mix of natural gas consumed in France (source: ADEME - Base Empreinte) less emissions from transportation and distribution.

The emission factor applied by Crédit Mutuel Arkéa corresponds to the emission factor relating to biomethane injected into the mains system (source: ADEME - Base Empreinte).

Annual CO₂ gain (in tCO₂/year)

This is the product, expressed in tons of CO₂ per year, of the unit CO₂ gain per kWh generated (in gCO₂e/kWh) multiplied by the power (in GWh) generated by all the power plants concerned.

Crédit Mutuel Arkéa share (in tCO₂eq/year)

This is the product of the annual CO₂ gain (in tCO₂e/year) multiplied by the share financed by the Crédit Mutuel Arkéa group in the total amount of the project.

3. LANDFILL GAS RECOVERY PROJECT

The Green Bond asset pool includes a project to reuse biogas from landfill sites in the form of biomethane as a renewable substitute for natural gas. The project finances, builds and operates gas production units under long-term contracts with waste operators. The biomethane output can be directly injected into gas distribution systems or used as fuel for vehicles.

As this project uses specific technology, following analysis of the detailed data it has been decided to use the methodology provided by the operator for calculating avoided emissions.

Unit CO₂ gain per kWh generated (in gCO₂eq/kWh)

This is the difference between the carbon footprint of the benchmark scenario and the life-cycle assessment (LCA) emission factor of the technology being financed.

The benchmark scenario used is based on the emission factor of natural gas consumed in France (source: ADEME - Base Empreinte).

The emission factor used is that for biomethane injected into the mains system (source: ADEME - Base Empreinte).

Annual CO₂ gain (in tCO₂/year)

This is the product, expressed in tons of CO₂e per year, of the unit CO₂e gain per kWh generated (in gCO₂/kWh) multiplied by the power (in GWh) generated by all the recovery units concerned.

Crédit Mutuel Arkéa share (in tCO₂eq/year)

This is the product of the annual CO₂e gain (in tCO₂e/year) multiplied by the share financed by the Crédit Mutuel Arkéa group in the total amount of the project.

4. BIOMASS PROJECT

Biomass projects vary widely and each has its own specific context. This means that the calculation of avoided emissions cannot be based on common benchmark emission factors and scenarios.

The Green Bond asset pool includes a biomass project in which the customer's industrial process replaces fossil fuel (gas) with renewable fuel that is classified as biomass.

Specifically, the project recycles waste wood from an industrial process for manufacturing OBS panels as fuel to provide on-site heating.

Following discussions and analysis of the detailed data, it has been decided to use the methodology provided by the customer for calculating avoided emissions.

Unit CO₂ gain per kWh generated (in gCO₂eq/kWh)

This is the difference between the carbon footprint of the benchmark scenario and the life-cycle assessment (LCA) emission factor of the technology being financed.

The benchmark scenario used is based on the emission factor of natural gas in France (source: ADEME - Base Empreinte).

The emission factor applied to this project was based on ADEME's carbon database documentation, which lists six possible scenarios depending on input type, use and distance transported.

Annual CO₂ gain (in tCO₂eq/year)

This is the product, expressed in tons of CO₂e per year, of the unit CO₂e gain per kWh generated (in gCO₂e/kWh) multiplied by the power (in GWh) generated by the project.

Crédit Mutuel Arkéa share (in tCO₂eq/year)

This is the product of the annual CO₂ gain (in tCO₂e/year) multiplied by the share financed by the Crédit Mutuel Arkéa group in the total amount of the project.





5. WINDOW RENOVATION

Replacing the windows in a residential property can considerably reduce its heating consumption.

The estimated impact of window installations financed by the Crédit Mutuel Arkéa group is measured in terms of greenhouse gas emissions avoided per year (tCO₂eq).

As part of the financing of window replacement projects for individual customers, the Crédit Mutuel Arkéa group does not have the actual data related to these projects to calculate these impact indicators. It has therefore been decided to calculate these using statistical data.

Two assumptions have also been made:

- in the case of individual customer projects, 100% of the impact of the installation is attributed to financing provided by the Crédit Mutuel Arkéa group;
- every project financed relates to installing windows that are eligible for energy saving certificates.

Energy saving data

To calculate the energy savings per year per window (in kWh cumac), additional thermal resistance per window in kWh cumac¹ (source: Energy Transition Ministry) is divided by the average useful life of a window.

The average number of windows replaced in each financed project is based on the initial cost of the financed project divided by the average cost of replacing a window in France. This average cost is estimated on the basis of the cost of replacing one square metre of window by a double-glazed window in France (source: ADEME 2021 report on phased energy-efficient renovations) multiplied by the average surface area per window.

Energy savings per project financed (in kWh/year) are therefore calculated as energy savings per year per window multiplied by the number of windows per project.

Greenhouse gas emissions (GHG) avoided

This is the product, measured in tCO₂eq per year, of the energy savings achieved (in kWh/year) multiplied by the emissions factor for the energy mix consumed by residential heating in France (in gCO₂eq/kWh).

The emission factor for the energy mix consumed by residential heating in France is calculated by combining the energy mix consumed by residential heating in France (source: CEREN 2021) and the emission factors for each constituent energy source (source: ADEME - Base Empreinte).



¹ "A kWh cumac is energy not consumed thanks to the application of energy efficiency.

The French term "cumac" derives from "cumulé" (i.e. cumulative energy avoided over the lifetime of the energy-efficient equipment) and "actualisé" (i.e. adjusted to allow for the average performance of the equipment over time)" - source: EDF



6. INSULATION

Improving the insulation in a residential property can considerably reduce its heating consumption.

The estimated impact of renovation projects financed by the Crédit Mutuel Arkéa group is measured in terms of greenhouse gas emissions avoided per year (tCO₂e).

As part of the financing of insulation projects for individual customers, the Crédit Mutuel Arkéa group does not have the actual data related to these projects to calculate these impact indicators. It has therefore been decided to calculate these using statistical data.

Two assumptions have also been made:

- in the case of individual customer projects, 100% of the impact of the installation is attributed to financing provided by the Crédit Mutuel Arkéa group;
- a project corresponds to the installation of attic or roof insulation that is eligible for energy saving certificates.

Energy saving data

Energy savings per square metre per year are estimated in kWh, based on the value of energy savings per square metre of insulation for each climate zone (source: Energy Transition Ministry) for an average property over the standard service life of the insulation.

The surface area of insulation for each project is deduced from the initial cost of the financed project divided by the average installation cost per square metre of insulation (source: ADEME 2021 report on phased energy-efficient renovations).

Greenhouse gas emissions (GHG) avoided

This is the product, measured in tCO₂eq per year, of the energy savings achieved (in kWh/year), as previously calculated, multiplied by the emissions factor for the energy mix consumed by residential heating in France (in gCO₂eq/kWh).

The emission factor for the energy mix consumed by residential heating in France is calculated by combining the energy mix consumed by residential heating in France (source: CEREN 2021) and the emission factors for each constituent energy source (source: ADEME - Base Empreinte).

7. HEAT PUMPS

As part of the financing of heat pump projects for individual customers, the Crédit Mutuel Arkéa group does not have the actual data related to these projects to calculate these impact indicators. It has therefore been decided to calculate these using statistical data.

There are several different types of heat pumps:

- aerothermal (air-to-air and air-to-water);
- geothermal;
- hydrothermal.

Avoided emissions are calculated using a model for an average aerothermal heat pump. The model pump's emissions are calculated for a benchmark scenario representing the actual circumstances of housing in France in 2021.

Furthermore, in the case of individual customer projects, 100% of the impact of the installation is attributed to financing provided by the Crédit Mutuel Arkéa group.





Avoided emissions for the same quantity of energy (in tCO₂eq/year)

The first step in calculating the emissions avoided by installing a heat pump considers two factors:

- first, we need to calculate the emissions induced by conventional heating and aircon solutions. These are calculated as an average for the energy mix consumed by residential heating in France (source: CEREN 2021 detailed energy mix combined with emission factors from the ADEME - Base Empreinte);
- then, we need to calculate the emissions induced by the heat pump heating and aircon system, taking into account the energy efficiency performance of these solutions compared to conventional heating methods. If no specific emission factor for the heat pump is listed in the Base Empreinte, ADEME recommends using the emission factor for electrical heating, the data used in the 2020 "RE 2020" environmental recommendations.

The final calculation takes the difference between the carbon footprint for the benchmark scenario and the heat pump emission factor, and multiplies it by the annual average consumption of an aérothermal heat pump measured in kWh.

An aérothermal heat pump consumes an average 51 kWh/m²/year (source: ADEME).

Avoided emissions from heat pump energy savings (in tCO₂eq/year)

Heat pumps outperform conventional heating solutions in terms of energy efficiency. This means they use less than the average amount of energy consumed by heating systems in France to achieve the same indoor temperature. The energy saving can be verified by energy certificates awarded by the Environmental Ministry. These energy savings can then be converted into carbon emissions to calculate avoided emissions.

Avoided emissions are calculated by multiplying the emission factor for the benchmark scenario by the energy savings in annual kWh cumac.

Annual CO₂ gain (in tCO₂eq/year)

This is the sum, measured in tCO₂eq/year, of the avoided emissions for a given quantity of energy (in tCO₂eq/year) plus emissions avoided by the heat pump's intrinsic energy efficiency (in tCO₂eq/year).

Impact attributable to the Crédit Mutuel Arkéa group

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



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

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

APPENDIX



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CREDIT MUTUEL ARKEA

Limited assurance report of the independent practitioner on selected information published in the Allocation and Impact Report Green and Social Bonds as of 31/12/2022 related to the Green Bonds issuances in 2022 by Crédit Mutuel Arkéa

Crédit Mutuel Arkéa

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*This report contains 6 pages***



Crédit Mutuel Arkea

Limited assurance report on selected information published in the Allocation and Impact Report Green and Social Bonds as of 31/12/2022 related to the Green Bonds issuances in 2022 by Crédit Mutuel Arkéa
November 10th, 2023

CREDIT MUTUEL ARKEA

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Limited assurance report of the independent practitioner on selected information published in the Allocation and Impact Report Green and Social Bonds as of 31/12/2022 related to the Green Bonds issuances in 2022 by Crédit Mutuel Arkéa

To the President,

In our capacity, and appointed as independent practitioner, and in accordance with your request, we have undertaken a limited assurance engagement on the following information (the "**Information**") presented in the Allocation and Impact Report Green and Social Bonds (hereinafter the "**Report**") of Crédit Mutuel Arkéa (the "**Entity**") available on the company's website:

- the allocation, as of December 31st 2022, of funds raised by the entity through the Green Bonds issued in 2022 ("**the Issuing**") contained in the Allocation and Impact Report Green and Social Bonds,
- the projects financed by the Issuing and identified as eligible by the entity ("**Eligible Projects**").

The Information has been prepared in the context of the "Green, Social & Sustainability Bond Framework" (hereinafter the "**Framework**") defined by the entity, available on the entity's website¹.

Conclusion

Based on the procedures we performed, as described under the "Nature and scope of procedures" paragraph, and the evidence we obtained, nothing has come to our attention that causes us to believe that the Information is not prepared, in all material respects, in accordance with the Framework (see section "Preparation of the information").

¹ https://www.cm-arkea.com/banque/assurance/credit/mutuel/c_37866/fr/page-de-contenu-green-social-bonds

Preparation of the Information

The absence of a commonly used and generally accepted reporting framework or of a significant body of established practices on which to draw to assess and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Framework.

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- selecting the Eligible Projects regarding the eligible criteria,
- preparing the Information in accordance with the Framework,
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

It is our responsibility to :

Based on our work, our responsibility is to

- Plan and perform the engagement to provide a report expressing a limited assurance conclusion on the fact that the Information is free from material misstatement, whether due to fraud or error,
- provide a limited assurance conclusion, based on the work we have performed and the evidence we have obtained, and
- communicate our conclusion to the management of Crédit Mutuel Arkéa.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence

It is not our responsibility to:

- Challenge the eligibility criteria as defined in the Framework, and, in particular, we give no interpretation on the final terms of this Framework,
- Form an opinion on the effective use of the funds allocated to the Eligible Projects after such funds were allocated.

Applicable professional guidance

We performed the limited assurance engagement in accordance with the international standard ISAE 3000 (revised) , *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, émise par l'International Auditing and Assurance Standards Board.

Independence and quality control

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

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

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

Nature and scope of our work

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

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

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

Our work entailed :

- identifying the people responsible for the data collection disclosed in the Document within the company and, where appropriate, for the internal control and risk management procedures implemented,
- assessing the appropriateness of the reporting procedures in terms of their relevance, completeness, reliability, neutrality and understandability,
- verifying the existence of internal control and risk management procedures implemented by the Company,
- verifying the concordance of the information disclosed in the Document, with the accounting and the underlying accounting data,

² Quality control of firms conducting audit or review engagements, as well as other assurance and related services



- examining the processes used for data collection, compilation, processing and control, particularly the procedures relating to the allocation of funds as of December 31st, 2022,
- based on a representative sample of selected eligible projects, that is to the refinanced loans:
 - verifying the compliance of the selected eligible projects with the eligibility criteria as specified in the Framework,
 - verifying the concordance of the allocation of the net proceeds to the selected eligible projects with the accounting and the underlying accounting data, as at for the year ended December 31st, 2022,
 - verifying the amount of the allocated funds to Refinanced Loans is lower or equal to the outstanding amount of these loans as of December 31st, 2022.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement; a higher level of assurance would have required us to carry out more extensive procedures.

This report has been prepared in the context described above and may not be used, distributed or referred to for any other purpose.

Paris La Défense, November 10th 2023

KPMG S.A.

Antoine Le Penven
Partner

Brice Javaux
ESG Expert
ESG Center of Excellence

APPENDIX

YEAR OF ISSUE	ISIN	GREEN/ SOCIAL	ELIGIBLE ASSET CLASS	NUMBER OF LOANS	ALLOCATED PROCEEDS (€M)	ALLOCATED PROCEEDS (%)
2019	FR0013450822	Social	Social housing	1 774	397	79.4
			Health and care	14	101	20.2
			Education	2	2	0.4
			Subtotal	1 790	500	100
2020	FR0013517307	Social	Regional economic development	4 731	622	82.9
			Health and care	666	128	17.1
			Subtotal	5 457	750	100
	FR0013535999	Green	Renewable energy	1	8	100
			Subtotal	1	8	100
2021	FR0014002819	Social	Social housing	94	500	100
			Subtotal	94	500	100
	FR0014005018 FR0014005149 FR0014005204 FR0014005NE8	Green	Energy transition	4 849	79	100
			Subtotal	4 849	79	100
2022	FR0014008946	Green	Renewable energy	30	175.8	70.3
	FR0014008W53 FR0014008N41 FR0014007X48 FR0014009CY1	Green	Energy transition	9 742	74.6	29.7
			Subtotal	9 772	251.4	100
			TOTAL	21 963	2 088.4	100



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Crédit Mutuel

ARKEA

DE NOUVEAUX LIENS POUR CHANGER DEMAIN

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