ALLOCATION AND IMPACT REPORT GREEN & SOCIAL BONDS

SEPTEMBER 2024

Crédit Mutuel



KEY FIGURES





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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 fair transition for the well-being of all,** including future generations.

In this context, where experts are warning about the global warming, loss of biodiversity, and more broadly limits being reached to what our planet can endure, **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.

1.1. THE KEY ROLE OF FINANCE

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

1.2. THE COMMITMENTS OF THE CRÉDIT MUTUEL ARKÉA GROUP

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 of the protection of natural resources** as well as the **transition to an inclusive and balanced society.** The group is thus contributing to the sustainability of ecosystems, whether ecological or economic.



CLIMATE TRANSITION AND PRESERVATION OF NATURAL CAPITAL

TRANSITION TO AN INCLUSIVE AND BALANCED SOCIETY IN THE TERRITORIES





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





1.3. CONCRETE ACTIONS

These strong commitments are reflected in concrete actions in the group's various activities. The Crédit Mutuel Arkéa group is working **to integrate ESG** (environmental, social and governance) criteria into its investment and financing activities :

- The **Climate Strategy** 2020-2024 sets out the commitments of the group and its entities to transform financing and investment practices with regard to climate change by 2024.

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 2023, the Board of Directors of Crédit Mutuel Arkéa adopted new commitments in line with the objective of mitigating global warming:

- carbon intensity targets for 2030 on carbonintensive sectors of the banking portfolio, as part of the Net Zero Banking Alliance: steel, cement, air transport, and residential real estate, to which the maritime transport and electricity production sectors were added in 2024.
- a sector policy for financing aviation;
- a sector policy for financing real estate;
- and revised the "agriculture, viticulture and agrifood" policy.

- In line with societal issues, Crédit Mutuel Arkéa also adopted three sectoral policies: a policy **to meet challenges facing the healthcare sector in the regions,** a tobacco exclusion policy and a "controversial weapons and defense" policy.

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

- In terms of financing, at-end of 2023, **outstanding loans to individuals for financing the transition** (sustainable mobility, energy-efficient home renovation, etc.) totalled €1.2 billion while **outstanding loans to businesses for financing the transition** stood at €758.5 million.
- The PACT loan, launched by Arkéa Banque Entreprises et Institutionnels in 2020, which encourages SMEs and mid-cap companies to improve their ESG performance totalled €720 million iat end-2023.
- Finally, 36.2% of the annual refinancing program and structured products campaigns are carried out through Green or Social² Bonds issued by the group (in 2023).

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 signed the **Finance for Biodiversity Pledge**, as well as the Principles for Responsible Banking. It also supports the TCFD (Taskforce on Climate-Related Financial Disclosure) and the CDP (exCarbon Disclosure Project).
- 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 were appointed ESG-Climate Leaders in 2021, on the Strategy and CSR Committee and the Risk and Internal Control Committee respectively.

In 2023, a training dedicated to the status of a missiondriven company was provided to employees and administrators, in order to raise awareness of the requirements linked to this transformation and more than 7,800 employees were made aware of climate issues between 2022 and 2023 through the "Climate Fresk".



Lastly, the Sustainable Finance roadmap is being steered by a particularly well-structured and highly involved governance. 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.

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





OSOCIAL & GREEN BONDS ISSUED BYO2CRÉDIT MUTUEL ARKÉA

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 2023.

2.1. SOCIAL BONDS

In 2023, Crédit Mutuel Arkéa issued a €500 million Senior Preferred social bond and completed two taps for a total amount of €150 million on the Senior Non Preferred debt security FR0014002BJ9 due 11/03/2033. Crédit Mutuel Arkéa had issued at end-2023 €2,400 million of social bonds with **4 issuances** completed since 2019:

ISSUANCE YEAR	ISIN	FORMAT	NOMINAL (€ MILLION)	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
2023	FR0014002BJ9	Senior Non Preferred	100 (tap)	05/04/2023	11/03/2033
2023	FR0014002BJ9	Senior Non Preferred	50 (tap)	22/06/2023	11/03/2033
2023	FR001400l186	Senior Preferred	500	22/05/2023	22/05/2028
		TOTAL	2 400		



2.2. GREEN BONDS

• PUBLIC GREEN BONDS

Crédit Mutuel Arkéa issued in November 2022 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), as well as green housing loans for retail individual clients of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud Ouest networks. In 2023, the group issued a second green bond with a nominal of €1,000 million under the covered bond SFH format. This issue aims at refinancing green housing loans granted to retail individuals clients of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud Ouest networks.

Crédit Mutuel Arkéa had issued at end-2023 a total of €1,500 million of green bonds with two issuances done since 2022:

ISSUANCE YEAR	ISIN	FORMAT	NOMINAL (€ MILLION)	SETTLEMENT DATE	MATURITY DATE
2022	FR001400E946	Senior Non Preferred	500	01/12/2022	01/12/2032
2023	FR001400ICR2	Covered SFH	1000	08/06/2023	01/08/2033
		TOTAL	1 500		

• STRUCTURED GREEN BONDS

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 €650 million since the end of 2020, are intended to refinance eligible projects dedicated to renewable energy and the energy transition.





Crédit Mutuel Arkéa had issued at end-2023 a total of €650 million of structured green bonds since 2020 :

ISSUANCE YEARS	ISIN	STRUCTURED PRODUCT	FORMAT	NOMINAL (€ MILLION)	SETTLEMENT DATE	MATURITY DATE
2020	FR0013536919	Sérénité Globe Décembre 2020	Senior Preferred	8,0	09/11/2020	07/01/2031
	FR0014000OJ6	Sérénité Globe Février 2021	Senior Preferred	13,8	11/01/2021	17/03/2031
2021	FR0014002JK0	Perspectives Globe Juin 2021	Senior Preferred	21,1	03/05/2021	07/07/2031
	FR00140042O4	Perspectives Globe Octobre 2021	Senior Preferred	33,3	14/09/2021	17/11/2031
	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
2022	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
	FR001400Fl74	Objectifs Globe Avril 2023	Senior Preferred	32.1	06/03/2023	09/05/2033
	FR001400EAF0	Objectifs Globe Février 2023	Senior Preferred	35.8	09/01/2023	14/03/2033
	FR001400GXR2	Objectifs Globe Juin 2023	Senior Preferred	22.5	02/05/2023	07/07/2033
2023	FR001400JF40	Objectifs Globe Octobre 2023	Senior Preferred	23.9	11/09/2023	07/11/2033
	FR001400HNF6	Obligation Globe Juin 2028	Senior Preferred	32.6	22/05/2023	03/07/2028
	FR001400HND1	Obligation Globe Juin 2031	Senior Preferred	59	22/05/2023	30/06/2031



ISSUANCE YEARS	ISIN	STRUCTURED PRODUCT	FORMAT	NOMINAL (€ MILLION)	SETTLEMENT DATE	MATURITY DATE
	FR001400JNK2	Obligation Globe Novembre 2028	Senior Preferred	58.3	11/09/2023	14/11/2028
	FR001400JNL0	Obligation Globe Novembre 2031	Senior Preferred	51.1	11/09/2023	14/11/2031
2022	FR001400FI66	Transition Globe Avril 2023	Senior Preferred	26.9	06/03/2023	09/05/2033
2023	FR001400EAE3	Transition Globe Février 2023	Senior Preferred	13.8	09/01/2023	14/03/2033
	FR001400GXQ4	Transition Globe Juin 2023	Senior Preferred	20	02/05/2023	07/07/2033
	FR001400JF57	Trajectoire Territoire Octobre 2023	Senior Preferred	60.3	11/09/2023	14/11/2033
	FR0127815233	BiBornes 5Y 3,30% -3,90%	Senior Preferred	2	30/01/2023	31/01/2028
	FR00140018Q4	CMS 12Y MS	Senior Preferred	25	07/06/2023	07/06/2035
	FR001400HN59	CMS 12Y MS	Senior Preferred	25	28/04/2023	30/04/2035

TOTAL





ALLOCATION OF THE AMOUNTS RAISED

	SECURITIES & ISIN	SHARE OF PROCEEDS ALREADY ALLOCATED	REFINANCING SHARE	SHARE OF NEW FINANCING
2019	PUBLIC SOCIAL BOND (FR0013450822)	100 %	100 %	0 %
20	PUCLIC SOCIAL BOND (FR0013517307)	100 %	70 %	30 %
202	STRUCTURED GREEN BOND (FR0013536919)	100 %	100 %	0 %
۲.	PUBLIC SOCIAL BOND (FR0014002BJ9)	100 %	83%	17 %
202	STRUCTURED GREEN BOND (FR0014000OJ6, FR0014002JK0, FR00140042O4, FR0014005NE8)	100%	84%	16%
	PUBLIC SOCIAL BOND (FR001400E946)	100%	83%	17%
2022	STRUCTURED GREEN BOND (FR001400BWS3, FR0014006N41, FR0014007X48, FR0014009CY1)	100%	100%	0%
	PUBLIC SOCIAL BOND (FR0014001186)	100%	94%	6%
	TAPS PUBLIC DE SOCIAL BOND (FR0014002BJ9)	100%	100%	0%
2023	PUBLIC GREEN COVERED BOND (FR001400ICR2)	100%	100%	0%
	STRUCTURED GREEN BOND (FR001400Fl74, FR001400EAF0 FR001400GXR2, FR001400JF40 FR001400JNF6, FR001400HND1 FR001400JNL0, FR001400JNL0 FR001400Fl66, FR001400EAE3 FR001400GXQ4, FR001400JF57, FR0127815233, FR001400J8Q4, FR001400HN59)	100%	81%	19%

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 3.2 :

- The amounts raised through the issue of green and social bonds will be used to "finance and/or refinance, 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 prior to 31/12/2023)



SOCIAL HOUSING

Loans financing regulated social housing, including :

- Prêt d'Accession Sociale (PAS)
- Loans to social 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 Bonds : (settlement date before 31/12/2023)

ellement dale before 31/12/202



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.



GREEN BUILDINGS

• Residential real estate :

Loans for the financing of new buildings granted since 1 June 2013 and meeting at least the RT 2012 et respectant au minima the French thermal regulation RT 2012.

• Commercial real estate :

Loans for the financing of commercial real estate assets awarded with at least on the following label or certificate:

BBC Effinergie+ BREEAM 'Excellent' or above HQE 'Excellent' or above LEED 'Gold' or above NF Habitat et Environnement



3.2. SELECTION AND VALIDATION PROCESS OF THE ELIGIBLE ASSETS

Eligible loans were selected according to **selection processes** 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 3.3 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 AMOUNT RAISED AT ISSUANCE

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 (€ MILLION)	ALLOCATED PROCEEDS (%)
SOCIAL BOND			
Social housing	1 919	1 183	26
Health and care	741	593	13
Education	2	2	0,1
Regional economic development	4 791	622	13.7
Subtotal Social Bond		2 400	52,8
GREEN BOND			
Renewable energy	50	290	6,4
Energy transition	49 927	584	12,8
Green buildings	15 242	1 276	28
Subtotal Green Bond		2 150	47,2
TOTAL		4 550	100





By eligible asset classes and bonds

ISSUANCE YEAR	ISIN	GREEN/ SOCIAL	ELIGIBLE ASSET CLASSES	NUMBER OF LOANS	ALLOCATED PROCEEDS (€ MILLION)
2019	FR0013450822	Social	Social housing Health and care Education	1774 14 2	397 101 2
			Subtotal Social 2019	1 790	500
			Regional economic development	4 791	622
50	FR0013517307	Social	Health and care	666	128
20			Subtotal Social 2020	5 457	750
	FR0013536919	Green	Renewable energy	1	8
			Subtotal Green 2020	1	8
	FR0014002BJ9	Social	Social housing	94	500
5	, ,		Subtotal Social 2021	94	500
50	FR00140000J6 FR0014002JK0 FR0014004204	Green	Energy transition	4 849	79
	FR0014005NE8		Subtotal Green 2021	4 849	79
	FR001400E946	Green	Renewable energy	49	282
022			Green buildings	2 591	218
50	FR001400BWS3 FR0014006N41 FR0014007X48	dicen	Energy transition	9741	75
	FR0014009CY1		Subtotal Green 2022	12 381	575
	ED001400/196		Social housing	51	286
	FR0014001160	Social	Health and care	36	214
			Health and care	25	150
	FR0014002BJ9 (tap)		Subtotal Social 2023	112	650
	FR001400ICR2		Green buildings	11 973	1000
2023	FR001400Fl74 FR001400GXR2 FR001400GXR2 FR001400JF40 FR001400HNF6 FR001400JNL2 FR001400JNL2 FR001400Fl66 FR001400Fl66 FR001400Fl66 FR001400Fl67 FR0127815233, FR001400I8024,		Green buildings	678	58
		Green	Energy transitions	35 335	430
	FR001400HN59		Subtotal Green 2023	47 986	1 488
			TOTAL	72 670	4 550



Breakdown of allocated proceeds by eligible asset classes



Breakdown of allocated proceeds by lending entities





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 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 of the social bond issuances from 2019 to 2021 and green bonds of 2020 and 2021, please refer to the previous allocation and impact reports available on our website :

https://www.cm-arkea.com/arkea/banque/assurances/c_8782/en/green-social-bonds





GREEN BOND 2022

(FR001400E946)

Out of **Crédit Mutuel Arkéa's** €500 million Green Bond issued in 2022, €176.8 million had been allocated to loans made by Arkéa Banque Entreprises et Institutionnels to organisations involved in renewable energy. The remaining €323.2 million which were not allocated at end-2022 have now been fully allocated and are split as follows :

- €104.9 million of loans granted by Arkéa Banque Entreprises et Institutionnels to players involved in renewable energy. The purpose of these loans is to finance 235 photovoltaic plants, 2 methanisation units, 365 distributed energy storage units from carbon-free production.
- €218.4 million of loans granted by the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud Ouest network to individuals for the acquisition or construction of new buildings, essentially in Bretagne and Nouvelle-Aquitaine, meeting the RT 2012 regulation (cf. methodology page 42).

Breakdown of allocated proceeds by eligible asset class



Type of borrowers	Eligible asset classes	outstanding (€ thousand)	Number of loans
Energy produces/electricity producer	Renewable energy	104 867	19
Individual	Green buildings	218 420	2 591
Total supplementary allocation green bo (FR001400E946)	323 287	2 610	



The Green Bond 2022 is nearly fully aligned with the European Taxonomy

Eligible asset classes	Allocated proceeds (€ thousand)	Amounts aligned with the taxonomy (€ thousand)	% aligned
Renewable energy			
Allocation 2023	176 818	176 818	100%
Allocation 2024	104 867	104 867	100%
Green Buildings	218 420	206 516	95%
Total Green Bond 2022 (FR001400E946)	500 105	488 201	98%

(see methodology page 48)





STRUCTURED GREEN BONDS 2023

(FR001400FI74, FR001400EAF0, FR001400GXR2, FR001400JF40, FR001400HNF6, FR001400HND1, FR001400JNK2, FR001400JNL0, FR001400FI66, FR001400EAE3 FR001400GXQ4, FR001400JF57, FR0127815233, FR001400I8Q4, FR001400HN59),





Allocation by type of borrowers

Type of borrowers	Eligible asset classes	Principal outstanding (€ thousand)	Number of loans
Individuals	Energy transition (photovoltaic panels, replacement of windows and closing systems, installation of heat pumps, isolation works)	430 595	35 335
Individuals	Green buildings	57 748	678
Total Structured Green Bonds 2023 (FR001400FI74, FR001400EAF0, FR001400GXR2, FR001400JF40, FR001400HNF6, FR001400HND1, FR001400JNK2, FR001400JNL0, FR001400FI66, FR001400EAE3, FR001400GXQ4, FR001400JF57, FR0127815233, FR001400I8Q4, FR001400HN59)		488 343	36 013



10% of the structured green bonds issued in 2023 are aligned with the European Taxonomy:

Eligible asset classes	Allocated proceeds (€ thousand)	Amounts aligned with the taxonomy (€ thousand)	% aligned
Renewable energy	430 595	0	0%
Green Buildings	57 748	54 402	94%
Total green bonds structured 2023	488 343	51 640	11%

(see methodology page 48)





GREEN BOND SFH 2023

(FR001400ICR2)

Breakdown of allocated proceeds by eligible asset classes



Allocation by type of borrowers

Type of borrowers	Type of borrowers Eligible asset classes Principal outstand (€ thousand)		Principal outstanding (€ thousand)
Individuals	Green housing	1000 071	11 973
Total Green Bond SFH (FR001400ICR2)		1000 071	11 973

Alignment with the European Taxonomy

93% of the Green Bond issued in 2023 is aligned with the European Taxonomy:

Eligible asset classes	gible asset classes Allocated proceeds (€ thousand) Amount aligned wit (€ thousand) (€ thousand)		% aligned	
Green housing	1000 071	927 715	93%	
Green bond SFH 2023	1000 071	927 715	93%	

(see methodology page 48)



SOCIAL BOND 2023

(FR001400|186)

Breakdown of allocated proceeds by eligible asset classes



Allocation by type of borrower

Type of borrowers	Eligilble asset classes	Principal oustanding (€ million)	Number of loans
Social housing landlords	Social housing	286 200	51
Hospitals	Health	214 200	36
Total social bond 2023 (FR001400l186)		500 400	87



TAPS 2023 SOCIAL BOND 2021

(FR0014002BJ9)

Breakdown of allocated proceeds by eligible asset classes



Allocation by type of borrower

Type of borrowers	Eligilble asset classes	Principal oustanding (€ million)	Number of loans
Hospitals	Health and care	150 336	25
Total tap 2023 social bond 2021 (FR0014002BJ9)		150 336	25





4.1. KEY FIGURES

Cofunding of social housing landlords benefiting to more than





94,446 tons CO2 emissions avoïded/year

Cofunding of health facilities for a total capacity of





of loans granted to SMEs



have benefited from education projects



4.2. KEY INDICATORS BY ELIGIBLE ASSET CLASSES AND ISSUANCE

For the impact data for social bond 2019, 2020 and 2021 and structured green bonds 2020 and 2021, please refer to previous allocation and impact reports available on our website at :

https://www.cm-arkea.com/arkea/banque/ assurances/c_8782/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.

Green Bond 2022 (FR001400E946)

The methodology used for this calculation is detailed in section 5, "Méthodology", page 40. The impact calculated for the loans refinanced by the Green Bond issued in 2022 concerns the share of CO2 emissions avoided annually by the production of renewable energy projects financed by Arkéa Banque Entreprises et Institutionnels. A fist allocation enabled the financing of € 176.8 million of loans. **These consisted in ABEI's share in the financing of 10 wind farms, 240 photovoltaic plants, one biomass plant, 4 methanisation units, 6 landfill gas plants and 5 hydroelectric plants in France.**

€104.8 million of additional renewable energy projects had been allocated at 31/12/2023, These consisted in the share of ABEI's financing of **235 photovoltaic plants, methanisation units and 365 distributed electricity storage units from carbon-free production.** This raised the bond's allocation to renewable energy to €281.6 million whose aggregated impact is presented in the following page.



	Installed capacity (MW)	Annual carbon emissions avoided pro-rata ABEI's share of financing (tCO2eq)
Wind	125,1	13 594
Photovoltaic	224.1	13 596
Biomass	64	17 500
Methanisation	3.6	1453
Hydropower	2.1	567
Subtotal	419.3	46 710
	Maximum flow (Nm3/hour)	
Methanisation	1 122	10 295
Landfill gas	-	4 372
Storage	-	-
	TOTAL	61 377









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

Structured Green bonds 2023

According the methodology presented on page 44, the 35.335 loans selected for allocation to part of these bonds (€430.6 million out of a total amount of €488.3 million of structured green bonds in 2023) granted by Financo to individuals for the financing of energy transition projects allowing for the avoidance of 14 518 tCO2eq/year of emissions.

PROJECT FINANCED	NUMBER OF LOANS	AMOUNTS OF THE PROJECTS (€ MILLION)	EMISSIONS AVOIDED (TCO2EQ/YEAR)
Photovoltaic	15 923	280.9	1 267
Heat pumps	4 699	75.7	4 025
Interior insulation	2 045	22.5	4273
Windows and fixtures	12 668	104.2	4 954
Total	35 335	483.3	14 518







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



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

3 bonds have been affected to the Green buildings category, broken down as follows :

ISSUE	NUMBER OF LOANS	AMOUNT
Green bond 2022 (FR001400E946)	2 591	€218 million
Green bond SFH 2023 (FR001400ICR2)	11 973	€1000 million
Structured Green bonds 2023 (FR001400Fl74, FR001400EAF0, FR001400GXR2, FR001400JF40, FR001400HNF6, FR001400HND1, FR001400JNK2, FR001400JNL0, FR001400Fl66, FR001400JF63 FR001400GXQ4, FR001400JF57)	678	€58 million
Total	15 242	€1276 million

According to the methodology described on page 42, **the 15,242 loans selected** for these bonds and granted by Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest to individuals for the acquisition of new buildings meeting the RT2012 regulation have enabled energy savings of **130,983,840 kWh/EP/year and avoided 11,022 TCO2eq/year of greenhouse gas emissions.**









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



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

Social bond 2023 (FR001400I186)

The 51 loans for a total outstanding of €286 million at 31/12/2023 selected for this bond and granted by Arkéa Banque Entreprises et Institutionnels to social housing landlords have contributed to the financing of the construction, the restoration or the acquisition of 9,656 dwellings for 21,243 beneficiaries.

These loans have also contributed to financing the renewal of equipment, energy efficiency improvement works and heavy repairs for existing buildings representing **more than 630,000 dwellings**.









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

ISSUE	NUMBER OF LOANS	AMOUNT
Social bond 2023 (FR0014001186)	36	€214 million
Taps social bonds 2021 (FR0014002BJ9)	25	€150 million
Total	61	€364 million

The 61 loans selected for the bond and granted by Arkéa Banque Entreprises et Institutionnels to hospitals in France have contributed to the financing of equipment for 44 hospitals, representing a capacity of more than 55,000 places.









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.

Minority and majority participations

The share in the financing of the project is deemed as a majority share if the loans provided by Crédit Mutuel Arkéa exceed 50 % of the total amount of the project.

5.2 LOANS ELIGIBLE TO A SOCIAL BOND

Social housing

The number of beneficiaries of dwellings financed has been calculated by multiplying the number of dwellings financed by the average number of occupiers in France (main residence) according to the French National Institute of Statistics and Economic Studies (INSEE), i.e. 2.2 occupiers per dwelling in France in 2020.





5.3. LOANS ELIGIBLE TO 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).

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 (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 longterm 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 CO2eq/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 CO2eq/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 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 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.

5. DISTRIBUTED STORAGE UNIT

The project aims to provide a storage solution for electricity produced from carbon-free production sources for the management of the electricity network and allows intervention on the primary reserve and capacity mechanisms.

The system is continuously monitored to allow the relevant extraction and injection of electricity according to the needs. This storage technology supports renewable energy production sources by overcoming the problem of intermittency of these sources, particularly wind and photovoltaic.



To achieve **carbon neutrality in 2050** and to comply with the objectives of the Paris Agreement, the acceleration of the transitions initiated in the areas of energy efficiency and sobriety is essential.

Buildings are the most energy-intensive sector in France. The sector represents 42% of total final energy and generated 23% of greenhouse gas (GHG) emissions in 2020, according to the Ministry for the Ecological Transition.

Faced with these challenges, the renovation of homes as well as the development of low-energy homes play a central role in the forward-looking scenarios for alignment with the objectives of the Paris Agreement and the French national Low-Carbon Strategy.

The portfolio of eligible assets consists entirely of housing loans granted to individual customers by the local banks affiliated with the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations for the construction and acquisition of new dwellings, mainly in Brittany and Nouvelle-Aquitaine.

These dwellings comply with the RT2012 thermal regulation, which sets requirements in terms of energy consumption, comfort and building design.

The estimated impact of housing financed by housing loans granted by the local banks affiliated with the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations is defined according to two key indicators: :

- annual energy savings in primary energy (kWhPE/year) and,
- the greenhouse gas emissions avoided annually (TCO2eq).

For home loans granted to individual customers, Crédit Mutuel Arkéa does not currently have all the actual data necessary to calculate these impact indicators. Thus, to estimate them, the choice has been made to use the statistical data made available by the Ministry for the Ecological Transition, ADEME (French Environment and Energy Management Agency) and by the OID (Sustainable Real Estate Observatory).

Two assumptions have also been made :

- For the projects of individual customers: 100% of the impact of housing is allocated to the financing of Crédit Mutuel Arkéa.
- The same home may be financed by several loans from the pool of eligible assets. To avoid counting the same home several times in the impact calculation, we consider all loans with the same customer identifier as a single loan :



Thus, the 15,242 loans selected are recognised for 6,997 homes for the calculation of the impact.

Regarding primary energy saving data

The RT2012 regulation reduces the cap on energy consumption to 50 kWhPE/m²/year (primary energy calculation). The cautious assumption that homes complying with the RT2012 regulation have an energy performance of 50 kWhPE/m²/year, was used. Each asset therefore has a default energy performance of 50 kWhPE/m²/year.

Quantifying energy savings depends on the choice of the reference scenario. Since all selected home loans finance housing located in Brittany and Nouvelle-Aquitaine, the reference base identified as the most relevant is the average primary energy consumption of housing in the Brittany and Nouvelle-Aquitaine regions.

According to data for the H2 climate zone revealed by the Phebus survey of the French Ministry for the Ecological Transition (Housing Performance Survey, Facilities, Needs and Uses of energy), it amounted to 258 kWhPE/ m²/year in 2018 in the Brittany and NouvelleAquitaine regions.



Regarding avoided emissions

The **"avoided emissions" indicator** aims to calculate the GHG emissions avoided thanks to the financing of a low-emission home in comparison with a reference scenario corresponding to the average GHG emissions of a home in the geographical area.

To calculate these avoided GHG emissions, it is necessary to have the annual primary energy savings achieved and the average emission factor related to the primary energy consumption of a home in France. This is the formula used : Emissions avoided by home (kgCO2eq/year) = Annual energy savings in primary energy of a home (kWhPE/year) X Average emission factor of a kWh of primary energy (kgCO2/kWhPE)

To calculate the emission factor for a kWh of primary energy consumption (PE), a conversion factor¹ is applied to the emission factor of one kWh of final energy consumption (FE).

The average emission factor for a home's final energy consumption in France depends on its average energy mix. In 2020, in France, the average emission factor for one kWh of final energy in a home was 0.13 kgCO2/ kWhFE. > Based on the calculated conversion factor, it is possible to estimate that 1 kWhPE is equivalent to 0.6473 kWhFE.

Based on the calculated conversion factor, it is possible to estimate that 1 kWhPE is equivalent to 0.6473 kWhFE.

Average emission factor of a kWh of primary energy (kgCO2eq/kWhFE) = Average emission factor of a kWh of final energy consumption (kgCO2e/KWHEF) X Conversion factor

¹ Factor calculated based on the conversion factors used to switch from final energy to primary energy, applied to the average energy mix of homes.



1. PHOTOVOLTAIC PANELS

(retail individual clients)

To achieve carbon neutrality in 2050 and to comply with the objectives of the Paris Agreement, the acceleration of the transitions initiated in the areas of energy efficiency and sobriety but also the development of renewable energy is essential.

Faced with these challenges, the development of the share of photovoltaic (PV) in electricity production has a a central role in the forward-looking scenarios for alignment with the objectives of the Paris Agreement and the French national Low-Carbon Strategy.

The estimated impact of the installation projects for individual clients of photovoltaic panels, financed by the Crédit Mutuel Arkéa group, is measured by two key indicators : **the power in kilowatt-peak (kWp) based on the amount of the project and the GreenHouse Gas emissions avoided annually (TCO2eq).**

As part of the financing of photovoltaic panel installation projects for individual clients, the Crédit Mutuel Arkéa group does not have the actual data related to these projects allowing these impact indicators to be calculated. As such, to estimate them, the choice was made to use statistical data from the carbon database of ADEME (the French Environment and Energy Management Agency), data from the IFI Harmonized Framework for the reference scenario for intermittent energies and data from EDF (Electricité De France).

Two assumptions have also been retained :

- For individual customer projects: the impact of the installation is attributed in proportion to the outstanding amount due on the calculation date compared with to the initial amount of Crédit Mutuel Arkéa financing.
- One project corresponds to one installation.

Regarding energy data :

Crédit Mutuel Arkéa uses a calculation methodology that allows the power of a project to be deduced in kilowatt-peak, based on the initial financing amount. These kWp can subsequently be transformed into annual electricity production expressed in kwh according to EDF estimates which indicate that a kWp from a photovoltaic panel can produce between 900 and 1,400 kWh per year, which was averaged at 1,150 kWh/year for the purposes of the calculation.

Regarding data for GreenHouse Gas emissions (GHG):

The "emissions avoided" indicator aims at calculating the GHG emissions avoided thanks to the project, compared to the emissions of a reference scenario. The calculation of the emissions of the financed project is carried out using the emission factor of photovoltaic panels estimated by the ADEME per kWh. The majority of panels installed in France coming from manufacturing plants in China, the corresponding value is the one recommended by ADEME. The methodological details of this emission factor are available on the ADEME¹ database website (Base Empreinte).



Crédit Mutuel

Energy transition

The quantification of avoided emissions also depends on the choice of the reference scenario. As the projects financed are spread across France, the reference base identified as the most relevant is the value provided by the IFI for intermittent energies.

Avoided emissions can decrease each year if the emission factor of the chosen reference scenario decreases. To estimate the avoided emissions per installation per year, the following calculation is made :

Emissions avoided by the installation of photovoltaic system (kg CO2eq/year) = ((Emission factor of the reference scenario IFi - intermittent energies (kg CO2eq/kwh) = Emission factor of a photovoltaic installation (kg CO2eq/kwh)) X (capacity in kWp*1150 kWh/an)) X (Amount of outstanding debt / amount of initial financing granted

To calculate the annual impact of the financing, the methodology is applied to all outstanding loans for the financing photovoltaic panels for individual customers.

2. 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 meter 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).

3. 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.

Regarding 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).

Regarding 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).

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



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

4. 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 aerothermal heat pump measured in kWh.

An aerothermal 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.



5.4. ALIGNMENT WITH THE EUROPEAN TAXONOMY



Residential green buildings

According to Regulation 2020/852, housing loans to individuals are subject as of 31 December 2023 to the objectives of Climate Change Mitigation and Climate Change Adaptation.

As of 31 December 2023 housing loans to individuals will be eligible for the objective of circularity of the economy according to delegated regulation 2023/2485 of 27st June 2023⁽¹⁾.

Housing loans to individuals granted by the Crédit Mutuel Arkéa group were analyzed using the Mitigation objective as of 31 December 2023.

The method for calculating the alignment of housing loans to individuals is defined in Regulation (EU) 2020/852 of 18 June 2020 and in Delegated Act (EU) 2021/2178 of 6 July 2021.

Scope of exposures with substantial contribution

Real estate assets built before 2020 are aligned with the substantial contribution criteria if a energy performance certificate (Diagnostic de Performance Energétique, DPE) rated A has been issued or if they are part of the top 15% of real estate in terms of energy consumption. This threshold is set in France at 135 kWh/m⁽²⁾, i.e. equivalent to a DPE A, B and some C. Real estate assets subject to the French RT2012 regulation meet this criterion.

For real estate built after 2020, the primary energy consumption of the building must be at least 10% lower than the threshold defined in Directive 2010/31/EU, called NZEB (Nearly Zero-Energy Buildings), in force in the considered country. The note on the "Elements for

interpreting Delegated Regulation (EU) 2021/2139 of 4 June 2021 relating to the building sector" from the French Ministry of Ecological Transition states that the NZEB energy performance level corresponds to the regulatory performance level defined by the French RT2012 regulation. Furthermore, the note specifies that for new buildings having filed a building permit after 1st January 1 and subject to the French RE2020 regulation, compliance with the requirements of RE2020 – more ambitious than RT2012 – is sufficient to meet the NZEB criterion - 10%⁽³⁾

In the absence of information on the date of filing of the building permit for the financed assets, the Crédit Mutuel Arkéa Group uses the date of the loans being provided and incorporates a margin of two years. For the 2021 construction year, in the absence of information, no exposure was considered as aligned.

Compliance with the "Do No Significant Harm" criteria⁽⁴⁾ to other objectives

The "DNSH" criteria for housing loans are linked to the objective of Adaptation to Climate Change. To ensure that no harm is done to this objective, the property must benefit, in the event of exposure to a significant physical risk, from an adaptation plan. The burden of proof for this DNSH criterion is borne by the Crédit Mutuel Arkéa group for housing loans according to its internal methodology for analyzing physical risks. This methodology complies with the requirements of the Taxonomy and is also used to value collateral. Thus, if the property is exposed to a significant physical risk and no adaptation plan is known to the Crédit Mutuel Arkéa group, this property is not compliant with the DNSH Adaptation to Climate Change.

⁽⁵⁾ Final Report on Minimum Safeguards – European Commission Sustainable Finance Platform.



⁽¹⁾ Delegated Regulation 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 by additional technical screening criteria to determine under which conditions certain economic activities can be considered to contribute substantially to climate change mitigation or adaptation and whether such activities do not cause significant harm to any of the other environmental objectives.

⁽²⁾ Elements of interpretation of delegated regulation (EU) 2021/2139 of 4th June 2021 relating to the construction sector – Ministry of Ecological Transition and Territorial Cohesion.

⁽³⁾ Elements of interpretation of delegated regulation (EU) 2021/2139 of June 4, 2021 relating to the construction sector – Ministry of Ecological Transition and Territorial Cohesion.

⁽⁴⁾ Usually called « DNSH » criteria.



The assessment of the European taxonomy of financed projects is based on questionnaires developed in 2021 with the support of ICare by Bearing Point, a consulting firm specializing in the environmental transition of companies, investors and public bodies. The questionnaires are specific to each type of activity financed, including renewable energy. They are based on the criteria of the European taxonomy regulation, supplemented and translated, if necessary, with French regulatory, technical and environmental requirements.

The projects are evaluated by the Environmental Transition Department of Arkéa Banque Entreprise & Institutionnel on the basis of the data and supporting documents provided by the clients.







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informations relatives aux parties autres que le Crédit Mutuel Arkéa ou provenant de sources externes, n'ont pas fait l'objet d'une vérification indépendante. La Société se réserve la possibilité d'apporter à ce rapport toute modification.

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.



APPENDICES





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Crédit Mutuel Arkéa

Limited assurance report of the independent practitioner on the verification of a selection of information disclosed in the Green & Social Bonds Allocation and Impact report as at December 31st 2023

Year ended December 31st 2023 Crédit Mutuel Arkéa

1 rue Louis Lichou, 29480 Le Relecq-Kerhuon

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Limited assurance report of the independent practitioner on the verification of a selection of information disclosed in the Green & Social Bonds Allocation and Impact report as at December 31st 2023

Year ended December 31st 2023

To the President of Crédit Mutuel Arkéa,

In our capacity as independent practitioner and in accordance with your request, we have undertaken a limited assurance engagement on the following information (the "Information"), in relation with the Green and Social Bonds issuances in 2023, presented in the Green & Social Bonds Allocation and Impact report (the "Report") of Crédit Mutuel Arkéa (the "Entity") available on its website¹:

- the allocation, as of December 31st, 2023, of funds raised by the entity through the Green and Social Bonds issued in 2023 (the "Issuances") contained in the Report,
- the projects financed by the Issuances and identified as eligible by the entity (the "Eligible Projects").

The Information has been prepared in the context of the "Green, Social & Sustainability Bond Framework" (the "Framework") defined by the entity, and available on the entity's website².

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, available on the entity's website.

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.

² Green & Social Bonds - Crédit Mutuel Arkea (cm-arkea.com) KPM3 5A, a French audit and accounting limited liability remanary mediated with the Paris Association of Conterent directore.

Company registered with the Paris Association of Chartered Accountants under n°14-30080101 and a member of the Regional Association of statutory auditors of Versailles and Costra

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¹ Green & Social Bonds - Crédit Mutuel Arkea (cm-arkea.com)



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" and the Issuances,
- 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.

Responsibility of the independent practitioner

Based on our work, our responsibility is 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, and has been prepared, in all material respects, in accordance with the Framework.

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,
- Form an opinion on the environmental and/or societal output or impact indicators communicated in the impact reports

Applicable professional guidance

We performed our limited assurance engagement in accordance with the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes "CNCC") applicable to such engagement and international standard ISAE 3000 (revised)³.

Our independence and quality control

Our independence is defined by the provisions of Article L. 821-28 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

Means and resources

Our work was carried out by an independent and multidisciplinary team including specialists in sustainable development and corporate social responsibility.

Crédit Mutuel Arkéa

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³ ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information



Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

To assess this risk, we took into account the entity's internal controls on the preparation of the Information in order to design appropriate assurance procedures, and not with the purpose of expressing a conclusion as to the effectiveness of the entity's internal control system.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We identified and conducted several interviews with the persons responsible for the collect of the Information, with the Directions in charge of overseeing the collect of the Information and, where appropriate, with those responsible for internal control and risk management procedures,
- We assessed the suitability of the procedures used by the entity to report the Information with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified the existence of internal control and risk management procedures implemented by the entity.
- We verified the consistency of the Information with the accounting records and underlying data,
- We reviewed the processes used for data collection, aggregation, processing, monitoring and control, in particular the procedures relating to the allocation of funds as of December 31st, 2023,
- On the basis of a representative sample of Eligible Projects, namely financed and refinanced loans:
 - verify the eligibility of these projects with regard to the eligibility criteria defined in the -Framework
 - verify the concordance of the amounts of the projects as of December 31st, 2023, with the accounts and the data underlying the accounts,
- verify that the amount of funds allocated to projects is less than or equal to the amount of these projects as of December 31st, 2023.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes), a higher level of assurance would have required us to carry out more extensive procedures.

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

September 26th, 2024

KPMG S.A.

Audrey Monpas Partner

Brice Javaux ESG Expert

Crédit Mutuel Arkéa

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Appendix: Extract from the Green & Social Bonds Allocation and Impact Report

By eligible asset classes and bonds

ISSUANCE YEAR	ISIN	GREEN/ SOCIAL	ELIGIBLE ASSET CLASSES	NUMBER OF LOANS	ALLOCATED PROCEEDS (© MILLION)
2019			Social housing	1774	397
	Elizaria analisa	Social	Health and care	14	101
	PHOOLSESDOZZ	Sociat	Education	2	2
			Subtotal Social 2019	1 790	500
		FRoquasaraor Social	Regional economic development	4 791	622
្ត	FR0013517307		Health and care	666	128
20			Subtotal Social 2020	5 457	750
	FROMISESSON	Graces	Renewable energy	1	8
	1 10013330414	Groch	Subtotal Green 2020	1	8
	Provide the second by	Engint	Social housing	94	500
ដ	PH001400250g	SOCIAL	Subtotal Social 2021	94	500
50	FR0014000QJ6 FR0014002JK0 FR00140042Q4	Green	Energy transition	4 849	79
	FR0014005NE8	1000 BIN	Subtotal Green 2021	4 849	79
	FRoosaooEg46		Renewable energy	49	282
022		Green	Green buildings	2 591	\$1B
Ň	FRoctapoetW53 Energy tr FRoctapoetMat Energy tr FRoctapoetMat Subtotal	Energy transition	9741	75	
			Subtotal Green 2022	12 381	575
	EData santa 20		Social housing	51	296
	PH00100000	Social	Health and care	36	214
			Health and care	25	150
	PHOOL4002BJg (tap)		Subtotal Social 2023	112	650
	FR001400ICR2		Green buildings	11 973	1000
2023	FRO1400F/74 FRO1400EAF0 FRO1400EAF0 FRO1400EAF0 FRO1400HND5 FRO1400HND5 FRO1400HND5 FRO1400HND5 FRO1400HD5 FRO1400EAE3 FRO1400EAE3 FRO1400EAE3 FRO1400EAE3 FRO1400EF57 FRO1400EF57 FRO1400EF57 FRO1400EF57 FRO1400EF57 FRO1400EF57 FRO1400EF57 FRO1400EF57		Green buildings	678	58
		Energy transitions	26 336	430	
	FR001400HN99		Subtotal Green 2023	47986	1 488
			TOTAL	72 670	4 550

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CREDIT MUTUEL ARKEA

ALLOCATION AND IMPACT REPORT - SEPTEMBER 2024

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