

# OIL AND GAS POLICY



POLICY FOR THE SUPERVISION  
OF FINANCING AND INVESTMENTS  
IN OIL AND GAS EXPOSED ACTIVITIES  
AND EXIT TRAJECTORY

**Crédit Mutuel**  
**ARKEA**

## 1

## CRÉDIT MUTUEL ARKÉA, A COMMITTED PLAYER IN THE TRANSITION FROM FOSSIL FUELS

Crédit Mutuel Arkéa's 'Raison d'être' expresses the group's desire to be a **player in a world that is conceived in the long term and takes into account the major social and environmental challenges**. In the face of climate emergency and the key role that the financial sector must play in achieving the objectives of the Paris Agreement, the group has made a commitment, as part of its climate strategy, to complement its sectoral policies on the key sectors for low-carbon transition, with a gradual strengthening of criteria to meet the objectives of the Paris Agreement.

**Supporting transitions requires an ambitious but progressive and long-term approach alongside all economic players.** Following its position on coal, Crédit Mutuel Arkéa has decided to make further **commitments with regard to the fossil fuel sector, by formalising an 'oil and gas' policy**, paying particular attention to the issues related to unconventional fossil fuels.

**In this context, Crédit Mutuel Arkéa is committed to withdrawing from unconventional fossil fuels by the end of 2030 and, from 2022, will formalise its financing and investment framework for companies whose activities are linked to fossil fuels, while promoting the financing of energy transition within this sector.**

## 2

## SCOPE OF THE POLICY

This framework policy applies to Crédit Mutuel Arkéa's **financing and investments related to oil and gas**. The scope of relevant activities within Crédit Mutuel Arkéa is as follows:

- Financing the activities of professionals and corporates, carried out by Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Banque Entreprises et Institutionnels and Arkéa Crédit Bail
- Private equity investments in companies, managed by Arkéa Capital
- Asset management activities carried out by Federal Finance Gestion and Schelcher Prince Gestion
- Investments made by Suravenir and Suravenir Assurances
- Treasury investments managed by Crédit Mutuel Arkéa's Treasury department
- Proprietary investments for Keytrade
- With the exception of:
  - index funds, structured funds, multi-management
  - dedicated funds or mandates
  - indirect outstandings where Suravenir's control ratio is less than 50%
  - external unit-linked funds invested in trackers/index funds, structured funds and real estate underlying assets. For UCITS-backed funds, a commitment strategy will be put in place, followed by the implementation of benchmarking criteria.

These exceptions are to be reviewed annually.

<sup>1</sup> [https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2021-04/coal\\_policy\\_2021\\_gb.pdf](https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2021-04/coal_policy_2021_gb.pdf)

<sup>2</sup> *Players with unconventional fossil fuels representing more than 10% of their annual fossil fuel production or who are developing existing unconventional fossil fuel capacities*

**From 1 January 2022:****> On the whole perimeter described above - excluding asset management:****1. Corporates:**

- Prohibition of new financing/investments of/in players with unconventional fossil energies representing more than 10% of their annual fossil energy production.
- Prohibition of new financing/investments of/in players who develop their existing conventional or unconventional fossil energy capacities.

**2. Projects:**

- Prohibition of any new financing/investments of/in unconventional fossil energy projects (exploration, capacity development, infrastructure, processing) or of/in conventional exploration/capacity development.

**> On the perimeter managed by Federal Finance Gestion and Schelcher Prince Gestion (excluding asset management carried out for Suravenir and Suravenir Assurances, to which the above principles apply):****1. Corporates:**

- Prohibition of new financing/investment of/in players with unconventional fossil energies representing more than 30% of their annual fossil energy production.

**2. Projects:**

- Prohibition of any new financing/investment of/in unconventional fossil energy projects (exploration, capacity development, infrastructure, processing).

The group's asset management companies will implement engagement actions (individual or collective) with companies in the sector to support them in their energy transition and ask them to adopt a low-carbon alignment strategy, to support the transformation of the sector.

**At the end of 2030:**

**In addition to these principles, which apply to new financing and investments, the group is committed to exiting from the unconventional fossil fuel sector by the end of 2030.**

This includes players with unconventional fossil fuels representing more than 10% of their annual fossil fuel production or who are developing existing unconventional fossil fuel capacities.

**Policy definition of unconventional fossil fuels:**

- Fracking: shale oil, shale gas, tight liquids and gas.
- Oil sands
- Offshore ultra-deep
- Arctic
- Coalbed methane
- Extra-heavy oil.
- Methane hydrates are also included in the definition of unconventional fossil fuels. They will be taken into account from 2022 in the analysis of financed projects. As regards to the analysis of the players, in the absence of a database, they will be taken into account within the limits of the data initially available.



## 5 APPLICATION OF THESE PRINCIPLES

The exclusion principles described above apply to each identified company and its subsidiaries, with the exception of projects or subsidiaries dedicated to energy transition. As Crédit Mutuel Arkéa wishes to support green transition, these principles do not apply to the energy transition dedicated subsidiaries, projects and funding vehicles (energy transition green bonds) of these players. This also applies to the financing of methanisation, biomass, hydrogen distribution, NGV, BioGNV, CNG, LNG, urban heat networks and industrial heat networks, which could be financed by these players.

In order to implement this policy and to monitor compliance with it, the group has chosen to rely on the 'Global Oil & Gas Exit List' of Urgewald.

Each group entity covered by this policy is responsible for integrating these principles into its existing financing and investment policies, as well as into its monitoring and control procedures.

## 6 VALIDATION OF THE POLICY

This policy was approved by the group's Board of Directors on **November 26, 2021**.

## 7 REVIEW OF THIS POLICY

This policy will be regularly reviewed to ensure that it is consistent with the group's progress in addressing ESG-Climate issues.



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