

PRINCIPLES FOR RESPONSIBLE BANKING

2022



Crédit Mutuel
ARKEA

DE NOUVEAUX LIENS POUR CHANGER DEMAIN

Reference

Throughout this report, reference is made to the 2022 Universal Registration Document of Crédit Mutuel Arkéa, available on [cm-arka.com](https://www.cm-arka.com)

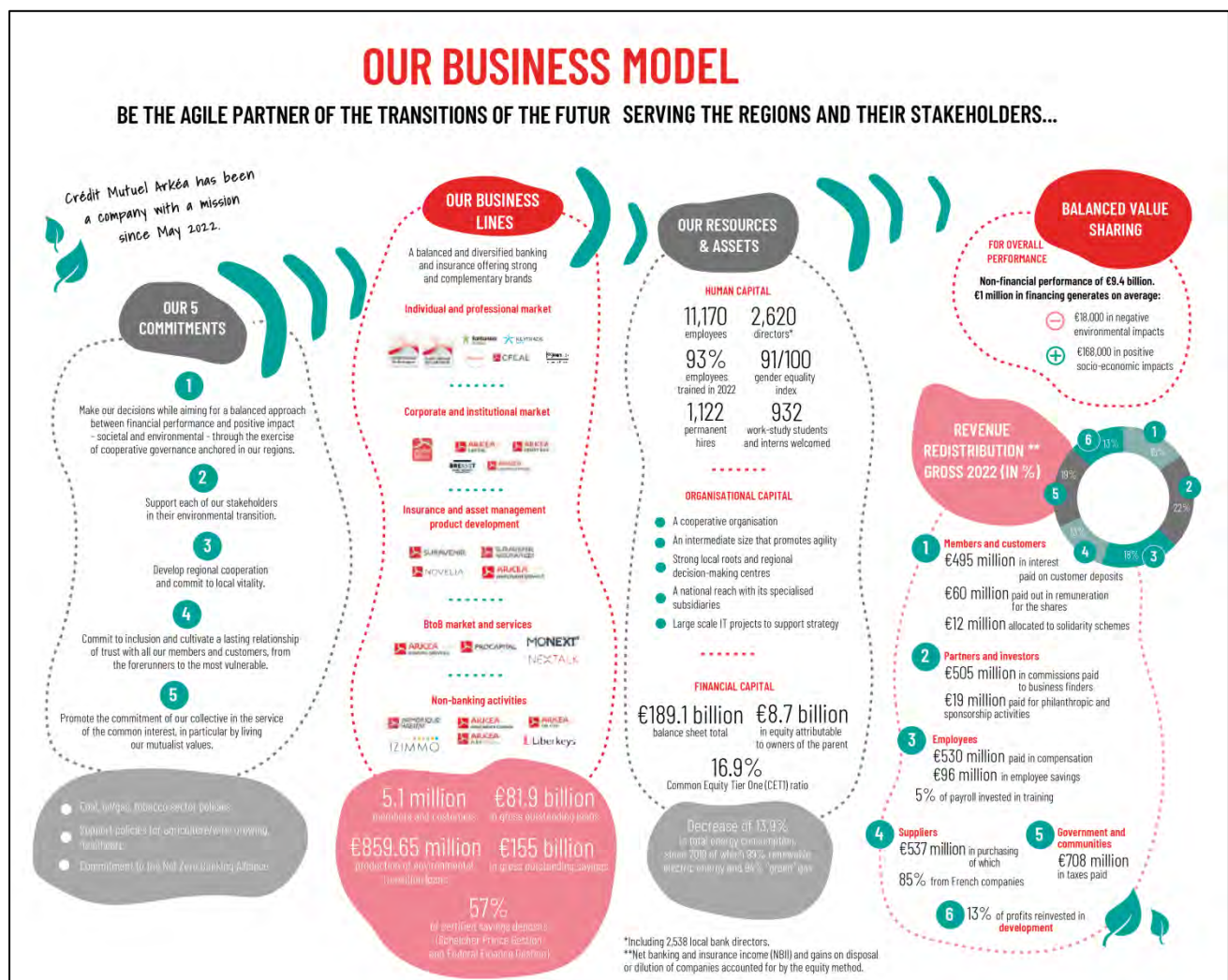
PRINCIPLE 1 | ALIGNMENT

QUESTION 1-1

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

Crédit Mutuel Arkéa is a financial services provider. A cooperative and mutual group, it is made up of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations and their member local banks, as well as some forty specialised subsidiaries. Its activities are mainly based in France (96.3% of its net banking income and more than 96.8% of its workforce in 2022).

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



As a regional bank, Crédit Mutuel Arkéa is committed to maintaining decision-making centres and employment areas in the regions. It has 11,170 employees and over 2,600 directors. Its strong regional presence ensures that it is close to its customers and members.

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

At 31/12/2022, Crédit Mutuel Arkéa's main activities are broken down as follows, in terms of net banking and insurance income:

- **Retail and Online Banking (42%) :**
Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, Arkéa Direct Bank
- **Corporate, Institutional and Real Estate Banking (19%) :**
Arkéa Banque Entreprises et Institutionnels, Arkéa Capital, Arkéa Crédit Bail
- **BtoB activities and specialised services (17%) :**
Monext, Nextalk, Arkéa Banking Services, Procapital, CFCAL, Financo
- **Insurance and asset management (23%) :**
Suravenir, Suravenir Assurances, Arkéa Investment Services, Novélia

While most of the activity is carried out in France, other activities are carried out abroad (3.7%), via subsidiaries and branches such as Procapital (Belgium), Keytrade Bank (Belgium) and Monext (which provides services in 25 countries).

As a cooperative and collaborative bank serving the regions and their stakeholders, Crédit Mutuel Arkéa works with its stakeholders to develop innovative solutions to support its members and customers in their life projects and meet their aspirations. This approach generates shared value between the various stakeholders in this ecosystem.

Redistribution of gross income 2022 (€3,644m) :

- Members and customers: 15%.
- Partners and investors: 22%
- Employees: 18%.
- Suppliers: 13%.
- States and local authorities: 19%.
- Reinvestment in development: 6%.

Reference

2022 Universal Registration Document,
1.1. Crédit Mutuel Arkéa's business model,
1.2. Group profile,
1.6. The Crédit Mutuel Arkéa's business lines,
4.1. Crédit Mutuel Arkéa's business model

QUESTION 1-2

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

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

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

Crédit Mutuel Arkéa is aware of the profound environmental and social changes that are set to accelerate over the next ten years, and has made the challenges of transition a central part of its strategy. It has also set itself the goal of supporting its customers in changing their business models.

1. On Crédit Mutuel Arkéa's strategy

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

After adopting its Raison d'être (Purpose) in 2020, a founding text setting the course for the long term, Crédit Mutuel Arkéa has adopted social, societal and environmental commitments aligned with global standards and ensuring that its economic, social, civic and environmental commitments are integrated into its business operations. The group has adopted **five commitments** in order to concretely support the transformation of its businesses and practices in the service of this Raison d'être. The '**Transitions 2024**' strategic plan is the medium-term action plan for these commitments, focusing on four main areas.

- A higher level of ambition with the adoption of the Company with a mission status

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

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

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

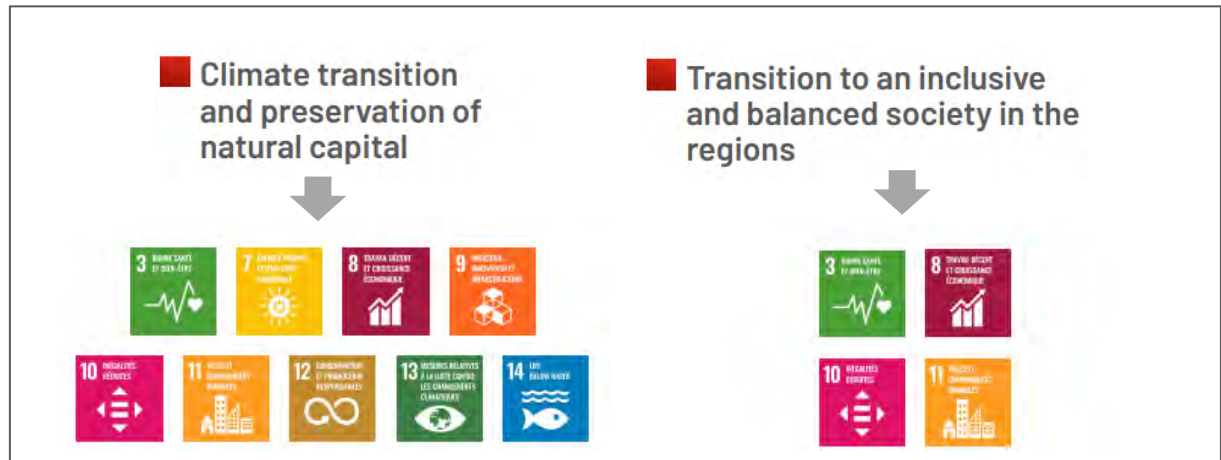
In summary, Crédit Mutuel Arkéa has adopted the founding principles set out in its Raison d'être. It has adopted long-term objectives in the form of five commitments. It has also drawn up a roadmap for the 'Company with a mission' to translate this mission statement into operational objectives and concrete actions. The monitoring of these objectives and indicators will be the subject of an annual report and a regular audit. Some of them will also be presented in the PRB annual report.

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

- Internationally recognised commitments

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

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



In 2021 and 2022, Crédit Mutuel Arkéa has also joined various market initiatives to share and work with other players, particularly financial players, to develop a more sustainable economy and finance.

It is committed to the United Nations Global Compact² (2015), the 'Principles for Responsible Banking'³ (2021) as well as to initiatives dedicated to environmental issues: Net Zero Banking Alliance⁴ (2022) and Finance For Biodiversity Pledge⁵ (2021). These initiatives commit it to orienting its activities towards greater sustainability. Crédit Mutuel Arkéa also responds to the recommendations of the CDP (formerly the Carbon Disclosure Project) and the Task Force on Climate-related Financial Disclosure (TCFD). As such, the group has published an annual climate report⁶ since 2021, in line with the TCFD recommendations.

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



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

³ https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-05/cp190522_le_credit_mutuel_arkea_signe_les_principes_pour_une_banque_responsable.pdf

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

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

⁶ https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-10/rapport_tcf_d_juin2022_vf.pdf

2. On stakeholder support

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

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

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

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

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

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

- the formalisation and revision of sectoral policies relating to the sectors of activity most affected by these transitions

Crédit Mutuel Arkéa is adapting its strategy as part of a **continuous improvement process**. In line with SDG 13, it has strengthened its financing and investment framework and **excluded certain activities that are contrary to the transition, while favouring financing linked to the energy transition of the sectors concerned: coal⁸ and fossil fuels⁹**.

In line with some of the challenges of SDG 3, **a policy dedicated to health** was adopted in 2022. This policy aims, on the one hand, to support access to quality health services for as many people as possible through funding and, on the other hand, to improve health coverage. The issues of prevention, inclusion, dependency and home care are defined as priorities. It provides for measures to support innovation and research, as well as measures to assist stakeholders in their environmental and societal challenges.

A **policy dedicated to farms and vineyards** was also adopted in early 2022. It offers support for transitions in key sectors of the real economy. With this initiative, Crédit Mutuel Arkéa confirms its commitment to its historical territories (Brittany and Nouvelle-Aquitaine).

- the gradual and systematic use of appropriate ESG analysis by all financing and investment businesses

⁷ https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2021-04/strategie_climat_avril2021_1_1_2021-04-14_08-44-13_316.pdf

⁸ https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-12/politique_charbon_2022_web.pdf

⁹ https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-12/20221125_politique_petrole_et_gaz_web.pdf

3. Measuring its non-financial impacts

Crédit Mutuel Arkéa has developed an innovative method for measuring its extra-financial performance¹⁰. The aim is to express in euros the positive and negative externalities of the group's actions on its stakeholders (members, customers, suppliers and employees).

The methodology is based on a series of indicators related to its activities and its direct footprint. A cross-analysis of financial and non-financial materiality has made it possible to define an impact perimeter composed, to date, of eighteen themes and twenty-five impact indicators. The impact indicators may be external (relating to the activity of customers and suppliers) or internal (relating to the group's internal activity). The impact trajectory is assessed annually.

Crédit Mutuel Arkéa's extra-financial performance is estimated at €9.4 billion for the year 2022. For every €1 million of financing granted, the negative environmental impact is estimated at €18,000 and the positive social impact at €168,000.

Reference

2022 Universal Registration Document,
1.3. Overall performance,
1.4. A company with a mission,
1.7. Crédit Mutuel Arkéa's strategy,
3.4. Measuring non-financial impacts,
4.1. Crédit Mutuel Arkéa's business model,
4.2. Sustainability issues at the heart of Crédit Mutuel Arkéa's Raison d'être and Transition 2024 plan,
4.3. Crédit Mutuel Arkéa's main non-financial issues and risks,
4.5. A responsible approach that delivers results

¹⁰ https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-09/referentiel_methodologique_-_sept_2022_.pdf

PRINCIPLE 2 | IMPACT AND TARGET SETTING

QUESTION 2-1

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

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

The analysis will focus on **retail and online banking** (42% of NBI), **corporate, institutional and real estate banking** (19%), **insurance and asset management** (23%), which together will account for 84%¹¹ of the Crédit Mutuel Arkéa group's revenues in 2022.

In order to focus on the group's core business activities, this initial impact analysis takes into account the activities of the subsidiaries Financo and CFCAL for BtoB activities. The rest of the BtoB activities may be the subject of a later analysis.

As the group is mainly present in France (96.3% of its NBI and more than 96.8% of its workforce in 2022), this initial impact analysis has focused on **the activities carried out by the group in France**. The other geographical areas, excluded from this initial impact analysis, may be the subject of a subsequent analysis.

¹¹ Corporate and Institutional Banking (19%), Retail and Online Banking (42%) and Insurance and Asset Management (23%)

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

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

As indicated in section 2.1.a, the impact analysis covers 84% of Crédit Mutuel Arkéa's revenues in 2022, representing its core business: banking activities for individual customers, banking activities dedicated to businesses, professionals and institutions, as well as private equity activities and insurance and asset management activities.

In 2022, the customer portfolio amounts to **5 121 368 customers**. It is mainly composed of individual customers:

Housing loans account for the largest share (47%) of gross outstanding loans at the end of 2022, followed by loans to professionals and businesses (21%), loans to local authorities (14%), consumer loans (12%), cash flow solutions (4%) and state-guaranteed loans (2%).

Through its various entities, the group offers banking, financial and life insurance savings solutions. At the end of 2022, outstanding savings amounted to €155 billion, including €81 billion for bank savings, €49.5 billion for insurance savings and €24.5 billion for financial savings.

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

To determine the main issues and priorities related to sustainable development in France¹², **Crédit Mutuel Arkéa took into account major frameworks** such as the Paris Agreement¹³, the Kunming-Montreal Agreement¹⁴, the priorities of the EU Green Deal¹⁵, France's Sustainable Development Goals (SDGs) agenda¹⁶, the National Low Carbon Strategy¹⁷, the National Biodiversity Strategy 2030¹⁸, and the National Health Strategy¹⁹. The group also drew on UNEP FI impact assessment tools.

To conduct its analysis, it relied on initiatives and working groups in the marketplace, such as those organised by UNEP FI as part of the signing of the Principles for Responsible Banking, the Institute for Sustainable Finance and the UN Global Compact for global sustainability issues, the Net Zero Banking Alliance and the CDP (formerly the Climate Disclosure Project) for climate issues, and the Finance for Biodiversity Pledge for biodiversity issues. The analysis identified the most relevant challenges for the group's main activities in France, namely

- climate change, biodiversity, circularity and healthy ecosystems;
- Equality and just transition which includes the availability, accessibility and/or quality of resources and services, including financial services;
- education ;
- health and well-being for all, including sustainable food and agriculture;
- citizen participation and local innovation ;
- collaboration at European and international level for the sustainable transformation of societies, peace and solidarity.

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

¹² Scope of the analysis

¹³ <https://www.un.org/en/climatechange/paris-agreement>

¹⁴ <https://www.cbd.int/article/cop15-cbd-press-release-final-19dec2022>

¹⁵ https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en

¹⁶ <https://www.agenda-2030.fr/feuille-de-route-de-la-france-pour-l-agenda-2030/documents-a-telecharger/article/telecharger-la-feuille-de-route>
<https://www.ecologie.gouv.fr/strategie-nationale-bas-carbone-snbc>

https://www.cm-arkea.com/banque/assurance/credit/upload/docs/application/pdf/2022-04/aka2021_arkea_urd_en_220420_mel_1.pdf

¹⁷ <https://www.ecologie.gouv.fr/strategie-nationale-bas-carbone-snbc>

¹⁸ <https://www.ecologie.gouv.fr/strategie-nationale-biodiversite#:-text=The%20strat%C3%Aggie%20of%20the%20EU,r%C3%Agestablishment%20by%20%C3%A0%202030.>

¹⁹ <https://sante.gouv.fr/systeme-de-sante/strategie-nationale-de-sante/article/la-strategie-nationale-de-sante-2018-2022>

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

To identify the positive and negative areas of impact of the key sectors for the Corporate, Professional and Institutional segment, Crédit Mutuel Arkéa used the tools promoted by the financial community: UNEP FI, the SASB materiality matrix and the SBTN framework.

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

The in-depth analysis of these elements has enabled us to identify three areas of impact of strategic importance, in accordance with the decisions of Crédit Mutuel Arkéa's Executive Committee and Strategy and Corporate Social Responsibility Committee (elements detailed in part 5).

1. Availability, accessibility and quality of services for financial inclusion

In France, 9 million people live below the poverty line, including nearly 3 million in a situation of severe material deprivation²⁰. This key issue for the country has been defined as a priority for France, particularly in retail banking.

The protection of financially fragile people has become a reality with the law on the separation and regulation of banking activities of 26 July 2013. A charter for banking inclusion and debt prevention was adopted by the French Association of Credit Institutions and Investment Companies.

The law n°2017-399 of 27 March 2017 on the duty of care requires companies to prevent social, environmental and governance risks related to their operations. The group has identified the risk of exclusion from the banking and insurance system of customers in fragile situations as a major issue for its banking and insurance activities. These elements are detailed in the Compliance Plan.

The group is committed to going beyond regulatory obligations. Indeed, Crédit Mutuel Arkéa's raison d'être includes this area of impact in one of its commitments (Commitment 4: Cultivate a lasting relationship of trust with all our members and customers, from the early adopters to the most vulnerable). The group has set up dedicated solidarity offers and mechanisms (see details in section 3.2 of this report).

²⁰ <https://www.agenda-2030.fr/feuille-de-route-de-la-france-pour-l-agenda-2030/documents-a-telecharger/article/telecharger-la-feuille-de-route>

2. Climate change and biodiversity

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

Crédit Mutuel Arkéa's Raison d'être includes this area of impact in two of its commitments (Commitment 1: Make our decisions with a view to achieving a balanced approach between financial performance and positive societal and environmental impact, through cooperative governance anchored in our territories, Commitment 2: Support each of our stakeholders in their environmental transition). The group has also implemented a Climate Strategy and is committed to initiatives dedicated to environmental issues: Net Zero Banking Alliance (2022) and Finance For Biodiversity Pledge (2021).

Crédit Mutuel Arkéa has deployed several measures to support its customers' environmental transition. For corporate and institutional customers, the focus is on financing renewable energy, energy efficiency and ecology. For individual customers, the focus is on financing real estate (home loans, renovation) and sustainable mobility.

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

3. Health and well-being for all

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

Health social and territorial inequalities in France remain high: 12% of French people now live in a medical desert, 44% of French people think they cannot afford proper treatment²¹, and the number of people who will be dependent in 2040 is estimated at 1.2 million²².

Crédit Mutuel Arkéa's Raison d'être includes this area of impact in its first commitment (Commitment 1: Make our decisions with a balanced approach between financial performance and positive societal and environmental impact, through cooperative governance anchored in our territories). The group has also put in place a policy supporting health in its territories and is supporting the access to healthcare solutions throughout the value chain by financing the research and the health sector.

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

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

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

²¹ https://www.lexpress.fr/sciences-sante/sciences/deserts-medicaux-d-ici-a-5-ans-27-millions-de-francais-privés-de-generaliste_2170880.html

²² <https://www.insee.fr/fr/statistiques/1371933?sommaire=1372045#:~:text=Le%20vieillessement%20de%20la%20population,2040%2C%20contre%20800%20000%20actuellement>

Areas of impact	Examples of actions implemented by the group
Adaptation to climate change	Impact analysis: question concerning physical climate risk integrated into ESG risk assessment tool for corporate clients (> €10m turnover)
Availability, accessibility, affordability, quality of services and resources (water, food, energy, housing, health, education, mobility, information, connectivity, culture, finance)	Offers: <ul style="list-style-type: none"> • Social housing: funding for local authorities, developers, social housing actors, helping them to carry out their initiatives (construction of social rental housing, rehabilitation of housing, urban renewal policy, social ownership, etc.) • Livret Développement Durable et Solidaire (LDDS) and Livret CMB & CMSO (Livret A) contributing to the financing of social housing • Education: funding of actors, projects and initiatives in the field of education KPIs for measuring overall performance: gain in purchasing power, number of households in social housing, number of homeowners, number of students enrolled, number of vehicles financed
Health and safety	Impact analysis: identification of the sectors of activity most at risk in terms of health and safety of people and questions dedicated to the granting of credit to companies with a turnover of more than 10 million euros, implementation of a human rights risk map by country. Offers: Arkéa on Life, which offers solutions to protect isolated employees with a connected watch
Livelihood: access of the population to employment and decent work	Global commitment: one of the five commitments of the Raison d'être is to support territorial cooperation and local vitality. KPIs for measuring overall performance: added value in the territories, number of jobs supported
Commitment, diversity and inclusion of employees	Marketplace initiatives: the group is proactive in initiatives to promote gender diversity.
Citizen participation and local innovation	Global commitment: one of the five commitments of the Raison d'être is to support territorial cooperation and local vitality. The group works alongside organisations and associations that work to improve and promote creativity, excellence, expertise and knowledge in the regions, in the fields of culture, education, health and sport. KPIs for measuring overall performance: added value in the territories, number of jobs supported
Collaboration at European and international levels for sustainable transformation of societies, peace and solidarity	Contribution to global and European initiatives and commitments: Crédit Mutuel Arkéa's involvement in these initiatives and commitments, whether international, national or local, aims to make an active and collective contribution to achieving sustainable economic development. Crédit Mutuel Arkéa contributes to a number of international initiatives, such as: UN Global Compact, Finance for Biodiversity Pledge, Net Zero Banking Alliance, TCFD, CDP.

Reference

2022 Universal Registration Document,
3.4. Measuring non-financial impacts,
4.2. Sustainability issues at the heart of Crédit Mutuel Arkéa's Raison d'être and Transition 2024 plan,
4.3. Crédit Mutuel Arkéa's main non-financial issues and risks,
4.5. A responsible approach that delivers results,
5.3. Credit and counterparty risk,
5.9. Environmental risks, including climate

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

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

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

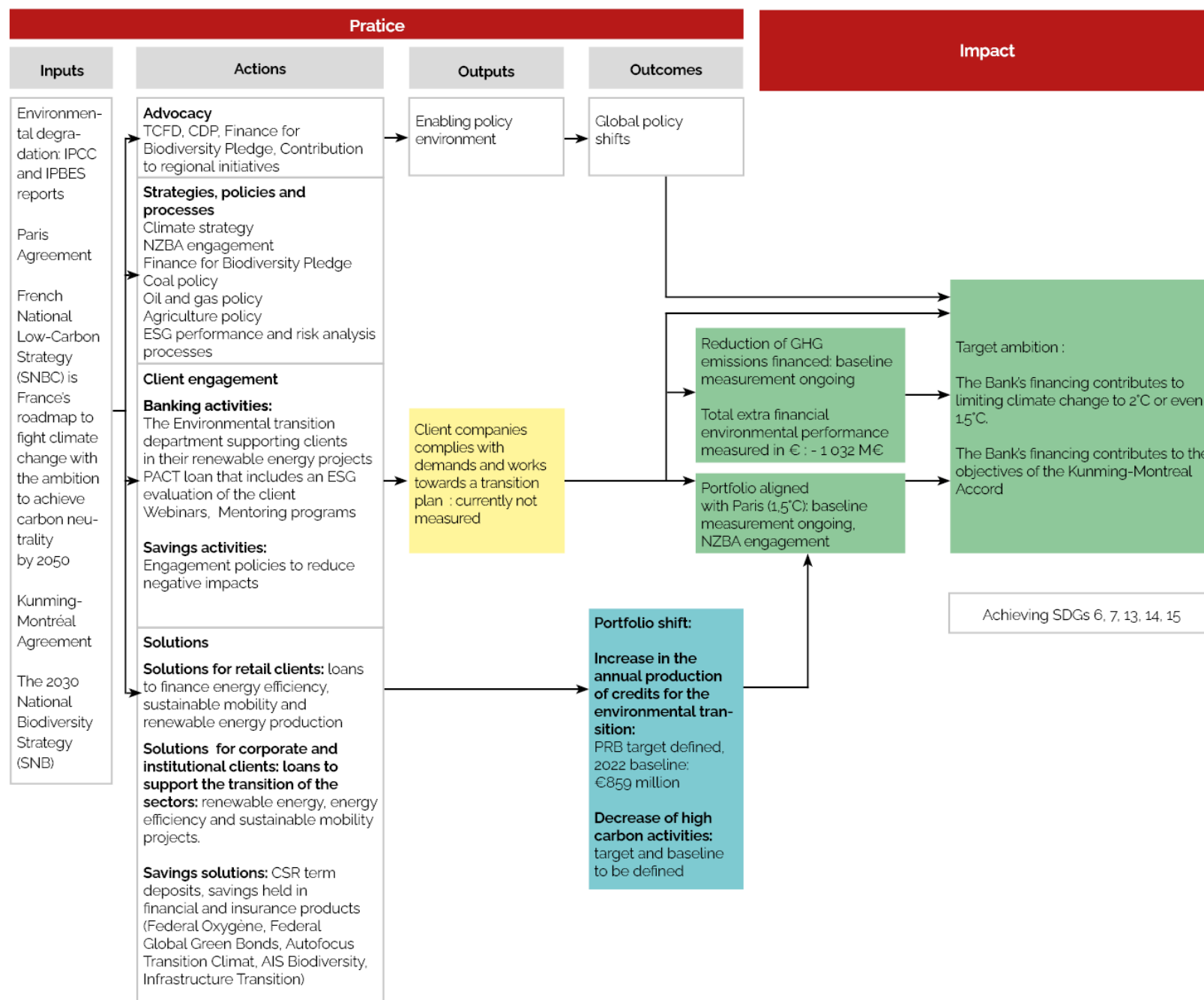
The graphs below illustrate the approaches initiated by the group and the estimation of the associated impacts. They are based on the theory of change models developed by UNEP FI.

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

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

1. Climate and Biodiversity

The following diagram illustrates the actions in the field of climate change and biodiversity.



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

	Retail banking and online	Corporate Banking and institutional	Savings	Baselines 2022
Climate and biodiversity	Housing loans for energy-efficient housing Loans for energy renovation or renewable energy production - zero or preferential rates Energy efficiency simulation tools Energy audit loan Green vehicle loan Supporting eco-responsible approaches with adapted insurance solutions	<p>Loans for the environmental transition of the sectors (VSEs, SMEs and mid-cap companies) most exposed to climate risks according to the SNBC and the EU's green taxonomy (examples of offers: PACT, Pronoveo, Agrinoveo, Cle-mat)</p> <ul style="list-style-type: none"> Real Estate and Construction Agriculture, aquaculture and forestry Manufacturing industry Transport and storage Production and distribution of electricity, gas, heat and air conditioning <p>SBTN loans to support the environmental transition of sectors most at risk from biodiversity</p> <ul style="list-style-type: none"> Real Estate and Construction Agriculture, aquaculture and forestry Trade and distribution <p>Financing renewable energy, energy efficiency and other green projects for businesses and local authorities:</p> <ul style="list-style-type: none"> Support from the Environmental Transition Department of Arkéa Banque Entreprises et Institutionnels 	<p>Savings products geared towards the environmental transition :</p> <p>Federal Transition Oxygen Fund (FCP),</p> <p>Federal Global Green Bonds Fund,</p> <p>Autofocus Climate Transition Fund,</p> <p>AIS Biodiversity Fund,</p> <p>Infrastructure Transition Platform,</p> <p>Globe Perspectives,</p> <p>Serenity Globe</p>	<p>Outstanding loans for the environmental transition of individual customers : €885 m</p> <p>Outstanding loans for the environmental transition of companies, institutions : €609 m</p> <p>Total production of credits that finance the environmental transition : €860 m</p> <p>Gross savings inflow for environmental transition : €182 m</p> <p>Number of beneficiaries of systematic insurance coverage for environmental equipment : 27,970 beneficiaries</p> <p>Number of beneficiaries of the insurance cover that rewards and incentivises customers who use their vehicles less or better and contribute to reducing the carbon footprint: 283,849 beneficiaries</p>

In 2022, the group used the Science Based Target Initiative (SBTi) methodology to assess the efforts required to meet a 1.5° trajectory and to estimate the emissions financed in the banking sector. The group was supported by the specialist consultancy firm EcoAct in carrying out this work.

The table below shows the greenhouse gas (GHG) emissions estimates for the Group's activities defined using the GHG Protocol²³ for direct emissions and the PCAF methodology²⁴ for financed emissions. Work is underway to measure GHG emissions by sector.

²³ <https://ghgprotocol.org/>

²⁴ <https://carbonaccountingfinancials.com/>

With regard to the estimates of funded emissions, the results as at 31/12/2021 are as follows:

Perimeter	Outstanding amounts targeted by the study (in €bn)	Outstanding amounts analysed (in €bn)	Estimated CO2e emissions (in teq CO2)	Comments
Direct footprint (scopes 1, 2 and 3)	NA	NA	35 071	The methodology used here is that of the GHG Protocol. This explains the difference with the previously published carbon footprint for the year 2021.
Replacements of corporate securities (Trading room)	5.9	5.9	3 947 518	
Credits for electricity generation	0.12	0.047	1 142	The volumes of credits used in the study are small, as the methodology used only assesses projects in the electricity generation phase.
Housing loans	29.3	22.7	226 109	Statistical data was used on a significant part of the portfolio due to a lack of data on the Diagnosis of Performance of the properties financed.
Loans to VSEs/ SMEs	21.7	12.3	4 926 598	
Credits to mid-cap companies		0.347	619 712	
Sovereign replacements (Trading room)	2.3	1.6	201 274	

The group has decided to continue this initial work in 2023, which will enable it to set targets for reducing its emissions as part of the Net Zero Banking Alliance commitment.

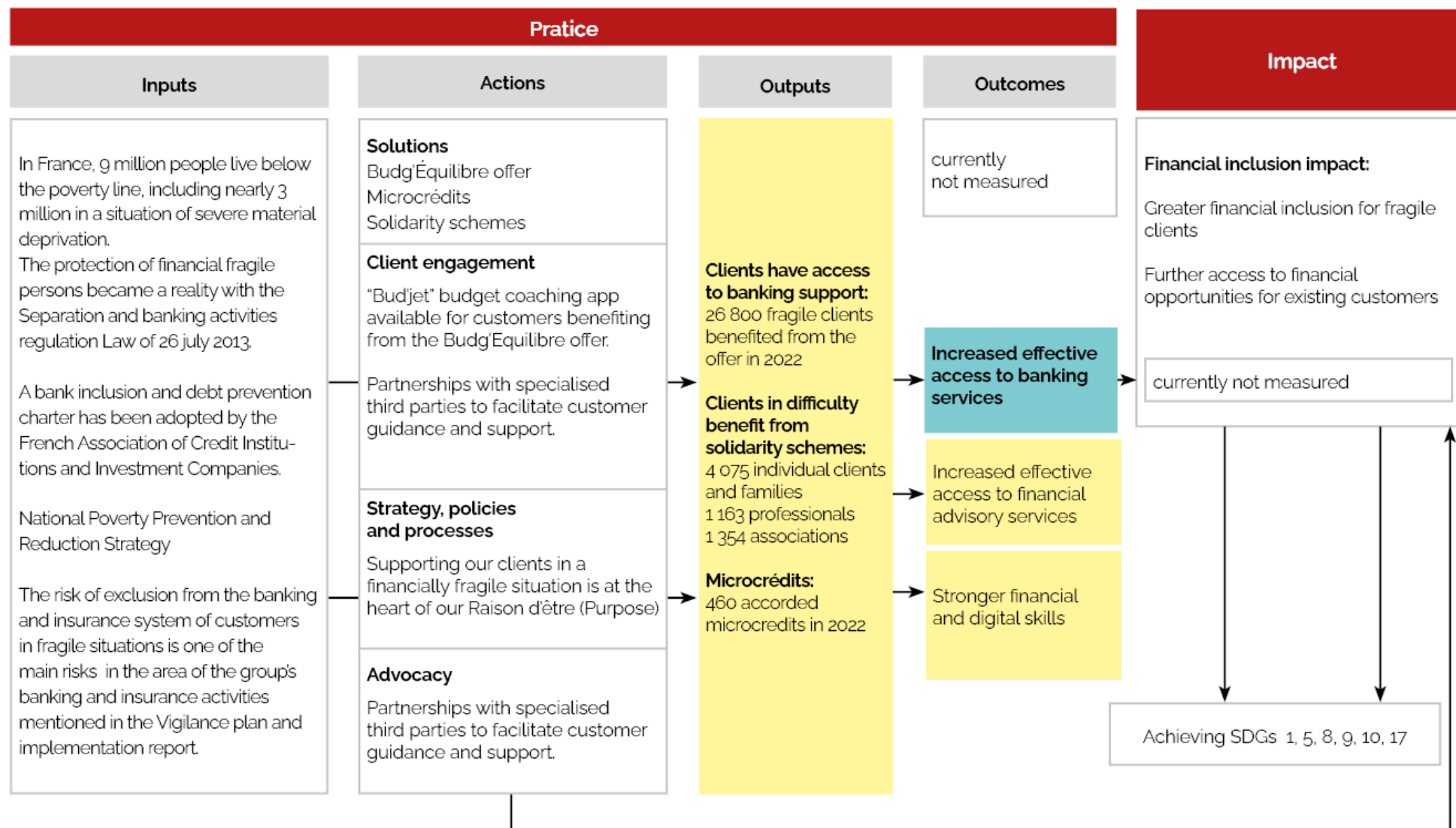
According to the methodology developed by the group to measure its extra-financial performance, the negative impact of the group's activities on the environment has been estimated at 1,032 million euros for the year 2022.

For one million euros of financing granted, €18,000 of negative environmental impacts are generated.

2. Financial inclusion

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

Theory of change financial inclusion



The table below illustrates examples of existing financial inclusion offers.

	Retail and online banking	Baselines - 2022
Financial inclusion	Budg'Equilibre offer Solidarity schemes for vulnerable clients , including microcredit for individual and professional clients	Number of vulnerable customers who benefit from the specific offer : 26 800 Elimination of bank incident fees for holders of the offer for a total amount of €5 M Solidarity schemes annual contribution : €12 M Number of clients in difficulty benefiting from solidarity schemes : 4,075 individual clients, 163 professionals, 1,354 associations Personal microcredits granted : 460 Average amount of personal microcredit granted : €3 391 Number of intermediated professional microcredit files : 780 Amount of personal microcredits financed during the year : €1 559 794

The total financial commitment of the solidarity measures is 45 million euros over the duration of the Medium-Term Plan. In 2022, 26,800 vulnerable customers were able to benefit from the specific offer with the elimination of banking incident fees for a total amount of 5 million euros.

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

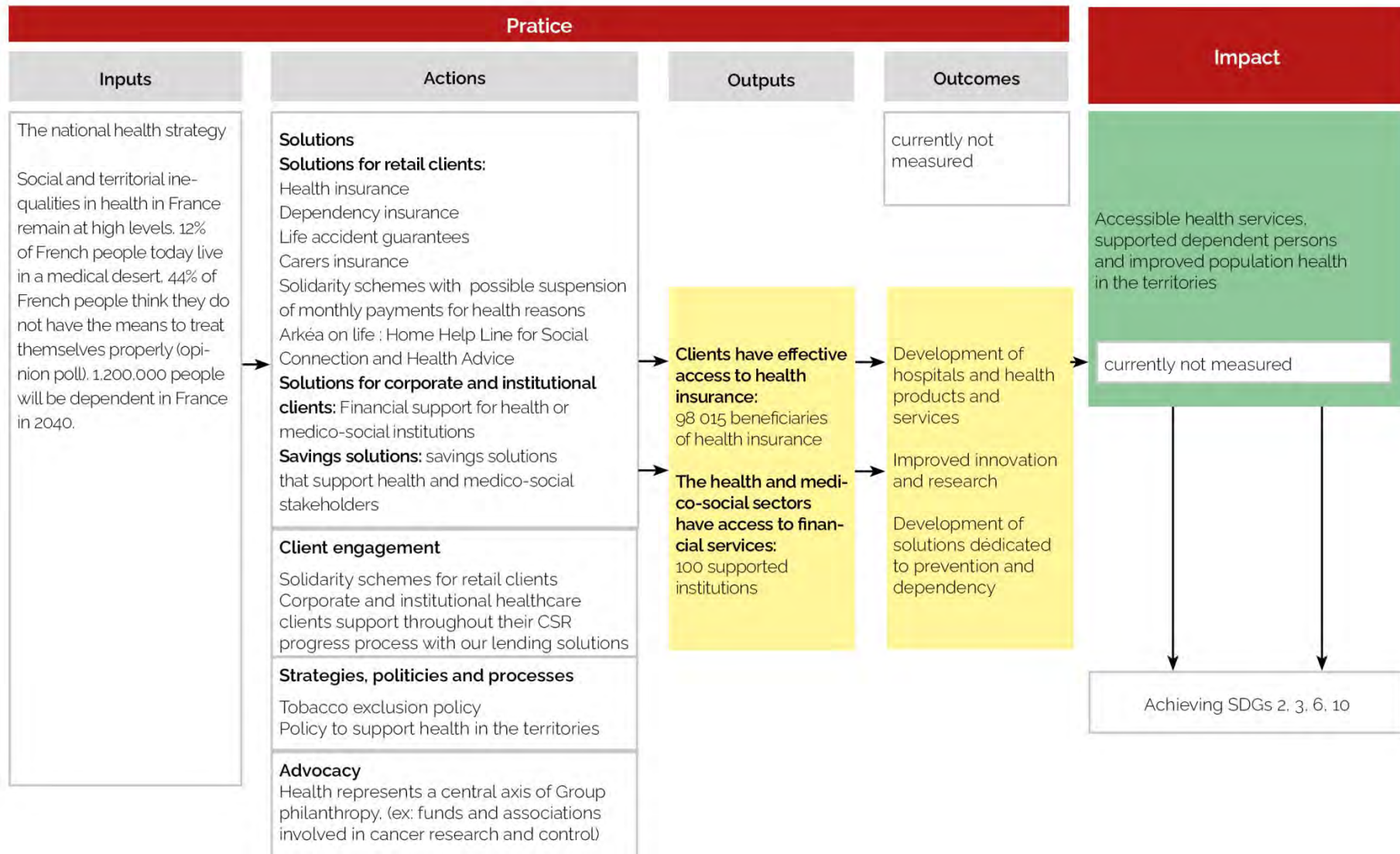
- **4,075 individual clients and their families.** For example, 1,799 members and clients benefited from expense reimbursements and 460 personal microcredits were granted to finance, in particular, the purchase of a vehicle, which is often essential when looking for a job or carrying out a professional activity;
- **1,163 professionals** (farmers, shopkeepers, craftsmen, VSEs) received financial assistance. 704 donations were made for business creation or takeover projects;
- **1,417 associations** benefited from a financial boost to overcome cash flow difficulties or to develop their charitable or environmental actions. In Brittany, the local funds paid particular attention to associations working in the field of disability, dependency and ecology.

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

3. Health and well-being for all

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

Health and well-being



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

	Retail banking and online	Corporate Banking and institutional	Savings	Baseline - 2022
Health and well-being	<p>Health insurance</p> <p>Expert unit and mechanism to find tailor-made solutions for people excluded from loan insurance due to health problems</p> <p>Solidarity schemes: possible suspension of monthly payments for health reasons</p> <p>Helpline services</p> <p>Dependency* offer (pension in case of loss of autonomy) and *help for carers*</p>	<p>Supporting health sector actors:</p> <ul style="list-style-type: none"> • Hospital sector • Retirement homes • Manufacturers of pharmaceutical and health products • Biotechnology • Pharmacies and laboratories • Liberal health professions (doctors, nurses, etc.) • Health centres and others 	<p>Savings solutions supporting health and medico-social solutions and actors</p>	<p>Number of health insurance beneficiaries :</p> <p>98,015 beneficiaries of health coverage excluding complementary health insurance</p> <p>Other indicators under construction.</p>

As regards the measurement of extra-financial performance in euros, health issues are taken into account via one of the **social impact** criteria. In its entirety, the social impact is **estimated at 10,440 million euros in 2022**. Overall, for one million euros of financing granted, €168,000 of positive socio-economic impact is generated.

Reference

2022 Universal Registration Document,
3.4. Measuring non-financial impacts,
4.2. Sustainability issues at the heart of Crédit Mutuel Arkéa's Raison d'être and Transition 2024 plan,
4.3. Crédit Mutuel Arkéa's main non-financial issues and risks,
4.4. A regional bank committed to serving its customer-members,
4.5 A responsible approach that delivers results

QUESTION 2-2 | TARGET SETTING | KEY STEP 2

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

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

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

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

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

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

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

a) ALIGNMENT			b) BASELINE			c) SMART TARGETS		d) ACTION PLAN				
Impact area	Framework	How the indicator and target are linked to the SDGs	Indicator	Baseline	Year of the baseline	Target	KPI 2024	Actions	Retroplanning	Status of implementation	Potentially negative impacts	Actions to avoid, mitigate, or compensate potential negative impacts
Financial inclusion	National Prevention Strategy and the fight against poverty - 2018	To enable our customers and members, particularly the most vulnerable, to benefit from basic banking services and to control their finances and budget by providing specific solutions and appropriate education	Encounter rate of Financially Fragile Persons (FFP)	59.3 % of which CMB 55.9 % CMSO 71.8 %	2022	Promoting banking inclusion and the financial well-being of our most vulnerable clients	Financial fragile persons encounter rate > 60 %	Maintain a strong mobilisation of the local mutual networks	Maintain the Banking Inclusion Coordination Committee Establish a financial wellbeing initiative for customers.	In progress	Financial services, including microcredit, may not be accessible and equitable to all populations if they are not designed in this way	Design accessible products and communication with customers to help them to adopt an inclusive approach
Climate and biodiversity	The Paris Agreement The National Low Carbon Strategy The Kunming-Montreal Agreement The National Biodiversity Strategy	Supporting our stakeholders in their environmental transition	Annual production of financing for the environmental transition	Annual production: €859 million	2022	Develop financing offers dedicated to supporting the environmental transition of all our clients	Annual production: €900m	Continue and strengthen the actions initiated since 2020 on the support of our different categories of customers (individuals, professionals, companies, etc.) in their environmental transition with the offers detailed in section 3 - Business opportunities.	Further development of renewable energy financing Continue to develop sustainable mobility offers Investigate the development of sustainable mobility leasing solutions Promoting the energy renovation platform	Continued development of financing solutions	Negative impacts as defined by the EU taxonomy <i>Example:</i> for renewable energy projects - analysis of circular economy issues, climate change adaptation, biodiversity and human rights criteria.	Progressive integration of the EU taxonomic analysis grid which includes a 'Do no significant harm' pillar, for certain categories of funded projects
		Enable our customers to make sense of their savings by developing products that promote environmental transition or have an environmental impact (structured funds, bank savings accounts, etc.) and by training our distribution networks to promote these offers	Gross annual inflow (including arbitrage) of environmental transition savings (manufactured or referenced by manufacturers)	Annual gross collection : €182 M	2022	Directing our clients' savings towards products that contribute to the environmental transition	Gross annual revenue: €300m	Develop savings products that allow financial flows to be channelled towards activities that promote environmental transition	Development of new formula funds and structured products. Referencing of Greenfin and Paris Aligned Benchmark Units of Account	Ongoing development	Social impacts <i>Example:</i> net zero artificialization in relation to the objective affordable housing	

Climate and biodiversity <i>(continued)</i>		NZBA commitment to align bank portfolios with a carbon neutral pathway by 2050	Emission reduction targets funded	Definition of the trajectory and ongoing KPIs	Definition of the trajectory and ongoing KPIs	Alignment of the financing and proprietary investment portfolios with a 1.5°C trajectory in the most emissive sectors	Definition of the trajectory and ongoing KPIs	Measure current financed emissions, define interim targets and an action plan.	Baseline: measuring financed greenhouse gas emissions by sector of activity Definition of intermediate objectives and an action plan Follow-up of the action plan	Definition of the trajectory and ongoing KPIs		
Health and well-being of all	The National Health Strategy	Financial support the major challenges of health and health sector actors in the territories Supporting women and men in their health issues throughout their lives through financial solutions	Financing for the health sector Banking and non-banking solutions for individual customers facing financial problems related to health Solutions that support dependency and maintenance at home	To be studied in 2023, in accordance with the work in progress of the health policy review	To be considered in 2023, in accordance with the ongoing work on the health policy review	Propose and develop financing offers dedicated to the support health actors To propose and develop solutions for individuals with financial problems related to health	Continue to support clients in this area of impact.	To be considered in 2023, in accordance with the ongoing work on the health policy review	To be considered in 2023, in accordance with the ongoing work on the health policy review	To be studied in 2023, according with the works in progress of review of the health policy	Potential negative impact on climate change, biodiversity, human rights	Risk analysis (EBA criteria) and ESG analysis Supporting companies' CSR strategy through preferential rate solutions and counseling

Reference

Universal Registration Document 2022,
4.5. A responsible approach that delivers results,
4.6. Consolidated table of indicators

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

For each target separately:

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

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

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

In line with the recommendations of the PRBs, the implementation and monitoring of the targets will be described in future reports.

PRINCIPLE 3 | CLIENTS AND CUSTOMERS

QUESTION 3-1

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

YES

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

YES

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

Crédit Mutuel Arkéa has published several sectoral policies to frame and exclude, where appropriate, practices and activities that are not sustainable or in line with international frameworks and the SDGs. These policies can also lead to commitments to support social and environmental transition. New policies are being defined to broaden the scope of the Crédit Mutuel Arkéa group's commitment.

The group has also implemented several measures to support the implementation of sustainable practices by different categories of customers (individuals, professionals, farmers, companies and institutions).

Two examples illustrate this point.

- For several years now, Arkéa Banque Entreprises et Institutionnels has deployed a qualitative CSR analysis grid of its counterparties. This grid makes it possible to assess the level of CSR maturity of the structure and to broaden the client's vision by integrating issues related to human capital, the territorial footprint, the environment and relations with stakeholders (suppliers/partners and clients). It will be completed by a sectoral ESG evaluation grid during 2023. This tool will make it possible to identify the company's strengths and its levers for progress in order to improve its extra-financial performance.

To go further, the Arkéa PACT scheme was introduced in 2020 for businesses and extended to SMEs in 2022. It provides a reduction in the interest rate on the loan if the client's ESG objectives are met. The evaluation is carried out by the independent extra-financial analysis agency Ethifinance, in order to guarantee the neutrality of the evaluations. The agency measures the client's progress from one year to the next. The evaluation is the subject of a commented report, given to the client by the bank. At the end of 2022, Arkéa PACT's outstanding loans amounted to 616 million euros.

Arkéa Banque Entreprise et Institutionnels' role in raising awareness and providing support also takes the form of webinars to present the solutions and offers proposed by the bank to assist them in their environmental and social transitions.


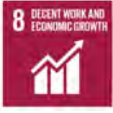

- In addition, the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations have set up an intuitive platform, called 'Habitat durable', to help customers and prospective customers to renovate their property. This tool enables customers to estimate the energy performance of their home, identify the relevant work, find out the amount of associated aid and project the energy savings envisaged. The 'Rénovéo' loan completes this platform, by offering a preferential rate for projects dedicated to energy renovation.







At the end of 2022, outstanding loans to customers for environmental transition projects amounted to 885 million euros for individuals and 609 million euros for businesses.







QUESTION 3.2 | BUSINESS OPPORTUNITIES





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

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

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

Impact area	Offers
<p>Climate and biodiversity</p>      	<p>Solutions for individual customers</p> <p><u>Energy efficiency in housing</u></p> <p>a) The <u>Crédit Mutuel de Bretagne</u> and <u>Crédit Mutuel du Sud-Ouest</u> federations offer a range of loans to finance energy renovation work for their individual customers:</p> <ul style="list-style-type: none"> ▪ <u>the regulated zero-rate eco-loan and the complementary zero-rate eco-loan</u>, ▪ <u>The Energy Audit Loan</u> ▪ <u>and the Rénovéo loan</u> <p>The latter offers privileged loan conditions to finance energy-saving equipment for both primary and secondary residences and rental properties.</p> <p>The offers are complemented by the energy efficiency simulation tool, <u>the Habitat Durable platform</u>, which allows the customer to simulate the work needed to improve energy efficiency and the aid available.</p> <p>b) <u>Financo</u> has launched a <u>personal loan</u> specially designed to meet the specific needs of financing energy renovation operations, in partnership with Soliha.</p> <p>The offer is completed by the energy efficiency simulation tool, <u>the Simul'aides platform</u>, which allows the customer to simulate the work required to improve energy efficiency and the aid available.</p> <p>c) <u>Suravenir Assurances</u> supports its clients in their eco-responsible approach to housing by offering systematic coverage of ecological equipment in its policies, such as photovoltaic panels, solar water heaters and heat pumps.</p> <p><u>Sustainable mobility</u></p> <p>a) The <u>Crédit Mutuel de Bretagne</u> and <u>Crédit Mutuel du Sud-Ouest</u> federations offer advantageous loan conditions to future owners (individuals and professionals) of electric or hybrid vehicles.</p> <p>b) <u>Financo</u> offers advantageous loan conditions to future owners of electric or hybrid vehicles, eligible for 100% electric vehicles: 'My Electric Vehicle Guarantee' and 'My Electric Vehicle Review'.</p> <p>c) <u>Suravenir Assurances</u> rewards and encourages customers who use their vehicles less or better and contribute to reducing the carbon footprint, through measures such as: mileage packages (provision of tariff reductions according to the mileage package declared by the insured), payment for use, payment for behaviour, carpooling, use of public transport.</p>

Impact area	Offers
<p>Climate and biodiversity (continued)</p>      	<p>Solutions for corporate and institutional clients</p>
	<p>Renewable energy</p> <p>a) Arkéa Banque Entreprises et Institutionnels, via the Environmental Transition Division, a division dedicated to financing the environmental transition, supports SMEs (small and medium-sized enterprises), mid-cap companies), local authorities, institutional investors and real estate professionals in their transition to carbon neutrality. Renewable energies represent the majority of projects financed with mature technologies (photovoltaic, wind, hydraulic, methanisation, biomass, heating networks, CNG stations, etc.).</p> <p>b) Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest offer Pronovéo - a loan for very small businesses and SMEs with preferential terms, to finance investments in green energy production, green transport and energy efficiency of commercial real estate.</p> <p>c) Arkéa Crédit Bail offers leasing solutions dedicated to renewable energy</p>
	<p>Sustainable agriculture</p> <p>Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest offer :</p> <p>a) Agrinovéo: a loan dedicated to environmental transition that encourages the financing of energy production equipment such as methanisation and agricultural photovoltaic systems</p> <p>b) Clé-Mat: a loan dedicated to the acquisition of agricultural equipment, including precision equipment limiting chemical inputs and promoting agro-ecology, with the Clé-mat + offer</p>
	<p>Other sustainable projects</p> <p>Arkéa Banques Entreprises et Institutionnels offers CSR loans at preferential rates, for projects related to clean materials, energy efficiency, renewable energy, infrastructure, organic farming, social programmes, etc.</p>
	<p>ESG integration</p> <p>The 'PACT' loan provides for a subsidy for SMEs, mid-cap companies and institutional investors whether the client's ESG objectives are met. These targets include climate and biodiversity indicators.</p>
	<p>Solutions for corporate and institutional clients</p> <p>a) Example of a bank savings product: CSR term deposits</p> <p>b) Examples of financial savings products and life insurance :</p> <ul style="list-style-type: none"> ▪ Federal Transition Oxygène (FCP): a fund whose investment themes are water, food, health and the environment ▪ Federal Global Green Bonds: fund invested in green bonds with the Greenfin label ▪ Autofocus Climate Transition: a fund that invests in companies aligned with the objectives of the Paris Agreement ▪ AIS Biodiversity: funds investing in responsible companies with the least negative impact on biodiversity ▪ Infrastructure Transition Platform, which launched two multi-investor infrastructure debt funds to finance environmental and digital transition infrastructure. <p>Examples of structured products:</p> <ul style="list-style-type: none"> ▪ The structured investments Perspectives Globe and Sérénité Globe are based on a green bond issue and are intended to finance or refinance eligible projects dedicated to renewable energy and energy transition. The performance of these structured products is based on the evolution of the EURO iSTOXX® Ocean Care 40 Decrement 5% Index, an index composed of 40 companies from the STOXX® universe, selected as the best in implementing sound policies for efficient water management.

Impact area	Offers
Health    	Solutions for individual customers
	<p>a) In the field of health, <u>Suravenir Assurances</u> strives to offer products that are accessible to all: health insurance, dependency insurance (annuity in the event of loss of autonomy), life accident coverage, and insurance to help caregivers.</p> <p>b) A solidarity insurance fund, provided by the Suravenir and Suravenir Assurances subsidiaries, to help loyal members who face serious events (life accidents, problems accessing credit, claims not covered by their insurance contracts).</p> <p>c) Tailor-made solutions for clients who have difficulties in obtaining home loans due to health problems supporting the population excluded from loan insurance by creating a unit of experts and a system to find solutions for these clients and thus enable them to realise their real estate project and become homeowners (primary, secondary or rental residence).</p> <p>d) <u>Arkéa On Life</u> offers a home remote-assistance service for isolated people, as well as a connected watch for elderly people who wish to continue their activities outside the home</p>
	Solutions for corporate and institutional customers
	<p>a) Financing of health or medico-social institutions</p> <p>b) Financing of the health sector</p> <p>c) Support for the professions, including health specialists, with loans at preferential rates and financing of vehicles and equipment</p> <p>d) Long-term capital support for health actors and innovation stakeholders</p> <p>e) <u>Clé-mat</u> - a loan dedicated to financing precision agricultural equipment that can limit chemical inputs and promote agro-ecology, which limits the negative impact that the use of pesticides can have on health.</p> <p><u>Accessibility loan</u> - financing dedicated work to enable professionals to make their premises easily accessible to people with disabilities.</p>
	Savings solutions
	<p>a) Bank savings: <u>Livret Développement Durable et Solidaire (LDDS)</u> which contributes to the financing of health actors and allows them to donate the interest or capital invested in their sustainable savings accounts to one or more public interest associations.</p> <p>b) Financial savings and life insurance: Several savings funds target investments in healthcare players, such as the <u>Conviction Santé arbitrage mandate</u>, which aims to support innovative companies in healthcare-related fields and to finance a sustainable economy by taking ESG criteria into account in fund selection. The strategy favours exposure to companies developing sustainable solutions to major health problems, enabling the acceleration of research, relieving the burden on health systems while aiming to increase the well-being and life expectancy of citizens.</p>

Reference

Universal Registration Document 2022,

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

4.5 A responsible approach that delivers results,

4.6. Consolidated table of indicators,

PRINCIPLE 4 | STAKEHOLDERS

QUESTION 4-1 | STAKEHOLDER IDENTIFICATION AND CONSULTATION

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

YES

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

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

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

The year 2018 was devoted to discussions with stakeholders:

- **Cooperation workshops** were organised with 1,500 managers of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations, so that they could express their expectations of the cooperative movement;
- In parallel, a **collaborative reflection process on the Raison d'être** was conducted with the group's employees, managers and executives;
- As part of the **group's materiality analysis**, interviews and workshops were also held with different categories of group stakeholders (customers, managers, employees, suppliers, etc.).

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

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

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

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

- Climate
 - Annual production target for environmental transition credits
 - Gross savings target for the environmental transition
- Financial inclusion: aiming to reach financially vulnerable people

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

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

Reference

Universal Registration Document 2022,

1.4. A company with a mission,

1.7. Crédit Mutuel Arkéa's strategy,

4.1. Crédit Mutuel Arkéa's business model,

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

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

PRINCIPLE 5 | GOVERNANCE AND CULTURE

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

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

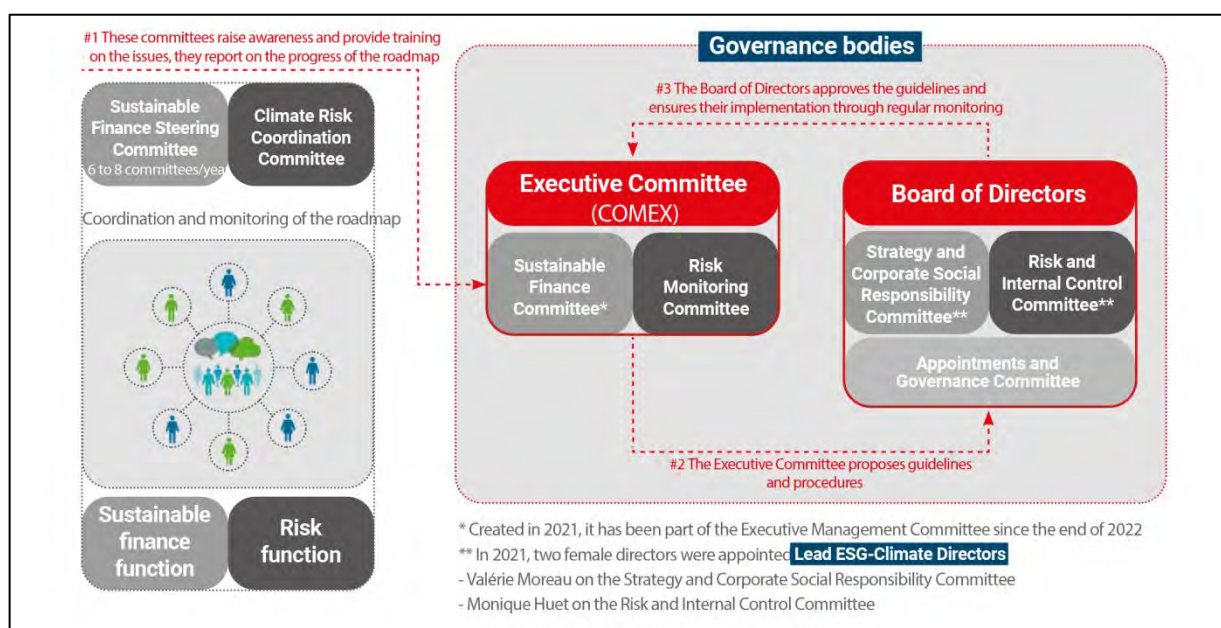
YES

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

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

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

1. The Crédit Mutuel Arkéa's governance guarantees this approach at several levels.



The Board of Directors validates the strategy and plays a major role in monitoring climate risks. In line with the Group's mission statement and its status as a company with a mission, it opts for a balanced approach between financial and non-financial performance. This is the first of the five commitments it has made: *'To take our decisions with a balanced approach between financial performance and positive impact - societal and environmental - through cooperative governance anchored in our territories'*.

The Board of Directors relies on the informed opinions of specialised committees, including the Strategy and Corporate Social Responsibility Committee and the Risk and Internal Control Committee. The particular attention to be paid to the consideration of environmental, social and governance (ESG) issues, including climate change, is formalised in the charter of each committee.

In relation to the PRB commitments, the Strategy and Corporate Social Responsibility Committee also has the role of discussing and validating the results of the impact analysis, identifying the main areas of impact, setting targets and follow-up measures for them, and validating the PRB impact report for its annual publication.

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

In addition to Crédit Mutuel Arkéa's governance, a Mission Committee was set up in 2022. Its role, which is limited to the mission, is to define a roadmap, to define objectives and indicators and to ensure that governance puts in place the resources needed to achieve it, in accordance with the Mission Statement.

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

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

The Group Risk Oversight Committee contributes, on behalf of and by delegation from the Executive Board, to the governance and overall management of the Group's risks, including environmental risks. Since the members' awareness of climate risks in 2019, many topics related to this theme have been addressed, such as the plan to integrate climate risk management within the risk management department or the pilot exercises of climate stress tests of the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and the European Banking Authority (EBA).

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

- the Group Counterparty Committee includes in its work the ESG analysis of market issuers submitted for validation. The ratings obtained complete the traditional credit risk analysis;
- The purpose of the Reference Committee is to optimise and secure the purchasing policy for financial products and services applied by Crédit Mutuel Arkéa as a whole (for its own account and for third parties). Since the Disclosure Regulation came into force, this committee has implemented a process aimed at taking into account, in its referencing decision, the level of maturity of the management company analysed in terms of assessing sustainability risks, including climate risks;

- The Group Loan Committee decides on customer credit applications whose amounts or characteristics exceed the powers attributed to lower-level committees. It gradually integrates the consideration of an ESG-climate analysis into the decision-making process for granting a loan.
3. All of the group's businesses and functions are gradually integrating sustainability issues into their operations.

In order to best coordinate the integration of these issues and to actively contribute to this process, the group relies on an organisation structured as follows:

- The Sustainable Finance Department is made up of the Sustainable Finance Managers of the Group's entities (subsidiaries, federations, central services departments) and a central team, the Sustainable Finance Department. It proposes sustainable finance frameworks, such as sectoral policies, and implements the associated action plans;
- A Sustainable Finance Steering Committee, which brings together the participants in the sector, has the main tasks of proposing approaches and strategies on ESG-Climate issues to the group's governance bodies, monitoring the progress of the Sustainable Finance roadmap via the presentation of a scorecard, ensuring that the framework policies on sustainable finance are implemented, guaranteeing the use of group tools and methods, and presenting and sharing monitoring and best practices among the various members;
- The Risk Management Department has been responsible for managing environmental risks, including climate risks, since June 2019. Each Crédit Mutuel Arkéa group risk manager has been made aware of climate risks and is working on integrating these issues within his entity. ESG risk referents have also been appointed in each entity.
- A quarterly Climate Risk Coordination Committee was set up in the fourth quarter of 2020. Its tasks include monitoring climate risk integration projects in the Risk Department and the Risk Management Function, reporting on the implementation of the climate risk strategy, and arbitrating on any blockages raised in operational committees.

In order to align priorities, by 2022, ESG criteria were integrated into the group's remuneration policies at several levels:

- For employees (within the scope of the Economic and Social Unit), the profit-sharing agreement has included, since 2017, a criterion for increasing the envelope linked to the reduction of the group's carbon footprint,
- For the group's corporate officers, senior managers and executives, financial and non-financial indicators related to sustainable finance are defined according to the business lines and activities.

Reference

Universal Registration Document 2022,
 2.2. The Board of Directors of Crédit Mutuel Arkéa,
 2.4. Executive management bodies and their work,
 4.4. A regional bank committed to serving its customer-members,
 5.9. Environmental risks, including climate

QUESTION 5-2 | PROMOTING A CULTURE OF RESPONSIBLE BANKING

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

Various training initiatives are put in place each year to raise the awareness of employees and increase their skills in these sustainability issues.

Several training modules were offered in 2022:

- In order to raise awareness of climate issues, nearly 5,500 employees were invited to take part in collaborative workshops - the 'Climate Fresk'. A community of Climate Fresk facilitators was created within the group, supported by the training of experienced external facilitators.
- On biodiversity issues, a training session dedicated to the challenges of biodiversity loss and the key role of financial players in preserving and restoring biodiversity was offered to the members of the Board of Directors of Crédit Mutuel Arkéa. The sustainable finance managers of the group's various entities were also trained by an expert firm.
- Finally, various internal interventions were proposed in order to strengthen the technical skills of the teams in charge of promoting these approaches in their entities: an expert on agriculture and climate issues (Solagro), a member of the Intergovernmental Panel on Climate Change (IPCC), a 'climate sociologist' and experts on energy-climate scenarios (Enerdata).

In addition to raising awareness internally, Crédit Mutuel Arkéa also wants to share its convictions externally, through speeches by senior managers in the media and at conferences on sustainability issues.

The following events illustrate this process of bringing value and sharing of experience:

- Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa, signed the declaration 'Making sobriety a collective choice' alongside 83 other French business leaders,
- Speech by Julien Carmona, Chairman of Crédit Mutuel Arkéa, at the Breton Economic Forum, on 'Supporting environmental and societal transitions to help territories become self-sufficient',
- publication of an essay co-authored by Hélène Bernicot, Managing Director, and Anne Le Goff, Deputy Managing Director, entitled 'La fabrique de la décision, un leadership collectif pour une finance engagée'.

Reference

- Universal Registration Document 2022,
- 4.2. Sustainability issues at the heart of Crédit Mutuel Arkéa's Raison d'être and Transition 2024 plan,
- 4.3. Crédit Mutuel Arkéa's main non-financial issues and risks
- 4.4. A regional bank committed to serving its customer-members

QUESTION 5-3 | POLICIES AND DUE DILIGENCE PROCESSES

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

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

In order to identify its main non-financial risks, Crédit Mutuel Arkéa relied on the work carried out within the framework of the environmental risks materiality matrix, the risk mapping and the vigilance plan.

This cross-functional approach highlighted eight major categories of non-financial risks directly related to the social, environmental, governance and ethical consequences of the group's activities and business relationships. The identified extra-financial risks, policies and mitigation measures are described in the Chapter 4.3. of the Universal Registration Document. In 2018, these risks, policies and mitigation measures, as well as key performance indicators (KPIs) were approved by Crédit Mutuel Arkéa's Strategy and Corporate Social Responsibility Committee and Board of Directors. They are reviewed and updated every year by the departments concerned.

Crédit Mutuel Arkéa also takes into account climate issues in the group strategy. The TCFD report presents, for this purpose, the consideration of the climate in the group's strategy, and the mechanisms for steering and management of climate-related risks in the group's business model, while taking a forward-looking approach. The risk appetite framework was enhanced with environmental and social indicators in 2022 for application from 1 January 2023.

Furthermore, as explained in the Question 1.2, the Group has formalised and revisioned a number of sectoral policies relating to the sectors of activity most affected by environmental and social issues.

The Cross-Functional Risk Management Department of Crédit Mutuel Arkéa includes the Risk Summary Department and the ESG Risk Department in charge of assessing dedicated risks. ESG risk officers have been appointed in each entity.

The Climate Risk Coordination Committee that meets on a quarterly basis was set up in 2020. Its missions include monitoring climate risk integration projects in the Risk Department and in the Risk Management Function, reporting on the implementation of the climate risk strategy, for arbitration on any blockage points raised in operational committees. Each group Risk Management manager has been made aware of climate risks and is working to integrate climate risk within his or her entity.

An ESG risk rating model is being developed. ESG risk management tools have also been expanded to identify physical risks according to a geographical focus.

Reference

Universal Registration Document 2022,
4.3. Crédit Mutuel Arkéa's main non-financial issues and risks

PRINCIPLE 6 | TRANSPARENCY AND ACCOUNTABILITY

QUESTION 6-1 | ASSURANCE

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

NO

QUESTION 6-2 | REPORTING ON OTHER FRAMEWORKS

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

- ☐ GRI
- ☐ SASB
- ☒ CDP
- ☐ IFRS Sustainability Disclosure Standards (forthcoming)
- ☒ TCFD
- ☐ Other:

QUESTION 6-3 | OUTLOOK

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

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

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

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

Reference

Universal Registration Document 2022,
4.5. A responsible approach that delivers results

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