

REPORTING AND SELF-ASSESSMENT

PRINCIPLES FOR RESPONSIBLE BANKING (PRB)

EDITION
**20
21**

The following table sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking. Signatory banks need to report on their implementation of the Principles the first time within latest 18 months after signing and annually thereafter (in line with their annual reporting cycle).

PRINCIPLE 1

Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
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, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	<p>Crédit Mutuel's business model</p> <p>The Crédit Mutuel Group carries out all banking and insurance activities through its five regional groups¹ and their subsidiaries. It consists of a group of banking and financial institutions with cooperative and regional status, deeply rooted in the regions and across France (83% of Crédit Mutuel group's net banking income).</p> <p>Its 83,000 employees serve 36.1 million customers (including 8.3 million members and 21,000 directors) to best meet the needs of individuals and regions. The group's model is based on a decentralized cooperative structure. It comprises more than 2,000 local banks, 18 regional federations, an agricultural federation (Crédit Mutuel Agricole Rural) and a National Crédit Mutuel Confederation (CNCM).</p>	<p>Crédit Mutuel Group - Annual report</p> <p>Non-Financial Performance Statement of the Crédit Mutuel group</p> <p>Crédit Mutuel Group - Financial report</p> <p>Crédit Mutuel Group - Key points in 2021</p>

* Number of full-time equivalent (FTE) employees

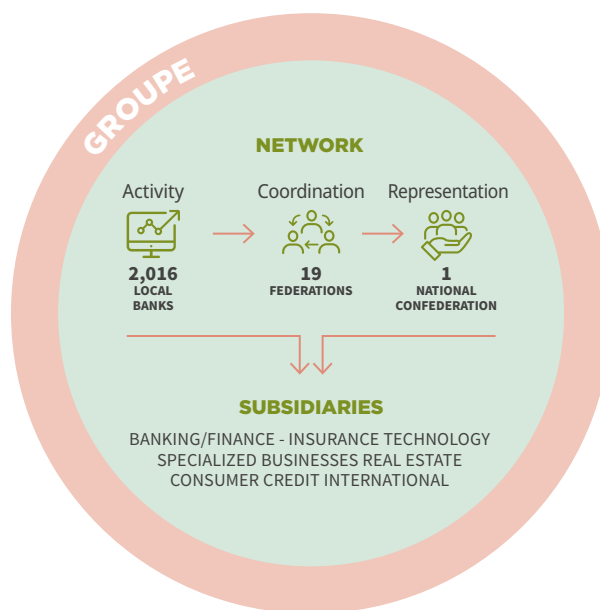
1. Crédit Mutuel Alliance Fédérale, Crédit Mutuel Arkéa, Crédit Mutuel Maine-Anjou et Basse-Normandie, Crédit Mutuel Nord Europe, Crédit Mutuel Océan. Crédit Mutuel Nord Europe joined Crédit Mutuel Alliance Fédérale on January 1, 2022. See NFPS

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

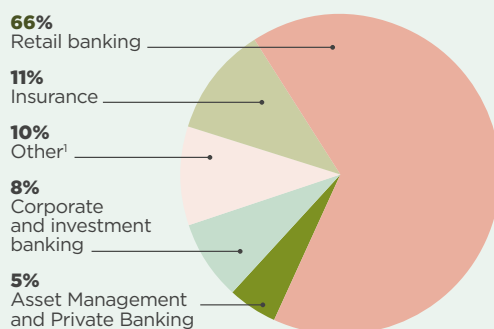
Mutual bank not listed on the stock exchange: its 8.1 million members own its capital in the form of shares. All members can participate in their local bank's Shareholders' Meeting; they have equal voting rights that allow them to take part in decisions and elect their representatives. Members are represented by elected volunteer directors. This organization enables Crédit Mutuel to remain within reach of its members and customers in order to support them day after day in their projects and enhance the quality and diversity of its products and services.



The Crédit Mutuel group is engaged in numerous activities, including retail and investment banking, asset management, insurance, etc. Although it operates mainly in France, it also has international operations, primarily in Europe, most notably in Germany, Belgium, Spain and Luxembourg.

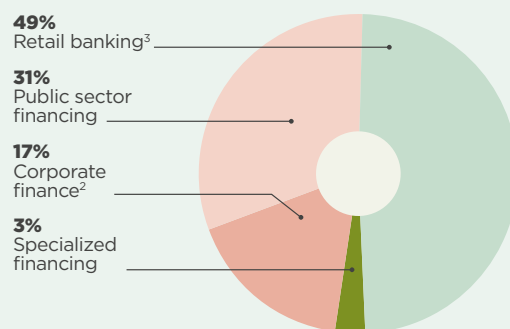
[Crédit Mutuel group 2021 results press release](#)

BREAKDOWN OF 2021 NET BANKING INCOME



1. Activities that cannot be assigned to another sector and subsidiaries involved purely in logistical support.
 2. 56% of which are loans to SMEs and mid-caps (excluding retail banking).
 3. Including home loans, auto loans, consumer credit and loans to professionals and microenterprises.

BREAKDOWN OF EXPOSURES AT 12/31/2021



In France, the Crédit Mutuel group is the second-largest bank for the farming sector and the second-largest lender for housing with a 23% market share. Home loans account for more than 50% of loans issued by Crédit Mutuel.

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

1.2

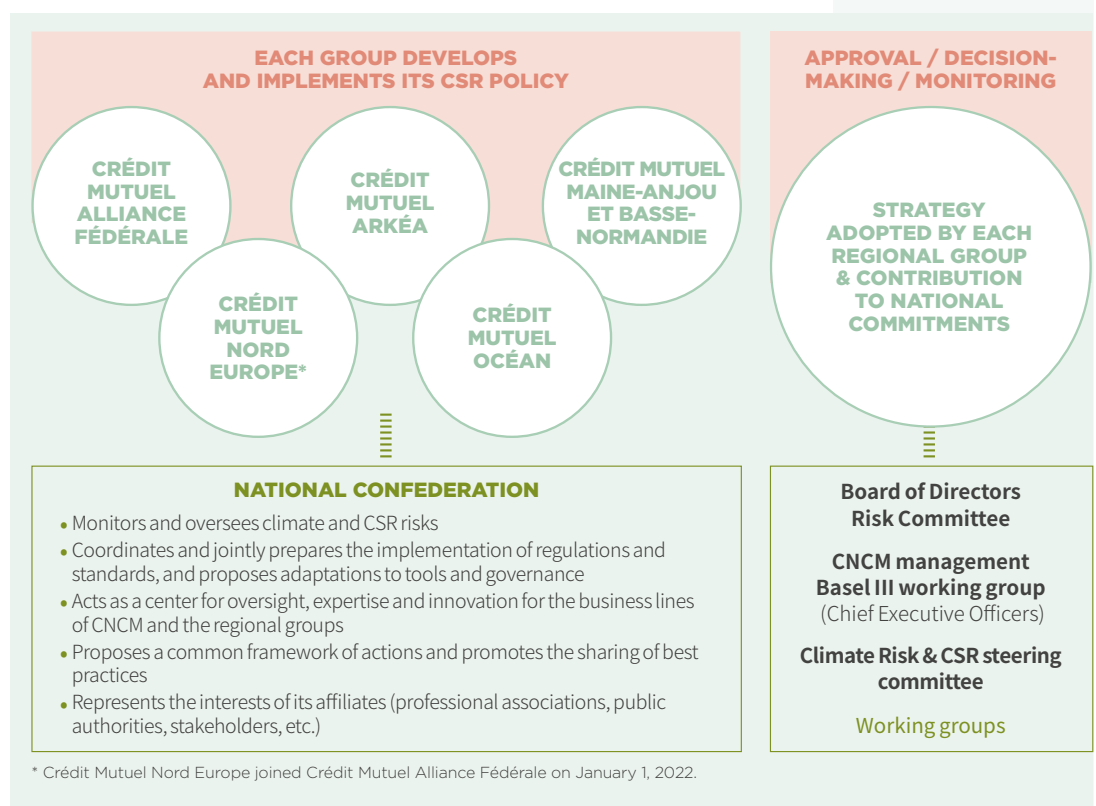
Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

The Crédit Mutuel group's CSR governance structure and action plan

In response to societal and environmental challenges, the Crédit Mutuel group formalized a specific governance structure to guide its CSR strategy and also adopted a roadmap, both of which were co-developed with the regional groups and approved by the national executive and supervisory bodies.

Since January 1, 2020, the CSR function of Confédération Nationale du Crédit Mutuel (CNCM) has been part of the Risk Department. Its role is explained in the diagram below:

PRINCIPLE OF SUBSIDIARITY - CONSISTENCY COLLECTIVE MOBILIZATION



Crédit Mutuel has integrated ESG (Environmental, Social and Governance) issues into a 13-part action plan, aimed in particular at alignment with the climate objectives of the Paris Agreement.

The Crédit Mutuel group's consolidated action plan is centered around three priorities:

- **SUSTAINABILITY** - Take a long-term approach;
- **REPORTING** - Develop relevant and tangible measurement tools;
- **CLIMATE** - Align our activities with the climate goals of the Paris Agreement.

[Crédit Mutuel Group - Annual report](#)

[Non-Financial Performance Statement of the Crédit Mutuel group](#)

[CMAF Universal Registration Document \(section 3\)](#)

[CMAF Universal Registration Document \(section 5\)](#)

[CMO NFPS](#)

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
	<p>The aim of this consolidated action plan is to build collectively on the initiatives undertaken and oversee common issues (regulatory in particular).</p> <p>Certain subjects are covered by Confédération Nationale du Crédit Mutuel which, together with all its entities, signed on to two international voluntary initiatives:</p> <ul style="list-style-type: none"> the Crédit Mutuel group has been a signatory of the United Nations Global Compact since 2003. This United Nations initiative proposes a simple, universal and voluntary framework of engagement, based on ten principles relating to respect for human rights, international labor standards, environmental protection and the fight against corruption. In 2020, the Crédit Mutuel group achieved Advanced level and, since 2018, has also shared in its COP (Communication On Progress) its contribution to the sustainable development goals (SDGs) adopted in 2015 by the United Nations. Since 2019, it has also been a signatory of the UNEP-FI Principles for Responsible Banking (PRB). This financial initiative is a result of the United Nations Environment Programme (UNEP-FI), whose six principles aim to align the company's strategy with the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement. In 2021, two new commitments were added to this PRB initiative: <ul style="list-style-type: none"> in May 2021, the Crédit Mutuel group became the first French cooperative bank to join the NZBA (Net-Zero Banking Alliance) which aims to align the emissions of banking portfolios with carbon neutrality trajectories (or net zero emissions) by 2050, in December 2021, the Crédit Mutuel group signed the commitment to financial health and inclusion which aims to promote financial inclusion for all and support the financial health of customers in the banking sector. <p>Other subjects are covered by the regional groups, which manage their own CSR strategies while contributing to the national efforts and commitments.</p> <p>Several entities have also joined initiatives related to their activities:</p> <ul style="list-style-type: none"> Federal Finance Gestion (2009), La Française (2010), CM Asset Management (2012) and CIC Private Debt (2014), BLI - Banque de Luxembourg Investments S.A. (2017), Schelcher Prince Gestion (2018), Arkéa Capital (2019), Suravenir (2019) and Dubly Transatlantique Gestion (2020) are signatories of the UNEP-FI Principles for Responsible Investment (PRI); CIC (subsidiary of Crédit Mutuel Alliance Fédérale) is a signatory of the Poseidon Principles; in 2021, La Française Group became a signatory of the Net-Zero Asset Managers (NZAM) initiative (partner to the PRI initiative), which promotes support among asset managers for the goal of carbon neutrality by no later than 2050; also in 2021, Crédit Mutuel Arkéa, Federal Finance Gestion, Schelcher Prince Gestion and Crédit Mutuel Asset Management became signatories of the Finance for Biodiversity Pledge. 	<p>Credit Mutuel COP Global Compact</p> <p>Reporting by PRB signatories</p> <p>List of PRI signatories</p> <p>List of signatories of the Net Zero Asset Managers Initiative</p> <p>List of signatories of the Poseidon Principles</p> <p>List of signatories of the Finance for Biodiversity Pledge</p>

PRINCIPLE 2

Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
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2.1

Impact Analysis:

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

a) Scope:

The bank's core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.

b) Scale of Exposure:

In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.

Geographical and sector breakdown:

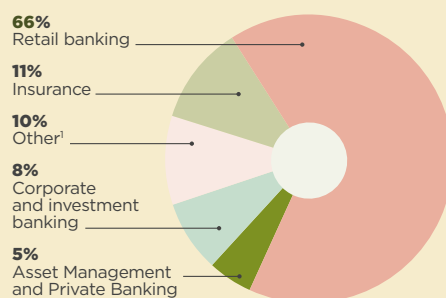
The group operates mainly in France (83% of Crédit Mutuel group's income), but also has international operations, primarily in Europe, most notably in Germany, Belgium, Spain and Luxembourg.

The regional groups and their commercial subsidiaries are engaged in numerous activities (retail and investment banking, asset management, insurance, etc.). With over 60% of its income generated by its retail banking activity, Crédit Mutuel reaffirms its role as a finance provider for the real economy, with insurance its second-largest business (see graph below).

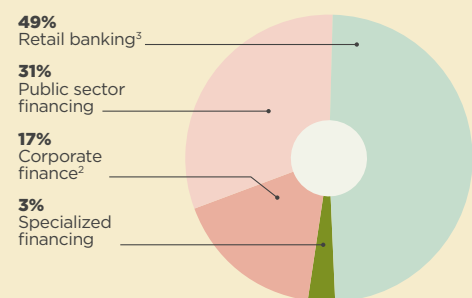
Crédit Mutuel finances the real economy. With a firm focus on supporting individuals and small and medium-sized companies, it has implemented social, environmental and climate initiatives adapted to the types of customers it serves (see section 3.2).

[Non-Financial Performance Statement of the Crédit Mutuel group](#)

BREAKDOWN OF 2021 NET BANKING INCOME



BREAKDOWN OF EXPOSURES AT 12/31/2021



1. Activities that cannot be assigned to another sector and subsidiaries involved purely in logistical support.

2. 56% of which are loans to SMEs and mid-caps (excluding retail banking).

3. Including home loans, auto loans, consumer credit and loans to professionals and microenterprises.

European Green Taxonomy:

The EU taxonomy is a set of sustainable development criteria for companies, investors and governments. It identifies economic activities that can be considered sustainable or eco-responsible to enable finance players and companies to have a common language.

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

In accordance with applicable regulations, the Crédit Mutuel group took steps in 2021 to identify the portion of the assets in its customer portfolio that was eligible for the first two objectives of the European Taxonomy (climate change mitigation and adaptation).

In 2021, the Crédit Mutuel group chose to publish two ratios concerning the eligibility of economic activities (see Crédit Mutuel group NFPS for details).

REGULATORY RATIOS RELATED TO THE EUROPEAN TAXONOMY

	2021 VOLUNTARY BASIS	2020 MANDATORY BASIS
Proportion in the total covered assets of exposures to Taxonomy non-eligible economic activities	28.3%	31.3%
Proportion in the total covered assets of exposures to Taxonomy-eligible economic activities	34.0%	30.9%
Proportion in the total assets of exposures to central governments, central banks and supranational issuers	19.4%	19.4%
Proportion in the total assets of derivatives	0.2%	0.2%
Proportion in the total assets of exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU	24.4%	24.4%
Proportion of the trading portfolio in the total assets	1.9%	1.9%
Proportion of on-demand interbank loans in the total assets	0.6%	0.6%

c) Context & Relevance:

Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/ regions in which it operates.

d) Scale and intensity/salience of impact:

In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank's activities and provision of products and services.

(your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))

Climate risk assessment:

The expansion of regulatory stress test exercises to include climate risks contributes to a better understanding and consideration of climate risks within the group.

Between October 2020 and March 2021, the Crédit Mutuel group took part in the pilot climate stress test conducted by the ACPR. The goals of this exercise were to raise financial institutions' awareness of climate risk and measure the vulnerability and costs resulting from non-compliance with the Paris agreements. Stress test exercises appear to be a key tool for assessing the group's resilience to various climate scenarios. This pilot exercise conducted by the ACPR was limited to analyzing transition risk for banking institutions. Based on these projections, models were developed to identify the business sectors most vulnerable to climate shocks. This exercise was unprecedented given the time horizon concerned (2020 to 2050).

The existing voluntary sector policies within the regional groups are included in the projections.

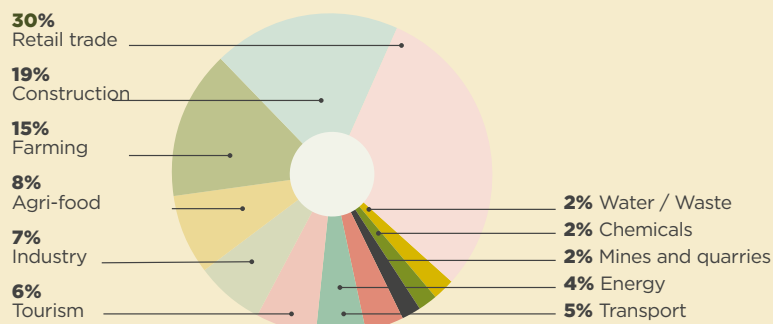
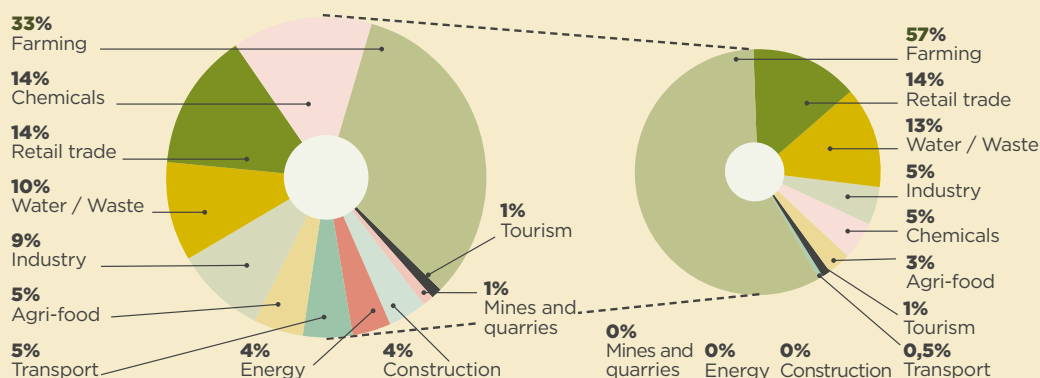
After projecting the group's balance sheet, which turned out to be nearly the same in 2050, it appears that the four sectors most exposed to transition risk in the Crédit Mutuel group's portfolio are as follows:

- AGRICULTURE
- AGRI-FOOD
- ENERGY
- LAND TRANSPORT.

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

BREAKDOWN OF OUTSTANDING LOANS IN 2020 (nearly the same as the 1st round in 2050)**SHARE OF EMISSIONS ASSOCIATED WITH SECTORS FINANCED BY BANK CREDIT IN 2020**

Emissions associated with sectors financed by bank credit in 2050: 75% reduction in total emissions under the SNBC scenario, but high sensitivity of certain portfolios.

Show that building on this analysis, the bank has

- Identified and disclosed its areas of most significant (potential) positive and negative impact
- Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts

Les secteurs identifiés comme les plus exposés ont fait l'objet de la mise en œuvre, au sein des groupes régionaux, de politiques sectorielles adaptées notamment dans le secteur de l'énergie (du charbon, des hydrocarbures...), de l'agriculture pour le Crédit Mutuel Alliance Fédérale et le Crédit Mutuel Arkéa et de la mobilité pour le Crédit Mutuel Alliance Fédérale.

Identification of outstanding loans most sensitive to transition risk, according to the ACPR

In parallel to this exercise, Crédit Mutuel developed a methodology for classifying risks by sector based on climate and environmental criteria. Analyses based on French (Haut conseil pour le climat, ADEME, etc.), European and international scientific research (IPCC, IEA, etc.) made it possible to determine the exposure of Crédit Mutuel's portfolio to sectors identified as sensitive (ACPR's pilot exercise guidelines).

FOCUS - PROPORTION OF SENSITIVE SECTORS² IN TOTAL OUTSTANDING LOANS FINANCED BY THE GROUP

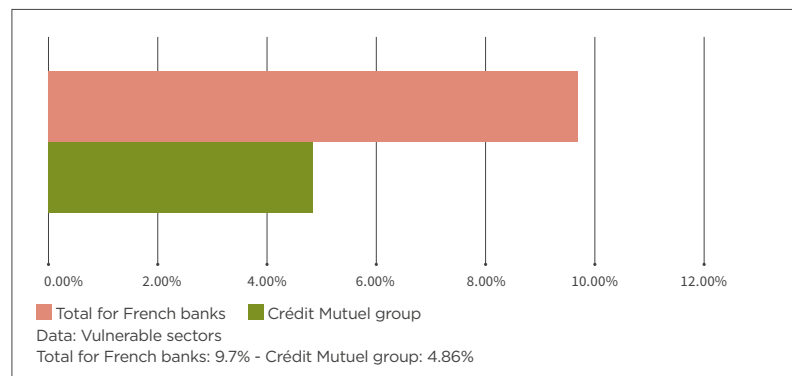
	2021	2020	CHANGE 2020-2021
CRÉDIT MUTUEL GROUP	4.86%	4.80%	1.2%

2. These 7 NACE sectors are: (A01) Crop and animal production, hunting and related service activities; (B) Mining and quarrying; (C19) Manufacture of coke and refined petroleum products; (C20) Manufacture of chemicals and chemical products; (C23) Manufacture of other non-metallic mineral products; (C24) Manufacture of basic metals; (E37-39) Sewerage collection and treatment, waste collection, treatment and disposal, remediation activities and other waste management services.

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

PROPORTION OF OUTSTANDING LOANS TO SENSITIVE SECTORS IN TOTAL PORTFOLIOS

Outstanding business loans represent 17% of total loan exposures. Only 4.86% concern companies in the sectors most sensitive to transition risk, such as energy, metals, the chemical industry and crop and animal production. For Crédit Mutuel group, this necessarily implies supporting these companies in their transition to a low-carbon economy. Retail banking customers (home loans, auto loans, consumer credit and loans to professionals and microenterprises), which represent 49% of the group's exposures, also benefit from transition support (see section 3.2).

In terms of the group's infrastructure, the risk department is capitalizing on existing work on operational risks and developing a tool to identify its facilities' exposure to physical climate risks. The goal is to extend the risks covered and, at the same time, help develop a tool to assess the vulnerability of the group's customers to physical risk.

Climate and environmental risks are key factors of existing risks, particularly credit risk, operational risk, market risk and liquidity risk. They are in fact integrated into the group's risk management processes. The Crédit Mutuel group's goal is to fully integrate climate change risks and opportunities into its strategy and activities. This requires an understanding of these issues by each of the regional groups, which implement their own climate strategies.

A global energy transition is needed to transition to lower-emission energy sources. Improvements in the energy efficiency of industries, buildings and homes, vehicles and other energy-consuming sectors are needed. This will require significant investment in all sectors. The Crédit Mutuel group supports its customers, who represent a broad spectrum of the real economy, by encouraging and supporting their transition (see section 3.2).

CONCLUSION ON IMPACT ANALYSIS:

The work carried out in 2021 on the analysis of non-financial issues allowed the Crédit Mutuel group to better control its negative impacts and continue to support its customers so as to generate more positive impacts for society as a whole.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
<p>2.2</p> <p>Target Setting:</p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified "areas of most significant impact", resulting from the bank's activities and provision of products and services.</p> <p>Show that these 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. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p>	<p>In accordance with its commitments regarding alignment with the Paris Agreement, Crédit Mutuel is starting to gradually steer its activities in a direction that favors the climate transition. The year 2020 saw the formalization of a governance structure and an action plan at the group level (see section 1.2).</p> <p>The aim of this consolidated action plan is to build collectively on the initiatives undertaken and oversee common issues (regulatory in particular):</p> <ul style="list-style-type: none"> — it is updated annually based on regulations, the requirements of the regional groups and CNCM's business lines, and proposals made by the working groups; — it is approved annually by the national executive and supervisory bodies; — it is overseen by the climate risk and CSR steering committee, which provides regular updates on the status of projects to the executive and supervisory bodies. <p>In 2021, the Crédit Mutuel group and all its entities signed on to two new initiatives based on the Principles for Responsible Banking (PRB):</p> <ul style="list-style-type: none"> — the NZBA (Net-Zero Banking Alliance), which aims for net zero emissions by 2050, implies a temperature alignment compatible with limiting global warming to 1.5°C above pre-industrial levels, in accordance with the most ambitious objective of the Paris Agreement; and — the Commitment to Financial Health and Inclusion, which aims to promote universal inclusion and encourage a banking sector that supports the financial health of its customers. This initiative builds on the social action taken by the Crédit Mutuel group. <p>ESG issues have been integrated into the regional groups through objectives, ambitious strategies and transparency commitments. The two areas discussed below, climate change and financial inclusion, are considered particularly strategic for the Crédit Mutuel group.</p> <p>Regional groups' operational strategies</p> <p>In the area of climate change:</p> <p>At their own initiative, several Crédit Mutuel group entities have pledged to:</p> <ul style="list-style-type: none"> — divest from coal by no later than 2030 in both OECD and non-OECD countries and apply certain criteria to oil & gas financing. This is the case for Crédit Mutuel Alliance Fédérale and Crédit Mutuel Arkéa; — adopt sector policies for sensitive sectors: Crédit Mutuel Alliance Fédérale has sector policies on mobility, mining, civil nuclear energy, defense and security and agriculture (2022) and Crédit Mutuel Arkéa adopted an agricultural and wine-growing policy in 2022, — support individuals and professionals in their transitions to a low-carbon economy. <p>Crédit Mutuel Alliance Fédérale's 2019-2023 revised strategic plan³ sets a target of reducing its carbon footprint⁴ by 30% and the carbon footprint of its corporate credit and investment portfolio by 15%. Incorporating environmental issues into its activities is one of the main ways in which it can have a positive impact on society under its sustainable development policy.</p>	<p>Non-Financial Performance Statement of the Crédit Mutuel group</p> <p>CMAF Universal Registration Document</p> <p>CMAF sector policies</p> <p>CMAF oil and gas press release</p> <p>Strategic plan CMAF</p> <p>Strategic plan CM Arkéa</p> <p>CM Arkéa 2020-2024 climate strategy</p> <p>CM Arkéa coal policy</p> <p>TCFD report - CM Arkéa</p>

3. ensemble#nouveau monde Strategic Plan | Crédit Mutuel Alliance Fédérale: <https://www.creditmutuelalliancefederale.fr/fr/qui-sommes-nous/plan-strategique-ensemble-nouveau-monde.html>

4. L'objectif porte sur les postes d'émission (périmètre France scope 1, 2 & 3 : consommations énergétiques, fluides frigorigènes, immobilisations liées à la flotte automobile et déplacements professionnels).

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
<p>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/ climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>Crédit Mutuel Arkéa, for its part, has pledged to reduce its direct carbon footprint by 16% between 2019 and 2024. At the end of 2020, Crédit Mutuel Arkéa also adopted a climate strategy for 2020-2024 which is based on two lines of action:</p> <ul style="list-style-type: none"> — strengthening its climate commitment vis-à-vis companies and regions, and; — integrating climate as a performance and risk factor into management of its activities. <p>And in the area of financial inclusion:</p> <p>The Crédit Mutuel group is very focused on supporting all its customers.</p> <p>Microfinance :</p> <p>In practical terms, Crédit Mutuel works with customers through microfinance (personal and business), directly and in partnership with microfinance institutions, and by taking specific measures to help customers who have become vulnerable as a result of difficult living situations, whether structural, social or economic.</p> <p>Banking inclusion:</p> <p>As a customer-focused regional bank, the Crédit Mutuel group is involved in efforts to promote banking inclusion and the protection of the least well-off. For customers identified as financially vulnerable, fees related to rejected payments and irregular account operation are capped.</p> <p>In addition, the group's networks are committed to promoting a special package of banking services for their customers. Crédit Mutuel Alliance Fédérale and Crédit Mutuel Océan have laid out their approach in their policy in support of vulnerable customers available on their website. Moreover, Crédit Mutuel Arkéa, Crédit Mutuel Alliance Fédérale and Crédit Mutuel Nord Europe announced on February 1, 2019, on June 11, 2020 and in August 2020, respectively, their decisions to exempt customers holding these accounts from rejected payment charges, going above and beyond regulatory requirements. Other initiatives are taken at the regional groups to support each of their customers and to ensure that health no longer poses a barrier to home ownership. In 2021, Crédit Mutuel Alliance Fédérale, Crédit Mutuel Maine-Anjou Basse-Normandie and Crédit Mutuel Océan eliminated medical formalities for loyal customers taking out loans to purchase their primary residence, regardless of their health status.⁵</p>	<p>CM Arkéa Oil and Gas Policy</p> <p>Crédit Mutuel Arkéa Agricultural and wine-growing policy</p> <p>CMAF policy in support of vulnerable customers</p> <p>CMO vulnerable customer policy</p> <p>Press release on elimination of the health questionnaire</p>

CONCLUSION ON TARGET SETTING:

Crédit Mutuel reaffirms its strong commitment, in keeping with its values and its main ESG concerns, to better meet the needs of its customers and members and achieve society's goals.

5. Bank customers whose main income has been credited directly to the Group for at least seven years or who already have ACM borrower's insurance for their primary residence are eligible for this.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
<p>2.3</p> <p>Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>National level:</p> <p>The group's participation in the Net-Zero Banking Alliance implies a temperature alignment compatible with limiting global warming to 1.5°C above pre-industrial levels, in accordance with the most ambitious objective of the Paris Agreement and the commitments made by the European Union (Green Pact). Through this initiative, the Crédit Mutuel group has made a commitment to set and publish interim (2030) and long-term (2050) objectives to comply with the goals of the Paris Agreements. To achieve these goals, the Crédit Mutuel group is monitoring a number of indicators and experimenting with several methods, as described below:</p> <p>In 2021, to assess how well its trajectory is aligned with the climate objectives, the Crédit Mutuel group worked on the PACTA COP (Paris Agreement Capital Transition Assessment) methodology. This methodology, developed by the 2 Degrees Investing Initiative (2DII) think tank and underpinned by the Principles for Responsible Investment (PRI), aims to provide an analysis of alignment with the Paris Agreement of loan portfolios for the most carbon-intensive sectors.</p> <p>In 2021, the Crédit Mutuel group also quantified the greenhouse gas emissions associated with its financing portfolios as part of an industry-wide project. The SAFE methodology (formerly P9XCA), developed at the initiative of Crédit Agricole CIB by the Sustainable Development Chair of Paris-Dauphine University, aims to provide a mapping and a rough estimate of the emissions financed and the proprietary investments of the economic sectors on the balance sheet of financial operators, by sector and by geographical area.</p> <p>The results of these two exercises made it possible, through their limits and contributions, to demonstrate the need to work on methodologies that are consistent and cover our business model. The work underway at the French Banking Federation (FBF) should allow the Crédit Mutuel group to make progress in this area.</p> <p>The Crédit Mutuel group and its regional groups are taking steps to measure and monitor climate risk by developing monitoring and oversight indicators. The creation of a dashboard for members of the Basel III working group and the Risk Committee for the purpose of monitoring climate risks enables the Crédit Mutuel group to manage these risks effectively and transparently up to the highest levels of its governance (see indicators in section 2.4).</p> <p>Implementation and monitoring of strategies and objectives within the regional groups:</p> <p>In the area of climate change:</p> <p>when it adopted "entreprise à mission" status, crédit mutuel alliance fédérale set interim objectives applicable from 2022, which include:</p> <ul style="list-style-type: none"> — reducing its own carbon emissions by 20% by 2022. To meet this objective, Crédit Mutuel Alliance Fédérale has chosen to apply ISO 14064, which provides a framework for GHG accounting and verification at the organization level for all scopes; — reducing the carbon footprint of its portfolios by 12% by 2022: Crédit Mutuel Alliance Fédérale has measured the carbon footprint of its corporate credit portfolio since 2019.⁶ This indicator provides a measure of the bank's proportional contribution to a company's carbon emissions, determined with reference to the amount of lending that the bank grants to it. This indicator is one of the metrics used in the national risk mapping; — Crédit Mutuel Alliance Fédérale has chosen to bolster the rules on implementing its sector policies by developing specific analysis tables for each business sector. These analysis tables incorporate the non-financial ratings of the counterparties (Environmental, Social and Governance criteria), which are analyzed when decisions regarding approval of banking and financial transactions are taken. A general analysis table has also been created for all sectors not subject to sector policies. 	<p>Non-Financial Performance Statement of the Crédit Mutuel group</p> <p>CMAF's 14 commitments</p> <p>TCFD report - CM Arkéa</p>

6. Scope: businesses excluding retail banking, property investment companies and off-balance sheet items

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
	<p>In 2021, Crédit Mutuel Arkéa published its first TCFD (Task Force on Climate-related Financial Disclosures) report in accordance with its climate strategy at the end of 2020. This report, which will be updated each year, aims to eventually meet the highest international standard for climate-related disclosures. Crédit Mutuel Arkéa thus wishes to make its commitments more transparent and inform all its stakeholders annually of the progress made in supporting the fight against global warming, in terms of both how the management of these risks is integrated into the group's strategy and results achieved through the monitoring of oversight and measurement indicators.</p> <p>In the area of financial inclusion:</p> <p>Banking inclusion:</p> <p>Crédit Mutuel Alliance Fédérale set a target of 50,000 customers with accounts specially designed for vulnerable customers by December 31, 2022. To expand the support measures, Crédit Mutuel Océan has signed partnerships with organizations certified as "Points Conseil Budget". Under this government program, personalized advice and services can be provided to financially vulnerable individuals, particularly in terms of managing their budget. It is also a tool for preventing excessive debt.</p> <p>Microfinance :</p> <p>The group's goal is to be a major player in the economic life of its regions. Alongside national partners such as ADIE, Initiative France and France Active, it plays an important role in sustaining employment and helping those who are excluded return to the workplace.</p>	

CONCLUSION ON TARGET MONITORING:

Crédit Mutuel is working to develop new climate change measurements and key performance indicators, an area with the greatest impact on the financial sector.

2.4

Progress on Implementing Targets

For each target separately:

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

Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.

Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures).

The first results were achieved in 2020:

Concerning climate change:

The Crédit Mutuel group and its regional groups are taking steps to measure and monitor climate risk by developing monitoring and oversight indicators. These indicators, chosen to take into account the materiality of both climate and environmental issues, are evolving, with a focus on continuous improvement and in accordance with regulatory requirements and the group's commitments (assessment of portfolio-related climate risks, analysis of alignment, trajectory, etc.).

The creation of a dashboard for members of the Basel III working group and the Risk Committee for the purpose of monitoring climate risks enables the Crédit Mutuel group to manage these risks effectively and transparently up to the highest levels of its governance. It takes into account the following indicators:

For transition risk:

- Green Asset Ratio – Eligibility ratio resulting from the European Union taxonomy regulation,
- percentage of total loans in sectors identified as sensitive⁷ by the ACPR,
- change in coal and oil & gas exposures (based on sector policies);

7. NACE codes concerned: (A01) Crop and animal production, hunting and related service activities; (B) Mining and quarrying; (C19) Manufacture of coke and refined petroleum products; (C20) Manufacture of chemicals and chemical products; (C23) Manufacture of other non-metallic mineral products; (C24) Manufacture of basic metals; (E37-39) Sewerage collection and treatment, waste collection, treatment and disposal, remediation activities and other waste management services.

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

For physical risk:

— major natural events identified related to a natural event (exposure and accident rate, operational risk scope).

Other work is being carried out to fine-tune reporting on energy performance diagnostics for financed real estate held as collateral. This indicator, currently being developed, is of great importance given the group's exposure and the transition goals of the real estate sector, which the Crédit Mutuel group wishes to support. It is also one of the key requirements expressed by supervisors and regulators in the work on banking reporting and bank stress tests.

All Crédit Mutuel group entities have targets for reducing their own environmental footprint (see section 2.2 Target setting - objectives). The Crédit Mutuel group measures greenhouse gas emissions related to its activities. For 2021, total emissions amounted to 382,976 tonnes of CO₂ equivalent, down 22% compared with the previous year thanks mainly to the reduction measures taken by the regional groups and the impact of the health crisis.

**RESULTS OF THE CREDIT MUTUEL GROUP'S CONSOLIDATED CARBON AUDIT
(CO₂ EMISSIONS IN eqT EXCLUDING FINANCING)**

IN EQ. TONNES CO ₂	2021 ¹	2020 ²
Direct greenhouse gas emissions (scope 1)	27,145	25,766
Direct greenhouse gas emissions (scope 2)	16,160	15,937
Indirect greenhouse gas emissions (scope 3)	339,671	395,722
Greenhouse gas emissions/FTE	4.6	5.2
GHG emissions per €M of net banking income	19.4	24.9

1. Scope of consolidation:

- Crédit Mutuel Arkéa, Crédit Mutuel Maine-Anjou et Basse-Normandie, Crédit Mutuel Nord Europe and Crédit Mutuel Océan: 2021 data
- Crédit Mutuel Alliance Fédérale: 2020 data

2. Scope of consolidation:

- Crédit Mutuel Arkéa, Crédit Mutuel Maine-Anjou et Basse-Normandie, Crédit Mutuel Nord Europe and Crédit Mutuel Océan: 2020 data
- Crédit Mutuel Alliance Fédérale: 2019 data

Crédit Mutuel Alliance Fédérale has measured the carbon footprint of its corporate credit portfolio since 2019. This indicator provides a measure of the bank's proportional contribution to a company's carbon emissions, determined with reference to the amount of lending that the bank grants to it. This indicator is one of the metrics used in the national risk mapping.

Carbon footprint of the corporate credit portfolio

IN TONNES OF CO ₂ /M€ LENT	2021	2020	CHANGE 2020-2021
CRÉDIT MUTUEL ALLIANCE FÉDÉRALE	251.3	256.6	-2.07%

Overall, the carbon footprint of Crédit Mutuel Alliance Fédérale's corporate credit portfolio decreased by 27.9% compared with 2018.

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

And financial inclusion:**Banking inclusion:**

Our networks are committed to promoting various inclusive finance mechanisms for their customers, such as basic banking services (enjoyed by 21,298⁸ customers as of December 31, 2021) and the special package of banking services for financially vulnerable customers (OCF). At December 31, 2021, 75,435 Crédit Mutuel customers benefited from this package.

All in all, for more than 400,000 customers identified as financially vulnerable, fees related to rejected payments and irregular account operation are capped. Detailed information is provided in the regional groups' non-financial performance statements.

Microfinance :

Alongside its partners, Crédit Mutuel gives vulnerable customers access to financial support through microloans and assistance. For example, in 2021 the Crédit Mutuel group provided ADIE with €14.8 million in financing packages which helped create or preserve 4,000 jobs. In addition, thanks to cooperation between Crédit Mutuel and France Active in 2021, 2,000 loans were granted, enabling the consolidation or creation of 3,800 jobs.

In 2021, the Crédit Mutuel group confirmed its commitment to these three microcredit support networks, with nearly €424 million refinanced or disbursed to over 11,000 recipients.

[Press release on elimination of the health questionnaire](#)

SUMMARY OF ASSISTED MICROLOANS' GRANTED BY THE GROUP**Personal assisted microloans**

	2021	2020
Number of microloans granted during the year	972	852
Amount of microloans financed during the year (in € millions)	2.5	2.1

Business assisted microloans - ADIE partnership

Number of applications processed	4,659	3,703
Amount of credit lines made available (in € millions)	13.5	10.6

Business assisted microloans - France Active Garantie partnership

Number of new microloans financed	2,021	1,750
Amounts guaranteed (in € millions)	48.4	42.7

Business assisted microloans - Initiative France partnership

Number of additional bank loans granted	4,484	3,624
Amount of additional bank loans granted (in € millions)	362.0	257.4

1. Microloans: guaranteed loans granted to vulnerable borrowers for which assistance is provided by a public body. Caps on the amounts granted set by the Lagarde Act of July 1, 2010.

To ensure that health no longer poses a barrier to home ownership, in 2021 Crédit Mutuel Alliance Fédérale, Crédit Mutuel Maine-Anjou Basse-Normandie and Crédit Mutuel Océan eliminated medical formalities for loyal customers taking out loans to purchase their primary residence, regardless of their health status.

CONCLUSION ON PROGRESS ON IMPLEMENTING TARGETS:

Crédit Mutuel is taking numerous initiatives to build a trajectory that respects the Paris Agreements and promote the financial inclusion of its customers.

8. Excluding Crédit Mutuel Arkéa.

PRINCIPLE 3

Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
3.1 Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.	<p>Fair practices must ensure principles of integrity and honesty between the company and its stakeholders, particularly its customers and competitors.</p> <p>This is essential to implementing a CSR policy. It covers a diverse range of activities, such as corruption prevention, a commitment to responsible policies, communication and fair competition, the promotion of social responsibility in the value chain (with suppliers and subcontractors), the security of customer and employee data, market integrity and anti-money laundering, counter-terrorist financing and fraud prevention.</p> <p>As the Crédit Mutuel group strives to conduct its business in compliance with applicable laws and regulations, it has put in place an organization that is adapted to this objective, and to its principles of proximity and subsidiarity.</p> <p>The organization of the compliance system is governed by a general decision adopted by CNCM's Board of Directors to define and establish the scope of intervention of the compliance audit functions at the confederation and regional levels.</p> <p>It specifies that prevention of compliance risks within the group covers the following areas:</p> <ul style="list-style-type: none"> — financial security (anti-money laundering and counter-terrorist financing, compliance with embargoes, restrictive financial measures and asset freezing, tax compliance); — commercial practices and customer protection (including the protection of personal data); — code of conduct, ethics, anti-corruption and the prevention of conflicts of interest; market integrity. <p>On April 7, 2021, CNCM's Board of Directors adopted a new general decision regarding the anti-money laundering/counter-terrorist financing and international financial sanctions prevention policy within the Crédit Mutuel group, the aim of which is to formalize the organization adopted in accordance with applicable regulations, in particular through the concrete establishment of responsibility-sharing between the Confederation and Crédit Mutuel's regional groups in compliance with the principle of subsidiarity.</p> <p>The various financial security mechanisms within the group, whether implemented in an operational, internal control or governance reporting framework, seek to contribute effectively to the fight against money laundering, tax fraud or evasion and terrorist financing, as well as to compliance with financial, economic and trade sanctions.</p>	Non-Financial Performance Statement of the Crédit Mutuel group

Reporting and Self-Assessment Requirements

High-level summary of bank's response

Reference(s)/Link(s) to bank's full response/ relevant information

As an example and to illustrate the results obtained, the anti-money laundering indicators are as follows:

ANTI-MONEY LAUNDERING INDICATORS	2021	2020
Number of employees responsible for anti-money laundering (FTE)	387	287
Number of employees targeted for AML/CFT training	56,085	52,764
Number of employees who have completed AML/CFT training	46,048	46,297
Percentage of employees who have completed AML/CFT training	82.1%	87.7%

3.2

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. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.

Climate change:

Given its cooperative status and local presence, the Crédit Mutuel group has been committed to financing the development of regions, companies and businesses since its creation. It has historically been a preferred player in regional development, agriculture and housing. With €28.123 billion in outstanding loans, the group reaffirms its commitment to work directly in the regions to support its customers in the green and energy transition, both via structured financing and via its long-standing energy transition financing business as a retail bank.

In 2021, Crédit Mutuel Alliance Fédérale financed 31 projects, including 18 in renewable energies, through CIC's Project Financing department. Authorizations for renewable energy projects at the end of December 2021 totaled €2.1 billion, an increase of 15% compared with the end of 2020. Excluding sub-participations, authorizations for renewable energy projects at the end of December 2021 amounted to €2 billion, up 10% compared with the end of 2020.

The Crédit Mutuel group also provides financing to individuals, professionals and SMEs for energy management projects, including thermal renovation of buildings and low-carbon mobility. At the end of 2021, outstanding loans for this activity totaled €26.023 billion.

FINANCING OF THE ENERGY TRANSITION

(€ MILLIONS)	2021	2020
Financing of the energy transition (outstanding renewable energy loans + loans for energy renovation of buildings + eco-friendly equipment for professionals and farmers + financing of environmentally-friendly vehicles)	28,123	23,466
Amount of structured financing for renewable energies ¹	2,100	1,800
Outstanding loans granted to professionals and farmers for renewable energy ¹	165	177
Loans for financing new homes that comply with the RT 2012 standard	24,906	20,961
Outstanding interest-free Eco loans granted during the year	604	528
Clean vehicles loans	287	NC
Outstanding energy transition loans	61	NC
Socially responsible sustainable development savings account balances	20,249	18,996

1. Excluding Crédit Mutuel Arkéa

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
	<p>Since March 2022, Crédit Mutuel Alliance Fédérale, Crédit Mutuel Maine-Anjou Basse-Normandie and Crédit Mutuel Océan have offered the Prêt Avance Rénovation loan to allow low-income and retired homeowners (whose age and income make it difficult to access credit) whose homes are poorly insulated to have a complete energy renovation without paying the costs in advance. This type of mortgage loan for preventing heat loss is made possible by the Climate and Resilience Law. It allows borrowers to only pay the out-of-pocket costs of the energy renovation when the property is inherited or sold.</p> <p>In the area of mobility, all the regional groups offer subsidized loans for the purchase of an environmentally-friendly vehicle.</p> <p>Since February 2020, Crédit Mutuel Arkéa has offered a "PACT" loan to institutional clients, SMEs and mid-caps through its ABEI (Arkéa Banque Entreprises et Institutionnels) subsidiary. This loan, whose remuneration is indexed to the borrower's ESG (environmental, social and governance) performance with a special interest rate that can result in up to 20% savings on financing costs, is monitored by an independent non-financial analysis agency to ensure that applications are impartially assessed based on predetermined criteria. At the end of 2021, nearly 95 public and private economic players had already obtained PACT loans for a total of €500 million.</p> <p>Crédit Mutuel is also firmly committed to the farming sector, where it works with customers on their green transition projects and responds to new consumer demands. For example, to support farmers in their environmental approaches, Crédit Mutuel Alliance Fédérale and Crédit Mutuel Arkéa (via their agriculture policy) subsidize some farms' out-of-pocket costs of the carbon diagnostic. The group's commitment to the energy transition is evident among farming customers, who are well represented among the renewable energy equipment projects financed.</p> <p>For over 15 years, the Crédit Mutuel group has also developed a responsible investment offering and reaffirmed its commitment through its asset management subsidiaries (Crédit Mutuel Asset Management, Federal Finance Gestion, La Française, etc.). Since 2021, pursuant to Regulation (EU) 2019/2088, known as the SFDR, the Crédit Mutuel group's main asset management subsidiaries have specified the products that promote environmental and/or social characteristics (Article 8 of the Regulation) and products whose purpose is sustainable investment (Article 9 of the Regulation) in their fund catalogue.</p> <p>As a bank for all customers, the group's companies give special attention to vulnerable individuals.</p> <p>Financial inclusion:</p> <p>The health crisis led to a strengthening of the measures taken to support these customers:</p> <ul style="list-style-type: none"> — full exemption from rejected payment charges for financially vulnerable individuals who have the Crédit Mutuel Facil'Accès package (Crédit Mutuel Alliance Fédérale and Crédit Mutuel Nord Europe); — capping of rejected payment charges at €20 per month for financially vulnerable individuals who have the special package of banking services (Crédit Mutuel Océan and Crédit Mutuel Maine-Anjou and Basse-Normandie); — at Crédit Mutuel Arkéa, the full exemption from rejected payment charges put in place prior to the health crisis applies to financially vulnerable customers who have the special package of banking services. 	<p>Prêt Avance Renovation press release</p> <p>ABEI press release</p>

PRINCIPLE 4

Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	<p>Crédit Mutuel actively contributes to financial sector initiatives in France and Europe.</p> <p>At the European level, the Crédit Mutuel Group is a member of various professional associations and participates in the specific working groups set up by European banking organizations to contribute to the progress of the Sustainable Finance strategy. This includes the work of the EBF (European Banking Federation) and the EACB (European Association of Cooperative Banks).</p> <p>At the national level, Crédit Mutuel is actively involved in the work of the FBF (French Banking Federation), which is chaired by Nicolas Théry, Chairman of Confédération Nationale du Crédit Mutuel, on climate risk prevention:</p> <ul style="list-style-type: none"> — through the monthly climate committee meeting, which brings together representatives of the risk and CSR departments of all French banking groups, and committee meetings at which this topic is addressed from time to time; — through the various working groups set up by the FBF on this issue (coal/oil & gas exposures, Climate Finance Day, Observatoire de la Finance Durable, green taxonomy, integration of ESG risks into Pillar III reports, CSRD - Corporate Sustainable Reporting Directive, etc.). <p>Crédit Mutuel also takes part in industry-wide responses to numerous ESG consultations at the European level. It is also a member of the C3D (Collège des Directeurs de Développement Durable) and the ORSE (Observatoire de la RSE). Major companies from the industrial, financial and other sectors are members of these two organizations. NGOs and professional and social organizations are also members of the ORSE.</p> <p>The Crédit Mutuel group's commitment to being a key player in the fight against climate change is also demonstrated by its participation in numerous initiatives, such as the PRI (Principles for Responsible Investment), the PRB (Principles for Responsible Banking), and the NZBA (Net-Zero Banking Alliance).</p> <p>The Crédit Mutuel group also engages with stakeholders (shareholders' meetings, NGOs, non-financial rating agencies, etc.) on a regular basis.</p> <p>The regional groups also take initiatives along these lines, as detailed in their NFPS. In 2021, Crédit Mutuel Arkéa began using a tool to measure its overall performance and shares its methodology, which includes financial and non-financial indicators for its stakeholders (members, customers, suppliers, employees) that are then converted into euros. It thus evaluates and monetizes the positive and negative impacts generated by financing and investment activities with members and customers, by purchases made from suppliers and by the HR policy with respect to employees. For example, Crédit Mutuel Arkéa assesses the non-financial impacts of a customer's activities (such as number of jobs supported or greenhouse gas emissions) and then converts these impacts into euros. It then determines the level of its own contribution to these impacts in proportion to its commitments.</p> <p>In January 2022, after adopting "entreprise à mission" status, Crédit Mutuel Alliance Fédérale set up a Mission Committee that will ensure that the company has the necessary resources, governance and resolve to carry out its missions. This committee consists of nine members, one-third of whom are independent persons, one-third elected members and one-third staff representatives.</p>	<p>Non-Financial Performance Statement of the Crédit Mutuel group</p> <p>Credit Mutuel Arkéa Overall Performance Measurement</p> <p>CMAF Mission Committee</p>

PRINCIPLE 5

Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
<p>5.1</p> <p>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 effective implementation of the Principles.</p>	<p>Since January 1, 2020, the CSR function of Confédération Nationale du Crédit Mutuel (CNCM) has been part of the Risk Department.</p> <p>This new arrangement involves the formalization of a governance structure and a 13-part action plan at the Crédit Mutuel group level, which were approved by the national executive and supervisory bodies.</p> <p>The Crédit Mutuel group's consolidated action plan is centered around three priorities:</p> <ul style="list-style-type: none"> — SUSTAINABILITY - Take a long-term approach; — REPORTING - Develop relevant and tangible measurement tools; — CLIMATE - Align our activities with the climate goals of the Paris Agreement. <p>A "Climate Risk & CSR" steering committee composed of the risk management directors and/or CSR directors of each regional group and representatives of the two information systems meets four times a year and reports to the Basel III working group, which includes the CEOs of the groups and the CEO of CNCM.</p> <p>Three working groups focusing on scenarios and metrics, CSR and adaptation of tools have also been created and include experts in these areas. Participants in these working groups are nominated by each of the four regional groups. Oversight is provided by the Risk Committee and the Board of Directors, which approve the overall guidelines. A director who specializes in climate and CSR issues sits on the committee.</p> <p>At the regional groups:</p> <p>In 2020, the vast majority of its networks and subsidiaries, deeply concerned about the regional impact, chose to formalize a raison d'être. In 2022, 90% of the Crédit Mutuel federations will have adopted "entreprise à mission" status. The regional groups have also organized themselves operationally, for Crédit Mutuel Arkéa with the Transitions 2024 plan and for Crédit Mutuel Alliance Fédérale with 14 commitments to implement a strategy that benefits a society in transition, one that is fairer and more sustainable.</p>	<p>Non-Financial Performance Statement of the Crédit Mutuel group</p> <p>CMAF's 14 commitments</p> <p>Crédit Mutuel Arkéa Transitions 2024</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
<p>5.2</p> <p>Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p>For more than 10 years, continuous monitoring by CNCM's CSR team has resulted in several publications:</p> <ul style="list-style-type: none"> — a weekly newsletter is available on an intranet site accessible to employees and elected members of CNCM and the regional groups to educate as many people as possible about CSR issues; — webinars are offered on current topics that may be of interest to the various business lines of CNCM and the regional groups. For example, in 2021, the results of the climate stress test were presented to the governance bodies and employees in the presence of the ACPR; — awareness and training tools are developed for both employees and directors. In April 2021, a training course on CSR issues and climate risks was held for members of the Board of Directors. In keeping with their responsibilities, directors must be able to define the best strategies for Crédit Mutuel in the interest of all its customers and members. This training was an opportunity to provide them with the keys and knowledge they need to understand this complex and fundamental issue. They were able to learn about the main challenges for the financial sector and the impact of ever-increasing regulations, at both the national and European level. <p>The regional groups also take initiatives along these lines, as detailed in their NFPS.</p>	<p>Non-Financial Performance Statement of the Crédit Mutuel group</p>
<p>5.3</p> <p>Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. 	<p>The implementation and governance of the PRB principles are the cornerstone of our ESG governance structure described above (see section 5.1).</p> <p>Climate indicators are made available to the executive officers and directors in the form of a risk dashboard. This enables the Crédit Mutuel group to ensure effective, transparent management up to the highest levels of its governance (see section 2.4).</p> <p>Crédit Mutuel was the first French cooperative bank to join the Net-Zero Banking Alliance in May 2021. It will therefore set its climate trajectory by November 2022. Aware of the importance of setting and publishing interim and long-term goals to meet the Paris Agreement targets, it intends to base them on decarbonization scenarios grounded in climate science.</p>	<p>Non-Financial Performance Statement of the Crédit Mutuel group</p>

CONCLUSION ON THE GOVERNANCE STRUCTURE FOR IMPLEMENTATION OF THE PRINCIPLES
 Implementation of the Principles for Responsible Banking (PRB) is an integral part of the Crédit Mutuel group's ESG governance.

PRINCIPLE 6

Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
<p>6.1</p> <p>Progress on Implementing the Principles</p> <p>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</p> <p>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</p>	<p>In 2021, the Crédit Mutuel group took a number of actions to contribute to society's goals. The most significant achievements are described in the Non-Financial Performance Statements of the National Confederation and the regional groups.</p> <p>Principle 1: Alignment</p> <p>In light of its business model, agriculture and real estate are two sectors that are considered major for Crédit Mutuel, in terms of volume of exposures and ESG issues, which explains the actions taken in these areas (work on Energy Performance Diagnostics (EPDs)) as well as the assessment of the vulnerability of real estate to weather hazards, the farming sector policies of Crédit Mutuel Alliance Fédérale and Crédit Mutuel Arkéa, the monitoring of KPIs related to these issues by the governance bodies, and the elimination of medical formalities for loyal customers taking out loans to purchase their primary residence, regardless of their health status, by some regional groups (see Crédit Mutuel Group NFPS). Two areas – climate change and financial inclusion – are also considered particularly strategic for the group, which is why it participates in initiatives in these areas (NZBA and the UNEP-FI initiative on financial inclusion and health). This is also why Crédit Mutuel contributes to the French Banking Federation's work on the convergence of carbon footprint measurement methodologies and on trajectory alignment with a 1.5 degree scenario.</p> <p>The insurance and asset management activities are managed by the regional groups. Several of our subsidiaries (Federal Finance Gestion (2009), La Française (2010), CM Asset Management (2012) and CIC Private Debt (2014), BLI - Banque de Luxembourg Investments S.A. (2017), Schelcher Prince Gestion (2018), Arkéa Capital (2019), Suravenir (2019), Dubly Transatlantique Gestion (2020) are signatories to the Principles for Responsible Investment (PRI), and the insurance and asset management entities have made ESG (Environment, Social and Governance) analysis a focal point of their development strategy.</p> <p>In 2021, La Française Group became a signatory of the Net-Zero Asset Managers initiative (partner to the PRI initiative), which promotes support among asset managers for the goal of net zero greenhouse gas emissions by no later than 2050.</p>	<p>Non-Financial Performance Statement of the Crédit Mutuel group</p> <p>CMAF Universal Registration Document (section 3)</p> <p>CMAF Arkéa Universal Registration Document (section 5)</p> <p>CMO NFPS</p> <p>CMMABN NFPS</p> <p>List of PRI signatories</p> <p>List of signatories of the "Finance for Biodiversity Pledge"</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
<p>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.</p>	<p>Federal Finance Gestion (2021), Schelcher Prince Gestion (2021), Crédit Mutuel Arkéa (2021), Crédit Mutuel Asset Management (2021) and La Française (2022) have become signatories of the “Finance for Biodiversity Pledge”. It is important to mention that CIC, a subsidiary of Crédit Mutuel Alliance Fédérale, signed the Poseidon Principles, which provide for a quantitative assessment of the alignment of financial institutions’ shipping portfolios with climate requirements. This transparency commitment is fully in line with the mobility sector policy adopted by Crédit Mutuel Alliance Fédérale.</p> <p>Principle 2: Impact and Target Setting</p> <p>In May 2021, the Crédit Mutuel group reaffirmed its commitment by becoming the first French mutual bank to join the NZBA (Net-Zero Banking Alliance), which aims to align the emissions of banking portfolios with carbon neutrality trajectories (or net zero emissions) by 2050. From an operational standpoint, the Crédit Mutuel group tested external (see section 2.3) and internal (see section 2.4) methodologies in 2021.</p> <p>To comply with the Paris Climate Agreement and align its activities with a carbon neutrality trajectory by 2050, the Crédit Mutuel group and its regional groups are taking steps to measure and monitor climate risk to ensure the effective, transparent management of these risks up to the highest levels of its governance.</p> <p>Other work is being carried out at the regional groups to fine-tune reporting on energy performance diagnostics (EPD) for financed real estate held as collateral. This indicator, currently being developed, is of great importance given the group's exposure and the transition goals of the real estate sector, which the group wishes to support.</p> <p>In 2021, the regional groups enhanced their sector policies for sensitive sectors (such as agriculture). Information on the Crédit Mutuel group's climate commitments is published on the websites of the relevant groups and on the Observatoire de la Finance Durable website.</p> <p>Principle 3: Clients and Customers</p> <p>The Crédit Mutuel group adapts and develops new products and a responsible investment offering in accordance with European regulations (see section 3.2), to meet customers' needs and contribute to society's goals.</p> <p>The work carried out on the taxonomy will also provide food for thought (see section 2.1).</p> <p>Principle 4: Stakeholders</p> <p>Crédit Mutuel actively contributes to financial sector initiatives in France and Europe. It continues to engage with its stakeholders (shareholders' meetings, NGOs, non-financial rating agencies, etc.) on a regular basis (see section 4.1).</p> <p>Principle 5: Governance & Culture</p> <p>Implementation of the Principles for Responsible Banking (PRB) is now an integral part of the Crédit Mutuel group's ESG governance. Regular updates are provided to the executive and supervisory bodies to monitor the status of projects and validate key milestones. Along these same lines, in 2022 the members of CNCM's Board of Directors were made aware of ESG issues during an internal training session.</p>	<p>Link to the Poseidon Principles</p> <p>Link to Observatoire de la Finance Durable</p> <p>Link to CMAF sector policies</p> <p>Link to CM Arkéa sector policies</p>

Reporting and Self-Assessment Requirements	High-level summary of bank's response	Reference(s)/Link(s) to bank's full response/ relevant information
	<p>Principle 6: Transparency & Accountability</p> <p>With a view to continuous improvement, the risks included in the existing national matrix were reviewed in 2021 to ensure, among other things, their consistency with current and/or upcoming regulatory changes (particularly the CSRD - Corporate Sustainable Reporting Directive). Following this analysis, the national CSR risk matrix was updated and is now broken down into three types:</p> <ul style="list-style-type: none"> — environmental risks; note that, for climate risks, this work was linked to the work carried out in the Risk Department on integrating these risks into the national risk mapping; — risks related to social and societal aspects; — risks related to Crédit Mutuel's governance <p>This work will continue in 2022 in an effort to anticipate future regulatory requirements on non-financial disclosures.</p> <p>This year, in its Non-Financial Performance Statement, the Crédit Mutuel group published the first regulatory ratios related to the European Union's green taxonomy.</p> <p>At the regional groups, in 2021 Crédit Mutuel Arkéa published its first TCFD (Task Force on Climate-related Financial Disclosures) report.</p>	

CONCLUSION ON PROGRESS ON IMPLEMENTING THE PRINCIPLES FOR RESPONSIBLE BANKING:
Crédit Mutuel has made progress on implementing the PRB, which are now an integral part of its CSR policy.