

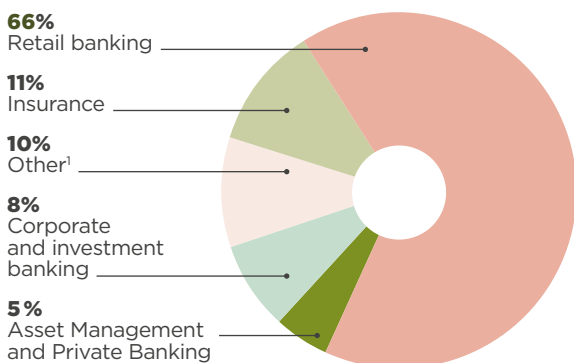
# NZBA COMMITMENTS NET ZERO BANKING ALLIANCE

## Context and group commitments

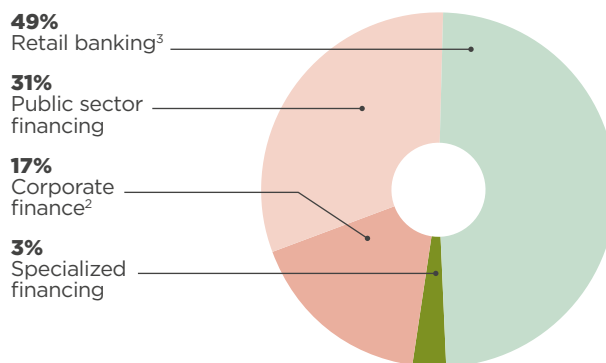
The Crédit Mutuel group operates a full range of banking and insurance activities through its nineteen federations and four regional groups and their subsidiaries. It consists of a group of cooperative banking and financial institutions with deep roots in the regions and across France.

Its 83,000 employees serve 36.1 million customers, including 8.3 million members, to best meet the needs of individuals and regions. 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 a firm focus on supporting individuals and small and medium-sized companies, Crédit Mutuel has implemented social, environmental and climate initiatives adapted to the types of customers it serves.

### 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.



In response to societal and environmental challenges, the Crédit Mutuel group set up a specific governance structure to guide its CSR strategy and also adopted a consolidated action plan, which was co-developed with the regional groups and approved by the national executive and supervisory bodies.

The double materiality principle also applies when taking into account climate and environmental risks within the group:

- assessment of the potential and proven impacts of climate change and environmental risks on all the group's activities, on the one hand<sup>(1)</sup>; and
- assessment of the impacts of its activities on climate and environmental factors, on the other.

The Crédit Mutuel group joined the Net-Zero Banking Alliance on May 25, 2021 to comply with the goals of the Paris Agreement and align its activities with a carbon neutrality trajectory by 2050.

The NZBA alliance is part of the Glasgow Financial Alliance for Net Zero (GFANZ) and Race to Zero, a campaign supported by the UN.

It enables the financial sector to work towards a carbon neutrality objective by 2050, by complying with a sound and harmonized methodological framework.

The Crédit Mutuel group's commitment is also demonstrated by its active participation in the Alliance's work, and its representation in the working groups on sectoral trajectories and support for the implementation of the commitment within the participating banks. It is in line with the work carried out over several years within the group, particularly measurement of the carbon footprint of financing activities by Crédit Mutuel Alliance Fédérale.

The Crédit Mutuel group's involvement in the Net-Zero Banking Alliance reflects its desire to align its activities with a pathway compatible with the Paris Agreement, in keeping with its previous commitments and the regional groups' own strategies<sup>(2)</sup>.

## Disclaimer

Changes in the methodology developed and applied by the Crédit Mutuel group may be reflected in future publications. This is due to the limitations currently encountered, particularly in terms of the availability and quality of non-financial data, which has been identified as a priority within the group. Moreover, the inclusion of new sectors in the scope of alignment targets will make it possible to cover the group's financing on a broader scale. Finally, it should be noted that the Crédit Mutuel group does not use any carbon offset scheme.

All potential changes to the methodology in the future will be published with the commitments to ensure consistency, comparability and compliance with various national and international commitments.

(1) All information regarding the monitoring and management of climate and environmental risks by the Crédit Mutuel group is available in the Non-Financial Performance Statement.

(2) Crédit Mutuel Alliance Fédérale, Crédit Mutuel Arkéa, Crédit Mutuel Maine-Anjou Basse Normandie, Crédit Mutuel Océan.

# Alignment targets

This first series of targets is being published for Crédit Mutuel Alliance Fédérale, which represents:

- 98% of the Crédit Mutuel group's financing in the oil and gas sector,
- 86% of the Crédit Mutuel group's financing in the electricity generation sector.

**In keeping with its status of benefit corporation and in an effort to combat climate change, Crédit Mutuel Alliance Fédérale is strengthening its environmental commitments and is today publishing its 2030 targets under the Net-Zero Banking Alliance in two of the most carbon-emitting sectors: oil and gas and electricity generation.**

The figures presented in this document are based on current estimates. They are subject to change to reflect potential changes in methodology, as well as data availability and quality.

## A. Oil and gas

### • Strategic context of the sector: oil and gas

For many years, Crédit Mutuel Alliance Fédérale has made firm commitments in the oil and gas sector and in 2022 opted for a responsible sector policy, in line with its mutualist values, in order to help its customers transform their business model and thereby contribute to the fight against climate change.

As part of its hydrocarbon policy, Crédit Mutuel Alliance Fédérale has pledged to:

- stop financing any new projects involving exploration, production, infrastructure (oil and gas pipelines and storage units) or processing (oil refineries, gas liquefaction terminals) in the oil and gas sector;
- refrain from providing banking and financial services to companies included in the NGO Urgewald's Global Oil & Gas Exit List (GOGEL) whose share of unconventional hydrocarbon production<sup>(3)</sup> exceeds a defined threshold: 25% starting on January 1, 2023, then 20% from January 1, 2024.

### • Targets set for the oil and gas sector

In line with its current strategic plan covering the 2019-2023 period, Crédit Mutuel Alliance Fédérale has chosen 2018 as the year that will serve as the starting point for its commitments aimed at achieving carbon neutrality by 2050. It has taken into account direct and indirect emissions (scope 1, 2 and 3) related to its exposures in the sector (on and off-balance sheet financing<sup>(4)</sup>).

The baseline scenario used to define the pathway for reducing our emissions in order to achieve carbon neutrality is the International Energy Agency's Net Zero (NZE) (as published in 2020).

Based on the NZE scenario, Crédit Mutuel Alliance Fédérale's goal is to **reduce the carbon footprint of its financing in the oil & gas sector by 30% by 2030.**

(3) The list of unconventional hydrocarbons is based on information from Urgewald's GOGEL list and is detailed in the sector policy published by Crédit Mutuel Alliance Fédérale: SMR - Sector Policies | BFCM (creditmutuel.fr).

(4) The methodology used to account for emissions related to off-balance sheet financing will be fine-tuned for future years.

## B. Electricity

### • Strategic context of the sector: electricity

To achieve the NZE scenario target by 2050, it is essential to quickly reduce the share of fossil energy in electricity generation and significantly increase the share of low-carbon electricity.

Crédit Mutuel Alliance Fédérale has already made a commitment in its coal sector policy to reduce the coal exposure of its financing and investment portfolios to zero by 2030 for all countries worldwide and to stop providing support to companies operating in the coal sector after 2030.

In addition, as part of its 2019-2023 strategic plan, Crédit Mutuel Alliance Fédérale set the objective of increasing the financing of projects with a high climate impact, including renewable energy projects, by 30%. This objective was already exceeded as of December 31, 2021, with an increase of more than 50% compared with the end of 2018.

### • Targets set for the electricity sector

According to the International Energy Agency's NZE scenario, the carbon intensity of electricity generation must decrease from 459 to 138g of CO<sub>2</sub> per kWh between 2020 and 2030.

By 2030, Crédit Mutuel Alliance Fédérale has pledged to have **more than 90% of its financing related to electricity generation in projects or counterparties that emit less than 100g of CO<sub>2</sub>/kWh.**

