

Sector policy – Residential real estate

Crédit Mutuel Alliance Fédérale, which is a company with “Entreprise à mission” status, wants to work towards a fairer and more sustainable society. To this end, the group wishes to strictly monitor operations in sensitive sectors involving social and environmental risks. Being concerned about taking these issues into account responsibly, the group has undertaken to define sector policies aimed at delimiting the scope of action and establishing criteria and principles to be observed during the performance of its activities and thus contributing to the ecological transformation and social progress.

The measures stemming from these policies apply to the entire group, subject to compliance with the legal and regulatory provisions applicable to each entity.

These measures may be revised each time the group deems it necessary.

Crédit Mutuel Alliance Fédérale is leading the ecological and societal revolution to accompany the ecological transformation of its customers and contribute to the decarbonization of the economy. Achieving these goals will require an unprecedented mobilization of the real estate sector. Under the “Stratégie Nationale Bas-Carbone” (SNBC), the construction sector must reduce its greenhouse gas emissions by 95% by 2050 compared to 2015. This decarbonization objective applies in particular to new real estate construction by imposing a limitation of the impacts of buildings during both the construction and operating phases.

Yet, the majority of tomorrow’s city has already been built. 37% of final energy consumption in France is due to existing housing¹, particularly attributable to the 17% of energy-inefficient buildings making up the French residential property stock.² The thermal and energy renovation of buildings³ is therefore the primary environmental and social challenge for the transition of the real estate sector.

“Entreprise à mission” and a major player in real estate financing, Crédit Mutuel Alliance Fédérale has chosen a responsible policy in line with its mutualist values. Its ambition is to support energy and thermal renovation and the decarbonization objectives of the real estate sector. One hundred thousand customers must be supported in their

¹ According to INSEE, June 2023.

² A As of January 1, 2022 out of the 30 million main residences in the French housing stock, according to the Ministry of Ecological Transition (July 2022).

³ Energy retrofits must meet criteria for reducing primary energy consumption.

energy renovation projects by 2027⁴. This policy thus meets multiple objectives: to contribute to the mitigation of greenhouse gas emissions for a world aligned with the objectives of the Paris Agreement, to work for the adaptation of the building stock to current and future effects of climate change and extreme events, to combat the erosion of biodiversity and the degradation of ecosystems and to support access to sustainable housing. Through this policy with environmental and social ambitions, Crédit mutuel alliance fédérale supports all its clients in the challenges of the transformation of the real estate sector, in order to work for a fairer and more sustainable society.

In this way, Crédit mutuel alliance fédérale supports its customers with dedicated commercial offers, while taking into account the analysis of energy performance diagnostics (DPE) in order to enhance the renovation efforts of its customers.

1. Perimeter : *residential real estate in metropolitan France*

This policy applies to residential real estate financing located in metropolitan France of natural persons or via real estate civil companies owned by natural persons.

2. Scope : *acquisition and renovation*

This sectoral policy covers loans to finance the acquisition of real estate and renovation loans granted to Crédit mutuel alliance fédérale's existing and future customers.

3. Mandatory requirements: *systematic collection of the energy performance certificate (DPE)*

All new acquisition credit applications must include an Energy Performance Diagnostic (DPE), except for goods not subject to DPE⁵.

In regards to new constructions, thermal regulations and energy labels are taken into account.

4. Analysis criteria: *regulations and energy performance score*

Climate and regulatory issues require a risk analysis that includes the consideration of energy performance diagnostics.

At the request of financing, the analysis of the energy criteria has an impact on the criteria for granting and pricing loans.

5. Measures *to support the thermal and energy transition of buildings*

Valuation of energy performance and support for acquisition

The conditions for granting will be adapted to take into account the energy performance of the financed assets and the commitment to carry out energy efficiency improvements. In particular:

- Loans for leased properties with a DPE rated F or G are conditioned to the commitment to carry out energy-efficiency works ;
- In the case where the energy criteria are more efficient (DPE rated A or B), or if energy renovation envelope is allocated to the acquisition project, the conditions of granting will be adapted and the pricing conditions more advantageous.

In addition, Crédit Mutuel Alliance Fédérale promotes home ownership for all of its clients by integrating zero-interest loans (PTZ), social rental loans (PLS)⁶, social home loans (PAS), social rental home loans (PSLA)^{Erreur ! Signet non défini.}, real solidarity leases (BRS) and conventional loans (PC), as well as the Flexipropriété⁷ offer.

Valuation and support for carrying out energy-efficiency works

Crédit Mutuel Alliance Fédérale works for thermal and energy renovation of buildings. Faced with the numerous challenges that such a project raises, Crédit Mutuel Alliance Fédérale supports its clients in carrying it out, with a rich and comprehensive offer at each stage:

⁴ Crédit Mutuel Alliance Fédérale is committed to reducing its carbon footprint... (aefinfo.fr)

⁵ Property not subject to DPE is defined in Article R126-15 of the Construction and Housing Code.

⁶ Offer proposed by the Crédit Mutuel network
⁷ Offer proposed by the federation Crédit Mutuel Nord Europe

- Solutions to finance works and thus improve the energy performance of housing:
 - « Mon Eco-PTZ Prime Rénov' » is a zero-interest eco-loan, which makes it possible to finance the remainder of the cost of work for which the financial aid «MaPrimeRénov'» has been granted by the ANAH.
 - The "basic" «Eco-PTZ» is a regulated real estate loan attributed to finance certain expenditures for improving the energy efficiency of housing.
 - The « Prêt Avance Rénovation » is a mortgage that specifically targets modest and/or older households that cannot finance energy-efficiency works for their homes.
 - The « Crédinergie^{Erreur ! Signet non défini.} / Développement Durable⁸ » loan is dedicated to energy-efficiency work or to install renewable energy equipment. It benefits from advantageous conditions and can complement a zero-interest eco-loan (Eco-PTZ).

BIBLIOGRAPHICAL APPENDIX

- Stratégie Nationale Bas-Carbone (SNBC) : <https://www.ecologie.gouv.fr/strategie-nationale-bas-carbone-snbc>
- Ministère de la transition écologique et de la cohésion des territoires, Le parc de logements par classe de performance énergétique au 1er janvier 2022, 07/2022 : <https://www.statistiques.developpement-durable.gouv.fr/le-parc-de-logements-par-classe-de-performance-energetique-au-1er-janvier-2022-0>
- ADEME : <https://www.ademe.fr/les-defis-de-la-transition/batiments/>
- INSEE : <https://www.insee.fr/fr/statistiques/6541392>
- Observatoire de la rénovation énergétique : <https://www.ecologie.gouv.fr/observatoire-national-renovation-energetique>
- Légifrance : <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043877196>

In order to meet the growing needs of its customers with regard to energy renovation issues, Crédit Mutuel Alliance Fédérale is gradually developing complementary offers to those already in place.

- A dedicated and uncommissioned advisor to inform clients and facilitate their efforts.
- Partnership offers negotiated with trusted providers via the Kiosque à Services⁹ platform: evaluation of the energy consumption of the property, completion of renovation works or a real estate diagnosis...

6. Means

The sector policy will be progressively rolled out in all countries where Crédit Mutuel Alliance Fédérale is present, with analysis systems for granting and pricing specific to the regulations of these countries.

It is specified that, unless otherwise indicated, the data and information contained in this policy are prior to the date of its release.

In addition, in order to ensure compliance with the criteria and principles laid down under its real estate sector policy referred to above, the group may rely on the expertise, assessments and/or information provided by different experts or external providers selected with reasonable care and that it also relies on the information provided by the companies falling within the scope of this policy.

⁸ Offer proposed by the CIC network

⁹ <https://creditmutuel.lekiosqueaservices.fr/>