



MISSION COMMITTEE'S REPORT

Second edition - March 2023

*A mutualism based on proof
to build a fairer and more
sustainable society*

Crédit  Mutuel

Alliance Fédérale

EDITORIAL

Companies called upon to share value differently to finance the societal and environmental revolution

Faced with trade and geopolitical tensions, the acceleration of climate change and inflation, companies are facing major challenges. Traditional business models are being tested. The challenges of sustainability and inclusion are leading companies to reinvent themselves by adopting more virtuous approaches. Sharing the value created is at the heart of the public debate.

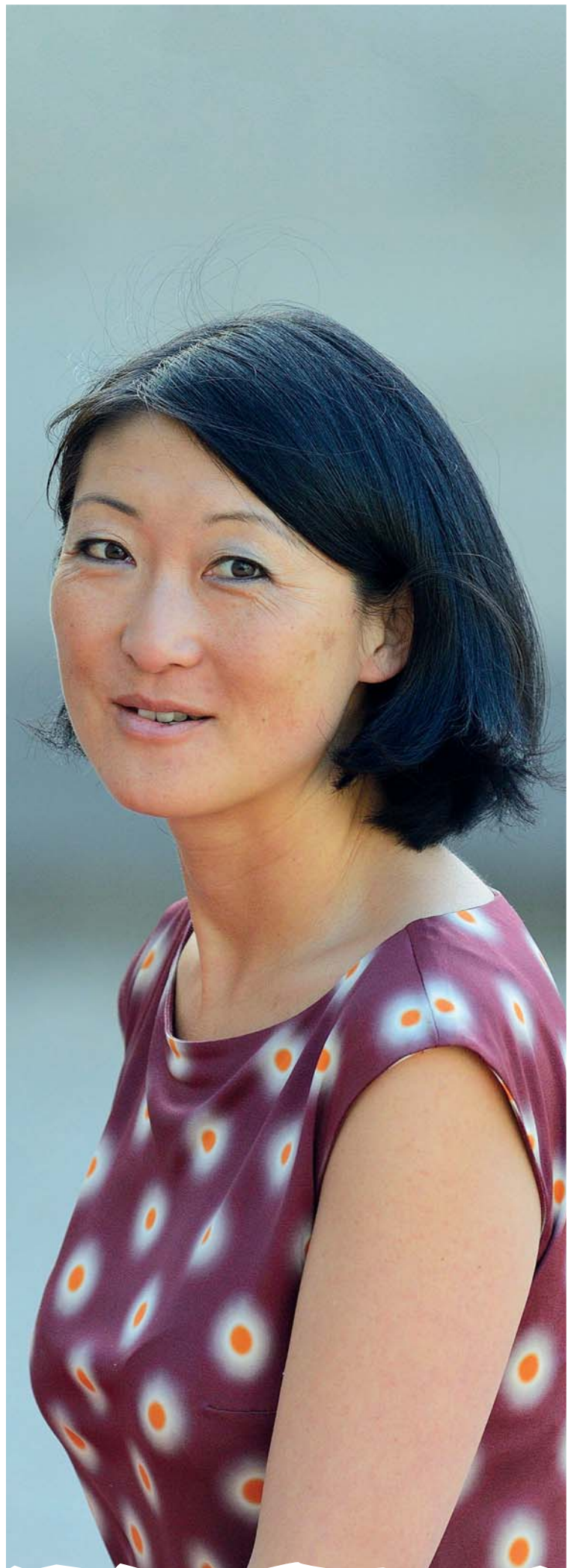
With the creation of the societal dividend, Crédit Mutuel Alliance Fédérale is once again a pioneer and has taken a further step in its commitment to its mutualist values. The societal dividend was the subject of numerous debates in which the Mission Committee took part at its level, shedding light on the economic and societal issues.

As Chairwoman of the Mission Committee, I applaud, on behalf of all its members, the ambitious approach of Crédit Mutuel Alliance Fédérale led by its Chairman and Chief Executive Officer, as well as the incredible commitment of their teams and elected members. I would also like to thank the members of the Mission Committee for their contribution to the discussions on the commitments made by Crédit Mutuel Alliance Fédérale and the work still to be carried out.

In early 2022, we laid the foundation for our Mission Committee and charted our roadmap. **We are collectively committed to a candid approach.** Thanks to our experience, our discussions and our external perspective, we were able to question, analyze but also challenge the company to make it progress on its missions. The company's first commitments resonated strongly with its employees, elected members, customers and members and society as a whole. More than ever, the Mission Committee endorses the group's *raison d'être* "Ensemble, écouter et agir" (Listening and acting together) with a focus on encouraging and supporting Crédit Mutuel Alliance Fédérale's transformation initiatives but also monitoring their impact!

Fleur Pellerin

**Chairwoman of the Mission Committee
of Crédit Mutuel Alliance Fédérale**





CONTENTS

- P.4** Joint interview with Nicolas Théry and Daniel Baal
- P.5** Decisive proof: creation of the societal dividend
- P.6** The benefit corporation serving the common good
- P.8** A committed Mission Committee
- P.12** Monitoring of missions in 2022
- P.24** Complete performance overview



MUTUALISM BASED ON PROOF: PUTTING FINANCIAL PERFORMANCE AT THE SERVICE OF THE COMMUNITY

Joint interview with Nicolas Théry and Daniel Baal
Chairman and Chief Executive Officer
of Crédit Mutuel Alliance Fédérale

How does the benefit corporation strengthen the corporate project?

Nicolas Théry: The status of a benefit corporation was logical for a mutualist company, committed to the regions and willing to contribute to the collective interest. It was also necessary to give us a more tangible mutualist presence, committed to solidarity and the environment!

Daniel Baal: Our entrepreneurial spirit is also a spirit of responsibility and solidarity. Our commitment has been in our mutualist DNA for more than a century. Being a benefit corporation allows us to go one step further and distinguish ourselves: an ethical, supportive and responsible bank. It is also an element of collective pride for our employees, elected members and customers and members.

Two years after becoming the first benefit corporation bank, what has changed at Crédit Mutuel Alliance Fédérale?

Nicolas Théry: Faced with the rise in inequalities and the consequences of global warming, the time is no longer for debates, it is time for action. We must accelerate, profoundly change business models. The benefit corporation is a tremendous lever for amplifying mutualism through proof.

Daniel Baal: Being a benefit corporation means innovating around products or services, creating a dynamic of continuous improvement in our practices. It is above all a daily challenge, because we have an economic, but also a societal and environmental dimension.

What is the Mission Committee's contribution?

Nicolas Théry: If I refer to the law, the committee is responsible for verifying the execution and trajectory of our long-term commitments. But thanks to Fleur Pellerin and its members, it gives us a different perspective on our actions, by enlightening us on strategic topics and being a driver of proposals. In a way, a societal innovation laboratory. Today, the committee has found its rhythm, a real collective intelligence, and I am delighted. We are very fortunate to have people from multiple backgrounds - experts, elected members and employees. I would like to thank everyone for their commitment and, in particular, Fleur Pellerin, who is guiding the work with great conviction.

Daniel Baal: Our discussions with the committee help us to take a step back from our daily lives, to question our practices or to measure the impact of our actions. We continue to experiment with a new form of governance.

How did you integrate the benefit corporation into the 2027 Strategic Plan?

Nicolas Théry: Our new strategic plan must enable us to follow through on our choices, to embrace who we are and to pursue our differences: a mutualist bank fully committed to the benefit corporation and the societal dividend; a technological bank that knows how to combine innovation and industrialization; a bank that meets the challenges of environmental transformation. This plan allows us to choose our desired course and enables us to steer the company in the "right direction".

Daniel Baal: Our strategic orientations reflect our *raison d'être* and our commitments. When implementing the strategic plan in the business lines, we will have to ensure consistency, an alignment between the strategic axes and the missions of all the group's entities.

Key figures

Crédit Mutuel Alliance Fédérale

77,457 employees

15,500 mutualist elected members

30 million customers

4,488 branches

As of December 31, 2022

DECISIVE PROOF: CREATION OF THE SOCIETAL DIVIDEND

Deeply committed to mutualism based on proof, **Crédit Mutuel Alliance Fédérale** has created the **societal dividend** and has undertaken to devote 15% of its consolidated net profit each year on a long-term basis to supporting and financing ecological and inclusive projects with added environmental and social value.

Based on the 2022 results, the societal dividend will amount to **€525 million**.



Launch of the first Environmental and Solidarity Revolution Fund

Faced with the scale of the climate crisis and growing inequalities, 50% of the societal dividend will be devoted to an impact fund, with no objective of financial profitability, to support changes in production models, improve infrastructures and respond to market failures.

Impact funds = €263 million

Transformation of banking and insurance practices

To sustainably accelerate the transformation of the banking and insurance sectors, 35% of the societal dividend will be allocated to the deployment of inclusive banking and insurance services.

Solidarity and inclusive measures = €184 million

Launch of the societal dividend at the Economic, Social and Environmental Council on January 5, 2023



Support for general interest actions through philanthropy

15% of the societal dividend will be used to sustainably support projects in favor of regional solidarity and the environment, whether led by new structures, local or regional associations or large NGOs. These resources will enable the Fondation Crédit Mutuel Alliance Fédérale to unite public interest players around these great causes and to commit to their long-term support.

Patronage = €78 million

THE BENEFIT CORPORATION SERVING THE COMMON GOOD

Faced with economic, social and climatic challenges, the company must position itself as a true vector of change, with the ambition of contributing to the common good. By adopting the status of a benefit corporation, Crédit Mutuel Alliance Fédérale has opted for long-term collective action. The bank clearly shows its desire to participate in the transformation of economies towards a more inclusive and sustainable development model.

What is a benefit corporation?

The status of benefit corporation is defined in the French Commercial Code by Article L.210-10, itself introduced by the PACTE law of May 22, 2019. Any company that:

- has given itself a *raison d'être* and has included it in its articles of association;
- has specified in its articles of association several social and environmental objectives in line with this *raison d'être*;
- has created a Mission Committee to oversee the progress made in achieving these objectives;
- has appointed an independent third party to verify the proper execution of the mission.

Crédit Mutuel Alliance Fédérale was **the first bank** to adopt the status of a benefit corporation, which reflects its historical mutualist commitment.

Our *raison d'être*

The *raison d'être* refers to the way in which a company intends to play a role in society beyond its sole commercial activity. Its purpose is to guide strategic and operational decisions.

In 2020, the *Chambre Syndicale et Interfédérale*, the parliament of Crédit Mutuel Alliance Fédérale, adopted a ***raison d'être*: "Ensemble, écouter et agir" (Listening and acting together)**.

Together, because community has always been in Crédit Mutuel Alliance Fédérale's DNA;

Listening, because Crédit Mutuel Alliance Fédérale is open and attentive to the needs of its customers and to the major changes in the world;

Acting, to turn listening into action and to support those who undertake.

Belonging to the Benefit Corporation Community



In 2022, Crédit Mutuel Alliance Fédérale joined the Benefit Corporation Community, the leading association for benefit corporations. This collective of entrepreneurs, managers, researchers, experts, shareholders and employees, is convinced that the benefit corporation is an innovation that provides companies with capabilities essential to their performance and resilience. The association brings together companies of all sizes that want to commit to transforming capitalism and rethinking the place of business in society.

Being a member of the Benefit Corporation Community enables Crédit Mutuel Alliance Fédérale to pursue its path with rigor, while benefiting from the knowledge and feedback accumulated by the members who share and enrich the model.



* Benefit Corporation Community

Five missions that define the social and environmental ambition

Crédit Mutuel Alliance Fédérale has chosen to embody its *raison d'être* through five social and environmental objectives that guide its strategy and actions. Through these five missions, Crédit Mutuel Alliance Fédérale reasserts not only its historical mutualist values but also their relevance to meet the major challenges of tomorrow.



Independent third party

The independent third party (ITP) of Crédit Mutuel Alliance Fédérale - KPMG - verifies the achievement of the social and environmental objectives defined in the missions. Its monitoring role is not intended to duplicate the committee's own work, but to complement it.

In February-March 2022, KPMG came to audit the commitments made on December 31, 2021. This audit was a key step to objectify the approach, validate the operational implementation of the commitments and measure the management of the mission. This demanding approach contributes to the success of the mission. Its opinion was attached to the first report of the Mission Committee, itself attached to the annual report (URD). The ITP will have to issue a new reasoned opinion in 2024, the audit being renewed every two years.

A COMMITTED MISSION COMMITTEE

The benefit corporation embodies a vision that integrates economic performance and social utility with an ambition to transform society. The Mission Committee is positioned at the heart of this approach, a long-term and continuous progress approach. Set up in January 2022, the Mission Committee chaired by Fleur Pellerin has ten members.

The role of the Mission Committee

The Mission Committee has several goals:

- Question the strategy and actions implemented by the company in order to understand the issues.
- Evaluate the effectiveness and implementation of the social and environmental objectives set by Crédit Mutuel Alliance Fédérale. In concrete terms, the Mission Committee ensures that the company puts in place the necessary means to achieve its objectives. The bank reports to the committee on how it fulfills its responsibilities.
- Explore new avenues and steer Crédit Mutuel Alliance Fédérale towards new initiatives. A force for proposals, it acts in a spirit of co-operation. construction with the executive.

Crédit Mutuel Alliance Fédérale's Mission Committee meets at least three times a year. The meetings, which are prepared by the committee chairwoman and the strategic coordination department, have several objectives: to keep the members of the Mission Committee informed about the implementation

and trajectory of the commitments; to submit work themes to them in order to move the missions forward; to organize meetings (human resources, Independent Third Party) and, in a more forward-looking manner, to get them to think about new projects such as the societal dividend. Each year, a report from the Mission Committee is submitted to the Board of Directors and the Shareholders' Meetings of Caisse Fédérale de Crédit Mutuel and CIC.

A tripartite committee to ensure a plurality and richness of reflection

The members of the Mission Committee were chosen for their expertise and sensitivity to the challenges of the benefit corporation. The tripartite composition of the committee allows for the convergence of points of view and enriches the debates and reflections. They all share the same desire to contribute to the success of Crédit Mutuel Alliance Fédérale's approach.

1/3
d'experts

Three independent experts provide an external and complementary perspective on the commitments made and those to be made.

1/3
directors

Three directors, customer representatives and members, ensure a fair connection between the Boards of Directors and the Mission Committee.

1/3
employees

Four employee representatives sit on the committee. Their in-depth knowledge of the company allows them to bring a relevant perspective to the discussions.



The Mission Committee



Fleur Pellerin
Former minister,
founder and CEO of
Korelya Capital.



Camille Putois
Chief Executive Officer
of the Business for
Inclusive Growth (B4IG)
business coalition.



Xavier Jaravel
Professor at the London
School of Economics
(LSE) and member of
the Conseil d'Analyse
Économique (CAE).



Sandrine Pelletier
Chairwoman and Chief
Executive Officer
of APLIX Group and
Director
of CIC Ouest.



Jean-Louis Maître
Chairman of
Fédération du
Crédit Mutuel
Savoie-Mont Blanc.



Marie-Jean Boog
Chairwoman of the
Sarrebouurg district,
(Fédération
Crédit Mutuel
Centre Est Europe).



Laurent Torre
Director
representing employees
of Caisse Fédérale
de Crédit Mutuel.



Audrey Hammerer
Director
representing employees
of Caisse Fédérale
de Crédit Mutuel.



Ségolène Denavit
Representing
Crédit Mutuel
employees.



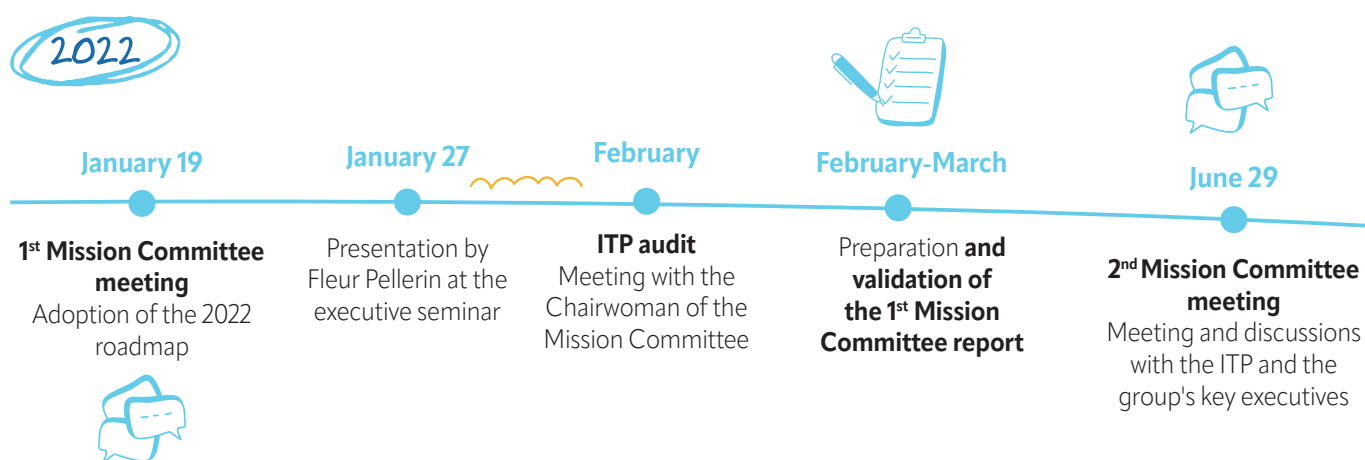
Laurent Nallet
Representing CIC
employees.



The Boards of Directors of Caisse Fédérale de Crédit Mutuel and CIC in November 2022 appointed Camille Putois to replace Christophe Robert, who resigned, and Laurent Nallet, representing the employees of CIC following the departure of Ségolène Denavit from CIC to Crédit Mutuel.

THE ROADMAP

Key dates

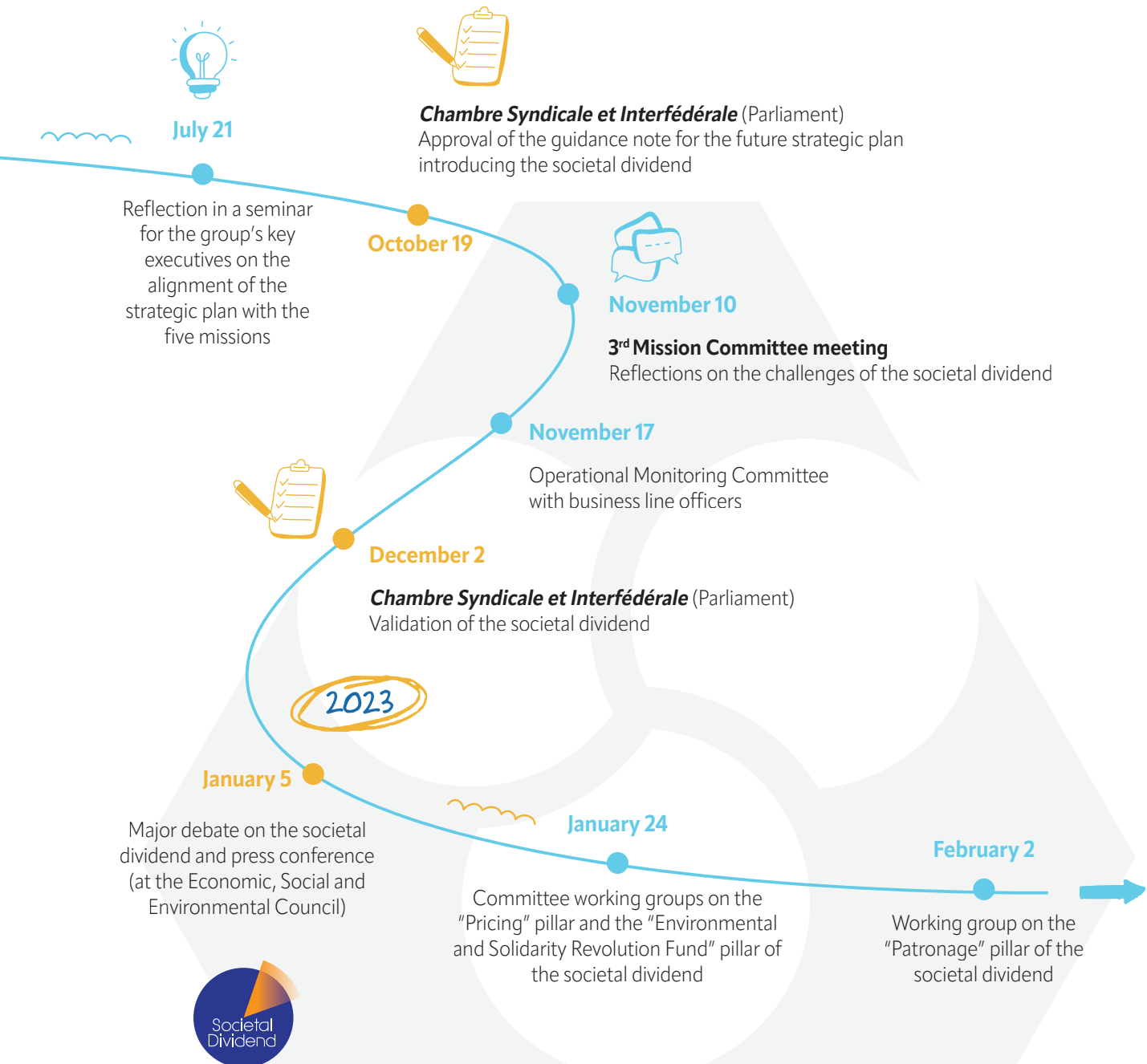


What are the lessons learned in the first year?

The work of the Mission Committee made it possible to build an open dialogue with the company, to enrich the proposals and to deepen the approach. The impact of medium-term commitments and the principles of the societal dividend were discussed. Building on the success of this first year, the committee is continuing and intensifying its work. Four meetings of the committee are scheduled for 2023, in March, May, October and December.

The Mission Committee is convinced of the need for coherence between the benefit corporation and the company's medium-term plan. In this context, the committee welcomes the stated ambitions: to finance the economy not only as it is, but as it must become in order to ensure the future of generations to come; to put the financial and collective power of the group at the service of the common interest. As such, it underlines the objective of becoming the benchmark bank for ecological and societal transformation by decarbonizing its balance sheet and supporting its customers towards a more sober world that respects nature.

FOR ONE YEAR





MONITORING OF MISSIONS IN 2022

PLACE THE GROUP IN A LOGIC OF PROGRESS AND INNOVATION

Crédit Mutuel Alliance Fédérale has chosen to set ambitious objectives, with the desire to make a difference in relation to the practices of the banking sector and to breaking new ground. **In each of its five missions, it has set itself very tangible operational objectives**, making it possible to fight against discrimination, to protect the digital privacy of its customers, to act for the development of the regions and to support the ecological transition.

All business line departments are involved in monitoring these objectives. The project team of the benefit corporation works in close collaboration with around twenty "business" referents to ensure the robustness of the indicators and the monitoring of their management. **For each commitment, an action plan is implemented: definition of the indicator, scope, management system, phasing over time and assessment of the action plan.**

These objectives are regularly monitored by the Mission Committee, which also ensures that Crédit Mutuel Alliance Fédérale's strategy is consistent with the five statutory missions. The committee therefore takes a critical look at the trajectory of the indicators, both quantitatively and qualitatively. Answers and insights are provided by business line experts and executives.

A meeting was held in November 2022 with all the referents responsible for monitoring commitments, in the presence of the ITP (KPMG). This meeting made it possible to take on board all the business lines, to promote the actions implemented and to encourage collective progress over the long term.

The challenge is to place the group in a logic of progress and innovation and not in an accounting logic. **The objective is the accomplishment of the missions.** The Mission Committee now recognizes the progress made by Crédit Mutuel Alliance Fédérale in its five missions. **Almost all of the 2022 targets have been achieved and several exceeded.** The committee remains convinced that Crédit Mutuel Alliance Fédérale must steadily build on this momentum. It does not exclude certain operational objectives from being adjusted during 2023, particularly with regard to the societal dividend.

A team of twenty "business line" referents involved in monitoring and controlling the robustness of the indicators:

- . Sales department,
- . Risk department, including the Social and Mutualist Responsibility department,
- . Finance department,
- . Compliance department,
- . Lending department,
- . Cooperative and Mutualist Life department,
- . Human resources department,
- . Euro-Information,
- . Assurances de Crédit Mutuel,
- . Crédit Mutuel Equity, etc.

Mission 1

AS A COOPERATIVE AND MUTUALIST ORGANIZATION, WE SUPPORT OUR CUSTOMERS AND MEMBERS IN THEIR BEST INTERESTS

As a mutualist bank, Cr dit Mutuel Alliance F d rale has set itself the task of supporting its customers and members in their best interests. To this end, the group has defined operational objectives **to stimulate democratic debate and promote diversity within the Boards of Directors and Shareholders' Meetings of the local banks**. It is also committed to maintaining a commercial organization that allows **each customer and member to have a dedicated advisor with a compensation system based on collective performance**.

BRING DEMOCRACY TO LIFE IN THE BANK BY DOUBLING THE NUMBER OF MEMBERS VOTING AT SHAREHOLDERS' MEETINGS

In view of the evolution of the Covid pandemic and the health crisis at the beginning of 2022, the Crisis Committee of Cr dit Mutuel Alliance F d rale on January 13, 2022 recommended that the Shareholders' Meetings of the local banks be held remotely, rather than in person as was traditionally the case. As a result of these restrictions, 263,485 members took part in the Shareholders' Meetings remotely and the commitment to double the number of voters could not be met.

For the spring 2023 Shareholders' Meetings, a specific action plan has been put in place by the Cooperative and Mutualist Life department. Members will be able to express themselves in three ways: by voting remotely on a smartphone, on a tablet at a local bank up to fifteen days before the meeting, or by attending in person on the day of the Shareholders' Meeting. Technical information tools have been improved and upstream activities in online banking and on the Agora social network are carried out at the initiative of the local banks to inform their members. A best practice guide has been distributed.

The results of the first Shareholders' Meetings in 2023 are encouraging, with a very strong increase in votes. A specific update will be made to the Mission Committee in the first half of 2023. The increase in the number of voting members is monitored by the Cooperative and Mutualist Life department. Long-term monitoring is planned as part of the group's future 2024-2027 strategic plan.



"The vitality of our mutualist movement is based on the dynamism of our Shareholders' Meetings and the diversity of our boards. By broadening the voting procedures, and by feminizing and rejuvenating our boards, we remain connected with our members while meeting the challenges of tomorrow's world."

Marie-Jean Boog

Chairwoman of the Sarrebourg district,
member of the Mission Committee.



INDICATORS

263,485 members voting at Shareholders' Meetings.

A comprehensive mechanism has been put in place with remote voting.

GUARANTEE TO EACH CUSTOMER A DEDICATED, NON-COMMISSIONED ADVISOR

Customers expect personalized advice and tailored solutions. This is why Crédit Mutuel Alliance Fédérale guarantees each customer and member a dedicated, non-commissioned advisor.

In 2022, 99.5% of members and customers benefited from a dedicated advisor. With no commercial incentive or individual variable compensation, advisors meet the needs of their customers in their best interests.

This relationship, based on attentiveness, proactivity and relevant advice, is bearing fruit. In November 2022, Crédit Mutuel was awarded the "Best savings advice" label by Challenges magazine thanks to the quality of its customer experience, the strength of the relationship of trust established with its customers and members and the quality of its savings offer.



INDICATORS

99.5% of customers have a dedicated advisor at December 31, 2022

0 commission paid in 2022 to advisors in the Crédit Mutuel and CIC networks

3

MAKE MORE ROOM FOR YOUNG PEOPLE AND GET CLOSER TO PARITY ON BOARDS OF DIRECTORS BY 2022

Guaranteeing better representation of women and all generations on boards of directors is a strong commitment to preserving mutualist democracy and supporting the best interests of its customers and members.

At the end of 2022, 40.04% of women out of 14,334 elected members were represented on the Boards of Directors, compared to 39.04% at the end of 2021 (Iso perimeter). The proportion of women is steadily increasing thanks to the actions implemented. At the end of 2022, 51.7% of newly elected members were women, which reflects a positive trend in favor of parity.

Working groups have been set up to develop membership, experiment with new methods of recruiting elected members and attract new generations. In 2022, 12.8% of newly elected members were under the age of 35 (Iso perimeter).



INDICATORS

40.04% women out of the 14,334 elected members

51.7% of the newly elected members are women at December 31, 2022 (Iso perimeter)

Mission Committee opinion

The committee acknowledges the efforts and resources deployed by Crédit Mutuel Alliance Fédérale to achieve this mission. It notes that in 2022, the operational objective of doubling the number of members voting at Shareholders' Meetings could not be achieved due to the health crisis, but that effective action plans were put in place. It welcomes the group's choice to maintain this particularly ambitious objective. The first results of the 2023 Shareholders' Meetings are very encouraging, with double the number of voting members achieved at this stage. This proves the very strong mobilization of Crédit Mutuel Alliance Fédérale's local banks.

As for the number of women on Boards of Directors, the trajectory is positive and must be maintained. The committee commended the good performance of the indicator of women's representation among newly elected members and discussed the issue of electing younger members, on which the federations are taking many initiatives. Finally, it is pleased with the achievement of the commitment relating to dedicated and non-commissioned advisors. It notes that advisors have an important role in introducing digital tools, a factor of inclusion for audiences far removed from them.

Mission 2

AS A BANK FOR ALL, MEMBERS AND CUSTOMERS, EMPLOYEES AND ELECTED MEMBERS, WE ACT FOR EVERYONE AND REFUSE ANY DISCRIMINATION

As a bank for all, **Crédit Mutuel Alliance Fédérale has set itself the goal of promoting diversity by combating all forms of discrimination, including advancing workplace equality between women and men and promoting inclusion.** The company's ability to train and integrate young people from priority urban areas and rural areas is key.

TRAIN ALL OUR EMPLOYEES AND MEMBERS IN THE FIGHT AGAINST DISCRIMINATION

In 2022, Crédit Mutuel Alliance Fédérale set up a comprehensive and educational anti-discrimination training program for its employees with adapted content: representations and stereotypes, behaviors etc. A total of 43,900 employees (98% of the social base) have been trained.

The training also concerned the elected members with sessions organized by the board. This was the first mandatory training for all elected members with an exceptional and remarkable mobilization of the federations. All the local banks were involved without exception. A total of 14,240 board members were trained with 91% elected members - the highest participation rate ever.

In January 2023, the group Human resources department organized a seminar on the theme "Harassment, Discrimination: from collective mobilization to action". This brought together the HR Directors of Crédit Mutuel Alliance Fédérale (France), the various union representatives and the employee representative bodies (group union representatives, union representatives, CSE secretary, CSE harassment officers, etc.).

Resolutely committed against sexism, Crédit Mutuel Alliance Fédérale has joined the #StOpE initiative. In January 2023, the bank signed the act of commitment by which the group undertakes to permanently reduce so-called ordinary sexism in companies.

In concrete terms, Crédit Mutuel Alliance Fédérale will strengthen its means of preventing and combating ordinary sexism through the deployment of a new series of strong actions. In addition, a reporting system for all users (internal, external and elected members) has been rolled out in France. Accessible on the group's intranet, this system complements the internal alert procedure, known as the "whistleblowing system".



Audrey Hammerer
Director representing employees, member of the Mission Committee.

"I am sensitive to all the actions carried out this year in favor of the fight against discrimination. The group must continue in this vein, taking care to maintain this spirit of openness. This is an ongoing battle that all companies must wage. The decision to catch up on gender pay was a strong signal from the company."



INDICATORS

98% of employees (43,900)

91% of elected members (14,240) trained in the fight against discrimination

RECRUIT 25% OF WORK-STUDY STUDENTS FROM PRIORITY NEIGHBORHOODS AND RURAL AREAS

In 2022, Crédit Mutuel Alliance Fédérale recruited 42.1% of new work-study students (757 young people) from urban priority neighborhoods and rural areas, going beyond its target.

Crédit Mutuel Alliance Fédérale's commitment to young people is also reflected in its Foundation. It supports many associations (*Fraties, Chemins d'Avenirs, Nos Quartiers ont du Talent, L dans la ville*, etc.). For example, the *Fraties* project allows active young people, with and without mental or cognitive disabilities, to live together.



Laurent Torre

Employee representative, member of the Mission Committee.

"As part of the benefit corporation, I was able to go to Nantes and visit the Maison Fratrics supported by the Fondation Crédit Mutuel Alliance Fédérale. Seeing young people with disabilities happy is priceless. Driving home the difference is what our mission is all about."



INDICATOR

42.1% of work-study students recruited from priority neighborhoods and rural areas.

DEFEND GENDER PAY EQUALITY AT ALL LEVELS OF THE BANK

In 2022, Crédit Mutuel Alliance Fédérale wanted to collectively correct any unjustified wage disparities that may exist between women and men. To this end, an agreement was signed with all the representative trade unions on February 21, 2022 to reduce the gap between the average compensation of women and men in all categories to 3% or less. An analysis was carried out for each level of classification by age group.

In order to meet this objective, the various entities within the scope have taken corrective action and upgrading measures for a number of employees. A total of 3,872 people benefited from a corrective measure in 2022. In accordance with the agreement signed, in addition to the individual increases, 0.5% of the group payroll expense was allocated to these actions.

This commitment to equal pay is not limited to the year 2022, but is part of a dynamic and long-term approach to transforming its practices in order to guarantee, more generally, workplace equality throughout the careers of the group's employees. Where training is concerned, no session of the School for directors starts without parity.



INDICATORS

3,872 employees benefited, in 2022, from a corrective measure

0.5% of group payroll expense dedicated to these salary equalization actions

Mission Committee opinion

The Mission Committee applauds the achievement of the indicators and the mission. The group has trained more than 58,000 employees and elected members in the fight against discrimination. Crédit Mutuel Alliance Fédérale exceeded its target for work-study students, with 42.1% of work-study students from priority urban and rural areas. The objective of gender pay equality was implemented and 0.5% of payroll expense was dedicated to it. The committee calls for further action on the issue of parity. The committee proposed new avenues for reflection on the implementation of career paths adapted to people with disabilities as well as paths according to the social and geographical origin of people from priority neighborhoods and rural areas.

Mission 3

RESPECTFUL OF EVERYONE'S PRIVACY, WE PLACE TECHNOLOGY AND INNOVATION AT THE SERVICE OF PEOPLE

Convinced that technology must serve people, Crédit Mutuel Alliance Fédérale has set itself the objective of **guaranteeing the digital privacy of its customers and putting technology at the service of its employees and the development of their business lines** through massive investments in highly secure internalized infrastructures and information systems.

GUARANTEE THE PRIVACY OF OUR CUSTOMERS' DATA BY PROCESSING 99.9% OF THEIR INFORMATION IN OUR INFRASTRUCTURES AND SYSTEMS LOCATED IN FRANCE

Faced with the intensification of cyber risk, major technological investments are made to better protect and secure customer data. Euro-Information, the group's technological subsidiary, inaugurated its new proprietary data center in Verlinghem (59) at the end of 2022. In the course of 2023, it will open its new proprietary private cloud in Côte d'Or with the aim of meeting the highest standards in terms of both resilience and the environment.

This internal control of the highly secure information system is a major competitive advantage. Structural projects in finance and insurance on quantum computers are also being studied, in partnership with IBM.

"Data analysis is key for the bank. Crédit Mutuel Alliance Fédérale was a pioneer with its data factory and the use of artificial intelligence. The new partnership on quantum computing signed in 2022 once again demonstrates the group's pioneering spirit in terms of innovation. While the use cases are still being studied, this technology will bring major advances in data processing and will play a role in the evolution of the business lines."



INDICATOR

> **99.9% of processing** performed on infrastructure hosted in the company's data centers



Xavier Jaravel

Professor at the London School of Economics, member of the Mission Committee

INVEST PRODUCTIVITY GAINS FROM ARTIFICIAL INTELLIGENCE IN EMPLOYMENT AND DEVELOPMENT

Crédit Mutuel Alliance Fédérale continues to automate its operations and develop its tools to help employees in their daily tasks. The challenge is to free up more sales time so that they can devote themselves to serving their customers and winning new relationships.

The dissemination and continuous improvement of optical character recognition applications, electronic signatures, and the digitization of credit files allow for accelerated gains in the administrative management of documents and facilitate regulatory processing. Crédit Mutuel Alliance Fédérale wishes to strengthen real-time decision-making by relying more on artificial intelligence. Reducing the time to market for its projects allows it to be more innovative while optimizing costs.

In total, 1,326,000 hours were freed up by digitization, 632,000 hours by advisor assistance, 391,000 by receipt management and 69,000 by compliance risks. These optimizations resulted in productivity gains equivalent to 1,570 FTEs (Full Time Equivalent). At the same time, Crédit Mutuel Alliance Fédérale recruited 2,378 people on permanent contracts in 2022.

“Technology is increasingly integrated into our business lines and allows advisors to free up administrative time (balance sheet entry, electronic signatures, etc.) for greater responsiveness and to focus on the essentials: supporting our customers.”



Ségolène Denavit

Employee representative, member of the Mission Committee.



INDICATORS

1,570 FTE productivity gains from technology in 2022

2,378 permanent hires in 2022

Mission Committee opinion

The Mission Committee notes the achievement of the indicators and the mission. Technological expertise and the security of information systems are considerable assets in which the group invests heavily. The advisors' time freed up by the technological tools is put to work for the customers. The committee is interested in the potential of quantum technology.

Mission 4

AS A SOLIDARITY-BASED COMPANY, WE CONTRIBUTE TO REGIONAL DEVELOPMENT

Crédit Mutuel Alliance Fédérale's DNA is based on its local roots and local relationships, which is reflected in the close proximity of its 4,500 branches, the expertise of its 28,000 advisors and 15,500 elected members. By becoming a benefit corporation, the banking group undertakes to **contribute to the development of the regions by supporting the local economic fabric and associations, guaranteeing the attractiveness and the animation of the regions.**

ANCHOR DECISION-MAKING CENTERS IN THE REGIONS, WITH MORE THAN 90% OF OUR LENDING DECISIONS TAKEN AT LOCAL BANKS OR BRANCHES

Crédit Mutuel Alliance Fédérale is stepping up its activities in the regions. In 2022, more than nine out of ten lending decisions were taken locally within the Crédit Mutuel federations and CIC regional banks.

The decentralized model of the mutualist bank encourages responsible decision-making close to the customer. In the banking networks, 91.7% of decisions are made locally.

The year 2022 was marked by a sustained pace of project financing for its customers and members. Despite a slowdown in growth in the second half of the year, outstanding home loans increased by 6.9%. It is also worth noting the very good performance of consumer credit activities. Its agricultural, professional and corporate customers benefited from the increase in equipment loans.

"The strength and success of Crédit Mutuel Alliance Fédérale are based on its decentralized organization. This is also why we are the favorite bank of the French, year after year. The societal dividend will be further proof of this, as it should help us to support local community projects that bring life to the regions."



Jean-Louis Maître
Chairman of Fédération du
Crédit Mutuel Savoie-Mont Blanc,
member of the Mission Committee.



INDICATOR

91.7% of lending decisions were taken locally within Crédit Mutuel and CIC networks in 2022

OFFER THE PAY ASSO DIGITAL PAYMENT SOLUTION TO OUR ASSOCIATIONS AND CIVIL LIABILITY COVERAGE TO THEIR MANAGERS

Crédit Mutuel Alliance Fédérale wishes to demonstrate its commitment to those who bring the local associations to life. It offers civil liability cover of up to €50,000 to Crédit Mutuel Alliance Fédérale customers who are managers of cultural and sports associations. The mutualist bank also wanted to facilitate the day-to-day management of cultural and sports associations. Free of charge during the crisis to help associations, Crédit Mutuel Alliance Fédérale decided to permanently extend the free Pay Asso service.



INDICATOR

100% of eligible associations can benefit from the Pay Asso solution and free Civil Liability plan for Managers

INVEST 5% OF OUR SHAREHOLDERS' EQUITY MAINLY IN INNOVATIVE FRENCH COMPANIES

Crédit Mutuel Alliance Fédérale aims to be a driving force in the local economy by investing in companies that are innovative in technological, commercial, social, organizational and environmental terms. As of December 31, 2022, €2.94 billion had been invested in France in innovative, long-term value-creating projects. Over the year, more than 75 new investments were made in the regions amounting to €436.5 million.

Crédit Mutuel Equity is a shareholder of nearly 350 companies, which it supports at all stages of their development and whatever their transformation project. It invests its shareholders' equity with a constant concern for financial, economic, social and environmental impacts.

Its DNA as a long-term investor enables it to make a lasting commitment alongside executives to give them all the resources necessary to achieve their growth objectives.



INDICATOR

In 2022: **5.19%** of group shareholders' equity invested by Crédit Mutuel Equity mainly in French companies that innovate



"It is essential that French companies be supported by the banking sector in their environmental transformation. The announcement of the societal dividend and the creation of the first Environmental and Societal Revolution Fund by Crédit Mutuel Alliance Fédérale are strong markers. They will help accelerate long-term investments across the regions."

Sandrine Pelletier

Director of CIC Ouest, member of the Mission Committee.

Mission Committee opinion

The Mission Committee applauds the actions implemented to contribute to the development of the regions through financing of the local economy and support for non-profit organizations.

The target relating to lending decisions taken at a local bank or branch was 91.7% achieved (Crédit Mutuel and CIC networks). The objective of offering the Pay Asso digital payment solution to associations and civil liability coverage to their managers has been met. Similarly, the amount invested in French companies that innovate represents 5.19% of shareholders' equity as of December 31, 2022.

Mission 5

AS A RESPONSIBLE COMPANY, WE ACTIVELY WORK FOR A FAIRER AND MORE SUSTAINABLE SOCIETY

Crédit Mutuel Alliance Fédérale is committed to supporting **societal and environmental transformations**. By setting measurable objectives, it contributes to a more united and sustainable society. It has set itself ambitious carbon sobriety targets and encourages the transformation of banking and insurance practices with more inclusive offers.

REDUCE THE GROUP'S CARBON EMISSIONS BY 20% AND THE CARBON FOOTPRINT OF OUR INVESTMENT PORTFOLIOS BY 12% BY THE END OF 2022*

In 2022, Crédit Mutuel Alliance Fédérale launched an internal energy sobriety plan based on four major actions: reduction of heating, extinction of illuminated signs and offices at closing time, training in eco-actions, adaptation and reduction of travel. Crédit Mutuel Alliance Fédérale encourages and supports all its customers in the environmental transformation, in the corporate markets, as well as professionals and individuals.

Since March 2022, it has been distributing the *Prêt Avance Rénovation* (Avance Renovation Loan), which targets the 800,000 owners of poorly insulated homes with modest incomes. This makes it possible to finance the remainder of the renovation work under attractive conditions.



INDICATORS

-21.4% : reduction of the group's carbon footprint between the end of 2018 and the end of 2021*

IMMEDIATELY STOP FUNDING FOR NEW OIL AND GAS PROJECTS

Crédit Mutuel Alliance Fédérale is the first French banking group to have undertaken, since 2020, a total phase-out of coal by 2030. In October 2021, it announced that it would not finance any new exploration, production, infrastructure (oil and gas pipelines and storage units) or processing (oil refineries, gas liquefaction terminals) projects in oil and gas. In 2022, Crédit Mutuel Alliance Fédérale took part, alongside its central body, in the first climate stress test conducted by the European Banking Authority. This exercise confirmed the group's resilience to the impacts of global warming and the challenges of the transition to a low-carbon economy.

At the same time, it supports its customers in renewable energies. For the 2023 International Agricultural Show, Crédit Mutuel Alliance Fédérale and EDF ENR have combined their technical and financial expertise to convert the roofs of farms to photovoltaics.



INDICATOR

0 new financing projects in oil & gas since October 2021

INSURE THE REAL ESTATE LOANS OF OUR LOYAL CUSTOMERS WITHOUT ANY MEDICAL FORMALITIES

It did not seem acceptable that customers who were chronically ill or had overcome illness could not access home ownership. This is why, in November 2021, Crédit Mutuel Alliance Fédérale decided to insure its loyal customers' home loans for their primary residence, without any medical formalities.

This pioneering choice to abolish the medical questionnaire soon after inspired a major, more inclusive legislative change. The Lemoine law, in force since June 2022, has enshrined the principle of eliminating medical formalities. However, for the financing of primary residences, the Crédit Mutuel Alliance Fédérale system retains all its relevance by going well beyond the legal obligations.

This commitment was rewarded by the *Grand Prix de la Good Economie*, a prize organized by The Good and INfluencia for the best initiatives of companies committed to an ecological, social and solidarity-based transformation of their activities.



INDICATORS

Since the launch, more than

166,400 beneficiaries

0 medical formality (up to €500,000 per borrower and for policyholders under the age of 62)



"In a context of increasing inequalities, companies must get involved and promote more inclusive models. The removal of medical formalities was a very ambitious decision that created a market standard, which was then enshrined in law. With the societal dividend, Crédit Mutuel Alliance Fédérale is going further, by proving that we can act for a more united and inclusive world."

Camille Putois

Chief Executive Officer of "Business for Inclusive Growth", member of the Mission Committee.

COMMIT TO CUSTOMERS IN FINANCIAL DIFFICULTY WITH AN ACCOUNT AT €1 NET PER MONTH WITHOUT INCIDENT FEES

In a context of rising consumer prices that reduce the purchasing power of the most modest, Crédit Mutuel Alliance Fédérale is acting responsibly with those most affected with an account at €1 per month, without incident fees. This offer includes a dedicated advisor and a local branch. From August 1, 2022, more than 50,000 subscribers to the specific offer designed for financially fragile customers have benefited automatically, without any steps being taken.

At the same time, Crédit Mutuel Alliance Fédérale has paid particular attention to those customers who have been hardest hit by inflation, notably by the rise in fuel and energy prices, which particularly affects low-income workers in rural

and peri-urban areas. Detection work triggered 100,000 appointments and contacts by advisors to find solutions adapted to the economic situation. These meetings had positive effects because they made it possible to anticipate and therefore avoid difficulties.



INDICATOR

53,033 beneficiaries

Mission Committee opinion

The Mission Committee notes that Crédit Mutuel Alliance Fédérale has achieved the objectives contributing to its mission to work for a fairer and more sustainable society.

The indicators for reducing the group's carbon emissions and the carbon footprint of its investment portfolios, halting the financing of new oil and gas projects, putting an end to the health questionnaire for real estate loans, and introducing the one-euro-per-month account for its customers in situations of financial fragility have all been met. The committee particularly applauds the ambitions for environmental transformation set out in the guidance note of the future strategic plan and the creation of the societal dividend.

*See non-financial performance statement for 2022, France scopes 1, 2 and 3 energy consumption, refrigerant gas leaks, motor fleet and business travel.

COMPLETE PERFORMANCE OVERVIEW

Methodological reminder: the objectives of the fifteen commitments are set for the end of 2022. The scopes concerned are those of the entities that have adopted the status of benefit corporation, namely Caisse Fédérale de Crédit Mutuel and CIC.

Mission 1 AS A COOPERATIVE AND MUTUALIST ORGANIZATION, WE SUPPORT OUR CUSTOMERS AND MEMBERS IN THEIR BEST INTERESTS		
1 Bring democracy to life in the bank by doubling the number of members voting at Shareholders' Meetings		
Indicators: <ul style="list-style-type: none"> • 2022: 4.53% voting members • 2021: NS (Covid situation) • 2019: 5.4% 	Scope: Crédit Mutuel local banks (Iso perimeter).	Means: <ul style="list-style-type: none"> • Launch of remote voting on smartphones and tablets in 2022. • Deployment of specific communication actions. • Creation of the Cooperative and Mutualist Life department.
2 Guarantee to each customer a dedicated, non-commissioned advisor		
Indicators: <ul style="list-style-type: none"> • 2022: 99.5% customers assigned to a dedicated advisor. • 2021: 99.5% 	Scope: French banking network (Crédit Mutuel local banks, Crédit Mutuel regional banks, CIC branches and corporate business centers).	Means: <ul style="list-style-type: none"> • Human resources policy: no commercial incentive or individual variable compensation.
3 Give more place to young people and move get to parity on boards of directors from 2022		
Indicators: <ul style="list-style-type: none"> • 2022: 40.04% women among the newly elected members and 12.8% young people newly elected to the boards of directors of the local banks. • 2021: 39.04% 	Scope: Crédit Mutuel local banks (Iso perimeter).	Means: <ul style="list-style-type: none"> • Strengthening communication with the support of the local banks' Boards of Directors. • Creation of the Cooperative and Mutualist Life department.
Mission 2 AS A BANK FOR ALL, MEMBERS AND CUSTOMERS, EMPLOYEES AND ELECTED MEMBERS, WE ACT FOR EVERYONE AND REFUSE ANY DISCRIMINATION		
4 Train all our employees and elected members in the fight against discrimination		
Indicator: <ul style="list-style-type: none"> • 2022: 98% of employees and 91% of elected members trained in the anti-discrimination module. 	Scope: <ul style="list-style-type: none"> • Social base : Global scope of the group agreement. • Local banks: all elected members. 	Means: <ul style="list-style-type: none"> • Mandatory training module in 2022 for all employees. • Mandatory awareness-raising session for Boards of Directors in 2022. • Overhaul of the alert and monitoring system.

5 Recruit 25% of work-study students from priority neighborhoods and rural areas

Indicators:

- **2022: 42.1%** of work-study students from priority neighborhoods and rural areas.
- **2021: 38.2%**

Scope:

Group scope Crédit Mutuel Alliance Fédérale, Crédit Mutuel, CIC, Euro-Information, Cofidis

Means:

- Participation in dedicated "job dating" sessions.
- Strengthening partnerships with associations.
- Testing of new measures to develop integration actions.

6 Defend gender pay equality at all levels of the bank

Indicators:

- **2022:** there are still 37 women out of 27,500 (or 0.1%) whose situation needs to be analyzed. For the others, average gap of less than 3% in categories by age group.
- **2021: NA**

Scope:

Social base : Global scope of the group agreement.

Means:

- Negotiation of a group agreement with trade union representatives.
- Inventory of pay gaps.
- 0.5% of payroll expense allocated to correcting gender pay gaps in 2022.
- **3,872** employees benefited from a corrective measure (2,207 women and 1,665 men).

Mission 3

RESPECTFUL OF EVERYONE'S PRIVACY, WE PLACE TECHNOLOGY AND INNOVATION AT THE SERVICE OF PEOPLE

7 Guarantee the privacy of our customers' data by processing 99.9% of their information in our infrastructures and systems located in France

Indicator:

- **2022: >99.9 %**
Established in 2022

Scope:

Bancassurance activities in France concerning the processing of customer data. Number of hits for eligible external services: outsourced services are excluded for regulatory or market reasons (interbank systems, market standards, etc.)

Means:

- Strong growth in investments in the Group's IT infrastructures, via highly secure data centers and private cloud.
- Establishment of two new data centers owned exclusively by Euro-Information, a subsidiary of Crédit Mutuel Alliance Fédérale.

8 Invest productivity gains from artificial intelligence in employment and development

Indicators

- **2022: 1,570** productivity gains in FTE, **2,378** permanent hires..
- **2021: 900** productivity gains in FTE, **1,596** permanent hires.

Scope:

- Scope of FTE gains: France network.
- Scope of recruitment: social base.

Means:

- High-growth investments in technology and artificial intelligence.
- Social policy that favors training, career development and job creation.

COMPLETE PERFORMANCE OVERVIEW - CONTINUED

Mission 4

AS A SOLIDARITY COMPANY, WE CONTRIBUTE TO REGIONAL DEVELOPMENT

9 Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at banks and branches

Indicators:

- 2022: 91.7% of loans granted locally.
- 2021: 91.3%

Scope:

Crédit Mutuel and CIC networks.

Means:

Decentralized organization with predominantly local lending decisions.

10 Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers

Indicators:

- 2022: 100% of sports and cultural associations have been benefiting from the Pay Asso solution since January 2022 and 100% of managers of customer sports and cultural associations are eligible for free civil liability cover.
- 2021: 100%.

Scope:

France network (Crédit Mutuel local banks and CIC branches).

Eligibility:

- The Pay Asso solution is free of charge for associations governed by the law of July 1, 1901 or under the local law of Alsace-Moselle, with an exclusively sporting or cultural object and a non-profit purpose, with an annual budget of less than €500,000, and holding a current account with Crédit Mutuel.
- Free civil liability for managers of sports and cultural associations, up to a maximum annual cover of €50,000.

Means:

- Free Pay Asso solution for eligible associations.
- Free civil liability for eligible executives.

11 Invest 5% of our equity mainly in innovative French companies

Indicators:

- 2022: 5.19% of group shareholders' equity invested mainly in French companies that have been subject to an innovation maturity analysis.
- 2021: 5.05%

Scope:

Crédit Mutuel Equity.

Means:

- Dedicated shareholders' equity structure.
- Implementation of a dynamic mapping of investments.

Mission 5

AS A RESPONSIBLE COMPANY, WE ACTIVELY WORK FOR A FAIRER AND MORE SUSTAINABLE SOCIETY

12 Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022

Indicators:

- **Reduction of the group's carbon footprint:** energy, refrigerants, motor fleet, business travel scope - comparison at the end of 2018
- **December 2021:** -21.4%
- **December 2020:** -20.7%
- **Reduction of the carbon footprint of the corporate loan portfolio** comparison with June 2018
- **June 2022:** -54.6%
- **June 2021:** -27.9%

Scope:

See scope and methodology notes concerning these indicators in the group's 2022 non-financial performance statement.

Means:

- Sectoral policies (coal, mobility, agriculture, hydrocarbons, etc.).
- Sobriety policy.

13 Immediately stop funding for new oil and gas projects

Indicator:

- **0** funding for new oil and gas exploration, production and infrastructure projects since October 2021.

Scope:

Crédit Mutuel Alliance Fédérale group scope.

Means:

- Coal and hydrocarbon sectoral policy.

14 Ensure the home loan of loyal customers without any medical formalities

Indicators:

- No more medical formalities requested since December 1, 2021.
- **166,400** beneficiaries since the launch

Scope:

France network (Crédit Mutuel local banks and CIC branches).

Eligibility:

Customers domiciling their main income for seven years; insured amount up to €500,000 per borrower for the purchase of the primary residence; policyholder under 62 years of age at the time of underwriting.

Means:

- Elimination of the health questionnaire for loyal customers.
- End of pricing based on the customer's pathology or body mass index.
- End of exclusions of specific risks.

15 Commit to customers in financial difficulty with an account at €1 net per month without any incident fees

Indicator:

- **2022:** 53,033 beneficiaries.

Scope:

Crédit Mutuel and CIC networks.

Means:

- Development of a vulnerable customer offer marketed and applied since August 2022.

Caisse Fédérale de Crédit Mutuel, a mutualist company with a share capital of €5,458,531,008, 4 rue Frédéric-Guillaume Raiffeisen, 67913 Strasbourg Cedex 9, RCS Strasbourg B 588 505 354 - ORIAS no.: 07 003 758. Bank governed by Articles L.511-1 et seq. of the French Monetary and Financial Code.

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