ACCELERATING THE MAJOR TRANSFORMATIONS THE WORLD NEEDS

2025 - OUR ENVIRONMENTAL AND SOLIDARITY STRATEGY

Crédit Mutuel
Alliance Fédérale

EDITORIAL

It is because we create value that we can stand shoulder to shoulder with our customers as they undergo ecological and societal transformations. In line with our strategic plan Togetherness Performance Solidarity, we have set ourselves a collective ambition that will guide us through to 2027: **to leverage our mutualist model, serving the common good, to be at the forefront of ecological & societal transformation.** To meet this commitment, we need to be a constant force for initiative, development and conquest, while reinforcing our operational efficiency.

And it's because our action meets society's needs that we are more efficient, by relying on committed women and men and cutting-edge technology. As a benefit corporation, our mutualist model in which the decisions belong to our customer-members and their elected members, allows us to build for the long-term, and to aim for profound transformations in society. This is what our *raison d'être* expresses: *ensemble, écouter et agir (listening and acting together).*

5th French banking group and 9th in the Eurozone, with growth in revenues and historically high net income, **Crédit Mutuel Alliance Fédérale confirms the relevance of its universal and diversified bancassurance model, despite an unfavorable economic context.**

To be THE leading bank on ecological and societal revolution, under the impetus of the Crédit Mutuel and CIC networks as well as the business lines and subsidiaries, we present our strategy through this document. It is the operational implementation of our ambition, which details our roadmap to reduce the carbon footprint of our balance sheet and our activities, in compliance with the Paris Agreement. It builds on what we have already undertaken: the invention of the Societal Dividend to create and share ever more value, the launch of the Mutualist Institute for the Environment and Solidarity, to put our expertise to serve the ecological transformation for all our business lines and all customers.

In a global context where concerns, tensions and headwinds are piling up, **we are staying on course, serving our customers and members.**

DANIEL BAAL AND ÉRIC PETITGAND

INTRODUCTION

In a world that is undergoing profound upheavals and requires major transformations, Crédit Mutuel Alliance Fédérale's mutualist model is a very productive asset: it makes it possible both to be constantly in touch with society, thanks to our elected members, and to look beyond the short term to take into account long-term issues.

By creating **the Mutualist Institute for the Environment and Solidarity** in 2024, as a new department in charge of environmental, social and governance (ESG) issues, Crédit Mutuel Alliance Fédérale wanted to put its expertise on these subjects to serve its various business lines and its customers. **The ambition of our 2024-2027 Strategic Plan is clear:** to be the bank for environmental and social transformation by supporting all our customers to deal with the changes underway. Helping our customers transform and adapt to climate change is a key lever for managing the associated risks.

Our environmental and social strategy, presented in this document, is the result of a collective work involving all of the group's business lines and entities. This document is the operational implementation of our Strategic Plan's environmental and societal ambition. It is, of course, consistent with our CSRD sustainability statement published in 2025.

Three principles guided us:

- We sought to **offer practical solutions for our customers,** by setting specific quantitative targets, both to limit climate change or contribute to a more inclusive society: these are detailed in parts II and IV.
- We tried to **focus our efforts on the actions that are most likely to be effective:** part II presents how we used the sector analysis to target the main sectors and levers.
- We sought to **take into account the diversity of situations and needs** of our various customers: section II-5 presents how we support each of them.

This document reflects the state of knowledge and data at our disposal; it is intended to be enhanced and adapted as our work progresses and new information becomes available.

I AM CONVINCED THAT THIS "ESG ROADMAP" REFLECTS BOTH OUR ACUTE AWARENESS OF THE URGENCY TO ACT REGARDING GLOBAL WARMING, THE LOSS OF BIODIVERSITY AND THE SOCIAL CHALLENGES FACE BY OUR FELLOW CITIZENS, AS WELL AS OUR CONVICTION THAT SOLUTIONS CAN ONLY BE TANGIBLE AND COLLECTIVE.

LAURENT BERGER

2025 OUR ENVIRONMENTAL AND SOLIDARITY STRATEGY

ACCELERATING THE MAJOR TRANSFORMATIONS THAT THE WORLD NEEDS

Because it is urgent to act for the climate and biodiversity and for a more inclusive society, Crédit Mutuel Alliance Fédérale committed, in its 2024-2027 Strategic Plan, Togetherness, Performance, Solidarity to: **"be at the forefront of ecological & societal transformation".**

THIS COMMITMENT IS TRANSLATED OPERATIONALLY IN OUR DIFFERENT BUSINESS LINES, AND FOR ALL OUR CUSTOMERS:

TO REDUCE OUR IMPACT ON THE CLIMATE, we aim to reduce the emissions linked to the financing we grant by 20% by 2027 and by 30% by 2030. A sector analysis of our emissions has enabled us to determine the sectors where we could have the most impact. In the insurance scope, we have a target of reducing the footprint of our investments in equities and bonds by 60% by the end of 2030.

Concrètement, pour atteindre cet objectif, nous visons de :

- **Support** each year 35,000 households in single-family homes in replacing their oil or gas boilers and renovating their homes, thanks to zero-interest loans for work granted as part of the new energy renovation program;
- **Finance** the renovation of commercial buildings subject to regulatory requirements;
- **Promote** the development of low-carbon modes of transport, by targeting 30% of electric vehicles in leasing offers for individuals and 30% for corporate fleets in 2027;
- **Significantly increase** (x2.7) our financing of the production of renewable electricity and reduce our financing of fossil fuels (already very low), so as to reach a ratio of €10 in renewable energy financing for each euro in fossil fuels by 2027;
- **Finance** the agricultural and food transition and support the greening of existing or future sectors;
- **Direct** our financing, within the highest emitting industries and in air and maritime transport, towards companies that are reducing their emissions at a rate compatible with the carbon neutrality objectives in 2050.

TO SUPPORT ALL OUR CUSTOMERS, we are developing varied and targeted offers for priority needs as well as support services (carbon assessment for companies, for example), in order to reduce our climate and biodiversity risks as well as those of our customers. We are also training all of our advisors so that they can meet their customers' expectations.

TO CONTRIBUTE TO AN INCLUSIVE SOCIETY, we are accompanying our customers in difficult times, to support them in situations that may lead them to fall into poverty (separation, death, illness, loss of autonomy, etc.). It is through our core business lines that we can make a difference: removal of the health questionnaire, providing economic and financial training to better manage a budget, support for vulnerable groups, etc.

WE ARE GIVING OURSELVES THE MEANS TO MATCH OUR AMBITIONS: the Societal Dividend represents 15% of our net income, or more than €2.5 billion by 2027 which should be donated to enable a just transition and bring our mutualist values to life in the 21st century. All of our business lines (Crédit Mutuel and CIC banking networks, corporate and investment banking, Assurances du Crédit Mutuel, Euro-Information, Cofidis Group, TARGOBANK, La Française Group, CM Leasing, etc.) are contributing to this, with the support of the Mutualist Institute for the Environment and Solidarity.

TO BE THE BANK OF THE TRANSITION, we are building on our difference, which gives each customer the opportunity to become a member, to choose their elected members and thus to express themselves on the major orientations taken.

IMPLEMENTATION METRICS AND TOOLS

1 TARGETS TO REDUCE OUR EMISSIONS

Reducing the carbon footprint of our financing (banking scope)

by **20%** by 2027*

and by **30%** by 2030*

* vs. 2023

Reducing the carbon footprint of investments in directly-held equities and bonds (insurance scope)

by **60%** by the end of 2030

* vs. end of 2018

Mobilizing the additional levers needed to reduce our internal footprint.

2 TANGIBLE AND QUANTIFIED LEVERS TO SUPPORT OUR CUSTOMERS IN THE MAIN SECTORS

RESIDENTIAL REAL ESTATE

35,000 replacements of carbon-based heating equipment financed per year (*Eco-PTZ, Crédinergie*, CIC sustainable development loans, etc.)

- **20,000** gas
- **15,000** fuel oil

LAND TRANSPORT

Individuals: Leasing - shares of electric vehicles in the fleet

- **30%** for new vehicles in 2027, **60%** in 2030
- **10%** for second-hand LCVs in 2027, **20%** in 2030

Professionals and companies: Leasing - shares of electric vehicles in the fleet

- **30%** for new passenger vehicles in 2027, **65%** in 2030
- **25%** for new Light Commercial Vehicles (LCVs) in 2027, **60%** in 2030;
- **10%** for second-hand vehicles in 2027, **20%** in 2030.
- **13%** of heavy goods vehicles with alternative powertrains in 2027, **25%** in 2030

ENERGY

Renewable electricity financing

x 2,7 of loan outstandings in 2027*

* vs. 2022

Share of low-carbon outstandings in electricity production

95% in 2027

INDUSTRY

Physical intensity reduction targets for each NZBA sector

3 MOBILIZATION OF VARIED AND POWERFUL RESOURCES

- **Ambitious and comprehensive sectoral policies** to manage our operations;
- **Taking ESG criteria into account** (ESG questionnaire, ESG opinion, DPE);
- **Risk appetite framework and dashboard** to monitor and control our exposures;
- Adapted banking and insurance **commercial offers and partnerships** to propose a full range of loans and services (carbon assessment, transition loans, subsidized loans for electric vehicles, etc.) to our customers;
- **An Energy Renovation sector** (HOMJI) to help our customers from end to end;
- **The Societal Dividend:** more than €2.5 billion estimated by 2027 for impact investments, solidarity offers and to support the non-profit sector;
- **Additional financial tools** to guide our financing and pool risks;
- **Training** rolled out to all our employees.

CONTENT

READING GUIDE

This document was designed for different readers: some will be mainly interested in understanding our climate strategy, others our risk management, and others the way in which we support our customers or our social actions. The various sections and parts can therefore be read relatively independently of each other, by limiting references to each other as much as possible, which explains some duplication.

PART I provides a general presentation of Crédit Mutuel Alliance Fédérale to help understand our approach to environmental, social and governance (ESG) stakes.

PART II details our strategy to reduce our negative impact on climate change and biodiversity loss.

PART III presents our analysis and management of the ESG risks to which we are exposed and the way in which we support our customers to better protect them.

Finally, in **PART IV** we present how we are contributing to a more inclusive society.

I OUR DIFFERENCE

A BANK THAT BELONGS TO ITS CUSTOMER-MEMBERS, SERVING SOCIETY

I-1

MUTUALIST BANK, TO MEET THE NEEDS OF EACH INDIVIDUAL AND OF SOCIETY

I-1-1 FROM THE ORIGIN, THE DESIRE TO MEET LOCAL NEEDS BY POOLING RESOURCES

Crédit Mutuel was founded at the end of the 19th century in a Europe affected by profound economic and social upheavals: the first two industrial revolutions had radically transformed production, transport, commerce and finance; they led to the emergence of cities and the working-class world, while agricultural crises weakened a society that was still predominantly rural. The first “loan bank-associations” created in the Rhineland, then in Alsace, by Frédéric-Guillaume Raiffeisen, aimed to enable farmers and workers to borrow at non-usuring interest rates.

> “THE RAIFFEISEN-TYPE SPIRIT OF MUTUALISM IS FIRST OF ALL ABOUT ADAPTING TO SOCIO-ECONOMIC REALITIES. /.../ ABOVE ALL, IT IS A PHILOSOPHY OF MUTUALIST ACTION, A WAY OF CONSIDERING PROBLEMS. /.../ IN ITS OWN OPERATION, PRAGMATISM IS VERY PRESENT. /.../ STRONGER THAN THE DOCTRINE, IF IT REALLY EXISTS, IT IS THE DESIRE TO ALWAYS OFFER THE BEST SERVICES WITH FORESIGHT[1]”.

Unlike charities, these banks bring together lenders and creditors who share their interests, in order to strengthen the cohesion of local communities and offer everyone the opportunity to participate. **They have the particularity of being based both on the joint liability of all members and on a strictly identical power granted to each of them:** whether a lender or a borrower, an asset holder or a poor farmer, each member has one vote and may be elected as a director of the bank. All members are thus placed on a strictly equal footing and responsibility[2].

I-1-2 TODAY, A MUTUALIST BANK, WHICH CONTINUES TO BELONG TO ITS CUSTOMER-MEMBERS

Today, Crédit Mutuel Alliance Fédérale, a decentralized cooperative company bringing together 14 federations[3] and 1,417 local banks, continues to be a mutualist bank: not listed on the stock market, its capital is held by its customer-members and not by shareholders. Each member can participate in the Shareholders' Meeting of their local bank, with an equal voting right that enables them to take part in the decisions and elect their representatives, elected directors and volunteers.

This mutualist organization makes it possible to maintain a close relationship with our customer-members and thus always be in touch with society. This is the case at the local level[4], in the local banks, and also in the regional or national bodies. Our 2024-2027 Togetherness, Performance, Solidarity Strategic Plan was informed by a major consultation during which the participation of elected members was very important.

Crédit Mutuel's local banks are also **autonomous credit institutions**, which allows them to be very responsive to customer requests: the vast majority of decisions are made at a local level[4].

The independence provided by this organization, combined with performance and financial strength, makes it possible to invest in the long term, to anticipate major economic, environmental, social and technological transformations.

> "TO BE PLAYERS IN THIS [ENVIRONMENTAL AND SOCIETAL] REVOLUTION, WE HAVE A MAJOR ASSET: MUTUALISM. A SYSTEM THAT COMBINES PERFORMANCE AND SOLIDARITY, THAT BUILDS ON COLLECTIVE UTILITY, DEMOCRACY AND THE LONG TERM. A MOVEMENT DRIVEN BY OUR ELECTED MEMBERS, GUARANTORS OF OUR VALUES"
>
> - 2024-2027 STRATEGIC PLAN

I-2 OUR STRENGTHS IN FIGURES[5] 2024

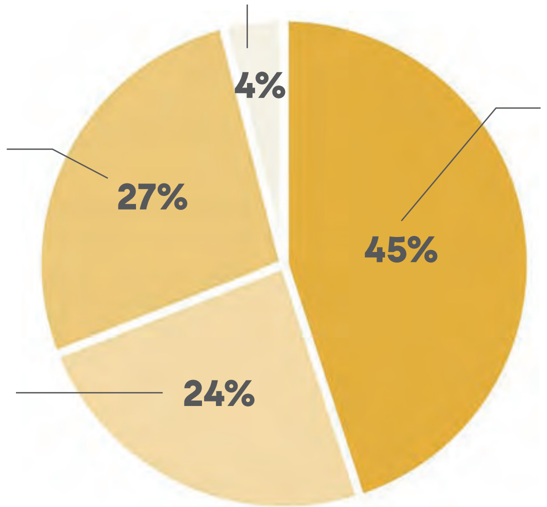
31.0 million customers
6.5 million members
78,300 employees
15,000 mutualist elected members

€16.6 billion in net revenue
€4.1 billion in net income
55.7% Cost/income ratio
18.8% CET1 solvency ratio
21.0% solvency ratio

€932.2 billion in total balance sheet
€482.7 billion in customer deposit outstandings
€527.1 billion in customer loans
€66.0 billion in shareholders' equity

	Standard & Poor's at 11/07/2024	**Moody's** at 12/19/2024	**Fitch Ratings** at 04/02/2024
Issuers/LT Preferred senior debt	A+	A1	AA-
Outlook	Stable	Stable	Stable
ST Preferred senior debt	A-1	P-1	F1+
	Rating Crédit Mutuel Group	**Ratings** Crédit Mutuel Alliance Fédérale | BFCM & CIC	**Rating** Crédit Mutuel Alliance Fédérale

2024 NET INCOME BY ACTIVITY



I-3

A BANK THAT COMBINES PEOPLE AND TECHNOLOGY

I-3-1 A STRONG SOCIAL PACT

Our governance model also allows value to be shared throughout the company. Crédit Mutuel Alliance Fédérale attaches great importance to valuing its employees. Our social pact has stood out among the players in the sector for nearly a decade. The mandatory annual negotiations for 2025 were unanimously approved by our social partners. They resulted in a general increase of 1.5%, an envelope of individual increases of 2.2% and a matching contribution of €2,100 on employee savings. Since 2024, ESG criteria have been included in the profit-sharing agreement covering 53,000 employees in the group in France, in order to enhance our ESG commitments and make them a collective performance issue.

The group also continuously invests in the quality of life at work, with a comprehensive approach to support employees[6]. An engagement barometer is carried out every two years with employees thanks to the *Vous Avez La Parole* (You Have The Floor) survey, to assess the commitment and well-being of employees within the group, by identifying areas for improvement and levers to strengthen team satisfaction and motivation.

We support our employees in life events with a time-saving account (compte épargne temps) for up to 400 days, paid leave in addition to regulatory obligations and social bonuses[7].

Lastly, Crédit Mutuel Alliance Fédérale has acted to promote diversity and inclusion for many years, in terms of gender equality, actions in priority city neighborhoods or disability policy. To go further, the group has built an action plan in favor of diversity by origin to fight against all forms of discrimination.

Attractiveness, loyalty and support are the three pillars of our human resources management.

I-3-2 CRÉDIT MUTUEL ALLIANCE FÉDÉRALE, TECHNOLOGY SERVING PEOPLE

A financial group at the cutting edge of technological advances, thanks to the central role of its technological subsidiary, Euro-Information, Crédit Mutuel Alliance Fédérale seeks to offer its customers and employees relevant tools and advice, data security and ease of use.
The challenge is to guarantee our customers the autonomy of digital technology coupled with the quality of the relationship. Euro-Information is a pioneer in artificial intelligence (AI), launched in 2016, and used every day by our advisors, to free up one million hours of administrative work in 2024 and to better serve our members and customers. In 2024, the group adopted its Charter for Trusted Artificial Intelligence to ensure that AI and data continue to serve its mutualist values.

I-4

CRÉDIT MUTUEL ALLIANCE FÉDÉRALE, THE BANK THAT SUPPORTS ITS CUSTOMERS THROUGH THEIR TRANSITIONS

I-4-1 OUR *RAISON D'ÊTRE* AS A BENEFIT CORPORATION: *ENSEMBLE, ÉCOUTER ET AGIR* (LISTENING AND ACTING TOGETHER)

By becoming the first corporate bank as a benefit corporation, Crédit Mutuel Alliance Fédérale clearly showed its desire to participate in the virtuous transformation of the economy towards a more inclusive and sustainable development model.

In 2020, Crédit Mutuel Alliance Fédérale adopted its *raison d'être, ensemble, écouter et agir* (listening and acting together), and the status of a benefit corporation, which form the basis of its commitment. **Five missions, now part of its core purpose, guide its daily action:**

- **SUPPORTING our customers and members in their best interests**
- **REFUSING all discrimination**
- **PUTTING technology and innovation at the service of people**
- **CONTRIBUTING to regional development**
- **BUILDING a fairer and more sustainable society**

To give life to its missions, Crédit Mutuel Alliance Fédérale has set itself 15 tangible commitments applicable from 2022. These commitments enable it, among other things, to develop mutualist democracy, fight against discrimination, protect digital privacy and fight against global warming. **They embody the mutualism of proof, an effective, innovative and differentiating mutualism. In 2025, new commitments will strengthen the benefit corporation dynamic.**

BY 2027, 20 COMMITMENTS THAT MARK OUR DIFFERENCE

MISSION #5

As a responsible company, we actively work for a fairer and more sustainable society

1. Create more value and increase our environmental and social impact by dedicating 15% of our net income to the Societal Dividend

MISSION #1

As a cooperative and mutualist organization, we support our customers and members in their best interests

2. Enable our members to participate in the selection of projects financed by the Societal Dividend
3. Promote and enhance the role of elected members, in particular through the training offered by the Mutualist University
4. Build long-term relationships with each of our customers thanks to a dedicated non-commissioned advisor
5. Prevent over-indebtedness by developing and providing the financial and budgetary education of our customers

MISSION #2

A bank for all, members and customers, employees and elected members, we act for everyone and refuse any discrimination

6. Guarantee gender pay equality and parity in our governance bodies and departments
7. Focus on talent from wherever it comes by recruiting 30% of work-study students from priority neighborhoods and rural areas
8. Take action against the failure to seek care by advancing the health costs of our policyholders with Integral Third Party Payment for healthcare
9. Defend equal opportunities by allowing young people to access the higher education of their choice with the zero-interest solidarity student loan
10. Fight against discrimination in home ownership by removing the health questionnaire and the mandatory permanent job contract
11. Help seniors to age well in their homes by offering them subsidized financing to adapt their housing
12. Train 100% of our advisors and raise awareness among 100% of our elected members about violence against women and offer victims a personal bank account, free of charge and unknown to the spouse

MISSION #3

Respectful of everyone's privacy, we place technology and innovation at the service of people

13. Guarantee the confidentiality of our customers' data by committing never to market it
14. Ensure that Artificial Intelligence keeps people at the heart of the relationship by guaranteeing to everyone the right to consult an advisor

MISSION #4

As a solidarity-based company, we contribute to regional development

15. Invest 5% of our shareholders' equity in companies that support growth, jobs and innovation in our regions
16. Support farmers by promoting the transfer of farms and the ecological transition with subsidized loans
17. Contribute to the fight against medical deserts with an offer facilitating the installation of doctors and health professionals in the regions
18. Be the go-to partner for associations by offering them solutions for all their needs and by financing their projects with a strong donation and partnership policy
19. Create a mutualist emergency fund to intervene quickly in the event of critical events

MISSION #5

As a responsible company, we actively work for a fairer and more sustainable society

20. Reduce the carbon footprint of our balance sheet by 20% by 2027 to contribute to decarbonizing the economy

Commitments including Societal Dividend actions

I-4-2 OUR 2024-2027 STRATEGIC PLAN: TOGETHERNESS, PERFORMANCE, SOLIDARITY

Faced with the economic, digital, ecological and geopolitical revolution that we are going through, our **Strategic Plan** reaffirms that mutualism is an asset for reconciling performance and solidarity.

Adopted by the Chambre syndicale et interfédérale - our Mutualist Parliament -, **it sets growth targets for 2027**, by conquering new markets in France and Europe. This performance is the condition for **"being at the forefront of ecological & societal transformation in order to support [our] customers"** and in so doing, contributing to the decarbonization of the economy.

By relying on a winning trio: employees, elected members and technology.

I-4-3 THE CREATION OF THE SOCIETAL DIVIDEND AND THE MUTUALIST INSTITUTE FOR THE ENVIRONMENT AND SOLIDARITY, SERVING THIS AMBITION

A *raison d'être*

1ST BENEFIT CORPORATION BANK
***Ensemble, écouter et agir* (listening and acting together)**
5 missions, 15 commitments

A strategy

STRATEGIC PLAN
TOGETHERNESS, PERFORMANCE, SOLIDARITY
The strategic plan includes ESG performance metrics

Implementation levers

MUTUALIST INSTITUTE
FOR THE ENVIRONMENT AND SOLIDARITY
ESG Department: Expertise, Management, Deployment

SOCIETAL DIVIDEND
Impact investments, solidarity services, donations and support for non-profit organizations

FOUNDATION
Committing to those who are working to build a fairer and more sustainable society

The Societal Dividend, bringing our mutualist values to life in the 21st century

SOCIETAL DIVIDEND
€574 million in 2024

1. **€396M** Environmental and Solidarity Revolution fund
2. **€96M** Inclusive and solidarity-based pricing
3. **€82M** Donations (including the CMAF Foundation) and support for non-profit organizations

The Societal Dividend, created in 2023, consists of mobilizing 15% of our net income each year (which represents around €500 million[8] per year) to help address the environmental and social crisis. It is a way of sharing with society the value we create, and participating in the resolution of today's problems and the construction of a fairer and more sustainable world through our collective performance (see section II-4)[9].

1. **Investments** in key themes of environmental and solidarity transformation, with no short-term financial return targets, already more than €770 million committed since 2023.
2. **Banking and insurance products** and services that are supportive and inclusive for our customers and members.
3. **Donation actions:** Crédit Mutuel Alliance Fédérale, the leading corporate sponsor in France[10].

The Mutualist Institute for the Environment and Solidarity, so that expertise guides our action on the environment and social issues

To implement the Strategic Plan's ambition to support its customers in the environmental and social transformations underway, Crédit Mutuel Alliance Fédérale created the Mutualist Institute for the Environment and Solidarity in 2024.

This new department in charge of environmental, social and governance (ESG) issues, reporting to Executive Management, is the group's center of expertise on sustainability matters[11]. This strategic positioning reflects the desire to ensure that these issues, which are risk factors and also opportunities to better support our customers, are taken into account by all business lines.

Composed of three divisions (expertise, management, deployment), the Mutualist Institute defines Crédit Mutuel Alliance Fédérale's ESG roadmap and coordinates ESG projects (see section II-4). Its mission is to identify the levers to make the group the bank for the environmental and societal transition and to manage their implementation: operationalizing our ESG strategy, measuring and providing the necessary tools and data, supporting the transformation of business lines and the associated increase in skills.

Alongside the creation of the Mutualist Institute for the Environment and Solidarity, the group's governance on environmental, social and governance (ESG) issues has been strengthened[12]. It is summarized in the following diagram, which also presents the responsibilities relating to the "Impacts, Risks and Opportunities" (IRO) reported in the CSRD sustainability statement[13].

The main committee dedicated to these issues is the ESG Governance Committee, which brings together the main effective managers and heads of group entities every three months. Under the authority of the Chief Executive Officer, it is tasked with guiding Crédit Mutuel Alliance Fédérale's strategy on ESG issues, validating implementation projects and making the necessary associated arbitration.

The *Chambre syndicale et interfédérale* is a mutualist governance body which brings together, at least twice a year, elected members of the local and regional banks, federations and Chief Executive Officers. They are divided into five working groups. The first, under the authority of the Chairman of Crédit Mutuel Alliance Fédérale, focuses on ESG issues and mutualist life.

GOVERNANCE SYSTEM FOR SUSTAINABILITY MATTERS

Supervisory bodies

OVERSIGHT

14 Crédit Mutuel federations | Caisse Fédérale de Crédit Mutuel | BFCM | CIC

- Mutualist governance bodies including Boards of Directors of federations, *Chambre syndicale et interfédérale*
- Shareholders' Meeting
- Boards of Directors and their specialized committees
  - Group Risk Monitoring Committee
  - Group Auditing and Accounting Committee
  - Appointments Committee
  - Compensation Committee

Executive bodies

STEERING

Executive Management — ESG Governance Committee, Group Risk Committee

OPERATIONAL ANAGEMENT

Operational departments — **Mutualist Institute for the Environment and Solidarity** and the cabinet and corporate engagement departments, the finance, risk, permanent control and compliance, commitments, commercial, human resources, Cooperative and Mutualist Life division

Subsidiaries & entities — Retail banking, insurance, press, business line subsidiaries, specialized business lines, Crédit Mutuel Alliance Fédérale Foundation

II ACTING FOR CLIMATE AND BIODIVERSITY

II-1 OUR STRATEGIC VISION OF CLIMATE AND BIODIVERSITY STAKES

THE URGENCY TO ACT II-1-1

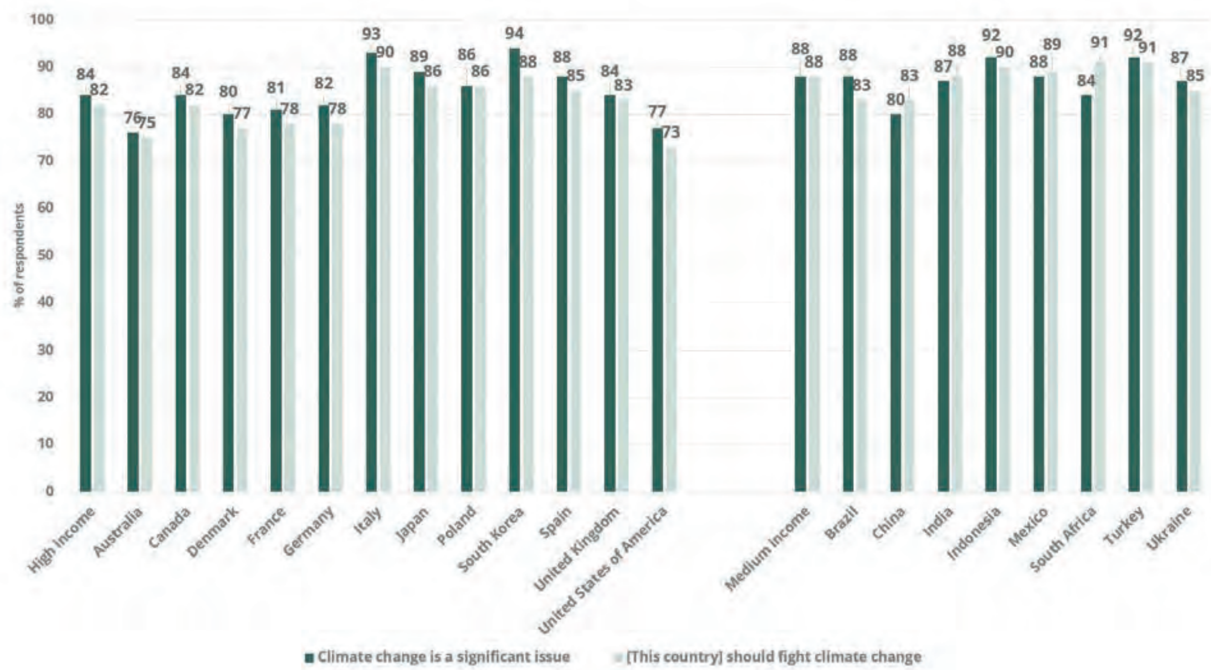
Global warming, announced for more than thirty years by the scientists of the Intergovernmental Panel on Climate Change (IPCC), is today **a tangible reality:**

"2024 WAS THE WARMEST YEAR ON A GLOBAL LEVEL, EXCEEDING FOR THE FIRST TIME 1.5°C ABOVE THE PRE-INDUSTRIAL LEVEL. THE WARMING IS AMPLIFIED IN EUROPE AND HAS REACHED 2.2°C IN FRANCE OVER THE LAST 10 YEARS[14]".

- **Its causes are known:** greenhouse gas emissions have continued to rise, due to unsustainable energy and land uses, lifestyles, and consumption and production patterns[15].
- **Its consequences,** more and more visible, are increasing in frequency and intensity: floods, tropical cyclones, heat waves, droughts, fires, disappearance of animal species, etc.
- **Its links** with the preservation of biodiversity, human health and inequalities are also increasingly well-documented.

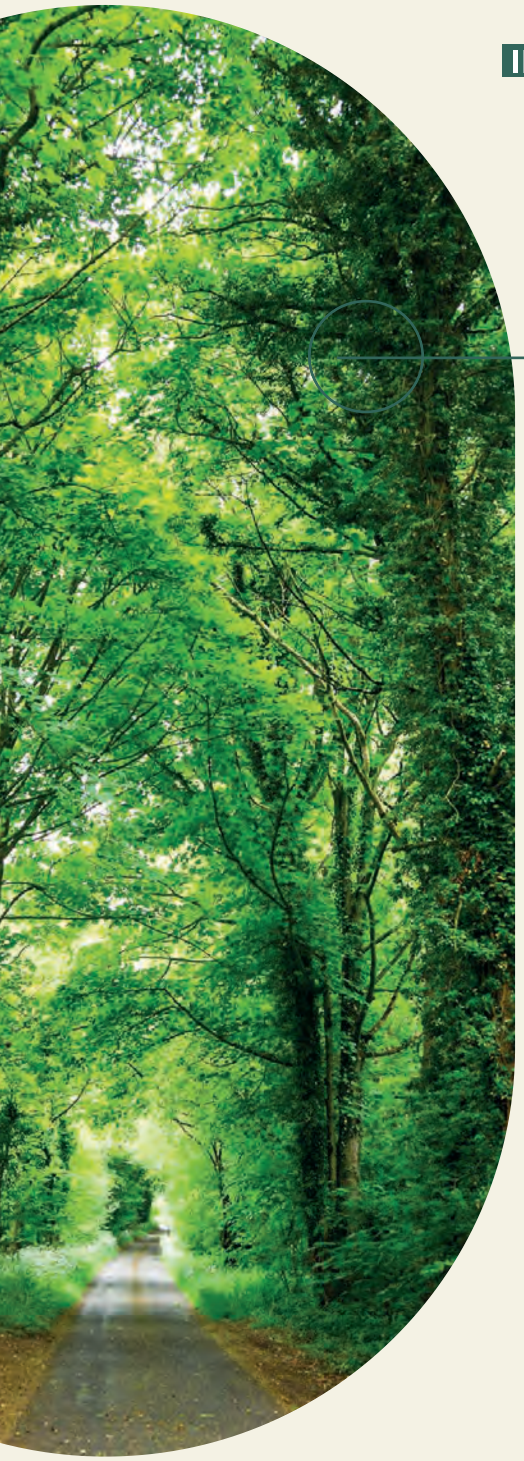
A majority of citizens in many countries, including in the United States of America, acknowledge the reality of climate change, its link with human activities and its consequences (see graph)[16].

Percentage of respondents who agree (somewhat or strongly agree) that "climate change is a significant issue" or that their country "should take action to combat climate change".



Urgent action is also needed to preserve biodiversity. Global populations of wild species[17] have been reduced by 73% over the last 40 years due to human activities, 25% of animal and plant species are threatened, i.e. one million species are at risk of extinction, and nearly three-quarters of the surface area of the planet has been altered[18]. As the 6th country with the largest number of endangered species, France has a major role to play in the preservation of biodiversity.

Climate and biodiversity are closely linked. Climate change accelerates the erosion of biodiversity, while biodiversity loss exacerbates the climate crisis and undermines our ability to adapt.



II-1-2 ACCELERATING THE MAJOR TRANSFORMATIONS THAT THE WORLD NEEDS

While the findings are clear, we cannot but notice that the actions are currently not up to the task.

"THERE IS A RAPIDLY CLOSING WINDOW OF OPPORTUNITY TO SECURE A LIVEABLE AND SUSTAINABLE FUTURE FOR ALL"
(IPCC, 2023)

"NATURE CAN BE CONSERVED, RESTORED AND USED SUSTAINABLY WHILE OTHER GLOBAL SOCIETAL GOALS ARE SIMULTANEOUSLY MET THROUGH URGENT AND CONCERTED EFFORTS FOSTERING TRANSFORMATIVE CHANGE "
(IPBES)

Reducing greenhouse gas emissions and preserving biodiversity require major transformations:

- For our economies, it is an accelerated industrial revolution, which requires significant investments (around 2 percentage points of GDP per year by 2030 in France)[19];
- For all of us, it means giving up certain habits and adopting others ones;
- For our societies, it means inventing ways to sustainably move forward together.

Governments, private companies, citizens, all have a role to play.

The financial sector has a special role, to finance the necessary investments and support its customers, both individuals and companies, in these transformations. **Banks, as financial intermediaries, are key players:** they grant loans, which contribute to the financing of their customers' projects, they manage savings, they collect essential information to understand, assess and manage risks, due to their specific relationship with companies of all sizes, which also enables them to support them as closely as possible to their needs. **Insurance organizations are concerned** both as investors and more directly, as insurers, by the consequences of weather hazards and their role in promoting adaptation to climate change.

"IN CHARGE OF THE ALLOCATION OF CAPITAL, FINANCE FACILITIES THE REORIENTATION OF INVESTMENTS, WHEN IT UNDERSTANDS THE CHALLENGES AND IDENTIFIES THE ASSOCIATED RISKS AND OPPORTUNITIES WITH ENOUGH PRECISION[20]"

These transformations can be sources of inequalities between individuals, companies and regions: we want to be united, faithful to the values of Crédit Mutuel Alliance Fédérale, so that those who are more affected by climate change or who are less able to act are not left behind, both by the bank and by insurance companies.

FOCUS ON...

An uninsurable future is not an option

Faced with climate change, which is increasing the frequency and intensity of natural claims, Groupe des Assurances du Crédit Mutuel is defending **the collective maintaining of insurers in all French territories.** By promoting a home insurance offer that remains available and accessible, the insurance subsidiary is committed to defending the insurability of regions and for collective mobilization, including public authorities and insurers.

For this, **our approach consists of incorporating environmental challenges, as well as social and governance issues** (ESG), which are inseparable, in all our business lines.

"ON A DAILY BASIS, THE TEAMS MUST INCORPORATE THESE SUBJECTS IN A NATURAL WAY. IN CUSTOMER BASES, THE APPROACH BY UNIVERSE CONCERNED (HOUSING, MOBILITY,...) AND BY CUSTOMER SEGMENTS (YOUNG PEOPLE, SENIORS, PRO, AGRI, COMPANIES,...) WILL ENABLE ESG TO BE ASSOCIATED WITH ALL STAGES OF OUR ACTION, AS A NORM. THIS REQUIRES OUR TOOLS, OUR OFFERS, OUR DOCUMENTARY DATABASES, ETC. TO BE ADAPTED. OUR TOOLS MUST ENABLE SALES PEOPLE TO REMEMBER EVERYTHING, AND NOT TO NEGLECT AN ENVIRONMENTAL OR SOCIETAL ISSUE."
TRANSCRIPT OF A FEDERATION DIRECTOR

II-1-3 MANAGING OUR RISKS

Our environmental and societal strategy stems from the analysis of our environmental and societal impact and the associated risks or opportunities. This so-called double materiality analysis and the identification of impacts, risks and opportunities (IROs) is described in detail in our CSRD sustainability statement.

The Materiality Assessment carried out in this context (which is presented in section III-1) shows that, without an appropriate response, transition risks related to climate and biodiversity have a potentially strong impact in the medium term (3 to 10 years) on our credit risk and our strategic and business risk.

Our response is to reduce these risks by supporting our customers in mitigating their impacts and accelerating their transitions and adaptation, which reduces their own exposure to transition and physical risks.

II-1-4 OUR METHOD

To this end, our approach consists of:

1. Measure our impact on climate and biodiversity and assess the associated risks;
2. Identify the levers at our disposal and define clear and measurable targets;
3. Give ourselves the resources required to achieve our targets;
4. Support all our customers (individuals, companies, farmers, etc.) in their transformations, taking into account their expectations;
5. Take into account the specificities (including economic) of the various economic sectors.

The rest of this part II presents how we are acting to reduce our impact. **Part III** then details our analysis and management of the climate and environmental risks to which we are exposed.

II-2 OUR IMPACT ON CLIMATE AND BIODIVERSITY

II-2-1 OUR IMPACT ON CLIMATE COMES FROM OUR ACTIVITIES IN FINANCING THE ECONOMY

- **Our internal footprint,** which measures the greenhouse gas emissions related to our own operations (heating, purchase of electricity, purchases of goods and services, employee travel, etc.) amounted to 0.52 MtCO2e[21] (scopes 1, 2 and 3 excluding item 3.15 - financed emissions) in 2024.

- **Emissions[22] related to our financing and investments** (scope 3.15, considering the scopes 1 and 2 of our customers[23]) amounted to 20.9 MtCO2e in 2024 for the banking scope[24] and 2.2 MtCO2e for the insurance scope. In terms of intensity, this corresponds to 44 tCO2e per million euros loaned for emissions related to financing (banking scope) and 37 tCO2e per million euros invested for the ACM.

The emissions from our financing are calculated at counterparty level and thus provide, in principle, a measure of our customers' exposure to transition risk (see part III), although this measurement still relies heavily on sectoral proxies (see methodology appendix).

INTERNAL FOOTPRINT

Emissions related to our operations as a company

0.52 MTCO2E

Scopes 1, 2 and 3 excluding 3.15

BALANCE SHEET FOOTPRINT

Emissions related to our financing and investing activities

44 TCO2E/€M LOANED

Scope 3.15 - Financing
Banking scope

37 TCO2E/€M INVESTED

Scope 3.15 - Investments
Insurance scope

FOCUS ON...

DEFINITIONS OF SCOPES 1, 2 AND 3 EMISSIONS[25]

At the international level, the GHG protocol has defined three categories for the reporting of greenhouse gas emissions:

- **Scope 1** corresponds to emissions directly related to the company's assets and property;
- **Scope 2** measures emissions related to energy purchases to run the business;
- **Scope 3** includes indirect emissions related to the company's upstream and downstream value chain.

These scopes reflect the company's more or less direct ability to reduce its emissions: to reduce its scope 1 & 2 emissions, the company can act on its energy consumption and its operations; to reduce its scope 3, it must, for example, influence its suppliers or modify its purchases (upstream value chain) or change its products and services to enable its customers to reduce their own footprint (downstream value chain).

For a bank, the main emission items are as follows, the most important being the item "financing and investment emissions", which is in downstream scope 3:

UPSTREAM SCOPE 3

324kt
Purchases of goods and services
Crédit Mutuel Alliance Fédérale's purchases

Capitalized goods
Capitalized goods
Production of assets used by Crédit Mutuel Alliance Fédérale

11kt
Upstream energy
Extraction, production and transport of upstream primary energy

21kt
Upstream transport
Transport and distribution to Crédit Mutuel Alliance Fédérale (mail, funds, etc.)

66kt
Employee travel (66kt)
Employee business travel and commuting

SCOPES 1-2

25kt
Own activities and building consumption
Energy consumption and emissions related to buildings

14kt
Vehicle fleet
Vehicles owned by Crédit Mutuel Alliance Fédérale

DOWNSTREAM SCOPE 3

20,935kt
Financed activities
Financing across all asset classes

2,243kt
Investments
Equities and bonds held directly by GACM

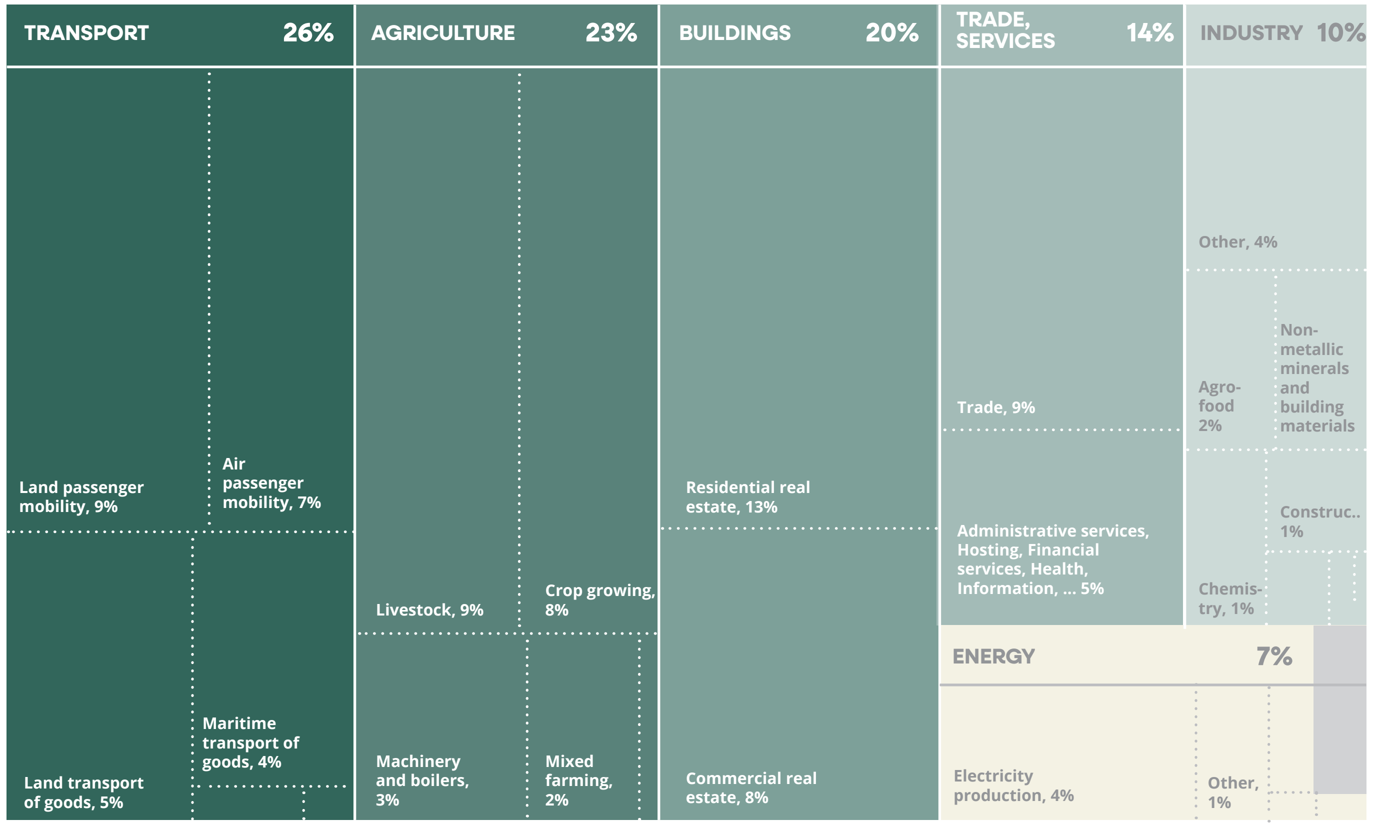
4kt
Distribution
Bank mail and newspaper distribution

11kt
Waste generated
Treatment of waste generated by Crédit Mutuel Alliance Fédérale

The investments that we make on behalf of our customers as asset managers, and which are not recorded in our balance sheet, are not recognized at this stage, in line with the calculation scope considered in our CSRD sustainability statement. However, our ESG strategy does encompass the business lines and entities concerned (see sections II-4 and II-5).

II-2-2 THE SECTOR BREAKDOWN OF OUR EMISSIONS REFLECTS THAT OF FRANCE[26]

In order to identify the sectors with the greatest impact, we have broken down our financed emissions between the main sectors of the economy[27].



Interpretation: Transport represents 26% of our financed emissions, livestock 9%.

TRANSPORT[28] represents a quarter of our financed emissions (30% nationally[29]).

AGRICULTURE also accounts for nearly a quarter of our emissions, which is higher than its share of national emissions (19%).

BUILDINGS (residential and commercial) are responsible for 20% of our emissions (18% nationally).

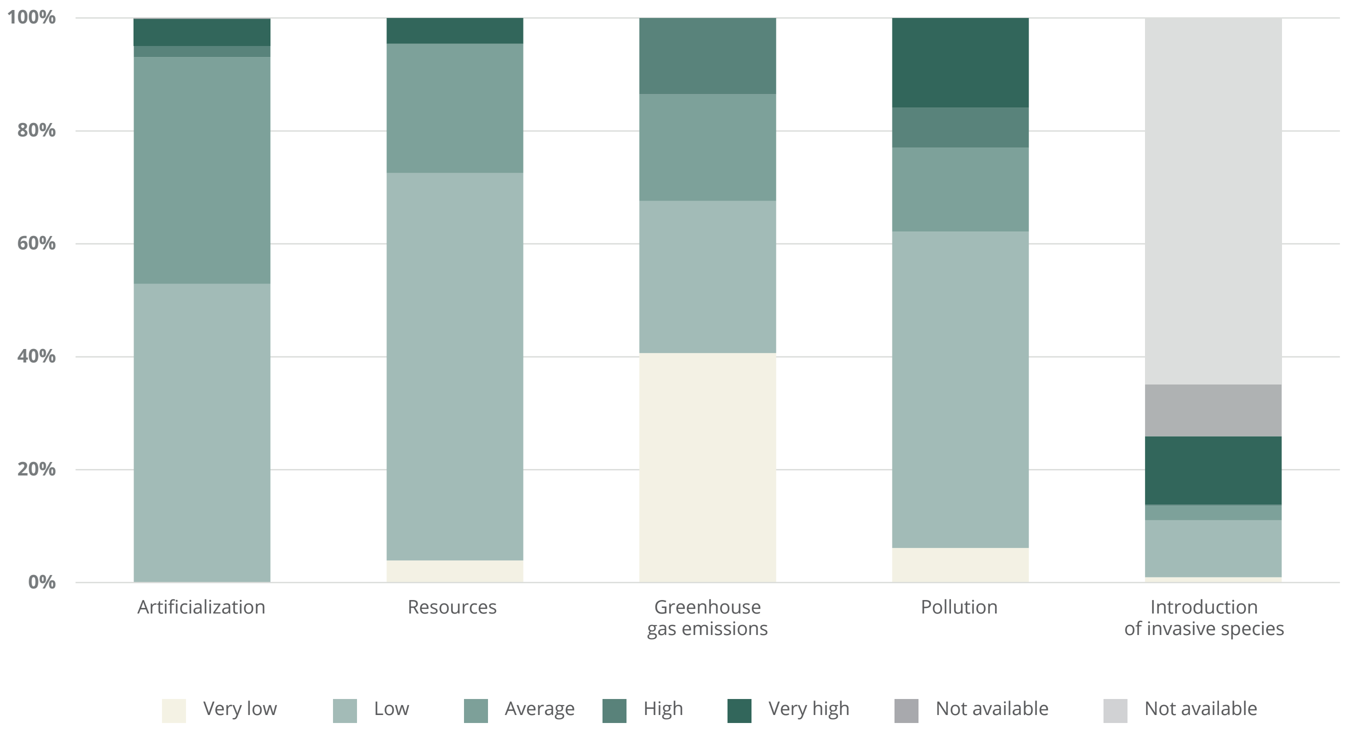
ENERGY (7%) AND INDUSTRY (10%) on the other hand, weigh less in our financed emissions than at the national level (respectively 10% and 19%), due to our moderate exposure to these two sectors.

THE TRADE AND SERVICES SECTOR has a relatively high weight (14%); as the emissions (scopes 1 and 2) of this sector are mainly due to their commercial buildings and their vehicle fleets, this increases the weight of these two sectors in our emissions.

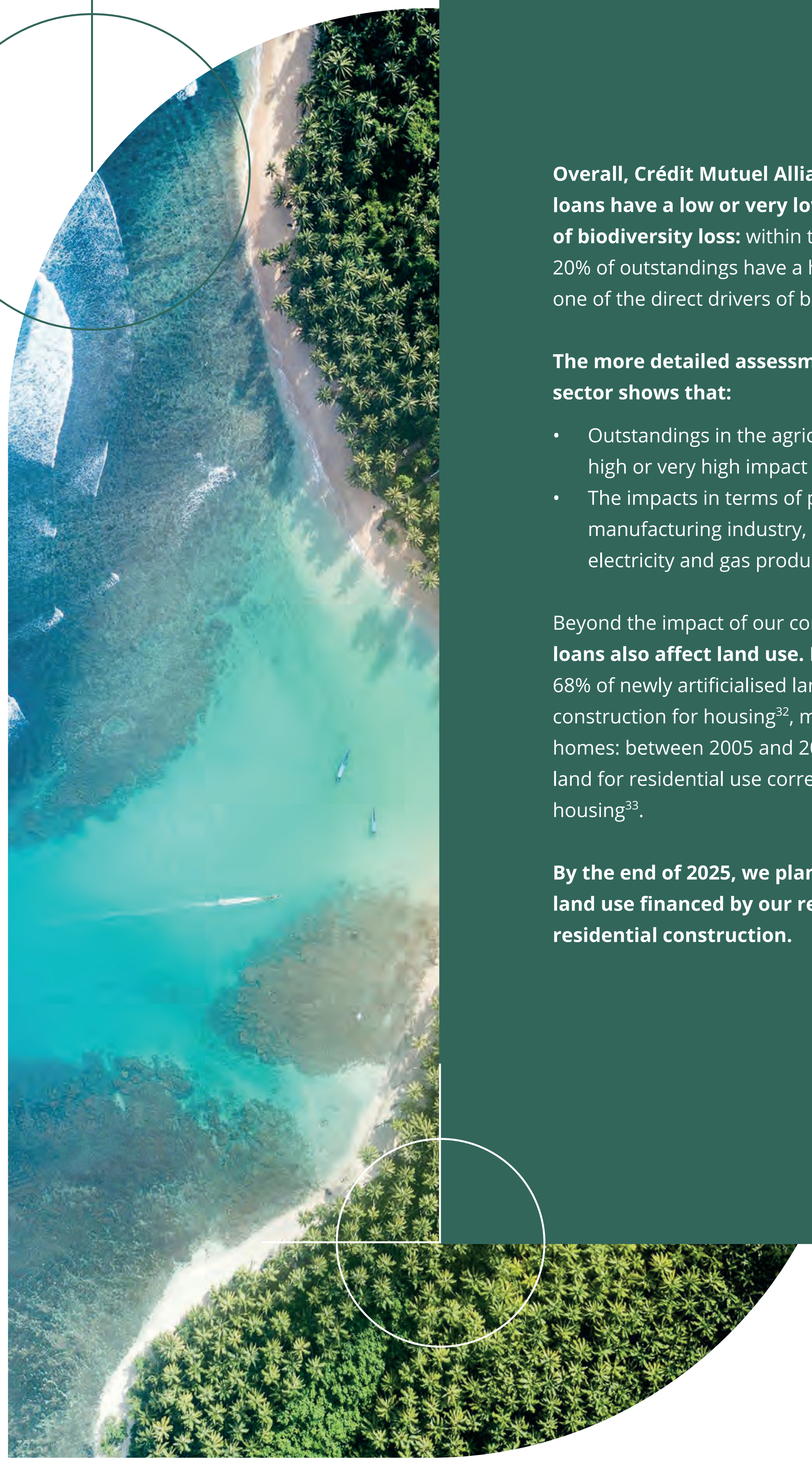
II-2-3 OUR IMPACT ON BIODIVERSITY IS DUE TO A LIMITED NUMBER OF SECTORS

The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) identifies five direct drivers of biodiversity loss: change in land- and sea-use, overexploitation of natural resources, climate change, pollution, invasive alien species. The impact on biodiversity at the Crédit Mutuel Alliance Fédérale group level is assessed using the ENCORE-2024 matrix (see methodology appendix), which makes it possible to determine the impact of our financing to companies[30] on the five **direct drivers of biodiversity loss.**

IMPACT ON BIODIVERSITY OF THE CORPORATE PORTFOLIO



Interpretation: 52% of the corporate portfolio has a low impact on biodiversity via artificialization.



Overall, Crédit Mutuel Alliance Fédérale's corporate loans have a low or very low impact on direct drivers of biodiversity loss: within the corporate portfolio, only 20% of outstandings have a high or very high impact on one of the direct drivers of biodiversity loss.

The more detailed assessment of the impact of each sector shows that:

- Outstandings in the agricultural sector mainly have a high or very high impact on all dimensions[31];
- The impacts in terms of pollution are mainly due to manufacturing industry, construction, agriculture, and electricity and gas production.

Beyond the impact of our corporate loans, **our real estate loans also affect land use.** Between 2009 and 2019, 68% of newly artificialised land in France was due to new construction for housing[32], mainly due to single-family homes: between 2005 and 2013, 90% of newly artificialised land for residential use corresponded to single-family housing[33].

By the end of 2025, we plan to measure the share of land use financed by our real estate loans for new residential construction.

II-2-4 WHERE DO WE STAND?

Our 2024-2027 Strategic Plan shows our will to accelerate and sets ambitious targets, but our action began long before (see timeline) and has already produced the following results:

- We have already reduced our "internal footprint" emissions by 30% between 2018 and 2022[34], in line with our previous Strategic Plan, through:
  - the implementation of an energy sobriety plan and the greening of our vehicle fleet, in line with our ISO 50001 certification;
  - the sharp decrease in business travel. Between 2018 and 2022: decrease of 52% in kilometers traveled by plane and 28% in kilometers traveled by car.
- Our financed emissions (measured in tCO_2e/€m) decreased by 2.3% between 2023 and 2024[35].
- Our investments-related (ACM) emissions (measured in tCO_2e /€m) had already decreased by 56% at the end of 2024 compared to the end of 2018.

OUR COMMITMENTS AND ACTIONS

2020

Launch of the 2019-2023 Strategic Plan #EnsembleNouveauMonde (TogetherToday'sWorld):

- -30% group internal carbon footprint
- +76% financing of projects with a strong positive climate impact
- -15% carbon footprint of the corporate loan portfolio

Stop to all new financing to companies operating in the coal sector

Adoption of the status of a mission-driven company, Cofidis adopted this status on its own behalf in 2024

Signing of the Poseidon principles (climate assessment criteria in maritime financing decisions)

2021

Publications and successive updates of sectoral policies:

- Coal: 2016, 2019, 2021, 2024
- Hydrocarbons: 2021, 2023
- Transport (maritime, road, air): 2022, 2024 (for air)
- Defense & Security: 2016, 2019, 2022, 2025
- Mining: 2016, 2019, 2022
- Civil Nuclear Energy: 2016, 2019, 2022
- Agriculture: 2022, 2023
- Residential real estate: 2024

Removal of medical formalities by the ACM, for loyal customers, as part of the purchase of their main residence

Membership of NZBA at its creation, with a publication in February 2023

2022

Stop to financing of any new oil and gas exploration, production and infrastructure projects, as well as customers with a significant share of their activities related to the production of unconventional fossil fuels

2023

Act4Nature international commitments

Launch of the Societal Dividend: 15% of net income mobilized for the ecological transformation and social and regional solidarity

- **Impact investment:** creation of the Environmental and Solidarity Revolution fund
- **Solidarity offers**
- **Donations,** via the Fondation Crédit Mutuel Alliance Fédérale, created in 2021, making it the largest corporate foundation in France.

2024

Launch of the 2024-2027 Togetherness, Performance, Solidarity Strategic Plan:

- 15% of net income allocated to the Societal Dividend
- 20% reduction in the carbon footprint of the balance sheet
- 100% of employees and elected representatives committed to ecological transformation

Creation of the Mutualist Institute for the Environment and Solidarity

Full publication of NZBA commitments, with reaffirmation in 2025 of our continuation

2025

Deforestation policy

II-3

OUR ACTION AS A TRANSITION BANK FOR ALL OUR CUSTOMERS

II-3-1 OUR APPROACH: REMOVING OBSTACLES TO ACTION, ENABLING OUR CLIENTS TO DO THEIR PART IN THE KEY TRANSITIONS

Faced with the urgent need to act, there are many obstacles: doubts about the right solutions to reduce its emissions and the priority actions; financial constraints, as equipment that does not use fossil fuels (electric vehicles, heat pumps, etc.) is more expensive; a lack of alternatives (public transport, cycle paths, etc.) to reduce its impact; a frequent feeling that our individual efforts are of little weight compared to global emissions and that possible changes in our consumer habits would be futile sacrifices.

Nevertheless, many of us, individuals or companies, wish to do their bit, **without always knowing how or where to start.** To enable all our customers who wish to act effectively, our role is to advise them, support them in their projects, and help them finance practical solutions.

Our approach is pragmatic and tangible:

- **It takes into account** the fact that transformations will not take place at the same pace in all sectors, because the solutions and economic models are more or less mature: for example, agriculture is decarbonizing more slowly than other sectors;
- **It focuses on** the actions that have the most impact in the short term, while being compatible with long-term objectives: for example, replacement of heaters is an effective lever for reducing emissions, but must be accompanied by work on insulation, in priority for poorly insulated buildings;
- **It reflects** our emission reduction targets in measurable performance indicators (KPIs[36]) that are tangible and understandable for both advisors and their customers: number of financing of electric vehicles, heat pumps, or financing of renewable energies;
- **It incorporates** ESG issues into our business line processes, in order to limit the overload for advisors and ensure the effective implementation of targets;
- **It takes into account** the environmental impacts, beyondthe effects on climate, by addressing these two issues simultaneously, in order to restore biodiversity and strengthen resilience to the impacts of climate change;
- **It focuses on** those who need it the most, to foster a just transition.

By making action for climate and environment a strategic issue for Crédit Mutuel Alliance Fédérale, we are fully in line with the regulatory framework defined by the ECB[37] and the EBA guidelines[38], as detailed in our sustainability statement[39].

II-3-2 WHAT ARE OUR TARGETS?

It is estimated that our financing and investments are responsible for 98% of our emissions. Therefore, we focus on these activities, which constitute 57% of our balance sheet[40], while pursuing the reduction of our internal footprint, which is more limited, in order to be exemplary (see box opposite).

We have set ourselves the following targets:

- Reduce the carbon footprint of our financing by 20% by 2027 and by 30% by 2030 (vs. 2023);
- Reduce the carbon footprint of investments in directly held equities and bonds (insurance scope) by 60% by the end of 2030 (vs. 2018)[41].

Our targets are defined in tCO2e[42] per million euros of financing or investment: our aim is not to reduce our emissions by reducing our support for the economy (except in the fossil fuel sectors, from which we are withdrawing) but by supporting our customers in reducing their own emissions.

In addition, as part of the act4nature international initiative[43], we are committed to assessing the impacts and dependencies on biodiversity, reducing the impact of our financing and investments on biodiversity, mobilizing resources dedicated to this topic, accelerating the transition of our agricultural customers, and reducing our biodiversity impacts on our own scope.

Being exemplary by reducing our internal footprint[44]

To keep reducing our internal footprint, we are acting on various levers:

- **A responsible purchasing policy:** with the adoption of a new supplier charter incorporating environmental issues, impact on biodiversity and deforestation; the selection of our suppliers according to their ESG performance; dialog with the group's suppliers so that they can set a decarbonization trajectory; the choice of more sustainable alternatives and the removalof unnecessary purchases of goods.
- **The energy performance of buildings:** thanks to our ISO 50001-certified Energy Management system and our energy sobriety plan, we are targeting a reduction in energy consumption on networks (-10% compared to 2022) and on central sites (-16% vs. 2022) by 2027.
- **Improving our energy mix:** zero fuel oil policy and green electricity purchases.
- **Reducing the travel footprint of employees:** by promoting the use of electric vehicles (personal vehicles or company fleet vehicles) and by encouraging soft mobility (bicycle in particular) and the use of public transport.
- **Vehicle fleet:** Crédit Mutuel Alliance Fédérale is studying the possibility to set a target for the purchase or lease of 100% electric vehicles from 2030. This ongoing analysis identifies the various use cases in each of its business lines and assesses the combination of electric vehicle/charging solution (workplace, home, public) to meet each of them. The results and the announcement of a company commitment will be communicated in 2025.

II-3-3 FOUR MAIN LEVERS FOR ACTION[45]

Our transition plan is based on four levers to reduce OUR FINANCED EMISSIONS:

1 A GRADUAL DIVESTMENT FROM FOSSIL FUEL

Our "coal" sectoral policy[46] aims to "reduce the exposure of our financing and investment portfolios to coal to zero by 2030 for all countries in the world and no longer grant support to companies with activities in the coal sector beyond 2030".

Since 2024, our "hydrocarbons" sectoral policy provides for the end of financing (i) to companies whose share of unconventional hydrocarbons is greater than 20%, (ii) to companies that continue to develop new oil and gas exploration and production projects, and (iii) to those that do not have a credible and verifiable Net Zero trajectory.

2 CONTROLLING OUR EXPOSURE TO THE HIGHEST-EMITTING SECTORS

Our commitments under the Net Zero Banking Alliance (NZBA)[47] aim to ensure that our customers in high-emission sectors (steel, aluminum, cement, electricity production, aviation, maritime, motor industry, etc.) are on credible trajectories for reducing their emissions (i.e. in line with reference scenarios aiming for carbon neutrality) (see table opposite).

3 SUPPORT ALL OUR CUSTOMERS' TRANSFORMATIONS

Reducing our financed emissions involves reducing our customers' emissions: we support them so that they can withdraw from fossil fuels and reduce their energy consumption, including through more sobriety. To do this, we focus on actions that have the most significant effects, seeking to remove the obstacles to action through targeted, comprehensive offers adapted to each audience (see section II-5 "how do we support our customers").

4 SUPPORT FOR INNOVATION AND SCALING UP OF SOLUTIONS

To promote both innovation in green technologies and the massification of solutions, which reduce their cost, we are supporting innovative companies, thanks to the Environmental and Solidarity Revolution fund, an impact fund part of the Societal Dividend.

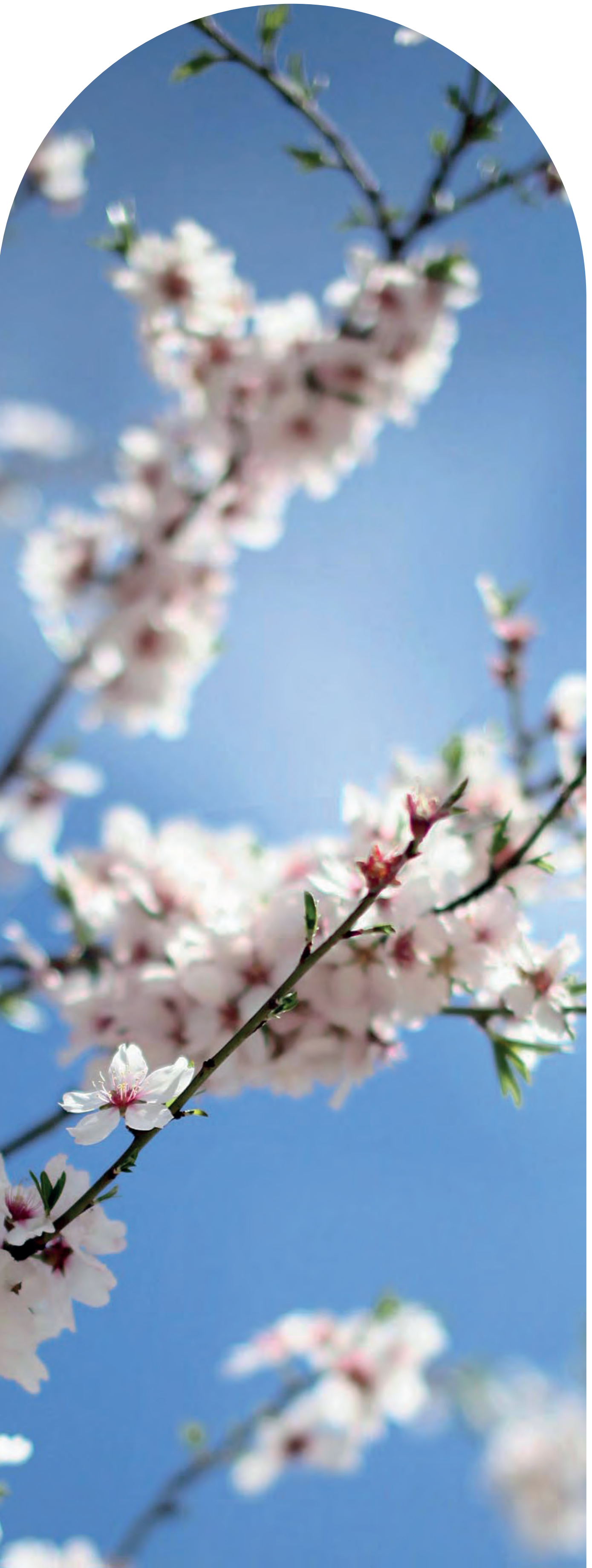
These levers aim above all to reduce our customers' greenhouse gas emissions. They also help to improve our environmental impact, particularly on air pollution.

OUR SECTOR COMMITMENTS IN THE NET ZERO BANKING ALLIANCE (NZBA)

SOURCE	SCOPE	SCENARIO	METRIC	BENCHMARK YEAR 2022	TARGET	CHANGE 2022-2030
Cement	Cement manufacturers scopes 1 & 2	NZE IEA 2050 - v2023	kgCO2/T of cement	**674**	**502**	-26%
Steel	Steel producers scopes 1 & 2	NZE IEA 2050 - v2023	kgCO2/T of steel	**400** (few counterparties in the portfolio, already performing)	**1 263** (target: stay below the IEA curve to integrate potential new customers)	NC
Aluminium	Aluminum producers scopes 1&2	NZE IEA 2050 - v2023	kgCO2/T of aluminum	**0** (no counterparties in the current portfolio)	**3 695** (target: stay below the IEA curve to integrate potential new customers)	NC
Electricity production	Scope 1 electricity producers	NZE IEA 2050 - v2023	kgCO2/kWh produced	**0,12**	**0,05**	-58%
Oil & gas	Extraction, production and storage scopes 1 & 2 for all + 3 for upstream	NZE IEA 2050 - v2023	MtCO2e (absolute emissions)	**2,8**	**2,1**	-26%*
Coal	Coal phase-out policy by 2030					
Maritime transport	Vessels scopes 1 & 3 (Well-to-Wake)	DNV scenario	gCO2e/DWT.nm	**9.68*****	**5,66** (with identical portfolio composition)	-42%
Air transport	Aircraft scopes 1 & 3 (Well-to-Wake)	Mission Possible Partnership - Prudent Scenario	gCO2e/RTK	**934**	**780**	-16%
Motor industry	Light vehicle manufacturers scope 3 (Tank-to-Wheel)	NZE IEA 2050 - v2023	gCO2/p.km	**95**	**52**	-45%
Residential real estate	Residential housing scopes 1&2	kgCO2/m2	kgCO₂/m²	**18****	**12**	-33%
Commercial real estate	No quantified target at this stage					
Agriculture	No quantified target at this stage					

*: the trajectory for the oil & gas sector has been updated in order to include financing that had not been disclosed in the initial fiscal year for one of the foreign subsidiaries and following a methodological change in the calculation.
**: the starting point of the trajectory for residential real estate has been updated following an improvement in the calculation methodology, which now takes into account proxies from the ADEME DPE database, instead of the PCAF proxy.
***: the value of the starting point for the maritime transport sector has been slightly adjusted following an improvement in the calculation. The target value for 2030 was readjusted accordingly.

TO REDUCE THE FOOTPRINT OF OUR INVESTMENTS, *Groupe des Assurances du Crédit Mutuel* (GACM, the insurance branch of Crédit Mutuel) has implemented an ESG policy that covers all assets selected and managed by GACM[48]. This policy provides for a reduction of the carbon footprint (in tCO2e/€m invested) of investments in equities and corporate bonds held directly by 60% by the end of 2030 (vs. the end of 2018).



- **GACM sectoral policies** (see GACM's ESG report), which set exclusion criteria for activities with a high environmental impact, in particular fossil fuels (coal, oil and gas);

- **Shareholder engagement policy,** dialog with companies is essential to encourage them to adopt credible and ambitious climate strategies covering the broadest possible scope of emissions. ACM participated in the filing of the 1st climate resolution in France in 2020;

- **ESG analysis of companies:** for each new investment in a company's equities or bonds, GACM's asset managers have access to a complete analysis of the three E, S and G criteria thanks to the data provided by the non-financial data provider ISS ESG. An overall ESG rating is thus assigned to the company. If this rating does not reach a sufficient score compared to its competitors in the same sector of activity, then any new investment in the company is excluded;

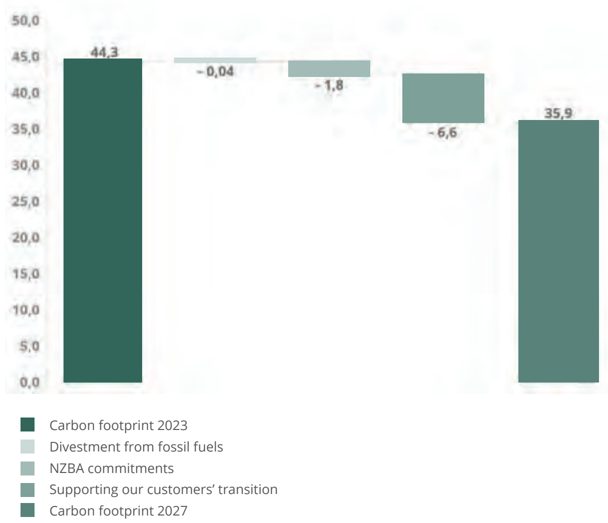
- **Analysis of the ESG performance of buildings:** before each new investment in residential or tertiary real estate, an analysis of the building's environmental performance is carried out, in particular through the responses to a specific ESG questionnaire in the due diligence process. The analysis of these responses is an integral part of the investment process conducted by the real estate investment team.

II-3-4 REDUCING OUR EMISSIONS BY SUPPORTING THE DECARBONIZATION OF OUR CUSTOMERS

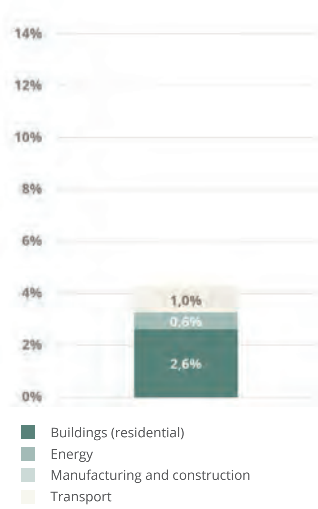
In order to identify the most critical levers for achieving our targets, we projected our financed emissions change between 2023 and 2027 by estimating the reduction effects of the first three levers described above (the fourth lever, which aims to promote green innovation, has expected effects at longer term and an indirect impact on our emissions).

These projections[49] illustrate the foreseeable change in our emissions under the assumption that our customers decarbonize in accordance with our NZBA trajectories for the sectors covered, and at the pace given by France's national low-carbon strategy (SNBC3[50]) for other sectors, the majority of our customers being in France. They take into account the different pace of decarbonization depending on the sector.

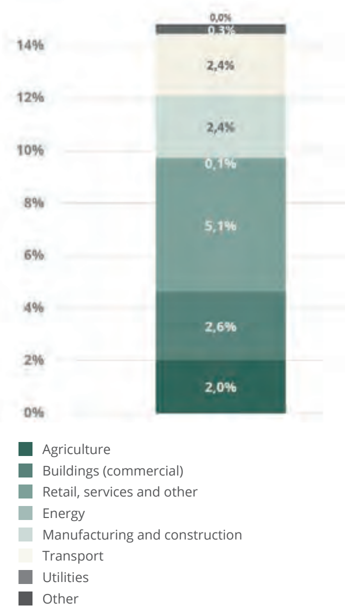
Projected change in the carbon footprint between 2023 and 2027 (in tCO2e/€m)



Sector contributions to NZBA commitments & divestment from fossil fuels
(in % decrease in 2027)



Sector contributions in supporting our customers' transition
(in % decrease in 2027)



These projections[51] show that:

- Nearly 80% of the reduction in our footprint will come from supporting our customers, outside of high-emission sectors;
- Our NZBA commitments will contribute significantly to reducing our footprint (by around one fifth);
- Our divestment from coal and hydrocarbons will have a very low impact, as our exposure to these sectors is already very limited.

More specifically, all sectors contribute to reducing the carbon footprint of our financing: buildings - residential (3%) and commercial (3%) -, trade and services (5%), transport (3%), industry (excluding NZBA sectors) and construction (2%), agriculture (2%) and energy (1%). Emissions from tradeand services are also mainly due to their buildings.

II-3-5 OPERATIONAL TARGETS AND OFFERS TO SUPPORT OUR CUSTOMERS IN KEY SECTORS

The sector analysis shows both the strong potential for reducing emissions related to our customers' residential and commercial buildings and the need to support our customers in the transport, energy, industry and agriculture sectors in reducing their GHG emissions. To this end, **our targets are broken down into sectoral strategies with operational KPIs** (see the table at the end of this section summarizing the main KPIs) and "customer journeys" (see section II-5: "how do we support our customers").

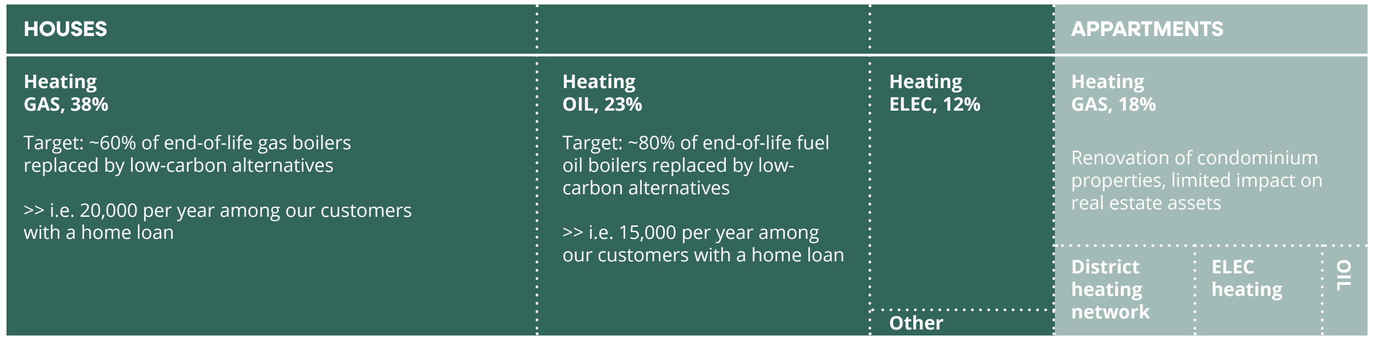
Residential real estate
Helping our customers to get out of gas and fuel oil and renovate their homes

To support the reduction of emissions related to our customers' residential real estate, we act at two levels:

- **On the one hand,** new buyers are encouraged to prefer the most energy-efficient assets (DPE, energy performance diagnosis, A and B) or to carry out work if they acquire less efficient assets (F and G), through the differentiated lending conditions of our sectoral policy for residential real estate and an impact mechanism for real estate loans.
- **On the other hand,** we support our customers who are already homeowners to renovate their homes.

Single-family homes are both the type of property that weighs the most in our emissions for residential real estate (they represent ¾ of emissions, of which 38% for those heated by gas and 23% for those heated by fuel oil, see graph below) and the one on which the owners have the greatest freedom of action to carry out their renovation project. We are therefore focusing our action on decarbonizing heating methods, to replace the greatest number of fuel oil and gas heating equipment, supplementing this work with a major renovation whenever possible for the household. **For our customers who own an apartment, we act indirectly by developing our offer for condominiums.**

ESTIMATED BREAKDOWN OF OUR EMISSIONS BY TYPE OF PROPERTY
(outstandings at 12/31/2024)



Interpretation: Gas-heated homes account for 38% of our emissions from the residential real estate sector.

We have set ourselves the operational targets of supporting the replacement by low-carbon alternatives of:

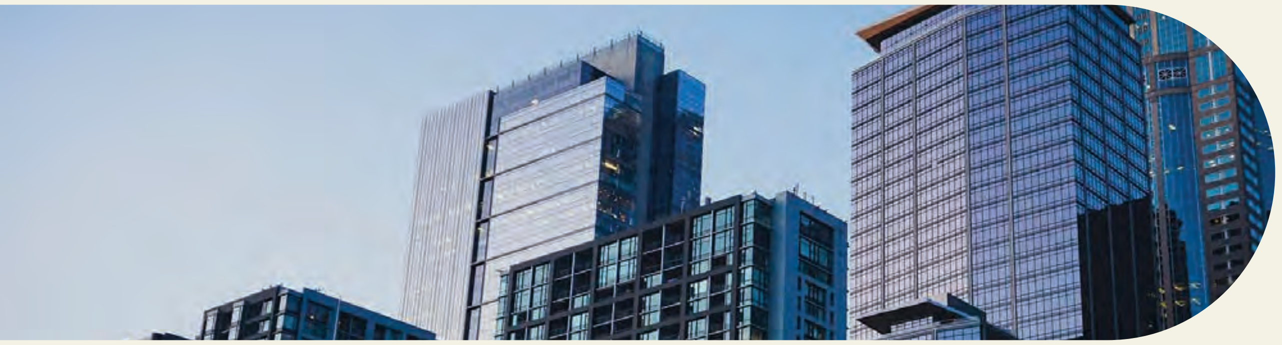
- 60% of gas boilers reaching the end of their life for our customers with acurrent mortgage, which represents approximately 20,000 replacements per year;
- 80% of fuel oil boilers reaching the end of their life (the installation of new fuel oil boilers being prohibited), i.e. 15,000 replacements per year.

To support energy renovation work, we have a wide range of loans, enabling us to respond to different situations. In particular, regulated credit offers, in which we are already a leading national player, enable our customers to benefit from the best pricing conditions. **These are in particular:**

- Traditional eco-PTZ[52], which currently has the largest financing volumes and enabled work to be carried out for nearly 30,000 customers in 2024;
- Complementary eco-PTZ;
- *Prime Rénov'* eco-PTZ, which provides simplified processing for households receiving aid from the Agence Nationale de l'Habitat (ANAH);
- Crédinergie (Crédit Mutuel) and the Sustainable Development Loan (CIC) also make it possible to finance work not eligible for the eco-PTZ.

To give all our customers the means to take action, we actively participated in the design of the *Prêt Avance Rénovation*, for which we are one of the leading distributors with La Banque Postale. We are also the only banking group to offer pre-financing of ANAH aid which enables the work to start, in particular for households unable to advance the funds while waiting for the payment of the aid.

The ramp-up of our energy renovation sector, under the HOMJI brand, will contribute to this objective by offering support throughout their renovation project: energy assessment of the housing and construction of the project; organization of work; management and advance of aid; optimization of financing (see section II-5: how do we support individual customers).



Commercial real estate
Supporting the renovations required by regulations

Commercial real estate accounts for a significant portion of our customers' emissions - 8% of the total for emissions related to the financing of tertiary real estate asset managers. To these are added the emissions associated with our loans to the trade and services sector (14% of the total), which are mainly due to their commercial buildings, and to a lesser extent to their fleets.

The tertiary real estate sector is subject to more prescriptive regulations than the residential sector: most of the park is subject to the tertiary eco-energy provision provided for by the tertiary decree of 2019, which requires owners to reduce their energy consumption, to reach a 60% reduction by 2050.

For the bank, the aim is to support the decarbonization of the market by proposing adapted financing offers and by developing our ability to monitor the improvement of the buildings performance over time.

The revision of the Energy Transition Loan for Commercial Real Estate is part of this momentum with three important changes:

- **Refocusing the product** on improving energy performance beyond regulatory obligation, for construction and renovation, while simplifying the process as much as possible;
- **Extending the scope** to financing of acquisitions of real estate assets, in both new and old buildings;
- **Extending** to energy-efficient renovation gestures (insulation, installation of heat pumps).

For this sector where DPE data are not yet sufficiently reliable, it is preferable to complete the calculation of emissions based on the characteristics of the assets, indicated at the time of subscription, in particular their surface area and their use. This information is still fragmented and we are working on the use of open data.

Land transport
Supporting our customers (individuals, professionals and companies) in the gradual electrification of their vehicles

Currently, we finance the purchase of new or second-hand light vehicles through traditional credit or leasing, for individuals, professionals and companies, as well as heavy goods vehicles.

For individuals, the objective is threefold:

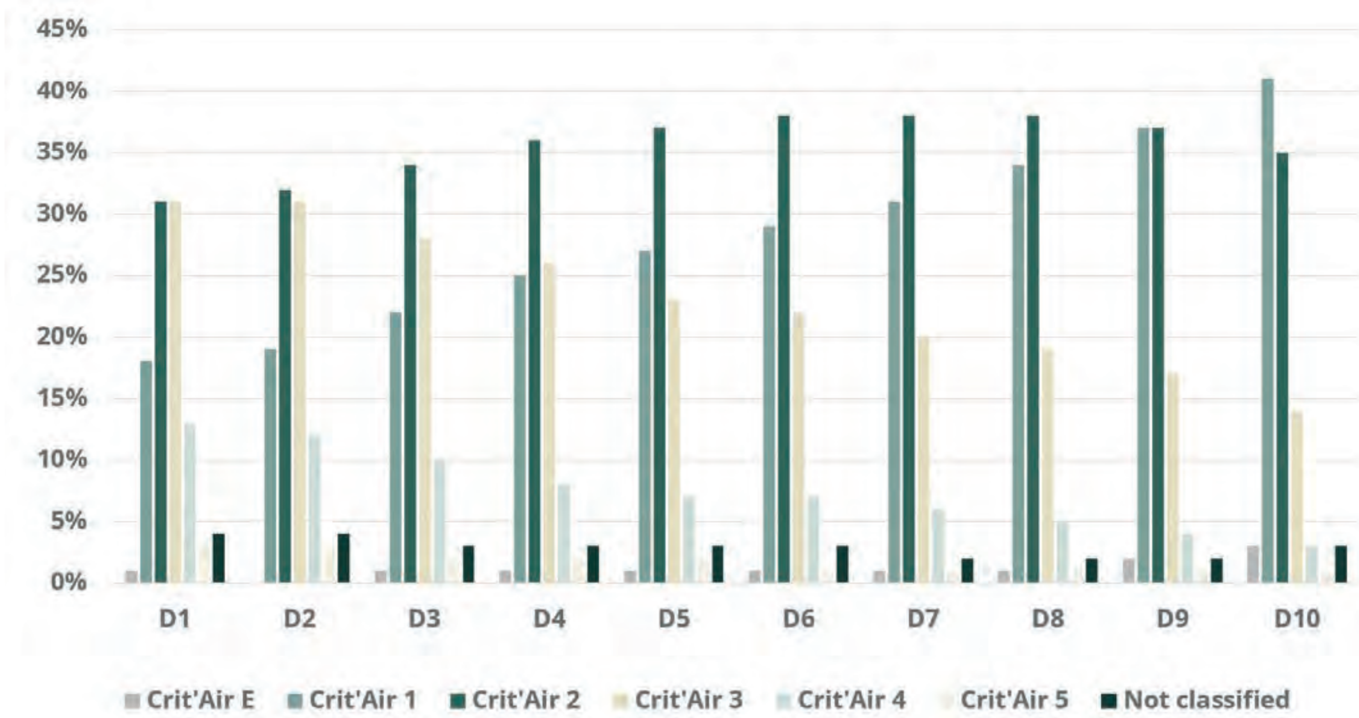
- **Encourage soft mobility**
  The interest-free bicycle loan for the purchase of a new or second-hand bicycle[53] benefited nearly 30,000 people (including 15,000 via COFIDIS) in 2024. The impact study survey of beneficiaries indicates that without this loan, half of the customers would not have purchased this bicycle. The bicycles purchased in this way reduced the use of carbon-intensive transportation (by 50 km per week on average) for two-thirds of buyers.

- **Help to acquire an electric vehicle**
  Since February 2025, a subsidized loan (at the rate of 2.9% in March 2025, i.e. an enhancement of more than 2 points compared to the standard rate) promotes the purchase of a new or second-hand electric vehicle.

- **Help to replace highly polluting vehicles (on the second-hand market)**
  A subsidized loan (at the rate of 4.9% in March 2025) already promotes the purchase of a *Crit'air 1* vehicle. As shown in the graph below, more than 10% of vehicles from the poorest households[54] still were *Crit'air 4* vehicles in 2023, more than 30% were *Crit'air 3*.

CRIT'AIR ENVIRONMENTAL CLASSES OF CARS ACCORDING TO HOUSEHOLD STANDARDS OF LIVING IN 2023 (IN %)

Scope: car owners on January 1, 2023, for which the standard of living is known.



SOURCES: SDES, RSVERO; INSEE, FIDÉLI.

Interpretation: on January 1, 2023, 18% of cars owned by the 10% of households with the lowest standard of living were classified as *Crit'Air 1*. Rounding may explain a total other than 100.

For corporate fleets, the challenge is to accelerate electrification.

Corporate fleets account for more than half[55] of new vehicle registrations. They should therefore play a **very important role in the electrification of the vehicle fleet,** and supply the second-hand market with electric vehicles.

However, in 2024, the share of electric vehicles was lower in business purchases than for households[56]. **In order to accelerate the electrification of fleets,** the finance law for 2025 provides for financial penalties in the event of non-compliance with the targets of the mobility policy law (share of low-emission vehicles: 15% in 2025, 18% in 2026, 25% in 2027, 30% in 2028, 35% in 2029 and 48% in 2030), for fleets of more than 100 vehicles[57].

For purchases of new or second-hand vehicles financed by traditional loans, the challenge is to encourage the electrification and scrapping of the most polluting vehicles.

The energy transition loan allows companies to benefit from a subsidized rate for the acquisition of 100% electric vehicles for their fleet of light vehicles and the financing of charging infrastructure.

For CM leasing, which supplies companies and professionals with new vehicles, the objective is the gradual electrification of its fleets, with ambitious targets (see table below).

For heavy goods vehicles, we want to support the transition to vehicles with alternative engines.

For heavy goods vehicle fleets, the subsidized rates of the energy transition loan apply. The technologies giving rise to the subsidy are more varied, with electric vehicles not always being the most suitable solution for this type of vehicle: electric, bio-NGV (natural gas vehicle), bio-LNG (Liquefied Natural Gas), biofuels type B100, HVO100, ED95, or hydrogen.

The objectives and monitoring metrics selected for CM leasing are summarized below:

TARGETS ELECTRIC VEHICLE SHARE TARGETS FOR LEASED FINANCING	INDIVIDUALS		PRO | COMPANIES			HEAVY GOODS VEHICLES*
	New	Second-hand	New passenger cars	New Commercial Vehicles	Second-hand passenger cars and light commercial vehicles	New
2024	11 %	7 %	7 %	5 %	5 %	0,3 %
2027 targets	30 %	10 %	30 %	25 %	10 %	13 %
2030 targets	60 %	20 %	65 %	60 %	20 %	25 %

* electric vehicles, bio-NGV, bio-LNG, biofuels or hydrogen.

Energy
Contributing to decarbonizing electricity production through a dual approach

DIVESTING

Divesting from coal and gas-based electricity production, which reduces both absolute financed emissions (in tCO2) and the intensity of our electricity production portfolio (in kgCO2/kWh produced)

INVESTING

Financing more electricity production from renewable and low-carbon sources, reducing the carbon intensity of portfolios by increasing the share of non-emitting financing

Electricity production accounts for more than 70% of the energy sector emissions in Crédit Mutuel Alliance Fédérale's balance sheet. Globally, 60% of electricity production still comes from fossil fuels, mainly coal (36%) and gas (22%). It is the primary source of greenhouse gas emissions.

The complete phase-out of coal by 2030, decided from 2020 (see sectoral policy) by Crédit Mutuel Alliance Fédérale, and the non-renewal of mature structured financing for gas-fired power plants, directly contribute to reducing emissions related to electricity production.

In addition, **the expected growth in global demand for electricity,** linked to both economic development and the electrification of certain usages (mobility, heating) requires an increase in the production of low-carbon electricity.

This is why Crédit Mutuel Alliance Fédérale has set itself **the target of multiplying by 2.7** its financing in renewable electricity (RE) capacities by 2027 (in amount of outstandings) compared to 2022 (x2.2 compared to 2023).

The renewable electricity scope selected for this target includes photovoltaic, wind, geothermal and hydroelectric power, as well as infrastructure associated with renewables (transport networks, storage, equipment), as indicated in green letters in the diagram below.

More broadly, **the group wants to invest in low-carbon energies,** which include nuclear. Crédit Mutuel Alliance Fédérale also offers to support projects to convert thermal power plants to use biomass, carbon capture-use-storage (CCUS) and decarbonized hydrogen (green, blue, white). Some of these technologies, in the industrial development phase, are not yet mature, but should contribute to the net zero emissions trajectory in 2050. The industrial transition loan offer can support, for example, investment projects in the green hydrogen sector, particularly in key components (electrolysers, fuel cells, mobility tanks, etc.).

Thanks to our strong ambition in renewable energies, combined with the scheduled end of financing for the production of high-emission electricity, we have a very low physical intensity (120 gCO2/kWh) in 2022 as well as an ambitious target for 2030 (50 gCO2/kWh: NZBA target), i.e. a very sharp drop expected over this period (-58%).

Renewable electricity (in green) and low-carbon energy scopes:

RENEWABLES AND INFRASTRUCTURE

- **Photovoltaic, wind, hydroelectricity, geothermal energy,** biomass, green gases
- **Transport networks, storage, renewable energy equipment**
- Green and white hydrogen

NON-SUSTAINABLE LOW-CARBON ENERGIES

- Nuclear
- Blue hydrogen

NEGATIVE EMISSIONS

- Carbon capture solutions: CCUS (Carbon Capture Usage and Storage) for industry, DACCS (Direct Air Carbon Capture and Storage), BECCS (Bio-Energy with Carbon Capture and Storage)

ENERGIES FOR THE ENERGY TRANSITION

- E-fuels (synthetic fuels) and Sustainable Aviation Fuel (SAF)
- Gas and Liquefied Natural Gas (LNG) thermal power plants

LOW-CARBON SCOPE

From 2027, Crédit Mutuel Alliance Fédérale plans to finance more than €10 for the production of renewable electricity for €1 financed in fossil fuels (including upstream hydrocarbon activities, 100% of the midstream and part of the downstream, the production of electricity from coal and mining extraction (two activities to be phased out by 2030 - see coal sectoral policy)).

These targets primarily concern project finance teams and CIC's large corporates teams, as well as consumer markets (including farmers and professionals) and companies (including structured financing), for which specific offers are developed:

- **Energy transition loans** to improve energy performance (e.g. photovoltaic panels on shades);
- **Financing loans** for structured renewable energy projects throughout France (mainland and overseas);
- **Renewable energy loans to farmers** who wish to install photovoltaic panels, wind turbines, etc.

In addition to this financing of electricity production, and in line with the new multi-year energy program for France, we are still **supporting the development of methanization,** in particular agricultural one with the production of biogas. The renewable energy loan to farmers also makes it possible to support projects to install biogas plants.

Industry
Encouraging the transition of high-emission sectors

The industrial sectors, in particular heavy industry (cement, steel, aluminum), contribute significantly to global emissions. Our commitments as a member of the Net Zero Banking Alliance specify the emission reduction trajectories set for our financing portfolios for these three sectors as well as for the motor industry, with a crossing point in 2030 (see sector appendix).

To translate these commitments into practice, **a carbon performance analysis** of customers (current or potential) in these sectors must be systematized to ensure that their emission reduction plans are in line with our NZBA sectoral trajectories.

The energy transition loan enables industrial companies to benefit from a subsidized rate for:

- **Investments related to changes** in production methods and the optimization of manufacturing processes to reduce energy bills and carbon footprint;
- **Equipment replacements** intended to improve energy performance, reduce waste and reduce pollution.

In addition, **the industrial transition loan** enables us to support our customers with a subsidized rate, in line with the targets of the Recovery Plan to move towards a less dependent economy that controls its energy and environmental footprint.

Agriculture
Supporting and promoting the change in the agricultural and food system

The change of agriculture covers different dimensions:

- **Agricultural practices:** agroecology, soil conservation agriculture, organic agriculture, hedge planting, water management, more sustainable animal husbandry, etc.;
- **Supplies, equipment and inputs:** environmentally-friendly agricultural equipment, seeds and plants, low-carbon inputs, animal breeding, animal feed, etc.;
- **Downstream sectors:** storage adapted to crop diversification, fair compensation for farmers, healthy and sustainable food, creation of outlets, etc.;
- **Adaptation to climate change,** for example, tree nut production in the south of France to replace vines, or the planting of vines in the north of France, which also requires rethinking the upstream/downstream sectors.

To properly support our farming customers in the face of these challenges, Crédit Mutuel Alliance Fédérale advisors have access to a sectoral questionnaire enabling them to better understand the farming practices of farmer customers. This questionnaire will be enriched in order to assess and reduce any risks resulting from the difficulties encountered by farmers.

Crédit Mutuel Alliance Fédérale offers solutions to support farmers who are committed to the agro-ecological transition, with:

ASSISTANCE OF UP TO €500 to finance part of the costs of the Organic Agriculture and High Environmental Value certification (level 3 of the environmental certification);

AN AGRI RENEWABLE ENERGY LOAN for the installation of wind turbines, methanizers, photovoltaic panels or hydroelectricity structures, also at preferential rates. This offer is backed by a loan from the European Investment Bank (EIB);

AN AGRICULTURAL TRANSITION LOAN, to support agro-ecological and societal transition projects ranging from agroforestry to certification fees and projects related to short supply chains, at preferential rates;

AN AGRI INSTALLATION LOAN, for any customer or prospect wishing to set up in agriculture while engaging in agriculture whose practices are recognized as favorable to the agricultural transition within the meaning of the CAP (Common Agricultural Policy) 2023-2027, at preferential rates, financed through the Societal Dividend.

ASSISTANCE OF €200 to help carry out a carbon diagnosis whose method is recognized by the Low Carbon Label.

But the transition challenges in the agricultural sector require the invention of new solutions. Agriculture, and more broadly food system, face a "triple challenge: reducing their greenhouse gas emissions (agriculture in France is the second-highest emitting sector, after transport); increasing carbon storage in agricultural soils, while preparing for a warmer climate of +2°C in the short term and possibly +4°C in the longer term, thus protecting stakeholders, particularly the most vulnerable", according to the High Council for the Climate *(Haut Conseil pour le Climat, HCC)*[58].

Crédit Mutuel Alliance Fédérale finances and/or insures all players in the food system: as the second largest bank in agriculture, we are also present throughout the food chain. To design new financing schemes and define offers that meet the needs expressed by players in the agricultural and agri-food sectors, we involve all the business lines concerned, as well as external experts and elected farmers from the Crédit Mutuel agricultural commission.

THE STRATEGY THAT WILL BE DEFINED WITHIN THIS FRAMEWORK BY THE END OF 2025 AIMS TO:

MEET THE FINANCING NEEDS OF THE AGRICULTURAL AND FOOD TRANSITION BY:

- **defining the financing terms** for high-performance agricultural equipment from an environmental standpoint or improving the impact of farming on the environment (carbon footprint, biodiversity, water quality, air quality, etc.);
- **prioritizing impact financing,** as part of the Environmental and Solidarity Revolution fund and also for all financing to the sector;
- **supporting the contribution of the agricultural sector** to the French energy transition (see energy section).

PREPARE FOR THE FUTURE AND THE RENEWAL OF GENERATIONS BY:

- **accompanying** the installation and transfer pathways to meet the challenges of the renewal of generations;
- **deploying products and services** for the adaptation of farms to the future climate;
- **working with the entire sector** to improve the well-being of farmers and the attractiveness of the agriculture and food businesses.

SUPPORT THE TRANSITION OF THE AGRI-FOOD SECTOR THROUGH:

- **better synergies** within the group to support existing sectors and players, ranging from upstream (inputs, animal feed) to downstream (cooperatives, agrifood industries) of farms;
- **support for the creation of new sectors** (from farm to fork) more suited to the future climate and consumer demands.

ENSURE A FAIR TRANSITION

by supporting each of our farming customers in the changes necessary for their operations.

FOCUS ON...

Tangible and measurable targets to support our customers in the main sectors

Residential real estate

Number of carbon-based heating equipment replacements financed (Eco-PTZ and Crédinergie in particular: 35,000 per year (20,000 gas, 15,000 fuel oil))

Commercial real estate | shops

Number and outstandings of Energy Transition loans, including the portion financing boiler replacements and renovations

Land transport

Individuals

Traditional loans

- Number of subsidized loans for an electric vehicle
- Number of subsidized loans for a Crit'air 1 vehicle

Leasing

Shares of electric vehicles in the fleet:

- 30% for new vehicles in 2027, 60% in 2030;
- 10% for second-hand vehicles in 2027, 20% in 2030

Professionals and corporates

Traditional loans

- Number of Energy Transition loans for electric vehicles

Leasing

Shares of electric vehicles in the fleet:

- 30% for new passenger vehicles in 2027, 65% in 2030;
- 25% for new LCVs in 2027, 60% in 2030
- 10% for second-hand LCVs in 2027, 20% in 2030;
- 13% for heavy goods vehicles with alternative engines in 2027, 25% in 2030.

Energy

- Financing of renewable electricity capacity: x2.7 in outstandings in 2027 vs 2022
- Share of low-carbon outstandings in electricity production outstandings: ~95% in 2027

INDUSTRY

- NZBA sectors: physical intensity reduction targets for each sector (see p. 35).
- Other sectors: number and outstandings of Energy and Industrial Transition loans

Agriculture

Work in progress to define objectives

II-3-6 A COMMITTED APPROACH TO REDUCING OUR IMPACT ON NATURE

The need to protect ecosystems must first be taken into account in the choice of climate actions, prioritizing those that have a positive effect on biodiversity.

We prepared **a first "biodiversity" strategy in 2023** through public commitments made in coordination with the act4nature international initiative[59]. The actions undertaken have five objectives: assess the impacts and dependencies on biodiversity, reduce the impact of financing and investments on biodiversity, mobilize financing dedicated to this theme, accelerate the transition of our agricultural customers, and reduce our biodiversity impacts on our own scope.

Thus, in January 2025, Crédit Mutuel Alliance Fédérale published **a policy to combat deforestation** in line with the global biodiversity framework and the European objective to reduce the risk of deforestation and forest degradation.

Within sectors and for pressure factors identified as priorities (see section II-2), action plans will be drawn up in the course of 2025. As it was the case for the policy to combat imported deforestation, these plans may lead to thematic policies on pollution and artificialization, or even the exclusion of certain sectors from funding where appropriate. Work to support the deployment of the circular economy will also be carried out.

II-3-7 OUR ACTION TO PRESERVE ECOSYSTEMS

Acquisition of forests by the Environmental and Solidarity Revolution fund

Faced with the challenges of ecosystem degradation, the Environmental and Solidarity Revolution fund, managed by Crédit Mutuel Impact, acquired nearly 6,500 hectares of forest assets in France. The objective is to secure and perpetuate the multiple functionalities of these forests. To this end, the forests acquired by Crédit Mutuel Impact are managed under a common forest management policy. Forestry[60] implemented on these 6,500 hectares aims to ensure that these forests serve as carbon sinks and biodiversity reservoirs.

The actions of the Crédit Mutuel Alliance Fédérale Foundation for biodiversity

For the 2024 Societal Dividend, €82 million of the group's consolidated net income was committed for donation actions (direct donations, skills-based sponsorship, internal foundations), including endowments to the Crédit Mutuel Foundation for Reading and the Crédit Mutuel Alliance Fédérale Foundation. The environment is one of the latter's two areas of action.

In 2023, **a call for biodiversity projects** supported 36 projects worth €2.5 million in mainland France and overseas territories. Projects are supported over several years, in line with the Foundation's objectives of protecting and restoring ecosystems and their biodiversity (wetlands, coastlines, forests, endangered species), with, for example, support for the MerTerre association and the Mountain Wilderness association in the Montagne en transition project (MET).

II-4

UNPRECEDENTED AND INNOVATIVE RESOURCES MOBILIZED, IN LINE WITH THE STAKES AND OUR TARGETS

To support all our customers in the ongoing transformations, we have set ourselves specific and ambitious targets, and we are mobilizing significant and original resources: financial resources, of course, and also human resources. All of Crédit Mutuel Alliance Fédérale's business lines are doing their part!

II-4-1 CREATING VALUE, TO BE ABLE TO SHARE IT

Our economic and financial strength is the first condition for achieving our commitments. 5th banking group in France through its Crédit Mutuel and CIC networks, with net revenue of €16.6 billion in 2024 (up +3.4%) and net income of €4.1 billion, Crédit Mutuel Alliance Fédérale once again confirmed the relevance of its universal and diversified bancassurance model, despite an unfavorable economic context.

Today, our customer loans amounted to €527 billion. The number of insurance contracts in the portfolio reached 37.9 million at the end of 2024, with an increase in 2024 in the results [and outstandings] of life insurance, property & casualty insurance and personal insurance. **We have nearly 15 million customers in France,** with a network of 25,000 advisors at more than 4,000 branches.

This strike force serves our ambition: to be useful to society.

Putting our performance at the service of society is the purpose of our 2024-2027 Strategic Plan:

→ **TOGETHERNESS, PERFORMANCE, SOLIDARITY "BECAUSE WE WILL ONLY SHOW SOLIDARITY IF WE PERFORM WELL, AND WE WILL ONLY PERFORM WELL IF WE ARE TOGETHER"**

II-4-2 THE SOCIETAL DIVIDEND: ALMOST €2.5 BILLION TAKEN FROM OUR 2023-2027 RESULTS TO FIGHT AGAINST THE CLIMATE AND SOCIAL CRISIS

"WE NEED TO GET OUT OF A SHORT-TERM FINANCIAL LOGIC TO MEET THE REQUIREMENTS OF THE ENVIRONMENT AND SOLIDARITY. IN A DIFFICULT CONTEXT, THE GROWING NEEDS FOR SOLIDARITY AND DEEP ECOLOGICAL TRANSFORMATIONS CALL ON COMPANIES TO SHARE MORE AND WITH THE GREATEST NUMBER. WITH THE SOCIETAL DIVIDEND, CRÉDIT MUTUEL ALLIANCE FÉDÉRALE PROVES THAT FINANCIAL PERFORMANCE AND COLLECTIVE UTILITY ARE INSEPARABLE OVER THE LONG TERM."

"WE WANT TO GO BEYOND THE ECONOMIC AND FINANCIAL PERFORMANCE, WHICH REMAINS A PREREQUISITE, AND TO INVEST MORE IN ENVIRONMENTAL AND SOCIETAL TRANSFORMATIONS ALONGSIDE THOSE THAT ARE NOT SUFFICIENTLY SUPPORTED."

OUR SOCIETAL DIVIDEND | CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

Launched in January 2023, the Societal Dividend consists of allocating 15% of the group's net income (which should represent a cumulative amount of around €2.5 billion by 2027) to finance projects that help combat global warming, promote environmental transition and reduce social inequalities. In the first year, in 2023, the Societal Dividend mobilized €439 million; in 2024, €574 million were committed.

In tangible terms, the Societal Dividend makes it possible to:

1. **INVEST** in projects with the sole criterion of environmental and societal added value, thanks to the Environmental and Solidarity Revolution fund
2. **DEVELOP** banking or insurance offers with inclusive and solidarity-based pricing, to make the ecological transformation more accessible and help the most vulnerable, up to €8 million in 2023, and €96 million in 2024.
3. **SUPPORT** associations, through the Crédit Mutuel Alliance Fédérale Foundation and local donations (€68 million in 2023, €82 million in 2024)

1

INVEST in projects with the sole criterion of environmental and societal added value, thanks to the Environmental and Solidarity Revolution fund

Article 9 funds within the meaning of the SFDR regulation[61], managed by Crédit Mutuel Impact, it committed €363 million in 2023 and €396 million in 2024. It aims to support technological breakthroughs and the scale-up of companies in the field of environmental transition, by intervening where financial needs are very important and other players are not sufficiently present.

Since its creation in July 2023, the fund has invested in 19 equity investments, including three forests (more than 6,500 ha[62]), companies developing new and highly innovative decarbonized energy sources (osmotic energy, nuclear fusion, solid hydrogen storage, liquefied biogas, decarbonized molecules), sea-powered freight transport, inclusive co-living solutions, or solutions to improve the resilience of agriculture.

Forests of Dambach, Amboise and Arpheuilles

2

DEVELOP banking or insurance offers with inclusive and solidarity based pricing in order to make the ecological transformation more accessible, including by helping the most vulnerable up to €8 million in 2023, and €96 million in 2024

Our action is based on the following four main themes, with flagship measures:

- **Solidarity and inclusion:** since the end of 2021, more than 200,000 individuals were able to take out a home loan without medical formalities at end 2024; 95,000 associations have benefited from the banking package; more than 14,000 executives of sports and cultural associations have benefited from free civil liability insurance (at the end of 2024) and €4.7 million was donated to associations via the *Livret d'Épargne pour les Autres.*
- **Youth and integration:** in 2024, 27,000 students were able to benefit from a zero-interest solidarity student loan to pay their tuition fees, rent or the materials needed for their studies.
- **Agriculture and food:** an Agri Installation Loan at a subsidized rate is offered for new farmers and winegrowers who commit to sustainable farming.
- **Environment and biodiversity:** nearly 30,000 customers were able to benefit from an interest-free bicycle loan in 2024.

INCLUSIVE & SOLIDARITY BANKING PRODUCTS AND SERVICES

in 2024 for members and customers

Banking package for Associations	Interest-free bicycle loan	Zero-interest solidarity student loan	Energy renovation aid advance	Passbook account offer	Agri installation loan	Inheritance bank fees

These solidarity offers, implemented thanks to the Societal Dividend, are subject to an impact assessment, which makes it possible to make them evolve to better achieve the targets. Thus, 95% of the beneficiaries of the zero-interest solidarity student loan believe that the loan has enabled them to study under better conditions. Moreover, 76% of customers give more to associations thanks to the *Livret d'Epargne pour les autres* (passbook savings account for others).

In addition to the renewal of the 2024 offers, for 2025, **new offers are planned to amplify our action** (see in particular section II-5):

SOLIDARITY & INCLUSION

- Pre-financing of the *MaPrimeAdapt'* scheme and financing at a zero rate of the remaining charge to be paid for the renovation of the home;
- Social action fund;
- Family Assistance Guarantee.

ENVIRONMENT & BIODIVERSITY

- Sustainable local authority loan for small local authorities;
- Financing of photovoltaic panels for self-consumption for professionals;
- Electric leasing for professionals.

3

SUPPORT associations, through the Crédit Mutuel Alliance Fédérale Foundation and local donations (€68 million in 2023, €82 million in 2024)

Two areas are favored: solidarity and the environment. Acting on social issues makes it possible to have an ecological ambition just as acting in favor of the environment requires taking into account social dimensions. Particular attention is given to issues of energy poverty, the inclusion of people made vulnerable by climate change and the balance between agriculture, health and the environment.

Our support targets both local non-profit initiatives (*Association CHENE; Nouvel Envol*) **and large structures** capable of massively deploying emergency aid or innovative projects throughout the country (R*estos du Cœur; Secours Populaire*; The French Red Cross). They promote the development of key players or initiatives: *Société Nationale de Protection de la Nature*; Our Neighborhoods have Talent (NQT).

To strengthen the support of the associations supported, a one-stop shop will be able to:

- **collect the needs of solidarity players** (training, legal needs, HR, organization, strategy, financing, insurance or means of payment);
- **respond to them through networking** with the network or departments concerned, or by the mobilization of volunteer employees to support the Foundation for the most complex requests.

Lastly, in line with our mutualist model, **a system based on participatory budgets is planned**, to enable members to participate in the choice of charitable projects financed by the Societal Dividend.

II-4-3 FINANCIAL TOOLS TO GUIDE FINANCING AND POOL RISKS

Different financial tools must be used to direct financing in priority sectors:

- **Improved refinancing conditions** for renewable energy projects and green investments;
- **A guarantee mechanism** to support people in great difficulty;
- **An agricultural land carrying fund** to provide a solution for certain facilities (Elan Fund), in which Crédit Mutuel is contributing €10 million;
- **Carrying funds dedicated to residential real estate,** aiming to respond to the transformations of the sector by promoting access to housing and sustainable urban renewal.

II-4-4 AN ENERGY RENOVATION BUSINESS LINE (HOMJI) TO HELP OUR CUSTOMERS FROM END-TO-END

Identified as central to transitional public policies since at least the end of the 2000s[63], **the energy renovation of housing is slow to roll out** at a scale consistent with national decarbonization trajectories[64].

Households face three main obstacles which explain this delay: the cost of the investments to be mobilized, the complexity of the organization of the work and the lack of information.

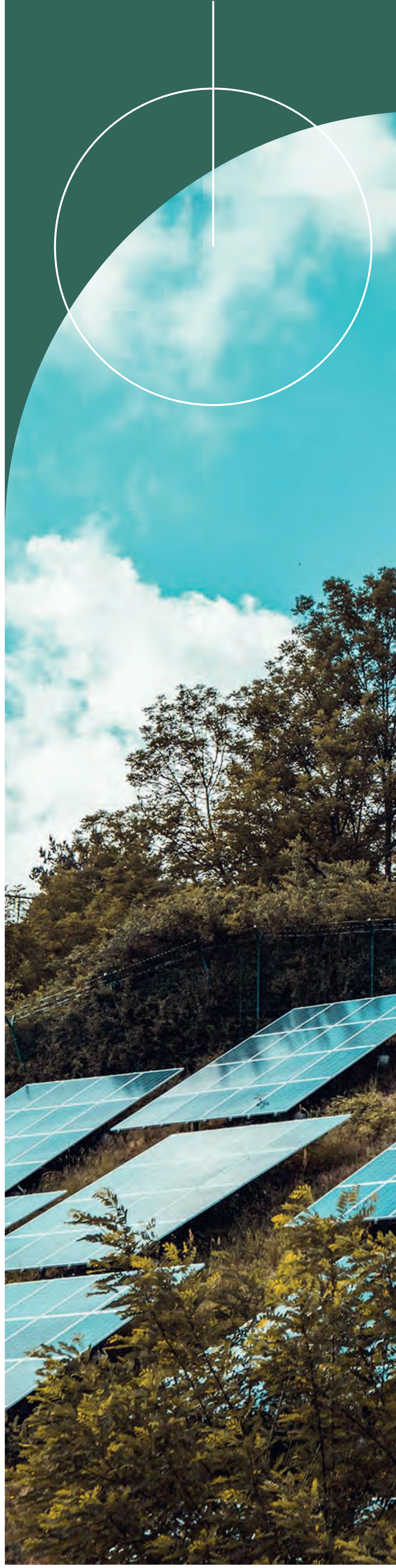
While a bank's financing activity naturally helps to remove the first of these obstacles, other issues require the implementation of an appropriate technical response, in the form of a trusted third party for individuals.

Launched in 2024, HOMJI is a platform offering support to individuals (homeowners, occupants or landlords) throughout their home energy renovation project:

- **Energy report or audit** on housing and construction of the project;
- **Organization of work:** choice of work, materials, selection of craftspeople and analysis of estimates;
- **Aid management:** identification of available aid, advance of aid;
- **Financing optimization:** study and proposal of the most advantageous loans, including the *Eco-PTZ*, to reduce the cost of the project.

The objective is for this service to benefit from the status of *Mon Accompagnateur Rénov'*, approved by the ANAH (*Agence Nationale de l'Habitat*), which allows supported individuals to access public subsidies for thermal renovation such as *MaPrimeRenov'*.

As part of a supported program, this assistance finances, depending on the level of household income, up to 80% of the cost of the project up to a limit of €70,000.



II-4-5 PARTNERS TO PROVIDE OUR CUSTOMERS WITH CARBON DIAGNOSTICS

SMEs and mid-sized companies make up a very large majority of our corporate portfolio. However, according to a survey conducted by BPI France, while two-thirds of executives are attentive to environmental issues, only one-third of SMEs and mid-sized companies have assessed their emissions.

Helping our customers assess their impact is the first step in supporting them in the necessary transformations. Our corporate customer relationship managers have identified that their customers need to be guided on the choice of a partner to calculate their carbon footprint, meet current or future regulatory constraints, build a decarbonization plan if necessary and receiving advice on relevant investments.

To do this, in the second half of 2025, we will offer our customers:

- **The possibility of carrying out an initial carbon assessment** with one or more preselected partners, in coordination with the restart of the *Décarbon'Action* diagnostics financed by the Energy Transition Agency (*ADEME*);
- **More in-depth customer support** to implement the transformation of their business, following the ACT (Assessing Low Carbon Transition®) methodology, of the ADEME with one or more specialized partners, which would make it possible to adapt as closely as possible to the needs of our customers and to support them in 360°.

II-4-6 THE MUTUALIST INSTITUTE FOR THE ENVIRONMENT AND SOLIDARITY, A NEW ESG DEPARTMENT, TO PUT EXPERTISE AT THE SERVICE OF ALL BUSINESS LINES

Crédit Mutuel Alliance Fédérale has also given itself the human and organizational resources to achieve its objectives.

The creation of the Mutualist Institute for the Environment and Solidarity, the group's ESG department, which reports to Executive Management, aims to make expertise in social and environmental issues available to all business lines and entities. Bringing together more than fourty specialists (sector experts, data scientists, sustainable finance specialists, along with former directors of Crédit Mutuel banks or CIC branches who bring their in-depth knowledge of the networks or employees from the group's various business lines), the Institute is organized into three divisions: Expertise, Data, Deployment.

In 2024, the year of its creation, the Institute managed the definition of NZBA commitments and the operationalization of Crédit Mutuel Alliance Fédérale's ESG strategy, in connection with all business lines; the extension of ESG questionnaires to better understand our customers' exposure to ESG risks (see part III); face-to-face training for more than 1,400 corporate customer relationship managers and commitment managers to better understand ESG issues in their approach with customers; the establishment and coordination of a network of 80 ESG and CSR contacts in all entities and all business lines; the implementation of an ESG data architecture that has improved the monitoring of our footprint and impacts.

FOCUS ON...

A network of ESG & CSR contacts

To engage all our employees and elected members, in order to integrate sustainability matters into our business model, these issues must be addressed locally, as closely as possible to the business lines, entities and customers.

For this, **we have set up a network of 80 ESG & CSR contacts:** employees of CIC regional banks, Crédit Mutuel federations, subsidiaries and business centers, their mission is to implement our ESG strategy within their entity, to manage its implementation and coordinate the various stakeholders in their entities. This involves awareness-raising, training and operational support for employees to help them integrate our ESG policy into their daily lives.

This network of 80 contacts, led by the Institute, also serves as a relay for the actions of the Crédit Mutuel Alliance Fédérale Foundation.

To support all our business lines, and give everyone the resources and means to be able to act on a daily basis, various tools have been deployed:

- Firstly, **easier access to relevant information:** a dedicated ESG universe has been created on the internal network, bringing together the documents and information useful to our employees to apply our ESG policy, with a focus on clarity and operational efficiency.
- Then, **all our employees receive training in ESG issues adapted to their needs,** via various channels (face-to-face or remote training, workshops, frescoes, e-learning, etc.). *Cap Compétences*, our internal training organization, has dedicated resources on ESG issues.
- Lastly, to apply our ESG strategy to our customers on a daily basis, employees can reach to **contact their ESG & CSR contacts,** who can themselves rely on a team from the Institute dedicated to ESG analysis. These discussions on more complex cases are intended to inform the decisions made and to anchor the appropriation of our ESG policy in the practices of the operational teams.

Governance on ESG issues has also been strengthened (see sections I-4 and III-1).

FOCUS ON...

An ESG data infrastructure to support the strategic plan

Crédit Mutuel Alliance Fédérale is developing an ESG data infrastructure, enabling data to be collected, processed and used. Due to their more recent nature, these data raise unprecedented questions compared to financial data: heterogeneity of internal and external sources, problems of quality or absence of granular data at the level of the contract or counterparties, evolving framework, etc.

By way of illustration, the Real Estate Reference Framework is a centralized database of assets financed or pledged as collateral, which is enhanced in particular by the energy performance data of assets in order to meet the various needs of strategic management, regulatory reporting and collateral valuation, construction of offers to support customers, etc.

II-4-7 MOBILIZATION OF ALL BUSINESS LINES OF CRÉDIT MUTUEL ALLIANCE FÉDÉRALE

As a diversified bancassurance group, Crédit Mutuel Alliance Fédérale is present in many activities: retail banking, insurance, asset management, financial and real estate, financial management, and also consumer credit, leasing, technology, press, etc. All of our business lines contribute to the same ambition, each with its own specificities.

The networks and specialized business lines of Crédit Mutuel Alliance Fédérale and CIC are at the heart of our action.

With several thousand dedicated non-commissioned advisors, who are responsive, divided respectively into 1,417 local banks and 1,630 branches in France, **the Crédit Mutuel and CIC networks are in direct contact with our customers, individuals and companies[65], professionals, farmers, associations, etc.**

This is why **one of the priorities since the creation of the Mutualist Institute for the Environment and Solidarity has been to deploy training,** during one day, face-to-face for all corporate customer relationship managers. Specific training on climate issues in agriculture, for seven hours face-to-face, was also set up for account managers in the agricultural market. The financing of energy renovation is also the subject of a dedicated training course. Finally, training on "Environmental risks for the banking and financial sector" was rolled out to all employees.

Network advisors also need to **have adapted offers** to offer their customers to support them in the transformations to be carried out:

- **Firstly, know your customer tools:** carbon diagnostics offered to companies (see section II-5), ESG questionnaires to better identify the ESG issues and risks of corporate customers;
- **Simple commercial offers adapted to customer needs:** they are described in detail in section II-5 "How do we support our customers".

To limit the additional burden for advisors, these new tools and offerings will be integrated as much as possible into existing processes, so that ESG issues are an integral part of the relationship with customers and give rise to business opportunities.

Lastly, to manage the achievement of our targets and measure our results, reliable and relevant data are essential. The monitoring metrics chosen to monitor our targets have been selected so that they can be managed and easily integrated into our information systems, which are evolving at the same time to take better and better account of non-financial data.

Assurances du Crédit Mutuel encourages sustainable claims management

***Assurances du Crédit Mutuel* (GACM) contributes to the reduction of greenhouse gas emissions** of their policyholders thanks to a sustainable claims management policy[66], mobilizing three action levers: the selection of virtuous partners; the proposal of low-carbon reparative solutions; the promotion of paperless claims management.

SELECTION OF VIRTUOUS PARTNERS

In the event of a claim, customers are preferably referred to service providers selected by the *GACM*, who meet specifications that include sustainability aspects.

PROPOSAL OF LOW-CARBON REPAIR SOLUTIONS: FOCUSING ON REPAIR OVER REPLACEMENT

The use of re-used parts and the repair of windshields in motor insurance make it possible to limit the consumption of commodities and energy necessary for the manufacture of new parts, thus reducing the environmental impact of car repairs. The extension of the approach to IRD insurance[67], where it is still relatively uncommon due to technical constraints (weight, size of materials, etc.), is being studied.

PROMOTING PAPERLESS CLAIMS MANAGEMENT

This paperless system makes it possible to reduce the carbon footprint related to travel for appraisers (*via* a remote appraisal system, particularly in motor insurance) and policyholders (*via* an e-declaration system).

La Française Group

La Française Group, the asset management division of Crédit Mutuel Alliance Fédérale, born in 2024 from the merger of all the group's asset management companies, manages €157 billion on behalf of its customers (end 2024). As a third-party asset manager, La Française adapts its management offering (in listed and unlisted assets) to the demands of its diversified clientele in France and internationally.

In line with the commitments of the Crédit Mutuel Alliance Fédérale group, the management company implements the Group's sectoral policies with regard to the specificities of its asset management business line on behalf of third parties. The exclusion policy enacts the gradual exit of Crédit Mutuel Alliance Fédérale and its subsidiaries from coal and introduces demanding thresholds for unconventional fossil fuels[68].

Designing investment solutions that combine performance and sustainability is a priority issue for the La Française Group. In this context, La Française aims to have a range of products and services adapted to its investor customers by:

- **Developing product ranges** for Crédit Mutuel Alliance Fédérale's customers in accordance with the sectoral policy and requirements of Crédit Mutuel Alliance Fédérale;
- **Developing innovative products** which incorporate our management convictions and which make it possible to build an offer in response to specific requests on themes, on contributions to sustainable development goals, etc.;
- **Having an offer** that responds to the sustainability preferences of customers in both listed and unlisted assets;
- **Meeting the requirements** of non-financial reporting and regulatory changes (Green Industry Law, Omnibus Directive on Taxonomy, CSRD and CS3D, etc.) both in their legal format and in the management strategy applied;
- **Adapting to specific requests** from investors outside Crédit Mutuel Alliance Fédérale's customers, from the most sophisticated (pension funds, insurance companies - opinion leaders who have signed public commitments and have advanced ESG policies) seeking support and tools to achieve their objectives - to investors who are more flexible in terms of ESG practices and for whom asset managers must implement ESG monitoring and ensure minimum compliance.

La Française Group's voting and engagement policies are the cornerstone for a tangible ESG and action for the transition. In 2025, La Française Group's voting policy will be infused with four priority themes: climate change, share capital, natural capital and governance. These initiatives enable the asset management company to adopt a responsible medium- and long-term perspective, to strengthen dialog with companies to support them towards more sustainable practices.

La Française Group is, among others, a member of Climate Action 100+ and the IIGCC (Institutional Investor Group on Climate Change) **and supports the Non Disclosure Campaign of the Carbon Disclosure Project** (CDP). These commitments are backed by a demanding voting policy that makes the fight against climate change everyone's business, while distinguishing between action potentials according to the sector and the size of the companies. **Three types of criteria are examined:**

1. **Response** to the Carbon Disclosure Project (CDP) questionnaire

2. **Commitment** on CO_2 emission reduction targets validated by the SBTi

3. Presentation to the Shareholders' Meeting of a "Say on Climate" or a progress report on climate change

La Française Group asks large companies (Large caps) in the most carbon-intensive sectors to comply with two of the three criteria, and for companies in the lower emitting sectors and SMEs (Small & Mid caps) to comply with one of the three criteria. Compliance with these criteria is a condition for voting decisions taken at Company Shareholders' Meetings.

In addition, as part of its property management business, La Française Group pays particular attention to the satisfaction of its tenant customers. To this end, La Française is implementing actions in its building portfolio, adapted to each type of asset, to support tenants and improve their environmental performance and adopt more sustainable practices:

- **Technical maintenance** and greening of buildings guaranteeing its tenants a pleasant environment, better management of resources and consumption and lower GHG emissions (target of aligning greenhouse gas emissions with the CRREM ceilings, by no later than 2030).
- **Application** of acceptable expense levels.
- **Estimate** of the vulnerability of buildings to the most significant climate risks.
- **Support and awareness-raising** of tenants on climate issues and the energy transition (user guides and best practices, green committees, educational workshops, etc.).

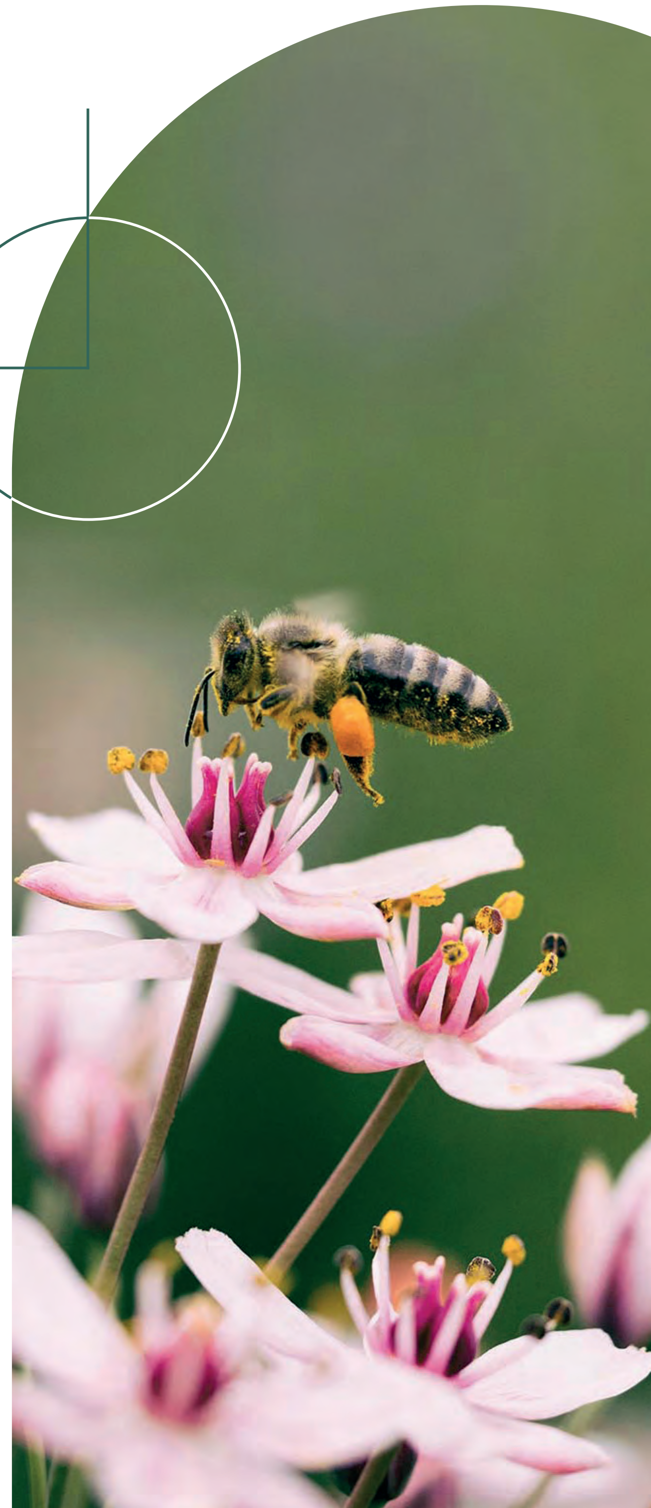
The quality and management of ESG data across the entire value chain is a major issue for the asset management industry; in terms of collection, centralization, industrialization and sharing. This has led La Française Group to set up dedicated teams to manage the necessary data for the investment strategies of the various markets in which it operates.

Financial management also mindful of ESG issues

Banque Fédérative du Crédit Mutuel (BFCM) **does not issue shares listed on the stock market but carries out bond issues on the financial markets.** Some of these bonds are included in Paris-Aligned Benchmarks (PAB) bond indices, designed to align portfolios with Paris Agreement targets, reducing carbon intensity and excluding companies that do not meet certain environmental criteria. **The presence of BFCM bonds in these indices reflects its commitment** towards sustainable financial practices in line with international climate objectives.

The group has a number of issue programs, providing access to investors in the main regions at the international level through public and private issues. As part of Crédit Mutuel Alliance Fédérale's strategy, the logical and voluntary decision to be part of a long-term Green and Social Bond issuance program was taken to meet investors' expectations. Between the beginning of 2020 and the end of 2024, five issues were carried out, three of which focused on green assets (financing of renewable wind and solar projects and new residential buildings compliant with the RT2012 and RE2020 standards) and two social issues concerning the financing of study loans and the financing for small and medium-sized companies located in disadvantaged employment areas. The aggregate amount of these issues totaled €3.75 billion.

These issues have been recognized for the transparency of the methodologies applied (calculation of avoided emissions, selection of eligible assets, etc.) and were very popular with bond investors. Green bond issues carried out in 2020, 2021 and 2024 are aligned with the MSCI green bond and green loan valuation methodology[69].



Euro-Information: technological innovation at the service of people

To mobilize innovation for a fairer and more sustainable society, our technological subsidiary, Euro-Information:

- **Implements industrial tools and ESG data architecture** making it possible to measure our emissions and steer our actions (see box on ESG data architecture, section II-4);
- **Co-builds solutions with the business lines to support our customers in their ecological transition,** for example, the Digital Platform for Energy Renovation;
- **Integrates ESG in our IT purchases, in the construction and management of our data centers[70];**
- **Effectively manages the efficiency and sobriety of IT resources,** software and data, infrastructure and hardware;
- **Uses AI in a trusted framework,** respectful of French and European law, based on Crédit Mutuel's fundamental values of equality, solidarity and freedom. In tangible terms, an AI Ethics Charter, drawn up in close collaboration with the Mission Committee, is implemented within the group.

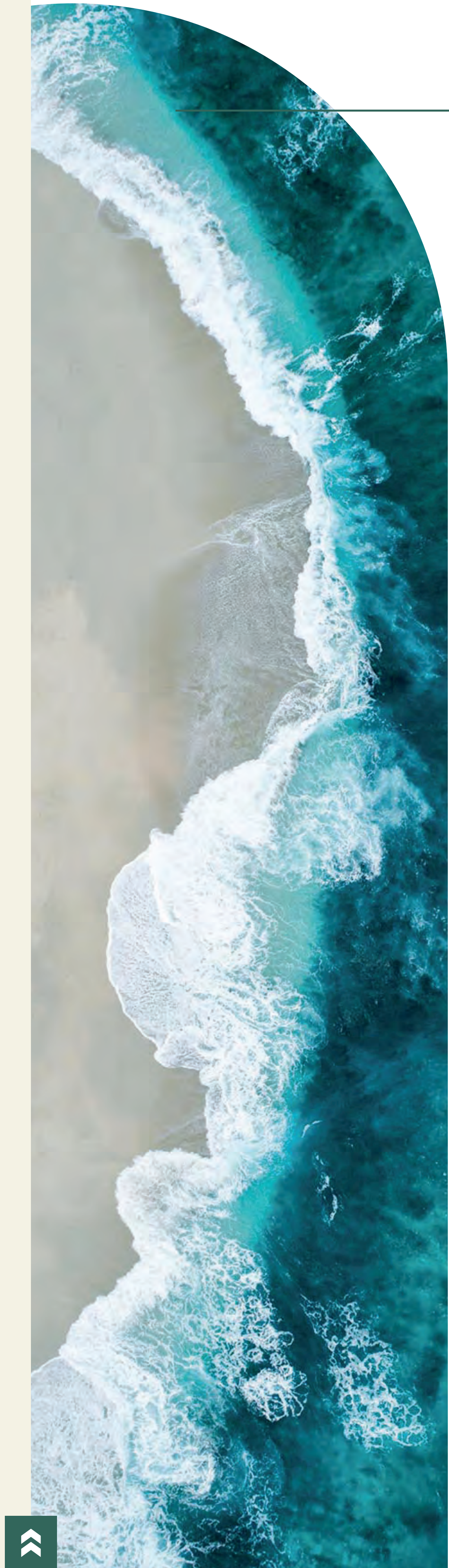
  5 commitments have been taken:
  1. Protect our customers and members' data and digital privacy;
  2. Guarantee a transparent and documented use of AI;
  3. Commit to an AI that is inclusive and respectful of the environment;
  4. Develop an AI trust contract with our customers and employees;
  5. Ensure the robustness of Artificial Intelligence-based technological solutions.

Cofidis Group: first consumer credit institution to become a benefit corporation

In order to structure its environmental approach and accelerate the group's ecological transition, Cofidis launched #LikeMyPlanet in 2020. Last year, Cofidis strengthened its commitment by becoming the first consumer credit institution in France to adopt the status of a benefit corporation, consistent with the group.

In this context, **sustainable financing is offered to customers** to help them adopt a more sustainable lifestyle and reduce their environmental impact. In particular, Cofidis is active in the field of energy renovation, renewable energies and soft mobility via the interest-free bicycle loan (see section II-5).

Cofidis Group is also in the process of developing a circular economy strategy, aimed in particular at supporting its customers towards more responsible consumption and encouraging them to have their products repaired (see section II-5: how do we support individuals?).



TARGOBANK

TARGOBANK, the group's subsidiary in Germany, has implemented an ESG transformation plan, which provides **support for the transformation of its customers and a social and societal commitment.** By 2027, TARGOBANK aims to reduce the carbon footprint of its financed emissions. The application of sectoral policies, in force since 2022 at TARGOBANK, is a first step to achieve this objective and will be supplemented in 2025 by a roll-out to certain sectors or types of assets financed and by relying on the expertise of the teams of the Mutualist Institute for the Environment and Solidarity.

Since 2019, TARGOBANK has reduced the carbon emissions of its internal footprint by 38%, by opting for a 100% renewable energy supply, while reducing its electricity consumption by 25%. The process to obtain ISO 50001 certification in 2025 is underway.

Supporting customers in their transition is at the heart of TARGOBANK's concerns and as such, various possibilities should be offered, particularly when the financing activity for main residences planned for 2026 is launched. In order to support the reduction of transport-related emissions, TARGOBANK finances public transport infrastructure and also leased bicycles through the "Jobbike" offer, which allows companies to offer their employees the opportunity to equip themselves or replace their bicycles on favorable terms. An acceleration of photovoltaic financing and an extension of the leasing offer to electric charging stations for vehicles is also planned.

In 2024, almost all TARGOBANK employees[71] were trained in climate and environmental issues through the "TARGOBANK Climate School". Additional educational modules are being developed to be offered in 2025 and 2026.

II-5

SUPPORTING OUR CUSTOMERS IN THEIR ONGOING TRANSFORMATIONS

A young person starting life, a family living in the city with young children, a retired couple from Alsace, a farmer from Loir-et-Cher, a baker from the old town of Marseille, the owner of an SME in road transport, the manager of an industrial site in northern France, our customers do not have the same needs, the same questions, the same difficulties, the same desires or the same ability to act.

But all can contribute, if they wish and at their own scale, to limiting climate change, protecting themselves against the associated risks and building a more sustainable and inclusive society.

For Crédit Mutuel Alliance Fédérale, being the transition bank means working alongside each of our customers to inform them, advise them and support them in their projects.

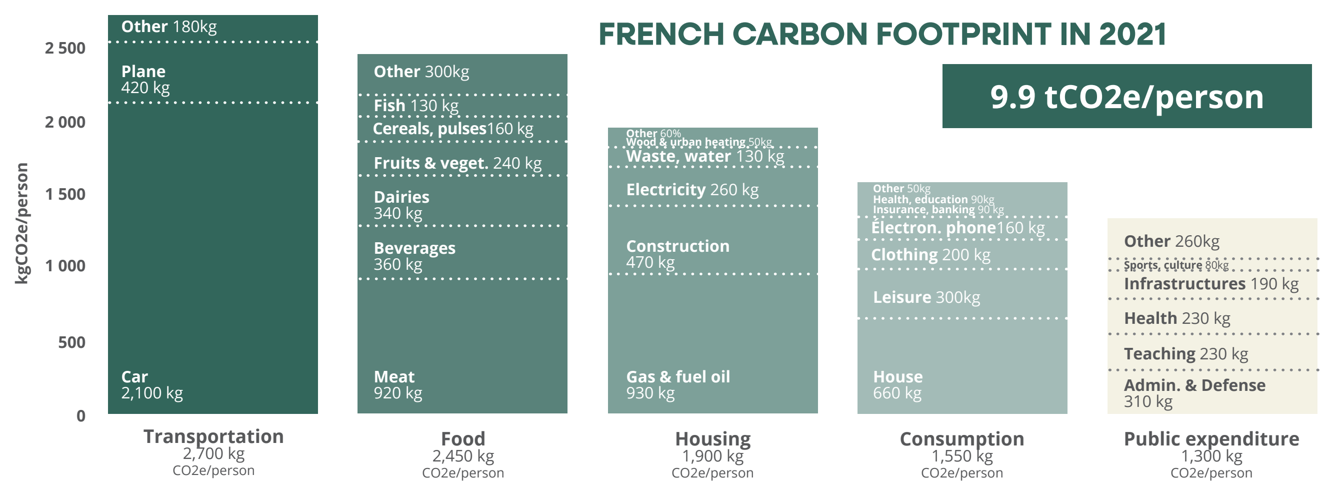
Here we describe how we meet the needs of each of our customers, with an approach by audience.

II-5-1 HOW DO WE SUPPORT INDIVIDUALS?

Our individual customers may feel lost or little concerned about environmental, social and governance issues. **We offer to help them:**

1. Doing their part for the climate and the environment;
2. Protecting themselves and their loved ones against the associated risks;
3. Being more inclusive;
4. Taking part in decisions.

Helping our individual customers do their part for the climate and the environment



Gases included: CO_2 (excluding LULUCF France), CH_4, N_2O, HFC, SF_6, PFC, H_2O (contrails)
SOURCES: MyCO2 by Carbone 4 according to the Ministry for the Ecological Transition, the High Council for the Climate, CITEPA, Agribalysis V3 and INCA 3.

HOUSING

Housing represents around 20% of the average carbon footprint of the French people[72] and heating expenses account for nearly 5% of household budgets on average[73], but 3.8 million French households, which belong to the first three income deciles, spent more than 8% of their income in 2022 on heating their homes[74]. Our sectoral policies and our commercial offers aim **to help our customers to reduce their emissions and their bills through:**

- The acquisition of assets with a good energy label;
- The construction and/or renovation of their homes to make them more energy efficient.

We have implemented:

- A residential real estate sectoral policy that takes into account the energy performance of assets as well as the commitment to carry out energy improvement work in the credit granting conditions;
- Financing solutions for work to improve the energy performance of housing, in particular: Eco-PTZ, *Crédinergie* loan, Prefinancing of *Aides Rénovation*, *Avance Rénovation* loan for lower incomes, etc.

Lastly, in June 2024 we created **the HOMJI platform dedicated to the development of our energy renovation sector** with the aim of supporting 100,000 customers in their energy transition by 2027, a target set as part of our strategic plan. HOMJI is a platform offering global support to individuals (homeowners, occupants or landlords) in their energy renovation projects by removing the main barriers to its completion:

- **Energy report** on the housing and construction of the project;
- **Organization of work:** choice of work, materials, selection of craftspeople and analysis of estimates;
- **Aid management:** identification of available aid, advance of aid;
- **Financing optimization:** study and proposal of the most advantageous loans, including the Eco-PTZ, to reduce the cost of the project.

This service should include the "*Mon Accompagnateur Rénov*" business line, a status approved by the ANAH (*Agence Nationale de l'Habitat*), which allows supported individuals to access public subsidies for thermal renovation such as *MaPrimeRenov*. As part of a supported program, this aid then finances, depending on the level of household income, up to 80% of the cost of the project up to a limit of €70,000. **All of these offers are designed to provide everyone with access to energy-efficient home renovation** (see section IV-3 on the just transition).

AVAILABLE FINANCING OFFERS

- Eco-PTZ
- Eco-PTZ *Ma Prime Rénov'*
- *Avance Rénovation* loan for lower incomes
- *Crédinergie* loan (Crédit Mutuel) and Sustainable Development loan (CIC)
- Pre-financing of *Aides pour la Rénovation*

AVAILABLE SUPPORT & SERVICES

- HOMIJI - Energy renovation support offer
- *Kiosque à services*: energy diagnostics, energy renovation work, supply of green energy, measurement of electricity consumption and energy saving recommendations for Individuals

TRANSPORTATION

Travel represents more than a quarter of the average carbon footprint of the French people[75], and three quarters of these emissions are related to cars. Fuel expenses represent 4% of the budget of French households[76].

To encourage our customers to adopt more environmentally-friendly mobility by losing as little as possible in terms of ease of use and to enable them to access new forms of mobility, we have developed **an Eco-Mobility offer** (credit, lease with purchase option or long-term lease). Two subsidized rates are offered to customers and members, to prioritize electric vehicles, and to a lesser extent Crit'air1 vehicles. **Pre-financing of the ecological bonus** is also available on leasing. Finally, thanks to the Societal Dividend, we have set up **an interest-free bike loan** to encourage soft mobility. This loan makes it possible to finance the purchase of a conventional or electric bicycle, either new or second-hand, plus the acquisition of accessories.

AVAILABLE FINANCING OFFERS

- Loans at subsidized rates for new or second-hand electric or Crit'air 1 vehicles
- Pre-financing of the ecological bonus
- Interest-free loan for electric bikes

AVAILABLE SUPPORT & SERVICES

- Service kiosk: Crédit Mutuel benefits for the installation of a charging station or a reinforced electrical outlet for electric or plug-in hybrid vehicles

CONSUMPTION

Our current consumption patterns weigh on non-renewable resources (for example, secondary copper could become essential to meet global demand from 2030). They generate waste with adverse effects on the environment (3.6 Mt of waste are produced by households each year in France[77], i.e. 0.5 tons per inhabitant).

To meet these challenges, as part of its Benefit Corporation roadmap, Cofidis France is developing a circular economy strategy focused on responsible consumption, the economy of functionality and extending the duration of use of products.

A Circular Economy Manager was thus recruited **and a roadmap** will translate the threefold ambition of transforming the financing portfolio towards circular products, contributing to company growth and directing consumers towards more responsible consumption.

Cofidis is also working on **the implementation of the first circular metrics** (based on the AFNOR and ADEME standards) to measure the progress made.

Specific offers are being developed in this context:

SUBSCRIPTION TO AFFINITY INSURANCE OFFERS

They aim to encourage customers to **"repair rather than replace"** products and guarantee continuity of use, thanks to two subscription programs with Boulanger (Boulanger Infinity) and Electro Dépot (Electrosur). **A Service Guarantee Offer, Cofidis Protect+,** will also be included, starting in June, in all revolving credit contracts taken out in-store with our partners in order to encourage the repair of products or guarantee continuity of use without cost for the customer.

INTEGRATION OF USED-PRODUCT BUYBACK, TRADE-IN AND RECYCLING INTO OUR UNDERWRITING PATHWAYS AND OUR CREDIT OFFERS

The aim is to give customers access to quality products (and generally slightly more expensive): made in France, incorporating recycled commodities, with high levels of repairability or virtuous energy consumption classes. The ability to take back a used product (trade-in) and/or to provide for the buyback at a defined future value (forward trade-in) makes it possible to reduce the amount of monthly repayments. We are forging partnerships with companies able to offer these solutions in our pathways (CircularX and Upway, for example) and are adapting our credit paths and offers (balloon or step credit).

SAVING

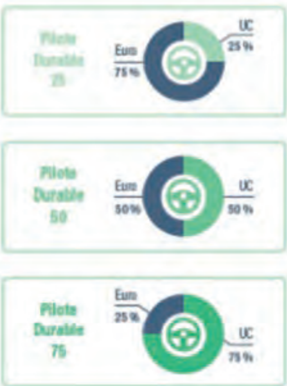
Our ESG strategy is also reflected in the development of financial savings that we offer to our customers. Our aim is to enable our customers to give meaning to their savings, by combining financial performance, sustainability and respect for their sustainable investment preferences.

To do this, we are working on two complementary and inseparable areas:

- **Service:** personalized and adapted to each customer according to their situation, their objectives and their financial investor profile;
- **Products:** designed, developed and advised in line with the group's commitments and the sustainability preferences of each of our customers.

Some examples of ESG financial savings offerings:

Steered Management Life Insurance | "*Pilote Durable*" profiles

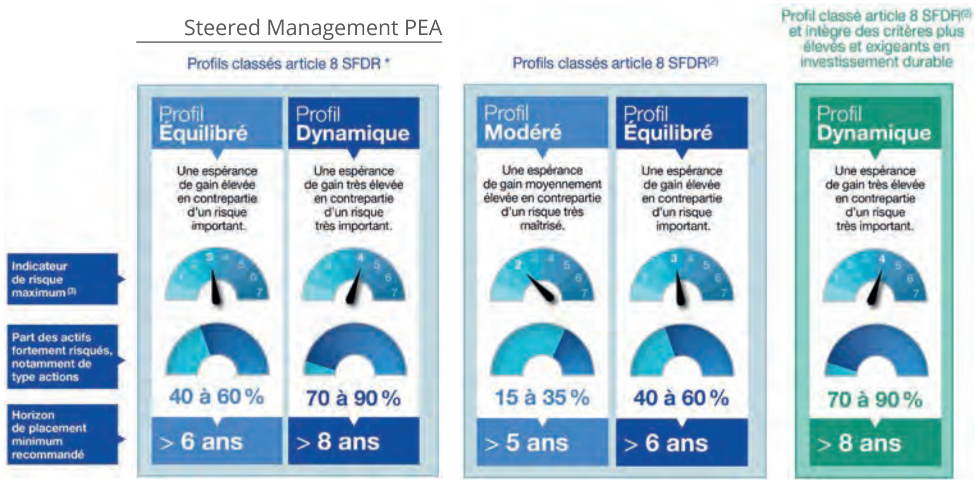


Life insurance | UL Environment Pack

Managed Securities ManagementProfiles
Profiles incorporating ESG criteria

CTO Steered Management

Steered Management PEA



In concrete terms...

Financial savings advice is a personalized and evolving support service at Crédit Mutuel Alliance Fédérale. Supporting customers in their investment choices by incorporating their convictions in terms of sustainability, at every stage of their life, is an essential issue for the group. This involves:

- **Training** of advisors on Sustainable Finance concepts and their application;
- **Supporting** customers in understanding the challenges and impacts of sustainable investment;
- **Assistance** in defining sustainability preferences;
- **Taking into account** the preferences of each customer in the investment proposals and regardless of the type of package (Life Insurance, PER, Ordinary Securities Account, PEA).

Our financial savings advice is part of a demanding regulatory framework for Securities and Life Insurance[78]. Our ESG priorities are also reflected in the development and selection of financial savings products and offers, through:

- **Integration of ESG criteria** in our selection and listing processes for financial offers and products for all our markets and distribution networks, and the monitoring throughout the life of offers and products;
- **Development** by our internal and external producers of offers and products in accordance with our group commitments in this area, combining all asset classes (listed and unlisted assets);
- **Expert support** from our asset management function in supporting and managing distribution networks on this topic.

Enabling our individual customers to protect themselves and their loved ones

Assurances du Crédit Mutuel **(ACM) offers comprehensive and quality solutions,** with some of the highest levels of protection on the market. In the event of a claim, ACM not only compensate policyholders: they facilitate the management of repairs, in particular by constituting an ecosystem of property & casualty insurance services. **For the housing sector,** ACM has acquired the company Repartim, which specializes in the repair of a wide variety of damages: plumbing, joinery, glazing, as well as water damage and leak detection. Repartim is also committed to a responsible environmental approach, in particular by promoting the replacement of damaged parts with re-used parts. **In the motor industry,** the first *Station Mobilités* was launched in Mulhouse, marking a real innovation for car claims. This unique center allows the complete management of a claim: from appraisal to repairs. Users drop off their damaged vehicle independently and pick up a replacement vehicle in just a few moments for the duration of the repairs. Thanks to this turnkey service, the total repair time is around 15 days, compared to 50 days on average for the market. The customer journey has been designed to maximize simplicity and efficiency.

Enabling our customers to show more solidarity

The Livret d'Epargne pour les Autres **(passbook savings account for others) at a boosted rate** allows our customers to grow their savings while supporting the causes that are close to their heart. They can share all or part of the interest of their passbook savings account with the associations of their choice, which are Crédit Mutuel partners.

Encouraging our customers to take part in the decision

Each customer has the opportunity to **subscribe for cooperative shares in their local bank to become a member** and thus have one vote at the Annual Shareholders' Meeting according to the "one person, one vote" cooperative principle. **Being a member** means having the ability to express your views on the major directions taken at the level of the local bank. It also means choosing your representatives, who carry the collective interests of the local bank and participate in the momentum of the region. Since November 2023, elected members have also had the opportunity to develop their knowledge and skills, particularly on ESG issues, thanks to the many training courses offered by the Mutualist University.

II-5-2 HOW DO WE SUPPORT COMPANIES?

Incorporating ESG issues into dialog with our corporate customers

In their dialog with our corporate customers, the account managers address ESG issues, in particular through ESG questionnaires, which include questions on social, environmental and governance issues. These questionnaires make it possible both to improve our knowledge of the ESG risks to which our customers are exposed and to identify their support and financing needs; we also have an advisory role for companies, in particular the smallest ones that do not have structures dedicated to ESG issues. On environmental issues, the questions are adapted to the company's sector of activity, which makes it possible to discuss their main decarbonisation and transformation levers during the dialog.

Implementing and financing decarbonization and transition actions

We also want to propose to our corporate customers **to direct them to selected partners** in order to carry out a carbon calculation and/or more comprehensive support for the implementation of an action plan to reduce energy consumption/carbon footprint (see section II-4).

Lastly, we support them in financing their actions to reduce their emissions. This is reflected in subsidized rates, in particular under the Energy Transition Loan (subsidy of 0.50%) and the EIB Climate loan (to come), for example for:

- Financing of the reduction of greenhouse gas emissions related to buildings and compliance with the tertiary decree[79];
- Financing of the greening of vehicle fleets and compliance with the Mobility Orientation Act;
- Financing of equipment intended to improve the company's energy performance;
- Financing of the installation of self-consumption solar panels.

The Transition Loan range, with the Industrial Transition Loan product, also allows companies to benefit from a subsidy when they enroll in a recovery plan to move towards an economy less dependent on fossil fuels and to manage their energy and environmental footprint.

Other products exist to support the transformation of companies, particularly the largest, such as the implementation of sustainable structured financing or the search for subsidies for environmental projects (ABF Decision offering). We also offer **a support service** to find suppliers or subcontractors with ESG certification (CIC Aidexport offer).

AVAILABLE FINANCING OFFERS

- Transition loan range: Energy transition loan | Industrial transition loan | Impact transition loan
- Sustainable structured finance
- ABF Decision offering for grant applications

SUPPORT AND SERVICES

AIDEXPORT to find suppliers or subcontractors with ESG certification

UPCOMING COMMERCIAL OFFERS

- EIB Climate loan
- Renewable energy project financing for companies
- Support for our customers to offer them the possibility of carrying out an initial carbon assessment and more in-depth customer support to implement an action plan with a specialized partner
- Eco-mobility offer: customer support for the installation, maintenance and management of electric vehicle charging stations

II-5-3 HOW DO WE SUPPORT FARMERS?

Incorporating ESG issues into dialog with farmers

As part of the dialog with our agricultural customers, bank advisors address ESG issues, in particular through "ESG questionnaires" specific to the agricultural sector, which include questions on social, environmental and governance issues. These questionnaires make it possible to **identify the risks and priorities on these themes and embody our advisory role** with farms. These issues are also addressed in information sessions and collective meetings led by our local network.

Implementing and financing decarbonization and transition actions

Crédit Mutuel Alliance Fédérale offers to support farmers who are committed to the agro-ecological transition with subsidies and preferential loan conditions.

FINANCIAL SUPPORT

- Assistance of up to €500 to finance part of the **costs of the Organic Agriculture and High Environmental Value certification** (level 3 of the environmental certification);
- Assistance of €200 to help carry out **a carbon diagnosis** whose method is recognized by the Low Carbon Label.

AVAILABLE FINANCING OFFERS

- An Agricultural Transition Loan, to support agro-ecological and societal transition projects ranging from agroforestry to certification fees and projects related to short supply chains, at preferential rates;
- An Agri Renewable Energy Loan for the installation of wind turbines, methanizers, photovoltaic panels or hydroelectricity structures, also at preferential rates; An Agri Installation Loan, for any customer or prospect wishing to set up in agriculture while engaging in agriculture whose practices are recognized as favorable to the agricultural transition within the meaning of the CAP (Common Agricultural Policy) 2023-2027, at preferential rates, financed through the Societal Dividend.

II-5-4 HOW DO WE SUPPORT PROFESSIONALS AND ASSOCIATIONS?

Our professional customers and associations can **benefit from the Transition Loan range,** in the same way as our corporate customers, and interest-free bicycle loans in the same way as our individual customers.

In the near future, we want to make available **a financing offer for photovoltaic panels** in the 9 to 36 kWp segment, specifically aimed at professionals. With the Societal Dividend, we provide a reimbursed solidarity banking package for associations with fewer than three employees (account, card, mobile app, dedicated advisor, etc.).

AVAILABLE FINANCING OFFERS

- Transition loan range: Energy transition loan | Impact transition loan
- Interest-free bicycle loan

COMMERCIAL OFFER TO COME

- Financing of 9-36 kWp photovoltaic panels
- EIB renewable energy loan

II-5-5 HOW DO WE SUPPORT LOCAL AUTHORITIES?

Through our "Privilege Ecology Loan" product, we support local authorities, regardless of their size, for investments related to the ecological and energy transition.

In addition, we want to facilitate access to green financing for small-sized authorities, in line with mutualist values. Thanks to the Societal Dividend, we will thus offer a "**Sustainable local authority loan**" with subsidized rates for specific purposes, such as projects for:

- The construction of high-performance buildings and energy renovation with energy performance criteria;
- The management of urban public lighting;
- The deployment of renewable energies and heating networks;
- Sustainable mobility: rail or public transport infrastructure, soft mobility infrastructure;
- Biodiversity: renaturation, decontamination, construction or renovation contributing to the implementation of biodiversity projects;
- Social cohesion: education & training; regional development & cohesion; culture, sport & community life; support for loss of autonomy; health and social.

AVAILABLE FINANCING OFFERS

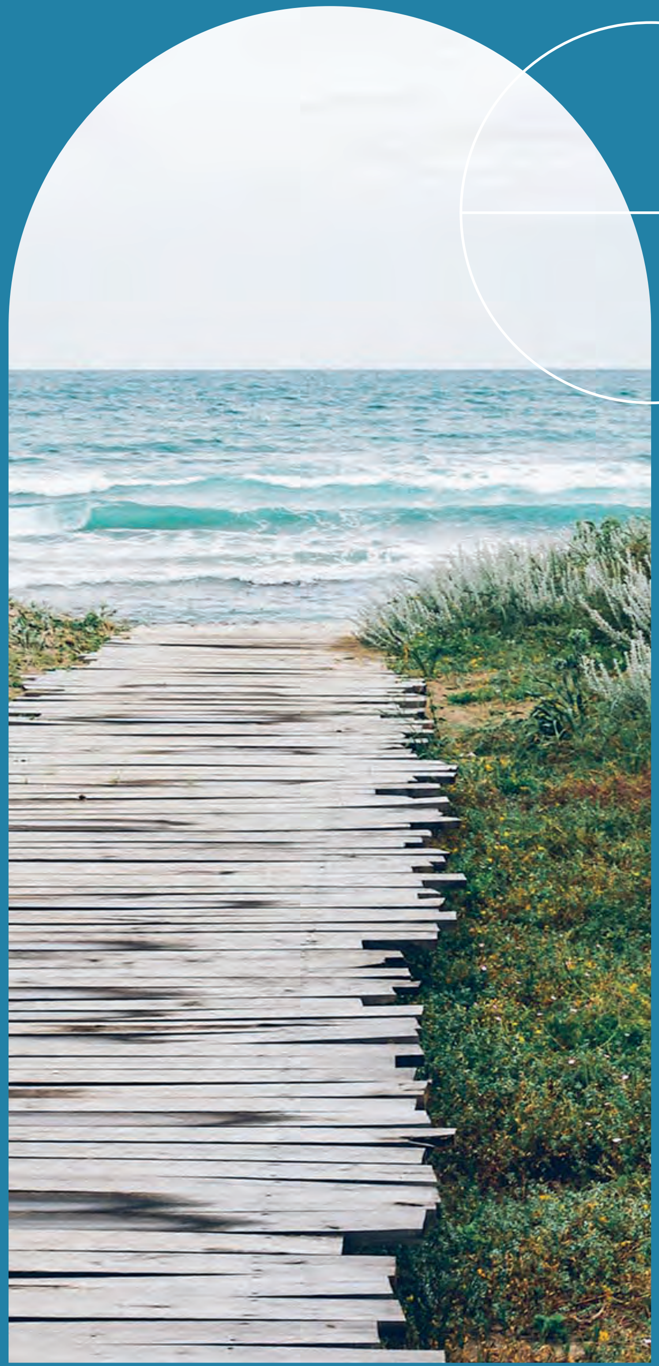
- *Privilège Ecologie* loan

COMMERCIAL OFFER TO COME

- Sustainable local authority loan

III

MANAGING RISKS AND PROTECTING OUR CUSTOMERS



III-1

OUR MANAGEMENT OF ENVIRONMENTAL AND SOCIETAL RISKS

Climate change and the loss of biodiversity, through their direct effects or as a result of the transitions they require, can lead to financial risks for households, businesses and the financial system.

Crédit Mutuel Alliance Fédérale may be affected by these risks directly or indirectly because its customers are affected, or more broadly due to induced changes in macroeconomic conditions (inflation and interest rate increases, for example).

Our approach to managing these risks consists of identifying, measuring and monitoring our direct and indirect risks (section III-1) while helping our customers reduce those to which they are themselves **exposed (section III-2).**

Our management of environmental and societal risks (or ESG) aims to control risks that could affect Crédit Mutuel Alliance Fédérale's operations, its financial stability or its reputation.

To this end, our approach consists of:

1. **DEFINING AND ANALYZING** the risks to which we are exposed (and their transmission channels)
2. **INTEGRATING** the ESG risks into the group's risk management processes
3. **IDENTIFYING AND MEASURING** our exposure to ESG risks using adapted tools and deploying measures to reduce these risks
4. **ENSURING** proper governance of ESG risks

III-1-1 DEFINING AND ANALYZING ESG RISKS

In line with the expectations of the European Central Bank (ECB)[80], we distinguish between two main sources of environmental risks:

- **Physical risks**
  They result from the increase in the frequency and severity of extreme weather events (acute risks: drought, heat wave, flooding, etc.) or the gradual degradation of meteorological conditions (chronic risks: repetition of drought episodes, rise in ocean levels, increase in average temperatures, etc.) or environmental degradation (such as air, water and land pollution, water stress, loss of biodiversity and deforestation).

- **Transition risks**
  Induced by the transition to a low-carbon economy and adaptation to global warming, they concern legislation, technological developments and demand.

In addition, other types of risks exist:

- **Social risks**
  Mainly related to the well-being and interests of individuals and communities.

- **Governance risks**
  Depend on business practices and transparency, the consideration of environmental and social criteria and potential controversies.

The consideration of environmental and climate risks is guided by:

- **The principle of double materiality**
  Taking into account the potential and proven impacts of climate change and environmental risks on all our activities and taking into account the impacts of our activities on the climate and the environment.

- **Matrix analysis**
  Environmental risks are factors that can degrade existing risks, in particular credit risk, operational risk, market risk, liquidity risk, interest rate risk, (conglomerate) insurance risk, strategic and business risks and equity and investment risks.

In order to understand the potential impact of climate risks on all "traditional" banking risks and in accordance with the supervisor's expectations, Crédit Mutuel Alliance Fédérale prepares **a climate risk materiality matrix, as well as a biodiversity risk matrix,** which are reviewed annually. The scenarios used to construct these matrices are detailed in the methodology supplement.

The study of the impact of physical and transition risks on traditional risk categories is assessed:

ON 3 LEVELS		ON 3 TIME HORIZONS
+++	Strong impact	Short term: < 3 years
++	Medium impact	Medium term: 3-10 years
+	Low impact	Long term: > 10 years

It is a**n assessment of gross risks,** i.e. before taking into account the measures put in place by the group to reduce these risks.

CLIMATE RISKS

RISK CATEGORIES	PHYSICAL RISK			TRANSITION RISK		
	Short term < 3 years	Medium term 3-10 years	Long term > 10 years	Short term < 3 years	Medium term 3-10 years	Long term > 10 years
Credit risks	+	++	+++	+	+++	++
Operational risks	+	++	+++	+	++	++
Market risks	+	++	++	+	++	++
Interest rate risks	+	+	+	+	+	+
Liquidity risks	+	+	+	+	+	+
Conglomerate insurance risks	++	++	++	+	+	++
Equity & investment risks	+	+	++	+	+	+
Strategic & business risks	+	++	++	++	+++	++

DEATH OF A LOVED ONE

RISK CATEGORIES	PHYSICAL RISK			TRANSITION RISK		
	Short term < 3 years	Medium term 3-10 years	Long term > 10 years	Short term < 3 years	Medium term 3-10 years	Long term > 10 years
Credit risks	+	++	++	+	+++	++
Operational risks	+	++	++	+	++	++
Strategic & business risks	+	++	++	+	+++	++
Conglomerate insurance risks	+	+	++	+	+	++

The main lessons learned from these materiality analyses are as follows:

IN THE SHORT TERM, with the exception of physical risk, which could have a medium impact on insurance, all climate risk factors have a low impact on Crédit Mutuel Alliance Fédérale's various risks.

IN THE MEDIUM TERM, most risk factors have a medium impact, and transition risks related to climate and biodiversity have a potentially strong impact:

- on credit risks;
- on strategic and business risks.

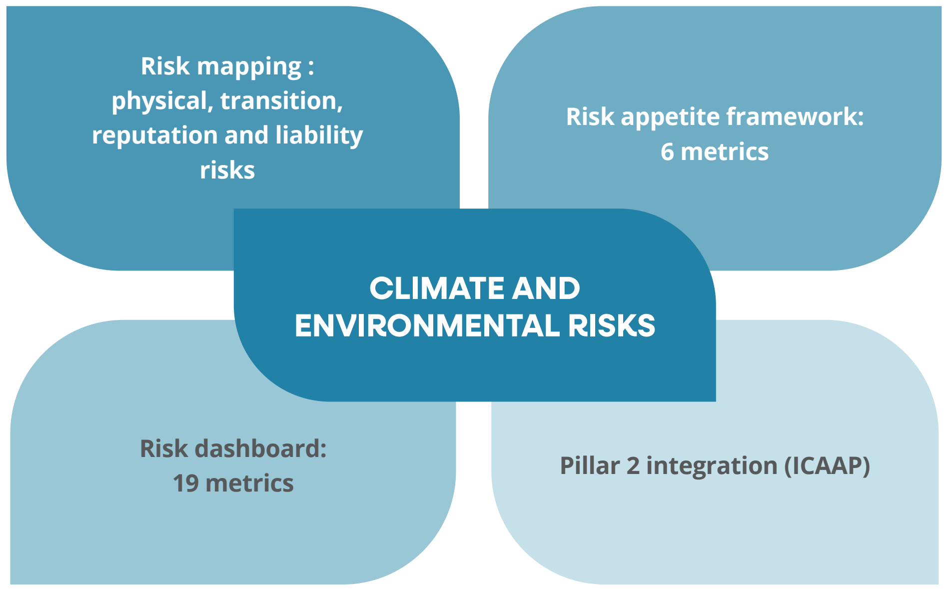
IN THE LONG TERM, it is the climate-related physical risks that are likely to have a strong impact on:

- credit risks;
- operational risks.

This Materiality Assessment serves as a guide to develop the climate and environmental strategy, described in part II: thus, for the banking scope, our strategy aims to reduce our exposure to transition risks by reducing the emissions from our financing, from which our most material risks (credit, strategic and investment risk) arise.

III-1-2 INTEGRATING ESG RISKS INTO THE GROUP'S RISK MANAGEMENT PROCESSES

Our analysis of climate and environmental risks is part of **our ESG risk management process,** as illustrated in the diagram opposite.



Risk mapping

The risk mapping is an operational management tool, reviewed annually, which aims to identify all the risks faced by the bank, then to assess, measure and manage them. It takes into account its strategic priorities, changes in the macroeconomic context and its risk profile.

For each area (ESG risks, credit risks, operational risks, liquidity risks, etc.), **work to identify the main risks** was conducted. These risks were subject to quantitative analysis and/or expert assessment.

The assessment takes into account the probability of occurrence of the risk and its frequency, as well as its potential impact on the entity's activities and on the services provided to customers. In order to prioritize risks and identify material risks for Crédit Mutuel Alliance Fédérale, **a rating is assigned to each risk on a scale of 1 to 5.**

This risk identification, analysis and prioritization process is developed under the responsibility of the Confédération Nationale du Crédit Mutuel (CNCM) in conjunction with the risk departments of the regional groups.

The risk dashboard[81]

Crédit Mutuel Alliance Fédérale's risk dashboard is monitored quarterly. If alert thresholds or appetite limits are exceeded, the procedure for managing breaches applies. The quarterly results are presented to the Group Risk Committee (GRC), the Group Risk Monitoring Committee (GRMC) and to the Board of Directors of Caisse Fédérale de Crédit Mutuel. **Particular attention is paid to limit breaches and the corrective actions associated with such breaches.** The alert sheets are appended to the risk dashboard.

The risk appetite framework

The risk appetite framework currently includes six metrics relating to climate and environmental risks, which cover the various risks (transition and physical) and sectors concerned. Alert thresholds and risk appetite limits are set according to Crédit Mutuel Alliance Fédérale's risk appetite, with corrective actions provided if these levels are exceeded.

Inclusion in the capital adequacy assessment

As part of internal capital adequacy assessment processes (ICAAP[82]), Crédit Mutuel Alliance Fédérale has implemented stress tests to ensure the adequacy of its capital with regard to the risks incurred and its appetite. In accordance with the GL32 and EBA/GL/2018/04 guidelines, these stress tests are based on severe but plausible scenarios, consistent with the major risks, based on macro-economic and forward-looking events.

III-1-3 IDENTIFYING AND MEASURING OUR EXPOSURE TO ESG RISKS USING ADAPTED TOOLS AND DEPLOYING MEASURES TO REDUCE THESE RISKS

Our exposure to the most material ESG risks is measured at different levels:

FOR ALL OF OUR FINANCING

For all of our financing, **emissions (see part II) are an aggregate measure of our exposure to credit risks related to the climate transition.** The measurement of our impact on various factors of biodiversity loss (see part II) provides **an overview of the exposure of our loan portfolio to transition risks related to biodiversity.** These measures concern the most material medium-term risks for the banking scope.

AT THE SECTOR LEVEL

At sector level, **the breakdown of our financing emissions** presented in section II-2, enables us to identify the sectors and sub-sectors with the highest exposure to climate-related transition risks.

The exposure analysis of the different sectors of our customer portfolio to **the main factors of biodiversity loss** has the same objective (see section II-2).

Our climate strategy stems directly from this analysis: the most material sectors are thus subject to operational targets (real estate, transport, energy, NZBA industrial sectors).

Our sectoral policies, as well as the trajectories by sector set as part of the Net Zero Banking Alliance (NZBA), aim **to support economic players aligned with sustainable decarbonization trajectories and reduce our exposure to the highest-emitting sectors.**

Sectoral policies are broken down into analysis grids, associated with ESG questionnaires (see below), which must be completed when preparing credit applications for eligible counterparties. They must be included in the files presented to the Commitments Committees.

While the calculation of our emissions is done correctly counterparty by counterparty (applied to all our financing as long as it's relevant and possible), it is still based on the use of sectoral proxies when the data on the emissions of our counterparties (or customers) is not available (see methodology appendix). Therefore, it does not always make it possible to distinguish the performance of each company within a sector.

AT THE INDIVIDUAL LEVEL OF EACH CUSTOMER

In order to understand ESG risks at the counterparty level, we need additional tools. We are developing tools and procedures to measure the ESG risks borne by each of our customers, in order to better guide individual credit decisions, and also to enable us to support our customers in their transition plans. Some of these tools are being rolled out, in a continuous process to improve their relevance and cover:

- **For companies in the highest-emitting sectors** for which we have defined benchmark trajectories as part of our NZBA commitments, this involves verifying the alignment of our customers or prospects with these trajectories;
- **For the largest companies in all sectors,** we are deploying an ESG questionnaire to determine the maturity of the company on environmental, social and governance issues and to analyze any controversies related to human rights or deforestation. This ESG questionnaire makes it possible to determine an ESG score, which triggers a more in-depth review of the file. An additional grid ensures that our sectoral policies are properly taken into account when the company is concerned;
- **For farmers,** a questionnaire adapted to the specificities of the sector is rolled out in the same way;
- **For smaller companies,** a questionnaire to guide the loan granting process and offer appropriate support will be rolled out from 2025;
- **ESG committees** in the various entities (CIC regional banks, subsidiaries, etc.) also contribute to the proper consideration of ESG issues;
- **In addition,** in the loan granting process, account managers can ask the Mutualist Institute for the Environment and Solidarity for an "ESG opinion" on a particular file.

At the same time, we are continuing to collect data on the greenhouse gas emissions of each of our customers, to refine the calculation of our financed emissions, and also to be able to more finely manage the associated risks and support our customers accordingly. ESG questionnaires are one of the tools that enable us to better understand the practices of our customers in terms of ESG, and thus to refine our estimate of their environmental impact (either by collecting their carbon assessments, or by obtaining information on their practices allowing us to better estimate their emissions). Lastly, we use external databases to enrich our data (such as the ADEME database of Energy Performance Diagnostics (DPE) for residential real estate, for example).

With regard to physical risks, which are material in the longer term, we are working to refine their measurement. Sensitivity to climatic hazards is already one of the criteria affecting the revaluation of real estate guarantees on assets taken as collateral as part of the granting of home loans in France. In addition, in our quarterly risk dashboard and our risk appetite framework, we monitor the sensitivity of our credit exposures to acute and chronic climatic hazards.

These global, sectoral and individual measures of our exposure to ESG risks are supplemented by the use of scenario analyses and stress tests.

Crédit Mutuel Alliance Fédérale is taking part in the exercise organized by the European Banking Authority (EBA) aimed at assessing the resilience of the financial sector with regard to the European package to reduce emissions (known as "Fit for 55"). **The group also carries out internal scenarios in order to better assess the risks related to macroeconomic changes.**

In addition, in 2023, the *Autorité de contrôle prudentiel et de résolution* (ACPR - French Prudential Supervisory and Resolution Authority) initiated **an exercise to assess the risks associated with climate changes, dedicated exclusively to insurers.** The scenarios considered analyze the occurrence of extreme events in terms of physical risk (heatwaves and floods) as well as the risk of transition with adjustments in the financial markets, in the short and long term. They provide food for thought about strategic developments. Groupe des Assurances du Crédit Mutuel's teams were mobilized across the board for this exercise.

III-1-4 ENSURING PROPER GOVERNANCE OF ESG RISKS

The environmental, social and governance risk governance system is part of the overall risk governance system, which includes:

- The governing bodies such as the Board of Directors and Executive Management;
- The three lines of defense involved in the group's risk management: the operational departments (first line), the risk, compliance and permanent control division of Crédit Mutuel Alliance Fédérale (DRCC) (second line) and periodic control (third line).

The group risk department, with its ESG Risks division, is tasked with managing Crédit Mutuel Alliance Fédérale's ESG risk management system, in conjunction with the Confédération Nationale du Crédit Mutuel (CNCM) risk department. In order to **meet regulatory and prudential requirements,** it notably implements appropriate procedures in the decision-making and reporting tools of the group's entities.

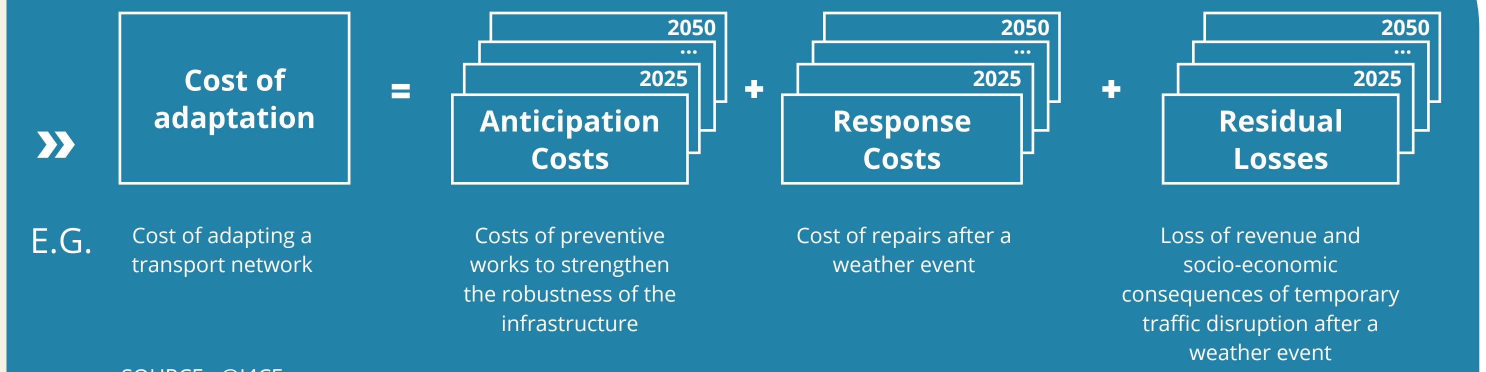
III-2 HELPING OUR CUSTOMERS PROTECT THEMSELVES AND ADAPT TO CLIMATE CHANGE

III-2-1 ANTICIPATING AND ADAPTING TO CLIMATE CHANGE

The costs of climate change, if they are not anticipated, either through actions to limit global warming or through measures to adapt to its effects, risk being significant in the long term. The costs of preventive adaptation in many areas would thus be much lower compared to the damage they prevent. The ratios are from one to ten, but more often from one to one hundred or one to a thousand[83].

THE ADAPTATION SUM

A SUM OF THREE TYPES OF COSTS OVER TIME



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However, not all adaptation options have a clear business model.

- The measures can be directly profitable
  E.g. use of drought-resistant varieties in agriculture;
- The measures may be justified as a reduction in future risk-related costs (adaptation costs lower than repair costs)
  E.g. reinforcing the foundations of new homes to prevent the risk of drought with clay swelling and shrinkage rather than carrying out work once the damage has been observed;
- The measures can be justified in view of their socio-economic externalities
  E.g.. renovation of transport infrastructure to ensure the continuity of the mobility service to users;
- The measures may be insufficient, too costly or generate unwanted effects
  E.g. the widespread installation of air conditioning, poorly calibrated dike, etc.;
- Finally, adaptation measures may not be of obvious economic interest, in the current state of knowledge.

In this context, the needs of our customers are for:

- A better objectification of vulnerabilities for the different levels of global warming and their impact on economic models;
- A better precision in the cost-benefit analyses of adaptation options.

III-2-2 CHALLENGES OF ADAPTING TO CLIMATE RISKS FOR OUR CUSTOMERS

	ISSUES RELATED TO TRANSITION RISKS	ISSUES RELATED TO PHYSICAL RISKS
INDIVIDUALS	• Increase in the energy bill (fossil fuel prices, poorly insulated houses); • Financing of energy renovation works (DPE regulatory constraints): challenge of carrying out efficient renovations; • Gradual ban on certain heating methods (fuel oil, coal) that could lead to additional household expenses; • Preventing the decline in the value of assets and difficulties in accessing financing/or selling a real estate property.	• Increase in expenses related to the impacts of climatic hazards (repair costs, renovation, investment in thermal comfort technologies, energy consumption) and the decrease in insurance cover/increases in insurance premiums; • Avoiding poor adaptation[84]
CORPORATE	• Increase in the energy bill (fossil fuel prices); • Failure to adapt the business model (supply) to consumer expectations (demand); • Tangible and measurable targets to support our customers in the main sectors • Decline in asset value and difficulties in accessing financing (weighting of ESG criteria in the granting of financing).	• Increase in expenses related to the impacts of hazards (repair costs, renovation, investment in technologies, energy consumption, cost of commodities) and the decrease in insurance cover/increases in insurance premiums; • Loss of revenue due to the impacts of climate hazards (business interruption, availability of incoming resources, decline in sales, loss of goods); • Avoiding poor adaptation (identical reconstruction).
FARMERS	• Regulatory constraints favoring a sustainable agricultural transition (criteria for the allocation of existing or new subsidies); • Financing of the agricultural transition - new techniques and technologies necessary to adapt economic models for a sustainable agricultural transition (e.g. crop conversion); • Increase in the energy bill (fossil fuel prices, poorly insulated houses); • Responding to changes in consumer expectations (quality, sustainable, local and affordable products).	• Increase in expenses related to the impacts of climate hazards (damage to agricultural infrastructure, repair costs, livestock renewal, cost of commodities, increase in production costs such as irrigation, decontamination costs, insurance premiums); • Loss of yields due to the impacts of climatic hazards (water stress, reduced soil fertility, loss of local biodiversity, etc.); • Loss of income (loss of livestock/harvests, disruption of planting and harvesting schedules, spread of diseases/pests, fluctuation in market prices); • Avoiding poor adaptation (identical reconstruction) and identifying the necessary adjustments in the choice of varieties, species, rotations and cultivation techniques.
LOCAL AUTHORITIES	• Increase in the energy bill (fossil fuel prices, poorly insulated houses); • Access to financing (rates and conditions); • Meeting the demands for ecological public services; • Ensuring the accessibility and continuity of the public service.	• Increase in expenses related to the impact of contingencies (repair costs, renovation, investment in thermal comfort technologies, energy consumption) and the decrease in insurance cover/increases in insurance premiums; • Avoiding poor adaptation (identical reconstruction).

III-2-3 CHALLENGES OF CHANGING OUR BUSINESS LINES TO MEET THE ADAPTATION NEEDS OF OUR CUSTOMERS

	ISSUES RELATED TO PHYSICAL AND TRANSITION RISKS
BANK	• Guiding and advising customers to avoid financing projects not viable in the future climate (stranded assets) and poor adaptation, thanks to the work to improve Crédit Mutuel Alliance Fédérale's exposure to internal climate risks; • Developing a commercial approach to anticipate customers' financing needs to meet the challenges of adapting their assets and business models; • Continuing to finance new projects necessary for adaptation (e.g.: water removal, replacement of infrastructure, etc.), while limiting the CO_2 emissions generated by them; • Preserving ties of solidarity and proximity with customers by integrating the issues of a just transition into climate change adaptation, through accessible offers (the most vulnerable are the most impacted by climate change: e.g. economic cost of thermal comfort).
INVESTMENT	• Reducing the vulnerability of assets already invested (example: real estate assets); • Preventing investments in non-viable or unsuitable projects, risking a loss in asset value; • Targeting investments in sustainable and resilient business models.
INSURANCE	• Preventing climate risks for policyholders, mainly in home and motor; • Limiting the cost of claims, which are increasing (in particular storms/hailstorms, more recurring clay swelling and shrinkage); • Defending the insurability of all regions.

IV CONTRIBUTING TO AN INCLUSIVE SOCIETY

IV-1 OUR APPROACH

At the end of the 19th century, it was to enable farmers to borrow at non-prohibitive rates that the first banks - which were at the origin of Crédit Mutuel - were founded in the Rhineland, then in Alsace, by Frédéric-Guillaume Raiffeisen. They are based on the joint liability of all members, lenders or borrowers, owners of assets or farmers or workers in need.

TO SHOW SOLIDARITY, WE NEED TO GIVE OURSELVES THE RESOURCES: THIS IS WHAT WE HAVE DONE WITH THE SOCIETAL DIVIDEND

(SEE SECTION II-4).

Showing solidarity, cooperating, pooling resources to find solutions to the most pressing needs were therefore included in Crédit Mutuel Alliance Fédérale's values from the beginning.

Today, although our societies have social protection systems that did not exist at the time, social difficulties and the need for solidarity remain significant. True to its values, Crédit Mutuel Alliance Fédérale has chosen to show solidarity and contribute to providing answers to the challenges facing our society, with the conviction that companies can act to build a more united world.

In recent years, this has resulted in:

- Being the first "benefit corporation" bank in 2020, and adopting as its *raison d'être: ensemble, écouter et agir* (listening and acting together);
- Removing the health questionnaire for real estate loans in 2021;
- The creation, in 2021, of the Crédit Mutuel Alliance Fédérale Foundation;
- The invention, in 2023, of the Societal Dividend, which makes it possible to devote 15% of the group's net income (around €500 million per year, i.e. €2.5 billion cumulatively over the duration of the Strategic Plan), to provide the means to combat global warming and promote solidarity, through impact investments, solidarity services and donations;
- The ambition of the 2024-2027 Strategic plan: Togetherness, Performance, Solidarity.

We must also identify where we can act to make a real difference: when we decided to remove the health questionnaire for the real estate loans of our loyal customers, we are focusing on our core business (credit, insurance) and we are making a real difference. Since the end of 2021, more than 200,000 customers have benefited from it, at a cost of €20 million in 2023 and €14 million in 2024 (financed by the Societal Dividend).

As a bank and insurance company, it is first and foremost on the financial position of our customers that we can have an impact:

- By preventing, detecting and limiting the consequences of disruptions in life trajectories or shocks affecting our customers, in order to prevent a fall into long-term financial difficulties or precariousness;
- By showing solidarity with certain groups of people in great difficulty;
- By making all the investments necessary for the environmental transition more accessible, so that it does not create new inequalities.

Our solidarity action also involves:

- Supporting all our customers in their economic and financial knowledge, helping them to better manage their budget;
- Supporting associations that contribute to solidarity.

IV-2

MITIGATING THE CONSEQUENCES OF DISRUPTIONS AND SHOCKS TO PREVENT A SHIFT TO POVERTY

Life trajectories (family trajectories, disruptions, discontinuities, personal accidents, etc.), the lack of social ties and the hazards encountered (unforeseen expenses, consequences of climate hazards, health risks, etc.) may be sources of fragility.

Our commitment policy for fragile and vulnerable customers aims to detect vulnerable and financially vulnerable people on the basis of specific metrics in order to propose them the offer best suited to their situation. The fragile customer offer is thus more ambitious than the regulations: it is proposed at **€1 per month** (compared to €3/month maximum according to the regulations) and specifically includes a **total exemption from incident fees. A partnership with the Crésus association**[85] also supports the Crédit Mutuel and CIC network of contacts dedicated to fragile and vulnerable customers and supports the association in its efforts to prevent and deal with over-indebtedness.

More generally, everyone can be confronted, at one time or another, with life accidents, relating to their personal life, budget, employment, health, autonomy, etc. We have no control over these events, which may, for some, constitute tipping points into poverty. The processes of precariousness are favored by the weakening of social ties and feed on the accumulation of fragilities or cumulative disruption phenomena.

We can help prevent these shifts into poverty, by helping our customers cope with difficult times. To this end, we have put in place innovative offers, made possible by the Societal Dividend, we financially support associations active in each of these areas, through donations and the Crédit Mutuel Alliance Fédérale Foundation, and we invest via the Environmental and Solidarity Revolution fund in solidarity housing.

To develop local ties, we want to put customers or their families in closer contact with associations supported by the Crédit Mutuel Alliance Fédérale Foundation.

IV-2-1 AVOIDING DISRUPTIONS OR SHOCKS LEADING TO LASTING FINANCIAL DIFFICULTIES

Separation

In the event of separation, the legal protection insurance offered by the ACM, included in a housing contract or on a stand-alone basis, makes it possible to deal with everyday disputes, including the procedure of divorce by mutual consent.

To help victims of domestic violence and as part of its partnership with the Fédération Nationale Solidarité Femmes, Crédit Mutuel Alliance Fédérale has created the Solidarity and Emergency Package, which since July 2024 allows the free and facilitated opening of a personal bank account, unknown to the spouse and not attached to the matrimonial home, as well as a 6-month subscription offered to Homiris (remote monitoring). **Crédit Mutuel Alliance Fédérale donated €300,000 over three years** to strengthen the action of 3919, the national crisis line for victim support, and to facilitate the emergency shelter system.

Death of a loved one

Following the death of a loved one, it is particularly important to feel supported. In addition to the Bereavement Assistance Service, which provides support in the administrative procedures and management of the succession, and the funeral plan for insurance policies with payment of a lump sum for the payment of funerals or the complete organization of the funeral as desired, **in March 2024, thanks to the Societal Dividend, Crédit Mutuel Alliance Fédérale implemented the exemption of costs for successions of less than €10,000** and the absence of share liquidation costs for successions of more than €10,000. In 2024, this scheme benefited nearly 15,000 contracts, with the Societal Dividend covering costs of €800,000.

Entry of young people into adulthood

To enable young people, regardless of their parents' resources, to pursue higher education in good conditions, the zero-interest solidarity student loan, launched in March 2024 thanks to the Societal Dividend, makes it possible to pay the tuition fees, rent and the equipment necessary for the studying. The impact assessment shows that nearly a quarter of the young people who benefited from the loan in 2024 would have otherwise given up on their studies or would have postponed or shortened them.

The proliferation of short-term contracts and the difficulty of obtaining a first fixed-term employment contract (permanent contracts) often makes it difficult for young adults to own property. Launched in September 2024, ***Prêt Immo Nouvelles Formes d'Emploi*** (new forms of employment loan) allows our loyal customers without permanent contracts to acquire their main residence thanks to a home loan that adapts to their income. In addition, the Coup de Pouce loan launched in early 2025, for an amount of up to €30,000 at a fixed rate of 0.99%, aims to facilitate home ownership for first-time buyers. An interest-free loan scheme enabling young non-students without financial savings, who need it, to benefit from temporary help to start their working life, is being studied.

Finally, **the Crédit Mutuel Alliance Fédérale Foundation** supports numerous associations that help young people, including: *1 Cabas pour 1 Etudiant, C'Possible, Du Territoire aux Grandes Ecoles, Ecoles de la 2e chance, Entreprendre pour apprendre*, the Ecological Transition Schools Network, the *Fondation Apprentis Auteuil*, Institut Télémaque, NQT, *Sport dans la ville*, etc.

Loss of autonomy

Loss of autonomy, whether due to a disability or aging, often requires to adapt the home. To ensure that public aid payment deadlines are not an obstacle, Crédit Mutuel Alliance Fédérale will offer the pre-financing of *MaPrimeAdapt'*, which is the main State aid for adapting housing to the loss of autonomy and mobility (related to age or disability). This interest-free loan, made possible by the Societal Dividend, will have eligibility conditions similar to those of *MaPrimeAdapt'*.

In addition, **subsidized home adaptation loan,** interest-free thanks to the Societal Dividend, will also be offered to beneficiaries of *MaPrimeAdapt'* and people aged 70 and over, subject to means-tested conditions, to finance the remainder of the home improvement work.

Finally, the Foundation launched a Solidarity call for projects (AAP) **"Facilitating the inclusion of young people with disabilities",** which benefited 66 associations in all regions.

Illness

Crédit Mutuel Alliance Fédérale acts to **mitigate the social and economic consequences of illness** for its customers and to support them in these difficult times:

- **The borrower scheme** without medical formalities was created to promote access to home ownership by providing home loans to our loyal customers for their main residence;
- **The Health Advance Card** also facilitates access to healthcare for our policyholders by allowing an advance on health costs pending reimbursements from Social Security and mutual insurance;
- Lastly, **the social action fund** which will be set up by the ACM in the summer of 2025, will make it possible to allocate a budget of €1 million per year to healthcare policyholders who are facing hard times (serious illness, loss of autonomy), beyond what the insurance provides, subject to income conditions.

IV-2-2 HELPING TO COPE WITH FINANCIAL SHOCKS

In addition to already sensitive populations, each of our customers may one day face a financial shock.

In these situations, our advisors can restructure or consolidate existing loans (as with the Modulimmo loan or the Creatis aid).

Providing a financial buffer for those who do not have enough savings

Faced with a hardship or an unforeseen event, accumulated savings, when they exist, make it possible to hold on and cope, while awaiting a return to better fortunes. But financial savings are even more unevenly distributed than income: according to INSEE, in 2021, the 10% of households with the least financial assets had a maximum of €400, while the 10% with the most assets had at least €150,000, *i.e.* 344 times more.

Crédit Mutuel Alliance Fédérale wants to create a **solidarity credit scheme** (*Etalis Solidaire*) for those who have no savings and are facing temporary difficulties. *Etalis Solidaire* will consist of granting a loan of a few thousand euros at an interest-free rate to financially vulnerable customers to prevent a shift to a situation of vulnerability.

The absence of a guarantee appears to be an obstacle to the granting of financing for such a type of loan. For our customers[86] who need it, **a guarantee fund mechanism** will make it possible to remove this obstacle by pooling the risk at the level of the bank.

TRANSVERSALLY, WE ALSO IMPLEMENT ACTIONS FOR ALL OUR CUSTOMERS:

Acting for budget and financial education

Because economic and financial knowledge is essential to be autonomous and responsible in your decisions, and because we are convinced that we have a role to play, **we want to help our customers have access to the necessary knowledge and skills** to better manage their budget and carry out their projects with confidence.

An innovative learning program will be launched to strengthen the financial autonomy of our customers through communications, personalized training and the implementation of tools to facilitate the management and control of their budget, as well as a support for the use of public aid to which our customers would be eligible.

Supporting social and solidarity economy (SSE) associations

Crédit Mutuel Alliance Fédérale is an important partner of the non-profit sector *via* its Foundation, the leading corporate foundation in France, and an ambitious local donations policy. The group also offers specific commercial offers: the Solidarity Banking Package allows eligible cultural and sports associations to benefit from free accounts, a bank card, a mobile app, a dedicated advisor and the Pay Asso collection solution.

There are 144,000 associations in the social and solidarity economy (SSE), representing 11% of the non-profit sector and working in all areas. Their first concern is their financial situation (while that of all associations relates to volunteer human resources)[87]. To meet certain investments, they need to borrow over a long period (20 to 25 years). To go further and meet this specific need to support SSE associations in access to bank credit, **Crédit Mutuel Alliance Fédérale wants to develop its offer dedicated to associations, with teams familiar with the specificities and needs of this market.**

IV-3

MAKING A DIFFERENCE FOR PEOPLE THAT PUBLIC ACTION FAILS TO HELP

Although our social protection systems are highly developed, there are clearly identified “gaps” on which we target our action.

IV-3-1 YOUNG PEOPLE LEAVING WITH CHILD WELFARE (*AIDE SOCIALE À L’ENFANCE*)

The departmental child welfare services (*Aide Sociale à l’Enfance - ASE*) implement various actions as part of the child protection policy, for the purposes of preventing, identifying situations of danger or risk of danger, and protection.

While the average age of leaving the parental home was 23.7 years old in 2018[88], young adults leaving ASE schemes are no longer supported from the age of 18 or 21 if they have no income and no family support[89].

At December 31, 2023, 221,000 children and young adults had been admitted to the ASE, a figure that has been steadily increasing over the past ten years[90]. Every year, around 20,000 young people benefiting from the ASE become adults[91], of which nearly half undergo an “exit without a backup” despite the strengthening of the rights of young people leaving ASE[92].

This disruption is often accompanied by feelings of wandering, isolation, exclusion and, more broadly, difficulties of various kinds. According to the INSEE survey on homeless people in 2012[93], 15% of homeless people had been placed in childcare during their childhood, while the proportion of children in the population is only 2%. Among the youngest homeless people (18-25 years old), the proportion of former children in care is one-third (36%).

AS A BANCASSURANCE GROUP, CRÉDIT MUTUEL ALLIANCE FÉDÉRALE AIMS TO ACT IN THREE AREAS:

Opening a bank account

The law of July 29, 1998 on the fight against exclusions established the right to a bank account for all. In the event of refusal to open an account by a credit institution, the "right to an account" procedure allows the Banque de France to appoint a credit institution required to open an account with free basic banking services. In practice, **it is very difficult to open a bank account in France without a residence permit** (or receipt), which can be very long and complex for young adults leaving the ASE. Only La Banque Postale, through its banking accessibility mission entrusted by the legislator since 1990 and renewed until 2026, is obliged to open free passbook savings accounts to any person (natural or legal) who has made a request according to a principle known as universality. This passbook can be used as a quasi-current account. **Faced with this situation, the group wants to facilitate the opening of a bank account for these young people.**

Financial support

The lack of financial resources is a major handicap for these young people. Faced with this observation, the group wishes to mobilize the *Etalis Solidaire* offer (see section IV-1 helping to cope with financial shocks) or the Cofidis Solidaire offer to provide one-off financial support. In addition, **the group aims to support young people claiming their allowances** (accumulation of back-to-school allowances that their parents did not receive) **to which they may be entitled, and provide a budget and financial education service.**

Access to housing

Slightly more than a third of these young people are living in private or social housing and less than 15% in FJT (Young Workers Foyers). Indeed, **accommodation schemes such as the Centers for Housing and Social Reintegration (CHRS) or FJT,** managed by the Integrated Reception and Orientation Services (SIAO), are completely saturated. 50% of young adults leaving the ASE therefore have very unstable housing situations: 40% are housed with third parties and 10% in housing provided by an association, a social residence, a hotel, etc.[94]. **Faced with this observation, the Crédit Mutuel Alliance Fédérale group is acting at two levels:**

- As part of the "solidarity real estate" component of the Environmental and Solidarity Revolution fund led by Crédit Mutuel Impact, we are investing in **solidarity housing offers** for vulnerable and fragile people, in particular young adults leaving child welfare (ASE);
- **The search for affordable housing solutions.**

IV-3-2 SINGLE-PARENT FAMILIES

Single-parent families now represent a quarter of families with children under the age of 25[95].

Four-fifths of parents in single-parent families are women (INSEE, 2018). Marital breakdown results in an average drop in standard of living of 20% for mothers and 10% for fathers living with their children after the breakdown. Five years later, the fathers have recovered to the standard of living they had before the separation; for the mothers, the catch-up is only partial, with a standard of living still 10% lower.

Among the major needs of single-parent families are:

- **Access to property:** the vast majority of single parents are tenants and are twice as likely to be discriminated against when looking for housing as a two-parent family[96]. On average, they have around a quarter less housing surface than other families and are more likely to live in overcrowded housing[97].
- **Social protection and health.**

The solidarity-based housing offers in which the Environmental and Solidarity Revolution fund invests (see above) will notably make it possible to **provide housing for single mothers.**

IV-3-3 CAREGIVERS

In France, in 2021, 9.3 million people reported providing regular help to a loved one with a disability or loss of autonomy[98]. In a context of an aging population and the desire to support home care, the need for assistance will increase sharply in the coming years.

Caregivers face many difficulties on a daily basis, including:

- The absence of rest and substantial mental load;
- Administrative complexity (for finding information, reporting situations, obtaining assistance, providing care or equipment, etc.);
- Impacts on the professional career (or the study trajectory of young caregivers) and their consequences in terms of financial losses.

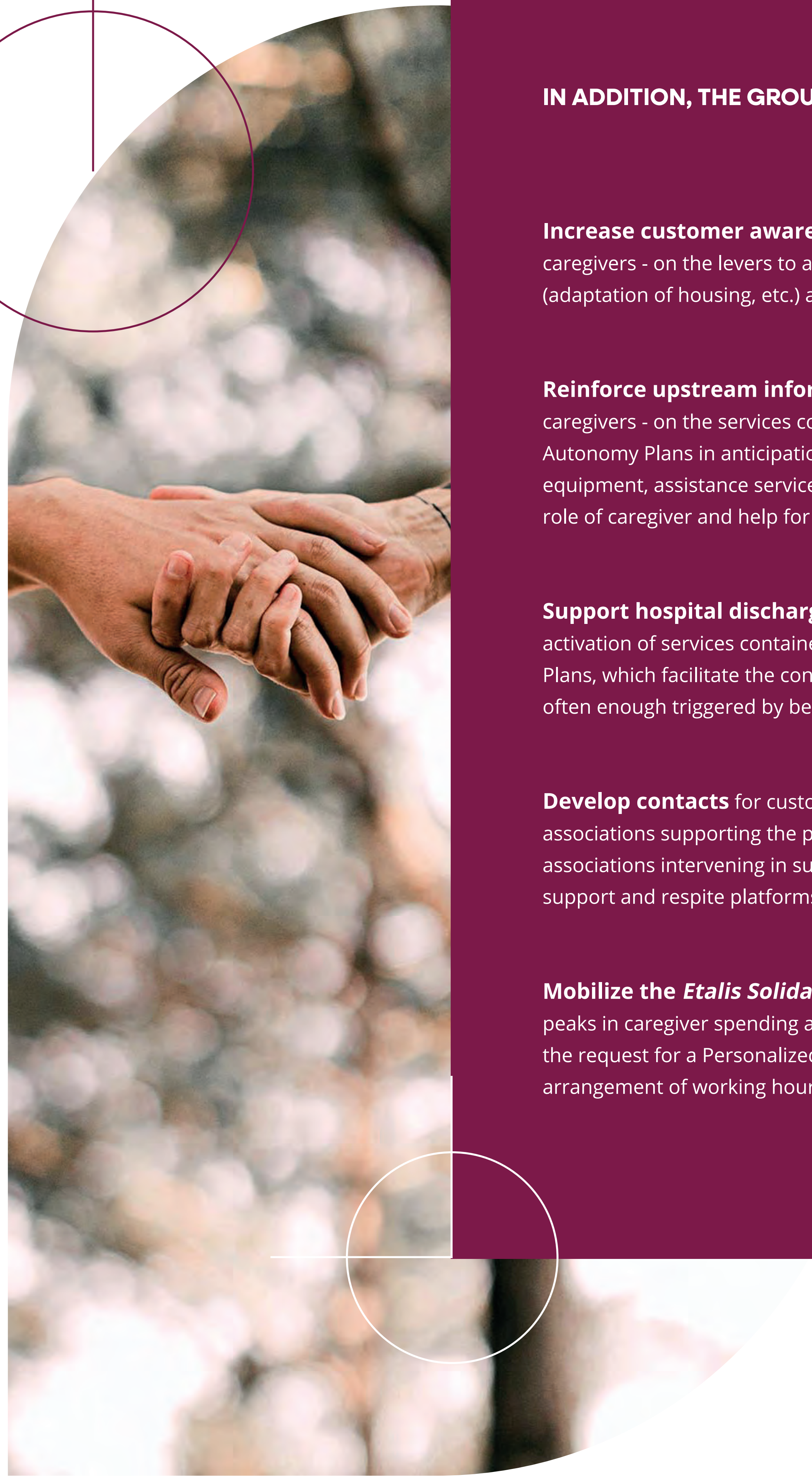
In particular, among those who regularly help a person aged 60 or over, 1 in 2 said that **the assistance provided has an impact on their physical or mental health[99]:**

19% report at least one consequence on their **physical health** (physical fatigue, sleep disorders, back problems or palpitations)

37% reported at least one consequence on their **mental health** (mental fatigue, loneliness, feeling of depression, anxiety)

The Family Assistance Guarantee, which will be offered from May 2025 by ACM[100], aims to cover the loss of income of creditor parents that care for their child suffering from a serious illness, a disability or who is a victim of a serious accident. The scheme is better than the regulations: it will be launched two months before the mandatory entry into force in July 2025, will allow better cover (100% of the monthly payment covered), and will target a wider range of eligible people.

A caregiver bank card will also be rolled out in 2027 to facilitate and secure payment transactions by caregivers who make purchases for those receiving care.



IN ADDITION, THE GROUP WANTS TO:

Increase customer awareness - beneficiaries and potential caregivers - on the levers to anticipate the risks of loss of autonomy (adaptation of housing, etc.) and their rights;

Reinforce upstream information - beneficiaries and potential caregivers - on the services contained in health contracts and Autonomy Plans in anticipation of potential future needs (housing equipment, assistance services and caregiver services - training in the role of caregiver and help for organizing a respite);

Support hospital discharge for people over 70, by promoting the activation of services contained in health contracts and Autonomy Plans, which facilitate the conditions of returning home but are not often enough triggered by beneficiaries and their caregivers;

Develop contacts for customers and their families with associations supporting the preparation of applications for help, associations intervening in support of caregivers and with the support and respite platforms (PAR);

Mobilize the *Etalis Solidaire* offer (see section IV-1) to finance peaks in caregiver spending at certain key times (processing time for the request for a Personalized Autonomy Allowance (APA), temporary arrangement of working hours, equipment acquisition costs, etc.).

IV-4

JUST TRANSITION: MAKING THE TRANSITION ACCESSIBLE TO ALL, INCLUDING THE MOST DISADVANTAGED

Social inequalities worsen climate exposure and vulnerabilities for the most precarious[101]. At the same time, actions to limit global warming will only be effective and sustainable if they take into account everyone's different capacities to act. By combining financing, advice and support, and innovation, bancassurers have a role to play in **reducing inequalities and providing access to solutions for all.**

THE GROUP IS ALREADY ACTING TO PROMOTE A JUST TRANSITION AND WANTS TO INTENSIFY THIS ACTION:

- **14% of main residences are considered as "poorly insulated" in France[102].** To make energy renovation accessible to all households, in addition to offering interest-free loans for works, we offer pre-financing at zero rate for energy renovation subsidies, so that households that cannot advance the costs pending aid are not blocked. In addition, the Crédit Mutuel Alliance Fédérale Foundation supports the eco-habitat network and Stop Energy Exclusion and contributes to a fund dedicated to financing the remainder after deduction of *MaPrimeRénov'* aid.

- **17% of French people do not have access to a public transport network within a 10-minute walk from home[103].** To promote access to sustainable mobility for all, we offer subsidized rates for the purchase of a new or second-hand electric vehicle and an interest-free loan for the purchase of a bicycle.

FOCUS ON...

EXPERIMENTING NEW METHODS TO INVOLVE GROUP EMPLOYEES

As part of its 2040 initiative, which aims to **imagine our group in 2040 with employees,** Crédit Mutuel Alliance Fédérale is testing new methods of involving employees in decision-making. On February 12, 2025, the Mutualist Institute for the Environment and Solidarity brought together 60 group employees around the theme of the just transition. The aim of this working session was to co-construct proposals on transport and housing in order to make our offers more accessible to as many people as possible.

Considering that **the best expertise is the one that is shared,** Crédit Mutuel Alliance Fédérale intends to organize participatory working hours that enable employees from different entities and businesses to meet and work together and learn from various experiences to build answers to cross-cutting questions.

On the model of citizen conventions, exercises of this type are intended to be repeated on various themes. In tangible terms, after taking ownership of the subject thanks to a demanding documentary base and discussions with experts in the topic, the participants are asked to compare their points of view and their arguments in order to develop a shared and nuanced response that informs the decision.

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4. 92.9% of decisions are made at the local level for our networks of Crédit Mutuel banks and CIC retail branches.
5. Crédit Mutuel Alliance Fédérale scope at the end of 2024: consolidated figures for Crédit Mutuel Centre Est Europe, Sud-Est, Île-de-France, Savoie-Mont Blanc, Midi Atlantique, Loire-Atlantique et Centre-Ouest, Centre, Normandie, Dauphiné-Vivarais, Méditerranéen, Anjou, Antilles-Guyane, Massif Central and Nord Europe, their joint federal bank, Banque Fédérative du Crédit Mutuel (BFCM) and all its subsidiaries, including CIC, Euro-Information, Assurances du Crédit Mutuel (ACM), TARGOBANK, Cofidis Group, Banque Européenne du Crédit Mutuel (BECM).
6. Training, remote working, reinforced social protection, sustainable mobility package, national conventions to promote citizen commitment, reinforced psychological support, etc.
7. Childcare, disabled children, retirement benefits
8. In the remainder of the document, €k for "thousands of euros", €m for "millions of euros" and €bn for "billions of euros".
9. The annual Societal Dividend report for 2024 is presented in appendix XX.
10. Ranking of the 20 most generous companies in financial donations in France, Equanity/Carenews, November 13, 2024.
11. It includes the previous "social and mutualist responsibility" division, SMR.
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20. See Jean Boissinot, La Finance Verte, Dunod, 2022.
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22. The calculation of emissions related to our financing and investments follows the PCAF (Partnership for Carbon Accounting Financials) approach and is detailed in the methodology appendix.
23. The choice to retain scopes 1 and 2 for customers is dictated by the non-availability of sufficient information on scope 3: only a partial estimate of the financed emissions corresponding to scope 3 of our customers was made (at 25.8 MtCO2e), using scope 3 PCAF proxies, which only cover upstream scope 3 and not downstream scope 3 of customers.
24. The scope covered includes: corporate loans (including leasing), project financing, motor vehicle financing, residential real estate financing, commercial real estate financing, equities and corporate bonds. It excludes, in particular, sovereign exposures, derivatives, factoring, and unallocated consumer credit - see methodology appendix and CSRD sustainability statement.
25. For more information, please refer to the methodology appendix.
26. The scope of our financed emissions here is slightly more limited than that presented above: it notably excludes our subsidiaries located in Germany, Belgium, Switzerland and Luxembourg. The total emissions covered here are 19.4 MtCO2e versus 20.9 MtCO2e (see methodology appendix).
27. By comparing us with the Secten classification used by the Interprofessional Technical Center for Atmospheric Pollution Studies (CITEPA), see methodology appendix.
28. The Transport segment includes: land transport of passengers, goods, air transport and maritime transport (see graph).
29. See La planification ecologique.pdf.
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31. As the ENCORE matrix does not make it possible to distinguish between management methods, it is agriculture as a whole that is assessed and not specifically the farms financed by Crédit Mutuel Alliance Fédérale.
32. Cerema, L'artificialisation et ses déterminants d'après les fichiers fonciers (Artificialization and its determinants according to the land files), 2020.
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34. The scope covered the activities of Crédit Mutuel Alliance Fédérale in France. The emission categories considered were: energy (gas, electricity), car fleet, refrigerant gas leaks and business travel.
35. For the scope concerned by our transition plan, which covers 95% of the outstandings on which we calculate financed emissions - see note 24 and methodology appendix for more details.
36. Key Performance Indicator.
37. Guide to climate and environmental risks.
38. Final Guidelines on the management of ESG risks.pdf (European Banking Authority, 2025).
39. See CSRD sustainability statement.
40. The balance sheet items that are excluded from the calculation of our financed emissions concern certain accounting assets (fixed assets, etc.), specific activities such as factoring or consumer credit, and products outside the scope (centralization of deposits at Caisse des Dépôts, etc) and sovereign exposures: they are detailed in the methodology appendix.
41. At the end of 2024, 95% of equities and corporate bonds held directly were concerned by the objective of reducing the carbon footprint of ACMs (i.e. €60 billion in market value). Investments in the bonds of sovereign issuers, real estate investments and those made through asset funds (listed or unlisted) are not, at this stage, concerned. GACM publishes the monitoring of this target in its ESG report, which has been approved by the Executive Board.
42. Tons of CO2 equivalent (tCO2e).
43. Act4nature International is an initiative of the French association of companies for the environment (EpE). Act4nature commitments are based on an established methodology and collegial validation.
44. More details on the internal footprint reduction plan are available in the CSRD sustainability statement.
45. These levers are in line with the type of levers of the Glasgow Financial Alliance for Net Zero: Managed phased out, Aligning, Aligned, Climate solutions.
46. The sector appendix provides more details on our sectoral policies.
47. Our NZBA trajectories (published in Rapport-Net-ZeroBanking-Alliance.pdf in May 2024) are detailed in the "Sector transitions" supplement.
48. These assets are managed to represent life insurance/pension provisions in euros, other insurance activities (damage, protection, etc.) or the Group's shareholders' equity, including its Belgian, Luxembourg and German subsidiaries.
49. The detailed methodology is presented in the methodology appendix.
50. Summary version: Planifier une France décarbonée (Planning for a low-carbon France); Detailed version: 20241031 Projet de SNBC 3 - concertation prealable- vF.pdf.
51. The starting year for these projections is 2023 because the target of reducing the Strategic Plan's emissions by -20% covers the 2024-2027 period, the benchmark year being 2023.
52. Interest-free loan accessible without means conditions, to finance work to improve the energy performance of a home. Up to €50,000, depending on the type of work.
53. Interest-free loan without administrative fees, from 3 to 48 months, for a maximum amount of €6,000 for individuals and €10,000 for professionals. Financed by the Societal Dividend.
54. D1 designates the 10% of households with the lowest incomes, D2, the next 10%, etc., D10, the 10% of households with the highest incomes.
55. 52.6% of new cars registered by companies in 2024: https://www.statistiques.developpementdurable.gouv.fr/immatriculations-des-voituresparticulieres-en-2024-baisse-dans-le-neuf-et-leger-rebondpour?rubrique=&dossier=1347
56. 12% of new vehicles are electric for the large "real" fleets covered by the LOM law, 20% for households: https:// www.transportenvironment.org/uploads/files/TE_202502_BilanLOM.pdf p. 12
57. https://www.senat.fr/amendements/2024-2025/143/Amdt_I-2257.html
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61. Sustainable Finance Disclosure Regulation, European regulation.
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63. The Grenelle law of 2009 set for the first time a target of 400,000 complete renovations per year.
64. The Agence Nationale de l'Habitat (ANAH) recorded 91,000 major renovations in 2024.
65. Plus, BECM, the specialized business lines, and the networks of our foreign subsidiaries.
66. No methodology has a consensus for estimating the impact of claims management in motor insurance or in fire and miscellaneous insurance (IRD) in terms of greenhouse gases, but work in this direction is underway.
67. Fire and Miscellaneous Risks.
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69. All documents are available on the website dedicated to investors at: https://investors.bfcm.creditmutuel.fr/fr/rsm/obligations-vertes-et-sociales
70. The data centers consumed 58 million kWh in 2024, i.e. around 15% of Crédit Mutuel Alliance Fédérale's energy consumption. Despite the expected increase in consumption (opening of new data centers, in line with the group's strategy to internalize data storage in France, for reasons of resilience and security), the objective is to improve efficiency of our data centers by 2027 (targets of -2% of data center electricity consumption per transaction and -5% of data center electricity consumption by storage volume).
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CAISSE FÉDÉRALE DE CRÉDIT MUTUEL

Cooperative company in the form of a société anonyme (French limited company)
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Design and production
C Studios International

Printed in France on certified paper.

Crédit Mutuel Alliance Fédérale