

# SECTORAL POLICY

## Tobacco sector

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# 1. Issues and objectives of the policy

Crédit Mutuel Alliance Fédérale (the Group), which is a company with “**Entreprise à mission**” status, wants to work towards a fairer and more sustainable society. To this end, the Group wishes to **strictly monitor** operations in sensitive sectors involving social and environmental risks.

Concerned about addressing these issues responsibly, the Group has undertaken to define **sectoral and thematic policies** aimed at delimiting its scope of action, setting criteria and principles to be observed during the performance of its activities, and thus contribute to ecological transformation and social progress.

According to the World Health Organisation (WHO), tobacco causes eight million deaths worldwide each year and is considered the leading cause of preventable death globally. Tobacco also accounts for 5% of total deforestation.

As a signatory of the Tobacco-Free Finance Pledge, Crédit Mutuel Alliance Fédérale wants to **support its corporate customers and partners** by adopting an exemplary approach that is consistent with its **Social and Environmental Responsibility policy**.

The Group has opted for a responsible tobacco sectoral policy (the Policy), in line with its mutualist values, in order to help combat the consequences of tobacco use, the erosion of biodiversity and the degradation of ecosystems.

## 2. Scope of application

### 2.1. Crédit Mutuel Alliance Fédérale’s activities concerned

The measures arising from the Policy apply to the **entire Group**, subject to compliance with the legal and regulatory provisions specific to each entity.

The Group's activities concerned are:

- i. **Financing and Financial Services:** the Policy applies to all banking and financial services provided by the Group entities (including subsidiaries and branches, in accordance with the standards applicable in each country);
- ii. **Investments and Asset Management:** the Policy applies to all proprietary and third-party management, excluding index-based passive management and mandates. Products and funds external to the Group are analysed and actively encouraged to apply standards similar to those in the Policy.

### 2.2. Counterparties concerned

This Policy applies to all **Counterparties** in the tobacco sector, defined as any company or group providing products and services related to the tobacco industry.

### 2.3. Eligibility criteria

Crédit Mutuel Alliance Fédérale's decision-making process depends on the analysis of eligibility criteria defined by the Group, the nature of transactions being financed, and general sustainable development commitments of the Counterparties concerned across their entire business.

The Group intends to refrain from providing banking and financial services in the absence of sufficient knowledge about the purpose of the transaction (KYT), the Counterparty concerned (KYC), and the country concerned (sensitive or non-sensitive countries) with regard to the application of internal rules.

Regarding **investment and insurance activities**, the analysis will be particularly based on extra-financial analysis, shareholder dialogue and commitment if necessary.

### **2.3.1. Eligibility criteria applicable to Financing and Financial Services**

In the corporate market, the Group will not provide financing or financial services to Counterparties belonging to the following sectors: **Tobacco culture, Manufacture of tobacco products and/or Wholesale of tobacco products**.

In the agricultural market, the Group will not provide financing or financial services to a new Counterparty in the **tobacco culture** sector if tobacco production or tobacco-related revenue accounts for the majority of its business.

### **2.3.2. Eligibility criteria applicable to Investments and Asset Management**

Within the scope of its investment and asset management activities on behalf of third parties, **the Group will not invest in Counterparties** for which:

- The production of tobacco or tobacco products represents more than 1% of total revenue; and/or
- The distribution of tobacco or tobacco products represents more than 15% of total revenue.

In order to ensure compliance with the criteria and principles set out in this policy, the Group may draw on the expertise, assessments and/or information provided by various experts or external service providers selected with reasonable care. It also relies on information provided by the relevant Counterparties in the sector.

## **3. Entry into force**

This Policy was published in May 2026 and applies from the date of publication.

This Policy may be revised whenever the Group deems it necessary.