



MISSION COMMITTEE'S REPORT

April 2022

 To build a fairer and more
sustainable society



Building the future in a changing world

A portrait of Fleur Pellerin, a woman with short dark hair and red lipstick, wearing a black leather jacket. She is positioned on the left side of the page, with her right hand visible at the bottom, wearing a ring. The background is a light-colored wall with a yellow geometric pattern.

EDITORIAL

A pioneering and innovative approach

Faced with economic, social and climate challenges, the company must position itself as a real driver of change. Innovation, experimentation, generalization, this is the triptych that makes it possible to transform, with the ambition to contribute to the common good.

The business models of yesterday are no longer those of today: in addition to economic performance, the company must now develop a real social and environmental project. With its status as a benefit corporation, CIC, a subsidiary of Crédit Mutuel Alliance Fédérale, clearly shows its desire to participate in the transition of our economies towards a more inclusive and sustainable development model.

I am very honored to take part in this major project by chairing the Mission Committee. In addition to the role of monitoring and verification overseen by the legislator, our committee is part of a collective and permanent progress approach. We want to be a source of proposals and contribute to the solid success of CIC as a benefit corporation.

On January 19, 2022, the Mission Committee met for the first time. We were able to compare our points of view and build our roadmap for the year 2022. I am convinced that the plurality of backgrounds and the expertise of each member will provide a valuable openness to the coming discussions and debates on future commitments.

This report from the Mission Committee presents an innovative approach, developed over more than two years, in which we are pleased to participate. In this report, you will find a detailed progress update for the end of 2021 on the 12 concrete commitments that CIC has set for 2022. Next year, we will take stock of these commitments in our second report.

Fleur Pellerin

Chairwoman of the Mission Committee



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SHAKING THINGS UP

Joint interview with Nicolas Théry and Daniel Baal

Chairman and Chief Executive Officer of Crédit Mutuel Alliance Fédérale

Why be a benefit corporation?

Nicolas Théry: "Democracy and solidarity are the two pillars of our group's DNA. They make us a recognized corporate citizen bank. But, faced with the acceleration of social and environmental transformations, what do our customers expect from us? What concrete contribution can we make?"

Daniel Baal: "To these two questions, our response was to initiate a participatory reflection in 2019 on benefit corporations with our employees. Building on this collective desire, in 2020 we naturally adopted our raison d'être "*Ensemble, écouter et agir*" (Listening and acting together), and the status of benefit corporation with five missions². This makes it possible to drive and structure a dynamic of change."

In practice, what does it mean to be a benefit corporation?

Nicolas Théry: "While our primary mission is to serve our customers according to their needs and to protect their savings, we are convinced that the performance of the company can no longer be limited to

financial performance alone. We must act faster against global warming, go further in regional development and in the fight against social inequalities. It is the alliance of economic performance and the common good that will guarantee the sustainability of companies."

Daniel Baal: "This status allows us to question and challenge our business model internally to give more meaning to our actions, in terms of innovation, proximity and relationships. It unites us around a shared common ambition and strengthens collective pride. It is also a real source of attractiveness for our customers, prospects or young job candidates."

What does being a benefit corporation actually change?

Nicolas Théry: "Let's take the example of the ecological transition and the reduction of carbon emissions. We started from an observation: what will our balance sheets be worth with a three degree increase? Looking at things in this way, after ending the financing of coal and unconventional

CIC key figures

19,400 employees

5.5 million customers

1.781 points of sale

As of December 31, 2021

hydrocarbons, we decided to end the financing of new oil and gas projects. This exemplary commitment, made at the end of 2021, is indicative of our desire to fight against global warming."

Daniel Baal: "The fight against discrimination is also one of our priorities. It seemed unacceptable to us that customers suffering from chronic diseases such as diabetes, or customers who had overcome disease, could not access property ownership. So we decided to insure the real estate loans of our loyal customers for their main residence, without any medical formalities. This pioneering choice to eliminate the medical questionnaire has enabled us to take an additional step towards a fairer society. Today, more than 30,000 of our customers are already benefiting from this commitment."

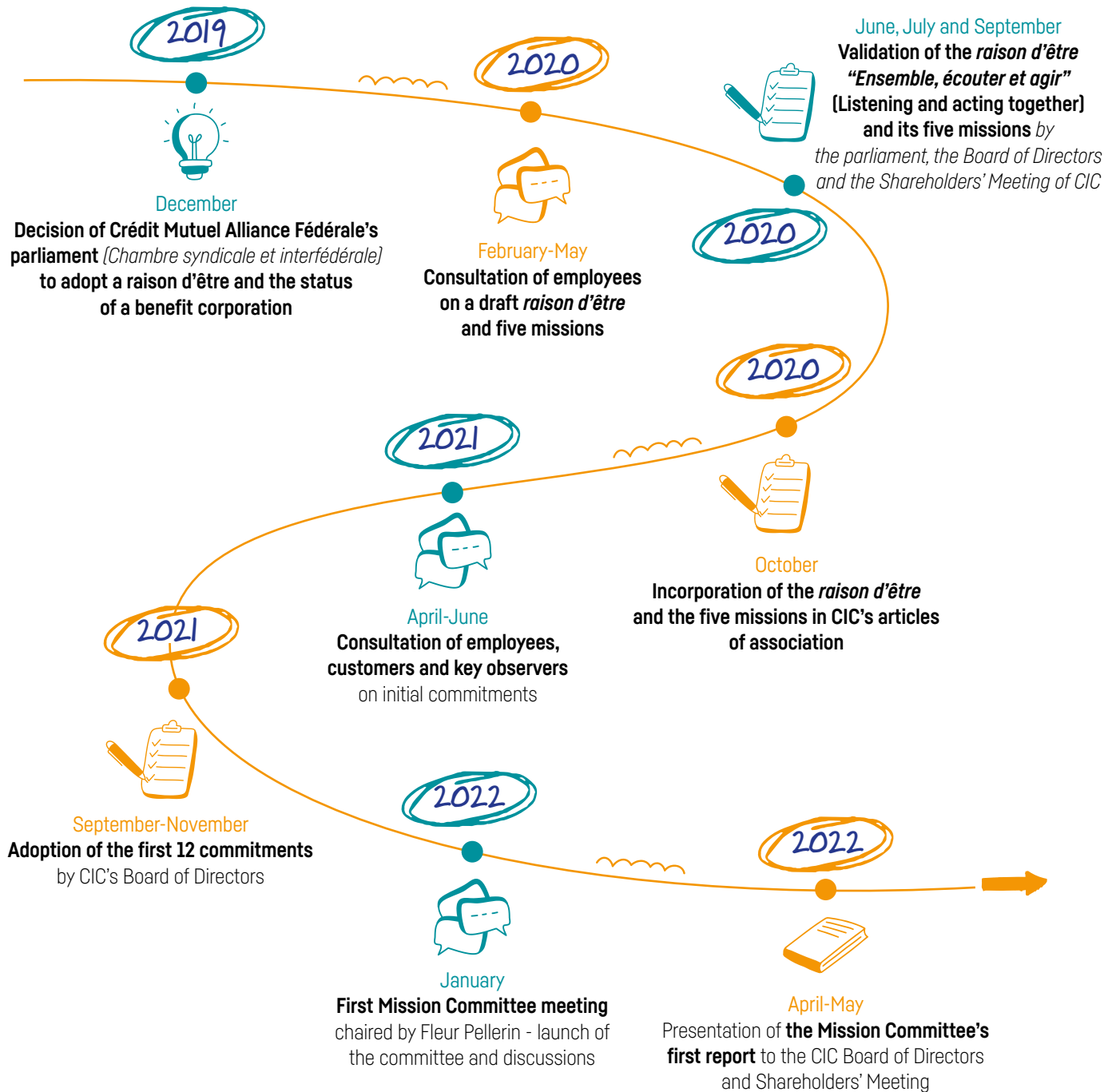
¹ In the whole Report, benefit corporation is used for "société à mission" in the sense of the French PACTE law.

² The five missions are detailed on page 7.

Dates clés

A participatory and collaborative approach

By adopting the status of a benefit corporation, CIC has opted for long-term collective action. All employees, customers and “key observers” of the company, were consulted at each decisive stage of the project: definition of the *raison d'être*, its missions and concrete commitments.



WHAT IS THE PURPOSE OF A BENEFIT CORPORATION

Rethinking the place of companies in society

Adopted in April 2019, the Pacte law (Action Plan for the Growth and Transformation of Companies) aims to rethink the place of companies in society. It thus enables companies to include clear and sustainable social and environmental ambitions in their articles of association.

The highest level of commitment defined by law is to become a benefit corporation. For this, companies must comply with several conditions:

- Adopt a *raison d'être* and include it in their articles of association;
- Specify in their articles of association several social and environmental objectives in line with this *raison d'être*;
- Create a Mission Committee to oversee the progress made in achieving these objectives;
- Appoint an independent third party to verify the proper execution of the mission.

Nearly two out of three French people believe that companies have the power to improve the world in which we live.

70% of people under the age of 35 think so (2020 ELABE survey for the Institut de l'Entreprise).

Beyond the search for profit, companies should be a place where value is both created and shared.

Reaffirming the group's identity and *raison d'être*

Following a participatory discussion with its elected members and employees, Crédit Mutuel Alliance Fédérale* adopted a *raison d'être* and the status of benefit corporation at the end of 2020. CIC, a subsidiary of Crédit Mutuel Alliance Fédérale, has committed to this approach by adopting the *raison d'être* "*Ensemble, écouter et agir*" (Listening and acting together) as well as the status of benefit corporation. This *raison d'être* is intended to guide strategic and operational decisions.

Together, because collective action has been in CIC's DNA since its creation.

Listening, because CIC is open and attentive to major changes in the world and to the needs of its customers.

Acting, to transform the collective ability to listen into action and serve the life trajectories and ambitions of everyone, from individuals to companies.



Nicolas Théry
Chairman of CIC

"A benefit corporation simply Means: knowing how to sustainably create an effective, innovative and differentiating results-based mutualist company."

"The benefit corporation is a collective and concrete approach to develop and virtuously transform our company, as closely as possible to the expectations of our customers and society."



Daniel Baal
Chief Executive Officer of CIC

*The various scopes concerned are shown in the commitment monitoring table on page 24.

Transforming the company and the world around it

By becoming the first benefit corporation bank, Crédit Mutuel Alliance Fédérale and its subsidiary CIC are demonstrating their irreversible desire to dedicate the strength of the mutualist model to the transformation of the company and the world around it. Five missions are now part of their corporate purpose. They reflect what Crédit Mutuel Alliance Fédérale is: a mutualist, inclusive, ethical, supportive and responsible group.

Through these missions, CIC reaffirms the relevance of its entrepreneurial model to address the major challenges of tomorrow. To give life to these five major ambitions, 12 concrete commitments applicable from 2022 have already been made.



AN ENGAGED MISSION COMMITTEE: THE CHOICE OF COLLECTIVE UTILITY

Nine complementary areas of expertise make up the Mission Committee: one-third experts, one-third directors and elected members and one-third employee representatives.

The tripartite composition of the Mission Committee (customer representatives, employees and independent experts) makes it possible to share perspectives and enrich discussions. The Chair of the Mission Committee was entrusted to someone from outside the company, Fleur Pellerin. The nine members of the Mission Committee were selected for their complementary expertise and their sensitivity to social, environmental and technological issues. They all share the same desire to contribute to the success of CIC's virtuous approach.

Three independent experts

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

- **Fleur Pellerin**, former minister, founder and CEO of Korelya Capital,
- **Christophe Robert**, Delegate General of the Fondation Abbé Pierre,
- **Xavier Jaravel**, professor at the London School of Economics (LSE and member of the Conseil d'Analyse Economique (CAE).

Three directors

Three directors sit on the Mission Committee. Their duties on the Boards of Directors and the Mission Committee ensure a proper connection between these governance bodies: :

- **Sandrine Pelletier**, Chairwoman and Chief Executive Officer of the APLIX Group and director of CIC Ouest,
- **Jean-Louis Maitre**, Chairman of Fédération du Crédit Mutuel Savoie-Mont Blanc,
- **Marie-Jean Boog**, Chairwoman of the Sarrebourg district [Fédération Crédit Mutuel Centre Est Europe].

Three employees

Lastly, in the interests of a fair balance, three representatives of the group's employees sit on the Mission Committee. Their in-depth knowledge of the company provides relevant insight into the discussions:

- **Ségolène Denavit**, director representing the employees of CIC (FO),
- **Laurent Torre**, director representing the employees of Caisse Fédérale de Crédit Mutuel (CFDT),
- **Audrey Hammerer**, director representing the employees of Caisse Fédérale de Crédit Mutuel (SNB).



From left to right: Nicolas Théry, Chairman of CIC, Fleur Pellerin, Chairwoman of the Mission Committee, and Daniel Baal, Chief Executive Officer of CIC in Paris on January 19, 2022 during the first Mission Committee meeting.

The Mission Committee



Fleur Pellerin



Christophe Robert



Xavier Jaravel



Sandrine Pelletier



Jean-Louis Maitre



Marie-Jean Boog



Ségolène Denavit



Audrey Hammerer



Laurent Torre

Monitor and guide the approach

The status of a benefit corporation implies the creation of a governance body: the Mission Committee. This committee has two ambitions:

- **Verifying the proper fulfillment of the commitments** made by Crédit Mutuel Alliance Fédérale. In concrete terms, the Mission Committee must monitor the evolution of the indicators and ensure that the company puts in place the necessary Means: to progress and live up to the ambitions set.
- **Supporting CIC in its strategic thinking and choices relating to the status of a benefit corporation.** The role of the Mission Committee is to question the strategy and actions implemented by the company, as part of a continuous improvement process. The wealth of expertise of its members should enable the Mission Committee to steer CIC towards new initiatives and avenues of work.

will be kept regularly informed of the progress of the work. Each year, a report from the Mission Committee will be submitted to CIC's Board and Shareholders' Meeting.

2022 roadmap

The Mission Committee met for the first time in Paris on **January 19, 2022** in the presence of Nicolas Théry and Daniel Baal. This meeting allowed everyone to introduce themselves, then to review the work in progress and associated schedules. The Committee **reviewed the progress on the first 12 commitments and approved its roadmap for 2022**. On this occasion, the nine members of the committee opened discussions on new commitments. They first discussed equal opportunities, gender equality, discrimination and banking inclusion. Their discussions then focused on climate, environment and biodiversity; technology, innovation and the digital divide. Lastly, they discussed regional development; young people and their perspective on banking. The next committee will meet in June 2022 with proposals for new ways to achieve results. In the meantime, interim work and discussions will continue with the committee.


Regular interactions with the group's governance

To carry out its duties, the Mission Committee will meet in plenary session at least three times a year. The Chairman and the Chief Executive Officer will be invited to attend. The Mission Committee will present its thoughts and proposals to the group's Strategy Board and parliament (*Chambre syndicale et interfédérale*). CIC's Board of Directors



A RESULTS-BASED MUTUALIST COMPANY: 12 CONCRETE AND MEASURABLE COMMITMENTS

By becoming a benefit corporation, like its parent company Crédit Mutuel Alliance Fédérale, CIC is making the same choice: a results-based mutualist company by setting itself the first 12 concrete commitments, applicable from 2022. Results that put its customers at the heart of its daily action, to fight against all forms of discrimination, to put technology at the service of people, to act in favor of regional development and to contribute to a fairer and more sustainable society.





CIC, A BENEFIT CORPORATION, MAKES 12 COMMITMENTS TO BUILD IN A CHANGING WORLD.

1

Guarantee to each customer a dedicated, non-commissioned advisor.

2

Train all our employees and directors in the fight against discrimination.

3

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

4

Defend gender pay equality at all levels of the bank.

5

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

6

Invest productivity gains from artificial intelligence in employment and development.

7

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

8

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

9

Invest 5% of the group's equity mainly in innovative French companies.

10

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

11

Immediately stop funding for new oil and gas projects.

12

Insure the real estate loans of our loyal customers without any medical formalities.

*Reduction compared to 2018

#1

GUARANTEE TO EACH CUSTOMER A DEDICATED, NON-COMMISSIONED ADVISOR

Because customers expect personalized advice and solutions adapted to their needs, CIC guarantees them a dedicated, non-commissioned advisor. This historic commitment is reaffirmed as part of the new status of a benefit corporation.

The relationship of trust based on the spirit of initiative, the capacity for innovation and the desire to be entrepreneurial makes CIC the reference relationship bank. The changing needs of customers mean we have to go further in terms of proactivity and the quality of advice and services. Without commercial incentives, without individual variable compensation, the advisor meets the needs of their clients in the clients' best interests.

CIC is convinced that collective performance to serve its customers is worth more than the sum of individual performance. CIC employees benefit from a fixed salary, with no variable compensation.

People remain a strong marker of trust for customers. To obtain a precise answer to a particular need, seven out of ten customers prefer to contact their usual advisor, whom they trust, rather than a more specialized expert who does not know their personal profile.

Source: 2020 Deloitte "Bank-Customer Relations" survey

"Having a dedicated advisor allows us to build and maintain a lasting relationship with all our clients. Thanks to the absence of a commission system, this relationship is based on trust from the outset. Our expertise is valued because our approach is that of consulting. This credibility really marks our difference."

Audrey Hammerer
Director representing employees,
member of the Mission Committee



RESULTS

→ Out of more than 5.5 million CIC customers,
99.1%
had a dedicated advisor
as of December 31, 2021

→ **0** commission paid in 2021
to CIC advisors

#2

TRAIN ALL OUR EMPLOYEES AND DIRECTORS IN THE FIGHT AGAINST DISCRIMINATION

Because belonging to a mutualist group commits us collectively in 2022, CIC will train 100% of its employees, as well as all its directors, in the fight against discrimination.

From 2022, CIC will set up more comprehensive and educational training against discrimination (adapted content: representations and stereotypes, behavior, etc.). This training module will be mandatory for all employees. It is part of Crédit Mutuel Alliance Fédérale's "Diversity and Inclusion"* policy. Specific modules will also be offered to human resources experts and managers.

The new training module will also cover Board Directors. By the end of 2022, all boards will be required to organize an awareness-raising session on the fight against discrimination.

In addition to this training, actions will be carried out to overhaul the whistleblowing and monitoring system. A whistleblowing system will be installed on the business lines' desktop, enabling witnesses or victims to report any situation of discrimination, harassment or human rights violations.



- **Mandatory training** for all employees
- **Overhaul of the whistleblowing system**

"The strength of a company lies in its ability to welcome and promote all talents, to make differences a complementarity, a wealth and a lever of creativity. Equal opportunities and the fight against all forms of discrimination remain major pillars of our corporate strategy."

Laurent Torre
Director representing employees,
member of the Mission Committee.



*See 2021 Non-Financial Performance Statement for a detailed description of the actions taken

#3

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

Because we need everyone to build the future, CIC recruits at least 25% of work-study students from urban priority neighborhoods and rural areas.

Deeply rooted in the regions, CIC is committed to equal opportunities, diversity and access to employment. As such, it is a signatory of the PAQTE [Pact with Neighborhoods for All Companies], which aims in particular to increase the share of work-study students.

In 2022, CIC will recruit at least 25% of new work-study students from urban priority neighborhoods and rural areas.

"In a complicated economic context, young people sometimes have difficulty finding an internship or work-study contract. It is the responsibility of companies to take concrete action for young people. As a subsidiary of a mutualist group and thanks to its regional presence, CIC is committed to supporting them regardless of their background or origins."



→ **38.7%** of work-study students recruited [481 young people] from priority urban neighborhoods and rural areas as of December 31, 2021



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

#4

DEFENDING GENDER PAY EQUALITY AT ALL LEVELS OF THE BANK

Because it defends equality and merit, CIC makes gender pay at all levels of the bank a priority.

In accordance with its status as a benefit corporation and its strategic plan *ensemble#nouveau monde, plus vite, plus loin !* [together#today's world, faster, further!], CIC makes women's careers a central element of its action.

Today the CIC network's school of directors does not commence courses without gender balance in the classroom. For all appointments to senior management and executive positions, women candidacies are examined, with the aim of rapidly achieving parity.

As part of the group agreement negotiated with representatives of the trade unions in 2021, and following an analysis of the existing situation concerning pay differentials carried out in 2021, CIC will correct the collective wage differentials between women and men. In addition to these measures, substantive medium- and long-term actions will continue: sourcing of potential talent, support for talent by accelerating certain careers, monitoring of new positions (coaching, mentoring, immersion), leadership program, etc.

"Parity within CIC is not only based on reducing wage inequalities. It is above all a sum of long-term commitments to promote and support the careers of women."

Ségolène Denavit
Director representing employees,
member of the Mission Committee.



RESULTS

→ **More women in management positions**

46.6% women managers

→ **In two out of the 5 regional banks**, Executive Management is carried out by a woman

ONGOING

→ **0.5%** of payroll

dedicated to correcting the gender pay gaps in 2022

#5

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

Because all data is not for moneymaking, CIC is mirroring its parent company's commitment, which guarantees the privacy of its customers' data and a commitment to processing, by the end of 2022, 99.9% of their information in its infrastructures and systems located in France.

CIC acts as a trusted third party to its customers by guaranteeing the protection of their data and by undertaking not to sell it. Through Euro-Information, the technology subsidiary of Crédit Mutuel Alliance Fédérale, it is investing heavily in its IT infrastructure via highly secure data centers and a private cloud.

Two new data centers in Côte-d'Or will complement existing sites to meet the needs generated by the development of activities. Meeting **the best environmental and security standards**, they will enable the group to have an integrated and efficient private cloud platform and thus process 99.9% of customer information on its own sites in France.

"In an increasingly digital world, data protection is a major concern for society. Faced with this, CIC is taking concrete action and focusing on a short digital circuit. It gives itself the technical and financial resources to preserve the integrity and confidentiality of the data entrusted to it, thanks to an infrastructure that is managed completely in-house and based in France."



Crédit Mutuel Alliance Fédérale group indicators

→ **99.9%** of processing performed on the infrastructures hosted in the company's data centers by the end of 2022

→ **Establishment of two new IT data centers owned exclusively by Euro-Information**, a subsidiary of Crédit Mutuel Alliance Fédérale.

Fleur Pellerin
Chairwoman of
the Mission Committee.



INVEST PRODUCTIVITY GAINS FROM ARTIFICIAL INTELLIGENCE IN EMPLOYMENT AND DEVELOPMENT

Because technology must always serve people, CIC is part of the commitment of its parent company, which aims to measure the productivity gains resulting from technology and artificial intelligence and to invest them in employment and development.

Technological innovation is at the heart of CIC's strategy. It is deployed with two imperatives: efficiency and added human value for employees. It is a way of freeing up administrative time for advisors who can thus focus on where their added value is essential: supporting clients in their projects.

To do this, CIC develops technological solutions that assist advisors on a daily basis in listening, expertise and proactivity and which enable them to establish an "enhanced" relationship with their customers: email analyzer, interactive voice server, virtual assistant, optical character recognition, etc. The resulting productivity gains (900 ftes in 2021) also enable the group to improve working conditions and customer relations.

In addition, as part of its HR policy, the group intends to keep all its employees in employment through skills training and internal promotion. The recruitment of new expertise regularly complements the group's various components. As such, in 2021, the group recruited 1,600 employees* on permanent contracts.

"Innovation is a driver for employment. Whether technological or organizational, for example, innovation contributes to the company's performance. Reinvesting these productivity gains in employment then triggers a virtuous circle favorable to the sustainability and competitiveness of the company."



Crédit Mutuel Alliance Fédérale group indicators

→ **900** FTE: productivity gains from the use of technology in 2021

→ **1 600** permanent contract hires in 2021



Xavier Jaravel

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

*Social base scope

#7

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

Because customers expect rapid responses tailored to their needs, CIC is committed to ensuring that more than 90% of lending decisions will be made in branches by the end of 2022.

CIC is based on a decentralized organization that relies on a network of 1,780 points of sale and the expertise of its 10,500 advisors. This organization allows each decision to be made as close as possible to the field.

This short decision-making circuit is a real asset on a daily basis, for managers and employees as well as for customers. An agreement sent quickly to the customer, accompanied by quality advice, greatly facilitates the choice of banking partner.



→ **89.2%** of lending decisions were made locally within the CIC network in 2021.

"Today, the customers of a banking institution appreciate the quality of service with regard to the performance of the digital tools at their disposal. But technology is not everything, they also want an expert and responsive advisor. By guaranteeing decision-making at the heart of its branches by its advisors, CIC is giving itself all the Means to forge and maintain lasting commercial relationships."



Ségolène Denavit
Director representing employees,
member of the Mission Committee.

#8

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

Because those who make a commitment must be protected, CIC offers civil liability cover to the managers of associations as well as the free digital payment solution Pay Asso.

In the context of the health crisis, CIC wanted to strengthen its support for associations. The Pay Asso dematerialized payment solution - which makes it possible to pay memberships, subscriptions, tickets, donations and sell the association's items and services directly online by credit card - was made free at the start of the pandemic. This free service was made permanent in early 2022.*

In addition, the banking group has decided to offer civil liability coverage* to the managers of sports and cultural associations in order to protect them from the financial consequences of bodily injury, property damage and immaterial damage caused to third parties in the event of the occurrence of a potential incident or accident in such a framework.

CIC thus wishes to support those who bring the regions alive through their sports, cultural and associative projects. These schemes enrich a range of products and services adapted and dedicated to associations.

"Non-profits are a real lever for action in the service of regional dynamics and the creation of social ties. As a major banking partner of associations, we are strengthening our commitment to those who develop the life of associations and the vitality of the regions."

RESULTS

→ **100%** of sports and cultural associations can benefit from the **Pay Asso solution***

→ **Free civil liability insurance***



Marie-Jean Boog
Chairwoman of the Sarrebourg district, member of the Mission Committee.

*See monitoring of commitments on page 25

INVEST 5% OF THE GROUP'S EQUITY MAINLY IN INNOVATIVE FRENCH COMPANIES

Because a bank that supports those who undertake must be the driving force of the French economy, CIC is part of the commitment of its parent company, which aims to invest, in 2022, 5% of its equity mainly in innovative French companies.

Innovation is decisive in the development and competitiveness of companies. It is not just technological. It is also commercial, social, organizational or environmental.

As of December 31, 2021, €2.7 billion had been invested in nearly 300 interests in long-term strategic value-creating projects. The innovative nature of each investment is monitored according to the nature of the projects (CSR impact, product innovation, IS optimization, organizational structuring, etc.). It is assessed according to a grid established on **five levels of innovation maturity**:

- "Under pressure" (regulatory, digital, etc.)
- "Customers" (response to a specific need)
- "Anticipated" (identified projects)
- "Organized" (monitoring and R&D set up and coordinated)
- "Integrated" (strategic vision guaranteeing a sustainable approach to innovation within the organization).

Sandrine Pelletier
Director of CIC Ouest,
member of the Mission Committee.



RESULTS

Crédit Mutuel Alliance Fédérale group indicators

→ **5.05%** of the group's equity invested mainly in innovative French companies (within the meaning of the maturity levels indicated opposite), as of December 31, 2021

→ Implementation of a dynamic mapping of innovative companies covering **94%** of the scope

"A company cannot grow without innovating. Its sustainability is at stake. CIC, through its subsidiary Crédit Mutuel Equity, supports innovative initiatives and projects for sustainable growth. This commitment, amounting to 5% of equity, contributes to the economic development of our regions."



#10

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

Because energy efficiency is a priority, CIC is part of its parent company's commitment to reduce its carbon emissions by 20% and the carbon footprint of its investment portfolios by 12% by the end of 2022.

Strongly committed to respecting the carbon trajectory of the Paris Agreements by limiting warming to +1.5 °C, CIC is committed to respecting the group's ambitious objectives in terms of ecological and climate transition as part of the 2019-2023 strategic plan *ensemble#nouveau monde, plus vite, plus loin !* [together#today's world, faster, further!].

In addition, CIC undertakes to comply with the group's sectoral policies governing transactions offered to companies operating in sectors that emit high amounts of greenhouse gases, as well as with social, environmental or health impacts. To date, there are seven sectoral policies, the most recent concerning agriculture. More generally, CIC offers its customers a range of green products.

"The group's climate strategy is in line with the Paris Climate Agreement. It is our responsibility as a benefit corporation to take strong, concrete and ambitious measures for future generations and the continuity of our business today and tomorrow."



Crédit Mutuel Alliance Fédérale group indicators

→ **27.9%** reduction in the carbon footprint of the corporate loan portfolio between June 2018 and June 2021*

→ **21%** reduction in the group's carbon footprint [**Scope:** energy - refrigerants - vehicle fleet - business travel between the end of 2018 and the end of 2020]*



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

*See the 2021 Non-Financial Performance Statement

#11

IMMEDIATELY STOP FUNDING FOR NEW OIL AND GAS PROJECTS

Because the climate is everyone's business, CIC is now stopping funding for new oil and gas projects.

With the acceleration of climate change calling for the mobilization of all, CIC has chosen to be a pioneer in this area, led by its parent company Crédit Mutuel Alliance Fédérale, by voluntarily renouncing revenues from the most polluting sectors.

Hailed in February 2020 by non-governmental organizations for its decision to completely phase out funding and investments in coal and unconventional hydrocarbons (shale gas and oil, Arctic), the group continued its climate transition policy in 2021. In this context, in October 2021 CIC committed to refrain from funding any new oil and gas exploration, production and infrastructure projects likely to lead to an increase in carbon emissions.

At the same time, it is stepping up its investments in renewable energies.

"Faced with climate change, the transition to a low-carbon economy is imperative. Business models must undergo profound changes for the economy and its companies to successfully meet the challenges of the energy transition."



→ 0 new funding for oil and gas projects since October 2021

Fleur Pellerin
Chairwoman of the
Mission Committee.



#12

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

Because health should not be a barrier to home ownership, CIC insures its loyal customers' real estate loans for their main residence, without any medical formalities.

More than ever since the start of the pandemic, CIC has remained close to its customers by launching the one-off recovery bonus to support craftspeople, retailers, professionals and smes in order to offset part of the losses in their incomes.

As a benefit corporation, CIC is committed to promoting access to home ownership for as many people as possible. As of November 2021, it eliminated the health questionnaire and medical formalities for borrower insurance for the main residence of its loyal customers*, and put an end to health-related discrimination: it ended tariffs based on pathologies or a client's body mass index, or exclusions of specific risks for these same health reasons. A borrower's state of health is no longer a specific exclusion or pricing criterion (additional premium) for borrower insurance.

CIC has thus contributed to a change in legislation for more inclusive and solidarity-based insurance, which favors the pooling of risks over consumerist measures.

"The removal of the health questionnaire is a perfect illustration of the leverage available to companies vis-à-vis public authorities. By getting the law changed, CIC is shifting the insurance approach of individualization of risk towards one of risk pooling. It thus contributes to ending health-related discrimination in home ownership. I am delighted that companies such as CIC and its parent company, Crédit Mutuel Alliance Fédérale, are committed to a solidarity and responsible performance approach."



→ **24,000** customers benefited from an increase in their coverage and/or removal of additional premiums as of December 1, 2021

→ **No** medical formality (up to €500,000 per borrower and for policyholders under the age of 62)



Ségolène Denavit
Director representing employees,
member of the Mission Committee.

*See monitoring of commitments on page 25

MONITORING OF COMMITMENTS

Methodological reminder: the objectives of the 12 commitments have been set for the end of 2022. Eight commitments are monitored specifically at CIC level. For the other four, CIC is committed to contributing to the achievement of objectives set by the Crédit Mutuel Alliance Fédérale group. The scopes concerned are those of the entities that have adopted the status of benefit corporation, namely Caisse Fédérale de Crédit Mutuel and CIC.

The figures below, audited by KPMG in February-March 2022, constitute a progress report as of December 31, 2021 in the implementation trajectory. At this stage, they do not constitute the final results. The final results as of December 31, 2022 will be published in early 2023 in the second report of the Mission Committee.

Summary table Progress report as of December 31, 2021

1

Guarantee to each customer a dedicated, non-commissioned advisor

Means:

- Human resources policy: no commercial incentives or individual variable compensation.

CIC Indicator:

- **99.1%** of clients assigned to a dedicated advisor in 2021.
This data covers all policyholders, professionals and individuals, adults and minors, including inactive.

Scope:

French banking network, CIC branches and corporate business centers.

2

Train all our employees and directors in the fight against discrimination

Means:

- Mandatory training module in 2022 for all employees.
- Overhaul of the whistleblowing and monitoring system.

CIC Indicator:

- To be implemented in the first half of 2022.

Périmètre :

CIC.

3

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

Means:

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

CIC Indicator:

- **38.7%** of work-study students recruited in 2021 come from urban priority neighborhoods and rural areas.

Scope:

CIC.

4

Defend gender pay equality at all levels of the bank

Means:

- Negotiation of a group agreement with representatives of the trade unions.
- Inventory of pay gaps.
- 0.5% of payroll allocated to correcting the gender pay gap in 2022.

CIC Indicator:

- Average pay gap (less than 3%) for the same classification level and the same age bracket.

Checkpoint: June 2022.

Scope:

CIC.

5

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

Means:

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

Group indicators:

- Indicator under construction.

Scope:

Crédit Mutuel and CIC France networks.

6

Invest productivity gains from artificial intelligence in employment and development

Means:

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

Group indicators:

- Productivity gains as of December 31, 2021 = 900 ftes: indicator taking into account the time savings related to projects under development (estimated gains) and projects deployed (actual gains in 2021).
- Recruitment: 1,596 permanent contracts in 2021.

Scope:

- Scope of FTE gains: Crédit Mutuel and CIC France networks.
- Scope of recruitment: group social base.

7 Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at branches		
Mean: <ul style="list-style-type: none"> Decentralized organization with predominantly local lending decisions. 	Indicateur CIC : <ul style="list-style-type: none"> 89.2% of lending decisions made locally in 2021. 	Scope: CIC network.
8 Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers		
Means: <ul style="list-style-type: none"> Free use of the Pay Asso solution for associations governed by the law of July 1, 1901 or under the local law of Alsace-Moselle, with an exclusively sporting or cultural purpose and non-profit, with an annual budget of less than €500,000, current account holders with CIC. Free civil liability coverage for managers of sports and cultural customer associations, up to a maximum annual coverage of €50,000. 	Indicateurs CIC : <ul style="list-style-type: none"> Pay Asso: 100% of sports and cultural associations have benefited from the Pay Asso solution since January 2022. Civil liability coverage: 100% of managers of sports and cultural customer associations are eligible for free coverage. 	Scope: CIC network.
9 Invest 5% of the group's equity mainly in innovative French companies		
Means: <ul style="list-style-type: none"> Dedicated capital structure. Implementation of a dynamic mapping of investments. 	Indicateur groupe : <ul style="list-style-type: none"> 5.05% of the group's equity invested mainly in French companies that have been subject to an innovation maturity analysis. 	Scope: Crédit Mutuel Equity.
10 Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022		
Means: <ul style="list-style-type: none"> Sectoral policies (coal, mobility, agriculture, hydrocarbons, etc.). Green products (eco-mobility offer, transition range, sustainable development and solidarity passbook, energy credit, etc.). 	Group indicators: <ul style="list-style-type: none"> 27.9% reduction in the carbon footprint of the corporate loan portfolio between June 2018 and June 2021 21% reduction in the group's carbon footprint (Scope: energy - refrigerants - vehicle fleet - business travel between the end of 2018 and the end of 2020) 	Scope: See scope and methodology notes concerning these indicators in the group's 2021 Non-Financial Performance Statement.
11 Immediately stop funding for new oil and gas projects		
Means: <ul style="list-style-type: none"> Coal and non-conventional hydrocarbon sector policy. Acceleration of investments in renewable energy projects. 	CIC Indicator: <ul style="list-style-type: none"> 0 funding for new oil & gas exploration, production and infrastructure projects since October 2021. 	Scope: CIC.
12 Insure the real estate loans of our loyal customers without any medical formalities		
Means: <ul style="list-style-type: none"> Elimination of the health questionnaire for loyal customers. End of pricing based on the client's pathology or body mass index. End of exclusions of specific risks. 	CIC Indicator: <ul style="list-style-type: none"> No more medical formalities required since December 1, 2021. <i>Eligibility: customers who have domiciled their main income for seven years; amount insured up to €500,000 per borrower for the purchase of their main residence; policyholder aged under 62 at the time of subscription.</i>	Scope: CIC network.

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REPORT BY THE INDEPENDENT THIRD PARTY ON THE VERIFICATION OF THE EXECUTION OF SOCIAL AND ENVIRONMENTAL OBJECTIVES

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2021

To the Annual General Meeting,

In our capacity as independent third party ("third party") of your company [hereinafter "entity"], having filed an application for accreditation whose admissibility was accepted by the accreditation body, we have undertaken a limited assurance engagement on the historical financial information (actual or extrapolated) related to the execution of the social and environmental objectives that your entity has set on the scope concerned by the quality of mission-led company as presented in the report of the Mission Committee for the period from January 1 to December 31, 2021, including in the entity's management report pursuant to the requirements of Article L.210-10 of the French Commercial Code.

Conclusion

Based on the procedures performed, as set out in the "Nature and scope of our work" section of this report, and the information collected, nothing has come to our attention that would call into question, for the scope concerned by the quality of mission-led company and at the end of the period covered by our audit:

- the fact that the entity has achieved the operational objectives that it has defined for each social or environmental objective pursuant to paragraph 2 of Article L.210-10 and included in its articles of association, and
- consequently, Crédit Industriel et Commercial complies with each of the social and environmental objectives that it has set itself the task of pursuing, in accordance with its raison d'être and activities and with regard to its social and environmental challenges.

Comments

Without modifying our conclusion above, we make the following comments:

- As indicated in the Mission Committee's report, the results relating to the operational objective "Double the number of members voting at the Shareholders' Meetings of Crédit Mutuel banks" will probably be impacted in 2022 by the restrictions imposed by the health crisis;
- The scope of each of the operational objectives has been adapted in relation to the strict scope of the mission-led company, depending on the nature of the commitments made or resulting from the historical management of certain objectives before the adoption of the quality of mission-led company by Crédit Mutuel Alliance Fédérale, parent company of Crédit Industriel et Commercial. The scopes relating to each operational objective are presented in the methodological note of the Mission Committee's report;
- As indicated in the Mission Committee's report, the indicators relating to the objectives "Reduce the group's carbon emissions by 20% by the end of 2022 compared to 2018" and "Reduce the carbon footprint of our investment portfolios by 12% by the end of 2022 compared to 2018" are presented for a non-calendar civil year, respectively for the year ended December 30, 2020 and June 30, 2021.

Preparation of information related to the execution of social and environmental objectives

The absence of a commonly used generally accepted reporting framework or of established practices on which to draw to evaluate and measure the

information related to the execution of social and environmental objectives allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, information related to the execution of social and environmental objectives needs to be read and understood together with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Report of the Mission Committee [or available on request at the entity's registered office].

Inherent limitations in preparing the information related to the execution of the social and environmental objectives

The Information may be subject to inherent uncertainty because of incomplete scientific and economic knowledge and the quality of external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used to prepare it. In particular, certain information is presented on a different scope compared to the scope concerned by the quality of mission-led company, as indicated in the Mission Committee's report.

Responsibility of the entity

The entity is responsible for:

- setting up a Mission Committee responsible for preparing an annual report in accordance with the provisions of Article L.210-10 of the French Commercial Code;
- selecting or establishing appropriate criteria and procedures to prepare the entity's Guidelines;
- designing, implementing and maintaining internal control over the information relevant for the preparation of the Mission Committee's report as well as implementing the internal control that it deems necessary for the preparation of information related to the execution of social and environmental objectives that is free from material misstatements, whether due to fraud or error;
- preparing information related to the execution of social and environmental objectives in accordance with the Guidelines and made available to the Mission Committee.

It is the responsibility of the Mission Committee to prepare its report on the basis of the information related to the execution of the social and environmental objectives provided by the entity and carrying out any verification it deems appropriate.

This report is attached to the Board of Directors' management report.

Responsibility of the independent third party

Pursuant to the provisions of Article R.210-21 of the French Commercial Code, it is our responsibility, on the basis of our work, to issue a report expressing a limited assurance conclusion on the entity's respect of the social and environmental objectives that it set for itself on the scope concerned by the quality of mission-led company.

As it is our responsibility to provide an independent conclusion on the information related to the execution of the social and environmental objectives, we are not authorized to help prepare said information, as that could compromise our independence.

Regulatory provisions and applicable professional doctrine

Our work described below was carried out in accordance with the provisions

of Article R.210-21 of the French Commercial Code and the professional doctrine of the Compagnie Nationale des Commissaires aux Comptes relating to this intervention in lieu of a verification program.

Means and resources

Our work was carried out by a team of four people and between February and April 2022 and took a total of seven weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted about twenty interviews with the people responsible for preparing the information related to the execution of the social and environmental objectives.

Nature and scope of our work

We planned and performed our work to address the areas where we identified that a material misstatement was likely to arise regarding the information relating to the execution of the social and environmental objectives that the entity has set itself the mission of pursuing on the scope concerned by the company's quality as a mission-led company.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance conclusion.

We obtained an understanding of the entity's activities in the scope concerned by the quality as a mission-led company, the formulation of its *raison d'être* as well as its social and environmental issues.

Our work focused:

- on the one hand, on the consistency of the social and environmental objectives adopted pursuant to paragraph 2 of Article L.210 10 and included in its articles of association, and the *raison d'être* of the entity specified in its articles of association (hereinafter: "*raison d'être*") and its activity with regard to its social and environmental issues;
- on the other hand, on the execution of these objectives.

Concerning the consistency of the entity's objectives, *raison d'être* and activity with regard to its social and environmental issues:

- we conducted interviews to assess the commitment of the entity's management and members of governance with regard to the expectations of the main internal or external stakeholders affected by the entity's activity.
- we assessed the processes implemented to structure and formalize this approach by relying on:
 - the information available in the entity (for example, minutes of Board meetings, discussions with the Social and Economic Committee, minutes or documentation for meetings with internal or external stakeholders, risk analyses);
 - the roadmap of the mission-led company and the last report of the Mission Committee;
 - where applicable, its publications (for example, sales brochures, management report, integrated report, non-financial performance statement, on the website).
- we thus assessed, considering the activity of the entity with regard to its social and environmental issues, the consistency between:
 - the information collected;
 - the *raison d'être* and
 - the social and environmental objectives set out in the articles of association.

With regard to the execution of social and environmental objectives, we investigated the existence of operational objectives and key monitoring and measurement indicators to assess their achievement by the entity at the end of the period covered by the verification for each social and environmental objective, and we verified whether the operational objectives had been achieved with regard to the trajectories defined by the entity on the scope concerned by the quality of mission-led company.

To do this, we carried out the following procedures:

- we obtained an understanding of the documents prepared by the entity to report on the implementation of its mission, in particular the provisions specifying the operational objectives and the related monitoring procedures, as well as the report of the Mission Committee;
- we investigated the Mission Committee's assessment of the execution of the social and environmental objectives, and we corroborated the information collected with the perception that the stakeholders have of the effects and impacts of the entity. In addition, we reviewed the analysis presented in the Mission Committee's report and the end results achieved for the operational objectives in relation to their defined trajectories, to enable us to assess respect of the social and environmental objectives;
- we asked the entity's Executive Management about the financial and non-financial resources implemented to meet the social and environmental objectives;
- we verified the presence in the Mission Committee's report of indicators

consistent with the operational objectives and able to demonstrate the positioning of the operational objectives on their defined trajectories;

- we assessed the appropriateness of the resources implemented to meet operational objectives in relation to their trajectories, in view of the development of business over the period;
- we verified the fairness of all these indicators, and in particular, we:
 - assessed the appropriateness of the entity's Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability;
 - verified that the indicators cover the entire scope concerned by the quality of mission-led company;
 - obtained an understanding of the internal control procedures implemented by the entity and assessed the collection process aimed at ensuring the fairness of these indicators;
 - implemented controls and analytical procedures to verify the proper consolidation of the data collected and the consistency of any change in those data;
 - performed tests of details, using sampling techniques or other selection methods, in order to verify the proper application of definitions and procedures and reconcile the data with the supporting documents. This work was carried out on site at the entity's registered office and covers 100% of the data used to calculate the indicators;
 - assessed the overall consistency of the Mission Committee's report with regard to our knowledge of the entity and the scope concerned by the quality of mission-led company.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, April 8, 2022
KPMG S.A.



Anne Garans
Sustainability
Services Partner



Arnaud Bourdeille
Partner

Appendix

1. Guarantee to each customer a dedicated, non-commissioned advisor
2. Train all our employees and elected members in the fight against discrimination
3. Recruit 25% of work-study students from priority neighborhoods and rural areas
4. Defend gender pay equality at all levels of the bank
5. Guarantee the privacy of our customers' data by processing 99.9% of their information in our infrastructures and systems located in France
6. Invest productivity gains from artificial intelligence in employment and development
7. Anchor decision-making centers in the regions with more than 90% of our lending decisions taken at banks and branches
8. Offer the Pay Asso digital payment solution to our associations and civil liability coverage to their managers
9. Invest 5% of our equity mainly in innovative French companies
10. Reduce the group's carbon emissions by 20% and the carbon footprint of our investment portfolios by 12% by the end of 2022 compared with 2018
11. Immediately stop funding for new oil and gas projects
12. Insure the real estate loans of our loyal customers without any medical formalities

¹Pursuant to article 5 of the decree of 2nd January 2020 regarding mission-led companies ("*sociétés à mission*") ²"Mission-led company" in this report by the independent third party refers to the "*société à mission*" quality as defined in the French "PACTE Law" ³Presented in the Appendix of this report

