

Crédit mutuel Impact

Report Article 29

June 2025

1. Entity Overview.....	3
<i>a) Entity Overview.....</i>	<i>3</i>
<i>b) ESG Approach.....</i>	<i>4</i>
i. List of financial products pursuant to Articles 8 and 9 of the Disclosure Regulation (SFDR.).....	4
ii. Sustainable investment policy.....	4
iii. Dual materiality and consideration of sustainability risks	5
iv. Commitments with stakeholders	6
v. Integration of analysis of environmental, social and governance criteria into management company processes.....	6
<i>c) Customer Information</i>	<i>6</i>
<i>d) Entity membership in initiatives.....</i>	<i>7</i>
2. Organization of the entity.....	7
<i>a) Internal resources deployed by the entity.....</i>	<i>7</i>
<i>b) Approach to taking into account environmental, social and quality governance criteria at the level of the entity's governance</i>	<i>8</i>
3. Engagement Strategy	9
<i>a) Policy of engagement.....</i>	<i>9</i>
<i>b) Voting policy.....</i>	<i>9</i>
<i>c) Review of the engagement strategy</i>	<i>10</i>
4. Approach to environmental issues	10
<i>a) European Taxonomy and fossil fuels</i>	<i>10</i>
<i>b) Alignment Strategy with the International Goals of the Paris Agreement 11</i>	
<i>c) Strategy for alignment with long-term biodiversity objectives.....</i>	<i>12</i>
5. ESG Risk Management	13
<i>a) Control device.....</i>	<i>13</i>
<i>b) Taking ESG criteria into account in risk management.....</i>	<i>14</i>
6. Continuous improvement plan	14

1. Entity Overview

a) Entity Overview

Crédit Mutuel Impact is a portfolio management company within Crédit Mutuel Alliance Fédérale, which operates in two main lines of business: infrastructure and private equity. It is fully in line with Crédit Mutuel Alliance Fédérale's social, societal and environmental approach.

The management company invests in long-term unlisted assets that generate positive, concrete and measurable impacts for the benefit of the territories through:

- the Environmental and Solidarity Revolution Fund, set up in June 2023 and funded by Crédit Mutuel Alliance Fédérale Societal Dividend. It is an impact fund that aims to amplify the transformation of production and consumption patterns and to intervene in projects with a high environmental, climate and societal impact for which financial needs are high and where few actors are present.

Its portfolio is organized around the six themes of ecological planning: better transport, better housing, better consumption, better eating, better production, and better preservation and enhancement of our ecosystems. With a broad investment scope, the fund engages with technology breakthrough companies and facilitates the scaling up of emerging sectors as well as societal and inclusive transformation. The fund's investment policy prioritizes the environmental added value of industrial players and the long term;

- the SILOE infrastructure fund, invested in France in the field of renewable energies, electric mobility and thermal decarbonization of buildings;
- the Kairos Alpha FPCI fund for professional and related investors.

The *Sustainable Finance Disclosure Regulation* (EU) 2018/2088 (SFDR) has strengthened the communication to subscribers on sustainability risk and the integration of environmental, social and governance criteria in the investment strategy. The funds are to be classified into three categories:

- the so-called Article 6 funds: general rule of communication common to all funds within the pre-contractual documentation, as regards whether or not the sustainability risk is taken into account;
- Article 8 funds: the funds covered by this Article systematically incorporate environmental and social characteristics. They shall promote these characteristics provided that the companies in which the investments are made apply good governance practices;
- article 9 funds: the funds under this article contribute to a defined and quantifiable environmental and/or social objective, for example in terms of reducing carbon emissions. These products can also have a social purpose.

As at 31.12.2024, the management company manages eight funds, seven of which represent a total outstanding amount under management of €1084 million: 71% of the outstanding amount managed is for sustainable investment (Article 9 fund), and 24% is for investments promoting environmental characteristics (Article 8 fund).

b) ESG Approach

i. List of financial products pursuant to Articles 8 and 9 of the Disclosure Regulation (SFDR.)

The breakdown of funds managed by Crédit Mutuel Impact is summarized in the table below.

Fund Type	Name of the fund	Regulatory typology (SFDR.)	Net assets at 31.12.2024 in € million	%
SLP	Environmental Revolution and Solidarity	Sustainable investment objective (Article 9 SFDR.)	773.7	71%
SPF	Siloé Infrastructure	Promoting sustainable investment (Article 8 SFDR.)	260.8	24%
FPCI	Kairos Alpha	Product not classified as durable (Art. 6 SFDR.)	49.6	5%
FIP, Innovation Mutual Fund	Select SME 2013, Select SME 2014, Patrimoine SME 2024, Select Innovation 2013 and Select innovation 2014	Products not classified as sustainable (Article 6 SFDR.)	0.5	0%

ii. Sustainable investment policy

Article 2-17 regulation 2019-2088 defines sustainable investment as :

- “an investment in an economic activity that **contributes to an environmental objective**, as measured for example by key resource efficiency indicators on energy use, renewable energy, raw materials, water and land use, waste generation and greenhouse gas emissions, and impacts on biodiversity and the circular economy,
- **or an investment in an economic activity that contributes to a social objective**, in particular an investment that contributes to the fight against inequality or promotes social cohesion, social integration and labor relations, or an investment in human capital or economically or socially disadvantaged communities,
- **provided that such investments do not cause material prejudice to any of those objectives,**
- **and that the companies in which the investments are made apply good governance practices**, in particular with regard to sound management structures, staff relations, remuneration of competent staff and tax compliance.”

In line with this definition, Crédit Mutuel Impact has the following objectives:

- On environmental impact:
 - o climate change mitigation;
 - o adaptation to climate change;
 - o the transition to a circular economy;
 - o the protection and restoration of biodiversity and ecosystems;
 - o sustainable use and protection of aquatic and marine resources;
 - o pollution prevention and control.
- On social and societal impact:
 - o cohesion and social integration;
 - o combating inequalities;
 - o economically or socially disadvantaged communities;
 - o human capital.

Crédit Mutuel Impact analyzes the environmental, governance and human capital development practices of the firms in which the investments are made. The methodology of the analysis is based on:

- reference frameworks (internal and regulatory) to measure both negative and positive impacts of investments;
- exchanges with funded companies, which are not required to publish a non-financial statement of performance.

iii. Dual materiality and consideration of sustainability risks

The concept of dual materiality emphasizes that the two dimensions, financial and impact, are interdependent and must be taken into account jointly in the overall assessment of a company's performance.

In particular, in addition to the positive impacts of investments, management companies are required to consider sustainability risks that represent an environmental, social or governance event or situation that, if they occur, could have a significant negative impact, actual or potential, on the value of the investment.

Crédit Mutuel Impact recognizes that its business, as well as the assets it helps finance, are likely to have negative impacts on the climate and environment (greenhouse gas emissions, biodiversity, water, waste), social, personnel and governance issues. The main negative impacts are monitored throughout the investment process, from pre-investment to divestiture, including through:

- monitoring controversies and enforcing normative exclusions, including compliance with the principles of the UN Global Compact and the OCDE Guiding Principles;
- strict compliance with sectoral exclusions: Crédit mutuel Impact does not directly or indirectly invest, guarantee or grant financial or other support to companies or entities that do not comply with the Crédit Mutuel alliance fédérale Sectoral Policies described in its Universal Registration Document (URD) available on the BFCM website (RSM/sectoral-policies section);
- the use of an internal questionnaire set up to measure, monitor and control the negative impacts of its investments and promote positive environmental, social and governance impacts;
- In accordance with the rules (EU SFDR. 2019/2088 supplemented by EU Delegated Regulation

2022/1288), Crédit Mutuel Impact describes and quantifies the main negative impacts on an annual basis and publishes them on its website.

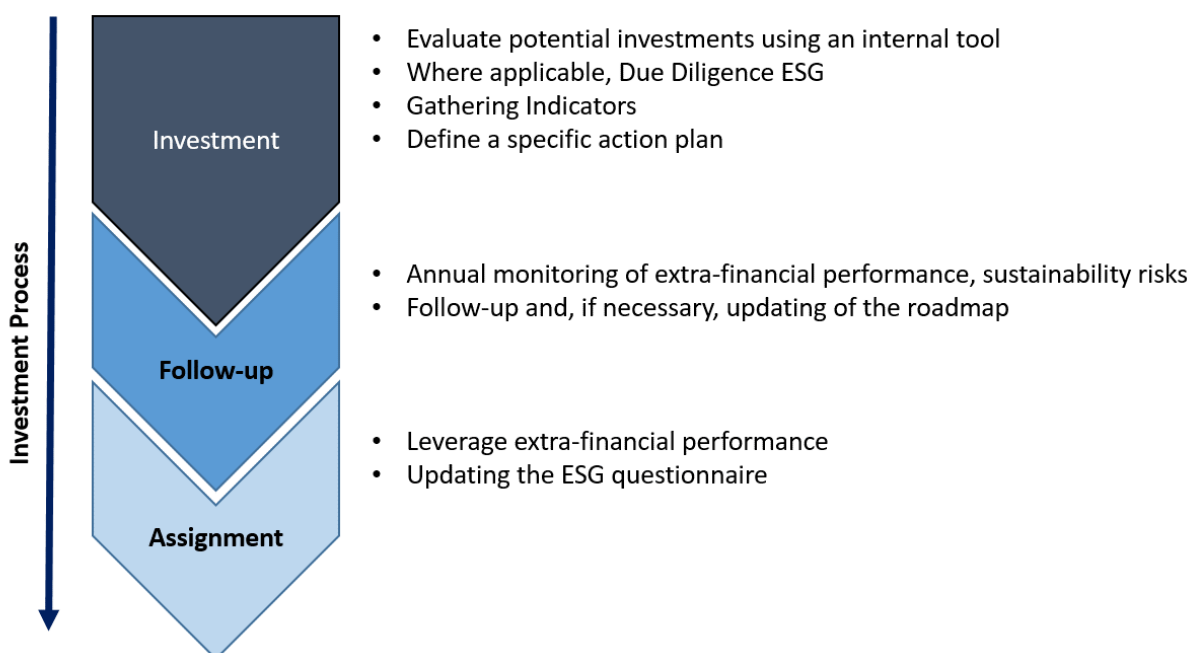
iv. Commitments with stakeholders

Crédit Mutuel Impact undertakes, for the investments made through the Article 8 and Article 9 SFDR funds, to work exclusively with stakeholders who have developed an extra-financial policy or who demonstrate an appetite for environmental, social and societal and governance (ESG) issues, and to support companies and project promoters in their extra-financial approaches.

v. Integration of analysis of environmental, social and governance criteria into management company processes

The analysis of environmental, social and governance criteria is the subject of a study at all stages of the investment cycle of the Siloé Infrastructure and Environmental Revolution and Solidarity funds and then of a regular follow-up, based in particular on the initiation on an internal questionnaire, the key points of which are updated every year.

The roadmap shall be fed as necessary into the investment phase and regularly updated with the relevant counterparty.



c) Customer Information

The management company has no members, contributors, beneficiaries or clients.

Subscribers (professionals within the meaning of the MIF2 regulations and intra-group) are informed of the criteria relating to the ESG objectives taken into account in the investment policy and strategy of the FPS Siloé Infrastructure and the SLP Revolution Environnement et Solidaire via the annual management

report including a section relating to extra-financial performance complying with the format of Delegated Regulation 2022/1288 applicable to the funds “Article 8” and “Article 9”.

The other funds managed by the management company are “Article 6” funds (i.e. they do not have a sustainability objective and do not promote ESG criteria). FPCI KAIROS ALPHA's investment policy is shared with investors through the fund's rules. The annual and half-yearly reports are also sent by name by courier. Subscribers of FIP and innovation mutual funds are informed about investment policy through the sharing of fund rules and annual and half-yearly reports on their secure internet space. These funds are in the liquidation phase as of 31.12.2024.

Finally, the information to be made public pursuant to Article 29 of the Climate Energy Act (LEC), Regulation EU 2019/2088 (SFDR.), Regulation 2020/852 (Taxonomy) and the delegated regulations (in particular Regulations EU 2022/1288 and EU 2021/2178) shall be updated according to the prescribed schedules on the website of the management company, including the stock managed and the total balance sheet exceeds €500 million since financial year 2024 and has a staff of less than 500 people.

d) Entity membership in initiatives

Crédit Mutuel Impact has signed the France Invest Responsible Investor Charter and has signed the “Initiative Climat International (ICI)” promoted by the incident response plans (Principle Responsible Investment), confirming Crédit mutuel Impact's commitment to combating climate change.

2. Organization of the entity

a) Internal resources deployed by the entity

As of 31.12.2024, Crédit mutuel Impact employs 14 people and the resources dedicated to the consideration of ESG criteria are internal. All members of the management team (investors and investment managers supported by impact experts) take ESG criteria into account when investing and monitoring shareholdings, according to a structured approach, regularly updated and framing the relative methods:

- the determination of whether investments are sustainable;
- monitoring controversies;
- the measurement of sustainability risks through the collection of significant key impacts at least annually;
- the collection of the key indicators of environmental, social and societal performance of the funds managed, defined in agreement with the subscribers in the pre-contractual information;
- the examination of eligibility and alignment for the European Green Taxonomy (Regulation (EU) 2020/852 and associated delegated regulations);
- carbon emissions and avoidance measurement, updated at least annually using public databases (in particular ADEME's footprint) and statements from funded companies;
- forward-looking carbon avoidance analysis linked to the equity business plan;
- regular dialog with companies, where appropriate under the terms of the ESG clause of the shareholders' agreement.

The environmental and social impact is the first prism for analyzing funding requests through the SILOE Infrastructure and Environmental Revolution and Solidarity funds and its analysis in the investment and

monitoring phase occupies a large part of the team's working time. In total, the management company estimates that there are three full-time equivalents for the means associated with taking ESG criteria into account.

In addition, Crédit Mutuel Impact can draw on Crédit Mutuel Alliance Fédérale's resources and network of experts, including the Mutualist Institute for Environment and Solidarity, for training, monitoring, sector analysis and communication strategy. In terms of impact, the communication on the Environmental and Solidarity Revolution Fund is closely associated with that on the Crédit Mutuel Alliance Fédérale Societal Dividend and with that on the follow-up of the commitments made in the framework of the status of company with a mission of the banking group.

b) Approach to taking into account environmental, social and quality governance criteria at the level of the entity's governance

Crédit Mutuel Impact's governing bodies are the following :

- Crédit Mutuel Impact's operational management executes the strategy, allocates resources, deploys the vision from an environmental, social and governance perspective, pilots and postpones financial and extra-financial performance, and relies on the investment committee that identifies, evaluates, selects and delivers investments and divestments;
- Crédit Mutuel Impact's Board of Directors is responsible for setting the overall policy and direction of the business, appointing and removing executives, and adopting evaluation measures (effectiveness, risk).

This governance is complemented on the perimeter of the Environmental and Solidarity Revolution Fund by a strategic committee that issues recommendations related to the investment doctrine, ensures the proper integration of the fund in the Crédit Mutuel Alliance Fédérale ecosystem and the coherence of the investments with the objective of carbon neutrality and sustainability.

On the perimeter of the Siloé Infrastructure Fund:

- an ethics committee, made up of neutral members, is responsible for managing conflicts of interest. Dedicated internal processes allow to identify and manage potential conflicts of interest;
- an advisory board, composed of the main subscribers, shall ensure that investment decisions are consistent with the investment policy of the fund and shall communicate to its members information on the implementation of the investment strategy.

Although not formally included in the rules of procedure of the Board of Directors of Crédit Mutuel Impact, the environmental, social and governance quality criteria are widely taken into account by these bodies whose members have significant experience and a very good understanding of ESG criteria and issues. This is evidenced by the amounts committed to the Environmental and Solidarity Revolution Fund and acting for the preservation of biodiversity, more sustainable energy production, more solidarity-based housing and more responsible food production, as well as the direct participation of the fund's deployment in Crédit Mutuel alliance fédérale's strategic plan and in the fulfillment of the commitments made in the framework of its status as a mission enterprise.

Furthermore, the composition of the management company's governance bodies reflects its desire for a balanced representation between women and men:

- Crédit Mutuel Impact is headed by a Managing Director who includes a Deputy Managing Director and a Deputy Managing Director for Impact;
- parity shall be ensured within the Investment Committee;
- The Board of Directors of Crédit Mutuel Impact had 33% female directors and one independent director in 2024.

Finally, Crédit Mutuel Impact's remuneration policy is strictly in line with Crédit Mutuel alliance fédérale's remuneration policy, while respecting the regulatory requirements applicable to management companies authorized under the AIFM Directive and the provisions of the SFDR (in particular Article 5).

3. Engagement Strategy

a) Policy of engagement

Crédit Mutuel Impact exercises its investor responsibility in several ways:

- ongoing dialog with the management of the funded companies;
- a commitment, irrespective of the type of holding (shares, convertible bonds, debts), to companies financed by funds promoting or aiming at sustainable investment;
- voting, where the investment is made in shares;
- upstream active participation in the governance bodies of the financed company.

Crédit Mutuel Impact has initiated and maintained a regular dialog on ESG issues with all the companies financed through the SILOE Infrastructure and Environmental Revolution and Solidarity funds.

As regards the Environmental Revolution and Solidarity Fund, and as mentioned above in application of the provisions laid down in the shareholders' agreements, an impact committee whose conclusions are shared with the managers of the companies financed has also been set up in most of the companies financed. A representative appointed by Crédit Mutuel Impact is a member, particularly with the objective of enriching and following the established roadmap in the environmental, social, societal and quality of functioning of the governance bodies.

b) Voting policy

Crédit Mutuel Impact's Shareholder Engagement Policy is public and published on the website of the management company. Its content follows the recommendations of Articles L533-22 and R533-16 of the Monetary and Financial Code to describe how the management company integrates its role as shareholder.

The voting policy is an extension of the investment strategy, in line with the guidelines set out in the regulations of each fund. It is intended to cover all shares held for all companies, regardless of size, nationality or voting shares held. It is based on respect for minority shareholder rights, equity between shareholders, transparency and quality of information provided to shareholders, balance of power between management bodies, sustainability and integration of the long-term strategy of companies and support for best corporate governance practices.

As a signatory to France Invest's Charter of Investor Engagement for Growth and a member of the International Climate Initiative promoted by the Principles for Responsible Investment (incident

response plan), Crédit Mutuel Impact integrates into its voting policy the environmental, social and good governance dimensions and takes into account the results of the indicators concerning the main negative impacts, including in particular (non-exhaustive list):

- Continuous verification of the absence of exposure of the funded company to the fossil fuel sector;
- the share of activities with a negative impact on biodiversity sensitive areas;
- the absence of a breach of the principles of the UN Global Compact;
- lack of exposure to controversial weapons;
- monitoring gender equality;
- the protection of employees through the existence of a policy for the prevention of accidents at work.

Overall, all the main negative impacts identified are analyzed against the sectoral policies applied, with a long-term perspective and on the basis of equity.

When the management company decides to invest in the capital of a company, it generally adheres to the business plan of the management of the company. However, the management company reserves the right to tighten its shareholder engagement policy and vote against or abstain from voting, especially if it considers that the main negative impacts are not sufficiently reduced over the period covered and/or that a resolution is likely to have a highly negative impact (environmental, societal or financial) affecting the value of the company or its environmental and societal impact.

c) Review of the engagement strategy

In 2024:

- the turnout at general meetings is 97% (directly or through the expression of power) with 96% of votes for resolutions presented by the social management bodies, 3% against, and 2% abstention;
- of the 228 votes cast, 4 concern employee share ownership;
- Crédit Mutuel Impact has not tabled any resolution.

4. Approach to environmental issues

a) European Taxonomy and fossil fuels

Taxonomy Regulation (EU) 2020/852 defined 6 environmental objectives and identified the most material sectors to achieve the climate change objectives of the Paris Agreement. In line with its desire to participate fully in these objectives, Crédit Mutuel Impact analyzed the eligibility and alignment to the European taxonomy of each of the investments of the Siloé Infrastructure and Environmental Revolution and Solidarity funds.

These assessments were carried out on the basis of EU Delegated Regulations 2021-2139 and EU 2023-2486 and the declarations of the counterparties of the Siloé Infrastructure and Environmental Revolution and Solidarity portfolios, which were not published due to their status as unlisted companies and did not exceed the thresholds making the publication of an Extra-Financial Performance Declaration (EAPD) mandatory.

The results of the estimated Climate Performance Indicator (so-called voluntary as opposed to regulatory KPI that can only be calculated from the data published in the last available counterparties' extra-financial performance statement) were shared with the subscribers of the FPS Siloé Infrastructure and the Fonds Revolution Environnement et Solidaire SLP.

As of 31.12.2024, on the perimeter of the Article 8 and Article 9 funds (i.e. 95% of the stocks under management), more than 90% of the investments made met the climate change mitigation objective.

No investments have been made in the fossil fuel sector, as a result of sectoral exclusion policies. For further details, refer to the statement on the principal adverse impacts of investment decisions on sustainability factors.

b) Alignment Strategy with the International Goals of the Paris Agreement

Crédit Mutuel Alliance Fédérale decided as early as 2020 to embrace “Together, Listen and Act” as a raison d’être and to embrace mission-oriented enterprise quality. Societal and environmental objectives have since been enshrined in its statutes to accompany the ecological and societal revolution.

On 5 January 2023, Crédit Mutuel Alliance Fédérale decided to create the Societal Dividend, a decisive step in accelerating its work towards a fairer and more inclusive society. Each year, the Societal Dividend mobilizes 15% of the Group's consolidated net income to finance ecological transformation and social and territorial solidarity actions.

In line with Crédit Mutuel Alliance Fédérale’s commitments, Crédit Mutuel Impact is directly committed to environmental conservation and climate action and will take action by promoting sobriety and investing in:

- in companies that effectively contribute to this reduction objective regardless of their stage of development (R&D, prototype, scaling-up) where impact measurement is possible;
- in projects for the transformation of energy, waste recycling and recovery, transport, agri-food and lifestyle uses.

Crédit Mutuel Impact has not set a quantitative target for the increase in the implicit temperature or the volume of greenhouse gas emissions (especially in a context where, at the end of 2024, the volume of carbon absorption is well above the volume of emissions from funded start-ups whose activity is still underdeveloped). However, the management company has made concrete commitments to align its activities with compliance with the Paris Agreement:

- strict application of sectoral exclusion policies;
- priority investments in carbon sinks and in areas where reduction of greenhouse gas emissions is required, and insufficiently funded;
- measurement of CO2 emissions and avoidance (under the key indicators of the Siloé Infrastructure and Environmental and Solidarity Revolution funds);
- Systematic instruction on eligibility and alignment to the European taxonomy, and in particular to the climate change mitigation target as defined in Article 10 of the Taxonomy Regulation (EU) 2020/852: the activities concerned make ‘a substantial contribution to stabilizing greenhouse

gas concentrations in the atmosphere at a level that prevents dangerous anthropogenic interference with the climate system, in line with the long-term objective of limiting temperature rise set by the Paris Agreement, by avoiding or reducing greenhouse gas emissions or by improving absorption of greenhouse gases, including through process or product innovations.'

c) Strategy for alignment with long-term biodiversity objectives

Two major natural carbon sinks capture half of greenhouse gas emissions: forests, in proportions closely related to how they are managed, and oceans.

The preservation of carbon sinks, the protection of natural resources and the development of biodiversity are among the priority areas of Crédit Mutuel Impact's investment policy, particularly through the Environmental Revolution and Solidarity Fund.

The Environmental and Solidarity Revolution fund has acquired nearly 6,500 ha of forest assets in France with the aim of securing these carbon sinks in the long term, at a time when 30% of France's forests are threatened by climate change. Without proper management, some French forests have even become carbon-emitting. Forests make an indispensable contribution to our lives. In addition to their role in regulating the climate by capturing CO₂, they constitute essential biodiversity reserves. They also make possible recreational and cultural activities that make the territory rich. Without proper management, some French forests have even become carbon-emitting. Intensive use of these natural areas or poor maintenance can cause damage, negating their climate benefits and destroying biodiversity reserves.

Crédit Mutuel Alliance Fédérale and Crédit Mutuel Impact are committed to sustainably preserving these financed forest assets with a management policy that frames the sustainability of their management.

The forests acquired through the Environmental Revolution and Solidarity Fund are remarkable in Europe. The first, located in the Vosges du Nord, is one of the five largest private forests in France. It has nearly one million trees spread over seven different species (oak, beech, Douglas fir, Scots pine, etc.) that embellish an exceptional biodiversity, including nine ponds - wetlands that urgently need to be preserved for the climate. This forest was one of the first to be awarded the Forest Stewardship Council (FSC) label, which rewards forestry built with respect for its natural environment.

The second, located in Amboise, houses a forest massif that is one of the most beautiful oak groves in France, made up of sessile and pedunculate oaks and four ponds. The third is located in Arpheuilles.

All are managed according to the principles of a common forest management policy established by Crédit Mutuel Impact, which provides a framework for the sustainability of their management, defined, in line with the national forest and timber program, as "the stewardship and use of forests and woodlands in such a way and at such an intensity as to maintain their biological diversity, productivity, regeneration capacity, vitality and their capacity to fulfill, currently and for the future, the relevant ecological, economic and social functions at local, national and global levels and that they do not cause damage to other ecosystems". Forestry managers use mixed forest management with continuous cover to preserve natural capital as well as possible. The performance of their management is measured in

particular by taking into account the sequestration of carbon from forests and the preservation or even increase of biodiversity.

Thus, with regard to the preservation of the carbon sink and the limitation of carbon emissions linked to the exploitation of the forest:

- the harvest is systematically less than or equal to the annual growth of the forest (except for emergency cutting in case of specific risks) in order not to erode the forestry capital and to preserve the carbon sequestration capacity;
- cut timber is primarily used for short-circuit timber sales.

With regard to the implementation of best practices promoting biodiversity, the forestry management implemented shall:

- promote natural regeneration to preserve the genetic diversity potential of indigenous species when they are well adapted to the geographical situation of the forest;
- promote the diversity of species during hammering;
- select micro-habitat trees for conservation;
- limit soil compaction that depletes microfauna;
- leave dead wood on the ground and promoting micro-habitats;
- create islands of senescence;
- respect the seasonality of the fauna and flora and in particular the period of reproduction of the fauna;
- leave the ponds in their natural state.

To measure the housing capacity of animal, plant and fungal species in forest stands, the deployment of the potential biodiversity index (PBI) measure is underway. The tool is based on questionnaires differentiated by location, habitat type and survey. It allows on a scale of 1 to 5 to score the following ten criteria:

- the number of native species;
- vertical vegetation structures;
- the volume of large standing dead wood;
- the volume of dead wood on the ground of large size;
- the volume of very large living timber;
- the number of live trees with dendromicohabitats;
- the existence and preservation of open flowering environments;
- the temporal continuity of the wooded state;
- existence and preservation of aquatic environments;
- the existence and preservation of rocky environments.

The objective of this measure is to take stock of the situation and to steer the value of this index with a view to continuous improvement.

5. ESG Risk Management

a) Control device

Crédit mutuel Impact duplicates Crédit Mutuel Alliance Fédérale's overall risk control and control framework. It is structured around three lines of defense: the operational line, the risk management function line and the internal audit function line. This organization complies with regulatory obligations with the three required functions: continuous control, compliance and periodic control.

The control system is organized in several levels:

- First level, operational or hierarchical controls: ongoing and operational monitoring is carried out by Crédit mutuel Impact employees;
- the second-level checks carried out:
 - o by the compliance and internal control officer;
 - o cross-functional supervisory teams (Crédit Mutuel Alliance Fédérale on-going monitoring and compliance functional lines);
- third-level controls are carried out by the Group's Inspectorate General.

The first and second level of control work is deposited on a control restitution tool. The level of control coverage and the results are shared with the governing bodies in their executive and supervisory role.

b) Taking ESG criteria into account in risk management

Non-financial risks, including the assessment of physical, transition and liability risks related to climate change and biodiversity are covered by this organization. These include:

- verification of compliance with sectoral policies;
- verification of the existence of an extra-financial policy of the project owner, or at least of an appetite for ESG issues at the level of the managers of the company receiving funding;
- verification of the proper use of internal ESG risk measurement tools and the development of the roadmap;
- verification of the consideration of sustainability risks and the measurement of significant key impacts;
- verification of the collection of the key indicators of the Articles 8 and 9 Funds and of the minimum provisions laid down in their statutory and contractual provisions;
- verification of compliance with reporting obligations;

and more broadly the verification of the proper application of the management company's ESG procedures.

6. Continuous improvement plan

Thematic	Areas of improvement
Quantifying the financial impact of key ESG risks	Data collection and reliability continues, particularly for major principal adverse indicators and physical climate risk assessments.