

Crédit Mutuel Capital Privé's responsible investor charter and implementation to the infrastructure fund

Introduction

Crédit Mutuel Capital Privé, which manages assets on behalf of third parties, operates in two main areas of activity: private equity and infrastructure.

It decided to formalise a Responsible Investor Charter at the management company level, setting out the major points of its ESG, climate, and impact policy. In addition to the management of development capital funds, this Charter includes a section on equity investments in the infrastructure sector.

For more than 20 years, Crédit Mutuel Capital Privé has been helping to steer the capital that it raises and manages towards promising sectors of the economy: the development of SMEs and support for innovative projects.

General philosophy relating to Crédit Mutuel Capital Privé

The ESG approach, which is central to the development of all entities of the Crédit Mutuel Alliance Fédérale group

Crédit Mutuel Capital Privé is an entity of the "equity investment" division of Crédit Mutuel Alliance Fédérale, whose parent company is Crédit Mutuel Equity. In this respect, Crédit Mutuel Capital Privé is fully committed to the responsible investor and social responsibility initiatives of its parent company, Crédit Mutuel Equity, and more generally Crédit Mutuel Alliance Fédérale, and asserts them in line with its own commitments.

- **The ambition of Crédit Mutuel Alliance Fédérale, a major player in the development of territories, is to "support members and clients throughout their life in their best interests [...] and to contribute, as close as possible to the territories, to the common good of a responsible, caring society committed to the ecological transition".** Crédit Mutuel Alliance Fédérale has adopted a strategic plan for 2019-2023, **ensemble#nouveau monde**, which incorporates the social, environmental, and governance criteria of the **Social and Mutualist Responsibility (RSM) strategy as tools for development.**
- As a vehicle for equity investment among players in the real economy, **Crédit Mutuel Equity** defends a responsible, sustainable, human vision of its investment business through a close geographical relationship that safeguards the interests of all stakeholders. Crédit Mutuel Equity has been a signatory of France Invest's ESG charter since 2015.

In an effort to diversify its assets and strengthen its involvement in the energy transition, Crédit Mutuel Equity has entrusted its subsidiary, Crédit Mutuel Capital Privé, with structuring an equity investment vehicle dedicated to infrastructure projects. **A conviction-based approach based on six values**

Crédit Mutuel Capital Privé is committed to Crédit Mutuel Alliance Fédérale's mutualist values and applies social and mutualist responsibility objectives to its activities. It also subscribes to the Charter of Values of its parent company, Crédit Mutuel Equity, (see attached document) and has decided to put particular emphasis on the values of **sustainability, responsibility, proximity, and team spirit.**

Crédit Mutuel Capital Privé's approach is intrinsically geared towards the interests of the subscribers of the funds that it manages with regard to the investment strategies presented to them. This approach requires **independent** management and decision-making.

Lastly, through its investments in infrastructure, Crédit Mutuel Capital Privé intends to make a positive contribution to the territories and seeks to maximise their **resilience** and impact.



SUSTAINABILITY



RESPONSIBILITY



PROXIMITY



TEAM SPIRIT



INDEPENDENCE



RESILIENCE

Implementation of these principles within the management company Crédit Mutuel Capital Privé

Establishing a Responsible Investment Charter is all the more valuable if the organisation that supports it implements these same principles internally.

Crédit Mutuel Capital Privé places individual and collective development at the heart of its employer responsibility by developing training and promoting diversity within its team. As such, the entire team is collectively responsible for ensuring the proper implementation of the Charter.

In addition to the internal rules of Crédit Mutuel Alliance Fédérale, which apply to Crédit Mutuel Capital Privé, the company has set up a working group tasked with drafting and monitoring a Code of Ethics. This Code, which will be available on the website, aims to (i) formalise the management company's commitments on social issues and to promote good internal practices gradually implemented but also to (ii) encourage the reduction of the management company's environmental impact: calculation of the carbon footprint, energy audit, zero-waste policy, soft mobility, responsible consumption, etc.

Public initiatives supported

Aware that sharing commitments is an essential guarantee of their effectiveness, Crédit Mutuel Capital Privé chose to sign France Invest's ESG Charter.

Crédit Mutuel Capital Privé's commitments for its new infrastructure equity investment fund

Infrastructure, an essential link in the planning and development of territories

By facilitating access to essential services, infrastructure is a key component of social well-being, economic growth, and territorial development:

- **Combating territorial imbalances:** infrastructure, digital, energy, and transport enable us to respond to the challenges of opening up the territories. They also allow for a more geographically egalitarian development and social inclusion of populations in mainland France and in the overseas territories.
- **Improving the competitiveness of the territories:** infrastructure contributes to the transformation of the territories and the strengthening of their attractiveness in terms of investments, businesses, and jobs.
- **Responding to environmental and societal challenges:** infrastructure, in particular energy and environmental infrastructure (for example, waste treatment and sanitation networks), contributes to the development of a low-carbon economy and the preservation of natural resources and states.

Through its new vehicle dedicated to infrastructure equity financing, Crédit Mutuel Capital Privé aims to contribute to the well-being and resilience of the territories in which it operates.

Commitments with stakeholders

For its infrastructure investment fund, Crédit Mutuel Capital Privé is committed to working exclusively with players that have developed a non-financial policy or demonstrate an appetite for ESG issues and to supporting companies and project leaders in their non-financial initiatives.

Closer look at the fund's impact approach

Through this Charter, Crédit Mutuel Capital Privé recognises that its business and the assets that it helps to finance have both positive and negative impacts, including on environmental issues. The company has therefore developed an approach based on measuring these impacts, controlling adverse impacts, and pursuing positive impacts.

To do this, the analysis methodology implemented by Crédit Mutuel Capital Privé's infrastructure investment fund is based on the reference framework of the Sustainable Development Goals promoted by the UN. Five of them were selected by the management company and form the matrix of its analysis methodology:



3 – Good Health and Well-being : Ensure healthy lives and promote well-being for all at all ages

6 - Clean Water and sanitation : Ensure availability and sustainable management of water and sanitation for all

7 - Affordable and Clean Energy: Ensure access to affordable, reliable, sustainable and modern energy for all

9 – Industry, Innovation & Infrastructure : Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

13 – Climate Action : Take urgent collective actions to limit climate change and its impacts

Closer look at the climate strategy

In line with Crédit Mutuel Alliance Fédérale's climate strategy, announced in February 2020, Crédit Mutuel Capital Privé is committed, for its infrastructure investment fund, to combating global warming and promoting the financing of assets that will help meet the objectives of the Paris Agreement¹.

In this context, the fund will draw on two methodological tools: the European Taxonomy² to help it select the projects and project leaders operating in the most favourable sectors and the TCFD³ to report on its actions on the subject.

The good climate reporting practices promoted by the TCFD fall into four categories:

- *governance – or whether and how governance takes climate-related risks and opportunities into account,*
- *strategy – or the actual or potential impacts of climate-related risks on the fund's internal organisation and investment strategy,*
- *risk management – or processes defined to identify, measure, and manage climate-related risks,*
- *metrics and targets – or those chosen to identify, assess, and manage climate-related risks.*

Each of these categories will be further explained in an internal document summarising the internal non-financial procedures and tools.

Methodology and implementation in the investment Cycle

Sector Exclusions

Crédit Mutuel Capital Privé is committed to respecting Crédit Mutuel Alliance Fédérale's sector policies and therefore excluding from its infrastructure investment fund's investment universe any projects and project promoters in sectors related to the exploration, production, transport infrastructure, or processing of coal and hydrocarbons from oil sands, shale, heavy and extra-heavy oil, and any oil or gas project located in the Arctic.

¹ The Paris Agreement commits governments and companies to contain global warming well below 2 °C above pre-industrial levels and to pursue efforts to limit warming to 1.5 °C.

² The European taxonomy is a nomenclature of sectors considered to generate environmental benefits.
https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy_en.pdf

³ TaskForce for Climate-related Financial Disclosures. A working group of the Financial Stability Board (G20) that promotes a set of best practices in corporate climate reporting. <https://www.fsb-tcfd.org/>

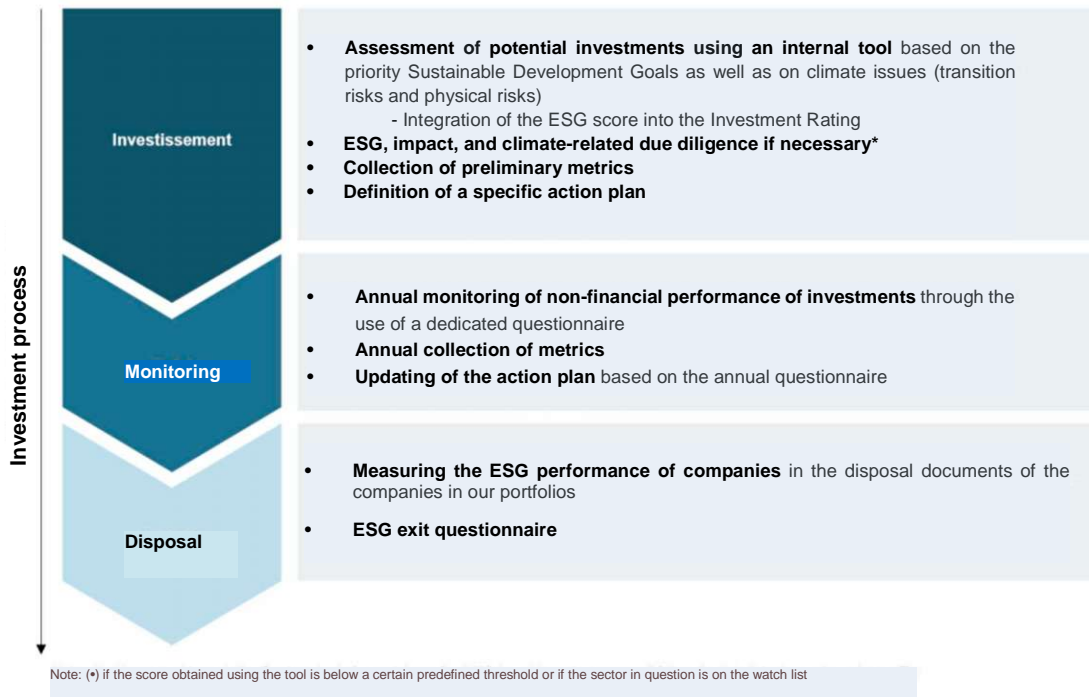
Investment themes

In addition to sector exclusions consistent with Crédit Mutuel Alliance Fédérale’s general policy, Crédit Mutuel Capital Privé is committed, for its infrastructure investment fund, to an approach to climate issues based on best market practices and, in this context, aims to align a significant majority of its future investments with the European taxonomy.

Investment processes and tools

All investments reviewed by the fund will be covered in the responsible investment approach detailed here.

Crédit Mutuel Capital Privé incorporates non-financial issues throughout the investment cycle of the infrastructure investment fund.



Reporting

Crédit Mutuel Capital Privé is committed to publishing an annual non-financial report for the fund.

Governance of the new infrastructure fund and dialogue

The infrastructure investment fund will have transparent governance based on three pillars.

- An **Investment Committee** made up of the Chief Executive Officer and the Deputy Chief Executive Officer. Its purpose is to take decisions on (i) the selected investments, (ii) the proper management of these investments, and (iii) the appropriate exit conditions.
- An **Ethics Committee**, made up of neutral members, in charge of managing conflicts of interest. Dedicated internal processes are in place to detect and resolve potential conflicts of interest.
- An **Advisory Committee** made up of the main subscribers. It aims to ensure the consistency of investment decisions with respect to the fund’s investment policy and to provide its members with information on the implementation of the investment strategy.

Lastly, the fund is committed to implementing a policy of dialogue with the project promoters and companies in which it invests.

Appendix: Charter of Values of the “Equity Investment” division of Crédit Mutuel Alliance Fédérale

Charter of values	Fundamental Principles	Managerial Principles
Responsibility	We invest directly or indirectly in equity with our clients and advise them always in keeping with the rules of ethics, business, and their financial, economic, social, and environmental contributions.	We individually and collectively promote CM-CIC Investissement’s commitments, responsible for our actions and their consequences. We strictly observe ethical business behaviour.
Trust	In addition to our legal commitments, we want to create a professional, solidarity-based mutual relationship with our clients and partners that respects the requirements of transparency, loyalty, and confidentiality.	On behalf of CM-CIC Investissement and on an individual basis, we make every effort to ensure that companies and their leaders have a climate of understanding and support that is beneficial to them and their projects. We know how to create a personalised, simple, tailored relationship with them.
Loyalty	We are partners with our clients. Our commitment to them is strong and in our common interests. In every situation, we keep our word and commitments.	We share the desire to make a positive contribution to help CM-CIC Investissement run smoothly with the rights and duties that this entails for each of us. Our behaviour towards management and our peers is frank, honest, and open.
Team spirit	We share the entrepreneurial spirit of the leaders of our holdings and integrate their concerns and successes. We are not independent investors. We are active in the Crédit Mutuel CM11 group and are constantly aware of its interests and those of our clients.	We share the feeling and desire to work together towards a common goal. We pool our individual talents and our sense of the collective in our operations. We exchange our information in a spirit of transparency for greater efficiency and a good understanding on a daily basis.
Sustainability	Our commitment is for the long term. We behave as a patient investor if necessary. We do not seek short-term results at the expense of corporate interests.	We demonstrate a true sense of the long term before, during, and after the transactions that we carry out for our clients. We capitalise on experiences and share them to provide better service to our clients and gain expertise.
Proximity	We are present in the territories and are aware of the regional and local issues of companies, their environment, and the day-to-day concerns of management. We support their national and international development in synergy with the Crédit Mutuel CM11 group where appropriate.	We always seek to understand the points of view and issues of companies and their leaders in order to be responsive and effective in our discussions, adapting to local and sectoral contexts. We get to the point without unnecessary jargon or tech-speak and without arrogance.
Innovation	In addition to financial innovation, to be improved constantly, we are continuously monitoring our environment and looking for new ideas, technologies, or initiatives with or for our clients.	We encourage the application of new ideas and suggestions from employees to detect, propose, and possibly build innovative projects, products, services, or packages without unnecessary complexity.
Performance	In France and internationally, we aim to optimise returns on the capital entrusted to us for all stakeholders. We do our utmost to achieve this by sharing risks and profits without deviating from our ethical and professional rules.	Collective performance is always greater than the sum of individual performances. We set individual and collective performance targets within the teams, ensuring that the added value provided to the client is maximised in accordance with the contracts.
Excellence	We see ourselves as the leading partners alongside the management and shareholders of successful companies by providing them with a high level of expertise and contribution.	We seek the highest level of individual and collective aptitude and standards by continuously improving the rigour of judgment and analysis, market expertise, and the sharing of best practices and accumulated know-how.
Enthusiasm	We mobilise our collective ambition and energy to ensure the success of our clients’ projects. We do not wish to remain “passive” investors or advisers and are ready to play a leading role in action and performance.	We are driven by a shared vitality and momentum where integrity, an appetite for effort, a fighting spirit, and the joy of working together meet. We know how to challenge ourselves positively to constantly improve collective performance.