

CORPORATE AND SOCIAL RESPONSIBILITY 2015 EQUATOR PRINCIPLES REPORT

RESPONSIBLE FINANCE

Societe Generale considers the Environmental and Social (E&S) issues associated to its activities to better control their impact and promote good E&S practices. To this end, the bank has defined E&S General Guidelines, as well as E&S policies which set key standards and parameters for a responsible engagement. This E&S framework encompasses the initiatives of the banking sector that Societe Generale has joined, including the Equator Principles (EP) which the bank adopted in 2007.

The objective of this EP Implementation Report is to share information with our stakeholders regarding how Societe Generale has applied the EP in 2015. Annual public reporting is one of the commitments the bank has made when joining this initiative.



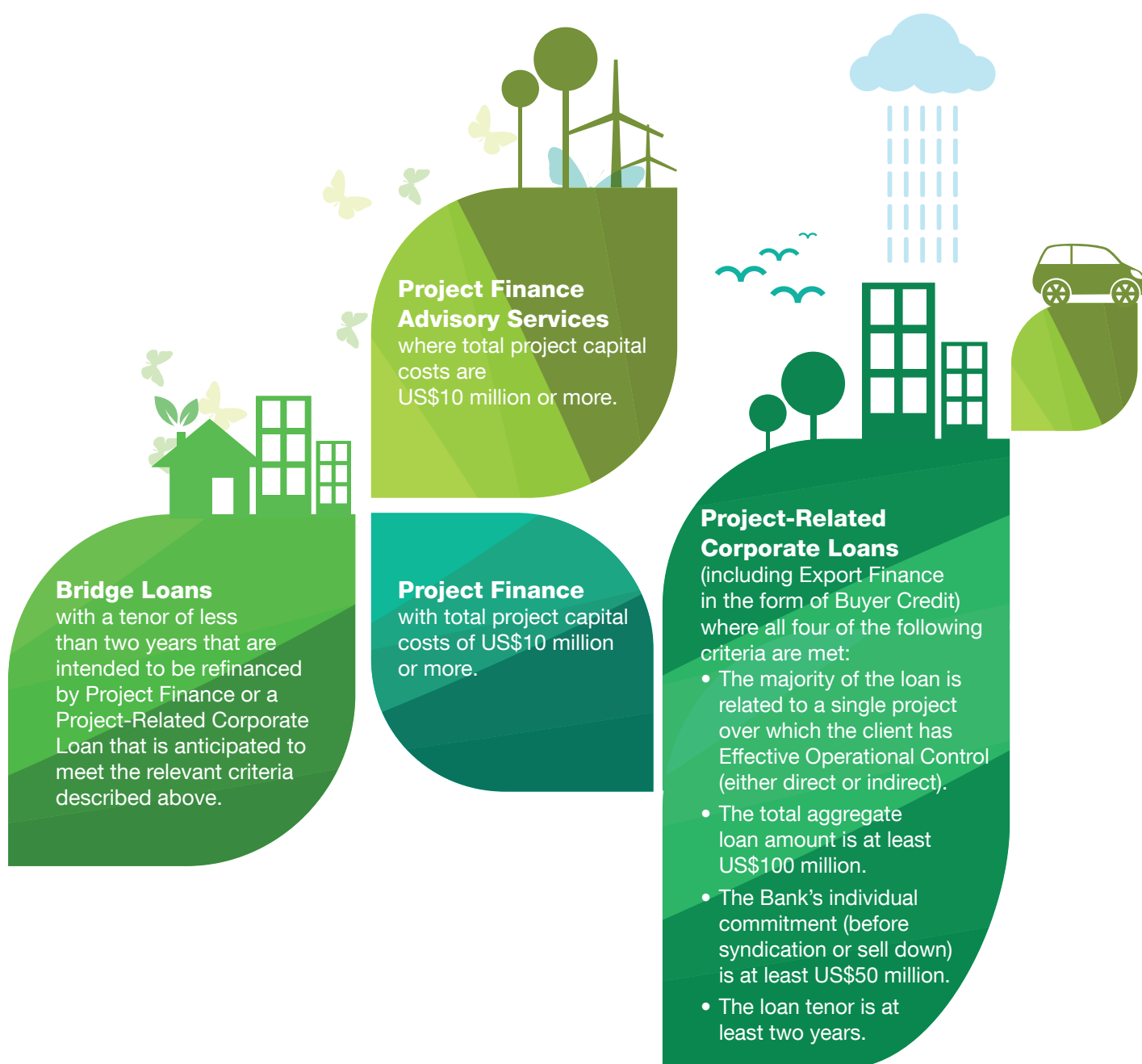
EQUATOR PRINCIPLES

The Equator Principles is a risk management framework adopted by financial institutions, for determining, assessing and managing E&S risk in projects.

They have been adopted by 83 international financial institutions in 36 countries to date.

SCOPE

The EP apply globally, to all industry sectors and to four financial products:



FRAMEWORK – SOCIETE GENERALE’S COMMITMENTS

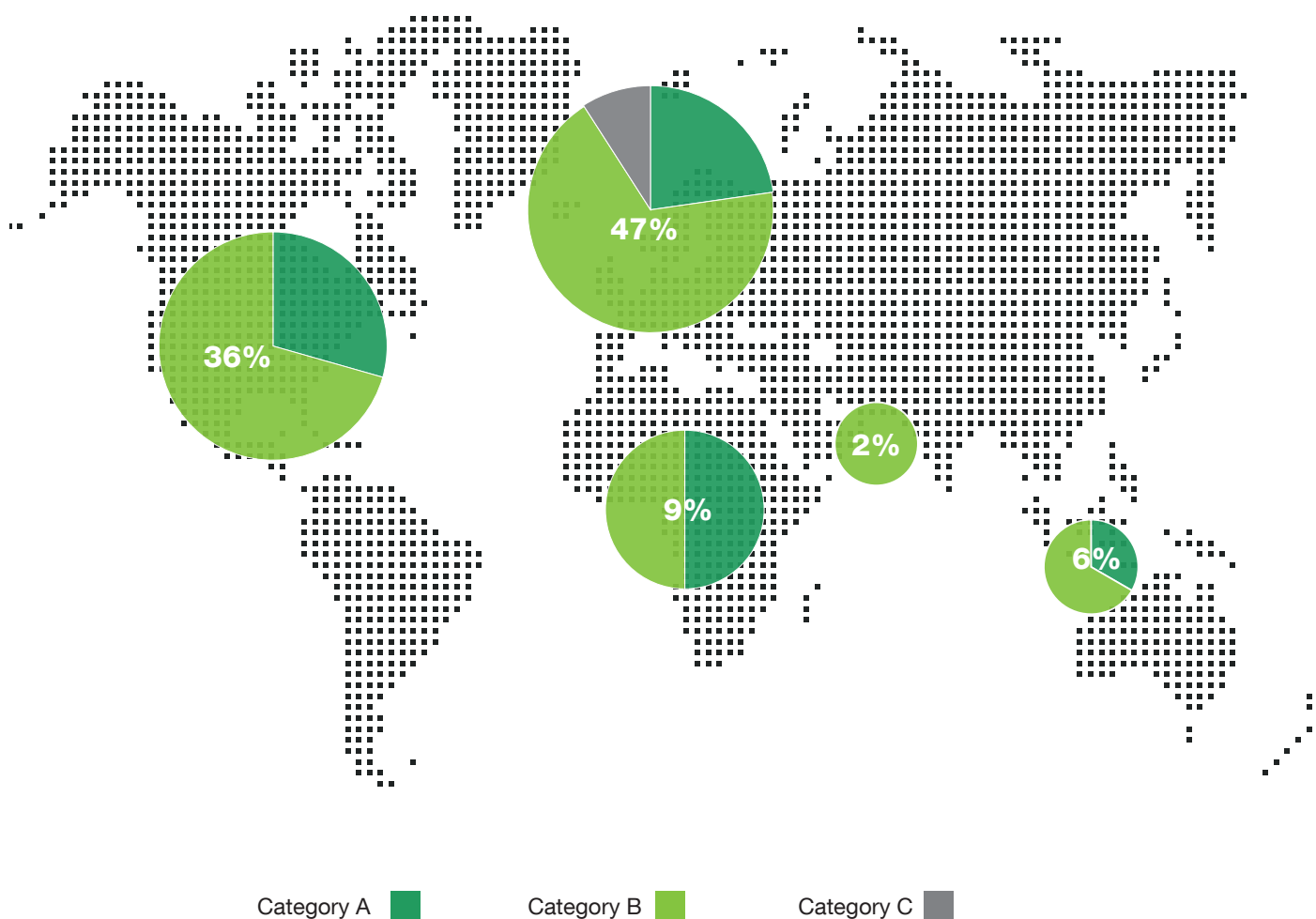
SOCIETE GENERALE COMMITMENTS FRAMEWORK

As an EP Financial Institution (EPFI), Societe Generale has committed to implement the EP in its internal E&S policies, procedures and standards and to refrain from providing loans falling within the scope of the initiative which do not comply with the EP. This strong commitment is supported by robust internal procedures, tools and competence.

Societe Generale has developed Group’s Environmental and Social (E&S) General Principles and 12 E&S sector and cross-sector policies appended to them which refer to EP commitments. These E&S General Principles have a status of internal Directive and are signed by the Chief Executive Officer.

In order to implement those E&S General Principles throughout the organization, procedures have been set at the Group level (Instruction) signed by Corporate Secretariat. These procedures are addressing both clients and transactions conducted with our clients. As such, EP transactions are run through these procedures.

EP TRANSACTIONS SIGNED BY REGION AND CATEGORY IN 2015 (NUMBERS)



SOCIETE GENERALE'S DECISION MAKING PROCESS

EQUATOR PRINCIPLES IMPLEMENTATION

Front officers hold primary responsibility for the implementation of the EP. They identify transactions which fall within the scope of the EP, categorize the projects, review the E&S documentation (due diligence report where applicable or other documentation received from the client) and draft an E&S memo for projects in categories A and B.

The E&S advisory team review (E&S advisory team is part of the commercial team) is required for all A and B categorised projects. The team, which has a field expertise, provides a second E&S review and engages in discussions over E&S impacts and management measures with the client, the E&S independent expert or counterparts from other financial institutions where necessary. They may also visit the project site. As a result, it is compulsory that the E&S advisory team provides its opinion on the opportunity to pursue the deal (with potential E&S conditions) or not to pursue the deal.

The procedure addressing EP transactions integrates all the EP principles and describes for each of them the implementation process within Societe Generale group.

IDENTIFICATION

Categorisation of the project: the potential E&S risks and impacts attached to the project are identified to determine the depth of the E&S due diligence that will need to be conducted. It is important to stress that categorisation is not a rating of the E&S performance of a project but reflects the magnitude of potential E&S risks and impacts prior to mitigation measures: category A projects are intrinsically more likely than other projects to have important E&S impacts due to their size, nature (including sector), or the vulnerability of the natural or social environment they are located in. The point of early categorisation is to ensure that all relevant E&S issues will be carefully assessed and mitigated.

EVALUATION

Evaluation, Remediation, Disclosure: under EP, the client conducts an E&S assessment of the project (category A and category B), develops an Action Plan demonstrating how impacts and risks are mitigated and monitored, discloses information and consults with project affected communities, and establishes a grievance mechanism, as appropriate.

Independent review and monitoring: an independent E&S expert with duty of care to the future lenders is involved to assess EP compliance of the project and/ or verify monitoring information for all category A and, as appropriate, category B projects.

E&S standards: in designated countries, the regulatory, permitting and public comment process requirements are considered an adequate and sufficient set of E&S standards. In non-designated countries, compliance with the IFC Performance Standards and World Bank Group EHS Guidelines is required in addition to compliance with the local applicable E&S framework. Sustainability issues covered are broad and include labour standards, impacts on local communities (including resettlement), impacts on indigenous populations, impact on cultural heritage, pollutions and impact on natural resources and biodiversity.

ACTION

Actions and Opinions: as an EPFI, Societe Generale categorises the project, makes its own evaluation of how the steps taken by the client fulfill the EP requirements (assisted by independent E&S expertise where relevant), integrates EP covenants in the documentation and annually reports on the processes and projects. These requirements are reflected in the internal "Opinion memo" issued by the Societe Generale E&S advisory team and are part of the Risk decision as well as the compliance process.

In case of disagreement between the front officer and the E&S advisory team, the file is escalated to the highest levels of responsibility within the Corporate Investment Bank or, as the case may be, at Group level following the reputational risk process. This process may include additional participation of the **Compliance, Corporate CSR and Communication** departments to consider the case.

Legal documentation or advisory mandate, reflect the decision making. EP standard clauses (conditions precedent and monitoring of drawdowns, covenants, representations & warranties) have been drafted by the E&S advisory team and Societe Generale **Legal department**.

Middle Officers are responsible for controlling that legal documentations are in line with the decisions and for the monitoring of EP clauses. Where relevant, they can be supported by the E&S advisory team.

EQUATOR PRINCIPLES REPORTING

EP REPORTING UNDER EPIII

In 2015, the EP introduced new reporting obligations in order to improve transparency on transactions financed by members of the association.

SOCIETE GENERALE 2015 EP DATA

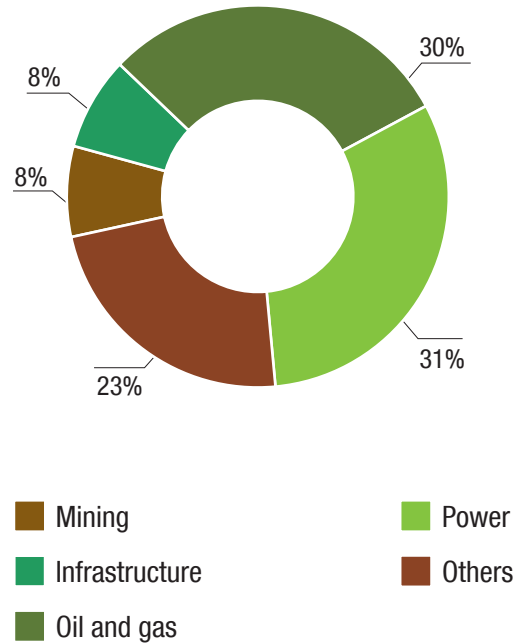
In 2015, **47 transactions**, namely **31 project finance transactions**, **5 project-related corporate loans** and **10 project finance advisory mandates** and **1 bridge loan** falling within the scope of the Equator Principles, were signed.

These data are certified by our **external auditor** (EY).

The table below shows the detailed distribution of the financial products and services signed in 2015 which fall in the EP scope. The breakdown follows the guidelines developed by the EP Association.

In 2015, 28% of the transactions signed were category A, 70% category B, 4% category C. Most of the projects were located in the Americas and Europe. For each transaction, the E&S Due Diligence process conducted by Societe Generale was commensurate with the nature, scale and stage of the Project, and with the level of environmental and social risks and impacts.

EP TRANSACTIONS SIGNED BY SECTOR IN 2015 (NUMBERS)

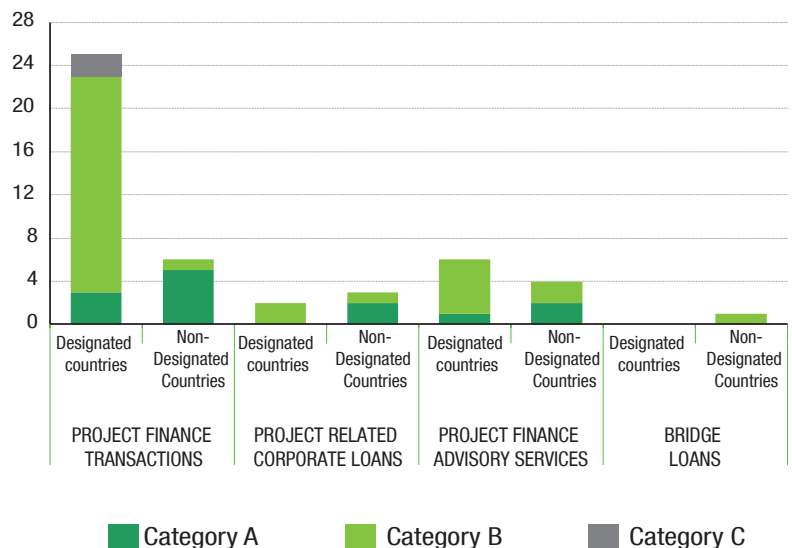


EQUATOR PRINCIPLES CATEGORIES

Category A – Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented;

Category B – Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures;

Category C – Projects with minimal or no adverse environmental and social risks and/or impacts



SOCIETE GENERALE'S 2015 EP REPORTING TABLE

	PROJECT FINANCE TRANSACTIONS			PROJECT-RELATED CORPORATE LOANS			PROJECT FINANCE ADVISORY SERVICES	BRIDGE LOANS
	BREAKDOWN BY CATEGORY			BREAKDOWN BY CATEGORY			BREAKDOWN BY SECTOR AND REGION	BREAKDOWN BY SECTOR AND REGION
	8	21	2	2	3	0	10	1
Sector	Category A	Category B	Category C	Category A	Category B	Category C		
Mining	5	-	-	-	-	-	1	-
Infrastructure	-	3	2	-	-	-	1	-
Oil & Gas	1	4	-	-	1	-	3	-
Power	-	12	-	1	-	-	4	1
Others	2	2	-	1	2	-	1	-
Sub Total	8	21	2	2	3	0	10	1
Region	Category A	Category B	Category C	Category A	Category B	Category C		
Americas	3	10	-	1	1	-	2	-
Europe, Middle East & Africa	4	9	2	1	2	-	8	1
Asia Pacific	1	2	-	-	-	-	-	-
Sub Total	8	21	2	2	3	0	10	1
Country Designation	Category A	Category B	Category C	Category A	Category B	Category C		
Designated Country	3	20	2	-	2	-		
Non-Designated Country	5	1	-	2	1	-		
Sub Total	8	21	2	2	3	0		
Independent Review*	Category A	Category B	Category C	Category A	Category B	Category C		
Yes	8	19	1	2	3	-		
No	-	2	1	-	-	-		
Sub Total	8	21	2	2	3	0		

* An Independent Review may not be required for all Projects e.g. an Independent Review is not required for Category C Projects. Please refer to the Equator Principles for details on what is required for each Category and product type.

PROJECT NAME REPORTING FOR PROJECT FINANCE

According to the EPIII reporting requirements, the EPFI submits project name data to the EP Association Secretariat for publication on the EP Association website.

Project name reporting is applicable to project finance transactions that are signed, subject to obtaining client consent, subject to applicable local laws and regulations, and subject to no additional liability for the Bank as a result of reporting in certain identified jurisdictions.

Below is the list of the EP project finance transactions which were signed in 2015.

PROJECT NAME	SECTOR	HOST COUNTRY NAME
Ammonia Production, Kingisepp	Others	RUSSIAN FEDERATION
Baltic 2	Power	GERMANY
Big River Steel	Others	UNITED STATES OF AMERICA
Block Island Wind Farm	Power	UNITED STATES OF AMERICA
Cheniere Corpus Christi	Oil & Gas	UNITED STATES OF AMERICA
Cobalt Heidelberg Upstream Project Finance Loan	Oil & Gas	UNITED STATES OF AMERICA
Çöpler Sulfide Project	Mining	TURKEY
Cross Valley Transmission Line	Power	UNITED STATES OF AMERICA
Freeport LNG Terminal - Train 3	Oil & Gas	UNITED STATES OF AMERICA
Gacho Kue Diamond Mine	Mining	CANADA
Galion 2 Biomass Power Plant (36.5MW)	Power	FRANCE
Galloper Wind Farm	Power	UNITED KINGDOM
Golden Spread AEEC to White River Transmission Line	Power	UNITED STATES OF AMERICA
Grupa Lotos Gdansk Refinery Expansion 2015	Others	POLAND
Haile Gold Mine Project	Mining	UNITED STATES OF AMERICA
Hornsedale Wind Farm renewable electricity Project (Stage 1)	Power	AUSTRALIA
Jazan Air Separation Unit	Others	SAUDI ARABIA
Lukoil Shah Deniz Phase 2 Project Finance Loan	Oil & Gas	AZERBAIJAN
M11 Gorey to Enniscorthy	Infrastructure	IRELAND
Meikle Wind Project	Power	CANADA
Metro5 Project	Infrastructure	ITALY
Nordsee One Offshore Wind Park	Power	GERMANY
Parque Solar Conejo	Power	CHILE
PPP Centrale Supélec Opération d'intérêt national Paris-Saclay	Infrastructure	FRANCE
PPP Université de Lorraine	Infrastructure	FRANCE
Sabine Pass LNG Import Terminal – Train 5	Oil & Gas	UNITED STATES OF AMERICA
St Joseph Energy Center	Power	UNITED STATES OF AMERICA
Sydney Light Rail	Infrastructure	AUSTRALIA
Veja Mate Offshore Windpark	Power	GERMANY
Wetar Copper Project	Mining	INDONESIA
Yaramoko project	Mining	BURKINA FASO

Calendar year in which the transactions were signed: all transactions were signed in 2015.

For more information on Equator Principles implementation, please contact contact.devptdurable@socgen.com

For full description of Societe Generale CSR framework and activities in 2015, check our [CSR report](#).

