

## **SOCIETE GENERALE GROUP IS RESOLUTELY COMMITTED TO THE TRANSITION TO A SUSTAINABLE WORLD**

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### **Press release**

Paris, 27 November 2023

Ahead of COP 28 and in the context of the 8<sup>th</sup> edition of Positive Impact Week\*, the Group's flagship event in sustainable finance, Societe Generale reiterates its main objectives and advances in favor of the transition to a sustainable world.

Under the leadership of the new General Management team, the Group has resolutely placed its ESG ambitions at the heart of its strategy and has announced in its 2026 strategic plan a series of major initiatives to accelerate its contribution to the environmental transition and, more broadly, to the UN's Sustainable Development Goals.

### **Accelerating the decarbonization of the Group's activities:**

- Withdrawal from the thermal coal sector is largely completed.
- Accelerating sharply the reduction of its exposure to the upstream Oil and Gas sector: the target set of -80% by 2030 vs. 2019 with an intermediary 2025 step of -50% is one of the most proactive among global banking players. It comes with an absolute reduction target for greenhouse gas (GHG) emissions across the entire Oil and Gas chain of -70% by 2030 vs. 2019.
- New decarbonization target for the commercial real estate sector, contributing to the alignment of the Group's financing to Net Zero trajectories by 2050.
- Publication of a dedicated NZBA Progress Report.

### **Investing in the development of solutions and partnerships to generate more impact:**

- Preparing for the announced launch of a new EUR 1bn investment fund focusing on transition, nature-based solutions, and impact-driven opportunities, and continuing the development of key partnerships, notably with the International Finance Corporation (IFC).
- Expanding its philanthropic actions: a new partnership announcement with The Ocean Cleanup, joining forces with the largest cleanup in history. As a key 'Mission Partner', Societe Generale will financially contribute to the international non-profit in developing technologies to clean up plastic pollution in oceans and stemming the inflow from rivers.

**Slawomir Krupa**, Chief Executive Officer of Societe Generale, states:

*"ESG issues are at the heart of our new strategic roadmap. To face climate imperatives and to support the Sustainable Development Goals as a whole, Societe Generale will consolidate its role as a driving force, with the ambition of acting as a leader in the transition and sustainable development of our economies. Our approach is holistic and part of a proactive, responsible and progressive process, which mobilizes all business lines and teams, and is based on ambitious, concrete, measurable and measured objectives. Anticipating risks as well as opportunities, we are acting to accelerate the decarbonization of our activities by proactively supporting our clients in the transition, and to support the development of innovative solutions and partnerships, contributing to the transformation towards a decarbonized and socially*

*responsible economy. I am convinced that it is by building on our entrepreneurial DNA and combining our efforts with our stakeholders that we will be able to succeed in the transition together."*

### **Details of the Group's voluntary decarbonization objectives**

Societe Generale is committed to a process of aligning its financing with trajectories compatible with the objective of reaching carbon neutrality in 2050, starting with the most greenhouse gases-emitting activities, as defined by the Net Zero Banking Alliance (NZBA).

The Group today announces a new target for commercial real estate and reiterates the targets announced at the Capital Markets Day and in Q3-2023:

- New target for commercial real estate<sup>1</sup>: reduction of -63% of the carbon emission intensity by 2030 vs. 2022, i.e., from 49kg of CO<sub>2</sub>e/sq m to 18kg of CO<sub>2</sub>e/sq m, aligned with the CRREM V2 scenario.
- Accelerate the reduction of upstream Oil & Gas exposure, reaching -80% by 2030 vs. 2019, with an intermediary 2025 step of -50% (vs. previous commitment of -20%).
- Stop providing financial products and services<sup>2</sup> dedicated to upstream Oil & Gas greenfield projects<sup>3</sup>.
- Phase-out exposure<sup>4</sup> on upstream Oil & Gas private pure players and reinforce engagement with energy sector clients, particularly on their climate strategy.
- Target on Oil & Gas financed GHG emissions of -70% by 2030 vs. 2019<sup>5</sup>.
- Automotive sector<sup>6</sup> target of -51% carbon emission intensity by 2030 vs. 2021, i.e., from 184 g of CO<sub>2</sub>e/km to 90 gCO<sub>2</sub>e/km.
- Steel sector target for an alignment score of 0 by 2030, based on the Sustainable Steel Principles for the 1.5°C scenarios of the IEA<sup>7</sup>.
- Cement sector target of -20% carbon emission intensity by 2030 vs. 2022, i.e., from 671g of CO<sub>2</sub>e/t to 535 gCO<sub>2</sub>e/t.

Societe Generale has been involved in renewable energy financing and positive impact finance for over 20 years, as a founding member of UNEP-FI's Positive Impact Finance initiative. The Bank has developed a solid technical expertise that has helped strengthen its progressive portfolio alignment approach in recent years and enables it to offer its clients innovative ESG solutions and advisory capabilities to support them in their own transition.

The alignment objectives set by the Bank, which are currently being implemented, are monitored using recognized indicators and methodologies for each sector. They are detailed in the dedicated [NZBA progress report](#) that the Bank has just published. This document describes the alignment process to which the Bank is committed and provides a status report on the progress and actions taken in line with the defined alignment objectives.

The Group's ESG ambition is also supported by an extensive training program for all its employees. Societe Generale has deployed a training program dedicated to CSR, including specific modules on decarbonization issues, offered to all its employees.

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<sup>1</sup> The target is built based on Societe Generale current portfolio mix, considering trajectories specific to each asset type and each country as described in the Carbon Risk Real Estate Monitor scenario (CRREM). As such, this target is subject to change.

<sup>2</sup> Effective as of 1st January 2024. The new sectoral policy detailing the modalities is available on Societe Generale's web page.

<sup>3</sup> Refers to projects for which the last Final Investment Decision (FID) was made after 31 December 2021.

<sup>4</sup> Effective as of 1st January 2024.

<sup>5</sup> Oil and Gas absolute financed GHG Emissions on scope 1, 2 and 3 end use covering the broad value chain from upstream, midstream to downstream.

<sup>6</sup> Concerning the credit exposure to car manufacturers.

<sup>7</sup> International Agency Energy.

*\* The 8<sup>th</sup> edition of Positive Impact Week will be held from November 27 to December 1, 2023, and is built around about fifty conferences organized in over 60 countries and, for the first time this year, in over 20 cities in France. It is the Group's flagship event in sustainable finance, designed to support clients in their own transition. Organized this year around the theme "Navigating the transition", Positive Impact Week is an illustration of the internal and external expertise that the Bank puts at the service of its clients to help them meet the challenges of transforming value chains, sectors, and ecosystems. Through the presentation of concrete cases and the sharing of expertise, the Group explores with its clients numerous transition solutions in multiple fields, with the aim of encouraging their emergence and financing: circular economy, electrification, sustainable mobility, nature-based solutions, sustainable agriculture.*

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**Societe Generale**

Societe Generale is a top tier European Bank with 117,000 employees serving 25 million clients in more than 60 countries across the world. We have been supporting the development of our economies for nearly 160 years, providing our corporate, institutional, and individual clients with a wide array of value-added advisory and financial solutions. Our long-lasting and trusted relationships with the clients, our cutting-edge expertise, our unique innovation, our ESG capabilities and leading franchises are part of our DNA and serve our most essential objective - to deliver sustainable value creation for all our stakeholders.

The Group runs three complementary sets of businesses, embedding ESG offerings for all its clients:

- **French Retail, Private Banking and Insurance**, with leading retail bank SG and insurance franchise, premium private banking services, and the leading digital Bank BoursoBank.
- **Global Banking and Investor Solutions**, a top tier wholesale bank offering tailored-made solutions with distinctive global leadership in Equity Derivatives, Structured Finance and ESG.
- **International Retail, Mobility & Leasing Services**, comprising well-established universal banks (in Czech Republic, Romania and several African countries), Ayvens (the new ALD | LeasePlan brand), a global player in sustainable mobility, as well as specialized financing activities.

Committed to building together with its clients a better and sustainable future, Societe Generale aims to be a leading partner in the environmental transition and sustainability overall. The Group is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

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