

## **Société Générale**

December 31, 2019

**One of the statutory auditors' report on the compliance of assets selected for the outstanding "Positive Impact Bonds" with Société Générale's Sustainable and Positive Impact Bond Framework, on the impact reporting provided to investors and on the management of the net proceeds**

ERNST & YOUNG et Autres



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To the Chief Executive Officer,

In our capacity as statutory auditor of Société Générale, we hereby present our report on (i) the compliance of the selected assets, reported by Société Générale in the Annual Use of Proceeds Reporting as of December 31, 2019 (available on Société Générale's website and covering the outstanding "Positive Impact Bonds" issued in 2015, 2016, 2018 and 2019), with Société Générale's Sustainable and Positive Impact Bond Framework, (ii) the impact reporting of these proceeds, and (iii) the management of the net proceeds.

#### **1. Reasonable assurance report on the compliance of the assets selected for the outstanding "Positive Impact Bonds" with Société Générale's Sustainable and Positive Impact Bond Framework and on the impact reporting provided to investors**

##### **Responsibility of the Company**

It is the responsibility of Société Générale to establish the selection and monitoring criteria (hereafter the "Sustainable and Positive Impact Bond Framework") and ensure their implementation.

##### **Independence and quality control**

Our independence is defined by regulatory requirements and the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures, to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

##### **Responsibility of the statutory auditor**

It is our role, based on our work, to express a reasonable assurance conclusion as to whether the selected assets and the impact indicators comply, in all material aspects, with Société Générale's Sustainable and Positive Impact Bond Framework (as of June 2019).

We conducted the work described below in accordance with International Standard ISAE 3000 (International Standard on Assurance Engagements) and professional standards applicable in France. To assist us perform our work, we called on our experts in sustainable development, under the responsibility of Mrs Caroline Delérable, partner.

## Nature and scope of work

In order to be able to express our conclusion, we undertook the following work in July and August 2020 for each of the four outstanding Positive Impact Bonds:

- We assessed the suitability of Société Générale's Sustainable and Positive Impact Bond Framework regarding its relevance, completeness, clarity, neutrality and reliability, taking into consideration the "Green Bonds Principles" dated June 2018<sup>1</sup> and the "Principles for Positive Impact Finance" dated January 2017<sup>2</sup>.
- We compared the list of assets included in Société Générale's Positive Impact Bonds as of December 31, 2019 with the list of assets in the latest reporting.
- We verified, based on the available evidence, that the selected assets are still complying (or, for new selected assets, comply) with Société Générale's Sustainable and Positive Impact Bond Framework.
- We verified the impact indicators of the selected assets:
  - The total installed capacity;
  - The climate benefits in terms of CO<sub>2</sub> avoided, using the methodology developed by the European Investment Bank<sup>3</sup> and prorated CO<sub>2</sub> avoided<sup>4</sup>, using the methodology developed by Société Générale.

## Conclusion

In our opinion, the assets selected for the outstanding "Positive Impact Bonds" comply, in all material aspects, with Société Générale's Sustainable and Positive Impact Bond Framework, and the impact indicators reported in the Annual Use of Proceeds Reporting as of December 31, 2019 are fairly calculated.

## 2. Attestation on the management of the net proceeds

It is also our responsibility to express our conclusion on the consistency of the carrying amount of the selected assets (expressed as the balance of the loans granted by Société Générale as per the accounting records for the financial year ended December 31, 2019) with the net proceeds of the bonds.

In the context of our role as *Commissaire aux comptes* (statutory auditor), we, with Deloitte & Associés, have audited the financial statements of Société Générale for the year ended December 31, 2019. Our work was planned and performed for the purpose of forming an opinion/conclusion on the financial statements taken as a whole and not on any individual component of the accounts, such as the carrying amount of the selected assets and the management of the net proceeds.

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<sup>1</sup> The Green Bonds Principles and Governance Framework are available on the website of the ICMA (International Capital Market Association): [www.icmagroup.org](http://www.icmagroup.org)

<sup>2</sup> The Principles for Positive Impact Finance are available on the website of the UNEP Finance Initiative: [www.unepfi.org](http://www.unepfi.org)

<sup>3</sup> The European Investment Bank developed methodologies for the assessment of project GHG emissions and emissions variations. The version dated December 2018 (11) which has been used is available at: [www.eib.org](http://www.eib.org)

<sup>4</sup> CO<sub>2</sub> avoided/k€ invested

Consequently, for the purpose of this attestation, our work consisted in verifying, for each of the four outstanding Positive Impact Bonds taken individually, the consistency of the balance of the loans granted by Société Générale (as per the accounting records for the financial year ended December 31, 2019) with their total net investment amount. Our work, which constitutes neither an audit nor a review, was performed in accordance with the professional guidance issued by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement.

On the basis of our work, we have no matters to report on the consistency of the carrying amount of the selected assets as of December 31, 2019 with the net proceeds of the Positive Impact Bonds.

Paris-La Défense, September 3, 2020

One of the Statutory Auditors  
ERNST & YOUNG et Autres

A handwritten signature in black ink, appearing to read 'M. Missakian', with a long horizontal flourish extending to the right.

Micha Missakian  
Partner