



# SUSTAINABLE AND POSITIVE IMPACT BOND FRAMEWORK

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Investor Presentation – September 2020

**THE FUTURE  
IS YOU**  **SOCIETE  
GENERALE**

# DISCLAIMER

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This presentation contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the Registration Document and Société Générale Base Prospectus as supplemented, both filed with the French Autorité des Marchés Financiers.

Further information regarding Société Générale Sustainable and Positive Impact Bonds Framework are available on the website of Société Générale (<https://www.societegenerale.com/en/measuring-our-performance/investors/debt-investors>)

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

Figures in this presentation are unaudited.

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1

# SG APPROACH TO SUSTAINABILITY

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# SUSTAINABILITY AND RESPONSIBILITY EMBEDDED IN CORPORATE PURPOSE



“Building together, with our clients,  
a better and sustainable future through responsible and innovative solutions”

## Key objectives

**SUPPORTING CLIENTS OVER THE LONG-TERM, TO PRESERVE THE REAL ECONOMY AND SUPPORT SOCIETY**

**DRIVING POSITIVE TRANSFORMATIONS TO CONTRIBUTE TO BUILDING SUSTAINABLE AND INCLUSIVE MODELS**

**FOSTERING A PIONEERING SPIRIT AND STRENGTHENING THE DEVELOPMENT OF OUR EMPLOYEES**



## SELECTED FINANCING TARGETS

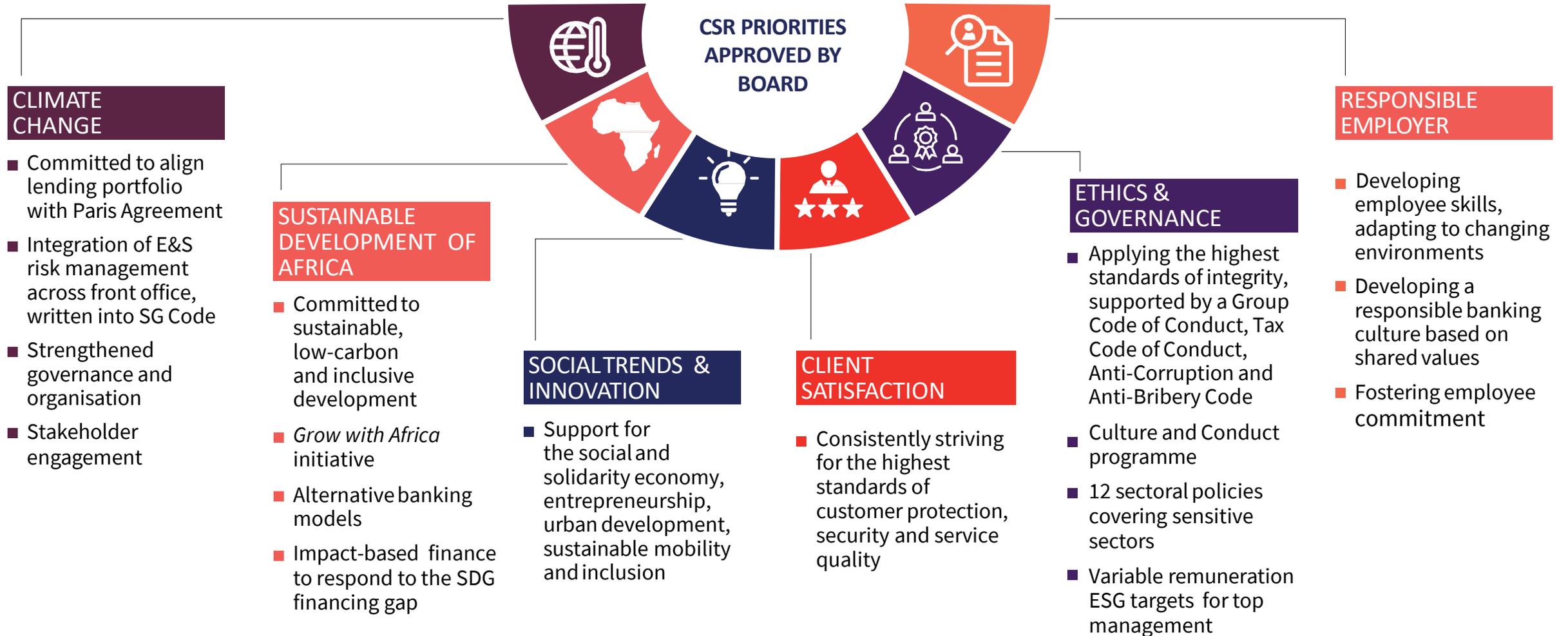
EUR 120bn to the energy transition 2019-2023

Reducing to zero the exposure to thermal coal sector by 2030/ 2040

Increasing loans to African SMEs by +60% 2018-2023

**Six strategic CSR priorities contributing to the UN Sustainable Development Goals (SDGs)**

# SIX STRATEGIC CSR PRIORITIES: "TRANSFORM TO GROW"



# POSITIONING SOCIETE GENERALE AS A LEADER IN SUSTAINABLE FINANCE AND INVESTOR ACTIVITIES

## TARGETING LEADERSHIP



- **Financing energy transition:**  
2020 EUR 100bn energy transition target achieved one year in advance  
New commitment of EUR 120bn over 2019-2023<sup>(1)</sup>
- **Unique client offer:**  
A sustainable banking proposition combining distinctive financial and ESG expertise
- **Focused on innovation:**  
Consistently defining new market standards, both for clients and for own account: first French bank to sign a Green Power Purchase Agreement in France
- **Deeply rooted in Africa:**  
"Grow with Africa" initiative has led to 7 "SME Centres" opened in 7 African countries
- **Transparency:**  
First 'TCFD' Climate Disclosure report published<sup>(2)</sup>

## RECEIVING RECOGNITION



- **Positive recognition by the extra-financial rating agencies, including:**
  - ✓ **AA rated by MSCI**
  - ✓ **#1 bank worldwide in Environment** and #6 bank in Europe across all ESG criteria (RobecoSAM 2019)
- Included in the **2020 Bloomberg Gender-Equality Index**
- Awarded **Best CSR Bank in Africa** (Euromoney 2019)
- Awarded the **Integrated Thinking Prize – Europe** category, capitalization >EUR7bn (Responsible Business and Governance Awards 2019)
- Winner of the **Customer Service of the Year 2020** award, for the 7th year in a row (Viséo Customer Insights)

(1) The Group is committed to raising €120 billion for the energy transition between 2019 and 2023, of which €100 billion in sustainable bond issues and €20 billion dedicated to the renewable energy sector through advisory and financing.

(2) Task Force on Climate-related Financial Disclosure

# SUSTAINABILITY RECOGNISED IN RATINGS

SG is well recognised by extra-financial rating agencies and included in the leading sustainability indices, including DJSI:

	Rating	Position vs peers
 Now a Part of 	79/100 90th percentile	#1 Bank worldwide in environment #6 European Bank across all ESG criteria
 MSCI ESG RATINGS AA <small>CCC B BB BBB A AA AAA</small>	AA	Top 14% of banks worldwide rated above AA
	71/100*	83 <sup>rd</sup> percentile
	66/100	SG in leading category 'Advanced' of 31 European banks, 6 are in Advanced status
	C « Prime »	Prime threshold

\* ESG rating based on former methodology

*“In this period of profound change we are experiencing, we are committed to an approach supporting the positive transformations of our clients and all of our stakeholders. CSR matters are at the heart of our Transform to Grow strategic plan. As external indicators, these results are proof of the growing integration of CSR issues in the development of the Bank’s activities.”*

**Diony Lebot, Deputy CEO**

# VOLUNTARY AND RESPONSIBLE POLICY



## REGULATORY REQUIREMENTS

- **NRE, CSR REPORTING - 2001:**  
France the first country to require CSR reporting
- **GRENELLE 2, ART. 225 - 2012:**  
Broader scope of CSR reporting
- **ENERGY TRANSITION ART. 173 - 2015:**  
Climate reporting and ESG integration compulsory for investors and insurers
- **DUTY OF CARE & SAPIN 2 – 2017:**  
Legal responsibility of E&S & HR violations: identify and mitigate risks and publish results
- **TRANSPOSITION OF EUROPEAN DIRECTIVE ON NON-FINANCIAL REPORTING - 2018:**  
Obligation to present business model and E&S risks
- **PACTE LAW – 2019:**  
Obligatory integration of CSR principles; voluntary publication of corporate purpose
- **NON-FINANCIAL REPORTING - 2020**  
Ongoing consultation on revisions to improve NFRD

- French law
- European law
- SG commitment

**E&S:** Environmental & Social



## SELECTED VOLUNTARY COMMITMENTS

- **EQUATOR PRINCIPLES - 2007:**  
Project finance
- **E&S SECTOR POLICIES - 2011:**  
on 12 sensitive sectors
- **COP 21 - 2015:**  
Coal sector policy, alignment with IEA 2°C scenario
- **SCIENCE-BASED TARGETS - 2016:**  
Setting emissions reduction targets
- **REINFORCED SECTOR POLICIES - 2017:**  
Arctic oil, oil sands
- **KATOWICE COMMITMENT- 2018:**  
5-bank pledge to align lending portfolio with Paris Agreement
- **POSEIDON PRINCIPLES, GETTING TO ZERO COALITION - 2019:**  
Decarbonising the shipping industry : founding signatory
- **STRENGTHENED COAL POLICY - 2019:**  
Introduction of corporate exclusion and target to reduce exposure to zero
- **TCFD - 2019:**  
Publication of first TCFD report
- **PRINCIPLES FOR RESPONSIBLE BANKING, COLLECTIVE COMMITMENT TO CLIMATE ACTION - 2019:**  
Founding signatory and core member defining the principles
- **SUSTAINABLE IT CHARTER - 2019:**  
Limiting environmental impact of technology and promoting digital inclusion
- **HYDROGEN COUNCIL - 2020:**  
Supporting the development of hydrogen for energy transition

2001

2020

# ALIGNING THE GROUP'S ACTIVITIES WITH THE PARIS AGREEMENT

COMMITMENTS UNDERTAKEN THROUGH THE **KATOWICE COMMITMENT**, **PRINCIPLES FOR RESPONSIBLE BANKING**, AND THE **COLLECTIVE COMMITMENT TO CLIMATE ACTION**:



DEFINE A COMMON  
METHODOLOGY

Piloting the PACTA methodology, together with the 4 other Katowice banks, analysing alignment of portfolios and targets with climate scenarios



APPLY THE METHODOLOGY TO  
KEY SECTORS

The methodology will be rolled out across different sectors, focusing on the sectors in our loan book generating the highest climate impact



SET OBJECTIVES

Sector-specific targets for portfolio alignment to be set by end-2022



**TRANSPARENCY:** publicly reporting on progress once a year  
**CLIENTS:** working with customers to improve their business practices

# 2

## SG SUSTAINABLE AND POSITIVE IMPACT BOND FRAMEWORK

# SG APPROACH TO POSITIVE IMPACT BONDS

## 1 Green, Social and Sustainability Bonds are of strategic importance for SG



Founding member of the **UNEP-FI “Positive Impact Finance Initiative”**, since 2015, and a core member of the UNEP-FI working group defining “Banking Principles”



Active member of the **ICMA Green and Social Bonds Principles**



First French bank Partner of the **Climate Bond Initiative**

### Group Commitment EUR 120bn

Dedicated to the energy transition including EUR 100bn in Sustainable bond issues and EUR 20bn dedicated to the renewable energy sector through advisory and financing between 2019-2023

## 2 SG already has Green Bonds outstanding, from various issuing vehicles under different formats



**Societe Generale SA** has issued two Positive Impact Bonds (senior unsecured) of EUR 500m each in 2015 and 2016, maturing in 2020 and 2021, to finance **renewable energy projects**

**Societe Generale Taiwan branch** published a Positive Impact Bond Framework and issued two Positive Impact Bonds (Formosa, senior unsecured) of TWD 1,600m in 2018 and TWD 3,600m in 2019 (multiple tranches, several maturities) to refinance **renewable energy projects**



**Societe Generale SFH** published a Positive Impact Covered Bond Framework and issued two Positive Impact Bonds (covered bonds) of EUR 1,000m each, maturing in 2029 and 2030, to refinance **green home loans**



Additionally, **ALD, SG’s car leasing subsidiary**, issued a EUR 500m Positive Impact Bond (CBI certified) in 2018 to finance the growth of the **green fleet** (via a dedicated Framework established for ALD)

## 3 In order to continue being active on this strategic area, SG evolves to streamline the whole approach

Set up a single Sustainable and Positive Impact Bond Framework outlining the Group’s holistic approach, with a view to:

- Increase the volume and the diversity of eligible activities: green (renewables, transports, ...) but also social (SME financing, education, ...)
- Allowing issuance from various entities of the group: SG SA, SG SFH, SG country branches, etc. under a common Framework

# SUSTAINABLE AND POSITIVE IMPACT BOND FRAMEWORK OVERVIEW

A single and broad Framework following best market practices...

SG's Sustainable and Positive Impact Bond framework is:

- ✓ fully aligned with the **UNEP FI's Principles for Positive Impact Finance** and its **Assessment Framework**
- ✓ fully aligned with the **ICMA's Green Bond Principles, Social Bond Principles** and **Sustainability Bond Guidelines**
- ✓ and designed to be consistent with the **TEG's EU Green Bond Standard**, when relevant and feasible



... and offering direct responses to SDGs

SG's **Positive Impact Bonds** will (re)finance eligible activities aimed at **generating environmental and/or social benefits** and will **support achieving one or several of the following United Nations Sustainable Development Goals**:



## Framework's main components

2 - Asset Evaluation & Selection

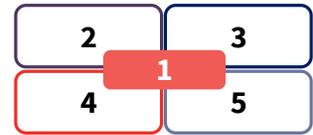
3 - Management of Proceeds

1 - Use of Proceeds

4 - Assessment / Reporting

5 - Transparency / External Review

# USE OF PROCEEDS



## Positive Impact Bonds characteristics

- **Any debt security** such as senior preferred bonds, senior non preferred bonds, subordinated bonds, covered bonds, structured bonds, or commercial papers and medium-term notes
- Issued by **any issuance entities of Societe Generale**
- Either **green, social or sustainability bonds** if an amount equivalent to the net proceeds is applied to (re)finance, in part or in full, eligible activities in the **green categories**, in the **social categories** or in **both categories respectively**

## Eligibility criteria for activities

Eligible activities will be selected :

- ✓ Based on the **eligibility criteria** defined for each category and described in the Framework, and
- ✓ According to the **qualification process for positive impact**

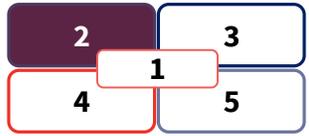
Eligible activities will exclude:

- ✗ Enterprises operating in the business sectors listed in appendix, such as, but not limited to, tobacco, gambling, weapons and munitions, alcohol (excluding beer and wine)
- ✗ Projects fully financed by any other type of funding\*

## Positive Impact Bonds categories

“Green Categories”	“Social Categories”
<ul style="list-style-type: none"> <li>• Renewable energy</li> <li>• Green buildings</li> <li>• Low carbon transport</li> <li>• Water management and water treatment</li> <li>• Pollution prevention and control</li> <li>• Circular economy</li> </ul>	<ul style="list-style-type: none"> <li>• Employment generation and preservation through SME financing</li> <li>• Socioeconomic advancement and empowerment</li> <li>• Affordable housing</li> <li>• Access to education and professional training</li> <li>• Access to healthcare</li> </ul>

# ASSET EVALUATION & SELECTION (1/2)



## Activities selection process

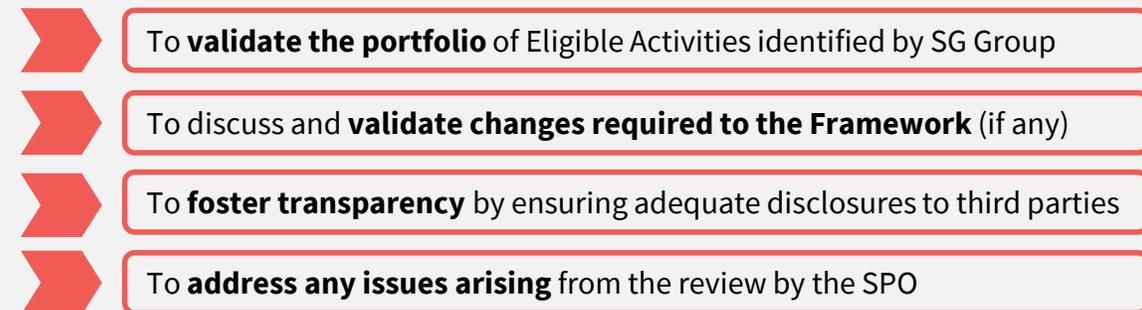
### THE POSITIVE IMPACT BOND COMMITTEE

- Chaired by **SG Head of Group Treasury**
- Meeting on at least a **semi-annual basis**
- Created to **ensure the compliance with the Framework** and **oversee the entire issuance process**

### Committee composition:



### THE COMMITTEE RESPONSIBILITIES



## A 3-steps qualification process

### IDENTIFICATION



- A first level of the ‘a priori’ positive impact through the **identification of potential negative impacts on the 3 sustainable development pillars** (economic convergence, populations’ basic needs and the environment) and of positive impacts at least on climate

### EVALUATION

- ✓ **Assessing positive and negative E&S impacts**
- ✓ **Assessing how negative impacts are addressed or mitigated**



- Only activities with well managed negative impacts combined with positive ones are at the end “positive impact”
- The E&S risks analysis performed encompasses the “**do no significant harm**” and the “**compliance with minimum social safeguards**” required by the **EU Taxonomy** for the selection of green categories Eligible Activities

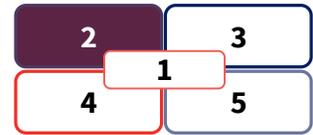
### ACTION



- For green activities, the positive impact on climate change is estimated based on **methodologies defined for each green category**
- For social activities, the positive impact on society is estimated according to the level of **available information based on the number of beneficiaries**

# ASSET EVALUATION & SELECTION (2/2)

## A SHARED HOLISTIC EVALUATION APPROACH



### Positive Impact approach

Positive Impact Finance is that which serves to :

Positive Impacts



Deliver a positive contribution to one or more of the 3 pillars\* of sustainable development

Negative Impacts



Once any potential negative impacts to any of the pillars have been duly identified and mitigated

(\* ) Economic, environmental and social

### EU Taxonomy approach

To be considered as environmentally sustainable, an economic activity must notably:



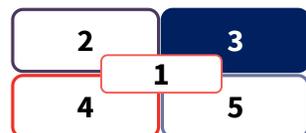
Contribute substantially to one or more of the 6 environmental objectives\*\*



Do no significant harm to any of the other environmental objectives

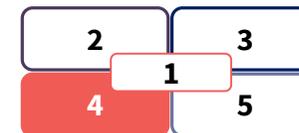
(\*\*) Climate change mitigation, Climate change adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Waste prevention and recycling, Pollution prevention and control, Protection of healthy ecosystems

# MANAGEMENT OF PROCEEDS & REPORTING



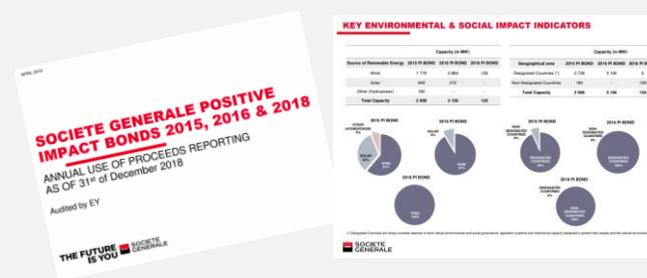
## Management of proceeds

- SG's Treasury department will manage the net proceeds of the Positive Impact Bonds in accordance with this Framework
- **Subsequent changes to the Framework will not apply to outstanding Positive Impact Bonds.** Eligible Activities must meet the eligibility criteria at the time they are flagged as Eligible Activities (possible future enhanced criteria will not apply retroactively to the existing Eligible Activities)
- During the life of the Positive Impact Bonds:
  - ✓ **Eligible Activities will be added to or removed** from the pool of Eligible Activities to the extent required
  - ✓ In case of removal of Eligible Activities, **SG commits, on a best effort basis, to reallocate immediately the equivalent amount of proceeds to other Eligible Activities**
- **Unallocated proceeds**, if any, will be managed within **SG's regular cash management operations**



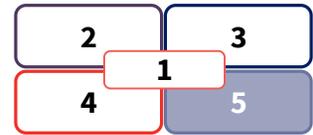
## Assessment / Reporting

- SG will publish **annually and until the maturity** of the Positive Impact Bonds a reporting on:
  - ✓ the **allocation of the net proceeds**, and
  - ✓ the **expected positive impact** of the eligible activities with **relevant impact metrics**, as per the indicative list included in the Framework, at **eligible activities level when applicable** and **per eligible category otherwise**
- SG will strive to **follow market practices such as the ICMA's Harmonized Framework for Impact Reporting**



*Example of information presented in SG's impact reports for its outstanding Positive Impact Bond (issued in 2015, 2016 and 2018)*

# TRANSPARENCY THROUGH EXTERNAL REVIEWS



## Second Party Opinion



- **ISS ESG** has reviewed SG's Framework and issued a **SPO on its environmental and social credentials and its alignment with:**

- ✓ The **PPIF** and the **ICMA Principles**

- *The issuer has defined a formal concept for its Sustainable and Positive Impact Bond Framework regarding definition, framework, assessment, and transparency.*
- ***This concept is in line with the UNEP FI's PPIF and the ICMA GBPs, SBPs and SBGs***

- ✓ As well as the **EU GBS** on a best effort basis

- *ISS ESG finds that the concept described in the **Société Générale Framework aligns with the draft model of EU GBS on a best effort basis***
- *Société Générale's eligible green categories are **aligned with the Technical Screening Criteria defined by the EU Taxonomy***
- *ISS ESG finds that **the willingness of Société Générale to align with the draft of EU Green Bond Standards before its official inception at the European level contributes to shape best market practices***

- As part of its evaluation, **ISS ESG also assessed the bank's ESG performance**, giving it "**Prime**" status (C rating) and ranking **SG 11<sup>th</sup> out of 285** companies within its sector



## Auditor review

- SG will request and make public, on an annual basis, a **reasonable assurance report**, provided by its external auditor or any other appointed independent third party on the reporting
- For each reporting, the auditors will verify:
  - ✓ **the allocated and unallocated net proceeds**
  - ✓ the **compliance of the eligible activities with the defined eligibility criteria** of the relevant categories
  - ✓ the **review of the positive impact reporting**

# 3

## REVIEW OF THE MAIN PUBLICATIONS AND CONTACTS

# PUBLICATIONS AND CONTACTS

## PUBLICATIONS

Link to the **Sustainable and Positive Impact Bond Framework**: [link](#)

Link to the **SPO**: [link](#)

Link to the **SG Sustainable and Responsible Banking presentation**: [link](#)

More information on **SOCIETE GENERALE's website**: [link](#)

## MAIN CONTACTS

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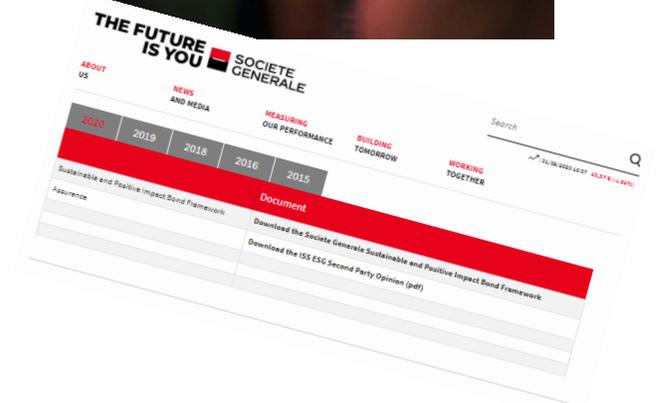
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# 4 APPENDICES

# WE ARE SUPPORTING OUR PEOPLE, CLIENTS AND ALL PARTNERS, WITH A DEEP SENSE OF RESPONSIBILITY



## EMPLOYEES

**Priority given to the care situation of our staff**

**Demonstrated capacity to fully operate remotely** at Group level

**Strong managerial support** and regular morale surveys

**Fixed salaries guaranteed** for 138,000 members of staff worldwide during the crisis



## CLIENTS

### CORPORATE

**Accompanying corporate and institutional clients** through the crisis, with **Financing and Advisory business** in all our geographies

Active participation to **support corporate companies** and **maintain jobs**

In **France**, active participation in a **smooth** and **quick** implementation of a **large-scale loan facility guaranteed by the French state**:

**~86,100 client requests for new loans within French State guarantee scheme for ~EUR 19bn, as of 24/07/20**

Participation to similar **loan programmes guaranteed by Governments** in **Czech Republic** and **Romania**

In **Russia**, 6-month **moratorium on bankruptcy** for companies operating in the most affected sectors

In **Africa**, **pro-active standstill measures from 3 to 6 months** implemented in most countries on top of potential local measures

Up to **EUR 100m** of financial commitments taken by **SG Insurance** to **support its clients and the economy**



## COMMUNITIES



A **global solidarity programme** up to **EUR 50m** both at a French and international level, including a EUR 1.5m donation to **Médecins Sans Frontières** to support emergency aid in Africa

Exceptional support plan for **classical music in France**

**Tailor made support schemes** developed by each bank in every country where the Group operates

# POSITIVE CLIMATE ACTION : A FAIR AND INCLUSIVE TRANSITION

## 3 core themes

- 1 MANAGING RISK
- 2 FINANCING THE TRANSITION, THROUGH CLIENT ACCOMPANIMENT
- 3 MANAGING OWN IMPACT

## UNDERPINNED BY INDIVIDUAL AND COLLECTIVE APPROACHES:

### SECTOR POLICIES

**Zero new financing** in coal, oil sands, Arctic oil

**Exiting coal financing** and exposure to the coal sector

**12 sector** Environmental and Social policies

### POSITIVE IMPACT PRINCIPLES

**Founding member** of the UNEP-FI Positive Impact Initiative, which aims to **close the financing gap of the UN SDGs**

Principles deliver a verifiable **positive contribution** to one or more of the 3 pillars of sustainable finance (economic, environmental, social) once any **potential negative impacts have been mitigated** across any pillar

### COLLECTIVE COMMITMENTS

**Collective approach** in the industry to co-develop transparent methodologies and coordinate global efforts



# A LEADER IN « SUSTAINABLE & POSITIVE IMPACT FINANCE » AND « SUSTAINABLE & RESPONSIBLE INVESTMENTS »

## BEST-IN-CLASS SUSTAINABILITY RESEARCH HOUSE

- Top ranked Cross asset sustainability research team established in 2006
- First bank to integrate the ESG dimensions into all our equity research

## EXCELLENCE IN ESG HEDGING & INVESTMENT SOLUTIONS DESIGN

- Engineering expertise cross asset and investment solutions
- Uniquely combined to meet our clients' needs
- Including Structured Products, Active and Passive Asset Management

## DEEPLY ROOTED IN AFRICA, GROW WITH AFRICA PROGRAMME

- Infrastructure Development
- Support to SMEs
- Renewable energy and agriculture
- Financial Inclusion



## A PIONEER IN ESG WITH AN INTEGRATED OFFER

- Pioneer in holistic impact assessment as a founding bank of the UNEP FI Positive Impact initiative in 2015 and the Principles for Responsible Banking in 2019
- Leading the way as an issuer, with innovative instruments and best-in-class reports
- Leveraging this expertise with a fully integrated offer for clients

## RECOGNISED ADVISORY EXPERTISE

- Fully dedicated teams of Impact experts
- Impact Based R&D approach to finance the UN Sustainable Development Goals
- Thought leadership and advocacy in relevant international collective initiatives and consultation groups

## BEST POSITIONED TO LEAD THE ENERGY TRANSITION

- Long track record as an energy bank
- Structuring new solutions across key energy value chains to accelerate the energy transition
- Innovative B2B2C financing solutions

# GROW WITH AFRICA INITIATIVE LAUNCHED IN 2018

LEVERAGING OPERATIONS IN 19 COUNTRIES AND HISTORICAL PRESENCE OVER A CENTURY

## SUPPORT FOR AFRICAN SMEs

Creation of local “SME Centres” bringing together different public and private stakeholders to work together

🎯 Increase outstanding loans to African SMEs by 60% 2018-2023 (+ EUR 4bn)

## INNOVATIVE FINANCING

Agricultural support through collaboration with farmers, cooperatives and SMEs

Promotion of energy inclusion and renewable energy

🎯 Provide access to range of banking and non-banking services (healthcare, education, advisory) to one million farmers, 2018-2023, via YUP platform



## INFRASTRUCTURE FINANCING

Four areas of focus: energy, transport, water and waste management and sustainable cities

🎯 Double Africa workforce dedicated to structured finance by 2019

🎯 Increase financial commitments related to structured finance in Africa by 20%, 2018-2021

## FINANCIAL INCLUSION

Launch of YUP mobile money in 2017

Continue to grow microfinance business

🎯 Reach 1 million clients with YUP by 2020 and roll out to 4 additional countries

🎯 Double outstanding loans to microfinance organisations by 2022

AWARDED ‘AFRICA’S BEST BANK FOR CORPORATE RESPONSIBILITY’ (2019 EUROMONEY)

# CO-CONSTRUCTING NEW BUSINESS MODELS TO MEET UN SDGS

- The financing gap to achieve the UN Sustainable Development Goals is c. USD 2.6tn per year, **of which 1.3tn is in Africa**
- When traditional business models do not work and projects are not bankable, **impact-based finance is an innovative and partnership-driven approach** that consists in multiplying impacts and leveraging on digitalisation to generate new revenues, improving both the profitability and bankability of projects
- It focuses on access to energy, energy efficiency, sustainable cities, smart agriculture and other high impact value chains

## IDENTIFYING IMPACTS THAT CAN GENERATE:

- Savings
- Revenues
- Data
- Answers to other people and planet needs



## IMPACT-ENHANCEMENT: IMPROVING BUSINESS MODELS BY COMBINING SOLUTIONS AND SERVICES

- ↑ Profitability
- ↑ Bankability
- ↓ Cost-to-impact



SOCIETE GENERALE IS THE ONLY BANK WITH AN R&D TEAM ENTIRELY FOCUSED ON DESIGNING SOLUTIONS TO BRIDGE THE SDG FUNDING GAP

## CREATING IMPACT IN AFRICA



### EXAMPLE OF THE SMART LAMPOST



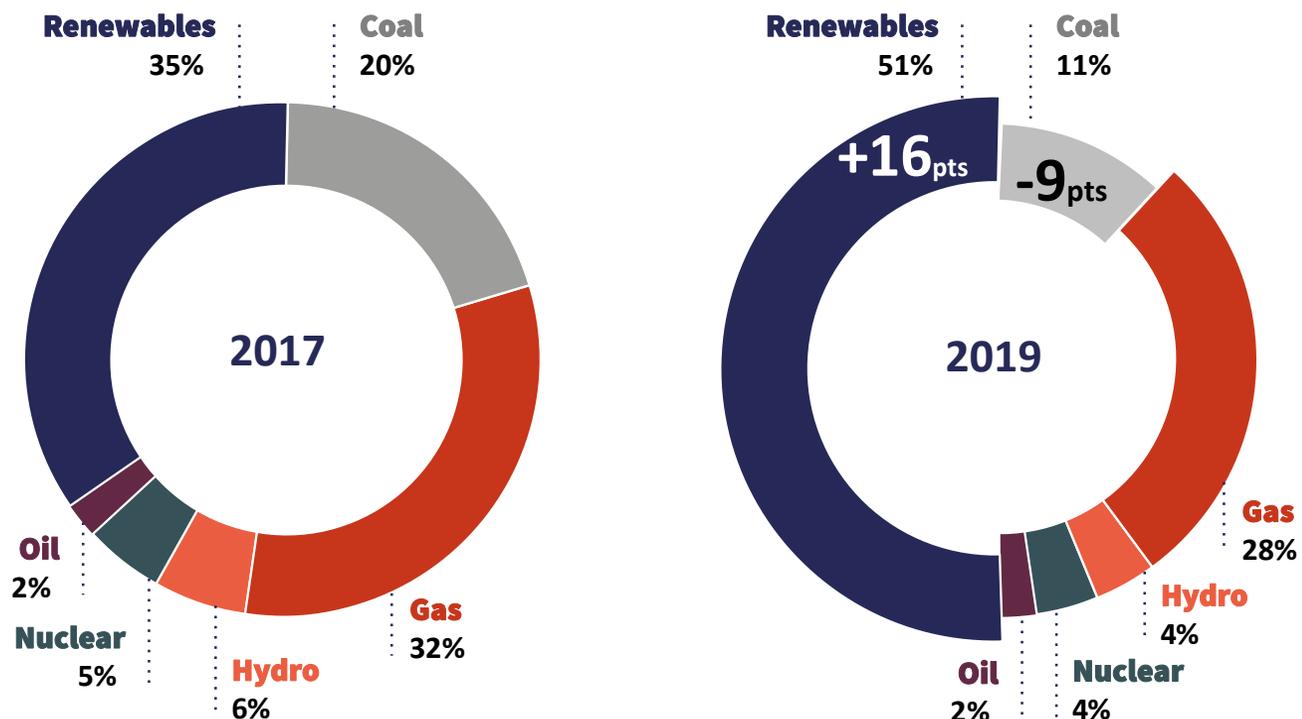
With an off grid solar PV panel and battery, the smart lamppost brings energy in areas where there is no electricity and provides connectivity and other services that can generate revenues and foster employment and well being

# COMMITTED TO REDUCE ACTIVITIES IN FOSSIL FUELS

- **Best-in-class policy to accelerate exit from coal sector:**
  - ✓ **Long-term commitment** to reduce to zero exposure to thermal coal by 2030 for companies in EU or OECD countries, and 2040 elsewhere
  - ✓ **Achieved in a 2-step approach:**
    - **Immediate conditions** for the most exposed to thermal coal: ceasing to offer products and services, other than those dedicated to the energy transition, to companies whose revenues in thermal coal are >25% and which do not have an exit strategy from the sector, and those developing new thermal coal projects
    - **From end-2021:** an overall request for all clients with mining and power assets to have defined and communicated by the of end 2021 a transition plan aligned with the 2030/2040 thermal coal phase-out objective of SG
  
- **Exclusion policies for oil sands and Arctic oil exploration and extraction activities**

 **Target to reduce exposure to coal mining to 19% by 2020 achieved ahead of schedule : 11.5% at end-2019**

## ELECTRICITY MIX FINANCED BY SOCIETE GENERALE



# E&S RISK INTEGRATED INTO BUSINESS ACTIVITIES

## PROMOTING FAIR AND RESPONSIBLE GROWTH

REFLECTS BOTH REGULATORY REQUIREMENTS AND VOLUNTARY COMMITMENTS

ACHIEVED THROUGH THE INTEGRATION OF E&S ASPECTS INTO EXISTING PROCESSES

FORMALLY INTEGRATED INTO SG NORMATIVE DOCUMENTATION



### THREE E&S RISK STEPS



#### E&S RISK IDENTIFICATION

- Analysis of clients' activities or specific transactions
- Verification against E&S exclusion list, identification list, sector policies, controversies



#### E&S ASSESSMENT OF IDENTIFIED RISKS

- Focus on E&S credit risk, reputational risk, risk of non-alignment with E&S policy criteria, controversy severity, CSR maturity of counterparty

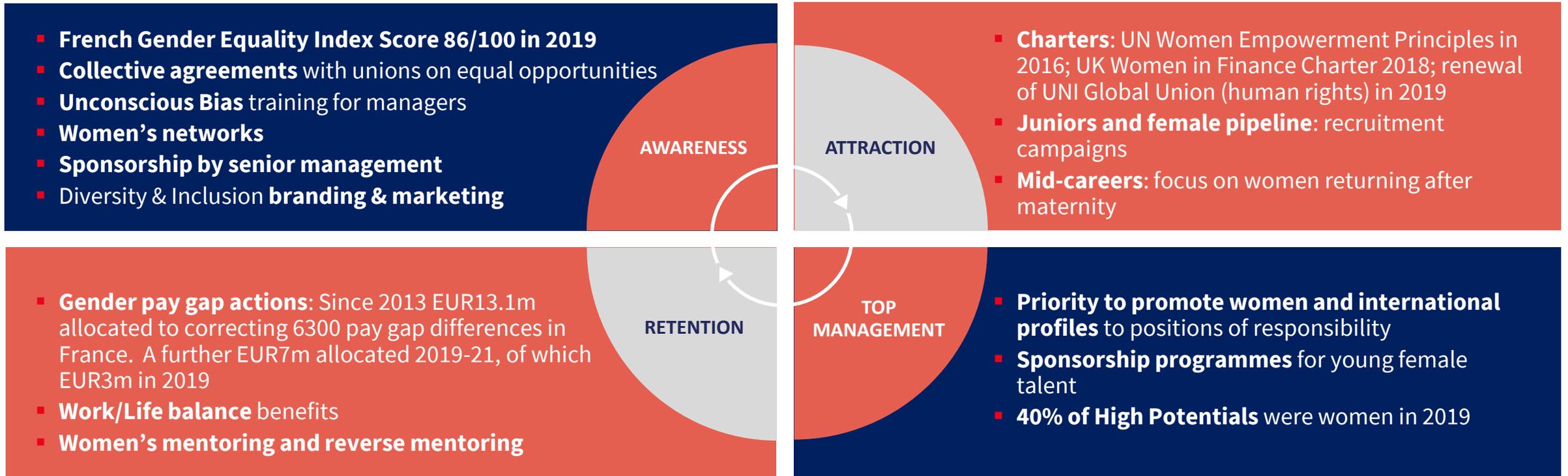


#### E&S ACTIONS

- The E&S assessment results in a positive, conditional (contractual, action plans, restrictions) or negative E&S opinion

# FOCUS ON GENDER DIVERSITY IN THE GROUP

## Gender diversity embedded in all HR processes



GENDER DIVERSITY PROGRAMMES:



#WomenByLyxor



THE CIRCLE

WOMEN IN MARK



Global Compact Network UAE

**THE FUTURE  
IS YOU**



**SOCIETE  
GENERALE**