

MARCH 2021

ACT TOGETHER FOR THE CLIMATE

**THE FUTURE
IS YOU**



**SOCIÉTÉ
GÉNÉRALE**

ACT TOGETHER FOR THE CLIMATE



OUR PURPOSE

Societe Generale is pursuing a responsible and proactive climate strategy as part of its CSR ambition to «Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions.»



OUR RESPONSIBILITY

Reorient our activities at a pace consistent with the Paris agreement and with an ecological transition that is economically and socially viable in line with our Responsible Banking commitment.



AT THE SIDE OF OUR CLIENTS

Proactively support our clients in their own ecological transition to meet collective challenges warming climate.

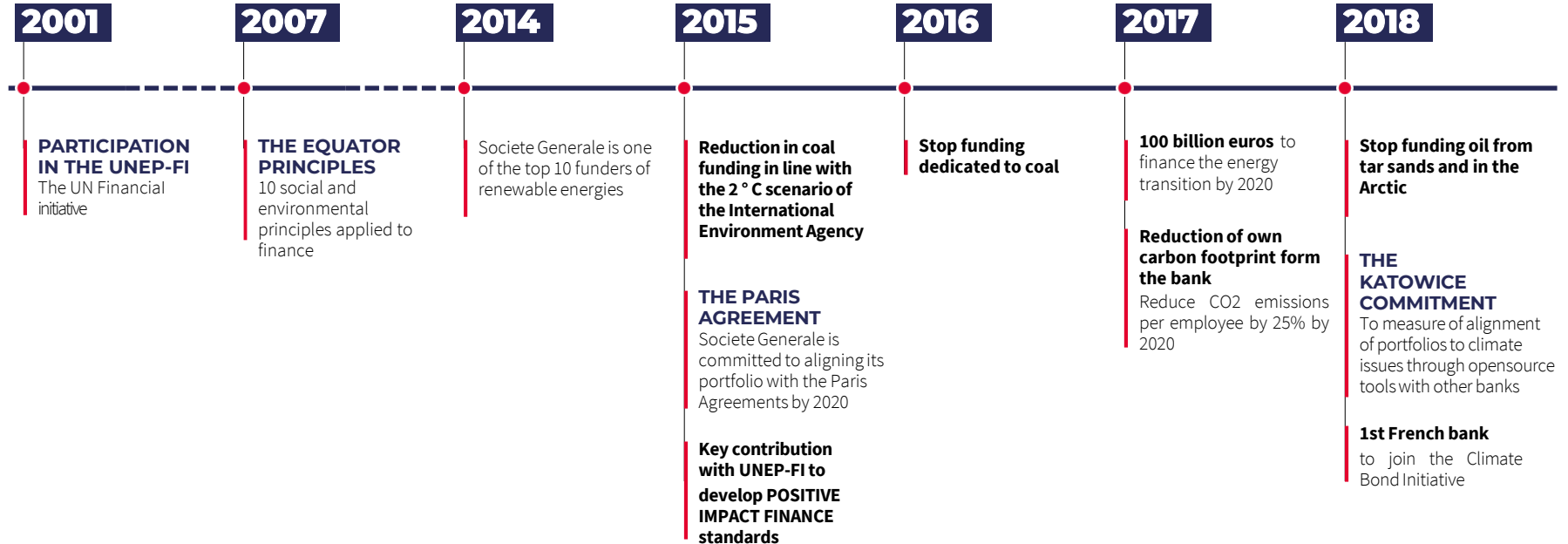


OUR CLIMATE STRATEGY

We are resolutely committed to a progress approach aimed at strengthening our leadership in sustainable finance and act as a leader of energy transition.

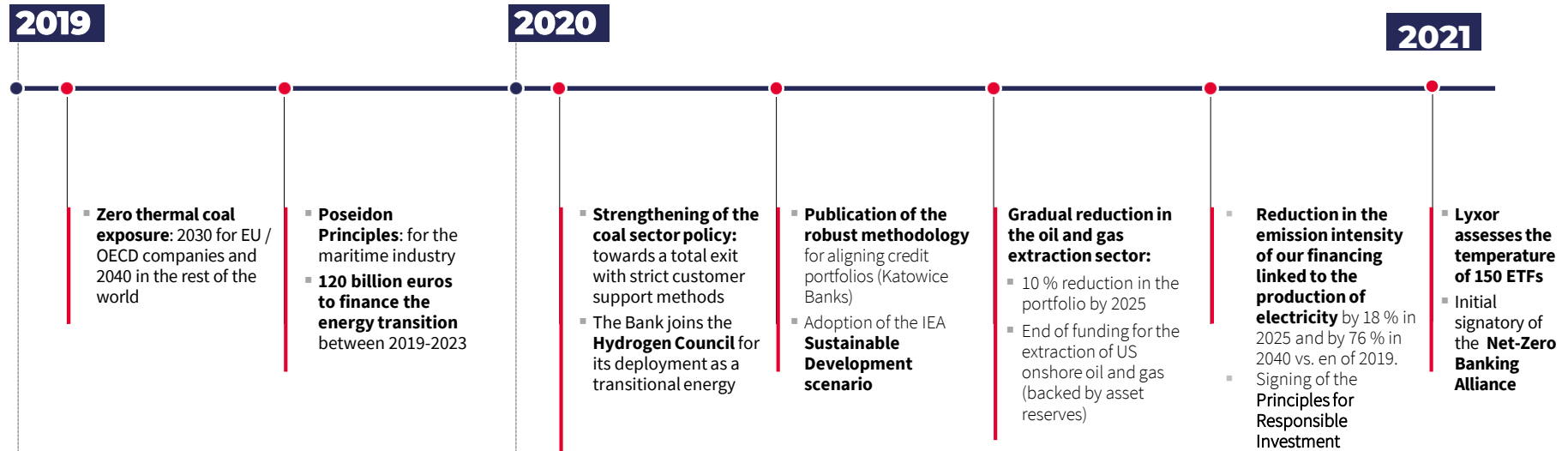
COMMITTED TO A PROGRESSIVE APPROACH TO ACT AS A LEADER IN THE ENERGY TRANSITION...

A pioneering and collective approach to contribute to the fight against global warming



COMMITTED TO A PROGRESSIVE APPROACH TO ACT AS A LEADER IN THE ENERGY TRANSITION ...

New step in our climate strategy: towards a complete alignment of our financing portfolios on the IEA's sustainable development scenario



ACTING AS A LEADER IN ENERGY TRANSITION AT THE SIDE OF OUR CLIENTS

I.

MAKE COMMITMENTS TO
GRADUALLY ALIGN OUR ACTIVITIES
WITH THE PARIS AGREEMENT

II.

PLAY A DRIVING ROLE IN ENERGY
TRANSITION AND SUSTAINABLE
FINANCE TO HELP OUR CLIENTS
HAVE A POSITIVE IMPACT

III.

PIONEERS IN COALITIONS TO
ESTABLISH MARKET STANDARDS

IV.

BEYOND THE CLIMATE



I. MAKE COMMITMENTS TO GRADUALLY ALIGN ALL OF OUR ACTIVITIES WITH THE PARIS AGREEMENT

We are convinced that the ecological transition will be made by and with our clients



METHODICALLY



OUR CONCRETE
COMMITMENTS



OUR DIRECT
IMPACTS

I.1. ALIGN OUR ACTIVITIES WITH THE PARIS AGREEMENT

SUBSTANTIVE WORK UNDERTAKEN SINCE 2015 to achieve the limitation objectives of global warming defined by the Paris Agreement by preparing the alignment of all of our activities with the various sectors in which we operate to serve our clients

ADOPTION OF A REFERENCE CLIMATE SCENARIO

The IEA's NZE2050, which aims to achieve net zero emissions by 2050 at the latest, which corresponds to a maximum temperature increase of 1.5 ° C above pre-industrial levels by 2100.

DEFINITION OF ROBUST MEASUREMENT METHODOLOGIES

- **Coalition with 4 banks linked to the Katowice Agreement** since 2018: publication in 2020 of a method to measure and manage the impact of credit portfolios by sector; an open source PACTA method from the 2DII institute available to all banks.
- Development of a methodology to measure the alignment of investment portfolios with the Paris Agreement.

PRECISE ALIGNMENT OBJECTIVES FOR EACH SECTOR PORTFOLIO IN THE MONTHS TO COME STARTING WITH THE HIGHEST CARBON SECTORS

I.2. ALIGN US IN THE ENERGY SECTOR: OUR PRIORITY COMMITMENTS



COMMITMENT TO REDUCE FOSSIL FUELS

- **Priority to phase out coal:** scheduled for 2030 for EU and OECD countries and 2040 for the rest of the world
- **Among the first global banks to set a target of reducing our overall exposure to the oil & gas extraction sector:** - 10% by 2025 vs end 2019 (more demanding level than that of the SDS scenario)
- **New target to reduce the issuance intensity of our financing linked to electricity production:** - 18% in 2025 and - 76% in 2040 vs. end of 2019 (more demanding level than that of the SDS scenario)



COMMITMENT TO GRADUALLY INCREASE IN THE RENEWABLE ENERGIES

Objective of raising 120 billion euros dedicated to the energy transition between 2019 and 2023, from a range of sustainable financing solutions (loans, bonds, advisory)

I.2. ALIGN US IN THE ENERGY SECTOR: OUR PRIORITY COMMITMENTS



SCHEDULED COAL OUTPUT

2030 for EU and OECD countries
and 2040 for the rest of the world



REDUCTION OF OUR OVERALL EXPOSURE TO THE OIL & GAS EXTRACTION SECTOR

- 10% by 2025 vs end of 2019

OUR COAL SECTORIAL POLICIES

- Since 2016, funding for **coal-fired power plant** projects or associated infrastructure projects **around the world has stopped**
- **Since 07/2020, disengagement of the most exposed companies (over 25% of their turnover in the thermal coal sector) and dialogue with customers on their exit plan**
- From the end of 2021, stop providing new financial products and services to companies, which are **thermal coal developers or who have not communicated a transition plan consistent with our coal exit objectives**

OUR OTHER SECTORAL TRANSITION POLICIES

- Since 2016, **cessation of funding for oil production in the Arctic, and oil from tar sands**
Linked to our reduction commitment, new sector policy to come:
- **End of new financing for onshore oil and gas extraction in the United States**
(financing backed by asset reserves)
- Support the energy transition of our customers **by priority financing of renewable energies and gas**, which is an essential energy in the transition phase to continue to make the economies work

I.3. BY APPLYING TO OURSELVES CLIMATE ISSUES



BY APPLYING TO OURSELVES CLIMATE ISSUES

With the achievement of the two 2014-2020 objectives of a reduction in greenhouse gas emissions per occupant by 25% and energy performance per occupant increased by 25%, and a further acceleration of our initiatives in terms of Green IT as part of the signing of the Responsible Digital Charter signed in 2019.

+ RESPONSIBLE DIGITAL CHARTER



FULL INTEGRATION OF THE CLIMATE RISKS

In governance, strategy and risk management in use recognised climate scenarios and monitoring impacts using E&S standards

+ INTEGRATED REPORT 2020



TRANSPARENCY POLICIES

With the publication of all the Bank's commitments, achievements and climate risk management in a dedicated Climate Report based on the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures) and the NFRD (Non-Financial Reporting) Directive) that we were among the first global banks to publish in 2019.

+ CLIMATE REPORT 2020

II. PLAY A DRIVING ROLE IN ENERGY TRANSITION AND SUSTAINABLE FINANCE TO HELP OUR CLIENTS HAVE A POSITIVE IMPACT

Act as a pioneer to develop innovative solutions and responsible and new financial standards



II.1. MOBILISING OUR STRENGTHS



II.2. INNOVATIVE SOLUTIONS IN SUSTAINABLE FINANCE

II.1. WE MOBILISE FUNDING IN FAVOR OF SUSTAINABLE FINANCE

**COMMITMENT
OF 120
BILLIONS
EUROS
DEDICATED
TO THE
ENERGY
TRANSITION
BETWEEN
2019 AND
2023**



SUSTAINABLE FINANCING SOLUTIONS

- Loans, bonds, advisory ...
- Pioneer and leader in **financing Renewable energies**
- Support **the development of solutions for the future** (eg electric mobility, hydrogen, renewable energy storage, etc.).



ACHIEVEMENT AT SEPTEMBER 2020

- More than 60% commitment already achieved
- World **N°2 position in financing renewable energies, N°1 in advisory** (IJGlobal)

II.2. WE DEVELOP SUSTAINABLE AND POSITIVE IMPACT FINANCE SOLUTIONS



STRATEGIC ADVISORY

Corporate Finance – ESG Advisory and Market Access



FINANCING SOLUTIONS

- Green, Social & Sustainable Loans & Bonds
- Sustainability-Linked Loans & Bonds
- Project Finance
- Green Guarantees & Letters of Credit
- Securitisation
- Project Finance
- Equipment Finance
- Sustainable Mobility Solutions
- Supply Chain Finance
- Impact Based Finance
- Social Impact Solutions



INVESTMENT SOLUTIONS

- ESG/SRI Research & Advisory
- ESG Index Solutions
- Positive Impact Notes
- Repackaging of Green or Social Bonds
- Green, Social or Sustainable Notes
- Socially Responsible Deposits
- Sustainability-Linked Derivatives
- ESG Innovation in Asset Management
- ESG ETF
- Equity Active Management Strategies
- Impact Multi-Manager Vehicle
- ESG & Climate Assessment Tool
- Securities Services integrates ESG Factors

II.2. WE DEVELOP SUSTAINABLE AND POSITIVE FINANCE SOLUTIONS TO INTERATE ALL BUSINESS ISSUES



FIGHT AGAINST CLIMATE CHANGE AND SUPPORT THE ENERGY TRANSITION

- **Clean energy production and distribution:** renewable energy production, energy efficiency in networks and distribution, energy innovation (hydrogen, storage, etc.)
- **Transport & ecological infrastructure:** electric buses & cars, carpooling ...
- **Sustainable cities:** low-carbon real estate, energy supply, water treatment, waste management, door-to-door mobility ...



MANAGE WASTE AND MOVING TO A CIRCULAR ECONOMY

- Eco-design & eco-production
- Product life extension and recycling
- Product as a service, moving from ownership to use
- Responsible production cycle: Know your Suppliers and smart sourcing



TO ACCOMPANY DEVELOPMENT OF EMERGING ECONOMIES

- Grow with Africa Programme dedicated to the sustainable development in Africa
- Support the economic sectors not only on environmental issues but also in social and societal aspects.

II.2. OUR MOBILITY SOLUTIONS THANKS TO ALD AUTOMOTIVE

As a world leader in mobility, ALD Automotive is committed to supporting its customers with innovative and sustainable mobility solutions and environmentally friendly fleets. A full range of services supports clients in reinventing mobility.



1. ADVISORY

To help our customers reduce the environmental impact of their fleet:

- conduct a needs analysis
- measure the carbon footprint of fleets
- raise awareness of the advantages of alternative powertrains
- decipher local legal and fiscal restrictions
- initiate eco-driving programs.



2. MOBILITY SOLUTIONS

We focus on mobility "As-a-service", providing alternative responses to gradual abandonment of the "one user, one car" model

- corporate carpooling
- Apps for drivers.



3. STRATEGIC PARTNERSHIPS

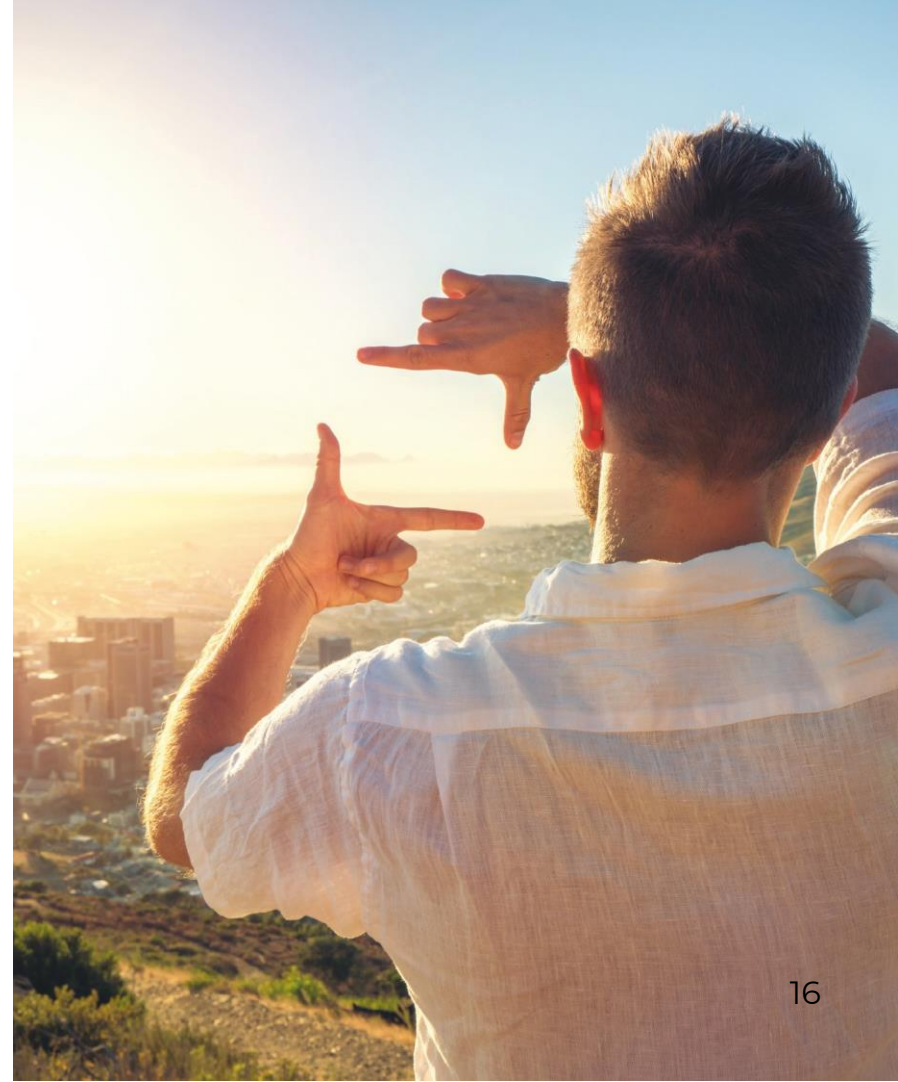
The transition to electrified vehicles requires a partnership with energy and infrastructure suppliers.

We have initiated numerous partnerships to design a new electric mobility solution combining electric vehicles and charging stations.

II.2. OUR GREEN SOLUTIONS IN TRADE FINANCE

Societe Generale is a global advisor and arranger of tailor-made solutions in the area of green trade guarantees and letter of credit issuance programs.

- Green guarantees and letters of credit and trade finance instruments:
- Renewable energy
- Clean transport
- Waste management
- Sustainable management of wastewater and wastewater.
- Make a positive contribution to clean transport and renewable energies: advance payment, advance payment guarantee, commercial guarantee package, green guarantee mechanism, etc.



III. PIONEERS IN COALITIONS TO ESTABLISH MARKET STANDARDS

Societe Generale is also acting as a pioneer to initiate coalitions in various sectors with a view to define a framework conducive to energy transition and stimulate collective dynamics



III.1. AT THE
INITIATIVE OF UN
PROGRAMS



III.2. COALITIONS
IN THE BANKING
SECTOR...



III.3. ...AND IN
INDUSTRIAL
SECTORS

III.1. AT THE INITIATIVE OF UN PROGRAMS

FOUNDERS OF THE POSITIVE IMPACT FINANCE APPROACH

At the initiative and key contributor for 20 years of the "Positive Impact Finance" approach within of UNEP-FI which works to develop principles and methods for the financial community to increase positive impacts and limit negative impacts with reference to the 17 Sustainable Development Goals.

The "Positive Impact Finance" approach calls for transforming the Sustainable Development Goals into business opportunities for our clients by developing new financing solutions that bring healthy and sustainable development to societies.

Our teams are on the ground with our clients developing innovative solutions, exploring new business models and actively contributing to various alliances and partnerships, with a collective ambition, and looking at projects through the prism of their holistic impact on society.



III.2. COALITIONS IN THE BANKING SECTOR...

Founding signatory under the aegis of UNEP-FI of the Principles for a Responsible Banking Sector, and a member of the Collective Climate Commitment

These Principles were developed in 2019 by a group of 30 founding banks, including Societe Generale, as part of an innovative global partnership between the banks and UNEP FI. They commit financial institutions to strategically align their activity with the goals of the Paris Climate Agreement and the Sustainable Development Goals, and to massively strengthen their contribution to the achievement of these two goals.

By adhering to the Principles, banks indicate that only an inclusive society founded on human dignity, equality and the sustainable use of natural resources enables its customers and their markets to thrive.

More than 200 banks around the world are now signatories.

Societe Generale is also a member of The Collective Commitment for Climate Action (CCCA), an ambitious initiative in the global banking sector that supports the transition to a net zero economy.



III.3. A SPIRIT OF COLATIONS WITH CLIENTS IN THEIR DIFFERENT SECTORS

- Member of **the Katowice agreement** with 4 other banks which also allow clients from all sectors to align their activity with the Paris Agreement
- Member of **the Hydrogen Council**
- Signatory of the **CFO Principles***
- Founding signatory of the **Poseidon Principles (see next slide)**

* These principles complement the ten principles of the United Nations Global Compact to support businesses in the transition to sustainable development and to leverage corporate finance and investments towards the achievement of the Sustainable Development Goals (SDGs).



III.3. SECTORIAL COALITIONS: FOR A GREENER SHIPPING

- Societe Generale is one of the **founding signatories of the Poseidon Principles**, which promote the decarbonization of the shipping industry by integrating climate considerations into banks' portfolios and credit decisions.
- The Poseidon Principles are in line with the ambition of the International Maritime Organisation (IMO) of reducing **greenhouse gas emissions in maritime transport by at least 50% by 2050**.
- The Group has also joined the **Getting to zero coalition initiative**, which aims to deploy a zero-emission, commercially viable fleet on the high seas.



IV. TO GO FURTHER THAN CLIMATE

Consider the different UN
Sustainable Development Goals



**SUPPORT THE SUSTAINABLE
DEVELOPMENT OF AFRICA**



**ENVIRONMENTAL, SOCIAL AND
GOVERNANCE ASPECTS**

GROW WITH AFRICA: PROGRAM DEDICATED TO SUSTAINABLE DEVELOPMENT IN AFRICA

TO ACCOMPANY AFRICAN SMEs

60% growth of our outstanding loans to African SMEs over the next 5 years (+ 4 billion euros)

FINANCING INFRASTRUCTURES

20% growth on 3 years of our commitments related to finance the infrastructures in the region

FINANCE AGRICULTURAL AND ENERGY SECTORS











1 million farmers on YUP by 2022

TO DEVELOP FINANCIAL INCLUSION

1 million customers & 8,000 YUP agents by 2020
Doubling of our outstandings in microfinance by 2022



A RECOGNISED APPROACH BY THE AGENCIES IN THE 3 ENVIRONMENTAL, SOCIAL AND GOVERNANCE DIMENSIONS

Agencies	2019	2020	Index	Position
 Now a Part of 	79	79	DJSI World DJSI Europe	Top decile banks worldwide
  <small>CCC B BB BBB A AA AAA</small>	A	AA	MSCI Low Carbon Leaders Index	Top 14% banks worldwide
	30,1	25,9	STOXX Global ESG Leaders STOXX Global ESG Environmental Leaders STOXX Global ESG Social Leaders EURO STOX ESG Leaders 50 STOXX Europe ESG Leaders 50	"Medium Risk" Top quartile banks worldwide
	66	A1+ 68	Euronext Vigeo Europe 120 Euronext Vigeo Eurozone 120 Euronext Vigeo France 20	Top 1% all companies worldwide
 RATED BY  	C	C+	STOXX Europe Low Carbon Footprint STOXX Europe Reported Low Carbon	"PRIME" status Top decile banks worldwide
 DISCLOSURE INSIGHT ACTION	C	B		Top 33% worldwide

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