

DECEMBER 2021

ACT TOGETHER FOR THE CLIMATE



**THE FUTURE
IS YOU**



**SOCIETE
GENERALE**

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.



ALONGSIDE OUR CLIENTS

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

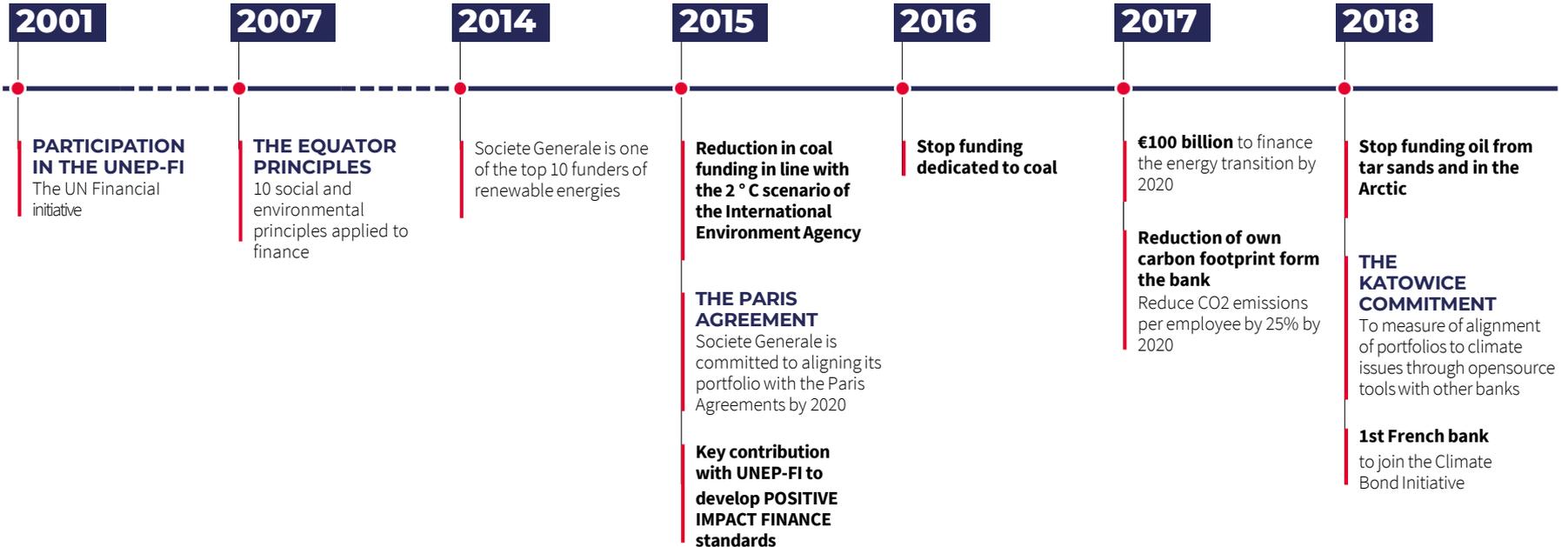


OUR CLIMATE STRATEGY

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

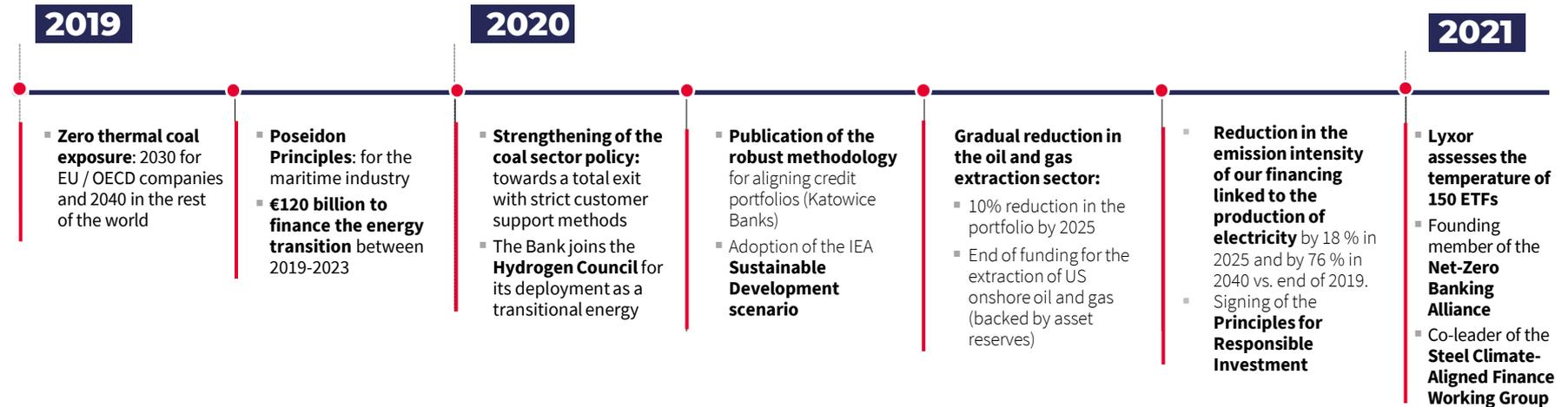
COMMITTED TO A PROGRESSIVE APPROACH TO ACT AS A LEADER IN THE ENERGY TRANSITION...

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.

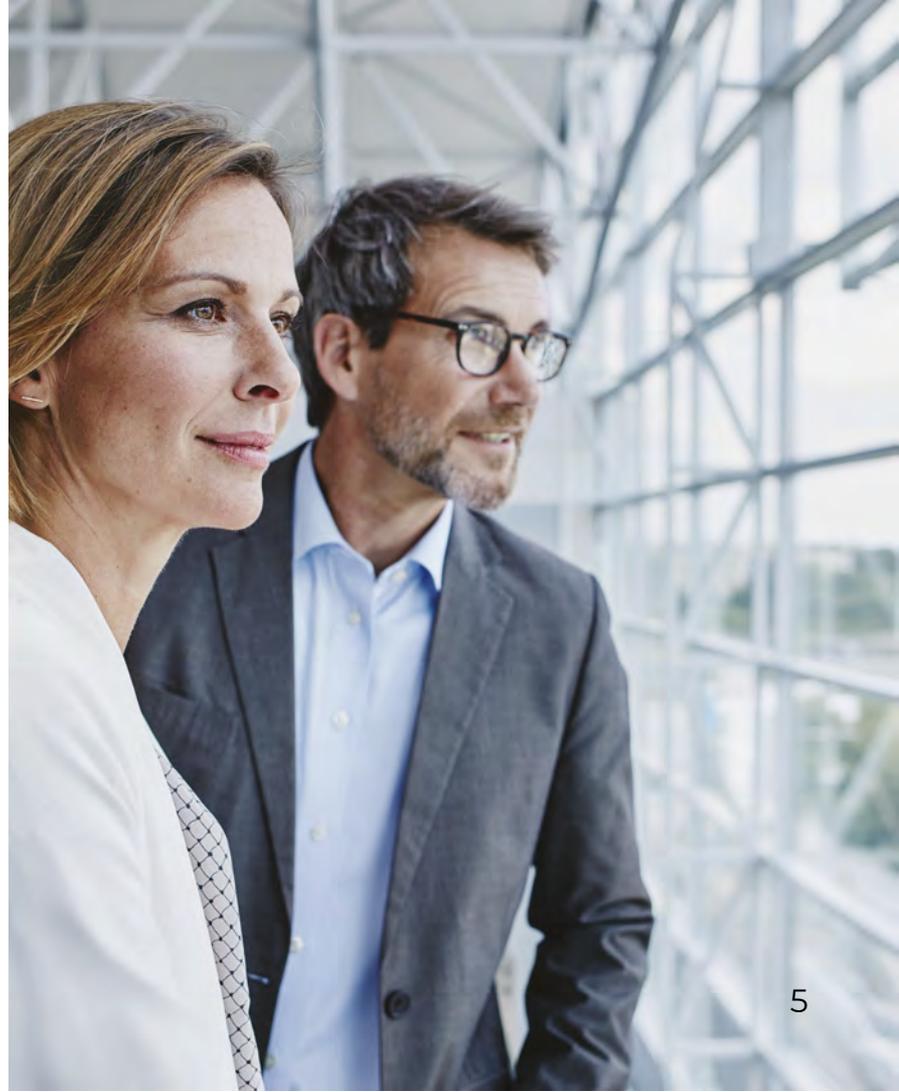
PLAY A DRIVING ROLE IN ENERGY
TRANSITION AND SUSTAINABLE
FINANCE TO HELP OUR CLIENTS
HAVE A POSITIVE IMPACT

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



 **METHODICAL**

 **OUR CONCRETE COMMITMENTS**

 **OUR DIRECT IMPACTS**

I.1. ALIGN OUR ACTIVITIES WITH THE PARIS AGREEMENT

SUBSTANTIVE WORK UNDERTAKEN SINCE 2015 to achieve the objectives of limiting global warming defined by the Paris Agreement through **aligning our portfolios with trajectories aiming at carbon neutrality by 2050** in 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-EMITTING SECTORS

I.2. ALIGNMENT 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 (a 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
dedicated to the energy transition**
between 2019 and 2023,
from a range of sustainable financing
solutions (loans, bonds, advisory)

I.2. ALIGNMENT IN THE ENERGY SECTOR: OUR PRIORITY COMMITMENTS



SCHEDULED EXIT FROM COAL

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**
- **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 clients **by the priority financing of renewable energies**

I.3. BY APPLYING CLIMATE ISSUES TO OURSELVES



REDUCTION OF THE GROUP'S OWN DIRECT CARBON FOOTPRINT

A new commitment to reduce the Group's own carbon emissions by 50% between 2019 and 2030 by acting on the energy required for buildings, IT, air travel and vehicle fleet.



FULL INTEGRATION OF CLIMATE RISKS

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



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.

[**+ RESPONSIBLE DIGITAL CHARTER**](#)

[**+ INTEGRATED REPORT 2021**](#)

[**+ CLIMATE REPORT 2020**](#)

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

Act as a pioneer in developing innovative and responsible solutions, as well as new financial standards



II.1. MOBILISING OUR STRENGTHS



II.2. INNOVATIVE SOLUTIONS IN SUSTAINABLE FINANCE

II.1. PUTTING FUNDING TO WORK IN SUSTAINABLE FINANCE

**COMMITMENT
OF €120
BILLION
DEDICATED
TO THE
ENERGY
TRANSITION
BETWEEN
2019 AND
2023**



SUSTAINABLE FINANCING SOLUTIONS

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



INTERNATIONAL RECOGNITION

- **World N°2 position in financing of renewable energies, N°1 in advisory** (IJGlobal)
- **Global Award for Outstanding Leadership in Sustainable Finance 2021** by Global Finance

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 INTERGRATE ALL BUSINESS ISSUES



- **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 ...



- 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



- 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 BY 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 programmes.



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 programmes.

- Green guarantees and letters of credit and trade finance instruments:
- Renewable energy
- Clean transport
- Waste management
- Sustainable management of 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 aiming to define frameworks conducive to energy transition and stimulate collective dynamics



**III.1. AT THE
INITIATIVE OF UN
PROGRAMMES**



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



**III.3. ...AND IN
INDUSTRIAL
SECTORS**

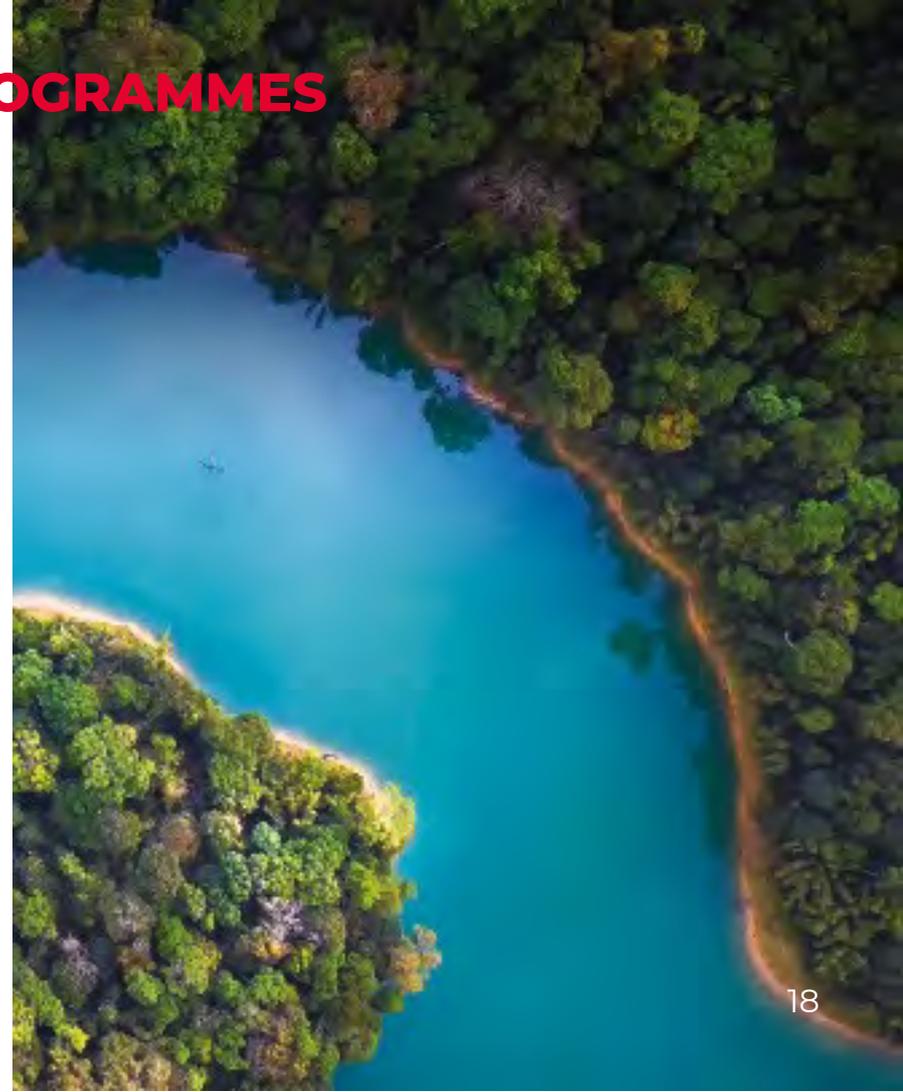
III.1. AT THE INITIATIVE OF UN PROGRAMMES

FOUNDER OF THE POSITIVE IMPACT FINANCE APPROACH

At the initiative of and a key contributor for 20 years to the "Positive Impact Finance" approach within the 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 UN's 17 Sustainable Development Goals.

The "Positive Impact Finance" approach seeks to transform 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 work on the ground with our clients to develop innovative solutions, explore new business models and actively contribute to various alliances and partnerships, with a collective ambition, and look 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. WORKING IN COALITIONS 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**
- Co-leader of the **Steel Climate-Aligned Finance Working Group** to define standards advancing the decarbonisation of the steel sector.

* 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 GREENER SHIPPING

- Societe Generale is one of the **founding signatories of the Poseidon Principles**, which promote the decarbonisation 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.



III.3. SECTORIAL COALITIONS: FOR A DECARBONISED STEEL SECTOR

- Societe Generale co-leads a group of six global lenders committed to develop a climate-aligned finance agreement dedicated to the steel sector, inspired by the Poseidon Principles.
- The end objective of the working group is to define a framework for assessing and disclosing the degree to which greenhouse gas emissions associated with each financial institution's portfolio are in line with UN's 1.5°C climate warming targets.



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: PROGRAMME 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)

FINANCING INFRASTRUCTURES

20% growth in 3 years of our commitments related to financing infrastructure in the region

FINANCE AGRICULTURAL AND ENERGY SECTORS

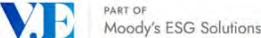
1 million farmers using YUP by 2022

DEVELOP FINANCIAL INCLUSION

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



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

	2019	2020	2021	
	A	AA	AAA	Top 3% Banks worldwide
	66	A1+ 68	A1+ 69	Top 1% Worldwide
<p>Percentile ranks:</p>  <p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	90	90	93	Top 7% #8 European bank #26 bank worldwide
	C	C+	C+	"PRIME" status Top Decile
	30.1	25.9	22.4	Medium Risk Top quartile

**THE FUTURE
IS YOU**



**SOCIETE
GENERALE**