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SUPPORTING THE ENERGY TRANSITION: SOCIETE GENERALE ACCELERATES THE ALIGNMENT OF ITS ENERGY SECTOR PORTFOLIO

Press release

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As part of its commitment to align its portfolios with trajectories compatible with the goal of global carbon neutrality by 2050, Societe Generale sets itself new intermediary targets:

- **Reinforced objective to reduce the carbon intensity of its exposure to the power generation sector:**
 - **CO₂ emission intensity target: 125g of CO₂ per kWh by 2030** (vs. the previous target of 163g of CO₂ per kWh by 2030)
- **Reinforced objective to reduce its exposure to the oil and gas production sector:**
 - **Target in terms of financial exposure: - 20% by 2025 vs. 2019** (vs the previous target of -10% by 2025 vs. 2019)
 - **New target on absolute carbon emissions concerning the end-use of oil and gas production: - 30% by 2030 vs. 2019**

Frédéric Oudéa, Chief Executive Officer of Societe Generale group, said: *“Societe Generale has placed CSR issues, and in particular environmental transition, at the heart of its ambition and its strategic roadmap for 2025. In a complex geopolitical and economic environment, in which energy-related issues are at the forefront, our Group continues to actively support the environmental transition in line with the Paris Agreement. By working closely with our clients and all of our stakeholders, and by drawing on the expertise of all our teams, we will find the solutions enabling us to collectively achieve this major transformation to a decarbonised and socially responsible economy.”*

Defining new alignment trajectories for our portfolios: priority to the energy sector

Societe Generale has been working on the alignment of its portfolios since the Paris Agreement.

- **Closer towards an exit from the coal sector:** the Group has made good progress towards achieving a complete exit from the coal sector by 2030 for EU and OECD countries and by 2040 for the rest of the world.
- **Acceleration of the decarbonisation of financing connected of power generation:** the Group has already considerably reduced the carbon intensity of its exposure to the power generation sector by improving the energy mix of its portfolio through increased financing of renewable energies together with a reduction in the highest carbon-intensive sectors. Societe Generale has

set itself a **new carbon emission intensity target for its exposure to the power generation sector of 125g of CO2 per kWh by 2030** (vs. the previous target of 163g of CO2 per kWh by 2030). This target is slightly more ambitious than the IEA Net Zero emissions scenario of 138g of CO2 per kWh by 2030.

- **Accelerated reduction trajectory in the oil and gas sector:** Societe Generale was one of the first global banks to commit to a short-term target to reduce its exposure to the oil and gas production sector in 2020 (-10% by 2025 vs. 2019). After implementing concrete measures, including a withdrawal from reserve-based lending for onshore assets in the United States, **the Group has now raised its reduction target to -20% by 2025 (vs. 2019)**. Furthermore, in line with the IEA Net Zero scenario, Societe Generale has set **itself an additional target to reduce its absolute carbon emissions linked to the end-use of oil and gas production by 30% by 2030 (vs. 2019)**.

Societe Generale will continue its work, particularly within the framework of the NZBA, defining shared methods for measuring carbon footprint and setting portfolio alignment trajectories, adapted to each sector.

Proactively supporting the energy transition

At the same time, Societe Generale is proactively supporting its clients with their CSR policies, particularly their environmental transition objectives, by proposing sustainable solutions suited to each sector. In this light, Societe Generale group recently received recognition for its sustainable finance offer (*IFR – Bank of the Year for Sustainability*) and for its energy transition strategy (*Euromoney – World’s Best Bank Transition Strategy – 2022*).

Societe Generale has been helping to finance renewable energies for twenty years and was involved in the development of positive impact finance. More broadly, the Group has participated actively in coalitions and working groups to create appropriate frameworks for devising a collective response to environmental and social issues. It has worked with global institutions like UNEP FI, industry alliances like the Hydrogen Council, and is strongly involved with sector-based working groups.

Having achieved its energy transition contribution target ahead of schedule (EUR157bn at end-2021 for an initial target of EUR120bn between 2019-2023), Societe Generale has set itself a **new target contribution of EUR300bn to sustainable finance by 2025**, involving all its businesses in both environmental and social objectives.

Accelerating the integration of ESG objectives within the Group

Societe Generale is rolling out its **“ESG by Design” operational programme** to help it implement its CSR roadmap and incorporate ESG issues into all of its processes while reinforcing the management of its environmental and social commitments.

The Group has also embarked on a vast programme seeking to offer **CSR training for 100% of its staff**, with a specific component on decarbonisation issues.

***Disclaimer:** The metrics used by the Group to establish its targets are based on methods that are often undergoing further work to stabilise them and make them more comparable, and which are also subject to a gradual improvement in the quality of the non-financial data used.*

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Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 117,000 members of staff in 66 countries and supports on a daily basis 25 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** which encompasses the Societe Generale, Credit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services**, with networks in Africa, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale 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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