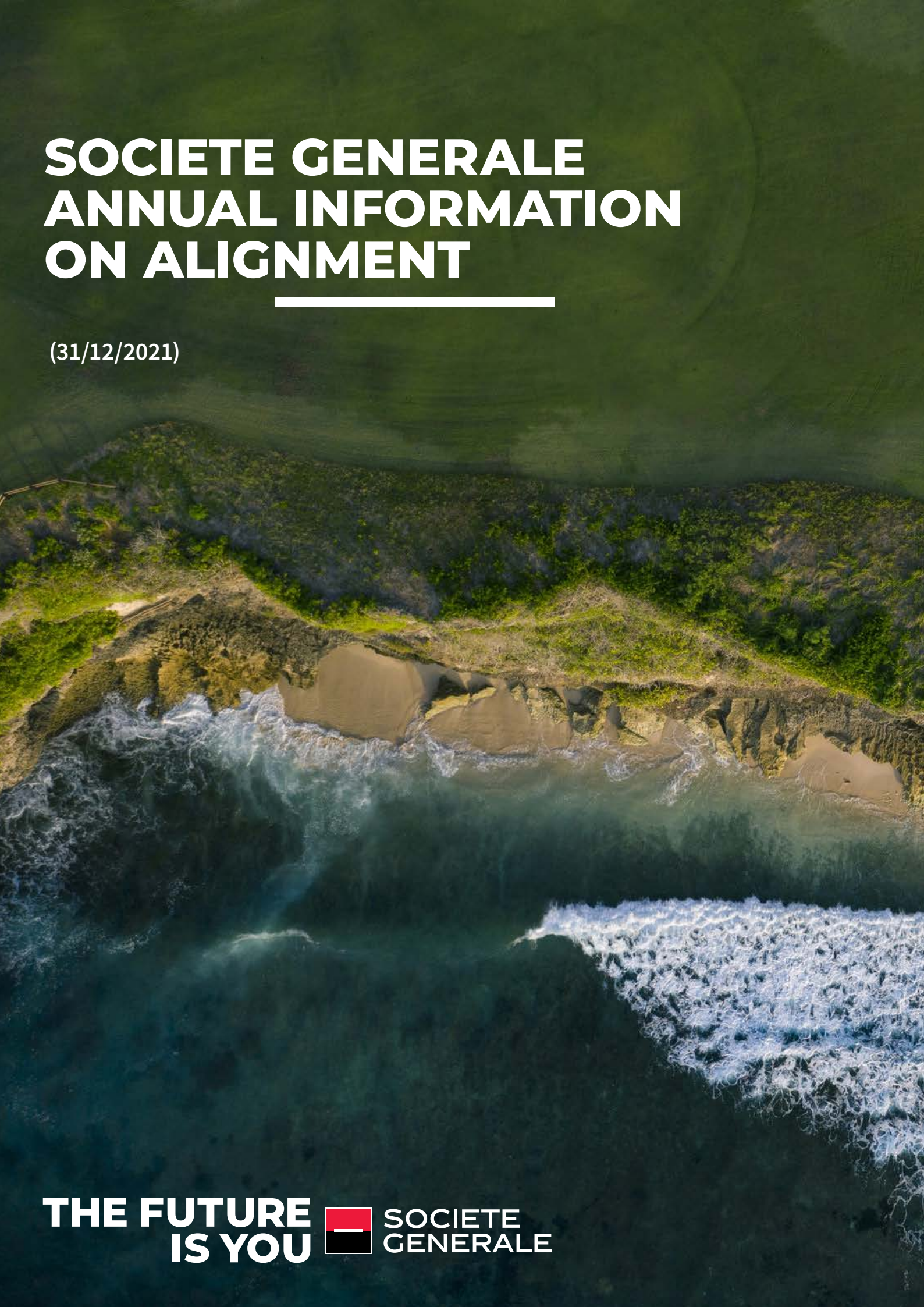
SOCIETE GENERALE ANNUAL INFORMATION ON ALIGNMENT

(31/12/2021)



THE FUTURE IS YOU

SOCIETE GENERALE

FOREWORD

Societe Generale has a longstanding commitment to fight global warming and has developed a strategic approach to climate change based on three pillars: **addressing risks induced by climate change, managing the impact of its activities on climate and supporting clients in their environmental transition, notably by developing financial and advisory solutions aligned to this objective.**

The Group has taken strong commitments more than 15 years ago to start reducing the greenhouse gas (GHG) emissions generated on own operations, then to align the impact of credit portfolios with the goals of the Paris Agreement.

Proactive steps have been taken to support clients in their transition, working with them across their value chain and offering innovative financial services to accelerate their shift to a low carbon economy. In order to develop transparency and accountability, Societe Generale contributes to many working groups in various sectors to support research and development in the area of sustainable finance and decarbonation – developing partnerships with universities and entering alliances / partnering with expert organisations such as the Poseidon Principles, the Hydrogen Council or more recently in Steel (Sustainable Steel Principles), aviation and aluminium – with a goal to develop common standards and comparability across industries.

The bank has committed to align credit portfolios with a trajectory compatible with the goals of the Paris Agreement[1] and has since then reinforced this commitment notably in joining the Net Zero Banking Alliance as a Founding Partner in 2021. This decision involves that the bank aligns portfolios with pathways to net-zero by mid-century – or sooner – consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100.

As a first step, Societe Generale addresses the most carbon-intensive sectors as a priority and has set intermediary targets, notably concerning the energy sector, where new targets have been disclosed in October 2022:

- Oil & Gas (new targets disclosed in October 2022)[2]:
  - reduction of the financial exposure to oil & gas production by -20% by 2025 (vs. 2019);
  - target on absolute carbon emissions associated to the end-use of oil & gas production: -30% by 2030 (vs. 2019);
- Power generation (new targets disclosed in October 2022):
  - carbon intensity reduction to 125g of CO_2 per kWh by 2030 of the exposure to the power generation sector;
- Coal: complete phase-out by 2030 for EU and OECD countries, by 2040 for the rest of the world.

Other public commitments have been taken, on Shipping (as a founding signatory of the Poseidon Principles) and on the fleet of ALD Automotive, our subsidiary specialised in automotive fleet management.

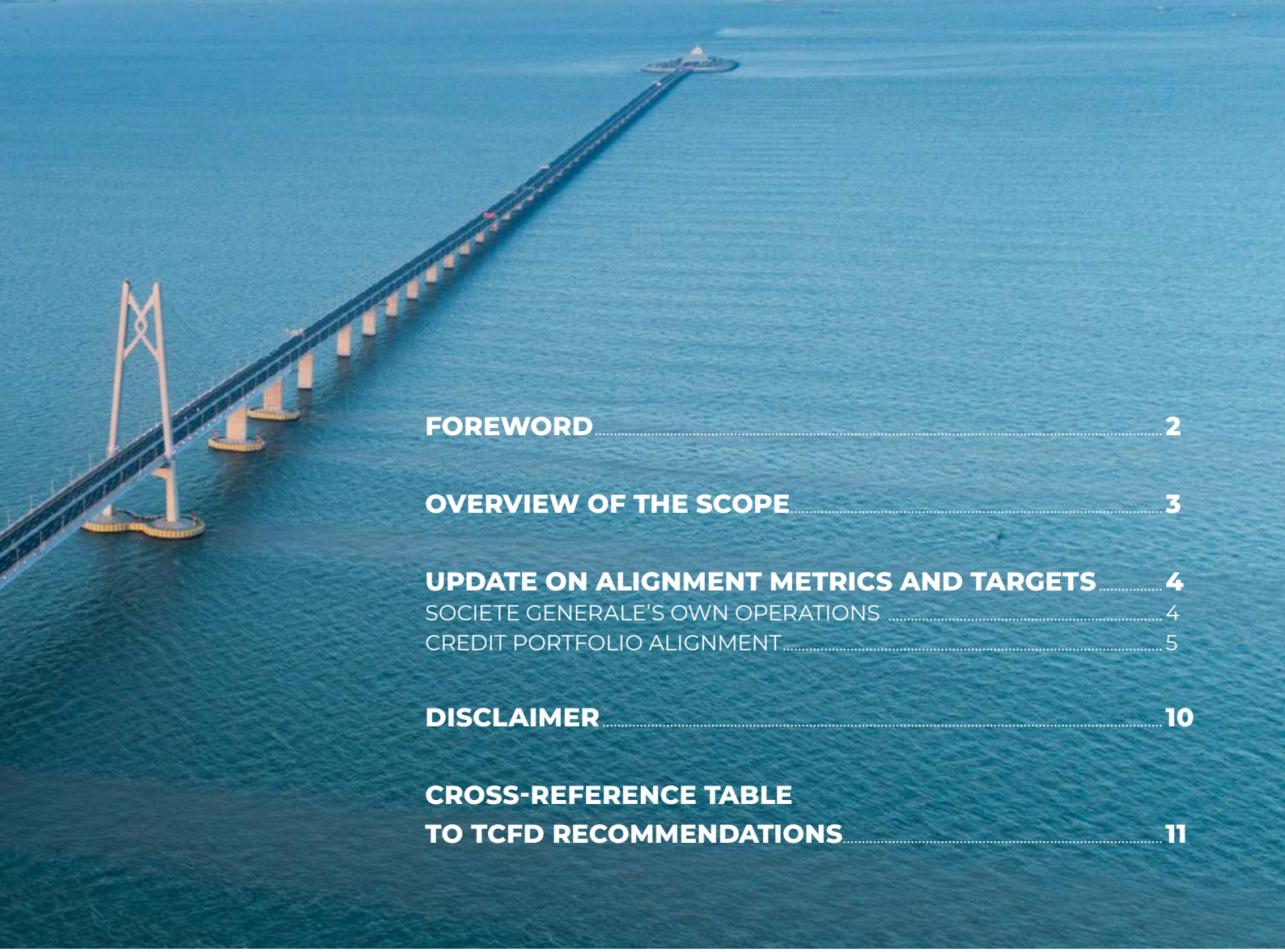
As methodologies and monitoring systems improve, the scope of activities and operations covered increases.

In the context of the worlwide crisis in the energy sector, the Group reaffirms the ambition to support clients in their transition and stays committed to the execution of climate-aligned strategies. 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.

This document constitutes a summary update of the information disclosed in Societe Generale's third Climate report[3] for the year ending on the 31st December 2021 and focuses on alignment metrics and targets. As the qualitative information included in the Climate report and aligned to TCFD requirements were those in place at end-2021[4], a cross-reference table is available on page 11, that enables access to climate-related qualitative information on Governance, Strategy and Risk Management in the Third Climate Report and in the Universal Registration Document.

The main steps taken in 2022 will be disclosed in the Universal Registration Document and Pillar 3 report in March 2023.

1. Societe Generale commits to the fight against climate change - Societe Generale.
2. Supporting the energy transition: Societe Generale accelerates the alignment of its Energy sector portfolio - Societe Generale.
3. Climate Disclosure Report - December 2021 (societegenerale.com).
4. Qualitative information: See table on page 11.



OVERVIEW OF THE SCOPE

With regards to the reduction of GHG[5] emissions, the Group has set targets on its own operations[6] as well as on scope 3 emissions related to its credit portfolios.

When addressing scope 3 emissions relating to the credit portfolios, the Group has started to measure and set targets on the most GHG-intensive sectors and clients, thus focussing first on Corporate exposures.

The overall Group exposure to Corporates (Exposure At Default) stands at EUR 380bn at end-2021 where the total Group exposure (credit and counterparty risks) is EUR 1,079bn. More information on the breakdown of the Group exposure is available in the risk section of the Universal Registration Document[7] and in the Group's Risk and Pillar 3 report[8].

5. Greenhouse gas emissions, or GHG emissions, are measured in CO_2 equivalent (CO_2e).
6. Scope 1 and 2, as well as certain scope 3 emissions, e.g. relating to business trips.
7. Universal Registration Document 2022 (societegenerale.com).
8. Risk Report 2022 - Pillar 3 2021 (societegenerale.com).

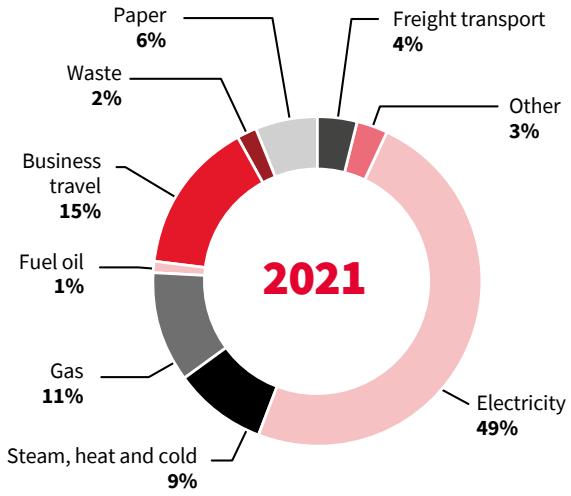
UPDATE ON ALIGNMENT METRICS AND TARGETS

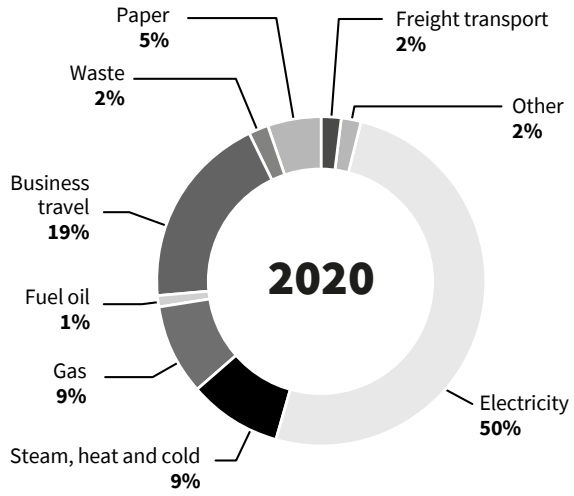
SOCIETE GENERALE'S OWN OPERATIONS

Since 2008, the Group has engaged and disclosed results of successive programmes to reduce the GHG emissions on own operations. As part of the 2014-2019 carbon reduction programme, Societe Generale has achieved its target to cut GHG emissions by 25% per occupant.

In 2021, Societe Generale has undertaken to halve its own operation GHG emissions between 2019 and 2030, by acting on the energy required for buildings, IT, air travel and vehicle fleet. These items constitute the highest contributors to the Group's own operations carbon footprint as reported below.

BREAKDOWN OF THE GROUP'S DIRECT CO_2 EMISSIONS IN 2021 AND 2020





Transport of goods, including transport of funds

		2019	2019 recalculated[1]	2020	2020 recalculated[1]	2021
Overall Group carbon footprint	T CO_2 eq.	298,517	292,741	221,691	221,829	190,939
Carbon footprint per occupant	T CO_2 eq./occ.	2.12	2.38	1.82	1.81	1.55
Scope 1[2]	T CO_2 eq.	26,722	26,722	23,195	23,999	24,415
Scope 2[3]	T CO_2 eq.	142,294	143,791	116,642	118,495	110,981
Scope 3[4]	T CO_2 eq.	129,501	122,228	81,854	81,363	55,849

(1) Change in method explained in the Methodology Note, on page 331 of the 2022 Universal Registration Document of Societe Generale and a change in scope witwh new consolidated subsidiaries (Chile, Colombia, Peru, Bulgaria).
(2) Scope 1 covers direct emissions related to energy consumption and fugitive emissions of fluorinated gases.
(3) Scope 2 covers indirect emissions related to energy consumption (external electricity, steam and chilled water).
(4) Scope 3 covers GHG emissions from all office paper consumption, business travel, transport of goods, energy consumption of data centres hosted in France and waste since 2017. In addition to satisfying a clear and firm demand from its stakeholders, the Group's consideration of its direct environmental impact is also a key factor in employee engagement and a source of innovative solutions.

More information is available in the 2022 Universal Registration Document (Chapter 5) and detailed figures are disclosed on the Group Corporate Website[9].

9. https://www.societegenerale.com/sites/default/files/documents/2022-04/Corporate-social-responsibility-Group-key-figures.xlsx.

CREDIT PORTFOLIO ALIGNMENT

Societe Generale has taken commitments to align its activities with trajectories compatible with the goals of the Paris Agreement and further strengthened this commitment by adhering to the Net Zero Banking Alliance in April 2021.

To date, the Group has disclosed targets for the following sectors:

- Coal power and mining,
- Oil and Gas,
- Power,
- Shipping,
- And for the emissions linked to the fleet managed by ALD.

Societe Generale defines its alignment targets according to science-based approaches and chooses 1,5°C no overshoot or low overshoot well recognised scenarios as high-level orientations for defining its short-, medium- and long-term targets. For example, Power sector financed emissions and oil and gas sector financed emissions are steered with targets aligned with IEA's Net Zero 2050 scenario.

The results of this effort are presented below, together with a representation of the benchmark scenarios to facilitate understanding of achievements.

THERMAL COAL POWER AND MINING

Societe Generale has set a target to phase out the exposure to thermal coal power and mining by 2030 in the EU and OECD countries, and by 2040 in the rest of the world.

Action was taken in 2021 to review the portfolio in order to refrain from providing new financial products and services to any company with mining or power thermal coal assets which is a Thermal Coal Developing Company or has not communicated a transition plan aligned with the 2030/2040 thermal coal phase out objectives of Societe Generale.

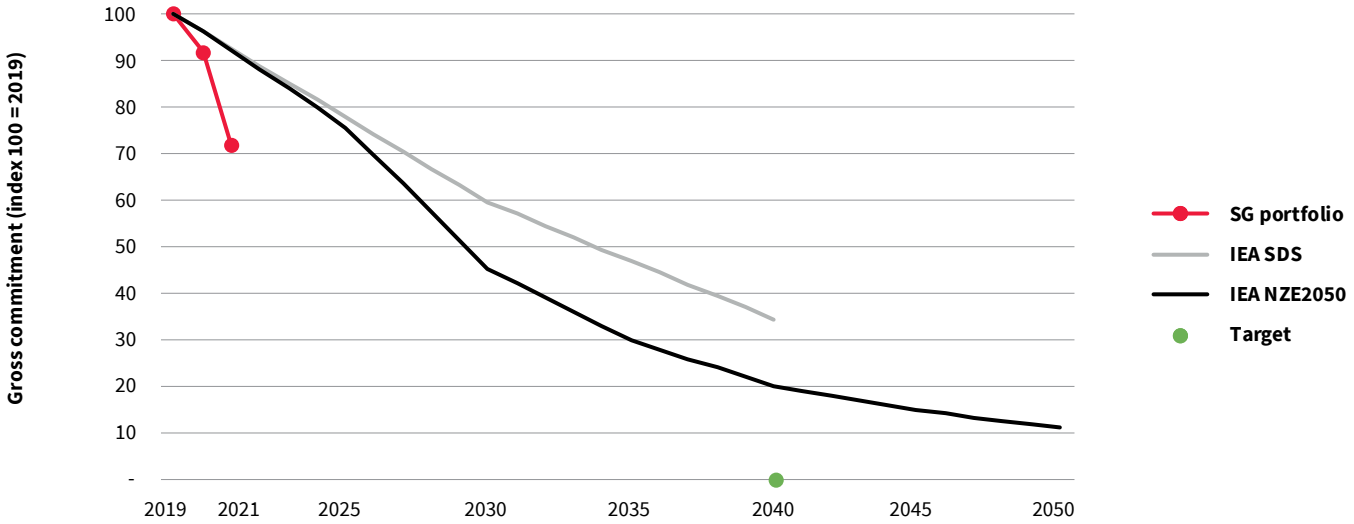
Except for coal developers, the policy however allows offering financing products and services strictly dedicated to the energy transition to companies which do not meet these criteria.

The indicator selected to disclose progress on this phasing out is the financing of thermal coal extraction and power (gross commitment – index base 100) in line with the Katowice application of the PACTA methodology[10].

At end-2021, as shown in the graph below, the total exposure to thermal coal power and mining of the bank decreased by -28 points compared to end-2019.

In order to facilitate the reading of the graph, the reported levels are compared to the coal production pathway in Mtce from the IEA's SDS 2020 edition[11] and to the NZE 2021 scenario, on an index-based presentation (2019 =100). The SDS scenario projects that the demand for coal should decline by -66% by 2040 (vs. 2019), whereas the NZE2050 scenario indicates that the coal supply would decline by -89% by 2050 (vs. 2019).

THERMAL COAL MINING & POWER



Notes:

1) Further to improved portfolio analyses performed in 2021, the 2019 baseline was adjusted. The recalculated reduction is -8 points in 2020 compared to the 2019 baseline (vs. -19 points disclosed in the Third Climate Disclosure Report).

2) The benchmark scenarios are based on a linear interpolation between the figures provided by the IEA for specific points in time.

10. Credit Portfolio Alignment: An application of the PACTA methodology by Katowice Banks in partnership with 2DII - 2DII (2degrees-investing.org).
11. The SDS scenario has been derived from the IEA's coal production pathway (Mtce), as set out in the 2020 World Energy Outlook (p.337). Physical production is used as a proxy because the SDS does not provide a scenario for coal expressed in a monetary unit.

UPSTREAM OIL AND GAS

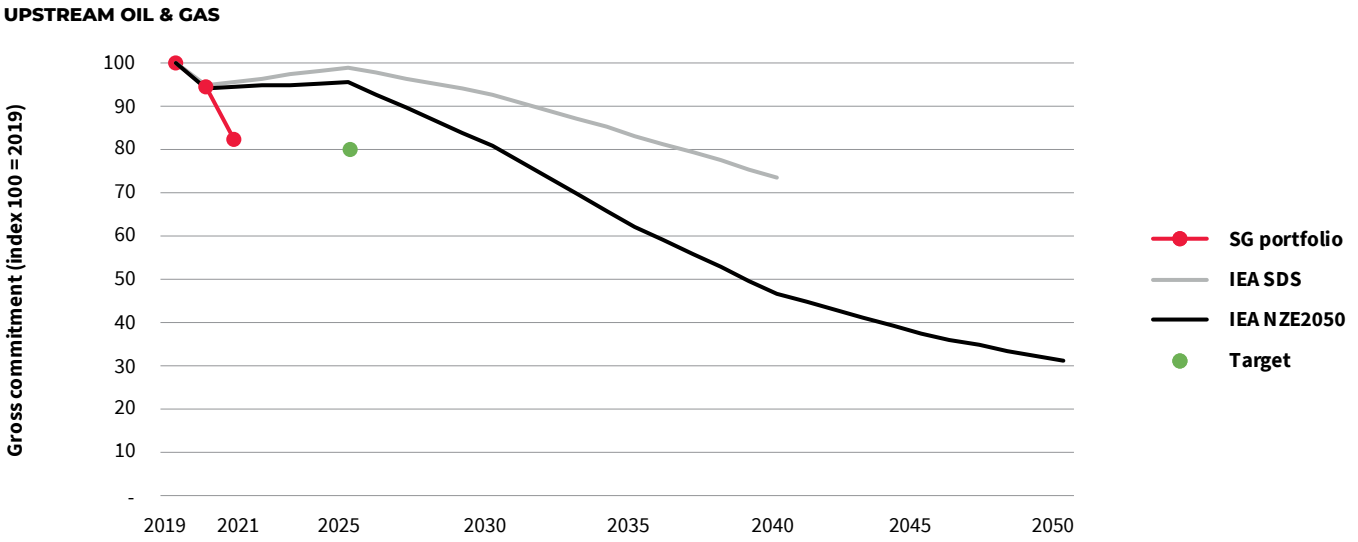
Societe Generale was one of the first global banks to commit to a short-term target to reduce its exposure to the oil and gas production sector in 2020 (-10% by 2025 vs. 2019).

By implementing more selective lending criteria, including a withdrawal from reserve-based lending for onshore assets in the United States, the exposure to the oil and gas production sector has decreased by -18% at end-2021 compared to 2019, and in view of this achievement, the Group has now raised its reduction target to -20% by 2025 (vs. 2019).

The scenario used to determine the target was the rate of reduction in global oil and gas production set out by the IEA's SDS until end-2021[12]. The target updated in 2022 for 2025 takes into account the accelerated pace of reduction in exposure to the oil and gas production sector and despite the impact of the 2022 energy crisis, this new target confirms Societe Generale's commitment to an exposure reduction which is more ambitious than the rate of reduction in global oil and gas production set out by the IEA's NZE2050 scenario[13].

The indicator selected to disclose progress on this exposure reduction is the financing of the oil and gas production (Gross commitment – index base 100), in line with the Katowice application of the PACTA methodology[14].

In the graph below, progress is shown against the two scenarios (SDS and NZE) on an index-based presentation (2019 =100).



Note: The benchmark scenarios are based on a linear interpolation between the figures provided by the IEA for specific points in time.

12. The SDS scenario has ben derived from the IEA's global natural gas and oil supply (Mtoe), as set out in the 2020 World Energy Outlook (p.253). Physical production is used as a proxy because the SDS does not provide a scenario for oil & gas expressed in a monetary unit.
13. The NZE2050 scenario has been derived from the IEA's global natural gas and oil supply (Mtoe), as set out in the Net Zero by 2050 report (p.57). Physical production is used as a proxy because the NZE2050 does not provide a scenario for oil & gas expressed in a monetary unit.
14. https://2degrees-investing.org/resource/credit-portfolio-alignment-katowice-report/

POWER GENERATION

In 2020, Societe Generale has set a target to reduce the average emission intensity of its **power generation portfolio** of -18% by 2025 vs. end-2019, a target equivalent to 212 gCO_2e/kWh.

The indicator is measured as per the Katowice application of the PACTA methodology[15]. The scenario used to determine the targets was the CO_2 intensity pathway for the power sector (gCO_2/kWh) from the IEA's SDS[16] until end-2021. As from 2022, the Group uses the CO_2 intensity pathway for the power sector (gCO_2/kWh) from the IEA's NZE2050 scenario[17].

In 2022, with the objective of continuous improvement, the scope of the power generation portfolio and measurement methodology were improved. The data hava been restated for the years 2019 and 2020:

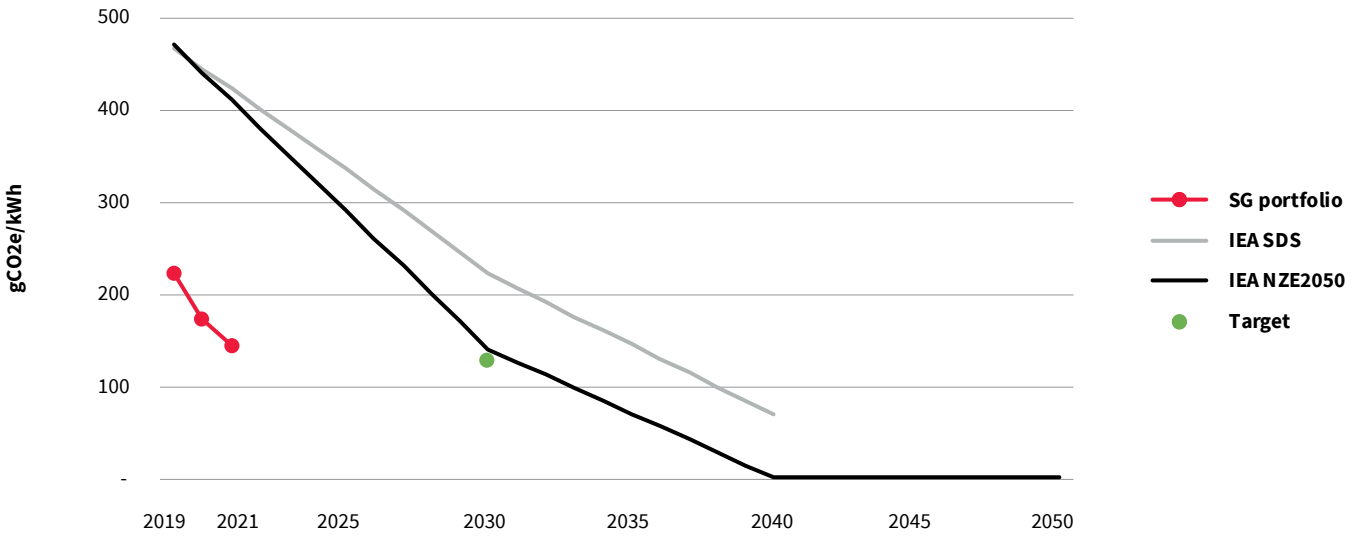
- 2019 portfolio emissions intensity:
  221 gCO_2e/kWh vs. 260 gCO_2e/kWh originally disclosed
- 2020 portfolio emissions intensity:
  170 gCO_2e/kWh vs. 181 gCO_2e/kWh originally disclosed

At year-end 2021 Societe Generale's power generation portfolio reached an emissions intensity of 143 gCO_2/kWh compared to 221 gCO_2/kWh in 2019 (or -35%). This is due to a continued improvement in the energy mix through increased financing of renewable energies together with a reduction in the highest carbon-intensive sectors.

A new target has been set in 2022 to reduce the emissions intensity of Societe Generale's power generation portfolio to 125 gCO_2/kWh by 2030 (vs. the previous target of 163 gCO_2/kWh by 2030). This target is aligned with IEA's NZE2050 scenario which indicate that by 2030 CO_2 intensity for the power sector will need to reach 138 gCO_2/kWh by 2030.

In the graph below, progress towards our target is shown with the two benchmark scenarios (SDS and NZE2050). In this graph we restated our baseline of 2019 and the year 2020.

POWER GENERATION



Note: The benchmark scenarios are based on a linear interpolation between the figures provided by the IEA for specific points in time. The Societe Generale portfolio is calculated on 96% of gross commitment to power production.

15. https://2degrees-investing.org/resource/credit-portfolio-alignment-katowice-report/
16. The SDS scenario has been derived from the IEA's global CO_2 intensity pathway for the power sector (gCO_2/kWh), as set out in the 2020 World Energy Outlook (p.341).
17. The NZE2050 scenario has been derived from the IEA's global CO_2 intensity pathway for the power sector (gCO_2/kWh), as set out in the 2021 World Energy Outlook (p.200).

SHIPPING

In 2019, Societe Generale signed the Poseidon Principles and reported first results in 2020, aiming to provide transparency on how its shipping finance portfolio aligns with the International Maritime Organisation's (IMO) strategy to reduce absolute GHG emissions by 50% by 2050 (vs. 2008).

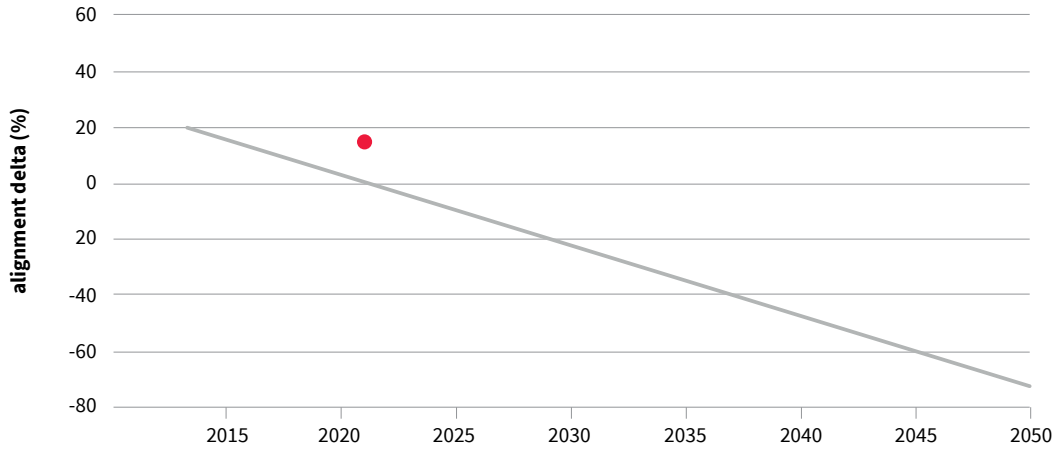
The methodology and benchmark scenarios are those of the IMO , available on the Posidon Principles website (Resources - Poseidon Principles for Financial Institutions).

A positive alignment score means that the institution is misaligned to the benchmark scenario.

Huge energy needs in Europe, driven largely by the geopolitical situation, have led to significant increase in vessel speeds to help meet demand, leading to high port congestion across many regions.

This, combined with the compounding residual effects of the COVID-19 pandemic contributed to adversely impacting the alignment score across the sector. Despite this context, Societe Generale's misalignment score reduced from +23.7% to +15.4%, with the climate alignment score of both the cargo vessels (from +2.8% to +1.1%) and the passenger vessels (from +68.4% to +45.2%) improving year on year. Further volatility is expected in the results in the coming years, notably considering the Poseidon Principles evolution towards a 1.5 degree compatible trajectory. The Bank will continue working to align the shipping portfolio in the future by engaging consistently with our clients during this transition period.

PORTFOLIO CLIMATE ALIGNMENT SCORE: 15.4%



Cargo vessels climate alignment score: 1.1%

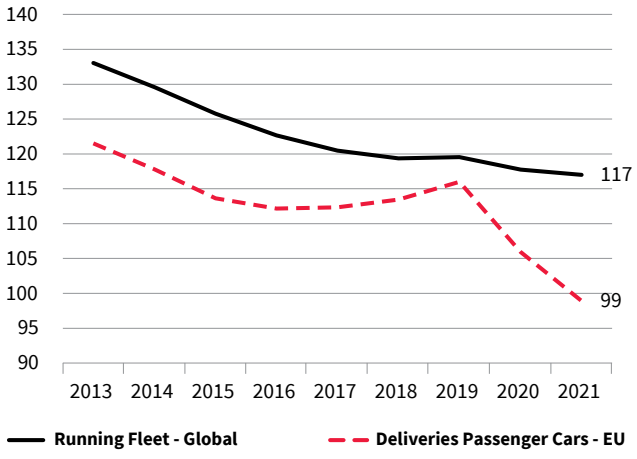
Passenger vessels climate alignment score: 45.2%

ALD AUTOMOTIVE

As part of its 2025 strategic plan[18], **ALD Automotive** (operational vehicle leasing and fleet management) has set itself the target of reducing emissions from deliveries of passenger vehicles in Europe by 40% by 2025 compared to 2019, i.e., a target of 70 grammes in NEDC Correlated terms.

The progress made in the electrification of the fleet has enabled ALD to continue, at a steady pace, the reduction of CO_2 emissions of the vehicles delivered, reaching an average of 99 gCO_2/km in 2021 (NEDC)[19].

AVERAGE CO2 EMISSIONS (G/KM) - ALD



(more information in ALD's Universal Registration Document for 2021).

18. https://www.aldautomotive.fr/decouvrez-ald-automotive/nos-engagements/move-2025.
19. New European Driving Cycle. In 2021 most of the European market report according to the new WLTP (Worldwide harmonized Light vehicles Test Procedure) standards. Conversion to NEDC will done upon availability of official conversion metrics.

Summary of climate-related indicators and targets

Indicator	Scenario	Baseline	Target	Target vs. baseline	Year-end 2021	2021 vs. baseline
Own operations Absolute emissions (thousand tCO_2e)	IEA Net Zero 2050 absolute emissions	293 (2019)	146 (2030)	-50%	191	-35%
Gross commitments to coal power & mining (EUR bn, index 100)	Phase out strategy	100 (2019)	0 (2030/40 OECD/RoW)	-100%	72	-28%
Gross commitments to oil & gas extraction (USD bn, index 100)	IEA NZE2050 Oil & gas production	100 (2019)	80 (2025)	-20%	82	-18%
Power generation emission intensity (gCO_2e/kWh)	IEA NZE2050 Power Production cabon intensity (gCO_2e/kWh)	221 (2019)	125 (2030)	-43%	143	-35%
ALD automotive deliveries fleet emission intensity passenger cars NEDC (gCO_2/vkm)	n/a	116 (2019)	70 (2025)	-40%	99	-15%
Shipping emissions intensity - target in alignment delta[20]	IMO Objective 3 Emissions intensity (gCO_2e/tnm)	+2% (2020)	0% (2050)	n/a	+15.4%	n/a

20. This target is an alignment score. A positive alignment score means the shipping portfolio is misaligned (above the decarbonisation trajectory), whereas a negative or zero alignment score means the shipping portfolio is aligned (on or below the decarbonisation trajectory).

DISCLAIMER

CAUTIONARY INFORMATION AND CONSIDERATIONS ON FORWARD-LOOKING STATEMENTS

This document is for information purposes only and is not intended to be comprehensive. It does not constitute investment, legal or tax advice. In no event shall the Group be liable for any use by any party of this document, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, information contained in the document.

■ Consideration on forward looking statements

This document contains climate metrics, targets, and forward-looking statements that require special attention about their use in decision-making. They are based on the current beliefs and expectations of the management of the Group and are subject to significant risks and uncertainties, many of which are beyond the Group's control. There is no assurance that expected results or actions be in line with the targets and forward-looking statements contained in this document.

These targets and forward-looking statements are expressed as of the date of the document and the Group undertakes no obligation to publicly revise or update them in light of new information or future events.

■ Cautionary information on data & methodology

The data and any statements made are not guarantees or promises that any metrics, targets, or commitments will be met, and are based on current targets, commitments, estimates, assumptions, developing standard and methodologies and currently available data, which continue to evolve and develop. Some of the information included in this document have been or may have been obtained from public and other sources and the Group has not independently verified it. The Group makes no representation or warranty regarding its completeness, accuracy, particularly since figures included in this document have not been audited.

TRANSPARENCY NOTES ON DATA & METHODOLOGY

Indicators presented in the document are calculated based on multiple internal and external data and information that are subject to measurement uncertainties.

■ Data quality is subject to improvements

As of today, climate-related data is neither exhaustive nor broadly available while also subject to inconsistencies as is does not follow global standards. Yet, as clients increasingly adopt climate disclosure framework and reporting, the Group expects the accessibility and reliability of external data on emissions will improve over time.

The indicators communicated in this document are subject to data uncertainties. Limitations in data collection, verification, and reporting as well as lack of reliable and standardised measurement techniques across the industry impede data consistency especially in areas such as methane. Although improving, this situation represents a key concern for stakeholders engaged in effort to decarbonise the sector.

■ Methodologies used are still under stabilisation

Existing calculation methodology present significant challenges in terms of consistency, adoptability by industry players, and replicability across sectors. In an effort to tend towards a more market-accepted and consistent way of measuring and reporting emissions, regulatory guidance and requirements have evolved in recent years. These guidance and requirements are still under development and are expected to stabilise over time.

As methodologies evolve and data improve, the Group will continue to review the impact on reported baseline which may lead to refining of calculations over time. Any opinions and estimates should thus be regarded as indicative and preliminary.

This is a free translation into English of the original document issued in the French language and it is provided solely for the convenience of English-speaking users.

The definitions and technical terms used in this document and which are not defined herein have the meanings assigned to them in the universal registration document of Societe Generale.

CROSS-REFERENCE TABLE TO TCFD RECOMMENDATIONS

All references are made to the Societe Generale Third Climate disclosure report (Climate Disclosure Report - December 2021 (societegenerale.com) or the Societe Generale 2022 Universal Registration Document (Universal Registration Document 2022 (societegenerale.com).

	3rd Climate Disclosure report	2022 URD
Governance		
(a) Describe the board's oversight of climate-related risks and opportunities.	p. 12	Chap 3. Board Committees p. 80/86 p. 272
(b) Describe management's role in assessing and managing climate-related risks and opportunities.	p. 13	p. 272/274
Strategy		
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	p. 4/7 - p. 18	p. 10/15 opportunities, p. 290
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.		
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p. 10	Resilience, see chap. 4 (Risks).
Risk management		
(a) Describe the organisation's processes for identifying and assessing climate-related risks.	p. 16	Chap. 3/4/5 p. 273
(b) Describe the organisation's processes for managing climate-related risks.		p.285
(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.		p.289
Metrics and targets		
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	See dedicated section in this report.	
(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Remuneration policy, p. 97 of URD (senior management) and specific report Performance and compensation - Societe Generale (societegenerale.com).	
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Internal carbon tax in URD p. 326	

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