SOCIETE GENERALE
POSITIVE IMPACT
COVERED BOND
REPORTING

SG SFH’s Portfolio of Eligible Loans
As of 30th April 2020
The information contained in this document (the “Information”) has been prepared by the Société Générale Group (the “Group”) solely for informational purposes. The Information is proprietary of the Group and confidential. This presentation and its content may not be reproduced or distributed to any other person or published, in whole or in part, for any purpose without the prior written permission of Société Générale.

The Group has not separately reviewed, approved or endorsed the Information and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Group as to the fairness, accuracy, reasonableness or completeness of the Information contained or incorporated by reference in this document or any other information provided by the Group.

The Group has and undertakes no obligation to update, modify or amend the Information or to otherwise notify any recipient if any information, opinion, projection, forecast or estimate set forth herein changes or subsequently becomes inaccurate. To the maximum extent permitted by law, Societe Generale and its subsidiaries, and their directors, officers, employees and agents, disclaim all liability and responsibility (including without limitation any liability arising from fault or negligence on the part of any of them) for any direct or indirect loss or damage which may be suffered by any recipient through use of or reliance of anything contained in or omitted from this presentation or any other information or material discussed in connection with such presentation.

Société Générale is a French credit institution (bank) authorised by the Autorité de Contrôle Prudentiel (the French Prudential Control Authority).
**PROCEEDS’ ALLOCATION AND KEY IMPACT INDICATORS**

**Portfolio based allocation report**

- As of 30th April 2020, the outstanding amount of the portfolio of Eligible Loans totals EUR 5,024m
- Net proceeds of the Positive Impact Covered Bond issued since 2019 by SG SFH are **100% allocated** to the portfolio of Eligible Loans refinancing consequently **39.8%** of this portfolio’s global amount

### Positive Impact Covered Bonds

<table>
<thead>
<tr>
<th>ISIN</th>
<th>Issue date</th>
<th>Currency</th>
<th>Amount issued</th>
<th>Maturity date</th>
<th>Coupon</th>
</tr>
</thead>
<tbody>
<tr>
<td>FR0013434321</td>
<td>18 July 2019</td>
<td>EUR</td>
<td>1,000</td>
<td>18 July 2029</td>
<td>0.125</td>
</tr>
<tr>
<td>FR0013481207</td>
<td>11 February 2020</td>
<td>EUR</td>
<td>1,000</td>
<td>11 February 2030</td>
<td>0.01</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>EUR</td>
<td><strong>2,000</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Portfolio of Eligible Loans – as at 30th April 2020

<table>
<thead>
<tr>
<th>Portfolio name</th>
<th>Number of Eligible Loans**</th>
<th>Outstanding Amount</th>
<th>Eligibility for Positive Impact Covered Bond</th>
<th>Average Portfolio Lifetime</th>
<th>Annual GHG emissions avoided</th>
<th>Annual Energy savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio of Eligible Loans</td>
<td>34,100</td>
<td>5,024</td>
<td><strong>100%</strong></td>
<td>18</td>
<td>21,013</td>
<td>119,664</td>
</tr>
</tbody>
</table>

In case of methodological changes in the selection and evaluation process of the Eligible Loans, or in case of material controversies that could lead to the replacement of the targeted loans by other Eligible Loans, the information will be provided in the annual reporting. A material controversy is considered as a controversy which significantly impacts the building sector from an environmental and/or social standpoint. This could include, and is not limited to, the non-compliance with environmental rules set by the French government and working conditions during the building phases.
In alignment with UNEP FI’s Principles for Positive Impact Finance, eligible loans to SG SFH’s Positive Covered Bonds have been selected for their clear positive contribution to Climate and their support to the transition to a low carbon future.

Therefore they directly contribute to achieving the following United Nations Sustainable Development Goals:

- **Target 7.3** By 2030, double the global rate of improvement in energy efficiency

**UN SDG 13** consists in taking urgent action to combat climate change and its impacts. Financing Green buildings can contribute to this goal, as it contributes to the reduction of GHG emissions compared to energy production based on fossil fuels and to the development of carbon-intensive buildings.

Positive contribution to Climate is essentially measured based on the following metrics:

- **Estimated ex-ante annual energy savings (in MWh)**
- **Annual GHG emissions in tons of CO₂ equivalent saved**

### Environmental impacts of the Eligible portfolio

<table>
<thead>
<tr>
<th>Type of dwelling</th>
<th>Estimated floor area (m²)</th>
<th>Annual Energy savings (MWh)</th>
<th>Annual GHG emissions avoided (tCO₂eq)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-family</td>
<td>945,156</td>
<td>46,502</td>
<td>8,166</td>
</tr>
<tr>
<td>Single-family</td>
<td>974,201</td>
<td>73,162</td>
<td>12,847</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,919,357</strong></td>
<td><strong>119,664</strong></td>
<td><strong>21,013</strong></td>
</tr>
</tbody>
</table>

- In alignment with UNEP FI’s Principles for Positive Impact Finance, a review of potential negative impacts mitigation actions and an analysis of other positive externalities has been performed (cf. slides 7 & 9)
IMPACT MEASUREMENT METHODOLOGY

- Societe Generale Group has relied on the support of external green real estate consultant Wild Trees to define the Impact measurement methodology. This methodology is available [here](#).

### Step 1: Energy savings* estimate

<table>
<thead>
<tr>
<th>Average final energy consumption kWh FE/m²/year</th>
<th>Single-family</th>
<th>Multi-family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption</td>
<td>192.4</td>
<td>158</td>
</tr>
<tr>
<td>Energy consumption</td>
<td>117.3</td>
<td>108.8</td>
</tr>
</tbody>
</table>

| Overall residential building stock | RT2012 residential buildings |

### Step 2: Convert energy savings into GHG emissions savings

$$ \text{Annual GHG emissions savings (Kg CO}_2\text{eq/m}^2\text{)} = \text{Annual Energy savings (KWh FE/m}^2\text{)} \times \text{Carbon Emission factor based on the energy mix**} $$

### Step 3: Floor area estimate

- Reassessed market value of the real estate properties (EUR)
- Market prices index (EUR/m²)

### Step 4: Assessment of the environmental benefits of the pool

- Annual GHG emissions savings Kg CO₂ eq/m²
- Floor area m²

$$ \text{Portfolio annual GHG emissions savings (Kg CO}_2\text{eq)} = \text{Annual GHG emissions savings (Kg CO}_2\text{eq/m}^2\text{)} \times \text{Floor area (m}^2\text{)} $$


**GHG conversion factor is a weighted average of the conversion factors for each energy source (coal, wood, oil, natural gas, electricity) and usage for residential buildings (Source: ADEME, legifrance Arrêté of February the 8th of 2012)*
OTHER EXTERNALITIES ASSESSMENT (1/2)

Identification of other positive externalities and mitigation of potential negative impacts

Access to housing

By targeting mortgages on **main residences only**, the Positive Impact Covered Bond promotes residences’ **primary use**: housing. Secondary residences are excluded because of their impact on real estate market prices which could create barriers for property acquisition by local residents.

Preservation of biodiversity and soil

The exclusion of any secondary residences limits the impact on land artificialization and its consequences on soil and biodiversity erosion is limited. By supporting access to **multi-family dwellings**, positive impact covered bonds contribute to **reducing the soil area’s construction rate** (the share of multi-family dwellings is higher than the share of single-family dwellings in the eligible portfolio).
OTHER EXTERNALITIES ASSESSMENT (2/2)

Identification of other positive externalities and mitigation of potential negative impacts

Access to public transportation

The average carbon footprint of a French citizen is annually estimated by the Bureau of Ecological Transition and the ADEME. Nowadays, it is estimated around 12 tCO₂eq/year. Amongst the emissions sources, the car usage is the main emission source with 2 tCO₂eq/year per person, with 7 French citizens out of 10 taking their car to go to work each day. Car usage is the more emissive transportation mean on a daily basis with regard to its usage per person and per travelled kilometer.

For this reason, reducing car use is at the center of the national priorities with regards to the goals established by the national carbon reduction strategy (SNBC).

Car use is related to the travel distance between the home location and the working place. It is also correlated to the availability of public transportation services. Thanks to 1990’s voluntary mobility policies in largest cities, car use represents 51.7% of the modal share, compared to 68% in medium-sized towns. Main residences located in largest towns therefore allow a car use decrease.

A large proportion of the portfolio of Eligible Loans finances the acquisition new multi-family properties located in the largest cities, more likely to be connected to public transportation.
THE FUTURE IS YOU

SOCIETE GENERALE