

Société Générale

December 31, 2017

Independent report of one of the statutory auditors on the compliance of assets selected for the 2015 and 2016 “Positive Impact Bonds” with the Positive Impact Assessment Framework and the Climate benefits criteria, on the impact reporting provided to investors and on the allocation of funds raised under these bonds

ERNST & YOUNG et Autres



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To the Chief Executive Officer,

In our capacity as statutory auditor of the Company, we hereby present our report (i) on the compliance of the selected assets, reported by Société Générale in the use of proceeds of the “Positive Impact Bonds” and available on Société Générale’s website, with the Positive Impact Assessment Framework and the Climate benefits criteria, (ii) on the impact reporting provided to investors dated December 31, 2017 and (iii) on the allocation of funds raised under these bonds.

1. Reasonable assurance report on the compliance of assets selected for the 2015 and 2016 “Positive Impact Bonds” with the Positive Impact Assessment Framework and the Climate benefits criteria and on the impact reporting provided to investors

Responsibility of the Company

It is the responsibility of the Company to establish the selection and monitoring criteria (hereafter the “Positive Impact Assessment Framework” and the “Climate benefits criteria”) and ensure their implementation.

Independence and quality control

Our independence is defined by regulatory requirements and the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures, to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the statutory auditor

It is our role, based on our work, to express a reasonable assurance conclusion as to whether the selected assets comply, in all material aspects, with the Positive Impact Assessment Framework and the Climate benefits criteria.

We conducted the work described below in accordance with International Standard ISAE 3000 (International Standard on Assurance Engagements) and professional standards applicable in France. To assist us perform our work, we called on our experts in sustainable development, under the responsibility of Mr Eric Duvaud, partner.

Nature and scope of work

In order to be able to express our conclusion, we undertook the following work in April 2018:

- We assessed the suitability of the Positive Impact Assessment Framework and the Climate benefits criteria regarding their relevance, completeness, clarity, neutrality and reliability, taking into consideration the “Green Bonds Principles” dated June 2017¹ and the “Principles for Positive Impact Finance” dated January 2017².
- We compared the list of assets in Société Générale’s Positive Impact Bonds annual use of proceeds reporting as at December 31, 2017 with the list of assets in the last reporting (annual use of proceeds reporting as at December 31, 2017 for the bond issued in November 2015 and for the one issued in September 2016).
- For assets already verified based on the last reporting, we focused on assets categorised A and B in non-designated countries³ by verifying the management of potential negative impacts according to the Positive Impact Assessment Framework.
- In case of new selected assets, we verified their positive impact and the management of their potential negative impacts (including avoidance, mitigation, remediation and/or compensation measures) according to the Positive Impact Assessment Framework.
- We verified the climate benefits of these assets in terms of CO₂ avoided, using the methodology developed by the European Investment Bank⁴ and prorated CO₂ avoided⁵, using the methodology developed by Société Générale.
- We verified the total installed capacity of the assets.

Information on Société Générale’s Positive Impact approach

As mentioned by Société Générale in the Positive Impact Assessment Framework and the Positive Impact Bond description available on Société Générale’s website:

- To be eligible, assets must have a positive impact on at least one of the three pillars of sustainable development (environment, social and economic development) and provide an appropriate management of the potential negative impacts.

¹ The Green Bonds Principles and Governance Framework are available on the website of the ICMA (International Capital Market Association): www.icmagroup.org

² The Principles for Positive Impact Finance are available on the website of the UNEP Finance Initiative: www.unepfi.org

³ The assets are categorised by Société Générale according to internal procedures, in compliance with the Equator Principles. The definition of categories and the list of designated countries can be found on the Equator Principles website: www.equator-principles.com

⁴ The European Investment Bank developed methodologies for the assessment of project GHG emissions and emissions variations. The latest version (10.1) which has been used is available at: www.eib.org

⁵ CO₂ avoided/k€ invested

- Eligible assets belong to specific industries that have climate benefits (expressed as CO₂ emissions avoided), namely renewable energy and collective transports and infrastructure investments;
 - Renewable Energies: Investments in the design, construction and installation of renewable energy production units (Hydro, Geothermal, Wind, Solar, Biomass or from any other renewable source of energy).
 - Collective Transports & Infrastructure (eligible category for the 2015 Positive Impact Bond only): Investments in the design, construction, development and maintenance of public collective transport and collective transport infrastructure.
- The selection of eligible assets is made by the Positive Impact Finance team according to internal procedures and is reviewed on a quarterly basis.
- Société Générale committed to replace, on a best efforts basis, loans that are repaid early or no longer eligible by other similar Positive Impact Finance assets.

Conclusion

In our opinion, the assets selected for the 2015 and 2016 “Positive Impact Bonds” and the impact indicators reported in the 2017 annual use of proceeds reporting, comply, in all material aspects, with the Positive Impact Assessment Framework and the Climate benefits criteria.

2. Attestation on funds allocation

It is also our responsibility to express our conclusion on the funds allocated to the assets that were selected and on the consistency of the balance of the loans granted by your Company based on the use of the proceeds of the issue of the Positive Impact Bonds with the accounting records for the financial year ended December 31, 2017.

In the context of our role as *Commissaire aux comptes* (statutory auditor), we, with the co-statutory auditor, have audited the financial statements of your Company for the year ended December 31, 2017. Our audit was conducted in accordance with professional standards applicable in France, and was planned and performed for the purpose of forming an opinion on the financial statements taken as a whole and not on any individual component of the accounts used to determine the information. Accordingly, our audit tests and samples were not carried out with this objective and we do not express any opinion on any components of the accounts taken individually.

Furthermore, we have not performed any procedures to identify events that may have occurred after our report on the financial statements of Société Générale which was issued on March 8, 2018.

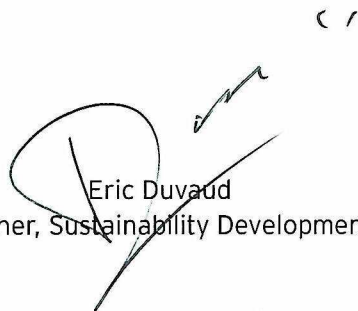
Our work, which constitutes neither an audit nor a review, was performed in accordance with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement. For the purpose of this attestation, our work consisted in verifying the consistency of the balance of the loans granted by your Company based on the use of the proceeds of the issue of the Positive Impact Bonds with the accounting records for the financial year ended December 31, 2017. On the basis of our work, we have no matters to report on the funds allocation and the consistency of the balance of the loans granted by your Company with the accounting records for the financial year ended December 31, 2017.

Paris-La Défense, April 18, 2018

One of the Statutory Auditors
ERNST & YOUNG et Autres



Isabelle Santenac
Partner



Eric Duvaud
Partner, Sustainability Development