

SOCIETE GENERALE STEPS UP ITS EFFORTS SUPPORTING THE ENVIRONMENTAL TRANSITION

Press release

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In the context of COP, Societe Generale confirms its ambition to accelerate its contribution to the environmental transition, in line with the proactive ESG policy defined by the Bank in its strategic roadmap.

The Group has made major progress this year in the roll-out of its ESG strategy and is stepping up its efforts to support the transition to a low-carbon economy by setting a new EUR 500 billion sustainable finance target by 2030.

New step: strengthening the contribution to sustainable finance

- **The Bank has delivered ahead of schedule¹ the EUR 300 billion sustainable finance target set for 2022-2025.**
- **The Group now sets a new EUR 500 billion sustainable finance target over the period 2024-2030** that breaks down as follows:
 - ~ EUR 400 billion in financing, including advisory, and ~ EUR 100 billion in sustainable bonds².
 - With approximately 80% in environmental activities and 20% in social activities.This target echoes the work carried out as part of the alignment of the Group's credit portfolios:
 - A major portion of financing will be for dedicated transactions in low-carbon energy, sustainable real estate, low-carbon mobility and other industry and environmental transition topics.
 - This new sustainable finance target is set by 2030, in line with the horizon set by the Bank to define its credit portfolio alignment trajectories.
 - It aims to focus financial flows towards the decarbonization of the most emitting sectors for which the Bank has set targets, while also covering a wider scope than the Bank's previous target.
- **Continuous development of the Group's technical expertise**, leveraging on its leading position in renewable energies, through the roll-out of a cross-sectoral approach on value chains providing an integrated vision of client needs.
- **Broadening of the sustainable finance offering**, which further supports Societe Generale's alignment approach by providing its clients with innovative ESG solutions and advisory capabilities to help them in their own transition.

Progress achieved on the on-going alignment of the Group credit portfolios

The bank aims to align its portfolios with the goals of the Paris Agreement and has joined the UNEP-FI Net Zero Banking Alliance as a founding member in 2021.

- **Accelerating the reduction of fossil fuel exposure**
 - The Bank's gradual withdrawal from the thermal coal sector has progressed significantly: the thermal coal part of Societe Generale's financing portfolio represented less than 0.1% of total book outstandings at the end of 2023.

¹ As of end of Q2-24.

² Only the Societe Generale participation is taken into account.

- Reduction by more than 50% of the Oil and Gas upstream exposure at the end of Q2 24 compared to 2019 has been achieved. The target of -80% set to be achieved by 2030 vs. 2019 with the intermediary 2025 step of -50% is one of the most proactive among global banking players. It comes with an absolute reduction target for greenhouse gas (GHG) across the entire Oil and Gas chain of -70% by 2030 vs. 2019.

- **Aligning the Group financing activities**

- Societe Generale has completed work on 12 of the most carbon-intensive sectors, as defined by the Net Zero Banking Alliance (NZBA) initiative, which led to set alignment targets on 10 sectors, in accordance with the established timetable.
- Transparent communication on the Group's alignment process with the publication of dedicated progress reports: "[NZBA progress report](#) " and "[Climate and Alignment Report](#)".

Investing in the future with the development of innovative solutions and partnerships

- **Societe Generale acquired a majority stake in Reed Management creating REED**, a leading alternative investor in new players of the energy transition.

This deal supports Societe Generale's ambition to be a leading player in the development of emerging leaders in the energy transition via equity investment. It also initiates the Bank's announced EUR 1 billion energy transition envelop dedicated to emerging leaders, nature-based and impact-driven solutions.

- **Previously announced investments in innovative structures and development of commercial partnerships:**

- Equity investment and strategic partnership with EIT InnoEnergy, the leading innovation engine dedicated to start-ups active in sustainable energy.
- Investment in Polestar Capital Circular Debt Fund, the only private debt fund in Europe dedicated to the circular economy.
- Partnership with Schneider Electric to support mid-sized companies in reducing their carbon footprint.

- **Implementation of the collaboration agreement signed with IFC**, a member of the World Bank Group.

This agreement resulted in various transactions and notably enabled BRD, Societe Generale's subsidiary in Romania, and IFC to finalise a major synthetic risk transfer (SRT) deal to stimulate the financing of local SMEs and projects related to sustainable development in Romania.

Slawomir Krupa, Chief Executive Officer of Societe Generale, comments:

" Societe Generale continues to strengthen its contribution to sustainable development in the service of its clients, supported by our culture of innovation, our ESG leadership, and our conviction of the crucial role that a responsible bank can play in the challenges of the environmental transition. This year, we have taken new steps in the execution of our strategic roadmap with concrete progress reflected in the progressive reduction of our fossil fuel exposure. We are also continuing to broaden our action by proactively supporting our clients in their own transitions with adapted solutions and an enhanced sustainable finance offering, while supporting the emergence of new players and new technologies. I remain convinced that the transition to a low-carbon and sustainable economy requires collective and coordinated action in which Societe Generale is involved on a daily basis."

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Societe Generale is a top tier European Bank with more than 126,000 employees serving about 25 million clients in 65 countries across the world. We have been supporting the development of our economies for 160 years, providing our corporate, institutional, and individual clients with a wide array of value-added advisory and financial solutions. Our long-lasting and trusted relationships with the clients, our cutting-edge expertise, our unique innovation, our ESG capabilities and leading franchises are part of our DNA and serve our most essential objective - to deliver sustainable value creation for all our stakeholders.

The Group runs three complementary sets of businesses, embedding ESG offerings for all its clients:

- **French Retail, Private Banking and Insurance**, with leading retail bank SG and insurance franchise, premium private banking services, and the leading digital bank BoursoBank.
- **Global Banking and Investor Solutions**, a top tier wholesale bank offering tailored-made solutions with distinctive global leadership in equity derivatives, structured finance and ESG.
- **Mobility, International Retail Banking and Financial Services**, comprising well-established universal banks (in Czech Republic, Romania and several African countries), Ayvens (the new ALD I LeasePlan brand), a global player in sustainable mobility, as well as specialized financing activities.

Committed to building together with its clients a better and sustainable future, Societe Generale aims to be a leading partner in the environmental transition and sustainability overall. The Group 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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