

## **PRESS RELEASE**

# **SOCIETE GENERALE'S COMMITMENTS AND ACHIEVEMENTS IN THE FIGHT AGAINST GLOBAL WARMING**

Paris, November 28, 2018

- **Commitment to align the Group's activities by 2020 with the International Energy Agency's (IEA) trajectory to limit global warming to 2° C**
- **Energy mix of electricity production financed by the Bank in mid-2018 :**
  - Reduce the share of coal : 19.3% - in line with the objective of 19% by 2020 (exclusion of all coal-dedicated financing)
  - Accelerate the share of low-carbon energies : 48.7% - of which nearly 42% are renewables energies
- **€100 billion in financing for the energy transition between 2016 and 2020 : 58% of the objective was achieved at Q3-2018**
  - €42 billion in green bonds issuances
  - €16 billion in the renewable energies sector
- **Launch of the "Grow with Africa" initiative for the sustainable and low-carbon development of Africa**

**On the occasion of the COP 21 meeting and the Paris Agreement in 2015, Societe Generale made stringent commitments to align its activities by 2020 with the International Energy Agency's (IEA) trajectory to limit global warming to 2°C.**

Following this, the Bank adopted a **proactive and responsible policy to assist customers in their energy transition by accelerating support for renewable energies, while at the same time gradually reducing its financing of carbon energies activities.**

To steer this global commitment, **the Group has implemented governance, risk management, measurement and monitoring tools** to offer the most suitable responses to the transformation taking place to decarbonise the economy.

### **Commitment to steer its policy in line with the IEA's scenarios**

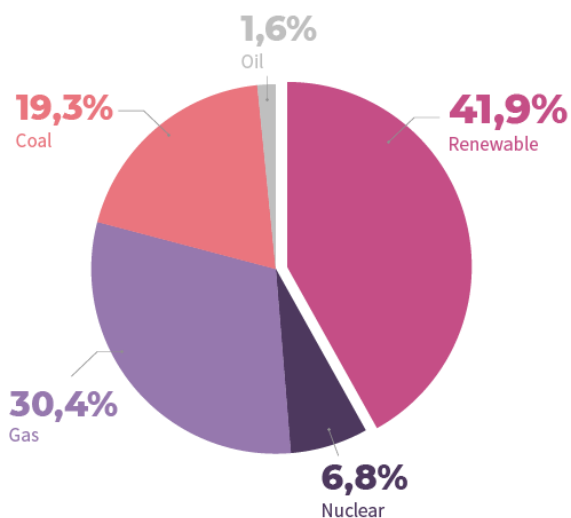
In 2016, the Bank implemented a **robust methodology to steer the monitoring of our coal financing** with the **objective of reducing the share of coal in the electricity production financed by the Bank to 19% by the end of 2020**, in line with the IEA's two-degree scenario.

### Our achievements by mid-2018 :

- **the Group is very close to its 2020 target with the share of coal in the energy mix of electricity production being financed reduced to 19.3%**
- **the share of low-carbon energies in this mix is 48.7%, of which nearly 42% are renewable energies**

The Group strengthened its governance by incorporating a climate-related risk review into its overall risk management policy and by defining vulnerability indicators for customers that operate in carbon intensive sectors.

Societe Generale has committed to adapting aligned strategies by 2020 for each sector vital to the success of the energy transition. And in this regard, the Bank aims to pursue the work initiated with different stakeholders to define common scenarios and methodologies in favour of a responsible energy transition.



### Pro-energy transition commitments

In 2017, Societe Generale pledged to **help raise €100 billion in financing for the energy transition between 2016 and 2020** and to report regularly on its achievements.

#### Societe Generale announced it had achieved 58% of this target at Q3-2018 :

- **€42 billion in green bonds issuances lead or co-lead by the Bank**, representing 50 transactions worldwide
- **€16 billion in advisory and financing services in the renewable energies sector**

**Societe Generale has been supporting renewable energy financing activities for more than 10 years, and today is one of the world's leaders in this domain.** The Bank provides support and financing for research and development of new renewable technologies, large-scale infrastructures projects and innovative start-up. It intervened in a total of 36 renewable energy transactions worldwide in 2017.

In 2018, Societe Generale announced it had acquired the pioneering renewable energy crowdfunding platform, **Lumo**. A French fintech, Lumo has accelerated the energy transition since 2012 by offering individuals and companies alike the opportunity to participate in the financing of a selection of renewable energy projects in France.

These targets were achieved with the help of the “**Sustainable and Positive Impact Finance**” offer within the global banking and investor solutions activities. Societe Generale is looking to bolster its role as a pioneer in defining Positive Impact Finance alongside UNEP-FI and in relation to the scale-up plans presented at the *GlobalRound Table Summit* as a response to the financing required for the sustainable development objectives defined by the United Nations.

### Commitment to reduce activities involving fossil fuels

In 2016, Societe Generale was one of the first international banks to scale-back its support for the coal sector (extraction and electricity production).

**The Bank has stopped all coal-dedicated financing worldwide.**

The Group also adopted in 2018 **exclusion policies for oil sands and Arctic oil exploration and extraction activities**.

In relation to gas, which is an energy compatible with the world energy transition (cf *Sustainable Development Scenario* of AIE), **in 2017 the Group strengthened its environmental and social (E&S) policy concerning the oil and gas sector to better take into account the impacts from the application of best standards**, notably concerning measures to limit continuous flaring and methane emissions, compliance with the IEA Golden Rules for companies using hydraulic fracking techniques, and respect for the rights of indigenous people.

### **Commitment to reduce the carbon footprint of its own activities**

In 2017, Societe Generale decided to **accelerate its 2014-2020 carbon reduction programme, and therefore strengthened its objective to reduce its carbon footprint by cutting its CO<sub>2</sub> emissions per employee by 25% by 2020**. This proactive approach is accompanied by innovative initiatives such as the Bank's pioneering “**internal carbon tax**” mechanism which today serves as a reference for other major international groups. Enhanced over the years, this win-win programme is based on a twin incentive mechanism: a carbon tax is collected every year from the Group's entities based on their CO<sub>2</sub> emissions and is then redistributed to reward the best internal environmental efficiency initiatives.

### **A driving role in sustainable development and low carbon initiatives in Africa**

Drawing on its long-standing and broad presence across 19 African countries, Societe Generale has made sustainable development on the African continent a core strategic priority. In announcing its “**Grow with Africa**” initiative, **the Group pledged to play a driving role along with private and public sector players in sustainable and low-carbon development in Africa**, notably in relation to energy infrastructures, which are key to the sustainable economic growth of these countries; the development of African SMEs; the development of innovative funding mechanisms for the agricultural and energy sectors to guarantee the broadest possible access; and the development of financial inclusion for the countries' populations.

**Frédéric Oudéa, Chief Executive Officer of Societe Generale** said: “*Committed to the positive transformations of societies and economies, Societe Generale has fully incorporated sustainable development objectives into its strategy. The energy transition and sustainable development of Africa are two key collective challenges to which we can and wish to contribute. Our proactive commitment to help raise €100 billion in financing for the energy transition by 2020 is now 58% achieved. We want to continue working with the different players to converge towards shared scenarios and methodologies so that we can successfully achieve this necessary energy transition together. We are moreover launching our “Grow with Africa” initiative to unite our strengths for the continent's future which is crucial for its populations and for the rest of the world.*”

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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, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

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 147,000 members of staff in 67 countries and supports on a daily basis 31 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, Crédit 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 to Corporates**, with networks in Africa, Russia, 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 (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index.

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