

## SECOND PARTY OPINION (SPO)

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Sustainability Quality of the Issuer and Asset Pool

Société Générale  
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## Overall Evaluation of the Positive Impact Bond

Société Générale commissioned ISS ESG to assist with its Positive Impact Bond by assessing three core elements to determine the sustainability quality of the Bond:

1. Société Générale’s Sustainable and Positive Impact Bond framework – benchmarked against the International Capital Market Association’s (ICMA) Green and Social Bond Principles (GBPs and SBPs) and the UNEP FI’s Principles for Positive Impact Finance (PIIF). Additionally, Société Générale commissioned the review of its framework against the Draft Model of EU Green Bond Standard<sup>1</sup> (EU GBS) on a best effort basis (see Annex 2).
2. The asset pool – whether the projects aligned with ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 3).
3. Société Générale’s sustainability performance, according to the ISS ESG Corporate Rating.

## ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION <sup>2</sup>
<b>Part 1:</b> <b>Performance against GBPs, SBPs and PPIF</b>	The issuer has defined a formal concept for its Sustainable and Positive Impact Bond Framework regarding definition, framework, assessment, and transparency. This concept is in line with the UNEP FI’s PPIF and the ICMA GBPs, SBPs and SBGs. Additionally, this concept is aligned with the draft model of EU GBS (see Annex 2) on a best effort basis.	<b>Positive</b>
<b>Part 2:</b> <b>Sustainability quality of the asset pool</b>	The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG Green and Social Bond KPIs. These contain a clear description of eligible asset categories which include: SMEs and employment generation, residential buildings (private mortgages), wind power, and solar power.  These asset categories have significant contributions to the SGDs 7, 8, 11, and 13 according to ISS ESG proprietary methodology.	<b>Positive</b>
<b>Part 3:</b> <b>Issuer sustainability performance</b>	The issuer itself shows a medium sustainability performance and has been given a rating of ‘C’, which classifies it as ‘Prime’ by the methodology of the ISS ESG Corporate Rating.  It is rated 11 <sup>th</sup> out of 285 companies within its sector as of 10.07.2020. This equates to a good relative performance, with a Decile Rank <sup>3</sup> of 1.	<b>Status: Prime</b>  <b>Rating: C</b>  <b>Decile Rank: 1</b>

<sup>1</sup> Usability Guide EU Green Bond Standard (March 2020)

[https://ec.europa.eu/info/sites/info/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/200309-sustainable-finance-teg-green-bond-standard-usability-guide\\_en.pdf](https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-green-bond-standard-usability-guide_en.pdf)

<sup>2</sup> ISS ESG’s evaluation will remain valid until any modification of the Sustainable and Positive Impact Bond Framework or addition of new assets into the asset pool by the issuer and as long as the Corporate Rating does not change (last modification on the 08.06.2020). ISS ESG reviewed the alignment of the framework with the EU GBS but did not conduct an in-depth assessment of the processes in line with the EU Taxonomy activity specific requirements for all project categories.

<sup>3</sup> Rank relative to industry group. 1 indicates a high relative ESG performance, while 10 indicates a low relative ESG performance.

## ISS ESG SPO ASSESSMENT

### PART I: SOCIÉTÉ GÉNÉRALE’S SUSTAINABLE AND POSITIVE IMPACT BOND FRAMEWORK ALIGNMENT AGAINST RELEVANT MARKET STANDARDS

The following table summarizes the alignment of Société Générale’s Sustainable and Positive Impact Bond Framework with the International Capital Market Association’s (ICMA) Green and Social Bond Principles (GBPs and SBPs), and the UNEP FI’s Principles for Positive Impact Finance (PIIF).

	ICMA GBP AND SBP	ALIGNMENT	PIIF	ALIGNMENT
<b>Part 1</b>	-		<b>Definition and Framework</b>	✓
	<b>Use of proceeds</b>	✓	<b>Definition and Framework</b>	✓
<b>Part 2</b>	<b>Process for Project Evaluation and Selection</b>	✓	<b>Framework</b>	✓
<b>Part 3</b>	<b>Management of proceeds</b>	✓	<b>Framework</b>	✓
<b>Part 4</b>	<b>Reporting</b>	✓	<b>Assessment and Transparency</b>	✓

Further details on the alignment of the Société Générale’s Sustainable and Positive Impact Bond Framework can be found subsequently.

## Part 1 – Use of Proceeds

### Positive contribution

Eligible Activities, as defined below, are aiming at generating environmental and/or social benefits as outlined in the eligibility criteria for each category defined below.

The eligibility criteria of green categories are intended to comply with the recommendation of the TEG technical report on the EU classification system for environmentally sustainable economic activities Taxonomy (the “EU Taxonomy”) published in March 2020.

Positive Impact Bonds issued by Société Générale will primarily contribute to the EU’s Climate Change Mitigation Objective via the reduction of greenhouse gas (“GHG”) emissions.

### Direct response to SDGs

Société Générale’s Positive Impact Bonds will support achieving one or several of the United Nations Sustainable Development Goals, such as “Good Health and Well-Being” (SDG 3), “Quality education” (SDG 4), “Clean Water and Sanitation” (SDG 6), “Affordable and Clean Energy” (SDG 7), “Decent work and economic growth” (SDG 8), “Reduced Inequalities” (SDG 10), “Sustainable Cities and Communities” (SDG 11), “Responsible Consumption & Production” (SDG 12) and “Climate Action” (SDG 13).

### Positive Impact Bonds

Positive Impact Bonds are any debt security (such as senior preferred bonds, senior non preferred bonds, subordinated bonds, covered bonds, structured bonds, or commercial papers and medium-term notes) issued by any issuance entities of Société Générale.

An amount equivalent to the net proceeds of the Positive Impact Bonds issuance will be applied to finance or refinance (via direct expenditures, via direct investments or via loans), in part or in full, activities in the one or several categories listed and defined below (the “Eligible Activities”).

Positive Impact Bonds can be either green, social or sustainability bonds if an amount equivalent to the net proceeds will be applied to (re)finance new or existing Eligible Activities in the green categories, in the social categories or in both categories respectively, as further defined below.

Eligible Activities will be selected based on the eligibility criteria defined below for each category and according to the qualification process for positive impact.

Eligible Activities will exclude:

- (i) Enterprises operating in the business sectors listed in appendix, such as, but not limited to, tobacco, gambling, weapons and munitions, alcohol (excluding beer and wine);
- (ii) Projects fully financed by any other type of funding<sup>4</sup>.

<sup>4</sup> when Eligible Activities partially benefit from a specific funding scheme, the associated amount eligible will only include the share financed by the Issuer.

Eligible categories are hereby described:

ELIGIBLE GREEN PROJECT CATEGORIES	ELIGIBILITY CRITERIA FOR GREEN CATEGORIES
<p><b>Renewable energy</b></p>	<p>Acquisition, conception, construction, development and installation of renewable energy production units; as well as the connection of renewable energy production units to the electricity grid and the transportation through the network. Renewable energy sources include:</p> <ul style="list-style-type: none"> <li>• <b>On- and offshore wind energy:</b> facilities operating at life cycle emissions lower than 100gCO<sub>2</sub>e/kWh, declining to 0gCO<sub>2</sub>e/kWh by 2050</li> <li>• <b>Solar photovoltaic and Concentrated Solar Power:</b> facilities operating at life cycle emissions lower than 100gCO<sub>2</sub>e/kWh, declining to 0gCO<sub>2</sub>e/kWh by 2050</li> <li>• <b>Geothermal energy:</b> facilities operating at life cycle emissions lower than 100gCO<sub>2</sub>e/kWh, declining to 0gCO<sub>2</sub>e/kWh by 2050</li> <li>• <b>Bioenergy:</b> facilities operating above 80% of GHG emissions-reduction in relation to the relative fossil fuel comparator set out in RED II increasing to 100% by 2050 and using feedstocks from anaerobic digestion of biowaste or sewage sludge or advanced feedstocks as defined by EU Directive 2018/2001</li> <li>• <b>Hydropower:</b> facilities operating at life cycle emissions lower than 100gCO<sub>2</sub>e/kWh, declining to 0gCO<sub>2</sub>e/kWh by 2050</li> <li>• <b>Equipment manufacturing for Renewable Energies</b></li> </ul>
<p><b>Green buildings</b></p>	<p><b>Green commercial and residential buildings</b>, meeting the applicable following criteria depending on the building usage and construction date:</p> <ol style="list-style-type: none"> <li>i. For both commercial and residential buildings: <ul style="list-style-type: none"> <li>• Buildings built before 31 December 2020: buildings belonging to the top 15% of the existing local stock in terms of operational primary energy demand, expressed as kWh/m<sup>2</sup> per annum.</li> <li>• Buildings built after 31 December 2020: buildings with a primary energy demand at least 20% lower than the one resulting from the European Nearly-Zero-Energy Building (“NZEB”) requirements.</li> </ul> </li> <li>ii. For commercial buildings only: in addition to the above applicable primary energy demand criteria, efficient building operations must be ensured through dedicated energy management</li> </ol> <p><b>Refurbished buildings</b> with an improved energy efficiency, meeting at least one of the two following criteria:</p> <ol style="list-style-type: none"> <li>i. Major renovation: the renovation is compliant with the requirements set in the applicable building regulations for ‘major renovation’ transposing the Energy Performance of Buildings Directive (“EPBD”). The energy performance of the building or the renovated part upgraded must meet cost-optimal minimum energy performance requirements in accordance with the EPBD</li> <li>ii. Renovations for relative improvement: individual or set of renovations delivering within a maximum of 3 years a reduction of primary energy demand of at least 30% in comparison to the energy performance of the building before the renovation(s).</li> </ol>

<p><b>Low carbon transport</b></p>	<p>Conception, development, construction, acquisition and maintenance of low-carbon transport infrastructure and assets including:</p> <p><b>Infrastructure for low carbon transport</b> meeting the applicable following criteria:</p> <p>i. <u>Land transport</u>: infrastructure in line with the EU Taxonomy technical criteria for Infrastructure for low carbon transport (land transport):</p> <ul style="list-style-type: none"> <li>• Infrastructure that is required for zero direct emissions transport (e.g. electric charging points, electricity grid connection upgrades, hydrogen fueling stations or electric highways).</li> <li>• Infrastructure and equipment (including fleets) for active mobility (walking, cycling, e-bikes and e-scooters)</li> <li>• Infrastructure that is predominantly used for low-carbon transport if the fleet that uses the infrastructure meets the thresholds for direct emissions as defined in the relevant activity.</li> <li>• Non-electrified rail infrastructure with an existing plan for electrification or use of alternatively powered trains</li> </ul> <p>ii. <u>Water transport</u>: infrastructure in line with the EU Taxonomy technical criteria for Infrastructure for low carbon transport (water transport):</p> <ul style="list-style-type: none"> <li>• Infrastructure that is required for zero direct emissions water transport (e.g. batteries or hydrogen fuelling facilities)</li> <li>• Infrastructure dedicated to supporting the renewable energy sector</li> <li>• Infrastructure that is predominantly used for low-carbon transport if the fleet that uses the infrastructure meets the thresholds for direct emissions as defined in the relevant activity</li> <li>• Infrastructure that is fundamental to the operation of the transport service</li> </ul> <p><b>Low-carbon vehicles, rolling stock and vessels</b> including:</p> <p>i. Low-carbon passenger cars and commercial vehicles meeting the EU Taxonomy technical criteria for passenger cars and commercial vehicles</p> <p>ii. Low-carbon rolling stock (e.g. light rail transit, metro, tram, trolleybus, bus and wagons) meeting the applicable EU Taxonomy technical criteria for transportation (i.e. passenger rail transport, freight rail transport, public transport, freight transport services by road, interurban scheduled road transport)</p> <p>iii. Low-carbon inland vessels meeting the applicable EU Taxonomy technical criteria for transportation (i.e. inland passenger water transport, inland freight water transport)</p>
<p><b>Water Management and Water Treatment</b></p>	<p>Development, construction, operation and upgrade of water management and water treatment projects including but not limited to:</p> <p><b>Water collection, treatment and supply projects</b> meeting one of the following criteria:</p> <p>i. The front-to-end water supply system has a high degree of energy efficiency characterized by an average energy consumption of the system (including abstraction, treatment and distribution) of 0.5 kWh per cubic meter billed/unbilled authorized water supply or less</p> <p>ii. The energy efficiency of the front-to-end water supply system is increased substantially by decreasing the average energy consumption of the system by at least 20% (including abstraction, treatment and distribution) or by closing the gap</p>

	<p>between the actual leakage of the water supply network and a given target value of low leakage by at least 20%</p> <p>Centralized wastewater treatment systems (including collection and treatment) provided that the new wastewater treatment substitutes more GHG emission intensive wastewater treatment systems.</p>
<p><b>Pollution prevention and control</b></p>	<p>Development, construction, operation and maintenance of <b>waste management projects</b> including but not limited to:</p> <ol style="list-style-type: none"> <li>i. Separate collection and transport of non-hazardous waste in segregated fractions where source segregated waste is separately collected with the aim of preparing for reuse and/or recycling</li> <li>ii. Composting of bio-waste when all the following criteria are met: <ul style="list-style-type: none"> <li>• the bio-waste is source segregated and collected separately</li> <li>• anaerobic digestion is not a technically and economically viable alternative</li> <li>• the compost produced is used as fertilizer/soil improver</li> </ul> </li> </ol> <p>Development, construction, operation and maintenance of <b>air emissions reduction projects</b> including but not limited to:</p> <ol style="list-style-type: none"> <li>i. Direct air capture of CO2 lowering global atmospheric CO2 concentration levels</li> <li>ii. Capture of anthropogenic emissions meeting all the following criteria: <ul style="list-style-type: none"> <li>• enabling the economic activity to operate under its respective EU taxonomy threshold</li> <li>• enabling the economic activity to operate under its respective EU taxonomy threshold</li> </ul> </li> </ol>
<p><b>Circular economy</b></p>	<p>Development, construction, operation and maintenance of projects fostering the transition to a circular economy, including but not limited to:</p> <ol style="list-style-type: none"> <li>i. Circular products: design, production or use-related projects meeting one of the following criteria: <ul style="list-style-type: none"> <li>• reduce waste and improve materials recycling at the beginning of a product's lifecycle (e.g. design for modularity, easy disassembly and improved recyclability)</li> <li>• substitute virgin raw materials with secondary (recycled) materials originating from materials and resources recovery</li> <li>• increase the value and use of a product during an extended life (e.g. through reuse/refurbishment/repair/remanufacture)</li> </ul> </li> <li>ii. Circular process: projects that significantly improve effectiveness and efficiency of resources consumption, within a company's operations or along its supply chain</li> <li>iii. Circular Value recovery: projects that aim to maximise recovery and recycling of a product after its end-of-life stage (e.g. material recovery from separately collected waste producing secondary raw materials suitable for substitution of virgin materials in production processes)</li> </ol>



ELIGIBLE SOCIAL PROJECT CATEGORIES	ELIGIBILITY CRITERIA FOR SOCIAL CATEGORIES
<b>Employment generation and preservation through SME financing</b>	<p>Small, medium, and micro-sized enterprises (SMEs), as defined under EU recommendation 2003/361, and the decree n ° 2008-1354 of December 18, 2008, meeting one of the following criteria:</p> <ul style="list-style-type: none"> <li>i. SMEs located in areas of France where the unemployment rate is above the national average</li> <li>ii. SMEs impacted by the consequences of extreme events (e.g. natural disaster, extreme weather events, public health disaster...)</li> </ul>
<b>Socioeconomic advancement and empowerment</b>	<p>Companies aiming at contributing to socioeconomic advancement and empowerment, including:</p> <ul style="list-style-type: none"> <li>i. Social and Solidarity Economy (SSE) enterprises pursuing a social utility as defined under the article 2 of the law of July 31, 2014, i.e. enterprises whose corporate object satisfies at least one of the following 3 conditions: <ul style="list-style-type: none"> <li>1. Their objective is to provide, through their activity, support to vulnerable populations groups</li> <li>2. Their objective is to contribute to (a) the fight against health, social, economic and cultural exclusions and inequalities, (b) to education for citizenship, in particular through education for all, (c) to the preservation and development of local community ties or (d) maintaining and strengthening territorial cohesion;</li> <li>3. They contribute to sustainable development in its economic, social, environmental and participative dimensions, to the energy transition or to international solidarity, provided that their activity is linked to one of the objectives mentioned in 1 and 2.</li> </ul> </li> <li>ii. Purpose-driven companies as defined under the article 176 of the law of May 22, 2019</li> </ul>
<b>Affordable housing</b>	<ul style="list-style-type: none"> <li>i. Development and construction of social housing projects;</li> <li>ii. Renovation, maintenance and improvements of social housing projects</li> <li>iii. Prêt à l'Accession sociale (PAS) or social home ownership loan</li> </ul>
<b>Access to education and professional training</b>	<p>Fostering the development, provision and access to education to all, notably through the following:</p> <ul style="list-style-type: none"> <li>i. Financial support to access education (e.g. student loans)</li> <li>ii. Construction, extension or refurbishment of infrastructures and equipment for public primary and secondary schools and universities</li> <li>iii. Financial support to professional training organizations including adult learning and continuing education</li> </ul>

<b>Access to healthcare</b>	Fostering the development, provision and access to healthcare to all, notably through the following: <ol style="list-style-type: none"><li>i. Construction, extension or refurbishment of infrastructures and equipment for public health facilities and centres</li><li>ii. Provision of loans to health professionals to support the purchase of medical equipment</li><li>iii. Construction, extension or refurbishment of infrastructures and equipment for elderly care facilities</li></ol>
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**Opinion:** ISS ESG considers the description provided by Société Générale’s Sustainable and Positive Impact Bond Framework as aligned with:

- *the UNEP FI’s Principles for Positive Impact Finance section of “Definition and Framework”. Société Générale has appropriate processes, criteria and methodologies in place to identify Positive Impact.*
- *the ICMA Green and Social Bond Principles, as the expected sustainability benefits are defined in line with the issuer’s sustainability strategy and UN SDGs. Clear exclusion criteria have also been defined by the issuer.*
- *furthermore, the Société Générale’s eligible green categories are aligned with the Technical Screening Criteria defined by the EU Taxonomy.*

## Part 2 – Process for Evaluation and Selection

A Positive Impact Bond Committee (the “Committee”), chaired by Société Générale Head of Group Treasury and meeting on at least a semi-annual basis, has been created to ensure the compliance with the Framework and oversee the entire issuance process.

The Committee is composed of Société Générale’s representatives from the following departments:

- Société Générale Group treasury;
- Société Générale Group corporate and social responsibility department;
- Société Générale environmental and social internal experts from the relevant business line;
- Société Générale Group data providers.

The role of the Committee is:

- To validate the portfolio of Eligible Activities identified by Société Générale Group;
- To discuss and validate changes required to the Framework (if any);
- To foster transparency by ensuring adequate disclosures to third parties;
- To address any issues arising from the review by the Second Party Opinion.

### Qualification for positive impact

The qualification process for positive impact consists in a 3-steps approach:

#### Identification

A first level of the ‘a priori’ positive impact of an investment or of the activities of a client through an identification of potential negative impacts on the three sustainable development pillars and of positive impacts at least on climate.

#### Evaluation

The positive impact evaluation confirms or invalidates the qualification of a priori “positive impact” finance projects.

The evaluation consists in:

1. Assessing positive and negative environmental and social (“E&S”) impacts;
2. Assessing how negative impacts are addressed, or mitigated, in particular regarding the Group’s E&S risk management framework.

Only projects with well managed negative impacts combined with positive ones are at the end “positive impact”.

The E&S risks analysis performed as part of the positive impact evaluation hence encompasses the “do no significant harm” and the “compliance with minimum social safeguards” required by the EU Taxonomy for the selection of green categories Eligible Activities.

#### Action

For Eligible Activities relating to green categories, the positive impact on climate change is estimated based on methodologies defined for each green category according to the level of available information.

For Eligible Activities relating to social categories, the positive impact on society is estimated according to the level of available information based on the number of beneficiaries.

Any potential negative impacts associated with transactions are monitored through specific provisions if deemed necessary (conditions precedent, conditions subsequent, representations and warranties, covenants).

**Opinion:** ISS ESG considers the Part 2 description provided by Société Générale’s Sustainable and Positive Impact Bond Framework as aligned with:

- the UNEP FI’s Principles for Positive Impact Finance section of “Framework”. An identification and evaluation of environmental and social risks before the determination of Positive Impact eligibility, is in place. This process is robust and aligns with best market practices.
- the ICMA Green and Social Bond Principles. The issuer involves the participation of various internal departments, and a methodic process to identify and select is in place.

### **Part 3 – Management of Proceeds**

Société Générale’s Treasury department will manage the net proceeds of the Positive Impact Bonds in accordance with this Framework.

Subsequent changes to the Framework will not apply to outstanding Positive Impact Bonds (grandfathering). As such, Eligible Activities must meet the eligibility criteria at the time they are

flagged as Eligible Activities, it being understood that if Société Générale decides to enhance eligibility criteria, then these new criteria will not apply retroactively<sup>5</sup> to the existing Eligible Activities. For the avoidance of doubt, new Positive Impact Bonds shall be aligned with the most recent version of the Framework.

During the life of the Positive Impact Bonds, Eligible Activities will be added to or removed from the pool of Eligible Activities to the extent required (e.g. in case of projects divestment or cancellation, in case of amortized or redeemed loans, or if an activity ceases to meet the eligibility criteria). In case of removal of Eligible Activities, Société Générale commits, on a best effort basis, to reallocate immediately the equivalent amount of proceeds to other Eligible Activities.

Eligible Activities will be tracked through Société Générale’s internal IT systems.

Pending the full allocation of an amount equivalent to the net proceeds, the unallocated amount will be managed within Société Générale’s regular cash management operations.

**Opinion:** ISS ESG considers the Part 3 description provided by Société Générale’s Sustainable and Positive Impact Bond Framework as aligned with:

- the UNEP FI’s Principles for Positive Impact Finance section of “Framework”. The review of Positive Impacts throughout the lifetime of the financial instrument is envisaged.
- the ICMA Green and Social Bond Principles. Earmarking is ensured through apposite IT systems and temporary investment instruments for unallocated proceeds are envisaged.

#### Part 4 - Reporting

Société Générale, will publish annually and until the maturity of the Positive Impact Bonds a reporting on the allocation of the net proceeds and expected positive impact of the Eligible Activities.

Société Générale commits to disclose calculation methodologies and assumptions used to estimate eligibility criteria or the positive impact of the Eligible Activities when applicable.

Société Générale will strive to follow market practices such as the Harmonized Framework for Impact Reporting.

Société Générale will endeavor to report, at Eligible Activity level when applicable and per eligible category otherwise, on relevant impact metrics, which may include for each defined category:

GBP AND SBP CATEGORY	INDICATOR
<b>Renewable energy</b>	<ul style="list-style-type: none"> <li>▪ Renewable energy capacity (in MW)</li> <li>▪ Annual GHG emissions in tons of CO2 equivalent saved</li> </ul>
<b>Green buildings</b>	<ul style="list-style-type: none"> <li>▪ Estimated ex-ante annual energy savings (in MWh)</li> <li>▪ Annual GHG emissions in tons of CO2 equivalent saved</li> </ul>

<sup>5</sup> Existing Eligible Activities do not lose their status if they do not meet the new eligibility criteria.

<b>Low carbon transport</b>	<ul style="list-style-type: none"> <li>▪ Annual GHG emissions in tons of CO2 equivalent saved</li> <li>▪ Other relevant indicators depending on the considered projects, such as the number of low carbon vehicles, rolling stock or vessels as applicable</li> </ul>
<b>Water management and water treatment</b>	<ul style="list-style-type: none"> <li>▪ Volume of water collected and disposed or treated (m<sup>3</sup>)</li> <li>▪ Other relevant indicators depending on the considered projects</li> </ul>
<b>Pollution prevention and control</b>	<ul style="list-style-type: none"> <li>▪ Volume of waste collected and disposed or treated (tons)</li> <li>▪ Annual GHG emissions in tons of CO2 equivalent saved/captured</li> <li>▪ Other relevant indicators depending on the considered projects</li> </ul>
<b>Circular economy</b>	<p>Depending on the Eligible Activities, relevant impact metrics may include:</p> <ul style="list-style-type: none"> <li>▪ Recycling rate</li> <li>▪ Volume of waste recycled (in tons)</li> <li>▪ % of secondary (recycled) materials used</li> <li>▪ Resource reuse rate / volume (in tons)</li> </ul>
<b>Employment generation and preservation through SME financing</b>	<ul style="list-style-type: none"> <li>▪ Breakdown of the outstanding amount of loans by region and by level of unemployment rate</li> <li>▪ Number of SMEs benefiting from the loans, including a breakdown by type of company (micro, small and medium-sized)</li> <li>▪ Estimated number of employees retained in the SMEs benefiting from the loans</li> </ul>
<b>Socioeconomic advancement and empowerment</b>	<ul style="list-style-type: none"> <li>▪ Number of companies benefiting from the loans, including a breakdown by type of company (SSE, Purpose-driven companies)</li> </ul>
<b>Affordable housing</b>	<ul style="list-style-type: none"> <li>▪ Number of dwellings</li> <li>▪ Number of beneficiaries when available</li> </ul>
<b>Access to education and professional training</b>	<ul style="list-style-type: none"> <li>▪ Number of students benefiting from a student loan</li> <li>▪ Number of education infrastructures benefiting from the loans, including a breakdown by type of infrastructures (schools, universities...)</li> <li>▪ Number of beneficiaries when available</li> </ul>
<b>Access to healthcare</b>	<ul style="list-style-type: none"> <li>▪ Number of healthcare infrastructures benefiting from the loans, including a breakdown by location</li> <li>▪ Number of beneficiaries when available</li> </ul>

**Opinion:** ISS ESG considers the Part 4 description provided by Société Générale’s Sustainable and Positive Impact Bond Framework as aligned with:

- the UNEP FI’s Principles for Positive Impact Finance section of “Assessment and Transparency”. Société Générale intends to disclose impact reporting when feasible and appropriate, highlighting the positive impact achieved.
- the ICMA Green and Social Bond Principles. The impact reporting includes clearly defined indicators in line with the industry best practices, and calculation methodologies are planned to be disclosed, further adding to the transparency of the reporting.

## External review

### Second Party Opinion

Société Générale has commissioned ISS ESG to conduct an external review of its Framework and issue a Second Party Opinion on the Framework’s environmental and social credentials, and its alignment with:

- The PPIF
- The ICMA Principles
- The EU GBS on a best effort basis

The Second Party Opinion is available on the “Positive Impact Bond” section of Société Générale’s investor relations webpage

### Verification

Société Générale will make public a limited or reasonable assurance report provided by its external auditors or any other appointed independent third party. For each reporting, the auditors will verify:

- the allocated and unallocated net proceeds
- the compliance of the Eligible Activities with the defined eligibility criteria of the relevant categories
- the review of the positive impact reporting

## PART II: SUSTAINABILITY QUALITY OF THE ASSET POOL

ISS ESG conducted a detailed analysis of the environmental and social risks associated with a sample of project categories based on information communicated by the issuer. For the other project categories, ISS ESG did not conduct a detailed review of the contribution of the project categories to the UN SDGs and an analysis of the ESG risks management.







### A. Contribution of the Positive Impact Bonds to the UN SDGs

Based on the assessment of the sustainability quality of the positive impact bond asset pool and using a proprietary methodology, ISS ESG assessed the contribution of the Société Générale's Positive Impact Bond to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 3 for methodology):

<b>Significant Obstruction</b>	<b>Limited Obstruction</b>	<b>No Net Impact</b>	<b>Limited Contribution</b>	<b>Significant Contribution</b>
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Each of the bond's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
SME Financing and Employment Generation	Significant Contribution	
Renewable energy: Wind power	Significant contribution	 
Renewable energy: Solar power	Significant contribution	 
Residential Buildings (private mortgages)	Significant contribution	

## B. Management of environmental and social risks associated with the Positive Impact Bonds

### SME Financing and employment generation

As a Use of Proceeds category, SME Financing and employment generation has a significant contribution to the SDG 8 “Decent work and economic growth”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs.

#### ASSESSMENT AGAINST ISS ESG KPIs

##### Exclusion of controversial activities

- ✓ Controversial business activities (e.g. coal and fossil fuel) are excluded from financing under this framework.

##### Non-discrimination

- ✓ For 100% of loans, policies and measures to prohibit discrimination in the workplace are in place according to national legislation.

##### Labour standards

- ✓ 100% of loans are granted to companies located in France, a country where high labour and health and safety standards are in place (e.g. ILO core conventions).

##### Environmental management

- No information is available on assets for which formal comprehensive environmental management systems (ISO 14001) are in place. However, all assets must implement measures in accordance with the environmental legislations in France and align with Société Générale’s strict exclusion criteria regarding business activities.

##### Controversy assessment

Due to a low controversy risk, ISS ESG does not carry out a controversy assessment for SME financing.



## Residential Buildings (private mortgages)

As a Use of Proceeds category, residential buildings (private mortgages) has a significant contribution to the SDG 11 “Sustainable communities and cities”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs.

### ASSESSMENT AGAINST ISS ESG KPI

#### Energy Efficiency prerequisites

100% of the assets underwent an appropriate and detailed selection process that ensures good standards regarding energy efficiency.

- ✓ Buildings built before 31 December 2020 must belong to the top 15% of the existing local stock in terms of operational primary energy demand, expressed as kWh/m<sup>2</sup> per annum. Buildings built after 31 December 2020 must have a primary energy demand at least 20% lower than the one resulting from the European Nearly-Zero-Energy Building (“NZEB”) requirements.

#### Construction standards

- ✓ 100% of the assets are located in France, where high labour and health and safety standards are in place for construction and maintenance work (e.g. ILO core conventions).

#### Responsible treatment of customers with debt repayment problems

- ✓ For 100% of the assets, basic pre-emptive actions to prevent client debt repayment problems (e.g. screenings of mortgages) are in place.
- ✓ For 100% of the assets, sustainable solutions for customers with debt repayment problems are in place (e.g. debt counselling, foreclosure as a last resort).
- ✓ The issuer excludes the selling of contractually serviced loans.

#### Controversy assessment

Due to a low controversy risk, ISS ESG does not carry out a controversy assessment for SME financing.

## Wind Power

As a Use of Proceeds category, wind power has a significant contribution to SDGs 7 “Affordable and clean energy” and 13 “Climate action”. The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs.

### ASSESSMENT AGAINST ISS ESG KPIs

#### Site selection

- ✓ All projects in the asset pool are not located in key biodiversity areas (Ramsar sites, UNESCO World Heritage Natural Sites, IUCN protected areas I-IV), as determined by the issuer’s investment criteria.
- ✓ One sample project in the asset pool underwent an environmental impact assessment at the planning stage. All other projects in the asset pool are required to undergo environmental screenings (Equator Principle signatory).

#### Community dialogue

- ✓ All projects in the asset pool features community dialogue as an integral part of the planning process as determined by the issuer’s investment criteria. (e.g. sound information of communities, surveys and dialogue platforms and others).

#### Environmental aspects of construction and operation

- ✓ All projects in the asset pool have to comply with environmental measures during the construction phase (e.g. noise mitigation, minimisation of environmental impact)
- ✓ All projects in the asset pool have to comply with environmental measures to protect habitat and wildlife during operation of the power plant (e.g. turbine turn-off times, monitoring of bats, consideration of birds’ flight paths).

#### Working conditions during construction and maintenance work

- ✓ All projects in the asset pool provide for high labour and health safety standards for construction and maintenance work (e.g. ILO core conventions).

#### Controversy assessment

A controversy assessment on one sample project did not reveal any controversial activities or practices that could be attributed to Société Générale. Due to the limited information available, ISS ESG did not carry a controversy assessment on all the assets within the pool.

## Solar Power

As a Use of Proceeds category, solar power has a significant contribution to SDGs 7 “Affordable and clean energy” and 13 “Climate action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs.

### ASSESSMENT AGAINST ISS ESG KPIs

#### Site selection

- ✓ All projects in the asset pool are not located in key biodiversity areas (Ramsar sites, UNESCO World Heritage Natural Sites, IUCN protected areas I-IV), as determined by the issuer’s investment criteria.

#### Supply chain standards

- ✓ All projects in the asset pool provide for high labour and health and safety standards in the supply chain of solar modules (e.g. ILO core conventions).

#### Environmental aspects of solar power plants

- No information is available on whether the projects in the asset pool contain solar panels with a conversion efficiency of at least 15%.
- No information is available on whether the projects provide for high environmental standards regarding take-back options.
- ✓ All projects located in the European Union are in line with the European Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS Directive).

#### Working conditions during construction and maintenance work

- ✓ All projects in the asset pool provide for high labour and health safety standards for construction and maintenance work (e.g. ILO core conventions).

#### Controversy assessment

A controversy assessment on one sample project did not reveal any controversial activities or practices that could be attributed to Société Générale. Due to the limited information available, ISS ESG did not carry a controversy assessment on all the assets within the pool.

## PART III: ASSESSMENT OF SOCIÉTÉ GÉNÉRALE'S ESG PERFORMANCE

The ISS ESG Corporate Rating provides a rating and then designates a company as 'Prime<sup>6</sup>' or 'Not Prime' based on its performance on basic ESG requirements for its industry sector. It is also assigned a Decile Rank, indicating this relative industry group performance, with 1 indicating a high relative ESG performance, and 10 a low relative ESG performance.

COMPANY	STATUS	Rating	DECILE RANK
Société Générale	PRIME	C	1

This means that in terms of industry-specific sustainability requirements the company performed in a medium way. However, compared to others in the industry Société Générale performs well.

As of 10.07.2020, this rating places Société Générale 11<sup>th</sup> out of 285 companies rated by ISS ESG in the Financials/Commercial Banks & Capital Markets sector.

Key Challenges facing companies in term of sustainability management in this sector are:

- Sustainability impacts of lending and other financial services/products
- Customer and product responsibility
- Sustainable investment criteria
- Labour standards and working conditions
- Business ethics

In all of the key issues, Société Générale rates above the average for the sector. A significant outperformance was achieved in "Sustainable investment criteria".

The issuer does not face any severe controversies.

Details on the rating of the issuer can be found in Annex 1.

<sup>6</sup> Prime is only awarded to the top sector performers, often less than 10% of companies within the respective sector.

## DISCLAIMER

1. Validity of the SPO: For Société Générale's Positive Impact Bonds occurring between July 2020 and July 2021.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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## ANNEX 1: ISS ESG Corporate Rating

The following pages contain extracts from Société Générale's ISS ESG Corporate Rating.

# ESG Corporate Rating

## Société Générale S.A.

Industry	Financials/Commercial Banks & Capital Markets	Status	<b>Prime</b>
Country	France	Rating	<b>C</b>
ISIN	FR0000130809	Prime Threshold	<b>C</b>
		Decile Rank	<b>1</b>



### Absolute Rating



The assessment of a company's sustainability performance is based on approximately 100 criteria, selected specifically for each industry. A company's failure to disclose, or lack of transparency, regarding these matters will impact a company's rating negatively

### Decile Rank



Low relative performance

High relative performance

Indicates decile rank relative to industry group. A decile rank of 1 indicates a high relative ESG performance, while a 10 indicates a lower relative ESG performance.

### Industry Leaders

Company name (in alphabetical order)	Country	Grade
ABN AMRO Bank N.V.	NL	C+
BNP Paribas S.A.	FR	C+
NIBC Holding N.V.	NL	C+

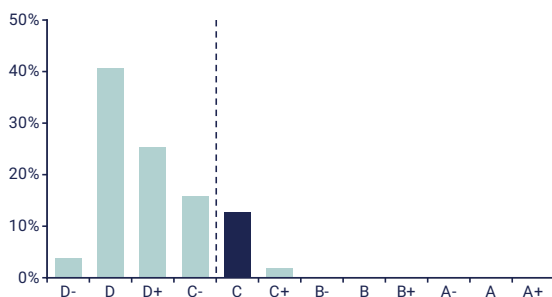
Legend: ■ Industry ■ Company --- Prime

### Key Issue Performance

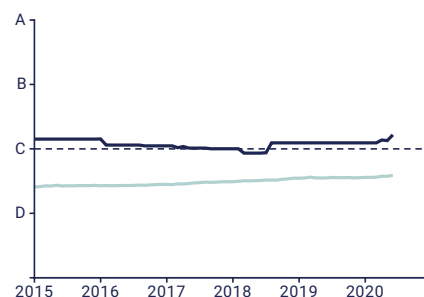


### Distribution of Ratings

285 companies in the industry



### Rating History



# Société Générale S.A.

## Analyst Opinion

### Sustainability Opportunities

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Societe Generale offers several financial services with a high social and environmental benefit. The company supports the microfinance sector in countries in which its International Retail Banking division is present, particularly in Africa, the Middle East and the Mediterranean. This is mainly done by granting refinancing to MFIs (microfinance institutions) and acquiring minority stakes in MFIs. It also finances social housing and SMEs, and offers a basic bank account in France as well as remote banking in Africa. In addition, there are green financing options for e.g. electric vehicles as well as renewable energy and energy efficiency projects. Moreover, it excludes companies from its lending and investment portfolio which generate the majority of their revenues from coal-related activities. In the asset management segment, Societe Generale offers a range of SRI funds covering all asset classes and applying various investment criteria.

### Sustainability Risks

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In the financial sector, the main sustainability challenges are in the lending and investment banking, and asset management businesses. Societe Generale has developed a reasonable framework to address social and environmental risks in the lending business. This includes general environmental and social (E&S) financing principles, as well E&S sector policies for twelve sectors considered to be sensitive from an environmental and social perspective (e.g. forestry and forest products, oil and gas, dams and hydropower, thermal power and coal fired power, mining, palm oil, agriculture, fisheries and food). Although the criteria set by the guidelines is somewhat limited, they apply to all or almost all the banking and financial services provided by the company in the specific sectors. In addition, the company is a signatory to the Equator Principles and has developed operational guidelines to observe compliance with the principles' social and environmental standards. However, the company's promising lending frameworks did not avert its participation in a USD 4.4 billion syndicated loan financing the controversial Oyu Tolgoi mine in Mongolia. Societe Generale exhibits a good performance regarding the integration of environmental and social aspects in its mainstream asset management business. For a bank with significant retail activities, aspects related to customer and product responsibility also present considerable risks. In this area, Societe Generale has taken some steps to develop an employee framework that emphasis sales quality by e.g. no longer paying individual commissions in France. Similarly, regarding the issue of debt repayment, the company implements some measures for customers. Employee relations and the work environment also present important sustainability challenges. The company demonstrates adequate initiatives to improve the work-life balance of its employees and to prevent and alleviate work-related mental health problems. Some responsible workforce restructuring measures such as avoidance of redundancies and cooperation with trade unions are implemented. In the area of business ethics, Societe Generale has set some general rules of conduct covering topics such as insider dealings, conflicts of interest and money laundering. Some compliance procedures are implemented to ensure adherence to the rules of conduct, such as trainings, risk assessments and audits, as well as a reporting channel for employees. In the past few years, the company has also been involved in controversies related to corruption, tax evasion assistance and supervisory failures in the trading business.

### Governance Opinion

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Societe Generale's shareholder structure is dispersed (as at July 31, 2019). The company's governance structure is designed to effectively exercise its control function. Its board chair (Lorenzo Bini Smaghi, as at June 7, 2019) as well as 91% of all board members are independent. Further, either exclusively or predominantly independent audit, remuneration and nomination board committees are established. The company discloses its remuneration policy for some executives, including long-term incentive components.

Regarding the company's governance of sustainability, an independent sustainability committee has been established. In addition, sustainability aspects are integrated to some extent into the variable remuneration of executives, but specific environmental and/or social targets are not specified by the company. In the area of business ethics, Societe Generale has set some general rules of conduct covering topics such as insider dealings, conflicts of interest and money laundering. Some compliance procedures are implemented to ensure adherence to the rules of conduct, such as trainings, risk assessments and audits, as well as a reporting channel for employees. In the past few years, the company has also been involved in controversies related to corruption, tax evasion assistance and supervisory failures in the trading business.



# Société Générale S.A.

## Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

**ESG Corporate Rating** - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

**Analyst Opinion** - Qualitative summary and explanation of the central rating results in three dimensions:

- (1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- (2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- (3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

**Controversial Business Practices** - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
  - Degree of verification of allegations and claims
  - Severity of impact on people and the environment, and systematic or systemic nature of malpractices
- Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

**Decile Rank** - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

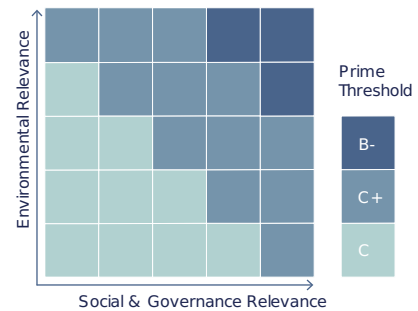
**Distribution of Ratings** - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

# Société Générale S.A.

## Methodology - Overview

**Industry Classification** - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



**Industry Leaders** - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

**Key Issue Performance** - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

**Major Shareholders & Ownership Summary** - Overview of the company's major shareholders at the time of generation of this report. All data as well as the categorisation system for the investor types is based on information from S&P Capital IQ.

**Rating History** - Development of the company's rating over time and comparison to the average rating in the industry.

**Rating Scale** - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

**Sources of Information** - A selection of sources used for this report is illustrated in the annex.

**Status & Prime Threshold** - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

## ANNEX 2: Alignment of Société Générale’s Sustainable and Positive Impact Framework with the Draft Model of EU Green Bond Standard (EU GBS)

Société Générale commissioned the review of its framework against the Draft Model of EU Green Bond Standard<sup>7</sup> (EU GBS) on a best effort basis. ISS ESG finds that the concept described in the Société Générale Framework aligns with the draft model of EU GBS on a best effort basis (see part “Alignment of the framework with the EU Green Bond Standard” below). For a sample of categories, ISS ESG conducted an in-depth review of the selection of green activity categories against the EU Taxonomy activity specific requirements (see part “Alignment of the green eligible activities with the EU Taxonomy” below). Due to the limited engagement period with the issuer, ISS ESG could not conduct a detailed review of the alignment of all green activities considered under this framework with the EU Taxonomy.

Overall, ISS ESG finds that the willingness of Société Générale to align with the draft of EU Green Bond Standards before its official inception at the European level contributes to shape best market practices.

### Alignment of the framework with the EU Green Bond Standard

EU GBS SECTION	OPINION ON SOCIETE GENERALE FRAMEWORK	ALIGNMENT
<p><b>Strategy and Rationale</b></p>	<p><b>Société Générale’s Sustainable and Positive Impact Bond Framework is aligned with the EU GBS regarding “Strategy and Rationale”.</b></p> <p>Société Générale defined its strategy to mitigate climate change by reducing activities related to fossil fuels, promoting energy transition and limiting its direct carbon footprint. Société Générale set itself clear environmental targets in line with the Paris agreement. In its framework, Société Générale made available links to sustainability reporting and relevant targets.</p> <p>The bond’s environmental objectives and considered eligible green activities are aligned with the climate change mitigation objectives, in line with the EU Taxonomy and with the sustainability strategy of the issuer.</p>	<p>✓</p>
<p><b>Process for selection of green projects</b></p>	<p><b>Société Générale’s Sustainable and Positive Impact Bond Framework aligns with the EU GBS in regard to “Process for selection of green projects”.</b></p> <p>In line with the EU Taxonomy, the issuer clearly described in its framework:</p> <ul style="list-style-type: none"> <li>• The substantial contribution of the green eligible categories to climate change mitigation</li> </ul>	<p>✓</p>

<sup>7</sup> Usability Guide EU Green Bond Standard (March 2020)  
[https://ec.europa.eu/info/sites/info/files/business\\_economy\\_euro/banking\\_and\\_finance/documents/200309-sustainable-finance-teg-green-bond-standard-usability-guide\\_en.pdf](https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-green-bond-standard-usability-guide_en.pdf)

	<ul style="list-style-type: none"> <li>• Selection criteria in line with the Technical Screening Criteria applicable to relevant activities.</li> </ul> <p>Additionally, Société Générale provided ISS ESG with more information on its selection process. According to ISS ESG assessment, this process aligns with the Minimum Social Safeguards for all green categories and with the Do No Significant Harm criteria for two sample categories.</p> <p>Due to the limited engagement period with the issuer, ISS ESG could not conduct a detailed review of the alignment of all green activities against relevant Do No Significant Harm criteria. Furthermore, Société Générale provides in its framework a clear description of the green projects selection process and internal responsibilities related to this process. This selection process is robust and aligns with best market practices.</p>	
<b>Green projects</b>	<p><b>Société Générale’s Sustainable and Positive Impact Bond Framework aligns with the EU GBS in regard to “Green projects”.</b></p> <p>The issuer provides a detailed mapping between its green activities and the EU Taxonomy eligible activities in its framework.</p>	✓
<b>Management of Use of proceeds</b>	<p><b>Société Générale’s Sustainable and Positive Impact Bond Framework aligns with the EU GBS in regard to “Management of Use of Proceeds”.</b></p> <p>Earmarking is ensured through apposite IT systems, the allocation process described and temporary investment instruments for unallocated proceeds are envisaged.</p>	✓
<b>Reporting</b>	<p><b>Société Générale’s Sustainable and Positive Impact Bond Framework aligns with the EU GBS in regard to “Reporting”.</b></p> <p>Allocation and impact reporting will occur annually until full maturity. The reported impact metrics are defined in the issuer’s framework and tend to demonstrate contribution to the environmental objectives of the bond. The issuer however did not provide information on impact metrics demonstrating Do No Significant harm to environmental objectives.</p> <p>The issuer commissioned pre-issuance SPO and post-issuance External Verification on each annual allocation and impact report.</p>	✓

## Alignment of the green eligible activities with the EU Taxonomy

### Substantial contribution to the environmental objectives

All green categories defined in the Société Générale Framework have a substantial contribution to the environmental objective Climate Change Mitigation.

### Technical Screening Criteria

For all green categories considered under the Société Générale Framework, eligibility criteria are defined in line with the activity specific Technical Screening Criteria.

### Do No Significant Harm Criteria

For two sample asset categories, ISS ESG conducted a detailed analysis of the alignment of Société Générale internal selection processes against the Do No Significant Harm criteria relevant for those activities. Due to the limited engagement period with the issuer, ISS ESG could not conduct this detailed review for all green activities considered under this framework. Société Générale's internal selection process is robust and aligns with best market practices.

The tables below present the outcome of the in-depth alignment analysis for the sample of project categories.

### Production of Electricity from Solar PV (4.1.)

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
<b>1. CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA</b>		
Facilities operating at life cycle emissions lower than 100gCO <sub>2</sub> e/kWh, declining to net-0gCO <sub>2</sub> e/kWh by 2050, are eligible.	Solar PV activities are currently deemed to be taxonomy eligible.	✓
<b>2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA</b>		
Reducing material physical climate risks	The process for selection of Green Projects includes the identification of relevant risks associated with a changing climate and adaptation opportunities in compliance with the IFC Performance Standard 1.	✓
Supporting system adaptation	The selection process includes an assessment of the projects' alignment with national and regional plans and laws.	✓
Monitoring adaptation results	Société Générale keeps track of the due diligence reports constituting this analysis, allowing monitoring of the adaptation results.	✓

<b>3. WATER – DO NO SIGNIFICANT HARM CRITERIA</b>		
Not applicable		-
<b>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</b>		
High durability, easy dismantling, refurbishment, and recycling ensured by PV panels design and manufacture	According to Société Générale’s due diligence processes, recycling aspects regarding PV modules are taken into consideration.	✓
Reparability ensured by accessibility and exchangeability of PV panels components.	According to Société Générale’s due diligence processes, accessibility and exchangeability aspects regarding PV modules are taken into consideration.	✓
<b>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</b>		
Not applicable		-
<b>6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</b>		
Environmental Impact Assessment or Strategic Environmental Assessment has been conducted and required mitigation measures implemented.	The process for selection of process ensure that assets located in the EU received Environmental Impact Assessment compliant with EU Directives on Environmental Impact Assessment (2014/52/EU) and Strategic Environmental Assessment (2001/42/EC). Assets located outside of the EU are assessed against the IFC Performance Standard 1.	✓
<b>CONTROVERSY ASSESSMENT AND MITIGATION ACTION PLAN</b>		
Société Générale has environmental and social reputational risk screening in place within its process for selection of green projects.		

**Production of Electricity from Wind Power (4.3.)**

<b>EU TAXONOMY REQUIREMENT</b>	<b>GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES</b>	<b>ISS ESG ANALYSIS AGAINST REQUIREMENTS</b>
<b>1. CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA</b>		
Facilities operating at life cycle emissions lower than 100gCO <sub>2</sub> e/kWh, declining to net-0gCO <sub>2</sub> e/kWh by 2050, are eligible.	Wind power activities are currently deemed to be taxonomy eligible.	✓
<b>2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA</b>		

Reducing material physical climate risks	The process for selection of Green Projects includes the identification of relevant risks associated with a changing climate and adaptation opportunities in compliance with the IFC Performance Standard 1.	✓
Supporting system adaptation	The selection process includes an assessment of the projects' alignment with national and regional plans and laws.	✓
Monitoring adaptation results	Société Générale keeps track of the due diligence reports constituting this analysis, allowing monitoring of the adaptation results.	✓
<b>3. WATER – DO NO SIGNIFICANT HARM CRITERIA</b>		
Water quality and water consumption	The process for selection of Green Projects is compliant with the IFC Performance Standard 1 and Environmental, Health and Safety Guidelines 1.3. Société Générale additionally checks the projects water needs and sources, and other users of water.	✓
Compliance with the EU Water legislation	The process for selection of green projects ensures compliance with the EU Water legislation.	✓
<b>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</b>		
End-of-life waste management and decommissioning	According to Société Générale's due diligence processes and compliance with relevant legislation, end-of-life waste management are taken into consideration.	✓
<b>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</b>		
Not applicable		-
<b>6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</b>		
Environmental Impact Assessment or Strategic Environmental Assessment has been conducted and required mitigation measures implemented.	The process for selection of green projects ensures that assets located in the EU received Environmental Impact Assessment compliant with EU Directives on Environmental Impact Assessment (2014/52/EU) and Strategic Environmental Assessment (2001/42/EC). Assets located outside of the EU are assessed against the IFC Performance Standard 1.	✓
<b>CONTROVERSY ASSESSMENT AND MITIGATION ACTION PLAN</b>		

Société Générale has environmental and social reputational risk screening in place within its process for selection of green projects.

### Minimum Social Safeguards

ISS ESG conducted a detailed analysis of the alignment of Société Générale internal selection processes against the Minimum Social Safeguards criteria relevant for all green activities considered under this framework.

The table below presents the outcome of this analysis.

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ISS ESG ANALYSIS AGAINST REQUIREMENTS
OECD Guidelines on Multinational Enterprises	The process for selection of green projects ensures compliance with OECD Guidelines on Multinational Enterprises. Risks analysis processes are in place to identify any potential breach of this guideline at the Green Project level. Société Générale has environmental and social reputational risk screening in place within its process for selection of green projects.	✓
UN Guiding Principles on Business and Human Rights	The process for selection of green projects ensures compliance with UN Guiding Principles on Business and Human Rights. Risks analysis processes are in place to identify any potential breach of this guideline at the Green Project level. Société Générale has environmental and social reputational risk screening in place within its process for selection of green projects.	✓
ILO Core Labour Conventions	The process for selection of green projects ensures compliance with ILO Core Labour Conventions. Risks analysis processes are in place to identify any potential breach of this guideline at the Green Project level. Société Générale has environmental and social reputational risk screening in place within its process for selection of green projects.	✓



## ANNEX 3: Methodology

### ISS ESG Green Bond KPIs

The ISS ESG Green Bond KPIs serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Société Générale’s Positive Impact Bond.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

### Asset evaluation methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green and Social Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green and Social Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Société Générale (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

### Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Société Générale’s Green Bond contributes to related SDGs and has a positive association with their respective sub-targets.

## About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For Information about SPO services, and this Positive Impact Bond, contact:

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