

Positive Impact Notes

January 2018

YEARLY
REPORT



SOCIETE GENERALE
Corporate & Investment Banking

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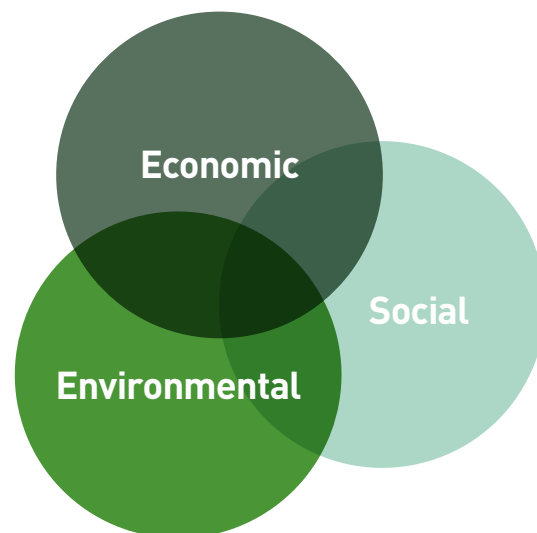
Presentation of the Positive Impact notes

Societe Generale has created a range of products, **the Positive Impact notes** (P.I. notes), to allow its clients to invest in a structured note whilst promoting Positive Impact Finance.



What is Positive Impact Finance?

Positive Impact Finance serves to deliver a positive contribution to one or more of the **three pillars of sustainable development** (economic, environmental and social), once any potential negative impacts have been duly identified and mitigated.



How do Positive Impact notes support Positive Impact Finance?

When a client invests in a **Positive Impact note**, Societe Generale commits to hold in its books an amount in **Positive Impact Finance assets equivalent to 100 %** of the outstanding nominal amount of the note.

SOCIETE GENERALE'S COMMITMENTS

Societe Generale is committed to monitor its Positive Impact Finance assets through the stringent **Societe Generale Environmental & Social (E&S) risk management process** during the life of the Note.

Positive Impact Finance assets are evaluated by **dedicated Environmental and Social experts** using the **Positive Impact Assessment Framework** which is based on the most stringent Environmental & Social (E&S) International Standards.

INDEPENDENT REVIEW BY VIGEO EIRIS

Vigeo was founded in 2002, it has established itself as the leading European expert in the assessment of companies and organisations with regard to their practices and performance on environmental, social and governance ("ESG") issues.

Vigeo Eiris was commissioned by Societe Generale to conduct an **independent assessment** on the sustainable credentials of the Positive Impact Finance assets, according to the Vigeo Eiris Environmental, Social and Governance (ESG) assessment methodology.

Vigeo Eiris's statement on the sustainability of the Positive Impact Finance assets

January 2018

Vigeo Eiris provides a reasonable level of assurance on the sustainable credentials of the Positive Impact Finance asset portfolio currently attributed by SGCIB to this product.*

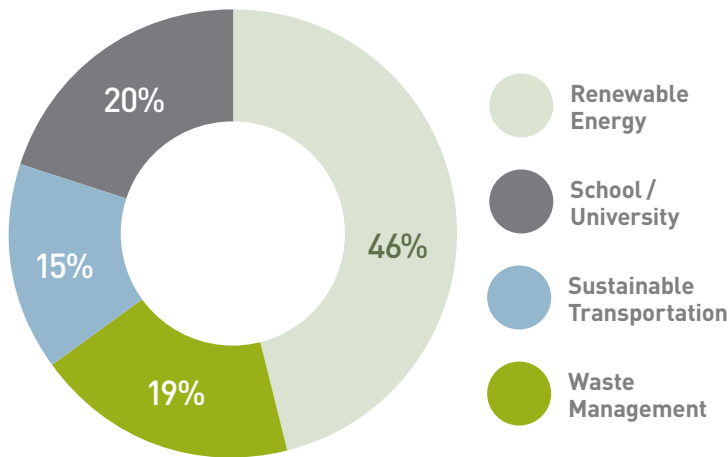
vigeo eiris
Enterprise

- ✓ Societe Generale's ESG performance is advanced*.
- ✓ We provide a reasonable level of assurance* on the ESG and PIF assessment frameworks.
- ✓ Vigeo Eiris confirms the asset portfolio currently attributed to the PI Structured Notes issued by SGCIB is:
 - Composed of Positive Impact Finance assets, which have a positive impact on at least one of the three main sustainable development pillars (environment, social and economic), i.e. climate change mitigation, natural resources preservation and access to education, in line with five United Nations Sustainable Development Goals (the "UN SDGs"), and for which an appropriate management of the potential negative impacts is implemented and not on the basis that they are offset by the positive impacts.
 - Held by SGCIB for an equivalent amount to 100 % of the nominal amount invested in the PI Structured Notes.

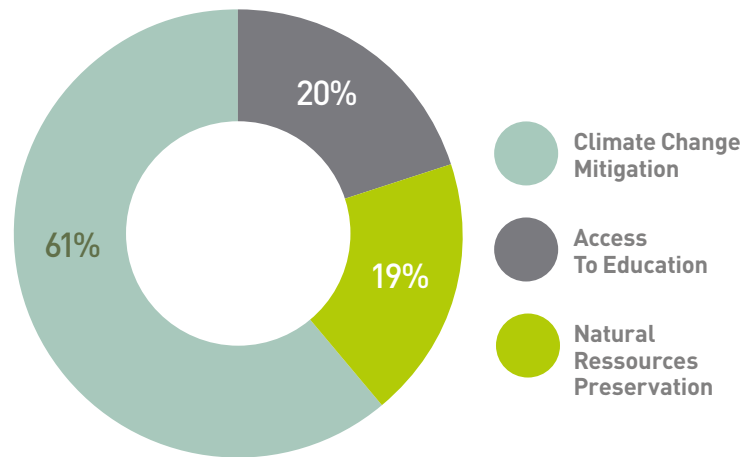
*Scales of assessment: (1) Performance: Advanced, Good, Limited, Weak; (2) Assurance level: Reasonable, Moderate, Weak.

Positive Impact financings supported by the PI Notes (source: Vigeo Eiris)

Split by business sector



Split by positive contribution



ILLUSTRATIONS OF PROJECT

Development of a wind farm in Europe



DESCRIPTION OF THE PROJECT

Development of a **wind farm in Europe for a total power of 6 MW.**



AVOID THE PRODUCTION OF
8.8 TONS
OF CO₂ VIA FOSSIL FUELS

Positive Impacts:

ENVIRONMENTAL – Climate/Energy Efficiency:

The development of renewable energy will avoid the production of 8.8 tons of CO₂ via fossil fuels. Wind energy is clean energy because it produces neither greenhouse gases nor waste.



Management of key negative impacts:



ENVIRONMENTAL – Biodiversity / Noise:

The impacts on the diversity of flora in the area where the wind turbines are located will be offset by the replanting of similar wooded areas. To avoid disturbing breeding birds heavy work should not be done during the nesting period. In addition, ornithological monitoring is planned during the first 5 years of operation of the wind farm. An acoustic clamping of the wind farm is planned at night in order to respect the norms in force and not to disturb the local residents and the surrounding fauna.

Milan becomes greener with its Purple Line



DESCRIPTION OF THE PROJECT

Development and extension of the **Milan Metro Line 5** connecting the stations of San Siro and Bignami in the Western and Northern part of Milan. This is the first fully automated line of the Milanese metro.

+ Positive Impacts:



24K
PASSENGERS
per hour

SOCIAL – Transport communication:

The project to extend the railway network linking Bignami and San Siro covers a distance of 12.8km and has a total of 19 stations. The development has also allowed for the connection with other Metro lines and the railway network as a whole. Metro Line 5 is now able to carry **up to 24,000 passengers per hour**, thus optimizing transport.



reduction of **15M** PRIVATE CAR TRIPS per year

ENVIRONMENTAL – Climate:

The project is expected to save more than 8,470 tones of oil per year as it will be a substitute to private transportation. A compensation plan was set up during the construction phase to develop additional green spaces.

- Management of key negative impacts:

ENVIRONMENTAL – Air:

Whenever possible, the trees located on the construction area are moved and planted in alternative sites before being replanted at their original area after completion of the construction. The creation of the M5 metro line delivers Milan with a new heritage of green public spaces. The compensation plan will increase the number of trees: more precisely: **3.6 shrubs (at least twelve years of age) will take root in the city for every tree removed during the construction phase**. This compensation is perfectly in line with the Kyoto Protocol and is set to triple the current levels of fine dust and carbon dioxide absorption.

The new metro line promises the concrete reduction of air and noise pollution: it is estimated that, at full capacity, the M5 line **will lead to the reduction of 15 million private cars trips per year** and therefore, a considerable decrease in pollutants.



3.6 SHRUBS FOR EVERY tree removed

Important Information

Credit risk: investors take a credit risk on Societe Generale. Thus Societe Generale's insolvency may result in the partial or total loss of the invested amount

Market risk: The product may at any time be subject to significant price movement, which may in certain cases lead to the loss of the entire amount invested.

Liquidity risk: Certain exceptional market circumstances may have a negative effect on the liquidity of the product, and even render the product entirely illiquid, which may make it impossible to sell the product and result in the partial or total loss of the invested amount.

No liquid market: There is no liquid market on which this product can be easily traded and this may have a material adverse effect on the price at which this product might be sold. As a consequence, the investor may lose part or all of the invested amount.

Adjustment or substitution – Early redemption of the product: In order to take into account the consequences on the product of certain extraordinary events which could affect the underlying instrument(s) of the product, the product's documentation provides for (i) adjustment or substitution mechanisms and, in certain cases, (ii) the early redemption of the product. This may result in losses on the product.

Prior to investing in the product, investors should seek independent financial, tax, accounting and legal advice.

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Availability of the documentation: Investors should refer to the dossier de présentation financière and the contrat d'émission et de souscription before any investment in the product. A copy of these documents may be obtained free of charge from Societe Generale at the address stated in this document, upon request. There will be no prospectus approved by the Autorités des Marchés Financiers for this product.

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