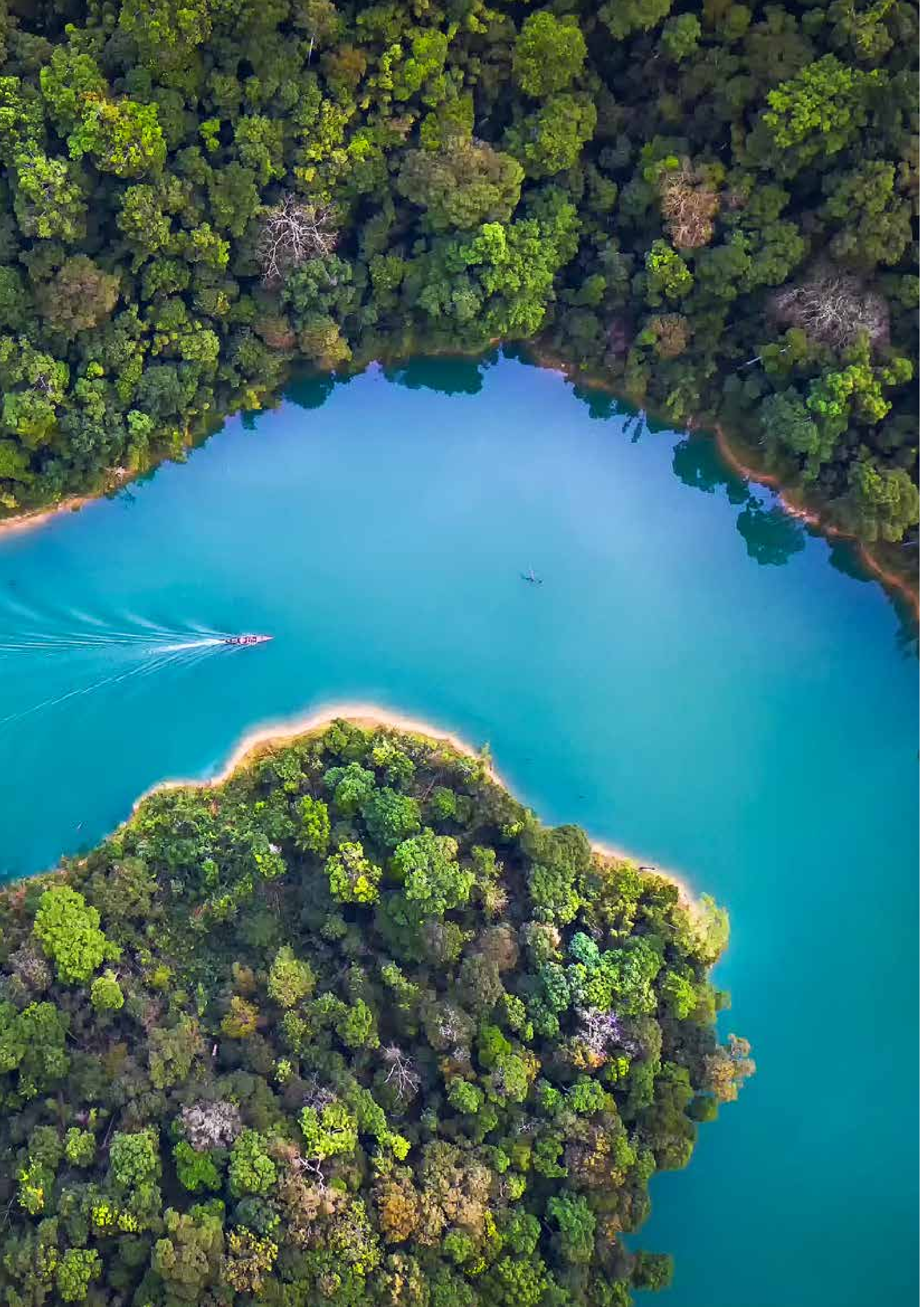
SUSTAINABLE AND POSITIVE IMPACT BOND FRAMEWORK

June 2024

THE FUTURE IS YOU

SOCIETE GENERALE MADAGASIKARA



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INTRODUCTION

SGM is the heir of a rich banking history in Madagascar. Created as Banque de Madagascar in 1925 by the French Administration, which granted a consortium led by Banque de Paris et des Pays-Bas (BPPB) the issuance of currency and loan corporate credit within the territory. It became successively Banque de Madagascar et des Comores (1946) and Banque Commerciale de Madagascar after the country gained its independence.

In 1977, Malagasy State adopted a nationalization policy of its financial system and Banque Commerciale de Madagascar and Banque Financière et Commerciale Malagasy Mandroso lately known as Banque Française Commerciale, were merged to form Banky Fampandrosoana ny Varotra or BFV. The Bank was taken over by Société Générale France In 1998 following the privatization era of the economy and renamed it BFV-SG, it is currently part of the AFMO Business Unit of SG Group.

SGM, one of the biggest banks in the country, is the leader of the banking market in Madagascar. Among 18 countries in the Africa, Mediterranean, Overseas network, SG Madagasikara is a benchmark player in supporting all its customer, based on an efficient universal banking model. With a historical and significant presence in Africa, the Group has a unique positioning in the region, which allows SG to offer its clients the expertise and know-how of an international bank and the proximity of a local bank.

SGM is the leader of renewable energy financing in Madagascar, with landmark financing of first private hydroelectric plant, the first Solar Plant and the biggest Solar Plant in Madagascar and in the Indian Ocean. The bank is an active supporter of entrepreneurial ecosystem with the creation of Maison des PME and the financing of MSME and Microfinance as well as a minority participation in Access Banque Madagascar a microfinance institution targeting MSME and minority shareholding in Miarakap, an impact private equity company investing in high-potential Start-Ups.

As a subsidiary, SGM is completely aligned on the sustainability strategy of SG group with its positive impact finance initiative and its Corporate Social Responsibility Strategy.

1.

POSITIVE IMPACT FINANCE INITIATIVE

1.1. A new approach to business and finance to achieve the SDGs

The positive impact initiative by the United Nations Environment Programme Finance Initiative (the "**UNEP FI**"), which brings together 52 financial institutions worldwide, aims to bridge the gap of financing the Sustainable Development Goals (the **"SDGs"**) set by the United Nations. USD 5-7 trillion a year until 2030 are needed to realize the SDGs worldwide, including investments into infrastructure, clean energy, water and sanitation and agriculture. As such, the Positive Impact Manifesto1 was published at the end of 2015, followed by the Principles for Positive Impact Finance2 (the "**PPIF**") at the beginning of 2017. These publications have defined positive impact finance as applying to every activity verifiably producing a positive impact on at least one of the sustainable development pillars (economic convergence, populations' basic needs and the environment) while ensuring that the potential negative impacts on any of these pillars have been identified and properly managed. By virtue of this holistic appraisal of sustainability issues, positive impact finance constitutes a direct response to the challenges of financing the SDGs.

1.2 Principles for Positive Impact Finance (the "PPIF")

The PPIF are applicable to all forms of financial institutions and financial instruments. By jointly considering the three pillars of sustainable development and by basing themselves on an appraisal of both positive and negative impacts, they propose a holistic approach to sustainability issues. In doing so the PPIF build on and complement valuable existing frameworks such as the Green Bond Principles3 (instrument-specific), the Principles for Responsible Investment4 (sector-specific), the Equator Principles5 (risk focused), among others, to provide a broad and common framework to achieve the financing of sustainable development.

In 2019, the Principles for Responsible Banking6 were launched by 130 banks from 49 countries convened by UNEP FI. They provide an overarching framework for a sustainable banking system with the objective to accelerate the banking industry's contribution to achieving society's goals as expressed in the SDGs and the Paris Agreement7. The Principles for Responsible Banking intend to help the industry demonstrate how it makes a positive contribution to society. They fully integrate the approach and tools of positive impact finance.

1.3 Societe Generale: a consolidated sustainable and positive impact finance offering

With the conviction that this concept reflects the reality of economic life and that, far from counteracting other initiatives launched in the market under different names, it aims to be all-encompassing, Société Générale is a **founding member of the UNEP "Positive Impact Finance Initiative",** since 2001, and has also been in the core group of founding banks of the Principles for Responsible Banking. Société Générale has decided to promote its efforts under the development of a consolidated "Sustainable and Positive Impact Finance" proposition, with the objective of developing and diversifying a range of products and services through the introduction of more structuring expertise and advice on impact analysis and measurement, whilst incorporating the United Nations's 17 SDGs.

As part of its sustainability strategy, Société Générale has set up this Sustainable and Positive Impact Bond Framework (the "**Framework**") with the view of encouraging investors to favour activities that have a positive impact on the environment and society, supporting the Group's effort in financing green and social activities and contributing to the achievement of the SDGs.

SOCIÉTÉ GÉNÉRALE'S CORPORATE AND SOCIAL RESPONSIBILITY STRATEGY

1.4 Overview

Société Générale is committed to a fair, environmental and inclusive transition, whose corporate purpose is defined as: "Building together, with our clients, a better and sustainable future through responsible and innovative solutions". Committed to support its customers with positive transformations around the world, Société Générale's Corporate
Social Responsibility strategy concerns all businesses, for which it represents both an opportunity for innovation and a factor of sustainability.

A materiality matrix was established in 2017 which defined six core axes, approved by the Board of directors and integrated into the Group strategic plan 'Transform to Grow':

- three cross-business components that form the foundation of a responsible bank: customer satisfaction and protection, ethics and governance, and responsible employment; and
- three components that drive the positive actions of Société Générale as a responsible bank: the fight against climate change, social trends and innovations, and the contribution to sustainable development in Africa.

This strategy is underpinned by both individual commitments of Société Générale and through voluntary collective commitments, supporting a robust international coalition of partners. Société Générale's corporate purpose and a second materiality matrix exercise have supported the development of the 2025 sustainability strategy, which will form one of 3 pillars of the Group strategic communicated in 2022.

1.5 Positive environmental and social action

Climate strategy

Société Générale's climate strategy is articulated around three strategic priorities, which are fully detailed in its Climate Disclosure report published online8:

- Managing climate-related risks;
- Seizing climate-related opportunities and supporting its clients; and
- Managing the bank's impact on climate (via its own activities and those of the clients it finances).

To deliver this strategy, the Group has developed in-depth environmental expertise across the whole value chain: from research to advisory, financing and capital markets, investor solutions and services. Société Générale has started shifting its capital allocation towards greener sources of energy and away from the most emissions-intensive ones. Societe Generale started on a climate journey 20 years ago with early support of Renewable Energies and which has accelerated since then with a series of decisive voluntary actions both on an individual and collective basis. This has led to our decision in 2021 to be a founding signatory to the Net Zero Banking Alliance (the "NZBA").

Participation in the NZBA commits Societe Generale to align its portfolios with trajectories aiming at carbon neutrality by 2050. Further decisive action and continued portfolio steering will be required, including the setting of intermediate targets: action which Societe Generale has already begun in the most carbon emitting sectors. This will continue at a pace in line with the NZBA's timeline in order to allow time for careful accompaniment of our clients in their climate transitions and to avoid any related negative economic and societal effects of a disorderly transition. Société Générale committed to the Katowice Agreement in 2018, alongside four other banks, to define a common methodology for sector-by-sector alignment of credit portfolios, giving rise to the co-publication in September 2020 of the

Paris Agreement Capital Transition Assessment (the “PACTA”) for Banks methodology. This engagement reflects Société Générale’s responsibility towards its own portfolios whilst also supporting the industry with a standard available to all banks, enabling a dynamic steering of portfolio alignment and target setting in the market with a greater collective impact.

Commitment to reducing activities related to fossil fuels.

Société Générale has made considerable progress in its sector policies and application to date of the PACTA methodology. Having begun a gradual policy of disengagement from the coal sector in 2011, in 2016, Société Générale set an example as one of the first banks to reduce its exposure to the coal sector by stopping any further financing of coal mining and coal-fired power plant projects. In 2019, Société Générale took the long-term commitment to progressively reduce to zero the Group’s exposure to the thermal coal sector in 2030 for companies with mining or power thermal coal assets located in EU or OECD countries and in 2040 elsewhere. In order to reach this goal, Société Générale updated in 2020 its thermal coal sector policy further restricting its support to companies involved in the thermal coal sector9.

Société Générale in 2020 was among the first banks to announce a short-term target to reduce overall exposure to oil and gas extraction sector by 10% by 2025: a target which is twice as ambitious as the requirements under the Sustainable Development Scenario in 2025. In connection with this commitment, Société Générale also announced that it would end its Reserve Based Lending activities for onshore shale oil and gas extraction in the United States. This portfolio was reduced by 25% between 2019 and 2020 and will be completely phased out by end-2023.

An additional target has been set for power, to reduce the carbon emissions intensity of the power portfolio by 18% by 2025, and by 75% by 2040 (vs. 2019 levels).

SGM is aligned on the commitment of the group to reduce exposure of its portfolio to fossils fuels and have no exposure to oil and petroleum exploration, nor coal mining and coal-fired power plant in 2023.

Commitment to promoting the energy transition.

Having surpassed a commitment of raising EUR 100 billion to support the energy transition between 2016 and 2020 a year ahead of schedule, Société Générale set a new objective of mobilizing EUR 300 billion between 2022 and 2025. This is broken down as EUR 20 billion for renewable energy financing and advisory and EUR 100 billion for sustainable bond issues led or co-led by Société Générale. As at 31 December 2020 a total amount of EUR 70.3 billion had been achieved. As part of AFMO BU, SGM is highly active in the renewable energy financing with its biggest loan in the Solar Energy Area and is committed to double its outstanding loans by 2030.

Managing climate risks

The Group does not view the risk associated with climate change as a new risk category, but rather an aggravating factor for the categories already covered by the Group’s risk management system (credit risks, operational risks, market risks etc). Accordingly, the existing risk management governance framework and processes have been updated to include climate risk factors.

In parallel to this approach to long term transition risk, Société Générale applies a dedicated governance to assess the short-term impact of Environmental and Social risks on SG’s reputation, through a 3-step E&S risk management process.

Sustainable development of Africa and Madagascar

Present in Africa for more than 100 years, and in 18 countries, the Group has made the continent's sustainable, low carbon and inclusive development a key priority, fully embedded in its strategy through the Grow with Africa initiative. Société Générale focuses in particular on multi-dimensional support for African SMEs, infrastructure financing, the development of innovative financing solutions and financial inclusion.

SGM is aligned on the commitment to **Supporting African SMEs** : Doubling annual loans granting to African SMEs between 2020 and 2025:

Development of financial inclusion : achieve EUR 200m of support for microfinance institutions by 2025 in debt or equity fundraising (vs. eur 100m in 2021). SGM is aligned on this commitment of supporting microfinance institutions by giving them a financing line but also by entering in minority shareholding within ABM. **Development of innovative financing solutions in Agribusiness / blue economy:** providing effective and inclusive financial and non-financial solutions, responding to the challenges of developing agricultural value chains, and as a credible partner in positive initiatives in favor of the sustainable use of natural resources. SGM has a strong presence in the agribusiness and the blue economy area with financing major player in the agricultural exportation and aquaculture and fishing sectors.

Development of innovative financing solutions for Off-grid renewable energy: finance new access to renewable energy (solar but also hydraulic, wind, biomass) off-grid

SGM has experience in financing off-grid renewable energy in Madagascar with the OMDF program co managed with Bamboo Capital Partners, with LEAD financing of World bank and Madagascar State composed of result-based grants and loans to off-grid market players. **Infrastructure financing :** 20% growth in our structured finance outstandings in Africa by 2025. SGM is aligned to this commitment of the SG group. It has initiated the first Structured finance operation in Madagascar in 2020 and created a Structured Finance Cell attached to SFG HUB in Abidjan.

As such, Société Générale Madagasikara a subsidiary of Société Générale is totally aligned to the Climate Strategy and Corporate Social Responsibility strategy of the group.

Société Générale Madagasikara has adapted the Sustainable and Positive Impact bond Framework of SG Group in order to use it in the context of local issuance linked to investment in the Madagascar region. This document will detail how the issuance of local green bond, or local social bond or local sustainability bond on the Malagasy market is in line with the Société Générale Sustainable Positive Impact Framework.

SGM is aligned to this commitment of the SG group. It has initiated the first Structured finance operation.

2.

SGM'S SUSTAINABLE AND POSITIVE IMPACT FINANCE FRAMEWORK

In alignment with the UNEP FI's Principles for Positive Impact Finance (2017), the ICMA's Green Bond Principles (2021) with June 2022 appendix I, Social Bond Principles (2023) and Sustainability Bond Guidelines (2021), the LMA Green Loan Principles (2023), the LMA Social Loan Principles (2023), hereafter referred to as the "Principles", this Sustainable and Positive Impact Finance Framework is presented through the following key principles:

1. Use of Proceeds
2. Process of project identification, evaluation and selection
3. Management of proceeds
4. Reporting

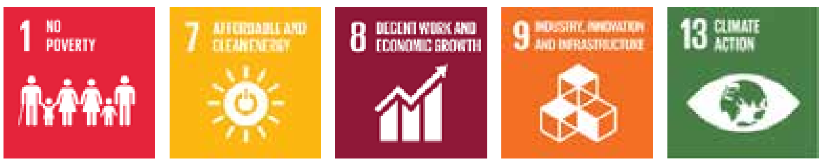
The Sustainable and Positive Impact Finance Framework covers any debt instruments (including, but not limited to, bonds, loans, and deposits- (hereafter the "**Sustainable and Positive Impact Instruments**") issued by Société Générale Madagascar in compliance with the principles outlined below

2.1 Use of Proceeds

Eligible Activities, as defined in this Framework, are aiming at generating environmental and/or social benefits as outlined in the eligibility criteria for each category defined below. Sustainable and Positive Impact Bonds/Loans issued under this Framework (the **"Sustainable and Positive Impact Finance Framework** ") will primarily contribute to Climate Change Mitigation and Adaptation objectives via reduction of greenhouse gas ("GHG") emissions and increase of resilience, but also support the UN's Social Development Goals ("SDG").

Direct response to SDGs

Société Générale Madagascar's Sustainable Finance Framework for Positive Impact will support one or several of the United Nations Sustainable Development Goals, such as "No poverty" (SDG 1), "Affordable and Clean Energy" (SDG 7), "Decent work and economic growth" (SDG 8), "Industry, Innovation and Infrastructure" (SDG 9), , "Climate Action" (SDG 13), contributing in particular to the specific targets mentioned below.



Eligible Activities

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

Positive Impact Instruments can be either green, social or sustainability bonds, loans or deposit if an amount equivalent to the net proceeds will be applied to (re)finance new or existing Eligible Activities in the green categories, or in the social categories or in both categories.

"Green Categories"	"Social Categories"
Renewable energy	Employment generation and preservation through SME financing and Microfinance

Projects/Activities to be funded by the proceeds of "Positive Impact Instruments" will be selected based on the detailed eligibility criteria defined below for each category, following the qualification process for positive impact.

Eligibility criteria for Green Categories:

Eligible category	Eligibility criteria	Objectives and contribution to the SDGs
Renewable energy	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: **On and offshore wind energy:** facilities operating at life cycle emissions lower than 100gCO2e/kWh, declining to 0gCO2e/kWh by 2050 **Solar photovoltaic and Concentrated Solar Power**: facilities operating at life cycle emissions lower than 100gCO2e/kWh, declining to 0gCO2e/kWh by 2050 **Geothermal energy:** facilities operating at life cycle emissions lower than 100gCO2e/kWh, declining to 0gCO2e/kWh by 2050 **Bioenergy:** facilities fed by sustainable sources of local raw material (such as organic waste) avoiding conflict of utilization of the resources, deforestation, and land use. Development, construction, installation of anaerobic digestion of sewage sludge treatment facilities dedicated to biogas production used directly for the generation of electricity and/or heat or upgraded to bio-methane and equipped with a methane leakage monitoring measure. For Biomass Power plant : food and feed crops are excluded. Waste from food crops, agricultural and forest residues, wood chips, wood based biomass will come from certified supply chain, for Biofuels : Food-and feed crops are excluded for the manufacture of biofuels. Second Generation Biofuels derived from lignocellulosic biomass, nonfood crop feedstocks, agricultural and forest residues, and industrial wastes are considered. **Hydropower:** facilities operating at life cycle emissions lower than 100gCO2e/kWh, declining to 0gCO2e/kWh by 2050 Hydropower under =< 25MW or if above >= 25MW only projects which have either lifecycle carbon intensity of less than =<100gCO^2/Kwh or power density above >=5W/m^2. Hydropower with capacity more than >1000MW is excluded No large scale Dam or Reservoir based Dam, Run-of-River Hydropower will be prioritized Any hydropower project will need to conduct an Environmental and Social Risk Assessment. **Hydrogen:** the manufacture of equipment for the production and use of green hydrogen, the production of green hydrogen will be processed exclusively by electrolysis coming from direct connection to renewable energy source such as Solar, Wind, or renewable energy with life cycle emissions lower than 100gCO2e/kWh	**Environmental benefits:** GHG emissions reduction **Contribution to SDGs:** **7 (Affordable & Clean energy) and 13 (Climate Action)**  7.1 By 2030, ensure universal access to affordable, reliable and modern energy services 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix  SDG 13 consists in taking urgent action to combat climate change and its impacts. Financing renewable energy projects, can contribute to this goal, as it contributes to the reduction of GHG emissions compared to energy production based on fossil fuels

	Ocean energy : Offshore solar farms, Tidal, wave, ocean current, salt gradient, etc… Tidal and wave energy generation facilities with Fossil fuel back up can only be used for restart capability and monitoring, operating or resilience measures in the event of no power in the system. Transmission[1] and Distribution[2] networks supporting renewable energy power generation such as Solar, Wind, Hydropower, Geothermal, Ocean Energy and with life cycle emissions lower than 100gCO2e/kWh through direct connection. The transmission and distribution infrastructure or equipment is in an electricity system that complies with at least one of the following criteria: (i) More than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period Or (ii) the average system grid emissions factor, calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO2e/kWh measured on a life cycle basis in accordance with electricity generation criteria, over a rolling five-year period; Or, (iii) direct connection, or expansion of existing direct connection, of low carbon electricity generation below the threshold of 100 gCO2e/kWh measured on a life cycle basis to a substation or network;	

1 Transport: operating of transmission systems from production units to distribution grid, generally on long distance through high voltage lines

2 Distribution of power from Renewable Energy sources : operating of distribution systems, i.e. power lines, substation, electric pylons, meters, cables, transporting energy from production unit or transport grids to the final customer

Eligibility Criteria for Social Categories

Eligible category	Eligibility criteria	Objectives and contribution to the SDGs
Employment generation and preservation through SME financing and Microfinance	(i) MSMEs located in areas of Madagascar (ii) MSMEs impacted by the consequences of extreme events (e.g. natural disaster, extreme weather events, public health disaster…) Financing or refinancing of any project that aims to increase the access of small-scale industrial and other enterprises to financial services, including affordable credit at preferential rates, payment and saving accounts. > Financing or refinancing of any project that promotes the formalisation and growth of MSMEs, as defined below, via activities and/or technical support (definitions have been aligned to the International Finance Corporation's Definitions of Targeted Sectors, and local currency equivalents will be applied to the thresholds below): – Enterprises that have fewer than ten employees, and assets and annual sales of less than $100 000 each, will be considered micro enterprises. – Enterprises that have fewer than 50 employees, and assets and annual sales of less than $3 million each, will be considered small enterprises. – Enterprises that have fewer than 300 employees, and assets and annual sales of less than $15 million, each will be considered medium-sized enterprises. or (ii) meets the following loan size criteria at loan origination: (A) the loan size is less than US$10,000 equivalent for a micro enterprise; (B) the loan size is less than US$100,000 equivalent for a small enterprise; and (C) the loan size is less than US$1 million equivalent for a medium enterprise.	**Target population**: - SMEs located in MADAGASCAR economic area - SMEs impacted by the consequences of extreme events **Objective:** support to employment generation and preservation in Madagascar or in the case of extreme events **Social benefits: reduce social exclusions and inequalities** **Contribution to SDGs: 8 (Decent Work & Economic Growth), 9 (industry, innovation, infrastructure)** 8.3 Promote development oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services 8.10: Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial Target 9.3 Increase access to financial services and markets Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.

Exclusion list

The use of proceeds from the Positive Impact Instruments will not be used for:

(i) Enterprises operating in the business sectors listed below, such as, but not limited

- X Fossil fuels exploration, production, trade and transformation.
- X Power production from thermal coal and nuclear power.
- X First generation biofuels production and trade.
- X Activities entailing destruction of high conservation value areas or with a negative impact on the outstanding universal value of a World Heritage site.
- X Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCB's (Polychlorinated Biphenyls), wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES).
- X Production, or trade of product using water polluting pesticides such as: (WHO IA/IB)- aldicarb (IA),
  carbofuran (IB), (WHO II or better) - atrazine, alachlor, chlorothalonil, ethylene dibromide (EDB), DCPA, 1,2-
  dichloropropane
- X Production or trade in weapons and munitions.
- X Production or trade in alcoholic beverages (excluding beer and wine).
- X Production or trade in tobacco.
- X Gambling, casinos and equivalent enterprises.
- X Production or trade in radioactive materials. This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where IFC considers the radioactive source to be trivial and/or adequately shielded.
- X Production or trade in unbonded asbestos fibers. This does not apply to purchase and use of bonded
  asbestos cement sheeting where the asbestos content is less than 20%.
- X Drift net fishing in the marine environment using nets in excess of 2.5 km. in length.
- X Production or activities involving harmful or exploitative forms of forced labor/harmful child labor.
- X Commercial logging operations for use in primary tropical moist forest.
- X Production or trade in wood or other forestry products other than from sustainably managed forests.

(ii) Projects fully financed by any other type of funding.

2.2 Selection of the Eligible Activities qualifying to Positive Impact

A Positive Impact Bond/Loan Committee (the "Committee"), chaired by Société Générale Madagascar Head of Finance and meeting on at least a semi-annual basis, has been created to ensure the compliance with the Framework and oversee the entire process of issuance and selection of eligible assets.

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

- Société Générale Madagascar Finance & Treasury;
- Société Générale Madagascar corporate and social responsibility department;
- Société Générale environmental and social internal experts from the relevant business line;
- Société Générale Madagascar data providers.

The role of the Committee is:

- To validate the portfolio of Eligible Activities identified by Société Générale Madagascar;
- 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:

a. **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.

b. **Evaluation**

The positive impact evaluation confirms or invalidates the qualification of a priori "positive impact" finance Activities.

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 (see Appendix 3.1).
Only activities with well managed negative impacts combined with positive ones are at the end "positive impact".

c. **Impact assessment and monitoring**

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).

2.3 Management of Proceeds

Societe Generale Madagascar Treasury department will manage the net proceeds of the Positive Impact Bonds/Loans in accordance with this Framework.

Subsequent changes to the Framework will not apply to outstanding Positive Impact Bonds/Loans (grandfathering). As such, Eligible Activities must meet the eligibility criteria at the time they are flagged as Eligible Activities, it being understood that if Societe Generale Madagascar decides to enhance eligibility criteria, then these new criteria will not apply retroactively to the existing Eligible Activities. For the avoidance of doubt, new Positive Impact Bonds/Loans shall be aligned with the most recent version of the Framework.

During the life of the Positive Impact Bonds/Loans, 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, Societe Generale Madagascar commits, on a best effort basis, to reallocate immediately the equivalent amount of proceeds to other Eligible Activities.

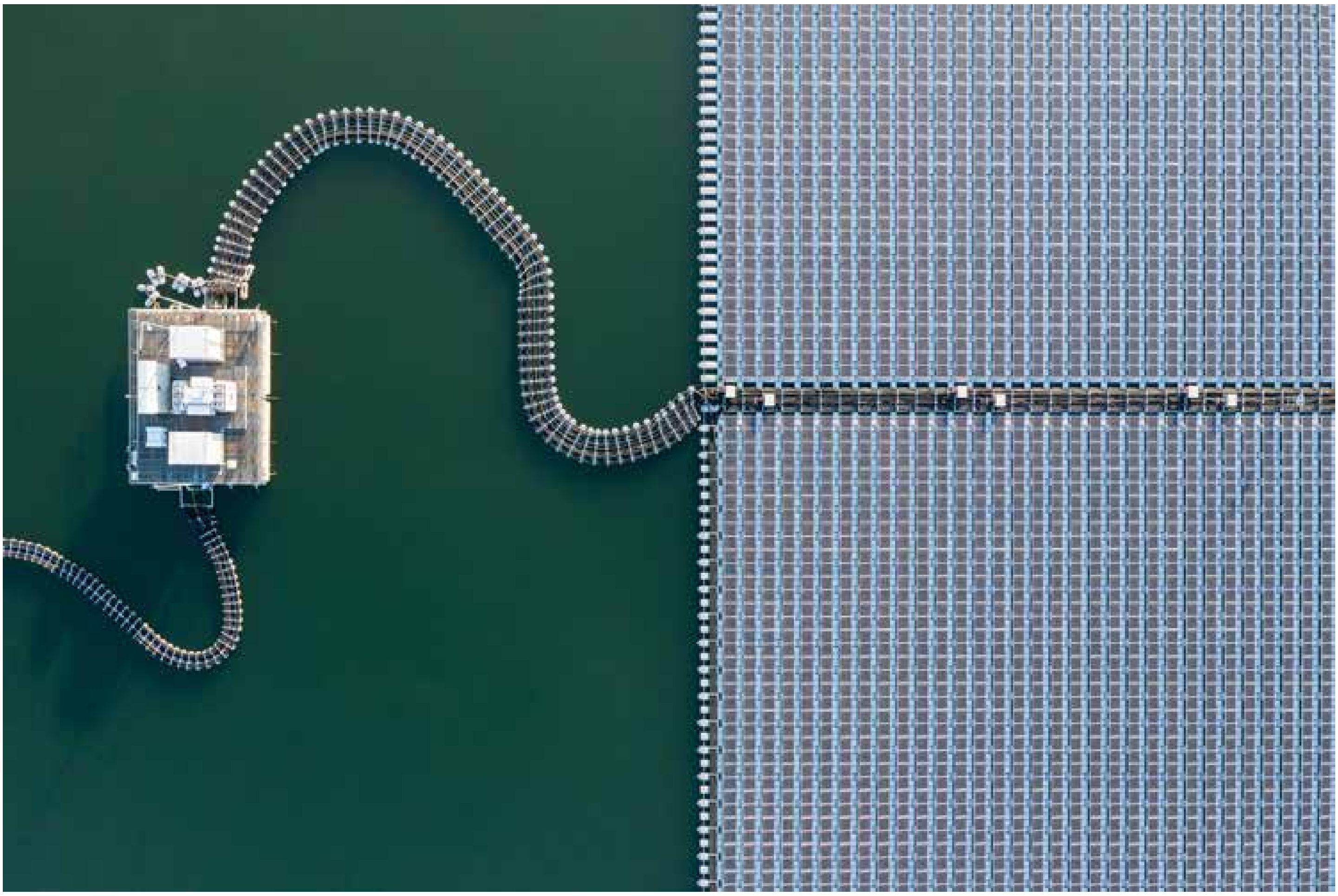
Eligible Activities will be tracked through Societe Generale Madagascar internal IT systems. The Bank will undertake its best effort to allocate the proceeds of bonds within 24 months. The proceeds will be managed on an aggregated basis (portfolio approach) and reported as such.

Pending the full allocation of an amount equivalent to the net proceeds, the unallocated amount will be managed within Societe Generale Madagascar regular cash management operations (eg: most liquid Malagasy Treasury Bills).

2.4 Impact Monitoring- Reporting- Disclosure

Societe Generale Madagascar will endeavour to track and report, at Eligible Activity level when applicable and per eligible category otherwise, on relevant impact metrics, which may include for each defined category:

Renewable energy	Renewable energy capacity (in MW) Annual GHG emissions in tons of CO_2 equivalent saved
Employment generation and preservation through SME financing and Microfinance	Number of MSMEs benefiting from the loans, including a breakdown by type of company (micro, small and medium-sized) Estimated number of employees retained in the SMEs benefiting from the loans • Estimated number of jobs created. • Number of loans to microfinance entities • Number of microfinance loans



Publication of the reporting

Societe Generale Madagascar, 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. Societe Generale Madagascar commits to disclose calculation methodologies and assumptions used to estimate eligibility criteria or the positive impact of the Eligible Activities and commit to ongoing review and updates on the processes and methodologies. Societe Generale Madagascar will strive to follow market practices such as the Harmonized Framework for Impact Reporting.

External review of the reporting

Societe Generale Madagascar 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.

Second Party Opinion on the Framework

Societe Generale Madagascar has commissioned ISS CORPORATE to conduct an external review of its Framework and issue a second party opinion ("**Second Party Opinion**") on the Framework's environmental and social credentials and its alignment with:

- ✓ The **PPIF**;
- ✓ The **ICMA Principles**;

The Second Party Opinion is available on the "Positive Impact Bond" section of Societe Generale Madagascar investor relations webpage.

Publication of the Framework and future updates

The Framework are available on Societe Generale website. Should Societe Generale Madagascar choose to modify the scope of the Framework for future issuances, the changes made will be documented in an updated Sustainable and Positive Impact Bond Framework and published accordingly on its website.

Disclosure

All disclosure according to section 2.4 of this Framework (allocation report and impact report) will be made on Societe Generale Madagascar website:

3.

APPENDIX

Societe Generale's approach for managing environmental and social risks

Societe Generale conducts its business with the utmost respect for the values and principles under:

• the Universal Declaration of Human Rights and its additional commitments;
• the fundamental conventions of the International Labour Organization (ILO);
• the UNESCO World Heritage Convention;
• The Guidelines for Multinational Enterprises of the OECD (Organisation for Economic Co-operation and Development);
• the United Nations Guiding Principles on Business and Human Rights.

In addition, the Group has shown its proactive commitment to the following public and private initiatives:

• 2021: Societe Generale joined the Net-Zero Banking Alliance as a founding member;
• 2021: Societe Generale joined the Net-Zero Asset Owner Alliance;
• 2021: Societe Generale joined the Steel Climate-Aligned Finance Working Group as co-leader;
• 2021: Publication of Societe Generale first reporting and self-assessment for the Principles for Responsible Banking;
• 2020: Societe Generale joined the UN Global Compact CFO Principles on Integrated SDG Finance;
• 2020: Societe Generale joins the Hydrogen Council, supporting the development of hydrogen for the energy transition;
• 2019: Signature of the Principles For Responsible Banking and member of the Collective Commitment On Climate;
• 2019: Signature of the French Business Climate Pledge;
• 2019: Societe Generale signs the Poseidon Principles promoting shipping industry decarbonisation;
• 2019: Signature of the Sustainable IT Charter, committing to limit the environmental impact of technology and encourage digital inclusion;
• 2018: Societe Generale becomes the first French bank to join the Climate Bonds Partner Programme, an international network of financial actors working with Climate Bonds to shift investment towards a low carbon and climate resilient economy;
• 2017: Adoption of the Principles For Positive Impact Finance (UNEP-FI);
• 2017: Supporting the recommendations of the Task Force On Climate-Related Financial Disclosure (TCFD);
• 2016: Signature of Women's Empowerment Principles – WEP, Professional Equality Charter of United Nations;
• 2016: Signature of the International Labour Organisation's Global Business Charter on Disability;
• 2015: Subscription to the "Principles for Mainstreaming Climate Actions within Financial Institutions", launched during COP 21;
• 2015: Joining the "Soft Commodities Compact" of the Banking Environment Initiative (with the Consumer Goods Forum) to fight tropical deforestation;
• 2015: Launching of the "Positive Impact Manifesto" of the UNEP-FI;
• 2015: Signature of the French Business Climate Pledge;
• 2015: Signature of a Global Agreement On Fundamental Rights with UNI Global Union;
• 2014: Lyxor signed the Principles For Responsible Investment (PRI), developed by an international group of institutional investors reflecting the increasing relevance of environmental, social and corporate governance issues to investment practices;
• 2014: Supporting the Green Bond Principles, which aims at establishing a reference framework for green bonds;
2014: Signature of the Joint Declaration organised by Transparency International France for the promotion of transparent, honest lobbying;
• 2010: Signature of the "Responsible Supplier Relations" Charter (France);
• 2007: Signature of SME Pact (France);
• 2007: Adoption of the Equator Principles, a set of guidelines adopted by financial institutions for determining, assessing and managing social and environmental risk when financing projects;
• 2004: Signature of the Diversity Charter (France) and compliance with the environmental obligations stipulated by the Grenelle 2 law;
• 2003: Joining the United Nations Global Compact, which encourages companies to integrate principles relating to human rights, working conditions and the fight against corruption;

• 2001: Joining the United Nations Environment Programme Finance Initiative (UNEP-FI). This public-private partnership between the UN and the global financial sector promotes the adoption of best sustainable development practice at all operational levels of financial institutions;
• 2000: Societe Generale is a founding member and the only French back to participate in the Wolfsberg Group, an association of 13 international banks committed to fight money laundering and corruption.

In 2019, the Group's environmental and social (E&S) risk management principles and related governance arrangements were formally integrated in the Societe Generale Code. It reflects both regulatory requirements (such as the French Duty of Care Act33) and the various voluntary commitments relating to these subjects. It is achieved through the integration of E&S aspects into existing processes and is based on the E&S general guidelines and the cross-sector and sector-specific E&S policies, as well as on the internal procedures enabling their operational implementation. The E&S policies are public and available on the Group's website34. Sector-specific E&S policies identify the relevant E&S risk factors, lists sector-specific standards that serve as a reference, explains the scope of the activities concerned (sub-sectors, financial products and services) and defines, for each sector, the criteria relating to the Group's corporate customers (excluding financial institutions and sovereigns) and the transactions and services for which the use of proceeds is known. The Group also has a cross-sector biodiversity policy. Moreover, since 2018, the Group joined the Act4Nature initiative launched by Entreprises pour l'Environnement (EpE), which aims to attach greater importance to biodiversity challenges in companies and organisations, considering the rapid deterioration of ecosystems worldwide.

In 2019, the Group published a Statement on Human Rights reflecting its commitment to respect human rights within the scope of its business. This declaration complements the commitments made in the context of the various sector-specific policies, particularly through sector-specific initiatives integrating these issues . The Equator Principles (EP) are one of the underlying initiatives of the Group's E&S general guidelines. The Group has special internal procedures and tools to ensure they are implemented. The EP serve as a common framework for the financial sector to identify, assess and manage the E&S risks of projects for which the 100+ international financial institutions that have joined the initiative provide financing and advice. Every year, Societe Generale publishes a report describing how the EP are implemented and providing a list of the projects that fall within the scope of the EP and in which the Group has been involved . For more information on E&S policies please visit: https://www.societegenerale.com/en/measuring-our-performance/csr/responsible-finance.

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