

A construction site at sunset. A large crane is silhouetted against the bright orange and yellow sky. In the foreground, three construction workers wearing hard hats and safety vests are silhouetted, looking at a set of plans. The background shows the skeletal structure of a building under construction.

ANNUAL REPORT

2021

**THE FUTURE
IS YOU**



SOCIÉTÉ GÉNÉRALE
Equipment Finance

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DECARBONIZATION, DIGITALISATION, AGILITY, DIVERSITY... WHICH IS THE TOPIC OF THE NEXT DECADE?

For the past 18 months, we have been facing a challenging environment impacting both our society and economy. Confronted to a new threat, we demonstrated we could adapt quickly and be super agile. Then, we understood that the situation would last and that we had to integrate these structural changes on a long-term basis. By now, working under Covid restrictions has become a routine and our way of working have permanently changed.

On the same time, we never lost the focus on the ESG topics. Indeed, the other game changer coming out from this crisis is sustainability and care for the environment. In 2021, we have increased our efforts to train our people and explain why and how we could accompany our partners and clients onboarding all our stakeholders in our ambitious CSR strategy named: "Care & Dare about the Future".

As a lessor, we play a key role in lowering the barrier for investment in assets and technology which deliver reduced CO2 emissions, particularly in the field of energy efficiency, low-carbon mobility and transportation. Over the next decade, nearly every hard asset using energy in the economy needs to be replaced, which is a massive opportunity for us to deliver a positive impact for the environment. In addition to this, we focus on

the shift from a linear use of assets to a circular economy in order to optimize the use of resources and to extend asset-life cycles.

Internally, we have optimized our own carbon footprint by analyzing, measuring and improving our own processes, procurement activities and supplier relationships. In 2021, SGEF in Germany (GEFA BANK) has been through the EcoVadis external sustainable rating process for the first time and received the "Silver" ranking in accordance with global sustainability standards. This achievement is a first step. Next year, we will extend these practices within our network and continue our efforts.

We have seen a global economic rebound this year. Activity, projects, new business flourished back. In this context, it was a real pleasure to "re-connect" with our international partners and colleagues during the SGEF Annual Week that took place in September in Paris, despite the uncertain environment. This gathering was very fruitful for everyone; we were missing face to face and onsite interactions. We are at the heart of the real economy, serving large corporates, SMEs and professionals with essential use equipment be it technology, healthcare, green energy, transportation, construction, agriculture, machine tools, or material handling. But beyond that, we are a people business.

CIRCULAR VALLEY

In 2021, SGEF supported the Circular Valley, a Wuppertal consortium (Germany) offering accelerator programs to startup acting to lower CO2 emissions.

We are proud the industry acknowledged our teams' expertise and commitment in 2021. We would like to mention and congratulate the Italian teams that have been awarded "Eccellenza dell'Anno Leasing" by Le Fonti for the 8th year in a row. In Germany, we have been voted "Top Employer in the German SME sector" for the third time while in Spain, we got from the Spanish Leasing Association (AEL), the Most significant business growth* recognition. These prizes encourage us to continue supporting our clients and partners providing us with a true sense of purpose in what we do.

Even if there are still concerns due to severe supply chain issues in some industries and uncertainties in the future, we remain optimistic. Flexibility, a can-do mindset, training, caring, sharing, partnership and diversity are the best ingredients to bring sustainable growth to our clients and partners.

ODILE DE SAIVRE

Deputy Chief
Executive Officer

JOCHEN JEHLICH

Chief
Executive Officer

OUR VISION

For our customers, partners and staff, we want to be:

A leading provider of **innovative and flexible solutions** to finance and manage equipment.

A **digital and customer-centric organization** committed to deliver an excellent experience to vendors partners and clients across countries.

A **great place to work** driven by simplicity, agility and sustainability.



6 CONVICTIONS UNDERPIN THE SGEF VISION

#ADDING VALUE

#CUSTOMER CENTRICITY

#GREAT PLACE TO WORK

#REAL ECONOMY DRIVER

#AGILE & DIGITAL

#DATA INTELLIGENCE

MANAGEMENT TEAM



Jochen JEHLICH
CEO of SGEF
Head of GEFA Bank



Odile de SAIVRE
Deputy CEO of SGEF



Mohcine BUSTA
General Secretary



Julien DEVAUX
Chief Operating Officer



Karine DILIGENT
Chief Financial Officer



Martin DORNSEIFFER
Head of Central &
Eastern Europe (Austria,
Czech Republic, Hungary,
Poland, Switzerland)



Julien DURANTON
Head of Credit Risk



**Louise de l'ESTANG
DU RUSQUEC**
Chief of Staff



Olivier FURLAN
Head of Societe Generale
Leasing Italy and FRAER
Leasing (Italy non vendor)



Danny LAM
Head of the Americas
(US and Brazil)



**Florence
ROUSSEL-POLLET**
Chief Commercial
Officer



Astrid SCALBERT
Head of Communication



Jarmila SPUROVA
Head of Western Europe
(UK, Spain, Italy vendor,
Benelux, France vendor)



**Stéphane
VENDRAMINI**
Head of Legal

AT THE HEART OF THE REAL ECONOMY



Industrial Equipment

SGEF is an experienced and innovative partner that can finance the entire range of industrial equipment needed by customers looking to increase their productivity by acquiring new equipment or vendors looking to boost sales. This includes machinery, construction, eco-friendly & handling equipment, and agricultural machinery.



Healthcare & Green Energy

SGEF has been continuing to develop its expertise in Medical Equipment (Dental, Laboratory, Surgical, Diagnostic, Fitness). Together with vendor partners, we are also taking responsibility in creating new financial solutions to support Green energy and Smart City development, such as lighting as a service or dedicated finance programs to reduce CO2 emissions. Discover our offers in the next section.



Technology

With more than 30 years of experience in this sector, SGEF is a natural entry point for manufacturers looking for support to finance their sales. This includes hardware, IT solutions and software, cloud solutions and office equipment (copiers and printers).



Transportation

SGEF is a global leader in financing transportation assets giving us unparalleled sector and asset-based expertise in trucks and commercial vehicles including LNG and hybrid, and aviation.

Discover all the range of our tailor-made products & services on SGEF corporate website: equipmentfinance.societegenerale.com.

CARE & DARE ABOUT THE FUTURE

Taking responsibility, together with our partners and customers, to support the shift towards a sustainable economy with positive impacts on the environment

The energy and environmental transition is one of the most relevant pillars for sustainable and positive impact finance and a key component of climate change mitigation strategies. Additionally, there is a social perspective with asset finance capabilities required to support healthcare, education, and the development of local economies and territories. In 2021, we have launched an ambitious CSR strategy called “Care & Dare about the Future” with 4 dimensions – #BUILD, #SCALE, #REUSE and #LIVE - across our 4 industry sectors - Technology, Industrial Equipment, Healthcare and Green Energy, and Transportation – structuring our commitment on sustainable and positive impact externally and internally.

#BUILD – Partner of choice for new sustainable business segments

In the last 12 months of the year, SGEF has established 30 new business relationships in sustainable segments across various countries in order to accelerate the transition towards sustainable and positive impact assets. It has been supported by a dedicated credit risk envelope created for energy efficiency solutions, photovoltaic infrastructure, LED lighting infrastructure and electric vehicle charging stations. As an example, in 2021, in the Czech Republic, we partnered with Komerční banka and ČEZ ESCO (the subsidiary of the biggest Czech energy group focused on green energy), to offer a new and innovative model for the installation of rooftop photovoltaic power plants on buildings, warehouses, logistic centers and administrative halls.

#SCALE – Portfolio transformation to environmentally friendly assets

Together with our clients and partners, we are shifting and growing our existing finance portfolio to sustainable assets. We offer leasing and financing solutions for LNG, hybrid or electric commercial vehicles across SGEF network through partnerships with leading manufacturers. In addition, we focus on offering financing solutions for electric vehicle charging infrastructure, including hardware, real-time cloud services and maintenance to support electrification. Furthermore, we increased the amount of capital deployed to finance medical equipment for hospitals and IT-technologies for the education sector to contribute to a positive impact for society and local healthcare systems.

#REUSE – Move towards a circular economy

Leveraging on our international network, we have implemented with partners new models that ensure a sustainable life cycle of investments is guaranteed and that used resources (parts and components of old assets) are reinvested in new production processes in an ecological and environmental positive way. In addition, we are aiming to extend the life-time of assets by including preventive maintenance and upgrades in our finance solutions. Circular Economy is an integrated business value in our asset life-cycle management approach and our German entity have now partnered with the Circular Valley foundation on behalf of SGEF.

#LIVE – Create a company culture for sustainable working practices

Internally, we have been sharing sustainable practices and creating a socially responsible company. We launched dedicated training programs for our employees on relevant ESG content to onboard all team members. In parallel, we have analyzed and optimized our own processes, notably regarding our own carbon footprint. For the first time in 2021, we have been through the EcoVadis external sustainable rating process in Germany and received the “Silver” ranking. Next year, the process will be extended to other entities.



ONE SGEF PLATFORM

ONE SGEF PLATFORM TO ENHANCE CLIENT EXPERIENCE

Embracing technological transformation

Our objective is to bring continuous value to our clients and partners based on a **unique SGEF platform** approach that enhances the digital experience and journey of all our stakeholders. In this frame, we successfully launched in 2021 a brand new set of SGEF digital services aiming at digitalizing and improving the experience of customers as well as partners. These services will be progressively rolled out and extended in 2022.

Enhancing customer & staff experience

Improving the digitalization of our end-to-end process, combining the best of digital technology and human expertise, and providing our clients with personalized experience are key pillars of our digitalization transformation.

In parallel, this year, we continued to invest in human capital to develop Great place to work ambition for our staff and **new ways of working** with more agile methods & empowerment.

“Further together with the One SGEF Platform”



INTERNATIONAL PRESENCE

Societe Generale Equipment Finance is a leading partner for manufacturers and vendors in Europe, the Americas, Africa and Asia. Beyond its own network, SGEF offers its products and solutions through Societe Generale's retail banking entities (Sogelease) and through external retail banking partners with whom partnerships are signed locally.

Our teams both centrally and locally offer a geographical diversity across Europe and worldwide. It allows us to provide outstanding local execution capabilities fully adjusted to the local needs of our clients and partners, with strong global management for sake of consistency and efficiency.

ADAPT, ADAPT & ADAPT AGAIN!

by Florence Roussel Pollet

Over the years, **SGEF support to the economy** has been reliable throughout the economic cycles. This is of course an intrinsic part of our robust value proposition. Obviously, the high sense of adaptation of our teams has been precious this year. Despite the impressively fast scientific developments and the deployment of vaccination programs across the world, the crisis has taught us that a sprint race can convert into a long run with no decrease in pace. If I had one word to pick for 2021, it would be: **adaptability**.

Adapt to the crisis. We remained fully mobilized for our clients, partners and teams to properly address the issues they were facing due to the sanitary crisis. We have accommodated deferral requests, especially in the countries where governmental moratoria were still in place, but we also proactively decided to extend the validity of our 1billion€ Stronger Together campaign easing the restart of the business and allowing our vendors to accelerate funding of deals and sale recognition.

Adapt for the future: beyond crisis management, we invested in the long-term strategy to transform, better serve our clients and partners, and remain a great place to work for our staff. Let me share a few highlights of the year:

Adapt to the cycles: If 2021 saw a very strong start of the business momentum across all countries, for the rest of the year, countries have faced diverse sanitary situations and therefore different economic contexts.

Cycles in geographies: In Europe, we can highlight the outstanding performance of our UK and Italian entities, and overall a **strong performance of our European network**.

In **Western Europe**, we have performed extremely well thanks to strong commercial positions that allowed us to provide significant financing solutions. The strong alignment and cooperation, the high service level engagements and the business and client orientation provided our vendors with coherent and solution-oriented approach. It supported our global strategy to become market leader for CSR



equipment finance. The **Central Europe** region looked back on a challenging but successful 2021, as pre-crisis levels were reached almost everywhere. SGEF Germany, SGEF CZ and SGEF Hungary managed to significantly

increase new business while SGEF Austria successfully completed its IT project to be fully integrated into the IT landscape of SGEF Germany. SGEF Poland successfully focused on its vendor business activity. In all entities, teams and clients are now

onboarded on Societe Generale CSR ambitions. The traction is just huge! And beyond Europe, where our geographical positions are key differentiating factors: In **China and Hong Kong**, we have enlarged our client relationship by finalizing several partnerships with new international vendors in Technology, Industrial and Transport.

The **Americas** Region both in the USA and in Brazil continues to strongly support existing customers and partners through a challenging environment while expanding the number of global vendor partners it supports. In the **USA**, demand for IT financing solutions has been stable as well as in the other sectors. Once the supply chain and delivery issues have been solved, we expect a strong rebound in the Industrial business while we continue to expand our healthcare financing activity. SGEF **Brazil** continues to work closely with global vendor partners as the country recovers from the Covid 19 health, social and economic impacts, which has resulted in a very good year in 2021, with an expanded network of active business partners in a variety of industries.

Cycles in sectors: The restart of the various industries initially expected to happen quickly has proven more difficult in a context of worldwide disrupted supply chains and bottlenecks on international transportation, impacting first Industry and then spreading across all sectors - Technology, Transport for instance -, leading to production disruption and delivery delays and ultimately large approved but pending asset delivery pipelines. While the economic outlook remains very positive, the rebound will likely take more time. With respect to our four sectors, whereas 2020 had been a year of booming activity of the Technology sector, 2021 has seen more rebalancing in favor of the other sectors with strong rebound in Healthcare, Construction, Material Handling and Agriculture. Transportation, apart from the bus and coach segment, saw a robust business momentum.

Adapt to a new set up in Scandinavia and beyond. 2021 was the first year of the implementation of the strategic partnership we concluded in October 2020 with Nordea Finance to serve our International Vendors in



Florence Roussel Pollet
SGEF Chief Commercial Officer

the Nordics. Our respective teams have been fully mobilized despite the travel bans and the remote working environment. Cooperation between our two companies is promising! Beyond Scandinavia, we are further exploring the partnership model in new territories with other partners.

Adapt our value proposition with new products. We have launched the deployment of a digital multi country Inventory Finance solution. Despite an undeserved reputation of traditional business, equipment finance is **at the heart of the consumption models revolution with more demand for flexibility and comprehensive service offering.** As a solution provider, we further develop and offer unique financing structures to address customers desire to change the way they acquire equipment usage and services.

Adapt to the Climate imperatives. This year was the launch year of our CSR ambition called Care and Dare about the Future. We have detailed our roadmap from 2021 to 2025 along four pillars - Build, Scale, ReUse and Live.

Adapt to the new working environment which from interim has become more permanent. SGEF teams have adapted to this high volatility in activity with a high degree of responsiveness. As Chief Commercial Officer I can measure how much we are missing the interactions with our teams, clients, and partners. But even remotely, our relationships have grown stronger, and we are so proud of it. As a signal towards future happier days, we have been able to organize the SGEF Vendor Conference in Paris in September. A vendor has commented: “this is just great, really SGEF you are daring people! What an amazing reconnection moment!”

2021 has taught that **adaptability and flexibility** were required skills to safely navigate in these uncertain environments. The quality of the relationships we enjoy with our partners and clients, and the dedication of our teams certainly made the difference. **Our sectorial and geographical mix** provided resilience, cross expertise and therefore relevant customer value proposition.

On behalf of all SGEF teams, I can assure that we are fully committed to be, remain or become our customers’ **preferred partner in equipment finance.**



KEY FIGURES

N°1 in Europe *

EUR 24.2 bn **
Outstandings

EUR 10.2 bn **
New Business Volume

Operating in more than 35 countries **

1,500
Employees

* Equipment Finance & Automotive
** Including SG Group Leasing activities at 31/12/2021
** Banking activity only

SGEF NETWORK

Austria	Italy
Belgium	Luxembourg
Brazil	Netherlands
China / Mainland & HongKong	Poland
Czech Republic	Slovakia
France	Spain
Germany	Switzerland
Hungary	United Kingdom
	United States

SG GROUP LEASING ACTIVITIES

Algeria	Ivory Coast
Cameroon	Madagascar
Congo	Morocco
Chad	Romania
French overseas	Russia
Ghana	Senegal
Guinea	Tunisia***

NORDEA PARTNERSHIP

Denmark	Norway
Finland	Sweden

A high-angle photograph of a warehouse worker in a safety vest sitting on a red pallet jack. The worker is using a laptop on a large pallet of cardboard boxes. The warehouse floor is polished concrete, and the background shows tall shelving units filled with boxes.

VENDORS PARTNERSHIP & RELATIONSHIP

ADAPTATION TO NEW PARTNERSHIPS AND NEW ASSETS

SGEF is a worldwide leader and long-term partner for vendors, local & international manufacturers, and distributors of professional equipment.

Thanks to our deep industry, product and asset knowledge, in particular in the Transportation, Industrial Equipment, Technology, and Healthcare & Green Energy markets, we are a key and reliable partner for more than 500 vendors, especially worldwide leaders in their respective sectors.

In 2021, business development has enjoyed a strong momentum locally and at international level. We have concluded eight new international vendor partnerships bringing more diversity to our sectoral mix, opening doors to new markets and asset classes, and promoting SGEF geographical network to new relationships.

Despite the challenging operational conditions and the supply chains disruption we faced this year, we have been able to keep the same level of service and deliver innovative and sustainable solutions to our vendors partners, capitalizing on our geography coverage, reactivity and strong relationships built over the years.

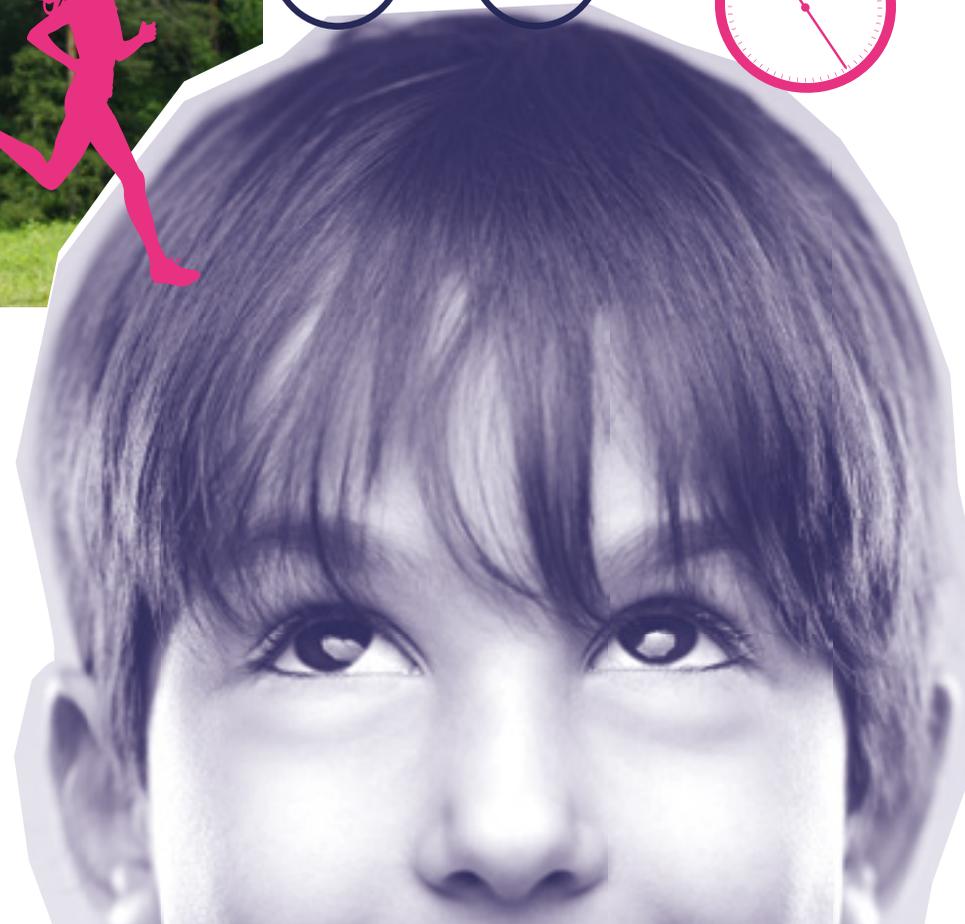
For any question about Vendors programmes, please contact florence.roussel-pollet@socgen.com

COMMITMENT TOWARDS YOUTH



MOVE FOR YOUTH

- More than **8,000** staff participants
- \approx **2,000 teams** committed together to **walked, ran and cycled**
- More than **1 million km** in two weeks
- An outstanding moment of **solidarity** and **commitment**



Throughout the month of September, SGEF has participated in the **Move For Youth** solidarity challenge organized by Societe Generale group. The staffs have cycled, ran and walked in support of more than 40 local and international charities acting for the education and social integration of young people. Thanks to this tremendous collective effort, €1 million has been raised. This global initiative marks a new stage in Societe Generale's commitment to young people. Through its new corporate **“The future is you” Foundation**, Societe Generale intends to continue to strengthen its action and resources to support young people in building their future.

#StrongerTogether

A LEADERSHIP ACKNOWLEDGED BY THE INDUSTRY

IN 2021, WE HAVE RECEIVED SEVERAL AWARDS AND CERTIFICATIONS BY THE INDUSTRY:

- **#1 IN ASSET FINANCE EUROPE 50 RANKING***
ASSET FINANCE INTERNATIONAL
- **MOST SIGNIFICANT BUSINESS GROWTH (2020, IN %)**
AEL, SPANISH LEASING ASSOCIATION (SPAIN)
- **BEST LEASING COMPANY "ECCELLENZA
DELL'ANNO LEASING" - LE FONTI (ITALY)**
- **TOP EMPLOYER SMI SECTOR**
FOCUS MAGAZINE (GERMANY)

* SGEF and ALD Automotive

Société Générale Equipment Finance
Tour Granite
17, Cours Valmy - 92987 La Défense - FRANCE

[equipmentfinance.societegenerale.com](https://www.equipmentfinance.societegenerale.com)

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