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# CORPORATE SOCIAL RESPONSIBILITY: COMMUNICATION ON PROGRESS 2017-2018

## GLOBAL COMPACT

■

OCTOBER 2018

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## A propos de ce document

This document is a collection of good practices as requested by the Global Compact. In particular, it describes the progress made to better integrate the principles of the United Nations Global Compact, of which Société Générale Group has been a member since 2003. It is not an exhaustive list of the Group's CSR actions.

### For further information:

This report makes references (among others) to :

- [Registration Document 2018](#)
- [Integrated Report](#)
- [Integrated Digital Report](#)
- [Group's CSR website](#)

# SUPPORT FOR THE GLOBAL COMPACT PRINCIPLES

September 2018



In line with our original mission to finance the economy and the pioneering spirit in our DNA, our long-term vision can be summed up in one sentence: we are resolutely engaged in the positive transformations of societies and economies. We want to provide innovative and responsible solutions that have a positive impact on the major challenges that face us. The prosperity of Europe, the sustainable development of Africa, the fight against global warming, the security of savings or eco-mobility are all key issues to which we want to contribute actively.

In November 2017, we presented our Transform to Grow strategic plan, offering both a long-term vision and a strategic, financial and extra-financial three-year trajectory which aims to create a cycle of profitable and sustainable growth. Our goal is to set the highest standards in the banking industry and develop our businesses while fulfilling our social and environmental responsibility commitments.

With this in mind, we published our first Integrated Report, presenting Societe Generale group's achievements in 2017, its ambition and strategy in a world undergoing profound change. Beyond sharing the Group's financial and operational results, the report provides extra-financial information that demonstrates our commitment to Corporate Social Responsibility.

A signatory of the United Nations Global Compact since 2003, Societe Generale repeats our continued support of the respect of the ten fundamental principles, seeking to conduct and develop all of our activities in an ethical manner, with responsibility and while aiming for a positive and value-creating impact for all our stakeholders.



Frédéric Oudéa, Chief Executive Officer



# 1

## IMPLEMENTING THE TEN PRINCIPLES INTO THE GROUP'S STRATEGIES & OPERATIONS



# 1.1 MAINSTREAMING INTO CORPORATE FUNCTIONS AND BUSINESS UNITS

## IMPLEMENTATION INTO STRATEGIC PRIORITIES

The Chief Executive Officer appointed the Group's Director of Corporate Social Responsibility (CSR) to the Bank's Management Committee with effect from 1st January 2017, thereby demonstrating Societe Generale's intention to further develop and integrate CSR issues into its strategy.

At the end of 2017, the Group presented its 2020 strategic plan entitled *Transform to Grow*, which is based on a long-term vision. It defines five strategic priorities for the next three years, which will allow to deliver superior, profitable and sustainable growth.

« Foster a culture of responsibility » is one of these five priorities. It aims at bringing the whole Group in line with the highest control and compliance standards in the banking sector, fully roll out the Culture & Conduct programme – sponsored by the Chief Executive Officer under the supervision of the Board of Directors – across all levels of the Bank and integrate our Corporate Social Responsibility commitments into our business development goals.

Further information : [Integrated Report – Strategy and Perspectives](#)  
[Investor's Day 2017-2020 strategic priorities](#)

## IMPLEMENTATION INTO BUSINESS ACTIVITIES

Because responsibility is one of our key values, our strategic plan fully integrates our CSR commitments into our business development. Through the Group's geographic footprint, the diversity of its businesses and its commitments to responsible banking, Societe Generale integrates the CSR goals:

In the development goals of our businesses

- Committing to the fight against climate change
- Developing business with a positive impact, in line with new social trends, encouraging inclusion and with a positive impact on local communities
- Contributing to sustainable development in Africa

In the way we do business

- Client satisfaction and protection: providing our customers with the right service at the right time, ensuring their interests are secure and protected
- Culture, conduct and governance: promoting governance and a corporate culture built on ethics and integrity
- Responsible employer: including, developing and engaging our teams using collaborative methods
- Responsible Sourcing: [Positive Sourcing Program 2018](#)

Further information: [Integrated Report – Strategy and Perspectives](#)  
[Registration Document – The CSR Ambition in the 2017-2020 strategy](#)  
[Group's website – CSR ambition & governance](#)

## IMPLEMENTATION INTO THE GROUP'S MANAGEMENT COMMITTEE OBJECTIVES

Since 2018, the members of the Group Management Committee have shared collective objectives, including financial performance, customer satisfaction and protection in accordance with the Net Promoter Score approach, employees' engagement rate and responsibility (extra-financial ratings).

Further information : [Registration Document – Aligning the objectives of the management committee with responsibility challenges](#)  
[Investor's day – Include, grow, engage our people](#)

## 1.2 IMPLEMENTATION INTO THE VALUE CHAIN

### 2018 DUTY OF CARE PLAN

Societe Generale is subject to the French Act of 27th March 2017 on the Duty of Care. This law requires a duty of care plan to be established and implemented, effectively, with the objective of identifying risks and preventing serious breaches in respect of:

- human rights and fundamental freedoms;
- the health, safety and security of persons ;
- the environment

In particular, the plan must include mapping of the risks, measures for assessing and mitigating risks of serious breach or harm and an alert mechanism. The Group sees this new regulatory obligation as an opportunity to clarify and strengthen its existing duty of care framework.

Societe Generale relies on the [Universal Declaration of Human Rights \(1948\)](#) and the fundamental conventions of the ILO as well as on [6 key environmental challenges](#) of the Rio Declaration on Environment and Development (1992). It is built around three pillars:

- the “Human Resources, Safety and Security” pillar
- the “Sourcing” pillar
- the “Activities” pillar

Societe Generale is continuing its efforts so as to ensure, thanks to [a mapping exercise](#), that the major risks of serious breach in relation to the three pillars have been correctly identified.

For further information : [Registration Document – 2018 Duty of Care Plan](#)

### ESG RISK MANAGEMENT: VOLUNTARY COMMITMENTS

- The [Environmental and Social Guidelines for Business Engagement](#)
- Published 12 sector policies
- Adopted the Equator Principles
- Signed the Soft Commodities Compact
- Uses an E&S watch and exclusion list
- E&S assessment of dedicated clients and transactions
- Published the [Positive Sourcing Program 2018](#)

For further information : [Registration Document – Voluntary Commitments](#)

# 2

## HUMAN RIGHTS MANAGEMENT POLICIES & PROCEDURES



## 2.1 COMMITMENTS, STRATEGIES AND POLICIES IN THE AREA OF HUMAN RIGHTS

### MESSAGE FROM FREDERIC OUDEA

*“Being a responsible company lies at the very heart of our business lines’ mission and reflects the essence of the relationship bank of reference that we strive to be. Being responsible must be tangible in each of our decisions, positions and actions. As a key player in financing the economy, our mission is to offer the best solutions to individuals, companies and institutions, in order to support them in the development of their projects, the management of their financial resources and the mitigation of their risks.*

*Our success in doing so relies on women and men, whether they are employees, contractors or any other stakeholders. Therefore, respecting human rights and dignity is at the very core of our mission. This is why we are committed to improving our practices to protect human rights and avoid any violation within our sphere of influence.” - Frédéric Oudéa*

### COMMITMENTS

The Societe Generale Group acts with integrity and in compliance with the laws applicable to its activities. The Group is subject to certain obligations relating to the management of both E&S and human rights risks (which include modern slavery), such as the French Duty of Care law that came into force in 2017.

In addition, Societe Generale has undertaken voluntary commitments which have led it to develop and regularly enhance its policies and processes on E&S and human rights risk management. The Group is fully committed to maintaining and improving its processes designed to limit the risk of human rights violation in the Group’s own operations (), its supply chains, and its products and services.

The Group’s commitments towards human rights are guided by the following standards and initiatives:

- The Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, & the International Covenant on Economic, Social and Cultural Rights;
- The Fundamental Conventions of the International Labour Organisation (ILO);
- The United Nations Guiding Principles on Business and Human Rights;
- The OECD Guidelines for Multinational Enterprises;
- The United Nations Global Compact;
- The Equator Principles.

Societe Generale’s commitment towards the respect of human rights was reaffirmed in March 2018 and May 2018 by the first publication of the [Duty of Care Plan](#) in the Group registration document and the publication of a second statement related to the [UK Modern Slavery Act](#).

### POLICIES

Societe Generale’s Group-wide policies and agreements which address the reduction of the risk of human rights violations include, but are not limited to, the following:

- [Code of Conduct](#) : commitment to respect human rights and to comply with the rules established by the International Labour Organisation (ILO) fundamental conventions;
- The [worldwide agreement on fundamental human rights and trade union rights signed between Societe Generale and UNI Global Union](#);
- The Instruction on Conducting Responsible Sourcing & Compliance Rules Applicable to Sourcing (appended to the UNI Global agreement);
- The Instruction on the Fight Against Money Laundering and Terrorist Financing Within the Societe Generale Group (internal document);
- The Anti-Bribery and Corruption Policy (internal instruction) and a dedicated Code Governing the Fight against Corruption and Influence Peddling;
- The [Environmental and Social Guidelines for Business Engagement](#)



## 2.2 MANAGEMENT SYSTEMS TO INTEGRATE THE HUMAN RIGHTS PRINCIPLES

### TOWARDS OUR EMPLOYEES

- *The worldwide agreement on fundamental human rights and trade union rights which Societe Generale signed with UNI Global Union in 2015*
- A whistleblowing mechanism
- A solid human resources governance
- Human resources and safety risk monitoring and assessments

This point is developed in [3.1 Commitments, strategies or policies in the area of labor](#)

### TOWARDS OUR CLIENTS

[12 policies](#) have been developed relating to sectors which were identified as presenting **specific E&S or human rights risks**. These policies are public documents and set out the major E&S sector standards applied, the main risks identified in relation to harm to the environment or to human rights and the criteria for E&S and human rights due diligence to be carried out at customer or transaction level.

A global and in-depth **sector-risk mapping** was started in 2017 which will lead to an update of these policies (to include coverage of additional risks and the adaptation of the due diligence carried out at transaction or customer level).

Due diligence processes to implement the Group's E&S commitments include:

- **identification** of the E&S challenges associated with transactions and customers to whom the Group provides banking and financial services;
- **in-depth evaluation** of those identified transactions and customers by front officers and in-house expert teams, to assess consistency with the Group's E&S policies; and
- where relevant, action for **remediation**.

These E&S procedures are being gradually incorporated within both our credit risk and reputational risk management policies and procedures to **enhance the coverage in terms of Group activities**.

### TOWARDS OUR SUPPLIERS

Societe Generale's internal processes aimed at suppliers principally address spending managed from France by the Sourcing Division. These include the inclusion of **a CSR clause**, that requires suppliers to abide by each of the Group's Code of Conduct and its **Sustainable Sourcing Charter**, in all standard contracts of the Sourcing Division in France.

The Group's Sourcing Division has also developed and provides guidance tools to its buyers to enable them to manage E&S and human rights risks at various stages of the purchasing process. The purpose of these tools is to identify, assess and manage E&S and human rights risks, both at the level of the product or service purchased and at the level of the supplier or service provider. [These tools](#) are used for purchases managed by the **Sourcing Division**.

For further information: [Group's website - Responsible Sourcing](#)

[Registration document 2018 – Positive Sourcing Programme](#)

## 2.3 MONITORING AND EVALUATION MECHANISMS OF HUMAN RIGHTS INTEGRATION

The system for monitoring the duty of care measures will be based on the compliance risk assessment tool, which will include E&S risk for the entire Group in 2018. This tool will enable Societe Generale:

- to monitor the deployment of the E&S risk management processes;
- to identify the possible areas for improvement and to monitor the associated action plans;
- and lastly, to have new indicators for monitoring the results of the surveillance measures implemented for the Group, with a view to an initial communication in such respect in 2019.

The system also integrates:

- [The alerte mechanism](#)
- [Data protection](#)

Also, some measures join the anti-corruption framework:

- The French '[Sapin 2 law](#)'
- The [code governing the fight against corruption and influence peddling](#)

### FURTHER STEPS

In light of both the regulatory focus and Societe Generale's own commitments undertaken in 2017, the Societe Generale Group intends to continue enhancing its E&S and human rights risk management and to continue to review its effectiveness. Current plans include:

- publishing a Group Human Rights Position;
- formalising the global E&S and human rights risk mapping on human resources and security, purchasing and business activities;
- reviewing our existing E&S risk management procedures based on the risk mapping results, especially from a human rights perspective;
- pursuing the implementation of the existing E&S and human rights risk framework worldwide;
- providing further training and raising awareness of human rights, in order to strengthen the level of understanding of the risks of human rights issues, including modern slavery and human trafficking, amongst our employees.



# 3

## LABOUR MANAGEMENT POLICIES & PROCEDURES

**3** GOOD HEALTH  
AND WELL-BEING



**5** GENDER  
EQUALITY



**8** DECENT WORK AND  
ECONOMIC GROWTH



**16** PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



## 3.1 COMMITMENTS, STRATEGIES OR POLICIES IN THE AREA OF LABOR

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Societe Generale conducts its business with the utmost respect for the values and principles (among others) under:

- the fundamental conventions of the International Labour Organization (ILO)
- the Universal Declaration of Human Rights and its additional commitments;
- the Guidelines for Multinational Enterprises of the OECD (Organisation for Economic Co-operation and Development); Les Principes directeurs des Nations Unies relatifs aux entreprises et aux droits de l'homme

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

- 2003: joined the United Nations Global Compact, which encourages companies to integrate principles relating to human rights, working conditions and the fight against corruption;
- 2015: signed a Global Agreement on Fundamental Rights with UNI Global Union;
- 2016: signed the Women's Empowerment Principles – WEP, Professional Equality Charter of United Nations, and the International Labour Organization's Global Business Charter on Disability.

Also, the "Human Resources, Safety and Security" pillar, which aims to prevent the **risk of serious breaches in respect of human rights and fundamental freedoms, the health of employees of the Societe Generale Group, the safety and security of persons, and the protection of personal data.**

For further information : [\*Registration Document – Societe Generale's historical commitments\*](#)

## 3.2 MANAGEMENT SYSTEMS TO INTEGRATE THE LABOR PRINCIPLES

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Societe Generale has a human resources (HR) management policy, which it has developed over time to take account of the strategic priorities of the Group, the key challenges of the businesses and the transformation of its activities and its environment.

Relying on a set of processes, **the Group aims to safeguard the human rights and fundamental freedoms of its employees as well as the safety and security of persons on the organization's sites and of employees during business trips.** The deployment of this policy at the level of the Group entities is based on:

- **HR governance** at Group level and bodies engaged in **social dialogue**, which monitor working conditions and the freedom of association (in particular, the Group has signed an agreement with UNI Global Union) as well as the safety and security of persons, infrastructures and data
- **Governance ensuring the safety and security** of persons, infrastructures and data, strengthened in 2017 by the creation of a **Group Safety and Security Division**;
- **Local support teams** (HR, logistics, safety and security officers, data protection officers, occupational health care, coaching on quality of life at work, local staff representatives, employment law teams, groups and networks focused on diversity, etc.);
- **Systems for monitoring, training and intervention** in relation to personal safety and security, including in particular in relation to expatriate employees and business travelers.
- **A corporate culture** built around values, translated to the three main levels of responsibility within the Group, and applied to the main HR processes.
- The promotion of **well-being at work** for all employees of the Group.

## 3.3 MONITORING AND EVALUATION MECHANISMS OF LABOR PRINCIPLES INTEGRATION

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The deployment and results of this policy are evaluated on a regular basis by means of:

- **Direct consultations of employees** in respect of their satisfaction and their working conditions, via the Group Employee Satisfaction Survey and local surveys, followed up by action plans;
- **Systems for evaluating the Group** in terms of operational and compliance risks, which help to standardize HR, Safety and Security practices;
- **Alert mechanisms** in relation to ethical and human rights matters;
- **Internal and external audits** of the human resources policy and the standards for health, safety and security, which also result in the implementation of action plans adapted to the areas for improvement that have been identified

For further information : [Registration Document – « Human Ressources, Safety and Security Pillar »](#)



# 4

## ENVIRONMENTAL MANAGEMENT POLICIES & PROCEDURES

6 CLEAN WATER  
AND SANITATION



7 AFFORDABLE AND  
CLEAN ENERGY



11 SUSTAINABLE CITIES  
AND COMMUNITIES



12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



13 CLIMATE  
ACTION



14 LIFE  
BELOW WATER



15 LIFE  
ON LAND



17 PARTNERSHIPS  
FOR THE GOALS



# 4.1 COMMITMENTS, STRATEGIES OR POLICIES IN THE AREA OF ENVIRONMENTAL STEWARDSHIP

*“In a responsible manner, and with the will to reinforce our commitment, we have decided to take strong new measures in favour of a less carbon-intensive economy, with on one hand the objective to contribute to raising €100 billion in financing for the energy transition by 2020 and, on the other hand, the strengthening of our sectoral Environmental and Social Oil and Gas policy” - Frédéric Oudéa*

Societe Generale is reinforcing its commitments in favour of the fight against climate change, aiming to align our activities to the 2°C scenario of the International Energy Agency. The Group commits to:

- Raise **€100 billion in financing for the energy transition** between 2016 and 2020
- Strengthen the Group's **E&S policies**
- No longer finance the production of **oil from oil sands anywhere in the world, nor the production of Arctic oil.**
- Reinforce worldwide its standards in the respect and **rights of indigenous peoples**, in line with international standards
- Reduce its **carbon footprint** by up to 25% of its CO2eq emissions per employee by 2020 compared to 2014
- Be a driving force in the **sustainable and low carbon development of Africa**
- Biodiversity: **'Act 4 Nature'** commitment
- Responsible Sourcing: The **'Positive Sourcing Programme'**

For further information:

- [Integrated Report – Fighting Climate Change](#)
- [Registration Document – Societe Generale's role in the fight against climate change](#)
- [Group's website – Climate Commitments](#)





## 4.2 MANAGEMENT SYSTEMS TO INTEGRATE THE ENVIRONMENTAL PRINCIPLES

### GOVERNANCE

- In 2017, climate change-related risks were integrated into the risk mapping that was presented to the Board of Directors, as well as into the Group's risk appetite strategy.
- A first Group Risk Committee meeting in relation to the management of climate change-related risks, chaired by General Management, was held in January 2017 and will be held annually from now on. The Risk Division and the CSR Department work together to implement all processes.
- Since November 2017, the CSR Department has attended and expressed its opinion in Group Risk Committee meetings for sectors that are sensitive to CSR and climate challenges.
- The Bank implemented an internal carbon tax incentive scheme, and the amounts collected are then redistributed to finance internal environmental efficiency initiatives thanks to the [Environmental Efficiency Awards](#).

### FINANCING THE ENERGY TRANSITION

Société Générale intends to be a key player in the **energy transition**. It supports governmental and private sector efforts to transition to a low-carbon economy by targeting:

- the diversification of sources of energy production with increased funding for the renewable energy sector;
- the reduction of its clients' energy consumption;
- the increase of its energy transition and climate change adaptation efforts in developing countries and attracting investors for these projects.

### MANAGEMENT OF CLIMATE CHANGE-RELATED RISKS

The management of risks associated with climate change:

- Identification of the risks through [several processes and tools](#)
- Management of climate change-related risks through the [ongoing credit risk management](#), the [sector policies](#), and the management of emissions from proprietary activities.

### REDUCING THE GROUP'S CARBON FOOTPRINT

Societe Generale continues to apply its environmental policy to its proprietary activities which includes:

- The [internal carbon tax](#)
- Measures taken to [improve environmental efficiency](#) in real estate, IT infrastructure, transport and paper consumption
- The [Positive Sourcing Programme](#)

*For further information:*

- [Integrated Report](#)
- [Registration Document – Societe Generale's role in the fight against climate change](#)
- [Group's website – Climate Commitments](#)

## 4.3 MONITORING AND EVALUATION MECHANISMS FOR ENVIRONMENTAL STEWARDSHIP

- The CSR policy, which includes the climate strategy, is monitored annually by the **Board of Directors**.
- Since the climate is one of the major priorities of the CSR ambition, it has been the subject of presentations on various occasions and at various levels of governance
- In 2017, Societe Generale supported the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). In such context, this section strives to follow the presentation structure recommended by the TCFD for greater transparency (climate strategy, climate governance, management of risks associated with climate change, indicators and targets).
- Environmental Data is audited annually by an Independent Verifier, proving its legitimacy.



# 5

## ANTI-CORRUPTION MANAGEMENT POLICIES & PROCEDURES



## 5.1 COMMITMENTS, STRATEGIES OR POLICIES IN THE AREA OF ANTI-CORRUPTION

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For a long time now, Societe Generale has promoted strict principles laid down in its Code of Conduct that comply with the most rigorous regulations in this respect, such as the UK Bribery and Corruption Act (2011). The Group has also made some major commitments and taken significant measures:

- Integration within the United Nations Global Compact.
- Publishing an anticorruption code in compliance with the law, and incorporation within SG France's internal regulations
- A Code of Conduct, available in 22 languages, and including the fight against corruption

The '[Code governing the fight against corruption](#)' states that Societe Generale does not accept **any form of bribery or influence peddling**.

The code serves As a reference to assist Societe Generale Employees to identify situations involving a risk of bribery, corruption or influence peddling in their day-to-day activities and to act appropriately when faced with such situations. It is illustrated by various concrete examples of situations Societe Generale Employees may face.

In addition to this Anti-corruption Code, Societe Generale Employees must be fully aware of instructions, as well as specific local policies applicable to them in certain countries. They must undergo **specific training on the fight against corruption and influence peddling** as required by Societe Generale.

All Société Générale entities are expected to:

- disseminate this instruction, as well as any local antibribery and corruption policies or provisions specific to any business divisions;
- provide local anti-bribery and corruption mandatory training courses for all their employees (including training regarding this instruction) and any other relevant parties with attendance tracking included in Permanent Supervision.

## 5.2 MANAGEMENT SYSTEMS TO INTEGRATE THE ANTI-CORRUPTION PRINCIPLE

### GOVERNANCE

The system for prevention of compliance risks is based on shared responsibility between the BU/SUs and CPLE, together with the entire Compliance function:

- operational entities (BU/SU) must integrate compliance with laws and regulations, the rules of good professional conduct, and the Group's internal rules into their daily work;
- CPLE and the Compliance function have two main duties:
  - (i) advising and assisting the operational entities so that they may complete their tasks in compliance with their professional and regulatory obligations, and in keeping with the Group's commitments; and
  - (ii) monitoring and assessing the relevance and efficiency of the system for monitoring and controlling compliance risks.

The [Compliance Division \(CPLE\)](#) was reorganized on 1 January, 2018 and directly reports to the Group's General Management, thus becoming an independent division in its own right. A number of committees are in place in the presence of General Management and the Inspection to define the Group's main orientations and principles in terms of compliance.

### CODE OF CONDUCT AND ALERT MECHANISM

The [Code of Conduct](#) is the cornerstone of professional ethics at Societe Generale. It promotes respect for human rights and the environment, the prevention of conflicts of interest and corruption, the fight against money laundering and the financing of terrorism, respect for market integrity, data protection, proper conduct with regard to gifts and invitations, and responsible sourcing.

These rules go beyond the minimum statutory and regulatory requirements in force, especially in certain countries whose laws and regulations do not meet the Group's high ethical standards. The Code of Conduct is available and applicable to all Group employees, irrespective of their level of responsibility, and to its managers. It also details the procedure for whistle-blowing in situations where this is appropriate and reiterates the principle of protection for whistle-blowers. For a long time now, Societe Generale has promoted strict principles laid down in its Code of Conduct that comply with the most rigorous regulations in this respect, such as the UK Bribery and Corruption Act (2011).

In 2016, Societe Generale launched an extensive ["Culture and Conduct" programme](#) under the direct supervision of the CEO, which reports on its action to the Board of Directors.

### RISK MANAGEMENT

The Group's activities strictly comply with all laws and regulations governing financial and banking activities. [Compliance risk](#) (including the fight against corruption) is integrated in the operational risks managed by the Bank.

### TRAINING

A [training programme](#) dedicated to the senior managers and employees with the greatest risk exposures has been initiated, with the support of a specialized firm. To date, more than 2,500 people across all regions and businesses have benefited from this programme.

## 5.3 MONITORING AND EVALUATION MECHANISMS FOR THE INTEGRATION OF ANTI-CORRUPTION

Tools enabling supervision of transactions ensure compliance with regulations and the detection of situations requiring special attention:

- exposure to money laundering and terrorism financing, and any market abuse, price manipulation and insider trading;
- exposure to embargo- and sanction-related risks, in particular in the event of identification of people, countries or activities targeted by national and international sanctions and by embargoes.

Furthermore, risk reporting and assessment tools are used to produce reports and reviews updating the Bank's managing bodies, supervisors, regulators, divisions, and more with any relevant information.

As part of the Duty of Care, the system for monitoring will be based on the compliance risk assessment tool, which will include E&S risk for the entire Group in 2018. This tool will enable Societe Generale:

- to monitor the deployment of the E&S risk management processes;
- to identify the possible areas for improvement and to monitor the associated action plans;
- and lastly, to have new indicators for monitoring the results of the surveillance measures implemented for the Group, with a view to an initial communication in such respect in 2019.



“ The Societe Generale group's mission is to continue establishing, at every level of its organisation, a culture of responsibility and to strengthen its internal control system, notably the Compliance structure, in order to be positioned in line with the highest industry standards. ”

Edouard-Malo Henry  
Group Head of Compliance

# 6

## TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES

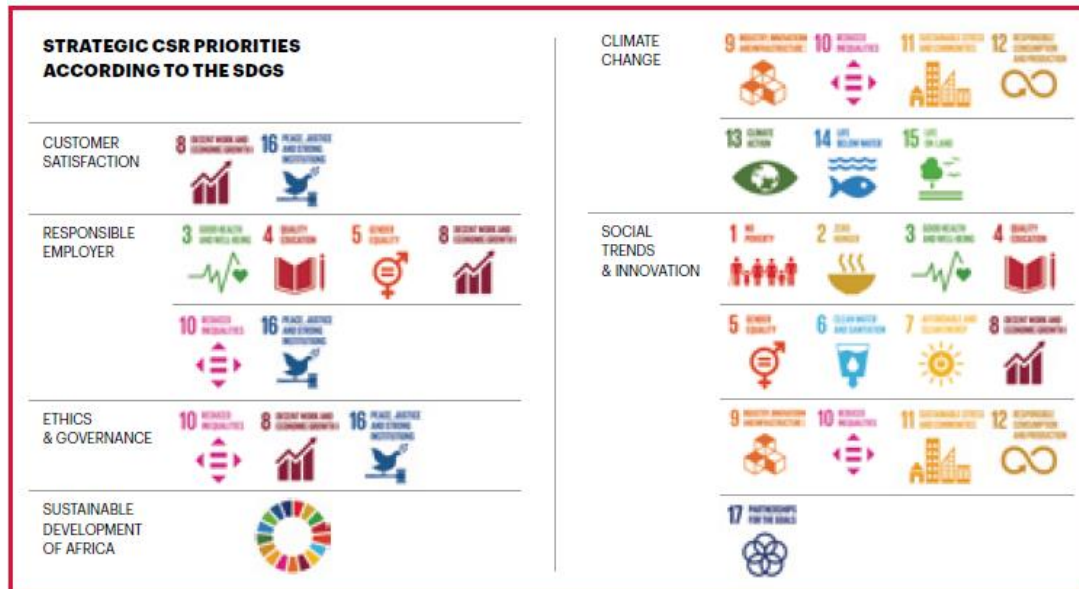


# 6.1 CORE BUSINESS CONTRIBUTIONS TO UN GOALS AND ISSUES

Through the Group's geographic footprint in all the countries where it operates, the diversity of its businesses and its commitments to responsible banking, **Societe Generale** contributes to meeting the United Nations' Sustainable Development Goals (SDGs).

This table shows the alignment of our strategic CSR priorities and the 17 SDGs.

For further information:  
[Integrated Report 2018](#)





## 6.2 STRATEGIC SOCIAL INVESTMENTS AND PHILANTHROPY

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For Societe Generale, being a responsible company lies at the very heart of the Group's long-term vision to contribute as a trusted partner to the positive transformations of the world, and is one of the 5 key priorities of the "Transform to Grow" 2020 strategic plan.

The Group's ambition is to generate superior sustainable growth, creating value for its stakeholders through integrated CRS goals. Among these goals, being a responsible employer, innovating to foster positive impact and regional development, and contributing to the sustainable development of Africa are key drivers of the Group's **Corporate Citizenship & Philanthropy long-term initiatives**.

Societe Generale is committed to developing relations with the wider civil societies of all the countries in which we operate. In line with our values, we take tangible, innovative action to promote **solidarity, culture and sports** in France and around the world, with a particular focus on supporting young people and helping them build their future. The Group encourages the involvement of its staff in these long-term initiatives, helping our partners to develop in a secure and sustainable manner.

For further information: [Integrated Report 2018](#)



## 6.3 ADVOCACY AND PUBLIC POLICY ENGAGEMENT

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Both the UN Sustainable Development Goals (SDGs) and the Paris Agreement on climate change have set ambitious targets to deliver a sustainable future for all. As two thirds of worldwide finance is provided by banks, the global banking system will be instrumental in achieving these goals.

*Societe Generale is one of the 26 banks that collaborated to define the role and the responsibility of the banking sector for a more sustainable future, with the support of the United Nations.*

*Société Générale is one of the 26 UN Environment Finance Initiative's banking members leading an initiative for banks worldwide to reaffirm their purpose and align their business practices with these objectives. Convened by the UNEP FI secretariat, the banks are developing global [Banking Principles](#).*

The principles will be officially launched in November 2018, in attendance of Frédéric Oudéa, CEO of the Group.

Similar to the role the Principles for Responsible Investment (PRI) play for asset managers and the Principles for Sustainable Insurance (PSI) for insurance underwriters, these standards will address the longstanding need for an umbrella framework to cover all aspects of sustainable banking.

The process of developing the Principles will include consultation with a wide range of stakeholders, such as civil society organizations, banking associations, regulators and UN bodies.

Other examples of public position :

- Communication of the [Group's strategic plan](#) with integrated CSR stakes
- Frédéric Oudéa's speech at the [Positive Business](#) launching
- Commitments announced by Frédéric Oudéa on the [One Planet Summit 2017](#)
- Speech at the [General Meeting](#) of May 2018
- The Group strengthens its [commitments in the fight against climate change](#)

## 6.4 PARTNERSHIPS AND COLLECTIVE ACTION

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The Group has shown its proactive commitment to the following public or private initiatives which aim at promoting partnerships and collective action:

- 2018: Societe Generale is the first French bank to join the [Climate Bonds Partner Program](#), 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;

*For further information:* [Responsible finance, our commitments](#)

# 7

## CORPORATE SUSTAINABILITY GOVERNANCE & LEADERSHIP



## 7.1 CEO COMMITMENT AND LEADERSHIP

The CSR ambition is **at the heart of the 2020 [Transform to Grow](#)** strategy.

In 2017, the **CSR ambition is integrated into the Group's strategic plan** and was presented during the [Investor Day](#) on November 2017, which enabled the priorities to be shared.

At the request of the Board of Directors, a Group Risk Committee (CORISQ) meeting, chaired by General Management, is held in relation to managing the risks associated with **climate change** once a year.

In 2018, the members of the Group Management Committee will have **shared collective objectives**, including financial performance, customer satisfaction and protection in accordance with the Net Promoter Score approach employees' engagement rate and responsibility (non-financial ratings).



## 7.2 BOARD ADOPTION AND OVERSIGHT

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- The Chief Executive Officer appointed the Group's Director of Corporate Social Responsibility (CSR) to the **Bank's Management Committee** with effect from 1st January 2017, thereby demonstrating Societe Generale's intention to **further develop and integrate CSR issues into its strategy**.
- The Board of Directors has validated the 2017-2020 CSR ambition, which is aligned with the overall strategy of the Group for 2020. **Diony Lebot**, Deputy Chief Executive Officer, in charge of the control function, is the **Group's CSR sponsor**.

## 7.3 STAKEHOLDER ENGAGEMENT

- In 2017, when we were preparing our new strategic plan, **Societe Generale's stakeholders** were invited to an unprecedented consultation process seeking to precisely identify their expectations regarding all aspects of Corporate Social Responsibility (CSR).
- A total of 1,500 interviews and questionnaires gathered information from our individual, institutional and large corporate customers, as well as staff, investors and representatives from civil society across 15 countries. This information helped us develop the Group's materiality matrix, which ranks **sustainable development concerns according to the priorities expressed by our stakeholders and their impact on our activity**.
- At the end of this consultation process, the Group reinforced the **six key pillars of its CSR policy**, which have been integrated into the **2017-2020 strategic plan**.

