

NOVEMBER 2019

CORPORATE SOCIAL RESPONSIBILITY: COMMUNICATION ON PROGRESS 2018-2019

GLOBAL COMPACT



**THE FUTURE
IS YOU**  **SOCIETE
GENERALE**

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ABOUT THIS 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 2019](#)
- [Integrated Report](#)
- [Group's CSR website](#)
- [TCFD Report](#)

SUPPORT FOR THE GLOBAL COMPACT PRINCIPLES



November 2019



We are guided by our long-term vision of supporting our customers in the positive transformations of the world. This culture of responsibility, which is at the core of our strategic priorities, is reflected by the inclusion of Corporate Social Responsibility (CSR) matters to all of our businesses.

As a responsible bank, we are aiming for the highest ethics and compliance standards, and fully incorporate CSR matters into our activities. We intend to play our role alongside our customers, and more broadly in the service of our economies and our societies, by giving everyone the means to have a positive impact on the future.

Contributing to economic prosperity, regional development - particularly in Africa - social inclusion of young people, and financing the energy transition are all commitments to our stakeholders that we are strengthening through the commitment of our staff. Further illustrations can be seen through our landmark achievements, for example in the area of climate change, where 69% of our targets for 2020 have been achieved with regards to the energy transition, or development in Africa, with the November 2018 launch of the Grow with Africa initiative, whose purpose is to contribute to sustainable development on the African continent in partnership with local stakeholders.

As a signatory of the United Nations Global Compact since 2003, Societe Generale repeats its continued support of the respect of the ten fundamental principles, seeking to conduct and develop all of its 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

A handwritten signature in blue ink, which appears to read 'F. Oudéa', written over a light blue horizontal line.



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.

→ 2020 Target: Sustainably register in the 1st quartile of extra-financial rankings

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

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](#)

Further information: [Integrated Report – CSR at the heart of our strategy](#)
[2019 Registration Document](#)

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

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 : [2019 Registration Document](#)

ESG RISK MANAGEMENT: VOLUNTARY COMMITMENTS

- Founding signatory of the [Principles for Responsible Banking](#) and today joins the [Collective Commitment on Climate](#).
- Founding signatory of the [Poseidon Principles](#)
- 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](#)

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 - CEO

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:

- The [Duty of Care Plan](#) published in the 2019 Registration Document
- [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](#);
- Protection of [personal data, reinforced after the GDPR](#).
- 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 renewed in 2019](#)
- 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.

It should be noted that in 2018, the **Oil and Gas sector policy** has been updated so that the standards corresponding to E&S best practices are applied when it comes to providing banking and financial services in this sector. In 2019, three sectoral policies evolved: mining, thermal power plants and thermal coal. The new policies reinforce the Group's commitment to the disengagement of coal and continue efforts to fight climate change.

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**.

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](#)

2.3 MONITORING AND EVALUATION MECHANISMS OF HUMAN RIGHTS INTEGRATION

WHISTLEBLOWING MECHANISM

The Group has decided to strengthen the existing system by setting up a common alert system, meeting the regulatory requirements. . The implementation of this device has made the subject of a consultation with representative trade unions in France and a presentation and exchanges with bodies at the French and European level in the second half of 2018.

The device, accessible from the portal www.societegenerale.com has been deployed in France and internationally. It allows the collection of reports relating to the existence or realization of risks of infringement of human rights, fundamental freedoms, health and safety of persons or the environment. It is open to employees, external and casual employees, and service providers with whom an established commercial relationship (subcontractors or suppliers) is maintained. It is based on a secure external platform that guarantees the protection of personal data and a strict confidentiality of information.

For further information: [2019 Registration Document](#)

[Group's Code of Conduct](#)

MONITORING OF MEASURES

Societe Generale has developed a number of reporting tools in order to comply with its non-financial reporting obligations and monitor the implementation of its E&S risk management processes. These tools provide the Human Resources Department and the Security, Sourcing and Corporate Social Responsibility Divisions with key performance indicators. A shared non-financial reporting system is in place throughout the Group and is used to collect the data needed for non-financial reporting;

The Compliance Risk Assessment exercise enables Societe Generale to monitor its duty of care measures; this assessment covered the entire Group's E&S risks for the first time in 2018. Societe Generale conducted this exercise in over 180 entities, representing 76% of the Group's corporate exposure, and was thus able to:

- monitor the implementation of E&S risk management processes not only in the Business Units but also further down the chain (i.e. at individual legal entity level);
- identify areas for improvement and monitor the corresponding action plans;
- and lastly, benefit from additional indicators in relation to the monitoring of the measures taken by the Group

These actions are overseen by: the Heads of the Business Units and Service Units; the Risk and Compliance Functions; and the expert functions involved in the risk assessment exercise.

The results for each pillar are published [here](#).

NEXT STEPS

A review of all existing E&S risk assessment and management procedures was launched in 2018 further to the risk mapping exercise, with a view in particular to **progressively including the risks that are either not covered or insufficiently covered by the existing tools and procedures.**

The risk management framework will be further enhanced (policies, formal processes and/or additional checks) in 2019, alongside continued efforts in respect of implementation.

The main actions planned are as detailed [here](#).



3

LABOUR MANAGEMENT POLICIES & PROCEDURES

4 QUALITY
EDUCATION



5 GENDER
EQUALITY



8 DECENT WORK AND
ECONOMIC GROWTH



3.1 COMMITMENTS, STRATEGIES OR POLICIES IN THE AREA OF LABOR

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.
- 2018:

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 : [2019 Registration Document](#)

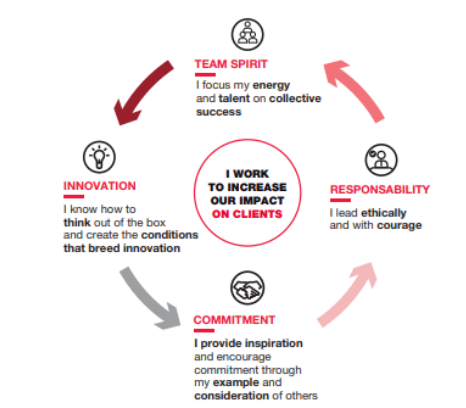
3.2 MANAGEMENT SYSTEMS TO INTEGRATE THE LABOR PRINCIPLES

THE LEADERSHIP MODEL

Societe Generale's values feed into its Leadership Model, which defines the behaviour and skills expected within the Group, emphasising that the way in which results are achieved is every bit as important as the results themselves.

The behavioural skills reflected in the Leadership Model are divided into three categories corresponding to the main levels of responsibility within the Company (senior executives, managers and employees) and are applicable throughout the Group.

The four key values thus translate into key skills (see diagram below), which are in turn reflected in certain observable and measurable behaviours.



EVALUATION PROCEDURES, RISK PREVENTION AND MITIGATING MEASURES

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.);
- **Teams and systems for monitoring, training and intervention in relation to security**, especially for expatriate employees and business travelers;
- **Operational risk management and compliance teams**, acting as a second line of defence on different dimensions of the HR and safety & security risk management system.

For further information: [2019 Registration Document 'Responsible Employer'](#)

3.3 MONITORING AND EVALUATION MECHANISMS OF LABOR PRINCIPLES INTEGRATION

ASSESSMENT

The deployment and results of existing policies are regularly assessed, in particular by means of:

- the **Group's systems for assessment** of operational and compliance risks;
- a **whistleblowing system** for ethics and human rights issues;
- **internal and external audits** of the human resources policy and health, safety and security standards;
- the **Group's Employee Satisfaction Survey** and other local surveys conducted to get direct feedback from employees regarding their satisfaction and working conditions.

ACTION PLANS

Based on the results of the above, appropriate action plans are implemented with a view to harmonising HR and safety and security practices throughout the Group.

In 2018, the Group also conducted the Compliance Risk Assessment exercise to evaluate the quality of its global and local systems designed to protect against risks in respect of its employees' human rights. The questions asked pertained to the implementation of Group policies as well as formal local policies and processes and the checks performed on a range of issues:

- employment terms (employment contracts and collective agreements on working conditions);
- employment of minors under the age of 15; p measures to counter workplace discrimination;
- employment conditions (employee protection, disciplinary measures, management of workplace harassment and violence, minimum wage, working hours, leave);
- health, including issues of social welfare (healthcare, invalidity/life-insurance benefits, pensions), and safety and security.

REPORT ON EFFECTIVE IMPLEMENTATION OF THE MEASURES

Mapping of [inherent E&S risks](#)

Results: 0.2% of employees are in a country considered to be high risk (China); 35% are in countries representing a medium-high risk (such as Russia, Romania, India, Morocco, Algeria and Ivory Coast).

Implementation methods and results of existing policies were assessed for a scope covering 89% of the Group's headcount (see section 5.7.5, "Monitoring of measures").

Results:

- The entities with insufficiently effective policies or processes and located in high or medium-high risk countries employ less than 4% of the Group's headcount.
- The entities with insufficiently effective controls and located in high or medium-high risk countries employ less than 10% of the Group's headcount.



4

ENVIRONMENTAL MANAGEMENT POLICIES & PROCEDURES



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

“We are fully committed to contributing to the positive transformations of our economies and societies. We want to provide innovative, responsible solutions with a positive impact. The prosperity of Europe, sustainable development in Africa, the fight against climate change, the security of savings or, for instance, sustainable transport are key challenges to which we will actively contribute. First of all by being a trusted partner for our clients.” Frédéric Oudéa – CEO.

CLIMATE COMMITMENTS AND STRATEGY

Collective commitment on climate: at the 2019 UN Climate summit, the Group enhanced its [climate commitments](#):

- Raise €120 billion to the energy transition between 2019 and 2023
- Progressively reduce to zero its exposure to the thermal coal sector, at the latest in 2030 for companies with thermal coal assets located in EU or OECD countries and 2040 elsewhere

‘Principles for Responsible Banking’ founding signatory: committing to strategically align its business with the SDGs set by the UN and the Paris Agreement. The six Principles are supported by a strong implementation framework that defines clear lines of accountability and requires each bank to set, publish and work towards ambitious targets.

Katowice commitments: Societe Generale, with four other banks, committed to measure the climate alignment of their lending portfolio, and to explore ways to progressively steer financial flows through their core lending towards the goals of the Paris Agreement.

2°C scenario alignment: As from 2015, Societe Generale has committed to strive to put the Bank’s action on course to achieve the scenario whereby global warming is limited to 2°C by 2020. With this commitment, the Group aims to implement governance, risk management and risk monitoring tools to enable it to respond in the most appropriate way to a carbon-free economy resilient to the effects of climate change

→ By the end of 2018, with two years in advance, Societe Generale reached the goal of limiting to 19% its coal-fuelled part of its financed energy mix for power production.

Strengthen its coal policy: the Group is committed to progressively reduce to zero its exposure to the thermal coal sector, at the latest in 2030 for companies with thermal coal assets located in EU or OECD countries and 2040 elsewhere.

Financing the energy transition: the Group committed to raise 100 bn € to the energy transition between 2016 -2020

→ By Q2 2019, this target was achieved at **89%**

Strengthen the Oil & Gas policy: In 2018, the Group committed to finance only those activities in the oil and gas sector that have a mitigated impact on the climate. In particular, Societe Generale will no longer finance activities relating to the production of oil from oil sands anywhere in the world or to the production of oil in the Arctic.

Group’s reduction carbon footprint: As part of its 2014-2020 carbon reduction programme, Societe Generale has undertaken to cut its greenhouse gas emissions by 25% per occupant and to improve the energy performance per occupant of the Group’s buildings by 20% by 2020 as compared to 2014 levels.

→ At the end of 2018, greenhouse gas emissions per occupant were down **19%** on 2014 levels and energy performance per occupant had improved by **21.5%** as compared to 2014.

Founder signatory of the ‘Poseidon Principles’ which aims to ensure that the highest environmental standards apply to decarbonization within the shipping industry

Biodiversity commitment ‘Act 4 Nature’

Responsible Sourcing commitments: the ‘Positive Sourcing Programme’

For further information: [Group’s corporate website](#)
[2019 Integrated Report](#)
[2019 Registration Document](#)

4.2 MANAGEMENT SYSTEMS TO INTEGRATE THE ENVIRONMENTAL PRINCIPLES

GOVERNANCE

- The Board of Directors monitors Societe Generale's climate strategy annually while the General Management submits the company's overall strategy to the Board of Directors and oversees its implementation
- Climate-related impacts on credit, market and operational risks are reviewed by the General Management's risk committee (CORISQ) when setting the Group's Risk Appetite. In October 2018, the CORISQ has adopted a framework that requires the systematic evaluation of transition risks, through a "climate vulnerability" indicator for clients active in sectors most exposed to climate risks.
- The CSR Department is responsible for defining and proposing a CSR promotion policy within the Group. In addition, the CSR Department is responsible for monitoring CSR actions, while the Business Units (BUs), Service Units (SUs) and Group entities are responsible for the implementation of the CSR policy and the corresponding alignment of their actions.

CLIMATE STRATEGY

- Societe Generale identifies that physical and transition risks do not represent a major risk on a 5-year horizon. However, such risks could impact materially in the long-term. Likewise, the Group has identified a range of climate-related opportunities for a variety of sectors, financial products and geographies.
- Over the years, this has led the Group to define a climate strategy articulated around three axes:
 - Managing climate-related risks (transition and physical).
 - Seizing climate-related opportunities and supporting Societe Generale's clients; and
 - Managing the bank's impact on climate (via its own activities and that of the clients it finances).
- To deliver this strategy, the Group has developed in-depth environmental expertise across the whole value chain: from research and advisory, to financing and capital markets, as well as investor solutions and services. Finally, the Bank has started shifting its capital allocation towards greener sources of energy and away from the most emission-intensive ones; i.e. more renewables and less coal.

GESTION DES RISQUES CLIMAT

- Risks associated with climate change (physical, transition and liability risks) do not represent a new risk category, but rather an aggravating factor for the types of risks already managed through the risk management framework of the bank; i.e. credit risk, market risk, operational risks (including reputational risk) and risk related to insurance activities.
- As a result, the integration of climate-related risks in the risk management framework relies on existing governance and processes. Thus, the management of climate-related risks follows a classical approach (identify, define risk appetite, control and mitigate).
- The identification of activities exposed to climate-related risk has been realised, but measurement of financial possible impacts is still incomplete for all perimeters. The most important exposure lies with credit risks.
- A methodology has been defined to evaluate the impact of transition risk as an incremental (positive or negative) impact on credit quality at borrower level. This "climate vulnerability" indicator is to be set alongside the internal rating. Societe Generale also identifies the risk of an impact of banking regulation introducing new rules on solvency and risk governance.

REDUCING THE GROUP'S CARBON FOOTPRINT

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

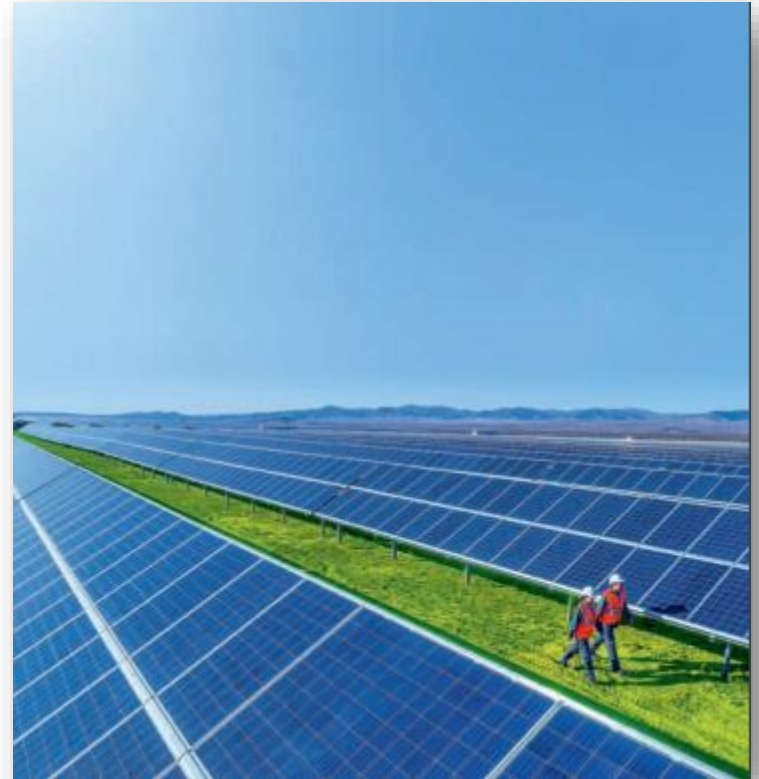
- The internal carbon tax
- Measures taken to improve environmental efficiency in real estate, IT infrastructure, transport and paper consumption
- The Positive Sourcing Programme

For further information: [TCFD Report](#)

[2019 Registration Document](#)

4.3 MONITORING AND EVALUATION MECHANISMS FOR ENVIRONMENTAL STEWARDSHIP

- The CSR policy, including the climate strategy, is **monitored annually** by the **Board of Directors**
 - Since 2017, Societe Generale has supported the recommendations of the **Task Force on Climate-Related Financial Disclosure (TCFD)**.
 - **Climate risks are managed by the bank's existing risk management framework**, and therefore rely on existing governance, processes and control systems (LoD1, LoD2).
 - In 2019, the Group published its **TCFD report** detailing its environmental strategy
 - Environmental data is **audited annually** by an Independent Third Party Organization.
 - **RobecoSAM ranks Société Générale as the world leader in the environmental dimension** and the 6th best European company for its CSR policy, out of a total of 175 banks analyzed.
- In 2019, **Societe Generale was also distinguished by the Autonomous financial research firm**, which evaluates the climate policy of 43 global banks. In this study, Societe Generale is in the 2nd position of the leading banks in climate risk management. The study greets, among others:
- The quality of the information provided on our climate strategy and cites in particular the **TCFD report** published in June 2019, which it describes as Best in class;
 - Commitments in favor of green finance with the objective of contributing up to 100 billion euros by 2020 to the energy transition and the exclusion of financing policies for the coal sector, oil in the Arctic or sand bituminous





5

ANTI-CORRUPTION MANAGEMENT POLICIES & PROCEDURES



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

- Societe Generale is fully engaged in fighting against corruption and has made clear commitments as part of the [Wolfsberg](#) and the [UN Global Compact](#).
- The Group applies strict principles that are included in the Code of Conduct and the [“Anti-Corruption and Influence Peddling Code”](#).
- In 2018, Societe Generale Group’s Anti-Corruption Code updated the existing normative framework by including all the French (Sapin II) and international legal and regulatory requirements.
- Societe Generale's anti-corruption programme is built around the following principles:
 - [Code of conduct](#);
 - Annual risk mapping;
 - Appropriate training at all levels (senior management, exposed persons, entire staff);
 - Control system;
 - Accounting procedures;
 - Evaluation of third parties;
 - Disciplinary system;
 - [Right to whistle-blow](#).
- Moreover, a new instruction regarding gifts, business meals and external events has been published. Societe Generale is also reviewing its whistleblowing framework. An instruction on the framework was published at the beginning of 2019 and a secured internet platform allowing all staff (internal, external and occasional) to exercise their whistleblowing right is being deployed. This setup protects whistle-blowers, notably by guaranteeing the protection of personal data and strict confidentiality.
- In addition, a full training programme is being deployed group-wide to increase the vigilance of all staff.

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 Business Units (BU), Service Units (SU), and the Compliance Division.
 - 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;
 - The Compliance Division ensures:
 - compliance with laws, rules and ethical principles specific to banking activities and investment services undertaken by the Group, as well as compliance with staff members' personal rules of good conduct and ethics;
 - awareness-raising and training of all players in preventing non-compliance and reputational risks.

The [Compliance Division \(CPL\)](#) 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.

TAX CODE OF CONDUCT

Control provisions have been put in place by the Group to ensure that transactions comply with local rules, laws and the [Group's Tax Code of Conduct](#). Societe Generale operates in compliance with fiscal transparency requirements and applies the [Common Reporting Standard \(CRS\)](#) within its entities. The same is true of the American [Foreign Account Tax Compliance Act \(FATCA\)](#), the purpose of which is to fight tax evasion schemes. The production of a declaration at national level and the exchanging of tax information allow Societe Generale to meet its fiscal transparency objectives.

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 all employees has been deployed and achieved by 95% (130 000 employees approx.)

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.

The Compliance Risk Assessment exercise enables Societe Generale to monitor its **duty of care** measures; this assessment covered the entire Group's E&S risks for the first time in 2018. Societe Generale conducted this exercise in over 180 entities, representing 76% of the Group's corporate exposure, and was thus able to:

- monitor the implementation of E&S risk management processes not only in the Business Units but also further down the chain (i.e. at individual legal entity level);
- identify areas for improvement and monitor the corresponding action plans;
- and lastly, benefit from additional indicators in relation to the monitoring of the measures taken by the Group.

These actions are overseen by:

- the Heads of the Business Units and Service Units;
- the Risk and Compliance Functions; and
- the expert functions involved in the risk assessment exercise



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).**

For further information:
[Integrated Report 2019- A comprehensive, Integrated Performance](#)
[Integrated Report 2019 – An ambition contributing to the SDGs.](#)

AN AMBITION DEVELOPED IN SIX AREAS

Customer satisfaction and protection



As a trusted partner, Societe Generale applies itself each day to protecting and satisfying its customers by aiming for the highest security and service quality standards.

- French Retail Banking voted Best Customer Service of 2019 by Viséo Customer Insights for the sixth consecutive year
- €650m in investments dedicated to the security of the Group's IT systems planned over three years

Responsible employer



This area is developed in three priority fields: guiding changes in the Bank's businesses by developing the necessary skills to adapt to these changes; developing a responsible banking culture, based on shared values; and fostering staff commitment, a gauge of performance and unity.

- Ranked 14th (the No.1 French bank) among over 3,000 companies in the international ranking of the NGO Equileap for gender equality
- 94% of the Group's staff received an appraisal

Ethics and governance



The Group asks its staff to follow the highest standards of integrity in everything they say and do. This condition is essential to the smooth operation of the Bank's activities. This approach, which integrates environmental, social, and governance risks, underpins all the decisions taken at every level of the company.

- A Culture & Conduct programme, reporting to General Management and placed under the supervision of the Board of Directors
- A Group Code of Conduct translated into 15 languages and two complementary codes: a Tax Code of Conduct and a Code governing the fight against corruption and influence peddling
- 12 sector policies covering sensitive sectors

Climate change



As a pioneer in financing renewable energy, committed since 2015 to aligning its activities by 2020 to a path aimed at limiting global warming to 2°C, the Group has a proactive and responsible climate strategy based around two priorities: guiding its customers in their energy transition and progressively reducing our activities connected to the most carbon-intensive energies.

- Commitment of €100bn dedicated to the energy transition by 2020, this was 69% achieved in 2018
- The No. 2 global bank in the renewable-energy sector in 2018 for the Europe, Middle East and Africa region, as both financing arranger and financial advisor
- Target of a 25% reduction in carbon emissions per staff member over the 2014-2020 period; a 19% reduction already achieved in 2018

Societal innovations



While the Bank's clients, whether investors, corporations or individuals, are looking for solutions to new environmental and societal challenges, Societe Generale is paying special attention to emerging societal trends and so provide appropriate solutions. Through support for the social and solidarity economy, assistance for entrepreneurs, development of sustainable cities and mobility, as well as inclusion, the Bank helps embody a responsible and interdependent future.

- €2.5bn committed to the Grand Paris project, incorporating a high standard in terms of CSR
- First Positive Impact bond issue from the Group's subsidiary ALD Automotiv: €500m to fund a fleet of hybrid and electric vehicles

Sustainable development of Africa



With roots in African countries for over 100 years, the Group has made sustainable and low-carbon development on the continent a top priority and has fully incorporated these goals into our strategy. Societe Generale is capitalising on our diversified and integrated model to rise to major challenges, including support for SMEs, banking inclusion and funding of infrastructure, renewable energy, and agribusiness.

- In 2018, the Grow with Africa programme was launched
- 375,000 clients for the mobile money application YUP (70% of whom had no prior access to banking services)

6.2 STRATEGIC SOCIAL INVESTMENTS AND PHILANTHROPY

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 2019](#)
[Société Générale website](#)

“ I am very proud of the commitment of Societe Generale's teams. Our staff have a tremendous energy, it's what sets our company apart. ”



Frédéric Oudéa
Chief Executive Officer

6.3 ADVOCACY AND PUBLIC POLICY ENGAGEMENT

PRINCIPLES FOR RESPONSIBLE BANKING – 2019 UN CLIMATE SUMMIT

“The increasingly urgent challenges of sustainable development, in particular the fight against global warming and the need for social inclusion, are our top collective priorities. As financial advisors and providers, banks have a crucial role to play to contribute to the development of low-carbon and inclusive solutions and new business models. I believe that a robust international coalition and common frameworks such as the Principles for Responsible Banking are the right answer to act both collectively and individually to pave the way for a sustainable future and deliver the significant results that we all aim for.” [Frédéric Oudéa](#), CEO of Societe Generale.

[Diony Lebot, Deputy CEO, was present at the UN Climate Summit to sign the “Principles for Responsible Banking”](#). Societe Generale is proud to be a Founding Signatory of the Principles for Responsible Banking, committing to strategically align its business with the Sustainable Development Goals set by the United Nations and the Paris Agreement on Climate Change. The six Principles are supported by a strong implementation framework that defines clear lines of accountability and requires each bank to set, publish and work towards ambitious targets.

- This launch took place one year after publication of the draft Principles for global consultation during the United Nations Environment Programme – Finance Initiative (UNEP-FI) Global Roundtable 2018, which took place last November in Paris, supported by Societe Generale. 130 banks of all sizes and geographies have signed the Principles.
- Societe Generale has an integrated CSR strategy which is fully in line with the Principles for Responsible Banking and seeks to contribute to positive transformations for a sustainable future.
- As a demonstration of this commitment, Societe Generale is making significant contributions to the achievements of the UN’s Sustainable Development Goals (SDGs) and the Paris Agreement targets with the following new commitments:
 - The Group commits to raising **€120 billion to the energy transition between 2019 and 2023**
 - The Group will **progressively reduce to zero its exposure to the thermal coal sector**, at the latest in 2030 for companies with thermal coal assets located in EU or OECD countries and 2040 elsewhere

OTHER EXAMPLES OF PUBLIC POLICY ENGAGEMENT:

- [Climate Finance Day 2018 – Frédéric Oudéa, CEO](#)
- [French Business Climate Pledge – Frédéric Oudéa, CEO](#)

6.4 PARTNERSHIPS AND COLLECTIVE ACTION

COLLECTIVE COMMITMENT ON CLIMATE: A NEW STRONG COMMITMENT FOR A CLIMATE-RESILIENT STRATEGY

As part of the commitments taken through the [Principles for Responsible Banking](#) (see slide 26), Societe Generale strengthens its efforts towards a climate resilient society by joining the [Collective Commitment on Climate](#), along with 30 other banks.

The banks involved in the [Collective Commitment on Climate](#) commit to setting and publishing targets to align their loan portfolios to a low carbon and climate resilient society within three years.

KATOWICE COMMITMENTS

In December 2018, on the occasion of COP24 at Katowice, Poland, five international banks, including BBVA, BNP Paribas, ING, Standard Chartered and [Societe Generale, committed to measure the climate alignment of their lending portfolio, and to explore ways to progressively steer financial flows through their core lending towards the goals of the Paris Agreement.](#)

POSEIDON PRINCIPLES

Societe Generale announces it is one of the founding signatories to the [Poseidon Principles](#) in collaboration with the Global Maritime Forum, and in league with a significant number of the shipping industry's leading banks.

The *Poseidon Principles* promote a low carbon future for the global shipping industry by integrating climate considerations into bank portfolios and credit decisions. The Poseidon Principles are consistent with the International Maritime Organisation's (IMO) ambition to [reduce shipping's greenhouse emissions by at least 50% by 2050.](#)

OTHER EXEMPLES OF INITIATIVES WHICH AIM AT PROMOTING PARTNERSHIPS AND COLLECTIVE ACTION

- 2018: [Banking Principles](#)
- 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 **Group's 2020 strategy**, "Transform To Grow". Since 2018, the CSR policy has been the subject of one **strategic review by the General Management** and two presentations to the Board of Directors. In 2017, the **CSR ambition was integrated into the Group's strategic plan** and was presented during the **Investor Day** on November 2017, which enabled the priorities to be shared.

Frédéric Oudéa, CEO, 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.

Diony Lebot, Deputy CEO, is the Group's sponsor for CSR matters. Her presence at the UN Climate Summit in 2019 to sign the Banking Principles reflects this commitment.

The **longterm incentives for General Management is function for 20% to the relative CSR conditions** of which 10% to respect the Group's commitments in terms of financing of the energy transition and 10% to the Group's positioning within the main extra-financial ratings (RobecoSAM, Sustainalytics and MSCI).

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.



7.2 BOARD ADOPTION AND OVERSIGHT

- **The Board of Directors has validated the 2017-2020 CSR ambition**, which is aligned with the overall strategy of the Group for 2020.
- The CSR ambition is **annually reviewed by the Board of Directors**
- 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 Board of Directors held 13 meetings. During this meetings, the **CSR policy, the evolution of the Culture & Conduct programme, and the Compliance programme**, were among the main topics which were discussed.

For further information: [2019 Registration Document](#)

7.3 STAKEHOLDER ENGAGEMENT

A BALANCED MODEL SERVING OUR STAKEHOLDERS

Building on the strength of over 150 years of expertise in serving our customers and developing the real economy, we based our banking model on our vision and our values. We draw on our resources, our three complementary core businesses and our technological expertise to create value for all of our stakeholders.

Our [value creation model](#)

AN APPROACH FOUNDED ON BROAD CONSULTATION

In 2017 Societe Generale's consulted its stakeholders in order to define its 2017-2020 CSR ambition.

REINVENTING THE DIALOGUE WITH STAKEHOLDERS AND PLACING IT AT A STRATEGIC LEVEL

Listening to our internal and external stakeholders informs our view of the world, our ambition and our strategy. It helps us stay connected to our environment, understand the expectations of each stakeholder and provide the right responses. The details of the dialogue procedures with our stakeholders are presented [here](#).

Societe Generale is voluntary to respond to calls from NGOs or other stakeholders to alert it of the environmental and social impacts associated with financing or other services in a joint process of progress. In particular, the Group has created a page dedicated to this dialogue on the institutional website.

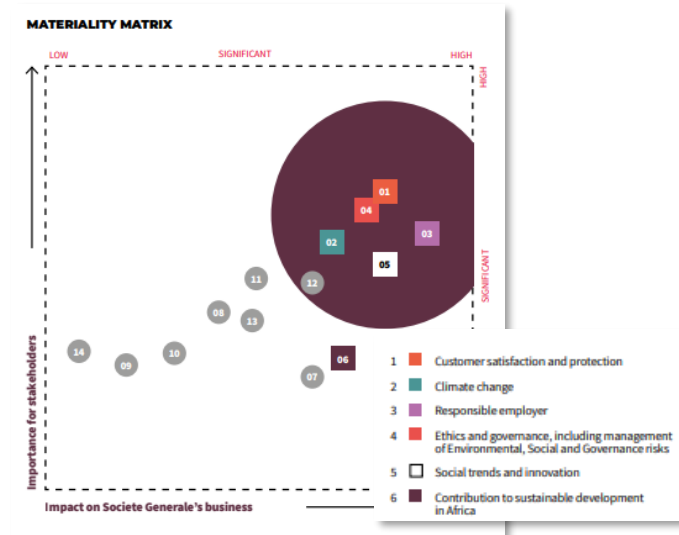
See: [Institutional Website - Dialogue and Transparency](#)

Societe Generale is also the first French bank to sign in 2015, an innovative and global agreement with UNI Global Union on human rights and the development of a social dialogue. The Group is also the first European bank to renew this agreement in 2018.

See: [Institutional Website - UNI 2019 Agreement](#)

Grow with Africa, the Group's strategic plan in Africa, is rooted in the SAFARI project (Société Générale Africa Rise). Over three months, from December 2017 to February 2018, nearly 12,000 Société Générale employees in Africa were invited to participate in an internal strategic debate, via an online platform. The objective was to co-build Societe Generale's strategic plan in Africa, to stimulate reflection from the ground-up, and to involve all the bank's employees in the definition of the strategy. a common vision.

See: [Blue Nove - collective intelligence approach for Société Générale Institutional Site - Grow With Africa Integrated Report 2019](#)



STAKEHOLDER INVOLVED	DIALOGUE FRAMEWORK IN PLACE
With our customers	<ul style="list-style-type: none"> Measuring and analysing customer satisfaction
With our staff	<ul style="list-style-type: none"> Staff survey Dialogue with staff representative bodies
With our shareholders and investors	<ul style="list-style-type: none"> Investor meetings Events and meetings with shareholders Distribution of dedicated communication publications (Shareholders' Letter and the dedicated area of the corporate website) Shareholders' Advisory Committee
With rating agencies	<ul style="list-style-type: none"> Study and analysis of financial and extra-financial performance reviews Regular discussions and follow-up with extra-financial analysts
With civil society	<ul style="list-style-type: none"> Regular meetings with NGOs Monitoring of projects, businesses or sectors, whether or not they are financed by the Bank, that are the subject of controversy or public campaigns by civil society "Dialogue & Transparency" area on the corporate website
With our suppliers	<ul style="list-style-type: none"> Responsible sourcing policy The Positive Sourcing Programme action plan that favours VSEs/SMEs and the social and solidarity economy
With regulators and supervisors	<ul style="list-style-type: none"> Close working relations with banking and financial supervisory authorities and regulatory bodies Participating in marketplace consultations and events