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APPROACH TO SUSTAINABILITY
# SUSTAINABILITY AND RESPONSIBILITY EMBEDDED IN CORPORATE PURPOSE

“Building together, with our clients, a better and sustainable future through responsible and innovative solutions”

| SUPPORTING CLIENTS OVER THE LONG-TERM, TO PRESERVE THE REAL ECONOMY AND SUPPORT SOCIETY |
| DRIVING POSITIVE TRANSFORMATIONS TO CONTRIBUTE TO BUILDING SUSTAINABLE AND INCLUSIVE MODELS |
| FOSTERING A PIONEERING SPIRIT AND STRENGTHENING THE DEVELOPMENT OF OUR EMPLOYEES |

## SELECTED FINANCING TARGETS

- €120bn to the energy transition 2019-2023
- Reducing to zero the exposure to thermal coal sector by 2030/2040
- Increasing loans to African SMEs by +60% 2018-2023

## SIX STRATEGIC CSR PRIORITIES CONTRIBUTING TO THE UN SUSTAINABLE DEVELOPMENT GOALS
SIX STRATEGIC CSR PRIORITIES: "TRANSFORM TO GROW"

**CLIMATE CHANGE**
- Committed to align lending portfolio with Paris Agreement
- Integration of E&S risk management across front office, written into SG Code
- Strengthened governance and organisation
- Stakeholder engagement

**SUSTAINABLE DEVELOPMENT OF AFRICA**
- Committed to sustainable, low-carbon and inclusive development
- Grow with Africa initiative
- Alternative banking models
- Impact-based finance to respond to the SDG financing gap

**SOCIAL TRENDS & INNOVATION**
- Support for the social and solidarity economy, entrepreneurship, urban development, sustainable mobility and inclusion

**CLIENT SATISFACTION**
- Consistently striving for the highest standards of customer protection, security and service quality

**CSR PRIORITIES APPROVED BY BOARD**

**ETHICS & GOVERNANCE**
- Applying the highest standards of integrity, supported by a Group Code of Conduct, Tax Code of Conduct, Anti-Corruption and Anti-Bribery Code
- Culture and Conduct programme
- 12 sectoral policies covering sensitive sectors
- ESG variable remuneration targets for top management

**RESPONSIBLE EMPLOYER**
- Developing employee skills, adapting to changing environments
- Developing a responsible banking culture based on shared values
- Fostering employee commitment

**SIX STRATEGIC CSR PRIORITIES:**
- Grow with Africa initiative
- Alternative banking models
- Impact-based finance to respond to the SDG financing gap
- Consistently striving for the highest standards of customer protection, security and service quality
- Applying the highest standards of integrity, supported by a Group Code of Conduct, Tax Code of Conduct, Anti-Corruption and Anti-Bribery Code
- Culture and Conduct programme
- 12 sectoral policies covering sensitive sectors
- ESG variable remuneration targets for top management
# COVID-19: SUPPORTING OUR PEOPLE, CLIENTS AND ALL PARTNERS WITH A DEEP SENSE OF RESPONSIBILITY

## EMPLOYEES
- Priority given to the care situation of our staff
- Demonstrated capacity to fully operate remotely at Group level
- Strong managerial support and regular morale surveys
- Fixed salaries guaranteed for 138,000 members of staff worldwide during the crisis

## CORPORATE
- Accompanying corporate and institutional clients through the crisis, with Financing and Advisory business in all our geographies
- Active participation to support corporate companies and maintain jobs
  - In France, active participation in a smooth and quick implementation of a large-scale loan facility guaranteed by the French state
  - Participation to similar loan programmes guaranteed by Governments in Czech Republic and Romania
  - In Russia, 6-month moratorium on bankruptcy for companies operating in the most affected sectors
  - In Africa, pro-active standstill measures from 3 to 6 months implemented in most countries on top of potential local measures
- Up to €100m of financial commitments taken by SG Insurance to support its clients and the economy

## CLIENTS
- Networks fully operational with ~85% branches open in France, 95% in Africa, 90% in Russia and ~70% in KB and BRD
- In France, flexible approach for individual customers
- Standstill measures for 3 to 6 months (1) applicable to individual clients in international geographies

## INDIVIDUAL
- A global solidarity programme up to €50m both at a French and international level, including a €1.5m donation to Médecins Sans Frontières to support emergency aid in Africa
- Exceptional support plan for classical music in France
- Tailor made support schemes developed by each bank in every country where the Group operates

(1) Up to 9 months in Romania until 31/12/2020
Financing energy transition: 2020 €100bn energy transition target achieved one year in advance
New commitment of €120bn over 2019-2023(1)

Unique client offer: A sustainable banking proposition combining distinctive financial and ESG expertise

Focused on innovation: Consistently defining new market standards, both for clients and for own account: first French bank to sign a Green Power Purchase Agreement in France

Deeply rooted in Africa: "Grow with Africa" initiative has led to 7 “SME Centres” opened in 7 African countries

Transparency: First ‘TCFD’ Climate Disclosure report published(2)

AA rated by MSCI

#1 bank worldwide in Environment and #6 bank in Europe across all ESG criteria (RobecoSAM 2019)

Included in the 2020 Bloomberg Gender-Equality Index

Awarded Best CSR Bank in Africa (Euromoney 2019)

Awarded the Integrated Thinking Prize – Europe category, capitalization >€7bn (Responsible Business and Governance Awards 2019)

Winner of the Customer Service of the Year 2020 award, for the 7th year in a row (Viséo Customer Insights)

(1) The Group is committed to raising €120 billion for the energy transition between 2019 and 2023, of which €100 billion in sustainable bond issues and €20 billion dedicated to the renewable energy sector through advisory and financing.

(2) Task Force on Climate-related Financial Disclosure
**VOLUNTARY AND RESPONSIBLE POLICY**

### REGULATORY REQUIREMENTS

- **NRE, CSR REPORTING - 2001:**
  - France the first country to require CSR reporting

- **GRENALE 2, ART. 225 - 2012:**
  - Broader scope of CSR reporting

- **ENERGY TRANSITION ART. 173 - 2015:**
  - Climate reporting and ESG integration compulsory for investors and insurers

- **DUTY OF CARE & SAPIN 2 – 2017:**
  - Legal responsibility of E&S & HR violations: identify and mitigate risks and publish results

- **TRANSPOSITION OF EUROPEAN DIRECTIVE ON NON-FINANCIAL REPORTING - 2018:**
  - Obligation to present business model and E&S risks

- **PACTE LAW – 2019:**
  - Obligatory integration of CSR principles; voluntary publication of corporate purpose

- **NON-FINANCIAL REPORTING - 2020**
  - Ongoing consultation on revisions to improve NFRD

### SELECTED VOLUNTARY COMMITMENTS

- **EQUATOR PRINCIPLES - 2007:**
  - Project finance

- **E&S SECTOR POLICIES - 2011:**
  - on 12 sensitive sectors

- **COP 21 - 2015:**
  - Coal sector policy, alignment with IEA 2°C scenario

- **SCIENCE-BASED TARGETS - 2016:**
  - Setting emissions reduction targets

- **REINFORCED SECTOR POLICIES - 2017:**
  - Arctic oil, oil sands

- **KATOWICE COMMITMENT - 2018:**
  - 5-bank pledge to align lending portfolio with Paris Agreement

- **POSEIDON PRINCIPLES, GETTING TO ZERO COALITION - 2019:**
  - Decarbonising the shipping industry: founding signatory

- **STRENGTHENED COAL POLICY - 2019:**
  - Introduction of corporate exclusion and target to reduce exposure to zero

- **TCFD - 2019:**
  - Publication of first TCFD report

- **PRINCIPLES FOR RESPONSIBLE BANKING, COLLECTIVE COMMITMENT ON CLIMATE ACTION - 2019:**
  - Founding signatory and core member defining the principles

- **SUSTAINABLE IT CHARTER - 2019:**
  - Limiting environmental impact of technology and promoting digital inclusion

- **HYDROGEN COUNCIL - 2020:**
  - Supporting the development of hydrogen for energy transition
ALIGNING THE GROUP’S ACTIVITIES WITH THE PARIS AGREEMENT

COMMITMENTS UNDERTAKEN THROUGH THE KATOWICE COMMITMENT, PRINCIPLES FOR RESPONSIBLE BANKING, AND THE COLLECTIVE COMMITMENT ON CLIMATE ACTION:

**DEFINE A COMMON METHODOLOGY**

Piloting the PACTA methodology, together with the 4 other Katowice banks, analysing alignment of portfolios and targets with climate scenarios

**APPLY THE METHODOLOGY TO KEY SECTORS**

The methodology will be rolled out across different sectors, focusing on the sectors in our loan book generating the highest climate impact

**SET OBJECTIVES**

Sector-specific targets for portfolio alignment to be set by end-2022

**TRANSPARENCY:** publicly reporting on progress once a year

**CLIENTS:** working with customers to improve their business practices
Best-in-class policy to accelerate exit from coal sector:

- **Long-term commitment** to reduce to zero exposure to thermal coal by 2030 for companies in EU or OECD countries, and 2040 elsewhere
- Achieved in a 2-step approach:
  - **Immediate conditions** for the most exposed to thermal coal: ceasing to offer products and services, other than those dedicated to the energy transition, to companies whose revenues in thermal coal are >25% and which do not have an exit strategy from the sector, and those developing new thermal coal projects
  - **From end-2021**: an overall request for all clients with mining and power assets to have defined and communicated by the end of 2021 a transition plan aligned with the 2030/2040 thermal coal phase-out objective of SG

Exclusion policies for oil sands and Arctic oil exploration and extraction activities

- Target to reduce exposure to coal mining to 19% by 2020 achieved ahead of schedule: 11.5% at end-2019
Diligent Governance of Non-Financial Risks

Mapping of Non-Financial Risk Factors

- E&S Reputation
- Compliance with E&S Commitments
- Compliance with Labour, Health & Safety
- E&S Affecting Credit Risk
- Employee Misconduct
- Lack of Qualified Staff
- Corruption
- IT, Cyber, Data Protection

Main Policies to Mitigate Risks

- Duty of Care Plan
- Culture and Conduct Programme
- Codes of Conduct, Tax, Anti-Corruption and Influence Peddling
- Customer Data Protection Policy
- Customer Claims Processing Policy
- Information Systems Security Blueprint
- E&S Risk Management and General Guidelines
- Collective Agreements
- Diversity & Inclusion Policy
- Health, Safety and Prevention Policy
- Life at Work Programme
- Leadership Model
- HR Career, Skills and Talent Policies
- Compensation Policy
- Responsible Sourcing Policy

For full Declaration of Non-Financial Performance see table on p 306-7, Universal Registration Document
CLEAR ENVIRONMENTAL & SOCIAL GOVERNANCE

**THE BOARD**
approves CSR strategy, risk appetite and oversees CSR KPIs

**GENERAL MANAGEMENT**
reviews CSR strategy and related risks and opportunities

**RESPONSIBLE COMMITMENTS COMMITTEE**
Chaired by D-CEO, consists of General Management, Heads of Compliance, Risk, Communications, CSR, business and service units. Meets at least 3x per annum

**GROUP MANAGEMENT COMMITTEE**
Consultative committee of circa 60 executives

**GROUP RISK COMMITTEE**
Reviews climate-related risks at least annually and validates action plan

**CSR team** defines, proposes, supports and monitors the deployment of E&S strategy

**LOD1**: Business lines responsible for implementing E&S risk management on clients and transactions

**LOD2**: Risk and Compliance teams responsible for oversight and approving LOD1 on E&S risks
DISCIPLINED APPROACH TO E&S RISK MANAGEMENT...

- IDENTIFIES ENVIRONMENTAL & SOCIAL RISKS RESULTING FROM GROUP ACTIVITIES WORLDWIDE
- PREVENTS SERIOUS BREACHES

SOCIETE GENERALE DUTY OF CARE PLAN

SCOPE
- Covers human rights, fundamental freedoms, health and safety and the environment
- Structured around three pillars:
  1. Human Resources, Safety and Security
  2. Sourcing
  3. Activities

GOVERNANCE
- Roll-out is coordinated by the CSR, HR and Sourcing divisions
- Business and Service units responsible for implementation
- Included in the Management Report prepared by the Board
- Published annually in the Universal Registration Document

MONITORING
Implementation of E&S risk management processes monitored through:
- Compliance Risk Assessments
- Internal audits
- Self assessment exercises

For Group Duty of Care Plan see p 297-303, Universal Registration Document
... ENABLING PROACTIVE APPROACH TO IMPROVEMENTS

SOCIETE GENERALE DUTY OF CARE PLAN

2019 HIGHLIGHTS

22,000 HR staff trained on Group disciplinary framework
97% employees completed training on Code of Conduct
RENEWAL of UNI Global Union agreement
STRENGTHENED HR policies to harmonise across all locations
100% of active buyers trained in Responsible Sourcing
E&S risk management FORMALISED IN SG CODE and in permanent supervision system

2020 OUTLOOK

POLICIES, PROCESSES AND CONTROLS WILL BE FURTHER ENHANCED IN 2020

- Focus on risk of discrimination at work
  - analyse potential biases;
  - increase training
  - publish gender targets
- Continued E&S improvements
  - clarify policies and tools
  - broaden scope
- Update operational procedures to reflect changes in normative framework
- Training for target groups to ensure effective implementation
- Create toolsheets for buyers to identify and assess risks

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For Group Duty of Care Plan see p 297-303, Universal Registration Document
POSITIVE CLIMATE ACTION: A FAIR AND INCLUSIVE TRANSITION

3 core themes

1. MANAGING RISK
2. FINANCING THE TRANSITION, THROUGH CLIENT ACCOMPANIMENT
3. MANAGING OWN IMPACT

UNDERPINNED BY INDIVIDUAL AND COLLECTIVE APPROACHES:

SECTOR POLICIES

Zero new financing in coal, oil sands, Arctic oil
Exiting coal financing and exposure to the coal sector
12 sector Environmental and Social policies

POSITIVE IMPACT PRINCIPLES

Founding member of the UNEP-FI Positive Impact Initiative, which aims to close the financing gap of the UN SDGs.

Principles deliver a verifiable positive contribution to one or more of the 3 pillars of sustainable finance (economic, environmental, social) once any potential negative impacts have been mitigated across any pillar

COLLECTIVE COMMITMENTS

Collective approach in the industry to co-develop transparent methodologies and coordinate global efforts
MANAGING CLIMATE RISK

GOVERNANCE

Climate risks incorporated into Group risk, with Board approval, and reviewed annually
They do not constitute a new risk category, rather they aggravate existing risks (credit, market, operational etc)

MEASURING SENSITIVITY TO TRANSITION RISK

Implementation of a Climate Vulnerability Indicator, to reinforce the credit analysis on the most exposed counterparties

This indicator corresponds to the marginal impact on the counterparty internal rating over a 20 year time horizon of a selected transition scenario (currently the IEA Sustainable Development Scenario), with an assumption that the counterparty takes no adaptation measures.

The indicator is evaluated alongside the internal rating, and is applicable to all sectors identified as sensitive to transition risk (oil and gas, power, transport, metals and mining, commercial real estate).

It is represented through a 7-level scale: for counterparties that score poorly (level 6-7) a discussion has to be initiated to formalize an opinion on the adaptation strategy of the counterparty to transition risk

TRANSPARENCY: AMONGST THE FIRST BANKS TO PUBLISH TCFD REPORT *

SUSTAINABLE & RESPONSIBLE FINANCE
A LEADER IN ‘SUSTAINABLE & POSITIVE IMPACT FINANCE’ AND ‘SUSTAINABLE & RESPONSIBLE INVESTMENTS’

BEST-IN-CLASS SUSTAINABILITY RESEARCH HOUSE
- Top ranked Cross asset sustainability research team established in 2006
- First bank to integrate the ESG dimensions into all our equity research

EXCELLENCE IN ESG HEDGING & INVESTMENT SOLUTIONS DESIGN
- Engineering expertise cross asset and investment solutions
- Uniquely combined to meet our clients’ needs
- Including Structured Products, Active and Passive Asset Management

DEEPLY ROOTED IN AFRICA, GROW WITH AFRICA PROGRAMME
- Infrastructure Development
- Support to SMEs
- Renewable energy and agriculture
- Financial Inclusion

A PIONEER IN ESG WITH AN INTEGRATED OFFER
- Pioneer in holistic impact assessment as a founding bank of the UNEP FI Positive Impact initiative in 2015 and the Principles for Responsible Banking in 2019
- Leading the way as an issuer, with innovative instruments and best-in-class reports
- Leveraging this expertise with a fully integrated offer for clients

RECOGNISED ADVISORY EXPERTISE
- Fully dedicated teams of Impact experts
- Impact Based R&D approach to finance the UN Sustainable Development Goals
- Thought leadership and advocacy in relevant international collective initiatives and consultation groups

BEST POSITIONED TO LEAD THE ENERGY TRANSITION
- Long track record as an energy bank
- Structuring new solutions across key energy value chains to accelerate the energy transition
- Innovative B2B2C financing solutions
ACCOMPANYING CLIENTS THROUGH A COMPLETE RANGE OF SUSTAINABLE & POSITIVE IMPACT SOLUTIONS

**SUSTAINABLE & POSITIVE IMPACT FINANCING**
- **GREEN, SOCIAL & SUSTAINABILITY-LINKED PRODUCTS**
  - Bonds
  - Loans
  - Guarantees & Letters of Credit
- **SUSTAINABLE PROJECT & ASSET FINANCE**
  - Promoting Infrastructure Development
  - Supporting the Energy Transition
- **LEASING & FINANCIAL SERVICES**

**SUSTAINABLE & RESPONSIBLE INVESTING**
- **SUSTAINABLE AND POSITIVE INVESTMENT SOLUTIONS**
  - ESG research
  - ESG indices
  - Custom investment & hedging solutions
- **ASSET MANAGEMENT SUSTAINABLE & RESP. INVESTMENTS**
  - Responsible shareholder
  - ESG & climate assessment tool
  - Sustainable products offering
- **SECURITIES SERVICES ESG OFFER**

**STRATEGIC ADVISORY & BUSINESS DEVELOPMENT**
- **STRATEGIC ADVISORY - CORPORATE FINANCE**
- **ESG ADVISORY & MARKET ACCESS**
- **NEW BUSINESSES & MARKETS**
  - Impact Based Finance
  - Sustainable cities
DELIVERING A UNIQUE EXPERTISE FOR CLIENTS

A dedicated team of experts supporting front officers:

• Maximising positive and minimising negative E&S impacts of transactions
• Projects assessed against SG’s E&S risk management framework, UN EP-FI Positive Impact Finance principles
• 112 transactions in 2019 subject to E&S review were signed off by the Group

• Providing advisory services for E&S set-up at corporate level and optimising extra-financial performance and ESG ratings
• The team manages a portfolio of 8,500 wholesale corporate clients from an E&S perspective in collaboration with commercial relationship managers
• 130 corporate client groups subject to an E&S analysis in 2019

• At the forefront of financial innovation and supporting the positive impact development of our clients
• Structuring key inaugural transactions and landmark new structures

• R&D team dedicated to developing thought leadership and co-constructing impact-based business models
• In close cooperation with leading international bodies such as the UNEP-FI, public authorities, multilaterals and the private sector
BUILDING AN AMBITIOUS AND INNOVATIVE APPROACH

ENERGY TRANSITION TARGET

€120bn to support energy transition 2019-2023:

- €100bn sustainable bond issues
- €20bn renewable energy advisory and financing

DEFINING NEW STANDARDS

SECURITISATION

Mariner: USD 3.4bn impact investment risk transfer: SG commits to redeploy part of the freed up capital to Positive Impact financings

DERIVATIVES

Enel: USD 1.5bn first sustainability SDG-linked bond and SDG-linked cross-currency swap

BONDS

SGCIB: €1bn first positive impact covered bond, on carbon-efficient home loans

FINANCING

Cote d’Ivoire, Veolia: €247m ECA-backed sustainability deal, for drinking water supply
GROW WITH AFRICA INITIATIVE LAUNCHED 2018

LEVERAGING OPERATIONS IN 19 COUNTRIES AND HISTORICAL PRESENCE OVER A CENTURY

SUPPORT FOR AFRICAN SMEs
- Creation of local “SME Centres” bringing together different public and private stakeholders to work together
- Increase outstanding loans to African SMEs by 60% 2018-2023 (+ €4bn)

INNOVATIVE FINANCING
- Agricultural support through collaboration with farmers, cooperatives and SMEs
- Promotion of energy inclusion and renewable energy
- Provide access to range of banking and non-banking services (healthcare, education, advisory) to one million farmers, 2018-2023, via YUP platform

INFRASTRUCTURE FINANCING
- Four areas of focus: energy, transport, water and waste management and sustainable cities
- Double Africa workforce dedicated to structured finance by 2019
- Increase financial commitments related to structured finance in Africa by 20%, 2018-2021

FINANCIAL INCLUSION
- Launch of YUP mobile money in 2017
- Continue to grow microfinance business
- Reach 1 million clients with YUP by 2020 and roll out to 4 additional countries
- Double outstanding loans to microfinance organisations by 2022

AWARDED ‘AFRICA’S BEST BANK FOR CORPORATE RESPONSIBILITY’ (2019 EUROMONEY)
CO-CONSTRUCTING NEW BUSINESS MODELS TO MEET UN SDGS

The financing gap to achieve the UN Sustainable Development Goals is cUSD 2.6tn per year, of which 1.3tn is in Africa.

When traditional business models do not work and projects are not bankable, impact-based finance is an innovative and partnership-driven approach that consists in multiplying impacts and leveraging on digitalisation to generate new revenues, improving both the profitability and bankability of projects.

It focuses on access to energy, energy efficiency, sustainable cities, smart agriculture and other high impact value chains.

IDENTIFYING IMPACTS THAT CAN GENERATE:

- Savings
- Revenues
- Data
- Answers to other people and planet needs

IMPACT-ENHANCEMENT: IMPROVING BUSINESS MODELS BY COMBINING SOLUTIONS AND SERVICES

- Profitability
- Bankability
- Cost-to-impact

SOCIETE GENERALE IS THE ONLY BANK WITH AN R&D TEAM ENTIRELY FOCUSED ON DESIGNING SOLUTIONS TO BRIDGE THE SDG FUNDING GAP

CREATING IMPACT IN AFRICA

EXAMPLE OF THE SMART LAMPPOST

With an off grid solar PV panel and battery, the smart lamppost brings energy in areas where there is no electricity and provides connectivity and other services that can generate revenues and foster employment and well being.
ACCOMPANYING CLIENTS TO SHIFT TO IMPACT-BASED BUSINESS MODELS

- **BUSINESS MODEL**
- **FINANCING MODEL**
- **IMPACT MONITORING**

**NO CONSIDERATION OF IMPACTS**
- REPAID ON OUTPUT
- IMPACTS NOT CONSIDERED

**INDIFFERENT**

**REPAID ON OUTPUT**
- TRY TO AVOID HARM
- IMPACTS ARE EXTERNALITIES; MAY BE MONITORED

**RESPONSIBLE**

**SUSTAINABLE**
- TAKE SPECIFIC ACTIONS THAT BENEFIT ALL STAKEHOLDERS
- REPAID ON OUTPUT BUT CAN INDIRECTLY BENEFIT FROM IMPACTS
- IMPACTS ARE EXTERNALITIES; GENERALLY MONITORED

**POSITIVE IMPACT**
- TARGET MATERIAL POSITIVE IMPACTS FOR THE SDGS
- REPAID ON OUTPUT BUT IMPACTS ARE ASSESSED AND MEASURED
- IMPACTS ARE EXTERNALITIES; MONITORED AND REPORTED

**MARKET DISRUPTION**
- POSITIVE IMPACTS ON SDGS ARE CORE TO IMPACT-BASED BUSINESS MODELS
- IMPACTS HAVE A FINANCIAL VALUE
- IMPACTS = CORE REPORTING

**IMPACT-BASED**

SOCIETE GENERALE

SEPTEMBER 2020 | 24
CSR AMBITION REFLECTED IN COMMERCIAL MOMENTUM

SUSTAINABLE AND POSITIVE IMPACT FINANCING

€11 BN IN 2019:

- GREEN FINANCING: €6.5 BN IN 2019, X 3.4 SINCE 2015
- SOCIAL FINANCING: €4.5 bn
- CLIMATE FINANCING: €4.25 bn
- OTHER ENVIRONMENTAL FINANCING: €2.25 bn

For methodology of Sustainable & Positive Impact Financing see p 292-293, Universal Registration Document
E&S RISK INTEGRATED INTO BUSINESS ACTIVITIES

PROMOTING FAIR AND RESPONSIBLE GROWTH

REFLECTS BOTH REGULATORY REQUIREMENTS AND VOLUNTARY COMMITMENTS

ACHIEVED THROUGH THE INTEGRATION OF E&S ASPECTS INTO EXISTING PROCESSES

FORMALLY INTEGRATED INTO SG NORMATIVE DOCUMENTATION

THREE E&S RISK STEPS

E&S RISK IDENTIFICATION
- Analysis of clients’ activities or specific transactions
- Verification against E&S exclusion list, identification list, sector policies, controversies

E&S ASSESSMENT OF IDENTIFIED RISKS
- Focus on E&S credit risk, reputational risk, risk of non-alignment with E&S policy criteria, controversy severity, CSR maturity of counterparty

E&S ACTIONS
- The E&S assessment results in a positive, conditional (contractual, action plans, restrictions) or negative E&S opinion
CULTURE & CONDUCT AND HUMAN CAPITAL
COMMITTED TO BE A RESPONSIBLE EMPLOYER

DEVELOP THE SKILLS THAT EMPLOYEES NEED

▪ Develop employees’ employability through training, learning and the formulation of diverse career paths
▪ Targeted recruitment for growing and emerging businesses
▪ Embrace digital transition by offering alternative working methods

DEVELOP A RESPONSIBLE BANKING CULTURE

based on the common values of the Group’s ‘Leadership Model’
▪ Commitment to diversity
▪ Highest standards of conduct and ethics
▪ Cascading a strong tone from the top

Encouraging a speak-up culture
▪ New whistleblowing system introduced end-2018

FOSTER EMPLOYEE COMMITMENT AND TEAM SPIRIT

▪ Recognising each individual’s contribution to the Group’s long-term performance
▪ Ensuring safety and well-being at work
▪ Involving employees in civic initiatives
## Key HR Risks

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<th>Type</th>
<th>Description</th>
<th>Actions</th>
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| **Performance Risk:**         | Inadequate career and skills management and loss of key talents could impact business continuity, performance and ability to attract and retain employees | - Strategic workforce planning  
- Skills acquisition and development programmes  
- Talent management programmes  
- Balanced compensation policy |
| **Legal, Reputational Risk:** | Regulations and Internal Rules on compensation and social rights, diversity and non-discrimination, social dialogue and freedom of association | - Operational risk management and compliance systems implemented for HR processes  
- Collective agreements signed with social partners  
- Diversity and Inclusion policy  
- International commitments  
- Duty of Care Plan |
| **Compliance, Performance Risk:** | Damage to physical and mental health of employees | |
| **Conduct Risk:**             | Unethical behaviour and breach of the Code of Conduct could impact reputation, business, and lead to legal action | - Shared values based on a Leadership Model  
- Code of Conduct  
- Culture and Conduct Programme |
| **Legal, Reputational Risk:** | Breach of personal data protection regulations | - Reinforced compliance system meeting GDPR regulation  
- Group-wide training programme  
- Appointment of Data Protection Officer (DPO) and network of local DPOs |

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See p 263, Universal Registration Document
ANCHORING A CULTURE OF RESPONSIBILITY

STRONG HISTORY OF CULTURE:
SG culture underpinned by a strong history of client service.

FOUR GROUP VALUES:
- Team Spirit
- Responsibility
- Commitment
- Innovation

A COMMON LEADERSHIP MODEL:
Describing required management and individual behaviour

A GROUP CODE OF CONDUCT:
A Group Code of Conduct that sets out the commitments and principles we must all observe while fulfilling our duties, and 2 complementary codes focusing on particular conduct matters:
- Tax Code of Conduct
- Anti-Corruption and Anti-Bribery Code
THREE-YEAR CULTURE AND CONDUCT PROGRAMME
ACCELERATING CULTURAL TRANSFORMATION

A CLEAR ROADMAP WITH 3 MAIN OBJECTIVES...

1. Accelerate SG’s cultural transformation
2. Achieve the highest standards of quality of service, integrity and behaviour
3. Make SG’s culture a differentiating factor: quality of service, performance and attractiveness

... ACHIEVED OVER 3 YEARS

2017
- Develop the Programme architecture and roadmap
- Communicate to business and service units
- Launch first deliverables

2018
- Ensure the Programme becomes highly visible
- Deliver on our core conduct priorities

2019
- Complete Programme roll-out: fully embedding deliverables and alignment of HR processes
- Prepare the transition to full ownership by business and service units

- Ensuring strong governance of Culture and Conduct: transitional central team, reporting to General Management, continues to support business and service units in their appropriation
RELYING ON A MULTI-PRONGED APPROACH...

GOVERNANCE
- Culture & Conduct programme launched January 2017: regular follow up by the Board
- Overall responsibility for the programme is with General Management: the Group Head of Culture & Conduct reports directly to the CEO and delivers an annual dashboard of indicators
- Managers and Excos of each Business/Service Unit champion and lead on culture and conduct which is directly under their responsibility

CODE OF CONDUCT
- The Board formally endorsed the updated Code of Conduct in 2016 and the Anti-Corruption and Anti-Bribery Code in 2017
- 2018 global roll-out of a mandatory Conduct Journey Workshop to all active staff, with an annual mandatory test thereafter

CONDUCT RISK MANAGEMENT
- Redefining and broadening our definition of conduct risk and embedding this definition into overall Group risk management framework, so that risks can be better identified, assessed and mitigated across the Group

DASHBOARD
- Annual dashboard for Board and General Management with indicators on culture and conduct covering regulatory training, compliance dysfunctions, operational losses resulting from misconduct, sanctions and compensation reviews, results of internal staff survey

CULTURAL TRANSFORMATION
- Alignment of HR processes, including sanctions, performance evaluation and compensation, recruitment and induction, talent development
- Providing tools to support and encourage an ethical approach and a speak-up culture
- Developing and deploying the strengthened whistleblowing tool
- Supporting the definition and deployment of business and service unit action plans to address specific dilemmas

COMMUNICATION AND AWARENESS
- Communication on 3 levels (General Management, Business/Service Unit and local level) to embed culture and conduct topics into the daily lives of staff
...AND WITH CLEAR DELIVERABLES

PROGRAMME KEY ACHIEVEMENTS

93% of active employees, worldwide, completed training on the appropriation of the Group Code of Conduct through 16,000 workshops

6 conduct indicators and 8 culture indicators* followed annually by the Board and Executive Management

Implementation of action plans within each Business and Service Unit, covering awareness of conduct risk, prevention of misconduct, best practices

Continued alignment with HR processes particularly in managing inappropriate behaviour, harassment, disciplinary sanctions and recruitment processes

Integration of conduct risk into the overall Group risk management framework, facilitating a Risk and Control Self Assessment for each Business and Service Unit

Reinforcing a culture of responsibility and ethical reasoning through dedicated action plans with each Business and Service Unit

* Indicators cover compliance and operational incidents of misconduct, major sanctions, overdue mandatory regulatory training, Code of Conduct training, incidents of variable remuneration being reduced following a review by Risk and Compliance, client service (Net Promoter Score), employee commitment and cooperation rate (measured through employee barometer), whistleblowing cases, speak-up score, managers’ ethics score and proportion of women among group strategic talents
POLICIES TO SHAPE AND GROW OUR STAFF

STAFF

WORKFORCE
57% women
44% women managers
26% women in Top 1000
136 nationalities
56% non-French

RETRAITEMENT MANAGEMENT
8.2% voluntary turnover
5.7% voluntary turnover exc. Russia and India
9.9 average years of service

STRATEGIC WORKFORCE PLANNING
Using AI to connect competencies with needs
18% group internal mobility rate
58% jobs filled internally worldwide

SUCCESSION PLANNING
Redefined talent detection,
Focusing on a diversity of critical skills

KEY GROUP POSITIONS
150 positions, reviewed annually

FUTURE EXECUTIVES
Next generation of KGP

HIGH POTENTIALS
Managerial or expert role

2.4% of the Group Workforce
40% women
42% non-French

TARGETED DEVELOPMENT
89% employees completed at least one training programme
26.6 hours in average of training hours per employee

Executives programme « Boost your leadership signature »
Focused on KGP and Management Committee
Tailored modular training; dedicated coach
Integrated with CSR and Culture & Conduct trainings

Future Executives programme « Lead »
27 selected p.a. with internal and external assessments
Internal mentoring by a Management Committee member
External agency assesses values and development plans

High Potentials
Selection of candidates by Business and Service Units
Programmes with Eve and Octave, in Europe, Asia, Africa
Regular engagement with Executive Management
Leader Expert Programmes requiring specific training
(incl for data scientists, economists, IT)
PanAfricanValley regional talent programme

Figures as at FY 2019
FOCUS ON GENDER DIVERSITY IN THE GROUP

Gender diversity embedded in all HR processes

- French Gender Equality Index Score 86/100 in 2019
- Collective agreements with unions on equal opportunities
- Unconscious Bias training for managers
- Women’s networks
- Sponsorship by senior management
- Diversity & Inclusion branding & marketing

AWARENESS

- Gender pay gap actions: Since 2013 €13.1m allocated to correcting 6300 pay gap differences in France. A further €7m allocated 2019-21, of which €3m in 2019
- Work/Life balance benefits
- Women’s mentoring and reverse mentoring

ATTRACTION

- Juniors and female pipeline: recruitment campaigns
- Mid-careers: focus on women returning after maternity

RETENTION

- Priority to promote women and international profiles to positions of responsibility
- Sponsorship programmes for young female talent
- 40% of High Potentials were women in 2019

TOP MANAGEMENT

- Sponsorship programmes for young female talent
- 40% of High Potentials were women in 2019

GENDER DIVERSITY PROGRAMMES:
- WILL
- Gender Equality: #WomenByLyxor
- Feminin
- 4Girls
- THE CIRCLE
- Global Compact Network UAE

WOMEN IN MARK
4 CYBER SECURITY AND ARTIFICIAL INTELLIGENCE
GOVERNANCE OF CYBER SECURITY

**TONE FROM THE TOP**

- Cyber security is monitored by the Board of Directors’ Risk Committee and receives a quarterly IT and cyber dashboard
- The Group Risk Committee monitors quarterly the progress of the cyber security strategy
- Additional quarterly reporting to the ECB and local regulators
- **Group CSO** (Chief Security Officer), in charge of the Group Security Department
- **Group CISO** sets the Information Systems Security strategy, ensuring policies are observed across the Bank
- **Computer Emergency Response Team “CERT”** (the first of its kind to be registered by a French company in 2009) centralizes and coordinates response to security incidents
- **REDTEAM SG** tests Group defense and response to targeted attacks, based on Threat Intelligence which goes far beyond classic penetration testing. The approach is aligned with the TIBER-EU Framework established by the ECB. At the end of each mission an action plan is established and followed in project mode.
- **Development of two IT hubs in Africa**, since 2016, strengthening local IT and security
- Security policies aligned with international standards and compliant with regulation
- Mandatory training for all staff and external providers, in addition to special awareness actions, and specific training for cyber specialists (eg ISO 27005 certification, GIAC Advanced Smartphone Forensics)
- **€650m investment in security** over 3 years 2017-20

**CONTEXT and COLLABORATION**

The EU regulatory framework for cyber and data security is evolving:

- **the Network and Information Security (“NIS”) Directive** was adopted in August 2016 and currently being implemented across member states: it provides legal measures to increase the level of cyber security in the EU, facilitating cross-border exchanges of information and cooperation.
- **the EU General Data Protection Regulation (“GDPR”)** was introduced in May 2018 and improves data governance and protection.

The French State acts with the finance sector in the event of a global attack having a national impact (Loi de Programmation Militaire).

THE EUROPEAN DIRECTIVE NIS IS CURRENTLY BEING IMPLEMENTED ACROSS EUROPE TO OFFER SUPPORT AT A EUROPEAN LEVEL.

The European Directive NIS is currently being implemented across Europe to offer support at a European level.

SG works on collective initiatives with the industry to share cyber experience and strengthen procedures. SG’s Group CISO chairs the Federation Bancaire Francaise working group. CERT teams across France and internationally meet on a regular basis.
PROTECTION OF ASSETS AND DIGITAL TRUST IS A STRATEGIC ISSUE

5 AXES: CYBER SECURITY STRATEGY 2020

Security of key assets
- Protect data and prevent leakage
- Identify and enhance protection of sensitive assets
- Reinforce security of data and applications

Customers
- Build leading digital solutions for customers
- Eg. Cryptodynamic Visa card, biometric voice password, biometric facial recognition

Detection and Reaction
- Strengthen detection tools
- Reinforce ability to respond to a crisis

Trust and Agility
- Extend our security expectations to external partners
- Chairing industry working groups to share experience and test resilience
- Build internal exchanges and controls to create a forum of trust

Skills and Cyber Culture
- Build cyber skillsets across the Group
- Attract and retain talent

Société Générale
GOVERNANCE OF ARTIFICIAL INTELLIGENCE

■ STRONG GROWTH IN THE ADOPTION OF DATA AND AI IN THE TRANSFORMATION OF SOCIETE GENERALE OVER THE LAST TWO YEARS: WE NOW COUNT MORE THAN 500 DATA USE CASES IN OUR PIPELINE, OF WHICH 200 ARE LIVE

■ DATA SCIENCE TEAMS NOW TOTAL MORE THAN 150 FULL TIME EMPLOYEES

BOARD OVERSIGHT

■ Dedicated Board sessions on digital transformation

■ Risk oversight performed by Risk Committee includes data (with a specific focus on personal data) and model risk management encompassing AI models

■ Key expertise required from the Directors is a blend of experience in risk, digital and internal control: achieved through the balanced composition of the Board

■ Several dedicated training sessions on AI held in 2018 and 2019

GOVERNANCE PRINCIPLES

■ Governance principles related to model risk management, and presented to the Group Risk Committee, apply to AI

■ They encompass the complete model life cycle, from conception to usage to monitoring and are based on independent lines of defence

■ Due to the technical aspects and complexity of some AI models, some dedicated due diligence is performed for:
  _ bias detection and mitigation,
  _ construction and selection of input data,
  _ transparency and explanatory needs, misconception monitoring

■ Complementary principles related to the ethical use of AI are currently being designed

■ Actively engaging with policymakers and other stakeholders
GOVERNANCE
## SNAPSHOTS OF SG BOARD

<table>
<thead>
<tr>
<th>Category</th>
<th>Status</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Board Chairman</strong></td>
<td>✔</td>
<td>Separation of Chairman and CEO roles since May 2015</td>
</tr>
<tr>
<td><strong>Independence</strong></td>
<td>✔</td>
<td>14 Directors; 91.6% independent (excluding 2 staff-elected)</td>
</tr>
<tr>
<td><strong>Diversity</strong></td>
<td>✔</td>
<td>Gender: 43% women; Nationality: 8 nationalities</td>
</tr>
<tr>
<td><strong>Competence</strong></td>
<td>✔</td>
<td>Broad range of skills: Risk, Control, Finance, IT, Digital, Management, Regulation, International, Client Services, Legal, Industry...</td>
</tr>
<tr>
<td><strong>Tenure</strong></td>
<td>✔</td>
<td>Length of term: 4 years; Average tenure: 6 years</td>
</tr>
<tr>
<td><strong>Overboarding</strong></td>
<td>✔</td>
<td>Cap on the number of directorships: • 1 executive and 2 non-executive; or • 4 non-executive</td>
</tr>
<tr>
<td><strong>Attendance</strong></td>
<td>✔</td>
<td>Attendance in 2019: 94%</td>
</tr>
<tr>
<td><strong>Training</strong></td>
<td>✔</td>
<td>6 training sessions in 2019 covering regulatory aspects, corruption, AML, cyber, AI, data security, rates and derivatives risks, financial subjects, governance</td>
</tr>
<tr>
<td><strong>Board evaluation</strong></td>
<td>✔</td>
<td>External 360° assessment every 3 years; internal assessment in other years</td>
</tr>
</tbody>
</table>
DIRECTOR COMPETENCIES AND EXPERIENCE (1/3)

**Lorenzo BINI SMAGHI**
First appointment: 2014
Term: 2022
Italian
Tenure (yrs): 5
- Member of Executive Board of ECB (2005 to 2011),
- Member of the Board of Directors of TAGES Holding (since 2014), Morgan Stanley Internazionale (2013 to 2014),

**Frédéric OUDEA**
First appointment: 2009
Term: 2023
French
Tenure (yrs): 10
- Societe Generate Group since 1995:
  - Chief Financial Officer (2003 to 2008),
  - Chairman and CEO (2009 to 2015),
  - CEO since 2015,
- Member of the Board of Directors of Cap Gemini since 2018.

**William CONNELLY**
First appointment: 2017
Term: 2021
French
Tenure (yrs): 2
- Various posts at NG Bank N.V. (1999 to 2016), latest positions were:
  - Global Head of Corporate and Investment Banking,
  - Member of Mangement Board of ING Bank N.V. (2011 to 2016),
  - CEO ING Real Estate B.V. to (2009 to 2015),
- Chairman of Supervisory Board of Aegon N.V. since 2017,
- Member of Board Of Directors Of Self Bank since 2019.

**Jerome CONTAMINE**
First appointment: 2018
Term: 2022
French
Tenure (yrs): 1
- Chief Financial Officer of Vedia Environnement (2000 to 2009),
- Chief Financial Officer of Sanofi (2009 to 2018),
- Chairman of Boards of Directors the of SANOFI European Treasury (2012 to 2015), SECIPRE (2009 to 2016), SANOFI 1 (2009 to 2015),
- Member of Board of Directors of Valeo (2006 to 2017).

**Diane COTE**
First appointment: 2018
Term: 2022
Canadian
Tenure (yrs): 1
- Chief Risk Officer of the London Stock Exchange Group since 2012.

**Kyra HAZOU**
First appointment: 2011
Term: 2023
US / British
Tenure (yrs): 8
- Managing Director and Regional General Counsel for Salomon Simnth Barney / Citibank (1985 to 2000),
- Lawyer in London and New York.
- Non-executive Director and a member of the Audit Committee and Risk Committee at Financial Services Authority in the United Kingdom (2001 to 2007).

**Jean Bernard LEVY**
First appointment 2009
Term: 2021
French
Tenure (yrs): 10
- CEO of Vivendi (2002 to 2005),
- Chairman Of the Management Board of Vivendi (2005 to 2012),
- Chairman and CEO of Thales (2012 to 2014), EDF since 2014,
- Chairman of Supervisory Board of Viroxis (2007 to 2014), Framatome since 2018,
DIRECTOR COMPETENCIES AND EXPERIENCE (2/3)

Gérard MESTRALLET
First appointment: 2015
Term: 2023
French
Tenure (yrs): 4
• Chairman and CEO of Compagnie de Suez (1995 to 1997),
• Chairman of the Management Board of Suez Lyonnaise des Eaux (1997 to 2001)
• Chairman and CEO of Suez (2001 to 2008), Engie (2008 to 2016),
• Vice-Chairman of the Board of Directors of Aguas de Barcelona (2010 to 2015),
• Member of the Supervisory Board of Siemens AG (2013 to 2018),

Juan Maria NIN GENOVA
First appointment: 2016
Term: 2020
Spanish
Tenure (yrs): 3
• CEO of La Caixa (2017 to 2011),
• Vice-Chairman and Deputy Advisor of CaixaBank S.A. (2011 to 2014),
• Member of the supervisory Board of Grupo Financiero Inbursa (2008 to 2014), Banco BPI S.A. (2008 to 2014), ERSTE Groupe Bank AG (2009 to 2014),
• Member of the Board of Directors of Repsol SA Spain (2007 to 2015), Gas Natural Spain (2008 to 2015), Naturhouse Spain (2014 to 2016), Grupo Indukern Spain (2014 to 2016), DIA Group SA (2015 to 2018),

Annette MESSEMER
First appointment: 2020
Term 2024
German
Tenure (yrs): 0
• Banking experience from 1994 at JP Morgan and Merrill Lynch, appointed to Supervisory Board of WestLB in 2010, before joining Commerzbank in 2013 as a member of the Group Executive Committee/ Divisional Board member until June 2018,
• Director: EssilorLuxottica (since October 2018), Savencia SA (as of 23 April 2020), Imerys SA (as of 04 May 2020)
• Director of non-listed French companies: Essilor International SAS (since October 2018)

Lubomira ROCHET
First appointment: 2017
Term: 2021
French
Tenure (yrs): 2
• Head Of Strategy at Sogeti (2003 to 2007),
• Head of Innovation and Start-ups in France at Microsoft (2008 to 2010),
• CEO of Valtech (2012 to 2014),
• Chief Digital Officer and Member of Executive Comittee of L’Oréal since 2014,
• Member of the Board of Directors of Founders Factory Ltd since 2016.

Alexandra SCHAAPEVELD
First appointment: 2013
Term: 2021
Dutch
Tenure (yrs): 6
• Various posts at ABN Amro investment banking division (1984 to 2007),
• Appointed head of Western Europe at Royal Bank of Scotland in 2008,
• Member Of the Supervisory Board Of Holland Casino (2007 to 2016), Vallourec SA since 2010, Burni Armada Berhad since 2011, FMO since 2012.

France HOUSSEAYE
First appointment: 2009
Term: 2021
French
Tenure (yrs): 10
• SG employee since 1989

David LEROUX
First appointment: 2018
Term: 2021
French
Tenure (yrs): 1
• SG employee since 2001
DIVERSITY AT SOCIETE GENERALE...

**BOARD**
- **14 members**
  - incl. employee representatives

**GENERAL MANAGEMENT**
- **6 members**

**MANAGEMENT COMMITTEE**
- **58 members**

**ALL STAFF ***
- **138,240**

### GENDER

- **Female**
  - Board: 43%
  - General Management: 17%
  - Management Committee: 25%
  - All Staff: 44%

- **Male**
  - Board: 57%
  - General Management: 83%
  - Management Committee: 75%
  - All Staff: 56%

### NATIONALITY

- **French**
  - Board: 57%
  - General Management: 83%
  - Management Committee: 75%
  - All Staff: 44%

- **Non-French**
  - Board: 43%
  - General Management: 17%
  - Management Committee: 25%
  - All Staff: 56%

* Figures as at end-2019

Gender Equality Equileap 2019
Financial sector: No.5 in Europe No. 15 worldwide
BOARD COMMITTEES

5 INDEPENDENT DIRECTORS

Review of the risk panorama & mapping; Culture & Conduct; CSR; HR risks; GDPR; cyber security; liquidity remediation; Brexit; NPLs; stress tests; regulatory projects; litigations; compensation policy; tax management.
Assessment of compliance and risk functions.
As US Risk Committee, it met 9 times to validate the risk appetite of the US operations, supervise risk policies; follow up of remediation plans.

2019: met 10x; attendance rate 92%

4 INDEPENDENT DIRECTORS

Review of Group accounts; Statutory Auditors; audit and internal control; participation in US Risk Committee which audits the US businesses.
Review of compliance organisation; anti-money laundering; monitoring of remediation plans; KYC; whistleblower mechanism; regulatory compliance; customer protection; and specific business reviews.

2019: met 10x; attendance rate 98%

4 DIRECTORS (3 INDEPENDENT)

Monitors long-term and deferred remuneration; Chairman’s remuneration; and ensures remuneration policies are in line with regulations, internal risk control policy, gender equality and (from 2018) that extra-financial criteria are considered in the variable remuneration of the Management Committee.

2019: met 9x; attendance rate 92%

4 INDEPENDENT DIRECTORS

Prepares the appointment of new directors and succession of General Management; reviews the succession plans of the Business and Service Units; prepares resolutions for General Meeting; examines Internal Rules of the Board; prepares annual internal evaluation of Board; and assesses the independence of Directors.

2019: met 6x; attendance rate 100%

For full activity reports for all Committees see p89-95 in the Universal Registration Document
**ROLE OF THE BOARD**

**THE BOARD OF DIRECTORS COLLECTIVELY REPRESENTS ALL SHAREHOLDERS**

### STRATEGIC DIRECTION

- The Board:
  - sets SG’s strategic direction
  - ensures its implementation
  - defines the Group’s values and code of conduct
  - defines the Group’s social and environmental responsibilities

### REMUNERATION

- The Board sets the compensation of the CEOs, including:
  - fixed and variable, ensuring a balance between financial and extra-financial criteria
  - long-term incentives to align interests with long-term shareholder value

### SOLID GOVERNANCE

- The Board periodically:
  - ensures that it is well composed and has sufficient breadth of skills to perform its duties
  - approves effective risk procedures, a sound internal control system, and efficient administrative processes
  - ensures a well-defined, transparent and coherent sharing of responsibilities
AN ORGANISATION BASED ON SHARED CULTURE AND GOALS

MORE AGILE ORGANISATION

- New organisation and governance adopted in 2017, with two objectives:
  - To be more agile and customer-focused
  - To support a more collective working model

REINFORCED INTERNAL CONTROL SET UP

- Since 2017, Group Compliance division reports directly to General Management
- Doubled Compliance headcount in 3 years and increased training budget
- Commitment to continue to enhance compliance programme:
  - To prevent and detect potential violations
  - To enhance corporate oversight

DEPLOYING CULTURE & CONDUCT PROGRAMME

- Company-wide culture & conduct programme sponsored by the CEO and reporting to the Board of Directors
- Updated Code of Conduct deployed worldwide reinforcing commitments towards every stakeholder

MORE ALIGNMENT

- Common leadership model, based on 4 shared values, applying to all staff worldwide
- Variable remuneration of Management Committee members significantly aligned with shared Group targets: Financial targets, Net Promoter Score, global employee commitment rate and Group CSR rating
GROUP GOVERNANCE, OVERSIGHT AND MANAGEMENT STRUCTURE

### BOARD OF DIRECTORS

- **Audit & Internal Control Committee**
  - General Management Committee
  - Group CEO, Deputy CEOs and Deputy General Managers
  - Prepares and supervise the implementation of the strategy determined by the Board

- **Risk Committee**
- **Compensation Committee**
- **Nomination & Corporate Governance Committee**

### GENERAL MANAGEMENT

- **Group Strategy Committee**
  - General Management, some Heads of Business and Service Units, Head of Strategy
  - Implements the group strategy, reviews the portfolio of Group businesses, monitors the Group’s governance and steps taken with respect to Culture & Conduct, social and environmental responsibility

- **Cross-Functional Oversight Group Committees**
  - General Management, some Heads of Business or Service Units and members of their teams
  - Group client or thematic committees

- **Strategy – Oversight Committee Business/ Support Units**
  - General Management, Heads of Business or Service Unit in question, Head of Strategy, Heads of some Business and Service Units
  - Meets at least once per year for each Business or Service Unit to discuss strategic management of each unit (includes client reviews and NPS, innovation and digitalisation, HR process)

### STRATEGIC SUPERVISION & GROUP MANAGEMENT

- **Group Management Committee**
  - Executives appointed by the CEO, Heads of Business and Service Units
  - Communicates and debates strategy and issues of general interest to the Group

### SUPERVISION

The Group’s governance bodies are set up to be collegial and cross-cutting and to systematically review strategic and operational objectives.
Remuneration Policy
GROUP REMUNERATION – KEY POLICY AND PRINCIPLES

ROLE OF THE BOARD COMPENSATION COMMITTEE:

- To make recommendations to the Board regarding the Group’s remuneration principles and policies
- To prepare the decisions of the Board regarding compensation of corporate officers, profit sharing, employee share ownership including the award of performance shares and capital increases reserved for employees

VARIABLE AND LONG-TERM REMUNERATION:

- General Management: variable remuneration aligned with Group strategic targets
- Management Committee members: variable remuneration aligned with collective Group targets: Financial performance, Employee Commitment rate, Net Promoter Score, External Group CSR Rating
- Increasing use of CSR targets

POLICY STRUCTURED ON PRINCIPLES OF LOYALTY AND VALUES:

- Fixed compensation that rewards a position in accordance with level of responsibility, skills and professional experience
- Variable compensation that depends on both collective and individual performance
- Additional incentive mechanisms which involve employees in the Group’s long-term development

CONTROL OF THE REMUNERATION POLICY FOR REGULATED STAFF:

- Internal and External controls: Internal Audit, Compensation Committee, Risk Committee, Board of Directors and Regulators
- Variable compensation balanced against fixed compensation and aligned with long-term performance, partly deferred and paid in shares or instruments indexed on the share price
## Key changes introduced in 2020:

- **Narrower set of circumstances in which CEOs are entitled to severance pay:** no longer payable upon resignation whatever the reason;
- **Introduction of a pro-rata calculation** in certain cases for the long-term incentives owed to CEOs once they have left the Company;
- The CEOs have given up 50% of the annual variable remuneration which may be allocated to them by the Board with regard to the financial year 2020, to contribute to the Group’s solidarity programme.

### Key changes introduced in 2019:

#### Annual Variable
Quantitative criteria better aligned with Group strategic targets and risk appetite

#### More demanding
performance conditions for the long-term incentive and alignment with the Group’s CSR* commitments

<table>
<thead>
<tr>
<th></th>
<th>2018 Financial year</th>
<th>2019 Financial year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group criteria</strong></td>
<td>1/3 : EPS</td>
<td>1/3 : ROTE</td>
</tr>
<tr>
<td></td>
<td>1/3 : GOI Group</td>
<td>1/3 : Core Tier 1 ratio</td>
</tr>
<tr>
<td></td>
<td>1/3 : C/I Group</td>
<td>1/3 : C/I Group</td>
</tr>
<tr>
<td><strong>Scope of responsibility criteria</strong></td>
<td>1/3 : GOI scope of responsibility</td>
<td>1/3 : scope of responsibility</td>
</tr>
<tr>
<td></td>
<td>1/3 : C/I scope of responsibility</td>
<td>1/3 : C/I scope of responsibility</td>
</tr>
<tr>
<td></td>
<td>1/3 : EBT scope of responsibility</td>
<td>1/3 : RONE scope of responsibility</td>
</tr>
</tbody>
</table>

**2018 Financial year:**
- **TSR** condition: 100% of the award
- **CSR** condition: 20% of the award, of which:
  - ½ Energy transition financing
  - ½ Positioning within the extra-financial ratings (RobecoSAM, Sustainalytics & MSCI)

**2019 Financial year:**
- **TSR** 80% of the award & more demanding TSR payout (above median only)

Subject to Group profitability

---

**CSR:** Corporate Social Responsibility

**TSR:** comparison of the Total Shareholder Return of Société Générale vs a panel of 11 European comparable banks over the full acquisition lengths.
### BOARD OF DIRECTORS

- **Total compensation amounts to €1.7 million** and was adopted by the General Meeting on 23 May 2018. This remains unchanged.

- As regards the allocation, it shall take into account the responsibilities of each Director, particularly when they participate in committees, and will determine a fixed share which is conditional on attendance at least equal to 80% and a variable share linked to attendance at Board and Committee meetings.

- The Chairman of the Board of Directors and the Chief Executive Officer shall not receive any compensation in respect of their term as Directors.

### CHAIRMAN OF THE BOARD OF DIRECTORS

- **Fixed annual remuneration is set at €925,000 for the duration of the term of office**, as decided by the Board of Directors on 7 February 2018 and approved at the AGM on 23 May 2018.

- Mr. Bini Smaghi receives **neither attendance fees, nor variable compensation, nor securities, nor any compensation** contingent on the performance of Societe Generale.

- He is provided with Company accommodation for the performance of his duties in Paris.
Reflects experience and responsibilities and is in line with practices in similar companies. Fixed compensation maintained at €1 300 000 for the CEO and €800 000 for the D-CEOs for 2020.

Universal Registration Document p.104

Based on financial objectives (60%) and qualitative objectives (40%)

• Maximum 135 % of fixed remuneration for the CEO and 115% for the D-CEOs
• Partly indexed to SG share, conditional and deferred for 3 years, in compliance with European standards

Structure unchanged

Universal Registration Document p. 104-106

Designed to associate executive managers in the Group’s long-term performance and align their interests with those of the shareholders

• Maximum 135 % of fixed remuneration for the CEO and 115% for the D-CEOs
• Entirely conditional and deferred for 7 years

Structure unchanged except introduction of a pro-rata principle for some cases of departure from the Group

Universal Registration Document p.106-107
CHIEF EXECUTIVE OFFICER & DEPUTY CHIEF EXECUTIVE OFFICERS

NON-COMPETE CLAUSE
For a period of 6 months, compensated as per fixed remuneration

Non-payment of the clause in case of departure within six months before claiming pension or beyond the age of 65

Universal Registration Document p. 109

SEVERANCE PAY
Payment only in case of forced departure, non-payment in the following cases:
- Resignation or non-renewal of the term of office, whatever the reason
- Departure within six months before claiming pension or in case of the possibility of claiming entitlement to a full-rate Social Security pension
- If CEO or the Company have failed

2 years fixed remuneration, subject to performance

Universal Registration Document p. 109

SUPPLEMENTARY PENSION
No supplementary pension scheme for the CEO
For the D-CEOs: Societe Generale collective pension schemes revised in line with new legislation (supplementary pension allocation plan shut down, rates and cap change for Valmy pension scheme)

Supplementary pension scheme is subject to performance condition

Universal Registration Document p. 108
### SAY ON PAY EX POST 2019 COMPENSATION

#### CHIEF EXECUTIVE OFFICER

<table>
<thead>
<tr>
<th>2019 FIXED COMPENSATION</th>
<th>€1,300,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANNUAL VARIABLE REMUNERATION FOR 2019</td>
<td>€1,387,152 (including €277,430 payable in 2020 and the balance deferred for 3 years)</td>
</tr>
<tr>
<td>Targets achieved result in eligibility for 79.0 % of the variable compensation</td>
<td></td>
</tr>
<tr>
<td>70.6 % of quantitative objectives achieved</td>
<td></td>
</tr>
<tr>
<td>91.7 % of qualitative objectives achieved</td>
<td></td>
</tr>
<tr>
<td>LONG-TERM INCENTIVE</td>
<td>€850,000</td>
</tr>
<tr>
<td>Shares or equivalent awarded in 2 installments of 4 and 6 years</td>
<td></td>
</tr>
<tr>
<td>Acquisition subject to Group profitability, growth of profitability for shareholders (TSR) and CSR performance</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>€3,537,152</td>
</tr>
</tbody>
</table>

Mr. Oudéa receives no Director’s fees and is not entitled to any supplementary pension; he is provided with a company car (benefit valued at €5,147) and benefits from the death and disability scheme, with guarantees and contribution rates that are aligned with those of the staff.
**Comparison with CAC 40 Companies and Financial Institutions in Europe**

**Global compensations 2019**

<table>
<thead>
<tr>
<th>Global compensation</th>
<th>Average compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 €</td>
<td>0 €</td>
</tr>
<tr>
<td>5,000,000 €</td>
<td>2,500,000 €</td>
</tr>
<tr>
<td>10,000,000 €</td>
<td>5,000,000 €</td>
</tr>
<tr>
<td>15,000,000 €</td>
<td>7,500,000 €</td>
</tr>
<tr>
<td>20,000,000 €</td>
<td>10,000,000 €</td>
</tr>
<tr>
<td>25,000,000 €</td>
<td>12,500,000 €</td>
</tr>
</tbody>
</table>

Source: SG based on remuneration of CEOs in CAC 40 companies and in our peer group (11 European financial institutions) selected for the TSR performance condition of the LTI.
Director’s fees included in variable remuneration; D-CEOs are provided with a company car, and benefit from Valmy pension as well as the death and disability scheme, with guarantees and contribution rates that are aligned with those of the staff.
SAY ON PAY EX POST
CHIEF EXECUTIVE OFFICERS PAY RATIOS 2015 - 2019

Chief Executive Officer – Ratio to employee average remuneration

Average remuneration (in K€)

Median remuneration (in K€)
COMPLYING WITH CRD IV REGULATION ON COMPENSATION

A CRD IV GROUP REGULATED POPULATION OF 795 INDIVIDUALS (including Chief Executive Officers)

- Employees identified in connection with their activities may have a significant impact on the Group risk profile

The average remuneration of the CRD IV Group regulated population is stable (Excluding severance pay, Chief Executive Officers and Board, at constant exchange rates)

Evolution of average remuneration for CRD IV Group regulated staff between 2018 and 2019
This presentation contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;

- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale’s markets in particular, regulatory and prudential changes, and the success of Societe Generale’s strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale’s financial results can be found in the Registration Document filed with the French Autorité des Marchés Financiers.

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

Figures in this presentation are unaudited.