

SUSTAINABLE AND RESPONSIBLE BANKING

SGCIB EUROPEAN ESG VIRTUAL CONFERENCE

19th November 2020

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

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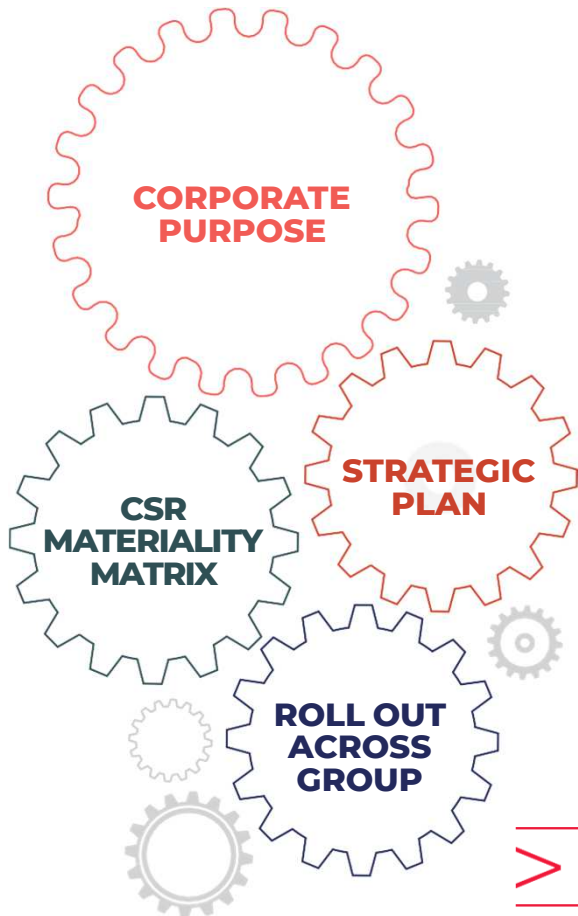
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1

APPROACH TO SUSTAINABILITY

A CORPORATE PURPOSE THAT GUIDES OUR STRATEGIC PLAN



OUR CORPORATE PURPOSE

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

CSR MATERIALITY MATRIX

- First Materiality Matrix in 2017 identified 6 themes to support the Group ‘Transform to Grow’ Strategic Plan
- Today, we are embarking on a second materiality exercise to drive our next Strategic Plan, drawing on a multi-stakeholder approach:

CLIENTS | **EMPLOYEES** | **NGOS**

CIVIL SOCIETY | **SUPPLIERS**

COMPETITORS | **INVESTORS**

REGULATORS

STRATEGIC PLAN

- 3 pillars for the next 2021-2025 Strategic Plan:
- CSR
 - Clients
 - Efficiency

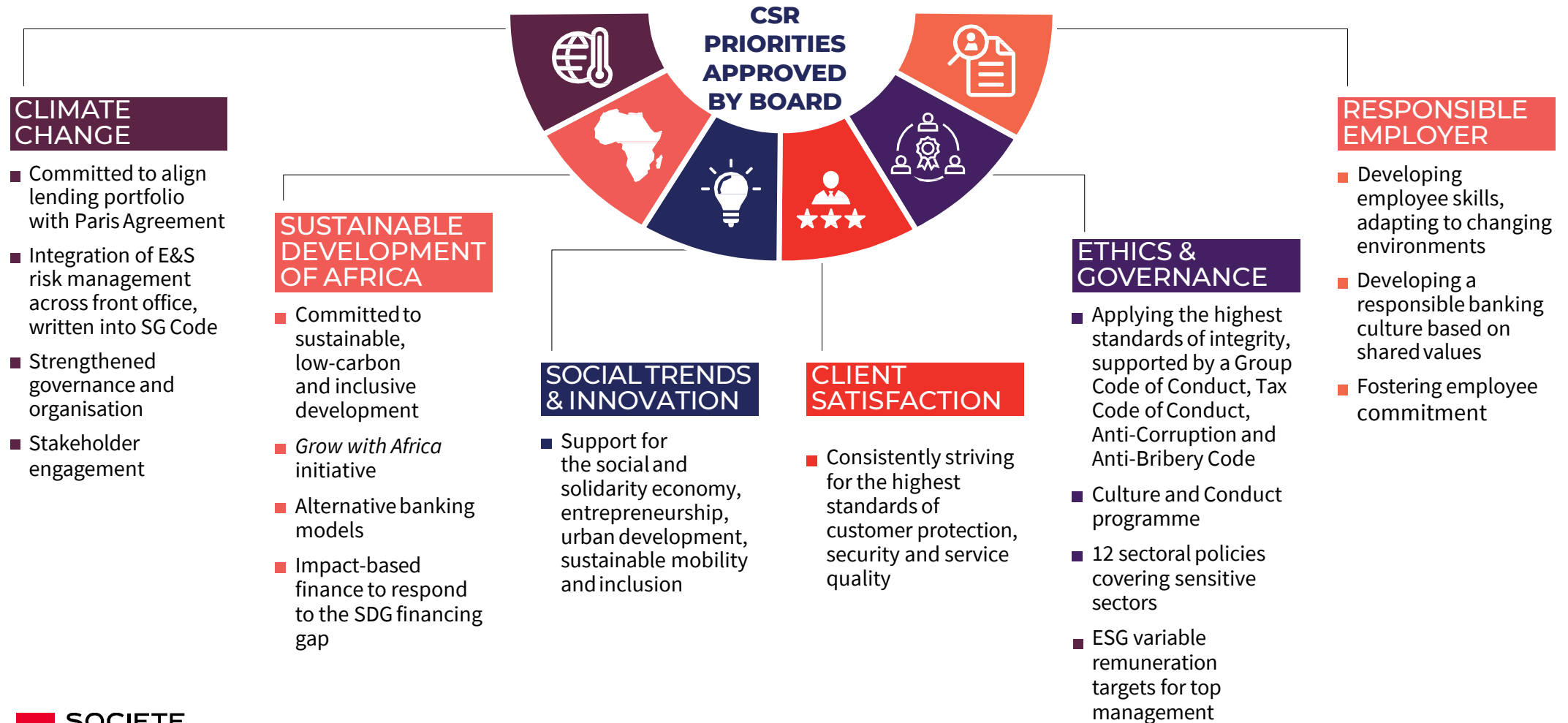
ROLL OUT ACROSS GROUP

All Business and Service Units integrating CSR in their operational models



SUSTAINABLE VALUE CREATION FOR ALL STAKEHOLDERS

SIX STRATEGIC CSR PRIORITIES: "TRANSFORM TO GROW"



GOVERNANCE AND ACCOUNTABILITY OF RESPONSIBLE BANKING



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 plans



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



EXTENSIVE DEPLOYMENT OF TRAINING PROGRAMMES:

on climate-related issues (3000 bankers in 2020); employee awareness campaigns on E&S risks; deployment of internal CSR training portal for All-Staff to be deployed end-2020

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



CLIENTS

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** : **~91,800 clients requests for ~EUR 19.7bn** ⁽¹⁾

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 **EUR 100m** of financial commitments taken by **SG Insurance** to **support its clients and the economy**



COMMUNITIES

A **global solidarity programme** up to **EUR 50m** both at a French and international level, including a EUR 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

LEADING THE INDUSTRY WITH COLLECTIVE ACTION

SOCIETE GENERALE A REGULAR FOUNDING SIGNATORY TO COLLECTIVE COMMITMENTS

COMPLEMENTING INDIVIDUAL COMMITMENTS, WITH A ROBUST COALITION OF INTERNATIONAL PARTNERS

CONNECTING WITH OUR STAKEHOLDERS

AT THE FOREFRONT OF INTEGRATING PIONEERING APPROACHES TO OUR BUSINESS ACTIVITY



FOUNDING SIGNATORY OF THE **PRINCIPLES FOR RESPONSIBLE BANKING AND COLLECTIVE COMMITMENT ON CLIMATE ACTION**

Committing to strategically align our business with the UN Sustainable Development Goals and the Paris Agreement on Climate Change



SIGNATORY TO THE **SUSTAINABLE IT CHARTER**

Committing to limit environmental impact of technology and encourage digital inclusion



PIONEERING ALIGNMENT OF CREDIT PORTFOLIOS WITH THE PARIS AGREEMENT

PACTA for Banks: joint publication of a methodology with Katowice Banks*



CO-CONSTRUCTING WITH CLIENTS FOR NEW BUSINESS SOLUTIONS

First commercial bank to sign UN CFO Principles for SDG-aligned corporate finance

For further examples of collective action, see p10-13 Climate Disclosure Report 2020

* A 5-bank pledge of Societe Generale, BBVA, BNP Paribas, ING and Standard Chartered

VOLUNTARY AND RESPONSIBLE POLICY



REGULATORY REQUIREMENTS

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

- French law
- European law
- SG commitment

E&S: Environmental & Social



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
- **CLIMATE DISCLOSURE – 2019 & 2020:**
Publication of first TCFD report in June 2019
- **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
- **UN CFO PRINCIPLES - 2020:**
First Commercial bank to sign CFO Principles on SDG-aligned finance
- **IEA SDS 2020 SCENARIO AS REFERENCE - 2020:**
New target to align oil & gas portfolio; accelerated coal exit

2001

2020

POSITIONING SOCIETE GENERALE AS A LEADER IN SUSTAINABLE FINANCE AND INVESTOR ACTIVITIES

TARGETING LEADERSHIP



- **Financing energy transition:**
2020 EUR 100bn energy transition target achieved one year in advance
New commitment of EUR 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:**
Second Climate Disclosure report published in 2020

RECEIVING RECOGNITION



- **#1 worldwide in renewable energy financing** (IJ Global 3Q20)
- **AA rated by MSCI**
- Included in the **2020 Bloomberg Gender-Equality Index**
- Awarded **Best CSR Bank in Africa** (Euromoney 2019, EMEA Finance Magazine 2020)
- Awarded the **Integrated Thinking Prize – Europe** category, capitalization >EUR7bn (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.

COMMITTED TO DEVELOPING PRODUCTS AND SERVICES ALIGNED WITH THE SDGS

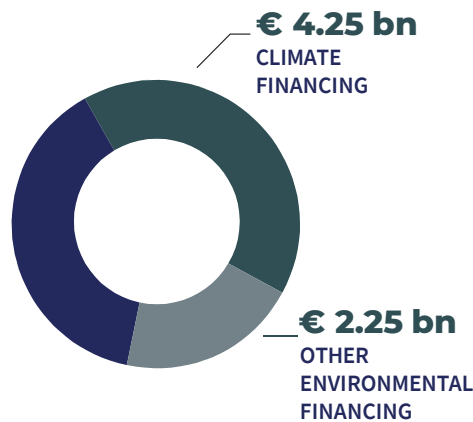
GUIDING COMMERCIAL ACTION TOWARDS ACTIVITIES THAT HAVE A POSITIVE IMPACT ON ENVIRONMENT AND SOCIETY

SUSTAINABLE AND POSITIVE IMPACT FINANCING

€11bn IN 2019

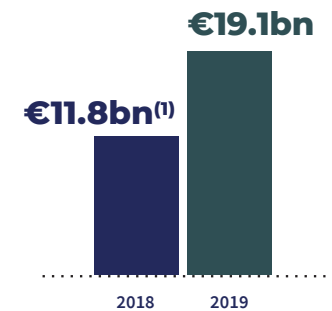
TOTAL GREEN FINANCING:
€ 6.5 BN
X 3.4 SINCE 2015

€ 4.5 bn
 SOCIAL FINANCING



SUSTAINABLE AND POSITIVE INVESTMENT

€ 19.1bn IN 2019



(1) 2018 results did not consider SG Assurances figures
 (2) Gender equality, Clean water and sanitation, Affordable and clean energy, Climate action

2 SUSTAINABLE & RESPONSIBLE FINANCE

NEW STAGE IN ENERGY TRANSITION



SETTING SECTOR-BY-SECTOR TARGETS FOR ALL FINANCING ACTIVITIES, STARTING WITH THE MOST CARBON INTENSIVE SECTORS:

- Towards a complete exit from coal
 - Reduce to zero our exposure to thermal coal in 2030 in OECD and EU countries and 2040 elsewhere
- Gradual reduction of exposure to oil and gas extraction sector
 - Reduce overall exposure to oil and gas extraction sector by 10% by 2025:
 - By supporting the energy transition of our clients, through a priority of financing renewable energies and gas in the transition phase
 - By stopping new financing of onshore oil & gas extraction in the US (reserve based lending)



REDIRECTING OUR PORTFOLIO OF ACTIVITIES AND FINANCING THE ENERGY TRANSITION:

- Leading in renewable energies
 - #1 worldwide in renewable energy financing*
 - Share of renewable energies in the electricity mix financed by the Bank exceeds 50% at mid-2020
- Commitment to contribute EUR 120bn for energy transition projects 2019-2023

ACHIEVED THROUGH:

- The common open source methodology defined with 4 other banks** for sector alignment of credit portfolios 'PACTA for Banks'
- Guidelines of the IEA 2020 Sustainable Development Scenario serving as the Group's reference

MASSIVE CSR TRAINING PROGRAMME:

- on climate-related issues (3000 bankers in 2020);
- internal CSR training portal for All-Staff to be deployed end-2020

SUPPORTING THE TRANSITION THROUGH PIONEERING COALITIONS:

- Katowice agreement
- Principles for Responsible Banking
- Collective Commitment on Climate
- UN CFO Principles
- Poseidon Principles
- Hydrogen Council

* source: IJ Global, end-September 2020

** Katowice Banks: a 5-bank pledge of Societe Generale, BBVA, BNP Paribas, ING and Standard Chartered

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

Pioneering alignment of credit portfolios with the Paris Agreement.
PACTA for Banks : joint publication of a methodology with the Katowice* Banks in September 2020



APPLY THE METHODOLOGY TO KEY SECTORS

Rolling out the methodology 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

PACTA: PIONEERING ALIGNMENT OF CREDIT PORTFOLIOS

Implementing a standard, called **PACTA for Banks**, which is open source and available for all to use: joint publication of a methodology with the Katowice Banks and 2DII in September 2020



FORWARD LOOKING



SECTOR-SPECIFIC



CLIENT-FOCUSED



**ENGAGEMENT OVER
DIVESTMENT**

OBJECTIVE:

- _ Select indicators that are enablers of the transition and which help us to accompany clients towards lower carbon practices
- _ Provide a methodology on which to set credible targets and steer a portfolio

HOW DOES IT WORK?

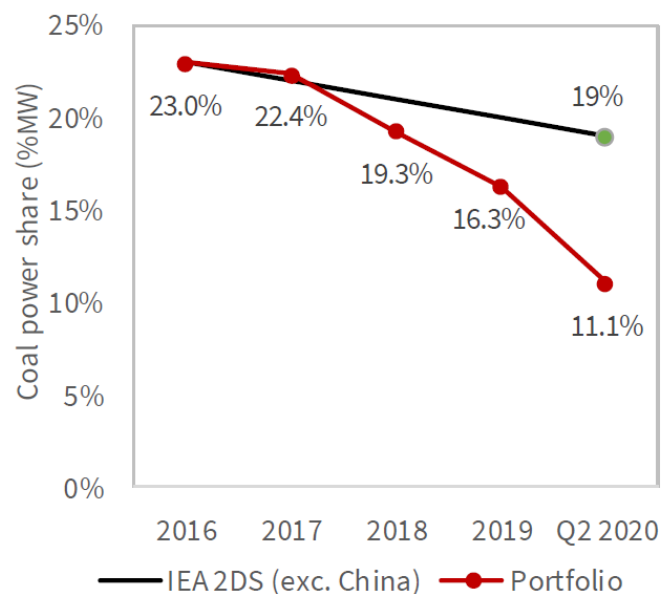
- _ Identifies the technology shift needed in specific sectors to slow global warming
- _ Draws on climate scenarios and the related transition pathways that are developed by independent parties such as the IEA
- _ Measures the needed technology against the actual technology clients are using, or plan to use in the future

CREDIT PORTFOLIO ALIGNMENT (PRE-2020 TARGETS)

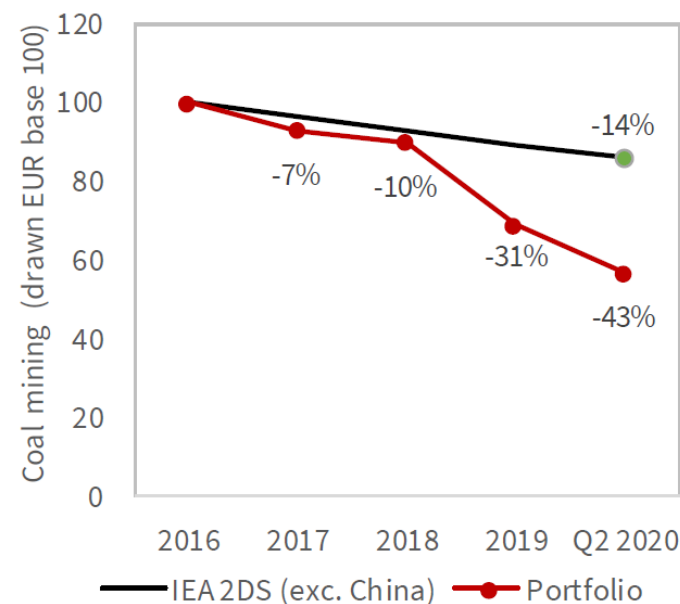
IN 2016 SOCIETE GENERALE DEVELOPED A METHODOLOGY AIMED AT MONITORING AND REDUCING ITS COAL POWER AND COAL MINING FINANCING WITH THE IEA 2DS



Coal power financing target achieved :
limiting to 19% the proportion of coal power (installed capacity) in the financed electricity generation mix by 2020



Coal mining financing target achieved :
reducing loan outstandings (drawn amount) related to coal mining by at least 14% by 2020



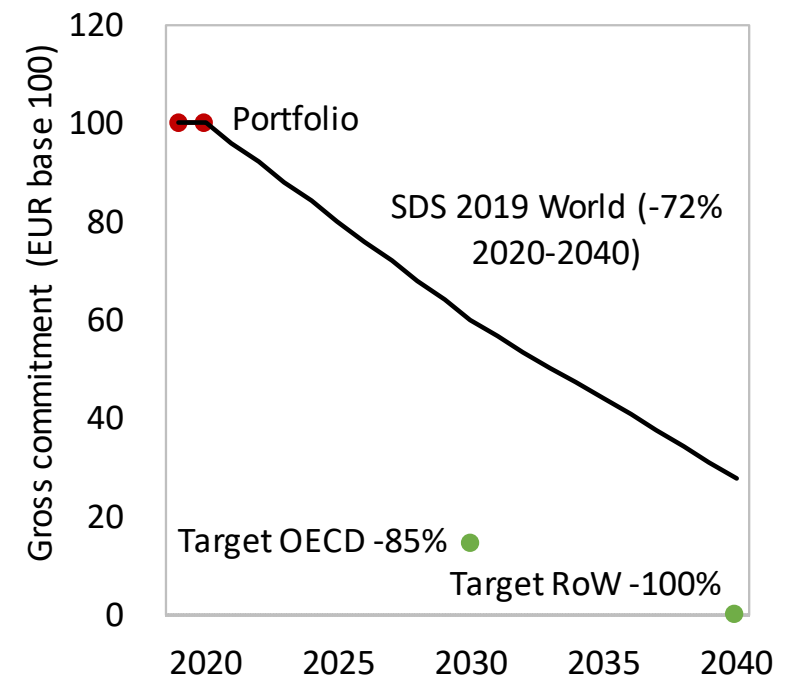
CREDIT PORTFOLIO ALIGNMENT (POST-2020 TARGETS)

IN 2020 SOCIETE GENERALE, APPLYING THE PACTA METHODOLOGY, SETS A NEW COAL COMMITMENT SIGNIFICANTLY MORE AMBITIOUS THAN THE IEA PRODUCTION TREND

 **To exit thermal coal in 2030 for OECD and EU and 2040 for the rest of the world**

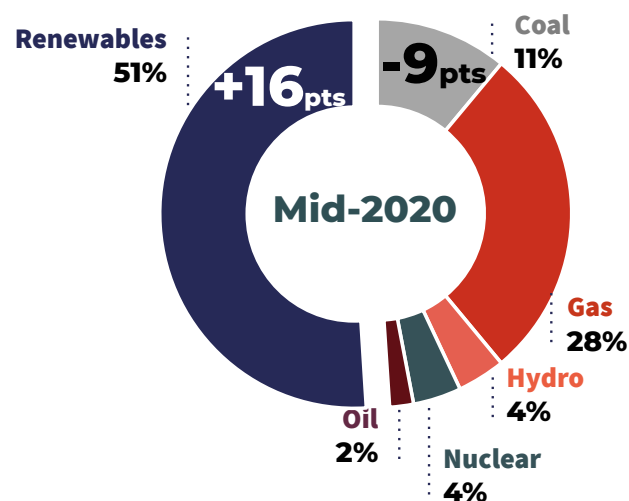
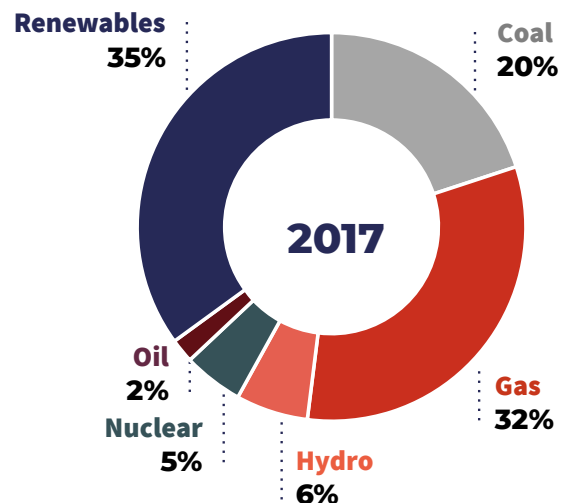
- ✓ Achieved in a 2-step approach:
 - Immediate conditions for the most exposed to thermal coal: ceasing to offer products and services, other than those dedicated to the energy transition, to companies whose revenues in thermal coal are >25% and which do not have an exit strategy from the sector, and 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 of end 2021 a transition plan aligned with the 2030/2040 thermal coal phase-out objective of SG
- ✓ No dedicated financing of coal mines and associated infrastructure since 2016
- ✓ Portfolio alignment :
 - Selection of an indicator as per the PACTA methodology: thermal coal extraction and power financing (bn EUR gross commitment base 100)
 - Selection of a scenario: thermal coal extraction and power demand trend (% change in EJ) from the IEA's Sustainable Development Scenario (SDS)*

Thermal coal power and mining financing



STEERING THE PORTFOLIO AWAY FROM HIGH CARBON

ELECTRICITY MIX FINANCED BY SOCIETE GENERALE:



SOCIETE GENERALE A REFERENCE BANK IN RENEWABLE ENERGY



#1 worldwide in renewable energy financing*

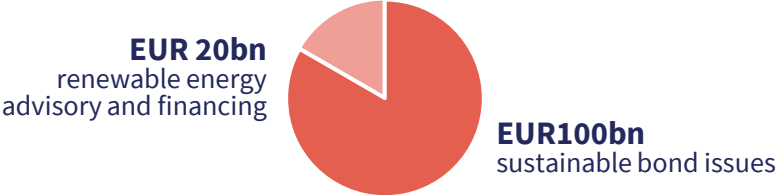


Target to **reduce the carbon intensity of financing activities linked to electricity production by 18% by 2025** and by 76% by 2040 (compared with the levels at the end of 2019)

BUILDING AN AMBITIOUS AND INNOVATIVE APPROACH

ENERGY TRANSITION TARGET

EUR 120bn
to support energy transition
2019-2023:



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

RESEARCH

SGCIB: SG Research systematically integrates an analysis of ESG dimensions into all equity publications

BONDS

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

FINANCING

Cote d'Ivoire, Veolia: EUR 247m ECA-backed sustainability deal, for drinking water supply

SDG ETFs

Lyxor: the only ETF provider in Europe to offer investments directly contributing to 4 of the UN SDGs ⁽¹⁾

(1) Gender equality, Clean water and sanitation, Affordable and clean energy, Climate action

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

**UNIQUE
SUSTAINABLE
BANKING VALUE
PROPOSITION
COMBINES
DISTINCTIVE
FINANCIAL &
ESG EXPERTISE**

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

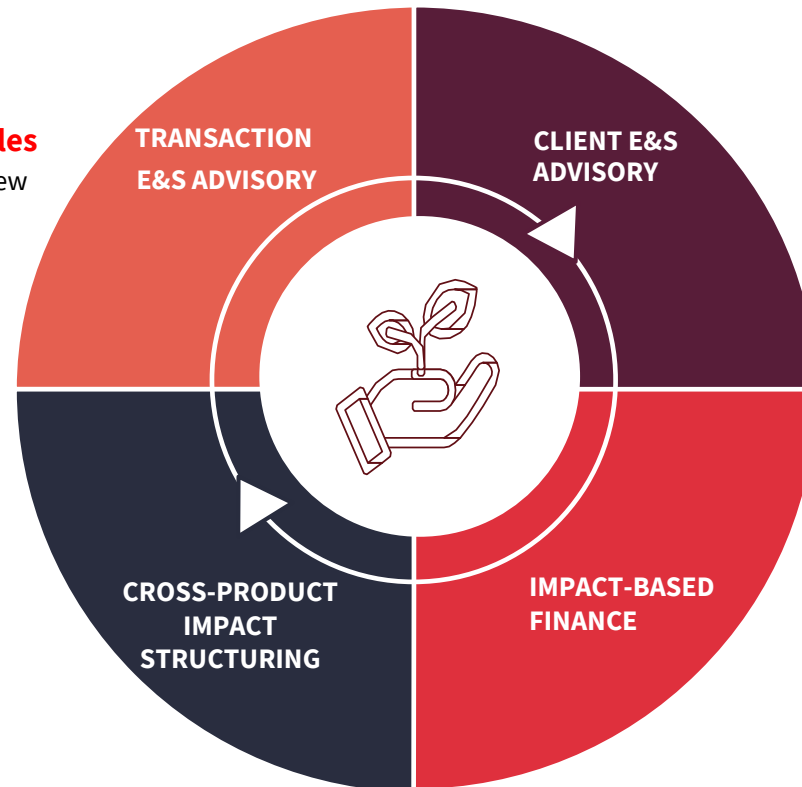
- Long track record as an energy bank
- Structuring new solutions across key energy value chains to accelerate the energy transition
- Innovative B2B2C financing solutions

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

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



- 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
- 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

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 (+ EUR 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



SUPPORTING BUSINESSES AND ENTREPRENEURS



DELIVERING
EXPERTISE
AND
INNOVATION

FOCUSING
ON OUR
CLIENTS

COMMITTED
TO POSITIVE
TRANS-
FORMATIONS

SMEs

- **30 Regional Business Centres** across France delivering proximity and expertise through a local relationship model
- **Support for African SMEs** one of the 4 pillars of the Grow with Africa initiative:
 - **7 SME Centres** opened in Africa
 - Target to **increase outstanding loans** to African SMEs by 60% 2018-2023 (+EUR4bn)
- Publication of a **new Sustainable and Positive Impact Bond framework**, enabling **investors to support SME financing** through bond issues

ENTREPRENEURS

- **Acquisition of Shine** the responsible neobank for entrepreneurs and VSEs (B Corp certified)
- **SG Entrepreneurs programme** offering strategic advice and solutions
- **~100 Espaces Pros** dedicated business centres in branch network

START-UPS

- Helped the creation in 2019 of **22 500 start-ups** in France
- **Providing access to finance** through partnerships:
 - **453 loans** provided in 2018 to entrepreneurs supported by **Initiative France** and partner to **94 local branches supporting 8,783 companies**
 - Partnership with **42** branches of the **France Active Garantie** network to **secure bank loans** and **support** for VSBs and solidarity-based companies
 - Partnership with **BPI France** to support access to credit (**EUR 160m** in 2018), provide **150 start-up advisors** and partner with BPI France Innovation since 2017



A TRUSTED PARTNER FOR OUR CLIENTS

SUPPORTING INCLUSIVE BANKING

FINANCIALLY FRAGILE

- **'Généris'** dedicated banking package with adapted payment methods: **59 075** clients at end-2019
- **Support for over-indebtedness:** specialized advisors working with the customer to find solutions : 36 395 cases in 2019, with 70% of these clients resuming normal financial situations
- **Dedicated training** for bank advisors in contact with financially fragile clients

INCLUSIVE OFFERS

- **AERAS Agreement:** supports people with serious health **risks secure insurance and loans**
- New product **'Kapsul'**, adapting to evolving client demand for greater independence, whilst requiring no revenue conditions: EUR 2 per month for full banking service, and a "satisfied or reimbursed" guarantee
- **#1 distributor of the state-guaranteed student loan**, through partnership with BPI France
- **'Cristal Solidarité':** First structured product with a charitable dimension, launched 2018



AFRICA

- Launch of **YUP mobile money** in 2017 to address poorly banked population : **1.4m clients** at end-2019 and rolled out across **6 countries**
- Launch of **SoPay electronic wallet** for cash-reliant mass market customers with limited or no access to banking services
- Target to **double outstanding loans to microfinance** organisations by 2022 (+60% at end-2019)

FINANCIAL EDUCATION

- **Dedicated webpages** for French retail clients in **financial difficulty** offering information, advice, financial simulations
- Electronic and paper **newsletters** distributed to inform clients; **online learning modules** for children; online and social media **videos and tutorials** (eg. managing a student budget, managing overdrafts)
- **"Start Differently"** programme in Rosbank, supporting social entrepreneurs with their business models and planning
- Volunteer programmes in UK and Romania **working with children**, (eg online maths lessons for abandoned children in Romania) and in France **supporting refugees** with CV writing

MANAGING OUR DIRECT ENVIRONMENTAL IMPACT (1/2)

DIRECT ENVIRONMENTAL IMPACT MANAGED VIA


A SET OF ENVIRONMENTAL POLICIES FOR ALL SOURCES OF EMISSIONS

AN INTERNAL CARBON TAX



BUILDINGS

- Strategy to improve energy performance of buildings: energy audit carried out in 2019

 Target to reduce GHG 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 : targets achieved by end-2019

- 22 ISO 50001-certified buildings on the 40 central buildings

PAPER

- Introduction of good printing practices, moves towards digital, use of recycled paper: 8,978 tonnes paper consumed in 2019 vs 10 255 in 2018

ELECTRICITY

- 1st French bank to sign a long-term Power Purchase Agreement (PPA) with EDF, concerning the purchase of 27 GWh p.a. over 3 years from a wind farm in France

MOBILITY

- Targeted measures deployed to promote alternatives for the work commute: carpooling platform, car-sharing service, bikes and e-bikes (eg ALD Community in France, My Ride in Czech Republic, SG green pool in India)
- Extensive roll-out of telecommuting, particularly with the Covid crisis

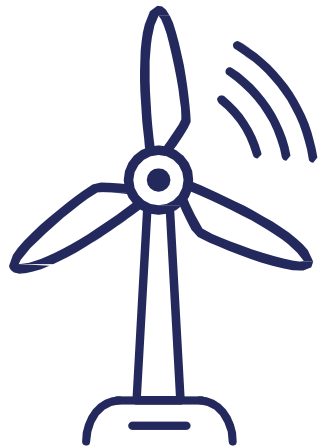
IT INFRASTRUCTURE

- Sustainable IT Charter signed in 2019: committing to limit environmental impact of technology and encourage digital inclusion
- CSR training for IT department: 133 employees trained and certified in Responsible Digital practices

WASTE

- Roll out of recycling processes across branches and central buildings
- Partnership between SG restaurants in La Defense and the charity Le Chainon Manquant collect 3'800 kg of food waste in 2019, distributing 7,600 meals across the charity's network

MANAGING OUR DIRECT ENVIRONMENTAL IMPACT (2/2)



First company to implement an internal carbon tax

Since 2007, a carbon tax is annually levied on each of the Group's entities, based on their greenhouse gas emissions (€ 10/tonne CO2 equivalent). The sums collected are then redistributed in the form of rewards for the best initiatives limiting the Group's direct environmental impact as part of the Environmental Efficiency Awards

IN 7 YEARS, THE ENVIRONMENTAL EFFICIENCY AWARDS REPRESENTS:

81,000

OF CO2 AVOIDED, I.E. 81,000 ROUND TRIPS BETWEEN PARIS AND NEW YORK

382 GWH

OF ENERGY SAVED, I.E. THE ANNUAL CONSUMPTION OF MORE THAN 80,000 FRENCH HOUSEHOLDS

37

PARTICIPATING COUNTRIES SPANNING FOUR CONTINENTS

391

AWARD-WINNING INITIATIVES

€ 3M

OF AVERAGE BUDGET ALLOCATED EACH YEAR TO THE AWARD-WINNING INITIATIVES⁽¹⁾

€ 160M

IN SAVINGS ACHIEVED BY THE GROUP THROUGH ITS INITIATIVES

3 E&S RISK MANAGEMENT

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

IDENTIFYING AND MANAGING E&S RISKS



E&S RISKS DO NOT CONSTITUTE A NEW RISK CATEGORY

CONSIDERED AS AGGRAVATING FACTORS OF EXISTING TYPOLOGIES OF RISKS (IN PARTICULAR CREDIT RISK)

—

AUTOMATICALLY INCLUDED IN EXISTING RISK MANAGEMENT FRAMEWORK GOVERNANCE

—

RISK LOD2 ROLE ON E&S RISKS RECENTLY SPECIFIED IN GROUP NORMATIVE DOCUMENTATION

REGULAR AND OPEN DIALOGUE

- _ Regular dialogue between Group top management, risk and sector experts:
 - _ Leverages existing risk governance, in particular the Group Risk Committee chaired by the Group CEO
 - _ Allows the identification of new E&S factors to be considered in the Group risk profile analysis
- _ Opinion of CSR department systematically requested when the Group Risk Committee reviews portfolios sensitive to ESG factors, in particular climate risks
- _ RISK department opinion systematically requested by the CSR department when the CORESP (Responsible Commitments Committee) reviews topics having a potential impact on credit portfolios (eg alignment project and group commitments to support energy transition)
- _ Continuous effort to extend a group-wide systematic and consistent approach of RISK department as LOD2 on E&S risks for granting credit and client review processes

ALIGNING WITH REGULATORY EVOLUTIONS

- _ Close follow-up of supervisory and regulatory expectations on E&S risks

E&S RISK MANAGEMENT FRAMEWORK



E&S RISK MANAGEMENT PRINCIPLES INTEGRATED INTO THE GROUP'S NEW NORMATIVE DOCUMENTATION (SG CODE)



E&S RISK IDENTIFICATION

_Identifies whether the customer's activities or the transaction present a potential E&S risk

_Analysis aimed at verifying whether the counterparties or underlying activities are on the **E&S exclusion list** or the **E&S identification list** or whether the client's transaction is in a sector **covered by a sector policy**

_This process makes it possible to review compliance with the criteria of the various sector-specific policies



E&S ASSESSMENT

_Assesses counterparties or transactions identified as presenting an E&S risk

_E&S risk assessment is **performed by the business lines**

_Focuses on **E&S reputational risk** and the **risk of non-alignment** with E&S policy criteria

_Analysis includes compliance with the criteria of the applicable E&S policy(ies), the severity of E&S controversies and the CSR maturity of the counterparties



E&S ACTIONS

_The E&S assessment can result in a **positive, conditional** (contractual conditions, action plans, restrictions) or **negative** E&S opinion.

_ **Mitigation actions** are proposed in proportion to the residual risk identified.

_Opinions that are not positive and proposed action plans are **reviewed by the second line of defence** and may be mediated by the heads of the business lines if necessary.

_ **Monitoring and controls** are also gradually being implemented in E&S risk management processes within the business lines.

FOCUS : MANAGING CLIMATE RISK

GOVERNANCE:

- _ Since 2017, Group Risk Committee reviews climate risks at least once a year
- _ Systematic communication to the Board of the content of discussions and decisions taken

ANTICIPATION:

- _ Voluntary participation in ACPR and EBA climate stress test exercises, which foster R&D on dedicated quantification methodologies (especially ACPR)

TRANSPARENCY:

- _ Second Climate Disclosure report published in 2020

MEASURING SENSITIVITY TO CLIMATE RISK:

- _ Implementation of a Climate Vulnerability Indicator (CVI), to reinforce the credit analysis on the most exposed counterparties. The CVI :
 - _ corresponds to the marginal impact on the counterparty internal rating over a 20-year time horizon of a selected transition scenario (currently the IEA SDS), with a strong assumption that the counterparty takes no adaptation measures;
 - _ 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);
 - _ represented through a 7-level scale : for counterparties that score poorly, a discussion has to be initiated to formalise an opinion on the adaptation strategy of the counterparty to transition risk

ONGOING R&D PROJECTS USING SCENARIO ANALYSIS:

- _ Identification of transition and physical risks impact on sovereigns : a proof of concept for a sovereign Climate Vulnerability Indicator has been conducted
- _ Identification of physical risk impact on credit risk: retail mortgage loan portfolio and large corporate borrowers

DISCIPLINED APPROACH THROUGH DUTY OF CARE PLAN

- 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

PROACTIVE APPROACH TO IMPROVEMENTS ON E&S RISK MANAGEMENT

2019-2020 HIGHLIGHTS

- Amongst the first banks to **SIGN THE PRINCIPLES FOR RESPONSIBLE BANKING** after active participation to their set-up.
- E&S risk management **FORMALISED IN SG CODE** and in **PERMANENT SUPERVISION SYSTEM** (2019)
- **BUSINESS UNITS (BU) PROCEDURES UPDATED** to reflect the Code in most BU and integration into BU processes (2020)
- **2ND GROUP-WIDE ASSESSMENT** of over 200 entities on E&S risk management
- Over **15 RESPONSIBLE COMMITMENT COMMITTEES** since its creation to validate CSR commitments and related topics.
- **22 000** HR staff trained on Group disciplinary framework
- **97%** employees completed training on Code of Conduct
- **RENEWAL** of UNIGlobal Union agreement
- **STRENGTHENED** HR policies to harmonize across all locations
- **100%** of active buyers trained in Responsible Sourcing
- A **GLOBAL WHISTLEBLOWING MECHANISM** throughout the group, that guaranties anonymity.

2021 OUTLOOK

POLICIES, PROCESSES AND CONTROLS WILL BE FURTHER ENHANCED IN 2021

- Enhancing **REPUTATION RISK MANAGEMENT** by review the E&S controversies identification and management process
- Groupwide **E-LEARNING ON E&S RISK MANAGEMENT** for large target groups
- **GLOBAL REVAMPING / RESTRUCTURING OF SECTOR POLICIES** and associated guidelines to clarify the exclusion / priority / other criteria and facilitate their operational implementation and associated controls.
- Pursue the implementation of **INTERNAL CONTROLS AND ACTION PLANS** (internal audit / inspection / assessments) on E&S risk management
- **1ST REPORTING ON THE PRINCIPLES FOR RESPONSIBLE BANKING** since signature
- Harmonize human resources management within the Group and go one step further concerning **HR CONTROLS** across the Group to ensure that each entity has the means to implement effective management

4 CULTURE & CONDUCT AND HUMAN CAPITAL

COMMITTED TO BE A RESPONSIBLE EMPLOYER



DEVELOP THE SKILLS THAT EMPLOYEES NEED

To Adjust To Transformations On The Banking Landscape

- 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

TYPE	DESCRIPTION	ACTIONS
PERFORMANCE RISK : ATTRACTIVENESS & STAFF RETENTION	Inadequate career and skills management and loss of key talents could impact business continuity, performance and ability to attract and retain employees	<ul style="list-style-type: none"> ▪ Strategic workforce planning ▪ Skills acquisition and development programmes ▪ Talent management programmes ▪ Balanced compensation policy
LEGAL, REPUTATIONAL RISK : NON-COMPLIANCE WITH LABOUR LAW & HUMAN RIGHTS	Regulations and Internal Rules on compensation and social rights, diversity and non-discrimination, social dialogue and freedom of association	<ul style="list-style-type: none"> ▪ 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 : POOR WORKING CONDITIONS	Damage to physical and mental health of employees	<ul style="list-style-type: none"> ▪ Duty of Care Plan
CONDUCT RISK: UNETHICAL EMPLOYEE CONDUCT	Unethical behaviour and breach of the Code of Conduct could impact reputation, business, and lead to legal action	<ul style="list-style-type: none"> ▪ Shared values based on a Leadership Model ▪ Code of Conduct ▪ Culture and Conduct Programme
LEGAL, REPUTATIONAL RISK: EMPLOYEE DATA BREACHES	Breach of personal data protection regulations	<ul style="list-style-type: none"> ▪ Reinforced compliance system meeting GDPR regulation ▪ Group-wide training programme ▪ Appointment of Data Protection Officer (DPO) and network of local DPOs

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

RETENTION 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

FOCUS ON GENDER DIVERSITY IN THE GROUP

Gender diversity embedded in all HR processes



GENDER DIVERSITY PROGRAMMES:



#WomenByLyxor



THE CIRCLE

WOMEN IN MARK



Global Compact Network UAE

5 CYBER SECURITY AND ARTIFICIAL INTELLIGENCE

GOVERNANCE OF CYBER SECURITY



STONE 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)
- **EUR 650m investment in security** over 3 years 2017-20



CONTEXT and COLLABORATION

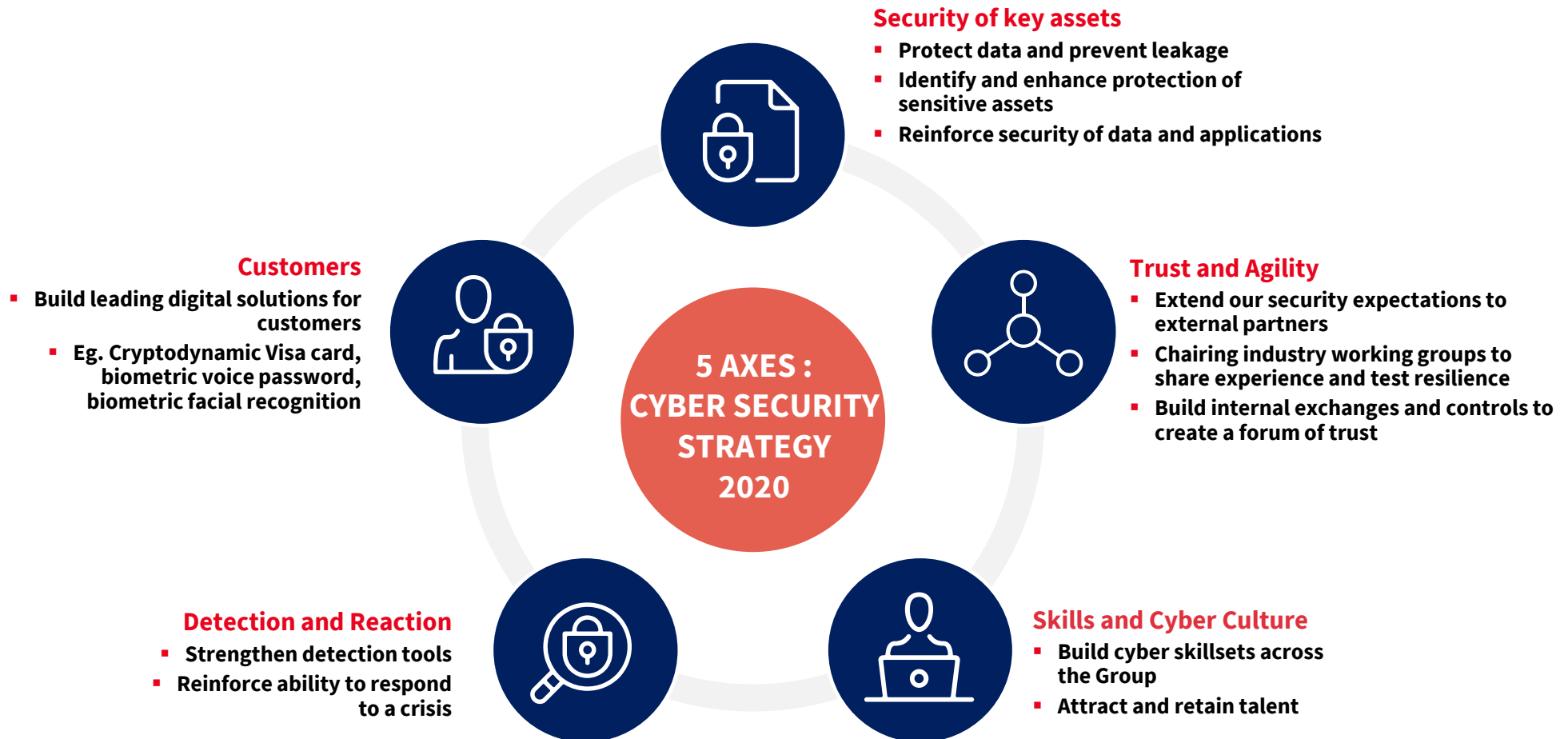
The EU regulatory framework for cyber and data security is evolving:

- 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.

SG works on collective initiatives with the industry to share cyber experience and strengthen procedures. SG's Group CISO chairs the Federation Bancaire Française working group. CERT teams across France and internationally meet on a regular basis.

PROTECTION OF ASSETS AND DIGITAL TRUST IS A STRATEGIC ISSUE



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

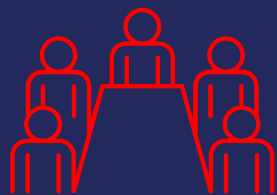
- **Dedicated Board sessions** on digital transformation
- Risk oversight performed by **Risk Committee** includes data (with a specific focus on personal data) and model risk management encompassing AI models
- **Key expertise** required from the Directors is a blend of experience in risk, digital and 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

6 GOVERNANCE

SNAPSHOT OF SG BOARD



Board Chairman



Separation of Chairman and CEO roles since May 2015

Independence



14 Directors; 91.6% independent (excluding 2 staff-elected)

Diversity



Gender: 43% women;
Nationality: 8 nationalities

Competence



Broad range of skills: Risk, Control, Finance, IT, Digital, Management, Regulation, International, Client Services, Legal, Industry...

Tenure



Length of term: 4 years; Average tenure: 6 years

Overboarding



Cap on the number of directorships:
• 1 executive and 2 non-executive; or
• 4 non-executive

Attendance



Attendance in 2019: 94%

Training



6 training sessions in 2019 covering regulatory aspects, corruption, AML, cyber, AI, data security, rates and derivatives risks, financial subjects, governance

Board evaluation



External 360° assessment every 3 years; internal assessment in other years

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 International (2013 to 2014),
- Chairman of the Board Directors (2016 to 4th April 2019), SNAM (2012 to 2016), ChiantiBanca (2016 to 2017).



**Frédéric
OUDEA**

First appointment : **2009**

Term : **2023**

French

Tenure (yrs): **10**

- Societe Generale 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), SECIPE (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*.
- Member of Board of Directors of Novae Syndicates Limited (2015 to 2018), Frank Russel Company (2014 to 2016), Russel Investments Inc (2015 to 2016)



**Kyra
HAZOU**

First appointment : **2011**

Term : **2023**

US / British

Tenure (yrs): **8**

- Managing Director and Regional General Counsel for Salomon Simth 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*,
- Chairman Of the Board Of Directors Of JBL Consulting & SAS (2012 to 2014), EDF Energy Holdings (2015 to 2017), Edison S.p.A *since 2014*,
- Member of Board of Directors of Vinci (2007 to 2015), DCNS (2013 to 2014), of Dalkia *since 2014*, EDF Énergies Renouvelables *since 2015*, EDF Energy Holdings *since 2017*.

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),
- Chairman of the Board of Directors of GDF SUEZ Belgium (2010 to 2014), Electrabel (2010 to 2016), ENGIE Energy Management Trading (2010 to 2016), ENGIE Energie Services (2005 to 2016), GDF SUEZ Rassembleurs d'Énergies S.A.S (2011 to 2014), Engie (previously GDF-SUEZ, 2016 to 2018), SUEZ (2008 to May 2019).
- 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),
- Member of the Board of Directors Of Saint-Gobain (1995 to 2015), Pargesa Holding SA (1998 to 2014), International Power (2011 to 2016), Saudi Electricity Company since 2018.



**Juan Maria
NIN GENOVA**

First appointment : **2016**
Term : **2021**
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),
- Chairman of the Board of Directors of SegurCaixa Holding, SA (2007 to 2014), VidaCaixa Assurances (2014), Azora Capital S.L. since 2014, Grupo de Empresas Azvi S.L. since 2015, Azora Gestion since 2018.



**Alexandra
SCHAAPVELD**

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.



**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)



**France
HOUSSAYE**

First appointment **2009**
Term : **2021**
French
Tenure (yrs): **10**

- SG employee since 1989



**Lubomira
ROCHET**

First appointment **2017**
Term : **2021**
French
Tenure (yrs): **2**

- Head Of Strategy at Sogeti (2003 to 2007),
- Head of Innovaion and Start-ups in France at Microsoft (2008 to 2010),
- CEO of Valtech (2012 to 2014),
- Chief Digital Officer and Member of Executive Committee of L'Oréal since 2014,
- Member of the Board of Directors of Founders Factory Ltd since 2016.

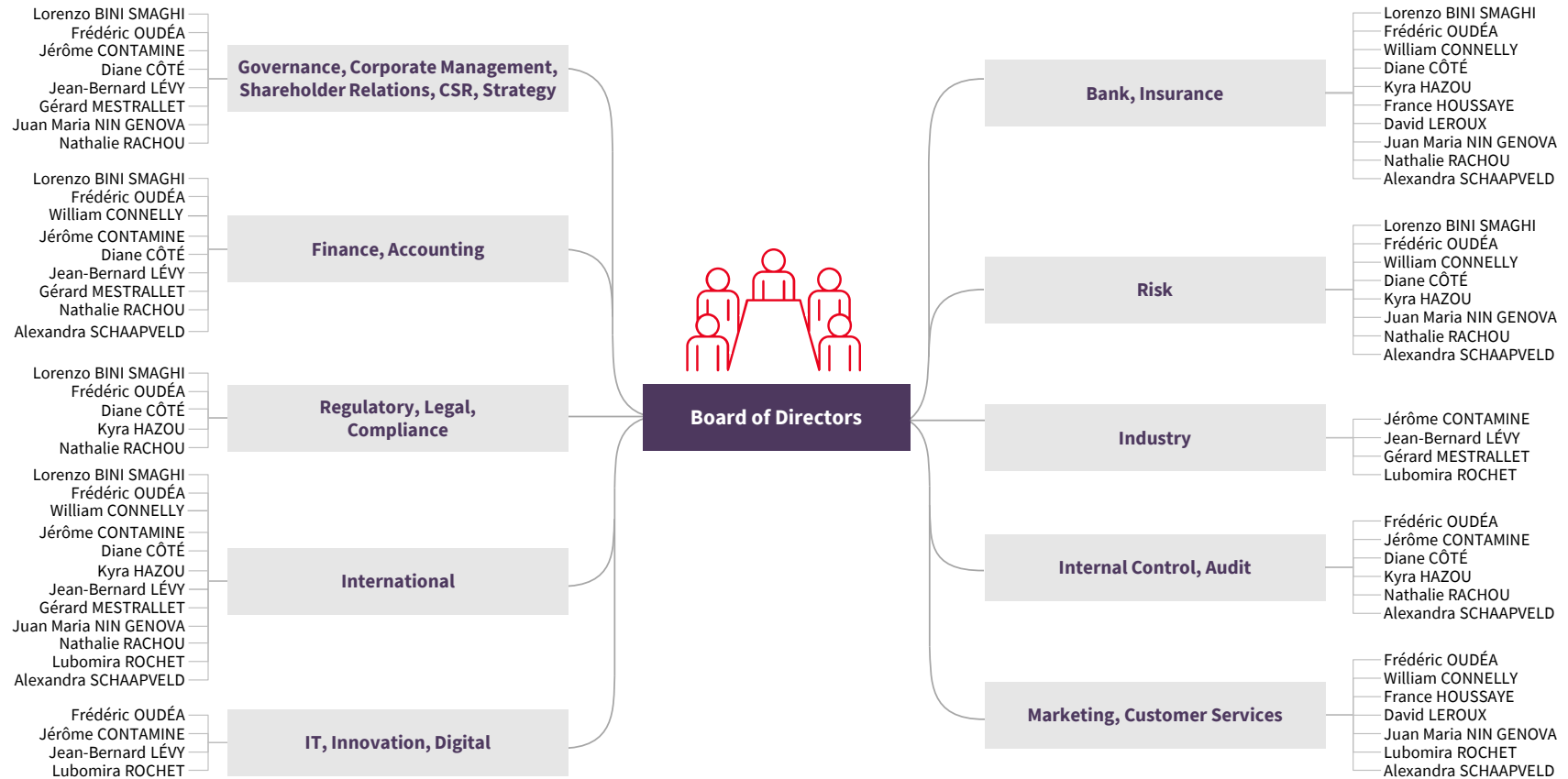


**David
LEROUX**

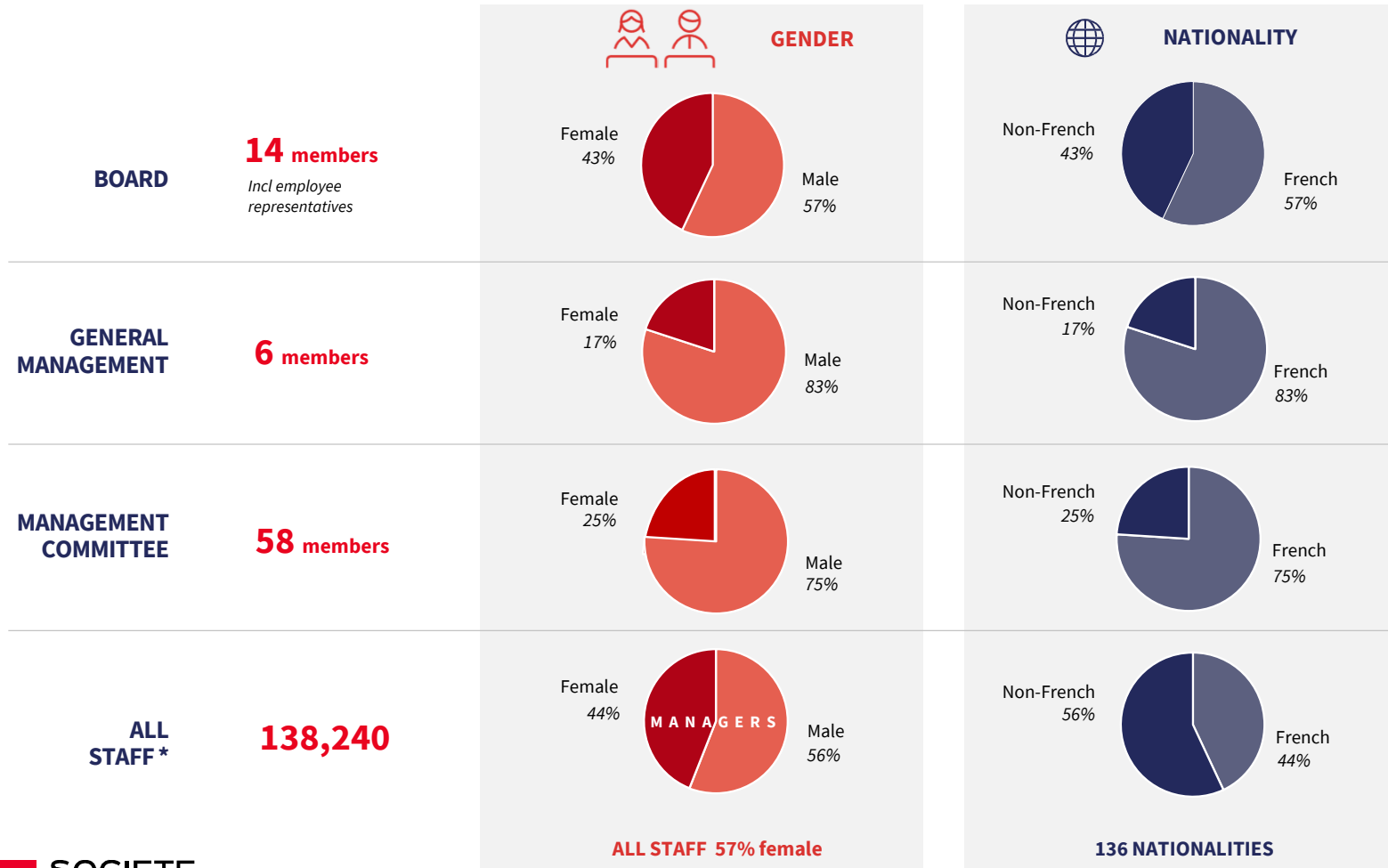
First appointment **2018**
Term : **2021**
French
Tenure (yrs): **1**

- SG employee since 2001

DIRECTOR COMPETENCIES AND EXPERIENCE (3/3)



DIVERSITY AT SOCIETE GENERALE..



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.

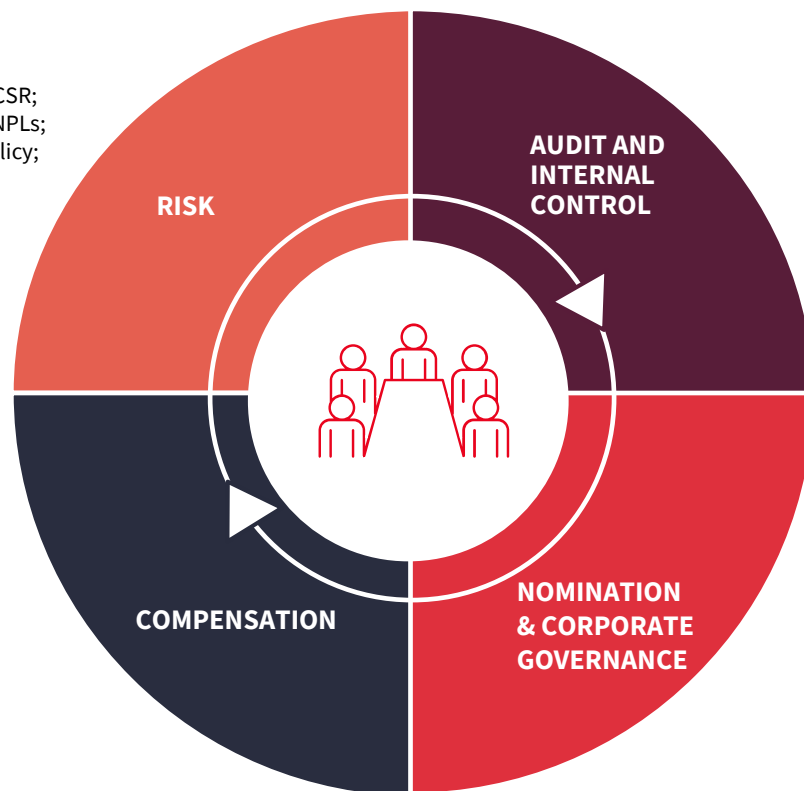
As US Risk Committee, it met 9 times to validate the risk appetite of the US operations, supervise risk policies; follow up of remediation plans.

2019: met 10x; attendance rate 92%

4 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

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 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%

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

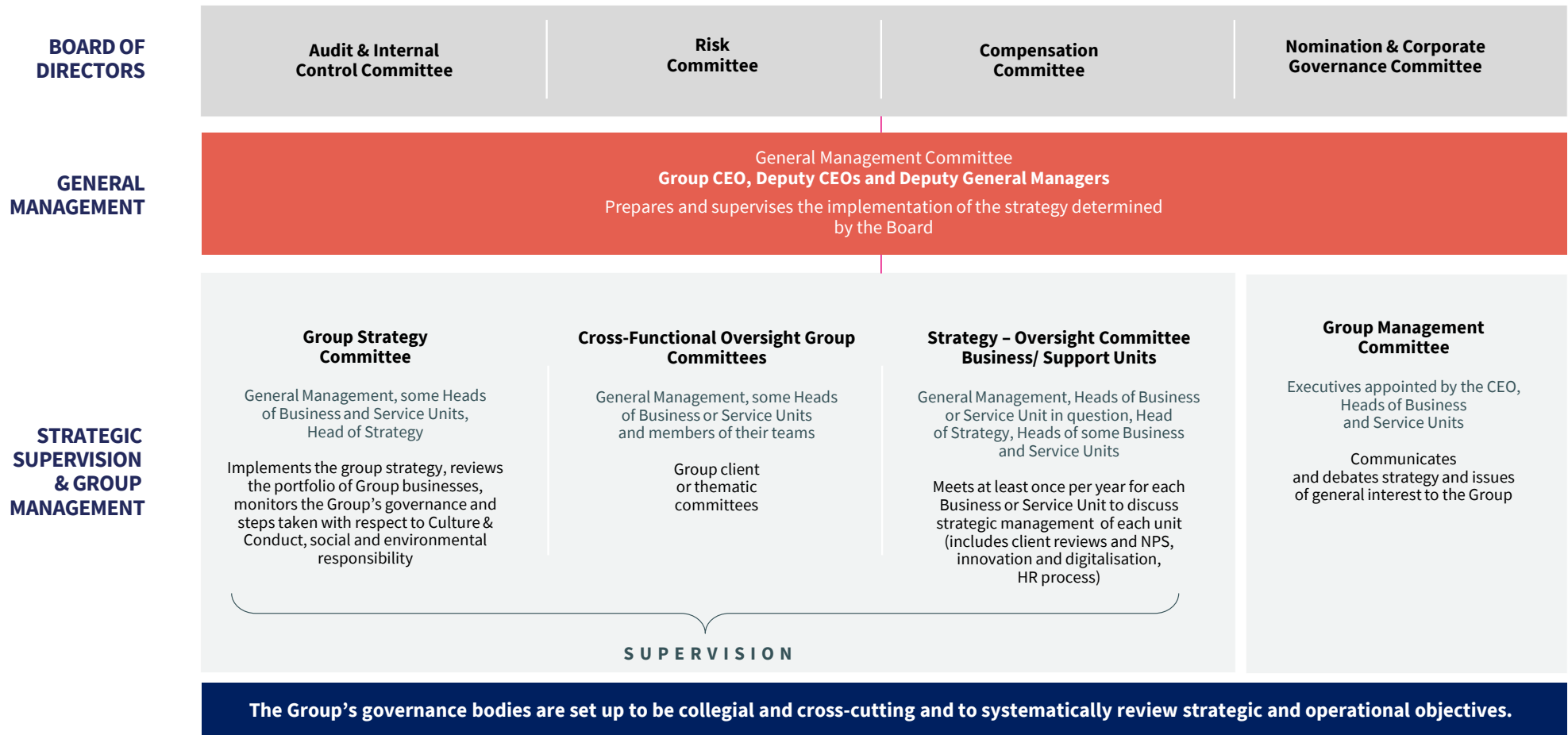
- **Company-wide culture & conduct programme** sponsored by the CEO and reporting to the Board of Directors
- **Updated Code of Conduct** deployed worldwide reinforcing commitments towards every stakeholder

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



7 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

APPLYING RESPONSIBLE COMPENSATION PRACTICES

EXECUTIVE MANAGEMENT

LONG-TERM INCENTIVES

CSR 20% of the award, of which:

- _ ½ Energy transition financing
- _ ½ Positioning within the extra-financial ratings (RobecoSAM, Sustainalytics & MSCI)

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

EXECUTIVE MANAGEMENT & MANAGEMENT COMMITTEE

VARIABLE REMUNERATION:

Alignment with collective Group targets:

- _ Employee Commitment Rate
- _ Net Promoter Score
- _ External Group ESG Rating
- _ Financial performance

ALL STAFF

ANNUAL EVALUATION:

- _ **Values and Behaviours** as KPI for all employees
- _ All staff measured against **Compliance and Conduct conditions**

REMUNERATION POLICY - EXECUTIVE MANAGEMENT (1/3)

SAY ON PAY EX ANTE 2020

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

	2018 Financial year	2019 Financial year
Group criteria	1/3 : EPS 1/3 : GOI Group 1/3 : C/I Group	1/3 : ROTE 1/3 : Core Tier 1 ratio 1/3 : C/I Group
Scope of responsibility criteria	1/3 : GOI scope of responsibility 1/3 : C/I scope of responsibility 1/3 : EBT scope of responsibility	1/3 : scope of responsibility 1/3 : C/I scope of responsibility 1/3 : RONE scope of responsibility

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

2018 Financial year: TSR** condition: 100% of the award	<p>TSR 80% of the award & more demanding TSR payout (above median only)</p> <p>CSR 20% of the award, of which:</p> <ul style="list-style-type: none"> ▪ ½ Energy transition financing ▪ ½ Positioning within the extra-financial ratings (RobecoSAM, Sustainalytics & MSCI)
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

SAY ON PAY EX ANTE 2020 REMUNERATION POLICY FOR BOARD

BOARD OF DIRECTORS

- **Total compensation amounts to EUR 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 EUR 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.

SAY ON PAY EX ANTE 2020 REMUNERATION POLICY FOR CEOS

CHIEF EXECUTIVE OFFICER & DEPUTY CHIEF EXECUTIVE OFFICERS

FIXED COMPENSATION

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

VARIABLE COMPENSATION BASED ON ANNUAL PERFORMANCE

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

LONG-TERM INCENTIVE

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

**TOTAL VARIABLE
COMPENSATION
CAPPED
TO TWICE
THE AMOUNT
OF FIXED
COMPENSATION**

SAY ON PAY EX ANTE 2020 REMUNERATION POLICY FOR CEOS

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

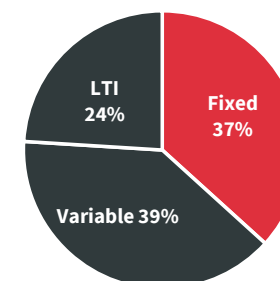
No supplementary pension scheme for the CEO

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



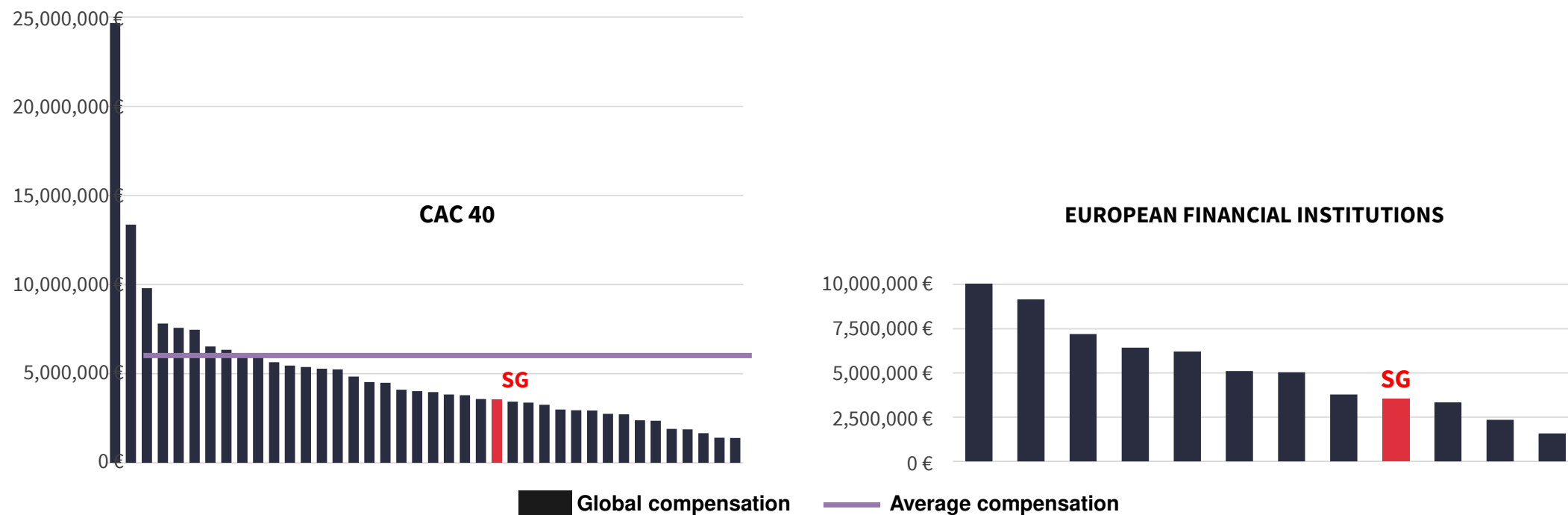
2019 FIXED COMPENSATION	€1,300,000	
ANNUAL VARIABLE REMUNERATION FOR 2019	€1,387,152 <small>(including 277,430 € payable in 2020 and the balance deferred for 3 years)</small>	<p>Targets achieved result in eligibility for 79.0 % of the variable compensation</p> <ul style="list-style-type: none"> 70.6 % of quantitative objectives achieved 91.7 % of qualitative objectives achieved
LONG-TERM INCENTIVE	€850,000	<p>Shares or equivalent awarded in 2 installments of 4 and 6 years</p> <p>Acquisition subject to Group profitability, growth of profitability for shareholders (TSR) and CSR performance</p>
TOTAL	€3,537,152	

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.

CHIEF EXECUTIVE OFFICER REMUNERATION

Comparison with CAC 40 Companies and Financial Institutions in Europe

Global compensations 2019



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

SAY ON PAY EX POST 2019 COMPENSATION DEPUTY CHIEF EXECUTIVE OFFICERS

	PHILIPPE AYMERICH	SÉVERIN CABANNES	PHILIPPE HEIM	DIONY LEBOT
2019 FIXED COMPENSATION	€800,000	€800,000	€800,000	€800,000
ANNUAL VARIABLE REMUNERATION FOR 2019	€755,136 (incl. 151,027 € payable in 2020 and the balance deferred for 3 years)	€580,520 (incl. 116,104 € payable in 2020 and the balance deferred for 3 years)	€762,680 (incl. 152,536 € payable in 2020 and the balance deferred for 3 years)	€727,904 (incl. 145,581 € payable in 2020 and the balance deferred for 3 years)
LONG-TERM INCENTIVE	€570,000	€570,000	€570,000	€570,000
PENSION CONTRIBUTION (ART. 82)	€51,032	€22,284	€51,032	€49,501
TOTAL	€2,176,168	€1,972,804	€2,183,712	€2,147,405

Targets reached giving right to variable remuneration:

- 82.1 % for Ph. AYMERICH
- 63.1 % for S. CABANNES
- 82.9 % for Ph. HEIM
- 79.1 % for D. LEBOT

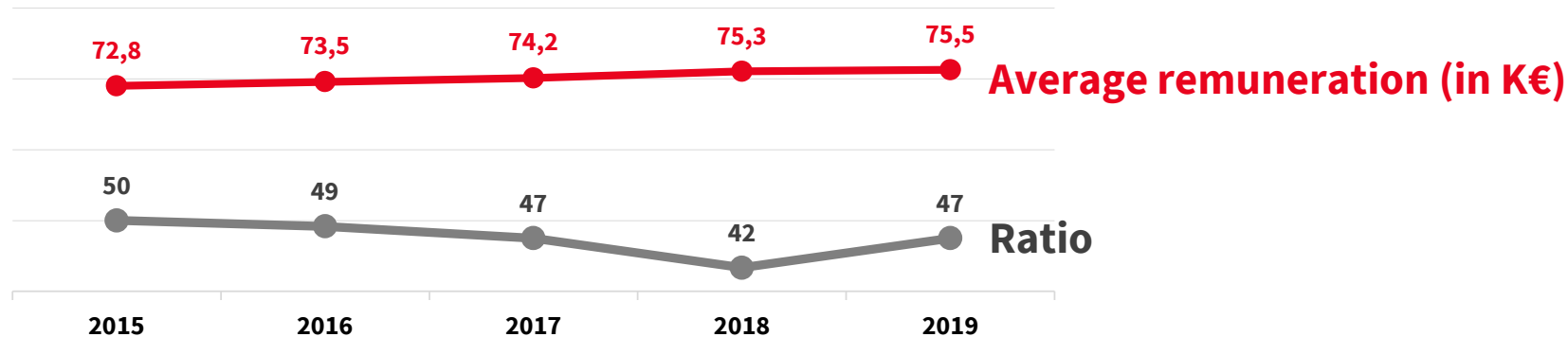
Shares or equivalents awarded in 2 installments of 4 and 6 years
Acquisition subject to Group profitability, growth of profitability for shareholders (TSR) and CSR performances

Contribution into supplementary defined contribution pension scheme for 2019
Amount determined according to the performance rate of the annual variable remuneration

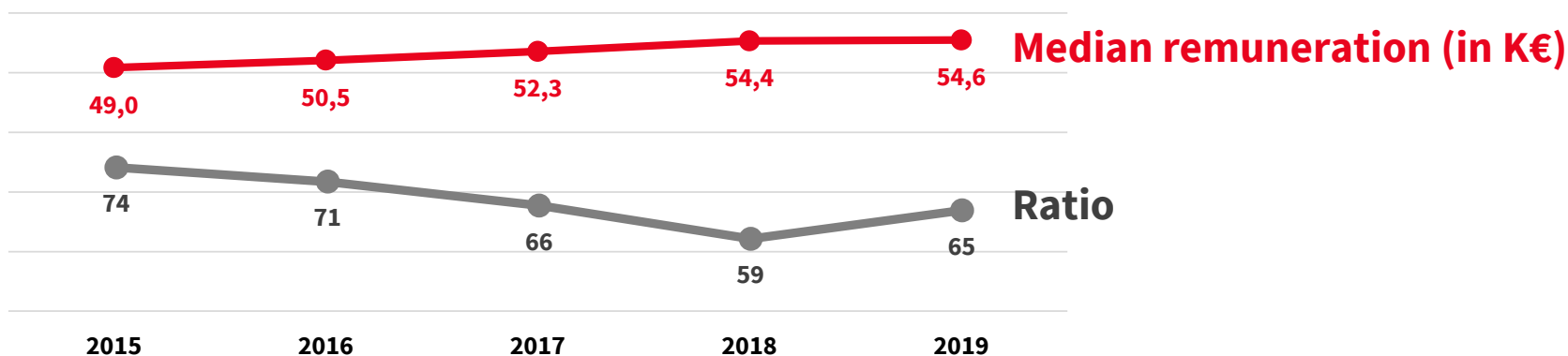
Director's fees included in variable remuneration; D-CEOs are provided with a company car, and benefit from Valmy pension as well as the death and disability scheme, with guarantees and contribution rates that are aligned with those of the staff.

SAY ON PAY EX POST CHIEF EXECUTIVE OFFICERS PAY RATIOS 2015 - 2019

Chief Executive Officer – Ratio to employee average remuneration



Chief Executive Officer – Ratio to employee median remuneration



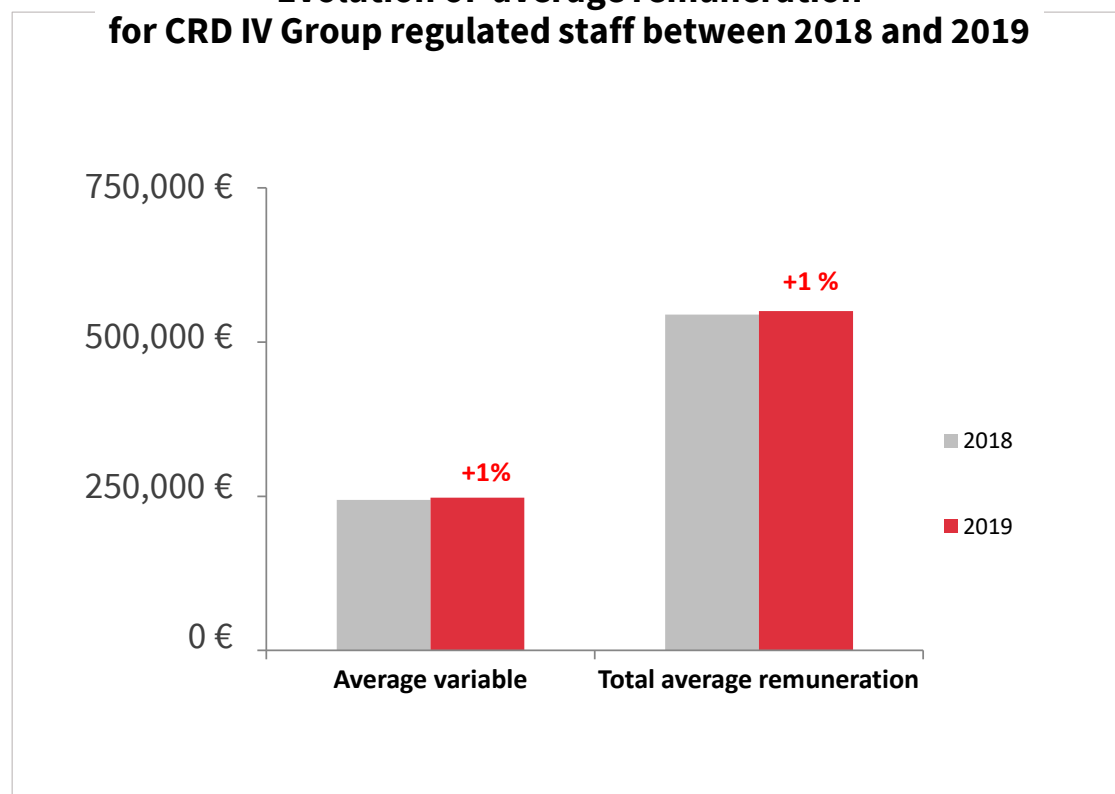
COMPLYING WITH CRD IV REGULATION ON COMPENSATION

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



DISCLAIMER

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.

**THE FUTURE
IS YOU**



**SOCIÉTÉ
GÉNÉRALE**