

SUSTAINABLE AND RESPONSIBLE BANKING

ESG ROADSHOW

LORENZO BINI SMAGHI, CHAIRMAN SOCIETE GENERALE

8th-9th December 2020

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

CONTENTS

1

EXECUTIVE SUMMARY

› p3

2

CORPORATE GOVERNANCE

› p13

3

REMUNERATION POLICY

› p21

APPENDICES p24:

Appendix 1

CULTURE & CAPITAL AND HUMAN CAPITAL

› p26

Appendix 2

SUSTAINABLE & RESPONSIBLE FINANCE

› p33

Appendix 3

E&S RISK MANAGEMENT

› p43

Appendix 4

CYBER SECURITY & ARTIFICIAL INTELLIGENCE

› p48

Appendix 5

REMUNERATION

› p52

1

EXECUTIVE SUMMARY

SELECTED 2020 HIGHLIGHTS: PREPARING FOR THE FUTURE

STRENGTHENING ORGANISATION

Renewed management team (p5)

Corporate purpose defined (p8)

Identified CSR as a key pillar of next strategic plan

Full implementation of the Responsible Commitments Committee established in 2019 (p7)

Extensive deployment of CSR training programmes

Second climate disclosure report published (p12)

ANTICIPATING NEW DEVELOPMENTS

Voluntary participation in ACPR and EBA climate stress tests in 2020-21 (p11)

Participation in various EU sustainable finance consultations (p11)

« Future of work » consultation with staff, reflecting on future working environments

INTEGRATING CSR IN BUSINESS ACTIVITY

Leader in the energy transition (p9 and p36 - 41)

- _ Accelerated exit of coal (p38-40)
- _ New target to align oil & gas activities (p38)
- _ Publication of a common methodology to align credit portfolios with the goals of the Paris Agreement (p37)

Leader in sustainable mobility

- _ ALD strategic plan *Move 2020-2025* : target 30% of new car deliveries to be electric by 2025

Integrating in research

- _ From January 2020 all SG Equity research integrates ESG analysis

Building the retail bank of tomorrow

- _ First retail bank to offer a complete range of SRI funds and Environmental solutions, through open architecture
- _ Acquisition of Shine, a responsible neobank for SMEs in France

RENEWED MANAGEMENT TEAM

ACCELERATE THE TRANSFORMATION OF THE BUSINESSES AND PREPARE THE NEW STRATEGIC PLAN



* Societe Generale and Crédit du Nord networks and the related Innovation, Technology and IT Service Unit

**NEW ORGANISATION
APPROVED BY
BOARD**

**2 Deputy CEOs,
instead of 4**

**New roles of Deputy
General Manager to
entrust a new
generation of high-
potential managers**

MANAGEMENT COMPETENCIES AND EXPERIENCE

Diony LEBOT

- Deputy CEO in charge of control functions since May 2018, appointed additional supervision in August 2020 to include: risk, compliance, internal control, financial services, insurance and sponsor of the Group's Corporate and Environmental Responsibility
- Strong experience over 30 years in various Corporate and Investment Banking and Risk activities in France and internationally :
 - Joined the Group in 1986 holding several positions in Structured Finance, Financial Engineering and as Head of Asset Finance
 - 2004: appointed Head of Corporate Coverage in Europe
 - 2007: appointed CEO of SG Americas and member of SG Group Management Committee
 - 2012: appointed Deputy Head of Coverage and Investment Banking and CEO for Global Banking and Investor Solutions Western Europe
 - 2015: appointed Deputy CRO and then Group Chief Risk Officer in 2016

Philippe AYMERICH

- Deputy CEO in charge of French Retail Banking activities and Group Resources since May 2018; supervision extended in August 2020 to all international retail and consumer credit activities
- Diversified background within SG Group for more than 30 years:
 - Joined the Group in 1987 as Inspector at the Group's HQ in Paris
 - Joined SGCIB in 1997 as Deputy Managing Director of SG Spain in Madrid
 - 1999 to 2004: Deputy COO in New York and from 2000 COO for SG Americas
 - 2004: appointed Head of the Automotive, Chemicals & General Industries Group in the Corporate & Institutions Division of SGCIB
 - 2006: appointed Deputy Chief Risk Officer for SG Group
 - 2012: appointed Chief Executive Officer of Credit du Nord

William KADOUC-CHASSAING

- Deputy General Manager, Head of Finance from August 2020
- Group CFO since May 2018
- Started career as an academic and civil servant.
- Joined JP Morgan in 1996, as a market economist and strategist, then M&A and relocating to London in 2000, responsible for the coverage of media groups in Continental Europe.
- 2007: joined SGCIB as a Senior Banker
- 2013: appointed Deputy CFO and Head of Group Strategy, becoming a member of the Group's General Management Committee

Slawomir KRUPA

- Deputy General Manager, Head of Global Banking and Investor Solutions globally, from January 2021
- Began career in 1996 as an Inspector within SG's Inspection dpt.
- 1999: left SG to found and run an internet start-up in e-finance
- 2002: rejoined the Group in the Inspection department
- 2007: appointed Chief of Staff for SGCIB
- 2009: appointed Head of Strategy & Corporate Development and CEO of CEEMEA for SGCIB.
- 2012: Deputy Head of Global Finance, in addition to regional responsibilities enlarged in 2013 to include private banking, asset management & securities services.
- Appointed CEO for SG Americas in 2016, in charge of Global Banking and Investors Solutions for the region.

Sébastien PROTO

- Deputy General Manager, Head of the SG and Crédit du Nord networks and the related Innovation, Technology and IT Service Unit, effective 01/09/20
- Joined SG as Head of Group Strategy in Sept.2018.
- Began career in the French Government's Inspectorate General of Finances, before becoming Chief of Staff for the Minister of Budget, Public Accounts and Civil Service (2007-2009), Chief of Staff to the Minister of Labour, Solidarity and Public Service (2010) and Chief of Staff of the Minister of Budget, Public Accounts and State Reform (2011-2012).
- Managing Partner at Rothschild & Cie between 2013 and 2018.

GOVERNANCE AND ACCOUNTABILITY OF RESPONSIBLE BANKING



THE BOARD

Approves CSR strategy and risk appetite;

Oversees CSR KPIs on the basis of a broad range of dashboards



GENERAL MANAGEMENT

Reviews CSR strategy and related risks and opportunities



RESPONSIBLE COMMITMENTS COMMITTEE

Validates new group CSR commitments and reviews high risk matters on CSR, ethics and reputation
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 CSR 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



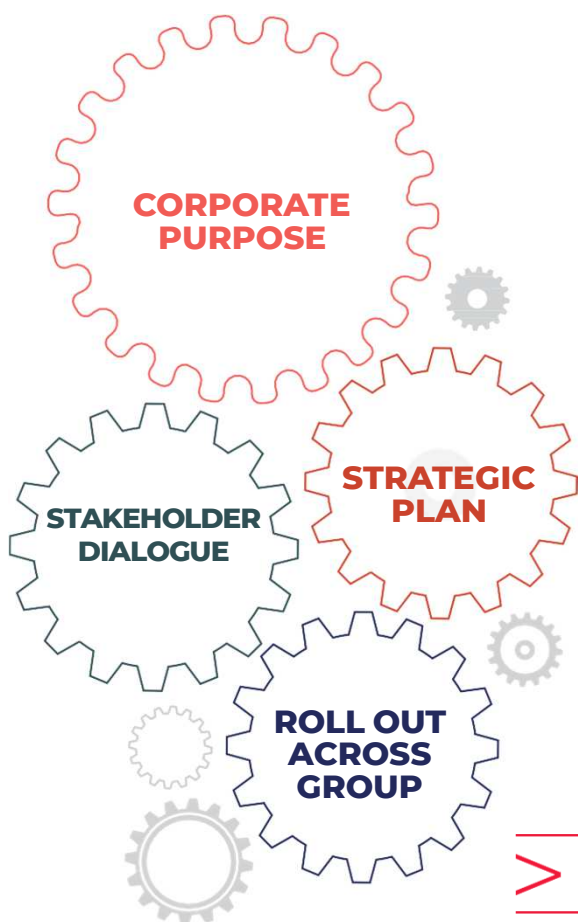
EXTENSIVE DEPLOYMENT OF TRAINING PROGRAMMES:

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

A CORPORATE PURPOSE APPROVED BY THE BOARD THAT GUIDES OUR STRATEGIC PLAN



OUR CORPORATE PURPOSE

Clarification of the Group Corporate Purpose, approved by the Board in January 2020

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

STAKEHOLDER DIALOGUE

- Corporate Purpose drew on 85,000 contributions from staff worldwide
- Currently, 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 Strategic Plan:
– CSR
– Clients
– Efficiency

– Conclusions of the Materiality exercise will update the CSR strategy, with Board validation

ROLL OUT ACROSS GROUP

– All Business and Service Units integrating CSR in their operational models

– Integration of CSR into the strategic plan presented by each business line during their annual Strategic Steering Committee



SUSTAINABLE VALUE CREATION FOR ALL STAKEHOLDERS

NEW STAGE IN ENERGY TRANSITION

Please refer to appendices p36 -41 for more detail



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



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

CONTINUING TO APPLY RESPONSIBLE COMPENSATION PRACTICES

EXECUTIVE MANAGEMENT

LONG-TERM INCENTIVES

CSR performance condition 20% of the award, of which:

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

EXECUTIVE MANAGEMENT & MANAGEMENT COMMITTEE

VARIABLE REMUNERATION:

For Executive Management:

- _ Achievement of **CSR** targets in line with Strategic Plan, **Human Resources** management and good operational management of the **Covid crisis**
- _ For all qualitative and quantitative criteria see p105 URD

For all, alignment with collective Group targets:

- _ Employee Commitment Rate
- _ Client Satisfaction: Net Promoter Score
- _ External Group ESG Ratings (SAM, Sustainalytics, MSCI)
- _ Financial performance

The CEOs announced that they will give 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

ALL STAFF

ANNUAL EVALUATION:

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

ACTIVE IN SUPPORTING REGULATORY DEVELOPMENTS

SUSTAINABLE FINANCE IS A PRIORITY FOR THE EUROPEAN UNION

European Commission: Action Plan on Financing Sustainable Growth

European Banking Authority: 2025 roadmap on Sustainable Finance

ACTIVE PARTICIPATION IN CONSULTATIONS

_ SG is an active participant in various public consultations launched by the European Commission, including:

- **EU Taxonomy (parts 1 and 2)**
- **The review of the Non-Financial Reporting Directive**
- **EU Green Bond Standards**
- **Renewed sustainable finance strategy (roadmap with new actions)**
- **The green asset ratio (initial impact assessment)**

by the EBA:

- **First consultation on technical standard updates for ESG disclosure in Pillar 3 (October 2020)**
- **First consultation on ESG risks integration into the SREP (Pillar 2) launched (for comments by February 2021)**

_ Internal monthly **Sustainable Finance Working Group** monitors all regulatory developments and contributes to define positions tailored to business units' needs

VOLUNTARY PARTICIPATION IN CLIMATE STRESS TESTS

_ **Voluntary participation** to sensitivity exercises on climate risk launched by the French Authority for Prudential Control (ACPR) and the European Banking Authority (EBA)

_ Stress tests are exploratory pilot exercises and **do not aim at implementing new capital charges**

_ **ACPR approach:**

- 3 climate scenarios focused on transition risks to 2050
- impact on credit and market risks assessed with a geographical view (4 regions)
- sector approach on corporates (zoom on 20 sensitive sectors)
- 1Q21 results to be published (on an aggregate, anonymous basis)

_ **EBA approach:**

- Data collected relative to EU FY19 large corporate exposures including *best efforts* Taxonomy application
- EBA to perform calculations
- No scenario used : shocks performed on credit
- 1Q21 results to be published (on an aggregate, anonymous basis)

SELECTED REPORTS FOR FURTHER READING

> CLIMATE DISCLOSURE REPORT

<https://www.societegenerale.com/sites/default/files/documents/2020-10/climate-disclosure-report-20201027.pdf>

> PACTA METHODOLOGY REPORT (aligning credit portfolios with Paris Agreement)

<https://2degrees-investing.org/wp-content/uploads/2020/09/Katowice-Banks-2020-Credit-Portfolio-Alignment.pdf>

> SUSTAINABLE AND POSITIVE IMPACT BOND FRAMEWORK

https://www.societegenerale.com/sites/default/files/documents/Notations%20Financi%C3%A8res/sg_sustainable_and_positive_impact_bond_framework_june_2020.pdf

> INTEGRATED REPORT

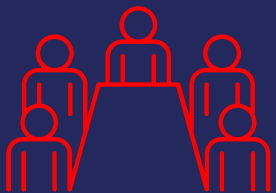
https://www.societegenerale.com/sites/default/files/documents/Rapport-integre/2020/irsg2020_eng_web.pdf

> LYXOR CLIMATE POLICY

<https://www.lyxor.com/en/lyxor-climate-policy-2020-en>

2 **CORPORATE GOVERNANCE**

SNAPSHOT OF SG BOARD



Key changes for 2021:

- Addition of 1 new seat representing shareholder employees : elected by shareholder employees and appointed at AGM
- Renewal of 3 directors: Mr Connelly, Ms Rochet, Ms Schaapveld
- Replacement of 3 directors:
 - M. Levy
 - 2 directors representing the employees, elected by employees

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): **6**

- Member of Executive Board of ECB (2005 to 2011),
- 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): **11**

- 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): **3**

Board Committee: Risk (**Chair**); Nomination & Corporate Governance

- 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): **2**

Board Committee: Audit & Internal Control; Compensation

- 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): **2**

Board Committee: Audit & Internal Control

- 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): **9**

Board Committee: Audit & Internal Control; Risk

- 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): **11**

Board Committee: Compensation (**Chair**); Nomination & Corporate Governance

- 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): **5**

Board Committee: Nomination & Corporate Governance (**Chair**); Compensation

- 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 : **2024**

Spanish

Tenure (yrs): **4**

Board Committee: Compensation; Risk

- 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): **7**

Board Committee: Audit & Internal Control (**Chair**); Risk

- 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**

Board Committee: Audit & Internal Control; Risk

- 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): **3**

Board Committee: Nomination & Corporate Governance

- 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 Committee of L'Oréal since 2014,
- Member of the Board of Directors of Founders Factory Ltd since 2016.



**David
LEROUX**

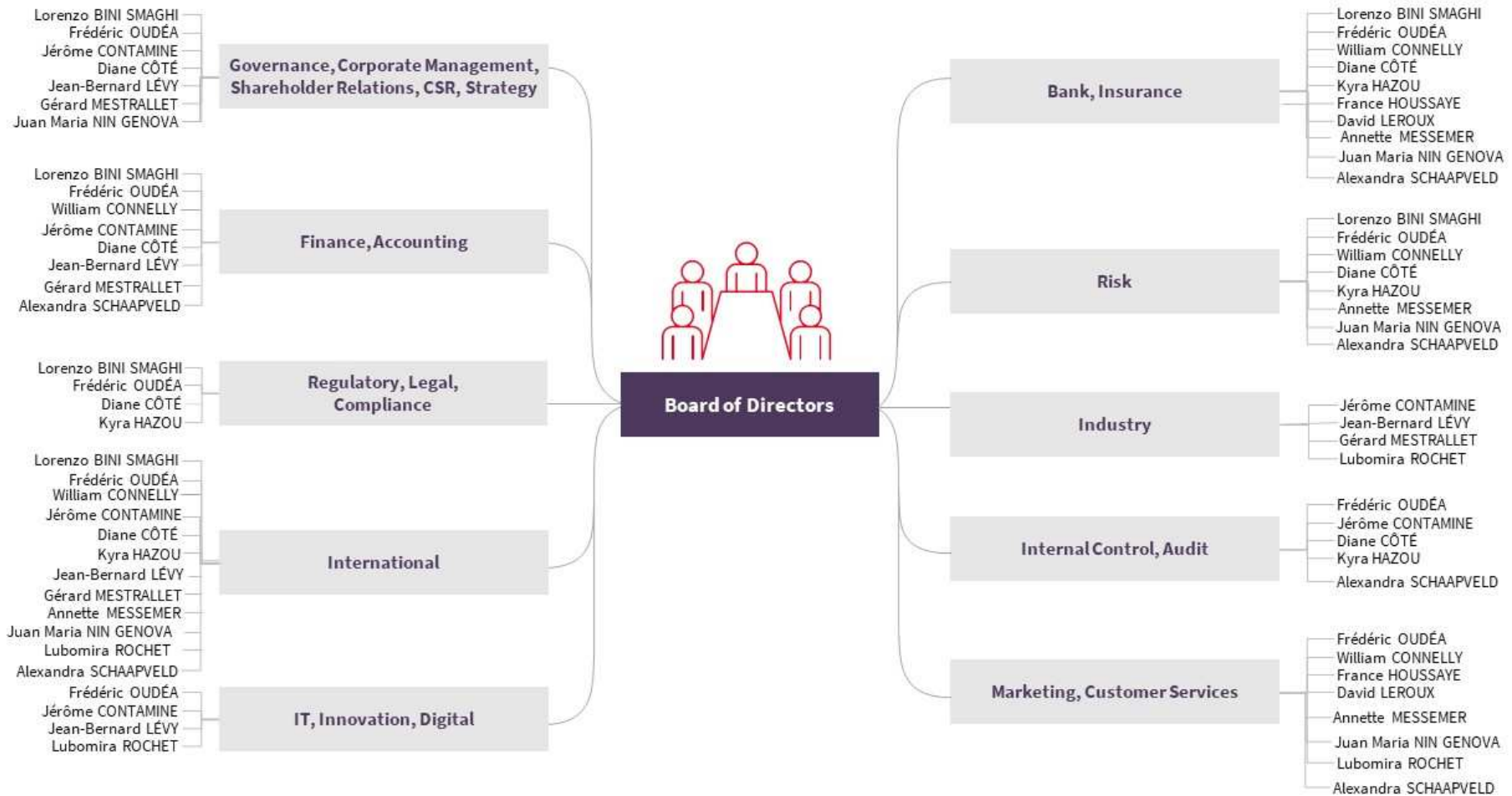
First appointment **2018**
Term : **2021**

French

Tenure (yrs): **2**

- SG employee since 2001

DIRECTOR COMPETENCIES AND EXPERIENCE (3/3)



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.

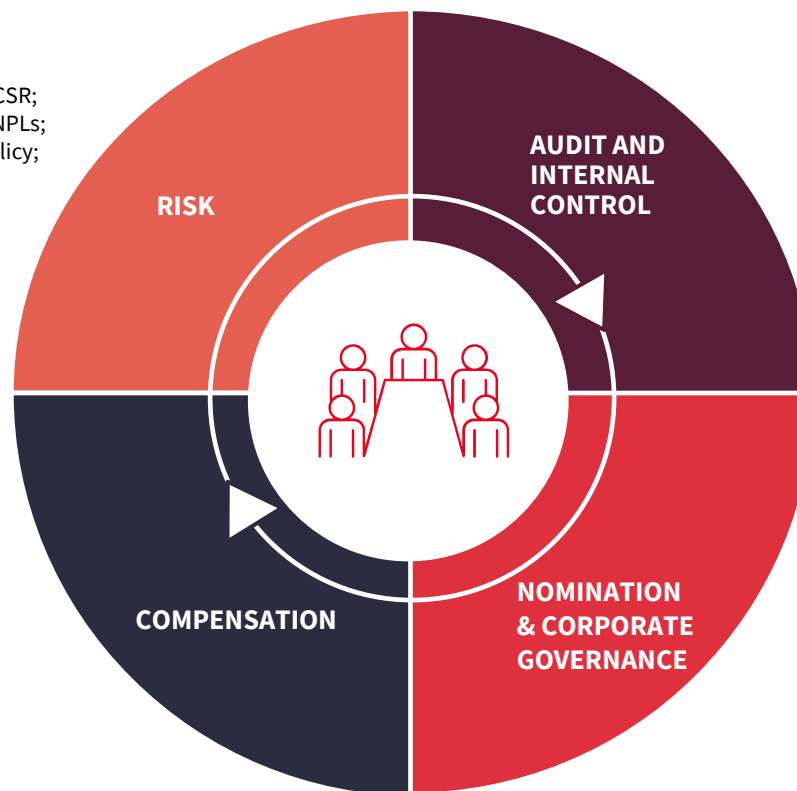
As US Risk Committee, it met 9 times to validate the risk appetite of the US operations, supervise risk policies; follow up of remediation plans.

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.

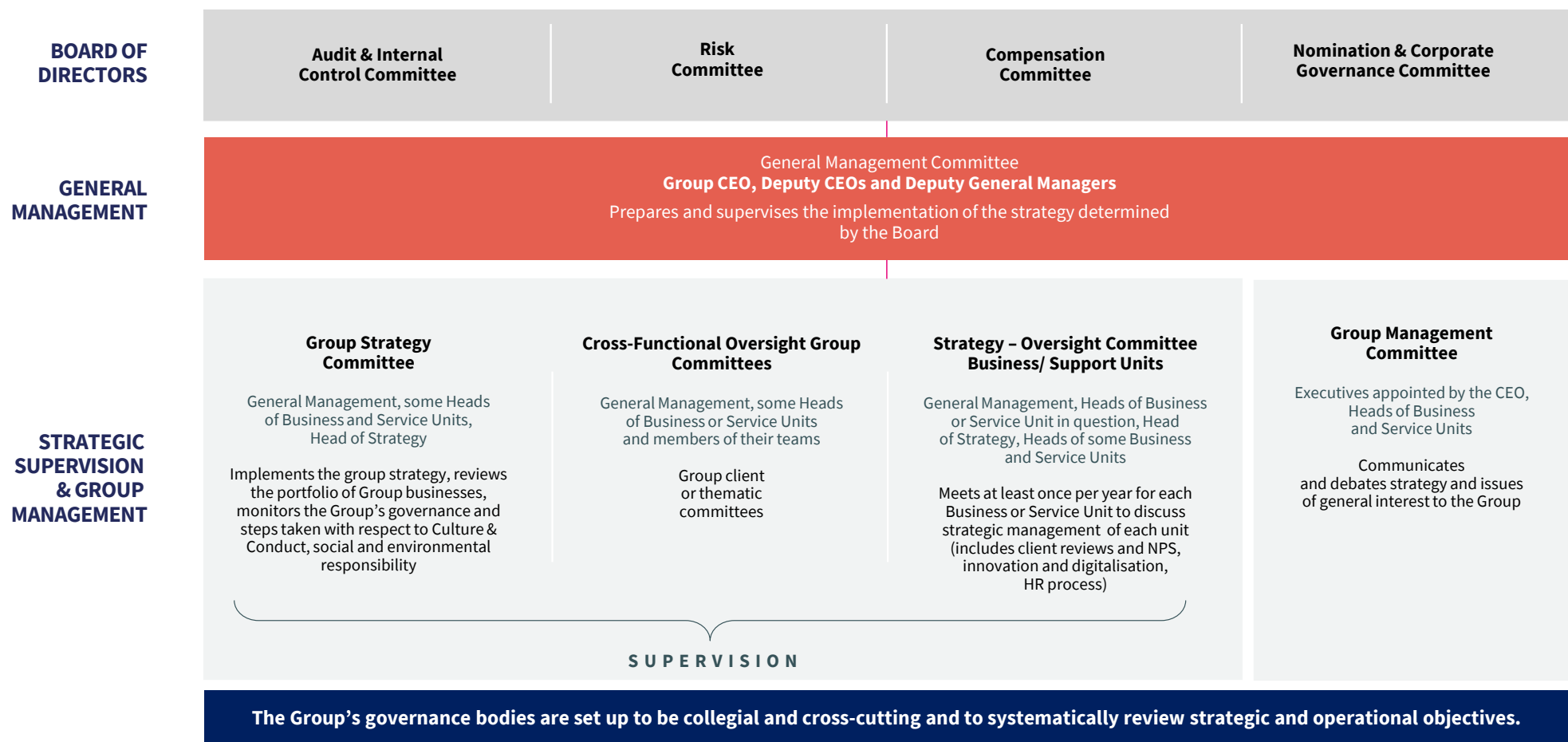
2019: met 10x; attendance rate 98%

4 INDEPENDENT DIRECTORS

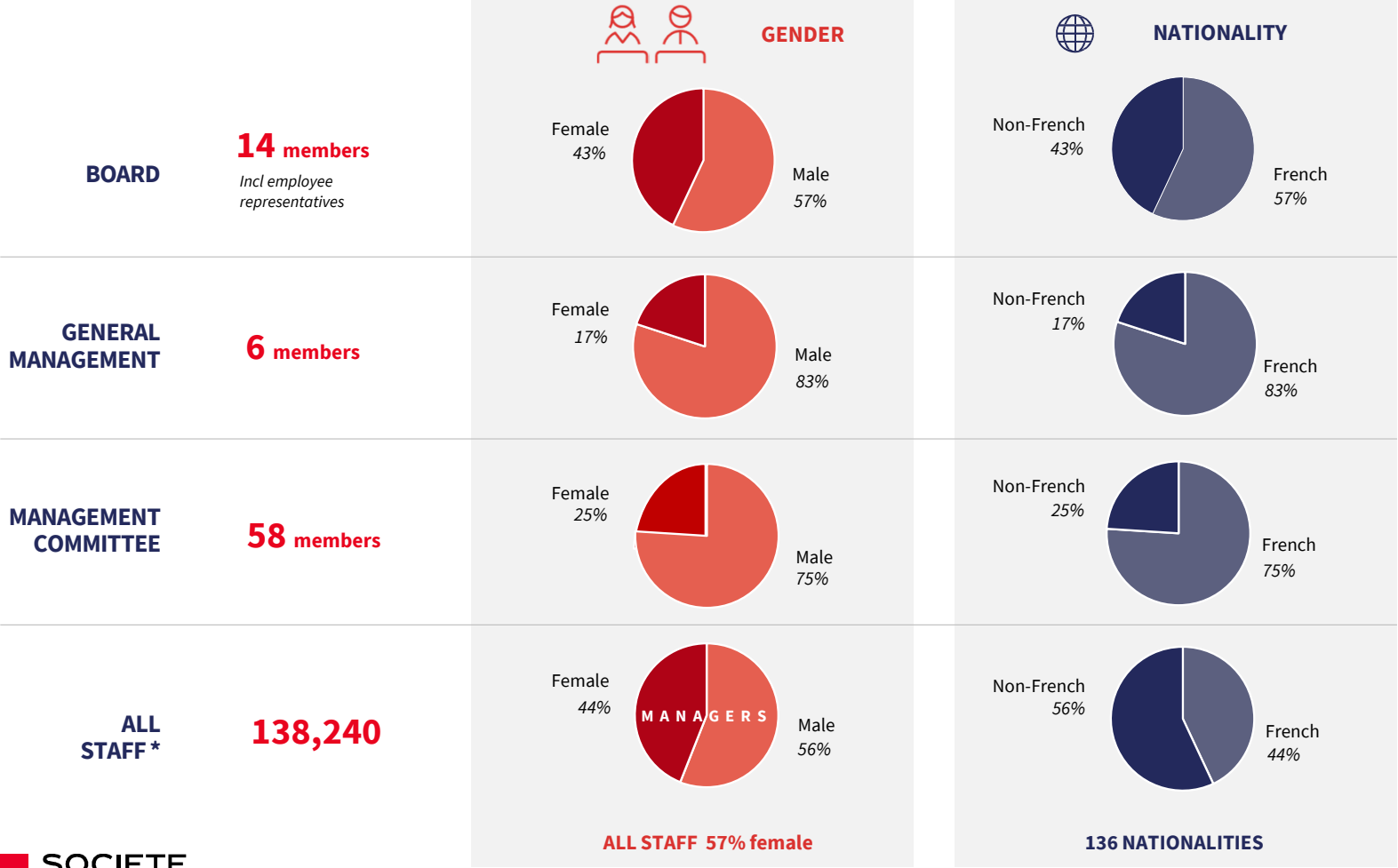
Prepares the appointment of new directors and succession of General Management; reviews the succession plans of the Business and Service Units; prepares resolutions for General Meeting; examines Internal Rules of the Board; prepares annual internal evaluation of Board; and assesses the independence of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

2019: met 6x; attendance rate 100%

GROUP GOVERNANCE, OVERSIGHT AND MANAGEMENT STRUCTURE



DIVERSITY AT SOCIETE GENERALE...



3 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

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

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

	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
2018 Financial year: TSR** condition: 100% of the award	TSR 80% of the award & more demanding TSR payout (above median only) CSR 20% of the award, of which: <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

APPENDICES

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

APPENDIX 1

CULTURE & CONDUCT AND HUMAN CAPITAL

ANCHORING A CULTURE OF RESPONSIBILITY



CULTURAL TRANSFORMATION:

Reinforcing a **speak-up culture**: new **whistleblowing** system introduced end-2018

Ethical reasoning tools and training



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

96% 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 regularly by the **Risk Committee** and Executive Management

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

A **new quarterly committee**, chaired by the CEO, was created in 2020 to allow General Management to continue to follow the Group's progress on Culture and Conduct while giving business and service units greater visibility and responsibility

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 »

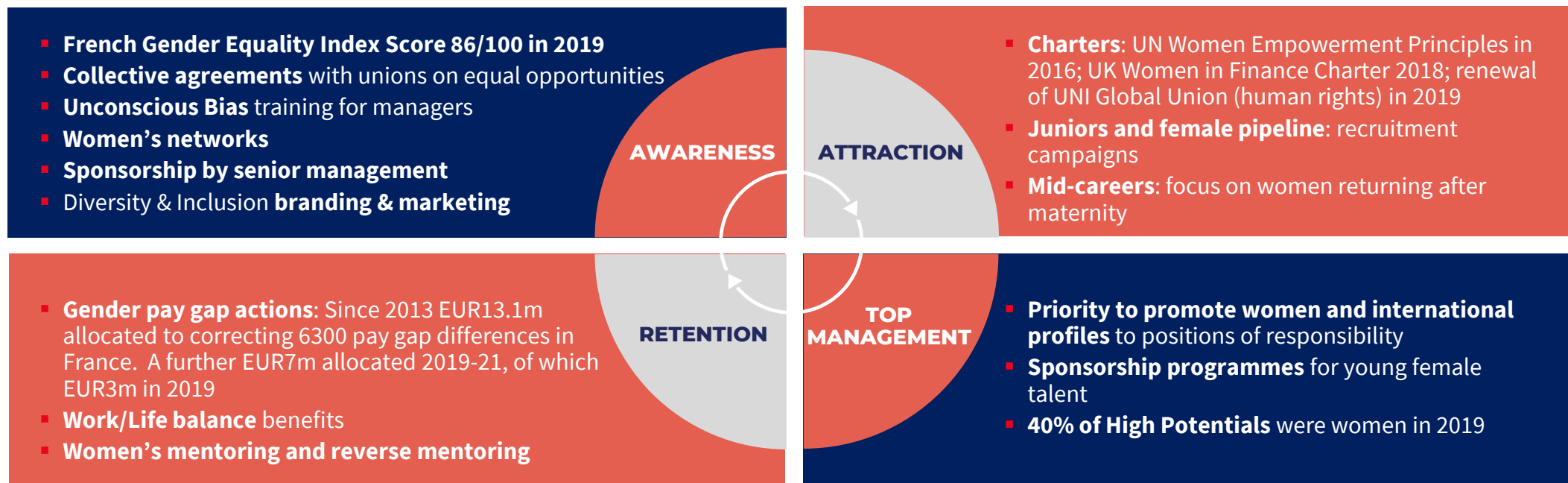
27 selected p.a. with internal and external assessments
 Internal mentoring by a Management Committee member
 External agency assesses values and development plans

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

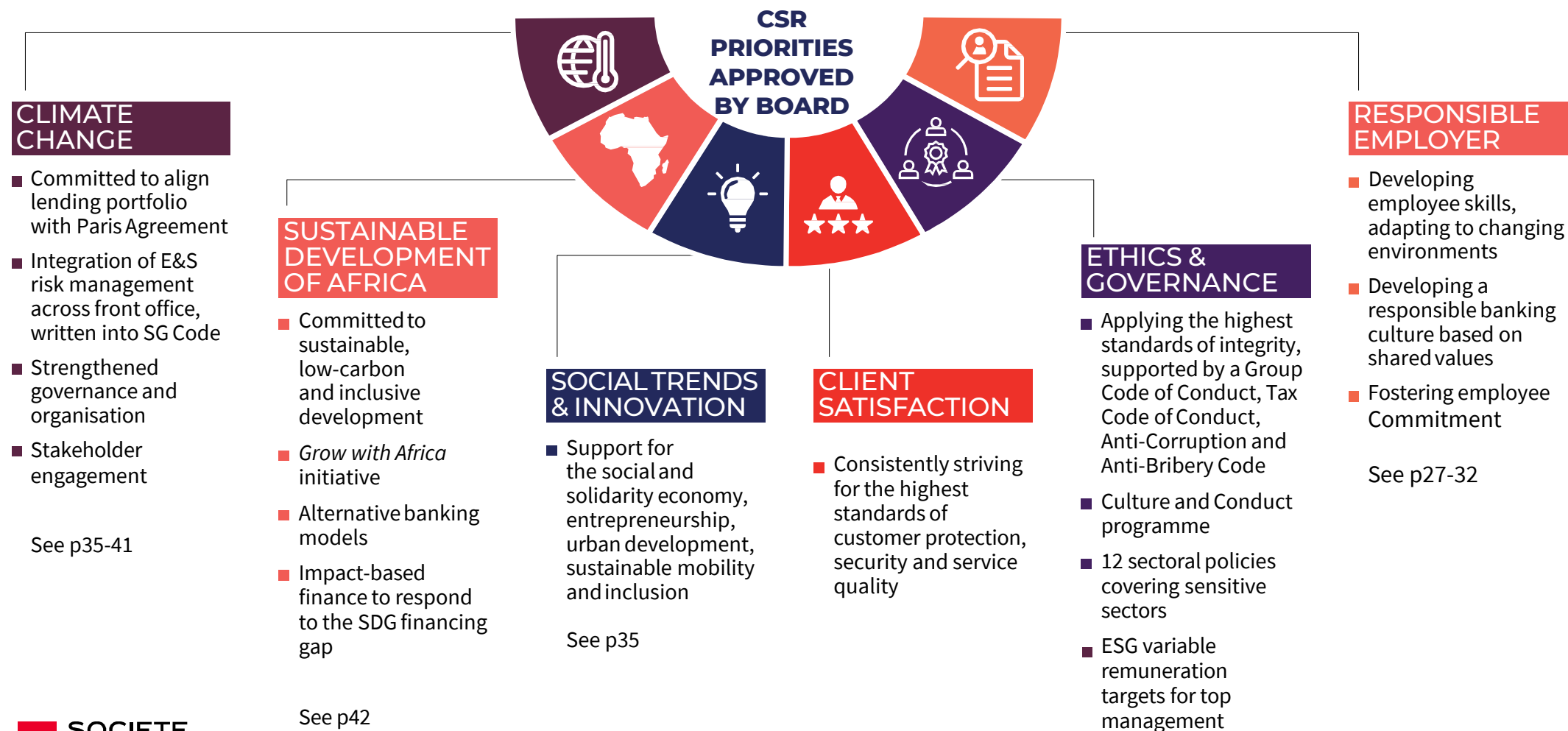


Global Compact
Network UAE

APPENDIX 2

SUSTAINABLE & RESPONSIBLE FINANCE

SIX STRATEGIC CSR PRIORITIES: "TRANSFORM TO GROW"



COMPREHENSIVE AND INTEGRATED VALUE CREATION



DEFINING THE WAY WE DO BUSINESS

SATISFY AND PROTECT OUR CUSTOMERS

—

BE A RESPONSIBLE EMPLOYER

—

ACHIEVE THE HIGHEST STANDARDS OF SERVICE QUALITY, INTEGRITY AND BEHAVIOUR

TO DELIVER STRONG PERFORMANCE AND CREATE A POSITIVE IMPACT

CLIMATE LEADERSHIP

Selected Examples:

Be a leader in the energy transition:

- New action in coal, oil & gas sectors to accelerate climate leadership
- **EUR 120bn** target to financing the energy transition 2019-23
-  **#1 worldwide** in renewable energy financing*
- Managing direct impact through internal carbon tax on our operations**

SOCIAL CHANGE AND INNOVATION

Selected Examples:

Be a leader in sustainable mobility solutions

- ALD strategic plan *Move 2020-25* : target 30% of new car deliveries to be electric by 2025
- Commit to building the cities of tomorrow: **+EUR3bn** in financing for the Grand Paris project by 2024, in addition to EUR **2.5bn** committed since 2018
- Founding co-partner of Netexplo Smart Cities Accelerator
- LaVilleE+ launched from SG's Internal Start-Up Programme : building an ecosystem of partners needed to collaborate to build tomorrow's cities

SUSTAINABLE DEVELOPMENT IN AFRICA

Selected Examples:

Grow with Africa initiative:

- Providing access to financial services: YUP mobile money offer to Africa's poorly banked populations
- Target +60% outstanding loans to African SMEs 2018-2023 (+EUR4bn) **+25% achieved** (2018-2019)
- Target to double outstanding loans to microfinance institutions 2018- 2022 (+60% at FY19)

* Source: Infranews, YTD September 2020

** 81 000 tonnes of cumulative CO2 recurring savings avoided in the last 17 years

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

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

ACCELERATED TRANSITION TIMELINES

COAL



Towards a complete exit from coal

NO DEDICATED FINANCING of coal mines and associated infrastructure

2016

IMMEDIATE CONDITIONS:

ceasing to offer products and services (unless dedicated to 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

TODAY

FROM END-2021:

all clients with mining and power assets to have defined and communicated a transition plan aligned with SG's 2030/2040 thermal coal phase-out objective

2021

REDUCE EXPOSURE to thermal coal to zero in OECD and EU countries

2030

REDUCE EXPOSURE to thermal coal to zero worldwide

2040

OIL & GAS



Gradual reduction of exposure to oil and gas extraction sector

2017

NO NEW FINANCING of Arctic oil or oil sands

2025

REDUCE OVERALL EXPOSURE TO OIL AND GAS EXTRACTION SECTOR BY 10% BY 2025:

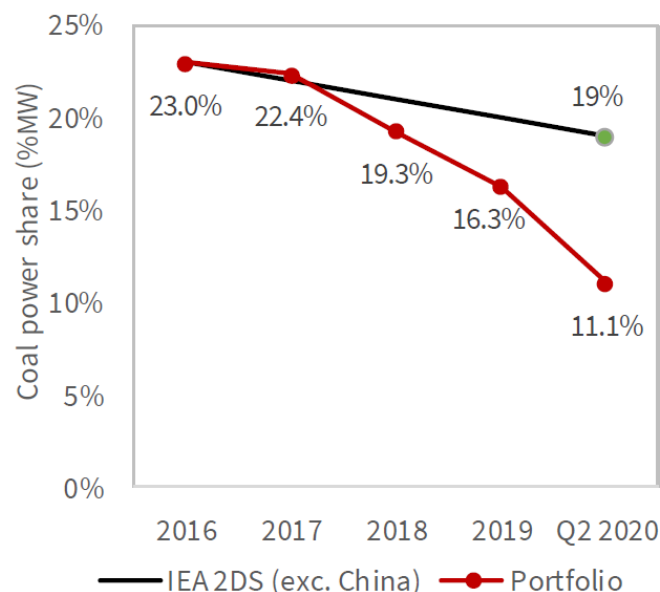
- By supporting the energy transition of our clients, through a priority of financing renewable energies and gas in the transition phase
- By stopping new financing of onshore oil & gas extraction in the US

CREDIT PORTFOLIO ALIGNMENT (PRE-2020 TARGETS)

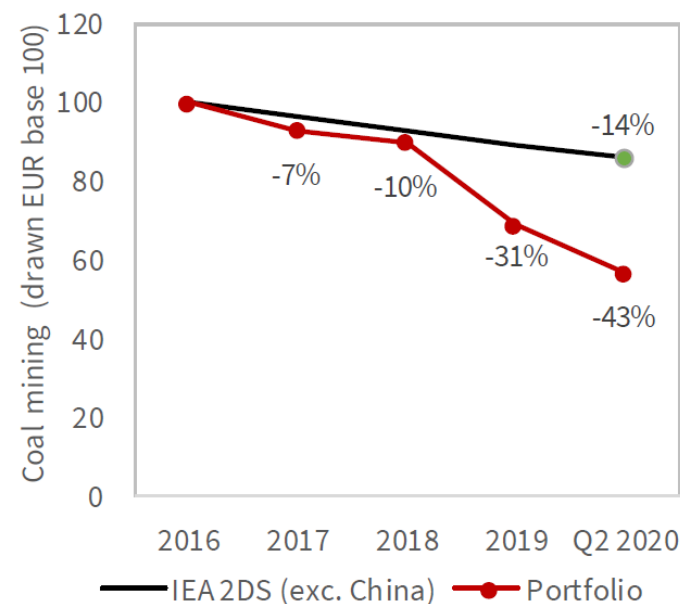
IN 2016 SOCIETE GENERALE DEVELOPED A METHODOLOGY AIMED AT MONITORING AND REDUCING ITS COAL POWER AND COAL MINING FINANCING WITH THE IEA 2DS



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)

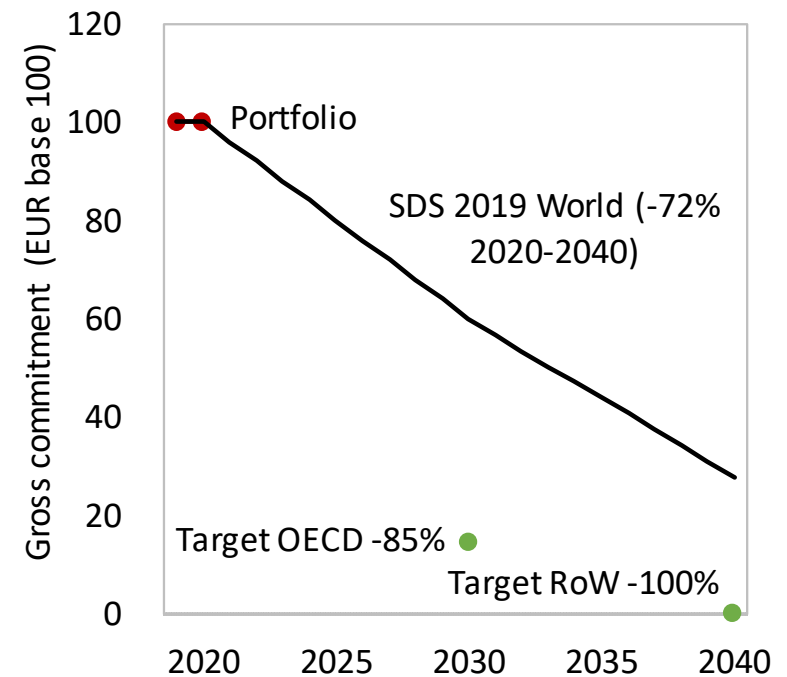
IN 2020 SOCIETE GENERALE, APPLYING THE PACTA METHODOLOGY, SETS A NEW COAL COMMITMENT SIGNIFICANTLY MORE AMBITIOUS THAN THE IEA PRODUCTION TREND



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

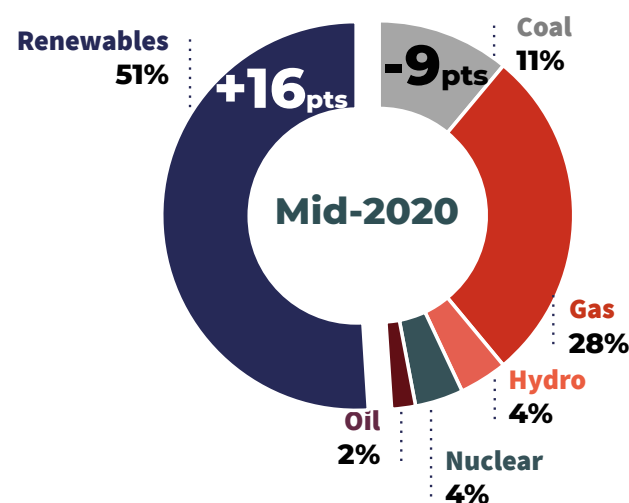
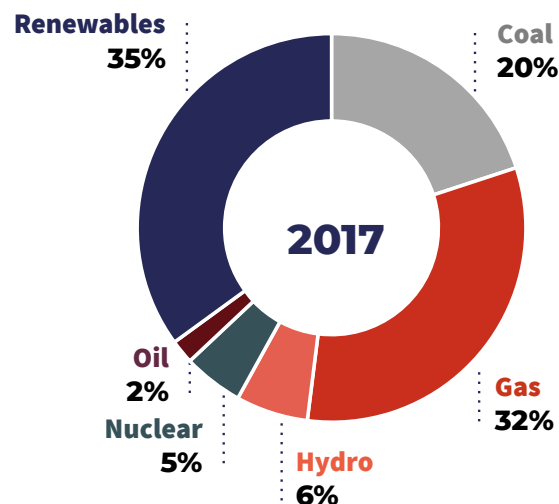
- ✓ Achieved in a 2-step approach:
 - Immediate conditions for the most exposed to thermal coal: ceasing to offer products and services, other than those dedicated to the energy transition, to companies whose revenues in thermal coal are >25% and which do not have an exit strategy from the sector, and 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)

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)

APPENDIX 3

E&S RISK MANAGEMENT

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

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



CONTEXT and COLLABORATION

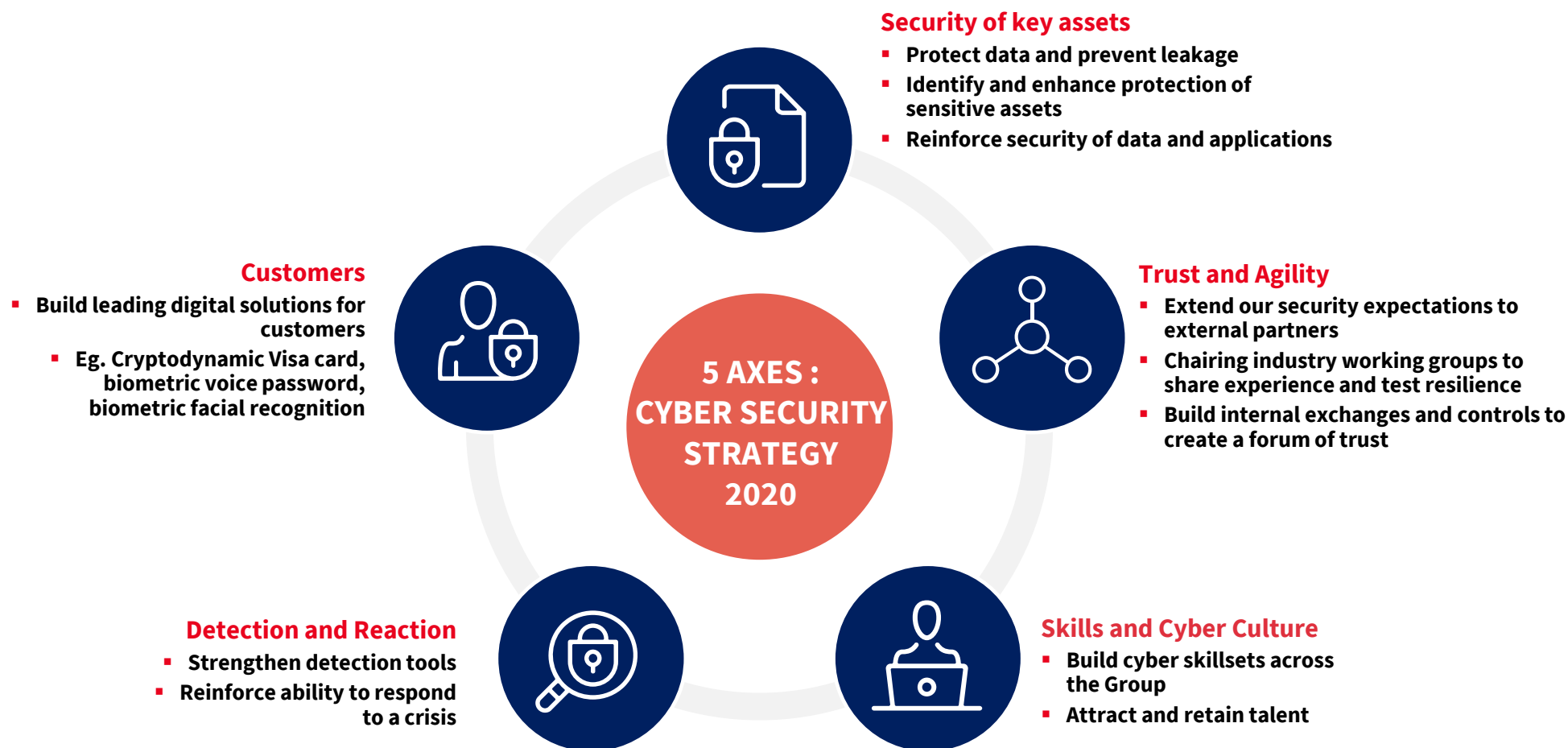
The EU regulatory framework for cyber and data security is evolving:

- 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

APPENDIX 5

REMUNERATION

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

Universal Registration Document p. 109

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**

The Board considered that, taking into account the project outlined by P. Heim at his departure, that this clause would be lifted

SEVERANCE PAY

Universal Registration Document p. 109

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

The Board considered that the conditions of severance pay in the departure of P. Heim were not met

SUPPLEMENTARY PENSION

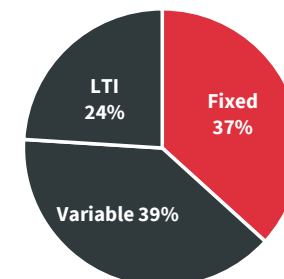
Universal Registration Document p. 108

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

SAY ON PAY EX POST 2019 COMPENSATION CHIEF EXECUTIVE OFFICER

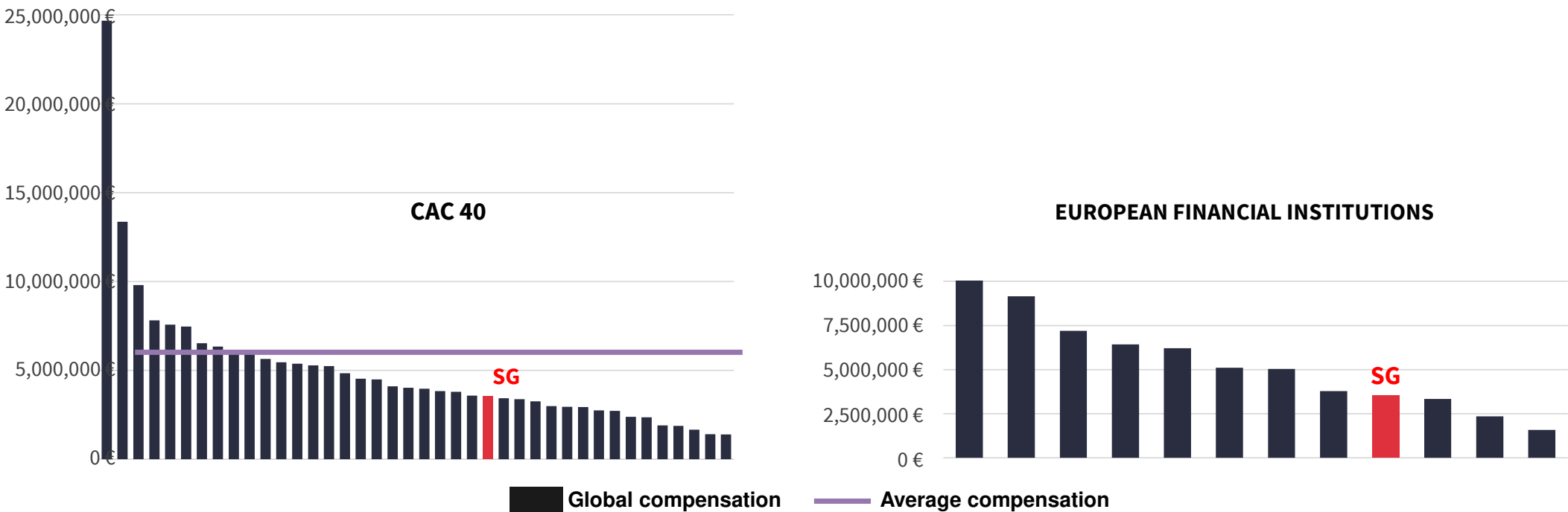


2019 FIXED COMPENSATION	€1,300,000	
ANNUAL VARIABLE REMUNERATION FOR 2019	€1,387,152 (including 277,430 € payable in 2020 and the balance deferred for 3 years)	Targets achieved result in eligibility for 79.0 % of the variable compensation <ul style="list-style-type: none"> 70.6 % of quantitative objectives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

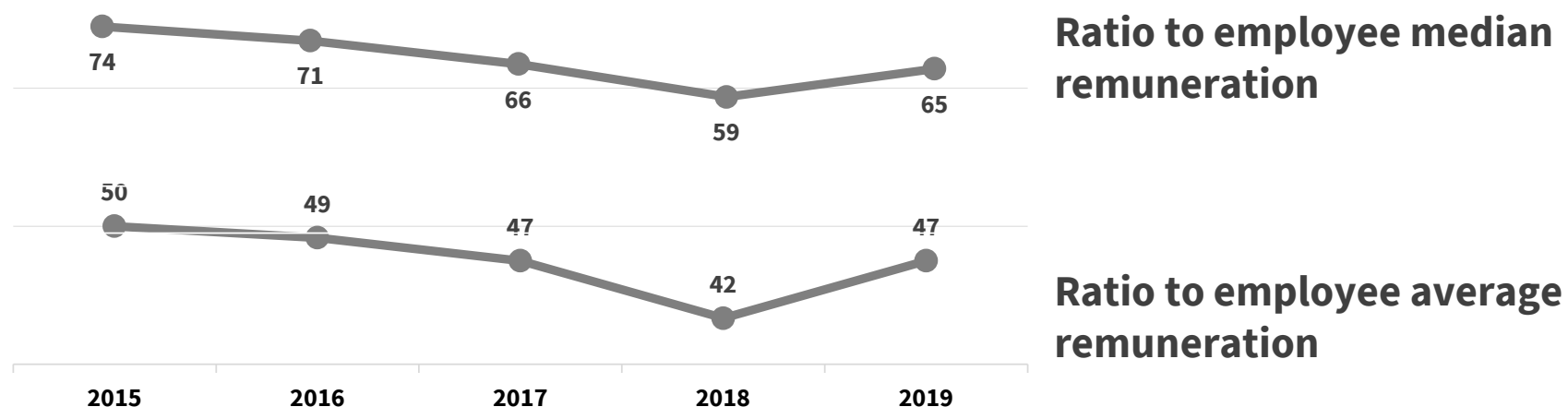
SAY ON PAY EX POST 2019 COMPENSATION DEPUTY CHIEF EXECUTIVE OFFICERS

	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)	Targets reached giving right to variable remuneration: <ul style="list-style-type: none"> 82.1 % for Ph. AYMERICH 63.1 % for S. CABANNES 82.9 % for Ph. HEIM 79.1 % for D. LEBOT
LONG-TERM INCENTIVE	€570,000	€570,000	€570,000	€570,000	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
PENSION CONTRIBUTION (ART. 82)	€51,032	€22,284	€51,032	€49,501	Contribution into supplementary defined contribution pension scheme for 2019 Amount determined according to the performance rate of the annual variable remuneration
TOTAL	€2,176,168	€1,972,804	€2,183,712	€2,147,405	

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 PAY RATIOS



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.

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