

SUSTAINABLE AND RESPONSIBLE BANKING

FIXED INCOME INVESTOR PRESENTATION

March 2021

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

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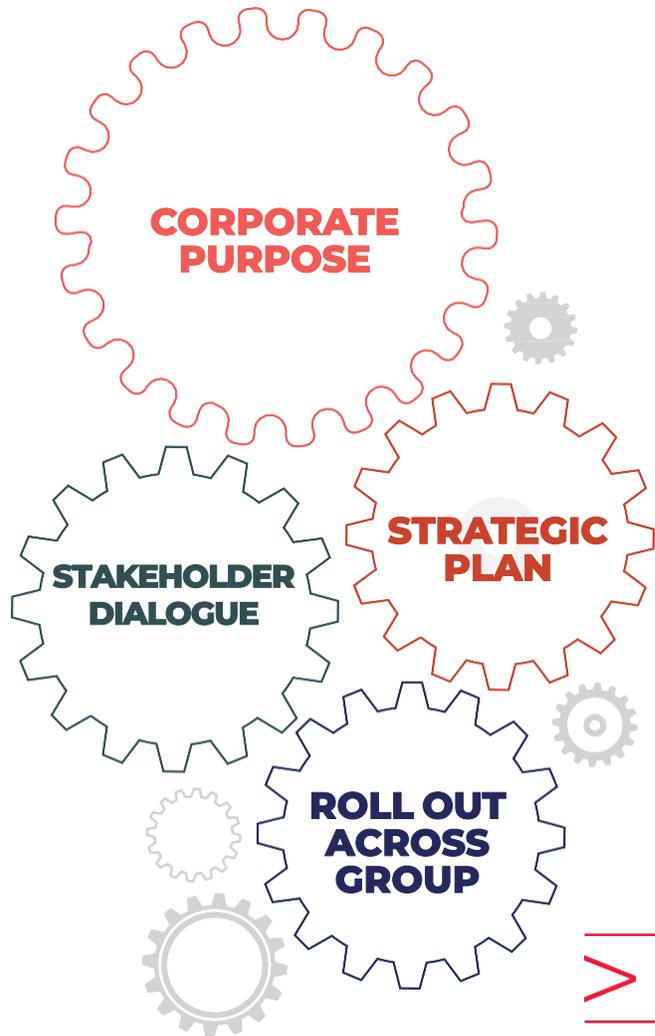
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ESG OVERVIEW

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

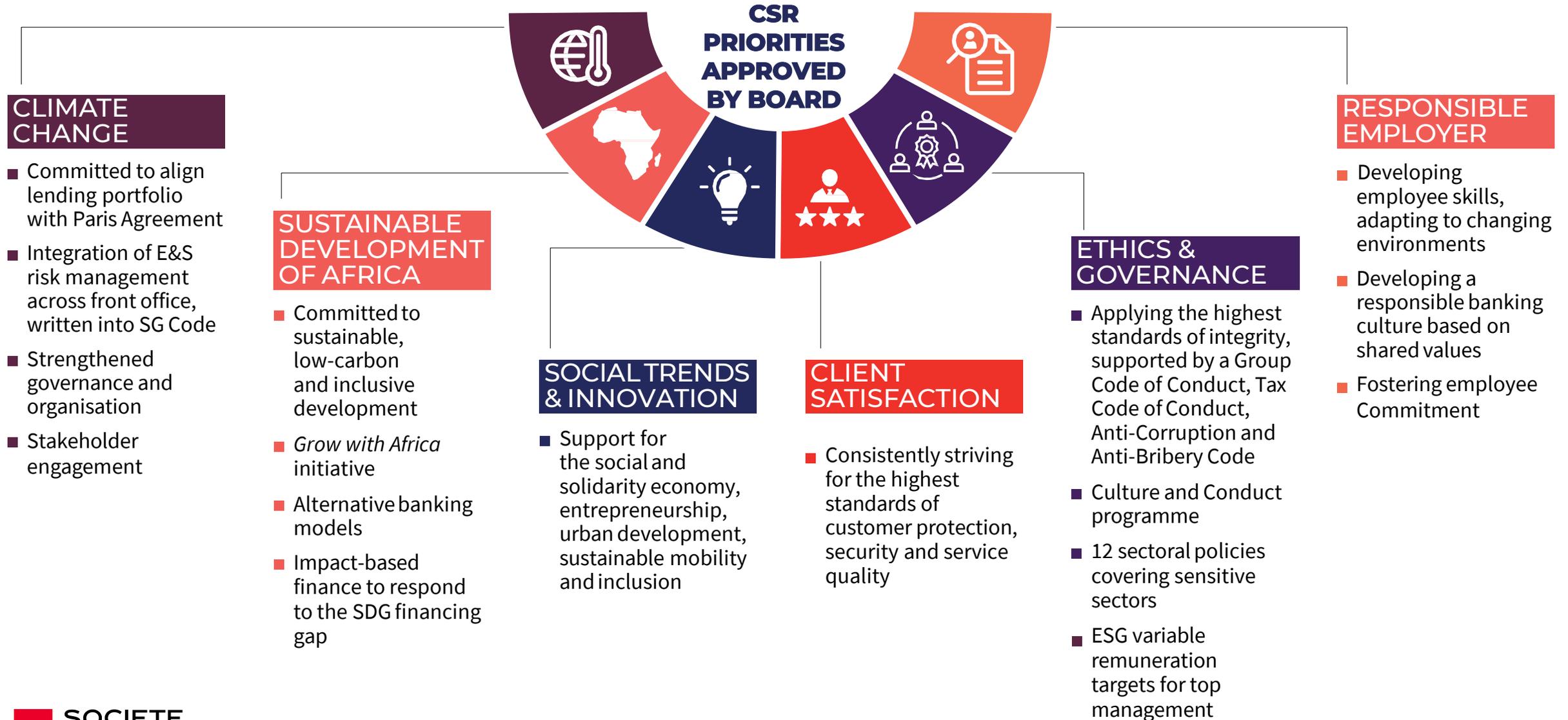
ROLL OUT ACROSS GROUP

- 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

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 advisory, #2 in 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: **+2.1m clients at FY20** (target 1m)
- _ Target +60% outstanding loans to African SMEs 2018-2023 (+EUR4bn)
- _ Target double outstanding loans to microfinance institutions 2018- 2022 **+58% at FY20**

Supporting women:

- _ Promoting women entrepreneurs (Project 54 / SmartCodeuses)
- _ Target 30% women on SG Africa Management Committee by end 2022

* Source: IJ Global 01.01.2020 to 31.12.2020

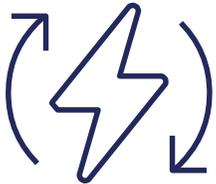
** 81 000 tonnes of cumulative CO2 recurring savings avoided in the last 17 years

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
 - This commitment is twice as ambitious as the requirements under the SDS scenario in 2025



REDIRECTING OUR PORTFOLIO OF ACTIVITIES AND FINANCING THE ENERGY TRANSITION:

- _ Leading in renewable energies
- _ Leading in renewable energies
 - #2 worldwide in renewable energy financing, #1 in advisory*
 - 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: 67% achieved at end-2020

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 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

NEW GROUP PLEDGE FOR DIVERSITY



GROUP OBJECTIVE

– **30% women in Group management bodies by 2023**

– achieved at two levels:

1/ strategic committee: comprises General Management and Heads of Business and Service units (Top 30);

2/ Group's 200 main managers: “key positions”



ACTION PLAN TO DELIVER OBJECTIVE

- An enhanced **talent management strategy** with a focus on career and professional development among female employees
- **Training sessions** to raise awareness of biases and stereotypes which will be available to all employees and will be mandatory for top managers and future managers
- **Diversity objectives** to form part of the evaluation of each member of the Management Committee from 2021
- Further detail p38-41



MONITORING OF OBJECTIVE

- **The Board** will carry out precise and regular monitoring of the achievements and reviews of the Bank's diversity policy

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 (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**

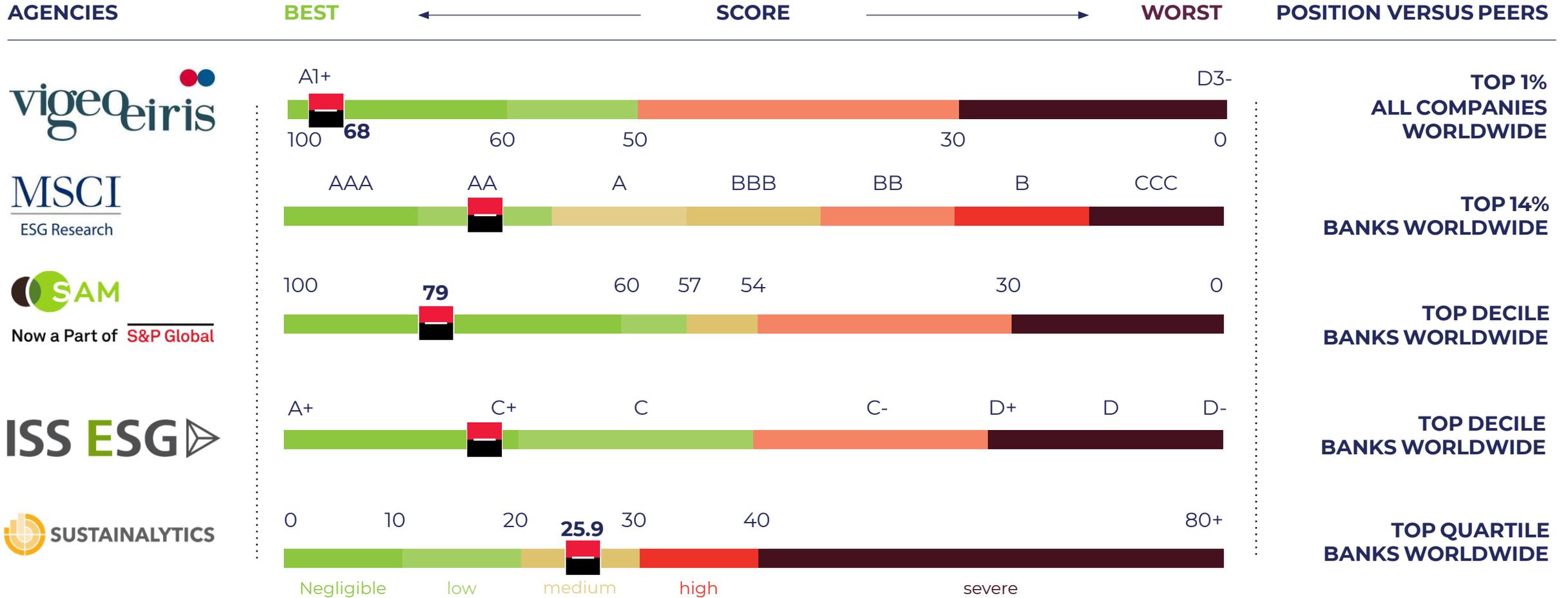
_ **ACPR approach:**

- 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)
- 2Q21 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
- 2Q21 results to be published (on an aggregate, anonymous basis)

MAPPING OF 2020 EXTRA-FINANCIAL RATINGS



Note: Number of companies in each agency universe: MSCI 213 banks; SAM 253 banks; Sustainalytics 968 banks; Vigeo Eiris 4,881 companies; ISSESG 285 banks

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. Met 9x in 2020



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;

internal CSR training portal for All-Staff deployed end-2020

SELECTED 2020 HIGHLIGHTS: PREPARING FOR THE FUTURE

STRENGTHENING ORGANISATION

Renewed management team

Corporate purpose defined

Identified CSR as a key pillar of next strategic plan

Full implementation of the Responsible Commitments Committee established in 2019

Extensive deployment of CSR training programmes

New gender diversity target announced

ANTICIPATING NEW DEVELOPMENTS

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

Participation in various EU sustainable finance consultations

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

INTEGRATING CSR IN BUSINESS ACTIVITY

Leader in the energy transition

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

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

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>

20 STORIES TO TELL: integrating our corporate purpose into business solutions

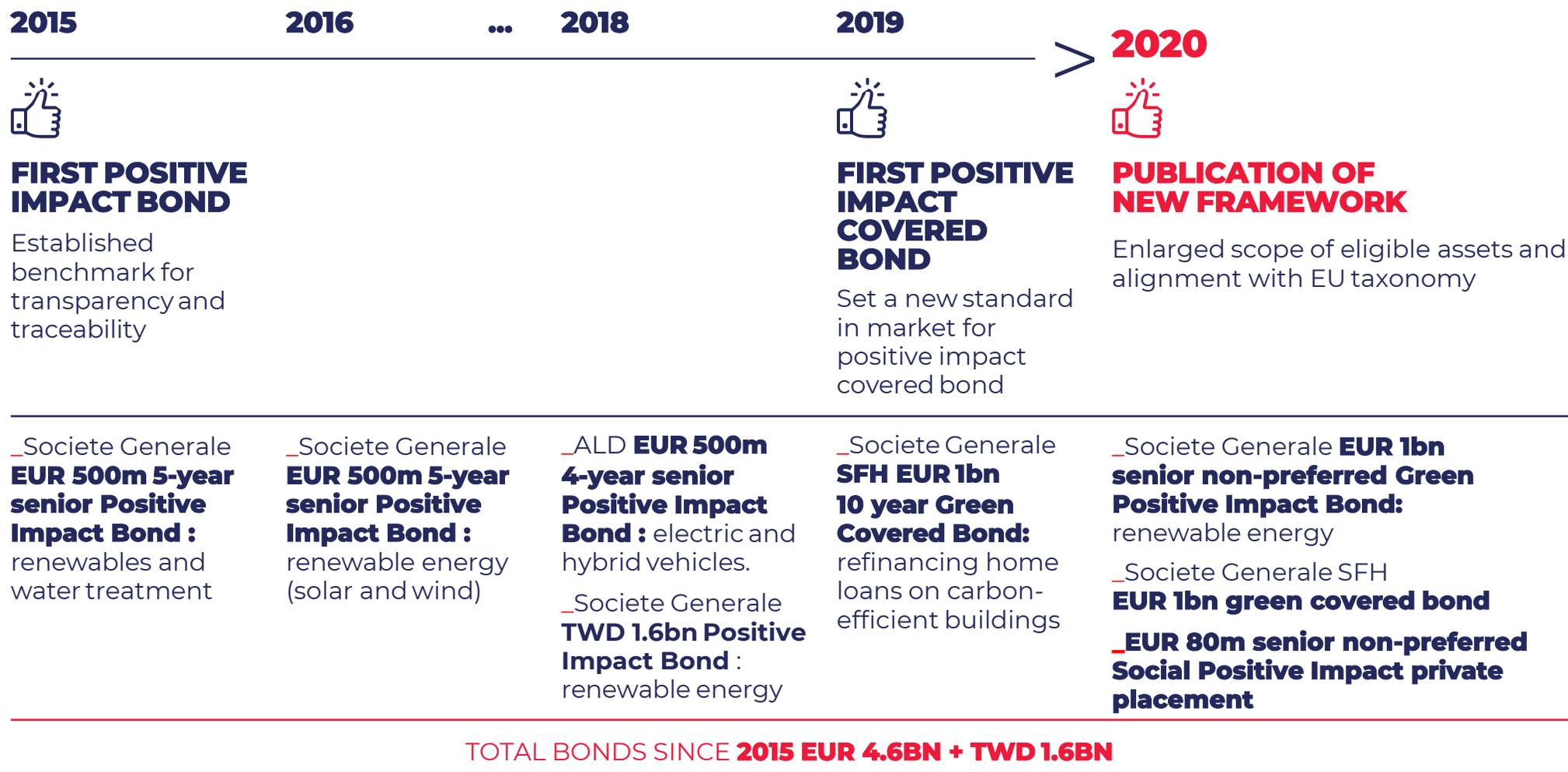
https://wholesale.banking.societegenerale.com/fileadmin/user_upload/Wholesale/pdf/20_Stories_to_tell_2020_.pdf

APPENDICES

1

SOCIETE GENERALE FUNDING

GREEN AND POSITIVE IMPACT BOND JOURNEY



SOCIETE GENERALE ISSUANCE

ISSUES

SG APPROACH TO POSITIVE IMPACT BONDS

GREEN, SOCIAL AND SUSTAINABILITY BONDS ARE OF STRATEGIC IMPORTANCE FOR SG



Active member of the **ICMA Green and Social Bonds Principles**



Founding member of the **UNEP-FI “Positive Impact Finance Initiative”**, since 2015, and a core member of the UNEP-FI working group defining “Banking Principles”



First French bank Partner of the **Climate Bond Initiative**

SINGLE SUSTAINABLE AND POSITIVE IMPACT BOND FRAMEWORK OUTLING HOLISTIC APPROACH:

- _ Define categories of projects eligible to the Framework refinancing
- _ Increase the volume of eligible activities: green (renewables, transports, ...) but also social (SME financing, education, ...)
- _ Allow issuance from various entities of the group: SG SA, SG SFH, SG country branches, etc...
- _ Allow the framework to be used for different instruments: senior preferred and non-preferred bonds, subordinated bonds, covered bonds, structured bonds, commercial papers, medium-term notes
- _ Detail eligible criteria and the UN-SDG to which they contribute
- _ Define the relevant metrics to assess the positive impact delivered by the selected projects
- _ Commit to report on the global positive impact of the various issuances in the scope of the Framework under the control of an external auditor on an annual basis
- _ Commit to provide a third party opinion on the compliance of the framework to the above mentioned green, social and sustainable principles

2

SUSTAINABLE & RESPONSIBLE FINANCE

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:

strengthened medical support in each country of operation, including dedicated support and coaching for women; strong managerial support; and regular morale surveys

Attentive to employee lockdown experience: “Future of Work”

internal consultation has resulted in a new teleworking agreement on the extension of telework for all, post-crisis

Fixed salaries guaranteed for 138,000 members of staff worldwide during the crisis



CLIENTS



COMMUNITIES

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 : ~EUR 19 bn at end-2020** ⁽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**

INDIVIDUAL

Networks **fully operational during the crisis** with **~ 85% branches open in France, 95% in Africa, 90% in Russia** and **~ 70% in KB and BRD**

In **France**, **flexible approach** for **individual customers**

Standstill measures for 3 to 6 months ⁽²⁾ applicable to **individual clients in international geographies**

A **Global Solidarity Programme** of up to **EUR 50m**, both at French and international levels, supporting initiatives directly linked to the crisis consequences:

- Supporting NGOs working on the front line of the health emergency, for example **Médecins Sans Frontières** to support emergency aid in Africa;
- Supporting **musical institutions** and young musicians in difficulty;
- Contributing to **national solidarity efforts**, dedicated to SMEs, artisans and shopkeepers, and protecting all SG Assurances insured.

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*



FIRST COMMERCIAL BANK TO SIGN THE **UN CFO PRINCIPLES ON INTEGRATED SDG FINANCE**

Aligning corporate finance with the UN SDGs and co-constructing with clients for new business solutions

* 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

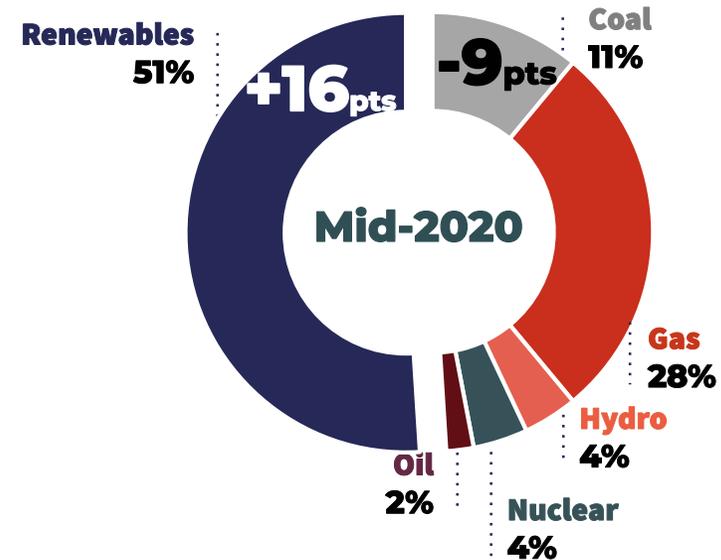
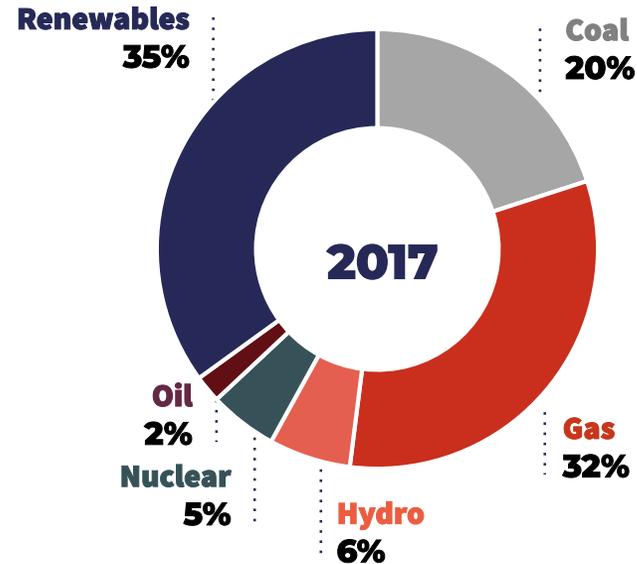
2025

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

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 advisory, #2 in financing*



Target to **reduce the carbon intensity of power financing activities by 18% by 2025** and by 76% by 2040 (compared to 2019 levels)

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:
 - **9 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 and start-up advisory



A TRUSTED PARTNER FOR OUR CLIENTS

GROW WITH AFRICA INITIATIVE LAUNCHED 2018

LEVERAGING OPERATIONS IN 18 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’ IN 2019 AND 2020 *

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

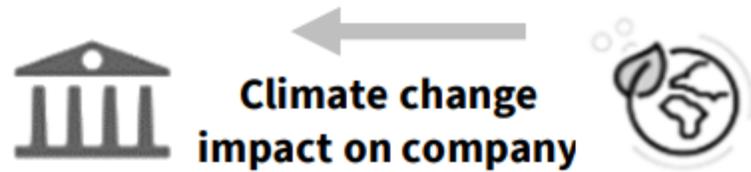
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**E&S RISK
MANAGEMENT**

ALIGNED WITH THE CONCEPT OF DOUBLE MATERIALITY

FINANCIAL MATERIALITY

To the extent necessary for an understanding of the company's development, performance and position.



Primary audience:
INVESTORS

ENVIRONMENTAL & SOCIAL MATERIALITY

... and impact of its activities



Primary audience:
CONSUMERS, CIVIL SOCIETY, EMPLOYEES, INVESTORS

Company impact on climate can be financially material

TCFD recommendations

Non-Financial Reporting Directive (NFRD)

CONCEPT DRIVING SCOPE OF RESPONSIBILITIES BETWEEN CSR AND RISK DEPARTMENTS

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

COMPLIANCE & REPUTATIONAL RISKS: E&S RISK MANAGEMENT FRAMEWORK



**E&S RISK
MANAGEMENT
PRINCIPLES
BASED ON
SECTOR POLICIES
AND
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.

MANAGING LONG TERM IMPACT OF 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

4

**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:

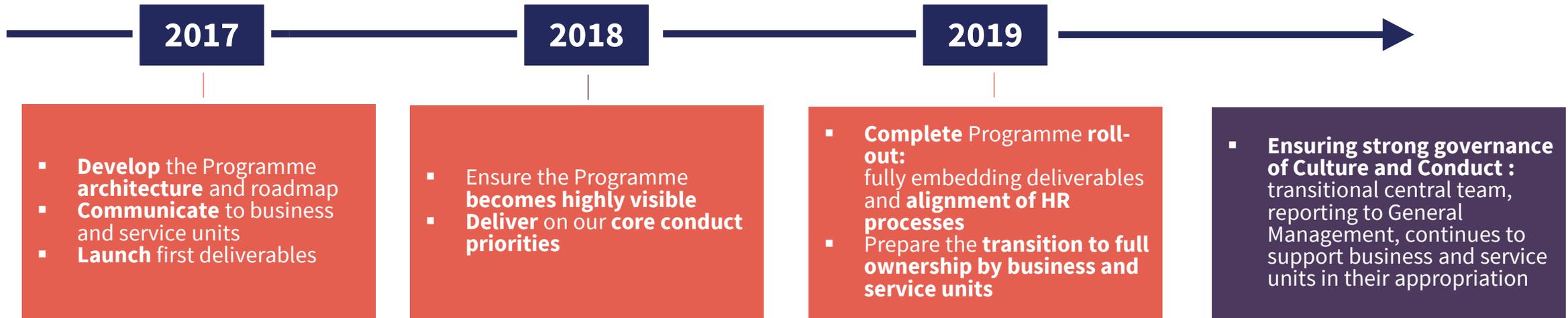
- **Tax Code of Conduct**
- **Anti-Corruption and Anti-Bribery Code**

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



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 Excocs 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

EVOLUTION OF GENDER DIVERSITY

 **GENDER : % Females in senior Group bodies, end-2020**



ALL STAFF 56% female (2020)



One of 380 companies worldwide, cross-sector, to be selected to the Bloomberg Gender Equality Index 2021, for the second consecutive year



ACTIVE SIGNATORY TO NON DISCRIMINATION CHARTERS

SOCIETE GENERALE APPLIES A GLOBAL POLICY OF NON-DISCRIMINATION AND DIVERSITY

THROUGH THE SIGNATURE OF NON-DISCRIMINATION CHARTERS

AND THE IMPLEMENTATION OF MEASURES TO PROMOTE WORKPLACE GENDER EQUALITY



2015 SIGNATORY TO THE **SOCIETE GENERALE COLLECTIVE AGREEMENT ON GENDER EQUALITY IN FRANCE**

Renewal of the agreement in 2019



2016 SIGNATORY TO THE **WOMEN'S EMPOWERMENT PRINCIPLES**

Commitment to corporate action to promote gender balance in the workplace, the economic ecosystem and the wider community, and publically report on these actions on an annual basis: see latest 2019 WEP report



SINCE 2018 PARTICIPATION IN THE **#StOpE INITIATIVE**

Joint commitment with 27 other major groups tackling 8 key areas to help fight against sexism within companies



2019 SIGNATORY TO THE **UK WOMEN IN FINANCE CHARTER**

Committing to supporting the progression of women into senior roles, with dedicated target for the UK platform (30% by 2025) and public reporting



2020 SIGNATORY TO THE **SISTA CHARTER**

Committing to achieving 25% of start-ups funded in 2025 founded or co-founded by women, 30% in 2030 and 50% in 2050

ACTION LEVERS DEFINED AT GROUP AND LOCAL LEVELS (1/2)



EMBEDDING DIVERSITY IN ALL HR PROCESSES

_ **Diversity objectives** to form part of the evaluation of each member of the Management Committee starting from 2021



GENDER PAY GAP ACTIONS

_ Since 2013 EUR13.1m allocated to correcting 6300 pay gap differences in France. A further **EUR7m allocated 2019-21**

_ **French Gender Equality Index Score** 86/100 in 2019

_ **UK: Gender Pay Gap** : SG London Branch median hourly pay gap improved to 30.4% (vs 32.2% in 2018)



TRAINING, ENGAGEMENT AND AWARENESS

- _ **Training sessions** to raise awareness of biases and stereotypes which will be available to all employees and will be mandatory for top managers
- _ **Pulse survey** conducted in 3Q20 to all staff to gather feedback on diversity
- _ **#Mandala** lecture series on diversity introduced in 2019



PROGRAMMES AND NETWORKS



OTHER ACTIONS DEFINED AT LOCAL AND BUSINESS/SERVICE UNIT LEVEL

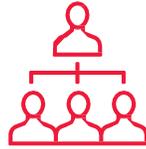
- _ **UK: 30% women** in senior positions on UK platform by 2025
- _ **Africa: 33% women** on SG Africa management committees by end-2022
- _ A **diversity action plan with quantified objectives** specific to each Business and Service Unit will be defined

SECURING A STRONG PIPELINE OF DIVERSE TALENT (2/2)



TARGETED ACTIONS

- _ Accelerated career paths for selected women
- _ From 2020, 50% of promotions to the Future Executives programme are women
- _ Redefined talent detection, focusing on a diversity of critical skills



SUCCESSION PLANNING

KEY GROUP POSITIONS

150 POSITIONS, REVIEWED ANNUALLY

19% WOMEN ; **18%** NON-FRENCH



FUTURE EXECUTIVES

NEXT GENERATION OF KGP

SELECTION OF **27** CANDIDATES ANNUALLY



HIGH POTENTIALS

MANAGERIAL OR EXPERT ROLE

2.4% OF THE WORKFORCE
40% WOMEN ; **42%** NON-FRENCH



TARGETED DEVELOPMENT

Executives programme

Focused on Key Group Positions and Management Committee: tailored modular training; dedicated coach

Future Executives programme "Lead"

Internal mentoring by a Management Committee member; External agency assesses values and development plans

High Potentials

Selection of candidates by Business and Service Units; Dedicated talent and mentoring programmes (eg. Women in Leadership, PanAfricanValley)

5

**CYBER SECURITY
AND ARTIFICIAL
INTELLIGENCE**

GOVERNANCE OF CYBER SECURITY



TONE FROM THE TOP

- **Cyber security is monitored by the Board of Directors' Risk Committee**, which 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 (ISS) strategy, ensuring policies are observed across the Bank. The CISO sits on the CIO Management Committee and is the Chairman of the weekly Group ISS Executive Committee
- **Computer Emergency Response Team "CERT"** (the first of its kind to be registered by a French company in 2009) centralises 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 in 2016, and dedicated local CISOs in Europe, Africa and Russia** who sit in the Group ISS Executive Committee
- **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, CISSP, CISM)



CONTEXT and COLLABORATION

The EU regulatory framework for cyber and data security is moving fast:

- the **EU General Data Protection Regulation ("GDPR")** was introduced in May 2018 and improves data governance and protection.
- the **Network and Information Security ("NIS") Directive** is currently being implemented across member states: it provides organisational and technical measures to increase the level of cyber security in the EU across essential sectors, including banking and finance. SG is already working on the potential impacts of the implementation of the second version of NIS 2.
- Future challenges are anticipated: the proposal for a **Digital operational resilience Act (DORA)** will shape the new landscape for ICT resilience and third-party provider management. SG is committed to actively contribute to the ongoing discussion through collective initiatives with the industry.

SG is constantly adapting to this challenging context with the ambition to leverage on those regulations to improve its own security.

CYBER SECURITY STRATEGY BASED ON TWO PILLARS: PROTECTION AND EFFICIENCY

WE WORK **HAND IN HAND WITH THE BUSINESS** because we need them to make the right decisions

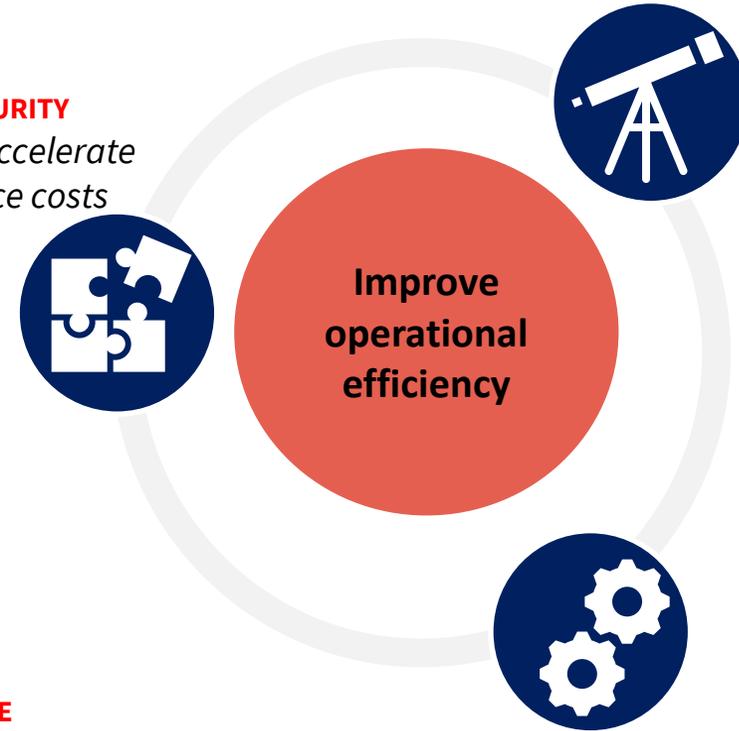


WE **REINFORCE OUR INFRASTRUCTURE** because attackers exploit widespread vulnerabilities and use known propagation mechanisms

We **PREPARE FOR A CRISIS OF GREAT MAGNITUDE** because this type of scenario is increasingly probable and nobody is safe from cyber threat.

WE **MAKE OUR ACTIVITY ATTRACTIVE** to retain and attract our cybersecurity talents

WE **APPLY A UNIFIED SECURITY MODEL** to break silos, accelerate our delivery, and reduce costs



WE **OPTIMISE OUR COSTS TO REINFORCE RUN**

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

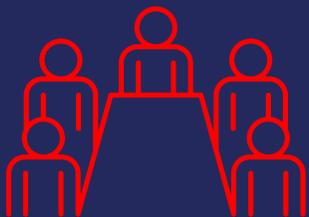
- **Dedicated Board sessions** on digital transformation
- Risk oversight performed by **Risk Committee** includes data (with a specific focus on personal data) and model risk management encompassing AI models
- **Key expertise** required from the Directors is a blend of experience in risk, digital and 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 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: 9 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: <ul style="list-style-type: none">• 1 executive and 2 non-executive; or• 4 non-executive
Attendance	✓	Attendance in 2020: 97%
Training	✓	11 training sessions in 2020 covering regulatory aspects, corruption, AML, KYC, AI, Blockchain, crypto assets, market/operational 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): **7**

- Member of Executive Board of ECB (2005 to 2011),
- Chairman of the Board Directors : *SNAM (Italy) (2012 to 2016), ChiantiBanca (Italy) (2016 to 2017), Italgas (Italy) (2016 to 2019).*
- Member of the Board of Directors : *TAGES Holding (Italy) (2014 to 2019).*



**Frédéric
OUDEA**

First appointment : **2009**

Term : **2023**

French

Tenure (yrs): **12**

- 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): **4**

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

- Various posts at ING Bank N.V. (1999 to 2016) : Global Head of Corporate and Investment Banking, Member of Management 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 2018*),
- Member of the Board of Directors : Amadeus IT Group (Espagne) (*since 2019*) and Vice-President (2020); Self Trade Bank SA (Espagne) (*since 2019*).



**Jerome
CONTAMINE**

First appointment : **2018**

Term : **2022**

French

Tenure (yrs): **3**

Board Committee: Audit & Internal Control; Compensation

- Chief Financial Officer of Veolia Environment (2000 to 2009),
- Chief Financial Officer of Sanofi (2009 to 2018),
- Member of the Board of Directors and of the audit committee of TOTAL (*since May 2020*)
- Chairman of the Boards of Directors of SECIPE (2009 to 2016),
- Member of Board of Directors of Valéo (2006 to 2017).



**Diane
COTE**

First appointment : **2018**

Term : **2022**

Canadian

Tenure (yrs): **3**

Board Committee: Audit & Internal Control

- Chief Risk Officer and member of the executive committee of the London Stock Exchange Group (2012 to February 2021).
- Administrateur : Member of Board of Directors of LCH SA (2019 to February 2021), Novae Syndicates Limited (UK) (2015 to 2018), Frank Russel Company (USA) (2014 to 2016), Russel Investments Inc (USA) (2015 to 2016)



**Kyra
HAZOU**

First appointment : **2011**

Term : **2023**

US / British

Tenure (yrs): **10**

Board Committee: Audit & Internal Control; Risk

- Managing Director and Regional General Counsel for Salomon Smith 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): **12**

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 EDF *since 2014*,
- Chairman of Supervisory Board of Framatome *since 2018*,
- Chairman of the Board of Directors of EDF Energy Holdings (2015 to 2017), Edison S.p.A (Italy) (2014 to 2019)
- Member of Board of Directors of Dalkia *since 2014*, EDF Renouvelables *since 2015*, EDF Energy Holdings *since 2017*, Edison S.p.A (Italy) (*since 2019*)

DIRECTOR COMPETENCIES AND EXPERIENCE (2/3)



**Gérard
MESTRALLET**

First appointment : **2015**

Term : **2023**

French

Tenure (yrs): **5**

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

- Honorary President : ENGIE et SUEZ
- Chairman and CEO of Compagnie de Suez (1995 to 1997),
- Chairman and CEO of Suez (2001 to 2008), Engie (2008 to 2016),
- Chairman : Agence française pour le développement d'Al Ula (since 2018).
- Member of the Board of Directors : Saudi Electricity Company (Saudi Arabia) (2018 to December 2020), International Power* (UK) (2011 to 2016), SUEZ (2019 to 2020).
- Chairman of the Board of Directors: Electrabel (Belgium) (2010 to 2016), Engie Energy Management Trading (Belgium) (2010 to 2016), Engie Énergie Services (2005 to 2016), Engie* (2016 to 2018), SUEZ (2008 to 2019).
- Member of the Supervisory Board : Siemens AG (Germany) (2013 to 2018).



**Juan Maria
NIN GENOVA**

First appointment : **2016**

Term : **2024**

Spanish

Tenure (yrs): **5**

Board Committee: Compensation; Risk

- CEO of La Caixa (2017 to 2011)
- Chairman of the Board of Directors : *Promociones Habitat (Spain) (since 2018), Itinere Infraestructuras (Spain) (since 2019).*
- Member of the Board of Directors : *Azora Capital, S.L.(Spain) (since 2014), DIA Group SA (Spain) (2015 to 2018), Naturhouse (Spain) (2014 to 2016), Grupo Indukern (Spain) (2014 to 2016), Grupo de Empresas Azvi S.L (Spain) (2015 to 2019), Azora Gestion (Spain) (2018 to 2019).*



**Alexandra
SCHAAPVELD**

First appointment **2013**

Term : **2021**

Dutch

Tenure (yrs): **8**

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

- Various posts at ABN Amro Investment banking division (1984 to 2007),
- Member of the Supervisory Board : Bumi Armada Berhad (Malaysia) (since 2011), Holland Casino (The Netherlands) (2007 to 2016), Vallourec SA (2010 to 2020), FMO (The Netherlands) (2012 to 2020).
- Member of the Board of Directors : 3I PLC (UK) (since 2020).



**Annette
MESSEMER**

First appointment : **2020**

Term **2024**

German

Tenure (yrs): **1**

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,
- Member of the Board of Directors : EssilorLuxottica (since 2018), Savencia SA (since 2020), Imerys SA (since 2020), Essilor International SA (2016 to 2018), Essilor International SAS (2018 to 2020).
- Member of the Supervisory Board : K+S AG (Germany) (2013 to 2018), CommerzReal AG (Germany) (2013 to 2016).



**Lubomira
ROCHET**

First appointment **2017**

Term : **2021**

French/Bulgarian

Tenure (yrs): **4**

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 (UK) since 2016.



**France
HOUSSAYE**

First appointment **2009**

Term : **2021**

French

Tenure (yrs): **12**

Board Committee: Compensation

- SG employee since 1989



**David
LEROUX**

First appointment **2018**

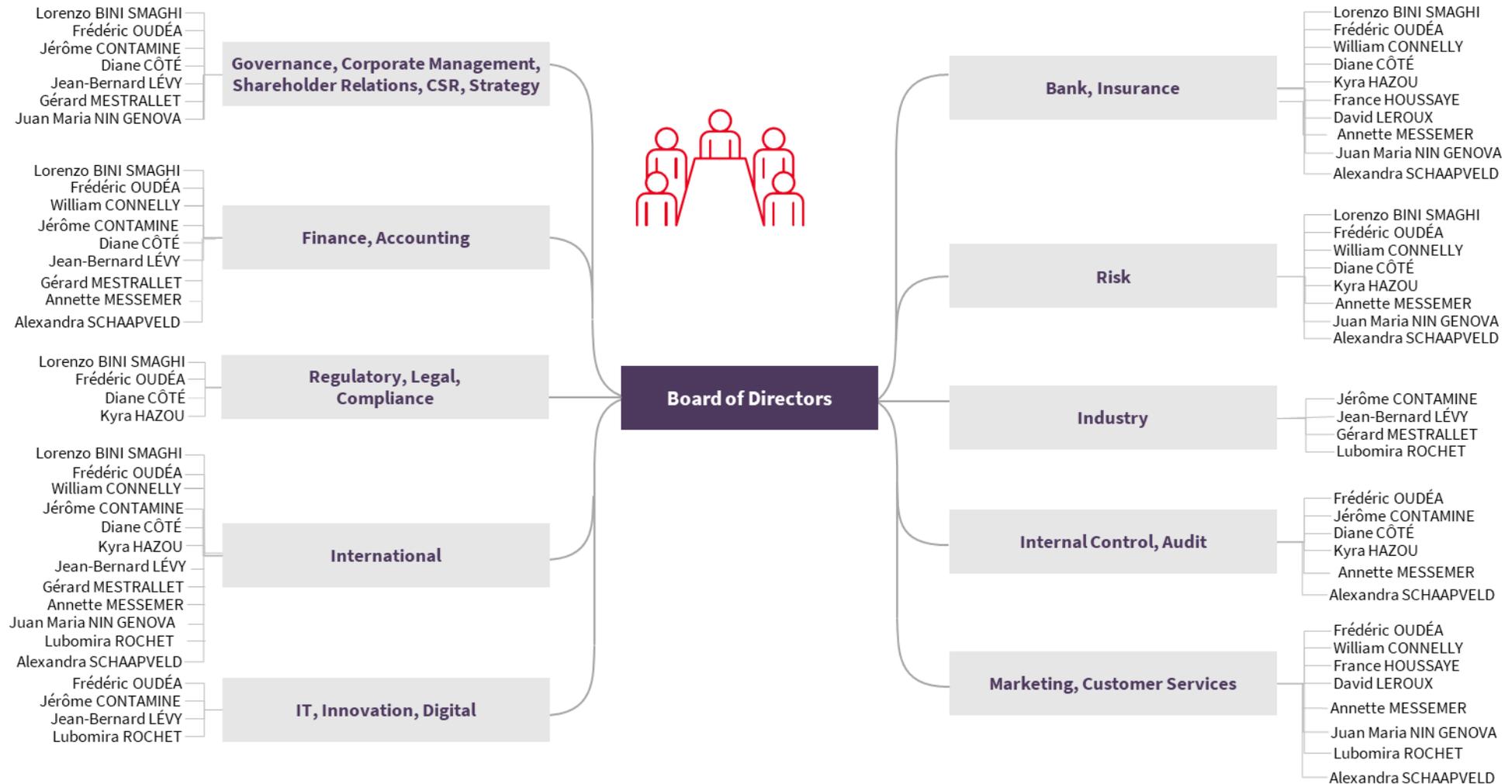
Term : **2021**

French

Tenure (yrs): **3**

- 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.

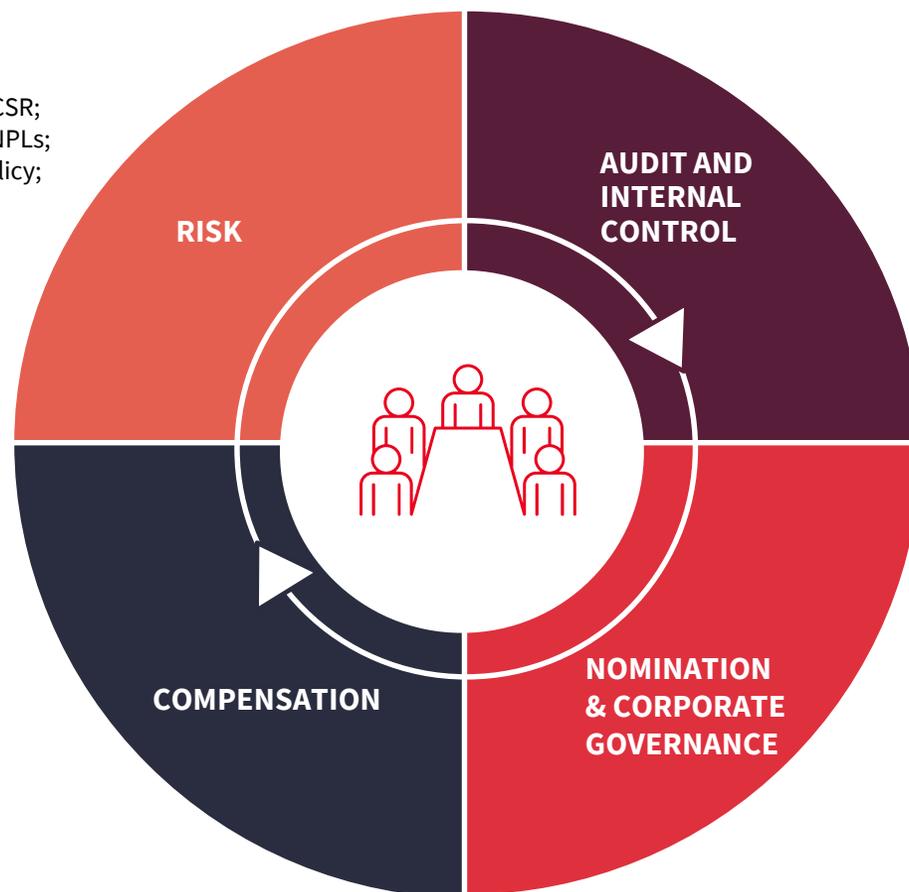
As US Risk Committee, it met 10 times to validate the risk appetite of the US operations, supervise risk policies; follow up of remediation plans.

2020: met 12x; attendance rate 97%

5 DIRECTORS (4 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.

2020: met 9x; attendance rate 98%



5 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; whistleblowing mechanism; regulatory compliance; customer protection; and specific business reviews.

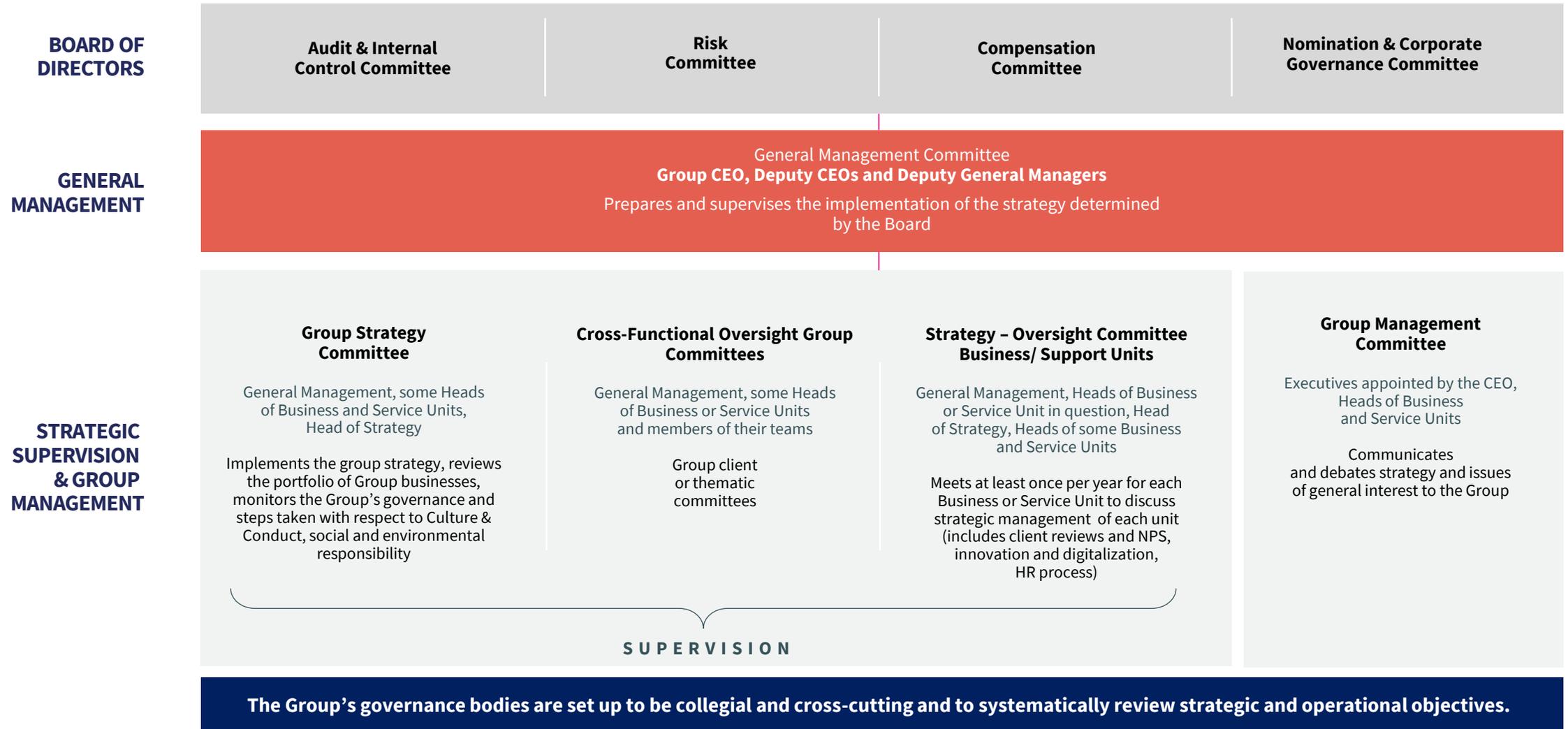
2020: met 13x; attendance rate 100%

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.

2020: met 7x; attendance rate 100%

GROUP GOVERNANCE, OVERSIGHT AND MANAGEMENT STRUCTURE



7 REMUNERATION POLICY

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

Diversity objective from 2021

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 Global Solidarity Programme (launched in 2020 to support various initiatives directly linked to the consequences of the Covid crisis)

ALL STAFF

ANNUAL EVALUATION:

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

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, Cost of operational risk, Relationship with the regulator, 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 medium-term performance, partly deferred and paid in shares or instruments indexed on the share price

REMUNERATION POLICY - EXECUTIVE MANAGEMENT

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 Global Solidarity Programme launched during the Covid crisis**

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 : GOI 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"> ▪ 1/2 Energy transition financing ▪ 1/2 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 entire vesting periods

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

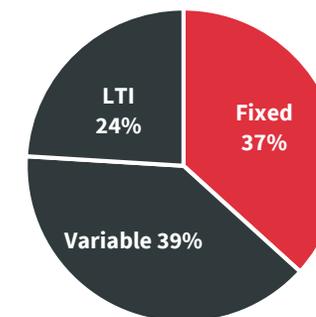
Universal Registration Document p. 108

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)
LONG-TERM INCENTIVE	€850,000
TOTAL	€3,537,152

Targets achieved result in eligibility for 79.0 % of the variable compensation

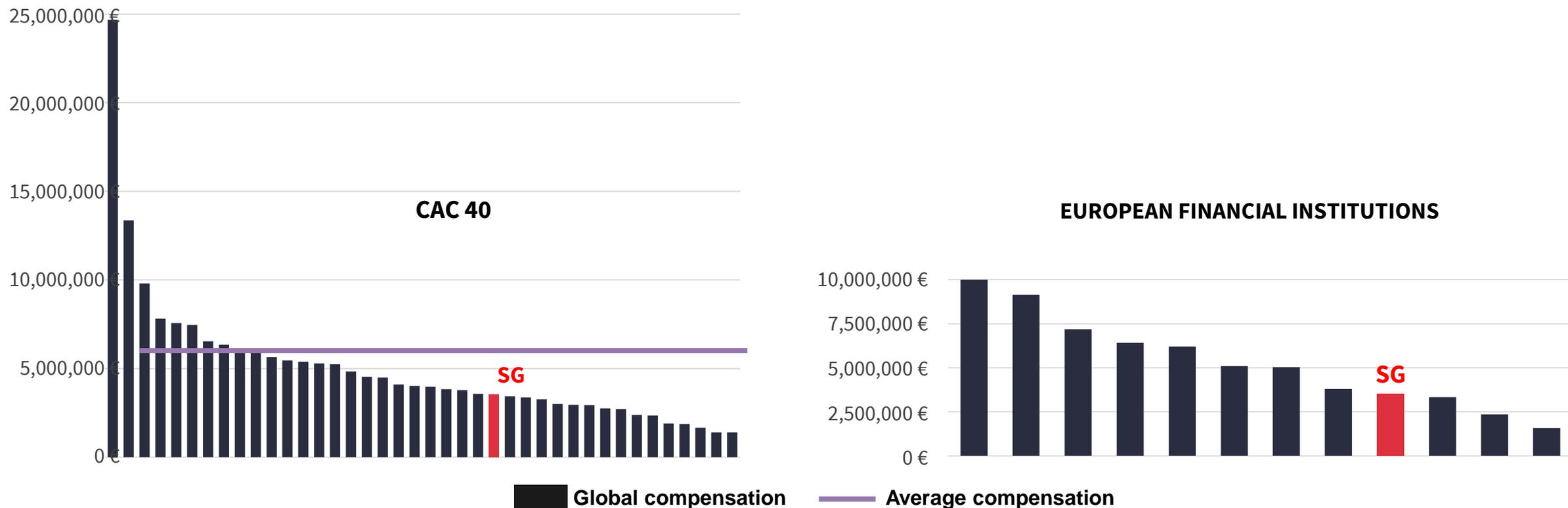
- 70.6 % of quantitative objectives achieved
- 91.7 % of qualitative objectives achieved

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

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

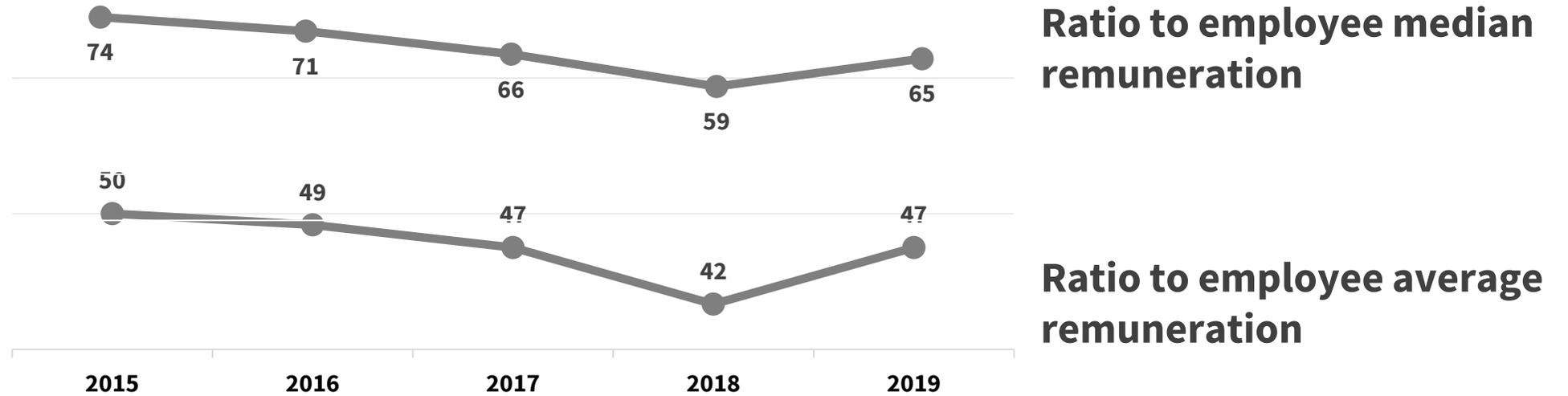
Contribution into supplementary defined contribution pension scheme for 2019

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 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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