

Implementation of our E&S commitments in our business lines

In April 2013, the Group adopted an instruction on E&S evaluation as part of its activities. This internal directive provides the framework for procedures to evaluate and handle E&S impacts associated with transactions or customers to whom the Group provides financial services. It aims to ensure that all of the Group's entities implement the commitments made within an integrated, consistent framework. Compliance with this instruction helps minimise the reputation and credit risks related to Societe Generale's E&S issues.

Three categories of procedures are deployed:

1. Establishment of an E&S Watchlist based on sector policies and civil society alerts

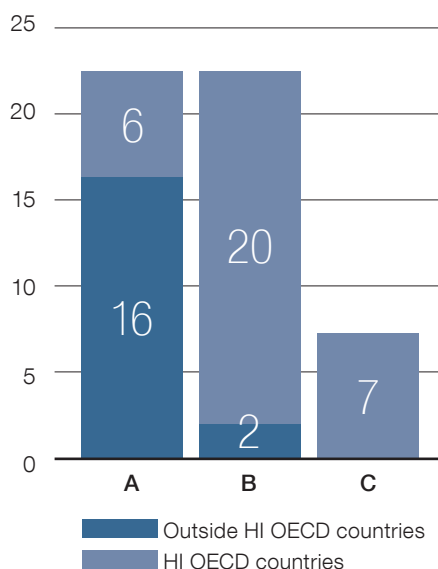
This list consists of projects, sectors or enterprises, not necessarily financed by Societe Generale, linked to significant E&S issues and possibly subject to public criticism or campaigns by civil society. The E&S Watchlist aims to alert the teams and to put in place an enhanced E&S evaluation.

2. Procedures for dedicated transactions E&S evaluation

The Equator Principles constitute the basis for the E&S evaluation procedures on transactions. However, the Group has expanded these procedures beyond the scope of the EPIII in order to cover other types of transactions with known use of proceeds through the implementation of E&S evaluation procedures adapted to the type of financial commitment in question.

In 2013, 51 projects underwent an E&S evaluation according to the requirements of the Equator Principles, including when Societe Generale was involved as an advisor. A large number of business sectors and geographical regions are represented, illustrating the diversity of the Bank's involvement. Societe Generale's reporting will evolve in 2015 to be in agreement with the EPIII requirements.

Number of projects screened and categorized in 2013, by geography



The main steps of the E&S evaluation of transactions within the bank are the following ones:

- The project's categorisation (A for high potential E&S risks or impacts, B for medium and C for low);
- Depending on the category assigned to the project, an E&S evaluation process is conducted, accompanied by specific requirements. The relevant information about the project's E&S aspects is collected from the customer. The E&S documentation provided is then reviewed by an independent E&S expert for all category A projects (and some category B projects where applicable). Where necessary, an E&S action plan is drawn up based on the expert's conclusions identifying additional measures aiming to limit or reduce any remaining E&S risks. This plan is then integrated to the loan documentation, which also references the local and international E&S standards with which the customer is required to comply, all in accordance with the

requirements of the Equator Principles. Where customers do not meet the necessary standards, Societe Generale may decide to withdraw its financing;

- E&S documentation is evaluated by teams from the business lines or by a dedicated team for projects identified as having the greatest risks. Additional information may be requested from the customer and/or independent E&S expert, and an E&S memorandum is prepared for the projects in categories A and B. This memo is part of the loan documentation serving as the basis for the decision of the bank's Risk Division. At the same time, transactions involving a reputation risk undergo a special review and validation process.

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3. Customer E&S evaluation procedures

The E&S evaluation processes in the Group's banking activity make it possible to identify, measure, prioritise and manage the E&S factors associated with customers (Know-Your-Customer process - KYC) and transactions. The E&S analyses are