

CORPORATE CULTURE AND ETHICS PRINCIPLES

2019 Report

THE FUTURE
IS YOU



SOCIÉTÉ
GÉNÉRALE

CORPORATE CULTURE AND ETHICS PRINCIPLES

Our new corporate purpose gives us a clear direction to align all our HR goals:

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

Amidst a competitive and fast-changing banking environment, Societe Generale has been working for the past five years to strengthen its culture based on its values, its Code of Conduct and its Leadership Model. The Group has established ethical principles and ensures that all employees in the company comply with them.

TABLE OF CONTENTS

**ESTABLISHING A CULTURE OF RESPONSIBILITY
BASED ON STRONG VALUES** 04

Building a strong culture based on its values
and its Code of Conduct 05

Supporting employee involvement
in solidarity initiatives 06

**ENSURING THE HIGHEST STANDARDS OF
SERVICE QUALITY, INTEGRITY AND CONDUCT** 08

**ENSURING THAT OUR ETHICAL PRINCIPLES
ARE RESPECTED IN ALL OUR BUSINESSES** 10

Standing up for basic rights and freedom of association 11

Acting responsibly to uphold our ethical principles 12

2019 KEY FIGURES

20,430 DAYS
devoted to solidarity initiatives
by employees

22,000 GROUP MANAGERS
AND EMPLOYEES IN THE HR FUNCTION
trained in the Group's disciplinary framework

130,050
EMPLOYEES
trained in the Code of Conduct

100% OF THE GROUP'S EMPLOYEES
are covered by an agreement on fundamental rights with
the international federation of trade unions, UNI Global Union



ESTABLISHING A CULTURE OF RESPONSIBILITY BASED ON STRONG VALUES

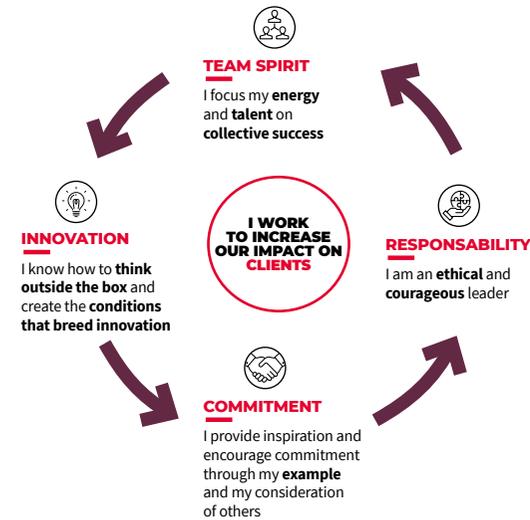
BUILDING A STRONG CULTURE AROUND VALUES AND THE CODE OF CONDUCT

The culture of Societe Generale is built on four key values shared by all employees: **Team Spirit, Innovation, Responsibility and Commitment in the service of our corporate purpose.**

The Group's goal is to establish a **culture of responsibility** and apply the strictest control and compliance framework in the banking sector. It strives to act with **integrity** and in accordance with applicable law in all its activities. With this in mind, the Group has defined a **Code of Conduct** that sets out the standards to be followed and constitutes a commitment to each stakeholder. This Code applies to all its employees worldwide.

This **Code of Conduct** applies to all of the Group's activities worldwide and to the countries in which it operates and sets out the commitments made to the various stakeholders (clients, employees, investors, suppliers, regulators/supervisory authorities, the general public/wider community) and the guidelines for the individual and collective behaviour expected within the Group. This document is regularly updated and the latest 2019 version includes the new whistleblowing system. It promotes **respect for human rights and the environment, the prevention of conflicts of interest** and corruption, measures against money laundering and the financing of terrorism,

“Available in the main languages spoken in the Group, the Code of Conduct is the cornerstone of professional ethics at Societe Generale.”



respect for market integrity, data protection, proper conduct with regard to gifts and invitations, and responsible sourcing. **The Code of Conduct goes beyond minimum statutory and regulatory requirements, especially in countries whose laws and regulations do not match the Group's high ethical standards.**

Societe Generale's values feed into **the Group's Leadership Model, which defines expected behaviour and skills** by emphasising the way in which results are achieved, which is every bit as important as the results themselves. The behavioural skills reflected in the Leadership Model are divided into three categories corresponding to the main levels of responsibility within the company (senior executives, managers and employees) and are applicable throughout the Group. These four key Group values thus translate into key skills (see the

diagram below), which are in turn reflected in certain observable and measurable behaviours.

The Leadership Model's internal skills guide describes the expected behaviour corresponding to each of these skills. In conjunction with this guide, a self-assessment tool available on the Intranet asks 20 questions through which respondents can see how they rate in relation to the appropriate conduct. They can then use the development tools provided to improve in the various areas (see *Declaration of Extra-Financial Performance*).

A CULTURE THAT ENCOURAGES FEEDBACK AND ACCEPTS THE RIGHT TO MAKE A MISTAKE

How can employees be developed and supported? By creating learner situations, such as involvement in a particular project, cooperation on clearly identified topics, etc. The right to make a mistake is an integral part of this learning and is accepted in the Group. In fact, the Group's Code of Conduct distinguishes an isolated error from negligence, which is subject to disciplinary proceedings (see the *Disciplinary Sanctions Policy*).

The practice of regular feedback is a part of the conduct expected from employees described in the Leadership Model.

As the cornerstone of employee development, managers are trained in the culture of feedback and follow a comprehensive development programme on providing feedback, including bootcamps, instructor-led training, e-learning and best practices. Instilling a culture of feedback in the Group allows employees to become very conscious of their strengths and

areas in need of improvement, whether with respect to their technical expertise or their conduct. Feedback also helps improve skills, **develop independence, stimulate motivation, increase the quality of work and improve the performance of their businesses.**

The Group encourages a practice of feedback that adheres to the following principles i.e.:

- based on factual and concrete information that is free of personal bias;
- include positive elements and areas for improvement;
- based on respect for others, listening, transparency and kindness;
- given regularly so that the progress made can be verified;
- confidential and conducted one-on-one, with no third parties present;
- during dialogue or discussion, employees must be able to accept feedback and express their point of view.



SUPPORTING EMPLOYEE INVOLVEMENT IN SOLIDARITY INITIATIVES

Societe Generale offers its employees the opportunity to support the Group's partner organisations in France and worldwide through **skills sponsorship** programmes.

These programmes, in which employees can participate during working hours, **drive social action** and extend the Bank's efforts. They are also powerful drivers of **engagement with the Bank's core values and its social responsibility**, enhancing its employer brand and consolidating internal cohesion by fostering ties between employees.

Financial education, mentoring, pro bono days, and volunteering are some of the solidarity initiatives in which employees can put their experience and expertise to good use in a community environment outside the workplace.

In 2019, **21,476 of the Group's employees participated** in one of these initiatives proposed by the company during working hours. This is the equivalent of 20,430 days devoted to solidarity initiatives by employees.

A highlight of the Group's citizenship programme is the Citizen Commitment Time event, organised each year to encourage and promote the benefits of employee volunteering worldwide. In 2019, almost 11,000 employees from more than 33 countries in which Societe

Generale operates took part in over one hundred solidarity events (sports challenges, fund-raising, etc.) to support the Group's partner organisations. Thanks to their efforts, donations to community projects in the fields of education and workforce integration totalled more than EUR 500,000.

Societe Generale's commitment to society is especially evident in the actions of the Societe Generale **Corporate Foundation for Solidarity** and the Societe Generale solidarity structures (such as foundations) established locally in other countries where the Group operates, such as in Morocco, Brazil and the United Kingdom. The Group is particularly proactive in the areas of **workforce integration and social inclusion through education**, especially sports and cultural activities.

21,476
EMPLOYEES
INVOLVED IN
SOLIDARITY INITIATIVES



The Foundation supports around a hundred projects each year in France and other countries where the Group operates, and received an annual endowment of EUR 4 million in 2019. In line with the Group's international development strategy and in close collaboration with its local teams, the Foundation allocated over EUR 650,000 to non-profit projects focused on education and workforce integration in nine African countries in 2019, supporting the Bank's

local commitments and its commitment to contribute to the continent's development. Since its creation in 2006, the Corporate Foundation has supported 1,105 non-profit projects in 33 countries, to the tune of EUR 31 million (see the [Societe Generale Corporate Foundation for Solidarity](#)).

SEVERAL INITIATIVES PROMOTING THE INCLUSION OF YOUNG PEOPLE

Journées de la Finance, an initiative of the Moroccan Foundation for Financial Education, was held from 25 to 31 March 2019. Societe Generale Maroc participated in this national event by welcoming young people to its branches to show them the careers available in banking and finance.

In France, *Societe Generale* joined forces with *MyFuture* to imagine and propose "My First Internship", turnkey traineeships that combine exploring the careers and skills of the future targeting high school students from priority educational districts across France. In doing so, Societe Generale committed to offering 2,000 high-school internships during the 2019 and 2020 school years. In addition to this programme, the Bank keeps its doors open all year long to intermediate and senior secondary students to allow them to explore all the career possibilities it offers, particularly those relating to digital technology. Societe Generale is a long-standing partner of *Journées Nationales des Jeunes* and supports *Tous en stage* (see *My First High-School Internship*).



PRO BONO: REVIEW OF THE GENERAL INSPECTION DEPARTMENT'S PILOT MISSION

The General Inspection Department, inspired by the actions implemented by advisory firms, sounded out the Foundation to test a longer pro bono engagement format. A pilot mission was carried out between June and July 2019 at Food de Rue, an association fostering integration through business activity created five years ago that promotes sustainable nutrition relying on a short cycle supply chain in the 14th Arrondissement of Paris. The task of Societe Generale employees was threefold: to conduct a financial and economic analysis of the association, carry out a feasibility study on a change of scale and then come up with the best scenario for development (see the [Societe Generale Corporate Foundation for Solidarity](#)).

"Sometimes it's necessary to restore meaning and practical expression to our profession"; explains Camille Boespflug, the employee driving the project. *"We usually work with Societe Generale Group employees, and so learning how to forge relationships with people outside the company was very important to us".*



ENSURING THE HIGHEST STANDARDS OF SERVICE QUALITY, INTEGRITY AND CONDUCT



In 2016, the Board of Directors debated and approved the launch of a Culture and Conduct programme, which was effectively implemented as from January 2017 for a three-year period. This programme aims to build trust in the Group among its stakeholders, especially its customers, and to accelerate Societe Generale's cultural transformation by placing values, leadership quality and behavioural integrity at the very heart of its business conduct so as to ensure the highest standards of service quality and integrity (see the *Declaration of Extra-Financial Performance*).

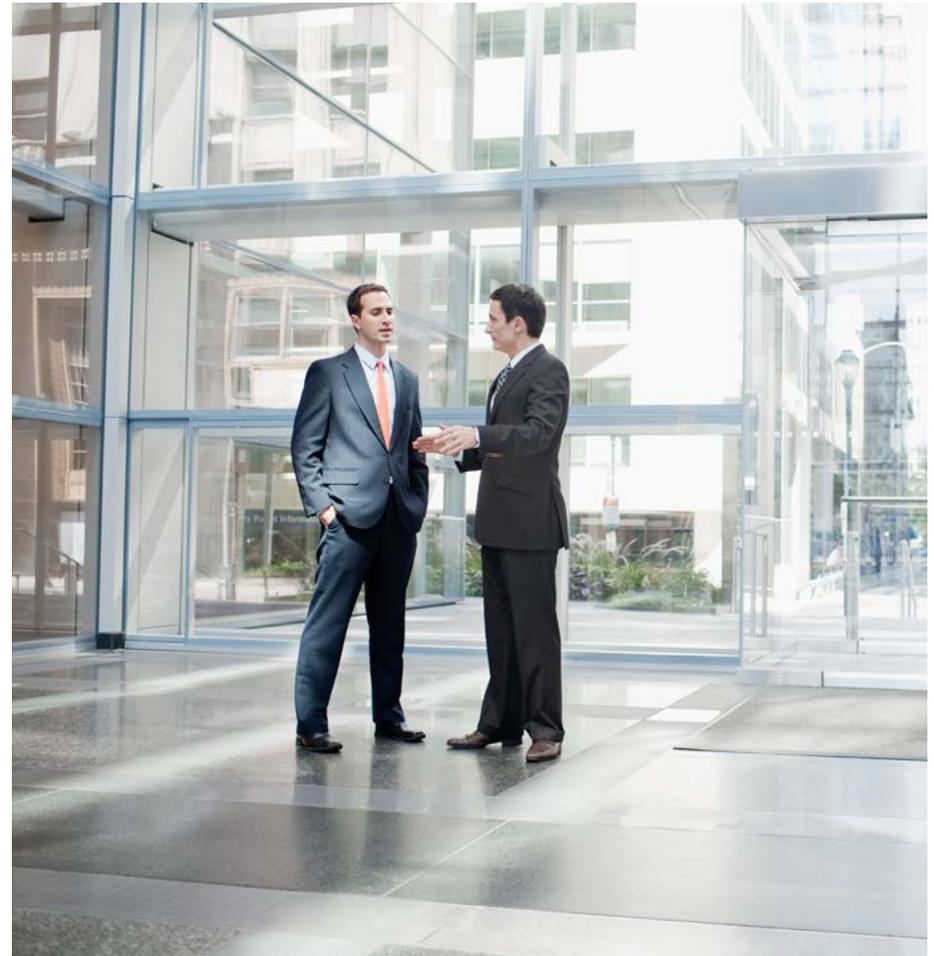
“This programme is all about increasing stakeholders’ trust in the Group.”

OUR ACTIONS

Examples of the achievements of the Culture and Conduct Programme in 2019 include:

- 130,050 employees validated their knowledge of the Code of Conduct via a compulsory training module (based on 135,000 people having received the module);
- the continued alignment of the main Human Resources management processes with the Group's ambitions in terms of Culture and Conduct: the fight against inappropriate behaviour; ownership of the Group's policy on disciplinary sanctions, changes in the system for integrating new hires and a method for identifying high-potential talent;
- the launch of various initiatives throughout the Group to strengthen the culture of Responsibility within the Business Units/ Service Units, in particular through the dissemination of best practices for dealing with grey areas, raising employee awareness of ethical reasoning, and promoting a speak-up culture;
- 124,000 employees (94% of the workforce) participated in awareness-raising workshops (16,000 face-to-face sessions) on conduct and the best practices to adopt for grey areas.

See the complete list in the *Declaration of Extra-Financial Performance*.



ENSURING THAT OUR ETHICAL PRINCIPLES ARE RESPECTED IN ALL OUR BUSINESSES

In a competitive and fast-changing banking environment, the Group has established ethical principles and ensures that each employee in the company follows them. As a Responsible Employer, Societe Generale is committed to ensuring respect for human rights and implements appropriate measures in instances where its ethical principles are not adhered to.



STANDING UP FOR BASIC RIGHTS AND FREEDOM OF ASSOCIATION

Societe Generale pursues its growth strategy in compliance with the values and principles set out in:

- the Universal Declaration of Human Rights and its additional commitments;
- the fundamental conventions of the International Labour Organisation (ILO);
- the UNESCO World Heritage Convention;
- the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises¹;
- the United Nations Guiding Principles on Business and Human Rights (see the *Duty of Care Plan*).

Moreover, in February 2019, Societe Generale renewed its agreement with the trade union federation UNI Global Union² on fundamental rights covering 100% of the Group's workforce. In line with the 2015 agreement on fundamental freedoms and the right to organise, this new agreement includes additional commitments on:

- the fight against discrimination and the development of diversity in all Human Resources management processes (a subject already introduced in the initial agreement);
- maintaining a working environment conducive to health and safety and offering satisfying working conditions to all employees;
- preventing and identifying the risks of non-compliance with fundamental human rights in connection with the implementation of the Duty of Care Plan (see the *Duty of Care Plan*);

- strengthening management's key role in upholding the Group's Code of Conduct and Leadership Model.

The agreement takes the form of regular discussions with UNI Global Union on the implementation of these commitments and a yearly follow-up meeting that brings together the representatives of UNI Global Union and Bank's Human Resources Department.

Going beyond this Group agreement, 205 agreements were signed in 2019 within the Bank in entities covering 66% of the Group's workforce. These agreements cover remuneration, employee benefits, working conditions, social dialogue practices and gender equality in the workplace. 15 agreements focused specifically on health and safety.

Always concerned about the quality of social dialogue and respect for the right to collective bargaining, Societe Generale SA in France has made specific resources available to the representative trade union organisations ("OSR"), in particular those collectively agreed for communicating with the employees, including:

- distributing pamphlets to employees;
- sending out informational materials to employees by interoffice mail;
- bulletin boards in the workplace for trade union messages;

- a website for each workforce representative accessible on the company Intranet;
- trade union briefings with employees during working hours with no loss of wages for the employee;
- the possibility for employees to subscribe to a representative trade union organisation mailing list to receive trade union messages in their business or personal mailbox.

Workforce representation in the Group is organised as follows:

- **a European Works Council (EWC).** EWCs are bodies for relaying information, discussing and exchanging views on economic, financial and social matters of strategic importance that are of a transnational nature (i.e. concerning at least two countries of the European Economic Area);
- **a Central Economic and Social Committee (CESC):** In Societe Generale SA in France, the CESC is responsible for decisions taken at the corporate level at Societe Generale SA in France.
- In particular, it has the function of:
 - ensuring that the collective voice of employees can be expressed, allowing their interests in decisions relating to the development of the company's economic

- and financial situation, the organisation of work and occupational training to be taken into account;
- contributing to the protection of the health and safety of employees and the improvement of their working conditions;
- **Business and Social Works Councils (BSWC):** at the corporate level at Societe Generale SA in France, these councils are responsible for:
 - ensuring that the collective voice of employees can be expressed, allowing their interests in decisions relating to the development of the company's economic and financial situation, the organisation of work and occupational training to be taken into account;
 - contributing to the protection of the health and safety of employees and the improvement of their working conditions;
 - relaying the collective or individual complaints of employees to the employer.

"In February 2019, Societe Generale renewed its agreement with the trade union federation UNI Global Union on fundamental rights covering 100% of the Group's workforce."

1. Societe Generale reaffirms its adherence to the OECD Guidelines for Multinational Enterprises and its commitment to comply with all labour laws, collective bargaining agreements, regulations on safety and security at the national level and applicable laws and internationally recognised human rights in every market where Societe Generale operates.

2. This agreement lays down a framework and is not designed to substitute existing national legislation and/or a national collective bargaining agreement and/or a works agreement that might be subsequently negotiated if they are more favourable.

In addition to its legal framework, Societe Generale has set up dialogue and consultation bodies to address the corporate strategy, which have been in place since 2013. In 2019, union leaders were given visibility on the strategic and economic directions of the Company and the business lines through:

- three meetings with the Chief Executive Officer or his representatives during the European Group Works Council;
- two specific meetings with the Chief Executive Officer presenting Societe Generale's new governance and strategic directions;
- ten meetings of the forum for dialogue and consultation, attended by members of General Management, to discuss strategy and the basis for any projects under consideration;
- six meetings with the Chief Executive Officer or his representatives during the plenary sessions of the Central Economic and Social Committee;
- four meetings of the professions observatory on the progress of Strategic Workforce Planning ("SWP") for the different functions.

See the [*Professions and Skills report*](#).

In a changing regulatory landscape in France, several amendments to existing agreements and one new agreement were signed in 2018 and 2019:

- Amendment to the agreement on the establishment, means and terms of operation of the Central Economic and Social Committee
- Amendment to the agreement on the European Works Council
- Agreements on the establishment of Social and Economic Committees

The agreements on the bodies' operation and on the organisation and operation of the social dialogue ensure the latter is efficient and of high quality and contribute to the Company's economic performance. The agreements establishing the Social and Economic Committees are intended to implement the reform regarding the new organisation of the social and economic dialogue in companies.



ACTING RESPONSIBLY TO UPHOLD OUR ETHICAL PRINCIPLES

“In order to ensure compliance with our ethical principles, Societe Generale has been strengthening its Code of Conduct since 2005 and has issued two specific policies: one to discourage inappropriate behaviour and the other to control the use of disciplinary authority.”

Drawn up in 2018, the **policy addressing misconduct in the workplace** took effect in 2019 to prevent and combat inappropriate behaviour by:

- **asserting the Group's values and commitments in that regard;**
- adopting common definitions and providing examples of this type of act;
- encouraging the implementation of **preventive measures** through specific training for people likely to have to deal with such acts, and more comprehensive awareness-raising initiatives;

- reminding employees that a **whistleblowing mechanism** is available to them should they witness or fall victim to such acts;
- reminding employees that the perpetrators of such acts will be subject to disciplinary measures that may entail the termination of their employment contract.

Since 2018, nearly 9,300 people in the Group have been trained to manage misconduct.

FOCUS ON HARASSMENT

Societe Generale is committed to providing all employees with a respectful workplace environment favourable to the development of all. This is why for the past few years, the Group has been actively promoting measures preventing and combating misconduct at work, and specifically harassment, whether it is psychological or sexual.

With the implementation in 2019 of a Group policy aimed at preventing

and combating behaviours that do not comply with the principles as set out in its **Code of Conduct**, Societe Generale is reaffirming this commitment by:

- setting up the mechanisms necessary for preventing, addressing and rapidly resolving alerts;
- empowering all employees;
- creating the conditions for secure and equitable working relationships.

22,000
GROUP MANAGERS
AND EMPLOYEES

IN THE HR FUNCTION ATTENDED
MANDATORY TRAINING ON THE GROUP'S
DISCIPLINARY FRAMEWORK



“Societe Generale protects whistle-blowers”

The company's **whistleblowing system** is integrated into the mechanism combating misconduct. In parallel and within this context, the procedure for reporting and addressing misconduct has been strengthened. In particular, it makes provision for new parties who may be called upon to intervene alongside HR departments in handling alerts and reiterates the possibilities offered to employees to report an inappropriate situation, particularly using the Whistleblowing tool.

This procedure should allow the veracity of the situations reported to be established within a short period of time and in complete confidentiality while respecting each party's legitimate concerns. Any employee, external contractor or temporary worker may exercise the right to whistleblow. Exercising the right to whistleblow must comply with the Group's rules and the provisions of local legislation, specifically with regard to professional secrecy and the protection of personal data.

It also details the **procedure for whistleblowing** in situations where such action is justified and reiterates that Societe Generale protects whistleblowers, guarantees that it will keep their identity strictly confidential throughout the entire Group, and guarantees anonymity where possible under local law.

A whistleblowing monitoring committee has been created at the highest level of the organisation. Its members (the Head of Compliance, the Corporate Secretary, the Group Head of Human Resources, the Head of the Culture and Conduct Programme, and the Group Head of Inspection and Audit) are sought out whenever necessary and help with managing alerts.

As such, they are kept regularly informed of any reported alerts and have access to information that would allow them to monitor the results of any investigations conducted and institute a remedial plan subsequent to the alert if it proves necessary (see *Code of Conduct*).

The Group's policy on disciplinary matters, drafted in 2018 as part of the work carried out by the Culture and Conduct programme, is meant to frame the use of disciplinary authority in accordance with the guiding principles shared throughout the Group. This policy, issued in 2019, guarantees that the rules applicable at the group level are followed, namely **equity, the transparency of the system and the right to make a mistake**.

To this end, it includes:

- the distinction between a mistake and negligence by providing a definition of these two terms;
- Group guidelines and best practices, including a graded system of sanctions, managerial responsibility for sanction decisions and implementation, collegiality in determining the severity of the sanction and follow-up on sanctions;
- bi-annual reporting for the entire Group, to provide General Management (in particular) with an overview of disciplinary actions;
- the possibility for employees to report any disciplinary abuses of which they may be aware, whether directly or indirectly.

OTHER PUBLICATIONS

Diversity and Inclusion
Professions and Skills
Occupational Health and Safety
Performance and Compensation

AVAILABLE AT

www.societegenerale.com

