



SOCIETE GENERALE

APPROACH TO SUSTAINABILITY

■
JUNE 2018
■

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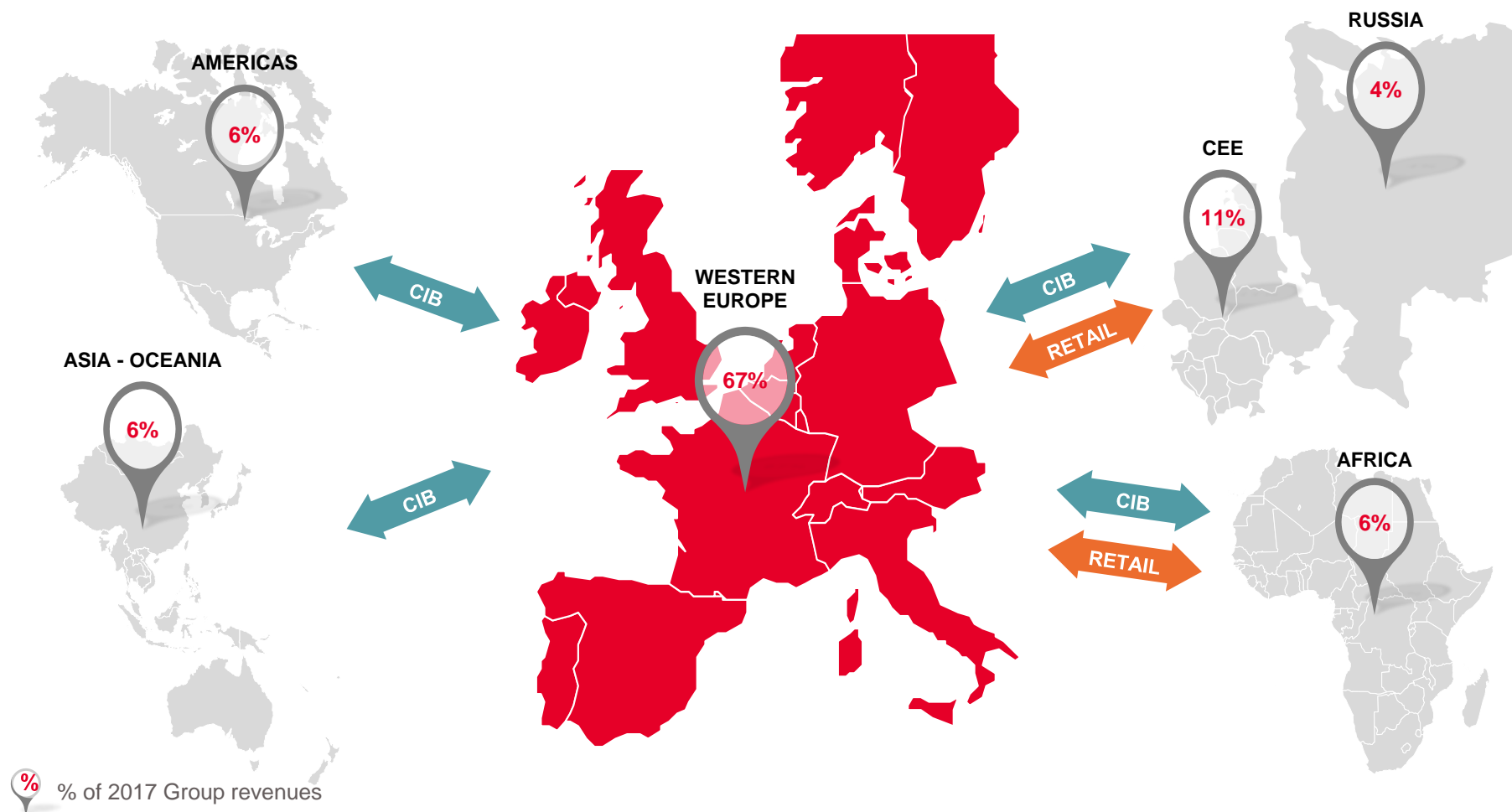
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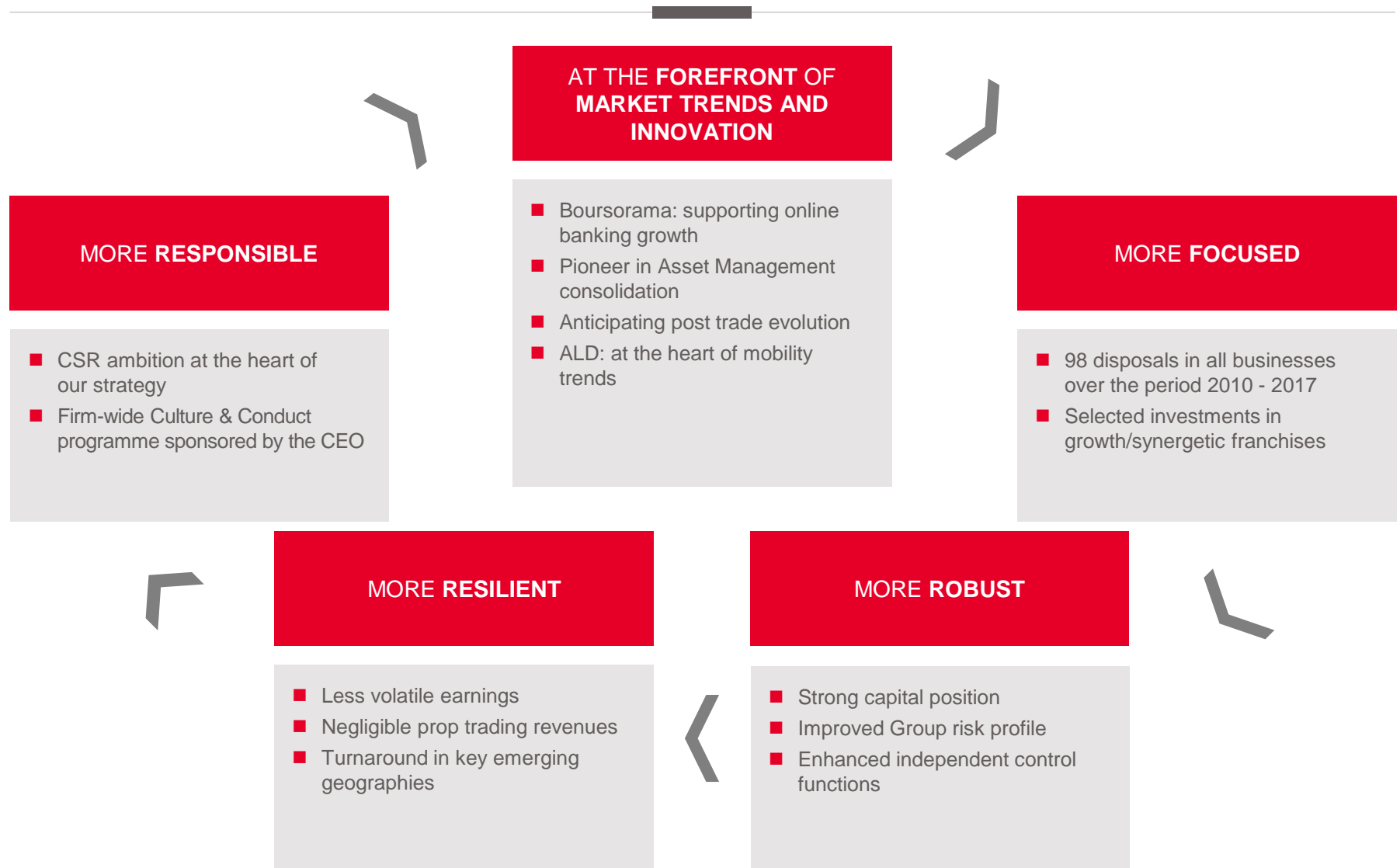
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A EUROPEAN LEADER RELYING ON A DIVERSIFIED MODEL AND CONNECTING EUROPE TO THE REST OF THE WORLD



A TRANSFORMED GROUP



OUR LONG-TERM VISION: COMMITTED TO POSITIVE TRANSFORMATIONS



TRUSTED PARTNER



OPEN BANKING PLATFORM
AND ARCHITECTURE



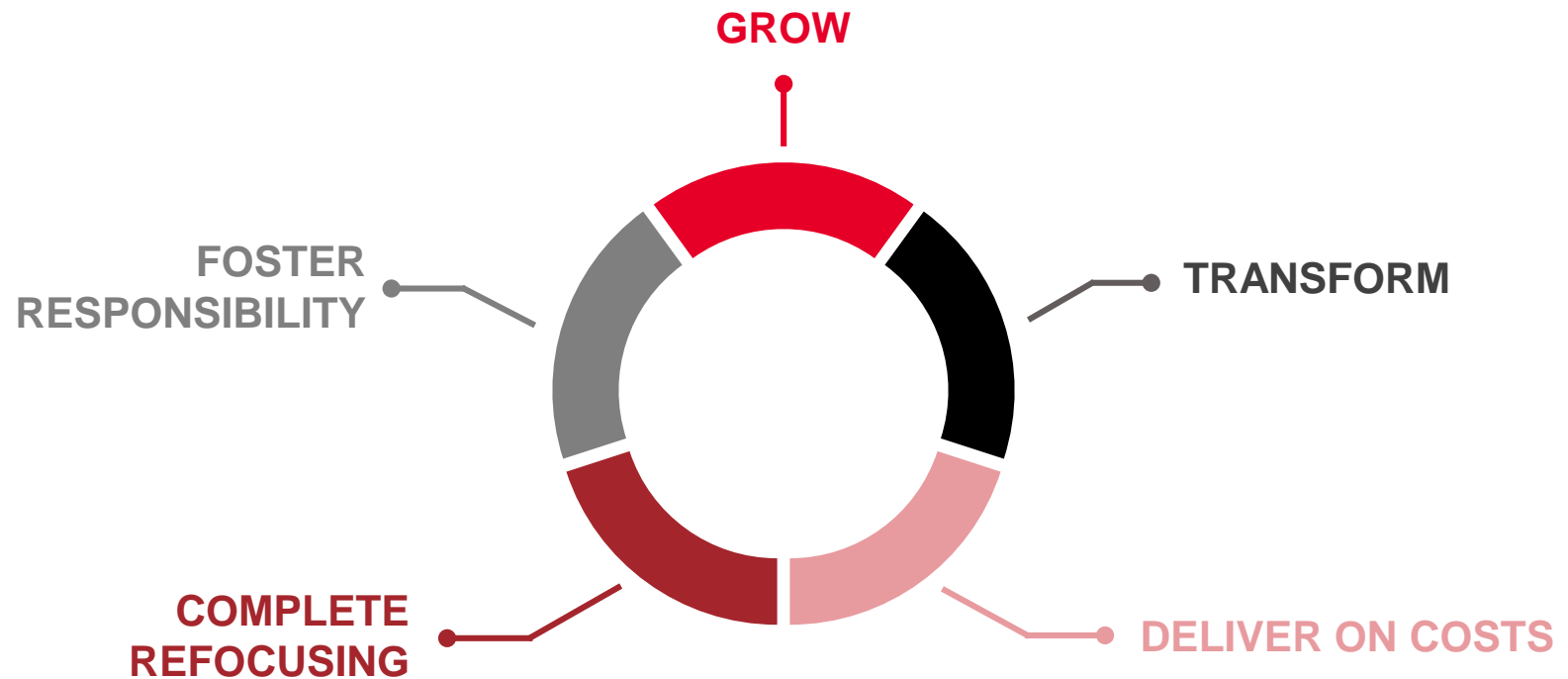
FULLY DIGITAL BANK FOR A
BETTER CUSTOMER
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A WINNER IN THE RACE
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DELIVER SUPERIOR, PROFITABLE AND SUSTAINABLE GROWTH

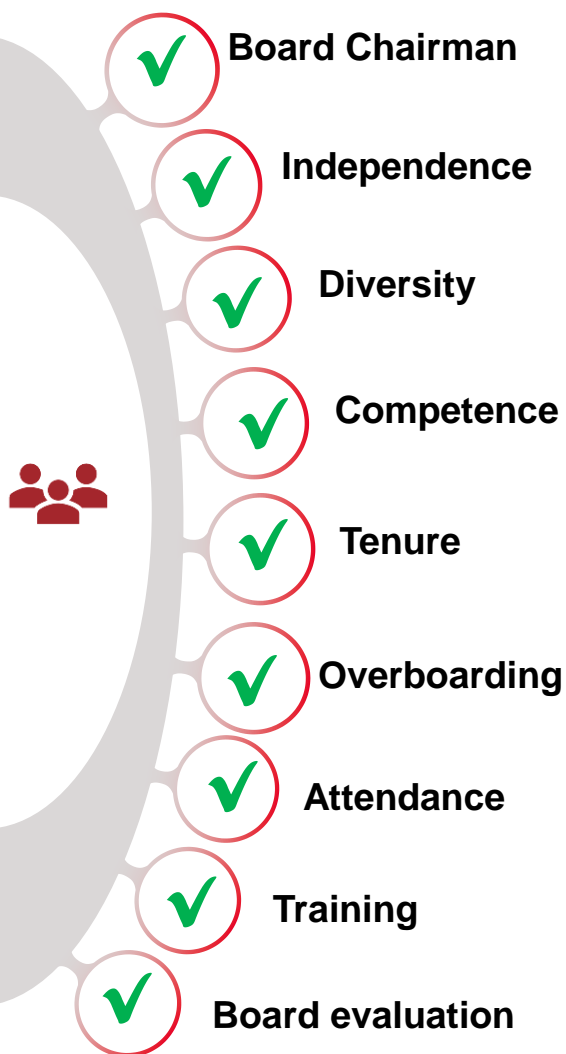
2020 STRATEGIC PRIORITIES



1

GOVERNANCE

SNAPSHOT OF SG BOARD



Separation of Chairman and CEO roles since May 2015

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

Gender: 43% women;

Nationality: 36% non-French (US/ British, Italian, Spanish, Dutch, Canadian)

Broad range of skills: Risk, Control, Finance, IT, Digital, Management, Regulation, International, Client Services, Legal, Industry... (see slide 11)

Length of term: 4 years; Average tenure: 4.3 years

Cap on the number of directorships:

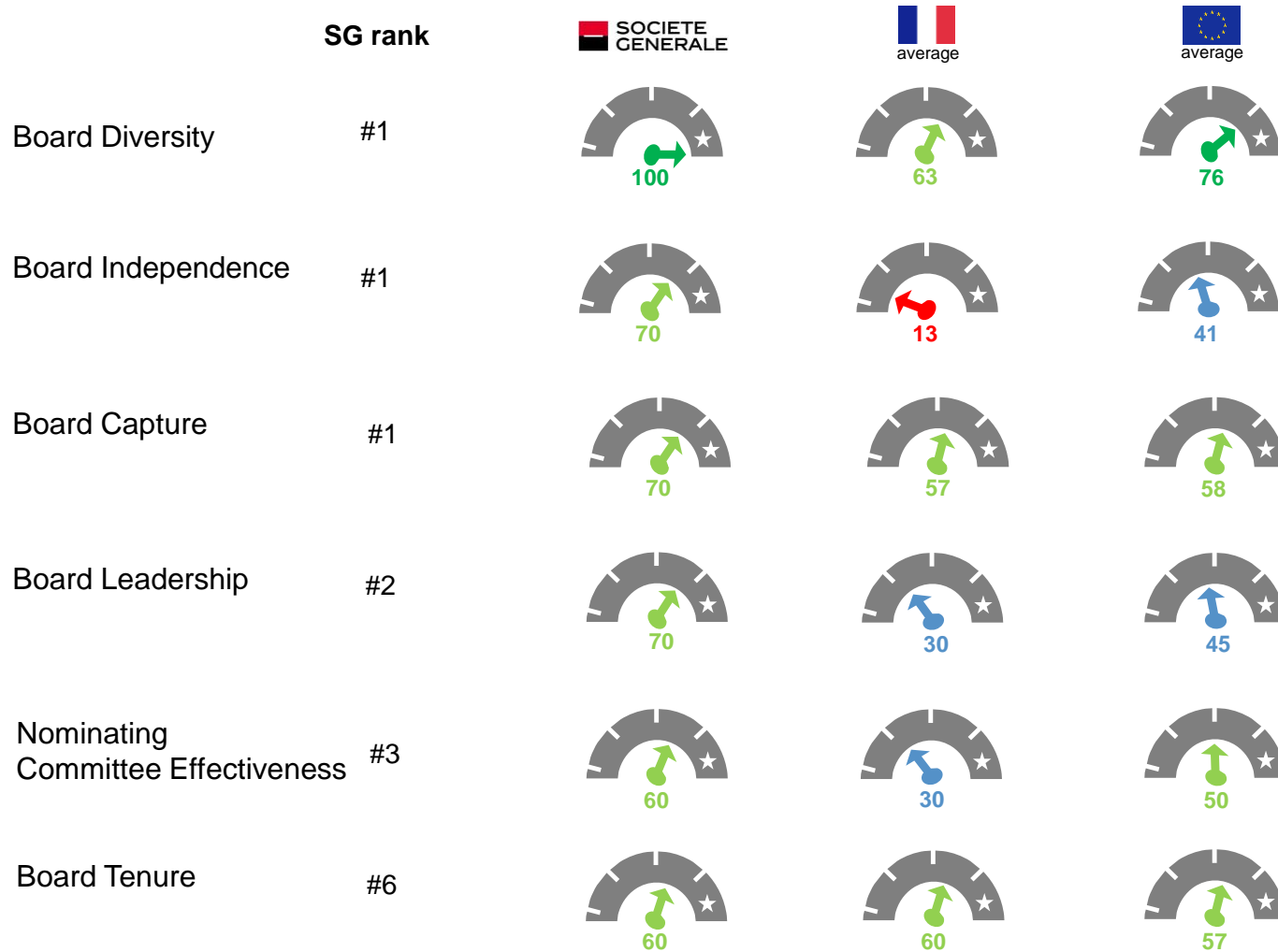
- 1 executive and 2 non-executive; or
- 4 non-executive

Attendance in 2017: 94%

Wide and regular training programme. On-site visits: cyber security...

External 360° assessment every 3 years

POSITIVELY POSITIONED VS EUROPEAN PEERS ON GOVERNANCE INDICATORS










Source: Sustainalytics data, 2016 (score /100 ; Rank /14)








French panel includes BNP Paribas, Credit Agricole and Natixis

European panel includes Barclays, BBVA, BNP Paribas, Credit Agricole, Credit Suisse, Deutsche Bank, HSBC, ING, Intesa, Natixis, Nordea, Santander, Societe Generale and UniCredit

DIRECTOR COMPETENCIES AND EXPERIENCE (1/3)

Directors		Tenure (years)	Summary
	Lorenzo BINI SMAGHI First appointment : 2014 Term : 2022 Italian	4	<ul style="list-style-type: none"> - Member of the Executive Board of the ECB from 2005 to 2011, - Member of the Board of Directors of TAGES Holding (since 2014), Morgan Stanley International (from 2013 to 2014), - Chairman of the Board of Directors of Italgas (since 2016), SNAM (from 2012 to 2016), ChiantiBanca (from 2016 to 2017).
	Frédéric OUDEA First appointment : 2009 Term : 2019 French	9	<ul style="list-style-type: none"> - Societe Generale Group since 1995 : - Chief Financial Officer from 2003 to 2008, - Chairman and CEO from 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	1	<ul style="list-style-type: none"> - Various posts at ING Bank N.V. from 1999 to 2016, latest positions were : - Global Head of Corporate and Investment Banking, - Member of Management Board of ING Bank N.V. from 2011 to 2016, - CEO of ING Real Estate B.V. from 2009 to 2015, - Member of the Supervisory Board of Aegon N.V. since 2017.
	Jérôme CONTAMINE First appointment : 2018 Term : 2022 French	New	<ul style="list-style-type: none"> - Chief Financial Officer of Veolia Environnement from 2000 to 2009, - Chief Financial Officer of Sanofi since March 2009, - Chairman of the Board of Directors of SANOFI European Treasury Center (from 2012 to 2015), SECIPE (from 2009 to 2016), SANOFI 1 (from 2009 to 2015), - Member of the Board of Directors of Valeo (from 2006 to 2017), SANOFI European Treasury Center (from 2012 to 2016).
	Diane CÔTÉ First appointment : 2018 Term : 2022 Canadian	New	<ul style="list-style-type: none"> - Chief Risk Officer of the London Stock Exchange Group since 2012, - Chairman of the Board of Directors of SANOFI European Treasury Center (from 2012 to 2015), SECIPE (from 2009 to 2016), SANOFI 1 (from 2009 to 2015), - Member of the Board of Directors of Novae Syndicates Limited (from 2015 to 2018), Frank Russel Company (from 2014 to 2016), Russel Investment Inc (from 2015 to 2016).
	Kyra HAZOU First appointment : 2011 Term : 2019 US/ British	7	<ul style="list-style-type: none"> - Managing Director and Regional General Counsel for Salomon Smith Barney/Citibank from 1985 to 2000, - Lawyer in London and New York, - Non-executive Director and a member of the Audit Committee and Risk Committee at the Financial Services Authority in the United Kingdom from 2001 to 2007
	Jean-Bernard LEVY First appointment : 2009 Term : 2021 French	9	<ul style="list-style-type: none"> - CEO of Vivendi from 2002 to 2005, - Chairman of the Executive Board of Vivendi from 2005 to 2012, - Chairman and CEO of EDF (since 2014), Thalès (from 2012 to 2014), - Chairman of the Supervisory Board of Framatome (since 2017), Viroxis (from 2007 to 2014), - Chairman of the Board of Directors of Edison S.p.A (since 2014), JBL Consulting & Investment SAS (from 2012 to 2014), EDF Energy Holdings (from 2015 to 2017), - Member of the Board of Directors of Dalkia (since 2014), EDF Énergies Nouvelles (since 2015), EDF Energy Holdings (since 2017), Vinci (from 2007 to 2015), DCNS (from 2013 to 2014).

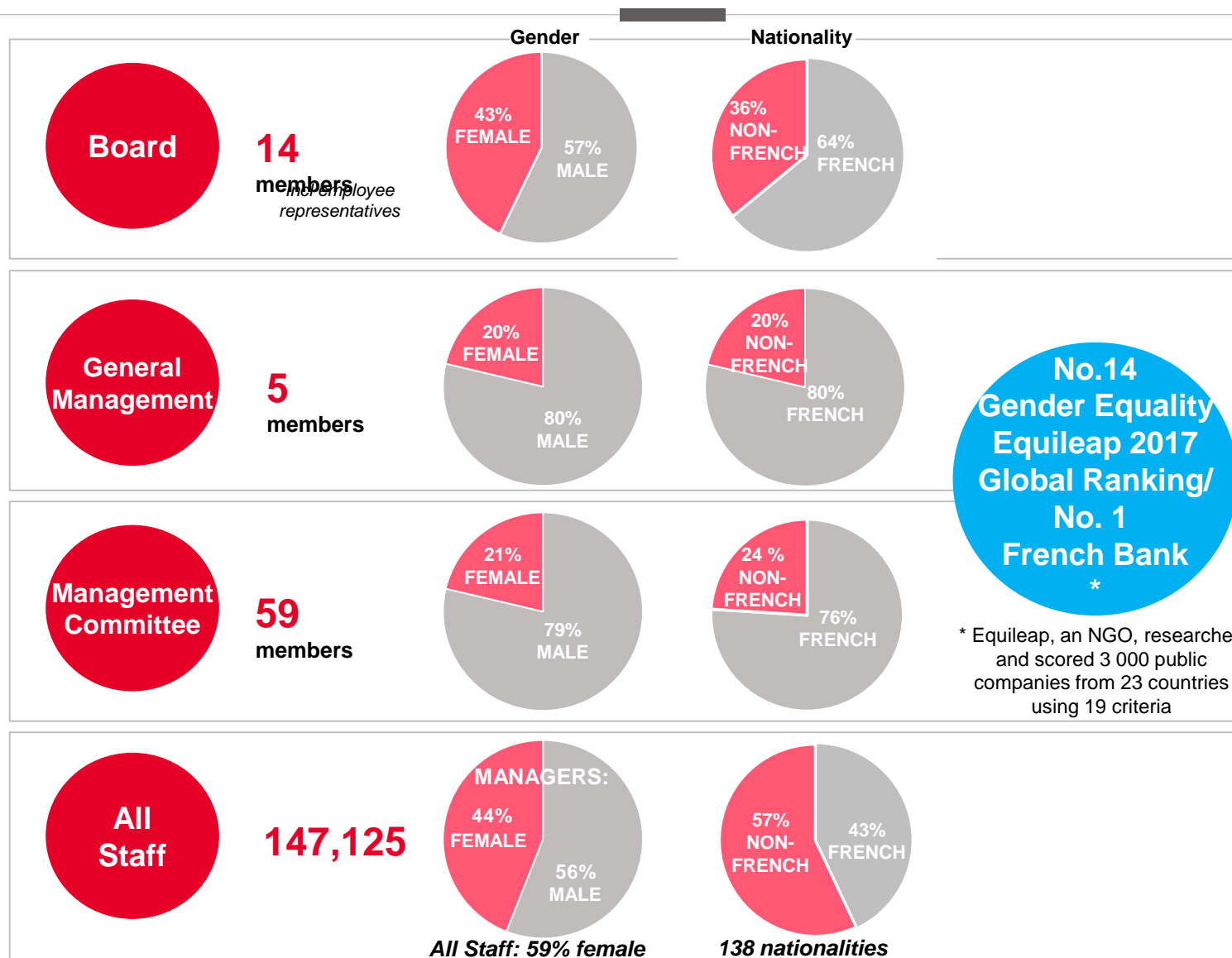
DIRECTOR COMPETENCIES AND EXPERIENCE (2/3)

	Gérard MESTRALLET First appointment : 2015 Term : 2019 French	3	<ul style="list-style-type: none"> - Chairman and CEO of Compagnie de Suez from 1995 to 1997, - Chairman of the Executive Board of Suez Lyonnaise des Eaux from 1997 to 2001, - Chairman and CEO of Suez from 2001 to 2008; Chairman and CEO of Engie from 2008 to 2016, - Chairman of the Board of Directors of Engie (since 2016), SUEZ (since 2008), Electrabel (from 2010 to 2016), ENGIE Energy Management Trading (from 2010 to 2016), ENGIE Énergie Services (from 2005 to 2016), GDF SUEZ Rassembleurs d'Énergies S.A.S (from 2011 to 2014), GDF SUEZ Belgium (from 2010 to 2014), - Vice-Chairman of the Board of Directors of Aguas de Barcelona (from 2010 to 2015), - Member of the Supervisory Board of Siemens AG (from 2013 to 2016), - Member of Board of Directors of International Power (2011 to 2016), Saint-Gobain (1995 to 2015), Pargesa Holding SA (1998 to 2014).
	Juan Maria NIN GENOVA First appointment : 2016 Term : 2020 Spanish	2	<ul style="list-style-type: none"> - CEO of La Caixa from 2007 to 2011, - Executive Vice-Chairman of Obra Social de La Caixa (2007 to 2014); Vice-Chairman & Deputy Advisor CaixaBank S.A (2011 to 2014), - Member of the Supervisory Board of ERSTE Groupe Bank AG (2009 to 2014), Grupo Financiero Inbursa (2008 to 2014), Banco BPI S.A. (2008 to 2014), - Member of the Board of Directors of DIA Group SA (since 2015), Grupo de Empresas Azvi S.L. (since 2015), Azora Capital S.L. (since 2014), Naturhouse (Spain) (2014 to 2016), Grupo Indukern* (Spain) (2014 to 2016), Gas Natural (Spain) (2008 to 2015), Repsol SA (Spain) (2007 to 2015), - Chairman of the Board of Directors of VidaCaixa Assurances (in 2014), SegurCaixa Holding, SA (from 2007 to 2014), - Operative Partner of Corsair Capital LLC since 2016.
	Nathalie RACHOU First appointment : 2008 Term : 2020 French	10	<ul style="list-style-type: none"> - Banking experience from 1978 to 1999 at Crédit Agricole Indosuez, - Founder of an asset management company, Topiary Finance Ltd, from 1999 to 2014, - Foreign Trade Advisor for France since 2001, - Senior Advisor for Rouvier Associates since 2015 - Founder of an advisory company in Financial Services sector, NECGL Ltd, since 2015 - Member of the Board of Directors of ALTRAN (since 2012), VEOLIA (since 2012), LAIRD Plc (since 2016)
	Lubomira ROCHET First appointment : 2017 Term : 2021 French	1	<ul style="list-style-type: none"> - Head of Strategy at Sogeti from 2003 to 2007, - Head of Innovation and Start-ups in France at Microsoft from 2008 to 2010, - CEO of Valtech from 2012 to 2014, - Chief Digital Officer and Member of Executive Committee of L'Oréal since 2014, - Member of the Board of Directors of Founders Factory Ltd since 2016.
	Alexandra SCHAAPVELD First appointment : 2013 Term : 2021 Dutch	5	<ul style="list-style-type: none"> - Various posts at ABN Amro investment banking division from 1984 to 2007, - Appointed head of Western Europe at RBS in 2008, - Member of the Supervisory Board of Vallourec SA (since 2010), Burni Armada Berhad (since 2011), FMO (since 2012), Holland Casino (from 2007 to 2016).
	France HOUSAYE First appointment : 2009 Term : 2021 French	9	SG employee since 1989
	David LEROUX First appointment : 2018 Term : 2021 French	New	SG employee since 2001

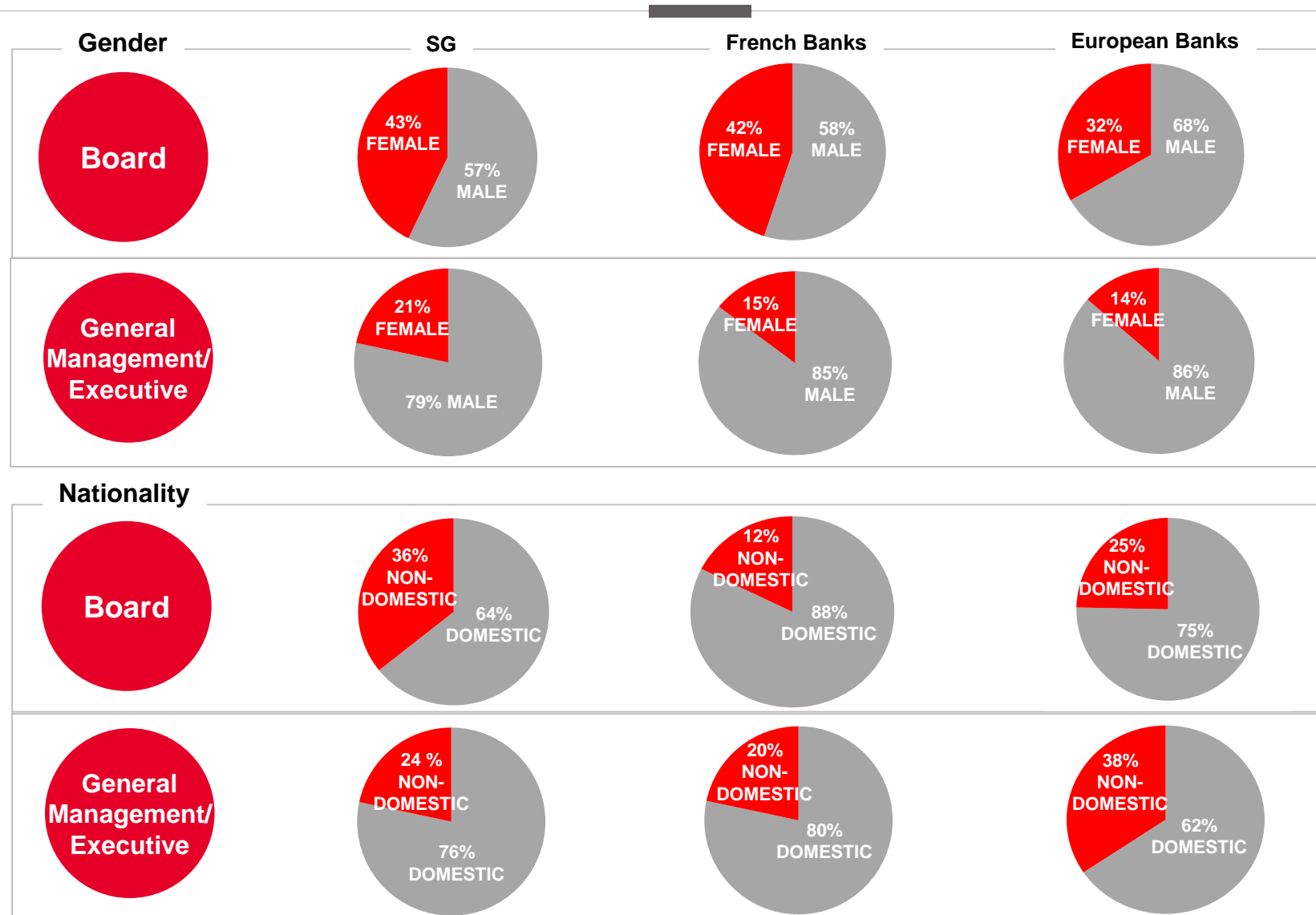
DIRECTOR COMPETENCIES AND EXPERIENCE (3/3)



DIVERSITY AT SOCIETE GENERALE....



...POSITIVELY POSITIONED VS PEERS ON DIVERSITY



BOARD COMMITTEES

5 independent directors

Review of the risk panorama & mapping; risk limits; Group liquidity; stress tests; reputation dashboard; compliance dashboard.

In 2016/17 it increased time allocated to IT security, systems and cyber security and from 2018 a conduct dashboard will be reviewed twice-yearly.

2017: met 11x; attendance rate 96%

RISK

4 independent directors

Preparation of Group accounts; management of relations with statutory auditors; and approval of audit plan.

Review of compliance organisation; anti-money laundering; resolution & recovery plans; regulatory compliance; and specific business reviews.

2017: met 11x; attendance rate 93%

**AUDIT AND
INTERNAL
CONTROL**

COMPENSATION

4 directors (3 independent)

Monitors long-term and deferred remuneration; Chairman's remuneration; and ensures remuneration policies are in line with regulations, internal risk control policy, gender equality and (from 2018) that extra-financial criteria are considered in the variable remuneration of the Management Committee.

2017: met 7x; attendance rate 96%

**NOMINATION &
CORPORATE
GOVERNANCE**

4 independent directors

Prepares the appointment of new directors and succession of CEO; prepares resolutions for General Meeting; examines Internal Rules of the Board; prepares annual internal evaluation of Board.

2017: met 7x; attendance rate 86%

Public activity reports for all Committees included in the Registration Document

ROLE OF THE BOARD

The Board of Directors collectively represents all shareholders

Strategic Direction

- The Board sets SG's strategic direction and ensures its implementation
- This includes the Group's values and code of conduct and the Group's social and environmental responsibilities

Remuneration

- The Board sets the compensation of the CEOs including:
 - both the fixed and variable parts, ensuring a balance between financial and extra-financial criteria
 - and long-term incentives to align interests with long-term shareholder value

Solid Governance

- The Board periodically:
 - ensures that it is well composed and has sufficient breadth of skills to perform its duties
 - approves effective risk procedures, a sound internal control system, and efficient administrative processes
 - ensures a well-defined, transparent and coherent sharing of responsibilities

AN ORGANISATION BASED ON SHARED CULTURE AND GOALS...

MORE AGILE ORGANISATION

- **New organisation and governance** based on 17 Business Units and 10 Service Units
- Key principles: **autonomy, collegiality and cooperation**

REINFORCED INTERNAL CONTROL SET UP

- A set-up based on **3 lines of defense**
- **Independent** control functions reporting to a dedicated deputed CEO
- **Best in class compliance standards**

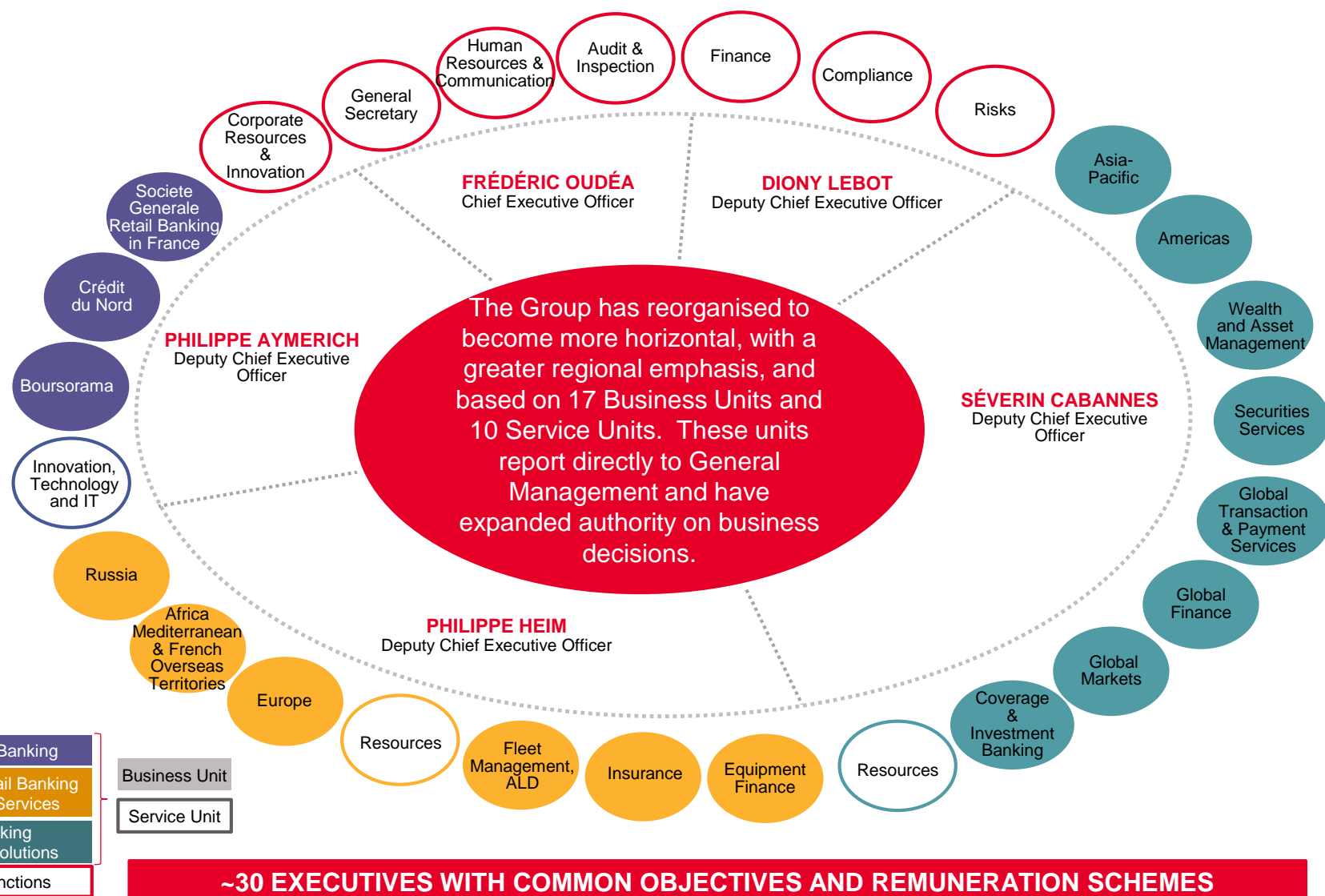
DEPLOYING CULTURE & CONDUCT PROGRAMME

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

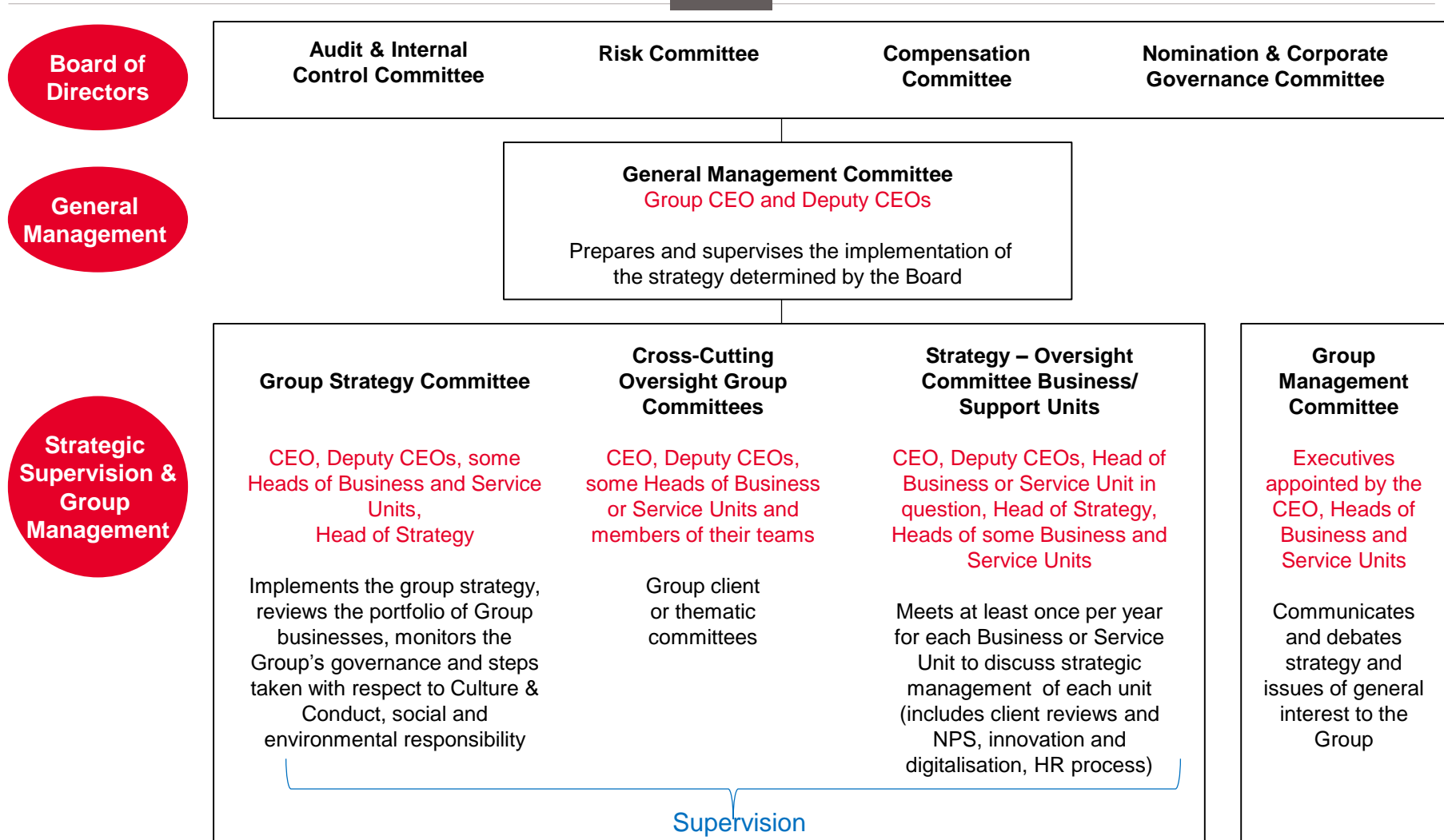
MORE ALIGNMENT

- **Common leadership model applying** to all staff worldwide based on shared values
- **Variable remuneration of Management Committee members significantly indexed on common Group targets** (NPS, financial targets, global employee commitment rate and Group CSR rating)

... AND TO FOSTER AUTONOMY, COLLEGIALLY AND COOPERATION



GROUP GOVERNANCE, OVERSIGHT AND MANAGEMENT STRUCTURE



The Group is split into 27 Business and Service Units. Management of each Unit has autonomy to reach decisions and take action quickly. The Group's governance bodies are set up to be collegial and cross-cutting and to systematically review strategic and operational objectives.

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REMUNERATION POLICY

GROUP REMUNERATION 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 as concerns the remuneration of corporate officers, employee savings plans and performance share awards, which are subject to shareholder approval at the AGM

Variable remuneration of General Management is 60% quantitative and 40% qualitative.

From 01.2018 variable remuneration of the Management Committee is indexed on common Group targets:

Financial targets

Global Employee Commitment rate

Client Satisfaction (Net Promoter Score)

External Group CSR Rating

A compensation policy that builds loyalty and contributes to achieving company's objectives in line with its values:

Fixed compensation that rewards a position in accordance with level of responsibility, skills and professional experience

Variable compensation that depends on collective and individual performance

Additional incentive mechanisms including performance shares and employee savings plans which involve employees in the Group's long-term development

Control of the remuneration policy for regulated staff:

External control by regulators: annual report submitted to the supervisory authorities and published

Internal control: Compensation Committee, Risk Committee and Board of Directors; Compliance Monitoring Department

Variable compensation is aligned with long-term performance in compliance with regulations:

Partly deferred

Partly paid in instruments indexed to the share price

Balanced with fixed compensation

SAY ON PAY EX ANTE 2018

REMUNERATION POLICY - EXECUTIVE MANAGEMENT (1/2)

A stable remuneration policy, compliant with banking standards and the French governance code: the European CRD4 Directive standards, the AFEF/MEDEF code, and the “Sapin 2” law

FIXED COMPENSATION

Reflects **experience** and **responsibilities** and **compares with practices** in similar companies

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

LONG-TERM INCENTIVE

Designed to **associate executive managers in the Group’s long-term performance and align their interests with those of the shareholders**

- Capped amount
- Entirely conditional and deferred for 7 years

***Total variable
compensation
capped
at twice
the amount
of fixed
compensation***

SAY ON PAY EX ANTE 2018

REMUNERATION POLICY - EXECUTIVE MANAGEMENT (2/2)

NON-COMPETE CLAUSE

For a duration of 6 months, compensated as per fixed remuneration

SEVERANCE PAY

Only in case of **forced departure**
2 years fixed remuneration, subject to performance

SUPPLEMENTARY PENSION SCHEME

No supplementary pension scheme for the CEO
Supplementary pension scheme maintained for the D-CEOs
(with a performance condition for D-CEOs appointed since 2017)

SAY ON PAY EX POST 2017 COMPENSATION – NON-EXECUTIVE CHAIRMAN:

2017 FIXED COMPENSATION	€ 850,000	Since 2015 the fixed remuneration was set at €850,000. As part of the renewal of M. Bini Smaghi's term of office, shareholders voted in May 2018 in favour of raising his compensation to € 925,000 per year for the duration of the new 4-year term.
ANNUAL VARIABLE REMUNERATION FOR 2017	€ 0	Fixed compensation only, to guarantee complete independence.
LONG-TERM INCENTIVE	€ 0	
BENEFITS IN KIND	€ 53,400	Provision of housing for the purpose of carrying out the duties of this mandate in Paris.
TOTAL	€ 903,400	Total from 2018 following review of salary: € 978,400

M. BINI SMAGHI receives no directors' fees

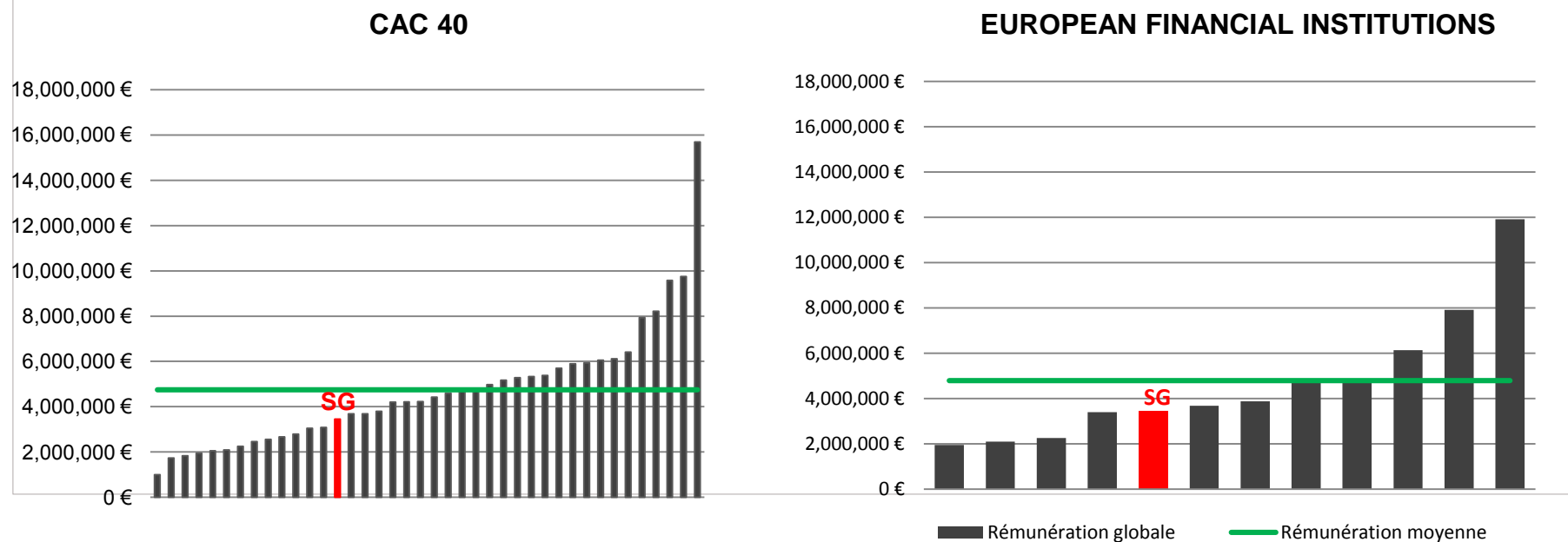
SAY ON PAY EX POST 2017 COMPENSATION – CHIEF EXECUTIVE OFFICER

2017 FIXED COMPENSATION	€ 1,300,000	
ANNUAL VARIABLE REMUNERATION FOR 2017	€ 1,305,720 (including €261,144 payable in 2018 and the balance deferred for 3 years)	Targets reached giving right to 74.4% of the variable compensation <ul style="list-style-type: none"> 69% of quantitative objectives reached 82.5% of qualitative objectives reached
LONG-TERM INCENTIVE	€ 850,000	Shares or equivalents awarded in 2 installments of 4 and 6 years Acquisition subject to Group profitability & growth of profitability for shareholders (TSR)
BENEFITS IN KIND	€ 5,925	Company vehicle
TOTAL	€ 3,461,645	

Mr. OUDÉA receives no directors' fees

REMUNERATION OF THE CHIEF EXECUTIVE OFFICER COMPARISON WITH CAC 40 COMPANIES AND FINANCIAL INSTITUTIONS IN EUROPE

Global compensations 2017



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 2017

COMPENSATION - DEPUTY CHIEF EXECUTIVE OFFICERS

	SÉVERIN CABANNES	BERNARDO SANCHEZ INCERA	DIDIER VALET	
2017 FIXED COMPENSATION	800 000 €	800 000 €	766 667 €	
ANNUAL VARIABLE REMUNERATION FOR 2017	672 998 € <small>(including 134 600€ payable in 2018 and balance deferred for 3 years)</small>	702 438 € <small>(including 140 488 € payable in 2018 and balance deferred for 3 years)</small>	260 544€ <small>(acquired share only-including 130 272 € payable in 2018 and balance payable in March 2019)</small>	Targets reached giving right to variable remuneration: <ul style="list-style-type: none"> ■ 73.15 % for S. CABANNES ■ 76.35 % for B. SANCHEZ INCERA ■ 70.80 % for D. VALET
LONG-TERM INCENTIVE	570 000 €	570 000 €	0 €	Shares or equivalents awarded in 2 installments of 4 and 6 years Acquisition subject to Group profitability and growth of profitability for shareholders (TSR) compared to our peers
BENEFITS IN KIND	6 411 €	7 179 €	4 571 €	Company vehicle
TOTAL	2 049 409 €	2 079 617 €	1 031 782 €	

Director's fees included in variable remuneration

PROCESS FOR DEPARTURES

In 2018 the Board of Directors has processed the departures of 2 Corporate Officers.

Didier VALET resigned in March 2018 and the following conditions applied:

- Absence of any severance pay or non-compete clause relating to his office
- Acquired portion of the annual variable remuneration for 2017 maintained
- No payment of long-term incentive for financial year 2017

Bernardo SANCHEZ INCERA resigned in May 2018 under conditions that the Board of Directors qualified as being a forced departure and the following conditions applied:

- Severance pay
- Indemnity in consideration of the non-compete clause
- Full annual variable remuneration for financial year 2017 and for the previous years maintained
- Long-term incentive maintained

Neither Didier VALET nor Bernardo SANCHEZ INCERA will receive any variable remuneration for financial year 2018. They also lose the supplementary retirement benefit.

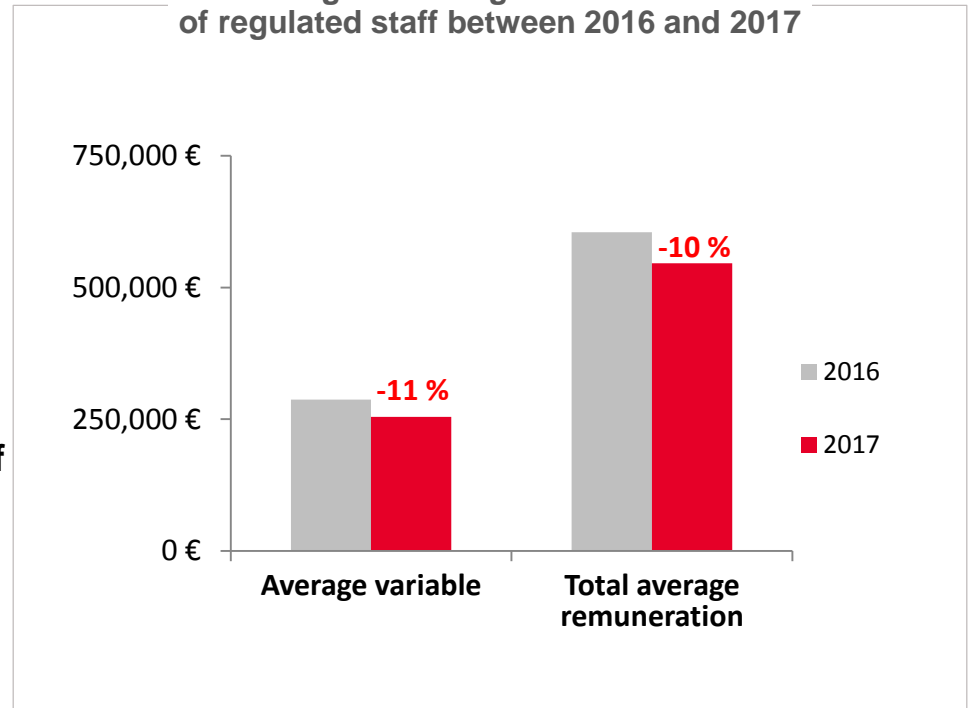
REMUNERATION OF REGULATED EMPLOYEES

The “regulated” category of staff includes 810 individuals
(including Corporate Officers)

Employees identified because their activities may have a significant influence on the Company’s risk profile

The average remuneration for regulated staff continues to decrease each year
(excluding Corporate Officers, at constant exchange rates)

Change in average remuneration
of regulated staff between 2016 and 2017



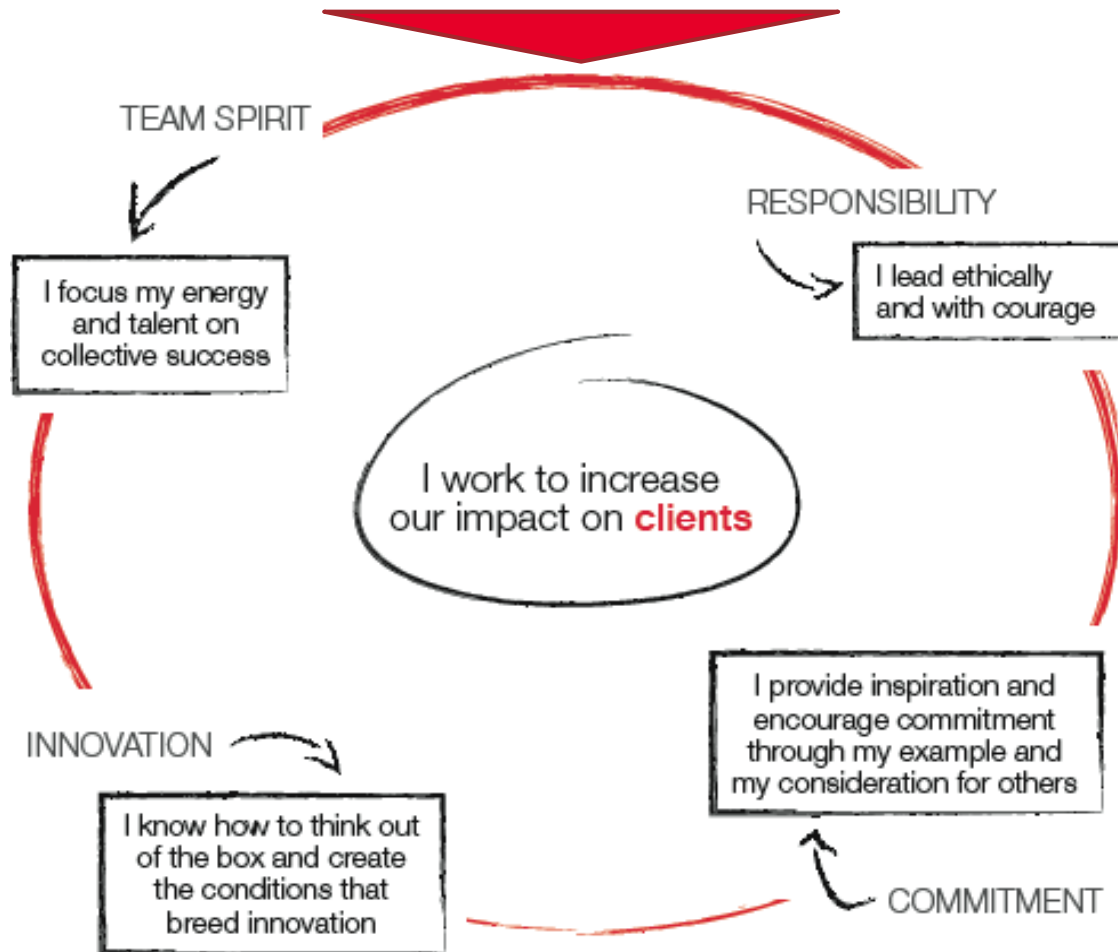
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CULTURE
&
CONDUCT

A COMMON 'LEADERSHIP MODEL' APPLIES TO ALL STAFF WORLDWIDE

A culture based on four values which form the basis of the *Leadership Model* and are applied throughout the organisation for performance evaluation, promotion and talent development



ACCELERATING CULTURAL TRANSFORMATION

AN AMBITIOUS PROGRAMME

A three year programme designed to accelerate our cultural transformation with two clear objectives:

- Reach the highest standards of service, integrity and behaviour, and to ensure that these are at the heart of our commercial practices.
- Make our culture a true differentiating factor on the market in terms of performance and competitive advantage

SUPPORTED BY A STRONG TONE FROM THE TOP

- The Board discusses the Culture and Conduct programme, its implementation and progress twice a year, and reviews the Group's progress through reports provided to the Board
- The Board formally endorsed the Code of Conduct in September 2016 and the Anti-Corruption Code in August 2017
- The Culture and Conduct programme is sponsored by the CEO, and the Group Head of Culture and Conduct reports directly to the CEO
- Meanwhile, top management have championed the programme, by :
 - placing it directly under their responsibility,
 - being active members of the Programme Steering Committee, and
 - participating in significant communication and awareness actions across the whole Group.

ACCELERATING CULTURAL TRANSFORMATION

WITH A CLEAR ROADMAP FOR TRANSFORMING OUR CULTURE

- Reinforcing our commitments to stakeholders and business principles through an updated Code of Conduct, translated into 22 languages, with Groupwide deployment and training to ensure appropriation by all our staff worldwide.
- Embedding an extensive definition of Conduct risk into our Group risk management framework, so that we can better identify and assess these risks across our Group, strengthening further our strong risk culture.
- Aligning Groupwide performance review, compensation and talent development processes with both the expectations of our stakeholders and our programme objectives.
- Building on current high-level communication strategies, working to embed culture and conduct topics into the daily lives of our staff through communication and awareness initiatives.

Complete information and Code of Conduct available on the Societe Generale Group corporate website

PUTTING LITIGATIONS BEHIND US

Societe Generale has long promoted strict principles which form part of its Code of Conduct and comply with the most stringent regulations in this regard, including the UK Bribery and Corruption Act (2011). It joined the Wolfsberg Group in 2000 and subscribed to the United Nations Global Compact in 2003.

Anti-Bribery Code

- Formally endorsed by the Board, August 2017
- The Code sets out principles and commitments in this area and describes the principal situations in which such practices might be encountered and how to respond
- It has been part of the Societe Generale SA Internal Rules since 1st January 2018 and is currently being rolled out internationally
- Mandatory e-learning course provided to all staff, worldwide, to raise awareness of this topic

Code of Conduct

- Formally endorsed by the Board, September 2016
- The Group Code of Conduct explains the regulatory requirements, principles and commitments that employees must all observe wherever they do business
- It emphasises Societe Generale's long-standing commitment to prohibiting all forms of corruption and its zero-tolerance policy
- Mandatory training to all staff, worldwide, on appropriation of the Code between September 2017 and September 2018, followed by an all staff assessment between June 2018 and December 2018



No new significant litigation related to our conduct in the last 6 years

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CSR VISION

A CLEAR CSR STRATEGY INTEGRATED ACROSS THE SG GROUP

TONE FROM THE TOP

- Each year, the Board approves the Group's CSR objectives and strategy and reviews the developments of the programme
- General principles:
 - Respect human and socio-economic rights and respect the environment
 - Comply with business-related laws, regulations and standards
 - Encourage diversity and respect individual privacy

LONGSTANDING ADHERANCE AND SUPPORT FOR INTERNATIONAL INITIATIVES



the
Wolfsberg
Group

2000



2001



2003



2007

CSR AT THE HEART OF SG STRATEGY

- Integration of CSR in the November 2017 Investor Day “Transform to Grow”, setting out strategic priorities to 2020
- Integration of ESG risks across Group risk management policies and procedures:
 - Code of Conduct as a cornerstone to our ESG approach
 - 12 public policies governing sensitive activities
 - ESG screening of counterparties and dedicated transactions to ensure adequate identification, evaluation, prevention and remediation of ESG risks

WORKING WITH REGULATION TO SHAPE STRATEGY

France continues to enhance its sustainable and climate-related regulation, strengthening the pioneering role of the Paris marketplace in green finance

Law on Energy Transition for Green Growth - Article 173

In August 2015 France became the first country to introduce mandatory climate change-related reporting.

Article 173 makes it compulsory for investors to explain how they take climate risks and ESG criteria in their investment decisions, in line with the voluntary recommendations of the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD).



SG is an active member of the UNEP FI working group on the TCFD disclosure and committed to align to these recommendations

Grenelle 2 Law – Article 225 / EU Non Financial Directive

In 2012, it became compulsory for French companies to report on the Environmental and Social impacts of their business and to have this information audited.

From 2018, the EU Non-Financial Information Directive will reinforce the article 225, and require companies to focus on their major E&S risks and on the management of the adverse impacts of their worldwide activities.



SG is fully supportive of these French and EU regulations, having reported on E&S impacts since 2003

Duty of Care Bill

In March 2017, following the UK Modern Slavery Act, France made it compulsory for companies with over 5,000 employees to implement a vigilance plan whose objective is to map, measure and mitigate human rights and environmental risks, on a worldwide basis.



SG sees this as an opportunity to strengthen its existing E&S practices and published its Duty of Care Plan in February 2018

CSR GOALS INTEGRATED IN BUSINESS DEVELOPMENT

A TRUSTED PARTNER COMMITTED TO POSITIVE TRANSFORMATIONS

LISTENING TO OUR **STAKEHOLDERS'** EXPECTATIONS AND
INTEGRATING **ESG RISKS**

IN OUR BUSINESS DEVELOPMENT GOALS...



CLIMATE CHANGE

Engage in the **fight against global warming**



OFFERS IN LINE WITH **SOCIAL TRENDS**

Develop impact-based business with a focus on inclusion and sustainability



AFRICA

Contribute to the **sustainable** development of Africa

IN THE WAY WE CONDUCT BUSINESS...



CLIENT SATISFACTION AND PROTECTION

Stand by our clients to provide **the right service** at the **right moment**, offering **safety and protection** to their **interests & assets**



CULTURE, CONDUCT AND GOVERNANCE

Share a governance and culture of integrity **centred on clients' interests** and protection



RESPONSIBLE EMPLOYER

Include, grow, engage our people

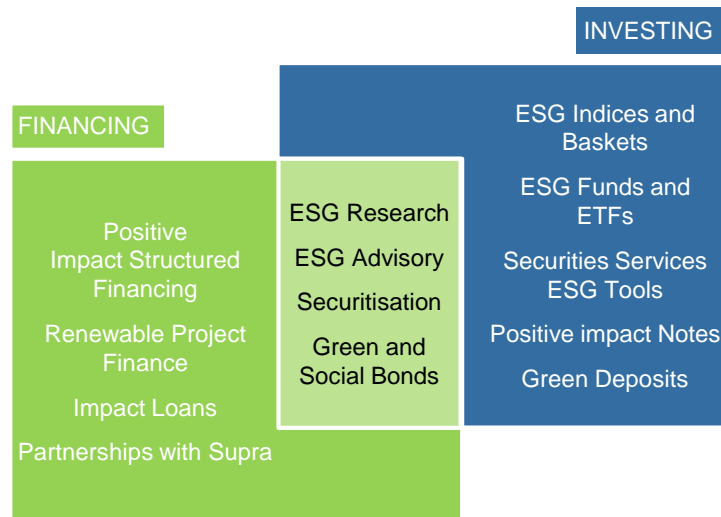
A BANK PIONEERING RESPONSIBLE FINANCE

A CONSOLIDATED SUSTAINABLE AND POSITIVE IMPACT FINANCE OFFERING

- Societe Generale is a founding member of the UNEP “Positive Impact Finance Initiative”
- In November 2017 the Group appointed a member of the Management Committee to direct and accelerate the development of a consolidated « Sustainable and Positive Impact Finance » range of products and services
- Its objective is to develop and diversify the range of product and service offerings by introducing more structuring expertise and advice on impact analysis and measurement and by incorporating the UN’s 17 Sustainable Development Goals

FROM FINANCING TO INVESTING, A FULL RANGE OF EXPERTISE AND SOLUTIONS

- EUR 5bn since 2016 in **Positive Impact Finance** projects, of which 2.7bn in 2017
- EUR 8.3bn in **renewable energy** projects (consulting and financing) in 2017
- **Green Bonds**: #3 in Europe and #7 worldwide all currencies at the end of 2017. Contribution to issue 27 green bonds totaling EUR 30.4bn in 2017
- #1 Extel 2015 and 2016 for SRI/Sustainable Development Research



- Lyxor ETFs matching 4 Sustainable Development Goals: Water, Renewable energy, Climate change and Gender equality
- Global Markets generated EUR1.65bn in SRI and ESG portfolio assets in 2017, in particular through the SG Index franchise
- Distribution of over EUR 200m Positive Impact Notes in 2017, debt securities for which SG has agreed to retain Positive Impact finance assets on its balance sheet for a value equal to all subscriptions to the products

EMBEDDING ENVIRONMENTAL RESPONSIBILITY IN CLIENT ACTIVITY

ENERGY TRANSITION

- EUR100bn contribution to financing the energy transition between 2016 and 2020 : EUR39bn at end-2017

COAL

- No new financing of coal-powered electric plants (from January 2017), coal mining (from 2015) or associated infrastructure
- A cap on the coal portion of the financed energy mix: limited to 19% by end-2020 (20.4% at end-2017)

OIL

- No new financing of oil from oil sands anywhere in the world (December 2017)
- No longer finance the production of Arctic oil (December 2017)

SHIPPING

- The European Investment Bank (EIB), Societe Generale and Brittany Ferries signed the first green maritime financing in December 2017 under the EIB's EUR 750m Green Shipping Guarantee (GSG) programme put in place in 2016 by the EIB and Societe Generale

RISK MANAGEMENT

- E&S risk management framework which extends beyond the regulatory requirements of the Duty of Care Bill
- 12 cross-sector and sector-specific E&S policies

CLIENT SUPPORT

- Advising clients on anticipating the changes associated with a low-carbon economy and assisting them with the transition

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT OF AFRICA

LOCAL PRESENCE

- Societe Generale has been operating in Africa **for over 100 years** and is a market leader in many key markets : the group has a unique position with strong expertise in structured finance, capital markets and international trade, as well as a local and regional banking network.
- More than **3.5m clients**, including 150,000 businesses
- **EUR 16bio** loan outstandings in 2017

PARTNERSHIPS

- **Building relationships** with institutional partners (including AFD, Bpifrance, EBRD, SFI), local players and international clients, Societe Generale supports the growth of Africa through:
 - Financing projects (energy resources, water, sustainable cities and mobility)
 - Financing SMEs
 - Offering innovative financing solutions in agri-business and renewable energies

FINANCIAL INCLUSION

- **Launch of YUP mobile money offer** to address the poorly and unbanked population of Africa, representing 80% of the population
 - introduced in Cote d'Ivoire, Senegal and Burkina with more than 110 000 wallets sold at 1Q18
 - Objective to **reach 1 million by 2020** and to roll out to 4 additional countries



TALENT DEVELOPMENT

- PanAfricanValley: **network of 135 African managers** in the form of a thinktank
- Unique collective intelligence platform, SAFARI, to help co-construct Societe Generale's long-term strategy

INNOVATION

- Capitalising on capacity for innovation and interaction with African landscape
- **Three innovation labs** in Dakar, Tunis and Casablanca, positioned at the heart of the start-up ecosystem

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HUMAN CAPITAL

STRATEGIC PRIORITIES OF HUMAN RESOURCES

Transform to Grow

- Support the Group's changing businesses by developing the skills that its employees need to adjust to transformations on the banking landscape
 - Develop employees' employability through training, learning and the formulation of diverse career paths
 - Targeted recruitment for growing and emerging businesses
 - Embrace digital transition by offering alternative working methods
- Develop a responsible banking culture based on the common values of the *Leadership Model*
 - Commitment to diversity
 - Highest standards of conduct and ethics
- Foster employee commitment and team spirit
 - Recognising each individual's contribution to the Group's long-term performance
 - Ensuring safety and well-being at work
 - Involving employees in civic initiatives

SHAPING THE WORKFORCE

STRATEGIC WORKFORCE PLANNING

- Mapping available competencies, identifying future needs, measuring gaps and developing action plans:
 - Employee training to acquire or upgrade skills needed
 - Matching people skills with business needs
 - Internal mobility and recruitment
- ➔ A tool using artificial intelligence is being developed worldwide
- Develop talents internally prior to seeking external resources
 - 18%** group internal mobility rate (17% 2016)
 - 57%** jobs filled internally world-wide (58% 2016)
- EUR98m training budget (92m 2016)
 - 26h** of training per employee per year

FRENCH RETAIL BANKING

- In accordance with social dialogue, the transformation of the French Retail Banking division includes :
 - Branch network reduced from 2000 to 1700 branches between 2017 and 2020
 - Reduction in back office platforms from 20 to 14
 - Automation of 80% of internal management processes by 2020
- This plan results in the removal of 3450 positions by 2020 through internal mobility, voluntary departures and attrition
- EUR150m commitment by 2020 to a strengthened and personalized training programme towards the development of new skills and working methods

RETENTION MANAGEMENT

7.7% voluntary turnover
3.5% voluntary turnover in France
9.7 average years of service

- **68% commitment rate in Group-wide Employee Satisfaction Survey**
- **Sharing value:** profit sharing plans and performance shareholding, long term incentives
- **Dedicated plans in countries with high turnover** with training academies, continuous improvement projects, new career paths

TALENT DEVELOPMENT & SUCCESSION PLANNING

IDENTIFYING STRATEGIC TALENT AND THE NEXT GENERATION OF MANAGERS

- The group-wide **Strategic Talent approach** is built around the *Leadership Model* and aims to identify, develop and retain high-potential employees to prepare the next generation of managers
 - 2.7%** of the Group's workforce
 - 40%** are women and 43% are non-French. **Target 2020:** continue to improve the representation of women in this pool
- The **Corporate University** is responsible for developing the Strategic Talent of the Group's most senior managers and senior executives. It offers behavioural skills development modules as part of its targeted programmes.
 - In 2017, these programmes were attended by **755 talents**, of which **39%** were women and **23%** were non-French
- **Succession planning** helps to pave the way for the next generation of managers in the Group's various scopes:
 - The plans for **300 Key Group positions** are monitored by General Management;
 - The plans for **1,500 Strategic Group positions** are approved and monitored by core businesses and corporate divisions;
 - The behaviour and interpersonal skills of the people identified as potential successors are analysed in relation to the Group's *Leadership Model* based on a matrix similar to that used when hiring new employees.

TARGETED DEVELOPMENT PROGRAMMES

Strategic talents dedicated training programmes delivered by the Corporate University

Africa Pan African Valley, Women in Africa, Grow with Africa

Experts IT, Compliance, Data, Cyber Security, Global Finance academies with technical and soft programs

Women Gender diversity programmes (see next pages)

Junior Programme rolled out in GBIS worldwide

A TARGETED ATTRACTION POLICY THAT BUILDS TALENT POOLS



FOCUS ON YOUNG PEOPLE

- **Priority recruiting ground for juniors:** former SG interns, apprentices and “VIE”s *
- **45%** of junior hires by Société Générale SA in France are sourced from this pool, **55%** by GBIS worldwide



FOCUS ON IT

- **No. 1** most attractive bank in France for IT profiles (2017 Universum ranking)
- External initiatives and social networking to promote IT jobs in the banking sector
- **30** partner universities in IT education in France
- Diversifying recruitment : IT4GIRLS campaign



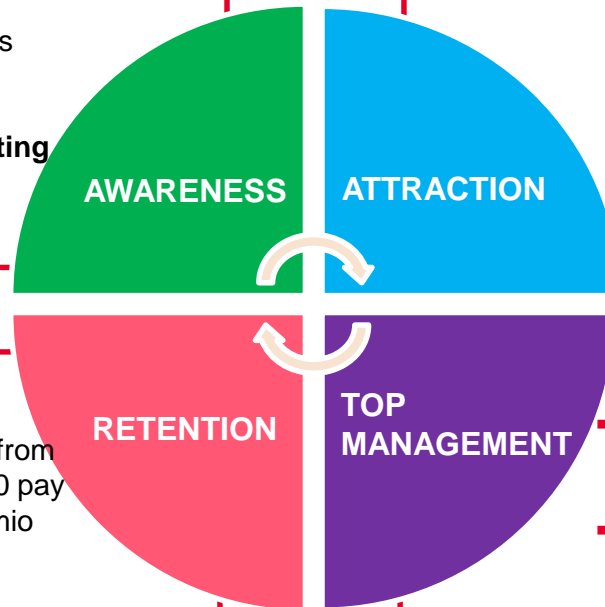
COMBINING TRADITIONAL AND NEW RECRUITMENT METHODS

- **Partnerships with higher education institutions** in nearly two-thirds of the Group’s entities (**43 partnerships in Europe**)
c.45% juniors from partner universities in France
- **Diversifying sourcing approach:** employee advocacy, top voices, open days, open experiences showing job diversity, affinity networks

GENDER DIVERSITY

Gender diversity embedded in all HR processes

- **Collective agreements** with unions on equal opportunities and action plans
- **Unconscious Bias** training for managers
- **Women's networks**
- **Sponsorship by senior management**
- Diversity & Inclusion **branding & marketing** internally & externally



- **Charters:** UN Women Empowerment Principles in 2016, UK Women in Finance Charter end of 2018
- **Juniors and female pipeline:** gender active recruitment campaigns; IT4GIRLS
- **Mid-careers:** focus on women returning from maternity leave

- **Gender pay gap actions:** EUR14.4mio from 2008 to 2017 allocated to correcting 8300 pay gap differences in France. A further 1.7mio allocated for 2018.
- **Work/Life balance** benefits
- **Women's mentoring and reverse mentoring**

- **Priority to promote women and international profiles** to positions of responsibility
- **Sponsorship programmes** for young female talent to increase visibility in the organisation
- **40% of Strategic Talents** were women in 2017

GENDER DIVERSITY PROGRAMMES:

WILL
#WomenByLyxor

féminin
BY SOCIÉTÉ GÉNÉRALE

IT4Girls

WOMEN IN MARK

Global Compact
Network UAE
THE CIRCLE

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CYBER SECURITY

GOVERNANCE OF CYBER SECURITY

CONTEXT

- Cyber crime is rising and affecting in particular the increasingly digitalised financial sector
- The EU regulatory framework for cyber and data security is evolving:
 - the **Network and Information Security (“NIS”) Directive** was adopted in August 2016 and currently being implemented across member states: it provides legal measures to increase the level of cyber security in the EU, facilitating cross-border exchanges of information and cooperation.
 - the **EU General Data Protection Regulation (“GDPR”)** is effective from May 2018 and will improve companies’ data governance and protection.
- The French State acts with the finance sector in the event of a global attack (**Loi de Programmation Militaire**)

TONE FROM THE TOP

- Cyber security is monitored by the Board of Directors’ Risk Committee:
 - Monthly dashboard of all Group risks
 - Quarterly, more detailed, dashboard including cyber and IT risks; reputation risk and compliance risk
- The protection of information assets and digital trust is a strategic issue
- SG started early and is well recognised:
 - In 2009 SG was the first French company to register its internal Computer Emergency Response Team



- The information security community is supervised and led by the SG SECurity Committee, managed by the Group CISO
- September 2017 appointment of Antoine Creux, Chief Security Officer
- October 2017 appointment of Antoine Pichot, Data Protection Officer

CYBER SECURITY AS A FOUNDATION OF CLIENTS' TRUST

POLICIES	PREVENTION	AWARENESS AND DETECTION	REACTION
<ul style="list-style-type: none"> ■ Security Policies aligned with international standards (eg ISO 27002) and reviewed annually ■ Standard Contract Clauses for the protection of IT systems and data security when contracting for digital products or services with third parties 	<ul style="list-style-type: none"> ■ Leading solutions for customers: SG Cryptodynamic Visa card Credit du Nord biometric voice password SG Biometric facial recognition ■ Security for collaborators (SecureMail, Doc, Pull printing...) ■ Security for applications (DB firewalling, encryption, strong authentication, Pentests...) ■ Security for network (Firewalls, antivirus, IT rebound access, patch management) 	<ul style="list-style-type: none"> ■ Phishing Campaigns and Security e-learning (with KPIs reported to the Board) ■ Detection tools ■ Security Incident and Event Management 	<ul style="list-style-type: none"> ■ Computer Emergency Response Team "CERT" team to respond to external risks ■ Security Operations Centre "SOC" team to respond to internal risks ■ Business Continuity Management

INVESTMENTS

- ~EUR 650m dedicated to security over 3 years

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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.

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