

## Note on methodology

The purpose of this note is to explain the reporting methodology used by Societe Generale for matters relating to Corporate Social Responsibility (CSR). This methodology is set out in detail in the Group's reporting protocol, available on request.

### Reporting protocol

The information included in the Registration Document, on the CSR website, in other communication media of Societe Generale, as well as in the Group's activity and sustainable development report, whether pertaining to the 2017 financial year or to previous years, was prepared on the basis of contributions from the Group's internal network of CSR officers and in accordance with the Group's CSR reporting protocol and CSR initiatives programme. It is also prepared on the basis of data from the "Planethic Reporting" tool, used for the standardised collection of the indicators used to keep track of the various initiatives. All the reporting is coordinated by the Group CSR Department, which reports to the Group Corporate Secretary. (2018 Registration document, see p. 261, "Responsibilities of the CSR Department").

Regular efforts are made to bring contributors and managers on board and familiarise them with the reporting protocol and the tool in the interest of increasing data reliability. This reporting protocol is updated on a regular basis.

### Reporting periods

#### SOCIAL, SPONSORSHIP AND BUSINESS DATA

Quantitative indicators are calculated for the period running from 1<sup>st</sup> January 2017 to 31<sup>st</sup> December 2017 (12 months), with data taken as at 31<sup>st</sup> December 2017.

#### ENVIRONMENTAL DATA

Quantitative indicators are calculated for the period running from 1<sup>st</sup> October 2016 to 30<sup>th</sup> September 2017 (12 months), with data taken as at 30<sup>th</sup> September 2017.

### CSR consolidation scope

The reporting scope includes all Societe Generale consolidated entities with more than 50 employees, apart from entities that are consolidated under the equity method of accounting (equity-consolidated companies (ECCs)). Consolidated entities (excluding ECCs) with less than 50 employees having a structure suited to the reporting of information are also included.

Entities included in the reporting scope meet at least one of the following criteria:

- entities in which the parent company, Societe Generale SA (SGSA), directly or indirectly holds a controlling interest of over 50%. The branches are by definition wholly owned, since there are no shareholders;
- entities in which SGSA holds a controlling interest of at least 20%, and no more than 50%, and over which SGPM has a strong influence on its subsidiary's management and financial policy; in particular, the entity's management team is appointed by Societe Generale and it is regularly monitored by the Group's business divisions.

The CSR consolidation scope includes 153 companies within the Group's financial consolidation scope as at 31<sup>st</sup> December 2017.

## Data collection

The following data collection methods are used for the scope defined above:

- for social, environmental, business and corporate sponsorship data, most of the quantitative indicators are collected by each Group entity via the “Planethic Reporting” tool by collectors who enter the data at the level of their subsidiary, which is validated by validators who review the input data at the level of their entity before validating it, administrators who check and validate the data at the level of the core businesses, and central administrators (Group CSR Department) at the Group level, who carry out the final checks prior to consolidation;
- other data are collected directly from the core businesses’ CSR officers or from the relevant departments (Sourcing Division, Risk Division, Human Resources Department) by the Group CSR Department.

## Indicators

During a formal communication campaign, all contributors were informed of the data collection schedule, a Group Instruction and a protocol for each category of indicators. The protocol serves as a reminder of indicator definitions and application criteria.

The 2017 indicators were chosen particularly in respect of information requirements under the “Grenelle II” Law (in accordance with Article L. 225-102-1 of the French Commercial Code) as well as in light of the Group CSR strategy and the determination to align a core ambition as closely as possible with the GRI4.

The indicators are generally reported for a global scope. Some indicators, however, cannot be consistently applied to a global scope. In such cases, the indicators were analysed for the scope of France or Societe Generale SA in France (excluding subsidiaries). These indicators are monitored by “France”; the quotation marks indicate that they concern only France.

## Scope and rules for calculation of social indicators

The workforce taken into account in all the social indicators (unless explicitly stated otherwise) corresponds to the total number of employees on a permanent or fixed-term contract, including work-study contracts, regardless of whether they are present or absent.

The frequency rate of accidents in the workplace is the ratio of the number of accidents in the workplace (as defined by local regulations) to the total number of hours worked (workforce present on a permanent or fixed-term contract multiplied by the number of annual working hours in the entity) multiplied by 1,000,000.

The rate of absenteeism is the ratio of the number of reported days of absence paid to the total number of days paid, as a percentage. It is counted in calendar days and on the basis of the total number of employees (workforce present as at 31<sup>st</sup> December multiplied by 365). The scope of the charts “Breakdown of staff by age bracket” (2018 Registration document, p. 249) and “Breakdown of staff by length of service” (2018 Registration document p. 244) is the CSR consolidation scope as defined above, excluding the headcount of entities in Germany (GEFA, PEMA GmbH), Morocco (Sogelease) and Tunisia (UIB), for which this information is not consolidated.

## Scope and main management rules for environmental indicators for own account

The scope corresponds to the CSR consolidation scope as defined above. Coverage of the total data collection scope corresponds to the ratio of the headcount of all entities that participated in the data collection campaign to the total headcount of Societe Generale. With data having been collected on 147,138 employees, Societe Generale estimates that the total data collection scope – i.e. accounting for at least the data on occupants and surface area – covers approximately 99% of the workforce.

## Restatement of historical data

To ensure the transparency of communication and the comparability of data, the emissions for the reference years and for 2014-2017 are presented in the appended table of quantitative data. Similarly, the new indicators that have been incorporated into the calculation of greenhouse gas emissions have also been

incorporated into the historical data. These restatements do not correct variations related to the growth or reduction of the activity within the entities.

Furthermore, we have made a change to the methodology concerning the emission factors in order to cancel out the variations related to these same factors. Accordingly, we apply the emission factors for the current year over all the previous years, up until our reference year, which is 2014.

## **Environmental data: general rules**

Environmental data are calculated on the basis of invoices, direct readings, information received from suppliers and estimates. The following checks and ratios are used to manage the reported data:

- checks on variation compared to the previous year were performed for all environmental indicators. Contributors received alerts asking them to check the data recorded if the variation was greater than 30%;
- data collected on energy, office paper and transport is expressed in relation to the number of occupants declared by the entity;
- energy consumption (electricity, steam, chilled water, oil, gas) is also expressed in relation to the surface area (per m<sup>2</sup>);
- in the interest of continually improving the reliability of data, qualitative questions (answers expected via written comments) are used to identify different scopes of data and best practices, and to understand year-to-year variations.
- with the exception of the Societe Generale France network, most subsidiaries consolidate their data in the Group's reporting tool. Transport and paper consumption data for France is reported centrally by the CSR Department on the basis of data received from the Sourcing Division.

Wherever possible, the number of occupants covered corresponds to the average number of Societe Generale employees or subcontractors working on-site during the reporting period or, failing that, the number of occupants as at 30<sup>th</sup> September 2017.

Coverage of the data collection scope for each indicator is the ratio of the headcount of all entities having completed the indicator to the total headcount of Societe Generale. Coverage of the data collection scope for each indicator is the ratio of the headcount of all entities having completed the indicator to the total headcount of Societe Generale.

New indicators were incorporated or modified in 2017: new indicators concerning energy consumption, so as to understand the factors applied by the suppliers, thereby enabling us to calculate emissions on a market basis, whereas we currently calculate them on a local basis.

## **The calculation of greenhouse gas emissions**

Calculation of the Group's CO<sub>2</sub> emissions is broken down into three categories:

- Scope 1 covers direct emissions related to energy consumption and fugitive emissions of fluorinated gases;
- Scope 2 covers indirect emissions related to energy consumption (external electricity, steam and chilled water);
- Scope 3 covers GHG emissions from all office paper consumption, business travel, transport of goods and energy consumption of data centres hosted in France since 2012. The scope was extended to include waste in 2017.

CO<sub>2</sub> emissions are calculated according to the GHG Protocol method.