

SUSTAINABLE AND RESPONSIBLE BANKING

November 2022

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

CONTENTS

1

APPROACH TO SUSTAINABILITY

› p.3

2

CLIMATE & ENVIRONMENTAL TRANSITION

› p.12

3

POSITIVE LOCAL IMPACT ON COMMUNITIES

› p.19

4

RESPONSIBLE EMPLOYER

› p.28

5

CULTURE OF RESPONSIBILITY

› p.35

6

CORPORATE GOVERNANCE

› p.44

7

APPENDICES

› p.50

1

**APPROACH TO
SUSTAINABILITY**

OUR PURPOSE IN ACTION TO SHAPE THE BANK OF THE FUTURE

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



**BE THE PREFERRED
BANK OF OUR CLIENTS**



**BE A LEADER IN RESPONSIBLE
BANKING AND SUSTAINABLE FINANCE**



**BE A TRULY DIGITAL
& DATA-DRIVEN COMPANY**

WELL RECOGNISED LEADERSHIP IN SUSTAINABILITY

Awards & Ratings



Bank of the Year for Sustainability



Euromoney Awards for Excellence 2022: Global Best Bank Transition Strategy

Moody's ESG **TOP 1%**



AAA

League Tables & Rankings

- #1** Project Finance Advisory⁽¹⁾
- #4** Global Renewable Energy Project Finance⁽²⁾
- #1** Sustainable Export Finance⁽³⁾
- #1** Export Finance in Africa⁽³⁾
- #3** Green, Social, Sustainability Bonds in EMEA EUR⁽²⁾
- #1** in the Top 20 Clean Energy Lead Arrangers by deal value ⁽⁴⁾



Ambitious 2025 targets

EUR 300bn Sustainable Finance 2022-25

-50% Cut own CO2 emissions 2019-2030

30% Women in Group management bodies

ESG training offered to **100%** staff

(1) IJ Global League Tables FY2021 (2) Dealogic FY2021 (3) TXF FY2021 (4) Clean Energy Pipeline 2020 League Table

A RENEWED CSR AMBITION TO FACE THE NEW PARADIGM

URGENCY TO ACT

Climate disruption, as clearly stated by the scientific community
A planet with limited resources

Evolving perception of the bank's role, with stronger expectations coming from our stakeholders

A COMPLEX SUBJECT, WHICH REQUIRES A MAJOR TRANSITION

Economies mainly reliant on fossil fuel energy, which need to shift progressively towards greener energies

Reducing energy use will be key, with new solutions and a switch from ownership to optimised usage

With the necessity to ensure a fair and inclusive transition

WE NEED TO ADAPT

A duty and an opportunity

Our corporate purpose

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

Our values

Innovation
Team Spirit
Commitment
Responsibility

Our expertise

Our ability to provide a large range of technical expertise, skills and ability in our activities and core sectors

A CSR ambition built on 4 strategic pillars

In consultation with our stakeholders

A CSR AMBITION BUILT ON 4 STRATEGIC PILLARS

2 pillars linked to our activities...

...supported by 2 pillars for a responsible bank

1 | ENVIRONMENTAL TRANSITION

Accompany our clients in their transition

With **innovative solutions** to support their evolving needs

Contribute to the preservation of **biodiversity** and the development of a **circular economy**

While aligning our portfolios with **carbon-neutral** trajectories

2 | POSITIVE LOCAL IMPACT

Support economic and societal transformation at a local level

- Financing infrastructure
- Supporting local players, SMEs and entrepreneurs

Be at the forefront of the transition towards sustainable mobility

Develop our social and inclusive offer

3 | RESPONSIBLE EMPLOYER

Offer an **attractive, inclusive and engaging working environment**

- Act for professional equality, diversity and inclusion
- Develop skills and employability, support staff mobility
- Attract and retain talent
- Ensure quality of life in the workplace

4 | CULTURE OF RESPONSIBILITY

A requirement for **ethical and responsible conduct of the group's activities**

Robust management of our environmental & social risks, ensuring respect of our commitments in terms of human rights, climate and biodiversity

A governance integrating sustainability at the highest level

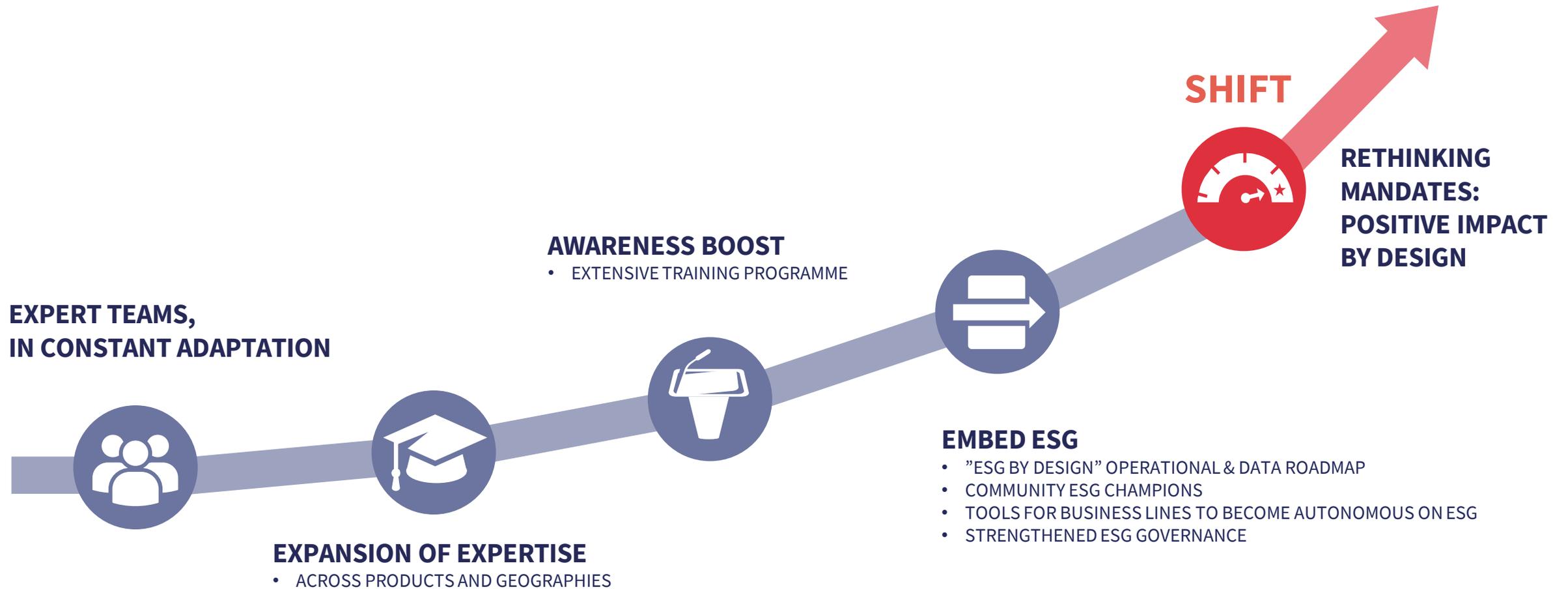
TRANSFORM
OUR GROUP

1. Raise awareness and train our staff

2. Reinvent our business

3. Execute our operationalisation programme « ESG by Design »

A LONG-TERM SUSTAINABILITY JOURNEY



1. RAISE AWARENESS AND TRAIN OUR STAFF

Different levels of expertise,
from beginner to expert

Various formats (videos,
conferences, MOOCs, workshops,
masterclass, podcasts)

6 areas of expertise: CSR basics, ESG
risks & analysis, environment & energy
transition, sustainable IT, sustainable
finance and sustainable investment

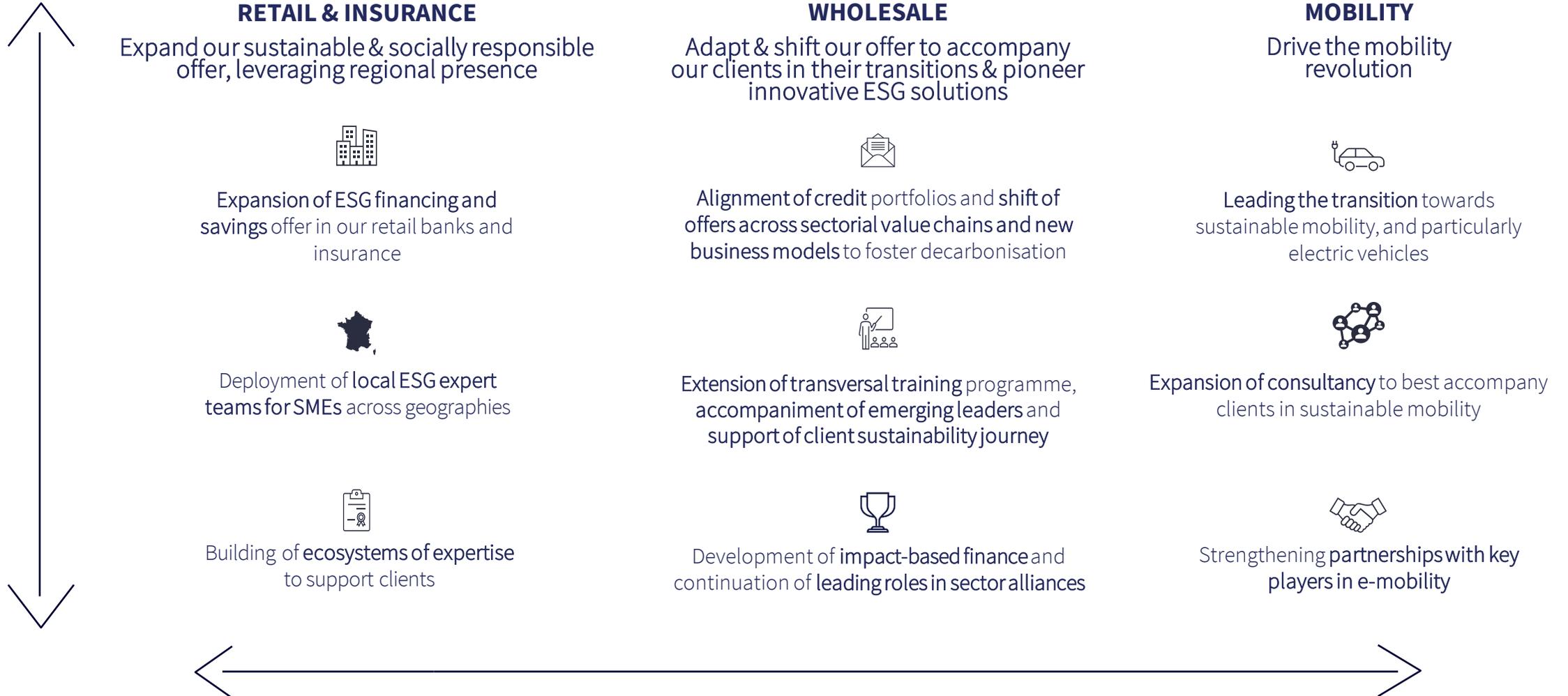


Offering nearly **100 training and awareness modules**

ESG training offered to **100%**
staff by end 2025

Objective to engage **30%** of
staff in Climate Fresk
workshops by end 2024

2. REINVENT OUR BUSINESS



3. EXECUTE OUR OPERATIONALISATION PROGRAMME “ESG BY DESIGN”

Implement our transformation by embedding ESG in our processes and operations, as well as in the monitoring of our Environmental & Social commitments



MEET REGULATION & EXTERNAL COMMITMENTS

Ensure obligations towards regulators/supervisors (e.g., ECB, EBA) and **other commitments** made by the bank (e.g., sectorial policies, NZBA) are **met** and **operationally implemented** throughout the Group



FOSTER EFFICIENCY

Industrialise solutions globally
Set the infrastructure to reduce time to market at best-in-class cost



OPERATIONALIZE ESG STRATEGY

Enable the ESG strategy, incl. define & establish RACI, structure processes, oversee tools and architecture global consistency and the ability to leverage and report data



BE BUSINESS & CLIENT CENTRIC

Consider impact of initiatives on **business** and **client satisfaction** when operationalising the ESG strategy

2

**CLIMATE AND
ENVIRONMENTAL
TRANSITION**

>20 YEARS COMMITMENT TO THE ENVIRONMENTAL TRANSITION



PROACTIVELY MANAGING THE IMPACT OF BUSINESS ACTIVITIES (1/3)

GRADUALLY ALIGN OUR CREDIT PORTFOLIOS WITH TRAJECTORIES COMPATIBLE WITH A 1.5°C SCENARIO

KEY COMMITMENTS

UPSTREAM OIL AND GAS 

Reduce exposure by 20% (2019 to 2025);
Reduce scope 3 absolute emissions by 30% (2019 to 2030)

COAL 

Reduce our exposure to coal to zero by 2030 in EU and OECD countries, and by 2040 elsewhere

VEHICLE LEASING 

Reduce the carbon intensity of ALD Automotive deliveries by 40% between 2019 and 2025

POWER GENERATION 

Reduce the carbon emissions intensity to 125 gCO2/kWh by 2030

>  40-50% corporate financed emissions already have targets set, representing ~10% of gross corporate commitments

Sectors to be aligned as per NZBA requirement

TARGETS COMMUNICATED	2024 NZBA Deadline
OIL AND GAS	<input checked="" type="checkbox"/>
POWER GENERATION	<input type="checkbox"/>
COAL	<input type="checkbox"/>
SHIPPING	<input checked="" type="checkbox"/>
AUTOMOTIVE	<input type="checkbox"/>
STEEL	<input checked="" type="checkbox"/>
REAL ESTATE	<input checked="" type="checkbox"/>
AGRICULTURE	<input type="checkbox"/>
ALUMINIUM	<input checked="" type="checkbox"/>
AVIATION	<input checked="" type="checkbox"/>
CEMENT	<input type="checkbox"/>

Sectorial working groups with active role by SG

PROACTIVELY MANAGING THE IMPACT OF BUSINESS ACTIVITIES (2/3)

CLIMATE COMMITMENTS IN TERMS OF SECTORAL POLICIES

9 policies in the most sensitive industries

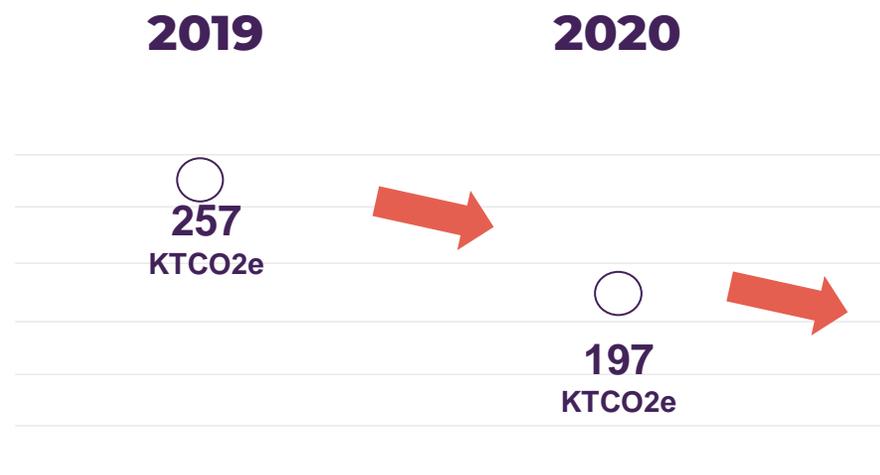
3 environmental and social positions

 Industrial Agriculture and forestry	 Civilian nuclear power
 Dams and hydroelectric power	 Thermal coal
 Thermal power stations	 Defense
 Ships	 Mining
	 Oil and gas

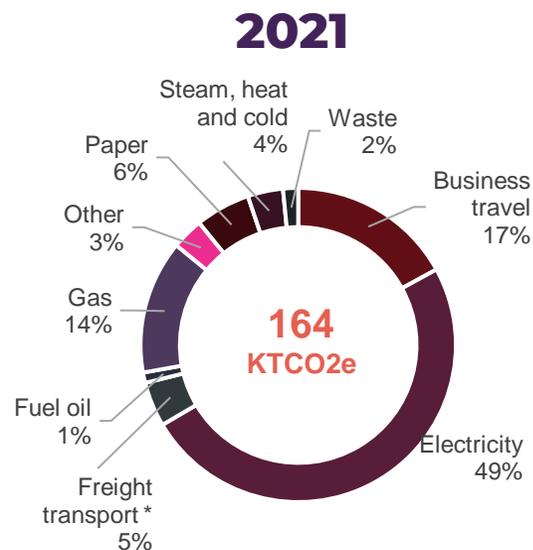
BIODIVERSITY
CLIMATE
HUMAN RIGHTS

PROACTIVELY MANAGING THE IMPACT OF BUSINESS ACTIVITIES (3/3)

-50% REDUCTION OF CO2 EMISSIONS TIED TO THE GROUP'S ACTIVITY BETWEEN 2019 AND 2030



Note. Restated 2019-2021 figures to exclude emissions associated with activities conducted in Russia (SG STRAKHOVANIE ZHIZNI LLC (SG Insurance Russia), ROSBANK and RUSFINANCE).



* Transport of goods, including transport of funds

Breakdown of the Group's direct CO2 emissions



Internal carbon tax, an innovative mechanism in place since 2011



Sums collected are redistributed at the annual internal **Environmental Efficiency Awards**

ACCELERATED TRANSITION TIMELINES

COAL



Towards a complete exit from coal

ZERO FINANCING of coal mines and associated infrastructure

2016

IMMEDIATE CONDITIONS:

ceased 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

2020

FROM END-2021:

all clients with mining and power assets defined and communicated a transition plan aligned with SG's 2030/2040 thermal coal phase-out objective

2021

ZERO EXPOSURE to thermal coal in OECD and EU countries

2030

ZERO EXPOSURE to thermal coal worldwide

2040

OIL & GAS



Gradual reduction of exposure to oil and gas extraction sector

2017

NO NEW FINANCING of Arctic oil or oil sands

2021

FURTHER REDUCING EXPOSURE to shale oil and gas, oil sands, extra heavy crude oil, Arctic oil, Ecuadorian Amazon oil
LNG in north America: no new mandates for new production projects

2023

FULL EXIT OF US RESERVE-BASED LENDING to onshore shale oil&gas

2025

-20% EXPOSURE TO OIL AND GAS EXTRACTION SECTOR vs 2019 (vs a previous target at -10%)

2030

-30% SCOPE 3 ABSOLUTE EMISSIONS vs 2019

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 in 2020, with the Katowice Banks and 2DII



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



3 POSITIVE LOCAL IMPACT

DEVELOPMENT OF A BROAD OFFER ACROSS THE GROUP'S ACTIVITIES

Help our customers develop their positive impact activities

Structuring of social bonds and sustainability-linked bonds with social KPI

Expansion of ESG Sustainable savings and Investment offer: **first bank to offer 100% SRI open architecture savings**

Charity notes through Global Markets platform, SG Positive Impact Notes and Research (thematic/ integration of social factors in analysis)

Private Banking advisory offer

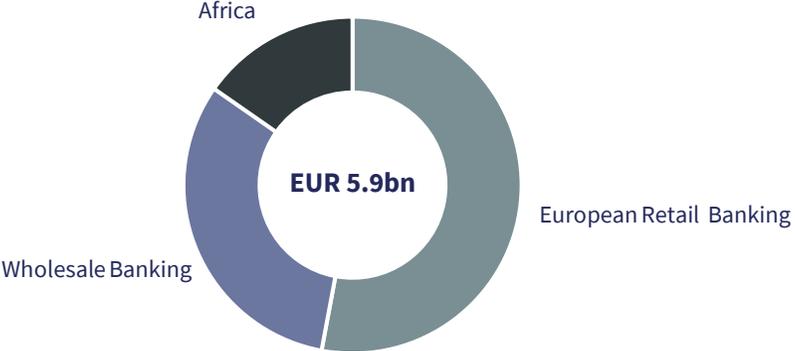
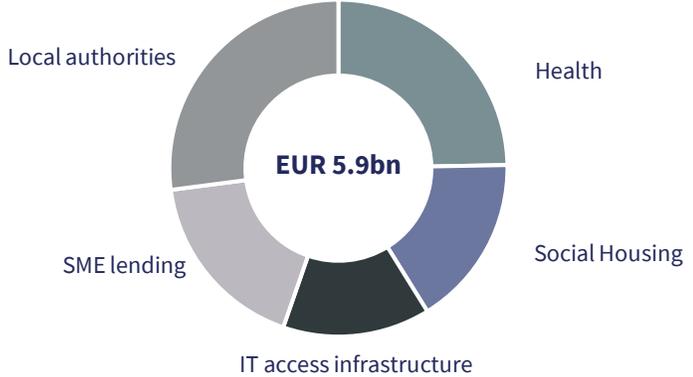
Support local economies

Financing SMEs to **support local economies and jobs**

Financing local authorities, hospitals, social housing...

Financing social infrastructure, access to transportation, clean energy, notably in Africa

Social sustainable and positive impact finance: **EUR 5.9BN** in 2021



CATALYSING POSITIVE SOCIETAL AND ECONOMIC IMPACT

Positive local impact worldwide

- . **Building ecosystems of expertise to support clients**
- . **Developing partnerships with local actors** (entrepreneurs, CEO..) and with the academic world (“Conseil des sages”)
- . **Designing regional energy transition strategies adapted to local territories** (including support to regional industry relocation plans, accompany supply chain)
- . **Pushing innovation and designing new social financing solutions** (*Social Securitization, Social Impact Solution/ Impact based finance...*)
- . **Aiming to support the emergence of the circular economy:** new skills for new professions that are emerging
- . **Vision 25** is a unique opportunity to position our retail bank as a key ESG actor

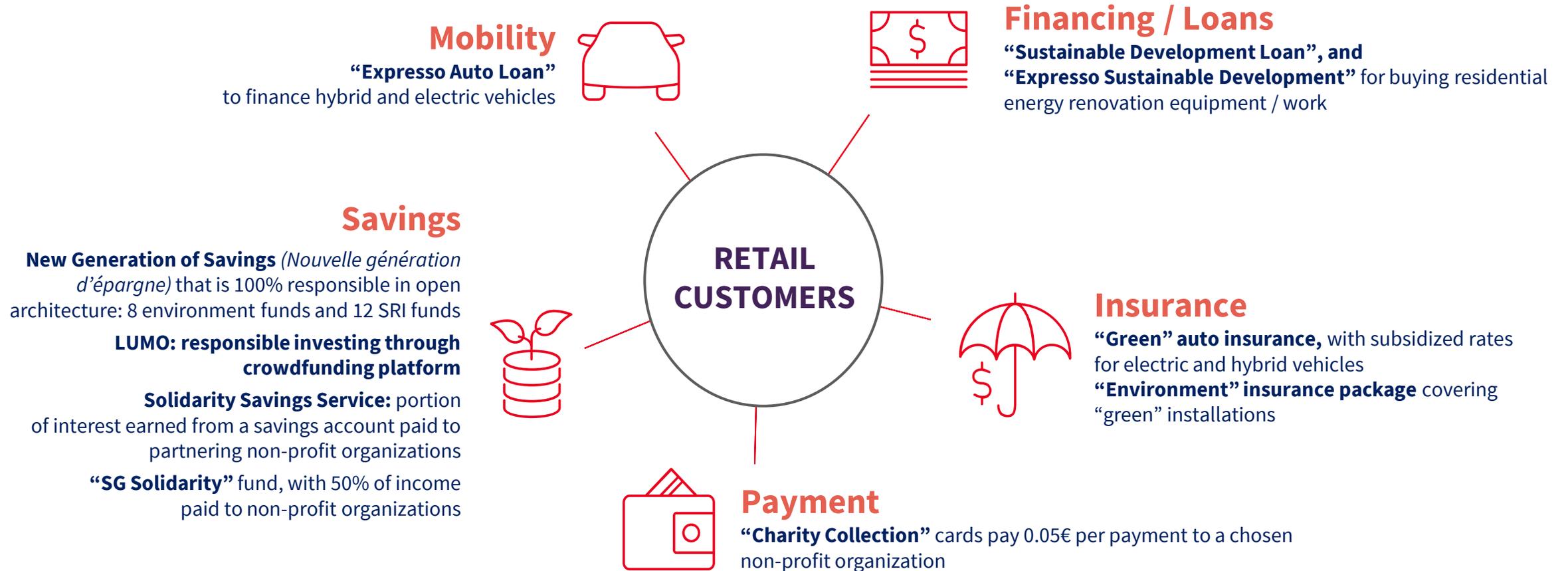
Vision 25 opportunity

- . **A catalyst for the economic transition of the regions**
- . Deployment of **local ESG expert teams dedicated to SMEs**
- . Free availability of closed retail branches for **local charities**



○ Sièges Régionaux
Les noms des régions mentionnés sur la carte sont donnés à titre indicatif et ne correspondent pas aux futures dénominations.

RESPONDING TO THE CHANGING NEEDS OF INDIVIDUALS



DEVELOPING OUR SOCIAL AND INCLUSIVE OFFER

FINANCIALLY FRAGILE

- _ **'Généris'** dedicated banking package with adapted payment methods: **56k** clients at end-2021
- _ **Support for Ukrainian refugees:** humanitarian contribution from KB (CZK 2,000 when arranging the account), free account management, free payments to Ukraine and free withdrawals
- _ **Dedicated training** for bank advisors in contact with financially fragile clients

INCLUSIVE OFFERS

- _ **AERAS Agreement:** supports people with serious health risks secure insurance and loans
- _ **New product 'Kapsul'**, adapting to evolving client demand for greater independence, whilst requiring no revenue conditions: EUR 2 per month for full banking service, **+45%** customers in 2021 vs. 2019
- _ **#1 distributor of the state-guaranteed student loan**, through partnership with BPI France
- _ **'Cristal Solidarité'**: First structured product with a charitable dimension, launched 2018



MICROFINANCE

- _ **Partnership with ADIE**, a non-profit promoting the right to economic initiative since 2006
In France in 2021: **EUR 18.3m** in credit lines in 2021 (+24% vs 2020)
Overseas in 2021: **EUR 4.3m** credit lines in 2021 (+10% vs 2020)
- _ **Africa : EUR 102m** exposure to **microfinance institutions** in 2021 and target to **double outstanding loans to microfinance** organisations by 2022 vs 2018 (**+85%** at Q4 21)

FINANCIAL EDUCATION

- _ **Dedicated webpages** for French retail clients in **financial difficulty** offering information, advice, financial simulations
- _ **SoGé Banky account: a new offer in Morocco** for parents and children, it can be used by parents to acquaint their children with the notion of financial autonomy, at a low cost, with no risk and while keeping control of the account at all times
- _ Volunteer programmes in UK and Romania **working with children**, (eg online maths lessons for abandoned children in Romania) and in France supporting refugees with CV writing

LEVERAGING HISTORICAL PRESENCE TO CONTRIBUTE TO SUSTAINABLE DEVELOPMENT OF AFRICA

With a presence in 17 African countries, SG is ideally positioned to contribute to scaleable solutions

SUPPORT FOR AFRICAN SMEs

Creation of local “SME Centres” bringing together public and private stakeholders: 8 now opened

Double outstanding loans to African SMEs 2020-2025 (EUR 400m in 2020)

INNOVATIVE FINANCING

Development of alternative banking models committed to strengthening its support for agricultural sector

Supporting energy inclusion, including in unconnected rural areas

GROW WITH AFRICA

INFRASTRUCTURE FINANCING

Four areas of focus: energy, transport, water and waste management and sustainable cities

Increase financial commitments related to structured finance in Africa by 20%, 2021-2025

Partner to the Africa Infrastructure Fellowship Programme

FINANCIAL INCLUSION

Offering services that promote people's development through financial inclusion

Double outstanding loans to microfinance organisations by 2022: +85% at 4Q21

SUSTAINABLE MOBILITY: 2025 ESG STRATEGY AND SCORECARD

SHAPING THE FUTURE OF SUSTAINABLE MOBILITY

30% Electric Vehicles in ALD deliveries (27% end-21)
-40% on carbon intensity of ALD Automotive deliveries ⁽¹⁾ vs 2019 (-15% end-21)

- A low emission fleet - Powertrain shift, electrification
- New types of usage - Sharing, Mobility as a Service, Flex
- Safety – Training & policy advice



IMPLEMENTING RESPONSIBLE BUSINESS CULTURE & PRACTICES

NPS ⁽³⁾ >40% (31% end-21)
ESG embedded in 100% policies, processes, controls with external stakeholders

- Ethics and governance
- Responsible purchasing
- Customer satisfaction



BEING A COMMITTED AND RESPONSIBLE EMPLOYER

80% Employee engagement rate (76% end-21)
35% women in management bodies ⁽²⁾ (~35% end-21)

- Towards a sharper & stronger digital mindset and inclusive culture
- Employee engagement
- Social commitment



REDUCING INTERNAL ENVIRONMENTAL FOOTPRINT

-30% internal emissions vs. 2019 (-43% end-21)

- Carbon reduction programme

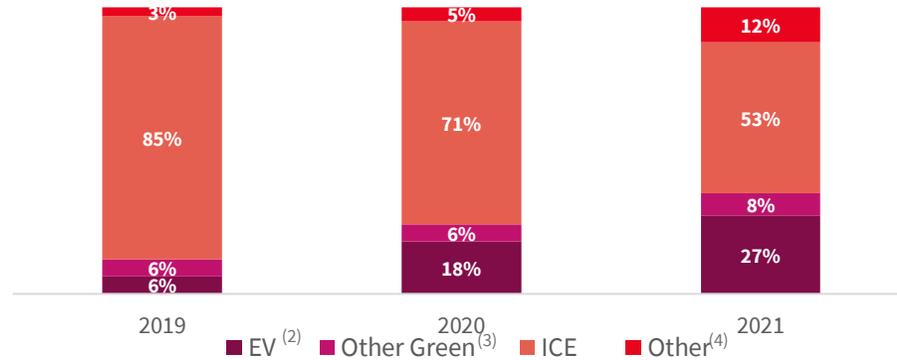


ALD: A 360° APPROACH TO SUSTAINABILITY

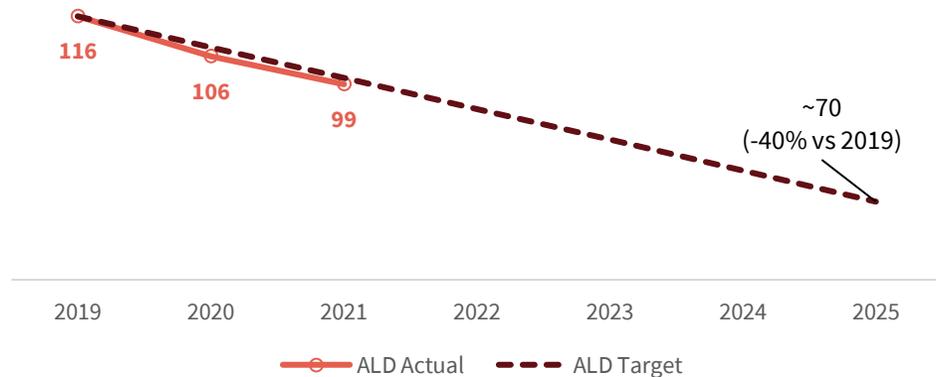
(1) Average emissions on passenger cars for EU + Norway + UK + Switzerland (CO₂ in g/km (NEDC norm))
(2) Executive Committee and Management Committee of ALD SA (holding) + Operating Board + Chief Executive Officers and local Management Committees of Group entities internationally
(3) Net Promoter Score. Measure of client satisfaction (on fleet managers and drivers) defined as difference between % of promoters and detractors. Measure is updated annually. 2019 NPS was at 36% (next results to be published in November 2020)

SUSTAINABLE MOBILITY: ALD AHEAD OF MOVE 2025 OBJECTIVES

Passenger Car deliveries by Engine type (EU+)⁽¹⁾



Average CO2 Emissions (g/km)
(NEDC⁽⁵⁾ - Passenger Cars)



EVs represented 30% of passenger car deliveries in Q4 21 (EU+)

- 27% during FY 2021
- Reaching 2025 target ahead of time

ALD Electric offer (including charging) in 22 markets

- New preferred partnerships with key players in e-mobility



Positive impact of electrification on CO2 emissions

- Rapid decrease in CO2 emissions of new deliveries

2022 Outlook

- EV share of passenger car deliveries >30% (EU+)
- ALD Electric offer in 30+ markets
- Proposed acquisition of LeasePlan by ALD: a step change towards creating a leading player of sustainable mobility solutions

(1) EU+: European Union + UK, Norway, Switzerland

(2) EV: Battery Electric Vehicles (BEVs), Plug-in Hybrids (PHEVs), Fuel Cell (FCEV)

(3) Other Green: Full Hybrids (HEVs)

(4) Other: Gas, Flex Fuel, Mild Hybrids, other

(5) New European Driving Cycle. Vast majority of markets reporting under WLTP (Worldwide harmonized Light vehicles Test Procedure) standard (vs NEDC) in 2021

BUILDING ECOSYSTEMS OF INNOVATION



LaVilleE+ launched from SG's Internal Start-Up Programme: building an ecosystem of partners needed to collaborate to build tomorrow's cities



Equity investment in impact rating agency **Impak Finance**, with a commercial partnership to scale-up E&S assessment of corporate clients



Acquisition of Lumo, a participatory investment platform which allows individuals and businesses to finance projects with positive impact, useful for the ecological transition



Equity investment in greentech EcoTree, supporting biodiversity solutions



Partnership with Carbo, supporting our French corporate and retail clients to measure their carbon footprint



Equity investment in greentech EcoTree, supporting biodiversity solutions



100% acquisition by KB of Enviros, an ESG consultancy company, to support KB's expansion in environmental advisory

skipr Equity investment in Skipr, a **Mobility-as-a-Service startup**

4 RESPONSIBLE EMPLOYER

5 KEY HR PRIORITIES

Staying attentive to the quality of life in the workplace, diversity, and professional development of our teams are essential factors to encourage employee engagement and improve performance.

Five top priorities to drive our ambition in line with the HR strategy

1 | CORPORATE CULTURE AND ETHICS PRINCIPLES

Promote the **highest standards of culture and conduct** and apply an appropriate sanctions policy

2 | PROFESSIONS AND SKILLS

Attract, integrate and develop the potential of each employee through training and internal mobility.
Creating **a more flexible work organization.**

3 | PERFORMANCE AND COMPENSATION

Propose **competitive and responsible compensation and benefits** schemes

4 | DIVERSITY AND INCLUSION

Increase **the diversity of our teams**, ensuring that each employee is treated fairly and feels comfortable expressing their difference

5 | OCCUPATIONAL HEALTH AND SAFETY

Ensure **quality of work life and prevention of psychosocial risks**, esp. in teams involved in transformation and development projects

Key goals

100% Business/ Service Units have set up a robust **Culture & Conduct** management system

ESG training offered to **100%** staff by 2025

Implement necessary actions to **eliminate gender wage gap** by 2025

30% women in Group management bodies by 2023

100% of transformation and development projects incorporate **psychosocial risk prevention** measures

GROUP PLEDGE FOR DIVERSITY



30% women in Group management bodies by 2023

Implement necessary actions to **eliminate gender wage gap** by 2025

ACTION LEVERS

Regular monitoring by the Board

Diversity objectives for each member of the Management Committee from 2021

Gender Pay Gap actions

Diversity action plan with quantified objectives specific to each business/service unit

KEY FIGURES IN 2021:

SHARE OF WOMEN

Board of Directors 42%

Eq vs 2020

General Management 33%

Group level, **+16% vs 2020**

Strategic committee 23%

Group level – Top 30, **-1% vs. 2020**

Management committee 26%

Group level – Top 60, **-2% vs. 2020**

Key Group Positions 25%

Group level – Top 160, **+5% vs. 2020**

« Ambassadors » 37%

Group level – Top 1400, **+11% vs. 2020**

SHARE OF NON-FRENCH

« Ambassadors » 30%

Group level – Top 1400, **+9% vs. 2020**

Key Group Positions 26%

Group level – Top 160, **+4% in 2020**

CORRECTING PAY GAPS

Group level, 2019-2022 EUR 10m

Amount allocated to fight unjustified pay gaps, in France

Amount allocated for 2023 EUR 3.5m

France Level, vs EUR 2m in 2021

SCORECARD OF KEY FIGURES IN 2021

EVOLUTION OF PROFESSIONS

Students working for SG	10,211
Group level, number of individuals, 9,282 in 2020	
Average hours of training	26.0
Group level – Number of hours, 20.3h in 2020	
Corporate University Programmes	317
Group level – Number of employees having participated	
o/w women	62%
o/w non-French	24%
Group internal mobility rate	14%
Group level, eq. vs 2020	
Number of job cuts announced	1,616
Group level, all in France, eq. vs 2020	
Voluntary turnover rate	9.4%
Only due to resignations, Group level, 6.2% in 2020	
excl. Russia and India	5.3% in 2020
	6.2%

* % of employees covered by social protection partly financed by the company

PERFORMANCE AND COMPENSATION

Share of capital held by employees	6.7%
Group level, 6.9% in 2020	
Share of voting rights of employees	11.9%
Group level – 11.2% in 2020	
Employees who are shareholders	82,000
Group level – Number of employees, vs. 85,000 in 2020	
CEO comp. Ratio with median salary	45:1
Société Générale SA France – vs 35:1 in 2020	
CEO comp. Ratio with average salary	63:1
Société Générale SA France – vs 47:1 in 2020	
Employer contribution and profit sharing	63
Amount in EURm - Société Générale SA France – vs 76 in 2020	
o/w CSR	6

CORPORATE CULTURE BUSINESS ETHICS

Workforce covered by collective agreement*	100%
Group level, eq. vs. 2020	
Employee commitment score	66%
Group level, +3% vs. 2020	
Employees proud to work for SG	76%
Group level, +1% vs 2020	

HEALTH AND SAFETY

Employees with social protection	100%
Group level, protection financed by the Group, eq. vs 2020	
Overall absenteeism rate	3.5%
Group level – vs 4.6% in 2020	

PHILANTHROPY

Annual donation for projects	EUR 4.4m
supported by The Future is You Foundation	

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 (S&P Global CSA, Sustainalytics & MSCI)
-

EXECUTIVE MANAGEMENT & MANAGEMENT COMMITTEE

For Executive Management:

- _ 20% CSR criteria
- _ For all qualitative and quantitative criteria see p99 URD

For all, alignment with collective Group targets:

- _ Sustainable Finance KPI
 - _ Client Satisfaction: Net Promoter Score
 - _ Employee Commitment Rate
 - _ Diversity in the main managerial circles
 - _ Financial performance
-

ALL STAFF

ANNUAL EVALUATION

Taken into account in annual performance:

- _ Values and Behaviours & Compliance and Conduct, as KPI for all employees
 - _ In France, for Societe Generale SA, part of the profit-sharing incentives linked to CSR performance
-

REMUNERATION POLICY - EXECUTIVE MANAGEMENT

Variable remuneration

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

	Indicators	F. Oudéa	P. Aymerich and D. Lebot
		Weight	Weight
Financial targets - 60%			
For the Group	ROTE	20.0%	12.0%
	CET1 ratio	20.0%	12.0%
	C/I ratio	20.0%	12.0%
Individual remits	GOI		8.0%
	C/I ratio		8.0%
	RONE		8.0%
TOTAL FINANCIAL TARGETS		60.0%	60.0%
Non-financial targets - 40%			
CSR		20.0%	20.0%
Specific to each individual remit		20.0%	20.0%
TOTAL NON-FINANCIAL TARGETS		40.0%	40.0%

Long Term Incentives

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

80% on Total Shareholder Return and 20% on CSR criteria

Maximum 135 % of fixed remuneration for the CEO and 115% for the D-CEOs

Entirely conditional and deferred for 7 years

Criteria	Proportion of the unvested award	Trigger level		Cap	
		Performance	% of vesting of the initial award		Performance
Relative performance of the Societe Generale share	80%	Positioning Ranked 6 th in Panel	50% ⁽¹⁾	Positioning Ranked 1 st -3 rd in Panel	100% ⁽¹⁾
Energy transition financing	10%	EUR 200 billion raised for the energy and environmental transition	75% ⁽²⁾	EUR 250 billion raised for the energy and environmental transition	100% ⁽²⁾
Positioning in the extra-financial ratings	10%	Two positioning criteria are checked	66.7% ⁽²⁾	Three positioning criteria are checked	100% ⁽²⁾

Total variable compensation capped at twice the amount of fixed compensation

REMUNERATION POLICY - EXECUTIVE MANAGEMENT

SAY ON PAY EX ANTE 2022

Key changes introduced in 2022:

- **Terms for defining annual variable remuneration for Chief Executive Officers:**
 - **The structure of the non-financial criteria has been simplified, with a special focus on CSR criteria representing 50% of the non-financial part.**
For the selected criteria, transparency, clarity and measurability have been improved to meet stakeholder expectations.
 - **Given the change in governance that was announced at the end of 2021 and has come into force since 17 January 2022, the financial criteria for the Chief Executive Officer will be exclusively Group-level criteria.**

5 CULTURE OF RESPONSIBILITY

CULTURE & CONDUCT: MULTI-PRONGED APPROACH



GOVERNANCE

- Culture & Conduct “C&C” topics **reporting to CEO and the Board**
- From January 2021, **steering of C&C taken over by HR and Compliance** departments, with **C&C relays and sponsors at each Business and Service Unit** to ensure full BU SU ownership of C&C matters on a day-to-day basis
- This new governance follows a **3 year C&C programme** which ended in 2020, based on 3 main objectives: accelerate SG's cultural transformation; achieve the highest standards of quality of service, integrity and behaviour; make SGs culture a differentiating factor



CODE OF CONDUCT

- The **Board formally endorsed** the updated Code of Conduct in 2016, last update was in December 2019.
- Complemented by Anti-Corruption and Anti-Bribery Code since 2017 (updated in 2021)
- **97% of all staff have validated annual code of conduct training end-2021.**



CONDUCT RISK MANAGEMENT

- **Embedding conduct risk into overall Group risk management framework**
- **Role and Responsibilities of LOD2 defined and LOD3 implemented**



DASHBOARD

- **Annual dashboard for Board and General Management with 6 conduct and 8 culture indicators** covering regulatory training, compliance dysfunctions, operational losses resulting from misconduct, sanctions and compensation reviews, results of employee barometers



CULTURAL TRANSFORMATION

- **Alignment of HR processes**, including sanctions, evaluation and compensation, recruitment and induction, talent development
- Tools to **support and encourage appropriate behaviours and an ethical approach**
- **Specific initiatives on speak-up**, including a guidebook and integration of the concept in the annual employee barometer
- **Strengthened whistleblowing tool**
- Actions targeted at the **C&C community**: workshops, best practice and suggestions



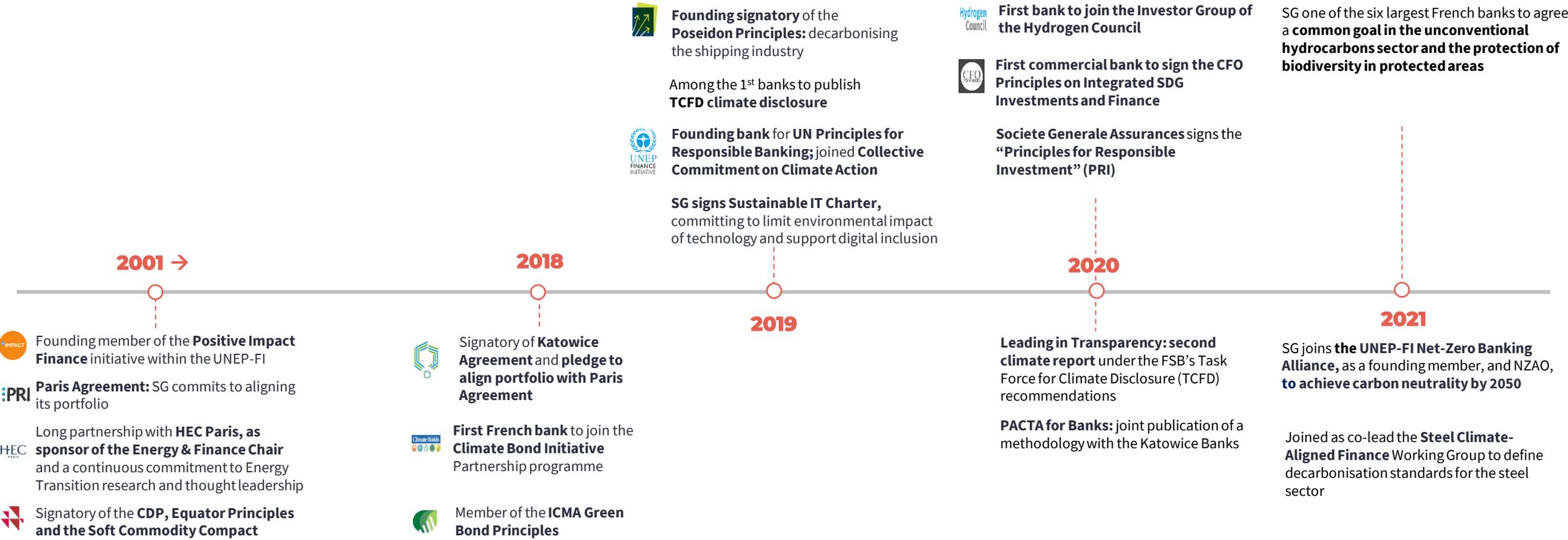
COMMUNICATION AND AWARENESS

- **All-staff communication plan**

CONTRIBUTING TO NEW STANDARDS FOR OVER 15 YEARS (1/2)



As co-founder of major industry initiatives, we drive sustainable change.



CONTINUING TO PIONEER IN 2022 (2/2)

❖ Portfolio alignment



Committed to define decarbonisation standards for **various sectors** in Climate-Aligned Working groups:

- Co-lead of the **Steel** Working Group to define decarbonisation standards for the Steel sector along with five top banks
- One of the **founding members** of a **climate-aligned finance** framework to support aviation industry decarbonisation
- Co-lead & Co-founder of the **Aluminium** Working Group
- Co-lead of the **Real Estate** Working Group

❖ Biodiversity

SG joins the corporate engagement program of the **Science Based Targets Network** in order to develop the Science Based Targets for Nature framework and accompany its clients towards a "positive nature" economy

Societe Generale Assurances and SG 29 Haussmann strengthen their commitment for the environment and the preservation of biodiversity by signing the “Finance for Biodiversity Pledge” and by adapting their investment policy regarding activities contributing to deforestation.

❖ **Publications of new SLB Q&A** as an active participant of different **ICMA Working Group** on Impact Reporting, Climate Transition, Sustainability-Linked Bonds, Social Bonds, Secured Sustainable Bonds, Sustainable CP

SG A REGULAR ISSUER IN SUSTAINABLE & POSITIVE IMPACT FINANCE



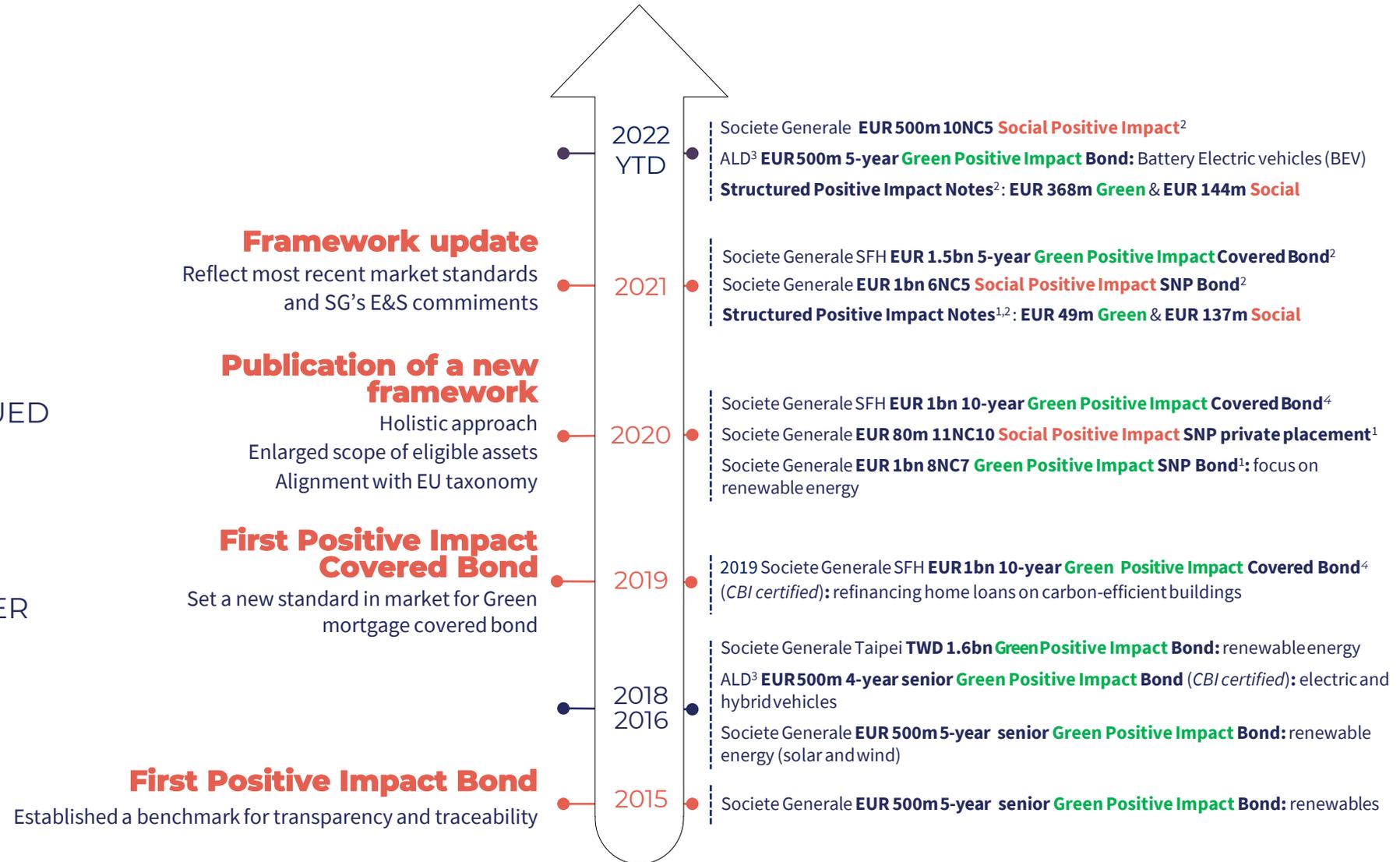
SUPPORTING FINANCING OF GREEN AND SOCIAL ACTIVITIES



TOTAL SUSTAINABLE AND POSITIVE IMPACT BONDS ISSUED SINCE 2015: **EUR 8.8BN**



CONTINUE TO BE A REGULAR POSITIVE IMPACT BOND ISSUER



(1) https://www.societegenerale.com/sites/default/files/documents/Notations%20Financi%C3%A8res/sg_sustainable_and_positive_impact_bond_framework_june_2020.pdf

(2) https://www.societegenerale.com/sites/default/files/documents/2021-11/20211104_Societe-Generale-Sustainable-and-Positive-Impact-Bond-Framework.pdf

(3) ALD has its own framework and associated reporting: <https://www.aldautomotive.com/investors/information-and-publications/debt-investors#116011184-4--green-bond>

(4) Former SG SFH Framework: https://www.societegenerale.com/sites/default/files/documents/Notations%20Financi%C3%A8res/sg_sfh_positive_impact_covered_bond_framework_june2019.pdf

MANAGING RISK RELATING TO CLIMATE CHANGE

PROCESS FOR MANAGING CLIMATE RISK:

Climate risk impact analysis:

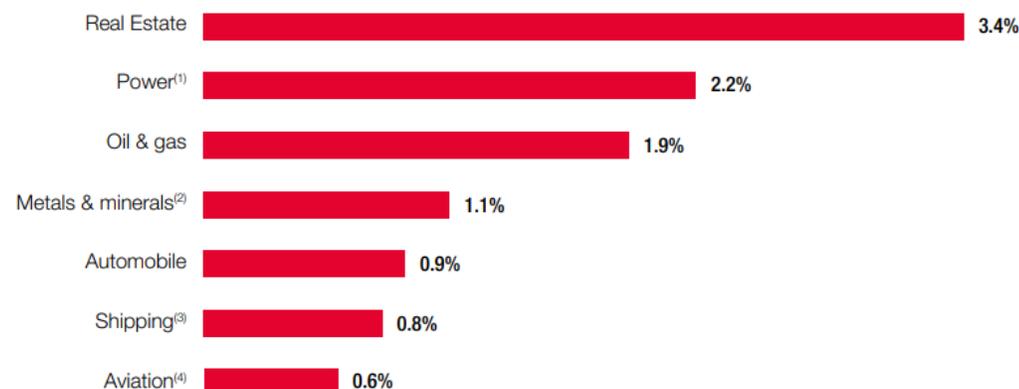
- For the Group's geographies of operation
- For our clients and our financing

Assessment of the sensitivity of a country or an economic sector to transition risk

Portfolio analyses and dedicated stress test exercises based on these aspects

SENSITIVITY TO TRANSITION RISK:

2021 sector breakdown of the group's corporate portfolio (EAD): focus on the 7 sectors most sensitive to transition risk, accounting for 10.9% of the Group's total credit portfolio



A Corporate Climate Vulnerability Indicator reinforces the credit analysis on the most exposed counterparties to transition risk.

INTEGRATED E&S RISK MANAGEMENT IN BUSINESS ACTIVITIES

Societe Generale's E&S risk management approach for business activities is based on 3 main steps and applied at client and/or transaction levels:

E&S RISK IDENTIFICATION

- _ Identifying whether the client's activities or the transaction/service present a potential E&S risk.
- _ The identification step is aimed at verifying whether the counterparties or underlying activities are on the **E&S exclusion list** or the E&S identification list, **or covered by sector policies**
- _ The identification step also aims at documenting the applicable E&S framework/ due diligence process

E&S ASSESSMENT

- _ Assessing counterparties or transactions identified as presenting an E&S risk.
- _ E&S risk assessment is **performed by the business lines (for transactions) or relationship managers (for clients)** with support of E&S experts or CSR, analysing 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 and proposed action plans are **reviewed by the 2nd line of defence**

GOVERNANCE OF CYBER SECURITY



STONE 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 CISO** sets the Information Systems Security (ISS) strategy, ensuring policies are observed across the Bank. **Development of two IT hubs in Africa in 2016, and dedicated local CISOs in Europe, Africa and Russia**
- **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.
- **Security policies aligned with international standards**
- **> 1000 full time employees involved in cyber security**
- **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 (NIS 2).
- Future challenges are anticipated: the **Digital operational resilience Act (DORA)** will be implemented approximatively in two years from now, will shape the new landscape for ICT resilience and third-party provider management. SG has recently launched a global program on operational resilience including stream on compliance with DORA.

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

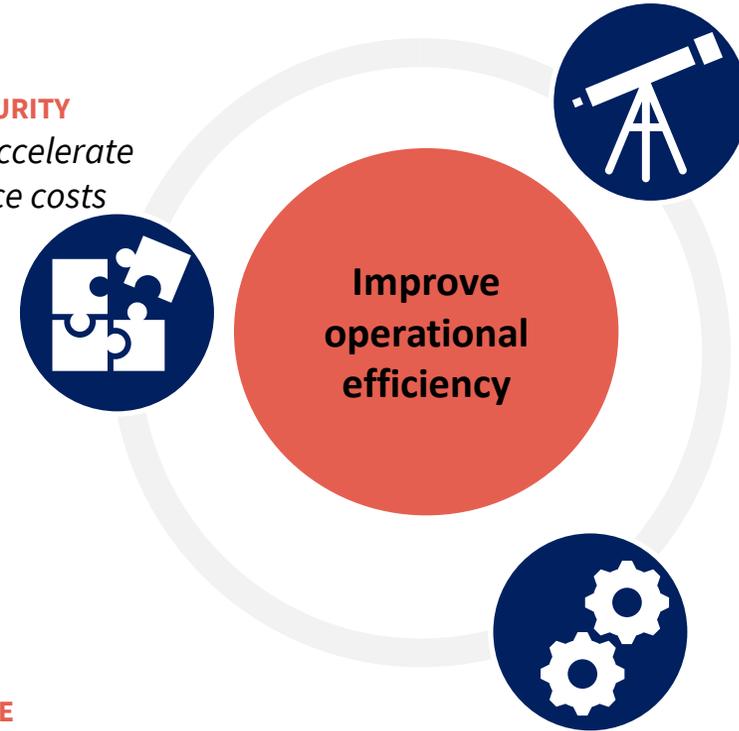
CYBER SECURITY STRATEGY BASED ON TWO PILLARS: PROTECTION AND EFFICIENCY

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



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

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

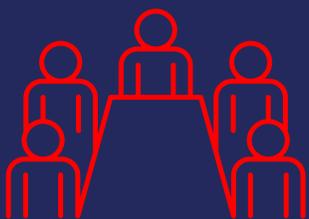


WE **MAKE OUR ACTIVITY ATTRACTIVE** to retain and attract our cybersecurity talents

WE **OPTIMISE OUR COSTS TO REINFORCE RUN**

6 **CORPORATE GOVERNANCE**

SNAPSHOT OF SG BOARD



Key changes in 2021:

- Addition of 1 new seat representing shareholder employees : elected by shareholder employees and appointed at AGM
- Appointment of a Non-Voting Board Member “censeur” for 2 years, M. Jean-Bernard Lévy:
 - Chairman and CEO of EDF Group
 - Special advisory role on ESG issues and in particular on energy transition

Board Chairman	✓	Separation of Chairman and CEO roles since May 2015
Independence	✓	15 Directors; 92% independent (excluding 3 staff-elected)
Diversity	✓	Gender: 42% women; Nationality: 9 nationalities
Non-Voting Member	✓	Attends Board meetings and committees, in a consultative capacity, and is subject to the same rules of ethics, confidentiality and deontology as the Directors. The Board has asked M. Lévy to follow in particular the manner in which the Group defines and implements its energy transition strategy.
Tenure	✓	Length of term: 4 years; Average tenure: 6,5 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 2021: 96%
Training	✓	12 training sessions in 2021 including ESG, liquidity and ALM, retail and investment banking products, accounting, artificial intelligence, security
Board evaluation	✓	External 360° assessment every 3 years (next one 2022); internal assessment in other years

DIRECTOR COMPETENCIES AND EXPERIENCE (1/3)



**Lorenzo
BINI SMAGHI**

First appointment: **2014**

Term : **2026**

Italian

Tenure (yrs): **8**

- Member of Executive Board of ECB (2005 to 2011),
- Chairman of the Board Directors : 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): **13**

- 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: **2025**

French

Tenure (yrs): **5**

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

- Chairman of Supervisory Board of Aegon N.V. (since 2018),
- Chairman of the board of Directors of Amadeus IT Group (Spain) (since June 2021)
- Member of the Board of Directors : Singular Bank SA (Spain) (since 2019).



**Jerome
CONTAMINE**

First appointment: **2018**

Term : **2026**

French

Tenure (yrs): **4**

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

- CFO of Veolia Environment (2000 to 2009),
- CFO of Sanofi (2009 to 2018),
- Member of the Board of TOTALENERGIES (since May 2020)
- Member of Board of Directors of Valéo (2006 to 2017), Chairman of Sigatéo (since 2018).



**Diane
COTE**

First appointment: **2018**

Term : **2026**

Canadian

Tenure (yrs): **4**

Board Committee: Audit & Internal Control; Risk

- Member of the Board of Directors of X-Forces Entreprises (UK) since April 2021.
- 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)



**Kyra
HAZOU**

First appointment: **2011**

Term : **2023**

US / British

Tenure (yrs): **11**

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)



**Henri
POUPART-LAFARGE**

First appointment **2021**

Term : **2025**

French

Tenure (yrs): **1**

Board Committee: Nomination & Corporate Governance

- Chairman and CEO of Alstom (since 2016),
- World Bank in Washington DC (1992), then French Ministry of Economy and Finance (1994),
- Director: Vallourec (France) (from 2014 to 2018), Transmashholding (Russia) (from 2012 to 2019).



**Alexandra
SCHAAPVELD**

First appointment **2013**

Term : **2025**

Dutch

Tenure (yrs): **9**

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), Vallourec SA (2010 to 2020), FMO (The Netherlands) (2012 to 2020).
- Member of the Board of Directors : 3I PLC (UK) (since 2020).

DIRECTOR COMPETENCIES AND EXPERIENCE (2/3)



**Gérard
MESTRALLET**

First appointment: **2015**

Term : **2023**

French

Tenure (yrs): **7**

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

- Honorary President : ENGIE et SUEZ
- 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*), SUEZ (*2019 to 2020*).
- Chairman of the Board of Directors: 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): **6**

Board Committee: Compensation; Risk

- Chairman of the Board of Directors : *Promociones Habitat (Spain) (since 2018), Itinere Infraestructuras (Spain) (since 2019), Mora Banc (Andorra) (since May 2021)*.
- Member of the Board of Directors : *Azora Capital, S.L.(Spain) (since 2014), DIA Group SA (Spain) (2015 to 2018), Grupo de Empresas Azvi S.L (Spain) (2015 to 2019), Azora Gestion (Spain) (2018 to 2019)*.



**Annette
MESSEMER**

First appointment: **2020**

Term **2024**

German

Tenure (yrs): **2**

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 : Savencia SA (*since 2020*), Imerys SA (*since 2020*), EssilorLuxottica (*2018 to 2021*), Essilor International SA (*2016 to 2018*), Essilor International SAS (*2018 to 2020*).
- Member of the Supervisory Board : Babel AG (Germany) (*since August 2021*), K+S AG (Germany) (*2013 to 2018*).



**Lubomira
ROCHET**

First appointment **2017**

Term : **2025**

French/Bulgarian

Tenure (yrs): **5**

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*),
- Chief Digital Officer and Member of ExCo of L'Oréal (*2014 to 2021*),
- Board Director of Founders Factory Ltd (UK) (*2016 to 2021*).
- Partner in charge of JAB Holding company's Digital (*since 2021*),
- Director of Bally, Coffee & Bagels, Espresso House, Gardyn, Keurig Dr Pepper, Krispy Kreme Doughnuts, NVA Petcare, Panera, Prêt A Manger, You & Mr Jones (*since 2021*).
- *Director of Alan (since July 2021)*



**France
HOUSSAYE**

First appointment **2009**

Term : **2024**

French

Tenure (yrs): **13**

Board Committee: Compensation

- SG employee *since 1989*



**Johan
PRAUD**

First appointment **2021**

Term : **2024**

French

Tenure (yrs): **1**

- SG employee *since 2005*



**Sébastien
WETTER**

First appointment **2021**

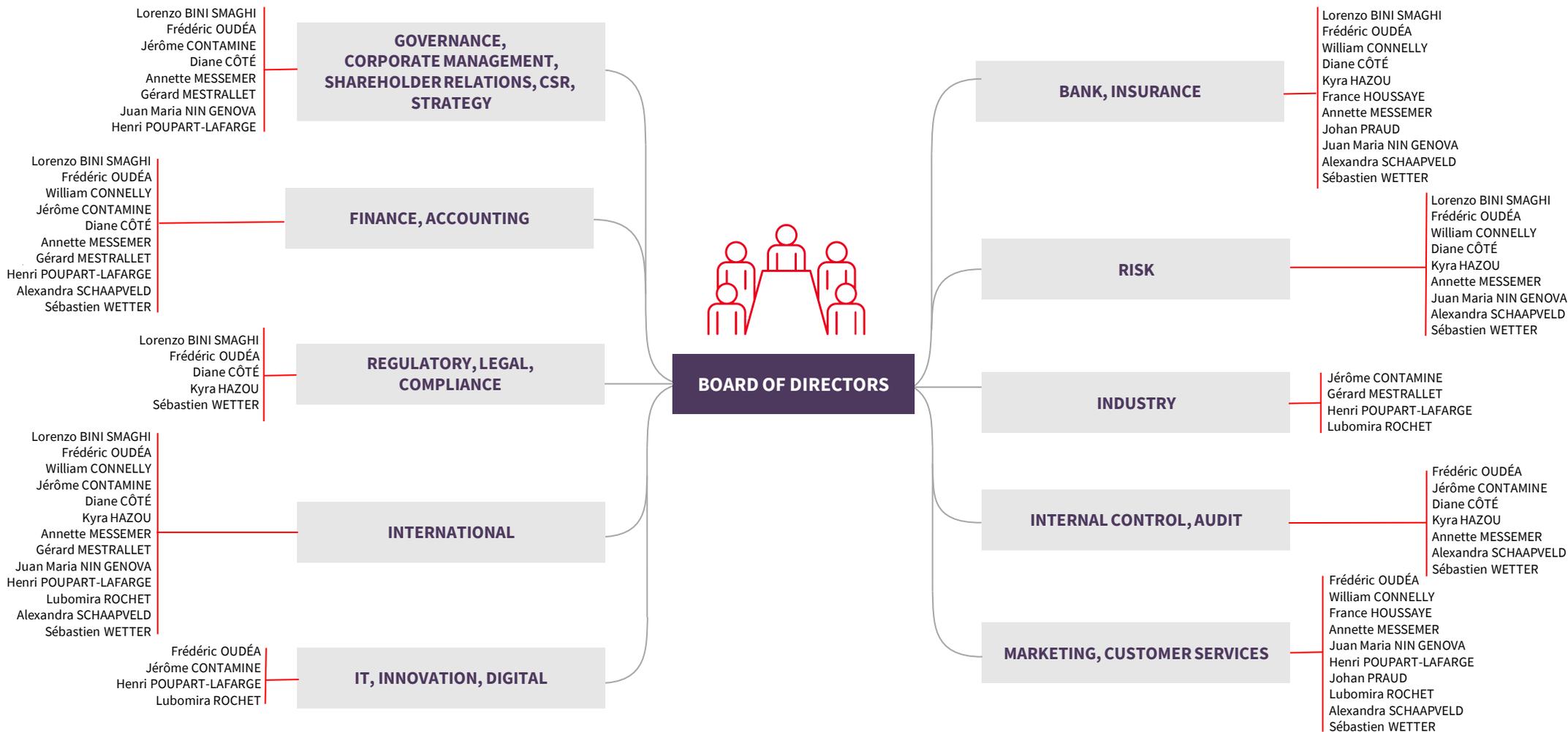
Term : **2025**

French

Tenure (yrs): **1**

- SG employee *since 1997*

DIRECTOR COMPETENCIES AND EXPERIENCE (3/3)



BOARD COMMITTEES

6 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.

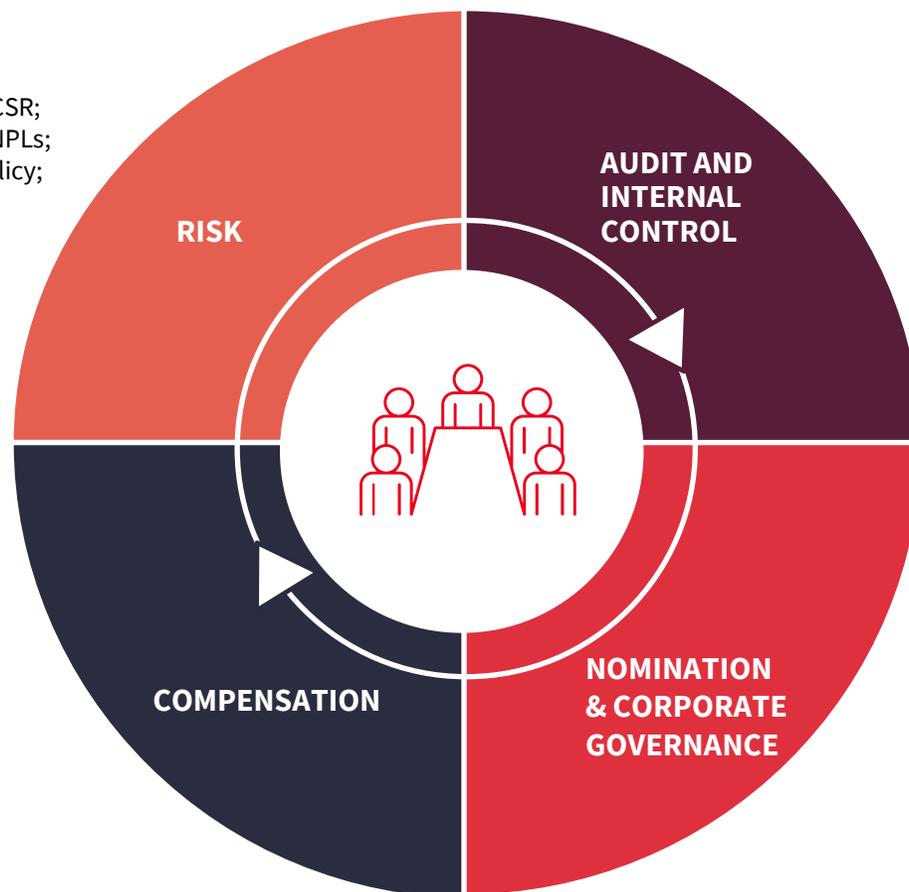
As US Risk Committee, it met 10 times to validate the risk appetite of the US operations, supervise risk policies; follow up of remediation plans.

2021: met 10x; attendance rate 98%

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.

2021: met 6x; attendance rate 100%



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.

2021: met 10x; attendance rate 98%

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.

2021: met 8x; attendance rate 97%

For full activity reports for all Committees see chapter 3, Universal Registration Document

APPENDICES

RECOGNISED LEADERSHIP IN SUSTAINABILITY

AWARDS



Bank of the Year for **Sustainability**



Global Best Bank **Transition Strategy**

Africa Best Bank for Sustainable Finance



Best Investment Bank for **Sustainable Finance**



The Banker
Investment Banking Awards 2021

Investment Bank of the Year for **Sustainability**

Investment Bank of the Year for **Green / Sustainability-Linked Loans**

Investment **Bank of the Year for Africa**



Best Bank for **Sustainable Finance**



Outstanding Leadership in **Sustainable Finance**

Outstanding Leadership in **Social Bonds in Asia-Pacific**

Outstanding Leadership in **Transition/Sustainability Linked Bonds** in Western Europe



ESG Research of the Year



Best **ESG House**



Best **Sustainable Finance House in Asia**



Best **ESG Bank in Asia**

LEAGUE TABLES, RANKINGS & RATINGS

#1 Project Finance Advisory⁽¹⁾

#4 Global Renewable Energy Project Finance⁽²⁾

#1 Sustainable Export Finance⁽³⁾

#1 Export Finance in Africa⁽³⁾

#3 Green, Social, Sustainability Bonds in EMEA EUR⁽²⁾

#1 in the Top 20 Clean Energy Lead Arrangers by deal value⁽⁴⁾

MSCI

ESG Research

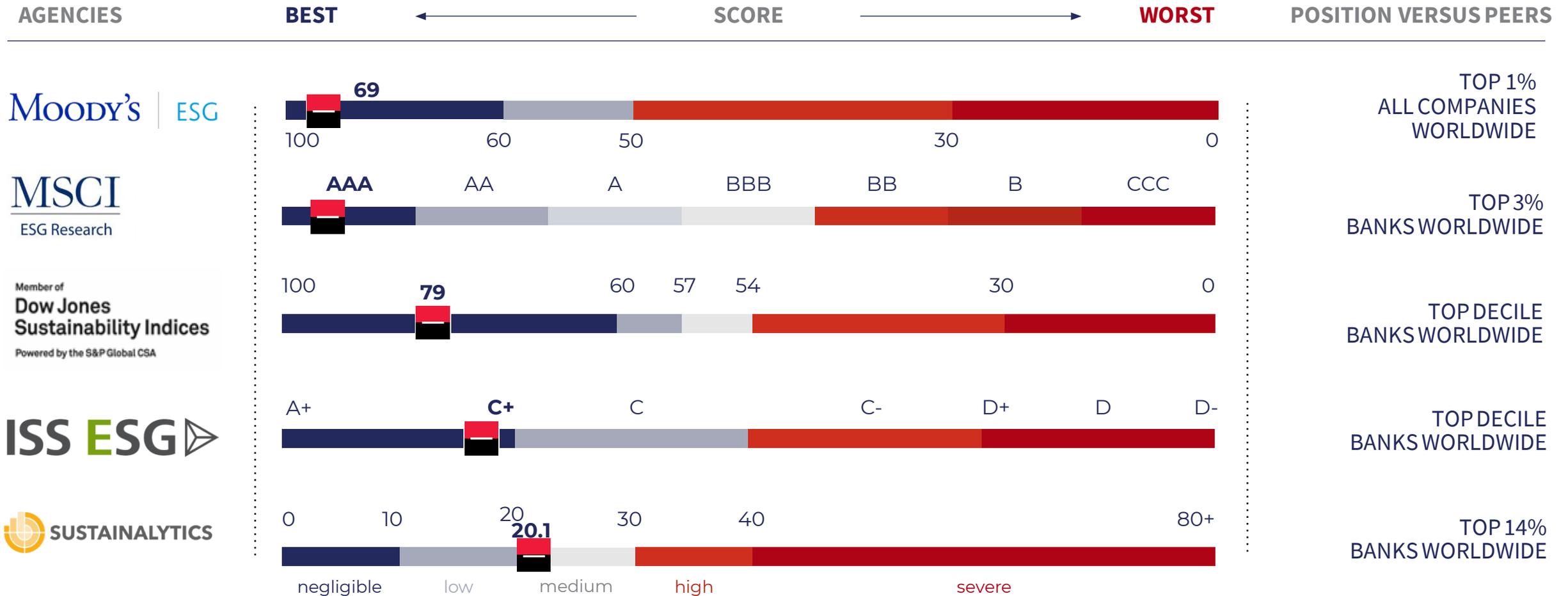
AAA TOP 3%

MOODY'S | ESG

69/100 TOP 1%

(1) IJ Global League Tables FY2021 (2) Dealogic FY2021 (3) TXF FY2021 (4) Clean Energy Pipeline 2020 League Table

MAPPING OF EXTRA-FINANCIAL RATINGS



Note: Number of companies in each agency universe: MSCI 190 banks; S&P CSA 242 banks; Sustainalytics 415 banks; Moody's ESG Solutions 4,882 companies; ISS ESG 285 banks

SELECTED REPORTS FOR FURTHER READING

UNIVERSAL REGISTRATION DOCUMENT AND DUTY OF CARE PLAN

<https://www.societegenerale.com/sites/default/files/documents/2022-03/Universal-Registration-Document-2022.pdf>

INTEGRATED REPORT

<https://www.societegenerale.com/sites/default/files/documents/2022-05/Integrated-Report-2021-2022.pdf>

PRINCIPLES FOR RESPONSIBLE BANKING

<https://www.societegenerale.com/sites/default/files/documents/2022-04/Principles-for-Responsible-Banking-Report-and-Self-Assessment-2022.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>

AROUND THE WORLD IN 2021: integrating our corporate purpose into business solutions

https://wholesale.banking.societegenerale.com/fileadmin/user_upload/Wholesale/pdf/Corporate/21_Tour_du_Monde_Brochure-UK-vf.pdf

CLIMATE DISCLOSURE REPORT

<https://www.societegenerale.com/sites/default/files/documents/CSR/Societe-Generale-Climate-Disclosure-Report-December-2021-EN.pdf>

**THE FUTURE
IS YOU**



**SOCIETE
GENERALE**