5

CORPORATE SOCIAL RESPONSIBILITY

SOCIETE GENERALE - CSR AT A GLANCE

Drivers of positive transformations

ENVIRONMENTAL TRANSITION

THE GROUP'S NEW COMMITMENTS

Founding member of the **Net-Zero Banking Alliance**:

- Committed to aligning our portfolios with trajectories aiming at carbon neutrality by 2050
- **Deepened commitments**, with previously defined alignment targets on the most CO_2-eq intensive sectors and, in particular, on several fossil fuel sectors (coal, oil and gas)
- Committed to **reducing our own carbon footprint** by **50%** between 2019 and 2030

SUPPORTING CLIENTS

- **No.1 for financing renewable energies**, EMEA* - end-June 2021 (Dealogic)
- **Steel sector:** joined as co-leader in the Steel Climate-Aligned Finance Working Group to **continue defining decarbonisation standards**

For more,
see Chapter "Being committed through action to the environmental transition", page 296

POSITIVE IMPACT ON LOCAL COMMUNITIES

SUPPORTING CORPORATE AND ENTREPRENEURIAL PLAYERS

- Launched the **Environmental and Social Loan ("PES")** to support sustainable development and companies' social role
- Societe Generale Côte d'Ivoire voted **Best Bank for SMEs** in 2022 by Global Finance

SUSTAINABLE CITIES AND INFRASTRUCTURES

- Introduced a **dedicated training course** for the real estate sector to interpret **major E&S trends**
- **Joined as member of the Sustainable Building Observatory ("OID")** to participate in the sustainable transformation of the real estate sector

SUSTAINABLE MOBILITY

- **Extra-financial ratings for ALD Automotive**: ranked in Top 3 for Business Support Services by Vigeo Eiris, in Top 3 by Sustainalytics and in Top 5 by Ecovadis

For more,
see Chapter "A bank committed to sustainable and responsible finance", page 290

Responsible bank framework

CULTURE OF RESPONSIBILITY

CSR IN THE GROUP'S GOVERNANCE

- Appointed a **non-voting Director** ("censeur") with special competence in **CSR issues** on its **Board of Directors** for a two-year period
- **ESG training** for **Board of Director** members

E&S GENERAL PRINCIPLES AND SECTOR POLICIES

- **Updated E&S General Principles** to better reflect the Group's human rights, climate and biodiversity commitments
- **Reviewed all E&S policies** to enhance the understanding of E&S issues and exclusion criteria

For more,
see Chapter "Defining a robust sustainability management framework", page 296

RESPONSIBLE EMPLOYER

EQUALITY AND DIVERSITY IN THE WORKPLACE

- Signed **three charters** championing **diversity**
- Signed **a charter** promoting **LGBT+** inclusion in the workplace
- Signed the new **Corporate Parenthood Charter**

FOSTERING EMPLOYABILITY

- **Reskilling initiative:** offer employees the opportunity to reskill in growth areas or where there is a shortage of talent by ensuring staff have the skills needed for the digital revolution

QUALITY OF LIFE AT WORK

- Signed a **Remote Working Agreement** in France

For more,
see Chapter "Being a responsible employer", page 314

RESPONSIBLE BANK FRAMEWORK

CULTURE OF RESPONSIBILITY

- **Code of Conduct: 92%** of employees have validated their training
- Share of staff covered by a **collective framework agreement: 100%**
- Percentage of employees prepared to exercise their **whistleblowing rights: 84%**

RESPONSIBLE EMPLOYER

CORPORATE CULTURE AND ETHICS PRINCIPLES

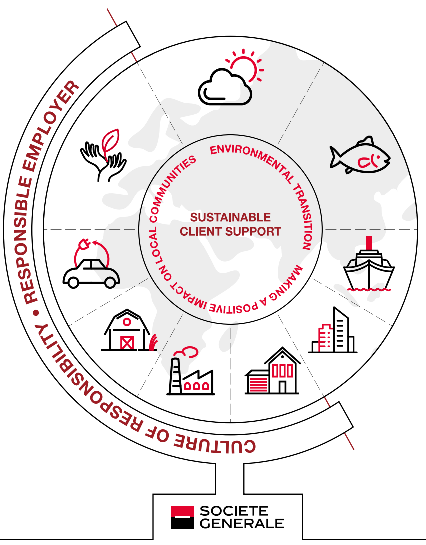
- Employee engagement rate: 66%

PROFESSIONS AND SKILLS

- Percentage of employees who have already performed at least **one training programme: 88%**

DIVERSITY AND INCLUSION

- Percentage of **women in "key positions"** (Top 150 managers): **25%**
- **French gender equality** index score: **86/100**



BUILDING TOGETHER, WITH OUR CLIENTS, A BETTER AND SUSTAINABLE FUTURE THROUGH RESPONSIBLE AND INNOVATIVE FINANCIAL SOLUTIONS

DRIVERS OF POSITIVE TRANSFORMATIONS

SPIF compliant financing commitments: **€18.5bn**
SPI compliant investment products: **€27.7bn**

ENVIRONMENTAL TRANSITION

- **€120bn towards the energy transition** between 2019 and 2023: **€157bn** (i.e. **131%** of the target)
- Towards a complete exit from **coal** (exit in 2030 in OECD countries and 2040 elsewhere: **on track**
- Reduction of exposure to **oil and gas** (-10% by 2025): **on track**
- **Green SPIF** production: **€12.6bn**
- Reduction of the **Group's carbon footprint** (-50% in 2030 *vs.* 2019): **-35%**
- Reduction of the **Group's carbon footprint per employee** (*vs.* 2019): **-30%**

POSITIVE IMPACT ON LOCAL COMMUNITIES

- **Grand Paris** project: **67%** of €5.5bn committed used
- **Structured finance** commitments in **Africa: €12.1bn**
- **SPIF social/societal production volume: €5.9bn**
- **Social positive impact bonds lead-managed by the Group: €45.2bn**

Acclaimed performances by extra-financial agencies

AGENCIES	2020	2021	RANKING
MSCI* ESG Research	AA	AAA	Top 3% banks worldwide
MOODY'S | ESG	A1+ 68	A1+ 69	Top 1% companies worldwide #2 bank worldwide
Member of Down Jones Sustainability Indices Powered by the E&P Global CEA	79	80	Top 7% banks worldwide #8 European bank #26 bank worldwide
Corporate ESG Performance Prime RATED BY ISS ESG	C+	C+**	"PRIME" status Top decile banks worldwide
SUSTAINALYTICS	25.9	20.2***	Top 14% banks worldwide
CDP DISCLOSURE INSIGHT ACTION	B	B	

**MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers. Learn more about MSCI ESG ratings: https://www.msci.com/documents/1296102/15233886/MSCI-ESG-Ratings-Brochure-cbr-en.pdf/7fb1ae78-6825-63cd-5b84-f4a411171d34.*
***2020 rating for 2 years.*
****Upgrade in February 2022. Rating scale from 0 to 100 (the lower the better)*
***Note:** Number of companies in each agency universe: MSCI - 190 banks; S&P Global CSA – 242 banks; Sustainalytics- 415 banks; Moody's ESG - 4,952 companies; ISS ESG - 285 banks.*

What we are doing to manage the Covid-19 crisis

Pulling together when times are tough
Corporate clients: actively distributed French government-guaranteed loans and provided support to international clients
- Until the summer of 2021, French government-guaranteed loan scheme outstandings: EUR 17 billion at 31 December 2021
- Since 2021 and until the summer of 2022, offering business recovery loans ("PPR") and recovery bonds ("OR")
- The Group also offers these clients the opportunity to use recovery bonds as part of a government-backed programme
- The Choose Africa Resilience initiative is a EUR 1 billion package financed by the French state and distributed by AFD/Proparco to support African micro-enterprises, VSBs and SMEs hit by the health crisis: seven Societe Generale subsidiaries in Africa distribute these loans, 80%-risk guaranteed by AFD/Proparco

Société Générale Assurances: supporting the French economy and assisting policyholders
- EUR 1 billion stake in the PPR and OR initiatives
- EUR 75 million contribution to insurer investment programmes targeting ETI, SME and health and insurance sectors
- Acts as a force for good through extra-contractual and other measures to help clients that have been hit hardest (professionals and caregivers)
- Premiums frozen in 2020
- Suspended collection process and policy termination proceedings on unpaid policies during the off-limits period (March until September)

Protecting the health and jobs of our people
- Successfully rolled out Group-wide remote working for all employees: fixed-term and permanent staff, trainees, apprentices and newcomers working in compatible activities in 106 subsidiaries
- Conducted employee awareness actions on health measures to follow, in conjunction with advice from the government of the country concerned
- Offered vaccination services in Societe Generale's medical services throughout France for volunteering staff
- Delivered an e-learning module for all employees in France to understand the Covid-19 disease and adopt safe practices to protect oneself and others

5.1 EXTRA-FINANCIAL CHALLENGES AND RISKS FOR SOCIETE GENERALE

5.1.1 A STRATEGIC CSR AMBITION THAT DRIVES THE GROUP'S CORPORATE PURPOSE

Societe Generale is committed to supporting its clients and has made Corporate Social Responsibility (CSR) the linchpin of its corporate purpose and strategy. CSR concerns all its businesses and is both an opportunity for innovation and a factor of sustainability.

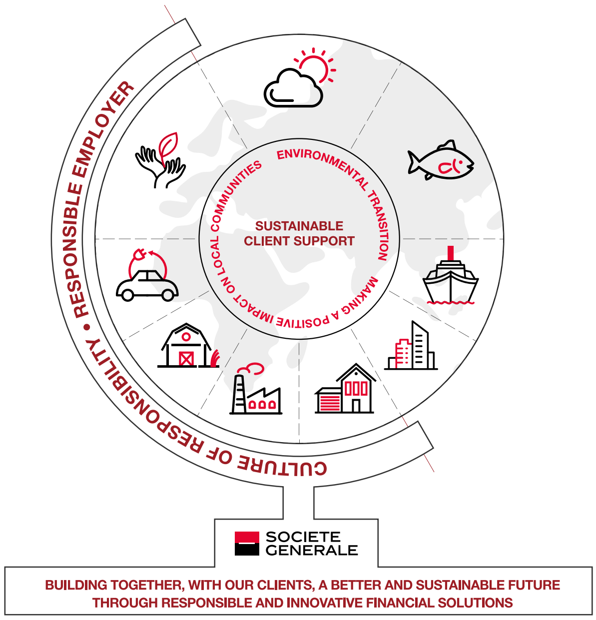
"Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions" is Societe Generale's corporate purpose and is the embodiment of our collective ambition, the bedrock of the Group's strategic choices and the compass that guides our actions on a daily basis. It embodies the Group's vision and values, its team spirit, innovation, responsibility and commitment, and is the cornerstone of Societe Generale's banking model.

Following on from its previous strategy, Societe Generale used the findings of its materiality survey to guide its CSR actions in 2021. The materiality survey is outlined in the following section. Survey findings placed the focus on four areas. Two of them form the framework for responsible banking:

- the culture of responsibility (see Creating a robust sustainability management framework, page 272);
- the responsible employer (see Being a responsible employer, page 314).

The other two areas are the springboards for positively transforming the Group's actions as a responsible bank:

- supporting the environmental transition (see Being committed through action to the environmental transition, page 296);
- making a positive impact on local communities (see Contributing to local communities, page 299).



Through its geographic presence, the diversity of its businesses and its responsible engagement, Societe Generale helps achieve the Sustainable Development Goals (SDGs) defined by the UN (for more information, see *https://www.un.org/sustainabledevelopment/sustainable-development-goals/*), and specifically through the four focus areas of its CSR ambition, each of which contributes directly to the successful outcome of one or several objectives:

Core themes of the Group's CSR policy

Culture of responsibility By complying with legislation and ethical obligations in force and by introducing its own commitments, Societe Generale's objective is to work to make a genuinely positive impact on the environment, standing shoulder to shoulder with and being attuned to the various stakeholders of its global ecosystem (see Creating a robust sustainability management framework, page 272).	
Responsible employer Monitoring quality of working life, and the diversity and professional development of its teams are crucial to encouraging employee engagement within the Group and optimising performances. Societe Generale has undertaken to move the Group forward with five Human Resources priorities: Corporate Culture and Ethics Principles, Professions and Skills, Diversity and Inclusion, Performance and Compensation, Occupational Health and Safety (see Being a responsible employer, page 314).	
Supporting the environmental transition Being committed through action to the climate and environment by supporting fair, environmental and inclusive transition (see Being committed through action to the environmental transition, page 296).	
Making a positive impact on local communities Societe Generale is committed to supporting the development and resilience of local economies by taking part in community-focused innovations emerging locally and in its markets. One of the Group's actions is to make positive transformations by supporting businesspeople, working to develop sustainable cities and infrastructures and promoting green mobility (see Contributing to local communities, page 299). This initiative has particular significance in Africa where the Group supports positive transformations on the continent through its Grow with Africa programme.	

5.1.2 CONSULTING STAKEHOLDERS TO UNDERSTAND THEIR EXPECTATIONS

The Group consulted key internal and external stakeholders at the end of 2020 to update the priorities of the Group's CSR ambition and ensure that it was aligned with risks and opportunities. The survey findings were aggregated into a materiality matrix, which is presented below. The materiality matrix was interpreted in accordance with the Group's values and company purpose in order to define the four focus areas of the CSR ambition.

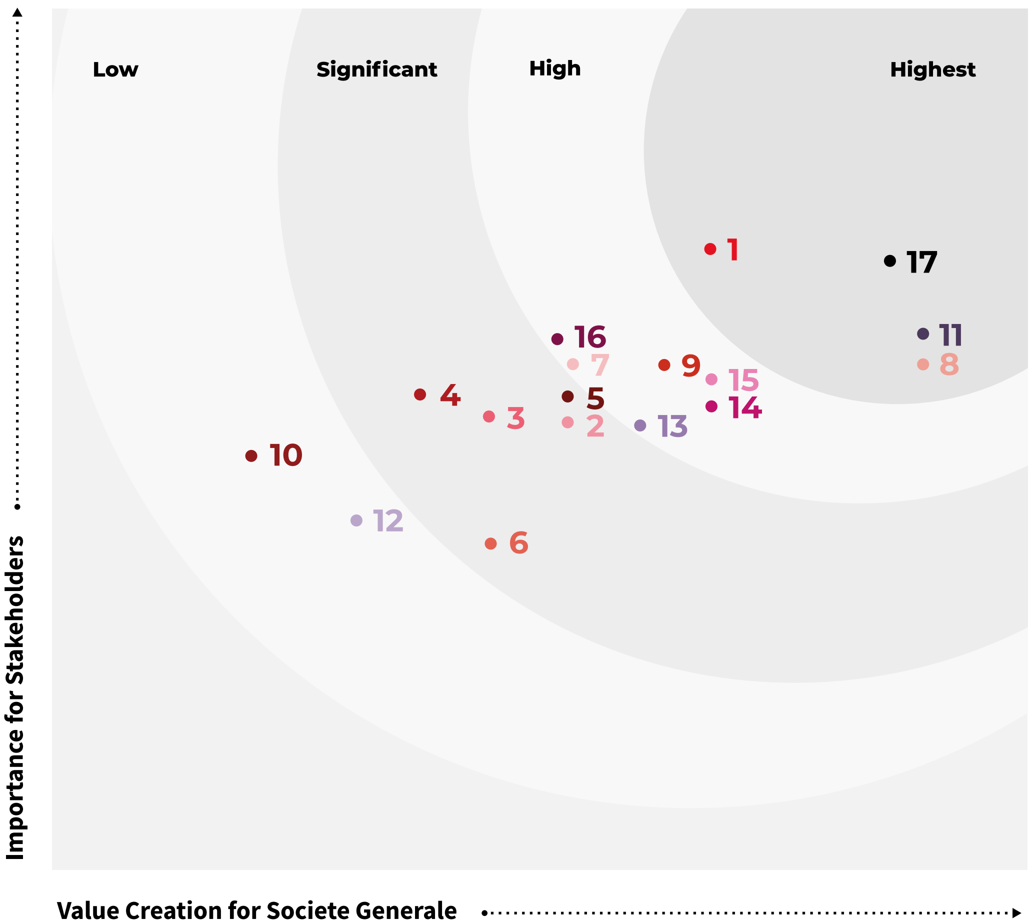
The Group used a qualitative approach to take the stakeholders' pulse: in-depth one-on-one interviews were conducted with a representative panel of Group stakeholders. More than 80 employee managers were specifically trained to conduct the campaign, which involved 141 interviews. Interviewees were selected from a diverse sample of professionals spanning the entire range of businesses and geographical zones where the Group operates. Some 1,000 Group managers were also interviewed. In order to compare their expectations with those of other stakeholders who participated in the survey, ten more interviews focused on Group Management, including three members on the Board of Directors. These findings were subsequently enriched with responses provided during image and client satisfaction surveys performed regularly by Societe Generale and with submissions from dedicated focus groups composed of internal and external participants.

Societe Generale performed materiality analysis according to three complementary levels:

1. stakeholders surveyed ranked the 17 materiality considerations identified by an Internal Group Work Committee according to their impression of relative importance;
2. Group Management also ranked the materiality considerations according to their impact on the different value creation dimensions for the Company;
3. the recurrence of the considerations under review was analysed during stakeholder interviews. All their contributions were subsequently studied on a qualitative basis. The study was conducted in line with the main materiality assessment standards, *i.e.* the GRI*, AA1000*, IIRC* and ODD standards.

The materiality matrix classifies the issues according to their impact (evaluated by General Management) on the different dimensions of value creation in the Company (x axis) and according to their relative importance for internal and external stakeholders (y axis). As a result, four issues manifested in the core circle, followed by five issues in the second inner circle, six issues in the third circle and, last, two issues of minor impact in the outermost circle.

MATERIALITY MATRIX



- **1** Accelerate the low-carbon transition and increase the positive impact of the Group's products and services dedicated to fighting climate change
- **2** Contribute to the preservation of biodiversity
- **3** Participate in the inclusion of stakeholders in situation of fragility
- **4** Expand the Group's offering of products and services with a positive social impact
- **5** Contribute to the sustainable development of territories/regions
- **6** Contribute to the sustainable development of Africa
- **7** Anticipate and support transformations and innovations
- **8** Commit to safe and responsible digital development
- **9** Ensure effective ESG risk management in all businesses
- **10** Co-develop ESG risk assessment methodologies
- **11** Strengthen the satisfaction and trust of all the Group's clients
- **12** Nurture the innovation dynamic of all the Group's staff
- **13** Unite the teams around committed and responsible employer management
- **14** Attract and grow talents
- **15** Value diversity in Skills and Talent management
- **16** Rely on a Group and business Governance with a long-term vision
- **17** Conduct the Group's business in an exemplary manner

5.1.3 ANALYTICAL APPROACH TO EXTRA-FINANCIAL RISK FACTORS

In addition to the materiality matrix substantiating the strategic analysis, the Group conducts a number of extra-financial risk identification procedures. The Group approaches these procedures by applying the double materiality concept, *i.e.* by first analysing the environmental and social materiality, which pinpoints the impact of Societe Generale's activities on the environment and on human rights and, second, the financial materiality, which identifies the risks that stand to affect the Group's economic and financial activities as a result of Environmental Social and Governance (ESG) factors. Accordingly, Societe Generale considers that environmental, social and human rights risks do not belong to a new category, but, rather, are factors aggravating certain previously identified risks, such as credit risks, non-compliance risk and reputation risk. Details concerning each of these categories are cross-referenced in the dedicated sections of the present Universal Registration Document.

As a result of these assessments, the principal extra-financial risk factors are ranked according to two criteria, namely, their potential severity and the probability of them materialising. This identification process examines the intrinsic risk, *i.e.* before internal action is sought to minimise its impact. A time frame is applied to certain risk factors; a risk that is perceived as low today may intensify in future.

The methodology and findings of this evaluation, which were submitted to the Independent Third-Party Body (ITB) during a prior study, are still valid for the purposes of this document.

The most meaningful extra-financial intrinsic risk factors emanating from the study are as follows:

- IT systems failure, including cybercrime (see Chapter 4.8 Operational risk, section Risks related to information security and information and communication technologies, page 235 and the IT systems security master plan 2021-2023, page 235;
- non-compliance with business ethics, including corruption, tax evasion and money laundering (see Chapter 4.11 Compliance risk, litigation, section Anti-corruption measures, page 256);
- data protection (see Chapter 4.11 Compliance risk, litigation, section Data protection, page 257);
- the Environmental and Social (E&S) challenges that stand to impact the Group's reputation as a result of other operational risks or arising from negative stakeholder perception, especially among external stakeholders (see E&S risk management in the businesses to promote fair and responsible growth, page 285);
- non-compliance with E&S legislation or the Group's E&S commitments, including non-compliance with labour regulations, and health and safety standards (see Being a responsible employer, page 314).

A number of moderate extra-financial risk factors were also identified:

- E&S issues that may affect the Group's credit risk, especially climate change issues, *i.e.* transition risks and physical risks. These risks could escalate over a longer time frame (see Supporting the environmental transition, page 296);
- inappropriate employee behaviour, *e.g.* non-compliance with the Group's Code of Conduct and Guidelines (see Being a responsible employer, page 314);
- a risk factor relating more specifically to Human Resources management, *i.e.* lack of qualified staff (see Being a responsible employer, page 314).

The Group's Human Resources Department created a specific mapping to identify the key risk factors related to Societe Generale's Human Resources (HR) and those of its subsidiaries. The chosen HR focus areas were listed according to their potential impact in the event of materialised risk in five areas: financial, compliance/legal, reputation, employee health and safety, and loss of skills/business disruption. The focus areas impacting at least one of these areas were then cross-referenced with external risk analyses using Maplecroft(1) quantitative databases specific to banks and a risk panel identified by the Danish Institute for Human Rights(2), which pinpointed five chief HR risks for Societe Generale (see Being a responsible employer, page 314).

The present Universal Registration Document includes the changes in the procedures implemented by the Group to minimise these risks. A DNFP (declaration of non-financial performance) cross-reference table appears in Chapter 9 of the present document (see page 654) and a summary of non-financial risk factors and emerging risks can be found on the Societe Generale corporate website: *https://www.societegenerale.com/sites/default/files/documents/Document%20RSE/summary-of-non-financial-risk-factors-and-emerging-risks.pdf.*

Words followed by an asterisk have a specific definition and appear in the Glossary, page 658.

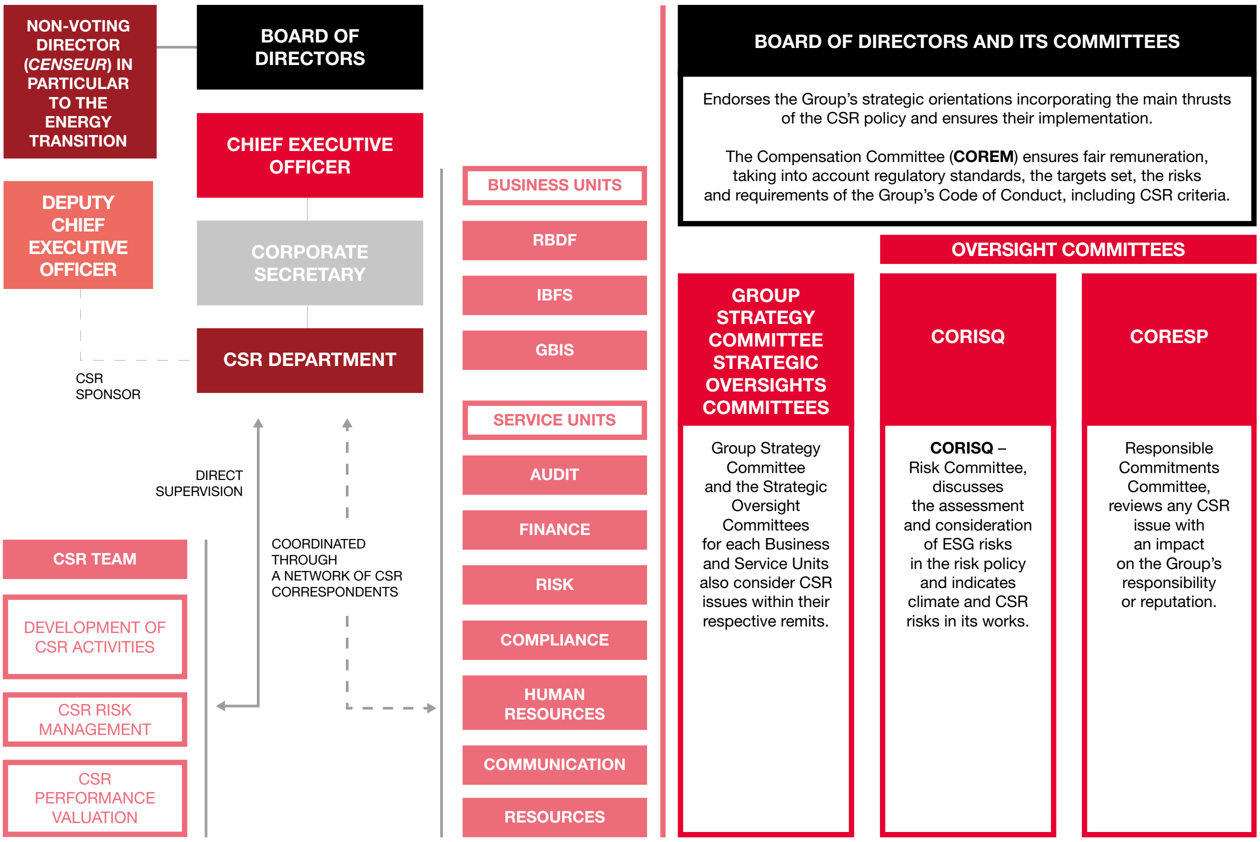
Quantified indicators can be found here: *https://www.societegenerale.com/sites/default/files/documents/Document%20RSE/corporate-social-responsibility-group-key-figures.xlsx*

(1) *https://www.maplecroft.com/.*
(2) *https://www.humanrights.dk/.*

5.2 DEFINING A ROBUST SUSTAINABILITY MANAGEMENT FRAMEWORK

Societe Generale's is committed to conducting its activities in an exemplary manner and has made the **culture of responsibility** a prime focus of its CSR strategic ambition. The Group has also made CSR the linchpin of its **governance and compensation policy**. In addition, as part of its quest to be a vehicle for transformation towards a more sustainable world, Societe Generale participates in **numerous coalitions** which debate environmental, social and governance (ESG) issues and enable it to make **genuine and concrete commitments.** Last, the Group has developed a **strict framework to manage environmental and social (E&S) risks** to ensure it rolls out these commitments throughout the entire organisation.

5.2.1 CSR IN THE GROUP'S GOVERNANCE



Five bodies play a specific role in CSR:

1. the **Board of Directors** approves the Group's strategies and supervises their rollout, in particular with regard to CSR. These strategies embody the Group's values and Code of Conduct, as well as the main thrusts of its environmental and social strategy, its HR policy, its information systems and organisational blueprints. CSR achievements and issues are regular agenda items at Board of Director meetings and those of its Committees (see Chapter 3.1.2 Board of Directors, sections The Board of Directors' expertise (page 80) and The Board of Directors' work, page 81). The Group Compensation Committee also explores CSR issues under its remit; see Chapter 3.1.2 Board of Directors, respectively at pages 83 and 86. Ever mindful of the challenges related to energy transition, the Group decided in 2021 to appoint to the Board of Directors a non-voting Director specially dedicated to these areas for a two-year term; see Chapter 3.1 Board of Directors' report on corporate governance, page 63. Since 2020, members of the Board of Directors have received regular progress reports on the Group's CSR initiatives, as well as news of regulatory developments *via* a monthly Key Facts and Figures update on the topics;
2. at least once a year, the Board of Directors review the Group's strategic approaches to CSR and their rollout;

3. **General Management**, which examines CSR themes through:
   - the Responsible Commitments Committee (CORESP), chaired by the Chief Executive Officer, or in his absence, the Deputy Chief Executive Officer, who is specifically tasked with supervising the Group's CSR commitments and standards, including aligning its actions with climate targets. It also examines any E&S issue having an impact on the Group's responsibility or reputation; see E&S risk management in the Group's businesses to promote fair and responsible growth page 291,
   - the Group Risk Committee (CORISQ), chaired by the Chief Executive Officer or, in his absence, by the Deputy Chief Executive Officer, who supervises the Risk Division, which defines the Group's main risk strategies, *i.e.* credit risks, including those stemming from and related to monitoring the Group's CSR commitments, as well as country, global markets and operational risks,
   - the Group Strategy Committee and the Business and Service Units' Strategic Management Committees (see Chapter 3.1.4 Governance bodies, page 93);
4. **the CSR Department**, the Head of which is a member of the Group Management Committee. Backed by a 14-strong team and supported by a network of over 300 ESG ambassadors in the Business and Services Units (at Q4 21), she is in charge of formulating a dedicated policy for the Group that is attuned to stakeholders, and of monitoring actions in this area. The CSR Department has been renamed the Sustainable Development Department and has reported to General Management since 1 January 2022. It formerly reported to the Corporate Secretary;
5. The **Group BU/SU entities** are tasked with implementing and aligning their initiatives with Societe Generale's CSR policy.

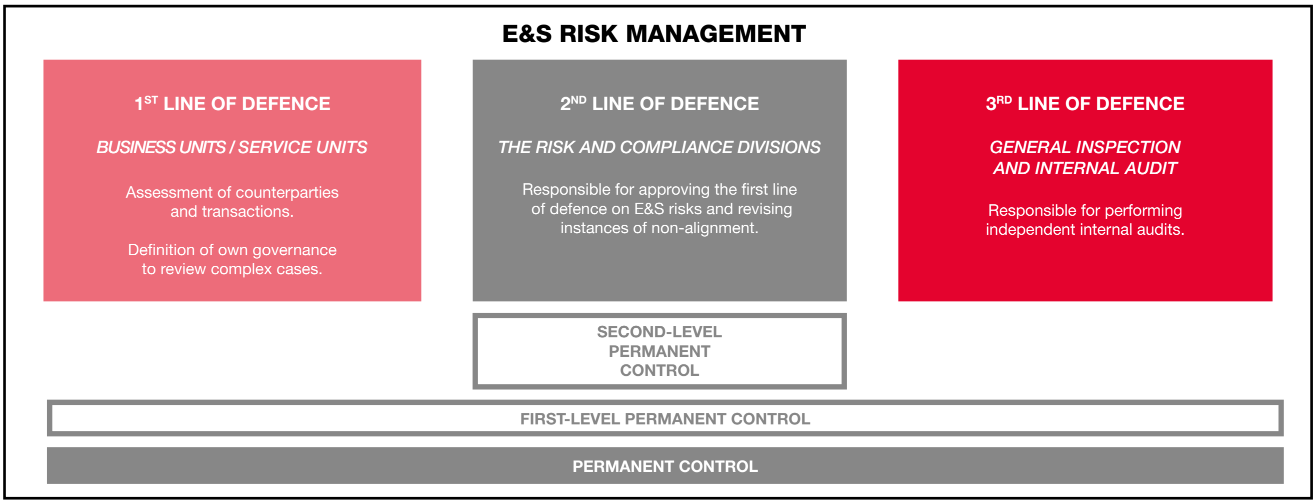
Application of the principles of separation of responsibilities in the lines of defence

Governance was strengthened in 2019 when E&S risks were integrated in a Group standard policy document. The roles of the first line of defence and the second line of defence (Risk and Compliance Departments), as well as the those of the CSR Department were clearly articulated:

- the BU/SUs are in charge of deploying the E&S risk management system throughout their scope of activities, and must comply with the Group's counterparty and transaction assessment recommendations. They can call on the E&S service experts of other businesses to carry out these assessments. They define their own governance bodies to review complex cases, request guidance and direction from their manager where necessary and help keep Societe Generale's E&S standards up to date;
- the Risk and Compliance Departments are in charge of the second line of defence with respect to E&S risk management. As such, they perform level 2 controls on non-alignment, reputation, credit and E&S risks and assess the quality of the first line of defence procedures on the E&S risks.

Against this backdrop, the Responsible Commitments Committee (CORESP), which was created in 2019, met twelve times in 2021. CORESP explored the following topics:

- the change in the Group standards with regard to managing E&S risks, notably in the oil and gas sector, and preserving biodiversity;
- the latest Group commitments, such as aligning its credit portfolios and the Group's own operations with the Paris Agreement's terms;
- reviewing particularly sensitive clients and transactions from an E&S standpoint.



5.2.2 INCORPORATING CSR PRINCIPLES INTO COMPENSATION

Compensation of employees, corporate officers and the Management Committee, is aligned with the Group's Corporate Social Responsibility considerations at several levels (for more information see the Performance and Compensation Report: *https://www.societe generale.com/en/responsability/responsible-employer/performance-and-compensation*;

- in the **collective compensation of Societe Generale SA employees in France**, the amount of profit-sharing and incentive schemes depends on the annual achievement of two social responsibility targets which are measured according to Societe Generale Group's ranking at the main extra-financial ratings agencies S&P Global CSA (formerly RobecoSAM), Sustainalytics and MSCI;
- in the compensation of **Management Committee members** (61 people[1]). Since 2018, the members of the Group Management Committee have pursued shared collective targets, including financial performance, customer satisfaction and experience;
- according to the Net Promoter Score©, the employee engagement rate, which is measured by the Group's Employer Satisfaction Survey, the Company's corporate social responsibility, *via* the Group's extra-financial rating from S&P Global CSA (formerly RobecoSAM), Sustainalytics and MSCI. These targets dictate part of their variable compensation; for more details see the Performance and Compensation Report *https://www.societegenerale.com/en/responsability/responsible-employer/performance-and-compensation*;
- in the **compensation of General Management** at two levels: 40% of the variable compensation of corporate officers depends on qualitative CSR criteria and the acquisition of long-term incentives is 20%-driven by meeting CSR conditions, i.e. compliance with the Group's energy transition financing commitments and the Group's ranking at the main extra-financial ratings agencies.

5.2.3 DIALOGUE WITH STAKEHOLDERS

Societe Generale endeavours to take a constructive attitude when engaging in dialogue with its stakeholders. The approach is described on the Group's corporate website: *https://www.societegenerale.com/fr/responsabilite/dialogue-with-our-stakeholders*.

Societe Generale strives to remained attuned to its stakeholders and adapt its approach to better meet their expectations whenever possible, in accordance with legislation and regulations in force. More specifically, the Group practices an active listening policy with:

- clients, see section Applying the highest client relationship standards, page 306;
- employees, see Being a responsible employer, page 314;
- investors and shareholders, see *https://www.societegenerale.com/en/responsability/dialogue-with-our-stakeholders*;
- regulatory and supervisory bodies, see *https://www.societegenerale.com/en/responsibility/dialogue-with-our-stakeholders*;
- suppliers and service providers, see Being a responsible purchaser: the positive sourcing programme, page 323;
- the media;
- financial and extra-financial rating agencies, see *https://www.societegenerale.com/en/responsibility/dialogue-with-our-stakeholders*;
- civil society, see *https://www.societegenerale.com/en/responsibility/dialogue-with-our-stakeholders.*

As regards **civil society**, the Group is attuned to and engages in dialogue with NGOs that alert it to E&S issues. Wherever possible, an internal enquiry is conducted, and a documented response is given, either in writing or during meetings convened for that purpose. Societe Generale uses the Sustainable Development Department to centralise communication or contact from NGOs or other stakeholders informing it about the E&S impact of its financing services or other services.

In the course of 2021, Societe Generale consulted with or participated in working groups with some ten NGOs, either in writing, in bilateral meetings or through broader, more global consultations organised by the associations themselves, by the French Banking Federation (*Fédération bancaire française* – FBF) or Companies supporting Human Rights (*Entreprises pour les Droits de l'Homme* – UNEP-FI), amongst others.

Societe Generale has a "Statements" section on its corporate website. In 2021, the Group responded to questions regarding its minority shareholding in Cofigéo. For more information, the document is available at *https://www.societegenerale.com/en/news/statements.*

The Group also maintains open dialogue with civil society through its Dialogue & Transparency rubric on its website. Societe Generale published its position on three occasions in 2021: first, in response to the "Banking on climate chaos" report (a joint publication by Reclaim Finance, Rainforest Action, Network, BankTrack, Indigenous Environmental Network, Oil Change International and the Sierra Club) following the "Fossil assets; second, following the new subprimes" report by the Institut Rousseau, Amis de la Terre France and Reclaim Finance; and third, in reaction to the OXFAM report on banks' carbon footprint. The Bank's stance in response to these reports can be found on the Group's website: *https://www.societegenerale.com/en/responsibility/csr-ambition/dialogue-transparency*.

(1) *At 17 January 2022.*

5.2.4 A CODE OF CONDUCT UNDERPINNED BY SHARED VALUES

The Group seeks to establish a culture of responsibility and apply the strictest control and compliance standards in the banking sector. It commits its employees to act with integrity and in accordance with applicable law in all its activities. To that end, the Group has defined a Code of Conduct describing the standards to be observed and constituting a commitment towards each stakeholder. This Code applies to all its employees worldwide. In addition to its Code of Conduct, Societe Generale also possesses a Charter for Responsible Advocacy (see below) and a Sustainable Sourcing Charter *(https://www.societegenerale.com/sites/default/files/construire-demain/12112018_sustainable_sourcing_charter_vf_eng.pdf)*.

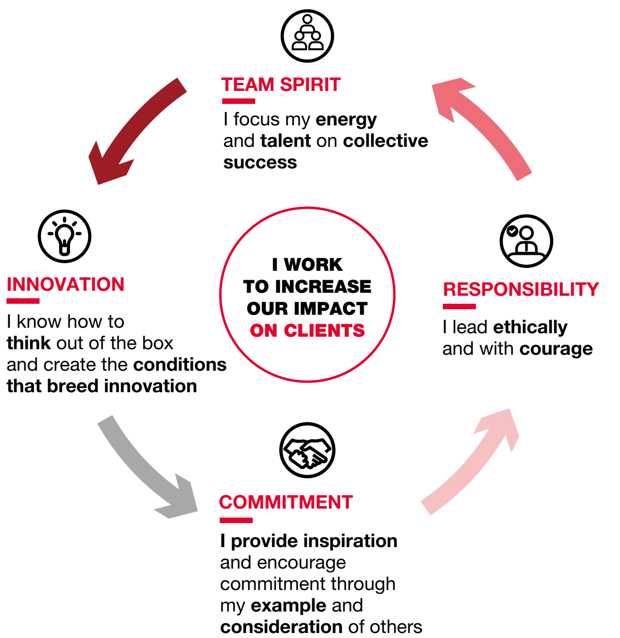
Societe Generale has built a strong culture based on its values, its **Leadership Model** and the **Code of Conduct**. Societe Generale is guided by **four key values which is shared by all employees** – Team Spirit, Innovation, Responsibility and Commitment – and which is defined with a common objective in mind: the client, for whom the Group strives to achieve the highest possible standards of service quality.

5.2.4.1 The Leadership Model

Societe Generale's values feed into its Leadership Model, which defines the behaviour and skills expected within the Group, emphasising that the way in which results are achieved is every bit as important as the results themselves.

The behavioural skills reflected in the Leadership Model are divided into three categories corresponding to the main levels of responsibility within the Company (senior executives, managers and employees) and are shared throughout the Group.

The four key values thus translate into key skills (see diagram below), which are in turn reflected in certain observable and measurable behaviours.



The Leadership Model's internal skills guide describes the expected behaviour corresponding to each of these skills. In conjunction with the guide, a self-assessment tool available on the intranet asks twenty questions through which respondents can see how they rate in relation to appropriate conduct and provides leadership development tools to work through the various skills.

The annual appraisal targets are set based on the four Leadership Model values. One of the values is attached to each behavioural objective and employees can use the Leadership Model to formulate their annual targets.

5.2.4.2 The Code of Conduct, a vehicle for the Group's values

The Group conducts its operations in accordance with the values and principles set out in the following major international conventions:

- the Universal Declaration of Human Rights and its additional commitments;
- the fundamental conventions of the International Labour Organization (ILO);
- the Unesco World Heritage Convention;
- the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights.

The values espoused in the Code of Conduct policy document span the entire spectrum of Group activities and the countries where it operates. The Code describes our commitments towards all stakeholders: clients, employees, investors, shareholders, suppliers, the regulator and supervisory bodies, the general public and civil society, as well the principles of expected individual and collective behaviour. It refers directly to the whistleblowing procedure which forms part of the mechanism to combat inappropriate behaviours.

Available in the main languages spoken in the Group, the Code of Conduct is the cornerstone of professional ethics at Societe Generale. It promotes respect for human rights and the environment, the prevention of conflicts of interest and corruption, anti-money laundering and counter-terrorist financing measures, respect for market integrity, data protection, proper conduct regarding gifts and invitations, and responsible sourcing.

Code of Conduct rules go beyond the minimum statutory and regulatory requirements in force, especially in countries whose laws and regulations are not as stringent as the Group's high ethical standards.

Stakeholders can view the Code of Conduct on the Societe Generale corporate website: *https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/code_of_conduct_eng.pdf.* Further information is provided in the Tax Code of Conduct and the Code governing the Fight Against Corruption and Influence Peddling *(see: https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/code-governing-the-fight-against-corruption-and-influence-peddling-uk.pdf)*.

The Group undertakes to operate with the utmost integrity and transparency, and to comply with the applicable laws and regulations in all the countries where it operates, in particular regarding the offering and receipt of gifts, and the organisation of or participation in business meals or external events as part of its professional activities (and in the event that these events involve public and/or politically exposed persons – PEPs) in connection with business relationships.

The **whistleblower** tool, which is accessible on the Societe Generale website at *https://report.whistleb.com/en/societegenerale* and on the Societe Generale's intranet, is a global channel for submitting whistleblowing reports. With **WhistleB,** anyone may raise the red flag when they believe that they have good reason to suspect the existence of a situation or an action that manifestly violates an international treaty, law, regulation, the violation of human rights and fundamental freedoms, health and safety of persons and the environment. The whistleblower may be any employee, external or part-time collaborator and any service provider with whom an established commercial relationship is maintained (subcontractors or suppliers). The reporting tool, which is based on a secure platform guaranteeing the protection of personal data and strict confidentiality required by the provisions of the law on transparency, the fight against corruption and the modernisation of economic activity (law No. 2016-1691 of 9 December 2016, known as the "Sapin 2" law). The right to report is a basic right afforded to everyone to express themselves and whistleblowers will be protected from any sanctions for having made a report in good faith.

On 2 December 2021, the US Department of Justice (DOJ) moved to permanently end legal proceedings brought against Societe Generale for the Libyan Investment Authority ("LIA") case. In so doing, the DOJ confirmed that the Bank had fully complied with its obligations under the related deferred prosecution agreement.

The deferred prosecution agreement reached in June 2018 with the DOJ was entered into contemporaneously with a French settlement (*Convention judiciaire d'intérêt public*, "CJIP") between Societe Generale and the French Financial Prosecutions Department (*Procureur National Financier*, "PRF"). The PRF terminated the public proceedings against Societe Generale on 14 December 2020 following its acknowledgement that Societe Generale had fulfilled its obligations under the CJIP after receiving the final audit report of the French Anticorruption Agency ("AFA") regarding the rollout of anti-corruption and anti-influence peddling procedures.

In addition to complying with obligations under French, European and local laws, Societe Generale has also signed the following commitments:

- Transparency International France's joint statement *(https://transparency-france.org/wp-content/uploads/2016/04/2015_D%C3%A9claration-commune-sur-le-lobbying.pdf);*
- the Responsible Lobbying Charter for responsible representation to public authorities and representative institutions *(https://www.societegenerale.com/sites/default/files/documents/Document%20RSE/sg_memorandum_responsible_advocacy_activities.pdf)*;
- the Transparency Register of European Institutions *(https://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=34369111614-57&locale=en#en)*, jointly with the European Parliament and the European Commission, supplemented by a Code of Conduct;
- French Senate's Code of Conduct *(https://www.senat.fr/ fileadmin/Fichiers/Images/sgp/Code_de_conduite.pdf)*;
- French National Assembly's Code of Conduct *(https://www.assemblee-nationale.fr/dyn/pages-statiques/pages-simples/decouvrir-l-assemblee/code-de-conduite-applicable-aux-representants-d-interets)*;
- the digital transparency register administered by the High Authority for Transparency in Public Life (*Haute Autorité pour la transparence de la vie publique* – HATVP). The Group created its "interest representative" sheet *(https://www.hatvp.fr/fiche-organisation/?organisation=552120222)*;
- compliance with local codes of conduct and registration with the authorities of its interest representation activities on any other existing register with which Societe Generale operates locally.

The full list of these commitments appears:

- for internal use, in Societe Generale's normative documentation (Societe Generale Codes) in a dedicated section available to employees and is also available to the service providers;
- for public consultation, in a document describing measures governing interest representation which is available in English only on the Group's corporate website at the following address: *https://www.societegenerale.com/sites/default/files/documents/Document%20RSE/sg_memorandum_responsible_advocacy_activities.pdf.*

5.2.4.3 The Culture & Conduct approach

At the end of 2016, the Board of Directors approved the launch of a Group Culture & Conduct programme aimed at supporting the Group's cultural transformation, ensuring **compliance with the strictest integrity standards, and establishing a lasting relationship with its stakeholders built on trust**.

The programme was shared with all employees, making it possible to reaffirm and promote collective and individual behaviour aimed at the ethical and responsible performance of our activities. Since the launch of the initiative, numerous actions have been successfully carried out in the following seven areas: implementation of a Culture & Conduct governance system at the highest level of the organisation and in the businesses, publication of a dashboard to monitor changes in Culture & Conduct indicators, implementation of a conduct risk management system, alignment of Human Resources processes, training and awareness-raising among employees, development of cultural transformation, and communication aimed at integrating Culture & Conduct issues into the daily lives of employees.

Placed from the outset under the supervision of the Board of Directors and General Management and steered by a cross-business project team, the programme has achieved the targets it had set for this first stage. Project mode management came to an end on 31 December 2020 and evolved into a long-term system, with the Culture & Conduct approach remaining a major consideration for the Group.

Now that the programme has been fully implemented, all BU/SUs are expected to push further ahead with integrating Culture & Conduct considerations into the performance of their daily activities. To help achieve this, a Culture & Conduct website dedicated to BU/SUs has set up a toolbox for them containing a summary of Group best practices to enhance the teams' knowledge on culture- and conduct-related topics, as well as a list of contacts to facilitate the exchange of best practices in the Group. In 2021, each BU/SU formalised its own Culture & Conduct road map.

Central oversight of these topics has been maintained at Group level. Since 1 January 2021, the role has been coordinated and performed jointly by two departments: Human Resources for culture-related topics and Compliance for conduct-related matters. They intend to continue cementing a solid and lasting culture of responsibility throughout the Group, and to ensure that BU/SUs roll out the necessary measures to encourage appropriate behaviour and protect the Group's interests in the long term. Culture & Conduct Supervision Committee meetings, chaired by General Management, are held quarterly. At the meetings, the Human Resources and Compliance Departments must report jointly on cross-business action plans and achievements. Two BUs and SUs also present progress reports on the rollout schedule of Culture & Conduct themes according to a single assessment grid. Last, General Management received a third Culture & Conduct dashboard, which was also submitted to the Board of Directors. It provides an overview of the main conduct risks in the businesses, identifies the action plans necessary to improve risk management in these areas and helps track indicator trends.

General Management supervises the entire programme and prepares an annual dashboard on the results for the Board of Directors.

The Report on Corporate Culture and Ethics Principles sets out the Culture & Conduct approach *(https://www.societegenerale.com/sites/default/files/documents/Employeur_responsable/corporateculture-and-ethics principles-2019-report.pdf)*.

The main Culture & Conduct achievements in 2021 were:

- the annual compulsory Code of Conduct learning module that deals with four areas: the Group's Culture & Conduct ambitions stakeholder expectations, content of the Code of Conduct and additional Codes regarding tax and anti-corruption measures, together with ethical reasoning. In addition, new training was organised for key risk evaluation contributors as part of the annual Risk and Control Self-Assessment (RSCA) which is aimed at improving the 2021 results of each Business and Service Unit;
- the continued alignment of the main Human Resources management processes with the Group's Culture & Conduct ambitions: the fight against inappropriate behaviour (new HR alert tool), appropriation of the Group's policy on disciplinary sanctions, procedure describing the management of disciplinary action; see the Corporate Culture and Ethics Principles report available on the Group's website: *https://www.societegenerale.com/en/responsability/responsible-employer/corporate-culture-and-ethics-principles*;
- Culture & Conduct Awareness actions carried out by the Human Resources and Communication Departments aimed at fostering an environment supportive of appropriate behaviour and which mirror the Group's values. A roadmap was devised and has four strategic targets: 1) communicate Group Culture & Conduct expectations (values, normative framework, definitions, and roles and responsibilities), 2) encourage the BUs and SUs to share best practices more and make use of them, 3) promote a speak-up culture at Group and BU and SU levels, and 4) keep in touch with other culture-related initiatives, such as Diversity and Inclusion, CSR and the Life@work programme;
- continued work on defining a methodology to ensure full awareness of Culture & Conduct issues (review of the normative framework, risk interpretation, RCSA-exposure to risks), Permanent Control within Compliance (CPLE/REO) and by the third line of defence (LoD3) in the Audit Department.

CULTURE & CONDUCT KEY FIGURES

- One single Code of Conduct for all Group employees, available in 18 languages.
- 92% of employees had validated their Code of Conduct module training for the 2021-2022 campaign at end-December 2021 (campaign ending in March 2022), *i.e.* 88,700 employees.
- 27,400 Group managers and employees in the HR Department were targeted for compulsory training on the Group's disciplinary framework.
- 100% of the BU/SUs have a Culture & Conduct correspondent.
- At end-2021, 89% of employees believed that their manager encouraged ethical and responsible behaviour.
- At end-2021, 84% of employees confirmed that they were ready to whistleblow if they witnessed or experienced inappropriate behaviour.
- At end-2021, 86% of employees said they could confidently express themselves to team members.
- At end-2021, 80% of employees confirmed that their managers encouraged BU/SUs to work together.
- Whistleblowing mechanism: a total of 122 admissible alerts were reported in the whistleblowing tool in 2021 (*vs.* 80 in 2020), 75% of which concerned HR issues (*vs.* 60% in 2020).

5.2.5 RESPECTING HUMAN RIGHTS

Societe Generale is committed to respecting and promoting human rights, which constitutes one of the fundamental values of its CSR policy. **The Group defines and implements E&S policies, processes and operational procedures to uphold its human rights commitments.**

Societe Generale reaffirms these commitments in its Human Rights Statement *(https://investors.societegenerale.com/sites/default/files/sg-humanrights-statement-.pdf)*, appended to its Environmental and Social General Principles (the E&S General Principles). Its undertakings to respect and protect human rights are enshrined in its Code of Conduct *(https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/code_of_conduct_eng.pdf)* and its E&S General Principles *(https://www.societegenerale.com/sites/default/files/documents/2021-03/Environmental-and-Social-General-Principles.pdf)*.

Societe Generale is also governed by the French Act of 27 March 2017 on the **duty of care** for parent and subcontracting companies (the Duty of Care Act). This law requires the Group to prepare and implement a duty of care plan to identify risks and ensure that its activities do not result in serious breaches of human rights or fundamental freedoms, or damage to the health, safety and security of persons or the environment. The Group's Duty of Care Plan is included on page 346.

As required under Section 54 of the **Modern Slavery Act 2015**, Societe Generale also publishes an annual statement on its website outlining the steps it has taken to prevent modern slavery and human trafficking *(https://www.societegenerale.com/sites/default/files/documents/2020-10/modern-slavery-act.pdf).*

Over the years, the Group has voluntarily adopted various procedures and tools to identify, assess and manage human rights and environmental risks as part of how it manages its human resources, supply chain and businesses. Accordingly, Societe Generale saw this regulatory obligation as an opportunity to clarify and strengthen its existing framework.

The Group's risk management framework covers three main areas:

- respecting the human rights of its employees and social partners (for more information, see Being a responsible employer, page 314);
- respecting human rights in its supply chain and through its suppliers (for more information, see Being a responsible purchaser: the positive sourcing programme, page 323
- respecting human rights in its financial and banking products and services (for more information, see E&S risk management in the businesses to promote fair and responsible growth, page 287).

All policies applied in these three areas are detailed in the Group's Duty of Care Plan, presented on page 339.

Societe Generale reaffirms its commitment in its Human Rights Statement, appended to its E&S General Principles *(https://investors.societegenerale.com/sites/default/files/sg-human-rights-statement-.pdf)*. Its undertakings to respect and protect human rights are enshrined in its Code of Conduct *(https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/code_of_conduct_eng.pdf)* and its E&S General Principles *(https://www.societegenerale.com/sites/default/files/documents/2021-03/Environmental-and-Social-General-Principles.pdf)*.

Last, as mentioned above, a whistleblowing system exists. Whistleblowers can report any potential or actual violations in respect of human rights, fundamental freedoms, health and safety or the environment using the Group's online tool *(https://report.whistleb.com/en/societegenerale)*.

5.2.6 COMMITMENTS AND WORKING GROUPS

Conscious that the banking sector has a key role to play in transitioning towards a sustainable future, Societe Generale has voluntarily committed to a number of actions designed to accelerate positive societal transformation. Given the stakes involved, however, joint action is essential, strengthening cooperation between financial institutions and combining forces for the greater good. **The Group has therefore helped found or participated in various global cross-disciplinary initiatives.** The environmental transition, in particular, calls for significant investment and a redirection of capital flows. Jointly developed methodologies and standards will enhance transparency and boost the impact of the positive changes made.

Societe Generale's resolve to play an active part in the transition towards a sustainable future spurred its decision to become a founding signatory of the Principles for Responsible Banking, as well as a founding member of the Net-Zero Banking Alliance (see section 5.2.6.2).

2001

UNEP-FI
Participation in the United Nations Environment Program Finance initiative (UNEP FI)

2007

EQUATOR PRINCIPLES
Project finance

2015

COP 21
Alignment with the IEA's 2°C scenario

2016

SCIENCE-BASED TARGETS
Setting emissions reduction targets

2018

KATOWICE COMMITMENT
Five-bank pledge to align lending portfolios with the Paris Agreement

2019

PRINCIPLES FOR RESPONSIBLE BANKING, COLLECTIVE COMMITMENT ON CLIMATE ACTION
Founding signatory, involved in defining the principles

GREEN INVESTMENT PRINCIPLES
Adoption of responsible practices in E&S risk management and positive impact financial products along the Belt and Road region

POSEIDON PRINCIPLES, GETTING TO ZERO COALITION
Decarbonising the shipping industry: founding signatory

SUSTAINABLE IT CHARTER
Limiting environmental impact of technology and promoting digital inclusion

2020

HYDROGEN COUNCIL
Supporting the development of hydrogen for energy transition

CFO TASKFORCE OF UN GLOBAL COMPACT
CFO's network to meet the challenge of sustainable development and the SDGs

2021

NET-ZERO BANKING ALLIANCE (UNEP-FI)
One of the founding members

5.2.6.1 Principles for Responsible Banking

Officially presented at the UN General Assembly in September 2019, the Principles for Responsible Banking aim to define the role of the banking sector in building a sustainable future, in line with the United Nations Sustainable Development Goals (SDGs) and the 2015 Paris Agreement on climate change. Societe Generale is a founding signatory.

The six principles define a common framework that allows each signatory bank to make commitments aimed at increasing its positive impact or reducing its negative impact on society and the environment. The principles include aligning activities with the Paris Agreement and the SDGs, setting targets in terms of positive impacts and reduction of negative impacts, providing responsible support to clients, consulting and cooperating with stakeholders, developing a responsible banking culture and governance, and making targeted and public commitments and subsequently reporting transparently on their achievement.

Societe Generale's CSR ambition aims to align the Bank with the Principles for Responsible Banking and ensures it contributes to positive change for a sustainable future, as reflected in the Group's fourth Integrated Report *(https://www.societegenerale.com/sites/default/files/documents/2021-07/Integrated-Report-2020-2021.pdf)*.

2021 UPDATE

- **Principle 1 – "Alignment" and Principle 2 – "Impact & Target Setting":** Societe Generale joined the Net-Zero Banking Alliance (NZBA) in 2021. For details of its progress towards net-zero, see section 5.2.6.2 below.

  The Group continued to strengthen its in-house frameworks, tightening up the checks and balances on its business in sensitive sectors. It updated its E&S General Principles and appended three new statements setting out its commitments on human rights, the climate and biodiversity. It also updated its E&S policies (for more details see E&S risk management in the Group's businesses to promote fair and resonsible growth, page 290). In addition, the Group stepped up its actions in favour of preserving biodiversity, adding to its list of protected areas (*i.e.* areas in which it has undertaken not to finance new projects in sectors covered by its sector policies and considered particularly sensitive from a biodiversity standpoint).

  The Group also continued to support the energy transition:

  - **energy transition financing** – with a broad range of sustainable financing solutions (loans, bonds, advisory services), the Group met its goal of raising EUR 120 billion for the energy transition between 2019 and 2023 ahead of schedule;
  - **renewable energies** – the Group has supported renewables as a way of promoting the energy transition for over 20 years, and was acclaimed No. 1 for renewable energy financing within the EMEA* region at the end of June 2021 (Dealogic).

  Last, Societe Generale made **a new commitment aiming to reduce its carbon emissions by 50% from 2019 levels by 2030**. To achieve this, it plans to make its buildings, IT equipment and vehicle fleet more energy efficient and reduce air travel. It also decided to ban single-use plastics in its work environments by 2025 (and even earlier, if possible, in certain countries).

- **Principle 3 – "Clients & Customers":** Societe Generale continued to enhance its client protection policy and is working on cementing responsible relationships with all clients. For more information on the Group's relationships with its clients and how it protects their data and assets, see Applying the highest standards in client relationship management.
- **Principle 4 – "Stakeholders":** In addition to its ongoing policy of dialogue with its stakeholders, the Group conducted a large-scale survey with its key internal and external stakeholders over 2020 and 2021 to help it update its materiality matrix and the priorities of its CSR ambition (see Consulting shareholders to understand their expectations, page 306).
- **Principle 5 – "Governance & Culture":** The Group strengthened its CSR governance. In particular:
  - the Board of Directors appointed a non-voting Director for a two-year term from 18 May 2021 to assist it on matters regarding the energy transition (see Chapter 3.1, Board of the Directors' Report on Corporate Governance, section Organisation of the governance, page 63);
  - Board members received training on ESG topics (see Chapter 3, Board of Directors, section Training, page 89).
- **Principle 6 – "Transparency & Accountability":** Striving for ever greater transparency and going beyond its regulatory obligations (*i.e.* the Declaration of Extra-Financial Performance and Duty of Care Plan), the Group published the following documents in 2021:
  - its first self-assessment report on its progress in implementing the Principles for Responsible Banking;
  - its fourth Integrated Report;
  - its first report on its tax contribution (relating to 2020) *(https://www.societegenerale.com/sites/default/files/documents/2021-07/Report-on-our-2020-tax-contribution.pdf)*;
  - its first Sustainability Accounting Standards Board (SASB) mapping report.

5.2.6.2 Net-Zero Banking Alliance

As a Founding Member of the UNEP-FI's Net-Zero Banking Alliance in 2021, alongside 42 other international banks, Societe Generale has committed to:

- aligning its portfolios and activities with pathways to net-zero CO_2 emissions by 2050 (consistent with a maximum temperature rise of 1.5°C);
- setting itself targets to be met by 2030 (or sooner) and 2050;
- focusing as a priority on its most GHG-intensive sectors, *i.e.* those that will have a major impact in transitioning towards net-zero;
- basing its alignment efforts on credible climate scenarios published by recognised bodies;
- being transparent, through annual reporting on its progress and action plans.

Over the next 36 months, Societe Generale will set itself a series of targets, beginning with the priority macro-sectors in which it can make the greatest impact, *i.e.* the most carbon-intensive sectors in its portfolios. Societe Generale's reference scenario so far has been the International Energy Agency's Sustainable Development Scenario (SDS). It will gradually shift all its alignment targets over to a 2050 net-zero scenario.

2021 UPDATE

Societe Generale began work on aligning its loan portfolios in the coal sector several years ago. Continued efforts in this area are bearing fruit, with sound progress being made towards the goal of reducing to zero its exposure to thermal coal by 2030 for companies operating in the sector within the European Union or OECD member countries, and by 2040 elsewhere. In the Oil and Gas sector, the Group was among the first banks to announce the goal of reducing overall exposure by 10% in absolute terms by 2025. At the COP26 climate conference, the Group announced further commitments to address global warming, particularly regarding shale oil and gas, oil sands, extra heavy crude oil, and Arctic oil and Ecuadorian Amazon oil. Accordingly, Societe Generale will no longer:

- provide new financing for the exploration and production of these types of oil and gas;
- work with pure upstream players for which the above resources represent more than 30% of their global production;
- work with diversified players (upstream, midstream and downstream) who derive more than 30% of their overall revenues from the production of above resources;
- accept new mandates for new liquefied natural gas production projects in North America (whether greenfield projects or significant expansions of existing capacity), extending the effects of changes further down the value chain.

As regards power generation, the Group has undertaken to reduce the average CO_2 emission intensity of its power portfolio to 67 gCO_2/kWh by 2040, with interim targets of 212 and 163 gCO_2/kWh, respectively, for 2025 and 2030.

In shipping, Societe Generale is working with the International Maritime Organization to apply the Poseidon Principles, designed to reduce CO_2 emissions from the sector (targeting a 50% reduction on 2008 levels by 2050).

Last, in steel production, the Group is actively involved in defining shared standards for greenhouse gas emissions.

Looking ahead to its next steps, Societe Generale is also a member of the NZBA's Sectorial Work Track working group, tasked with deciding which sectors to prioritise next when aligning portfolios and devising action plans.

5.2.6.3 The UN Global Compact's CFO Taskforce

In December 2019, the UN Global Compact's platform for sustainable financial action set up a working group of Chief Financial Officers from large companies to discuss how they could push for and facilitate implementation of sustainable strategies within their businesses. Alongside peers, investors, financial institutions and the United Nations, these CFOs have shared ideas, developed new concepts and made recommendations on how to unlock investment in the Sustainable Development Goals (SDGs). For more information on the CFO Taskforce, visit: *https://www.cfotaskforce.org*.

2021 UPDATE

The Societe Generale Group's Deputy General Manager and Head of Finance joined the UN Global Compact's CFO Taskforce in September 2020, not long after it had been set up, making Societe Generale the first commercial bank to join.

Since then, the cross-sector working group has developed the first UN-backed CFO Principles on Integrated SDG Investments and Finance.

The taskforce has pinpointed four key areas critical to SDG-aligned investments:

- SDG impact thesis and measurement;
- integrated SDG strategy and investments;
- integrated corporate SDG finance; and
- integrated SDG communications and reporting.

This taskforce includes the CFOs of 60 companies from around the world. In September 2021, its members set themselves the target of investing a combined total of USD 500 billion towards SDGs over the next five years and to fostering the necessary environment to attract more capital towards sustainable development. The taskforce's members have also pledged to strengthen their governance frameworks to integrate sustainability in their commercial operations and align their activities with the SDGs most relevant to their respective businesses.

5.2.6.4 Equator Principles

Adopted by the Group in 2007 and since revised several times, the Equator Principles (EP) are one of the initiatives underpinning Societe Generale's E&S General Principles. In their latest version, dubbed the EP4, which entered into force on 1 October 2020, the Equator Principles serve as a common framework for the financial sector and are designed to help signatories (126 international financial institutions across 38 countries as at 15 December 2021) identify, assess and manage the E&S risks associated with the major infrastructure projects they advise on and finance.

2021 UPDATE

Having worked with the EP Association to prepare the launch of the EP4, Societe Generale continued to adapt its own tools and procedures accordingly in 2021, training its E&S experts and sales teams on this new version of the EP to ensure its smooth rollout.

As in previous years, the Group published a report on its Wholesale Banking website describing how it had applied the Equator Principles over the year and listing those of its project financing transactions that fell within their scope. This report is available on the Group's website at *https://wholesale.banking.societegenerale.com/fileadmin/user_upload/SGCIB/pdf/2020-Equator-Principles-Report.pdf/*.

5.2.6.5 Green Investment Principles (GIP)

Societe Generale signed the Green Investment Principles in November 2019. Defined by the China Green Finance Committee and the City of London's Green Finance Initiative, the GIP comprise seven principles for green investment, covering matters such as strategy, operations and innovation. They are intended to guide financial institutions in adopting responsible practices in E&S risk management and positive impact financial products for the Belt and Road* region. The GIP Secretariat is also planning to compile a database of green projects to make investments within the Belt and Road region more transparent, while bridging the information gap between financiers and project developers.

The GIP overlap with and bolster certain other commitments made by Societe Generale, such as the Principles for Responsible Banking, the Equator Principles and the UN-PRI, signed by Societe Generale Private Banking and Societe Generale Assurances.

They come into play mainly in connection with investments in Asia, making the Group's rollout of its E&S risk management framework in the region key when implementing them.

2021 UPDATE

At the third plenary meeting of the Green Investment Principles for the Belt and Road, held in Beijing in 2021, Societe Generale was presented with the Best Implementation Award. The award recognises the overall performance of signatories as regards the four main aspects of the GIP: governance and strategy, risk assessment and management, investment and corporate footprint, disclosure and engagement.

The Group submitted its second report to the GIP Secretariat. The GIP Secretariat uses the information gleaned from these reports from its members to prepare consolidated annual progress reports. It released its second such report in 2021, entitled Stepping into the Net Zero Era. This report features a project in which Societe Generale was involved, namely an infrastructure project in Vietnam. A number of the Group's best practices are also included in the form of case studies, *e.g.* a case study on monitoring progress towards climate goals.

The Societe Generale teams also contribute to the GIP's working group created to compile a database on sustainable investment to encourage green investment and financing.

5.2.6.6 Poseidon Principles

Societe Generale is one of the founding signatories of the Poseidon Principles, launched in 2019 together with other banks that finance the shipping industry and in collaboration with the Global Maritime Forum. **The Poseidon Principles aim to promote a low-carbon future for the global shipping industry** by integrating climate decision-making into portfolio management and lending decisions in respect of ship financing. The Poseidon Principles are consistent with the goal of the International Maritime Organization (IMO) to reduce greenhouse gas emissions from the shipping sector by at least 50% by 2050 compared to 2008 levels. Societe Generale has also announced that it has joined the Getting to Zero coalition, which aims to develop and deploy commercially viable deep-sea zero-emission vessels by 2030.

2021 UPDATE

In September 2021, Societe Generale signed the Call to Action for Shipping Decarbonization, the launch of which was timed to coincide with the UN General Assembly.

It has also updated the indicator used to monitor the alignment of its shipping portfolio. Details of this change will be given in the Group's Climate Disclosure Report, in the societegenerale.com corporate website.

5.2.6.7 Hydrogen Council

In August 2019, the Group became a member of the Hydrogen Council, a global initiative launched in connection with the 2017 World Economic Forum in Davos by major companies operating in the energy, transport and industrial sectors. The Hydrogen Council now has more than 120 member companies from across the various industrial and energy sectors involved in the hydrogen value chain: energy, oil and gas, chemicals, commodities, metals and mining, equipment manufacturers, cars and trucks, and other forms of transport (air, rail, shipping). The Council estimates that, by 2050, low-carbon hydrogen solutions could meet 18% of the world's energy demand and reduce annual CO_2 emissions by 6 Gt, illustrating its enormous potential for the energy transition (see the Hydrogen Council's November 2017 report entitled Hydrogen, Scaling Up).

Societe Generale has joined the Hydrogen Council's new Investor Group, thereby reiterating its commitment to playing a key role in the energy transition. **Hydrogen can make low-carbon supply chains a reality and Societe Generale intends to make an active contribution to developing these solutions**, just as it did with the financing of renewable energies. The Group's robust innovation, advisory, financing, and debt and equity structuring franchises will all come into play in developing this energy of the future.

2021 UPDATE

Societe Generale helps hydrogen project leaders better understand how to attract investors and get long-term financing for their large-scale projects. The Hydrogen Council's members work on a wide range of projects; as part of the Investor Group, Societe Generale focuses more specifically on financing for hydrogen transmission infrastructure and large captive fleets of hydrogen trucks. The Group gets involved upstream and discusses issues of financing and fixed assets with project leaders.

2021 saw Societe Generale act as the sole financial advisor on the creation and structuring of the world's largest fund dedicated to clean hydrogen infrastructure. The target fund size totalled EUR 1.5 billion, with initial commitments of EUR 800 million already secured from investors and industrial sponsors. Founded on solid industrial expertise and offering significant investment potential, the fund will be uniquely placed to unlock large-scale projects under development and accelerate the scaling-up of hydrogen markets.

The Group's discussions with public and state bodies are invaluable in this respect, allowing it to offer an expert's perspective on questions surrounding how best to set up public financial support to facilitate the ramp-up of these new low-carbon technologies.

5.2.6.8 Soft Commodities Compact

The Soft Commodities Compact *(https://www.cisl.cam.ac.uk/business-action/sustainable-finance/banking-environment-initiative/programme/sustainable-agri-supply-chains/soft-commodities)* is a banking initiative launched jointly in 2014 by the Consumer Goods Forum (CGF) and the Banking Environment Initiative (BEI). It aims to support the banking sector in its efforts to combat deforestation by transforming the supply chains of certain agricultural commodities such as palm oil, soy, timber and beef.

The signatory banks – which, since 2015, have included Societe Generale – undertook to help their main clients in these sectors achieve zero net deforestation by the end of 2020.

2021 UPDATE

Although the target of zero net deforestation in 2020 was not met – signatory banks collectively recognised the complexity of the challenges involved – Societe Generale nonetheless forged ahead with its own efforts to combat the deforestation and biodiversity loss stemming from exploitation of the commodities covered by the Soft Commodities Compact.

In 2020, the Group published a study of its own impact on deforestation and the level of maturity shown by its Corporate and Investment Banking clients concerning this issue *(https://www.societegenerale.com/sites/default/files/documents/2020-12/SG-Tackling-deforestation-Soft-commodities-report-12.2020.pdf)*. The study formed the basis for a review of its agricultural sector policies in 2021.

5.2.6.9 Sustainable IT Charter

In November 2019, Societe Generale was one of the first companies to sign the Sustainable IT Charter to help limit the environmental impact of technology and promote digital inclusion.

This Charter is a French initiative developed by the *Institut du Numérique Responsable* (the INR, a French think and do tank) in partnership with the General Commission on Sustainable Development (CGDD) of the French Ministry for the Ecological and Solidarity Transition, WWF*, ADEME* (the French Environment and Energy Management Agency) and Fing* (a leading think tank on digital transformation). It was launched in June 2019 and now has 82 signatories spanning companies, non-profit associations, VSBs and SMEs, and public entities. For more information on the Charter, see *https://charte.institutnr.org/wp-content/uploads/2020/10/english-charter-sustainable-it.pdf*.

In signing the Charter, Societe Generale committed to:

- optimising digital tools to limit their environmental impact and consumption;
- developing accessible, inclusive and sustainable service offerings;
- disseminating ethical and responsible digital practices;
- making digital technologies and services measurable, transparent and readable; and
- fostering the emergence of new behaviours and values.

2021 UPDATE

Having defined its strategy, launched its CSR by IT programme and developed the first key deliverables in 2020, the IT Function focused in 2021 on delivering and rolling out the tools needed for the “CSR by design” approach:

- it optimised digital tools by adding CSR criteria to the parameters used when comparing IT architecture scenarios and assessing IT proposals;
- It worked on ethical and responsible digital practices by commissioning reviews of its digital accessibility from a number of service providers in the social and solidarity sector;
- it promoted the development of accessible, inclusive and sustainable service offerings and the adoption of the corresponding mindset by making the MOOC on responsible digital technology part of the training programme for all IT Function employees;
- it circulated ethical and responsible digital practices by coordinating several campaigns to promote eco-friendly practices and digital accessibility, and recorded four masterclasses which it posted online (in French) for Group employees and anyone else interested in learning more about responsible digital practices *(https://careers.societegenerale.com/green-it-program?xtor=AD-122-[link-masterclass])*;
- it worked on making digital technology measurable, transparent and comprehensible by launching a new version of the carbon footprint calculator for its IT systems;
- it fostered the emergence of new behaviours and values by pushing ahead with its efforts to reduce electronic waste in France, focusing in particular on finding new uses for decommissioned IT equipment and offering Societe Generale employees refurbished mobile phones.

For more information, see IT systems and Infrastructures, page 337.

5.2.7 E&S RISK MANAGEMENT IN THE BUSINESSES TO PROMOTE FAIR AND RESPONSIBLE GROWTH

The Group constantly strives to boost the positive impacts and reduce or manage the negative impacts of its activities, products and services on people and the environment. One of the main premises of its CSR ambition is to consider the economic, social, environmental and ethical impacts linked to its operational activities (both direct and indirect) as well as its commercial activities.

Environmental, social or human rights risk factors may also trigger or aggravate various other risks for the Group, such as compliance, reputation or credit risks.

E&S issues may dent the Group's credit risk. Climate change, in particular, can hinder the capacity of borrowers to repay loans.

Inadequate E&S risk management, such as a framework that is not a good fit for the Group's activities, that does not go far enough, or one that lacks diligent implementation, could lead to a risk of non-compliance with laws governing E&S issues or with the Group's E&S commitments. This compliance risk could, in turn, trigger a reputation risk for the Group. Reputation risk could also arise from a negative perception by stakeholders, particularly external stakeholders, of how the Group handles E&S issues.

5.2.7.1 A strengthened E&S risk management framework

E&S risk management is an important factor in the processes governing how Societe Generale conducts business. The Group works with its partners to identify and assess its E&S impacts and the associated risks, so as to adopt appropriate prevention or mitigation strategies. E&S impact and risk assessment is also included in its decision-making processes through a multi-pronged approach: identification, quantification, determination of risk appetite, control and mitigation.

The framework for and governance of E&S risk management are regularly reviewed to consider developments in E&S issues or associated regulations, as well as any new commitments for Societe Generale. They were significantly strengthened at Group level in 2019 before being adopted operationally within the Business Units in 2020.

The E&S risk management framework was further reviewed over 2020 and 2021 in light of the Duty of Care Act and the Group's gradual implementation of the Principles for Responsible Banking.

5.2.7.2 E&S General Principles and sector policies

The E&S General Principles apply to all financial and banking transactions and services provided by Societe Generale entities. They set out the framework applicable to those Group activities that could have an E&S impact due to their product and service offering.

The E&S General Principles were updated in 2021. The updated version and the appendices are available on the Group's corporate website (*https://www.societegenerale.com/sites/default/files/documents/2021-03/Environmental-and-Social-General-Principles.pdf*).

The updated principles include the addition of **three statements on major cross-sector issues:**

- human rights (updating the previous statement);
- the climate (new statement); and
- biodiversity (new statement).

These statements set out the main reference standards for these issues, as well as Societe Generale's undertaking to comply with these standards and encourage its clients to do likewise. They also detail the various initiatives the Group has joined to improve how it handles these issues in its economic activities.

The **sector-specific and cross-sector policies, referred to as the E&S policies,** define the standards that the Group agrees to apply in sectors considered potentially sensitive from an E&S or ethics perspective, including oil and gas, and mining. The E&S policies are public and available on the Group's corporate website *(https://www.societegenerale.com/en/responsibility/ethics-and-governance)*. The E&S General Principles and policies are updated in line with regulatory, scientific or societal developments, peer practices and the Group's strategy. All updates are approved by the Responsible Commitments Committee (CORESP).

Societe Generale's E&S policies cover sensitive sectors in which the Group operates. Several policies deal with energy and mining due to the importance of these sectors for both the economy and for Societe Generale, and the potential they offer for significant progress in terms of atmospheric emissions as well as impacts on the natural environment and on local communities (dams and hydroelectric power, thermal power plants, thermal- and coal-fired power plants, mines, civil nuclear power, and oil and gas) – see Supporting the environmental transition, page 296. Policies exist covering the defence, shipping, farming and forestry sectors.

The E&S policies all follow the same structure: they identify E&S risk factors, list sector-specific or thematic reference standards, specify the scope of the activities covered (subsectors, financial and banking products and services) and define for each sector or theme the criteria in respect of:

- the Group's corporate clients (excluding financial institutions and sovereigns);
- transactions: products and services with a known underlying (for example, asset or project finance);
- securities held for the Bank's own account or on behalf of third parties;
- specific products or services, such as agricultural commodity derivatives.

The E&S sector policies define three sets of criteria for each of the above-listed categories:

- **E&S exclusion criteria** are designed to exclude from the Group's activities certain types of corporate clients, issuers, and banking or financial products, dedicated services and transactions associated with underlying practices or activities that are damaging to the environment and/or human rights in ways that make improvement within a reasonable timeframe impossible;

- **E&S priority assessment criteria** address priority risk factors requiring a targeted and systematic response as part of the assessment process. If a client does not satisfy the assessment criteria, it must improve its practices within a reasonable timeframe (steps required may include a formal action plan or the signature of contractual undertakings). For dedicated transactions or projects, satisfaction of the criteria must form part of the project development phase. For dedicated advisory services ahead of project development, the Group must assess the client's commitment to developing a project that will satisfy these criteria;
- **other E&S assessment criteria** are designed to identify other risk factors associated with the sector in question that also need to be considered as part of the E&S assessment, and to set out the best practices the Group wishes to promote:
  - its E&S policies were reviewed in 2021, bringing them into line with the changes made to its E&S risk management system, as detailed in the Group's normative documentation (the SG Code and the recently updated E&S General Principles), as well as with the Group's new commitments (under the Principles for Responsible Banking and Poseidon Principles, and as part of the Net-Zero Banking Alliance),
  - in addition, the updates to the Oil and Gas sector policy reflected the Group's targets in its latest commitments regarding this sector, while the Industrial Agriculture, Agri-food and Forestry policy, which henceforth covers the palm oil, fisheries, soy and South American livestock sectors, deepened Societe Generale's commitments in these sectors by insisting on a more ambitious framework regarding deforestation risks,
  - the previous cross-sector biodiversity policy has been abandoned, given that tougher, more specific criteria on biodiversity are now included in the sector-specific policies for sensitive sectors.

5.2.7.3 Operational implementation procedures

E&S risk management procedures have been in place within the Group for several years. 2019 was marked by the updating of the E&S risk management principles and their integration into its new normative documentation (the Societe Generale Code). The idea behind the revision and implementation process was to integrate E&S risk management into existing risk management processes, such as transactional processes, onboarding processes and periodic client review processes. Aspects relating to E&S issues are thus gradually being included in the Business Units' credit and reputation risk management policies and processes. These efforts continued throughout 2020 and 2021, with the gradual integration of the latest changes into BU and SU processes.

E&S risk management comprises three main steps:

- **E&S risk identification:** this step consists in identifying whether the counterparty's activities or the transaction with that counterparty could present an E&S risk. This is done primarily by checking whether the counterparty or its underlying activities are on the E&S exclusion list or the E&S identification list, whether they are the subject of any E&S-related controversy and whether they are covered by a sector policy (some Business Units limit this to sector policies containing exclusion criteria). This process is designed to confirm compliance with the exclusion criteria from the sector policies.

  An E&S identification list is regularly updated by in-house experts and sent to all businesses concerned. This internal list details any projects, company, activity sectors or countries that are the object of severe controversy or public campaigns on the part of civil society for E&S reasons, irrespective of whether they are financed by Societe Generale. The purpose of this internal list is to alert the operational teams to potential concerns ahead of the client and transaction review process, so that they can be prepared to carry out a more in-depth E&S assessment of any transactions and clients concerned.

  In addition to the E&S identification list, there is also an exclusion list, which is likewise regularly updated and sent out to the operational teams at least once a year. This internal list indicates companies that have been excluded under the Defence sector policy due to their involvement in the production, storage or sale of controversial weapons, especially antipersonnel mines or cluster bombs. Societe Generale has pledged that it will not knowingly supply banking or financial services to such companies, their parent companies or their subsidiaries.

  This exclusion list is gradually being extended to reflect the new exclusion criteria added to certain E&S policies when they were updated. Going forward, the aim is to eventually incorporate this list directly into the Group's IT processing systems. Companies can also be excluded on a case-by-case basis, for example further to E&S assessments conducted as part of onboarding processes or in relation to processes for certain types of specific activity such as coal, oil sands and Arctic oil;
- **E&S assessment (of counterparties or transactions identified as presenting an E&S risk):** when an E&S risk is identified, the business line assesses compliance with the criteria from the applicable E&S policy(ies) and the Group's other E&S commitments, and weighs up the severity of any E&S controversies. This assessment may include a prospective analysis of these criteria. Based on the conclusions of the assessment, an E&S opinion is then issued. The opinion may be positive, conditional (subject to contractual conditions, action plans, restrictions) or negative;
- **E&S actions:** E&S mitigation actions may be recommended to mitigate the risks identified.

E&S assessments and actions are reviewed by the second line of defence (the Risk or Compliance Department, depending on the process) and may, where necessary, be mediated by the heads of the business lines or by General Management, through the CORESP. The business units are also gradually introducing monitoring and controls into their E&S risk management processes.

In addition to identifying, assessing and defining actions to mitigate potential negative impacts, these processes also serve to identify counterparties and transactions for positive impact financing regarding sustainable development. This dual approach underpins Societe Generale's efforts in respect of Sustainable and Positive Impact Finance (see A Bank committed to sustainable and responsible finance, page 290.

To ensure a smooth and systematic rollout of this E&S risk management framework across the Group, a new compulsory online training module was developed in 2021 for all BUs and SUs covered by the framework. It is available in 11 languages, ensuring that the same content is consistently available to everyone in the Group wherever it operates. At the end of 2021, 11,065 Group employees had completed the training module.

5.2.7.4 Operational implementation in the Group's Business Units

In the **Corporate and Investment Banking** arm, a dedicated team of experts assists the sales teams to assess E&S issues in respect of clients. This E&S analysis was until recently underpinned by a risk-based approach, with in-depth E&S assessments being reserved for clients deemed to be a priority. This situation has evolved since 2020, however, with the aim now being to eventually extend this analysis to all Corporate and Investment Banking clients (excluding financial institutions and sovereigns), regardless of their sector of activity. The purpose is to gain a better understanding of their portfolios so as to be able to support them in transitioning towards sustainable development. This dedicated team of experts helps the sales teams assess and better understand the E&S impacts of transactions, which reflects the Group's voluntary commitments, notably its E&S policies and the Equator Principles.

Corporate and Investment Banking has also voluntarily implemented procedures to manage the E&S risks associated with dedicated projects and assets not currently covered by the Equator Principles (as last amended in 2020), namely in capital market transactions (equity or debt), mergers and acquisitions, and acquisition financing. The Group modified the E&S assessment form in its IT systems in 2021, optimising the assessment process for transactions and how information is shared with the Risk Division. Over 500 employees across the various regions and business lines concerned were trained in the new process when it entered into effect. A recording of the training session remains available for those who need it.

Throughout 2021, **Private Banking** began work on centralising CSR/ESG governance for all of its pillars (France, Private Banking Europe and United Kingdom). Certain existing initiatives have now been transferred to this new centralised governance structure, which, for example, has:

- taken over the operational rollout of E&S risk monitoring policies;
- stepped up employee training on CSR issues: some 1,700 training hours were dispensed in 2021.

French Retail Banking strengthened its E&S assessment process for corporate clients in 2020 to reflect recent changes in the Societe Generale Code. The main tools, such as the E&S assessment procedure and client assessment forms, were improved and updated. In the same year, a new Customer Experience, Responsibility and Ethics Division was also created within French Retail Banking to better coordinate actions designed to improve client experience, while adhering to CSR and ethics standards. This division liaises with regional business centres through a team of corporate customer officers.

This team supervises the achievement of Retail Banking's CSR goals and produces metrics, including for E&S risk management. It also organises an assimilation programme, designed to make all employees fully aware of the ethics and responsibility issues involved in banking and to ensure they adhere to them.

In 2021, Retail Banking added three new themes to the CSR training programme available to its 21,000 employees:

- the first concerns the energy transition (2,720 employees working with corporate clients completed this module between June and September);
- the second covers the basics of CSR and the Group's strategy, and is now compulsory training for all Retail Banking employees (completed by 18,241 employees);
- the third theme deals with the Group's culture as regards climate change and biodiversity (completed by 409 employees).

Within **International Retail Banking** since 2019, E&S experts have been appointed in both of the regional divisions in sub-Saharan Africa and both structured finance platforms in North Africa, as well as in the main subsidiaries in Eastern Europe, Russia and Asia. These experts support local sales departments and work closely with Sustainable Development Department experts at Group and BU level.

The Group's normative documentation has been transposed into a procedure for the Business Unit covering subsidiaries in Africa and overseas France. E&S experts were on hand to provide training when the procedure was rolled out in these subsidiaries throughout 2021 to guide the supplementaire training initiatives. A new procedure was also introduced in 2021 for the structured financing platforms in Africa, detailing how their middle offices should manage E&S clauses in contracts. A total of 315 team-lead employees received training with regard to the regulatory framework.

E&S experts have been tightening up due diligence processes on projects covered by the Equator Principles, in line with the latest version (EP4). Through their work and with the help of other in-house experts and training from outside providers such as IBIS Consulting in Africa, these experts also continue to perfect their own skills.

The Group's subsidiaries in **Europe and Russia** (BRD*, KB* and Rosbank*) have transposed the Group's regulatory documentation into their own respective regulatory documentation, ensuring compliance with local laws. These new procedures were deployed and implemented over the course of 2021. Employees in these subsidiaries were offered training on E&S policies.

Within **Financial Services**, Societe Generale Equipment Finance* (SGEF) is in the process of adapting the E&S risk assessment framework to its clients and transactions. SGEF also performs E&S assessments on the main assets it finances, especially those manufactured by Vendor partners. Green financing is a growth area for SGEF and is the subject of regular discussions with the other entities.

At **ALD Automotive***, client E&S risk identification has been part of KYC (Know Your Customer) processes for several years, as with all Group entities. The corporate E&S experts conduct in-depth E&S assessments of priority clients. For more information, see ALD's Statement of extra-financial performance: *(https://www.aldautomotive.com/Portals/international/Documents/ALD_URD2020_EN_MEL_21-04-27.pdf?ver=2021-04-27-142150-220#page=115)*.

KEY INDICATORS RELATED TO E&S RISK ASSESSMENT WITHIN THE BUSINESS UNITS

	2019	2020	2021
Group			
Total number of clients (groups or units) that underwent an in-depth E&S assessment	686	1,015	4,743[1]
Total number of transactions that underwent an E&S assessment	ND	1,239	1,277
o/w transactions covered by the Equator Principles	*48*	*90*	*103*
Number of people trained in E&S risk management	ND	3,400	41,142[2]
Global Banking & Advisory (GLBA)			
Total number of dedicated transactions that underwent an E&S assessment	112	118	134
o/w transactions covered by the Equator Principles	*48*	*66*	*75*
o/w dedicated transactions assessed as part of Societe Generale's voluntary commitments	*64*	*52*	*59*
Amount of new financing for dedicated transactions having undergone an E&S assessment under the Equator Principles (EP) (in EUR bn)	3.6	4.7	3.8
Amount of new financing for dedicated transactions having undergone an E&S assessment as part of Societe Generale's voluntary commitments *(in EUR bn)*	4.2	3.2	3.4
Number of client groups that underwent an E&S assessment	134	153	199
French Retail Banking			
Number of clients (groups or units) that underwent an E&S assessment	389	456	3,813[1]
International Retail Banking			
Number of clients that underwent an E&S assessment	167	406	728

(1) Change due to the introduction of a follow-up procedure on E&S assessment questionnaires in 2021.
(2) Change due to the introduction of CSR training for French Retail Banking employees.

5.2.7.5 Additional E&S risk management processes related to the specific characteristics of certain Group activities

Some businesses, in light of their specific characteristics, implement their own E&S risk management processes in addition to those imposed by the Group on all activities.

Societe Generale Private Banking applies the Societe Generale E&S General Principles to manage E&S risks in its investment solutions. The asset management arm applies both the Group's Coal and Weapons exclusion list and Private Banking's own exclusion list – issuers subject to a particularly severe ESG controversy (MSCI red flags) as well as those with the poorest ESG ratings – for all direct security investments (shares and bonds). The principles apply to all assets under advisory or discretionary management. Private Banking has also applied these same exclusion rules to its advisory services since 2020, *i.e.* it no longer provides advisory on the most controversial or least favourably rated securities, although all investment and disinvestment decisions ultimately lie with the end client. Societe Generale Private Banking's investment policy is publicly available on its website (*https://www.privatebanking.societegenerale.com/fileadmin/user_upload/SGPB/PDF/SGPB_Investment_Policy-Sustainability_risk_and_adverse_impacts.pdf*). As an extension of its responsible investor approach, Societe Generale Private Banking has defined a proxy voting policy for voting rights attached to securities held by the collective investment schemes (AIFs and UCITS) it manages. This policy sets out the main principles of corporate governance with which the asset management company agrees to comply, and establishes Societe Generale Private Banking's voting principles on key issues. The Proxy Voting Policy is reviewed annually to consider any legal developments or changes in Corporate Governance Codes and market practices that may have occurred over the year. It is approved by the Internal Governance Committee. The policy is publicly available on the Societe Generale Private Banking website, as is the corresponding policy for the management company, SG29: *https://sgpwm.societegenerale.com/fileadmin/user_upload/sgpwm/PDF_doc_funds/SGPWM_-_Proxy_Voting_2020_11_EN.pdf; https://sg29haussmann.societegenerale.fr/fileadmin/user_upload/SG29H/pdf/NEW_REG/Politique_d_engagement_et_de_vote_2021_SG_29_Haussmann.pdf [in French]*.

In the **Insurance activities**, extra-financial risks are managed using risk management and internal control systems. The aims of these systems are, respectively to:

- manage risk at all times through identification and assessment, followed by the implementation of appropriate mitigating measures, where necessary;
- prevent malfunctions, ensure the suitability and effectiveness of internal processes, and guarantee the reliability, integrity and availability of financial, prudential and management information. These systems are based in particular on policies approved by the Sogécap Board of Directors which defined the principles, processes and procedures implemented, as well as the governance and key metrics, for each type of risk.

More information on the risk management and internal control systems can be found in the Solvency Reports (pages 19-32 of the Sogécap report on the life insurance activity:

https://www.assurances.societegenerale.com/uploads/tx_bisgnews/SOGECAP_SFCR_2020_02.pdf [in French]; pages 19-33 of the Sogessur report on the non-life insurance activity: *https://www.assurances.societegenerale.com/uploads/tx_bisgnews/SOGESSUR_SFCR_2020_02.pdf* [in French]).

5.2.7.6 Integrating climate risks within the risk management framework

The Group does not view the risks associated with climate change as a separate risk category but rather a trigger or aggravating factor for the categories already covered by its risk management framework (credit risk, compliance risk, reputation risk, market risk, operational risk, etc.), for further details see Chapter 4 Risk factors, page 152. As a result, climate-related risks can be integrated using its existing governance and processes and managed according to the standard approach of identification, quantification, definition of risk appetite, control and mitigation.

The impacts of climate change on the world's physical, social and economic systems are becoming ever more apparent. They include both direct impacts (the physical effects of climate change) and indirect impacts (measures to transition to a low-carbon economy or to adapt to or minimise the negative effects of climate change).

Societe Generale has adopted the Task Force on Climate-related Financial Disclosures' (TCFD) definitions for transition risks* and physical risks*.

The Group uses the following indicators to assess climate-related risks and to act accordingly.

5.2.7.6.1 CORPORATE CLIMATE VULNERABILITY INDICATOR

The impact of transition risk* on the credit risk of Societe Generale's corporate clients has been identified as the main climate-related risk for the Group. In order to assess this impact, the Group is gradually incorporating a Corporate Climate Vulnerability Indicator (CCVI) into the credit risk assessments it performs on its most exposed counterparties in particularly vulnerable sectors. The idea is to assess transition risks by quantifying the impact of a given climate scenario on the credit rating of borrowers in a set of priority sectors, assuming that the borrowers do not implement any adaptation measures. Assessing transition risk is a five-stage process: identify priority sectors, select a single climate scenario, define homogeneous segments within each sector, assign borrowers to segments, and assess the borrowers' climate vulnerability. The CCVI pinpoints clients that are vulnerable to transition risks. These clients' transition strategies will subsequently be reviewed, and an opinion issued.

5.2.7.6.2 INDUSTRY CLIMATE VULNERABILITY INDICATOR

The Industry Climate Vulnerability Indicator (ICVI) assesses the ability of the industry sectors covered to withstand the consequences of climate-related risks or adapt to moderate potential damage. It expresses how vulnerable each sector is to the physical and transition risks of climate change, making it possible to identify both the sectors that are most at risk and those that stand to gain from the situation. Each sector is awarded a score for physical and transition risks, adding to the information gleaned through other sector assessments.

5.2.7.6.3 SOVEREIGN CLIMATE VULNERABILITY INDICATOR

The Sovereign Climate Vulnerability Indicator (SCVI) assesses the vulnerability of sovereign counterparties to physical and transition risks. It has been developed for use with various climate change scenarios. It expresses how vulnerable a country is to climate-related risks, with a view to understanding the direct impact on the associated country risk, *i.e.* on the country's ability and willingness to honour its external debt commitments.

5.2.7.6.4 IDENTIFYING HOW PHYSICAL RISK* AFFECTS CREDIT RISK, USING SCENARIO ANALYSIS

The Group has opted to focus on developing its own in-house tools to identify physical climate-related risks. It began its R&D work on the physical impacts of these risks on its portfolios by looking at the French retail mortgage portfolio, where the precise location of the financed assets was known. The Group has also developed a web application capable of identifying municipalities at risk of drought or flooding (coastal or inland), as well as French administrative areas *(départements)* subject to wildfire risk.

5.2.7.6.5 TREATING PHYSICAL RISK AS PART OF THE GROUP'S OPERATIONAL RISK

Societe Generale defines operational risk as the risk of losses resulting from human error, external events, or inadequacies or failures in processes or systems. It assesses the physical risks to its assets and operations as part of its operational risk analysis. The Group performs analysis region by region and the results feed into the business continuity plans (BCPs) designed to address local risks. The existing BCPs therefore cover the consequences of weather events, whether affecting the entirety of the Group's human, technical and installation resources or solely one part thereof.

For more information, see the Group's Climate Disclosure Report: *https://www.societegenerale.com/sites/default/files/documents/2020-12/societe-generale-climate-disclosure-report.pdf.*

5.3 BUILDING A BETTER AND SUSTAINABLE FUTURE WITH OUR CLIENTS

5.3.1 A BANK COMMITTED TO SUSTAINABLE AND RESPONSIBLE FINANCE

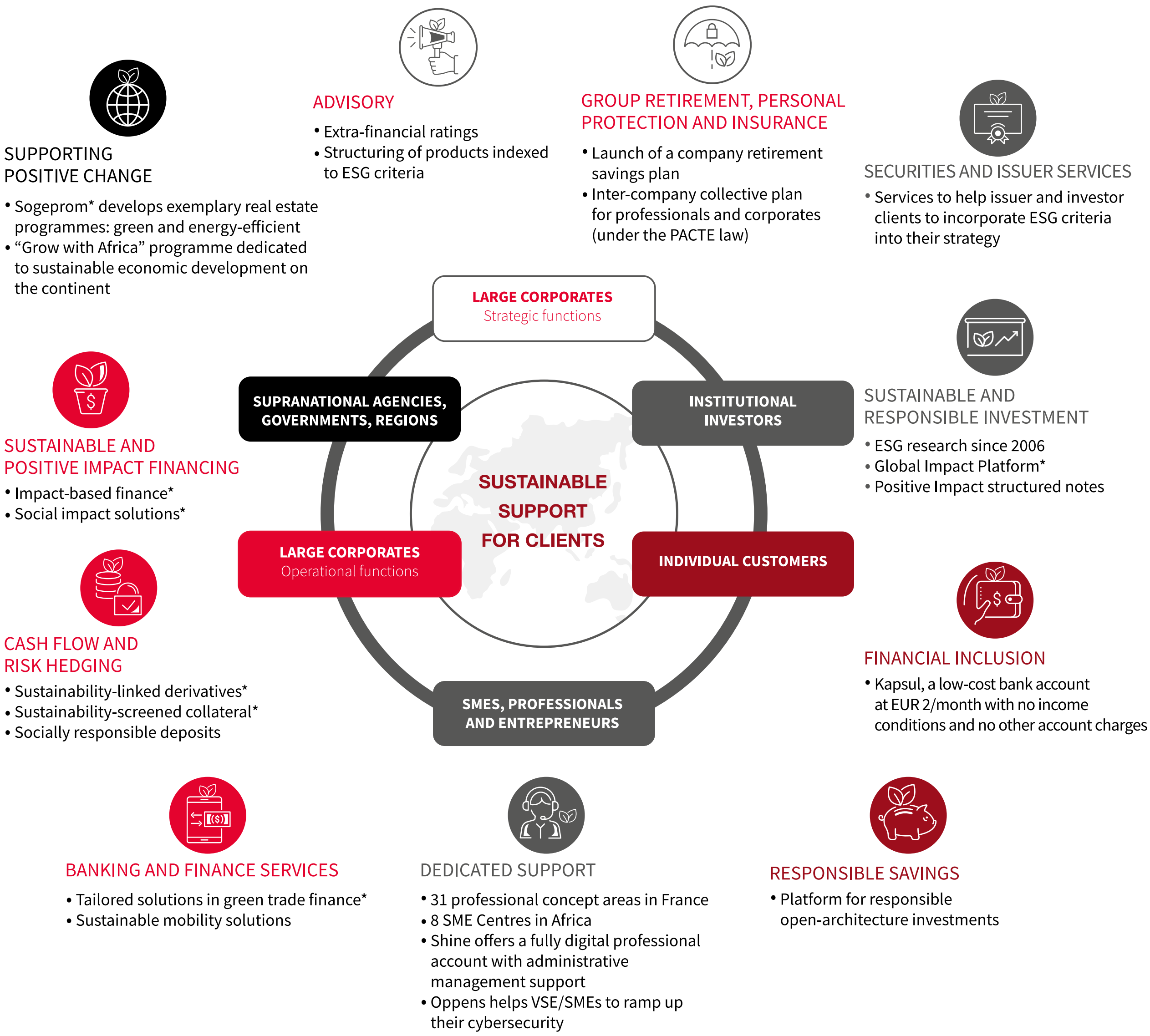
Societe Generale has decided to further its corporate purpose and commitment to being a responsible bank by helping its customers to achieve their own sustainability goals. To this end, the Group has developed a **comprehensive approach to incorporating CSR considerations** into its range of products and services. It has also developed **sustainable finance indicators** to monitor how this offering performs with its customers. In addition to this broad approach, Societe Generale has decided to focus its Corporate Social Responsibility efforts on two major areas: **the environmental transition and contributing to local communities.** As a long-standing leader in energy, the Group has made the energy transition a priority and is supporting its customers in this regard. As a major player in economic development, Societe Generale has made sustainable regional development the second priority area in its action plans, especially in Africa, where the Group enjoys a strong foothold and a presence spanning more than 100 years.

5.3.1.1 A holistic approach to sustainability

Societe Generale has structured **responsible and innovative investment and financing solutions contributing to the United Nations Sustainable Development Goals (SDGs)** as a way of fostering activities with a positive impact on the development of the economy and society, beyond the challenges of the energy transition. As a responsible bank, Societe Generale is determined to work with its clients, whether or not they currently meet all its sustainability criteria, to help them progress towards a fair, green and inclusive transition in keeping with its own commitments.

Sustainability concerns are an integral part of the offer and **are suited to all the Group's clients**, covering corporate and investment banking as well as financial services.

It is based on an innovative approach that merges Societe Generale's expertise in working ESG criteria into its financial products and services with the analysis of its customers' financial sustainability requirements, as illustrated in the following chart.



5.3.1.1.1 SUPPORTING GLOBAL BANKING CLIENTS WITH THEIR SUSTAINABILITY APPROACH

Societe Generale consistently seeks to strengthen the strategic dialogue with its clients on ESG. The range of products aimed at Global Banking and Investor Solutions clients relies on the expertise of a dedicated team of experts in the E&S Advisory and Impact Finance Solutions department. They are responsible for analysing the specific needs of customers and for helping them with their own positive-impact projects* in order to select or structure appropriate solutions in keeping with the Group's own commitments.

Accordingly, the Group offers a wide range of products tailored to its customers' ESG strategies, including:

- **green, social and sustainable loans, bonds and securitisation*:** Societe Generale has developed a range of green loans and bonds generating social benefits and including a sustainability component. The range links the financing structure to the achievement of ESG goals, encouraging customers to step up their sustainability efforts. Sustainability mechanisms offer multiple structuring possibilities that are set on a case-by-case basis. Goals are discussed with clients and supported by incentives. With this tailor-made structured offer, the Group works hand in hand with its clients to help them achieve their sustainability goals and CSR targets;
- **green, sustainable export finance*:** the Group's finance offer focuses on five main sectors: renewable energy, hydrogen, clean transport, waste management and sustainable water use. Compared to the previous offer, the sustainable export finance offer now aims to support the Group's customers who have embarked on a genuine transition to a more sustainable business model. Based on an incentive mechanism, Societe Generale undertakes to adapt its financial terms to the CSR targets set with our customers. In so doing, the Group lends active support to its clients' transition;

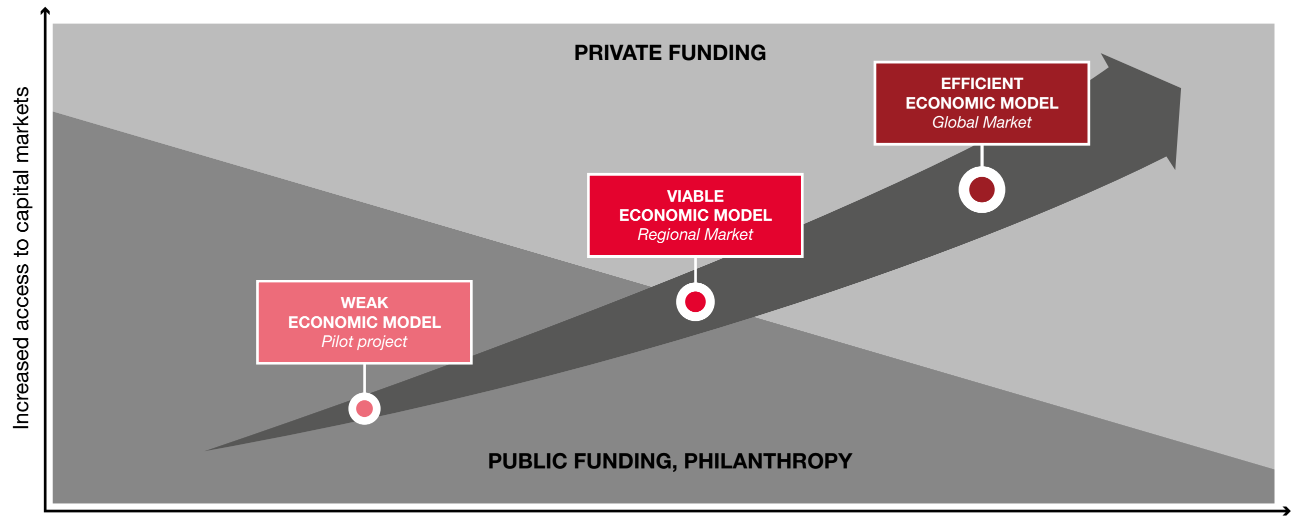
- **equipment finance*:** the Group finances sustainable assets in five business segments: Technology, Industrial Equipment, Health, Green Energy, and Transport. In conjunction with manufacturers, energy service suppliers and specialised financial intermediaries, Societe Generale Equipment Finance incorporates circular economy principles into its financing solutions. In so doing, it fosters the transition from a model based on asset ownership to models connected to an asset's life cycle.

Moreover, the Group has developed a dedicated ESG Advisory offer to guide its clients in stepping up their extra-financial performance with a view to accessing financial markets.

Impact-based finance approach

In addition to sustainable finance products, experts from the E&S Advisory and Impact Finance Solutions team are working to develop new ways of financing high-impact investment with the business lines where no suitable package exists in the traditional markets.

IMPACT AND STRUCTURING ADVISORY TO JOINTLY CREATE AND FINANCE NEW ECONOMIC MODELS



The impact-based finance approach for global clients focuses on analysing impacts to address global clients' need for advisory as they shift towards incorporating the United Nations SDGs into their business model, but struggle to finance their investments. We help clients take a detailed look at environmental and social aspects with the ultimate aim of augmenting the positive impact of their projects, facilitating funding and achieving economies of scale. The model is built on three steps:

1. **augment impact:** by providing multiple services and pooling costs, projects can generate more social, environmental and economic impacts, as well as additional revenues. Reducing the "cost-to-impact" increases profitability, strengthens resilience and generates an appetite for finance;
2. **improve credit quality:** Societe Generale provides expert structuring advice to improve credit quality using blended finance* mechanisms and aggregation vehicles* to reach critical mass for placement in the global private debt and equity markets;
3. **make the most of digital:** throughout the process of analysis, the Group focuses on using digital technologies to combine services, create more value, as well as to collect and analyse data on operational performance, payment track records and impacts to demonstrate the project's potential and support its scale up.

The Impact-based finance approach acts as a catalyst to pool all Societe Generale's know-how to deliver the best financing solutions for corporate customers and offer suitable sustainable investment opportunities. Societe Generale is a founder member of the Global Impact Platform* which lists impact-driven funds to facilitate institutional investors seeking to source impact investment opportunities. This approach is supplemented by the Social Impact Solutions offer. This offer engineers solutions to unlock public and private funding for social projects developed by customers as they make the transition towards sustainability and work towards the SDGs. In this type of project, where social impacts and business interest mingle, corporates typically join forces with non-governmental organisations, but also with public-sector institutions. The dedicated Social Impact Solutions team assists and advises customers on the design of social projects that align private-, public- and social-sector interests, and offers tailor-made, innovative financing mechanisms driven by results-based principles. The financial instruments employed typically use blended finance*, social impact bonds* and other hybrid tools to arrange financing that involves development finance institutions, impact investors and foundations motivated by the strong and demonstrated social impact of the project.

Sustainable solutions for hedging and market financing activities

Societe Generale continues to pioneer innovative ESG solutions in addition to its investment activities and has developed sustainable and positive products and services in hedging solutions and market financing:

1. **Sustainability-Linked Derivatives:** these rate or currency derivatives, which are contingent on the achievement of ESG targets, strengthen the Group's commitment to helping our corporate customers on their sustainable transformation journey. Sustainability-linked derivatives* can be used to hedge sustainability-linked loans* and bonds*;
2. **Sustainability-Screened Collateral and Sustainability-Linked Financing:** the Group believes in the importance of supporting its institutional clients to achieve their sustainability aims. It does this by completing ESG-rated financing transactions whose features match its clients' agenda.

Sustainable and Positive Investment

Socially responsible deposits are another element of our Sustainable and Positive Investment offering for corporate customers. Societe Generale matches the funds collected with an equivalent amount in short-term loans to corporates with high ESG ratings (according to an internal methodology), or for commodity finance transactions selected for their ESG qualities (evaluated internally). We offer a comprehensive range of products and services for our institutional customers to give access to a wide gamut of issuers – sovereign, supranational, agencies and large corporates – picking from solutions that stretch from vanilla to tailored. For example, the Group offers ESG-indexed products based on internal research or our partner network. Moreover, Societe Generale issues structured ESG Notes in the five main sustainable and positive investment formats:

1. **positive Impact notes*:** Societe Generale has created a range of products to give customers the opportunity to invest in tailored products and promote positive impact financing. These products are flexible to adapt to a wide range of investment objectives (maturity, capital guarantee at term, etc.). The Group is committed to holding in its books an amount in Positive Impact Finance loans equivalent to 100% of the nominal amount of the Positive Impact notes in the green or social categories;
2. **repackaging green or social bonds:** Societe Generale can issue bond-repacked notes whose funding source is the yield on a third-party green bond;
3. **green, social or sustainable notes issued by a third party:** The issuer earmarks the note's proceeds for green or social projects, or is a recognised pure player which exclusively funds such projects;
4. **charity notes:** The issuer undertakes to sponsor a charitable organisation for a proportion of the amount raised on the notes;
5. **positive contribution notes:** The investor contributes by investing in positive-impact initiatives, such as agro-forestry and CO_2 emission reduction, through the voluntary carbon market.

Equity research

Lastly, as of 2020, Equity research (part of Global Markets) systematically builds in ESG analysis as part of the overall financial analysis. ESG Research was established in 2006 and has consistently featured in the Institutional Investor Research survey Top 10 in the past ten years, as well as receiving the ESG Research of the Year – 2021 award from Environmental Finance magazine.

5.3.1.1.2 ENABLING SMALL- AND MEDIUM-SIZED ENTERPRISES, PROFESSIONAL AND INDIVIDUAL CLIENTS TO CONTRIBUTE TO POSITIVE TRANSFORMATION IN SOCIETY

Conscious of its role in supporting the economy, Societe Generale has made VSEs and SMEs one of its priorities in France and abroad. They are offered dedicated guidance: see Supporting business and entrepreneurs, page 300.

The Group is actively marketing the responsible products offered by its various countries of operation to its **individual customers**, in keeping with their wishes. In France, for example, Societe Generale is enabling individual customers to access government-subsidised loans (Eco-PTZ+*) or to channel their savings into savings passbooks with a strong environmental and social dimension (Livret A*, LDDS* and PEA PME/ETI*). In addition to these regulated products, Societe Generale has entered into agreements with several asset managers to offer a range of responsible savings products. Alongside Amundi, new partnerships have been established with BlackRock, DNCA, La Financière de l'Échiquier, Lyxor, Mirova and Primonial REIM. Accordingly, the Group offers a range of 20 SRI or environmentally geared funds. The first category allows customers to invest in companies that comply with environmental, social and governance criteria in their management, while the second focuses on considerations like combating climate change, the environmental transition, developing renewable energies and reducing pollution.

Societe Generale Assurances provides a range of protection policies that encourage responsible behaviour by policyholders (in terms of mobility, health, etc.). Accordingly, the networks distribute suitable products, such as lower insurance rates for owners of low-emission vehicles, and offer a free weather alert service for holders of a multi-risk home, car or life accident insurance policy alerting them to the weather events in their area. With the entry into force of the "100% Santé" health reform programme in 2020, they also distribute "responsible" health insurance policies with more modular cover to adjust guarantees in line with the customer's requirements and budget. Lastly, the heath crisis triggered exceptional measures to protect customers: rates were not increased in 2020, and all recovery processes and contract terminations due to outstanding payments were suspended during the protected period (March to September 2020), allowing customers to continue to enjoy cover despite their financial difficulties.

Socially responsible investments

All the Group's **asset management entities** have signed the Principles of Responsible Investment (PRI) developed by the United Nations *(www.unpri.org)*, committing them to adhere to the following six principles: incorporation of ESG issues, active shareholders, transparent disclosures, promotion of the PRI, working together, and ESG reporting. The UNPRI are the most important international blueprint for responsible investment. They aim to promote the incorporation of ESG factors in investment decisions and by the companies invested in. This signature marks a major step forward towards more responsible management and positive impact private banking. It demonstrates Societe Generale's commitment to socially responsible investment (SRI*) and to supporting our private customers on the path to a more sustainable future.

In the life insurance segment, **Societe Generale Assurances** has a range of sustainable financial products for customers to invest in environmentally and socially responsible projects and companies. In accordance with the Pacte law, all Societe Generale Assurances' French contracts offered at least one vehicle backed by a solidarity fund: either an SRI* or a Greenfin* (energy and environmental transition financing) certified fund since the end of 2019. These are supplemented on a regular basis and cover a wide range of asset classes and risk profiles. They offer an ideal opportunity for customers to imbue their savings with meaning: at the end of 2021, more than 1,000 responsible financial products (labelled or with similar characteristics) were listed , for a total amount outstanding of almost EUR 13 billion. In 2021, Societe Generale Assurances launched a new generation of socially responsible savings (dubbed "new generation") for its policyholders, made up exclusively of funds with a strong ESG dimension (18 of the 20 funds offered have an ISR or Greenfin certification).

In addition to its range of unit-linked supports, Societe Generale Assurances looks to the long term. As such, it has significant leverage when it comes to benefiting the environment and civil society. Its investment policy has long included ESG factors, alongside financial and credit ratings. Every year, asset portfolios are formally scrutinised according to these three criteria, their carbon footprint measurement, and their alignment with a global warming trajectory that is well below 2°C.

Private Banking continued to develop its range of positive and sustainable investments, initiated in 2017 and available across all its entities in France, Europe and the United Kingdom. It is structured around three areas:

- **responsible portfolio management** through its two management companies (SG29 Haussmann for French customers and SGPWM in Luxembourg for European customers), which offer CIUs* that have been awarded well-known certifications: the French government's SRI* label and Luxembourg's LuxFLAG* label. The discretionary portfolio management solution launched recently through SG29 Haussmann with renowned third-party management companies (BlackRock, DNCA, La Financière de l'Echiquier, Mirova, Primonial REIM and Lyxor) also expand this certified offering. Moreover, Private Banking was recently distinguished in France with the launch of the first discretionary management solution to receive the French government's SRI* label. At end-2021, the funds managed by these two management companies and rewarded with a government label amounted to 45% in Luxembourg and 85% in France of total outstandings for said two companies;
- **the positive and sustainable structured product range** with ESG underlyings (EUR 100 million in 2021) or participating in the following programmes: 1) positive-impact finance developed by the Group and to which Private Banking contributed EUR 220 million this year, 2) the charity programme (with nearly EUR 900 million in nominal value, for nearly EUR 2.5 million in donations in 2021), and 3) the "Let's Plant Trees" programme (32,000 trees planted in 2021). Nearly 50% of the structured products distributed by Private Banking in 2021 formed part of this "positive and sustainable" category;
- **the advisory management offering,** which now incorporates an increasing proportion of funds or securities showing strong extra-financial performance. Since 2020, Private Banking has continued to apply exclusions to the suite of stocks it directly advises on: those taken from the Environmental & Social General Principles defined in the Group's policy (stocks linked to thermal coal or controversial weapons) and those connected to the most serious ESG controversies, tobacco activities, or having the lowest ESG ratings. Lastly, the expertise in open architecture fund selection continued to incorporate a growing share of labelled funds or funds associated with new regulatory categorisations.

At the same time, **Crédit du Nord** offers its private and high-net-worth customers sustainable investments incorporating ESG characteristics across various asset classes. These offers, which provide clear and legible information for investors, represent oustandings of EUR 18 billion and 90% of all assets under custody at 31 December 2021.

5.3.1.1.3 MEASURING CUSTOMER GUIDANCE IN SUSTAINABLE TRANSFORMATION

To monitor its positive impact and progress in guiding its customers, the Group developed a standard several years ago to measure the distribution of its Sustainable and Positive Impact Finance offer – SPIF* (see Glossary, page 658 and Methodology note, page 331) dedicated to financing the economy and enterprises, and a range of Sustainable and Positive Investments – SPI* (see Glossary, page 658 and Methodology note, p.337). Changes in the standard are presented in the Methodology note, page 331.

Societe Generale has also been a key mover in the UNEP-FI's Positive Impact Initiative, which brings together 26 financial institutions from around the world with a view to closing the financing gap for the UN Sustainable Development Goals (SDGs). The Positive Impact Manifesto was published at the end of 2015, and the Positive Impact Principles in early 2017. The manifesto and principles define Positive Impact Finance as that which serves to deliver a positive contribution to one or more of the three pillars of sustainable development (economic, environmental and social), once any potential negative impacts to any of the pillars have been duly identified and mitigated, across all sectors.

Within the Corporate and Investment Bank, a methodology has been developed and aligned with the Model Framework: Financial Products for Specified Use of Proceeds published by UNEP-FI (available here: *https://www.unepfi.org/positive-impact/unep-fi-impact-analysis-tools/model-frameworks/*), which sets out the major steps and criteria for identification, assessment and monitoring of funding in support of specific Positive Impact projects or assets. During the identification phase, transactions are pre-selected based on the business sector, the geographic location of projects or assets, and their ability to generate a material positive impact on various impact categories (*e.g.* improved energy efficiency and circular economy). This phase is useful in pre-empting the significant positive impacts triggered by eligible transactions. The assessment phase involves evaluating the materiality and demonstrability of the positive impacts generated by the projects or assets in the impact categories selected in the UNEP-FI Impact Radar *(https://www.unepfi.org/positive-impact/impact-radar-mappings/)*. To this end, the team of E&S experts has developed a series of performance indicators and analysis tools to measure positive impacts while ensuring the acceptable identification and management of any negative impacts in the three areas of sustainable development. The methodology for analysing Positive Impact Finance is updated regularly to factor in market developments and changes in standards, such as the EU taxonomy.

MAIN KEY FIGURES[1]

SUSTAINABLE AND POSITIVE IMPACT FINANCING (SPIF)	2019	2020	2021
Total production in SPIF-compliant financing commitments, of which:	EUR 11.0bn	EUR 11.9bn	EUR 18.5bn[2]
■ Green financing or financing for the energy transition	EUR 6.5bn	EUR 6.8bn	EUR 12.6bn
■ Social/societal financing	EUR 4.5bn	EUR 5.1 bn	EUR 5.9bn
Large clients			
In this set, the production of Positive Impact Financing according to the UNEP-FI methodology	EUR 4.7bn	EUR 5.2bn	EUR 7.5bn
Sustainable bond issues led by Societe Generale (annual volume)	EUR 36bn	EUR 36bn	EUR 73bn
Allocation of credit lines indexed to environmental and social performance	EUR 3.6bn	EUR 4.2bn	EUR 11.1bn
Nominals of rate and/or Fx hedges processed on certified Positive Impact Finance transactions	EUR 6.1bn	EUR 5.5bn	EUR 3.3bn
Corporate, professional and individual clients			
Eco-PTZ or equivalent and sustainable loans to individual retail clients (outstandings)			EUR 137.4m
Government-backed loan and equivalent schemes		EUR 18bn	EUR 17bn
SUSTAINABLE AND POSITIVE INVESTMENTS (SPI)			
Total SPI-compliant assets under management	EUR 29.5bn	EUR 52.3bn	EUR 27.7bn[3]
Large clients			
Volume of investment products referenced to indices or baskets subject to ESG selection or linked to sustainability themes[4]			EUR 8.1bn
Positive impact notes			
Inflows		EUR 300m	EUR 386m
Total inflows from the start		EUR 1,300m	EUR 1,686m
Charity notes			
Inflows		EUR 548m	EUR 1.05bn
Total inflows from the start		EUR 1.48m	EUR 2.5bn
Socially responsible deposits			EUR 1.3bn
Corporate, professional and individual customers			
Livret A, LDDS, PEA PME – Assets under management		EUR 24bn	EUR 25bn
Life insurance investment - Total outstandings for responsible financial products[5]		EUR 2.8bn	EUR 13bn
Life insurance investment – Number of responsible financial products[6]		248	>1,000
Share of sustainable investments[7] in general assets		EUR 2.5bn	EUR 6.4bn

(1) *Figures reported in respective years. The breakdown of the relevant scopes for each year appears in the Methodological note on page 331.*
(2) *Figures include the increased scope of activities used for 2021, totalling EUR 1.6bn. Total like-for-like SPIF volumes in 2021 thus totalled EUR 16.8bn. Breakdown of the increased scope appears in the Methodological note on page 334.*
(3) *The change between 2020 and 2021 is attributed to the disposal of Lyxor, the Group's former asset management subsidiary.*
(4) *Including products listing indices complying with ESG selection processes or related to sustainable themes.*
(5) *With explicit inclusion of ESG risks and opportunities under traditional financial analysis and investment decisions based on systematic processes and appropriate resource research.*
(6) *Article 8 supports of the SFDR* (financial product which promotes, amongst other things, environmental or social characteristics in as much as the companies in which the investments are made apply good governance practices), article 9 of the SFDR* (sustainable financial investment product) and/or having a certification such as ISR, Greenfin, etc.) – Scope widened in 2021.*
(7) *Investments contributing to resolving social and/or environmental problems (climate change, green efficiency, ISR- or healthcare-certified real estate) including products aligned with the framework definition of sustainable activities in the EU taxonomy, as well as Article 9 products of the SFDR* - Scope widened in 2021.*

In accordance with the EU sustainable finance taxonomy regulation (Regulation (EU) 2020/852), the Group has disclosed its on-balance sheet exposures to eligible sectors since 2021. As required by this regulation, the information reported is on taxonomy-eligible economic activities mainly, with issues of alignment being addressed later on, in accordance with the regulatory calendar. The methodology applied, which factors in the most recent version of FAQs issues by the European Commission on measuring these exposures, is presented in the Methodology note, page 331. Societe Generale's climate strategy, including the product and commitment design process, is described from the following page.

		REQUIREMENTS	MANAGEMENT RULES APPLIED	AMOUNT (in EURbn)	%
		Total Assets Balance Sheet (FINREP)	**Total prudential asset corresponding to FINREP balance sheet**	**1,311.0**	**100%**
EXCLUDED FROM COVERED ASSETS	1	The proportion of **trading portfolio**	• FINREP Asset Class "Held for Trading" except derivaives	**229.8**	**17.5%**
EXCLUDED FROM COVERED ASSETS	2	The proportion of **exposures to central governments, central banks and supranationals**	• FINREP asset exposures related to corresponding portfolio	**255.1**	**19.5%**
COVERED ASSETS		**Total Covered Assets**	**Total assets accounting for denominator in the KPIs for EU Taxonomy 2022**	**826.1**	**100%**
COVERED ASSETS – EXCLUDED FROM THE NUMERATOR	3	The proportion of **derivatives**	• FINREP Derivatives Asset Class classified as "Held for Trading" or "Hedge Accounting"	**114.0**	**13.8%**
COVERED ASSETS – EXCLUDED FROM THE NUMERATOR	4	The proportion of **on-demand interbank loans**	• Loans and advances identified as receivables on demand with credit institutions (FINREP)	**27.0**	**3.3%**
COVERED ASSETS – EXCLUDED FROM THE NUMERATOR	5	The proportion of **exposures to undertakings that are not obliged to publish an NFRD**	• Financial and Non-Financial corporate exposures **NOT subject to NFRD corresponding to following cases:** - Company and parent company outside EU - Company or parent company inside EU but with number of employees below 500	**289.3**	**35.0%**
COVERED ASSETS – ASSETS SUBJ. TO ELIGIBILITY SCOPE	6	The proportion of **exposures to EU Taxonomy-non-eligible activities**	• SPV exposures subject to NFRD with non-EU Taxonomy eligible NACE codes • Financial and Non-Financial corporate exposures (excluding SPV) subject to NFRD • Households excluding loans collateralized by residential immovable property • Local government exposures	**112.2**	**13.6%**
COVERED ASSETS – ASSETS SUBJ. TO ELIGIBILITY SCOPE	7	The proportion of **exposures to EU Taxonomy-eligible activities**	• SPV exposures with EU Taxonomy eligible NACE codes and with parent company subject to NFRD • Loans collateralized by residential immovable property or "Crédit Logement"	**151.6**	**18.4%**

NB: not all covered assets are included in the total sum of the individual items presented above. Items also include cash and cash equivalents, as well as other non-transactional assets that are not subject to a performance indicator.

5.3.1.2 Being committed through action to the environmental transition

In keeping with the findings of the materiality survey, Societe Generale has made the environmental transition its first priority in the operational roll-out of its CSR ambition with respect to its customers. The Group is keen to play an active part in combating global warming and decarbonising the world's economy.

The climate change strategy, as approved by the Board of Directors, is structured around three core themes:

- developing a common CSR culture (on risk management and business opportunities connected with the energy transition);
- having a risk management system associated with climate change (physical and transition risks – see Integrating climate risks within the risk management framework, page 289);
- managing the Group's impact on global warming (through its proprietary activities – see Being a company that cares about the environment, page 325 or *via* its portfolio – see A bank committed to sustainable and responsible finance, page 290);
- helping the Group's customers to achieve their energy transition goals through suitable products and services see A bank committed to sustainable and responsible finance, page 290).

MAPPING OF THE ENVIRONMENTAL IMPACT OF SOCIETE GENERALE'S BUSINESS

GROUP'S DIRECT FOOTPRINT	PRODUCTS AND SERVICES FOR CUSTOMERS			
• Group real estate (3.8 million m²) • IT Infrastructure • Employee mobility (201 million km travelled by employees) • Consumption of resources: - energy (581 GWH) - water (1.06 million m³) - paper (5,713 tonnes) • Waste management (11,633 tonnes) and reducing food waste • Supplier relations (Group purchasing: EUR 5.8 billion)	• Real estate development (17,721 housing units and 3,170 m² in office real estate delivered by SOGEPROM) • Leasing ALD Automotive (1.4 million vehicles) SGEF – Equipment finance	• Third-party management activities (EUR 265 billion in assets under management) including life insurance: EUR 135 billion (Sogécap) and Private Banking: EUR 130 billion	• Financing (EAD of the Corporate portfolio in accordance with the Basel rules): EUR 380 billion at 31 December 2021 • Advisory activities	• Global Markets activities (Fixed Income and Currencies, Equities) • Investor Services (Securities Services) • Payment Services → Indirect environmental impact through customers' business

\+ Level of influence / impact -

The Strategic Oversight Committees and Cross-functional Oversight Committees reporting to General Management monitor proper implementation of the Group's climate strategy and set appropriate CSR targets in the roadmaps for each of the Business and Service Units.

5.3.1.2.1 IDENTIFYING AND LIMITING THE GROUP'S IMPACT ON GLOBAL WARMING

The various measurement methodologies and credit portfolio alignment goals

Societe Generale joined the UNEP-FI Net-Zero Banking Alliance in 2021 as a founding member alongside 42 international banks. Accordingly, **the Group undertakes to align its portfolios and proprietary activities with trajectories aiming at carbon neutrality by 2050** (limiting global warming to 1.5°C), setting itself targets for 2030 (or sooner) and 2050. It focuses as a priority on its most GHG-intensive sectors, which will have a major impact in transitioning towards net-zero. The Group has extended its efforts beyond fossil fuel reduction and the decarbonation of the shipping industry, which it has been working towards in recent years, to include the steel sector in 2021.

In 2015, Dutch financial institutions launched **the PCAF initiative** to develop a standard for measuring and reporting the greenhouse gas emissions generated by their credit portfolios and investments. This initiative was extended to North America in 2018 and taken up globally in 2019. The PCAF standard provides methodological guidance for different asset classes. A company's emissions are assessed based on public disclosures or estimated according to the GHG Protocol. They are then allocated to the financial institutions based on the proportional share of lending or investment in the borrower or investee (for more information, see the PCAF Standard – *https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf*). In 2021, the Group used this methodology to measure the greenhouse gas emissions of 95% of its loans to major companies. The calculations are currently based on monetary emission factors in the PCAF database, but Societe Generale aims to enhance the data's accuracy and granularity in the next few years.

In 2016, the Group developed an initial methodology and set alignment targets for the coal sector (see below). Following on from this first step, in 2018 Societe Generale signed the Katowice Commitment (see *https://www.societegenerale.com/sites/default/files/documents/Document%20RSE/the_katowice_commitment.pdf*) alongside four other international banks (BBVA, BNP Paribas, ING and Standard Chartered). These signatory banks have been working with the 2°C Investing Initiative (2DII) since 2018 on adapting the PACTA (Paris Agreement Capital Transition Assessment) methodology, initially developed for equity and bond portfolios, for use on credit portfolios. This led to the publication of a first report on the application of this methodology in September 2020 *(https://2degrees-investing.org/wp-content/uploads/2020/09/Katowice-Banks-2020-Credit-Portfolio-Alignment.pdf)*.

Aligning credit portfolios in various sectors

COAL

In 2016, Societe Generale set an example as one of the first banks to reduce its exposure to the coal sector by deciding not to grant any further financing for coal mining or coal-fired power plant projects.

In 2019, the Group stepped its commitments up a level, announcing a goal of zero exposure to thermal coal by 2030 in the EU and OECD countries, and by 2040 for the rest of the world. To achieve this, Societe Generale published a new sector policy for thermal coal in July 2020. This policy sets out strict guidelines on how to support customers in the transition phase.

This policy comprises two stages:

1. first, the Group has disengaged from those companies most exposed to the sector (*i.e.* for which thermal coal accounts for more than 25% of revenue), unless they have themselves already committed to withdrawing from the sector. Accordingly, it has tightened its criteria for prospects in the sector;
2. in 2021, Societe Generale reviewed its total portfolio and discussed transition plans and a timeline for phasing out thermal coal with all of its corporate client that have mining or power generation assets.

OIL AND GAS

In 2018, Societe Generale decided to end financing for the production of oil from oil sands around the world, as well as for all types of oil production in the Arctic.

The Group embarked on a new stage in its climate strategy in 2020, announcing the commitment to reduce its exposure to the oil and gas extraction sector worldwide by at least 10% between 2020 and 2025. Societe Generale is one of the first banks in the world to publicly set itself a concrete, near-term target in this sector. Moreover, this commitment reflects the Group's gradual transition to carbon neutrality by 2050, since it goes further than required under the International Energy Agency's Sustainable Development Scenario (SDS). To achieve its goal, the Group will no longer finance onshore oil and gas extraction in the US.

Lastly, at COP26 in 2021, Societe Generale announced that it was strengthening its commitments in several segments related to unconventional hydrocarbons and the protection of biodiversity in protected areas. As such, the Group will no longer finance:

- new projects with underlying activities involving the exploration and production of shale oil and gas, oil sands, extra-heavy crude oil, Arctic oil or Ecuadorian Amazon oil;
- pure upstream players for which these categories of hydrocarbons (shale oil and gas, oil sands, extra-heavy crude oil, Arctic oil or Ecuadorian Amazon oil) represent more than 30% of their overall production; and
- diversified players (upstream, midstream, downstream) for which the production of these categories of hydrocarbons represent more than 30% of their revenues.

Moreover, no new mandates will be accepted for new greenfield projects to produce liquefied natural gas in North America, in order to extend efforts down the value chain. Lastly, the Group undertakes to increase its protection of biodiversity by expanding the categories of protected areas in which no new hydrocarbon exploration and production projects will be financed.

These commitments are set out in the Oil and Gas Policy revised in 2022, available on the Group's corporate website: *https://www.societegenerale.com/sites/default/files/documents/CSR/Oil-Gas-sector-policy.pdf.*

POWER GENERATION

In 2020, the Group also committed to cutting back on its financing for power generation projects by 18% by 2025, and by 76% by 2040, as compared to end-2019 levels. This 2025 target goes further than the SDS requirements set by the International Energy Agency for the same period. The Group will achieve its goal by adjusting the energy mix it finances, reflecting both its decision to gradually exit the coal sector and its leading position in renewable energies.

STEEL

In 2021, Societe Generale joined the Steel Climate-Aligned Finance Working Group as co-leader alongside five other leading lenders of the steel industry who will work at defining standards advancing the decarbonisation of the sector. The working group aims to establish a joint climate-aligned finance agreement modelled after the Poseidon Principles. To that end, it will define standards for measuring, disclosing and assessing the degree to which greenhouse gas emissions associated with each financial institution's portfolio are in line with the United Nations target of limiting global warming to 1.5°C by 2100. The working group will work hand in hand with existing decarbonisation initiatives and industry players, under guidance from the Rocky Mountain Institute's Center for Climate-Aligned Finance – a non-profit organisation from which this initiative originates.

SHIPPING

For more information on this subject, see Poseidon Principles, page 283.

The following chart summarises the Societe Generale Group's alignment targets. For more details on these indicators and targets, see the most recent Climate Disclosure (*https://www.societegenerale.com/sites/default/files/documents/2020-12/societe-generale-climate-disclosure-report.pdf*).

Indicator	Benchmark (end of year)	Target	Achievement at end-2020
Gross commitments to coal power & mining (EUR, 100 base index)	100 (2019)	0 (2030/40 OECD/RoW)	81 (Q4 20)
Gross commitments to oil & gas extraction (USD, 100 base index)	100 (2020)	90 (2025)	92 (Q4 20)
Power generation CO_2 emissions intensity (gCO_2e/kWh)	260 (2019)	212/67 (2025/40)	181 (Q4 20)
Proportion of fossil fuels in the overall primary & secondary energy financing mix (% EUR)	69 (2019)	No target	51 (Q4 20)
Shipping CO_2 emissions intensity (gCO_2e/tnm, 100 base index)	100 (2019)	20-25 (2050)	102(1) (Q4 20)

(1) In 2021, the methodology used to measure emissions intensity for passenger ships was modified to include the distance travelled. The change in methodology was more detrimental in 2020 when passenger shipping was seriously affected by the Covid-19 pandemic. Ships were inactive and distances travelled were limited, but their engines continued to run, thereby burning fuel and causing high emission intensity levels. Hence, portfolio emission intensity was greater than in 2021. By comparison, if on had used the previous methodology, the portfolio intensity would have been relatively stable compared with the previous year's (84 in Q4 2020 vs. 87 in Q4 19).

5.3.1.2.2 FINANCING THE ENERGY TRANSITION AND WORKING WITH CUSTOMERS TO HELP THEM TRANSFORM THEIR BUSINESS MODELS

In December 2019, the Group renewed its efforts to foster the energy transition and undertook to raise **EUR 120 billion between 2019 and 2023** through a range of sustainable finance solutions (loans, bonds and advisory).

The EUR 120 billion breaks down as follows:

- EUR 100 billion in sustainable bond issues led or co-led by Societe Generale. Sustainable bonds include both green bonds and Sustainability Bonds* (as defined by the ICMA rules and the EU's Green Bond Standard), as well as all bonds indexed to climate targets;
- EUR 20 billion for renewable energies, in the form of advisory and financing.

This commitment was achieved by the end of 2021, two years ahead of schedule. The proportion of renewables in the electricity mix financed by the Group topped 56.2% at end-2020 *vs.* mid-2019.

	2019	2020	2021	Target
Commitment to promoting the energy transition (2019-2023)	**34% achieved**	**67% achieved**	**131%**	**EUR 120bn**
Renewable energy financing and consulting	EUR 5.2bn	EUR 9.2bn	EUR 12.9bn	EUR 20bn
Sustainable bond(1) issues led or co-led (2019-2023)	EUR 36.1bn	EUR 71.6bn	EUR 144.1 bn	EUR 100bn

(1) Sustainable bonds include Green Bonds and Sustainability Bonds as defined by the ICMA rules and the EU's Green Bond Standard.

Climate-aligned offering

As a responsible partner committed to the fight against climate change, Societe Generale offers a wide range of products and services to its customers, whether they operate in the energy sector or are simply eager to reduce their environmental footprint. Accordingly, the Group's businesses worldwide are using their **expertise in financial engineering and innovation to develop a new sustainable investment and financing solution in their regions of operation.** This allows the Group to meet the increasing demand from its customers around the world, whether corporates, investors or individuals, for banking with a positive impact on sustainable economic development and societal change (for example, in relation to electric mobility, hydrogen, renewable energy storage technologies, etc.). At the end of June 2021, Societe Generale's expertise in renewable energy financing earned it the title of No. 1 in the financing of renewable energies for the EMEA* region (Dealogic).

Over and above its own balance sheet commitments, the Group is very active in **issuing green, social and sustainable bonds, with more than 235 bond issuance mandates managed since 2013 for a total issuance volume of more than EUR 240 billion**. Societe Generale adopted a framework governing its own bond issues in 2020 in order to tap into an additional source of refinancing to support its commitments, while allowing investors to benefit from the Group's excellent capacity for origination. As at 31 December 2021, the Group has issued a total volume of EUR 7.312 billion in green bonds since 2015 (for more information on the Group's Positive Impact Bond Framework, see *https://investors.societegenerale.com/sites/default/files/documents/2020-11/sg_sustainable_and_positive_impact_bond_framework_june_2020.pdf*).

Last, Societe Generale also strives to satisfy the expectations of its investor customers, offering a broad range of sustainable investment solutions. Accordingly, the Group markets initiatives that address environmental priorities:

- **structured products linked to equity indices** that incorporate environmental filters such as CO_2 emission levels to redirect capital flows towards companies that are leaders in this area. Indices used include the Solactive Environmental Footprint index and Societe Generale's own Climate Risk Control index;
- **linear products linked to equity baskets** that incorporate environmental filters such as CO_2 emission levels to redirect capital flows towards companies that are leaders in this area;
- **positive impact notes** that allow customers to invest in a structured note while promoting positive impact finance. Some of the positive impact loans financed by Societe Generale contribute to reducing global warming. For more information, see *https://www.societegenerale.com/sites/default/files/documents/2021-06/SG-SPIF-Reporting-as-of-2020-12-31.pdf*;
- **structured notes** that allow investors to contribute to reforestation projects to improve carbon sequestration.

EMBLEMATIC EXAMPLES OF THE GROUP'S COMMITMENT TO THE ENERGY TRANSITION IN 2021

Societe Generale acted as sole financial advisor in the creation and structuring of the Hy24 Fund, the world's largest investment platform dedicated to low-carbon hydrogen infrastructure. The fund, which aims to accelerate growth of the hydrogen ecosystem by investing in large strategic projects and leveraging the alliance of industrial and financial players, has already secured initial commitments of EUR 800 million out of the EUR 1.5 billion total target. With this significant investment potential and a strong industrial expertise at its heart, the fund will have a unique capacity to accelerate the scaling up of hydrogen markets. With the announced support of public policies and some use of debt financing, the fund should be able to participate in the development of hydrogen projects with a total value of about EUR 15 billion. This landmark transaction in the hydrogen sector demonstrates the Group's commitment to leveraging its expertise in innovative financing and energy advisory to help create tomorrow's low-carbon hydrogen solutions.

As an important player in the credit market for local and multinational companies, BRD* (a Societe Generale subsidiary in Romania) granted Hidroelectrica (the largest producer of green energy in Romania) approximatively EUR 250 million – the largest green loan granted to the country to date. The credit facility, granted for a period of seven years, will finance the realisation of direct investments in operational projects based on wind and solar energy production.

In 2021, Komerční banka* – the Group's subsidiary in the Czech Republic – established a partnership with ČEZ, the largest energy producer in the country. ČEZ and KB began working together on rooftop solar panel installations for households, municipalities and companies. ČEZ Prodej (household installations) will provide one solar panel free of charge to KB's clients for whom it will install a rooftop photovoltaic power plant. ČEZ ESCO, in partnership with KB and SGEF*, will enable municipalities, businesses and larger consumers to install solar panels on their roofs at no initial investment cost.

ČEZ is also collaborating with KB on other products and in areas related to decarbonation and emission reduction. ČEZ ESCO has already installed 12 wall-mounted charging stations for electric vehicles in KB branches. More are currently being negotiated.

Societe Generale Real Estate Finance (SGFI), the French Retail Banking entity specialised in financing business property, signed its first loan linked to CSR performance with its long-standing client FM Logistic – a global leader in logistics. This allowed the Company to launch the major refinancing of six French logistics platforms in the summer of 2020, for a total amount of EUR 222 million. As it is linked to CSR performance, this loan enables the Company to enjoy better financial terms. The loan is based on three E&S performance indicators: energy performance, reduced Greenhouse Gas (GHG) emissions, and maintaining its leading industry position in terms of extra-financial performance. The interest rate is indexed to the achievement of these three indicators. Every year, upon monitoring the performance indicators, the customer's margin will be increased or decreased depending on the results and thresholds set out in the agreement. FM Logistic Group is one of the first logistics businesses indexing its financing costs to environmental and social goals.

MAIF Solutions Financières, the asset management subsidiary of the insurance group MAIF, offers structured notes with ESG underlyings that include a contribution to a greenhouse gas emission reduction project in sub-Saharan Africa – a Societe Generale innovation.

5.3.1.3 Contributing to local communities

Over and above its commitments to fighting climate change, the Group is eager to make a positive impact on local communities as a way of helping customers to achieve their own transformation and innovation goals. It does so through efforts to **support entrepreneurship, develop sustainable cities, and contribute to the scaling up of low-carbon mobility.**

The Group contributes to social innovations that are shaping the communities of the future, with a special focus on the African continent. The Grow with Africa programme launched in November 2018 illustrates and sets out a framework for Societe Generale's ambition to become **a leading player on the continent, focused on promoting sustainable economic development in Africa** and accelerating positive change. Based on its local knowledge in its areas of operation, Societe Generale continued its work in the four priority areas identified for its Grow with Africa programme in 2021, all of which represent drivers of sustainable growth: multi-dimensional support for African SMEs, infrastructure financing (including the on-grid energy sector), innovative financing solutions for the off-grid energy and agricultural sectors, and financial inclusion. By their very nature, these four areas allow the Bank to make a positive impact on the continent, as well as progress towards the UN Sustainable Development Goals.

The Group forges close ties with its customers in all its regions of operation, including outside of Africa, and works with them to achieve positive change by paying special attention to industry players and entrepreneurs.

5.3.1.3.1 SUPPORTING BUSINESS AND ENTREPRENEURS

As a local bank present in the regions, the Group is committed to working alongside artisans, entrepreneurs, start-ups and businesses of all sizes in the regions – throughout their professional lives and business cycles – to help create and protect jobs. This support is put in practice across all Societe Generale's retail banking regions.

In France

A DEDICATED SALES STRATEGY

Societe Generale is a player in the business world (start-ups, SMEs and mid-caps), focused on developing local relationships. It therefore aims to become the **leading partner bank** chosen for the quality and commitment of its teams and its offering. To guarantee a long-term partnership, the Group has established a dedicated organisation relying on more than 31 regional business centres, a longer term of office for Business Advisors, and more than 300 Customer Relations Advisors. Moreover, Societe Generale is guided by more than 190 experts to meet specific requirements in terms of cash and cash flow, payroll, employee savings schemes, factoring, international business and investments, and provides its customers with regional Corporate and Investment Banking hubs. In this respect, Societe Generale devotes more than EUR 20 billion every year to financing the economy.

In addition, through its **"Societe Generale Entrepreneurs" sales strategy,** the French Retail Banking network provides corporate executives and shareholders with a range of services and solutions geared to addressing strategic issues. It combines diverse expertise in financing and investment, wealth and property management, pooled in eight regional divisions to better support key stages of the development and transfer of ownership of their business.

SUPPORTING THEIR GREEN TRANSFORMATION

With respect to CSR investments, Societe Generale works with its customers who are SMEs, non-profits and public economic actors to set up financing aimed at accelerating their sustainable transformation. The Group offers **environmental and social loans ("PES")** to support environmentally friendly initiatives, sustainable development and the social role of businesses. Upon providing documentation on the specific nature and characteristics of the subject of financing, customers can benefit from an environmental and social loan with a term of up to 15 years for a maximum amount of EUR 5 million for companies and non-profit associations, and up to 30 years for an uncapped amount for public economy players. In 2021, environmental and social loans granted represented EUR 11.5 million for agreements on temporary occupation (*Conventions d'Occupation Temporaire* – COT; public economy)* and EUR 100 million for companies (*via* a single loan for this amount with the sub-participation of Crédit du Nord during the first 18 months).

SHINE, THE NEOBANK FOR ENTREPRENEURS

In addition to providing full support to its professional customers with two expert advisors – one for professional and the other for private matters – and a simplified bank with a range of digital solutions, the Group has expanded its product offering for professionals by acquiring the neo-bank Shine. **The offer combines a fully online bank account with support in administrative management for entrepreneurs (billing, calculation of taxes and contributions, simplified accounting, etc.)**. Shine has received the international Certified B Corp. label, which recognises its commitment in six areas: environmental performance, social performance, staff, governance, community and customers. The Group markets Shine products to professional customers that prefer 100% online management and low-cost services. The Shine acquisition positions the Bank to offer a broader range to business customers as their business and needs change, including expert advisors – without changing banks. As well as their complementarity, the tie-up between Societe Generale and Shine is generating broad synergies across the Group. Services, such as credit, insurance, and payments, can be offered to neobank clients, in accordance with Shine's mission to simplify banking for business. Against this backdrop, in 2021, Shine developed a range of loans designed specifically for self-employed individuals and small businesses. This unprecedented offering has two goals: continuing to simplify entrepreneurs' daily activities through easier access to loans, and promoting a responsible vision of entrepreneurship by supporting businesses committed to an entrepreneurial approach. For the first time, this fully online offering allows self-employed individuals and small businesses committed to improving society and protecting the environment to enjoy a special rate based on a list of predetermined social and environmental criteria, such as conducting a carbon assessment, organising training for greater diversity and inclusion, setting up a responsible sourcing policy, and qualifying for labels like B Corp, Lucie or ISO 26000. Entrepreneurs meeting some of these criteria will benefit from preferential terms. This approach aims to reward the most committed businesses and to motivate others to undertake a similar commitment.

BOOSTING BUSINESS CREATION

The French Retail Banking network is also a partner to 84 local branches of the nationwide non-profit organisation Initiative France. These 84 branches were behind the creation or takeover of a total of 7,034 companies in 2020, thus creating or saving 18,239 direct jobs. In addition to Initiative France's own interest-free loans, Societe Generale Retail Banking in France granted 370 loans for a total of EUR 32.3 million to entrepreneurs supported by the association (figures disclosed by Initiative France). In partnership with France Active Garantie, the leading solidarity finance provider, the Group has been working to help VSEs and solidarity-based companies secure bank loans. As part of this partnership, Societe Generale funded projects to the tune of EUR 2.5 million as at end-October 2021 (*vs.* EUR 3.7 million in 2020).

Moreover, Societe Generale Factoring offers reverse factoring to mid-caps and large corporations. Reverse factoring (also known as supply chain finance) allows suppliers of large contractors to be paid faster and under better conditions than if they had applied for factoring directly. For large corporates, reverse factoring is one way of being responsible to its smaller suppliers.

STANDING SHOULDER TO SHOULDER IN TIMES OF CRISIS

To manage the health crisis of 2020 and 2021, the Group actively distributed government support schemes to its customers. **Government-backed loans** granted up to the summer of 2021 aimed to help businesses and professionals meet their cash flow requirements to better tackle the **financial repercussions of the Covid-19 pandemic**. These funds are intended to help maintain business and jobs in France. Since 2021 and until the summer of 2022, the Group also distributes **participating loans (*Prêt Participatif Relance* – PPR)** intended to boost economic recovery, with a focus on companies working on development projects and needing to strengthen their solvency. These loans also bolster the Company's financial solidity by providing long-term financing with a structure made up of equity and debt (thanks to its 4-year minimum grace period). They are used for the long-term financing of investments (whether to strengthen and modernise the production tool or for R&D investment) and development projects (digital or energy transition, commercial development in France or abroad, external growth opportunities). This support scheme offers an alternative for companies unable to access market instruments and preferring not to change their governance structure, at an attractive cost on account of the government backing. Lastly, the Group also offers its customers access to recovery bonds ***(Obligations Relance, OR)***, another government-led support scheme. The recovery bonds aim to strengthen the balance sheet of French companies and reinforce the financial position of SMEs and mid-caps to simplify their access to additional financing and help them to bounce back. The bonds have an 8-year term and are repaid in full at maturity.

Societe Generale Assurances has protected its policyholders and supported the French economy with respect to the health crisis by contributing EUR 1 billion to the participating loan and recovery bond schemes, along with EUR 75 million to the insurer investment programme in favour of mid-caps, SMEs and the health and tourism sectors, and by taking extra-contractual and solidarity measures to support the most affected customers (healthcare professionals and staff).

SAFEGUARDING AGAINST CYBER RISKS

Lastly, given that our customers' security is a key priority, Societe Generale launched a new start-up Oppens in 2020. **Oppens advises particularly vulnerable VSEs and SMEs, and helps them to ramp up their cybersecurity** through a digital platform. Oppens is currently the first player in the French market to make comprehensive and tailored cybersecurity expertise available to this client segment. The start-up helps them to better understand the risks and to assess their vulnerability through a simple, personalised process built on three steps:

- assessing their level of cybersecurity *via* a free, online self-diagnosis based on five considerations: password, data protection, raising employee awareness, securing devices, and protecting websites;
- free recommendations based on the priority areas identified during the self-diagnosis;
- support with a catalogue of mainly French and European products and services, selected and tested by Societe Generale experts and distributed *via Oppens.fr*. Oppens can also provide unique solutions, custom-built with its partners, or exclusive packages that are usually only available to large corporates.

Moreover, professional customers can now identify themselves and log into the PRO app by way of Face ID and Touch ID biometric authentication. They can block, lock and unlock their Business cards directly from the app.

CONTRIBUTING TO DEDICATED FRENCH FUNDS

Moreover, to support the Group's direct actions, Societe Generale Assurances is a founding member of the **Fonds Stratégique de Participations**, an investor fund established by four insurance majors in France to take **long-term stakes in French companies**. Societe Generale's insurance arm contributes to funding companies and innovation by investing in French funds such as Nova, Novi, Novo and in fintech funds. These investments totalled EUR 1,009 million in 2021, an increase of 41% compared with 2020.

Internationally

Small- and medium-sized companies are at the heart of the development process for African economies. They account for 90% of private companies and hire 70% of the rural population. As such, they are essential in driving the emergence of the African middle class and greater access to jobs. SMEs represent two thirds of Societe Generale's African corporate customer base. The Bank is deeply attached to adapting its processes to support them more efficiently and thus better contribute to their success, while also playing a part in the dynamic local economic fabric. This ambition was reflected in the decision to increase its outstanding loans to African SMEs by 60% between end-2018 and end-2022. The achievement of this target was impeded by the effects of the health and economic crisis in 2020 and 2021. By relying on several revitalised systems, however, Societe Generale maintains its ambition to help and support SMEs with a strong growth target for this market by 2025. SMEs are already showing successful results, notably in West Africa, and this encourages the Group to continue its efforts.

This initiative is characterised by the unique concept of SME Centres, with the very first SME Centre opening its doors in 2018. SME Centres are now serving the needs of SMEs and VSEs in eight African countries: Senegal, Burkina Faso, Côte d'Ivoire, Benin, Ghana, Cameroon, Guinea-Conakry and Madagascar. Societe Generale has teamed up with a number of local partners to set up these SME Centres, which are specifically suited to the needs of sub-Saharan African businesses, offering financial, legal and accounting advice, training, mentoring programmes and a co-working space, all under one roof.

Alongside various players supporting the development of SMEs, such as AFD-Proparco, Bpifrance, Investisseurs & Partenaires, the Réseau Entreprendre and local players in each country, Societe Generale is eager to launch an initiative pooling the strengths of each player in support of the SMEs. Helping SMEs to organise their efforts to obtain funding, giving them access to comprehensive resources, covering all funding channels and helping them to get training to expand their business are all challenges of the multidimensional, coordinated support provided by the players involved. Accordingly, the Group has already set up several partnerships, such as AFD-Proparco and the ARIZ guarantee, with Societe Generale being the first to use the AFD risk-sharing mechanism on the continent; Bpifrance Université, which has posted online training sessions dedicated to business managers in Côte d'Ivoire and Senegal; Investisseurs & Partenaires; ADEPME in Senegal; the Upgrade Office in Senegal; and the Réseau Entreprendre (partnership in Morocco, Senegal and Tunisia).

HIGHLIGHTS AND MAIN ACHIEVEMENTS IN 2021

Global Finance magazine granted the Best SME Bank Award to Societe Generale Côte d'Ivoire for 2022.

To counter the effect of the health crisis on very small enterprises (VSEs) and small- to medium-sized enterprises (SMEs) in Africa, the Choose Africa Resilience initiative was launched. Its EUR 1 billion budget is funded by the French government and distributed by AFD/Proparco to support African micro-enterprises, VSEs and SMEs affected by the health crisis and meeting eligibility criteria. Through its subsidiaries in Africa, Societe Generale is the leading partner in this initiative. As at end-2021, seven Societe Generale subsidiaries (Burkina, Cameroon, Congo, Côte d'Ivoire, Senegal, Madagascar and Tunisia) distribute loans that are 80% guaranteed by AFD/Proparco as part of this budget, valid until the end of 2022.

Allocated to Societe Generale Mozambique, the EUR 3 million EURIZ portfolio guarantee should allow the Bank to support nearly 90 VSEs and SMEs, as well as 270 jobs in the next few years. Launched in May 2019 with the support of the European Union, the European Development Fund and the Organization of African, Caribbean and Pacific States (OACPS), the EURIZ guarantee aims to provide VSEs and SMEs with easier access to loans, especially in high-impact sectors in terms of economic growth and job creation. VSEs and SMEs owned by women and those operating in the agricultural sector will be targeted as a priority. By supporting women entrepreneurs, this project contributes to the Bank's achievement of the fifth sustainable development goal (gender equality) and the 2XChallenge, an initiative launched by a group of development finance institutions to promote gender equality.

SUPPORTING BUSINESS AND ENTREPRENEURS: KEY FIGURES

	2019	2020	2021
Loan production for SMEs/mid-caps and professionals			
o/w France		*EUR 4.5bn*	*EUR 4.7 bn*
o/w International		*EUR 4.2m*	*EUR 443 m*

5.3.1.3.2 SUSTAINABLE INFRASTRUCTURE AND MOBILITY

Sustainable cities and infrastructure

Today, cities are required to meet several challenges: optimise urban development and infrastructure projects and develop an inclusive, joined-up urban planning approach aligned with environmental and social issues. Societe Generale acknowledges that the cities of the future are facing high stakes; accordingly, the Group is continuing to invest in sustainable cities through innovations in its relevant businesses, notably in real estate.

FOSTERING THE TRANSITION TO SUSTAINABLE CITIES IN FRANCE

Fully committed to investing in sustainable cities, the Group's Real Estate Division (property of the French Retail Banking and Crédit du Nord network, SGFI, Sogeprom, Ville E+, SGIP and SG Real Estate Advisory) hired a CSR manager in November 2020 tasked with organising and coordinating such initiatives.

Sogeprom*, the Group's real estate development subsidiary, is a responsible player committed to reducing its carbon footprint by guaranteeing green building practices and fostering the wellness of its occupants. It also relies on its regional foothold to guarantee the local integration of its building projects, thereby supporting the ambitions of local representatives working to enhance urban areas. Sogeprom focuses on five key indicators that are at once ambitious and achievable: reducing the carbon footprint of its programmes, factoring the circular economy and innovation into its choice of materials, adopting a frugal water management strategy, respecting biodiversity and achieving the highest levels of certification.

By pursuing these goals, Sogeprom works to develop social and affordable housing in the Greater Paris area and throughout France. It cares about building affordable housing for all – especially in pressure areas where homes are needed most – and about making a difference by promoting eco homes, contributing to positive changes in society and to social diversity. Sogeprom has ten regional divisions in France engaged in the study and building of new homes that meet the needs of individuals and local communities. The real-estate specialist develops mixed-use urban developments and upgrades existing properties using sustainable techniques and materials. Accordingly, Sogeprom measures its carbon footprint and assesses the CO_2 emissions across all areas of its own and its subsidiaries' business – office activities, project development, construction and operation and mobility – with its partner Carbone 4. Moreover, a "Low-Carbon Community" of some 60 staff was launched in early 2020, divided into four working groups representing all of Sogeprom's businesses and Regional Departments. The community pools intelligence to define and promote a set of ambitious and practical commitments in several key areas (purchasing, impact of real estate projects, travel, etc.). Lastly, Sogeprom is also promoting low-environmental impact solutions. It is firmly committed to aiming higher than the regulatory standards (RT 2012) by incorporating some criteria included in the upcoming RE2020* regulation applicable in France at the end of 2021. It aims to build best-in-class developments with the top green, energy-efficient and sustainable technical solutions available. All its office buildings are either labelled or certified since 2007. The developer is also taking a proactive approach and integrating the circular economy, biodiversity, virtuous resource management, use of renewable energies and construction methods that help cut CO_2 emissions (dry construction techniques, bio-sourced materials, etc.) as much as possible in its projects, while also promoting the wellness and health of users.

To meet the Societe Generale Group's aim to bolster Sustainable and Positive Impact Financing (SPIF), **SGFI,** the French Retail Banking entity specialised in financing business property, has been working since 2018 to make CSR a strategic feature of its customer journey. Positive impact financing concerns both environmental (frugal consumption habits, biosourced materials, respect for biodiversity, etc.) and social aspects (non-profit organisations, regional authorities, health, education, social and affordable housing, disabilities, etc.). More and more of the Group's customers have worked it into their social commitments. SGFI produced EUR 1.201 billion in positive impact financing in 2021, representing 47% of its annual production. Moreover, the real estate sector is responsible for 38% of global greenhouse gas emissions[(1)]; as such, it is one of the main sectors that should adopt an ambitious low-carbon transition strategy. Within this context and in keeping with the Group's commitment to align its portfolio with the targets of the Paris Agreement, SGFI has decided to manage its portfolio on the basis of "energy" (kWh/m^2) and "carbon" ($kgCO_2/m^2$). These are two key components in asset valuation, as included in the Energy Performance Diagnosis (DPE), which will henceforth be collected from customers for each building financed. Over and above its importance in valuing a property asset, the DPE rating will now enable SGFI to assess the carbon footprint of the current portfolio and to define the sales policy to be adopted to gradually align this portfolio with a view to achieving carbon neutrality in 2050. Lastly, to be most effective as a responsible bank, SGFI has included CSR considerations into its due diligence processes for customers and transactions, and carries out awareness-raising and training initiatives for the benefit of its employees. It also ensures that the CSR dimension is incorporated into its sales approach – from customer canvassing through to follow-up appointments – making it a differentiating commercial advantage.

LaVilleE+* is Societe Generale's urban strategic consulting firm, created four years ago as a start-up through an intrapreneurship programme. Committed to building sustainable cities, this start-up supports regional development projects in France and Africa every day, with a view to helping local representatives to address the three following questions:

- How do you build a regional development project with a holistic, overarching approach (rather than a siloed one) based on impact (rather than solutions)?
- How do you make this regional development project inclusive, robust and efficient, working together with stakeholders?
- How do you eliminate the risk of controversy, opposition or appeal proceedings in response to a regional development project?

The team at LaVilleE+ has developed methods and tools to help local communities and their representatives to address these three challenges.

The method is based on the organisation of collaborative workshops approached as "serious games", which aim to leverage collective intelligence through panels (non-mixed) on subjects selected beforehand with the project governance (mayors and their close advisors in most cases), along with the various stakeholders affected and involved (representatives, services, citizens, merchants, associations, and more).

The relevant tools are intended to assess the impact (economic, environmental, social, etc.) of the solutions developed through this joint process and to develop a clear, robust roadmap with tangible targets firmly rooted in the region.

For its part, **Societe Generale Assurances** also contributes to local communities and infrastructure development in France and in Europe. When making property investments, the Group looks for highly energy-efficient assets and the most respected certifications (for construction, renovation and operating efficiency). The Group's environmentally certified property assets were valued at a total of EUR 3.4 billion at the end of 2021 (*vs.* EUR 3.1 billion at the end of 2020).

HIGHLIGHTS AND MAIN ACHIEVEMENTS IN 2021

Together with LCL and Arkéa Banque Entreprises et Institutionnels, Societe Generale has granted a green loan of EUR 100 million to INEA, a real estate developer specialised in new office buildings and green building in the regions. This seven-year loan will finance or refinance office buildings meeting at least a performance level of RT2012 -15% (*i.e.* energy use 15% lower than the RT2012 regulatory requirement) and whose energy use is also less than required by the *Éco-énergie tertiaire* (EET) French regulation on office buildings set for 2030 (*i.e.* the obligation for building landlords and occupiers to cut energy use by at least 40% by 2030 for buildings exceeding 1,000 m^2 in size). Moreover, INEA undertakes to reinvest a share of the potential savings secured by this approach into reforestation projects.

Setting up training focused on the real estate sector: the Group's Real Estate Division contributes to developing its employees' CSR culture and skills by way of training sessions that analyse the major environmental and social challenges of the real estate sector (structural regulations, certifications, strategy, etc.).

(1) *2020 UNEP – Global Status Report for Buildings and Construction.*

Societe Generale also reiterated its determination to be a proactive player in developing sustainable real estate by joining the *Observatoire de l'Immobilier Durable* (OID, the French sustainable real estate observatory). OID is a renowned non-profit organisation that has become a key CSR player in the real estate sector. Through the Group's membership, the BDDF/IMM entities are able to converse with all market players through working groups on various subject areas (carbon, energy, biodiversity, etc.) and, accordingly, to make a greater contribution to the sustainable transformation of the real estate sector.

In 20201, the Group also furthered its commitment to help finance the Greater Paris project. Active in the real economy, the Societe Generale Group finances the Greater Paris project and contributes to its development through its subsidiaries – whether alongside public or private stakeholders. Its commitment is expressed in three major areas: the public economy – Societe Generale partners with local authorities in the Paris region and with social housing operators; real estate development and urban planning strategic advisory – *via* Sogeprom, the Group is involved in mixed-use urban developments that create value for the Greater Paris region and meet the demand for dense, sustainable and desirable cities; specialised financing – by addressing the needs of small, medium and large companies working on Greater Paris infrastructure sites (construction and public works, civil engineering and more), and those of real estate firms (developers and landowners) working on this major transformative endeavour. At the end of 2021, 67% of the EUR 5.5 billion committed by the Group by 2023 had already been contributed.

CONTRIBUTING TO THE DEVELOPMENT OF SUSTAINABLE INFRASTRUCTURE IN DEVELOPING AFRICAN COUNTRIES

Infrastructure financing is a key factor in Africa's development, and Societe Generale has decided to develop a dedicated solution by creating **infrastructure financing platforms** on the continent. Based in Algeria, Morocco and Côte d'Ivoire, these platforms comprise some 50 experts. They aim to deploy Societe Generale's expertise in structured financing in the Group's countries of operation, as close as possible to its customers and their projects. This set-up is complementary to what Societe Generale offers through its Investment Banking teams in Europe. It allowed the Group to increase its financial commitments related to structured finance in Africa, including infrastructure financing by 20% between 2018 and 2021. At end-2021, structured finance commitments totalled EUR 12.1 billion (*vs.* EUR 7 billion at end-2018), enabling the Group to achieve its target. Societe Generale is the leading French bank financing infrastructure in Africa over the last five years. The infrastructure in question covers several sectors, in particular energy, transport, telecommunications, the environment, and healthcare.

HIGHLIGHTS AND MAIN ACHIEVEMENTS IN 2021

In Benin, Societe Generale acted as Joint Sustainability Structuring Advisor and Joint Bookrunner on an innovative EUR 500 million transaction: the first ever sustainable bond issue out of Africa and one of the first in the world. The country opted for bonds dedicated to financing projects with a strong impact on the Sustainable Development Goals (SDG) to support the reforms and investments necessary to ensure that the population has suitable work conditions, an adequate healthcare system, the food and clean water they need, but also access to clean energy.

In Côte d'Ivoire, thanks to EUR 177 million and FCFA 23 billion loan facilities (about EUR 35 million), the Ministry of Equipment and Road Maintenance will finance the rehabilitation of the Eastern Corridor road as well as the construction of four new bridges to enhance commercial trade and the Ivorian population's mobility. The construction work will be completed by 2024. This financing obtained the Positive Impact Finance label.

Societe Generale also arranged a EUR 443 million syndicated loan for Côte d'Ivoire to finance roadworks and water treatment projects. The purpose of this financing is aligned with the National Development Plan of Côte d'Ivoire, which aims in particular to improve the population's quality of life through the development of social infrastructure and basic facilities.

In Rwanda, Bugesera International Airport is expected to start handling 1.7 million passengers a year to reach 3 million passengers by 2030. The new airport will serve as a world-class gateway to Rwanda, with the potential to become a key hub for airlines operating to and from the regional airports of Rwanda and other neighbouring East African nations. The national airline, RwandAir, has already planned to open new routes, including the United States of America, Ethiopia, Mozambique and Angola. This extensive project should allow Rwanda to enjoy a rebound in tourism and business travel. Societe Generale acted as fronting and issuing bank of an advance payment bond, and the Group also acted as participating bank to the issuance of a performance bond.

In Burkina Faso, the Group was mandated Arranger and Lead Bookrunner by the Ministry of the Economy, Finance and Development, acting as lender and agent for the financing and construction of a Regional University Hospital in Gaoua (south-east of the country) and the addition of 300 beds for EUR 83 million.

Sustainable mobility

Societe Generale subsidiary **ALD Automotive*** is a European leader in long-term vehicle lease solutions, with sustainable mobility being the linchpin of its strategy. It furthers this goal through the vehicle technology offered to its customers and the responsible use of said vehicles. ALD's commitments are recognised by the main extra-financial ratings agencies (top 3 in the Business Support Services sector as per Vigeo Eiris, top 3 Sustainalytics, top 5 Ecovadis). These extra-financial assessments recognise ALD's capacity to successfully build environmental, social and governance criteria into its strategy and the day-to-day conduct of its business. ALD has also committed to the Science-Based Targets initiative for the validation of its direct and indirect emissions trajectory.

On the strength of its positioning as facilitator/leader, ALD has a major role to play in supporting its customers to reduce mobility-related emissions by offering a suitable and competitive product and service. ALD is making a strong contribution to the energy transition by supporting customers with an approach guided by TCO (total cost of ownership), an all-in-one solution for electric vehicles including access to smart charging infrastructure (ALD Electric offer available in more than 20 European countries), targeted partnerships, and a global programme dedicated to electric vehicles.

As part of its 2025 plan, ALD has set itself specific targets: the share of electric vehicles[1] in new vehicle deliveries is set to rise to 30% by 2025. And by 2030, ALD's target is for electric vehicles with battery to make up around 50% of deliveries. This would cut CO_2 emissions per vehicle[2] for new contracts by at least 40% on average in 2025, compared with 2019. In practice, the efforts made to improve the product offer, growing customer demand and a favourable regulatory environment position ALD ahead of the market, whether in terms of electrification or CO_2 emissions. The share of electric vehicles in new vehicle deliveries in 2021 was 27% at end-September (*vs.* the market average of 14%), already nearing the 2025 target. The continuation of this momentum and the conquest of new growth drivers, such as commercial vehicles (last-mile delivery, in particular), which are essential to vehicle leasing companies, will make ALD one of the leading electric vehicle operators in the world and a major player in the energy transition for new and second-hand vehicles. In the future, the operational vehicle leasing sector will be one of the only channels bringing a considerable volume of recent and more financially accessible electric vehicles (compared to new vehicles) to the second-hand market, thus benefiting society.

Sustainable mobility is not just about vehicle technology, it's also about transforming how we use transport. It requires tailoring our offering to new customer expectations. ALD is investing in new, shared mobility solutions, available on demand or multimodal. Take ALD Move, a mobility-as-a-service app: users can tap into daily advice on the best options for their travel needs (car, public transport, bike). ALD recently acquired share capital in Skipr, which will help accelerate the ramp-up of ALD's solutions in this area.

ALD is also seeking to meet its customers' requirements in terms of flexibility. As such, it has developed ALD Flex, a service providing a broad range of vehicle categories, from compact to light commercial, on demand. Users can select their vehicle by budget, transmission, fuel and CO_2 emissions rating. Fleetpool, the leading German car subscription company and ALD's most recent acquisition, will broaden ALD's capabilities in this new generation of flexible solutions.

Over and above its leasing and fleet management activities, Societe Generale supports sustainable mobility players through dedicated financing. Accordingly, the Group regularly helps its customers to set up infrastructure promoting sustainable mobility, such as public transport solutions.

(1) Electric vehicle = Battery-powered electric vehicle + Rechargeable hybrid electric vehicle + Hydrogen-powered vehicle. Targets set for deliveries of new passenger vehicles for the EU + Norway + United Kingdom + Switzerland.

(2) Average emissions for new vehicle deliveries in the EU + Norway + United Kingdom + Switzerland (CO_2 in g/km - NEDC standard).

HIGHLIGHTS AND MAIN ACHIEVEMENTS IN 2021

ALD Automotive has been chosen as Tesla Group's preferred operational leasing partner in 16 countries across Europe. Tesla's professional customers (large corporates and SMEs) opting for a long-term vehicle leasing solution are directed to ALD Automotive. They can now benefit from a long-term leasing package for passenger cars Model 3, Model Y, Model S and Model X.

Smart, the pioneer in urban mobility, has selected ALD Automotive, the leading vehicle leasing company in Europe, as its exclusive fully digital operational leasing services partner for its new generation of all-electric vehicles. Starting with Smart's new premium compact SUV from Q1 2023, corporates and private individuals will have access to a fully integrated digital leasing offering in Europe. ALD Automotive's full-service leasing packages will be available with flexible durations and mileage for the all-electric vehicles directly on Smart's website and *via* the smart local network.

In 2021, ALD Automotive developed a long-term leasing package for bicycles (ALD Bike) to transition to soft mobility. Based on a full catalogue (+200 models) ranging from urban to folding bikes, including cargo bikes, the ALD Bike solution includes the long-term leasing (36 months) of the VAE e-bike and its accessories, its servicing and maintenance, theft/breakage insurance and assistance. The ALD Bike solution enables companies to further develop their Employer Mobility Plan by offering employees a "company bike" or a "soft mobility" alternative for employees currently using a company car.

In the new area of electromobility, Societe Generale acted as financial advisor and lender alongside the Meridiam infrastructure fund to finance the establishment of a network of fast and ultra-fast electric vehicle charge points across more than 200 Carrefour hypermarkets in France. The EUR 124 million financing, structured by Societe Generale as a green loan with contributions from seven European banks, is one of the very first special-purpose project finance vehicles to develop charging infrastructure. Carrefour and Meridiam will thus offer a full electromobility solution, ranging from 22 kW to 300 kW, to address various user requirements. This network of 2,000 charge points will be powered entirely by green energy. Carrefour's good regional coverage means this charging service will be one the most extensive networks in France, in additional to offering excellent quality, with 56% superchargers. This project is an example of a very practical contribution to the energy transition in France, in the service of regions and their inhabitants.

Rosbank*, the Group's subsidiary in Russia, worked with the City of Moscow to issue a green bond (for RUB 70 billion, or EUR 825 million, with a maturity period of seven years). The funds will finance several projects aimed at reducing greenhouse gas emissions: creating a modern, environmentally friendly transport system; reducing the energy intensity of the Gross Regional Product; creating a full-service solid municipal waste treatment system, etc. The plans for 2021-2023 include the purchase of approximately 1,675 electric buses and the building of 18 stations and 43.8 kilometres of lines, as well as the reconstruction of three stations and four kilometres of underground metro lines. Rosbank acted as a co-arranger of this issue traded on the Moscow Exchange.

5.3.2 APPLYING THE HIGHEST STANDARDS IN CLIENT RELATIONSHIP MANAGEMENT

5.3.2.1 Aiming for the highest level of client satisfaction

Serving the economy for more than a hundred and fifty years, Societe Generale supports 30 million[1] individual customers, businesses and institutional[2] investors worldwide on a daily basis. At a time when technology can be leveraged to personalise products, services and the customer experience, the quality of the customer relationship is the most important differentiating factor. The customer relationship is central to the Group's business model, and customer satisfaction and protection objectives are integrated into its CSR policy. Accordingly, continuous improvement in customer satisfaction, the Net Promoter Score© and the customer experience are all factored into the variable remuneration of the members of the Management Committee (61 people[3]).

In 2021, Societe Generale's team responsible for its customer relationships on social networks was awarded Customer Service of the Year by Viséo Customer Insights. The service provided was audited over a period of six weeks by mystery customers who assessed their conversations on the basis of twenty criteria, including the form and quality of replies received, level of personalisation, tone and response time. The Group obtained the seventh best score for its social network services among more than 150 participants, all categories included.

Measuring client satisfaction

In order to measure and monitor client satisfaction and to identify the practical actions to be taken, Societe Generale has implemented various measurement processes to gain a full overview of the quality delivered and the quality perceived by customers. The Group uses the Net Promoter Score© (NPS), considered an indicator of customer satisfaction and loyalty based on the customer's probability of recommending the Bank, the product or the service used.

Every year, **Societe Generale and Crédit du Nord Group** jointly commission a competitive satisfaction survey by the CSA* research institute, the results of which are taken into account in its improvement initiatives. This survey is conducted on the top ten or eleven banks (depending on the market) and includes an NPS. In 2021, 6,569 individuals, 5,113 professionals and 3,202 corporates were polled. For Societe Generale, the NPS has increased over the last five years for individuals (below the market average) while it continues to lag for professional customers. It improved among corporates amid a particularly strong market. For Crédit du Nord, the overall satisfaction score was stable in 2021 across the three client markets.

(1) Excluding clients of Group insurance companies. A change in methodology regarding the counting of clients in the international banking network occurred which does not impact the change in the number of like-for-like clients relative to 2020.
(2) Excluding clients of Group insurance companies.
(3) At 17 January 2022.

Internationally, a client satisfaction survey (which includes an NPS and competitive surveys) is conducted every year by Ipsos on individual and corporate clients. This is rounded out at KB*, BRD* and Rosbank* by on-the-spot surveys conducted among individual customers after they interact with the Bank to measure their satisfaction level. The Group adapted the schedule in each country to take account of the health situation.

Correspondingly, the NPS of the Group's banks in Central Europe and Russia showed positive trends in 2021 in increasingly competitive markets for both individual and professional clients. In Romania and the Czech Republic, BRD and KB showed significant progress in a context of accelerated digital transformation while Rosbank's score remained stable. In the corporate segment, the Group's subsidiaries obtained very high recommendations and confirmed their leading positions in their markets.

In Africa, the Group's banking network delivered volatile NPS scores, in line with the market in general. In the individual client segment, the score was stable in North Africa, with more moderate recommendation levels in Morocco after a particularly strong year in 2020. Trends were more mixed in sub-Saharan Africa, where the Group's subsidiaries scored above the market average. In the corporate segment, North Africa saw an increase in its score while that of sub-Saharan Africa displayed a negative trend.

Societe Generale Assurances has set up a NPS measurement procedure for its main French and international markets. Its NPS increased in 2021 due in particular to a simplification of the customer experience and the implementation of regular personalised communication at key life milestones.

ALD* has implemented a global NPS measurement mechanism to determine the satisfaction of fleet managers and drivers across 41 countries. Its NPS fell slightly in 2021 but still reflects a high level of customer satisfaction.

SGEF* (Societe Generale Equipment Finance) focuses on a qualitative survey of the satisfaction of its main vendors. Its NPS rose in relation to 2019 (last comparable survey), confirming a high level of vendor recommendation.

For its **Global Banking** segment (large corporates and financial institutions), Societe Generale carried out its seventh satisfaction survey[(1)] between June and December 2021, which included NPS measurement. In 2021, Societe Generale involved members of the Group Management Committee in this process, by carrying out nearly 150 satisfaction surveys among the Bank's largest clients. The large corporates and financial institutions polled again gave Societe Generale high scores, highlighting strong relationship management, the quality of products and services offered, and the high level of balance sheet commitments with them. They also emphasised the value of the support provided by the Group during the health crisis and its positive impact on their level of satisfaction. Overall, the customers polled represent almost 71% of the Group's NBI from this segment. Finally, themed surveys were conducted among key accounts to understand their expectations and better serve them in areas such as the intensification of digital relationships.

NUMBER OF SOCIETE GENERALE CLIENTS IN FRANCE POLLED ON THEIR SATISFACTION IN LOCAL SURVEYS AND ON-THE-SPOT FEEDBACK

	2019	2020	2021
Individual clients	150,000 (2% of the Bank's client base)	180,000 (greater than 2% of the Bank's client base)	239,200 (approx. 3% of the Bank's client base)
Professional clients	15,000	9,000	11,600
SMEs	3,500	3,000	3,100

5.3.2.2 Protecting clients and their assets in all circumstances

The Group pays **special attention to issues relating to client protection**, implementing strong employee training and awareness-raising initiatives, developing tools and strengthening internal rules related to client claim processing, including on social networks. The processing of a claim is a commercial act that impacts client satisfaction. As such, it is covered in the Group's Code of Conduct.

When an ongoing disagreement occurs with a client, Societe Generale offers them free and direct access to the Customer Relations Department. This has been the case since 1996 (*i.e.* before it became compulsory further to the French Act of 2001). The Customer Relations Department responds within two months, and refers any unresolved claims to the ombudsman, who then responds within 90 days. A mediation team under the ombudsman's hierarchical and functional authority works for nearly all Group entities in France, with two dedicated websites – one dedicated to Societe Generale and the other to Crédit du Nord and its subsidiaries. Boursorama uses the mediation services of the French Banking Federation - FBF.

Mediation, a measure aimed at amicable settlement, is brought to customers' awareness on multiple information media, in particular through a permanent notice on the back of bank account statements. The decisions taken by the ombudsman independently of the sales teams are binding on the entities concerned, which have undertaken in advance to comply with them.

The Group has also strengthened its client data protection systems (see Chapter 4.11 Compliance risk, Data protection paragraph, page 257).

(1) The surveys are carried out within a single geographic scope on a biennial basis. There are two separate panels: odd years (France, UK, Germany, Spain and Italy) and even years (the rest of the world).

MAIN KEY FIGURES

	2019	2020	2021
Requests for mediation received by the Ombudsman			
for Societe Generale	*3,148*	*4,458*	*3,358*
for Crédit du Nord	*832*	*1,158*	*995*
Cases processed by the ombudsman, deemed admissible			
for Societe Generale	*379*	*698*	*681*
for Crédit du Nord	*279*	*278*	*215*
Cases processed by the ombudsman, decision made			
for Societe Generale	*250*	*405*	*947*(1)
for Crédit du Nord	*200*	*246*	*280*
Ombudsman response time in case of disagreement (France) *(Nb of days)*	90	> 90	> 90

(1) Change due to a catch-up in the number of cases processed relative to 2021 and to file updating.

For more information on customer protection measures, see Chapter 4.11 Compliance Risk, from page 257.

5.3.2.2.1 DATA PROTECTION AND CYBERSECURITY

In order to comply with the General Data Protection Regulation (GDPR), Societe Generale has significantly strengthened its personal data processing framework, in particular by implementing solid and proven governance, consolidating or implementing a number of processes. The Bank responds to requests to exercise rights, manages violations of personal data and rolls out supplier management procedures, and has strengthened personal data security and data erasure measures within the more general framework of the Group's security policy, and has created processing registers. In addition, the Group's normative documentation has been updated to reflect these changes. Last, the Group Data Protection Officer (DPO) function was created in September 2017 and reports to the Compliance Division.

For more information on this matter, see Chapter 4.11 Compliance Risk, Data Protection paragraph, page 257.

Societe Generale has set up an information security risk management system coordinated by the Security Department. Working in conjunction with the teams of the Resources and Digital Transformation Division, it strives to continuously improve the Information Security Policy and its implementation.

For more information on cybersecurity measures, see Chapter 4.7 Operational risk, Risks related to information security paragraph, page 238 and IT security master plan 2021-2023, page 235.

5.3.2.2.2 THE FIGHT AGAINST CORRUPTION, TAX EVASION AND MONEY LAUNDERING

This information is provided in Chapter 4.11 Compliance risk, The fight against corruption, page 261, Anti-money laundering and counter-terrorism financing (AML/CTF), page 259 and Tax compliance, page 260. Societe Generale published a report on its 2020 tax contribution during 2021. This document completes the Group's Tax Code of Conduct and can be viewed on its website at *https://www.societegenerale.com/sites/default/files/documents/2021-07/Report-on-our-2020-tax-contribution.pdf.*

5.3.2.3 A marketing policy that takes the client's interests into account

Societe Generale offers banking products and services suited to the needs of its clients, in compliance with the European and French legal framework.

The responsibility of Group employees with regard to the sale of banking products and services to customers is covered in the **Code of Conduct** (see page 8: *https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/code_of_conduct_eng.pdf*). Stakeholders can view the Code of Conduct on the corporate website. It is based on the four core values that drive Societe Generale and which are shared by all its employees, namely team spirit, innovation, responsibility and commitment. These values were defined out of a shared objective to serve clients by striving to reach the highest possible standards of service and form the basis of our employees' annual evaluations. They are also incorporated into the HR recruitment process.

Every year, a Group-wide extensive training programme on the Code is dispensed to employees in all countries in which Societe Generale operates (see A Code of Conduct underpinned by shared values, page 275). It stresses that the products and services offered to clients must suit their situation and needs to best anticipate their projects and expectations. Societe Generale enters into contracts only with corporate clients whose practices comply with the Group's Environmental and Social General Principles *(https://www.societegenerale.com/sites/default/files/documents/2021-03/Environmental-and-Social-General-Principles.pdf)* or aim to comply with them. The Group has also established rigorous procedures to prevent conflicts of interest.

The Group's employees advise clients and inform them of the terms and risks associated with certain transactions, taking into consideration their level of expertise and their objectives. The Bank's products and services are proposed only after an in-depth meeting with the advisor. For instance, clients can avail themselves of an investment and savings profiling service in their branch which evaluates their profile, taking into account their personal situation, assets, budget, financial expertise and risk profile to propose suitable advisory services and personalised solutions.

In **French Retail Banking**, the Operational Risk Committee (COROC) has added the risk of misconduct to its remit, including tied selling. It examines the root causes and proposes an action plan. The "Client" and "Human Resources" teams send out guidelines on sales targets and appropriate conduct to managers every year, stressing the core concept of responsible sales. Mystery customer visits throughout the year are another tool used to reinforce this policy. To further improve the customer's experience and satisfaction, a customer satisfaction target was added to the sales force evaluation criteria in 2021. A specific internal procedure expressly states that tied selling cannot be part of the criteria for individual performance bonuses. The issue is also tackled in initial training for sales operators and in Excellence Client (the Societe Generale sales training attended by all sales personnel and their managers). The module includes a presentation and explanation of the Eight Golden Rules of Retail Banking in France.

The Markets in Financial Instruments Directive (MiFID), which came into force in 2007, introduced a customer classification and information obligation for investment service providers. The reason for the obligation is that the less experienced a customer is, the more he or she is entitled to protection. The Directive defines three types of clients: eligible counterparties (banks and financial institutions), professional clients (businesses) and retail clients (individuals). Societe Generale has set out a formal policy describing its processes for executing the orders of financial market players. This policy document is presented to investors for acceptance and is accompanied by a best execution obligation.

In accordance with commitments made to the authorities in 2019, the Group has also made efforts to protect financially vulnerable clients by implementing fee capping systems. In parallel, specific training in this regard has been put in place for advisors dealing with vulnerable customers. For more information on the protection of financially vulnerable clients, see the Chapter on Inclusive banking (and the Social and Solidarity Economy), page 316.

Societe Generale has also strengthened its client data protection systems (see Chapter 4.11, Compliance risk, Data Protection paragraph, page 257).

Clarity of information

To ensure transparency, the retail banking service complies with its display obligations by making a pricing brochure available on the website and at all Group branches.

To make contracts easier to understand, efforts are being made to use plain, clear language in respect of all banking offers. For example, the contractual documentation regarding the cash management services offered to companies has been harmonised to make the legal commitment clearer.

5.3.2.4 Tackling discrimination

In line with its Environmental and Social General Principles, the Group proposes financial products and services to all customers pursuant to French law, which penalises all forms of discrimination (for more information, see Articles 225-1 to 225-4 of the French Criminal Code *(Code pénal) https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006165298/* [in French]). These obligations are transposed into the Group's standards documentation (Societe Generale Code) and its Code of Conduct and must be complied with by all permanent and temporary employees. Societe Generale's standards documentation makes specific reference to discrimination and extends compliance with French law to all entities; it states that situations involving the rejection of a client's request may not be motivated by discrimination based on gender, ethnic origin or religion.

In 2021, as part of the measures to raise employee awareness around the rules of client protection and efforts to combat discrimination, a library of the instructions and rules that are in force at national and international level was made available on the intranet for Societe Generale's employees:

- MiFID 2 regulation
- Insurance Distribution Directive (IDD)
- Products and Services offering
- Protection of retail customers
- Conflicts of interest – customers
- Protection of customer assets
- Customer complaints
- Employee compliance

Supporting vulnerable clients

In France, the Group provides a free package of basic banking services in accordance with Article L. 312-1 of the French Monetary and Financial Code (on the right to hold a bank account). Favourable terms are offered to young people on student loans to pay for their tuition, housing, equipment and other requirements. In 2021, Societe Generale renewed its partnership with Bpifrance, offering loans to students who have no income and nobody to act as guarantor for them. The maximum amount of the government-backed student loan offered to students aged under 28 with Bpifrance was EUR 20,000 in 2021 (*versus* EUR 15,000 in 2020) to fund university studies, while the overall amount allocated was doubled. The share of government-backed student loans offered in conjunction with Bpifrance in 2021 to students in technical courses and universities was 37% (*vs.* 35% in 2020). The percentage was 39 (*vss* 41% in 2020) for students in 5-year higher education programmes and engineering schools.

In 2021, the French Retail Banking business galvanised around the "1 Jeune 1 Solution" programme created by the government under its "France Relance" stimulus plan to facilitate employment and inclusion among young people. Around ten recruitment events were organised in France, in Paris, Marseilles, Rennes, Lyons, Strasbourg, Lille, Bordeaux and Orléans. Societe Generale invited ten or so recruitment companies to participate in the events and help candidates with their job search.

Societe Generale also offers the Boost platform involving twelve services specifically designed for clients aged 18-24 who subscribed to its Sobrio package of basic services between 1 July and 31 October 2021. The services cover different themes such as learning a new language, searching for a job or preparing for the driving theory test.

To help start-up clients launch their business, the "devenir entrepreneur" (become an entrepreneur) programme is a unique four-step process aimed at potential entrepreneurs to help them take their first steps. The "start-up" section of the professional clients' web page has been completely revamped and now offers more than 80 pages of educational content for business creators, while the advisory section proposes dedicated e-learning courses and a series of four meetings with the prospective entrepreneur depending on the stage of their project.

In accordance with Article R. 312-4-3 of the French Monetary and Financial Code *(Code monétaire et financier)*, introduced pursuant to Article L. 312-1-3, paragraph 2 of said Code, the French Retail Banking business has developed a system to identify financially vulnerable clients. These clients can sign up to Généris, a day-to-day banking services package designed to help them manage their finances, for just EUR 3 a month. At the end of 2021, 55,831 Societe Generale clients had signed up for the Généris package (*vs.* 57,086 at the end of 2020).

2020 saw the Group introduce a new inclusive offer, Kapsul, targeting clients seeking more independent services on a budget. Available online or in-branch, this new account costs EUR 2 per month with no income conditions and no other account charges. Kapsul clients can pay for products and services from anywhere in the world and can also get an international Visa card with insurance and assistance cover. Some 5,170 clients had signed up for a Kapsul account by the end of December 2021 (3,553 at the end of 2020).

The Group's Boursorama subsidiary also offers solutions tailored to clients experiencing temporary financial difficulties. In 2020, the "least expensive bank in France" for thirteen consecutive years added a new free-of-charge, easy-to-use and educational financial management coaching service *via* its Wicount® Budget account offering. Wicount® Budget helps customers to manage their day-to-day budget and stay on top of their finances. Features include income and expenditure analysis, payment due alerts for major payments, balance alerts when a particular threshold is exceeded and top savings tips.

PHYSICAL ACCESSIBILITY (PEOPLE WITH DISABILITIES, SENIORS)

The Group strives to ensure that its services are accessible to clients with disabilities, adapting premises where necessary and making its applications more user-friendly:

- access to Societe Generale and Crédit du Nord automated teller machines (ATMs);
- bank statements in Braille;
- outfitting: 84% of Crédit du Nord branches and 95% of Societe Generale branches were wheelchair accessible by the end of 2020;
- digital access to the Societe Generale mobile application.

Societe Generale is a signatory to the French manifesto for the inclusion of people with disabilities in economic life *(Manifeste pour l'inclusion des personnes handicapées dans la vie économique)* as part of which it is optimising access by people with disabilities to the Company's digital tools and integrating digital accessibility into the design of information system master plans and the development of digital solutions. Digital access is one of the four thrusts of Societe Generale's policy for the integration of people with disabilities, together with recruitment and integration, training and responsible purchasing. For more information on the manifesto, see *https://handicap.gouv.fr/le-manifeste-inclusion-enclenche-une-nouvelle-dynamique*.

The Group publishes its Multi-annual Accessibility Plan on its corporate website *(https://www.societegenerale.com/sites/default/files/documents/2021-06/Schema-pluriannuel-2021_EN.pdf)*.

5.3.2.4.1 INCLUSIVE BANKING (AND THE SOCIAL AND SOLIDARITY ECONOMY)

As part of its policy on financial inclusion, Societe Generale supports innovative solutions designed to promote sustainable economic development incorporating environmental and societal performance, using a variety of set-ups such as companies, cooperatives, non-profit associations and private individuals.

Financing the non-profit sector in France

Societe Generale has developed close relationships in this sector, thanks to its network of non-profit specialists throughout the country. The Group offers its expertise to some 93,000 non-profit structures of all sizes (representing market share of 7% overall, and as much as 20% in the management association segment) to help them achieve their day-to-day management goals.

Through Societe Generale's social impact savings service, customers can donate part or all of the annual interest on their savings accounts to up to three non-profits chosen from among those with which the Group partners for this scheme. All non-profits selected by the Group adhere to high standards and guarantee transparency as regards the use of funds. For each donation, the Group adds an additional 10% which it pays directly to the association. The scheme has been awarded the Finansol label.

The **French Retail Banking business** plans to offer associations the use of its empty premises. For example, a temporary occupancy agreement was signed in 2021 with the Life Project for Youth organisation which fosters professional and social inclusion of young people living in extreme poverty and who are victims of exclusion: the association does not pay any rent and has occupancy of the premises for up to three years.

Since 2018, Societe Generale has drawn on its **Private Banking** arm and its philanthropic expertise to provide support in different areas to clients looking to adopt a philanthropic approach. As at the end of 2021, nearly 200 clients or families had received support and more than 15 foundations or endowment funds were created. At the same time, the Private Banking business sealed a partnership with Philanthro-Lab[1], a unique space and incubator for philanthropic projects in France.

Moreover, since 2018, Societe Generale Private Banking has set itself apart by launching the first charity structured product on the market. To date, EUR 4 million in accumulated donations have been collected (EUR 2.5 million in 2021) for distribution to non-profit organisations working in the areas of cancer prevention, services for disabled people, services for children and inclusion through housing, and to help combat exclusion among the most disadvantaged.

Since January 2018, **Crédit du Nord's Private Banking** arm has adopted a truly "collaborative philanthropic approach", designed to provide support each step of the way to entrepreneurs looking to make their investments count (particularly when selling a company) or to set up a philanthropic project for their family business. Crédit du Nord's approach is distinctive in that the Bank works closely with the Fondation de France and the client's own advisers (lawyers, notaries, etc.) throughout the entire process, from initial discussions with the client through to creating and investing in a foundation, and then seeing their funds in action – a potentially complex undertaking. Various projects have since cemented this partnership between Crédit du Nord Private Banking and the Fondation de France:

- with Crédit du Nord Private Banking's support, various business clients have pursued philanthropic projects, resulting in the creation of four foundations sheltered by the Fondation de France in 2019;
- a specific mutual fund* has been set up for the Fondation de France and accepts investments from other foundations sheltered by the latter. Crédit du Nord Private Banking in Marseilles manages the fund's endowment and investments.

Given that such projects are always highly personal to each client, Crédit du Nord's communications strategy in this respect focuses on select, small-scale events where the Bank can be most effective as a philanthropy ambassador. It organises events together with the Fondation de France on a range of philanthropy-related topics (from wealth management strategies to philanthropic projects) and invites previous beneficiaries of the joint approach to share their experience of setting up a foundation and talk about the support they were given. Crédit du Nord clients are also invited to the Fondation de France's major donor events in Paris and throughout France (conferences, evenings at the opera, guided museum visits, etc.). The FICADE group's Gestion de Fortune magazine awarded its Philanthropy Trophy to this partnership.

In 2021, through its offering of social impact products and services, Societe Generale paid a total of EUR 2.6 million to some fifty French partner associations recognised as operating for the public good (*vs*. almost EUR 2 million in 2020).

Microfinance

IN FRANCE

The Group has worked in partnership with ADIE (a non-profit promoting the right to economic initiative) since 2006 to support microfinance throughout both metropolitan and overseas France. In 2021, this partnership resulted in the provision of EUR 18.3 million in credit lines (EUR 14.8 million at end-2020) and EUR 167,000 in sponsorship aid (the same level as 2020). Overseas loan outstandings with ADIE stood at EUR 4.3 million (EUR 3.9 million in 2020).

INTERNATIONALLY

In Africa, back in 2005 Societe Generale had already identified the scope of requirements and the emergence of microfinance in Africa, deciding to support the sector and, through its intermediary, to help boost the local rate of bank account penetration of microenterprises and SMEs which did not have access to traditional banking. Its work in this business sector, which is very specific and differs from that carried out through its retail banking network, takes several forms: from traditional refinancing of microfinance institutions to acquiring holdings in the capital of certain local institutions in Madagascar, Cameroon, Ghana, Côte d'Ivoire and Burkina Faso, as well as acting as arranger for funding deals in the markets.

In its Grow with Africa programme, Societe Generale expressed its resolve to use microfinance as a means to strengthen its work around financial inclusion and made a commitment to double its outstandings between 2018 and 2022. Looking further out to 2025, it reasserted this strategy at the end of 2021 to be present and active in this sector in Africa, both through capital holdings and solid partnerships, and by working alongside professional and responsible players.

The institutions in which the Group has remained a shareholder from the beginning served more than 500,000 clients at the end of 2021, around 20% of whom are borrowers (with an average loan outstanding of less than EUR 2,200).

Today, Societe General's African teams are the partners of choice for microfinance institutions because they can use their experience and knowledge of local players to best meet the needs of these institutions. Despite a challenging market environment, an encouraging level of new inflows were registered in 2021, while the Group's exposure to microfinance institutions in Africa had surpassed EUR 101 million at the end of 2021.

The Group's goal is to leverage this franchise by developing relationships with microfinance institutions and groups that offer sound conditions in terms of profitability, risk and compliance. This involves a three-pronged approach:

1. bolstering the Bank's relationships and role in the financing of robust institutions in Africa by meeting their local debt financing needs (or marginally through capital interests where such an option is useful). This is needed in North Africa where microfinance institutions are not authorised to collect deposits from their clients. Although less structural, there is also a significant need in sub-Saharan Africa, by supporting growth networks (Advans, Baobab, ACEP, Cofina, etc.) or as part of an ALM approach to offset the volatility of deposits through long-term financing. At the same time, the Group will act as a preferred partner for equity financing deals among the subsidiaries or holding companies of microfinance groups;

(1) *Philanthro-Lab is a physical meeting place entirely dedicated to philanthropy. Its missions are twofold: to create an ecosystem for the development of philanthropy and to foster a broader culture of donation and engagement. For more information, see https://philanthro-lab.org.*

2. building a risk management policy around these players and a dedicated mechanism for steering risk-taking and risk management relating to them. Guidelines have been approved on the provision of credit to microfinance operators. These will be accompanied by internal work on the commercial structure, management and the training of sales teams;
3. holding a dedicated workshop to define and implement a compliance framework tailored to the Group's relationship goals.

Societe Generale's anti-money laundering and counter terrorist financing requirements applicable to microfinance institutions will be adjusted based on an internal examination of the laws and regulations governing microfinance within the Group's scope in Africa. The defined standards will be communicated to its microfinance institution clients.

HIGHLIGHTS AND MAIN ACHIEVEMENTS IN 2021

Lumo, the Group's crowdfunding platform opened the second tranche of funding for CEV ("Changeons notre Vision de l'Énergie"), a producer of low carbon, local short-circuit power. Totalling EUR 8 million, this is the biggest crowdfunding venture in France, in accordance with the regulatory limits on this type of project funding. Lumo already obtained half of its overall target amount – EUR 4.1 million – during the first round of funding which opened in June. This funding success is also a triumph for the impact investment platform in favour of the green and social transition: 863 individual investors and more than EUR 4 million collected.

Educational actions, supporting financial education

The Group's subsidiaries actively support financial education, which also helps in combatting discrimination in the distribution of products and services. They make their websites a valuable source of information to help the general public keep up to date with and understand all the latest financial news.

IN FRANCE

With visits to its *boursorama.com* website topping 50 million a month, **Boursorama** is the leading portal for economic and financial news in France. It offers agency news dispatches, economic and stock market information, and budget management content, making it more accessible through a variety of resources: articles, videos, podcasts, fact sheets and discussion forums. It is an undisputed free source of financial education which is at the fingertips of the everyday person, whatever their background.

Boursorama also helps to educate its customers on financial matters through its products and services (such as the Wicount® online budget coach), its real-time live economic news broadcasts (Ecorama, Journal des Biotechs, etc.), its monthly live interactive webinars with experts from all walks of life, its daily one-minute video offering viewers key information and tips on how to manage their money in everyday life ("Parlons cash"), and the specific sections on its website (accessible directly from the home page) and in its mobile apps designed to help customers manage their savings.

In 2021, Boursorama and *Liv'Invest*, in partnership with l'Oréal, organised *BoursoLive*, the first ever online conference on the stock exchange and financial markets open to the general public. During this free event, private individuals, both clients and non-clients of Boursorama Bank, had the opportunity to chat directly *via* chatrooms and video calls with listed companies, asset managers and issuers of financial products (ETF, stock market instruments) to obtain advice on the most appropriate products for them, whether as a first foray into the stock markets or to diversify their portfolio. Complementing the many educational tools and content features on *boursorama.com*, this exceptional three-day event with industry experts helps private individual investors to enhance their knowledge of the stock markets, find out more about risk-taking and invest in a more responsible manner.

Since 2018, Societe Generale's **French Retail Banking** activity has been offering twelve services through its Boost platform which are specifically designed for customers aged 18-24, available as part of its Sobrio package. The platform provides information on a wide range of topics relevant to this age group (getting a first job, developing skills, becoming independent, etc.), offering access to job postings, language learning, training in coding, digital tutorials, financial assistance, housing ads, CV templates, career advice and even programmes to help them improve their spelling. At the end of 2020, the Group introduced an e-wallet app designed to teach 10–17-year-olds how to manage their pocket money/allowance in a way that is fun, adaptable and reassuring for both parents and youngsters. This free offer, called Banxup, is 100% digital and only available online. It allows users to view their account activity and request money from their parents and comes with a Banxup Mastercard – a no-overdraft debit card. Parents can view their child's account activity in real time and can configure all of the various features and security options to suit their purposes such as contactless payment, international use and online purchases.

In 2020, the French Retail Banking activity launched "Le 5' des Experts", a five-minute video programme on all things related to money. Every Tuesday, an expert from Societe Generale spends five minutes answering questions from consumers (mainly individuals but also open to professionals once a month, and sometimes businesses) on subjects relating to lending, saving and insurance. The videos are published on the app (one video a week), on the website page for individual clients under "Nos conseils" (Our advice), and on Facebook and Instagram, and are included in the client newsletters.

Societe Generale **Private Banking** has produced a series of educational videos on "Understanding Responsible Investment" which are available on *www.privatebanking.societegenerale.com*. These are also available on the Spotify and Apple Podcast streaming platforms *via* the "Private Talk by Societe Generale Private Banking" programme.

In 2021, **Societe Generale** began to offer a training module for young clients in responsible digital technology, with an emphasis on the objectives of green IT. It was prepared by the Group's IT experts and is available at *https://careers.societegenerale.com/green-it-program?xtor=AD-122-[lien-masterclass].* This training module is free of charge for everyone, while students and job seekers can also obtain a certificate of completion free of charge.

INTERNATIONALLY

Rosbank*, Societe Generale's Russian subsidiary, launched a training programme on Java-script for young people with a disability. Some 76 students completed the course, 12 of whom obtained certification. Three participants in the programme obtained a work experience placement in Rosbank's IT Department, while one student was hired by the Human Resources Department.

In Russia, Rosbank* has supported the "Start differently" programme since 2018. This programme aims to help develop financially viable business models for social entrepreneurs and NGOs that either employ or develop products and services for people with disabilities. A request for proposals is organised, which then leads to development support for the successful applicants: two months of intensive work to improve their business models, with support from volunteer tutors and consultants in financial planning, marketing, public relations and team management. In 2021, some 154 requests were submitted from 69 cities in Russia, of which 11 were selected for the programme, which won the Finaward prize in the Social Project category.

In **Morocco**, Societe Generale launched a new offer for parents and children in 2021. The SoGé Banky account 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. The offer comes with a free "pocket money" card for each child. Parents with a SoGé account can also avail themselves of an interest-bearing savings account free of account fees, the funds of which are available at all times.

5.4 SETTING THE EXAMPLE: AN EXEMPLARY FINANCIAL COMPANY

5.4.1 BEING A RESPONSIBLE EMPLOYER

	2019	2020	2021
Group headcount (at end of period, excluding temporary staff)	138,240	133,251	131,293
Full-Time Equivalents (FTEs)	129,586	126,391	124,089
Number of countries	62	62	66[(1)]

(1) Including the new ALD entities in Belarus, Bulgaria, Chile and Peru.

Societe Generale makes its responsibility as an employer towards the Group's 131,293 employees in 66 countries and its social impact a top priority.

Taking measures to ensure well-being at work and promote the diversity and professional development of teams is essential to deepen employee engagement and boost performance. In line with the corporate purpose announced at the beginning of 2020, Societe Generale is committed to five priority Human Resources areas:

- a culture of responsibility based on strong values to foster constructive social dialogue to successfully achieve the Group's structural transformation in an approach based on transparency and dialogue (see the Report on Corporate Culture and Ethics Principles at societe.generale.com);
- a robust approach to anticipating how professions and skills will evolve so that the Group can effectively support employees in their career path and development, and offer them alternative ways of working, such as working from home (see the Report on Professions and Skills);
- a proactive diversity and inclusion policy illustrating the Group's determination to be an inclusive company, reflecting the diversity of the customers it serves and the society in which it operates (see the Report on Diversity and Inclusion: *https://www.societegenerale.com/en/responsibility/responsible-employer/diversity-and-inclusion*);
- an attractive and fair remuneration policy that encourages long-term employee commitment and loyalty (see the Report on Performance and Compensation);
- constant attention to health, safety and wellness concerns. Societe Generale is committed to developing a pleasant and secure working environment and seeks to continuously improve the work-life balance of its employees (see the Report on Occupational Health and Safety and A closer look at preventing psychosocial risks, page 321).

In addition, the Group ensures respect for human rights, including those of its employees, and implements appropriate measures to prevent and control the risk of human rights violations (see Group's Duty of Care Plan, page 339 and the Corporate Culture and Ethics Principles report).

5.4.1.1 Governance around key HR risks

As part of its responsibility as an employer and to respect human rights, the Group takes care to prevent and control social and operational risks related to human resources management. This ensures that its operations comply with regulations (labour law, health and safety standards, social legislation, etc.) and with the internal rules it has established, on the one hand, while also ensuring business continuity in satisfactory conditions for employees, on the other.

Overall, the risks related to human resources management are included in the Group's general risk management system, organised into three lines of defence and shared by all entities (see Chapter 4.3, Internal control, page 173).

The HR Department and its teams draw on:

- **global policies** in the various HR areas, governing the management of human resources in each of the Group's BUs/SUs and subsidiaries;
- **processes on the employer's five key missions:** (I) administrative management of human resources and payroll, (ii) managing employees' careers, (iii) defining and managing compensation and benefits, (iv) managing jobs and skills, and (v) defining and managing social policies;
- **operational procedures and user guides** aimed at securing operations and ensuring satisfactory knowledge management within the Group;
- **indicators** to inform internal oversight.

The HR Department and its teams are also covered by the Group's risk management and permanent control systems, including:

- **a set of controls on key HR processes** deployed throughout the Group;
- **risk identification and prevention** exercises;
- **business continuity** plans and crisis exercises.

Periodic controls are carried out on HR activities by the Audit and Inspection teams.

5.4.1.2 Risks related to weak management of careers, skills and talent, which affect the Group's attractiveness, performance and employee retention

5.4.1.2.1 MOTIVATING ALL EMPLOYEES TO FULFIL THEIR POTENTIAL AND ATTRACTING NEW TALENT

Societe Generale's people are its greatest assets and a key component of its business model and value creation. Appropriate career and skills management (integration, mobility and career path, skills management, etc.) and the development of key talents and resources have a positive impact on the Group's business continuity and performance, as well as on its ability to attract and retain talent.

Recruitment policy

Societe Generale's recruitment policy is tailored to the specific needs of its business lines, activities and to the local context. Its hiring processes are consistent and standard across the Group and always include a HR interview to assess the candidate's affinity with the Group's values (see "A Code of Conduct underpinned by shared values", page 275).

The Group is diversifying its recruitment methods drawing on new technological and digital features, in addition to traditional ways of attracting new hires, such as:

- partnerships with target higher education institutions in nearly 59% of the Group's entities, representing 95% of its employees;
- funding of teaching programmes and research;
- internal development programmes (for interns, voluntary international "VIE" trainees and work-study participants or for young graduates in Global Banking and Investor Solutions).

Principles for mobility and filling positions

Societe Generale has expertise across a broad range of sectors and offers employees a host of career opportunities. Twelve principles underpin the Group's policies on internal mobility and filling positions and apply to all entities.

They focus on:

- transparency as regards vacancies, by systematically posting opportunities on the internal job exchange (Job@SG), in 88 entities that use this tool;
- giving priority to filling positions from within the Group; and
- strict adherence to the recruitment process defined by the Human Resources Department to avoid any potential risk of corruption or conflict of interests, or any form of discrimination or favouritism.

Employee performance and compensation policy

Employee performance is monitored throughout their careers, particularly through development plans and 360° assessments. The development plans assess the level of professional competence, the level of achievement of operational targets, and how these operational targets were achieved. Individual employee development is also discussed during the annual appraisal interview and during regular meetings between employees and their manager or HR manager. In France, it is also discussed during the employee interview with their manager or HR manager every year.

Societe Generale has a balanced compensation policy that meets regulatory requirements. Adapted to the economic, social, legal and competitive environment of the markets in which the Group operates, this policy is nevertheless based on principles shared by all entities:

- rewarding individual and collective performance;
- promoting healthy and effective risk management and ensuring employees are not prompted to take inappropriate risks;
- attracting, retaining and motivating strategic talents and key resources;
- aligning the interests of employees with those of the Group and shareholders;
- checking that employees comply with the applicable internal rules and regulations while ensuring equal treatment of customers.

The principles governing Societe Generale's compensation policy, in particular for the categories of staff whose professional activities are liable to have a significant impact on the Group's risk profile, as per the European Capital Requirements Directive No. 2013/36/EU (CRD 4), are detailed in the Remuneration Policies and Practices Report. It will be published, as is the case every year, prior to the General Meeting and provided to the French oversight body for banks and prudential supervision (*Autorité de contrôle prudentiel et de résolution* – ACPR) in accordance with the provisions of EU Regulation No. 575/2013[1] (see the Report on Performance and Compensation.

In addition, Group entities offer employee benefits specific to their environment and employee savings schemes in locations in France (representing 43% of the workforce).

Talent management policy

Built around its Leadership Model, Societe Generale implements the **same talent management policy in all its entities,** businesses and regions to optimise and develop the potential of its staff, while deepening engagement to the Group. The aim of the policy is not only to identify, develop and retain high-potential employees and the leaders of tomorrow, but also to ensure the Group has the right managers for key Group positions through succession planning.

In 2021, the Group further strengthened its policy of identifying, managing and developing high-potential talents and future leaders. It:

- reviewed succession plans for the main key positions in the Group;
- managed and tracked diversity targets and commitments (see the Report on Diversity and Inclusion;
- identified and incorporated talents in the Group tool;
- continued to help develop talent, using the tools and solutions set up in 2020 during the pandemic and which are compatible with an organisation that includes working remotely;
- provided support to the HR teams to effectively manage the Group's talent.

(1) The 2018 Compensation Policies and Practices Report was submitted to the ACPR in April 2019 and appears on the Societe Generale website.

5.4.1.2.2 RECAST OUR ORGANISATION, JOBS AND SKILLS

In 2021, the Group reaffirmed its determination to continue the in-depth transformation of its businesses and functions in order to bring about lasting improvements in its commercial and financial competitiveness in a weaker and uncertain economic environment. It also ran a number of projects to adjust its organisation and continued to take a forward-looking approach to adapting skills to changing needs, based on strategic workforce planning, its internal mobility policy and training programme.

Making changes to the organisation while fulfilling our commitments to supporting staff

2021 saw a number of organisational adjustment projects to help improve operational efficiency and structural profitability, while strengthening the customer experience and digitalisation, and complying with the highest standards in terms of risk and compliance.

The project to transform Securities Services, Global Markets and some Central Services (Risk, Compliance, HR and Communication) led to 302 employees leaving of their own accord in 2021, after receiving support to create their own businesses or training leading to qualification.

These departures took place within the framework of the agreement on the development of professions, skills and employment signed in March 2019. Moreover, Societe Generale gives priority to providing alternative employment opportunities in the organisation. Employees affected by this transformation were also offered training and skills assessments, funded by the Group, to help them reskill and retrain for other jobs within the Group. Workshops focusing on preventing psychosocial risks were also organised for the employees within the scopes most impacted by the transformation, together with close monitoring by HR.

The planned merger of Crédit du Nord and Societe Generale brands (VISION 2025) illustrates the Group's ability to look ahead and reinvent its business model to stay abreast of changing customer needs and developments in the economy and society as a whole.

This merger is also the ideal opportunity to accelerate delivery on the Group's CSR commitments and to stand by its promises as a responsible employer, which include firm commitments to provide support for employees under the VISION 2025 plan.

The first commitment is to complete the merger **with no compulsory redundancies** by focusing on natural attrition and offering alternative employment within the organisation.

The second is to provide support for each and every employee throughout the project. To do this, a tailored **employee support programme** has been drafted and is being negotiated with the trade unions. In addition, regular and consistent communication on the key aspects of the proposed merger explain why this new bank is being created and what it sets out to achieve. The team organised roadshows with general management throughout France to meet employees and answer their questions.

As with any transformation, building the new bank will be underpinned by a major **training programme, upskilling, managerial support** and **change management support**. Developing and upgrading skills are particularly important to address the challenges of recalibrated business models, changes to the businesses of both banks, staff reclassifications and new IT tools and processes. The newly-created **Skills Academy,** based on an analysis of the impacts of the transformation by employee group, will offer the most relevant support possible matched with the needs of employees and managers. Training programmes will start in 2022. More than EUR 100 million is earmarked for staff training and upskilling over the period, which is three times the budget usually allocated for the same period.

Establishing **a shared culture** for the new bank is another priority. The staff of Societe Generale and Crédit du Nord will be treated on a strictly equal basis for all appointments, job moves and promotions.

The Group will also play close attention to employee engagement and psychosocial risks. Risk management and prevention has been strengthened and measures taken to raise awareness amongst HR officers and managers. The Bank listens to its staff and has systems in place to measure employee engagement and their experience in the workplace. Local managers play an essential role, since they are in daily contact with staff.

The proposed disposal of Societe Generale's asset management activities to Amundi is in line with its savings strategy to form partnerships with external asset managers to offer investment and asset management solutions to clients.

The transaction involves transferring all the personnel assigned to this activity. As a responsible employer, the Group has made sure that these employees are joining a major player in the market with bold and ambitious goals to drive the future growth of this business.

Support measures have been introduced to help managers and employees through the transition period. They include group support sessions led by internal and external coaches, digital breakfast meetings, regular presentations on Amundi's businesses providing the opportunity for staff to project themselves into their new environment, communications about the HR implications of the transfer and a health **phone line** for staff.

(See the report on Professions and Skills).

Robust strategic workforce planning

Societe Generale aims to ensure the organisation has the right skills to reach its goals in the medium and long term. To prevent risks associated with a talent shortage or mismatch, **qualitative and quantitative Strategic Workforce Planning (SWP) is in place in all our locations worldwide.** Rolled out across all the Group's key businesses, SWP covers 95% of Societe Generale SA's employees in the core businesses in France, and is being phased in at the Group's other locations (in Asia, the United States and elsewhere). In France, strategic workforce planning is governed by a social agreement signed in 2013, and renewed in 2016 and in 2019, which aims to match HR policies, particularly in terms of training and filling positions, to the skills required to meet the Group's strategic challenges. SWP provides employees with the means to gain and maintain employment and is organised into three stages:

1. defining a qualitative and quantitative target for the skills the Group needs in the medium to long term to deliver on strategic goals;
2. assessing and mapping the skills available to the Group;
3. identifying the gap between the current situation and the target to put in place the right levers (training, internal mobility, recruitment, etc.) and action plans to bridge this gap.

Societe Generale's approach to skills mapping is a voluntary one that puts the employee first and gives them an active role in developing their career and employability. It is based on two skills self-reporting tools: “Mondiag” for the French Retail Banking businesses, and “ACE” (*Appétences, Compétences, Expériences* – or Aspirations, Skills & Experience) destined for the entire Group. Today, more than 63,500 employees worldwide have access to these tools (see Professions and Skills Report).

Phased deployment of initiatives specifically targeting career support and employability

In 2021, the Group rounded off its internal mobility policies with initiatives to ensure BUs/SUs have the talent they need and to help employees build and constantly upgrade their skill sets to be agile enough in response to rapid change and to seize career opportunities. N**ow, all Corporate Division employees can not only apply for vacancies advertised internally, but also be offered opportunities within the Group by a recruiter manager**. The ACE self-reporting platform is an essential tool for managers and recruiters to match employees' skills with talent needs and quickly identify the profiles that meet their requirements. After a pilot in 2020 and roll-out in Corporate Departments in 2021, the Group intends to extend the initiative across the organisation.

At the same time, the Reskilling Initiative was scaled up in 2021. Kicked off in 2020 in consultation with business experts, Reskilling combines professional training from the Group's training catalogue with theoretical content delivered by academic partners. **As its name suggests, the Reskilling Initiative aims to offer employees the opportunity to reskill and retrain in growth areas or where there is a shortage of talent.** Some 149 employees participated in the programme in 2021 (an increase on the 40 or so in 2020) as the Reskilling initiative plays its part in ensuring the Group has the skills it needs for the digital revolution and to manage the consequences of the pandemic.

Rich range of training opportunities to help build the key skill sets of the future

The training courses offered by various players (cross-business teams or academies specific to Business or Service Units or subsidiaries) in a variety of formats (e-learning, face-to-face, MOOC, videos, etc.) cover:

- business skills;
- the risk, responsibility and compliance culture of employees. Compulsory training for all Group employees covers the following subjects: information security, anti-corruption measures, Code of Conduct, the General Data Protection Regulation, international sanctions, anti-money laundering and counter-terrorism financing, conflicts of interest and harassment;
- behavioural skills (agile working, collaborative working, change management, etc.);
- managerial culture and social and environmental responsibility.

DELIVERING A CSR TRAINING PLAN FOR ALL EMPLOYEES

A dedicated CSR training programme for all employees was launched in mid-2020 by the CSR Department and the Human Resources Department and rolled out in BUs/SUs and countries. It is based on four pillars:

1. **Developing a common, cross-business CSR culture.**
   - New modules have been added to the line-up of digital training available to all staff, structured around a number of key topics: climate change and biodiversity, responsible digital technology and ESG analysis. There are around 30 modules in all, and some offer certification when successfully completed.
   - The Group ran climate awareness and education workshops attended by more than 2,000 employees in France and abroad. This training was delivered by in-house personnel trained to lead these collaborative workshops as part of the *Fresques du climat* drive to teach people about the essentials of climate change.
   - **Each new hire** in the Group will be offered an e-learning course, **“The Bank in Brief”**, which includes an introduction to the CSR issues facing banks.
   - French Retail Banking put together a special module on Societe Generale's CSR strategy for its staff. 17,000 employees completed the module.
2. **Implementing Environmental & Social (E&S) risk management.**
   - The e-learning course was originated in 2020 to “raise awareness of environmental and social risks” and train target audiences to implement the CSR normative framework and, in particular, to take account of E&S risks in the Group's activities. The module has been translated into nine languages and distributed widely in the BUs/SUs to more than 40,000 employees in 2021.
3. **Offering expert modules to the sales functions to reinforce customer support on energy transition.**
   - The training course focusing on the challenges of the energy transition, which was developed and delivered in 2020 to some of the Group's sales functions (in Global Banking and Investor Solutions), was switched up to a Group programme with a very wide audience. In addition, all Group employees had the ability to register for live presentations. In all, some 10,000 people from 12 BUs/SUs signed up for this programme.
   - Societe Generale also offers two training programmes on factoring ESG criteria into financing and investment activities: ESG certification offered by the SFAF (the French association of financial analysts) and the EFFAS (European Federation of Financial Analysts Societies), as well as a SFAF course that does not offer certification. To date, 54 employees have earned certification in this field.

4. **Promoting a cross-business approach and the re-use of expert modules within the Group.**
   - An initial inventory of all CSR expert modules in the Group's BUs/SUs and countries was conducted in 2021 to broaden access for many as possible. Training courses were also converted to digital formats in 2021, working with the Risk Division in particular, to leverage the expertise available in the Group.

CAREER, SKILLS AND TALENT MANAGEMENT RISKS AND THEIR POTENTIAL IMPACT ON THE BANK'S EMPLOYER BRAND, PERFORMANCE AND ATTRITION: KEY INDICATORS

At Group level	2019	2020	2021
% of positions filled through internal mobility	58%	63%	56%
% of employees on permanent contracts changing jobs per year	18%	15%	14%
Number of training hours taken by Group employees (in millions)	4.0	3.0	3.7
Average number of training hours per employee	26.9	20.3(1)	26
% of employees having completed at least one training course during the year	90%	85%	88%
Number of employees on permanent contracts who had an appraisal interview	113,000	108,947	106,687
% of the workforce on permanent contracts	93%	93%	94%
The Group's payroll expenses (in EUR billions)	9,955	9,289	9,764
Rate of voluntary staff turnover (permanent contracts)	8.2%	6.2%	9.4%
Turnover rate, excluding Russian, Indian and Romanian subsidiaries	5.7%	4.2%	4.4%

(1) *The number of training hours dispensed and amounts spent on training were impacted by the unexpected health crisis at the start of 2020. Face-to-face training modules were suspended at the start of the crisis. The Group adapted and transformed its programmes and offered new remote training alternatives to maintain the employee training programmes.*

To tackle high staff turnover (partly attributable to local employment patterns), the Group's subsidiaries in some locations, particularly in Russia, India and Romania, have launched targeted HR actions to improve employee engagement and retention. Actions focus on benefit packages, working conditions and career progression.

5.4.1.3 Risks related to non-compliance with internal social regulations and rules and poor working conditions

The Group must comply with various regulations regarding labour law and, more broadly, human rights (compensation and social rights, diversity and non-discrimination, dialogue with employees, freedom of association, etc.), around the world. Societe Generale has also adopted internal rules for human resources management. Failure to comply could be detrimental to the Group's employees. It could also impact Societe Generale's ability to continue its activities, and expose it to certain legal and reputational risks. In addition, the Group strives to provide all its employees with working conditions and a work environment that are healthy and safe. Poor working conditions and the associated harm to employees' physical and/or mental health (as a result of high levels of stress, for example) would affect employee commitment and both individual and collective performance, thus impacting the Group's ability to implement its strategy.

The Group has set itself several key objectives in this respect:

- ensure regulatory compliance of employment relationships;
- ensure the Company's compliance with any regulations that affect human resources management processes (health and safety standards, duty of care, General Data Protection Regulations, MiFID II Directive, etc.);
- maintain a labour relations climate that is favourable to interactions with the Group's stakeholders (in particular employee representative bodies and employees) by guaranteeing freedom of association and fundamental rights for its employees;
- fight against all forms of discrimination at work and promote professional equality and diversity in the Company;
- guarantee the health and safety of persons in the workplace and in the exercise of their work.

To ensure compliance in its employment relations and human resources management processes, the Group:

- monitors labour law developments in all countries where it operates;
- arranges for Human Resources to be involved in regulatory proposals;
- routinely updates its human resources information systems (HRIS) in line with regulatory developments (on a Group-wide or local basis, as appropriate).

5.4.1.3.1 MAINTAINING A POSITIVE LABOUR ENVIRONMENT

The Group's commitment to labour relations is demonstrated by:

- **a global framework agreement with UNI Global Union on fundamental human rights, renewed in February 2019** covering all staff (see the Group's Duty of Care Plan, page 346). In line with the 2015 agreement on fundamental freedoms and the right to organise, this new agreement includes additional commitments on:
  - preventing misconduct,
  - countering discrimination and promoting diversity in all human resources management processes (a subject already introduced in the initial agreement),
  - maintaining a working environment conducive to health, safety and satisfying working conditions for all employees.

  Regular discussions are held with UNI Global Union on the agreement and the application of these commitments. In addition, an annual follow-up meeting is held between UNI Global Union representatives, the Bank's CSR and Human Resources Departments, and representatives of the Group's trade unions. Several meeting were held in 2021, the most recent in November;
- **numerous collective agreements signed with social partners** on working conditions (working hours, employment conditions, remuneration and benefits, etc.) and the Company's strategic projects. These agreements cover compensation and employee benefits (in 56% of the entities that signed agreements), working conditions, labour relations practices and equality at the workplace. In 2021, 157 agreements were signed within the Bank, covering 62% of the workforce (compared with 161 in 2020).

5.4.1.3.2 PROMOTING THE HIGHEST STANDARDS OF CULTURE & CONDUCT AND APPLYING AN APPROPRIATE SANCTIONS POLICY

Societe Generale is extremely vigilant when it comes to complying with regulations, internal rules and procedures and the ethical principles governing its business activities. The policy framework includes:

- **a Group policy on inappropriate conduct in the workplace,** introduced in 2019 with the aim of preventing and countering any conduct that contravenes the principles enshrined in its Code of Conduct, especially any form of bullying or sexual harassment. It encourages awareness-raising actions on misconduct, in particular through training for managers and Human Resources teams, and reminds employees that the perpetrators of such acts will be subject to disciplinary measures that may entail the termination of their employment contract (see report on Corporate Culture and Ethics Principles);
- **a whistleblowing framework**, set up for the entire Group, allows an employee or external and occasional co-worker to report a situation of which they are aware and which does not comply with the rules governing the conduct of the Group's business or with expected ethical standards, or which could violate applicable laws and regulations. This may include situations of inappropriate behaviour or alleged threats to the health and safety of individuals (see the Group's Duty of Care Plan, page 339 and A Code of Conduct underpinned by shared values, page 275);
- **a global disciplinary policy** published in 2019 formalises the principles and best practices in relation to sanctions (right to make a mistake, non-tolerance of misconduct, sanction decisions taken collectively and proportionate to the seriousness of the misconduct, ultimate responsibility of the manager in applying the principles and sanction decisions, follow-up on sanctions). This policy is transposed in all Group entities into operating procedures and supplemented by a list of disciplinary actions. The key indicators are communicated to General Management.

5.4.1.3.3 PROMOTING EQUAL EMPLOYMENT OPPORTUNITY AND DIVERSITY

Societe Generale has a range of policies, actions and processes to promote equal opportunities and diversity, including in particular:

- **a Diversity and Inclusion policy,** reflecting the Group's determination to recognise and promote all talents, regardless of an employee's beliefs, age, disability, parental status, nationality, sexual or gender identity, sexual orientation, membership of a political, religious or trade union organisation, or any other factors that could give rise to discrimination. It aims to create the conditions for an inclusive organisation offering equal treatment, through various fields of action:
  - fight against all forms of discrimination,
  - communicate, raise awareness, train,
  - create a work environment and management that is conducive to inclusion,
  - champion diversity and inclusion at governance-level within the Group;
- **sponsorship** at the highest level of the organisation, led by Diony Lebot (Deputy Chief Executive Officer);
- **a Diversity and Inclusion Committee,** with members from the Business and Services Units Management Committees. Its main mission is to define the Group's diversity and inclusion aims and guidelines as well priorities on a yearly or multi-year basis;
- **a special team** tasked with promoting diversity and inclusion through a network of sponsors to roll out the Group's commitments in the Business and Services Units in France and in our international locations;
- **ambitious targets,** including a gender equality target of increasing the number of women in senior management positions to 30% by 2023;
- **even more robust public commitments in 2021:**
  - signing charters to foster gender diversity: *#JamaisSansElles, Financi'Elles* and Towards the Zero Gender Gap,
  - signing the *Autre Cercle* Charter (a French non-profit promoting an inclusive workplace for LGBT+ professionals),
  - signing the new Parenthood in the Company Charter,
  - taking part in the first diversity survey conducted by *Club 21e siècle*, an organisation formed to promote diversity at all levels of society, to measure social and cultural diversity at the top echelons of France's large corporates;

- **in addition to our commitments in prior years, through:**
  - signing the Women's Empowerment Principles in 2016,
  - signing the ILO's "Global Business & Disability" Charter in 2016,
  - supporting the UN's guiding principles on the fight against LGBTI* discrimination in 2018,
  - renewing the global agreement on fundamental rights with UNI Global Union in 2019, the collective agreements signed with trade unions in **France**:
    - 2020-2022 three-year agreement promoting the employment and professional integration of people with disabilities,
    - an agreement on gender equality in the workplace;
- **practical management, awareness and training actions** (see below, Focus on diversity in the Company).

The Duty of Care Plan also includes a focus on the risk of discrimination at work (see the Group's Duty of Care Plan, page 339).

FOCUS ON DIVERSITY IN THE COMPANY

With more than 131,000 employees of 141 nationalities working in 66 different countries, and with 57% of its employees working outside of France, Societe Generale reiterates its commitment to making equality, diversity and inclusion a reality for all employees and a managerial priority for the Group.

Diversity is a matter of both ethical responsibility and performance, and the Group has thus maintained its objective of promoting women and international candidates to positions of responsibility and seats on Societe Generale's management bodies. To achieve this, it relies on certain key measures, including:

- monitoring indicators in respect of women and international employees, *i.e.* their representation within high-potential pools and succession plans, promotions, pay rises, grades and classes, etc.;
- more collegiality in the appointment of senior executives (see Chapter 3.1.5 Diversity policy within Societe Generale", page 96);
- a review of the inclusiveness of certain social policies (to ensure, for example, that they take into account different family models).

As part of its commitment to implementing a strong diversity policy, the Group has also rolled out a range of awareness-raising and training initiatives around diversity, including:

- a "diversity and inclusion" playlist available to all Group employees *via* the e-learning platform;
- awareness campaigns aimed at all employees on why diversity and inclusion are important and the impact of unconscious bias;
- development of inter-generational cooperation through specific programmes, reverse mentoring and focus groups.

The Group's commitment to diversity is also evident in:

- including questions on diversity and inclusion in the Employee Satisfaction Survey to gauge their experience and introduce targeted actions to make our environment more inclusive;
- support for in-house employee networks working to promote inclusion (Women@SG, WAY, Pride&Allies, etc.).

Staying with diversity and inclusion, 123 entities covering 98% of the Group's workforce are implementing local actions to strengthen gender equality, 78 entities covering 87% of the Group's workforce are carrying out local actions to support employees with disabilities, 55 entities covering 73% of the Group's workforce have actions under way for employees aged 50 and over, and 70 entities covering 85% of the Group's workforce are working to promote inclusion and professional integration. For more information, see the Report on Diversity and Inclusion.

5.4.1.3.4 GUARANTEEING HEALTH AND SAFETY AT WORK AND CONTINUOUS IMPROVEMENT OF WORKING CONDITIONS

Societe Generale's **health, safety and satisfactory prevention policy, applicable Group-wide,** aims to provide each employee with a safe working environment in respect of both the workplace and working practices that guarantees their safety and their physical and psychological well-being. The appropriate expertise and resources are mobilised to implement this policy, which involves:

- monitoring the office layout plans and the ergonomics of the workstations;
- awareness-raising and preventive actions to ensure physical and mental health at work;
- recommending regular medical check-ups for all employees, in accordance with local regulatory requirements;
- incorporating a set of commitments on health, safety and working conditions into a global agreement on fundamental rights signed with UNI Global Union;
- ensuring employees are able to exercise their whistleblowing rights (see the Report on Corporate Culture and Ethics Principles).

The Group's longstanding commitment to offer the best possible working conditions by:

- **ensuring a minimum level of social, health and welfare protection for all its employees worldwide**. To date, nine out of ten employees benefit from a supplementary company health or personal protection plan, and one of the objectives set by the Group is that each employee should have coverage amounting to two years' salary in the event of death;

- a **safety and security master plan,** prepared by the Security Division for France and provided to international branches and subsidiaries as best practice, in addition to the safety and security rules that apply in their locations;
- **continuous monitoring of risks** that may have an impact on people's health and safety as well as social risks (see Focus on the prevention of psychosocial risks, below), and targeted prevention actions to reinforce the safety and security culture in the Group.

  The management of risks related to health, security and personal safety is included in the Group's Duty of Care Plan on human rights and the environment (see the Group's Duty of Care Plan, page 346);
- **a Life at Work programme that promotes well-being in the workplace.** Launched in 2015, the Life at Work programme breaks down into six topics: individual and collective efficiency; health and prevention; remote working and new organisational models; the working environment; support during key life events; and change in managerial culture, in particular through training and awareness initiatives in connection with the Leadership Model and the Culture & Conduct programme;
- **a raft of measures to make the workplace and working conditions better,** either through this programme or in addition to it. They include a charter on work-life balance, a flexitime policy, making changes to the workspace, etc. (see the Report on Occupational Health and Safety);
- **the opportunity to support partner organisations** through skills sponsorship programmes (see the Report on Corporate Culture and Ethics Principles).

A CLOSER LOOK AT PREVENTING PSYCHOSOCIAL RISKS

Societe Generale established its general policy on preventing psychosocial risks several years ago as part of its ambition to provide a safe and healthy working environment for all employees.

This policy is applied by:

- all Business Units and Service Units, which are tasked with raising awareness and ensuring employees have good working conditions. BUs and SUs can draw on the tools available from the Group's Human Resources Department;
- managers, who receive custom support when they are affected by reorganisation plans. They are trained to detect and handle warning signals;
- employees considered to be vulnerable to direct them towards the right supports and help them get back to work.

Psychologists are also available for employees, in addition to the support available from the Occupational Health Department. The objectives of the Group's policy on psychosocial risk are:

- provide time for employees in complicated situations to talk and be listened to by an external psychologist;
- help employees to resolve specific problems, possibly by providing support and guiding them towards appropriate solutions.

The Group offers training in preventing psychosocial risks for employees, HR personnel and managers.

As most people were working from home in 2021, Societe Generale took practical steps to identify, assess and prevent this type of risk:

- providing employees with a kit to help identify psychosocial risks remotely;
- raising awareness about psychosocial risks and what resources are available for the HR function to mitigate them;
- webinars on the risks of an excessive workload, isolation and stresses that come with working from home.

Stress prevention initiatives are conducted in 118 Group subsidiaries and branches, covering 94% of Societe Generale's workforce. The aim is to inform, train and support employees that may encounter situations that pose psychosocial risks. Initiatives include programmes offering free assistance from healthcare or insurance partners, training and/or awareness-raising on psychosocial risks, surveys and evaluations to measure stress, and various leisure and relaxation activities. For example, the French branch network has developed mandatory training on psychosocial risks and a psychological support programme for employees that are victims of armed robbery or other forms of commercial-related attack. The Russian subsidiary Rosbank set up online psychological support for its employees and their families.

As the pandemic has upended our lives and changed how we work and how work is organised, the Group has stepped up its commitments to protecting the health and safety of its staff, notably by:

(see the Report on Occupational Health and Safety)

- **introducing remote working in 130 Group entities.** Triggered by the Covid-19 crisis, the Group successfully implemented group-wide working from home for all compatible positions. In January 2021, General Management signed a Remote Working Agreement with the French trade unions. The agreement entered into force on 4 October 2021 and stipulates that working from home is now a working arrangement available to all employees (*i.e.* whether on permanent or temporary contracts, interns, work-study participants or new hires). The agreement defines the principle and sets two days of remote working per week as the standard. Each BU/SU will decide how many days a week its employees can work from home, and will be able to increase or decrease the number depending on the activity involved. In implementing this agreement, the Group's entities adhere to all principles of equality, rules on working hours, the right to disconnect, and health and safety requirements for staff working from home. Alongside this agreement, the Group also rolled out preventive measures (particularly relating to the risks of isolation), communication campaigns, training and awareness-raising for both managers and employees, all adapted to each individual entity's level of experience with remote working;

- **measures to protect employees' health during the pandemic**, following the guidelines issued by the World Health Organization, the directives issued by the French authorities and recommendations applicable to the local context:
  - a Crisis Management Committee to coordinate measures across the Group, overseen by General Management. It is tasked with ensuring employees are protected and supervising the application or lifting of lockdown restrictions according to the local situation,
  - informing staff about the public health measures in place, in accordance with government guidelines,
  - offering vaccination to employees in Societe Generale's medical services in France,
  - e-learning modules for personnel in France on Covid-19 and how to protect themselves and others;
- **steps to ensure optimum, safe working conditions for hybrid working:**
  - informing employees about information security and cybersecurity risks and the precautions to take,
  - strengthening measures aimed at providing psychological, medical and social support for employees (remote consultation, tailored psychological, direct lines to occupational health and social services),
  - workshops on managerial transformation as part of the Life at Work programme to guide managers in setting up hybrid working.

FOCUS ON THE EMPLOYEE SATISFACTION SURVEY

Societe Generale measures employee engagement through the Employee Satisfaction Survey, an annual and anonymous internal survey conducted throughout the Group in France and abroad.

Employees are asked to freely give their opinion and impressions on a range of topics related to corporate life. All answers are strictly confidential.

Shared with employees, the results serve as the basis for action plans and working groups, where necessary, in the spirit of continuous improvement.

The 2021 survey looked at the following topics:

- engagement, according to an indicator monitored since 2009;
- working conditions;
- Culture & Conduct;
- diversity and inclusion.

Here are some of the key findings from this year's survey:

- the employee engagement score was 66%, up 3 points on the 2020 figure. This can be notably attributed to an upturn in the employee satisfaction indicators regarding decisions taken by Societe Generale's Management team (63% *vs.* 56% in 2020);
- pride in belonging to Societe Generale came in at 76%, underscoring that employees are proud to work in the Group (*vs*. 75% in 2020);
- 89% of employees think that their manager encourages ethical and responsible behaviours (*vs.* 88% in 2019).

Since 2018, the members of the Group Management Committee have set shared collective targets including the employee engagement rate, which is measured by the Group's Employee Satisfaction Survey (see Report on Performance and Remuneration).

KEY INDICATORS LINKED TO RISKS RELATED TO NON-COMPLIANCE WITH INTERNAL SOCIAL REGULATIONS AND RULES AND POOR WORKING CONDITIONS

	2019	2020	2021
Number of different nationalities within the Group	136	137	141
% of non-French employees	56%	56%	57%
Number of collective agreements signed with social partners	205	161	157
% of workforce covered	66%	64%	62%
o.w. focused specifically on health and safety	*15*	*13*	*27*
% of women on the Group Strategy Committee (Top 160)	19%	21%	25%
Absenteeism rate(1)	3.5%	4.6%(2)	3.5%
Number of occupational accidents	747	524	570
% of the workforce targeted by prevention and information campaigns on health	98%	99%	99%
% of the workforce targeted by prevention and information campaigns on safety	98%	98%	98%
Number of employees able to work remotely(3) worldwide	32,000	54,700	77,671
% of the workforce benefiting from measures to promote work-life balance(4)	84%	87%	89%
Engagement rate	64%	63%	66%
Number of employees involved in the Group's initiatives to support the community	21,476	3,626	12,459
Number of days that employees devoted to initiatives to support the community	20,430	15,397	20,141

(1) The absenteeism rate is the ratio of the number of paid days' leave (paid leave covers sick leave, parental leave, and leave for other reasons) to the total number of days paid, expressed as a percentage. It is counted in calendar days and on the basis of the total headcount (workforce present multiplied by 365).

(2) The change in the absenteeism rate in 2020 was chiefly linked to the increase in the number of days absent for other reasons. Owing to the health crisis, employees had specific indemnities related to child care or due to health reasons requiring them to remain at home that were supported by the Group.

(3) Excluding remote working under the Business Continuity Plan.

(4) Any agreement, measure, action brought to foster work-life balance of employees as defined by the Charter of the "15 work-life balance commitments" which Societe Generale has signed.

5.4.2 BEING A RESPONSIBLE PURCHASER: THE POSITIVE SOURCING PROGRAMME

The Sourcing Function plays an important role in implementing the Group's CSR strategy. It helps give tangible form to our values and strives to ensure the Group's social and environmental commitments are achieved. First launched in 2006, Societe Generale's responsible sourcing policy is broken down into action plans over several years and involves the entire value chain, from expert partners to buyers and suppliers.

The Sourcing Division's 2021-2023 Positive Sourcing Programme (PSP) follows on from the 2018-2020 PSP. This sixth action plan will consolidate what has been gained thus far, working around two main priorities:

- the CSR Duty of Care Plan;
- promoting positive impact sourcing strategies.

In support of the plan, the Group's normative documentation (the Societe Generale Code) on responsible purchasing actions defines the measures to manage E&S risks.

Societe Generale's Sourcing practices are part of a continuous improvement process and in line with the rules of conduct and ethics applicable to purchasing annexed to the Global Agreement on Fundamental Rights with the UNI Global Union (see Being a responsible employer, page 314).

Implementing the PSP is also a Group commitment for Responsible Sourcing and Supplier Relations certification, awarded by the French National Ombudsman *(Médiation des entreprises)* and National Procurement Council *(Conseil national des achats)*. This certification, which is underpinned by ISO 20400: 2017 – Sustainable Procurement, attests to a company's commitment to establishing sustainable and balanced relationships with its suppliers.

When it signed the Responsible Supplier Relations Charter, Societe Generale was one of only four large French companies – and the first bank – to be awarded certification in 2012, which was renewed for a further three years early in 2019.

5.4.2.1 Improving E&S risk management during the sourcing process

5.4.2.1.1 E&S RISK IDENTIFICATION

This step consists of identifying whether a supplier's practices and/or a product or service purchased presents a potential E&S risk.

Identifying E&S risks related to products and services: risk mapping

E&S risk mapping for sourcing (created in 2018) covers over 150 sub-categories of products and services and allows purchasers to assess the CSR risks inherent to their purchasing categories. It identifies four risk levels, from low to high. The categories identified as representing the greatest risk include those related to building work (renovations, interior outfitting and construction work), waste management, as well as some categories related to IT equipment (such as mobile phones and workstation equipment).

Identifying E&S risks related to suppliers: Know Your Supplier (KYS)

In May 2020, the Sourcing Division reinforced the measures it had put in place in 2016 to monitor certain suppliers and manage the risks of corruption and reputational damage. The KYS process was extended to all suppliers representing significant sums or sensitive purchases for the Group. It now routinely conducts KYS checks at the outset of the business relationship as well as periodically over the contract term, in line with the supplier's risk level. Data protection is ensured by analysing the personal data involved in these measures ahead of time. What is more, supplier contract templates include the personal data protection stipulations required by law.

E&S ASSESSMENT (OF SUPPLIERS OR PRODUCTS/SERVICES IDENTIFIED AS PRESENTING E&S RISKS)

Once the Sourcing Division has identified an E&S risk, it conducts an assessment.

Assessing E&S risks related to products and services: Inclusion of CSR criteria in calls for tender

Based on the risks identified through E&S risk mapping in the sourcing process, the Sourcing Division (and the entire international Sourcing Function for high-risk categories) includes CSR criteria specific to each eligible purchasing category in its calls for tender. These criteria are weighted in the final choice of supplier according to the level of risk identified. Adapted to suit an international context, they are now available for use throughout the Group.

Assessing E&S risks related to suppliers: extra-financial evaluation

A non-financial evaluation is required to assess the CSR performance of suppliers under contract, those accounting for large purchase volumes at Group-level or representing the brand. The audit is conducted by an independent third party on their environmental and social performance, business ethics and subcontracting practices.

RISK MITIGATION

Sustainable Sourcing Charter and CSR clauses in contracts

Since April 2017, the Sourcing Function has routinely sent all its suppliers a copy of the Sustainable Sourcing Charter *(https://www.societegenerale.com/sites/default/files/construiredemain/12112018_sustainable_sourcing_charter_vf_eng.pdf)*. This Charter is the result of a joint initiative between French banking and insurance operators looking to involve their suppliers in the due diligence process. It sets out the Group's CSR commitments, obligations and expectations with respect to its suppliers, and has been translated into six different languages.

The reciprocal commitments set out in the Charter are based on the fundamental principles of the United Nations Global Compact as regards human rights, working conditions, the environment and countering corruption.

A CSR clause is included in all standard contracts used by the Sourcing Division in France and by the function abroad. It refers to the Group's Code of Conduct, the Sustainable Sourcing Charter and the possibility to conduct on-site CSR audits, as well as the requirement for non-financial evaluation of certain suppliers (see below). This clause aims to involve suppliers in the due diligence process with respect to human rights, working conditions (health and safety), the environment and the fight against corruption (see Chapter 4.11 Compliance Risk, section Anti-corruption measures, page 256).

On-site supplier audits

Under its CSR clause, the Group has the right to conduct CSR audits at suppliers' sites. Societe Generale has approved two external audit providers to assist it in this respect. Each year, the Group draws up an audit plan and performs an E&S risk analysis to identify the suppliers it will cover. In 2021, it approved action plans as a result of four supplier audits implemented with the Bank's peers in 2020. Action plans and remediation actions are currently being monitored with suppliers.

Training on E&S risks

Within the Sourcing Division, the contribution to CSR performance through the implementation of the Positive Sourcing Programme is part of the job descriptions of buyers and their managers. For categories involving high CSR risks, individual operational objectives have been set. When they take up their positions, buyers follow a Sustainable Sourcing training course, included in the in-house onboarding training for new hires.

By end-2021, all the Group's professional purchasers in France and in 16 other countries had received training on responsible sourcing and E&S risk management tools.

In addition, the Group's short awareness-raising motion-design video, made in 2020 to present its sustainable sourcing programme, was made available to all employees that are occasionally involved in purchasing on the Group intranet.

5.4.2.2 Developing positive-impact sourcing

Three priorities have been defined for the 2021-2023 Positive Sourcing Programme and in line with the Group's CSR ambition:

- supplier relations: the Sourcing Division aims to set an example in its relations with all suppliers, in particular SMEs. Societe Generale was the first bank to sign the SME Pact in December 2007 and it continues to uphold its commitment to SMEs, remaining attentive to their concerns and conducting regular satisfaction surveys. The most recent survey started in December 2021. Action plans based on the findings will be set in motion in 2022;
- the Social and Solidarity Economy (SSE): the Group continues its efforts to support SSE initiatives to the tune of EUR 12.4 million in expenditure in 2021;
- climate: Societe Generale joined the UN-convened Net-Zero Banking Alliance (NZBA) in 2021. It is committed to cutting carbon emissions by 50% between 2019 and 2030 by reducing energy consumption in its buildings, for IT and by rethinking the use of flights and cars for business travel. The Sourcing Division will advise Group entities and help manage air/car travel to steer them towards meeting these targets;
- the Group is also banning single-use plastics from the workplace by 2025, and sooner if possible in some regions.

For more information, see the Sourcing and Suppliers page at *www.societegenerale.com*: *https://www.societegenerale.com/en/responsability/sourcing-and-suppliers/our-commitments/focus-our-sustainable-sourcing-practices.*

	2019	2020	2021	Target
Total Group purchasing	EUR 6.1bn	EUR 5.5bn	EUR 5.9bn	N/A
Proportion of suppliers under contract within the target scope that had a non-financial evaluation by an independent third party	77%	80%	89%	90%
Average invoice payment time (weighted by amount)	33 days	31 days	27 days	30 days
Proportion of calls for tender in high-risk purchasing categories that included CSR criteria	94%	100%	99%	100%
Average weighting of CSR criteria in the tender process	14%	14%	14%	N/A
Expenditure directed to SSE structures	EUR 12.9m	EUR 10.1m	EUR 12.4m	EUR 10m
Proportion of purchasers trained in sustainable sourcing	100%	100%	100%	100%

More detailed information on all indicators here: *https://www.societegenerale.com/sites/default/files/documents/Document%20RSE/corporate-social-responsibility-group-key-figures.xlsx.*

5.4.3 BEING A COMPANY THAT CARES ABOUT THE ENVIRONMENT

5.4.3.1 Direct impact of the Group's business

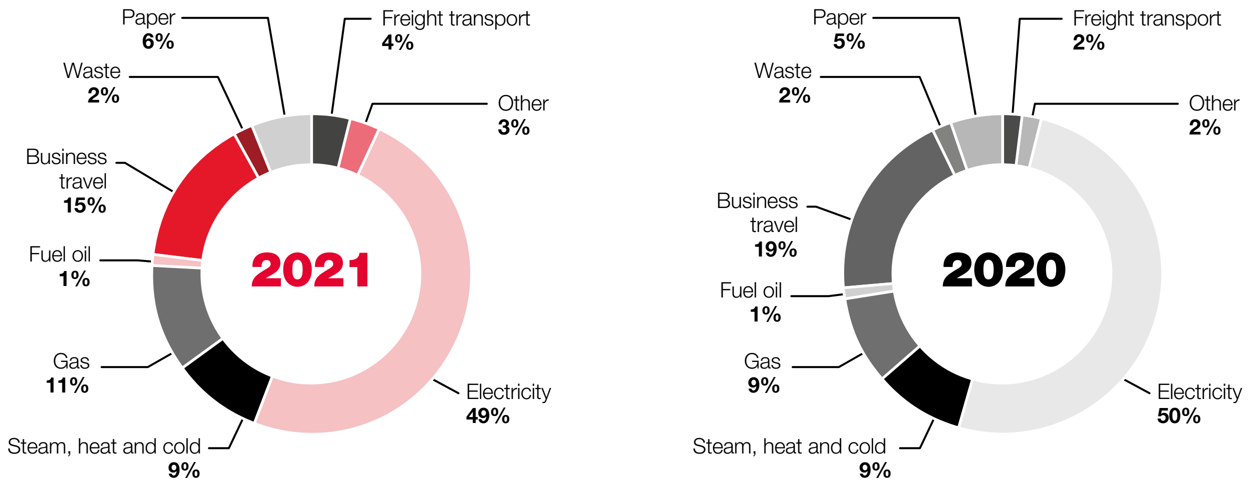
5.4.3.1.1 MANAGING CO_2 EMISSIONS

Societe Generale looked deeper in 2021 into reducing its own direct emissions, based on the Net Zero Emission by 2050 (NZE) scenario. The analysis reviews the major sources of the Group's emissions (energy for buildings, IT, air travel and fleet of cars) and showed a binding pathway for the Group to reduce carbon emissions by 50% (in tonnes of CO_2 eq.) in the period 2019 to 2030.

The main levers identified concern:

- energy: use more renewable energies and reduce energy consumption post-pandemic in line with new ways of working (remote working, reducing the Group's building footprint);
- air transport and fleet of cars: travel less and make business travel greener (use cleaner travel options, for example by switching company cars to electric vehicles, using more efficient routes or airlines);
- IT: the Group keeps a very sharp eye on its IT carbon footprint and has a special programme in place to reduce it, CSR by IT (see the section on the Responsible Digital Charter, page 284 and on Information Systems and IT infrastructures, page 327).

BREAKDOWN OF THE GROUP'S DIRECT CO_2 EMISSIONS IN 2021 AND 2020



Transport of goods, including transport of funds

		2019	2019 recalculated[(1)]	2020	2020 recalculated[(1)]	2021
Overall Group carbon footprint	T CO_2 eq.	298,517	292,741	221,691	221,829	190,939
Carbon footprint per occupant	T CO_2 eq./occ.	2.12	2.38	1.82	1.81	1.55
Scope 1[(2)]	T CO_2 eq.	26,722	26,722	23,195	23,999	24,415
Scope 2[(3)]	T CO_2 eq.	142,294	143,791	116,642	118,495	110,981
Scope 3[(4)]	T CO_2 eq.	129,501	122,228	81,854	81,363	55,849

(1) *Change in method explained in the Methodology Note, on page 331 and a change in scope witwh new consolidated subsidiaries (Chile, Colombia, Peru, Bulgaria).*
(2) *Scope 1 covers direct emissions related to energy consumption and fugitive emissions of fluorinated gases.*
(3) *Scope 2 covers indirect emissions related to energy consumption (external electricity, steam and chilled water).*
(4) *Scope 3 covers GHG emissions from all office paper consumption, business travel, transport of goods, energy consumption of data centres hosted in France and waste since 2017. In addition to satisfying a clear and firm demand from its stakeholders, the Group's consideration of its direct environmental impact is also a key factor in employee engagement and a source of innovative solutions.*

Historical data were recalculated following the change in methodology. For further details see "Methodology note", page 331

What the Group is doing to protect the environment

INTERNAL CARBON TAX AND THE ENVIRONMENTAL EFFICIENCY AWARDS

An annual carbon tax is levied on each of the Group's entities, based on their greenhouse gas emissions (EUR 25/tonne CO_2 eq. in 2021, up from EUR 10 before). The proceeds of the tax go to rewarding the best initiatives within the Group to reduce its direct environmental impact and generate savings (see *https://www.societegenerale.com/en/news/all-news/internal-environmental-efficiency-awards-encourage-change*).

Since the pandemic derailed plans for the 2020 Environmental Efficiency Awards – although the Group carbon tax was still levied – the 2021 awards cover the best initiatives in both 2020 and 2021. Savings in 2020/2021 amounted to EUR 17.8 million, 13.5 GWH and 21,700 tonnes of CO_2.

AN ECO-SCORE INTRODUCED FOR PURCHASING IN FRANCE TO HELP DECISION-MAKING (PURCHASE OF PROMOTIONAL ITEMS)

To inform decisions on whether or not to work with some suppliers, the catalogue of promotional items for French entities now includes an "eco-score". In addition to the Group's rigorous supplier quality and sustainability requirements (see Being a responsible purchaser: the positive sourcing programme, page 323), an expert has assigned a score to each item representing its environmental and social impact.

The score is calculated based on seven criteria: provenance of the products, raw materials used, type of marking and ink, how recyclable it is, durability, packaging, labelling and the standards it meets.

5.4.3.1.2 RESPONSIBLE USE OF RESOURCES

Renewable energies

Societe Generale is committed to the energy transition. All the Group's Corporate Centre buildings in France have been powered by renewable electricity since 2015, through Guarantees of Origin and the Power Purchase Agreement (PPA) signed in November 2019 for 27 GWh/year, which came into force on 1 January 2021 for three years.

In July 2021, Societe Generale and Crédit du Nord signed a new PPA to supply the Group with green energy directly from a wind farm in France. The two-year contract will cover 20% of the branch network's annual electricity needs as of 2022. The aim is not only to guarantee a fixed tariff for the contract term, but also to provide traceability on the source of the power and to support the development of made-in-France renewable energy by offering power generators a guaranteed revenue over several years. What is more, the deal will shrink the French branch network's electricity carbon footprint by 76% – a cut of 874 tonnes of CO_2 per year.

Societe Generale and Crédit du Nord also signed their first guarantee of origin agreement in 2021 to supply renewable French biomethane gas to power the 545 branches equipped with gas boilers. This three-year contract will reduce the French branch network's gas carbon footprint by 80% per kWh, which equates to 4,341 fewer tonnes of CO_2 emitted per year. The agreement will support the renewable energy sector in France and help to develop the biomethane sector in France and Europe.

ALD Automotive announced that all of its French-based sites will be powered by French-sourced wind power from 1 January 2021 (guaranteed by an independent third party), under its Move 2025 strategy to put sustainability at the heart of what it does.

In the international market, the Group's subsidiaries are also on a green trajectory using a range of levers, such as better energy efficiency in buildings and optimising their real estate footprint. Several of the Group's international subsidiaries have also embarked on the process of obtaining energy efficiency certificates for some of their buildings, such as in Romania, Germany and Luxembourg, something more of our European subsidiaries are doing.

Others, located in Africa, generate their own energy through solar panels installed on their buildings (Ghana has been doing this since 2015) or by equipping their bank branches or independent branches (in Algeria, Morocco and Côte d'Ivoire) to produce enough power to meet all or part of their electricity needs.

Real estate (optimising the Bank's buildings: surfaces, technologies and accessibility)

Moving beyond energy supply, Societe Generale is also intent on continuing to make its buildings more energy efficient.

French regulations (Decree on reducing energy consumption in service sector buildings, July 2019) require users to reduce building energy consumption by 40% by 2030, compared with 2019. The Real Estate Division has set up an energy pilot programme to achieve this ambitious goal for buildings larger than 1,000 sq. m.

For corporate centre buildings in the Paris region, carbon emissions have been cut to 30 gCO_2 per kWh.

The French Networks have set up a system to monitor consumption of utilities at Group sites, installing smart meters for water, electricity and gas at the 192 most energy-intensive Societe Generale sites. These smart meters provide continuous monitoring and detect any unusually high consumption, which automatically triggers an on-site investigation. In addition, the Group invested in a software program in 2018 that analyses the monthly consumption of all the network's branches, enabling them to identify where remedial action is needed.

As the Group intensifies its CSR efforts, the Real Estate Division is working with all sites both in France and abroad to improve building energy efficiency.

The Real Estate Division's 2021 -2025 programme to manage the changes to corporate buildings and workspaces to keep pace with remote and hybrid forms of working that emerged during the pandemic illustrates its active embrace of Societe Generale's transformation. The programme seeks to provide answers for BUs/SUs as they grapple with three issues: the need for performance, combined with the challenges of providing clients and staff with a seamless digital experience and the changes to jobs and how we work. The division also works with international entities interested in embarking on similar programmes. Key points include:

- responding to changes in the French Retail Banking business and the customer relationship model, digitalisation and automation of operations, and reconfiguring the layout of Bank branches;
- adapting business premises to factor in the needs of the disabled;
- using materials and equipment that are compliant with the latest standards, and eliminating older and less energy-efficient technologies: for example, replacing oil-fired boilers with gas boilers or high-performance reversible air conditioners that emit less CO_2 and systematically installing low-energy lighting. As part of this transformation programme, seven Group entities in Lyon now occupy approximately 5,000m^2 of office space in the same property complex, chosen partly for its environmental certifications (BREEAM NC 2016: Very Good; *HQE Bâtiment Durable: Excellent*) – a move that will reduce their CO_2 emissions by 50%.

The Real Estate Division regularly works with contractors from the sheltered employment sector, in particular for facilities management services (removals, cleaning, etc.).

Information systems and IT infrastructures

Societe Generale has a long-standing commitment to responsible digital technology. Since signing the Sustainable IT Charter in 2019, the Group has drafted an official policy with its IT Departments that focuses on nine key goals. This "CSR by IT" policy was rolled out in 2020 and 17 working groups formed. Its goals cover the entire life cycle for IT systems and data, from design right through to the end-use of digital services. The Group is working on introducing standards for IT architecture and project management, defining KPIs to assess its impacts, raising awareness within the IT Function and among users, reducing electricity consumption, developing green online applications, reducing waste from digital services and ensuring responsible use of data and new technologies such as artificial intelligence. A sourcing policy and responsible employer commitments round out these measures (see also the Responsible IT Charter, page 284).

In addition, the IT Departments in France have initiated their own campaigns:

- designing a calculator to measure the carbon footprint of the Group's IT system;
- migrating legacy datacenters to new-generation, more energy-efficient datacenters in France and in international locations;
- gradually introducing green energy to power its IT infrastructures;
- reducing digital waste through two complementary partnerships:
  1. giving a second lease of life to IT equipment for which the Bank no longer has any use. In France, end-of-life equipment is sent to Recyclea in the supported and sheltered employment sector, under a 2019 agreement. Where possible, equipment is reconditioned for resale to other companies within France and throughout Europe. Any items that cannot be reconditioned are sent for recycling in France,
  2. purchasing reconditioned devices. In 2019, Societe Generale partnered with a French SME to offer its employees telephones reconditioned in France;
- promoting recruitment of people with disabilities through two parallel initiatives:
  1. integrating and supporting employees with disabilities, with assistance from *Mission Handicap*,
  2. sourcing from businesses in the supported and sheltered employment sector. The Group's principal IT Departments set themselves targets in 2018 with a view to increasing the proportion of IT services sourced from the supported and sheltered employment sector,
  3. making the Group's digital services accessible.

The priority in 2021 was on developing modules and formats specifically dealing with responsible digital technology to raise awareness and train IT function staff.

Travel

French Retail Banking launched Mobility Transition in 2020, an initiative to green its fleet of cars, which accounts for 60% of Societe Generale's entire fleet. It has three aims:

- comply with new government regulations designed to push carmakers into producing greener cars. One of the main pieces of legislation is the Mobility Law[(1)] (LOM);
- fit in with the overall CSR strategy to shrink the Group's impact on the environment;
- optimise costs.

Three engine types were chosen after studying the data – electric, hybrid and petrol. The type of vehicle depends on need (distance and usage analysis) and priorities. Lease terms have been extended from 48 to 60 months. Under these new rules, the Group ordered 47 electric cars in December 2021. From a financial perspective, reducing the fleet and switching to greener vehicles will save Retail Banking's vehicle budget around 9% in operating expenses over the period 2021-2022.

With more electric vehicles comes the need for more charging points. Retail Banking is in the process of a call for tenders for large-scale installation of charging points at its branches in France. Optimisation of the fleet should be complete by 2023 with all diesel engines phased out.

In another pilot to encourage cycling, French Retail Banking installed a shared electric bike station (only in Marseilles for now), using a solution offered by ALD Automotive and its partner GREEN ON.

Remote working

A growing number of Group entities are trialling remote working, with more than 77,671 individuals worldwide working from home under normal circumstances (compared to 54,730 in 2020) – an increase of 42% on 2020.

	2019	2020	2021
Energy consumption			
2025 target: reduce consumption by 35% compared with 2014	-19%	-30%	-32%
Total energy consumption *(MWh)*	687,590	589,750	580,777
Total electricity *(mWh)*	512,122	441,984	421,823
Share of green energy in Group electricity consumption *(%)*	48.9	50.5	52
Real Estate			
Group real estate *(m²)*	4,000,000	3,250,000	3,170,788
Corporate centre buildings ISO 50001 certified (number)	22	22	21
Mobility			
Km travelled by all employees	423	272	201
Raising awareness on responsible use of digital services			
No. of employees who took the Responsible Digital MOOC (short version developed in 2020 by the Institut du Numérique Responsable (INR), a French think tank)	N/A	N/A	10,900[(2)]

(1) Drafted by the Ministry of Transport, the Mobility Law (Loi d'Orientation des Mobilités, LOM) overhauls France's December 1982 transport rules. Its aim is to improve transport links and make everyday mobility easier for all. Achieving these aims means new regulations on using different forms of transport: cars, bicycles and mopeds, public transport, etc.

(2) At 31 January 2022.

5.4.3.1.3 WASTE MANAGEMENT

The circular economy

Societe Generale intends to reduce consumption and waste of resources and is also taking steps to cut down on food waste.

Tackling food waste

In 2019, Societe Generale signed the Charter against Food Waste and joined the non-profit *La Défense des Aliments* to team up with other companies from the business district to tackle the scourge of food waste. In line with this commitment, the Group entered into a partnership with another non-profit, *Le Chaînon manquant**, for the collection of leftover food from its cafeterias at La Défense. In 2021, *Le Chaînon manquant* collected over 534 kg of food (*vs.* 2,000 kg in 2020) and used it to distribute 1,068 meals (4,000 in 2020). In the majority of cafeterias, the remaining waste is then sorted and methanised. The Group also works with a third non-profit, *Phenix**, to cut food waste and raise awareness about more responsible practices. *Phenix* collects food left over from the Group's big corporate events, which it then gives to local charities. In addition, three more cafeterias at La Défense and Val-de-Fontenay followed the Societe Generale cafeteria's lead and signed up for the Too Good To Go app in 2021. Employees can use the app to buy reduced-price salads and sandwiches left over after the lunch rush. 897 meal baskets were sold in 2021 under this partnership.

In France, the requirement to sort bio-waste at source has been brought forward to 31 December 2023 under new legislation. But, without waiting for this deadline, the Group has already acted to introduce measure to process and reuse bio-waste. Since September 2020, all leftovers from the Group's cafeterias at La Défense have been composted by *Les Alchimistes*[(1)] (specialist in the collection and composting of organic waste). It produced 18 kg of compost from 100 kg of food waste. Located close to collection sites (no more than 10 and 15 km away), *Les Alchimistes*' teams collect the waste from the Group's canteens in electric vehicles. Last year, it collected 50 tonnes of waste and generated 9 tonnes of compost.

Paper

Societe Generale has reduced paper consumption (the main consumable used by service activities) by a range of measures in place across the Group, including good printing practices, moves towards digital rather than paper resources, and using recycled paper.

A Societe Generale representative sits on the Board of Directors of CITEO, a not-for-profit company formed from the merger between *Eco-emballages* and *Ecofolio* that promotes the circular economy.

Societe Generale is increasingly digitising its product offering to make its services greener, more practical and more economical. French Retail Banking customers with life insurance or individual personal protection policies now have the option to go paperless and receive secure online statements and due date notices on their website for private customers. To get the paperless system up and running Retail Banking offered customers the option of digital statements and documents. 43% of life insurance and individual personal protection policyholders said yes. Groupe Crédit du Nord introduced paperless for its customers in December 2019. It is estimated that the move could amount to savings of more than 2 million letters to French Retail Banking and Crédit du Nord customers every year.

In another innovation for its customers, Societe Generale launched its first debit card made from recycled materials in 2021. French Retail Banking features the Smurfs for the card, echoing the United Nations' Small Smurfs Big Goals Campaign (to call attention to the 17 Sustainable Development Goals).[(2)]

These exclusive new Visa Evolution, Visa and Visa Premier cards in the Planet Smurfs Collection are made from 85.5% recycled materials and offered to individual customers. (They use recycled PVC so there is no extra cost involved).

This new manufacturing process could be extended to all Societe Generale cards. The Group's new services reflect its commitment to protecting the environment and these recycled PVC cards are part of a responsible approach to managing bank cards:

- made in France according to the strictest standards;
- limited quantities to avoid overproduction;
- eliminating a lot of correspondence, using recycled paper and developing online services;
- waste collection, recycling and recovery system with certified partners.

Waste management

The Group strives to minimise the direct impact of its waste on the environment through recycling. Selective sorting in five streams (paper and cardboard, metal, plastic, glass and wood) is widespread in all Societe Generale branches and central buildings.

To encourage employees to sort their waste, individual waste bins are no longer provided in the new flexible workspaces in Corporate Centre buildings. Recycling sorted by category in "print corners", kitchens and cafeterias are essential to improving waste management in these buildings. On top of this, waste is further sorted before disposal where possible, resulting in an additional 20% improvement in sorting of ordinary industrial waste (OIW).

All the waste sorted in Corporate Centre buildings in 2021 was recycled, including paper (newspapers, sheets of paper, ads, boxes), plastic bottles, paper cups, cans, glass, wood, bulky equipment and furniture items, and, since September 2020, bio-waste from the cafeterias in Tours Societe Generale at La Défense.

For the most part, non-recycled waste (which includes surgical masks under government recommendations) is converted to energy in incinerators for use in urban heating.

The Group is also spreading the word amongst employees about the importance of steering clear of plastics and using recyclable materials. In November 2021 it committed to banning single-use plastics from the workplace by 2025, and earlier if possible, depending on location.

(1) See more information (in French) on Les Alchimistes here: https://alchimistes.co/valorisation-biodechets-compostage/.

(2) In 2017, the United Nations kicked off its Small Smurfs Big Goals Campaign to encourage the general public to buy into the 17 Sustainable Development Goals adopted by the 19 UN member states in 2015. For more information, see https://www.un.org/press/en/2017/envdev1775.doc.htm.

Furniture

As how we work changes with more remote and hybrid working, the Group Real Estate Division is tasked with transferring occupants and outfitting workspaces in the Paris region. It is responsible for the supply and management of furniture (offices, meeting tables, chairs, cupboards, lockers, cloakrooms, etc.) for buildings according to entities' needs.

When a new furniture bid is selected, the old furniture is stored until it can be used in new office layouts. But, some items do not meet the standards for new layouts.

In keeping with the Group's CSR policy and to reduce storage costs, the Real Estate Division offers office furniture in good condition, which has been checked and reconditioned by an external company, to employees to set up a home office, following the new agreement on remote working. Items in large quantities, like cabinets, were passed on to brokers, professional resellers specialising in these second-hand markets (850 m^3 were offered for resale in 2021). Items in smaller quantities were donated to organisations in the *Talents & Partage*[(1)] network. Any obsolete items that could not be sold were collected for recycling by *Valdelia.*[(2)]

Reduction of digital-related waste

For more information on this issue, see Information systems and IT infrastructures, page 327.

	2019	2020	2021
Waste management			
Waste production *(in tonnes; including methane gas production)*	14,653	11,633	9,402
Total waste recycled *(tonnes)*	8,432	5,224	3,950
Total paper[(1)] *(tonnes)*	8,978	6,506	5,713
Proportion of paper recycled	44%	41%	42%
Reduction of digital-related waste			
Items recycled by Recyclea	30,000	47,615	40,488

(1) Including office paper, documents for customers, envelopes, account statements and other types of paper.

Please refer to *https://www.societegenerale.com/sites/default/files/documents/Document%20RSE/corporate-social-responsibility-group-key-figures.xlsx* for all indicators.

(1) Talents & Partage is a community outreach group formed in 1994 by Societe Generale employees and retired employees. For more information (in French), see https://talents-partage.org/.

(2) Valdelia is a non-profit environmental organisation approved by the French Ministry of the Ecological and Solidarity Transition formed on 31 December 2012. It is responsible for organising the recycling of end-of-life business fixtures and furniture. For more information (in French), see http://www.valdelia.org.

5.5 METHODOLOGY NOTE

This note presents the corporate social responsibility (CSR) reporting methodology used by Societe Generale. This methodology is also explained in detail in the Group's reporting protocols, available on request.

5.5.1 REPORTING PROTOCOLS

Information included in the Universal Registration Document (URD), the Responsibility section of the Group's website *(www.societegenerale.com/en)* and other Societe Generale communications, as well as the Group's Integrated Report in respect of financial year 2021 and previous years, has been prepared on the basis of contributions from the Group's internal network of CSR officers and in accordance with the CSR reporting protocols and CSR initiatives programme. Part of the quantitative and qualitative data was provided by the Planethic Reporting tool, used to standardise collection of information on management and monitoring indicators. Reporting is coordinated by the Group's CSR Department, which reported to the Group Corporate Secretary at 31 December 2021.

The Group regularly organises programmes to bring contributors and managers on board and familiarise them with the reporting process and the tool, with a view to improving data reliability. The reporting protocols are updated on a regular basis. New protocols were drawn up in 2021 and include indicators designed to offer a more precise assessment of the extra-financial risk factors identified as being the most material to Societe Generale.

5.5.2 DATA COLLECTION

The following data collection methods were used for the reporting scope:

- for social, environmental and business data, the bulk of the quantitative indicators are collected by each Group entity using the Planethic Reporting tool. Data collectors enter their subsidiary's data, which are approved by validators who perform post-input checks, then by administrators who check and validate the data at core business level and lastly by cross-functional administrators (Sustainable Development Department) at Group level, who carry out the final checks prior to consolidation;
- the Group's Sustainable Development Department collects other data directly from the CSR officers for each core business or from the relevant division (Sourcing Division, Risk Department, Human Resources Department).

5.5.3 REPORTING PERIODS

Social, procurement, sponsorship and business data

Quantitative indicators are calculated for the period running from 1 January 2021 to 31 December 2021 (12 months), with data taken as at 31 December 2021.

Environmental data

Quantitative indicators are calculated for the period running from 1 October 2020 to 30 September 2021 (12 months), with data taken as at 30 September 2021.

5.5.4 CSR CONSOLIDATION SCOPE

The entities included in the reporting scope satisfy at least one of the following criteria:

1. entity in which the parent company, Societe Generale SA (SGSA), directly or indirectly holds a controlling interest of over 50%. By definition, all branches are wholly-owned, since there are no shareholders;
2. entities in which SGSA holds a controlling interest of at least 20% but less than 50% and over which SGPM has significant influence as regards management and financial policy; in particular, entities whose management team has been appointed by Societe Generale and whose activity is regularly monitored by the Group's core businesses.

The CSR consolidation scope included 154 companies within the Group's financial consolidation scope at 31 December 2021.

5.5.5 INDICATORS

An information campaign aimed at all contributors is rolled out at the start of the data collection period, providing the data collection schedule, a Group guideline and a protocol for each category of indicators. The protocols serve as a reminder of indicator definitions and application criteria.

The 2021 indicators were selected with a view to satisfying the legal and regulatory requirement for the Group to present a consolidated declaration of extra-financial performance (Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code), as well as in light of the Group's CSR strategy and the decision to align as closely as possible with the GRI (Global Reporting Initiative) core option.

For the most part, these indicators cover a global scope. When not global, the scope is specified in parentheses or in this Methodology Note.

5.5.6 SCOPE AND RULES FOR CALCULATING EMPLOYMENT-RELATED INDICATORS

The workforce taken into account for all employment-related indicators (unless explicitly stated otherwise) corresponds to the total number of employees on either permanent or fixed-term contracts (including work-study contracts), regardless of whether they are present or on leave.

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

The absenteeism rate is the ratio of the total number of paid days' leave (sick leave, parental leave or other types of leave, such as for bereavement, moving house, getting married, looking after a sick child, as well as any unjustified absence*) to the total number of days paid, expressed as a percentage. It is counted in calendar days and calculated on the basis of the total headcount (workforce present multiplied by 365).

Data were collected on 131,293 employees. Societe Generale therefore estimates the coverage – i.e. where at least the data on occupants and surface area were provided – to be approximately 100% of the workforce.

5.5.7 SCOPE AND MAIN MANAGEMENT RULES FOR PROPRIETARY ENVIRONMENTAL INDICATORS

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 Societe Generale headcount. Data were collected on 131,293 employees. Societe Generale therefore estimates the coverage – *i.e.* where at least the data on occupants and surface area were provided – to be approximately 100% of the workforce.

5.5.8 RESTATEMENT OF HISTORICAL DATA

In the interests of transparency and comparability of data, the emissions for the reference years and for 2019-2021 are given in the table of quantitative data published on the Group's corporate website.

Reported data for previous financial years do not correspond to data adjusted for changes in scope.

5.5.9 ENVIRONMENTAL DATA: GENERAL RULES

Environmental data are calculated on the basis of invoices, direct readings, information received from suppliers and estimates. The reported data is managed by means of the following checks and ratios:

- any variations in environmental indicators compared to the previous year are flagged and contributors receive alerts asking them to check the data recorded if the variation exceeds 30%;
- data collected on energy, office paper and transport are 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^2);

* *Unjustified absence = when an employee misses work but their line manager agrees, exceptionally, not to dock their pay.*

- with a view to continually improving data reliability, qualitative questions (requiring answers in the form of written comments) are used to identify the various data scopes and best practices, and to understand variations from year to year;
- with the exception of the Societe Generale France network, most subsidiaries consolidate their data in the Group's reporting tool. The Sustainable Development Department centralises the reporting of transport and paper consumption data for France based on data from the Sourcing Division.

The number of occupants covered corresponds to the average number of Societe Generale employees or subcontractors working on-site during the reporting period, as at 30 September 2021.

Coverage of the data collection scope for each indicator corresponds to the ratio of the headcount of all entities that provided data for the indicator in question to the total Societe Generale headcount at 30 September 2021.

Methodology changes.

In 2021, the Societe Generale Group decided to review its methodology for calculating its carbon footprint in connection with car travel:

- until 2020, the Group had calculated the resulting emissions based on the distance travelled, multiplied by an emissions factor for each country defined according to manufacturer's data on g/km of CO_2 emitted;
- this changed in 2021 and the calculation is now, wherever possible, based on the actual fuel consumption (in litres), multiplied by a single emissions factor for the specific type of fuel used (as provided by ADEME*). If the data needed to perform this calculation is not available, then the previous method (distance travelled multiplied by an emissions factor for each country defined according to manufacturer's data on g/km of CO_2 emitted) is used and an uplift applied.

	Unit of measure	Jan-Dec 2019	Jan-Dec 2019	Jan-Dec 2020	Jan-Dec 2020	Jan-Dec 2021
			New method Car travel		New method Car travel	New method Car travel
CARB19C: CO_2 emissions due to business travel by car	tCO_2e	24,865	17,320	22,465	22,158	23,435

5.5.10 CALCULATION OF GREENHOUSE GAS EMISSIONS

Calculation of the Group's greenhouse gas (GHG) emissions breaks 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, waste, and energy consumption of French data centres.

CO_2 emissions are calculated according to the GHG Protocol.

5.5.11 MAIN MANAGEMENT RULES FOR SPIF AND SPI INDICATORS

In order to support clients in their sustainable transformation initiatives, the Group has devised two measurement standards to follow up action plans:

- Sustainable and Positive Impact Finance (SPIF) to monitor credit and/or leasing activities, and/or to help customers develop their positive impact activities;
- Sustainable and Positive Investment (SPI) for wealth and asset management activities, including the structuring of products aimed at both institutional and individual investors.

5.5.11.1 Scope

Reporting of SPIF and SPI indicators began in 2018 and was broadened in 2019, 2020 and 2021 with the aim of gradually including as many of the Group's businesses and regions as possible. The following methodology choices ensure consistency and reliability when filtering reporting results:

- annual production in loan volumes recorded in the Group's balance sheet or off-balance sheet, *i.e.* the SPIF indicator is based on the proportion borne by Societe Generale upon closing;
- annual production in investment products sold to clients;
- outstanding managed overall according to SPI criteria by Group entities;
- advisory activities, client services and/or hedging rates or exchange rates on SPIF and/or structured transactions with ESG indicators, designed to promote a sustainable and inclusive transition within the Societe Generale ecosystem, detailed separately from SPIF/SPI volumes (*e.g.* bond issuance mandates, custodian services, nominal hedging operations, etc.).

5.5.11.2 Sustainable and Positive Impact Finance (SPIF)

5.5.11.2.1 ANALYSIS FRAMEWORK

The SPIF framework is based on the UN's Sustainable Development Goals *(https://www.un.org/sustainabledevelopment/sustainable-development-goals/)*, but there are no specific impact measurements imposed for each SDG.

Various filters are used to ensure stringent selection of SPIF activities as regards:

1. compliance with the three pillars of sustainable development (economic, environmental and social):
   - financing of a dedicated project satisfying social and/or green guidelines, or financing of counterparts who primarily pursue activities contributing to the environmental transition and/or management of the common good (such activities must represent more than 50% of their overall business) and inspired notably by the SDGs,
   - an E&S risk approach which, in accordance with the commitment given in the Group's Duty of Care Plan (see page 346), complies with the environmental, social and human rights risk mapping conducted. This internal mapping serves to ensure that any financing with major negative externalities is excluded from SPIF-labelled commitments and that the Bank adheres to its ESRM obligations resulting from regulations or volunatry commitments made by the Group,
   - a financial analysis that takes into account the sustainability of the counterparty's operations by monitoring internal rules of engagement;
2. external guidelines: work on the green taxonomy by the European Commission's high-level expert group (HLEG), which will continue to be fed into the Bank's analysis process, as will the frameworks defined by the European Investment Bank (EIB) and the UNEP-FI. NB: as a co-founding partner of the Positive Impact Finance Initiative coordinated by the UNEP-FI, Societe Generale has developed an analysis of this methodology, which it uses for dedicated transactions in the global banking segment (Global Banking and Investor Solutions). On that score, the scope of activities used in the methodology was broadened in 2021. Following the publication of the EU green taxonomy, the SPIF framework was widened to include taxonomy-eligible activities which were previously out of scope. In addition, on back of the introduction of legislation on the energy consumption of new buildings in France ("RE2020"), financing activities for new housing in mainland France were also added to the SPIF framework. Information on the resulting increase in SPIF volumes is detailed in footnote (2) under the Main Key Figures table on page 295.

5.5.11.2.2 EXCLUDED ACTIVITIES

The guidelines on social commitments and contributions to the common good are not exhaustive. On health, for example, the guidelines used are limited to the financing of hospitals/care facilities, retirement homes and medical equipment (mainly radiology and imaging). Similarly, the Bank's commitment to job creation is only with reference to programmes co-financed with multilateral partners or pursued within a very specific positive-impact framework.

SPIF is a far more restrictive concept than that of financing the real economy.

5.5.11.3 Sustainable and Positive Investment (SPI)

ANALYSIS FRAMEWORK

To be considered SPI-compliant, investment products must meet one of the following criteria:

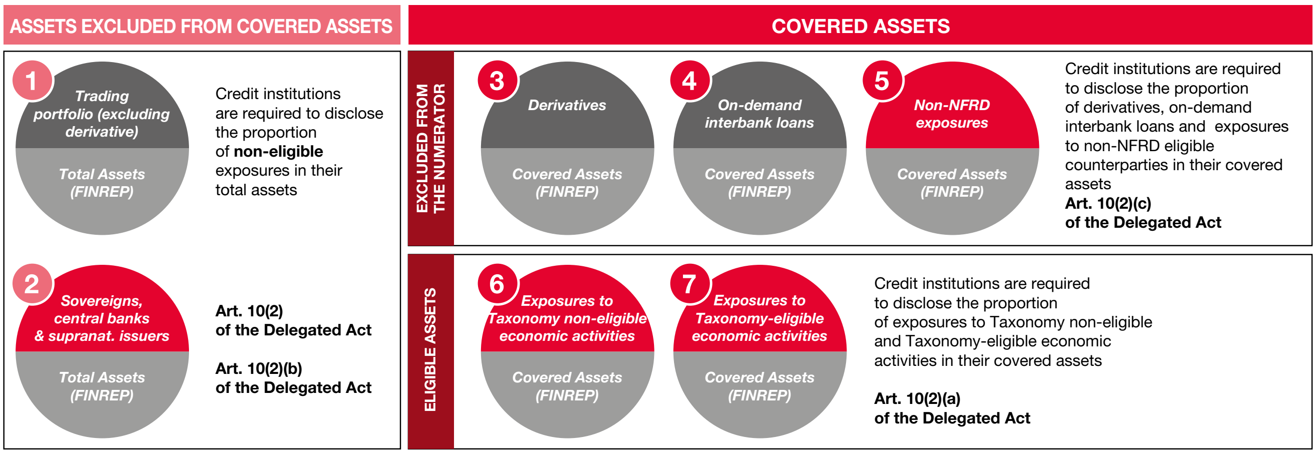
1. structured products put together with an ESG selection (positive impact and/or exclusion) that filters out at least 20% of the eligible investment universe;
2. investment products involving Articles 8 and 9 of the SFDR* regulation;
3. investment solutions for which Societe Generale commits to holding on its balance sheet an equivalent value in Positive Impact Finance assets or loans to counterparties with a high rating based on the ESG Research team's criteria (see structured notes or cash investment products for corporates);
4. products with a “solidarity” or “sharing” component, involving return-sharing or a donation, or risk-taking on the amount invested, of more than 20%.

NB: these guidelines have been developed by the Asset Management, Private Banking and Markets teams and by Societe Generale Assurances. They have been prepared with reference to existing market guidelines.

The advisory, proxy voting and ESG reporting services offered by Societe Generale Securities Services are mentioned but not included in SPI production.

5.5.12 PERFORMANCE INDICATORS AND QUALITATIVE DATA TO IMPLEMENT THE EU TAXONOMY REGULATION

Under the **EU's Non-Financial Reporting Directive (NFRD), transposed into French law through the Declaration of Extra-Financial Performance (DEFP)**, credit institutions are required to report annually on the alignment of their activities with the EU Taxonomy, based on the scope of their prudential consolidation. Although these reporting requirements will not fully enter into effect until 2024, credit institutions must **report on certain indicators from Q4 2021. This includes, in particular, disclosing the proportion of Taxonomy-eligible financing in their portfolios.** The following diagram details the regulatory reporting requirements for Q4 2021.



Numerators in grey are based on FINREP aggregates

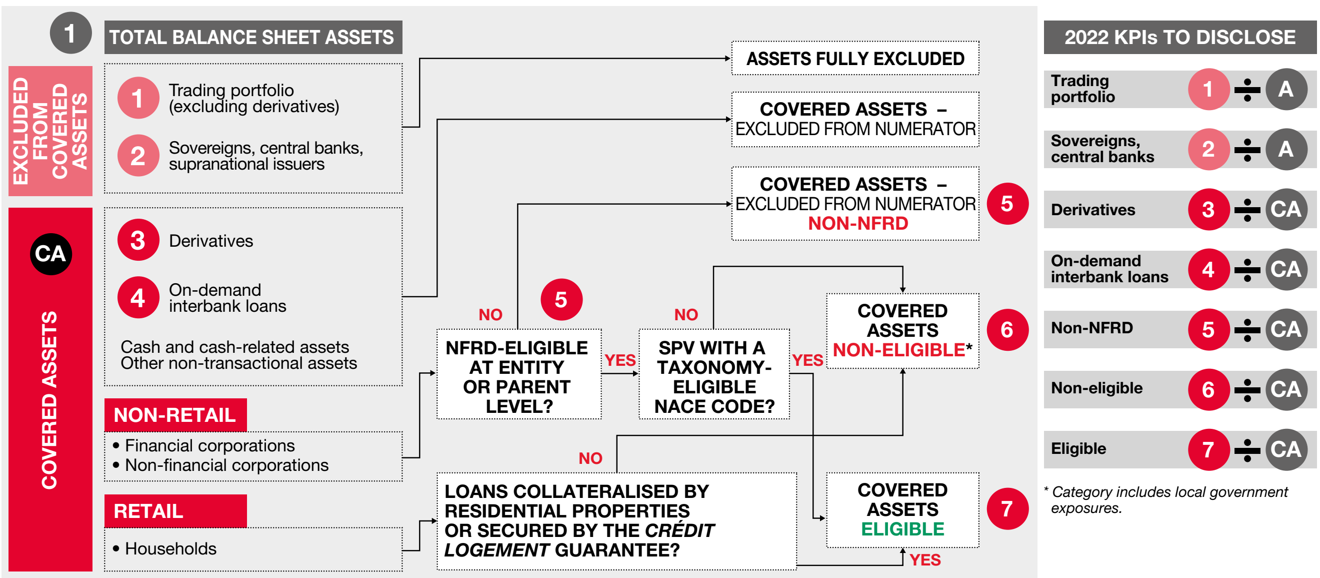
Numerators in red are either based on new ESG concepts or require a higher level of granularity than that provided in the FINREP statements

The Group has calculated the data needed for the requisite disclosures based on the EBA's recommendations and the European Commission's FAQs, and used the FINREP reporting format, which is employed when communicating with the banking supervisors. The difference between the balance sheet used to produce quantitative data required under the Taxonomy Regulation and the prudential balance sheet lies in the different treatment of provisions for the various assets, which are included in the prudential balance sheet but excluded when calculating the Taxonomy Regulation metrics. In accordance with the European Commission's FAQs, the Group has not used proxies to identify eligible assets. It has taken a conservative approach: in the event of any doubt as to a counterparty's eligibility, due to insufficient data, the Group considered it non-eligible. NFRD eligibility was assessed at the level of both the counterparty itself and its parent company, based on the following criteria: (1) EU residency, and (2) headcount in excess of 500 at the reporting date, in addition to which the European Commission's FAQs rule out using the main activity (*i.e.* the NACE code) as an eligibility criterion, making virtually all of the Group's corporate exposures are automatically non-eligible.

The FAQs also stated that loans to local government authorities were deemed to be non-eligible this year owing to their not being subject to the Taxonomy Regulation, which was confirmed by the French Tax Administration, making the use of data from these public entities impossible. Car loans will only become eligible as from 1 January 2022 and thus were deemed non-eligible at 31 December 2021. Home improvement loans were deemed non-eligible as they could not be separately identified on the balance sheet, typically being included as part of the overall financing for the property.

Mortgage loans secured by a guarantee (such as the *Crédit Logement* guarantee, for example) were, however, considered eligible and accounted for most of the Group's Taxonomy-eligible assets.

The following chart sets out the decision-making process used to determine eligibility for the various FINREP balance sheet items, with a view to producing the performance indicators presented on page 296.



5.6 INDEPENDENT THIRD PARTY'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your company (hereafter "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended 31st December 2021 (hereafter referred to as the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereafter referred to as the "Information") prepared in accordance with the entity's procedures (hereafter referred to as the "Guidelines"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments:

The management of the E&S risks is implemented in the different Business Units, but the controls, and notably second-level controls, must be reinforced and systematized in order to ensure an effective and homogeneous implementation across the Group.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

It is the responsibility of the Board of Directors to:

- select or establish appropriate criteria for the preparation of the Information;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy); and to
- implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's procedures, the main elements of which are presented in the Statement.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on:

- the entity's compliance with other applicable legal and regulatory requirements, in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax avoidance legislation;
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000 (revised)[1].

(1) ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Means and resources

Our verification work mobilized the skills of eight people and took place between October 2021 and February 2022 on a total duration of intervention of about sixteen weeks.

We conducted about fifty interviews with the persons responsible for the preparation of the Statement, in charge of either the risk analysis, the definition and the implementation of the policies, the collection and the control of the information, or the writing of the texts published.

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the main risks;
- we assessed the suitability of the Guidelines with respect to their relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- we verified that the Statement includes each category of information provided in article L. 225-102-1 III regarding social and environmental matters, as well as the information provided in the second paragraph of article L. 22-10-36 of the French commercial Code regarding the respect for human rights and the fight against corruption and tax evasion;
- we verified that the Statement provides the information required under article R. 225-105 II where relevant to the main risks and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French commercial Code;
- we verified that the Statement presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation; including, if relevant and proportionate, the risks created through its business relationships, products or services, policies, actions and results, of which the key performance indicators associated with the main risks are part;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators selected, in accordance with the main risks and the policies presented, and
  - corroborate the qualitative information (actions and results) that we considered to be the most important (presented in the annex). For certain risks (the fight against corruption, tax evasion, and cybercrime as well as the protection of personal data), our work was carried out on the consolidation entity. For the other risks, our work was carried out on the consolidating entity and on a selection of Business Units (BUs) and Service Units (SUs)[1] listed hereafter: French Retail Banking, Crédit du Nord, International Banking Networks (Africa, Mediterranean Basin & Overseas, Networks and Europe), ALD Automotive, Client Relationships, Financing and Advisory Solutions, Financial Market Activities, Private Banking & Asset Management for Business Units; General Secretariat, Human Resources & Communication, Risks and Compliance for Service Units;
- we verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with article L. 233-16 of the French commercial Code, within the limitations set out in the Statement;
- we obtained an understanding of the internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important (presented in the annex), we implemented:
  - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions,
  - detailed tests based on samples, consisting of checking the correct application of the definitions and procedures and reconciling the data with supporting documents. This work was carried out with the contributing entities listed above and cover between 10% and 23% of consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of the entities included in consolidated scope.

We believe that the work we have carried out by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

Paris-La Défense, the 9 March 2022

French original signed by:

Independent third party

EY & Associés

Caroline Delérable

Partner, Sustainable Development

(1) The full list of BUs and SUs is available at www.societegenerale.com.

Annex: information considered as the most important

SOCIETAL AND BUSINESS INFORMATION

Qualitative Information (Actions or results)	**Quantitative information** (Key performance indicators and coverage)
▪ Definition and deployment of voluntary commitments. ▪ Identification and management of E&S risks posed by transactions and clients. ▪ Approach for analysing and managing (direct and indirect) climate risks. ▪ Implementation of both approaches, Sustainable and Positive Impact Finance (SPIF) and Sustainable and Positive Investment (SPI).	▪ Number and new funding of transactions subject to an E&S review (12% of the new funding for the transactions reported in Corporate and Investment Banking, including 12% for the transactions under the Equator Principles scope). ▪ Number of Corporate and Investment Banking clients that have undergone an E&S reputational risk assessment (10% of the clients assessed during the year). ▪ Total production in SPIF-compliant financing commitments (14% of new funding) and total SPI-compliant assets under management (23% of the assets).

SOCIAL INFORMATION

Qualitative Information (Actions or results)	**Quantitative information** (Key performance indicators and coverage)
▪ Management of jobs and skills.	▪ Share of positions filled through internal mobility (16% of the workforce). ▪ Average number of hours of training per employee (16% of the workforce).

ENVIRONMENTAL INFORMATION

Qualitative Information (Actions or results)	**Quantitative information** (Key performance indicators and coverage)
▪ General environmental policy.	▪ Reduction of the carbon footprint per occupant since 2014 (17% of the Group's GHG emissions) including review of GHG emissions (tCO2e) scope 1, 2 and 3 (scope 3 including paper consumption, business trips, freight transport, energy consumption of data centers hosted in France and waste production).

5.7 GROUP'S DUTY OF CARE PLAN

5.7.1 INTRODUCTION

Purpose

Societe Generale is subject to the French Act of 27 March 2017 on the duty of care for parent and subcontracting companies (the Duty of Care Act). This law requires the Group to prepare and implement a duty of care plan to identify risks and prevent serious breaches of human rights, fundamental freedoms, or damage to the health, safety and security of persons and the environment as a result of its activities. The plan must include risk mapping, measures to assess and mitigate the risk of serious breaches and monitoring of their implementation, as well as a whistleblowing system. This document sets out a summary of the main aspects of the Duty of Care Plan and includes the report on its effective implementation.

Over the years, the Societe Generale Group has voluntarily adopted procedures and tools to identify, assess and manage risks related to human rights, fundamental freedoms, health and safety and the environment as part of how it manages its Human Resources, supply chain and businesses. Over the past four years, implementation of this regulatory obligation has provided Societe Generale with the opportunity to clarify and strengthen its existing framework as part of a continuous improvement process.

Scope of application

The Group's approach to its duty of care is based on the common foundation of human rights and fundamental freedoms as well as environmental issues. The human rights and fundamental freedom issues identified based on reference texts such as the Universal Declaration of Human Rights (1948) and the International Labour Organization's fundamental conventions are: forced labour and slavery; child labour; respect for the rights of indigenous peoples; rights of ownership; discrimination; freedom of association; health and safety; decent workings conditions; decent pay; decent social protection and the right to privacy. Environmental issues identified based on The Rio Declaration on Environment and Development (1992) are: climate change and air quality; preservation of water resources and their quality; responsible land use; preservation of natural resources; preservation of biodiversity and minimisation and treatment of waste.

This Duty of Care plan is being rolled out across all consolidated companies over which Societe Generale exercises exclusive control[1] (hereinafter the "**Group**"). It is structured around three pillars:

- **the Human Resources, Safety and Security pillar,** which aims to prevent the risk of serious violations in respect of human rights, fundamental freedoms or the health of Societe Generale Group employees;
- **the Sourcing pillar,** which aims to manage the risk of serious violations in respect of human rights, fundamental freedoms, health, safety and security and the environment associated with the activities of the Group's suppliers and direct[2] (*i.e.* level 1) subcontractors;
- **the Activities pillar,** which aims to prevent the risk of serious violations in respect of human rights, fundamental freedoms, health, safety and security and the environment that are directly associated with the Group's products and services.

Governance

The Duty of Care Plan was drawn up by the Corporate Social Responsibility Department, the Compliance Division, the Human Resources Department and the Sourcing Division, in association with the Legal Department and the Group Security Division.

The Plan and progress with implementing its measures are presented to General Management every year.

It is also included in the Management Report prepared by the Board of Directors and published in the Universal Registration Document.

Roll-out is coordinated by the Corporate Social Responsibility Department, the Human Resources Department, the Sourcing Division and the Compliance Division. The Business Units and Service Units are responsible for implementing the plan within their scope.

The Duty of Care Plan was devised in accordance with the principle of continuous improvement. How it evolves over time reflects the results of the risk mapping, regular assessments, developments in the Group's activities, new E&S commitments, and updates to the E&S risk management policies and tools.

(1) These are subsidiaries controlled directly or indirectly by Societe Generale, pursuant to Article L. 233-16-II of the French Commercial Code.

(2) Suppliers and subcontractors with whom the various Group companies maintain an "established commercial relationship", i.e. a direct, ongoing and stable commercial relationship (in accordance with the definition developed by French case law).

5.7.2 IDENTIFYING AND PRIORITISING E&S RISKS: MAPPING INHERENT ENVIRONMENTAL AND SOCIAL RISKS

A number of years ago, Societe Generale first began identifying the risks of breaches of human rights, fundamental freedoms, health, safety and security and the environment that are inherent it its activities (referred to as **inherent E&S risks**). This identification process, which served as the basis for the Group's existing E&S risk management tools and procedures, was completed by mapping the inherent E&S risks[1] for each of the three pillars.

These risks were assessed and then ranked based on both sector and geographic data. The assessments used information from recognised external databases[2] as well as internal experts.

Human resources, safety and security pillar

The Societe Generale Group operates in 64 countries and the Human Resources Department sees the local context as critical in the analysis of intrinsic risks and the policies and measures implemented to prevent them. The Group assesses exposure to risks of serious violations of human rights and fundamental freedoms, together with employee health and safety, in all its host countries to identify where and how operations are at risk and gain deeper insights into local issues.

Mapping of inherent E&S risks for the Human Resources, Safety and Security pillar was updated in 2021 using an external base[3] of indicators detailing the risk levels specific to the country and to financial sector activities.

For each subject area assessed, the following results present the proportion of Societe Generale's workforce operating in countries considered to have a high, medium-high and moderate inherent risk. The remaining employees are thus located in low-risk countries.

RESULTS

Risk exposure	Moderate	Average	High
Freedom of association and collective bargaining rights	4.6% of the workforce	None	None
Discrimination	29.5% of the workforce	1% of the workforce	None
Health and safety[1]	27.4% of the workforce	None	None
Working conditions[2]	34.7% of the workforce	0.3% of the workforce	None

(1) The figures presented here do not take Covid-19 health risks into account. They are not included in the data used. Employees are exposed to Covid-19 health risks in all the Group's countries of operation, and the Group has put measures in place to contain these risks in the workplace.

(2) Covers forced labour and modern slavery, child labour, decent working hours and decent wages.

With regard to freedom of association and collective bargaining, Societe Generale's countries of operation with a moderate risk for the banking sector are as follows: Algeria, Cameroon, China, Congo, United Arab Emirates, United States of America, Equatorial Guinea, Madagascar, Mexico, Turkey and Ukraine.

Following on from the global agreement on fundamental rights signed with UNI Global Union, and for the first time this year, Societe Generale dived deeper into the data for additional analytics, using the ITUC Index developed by the International Trade Union Confederation.

According to this index, which covers all sectors, the Group's workforce is spread as: 56.8% in countries to be low to medium risk, 18.3% in medium-high risk countries and 22.5% in high-risk countries.

The differences found between the results based on the ITUC and the Verisk Mapplecroft – Financial Sector indices will be examined with UNI Global Union throughout 2022.

In terms of discrimination, Societe Generale's countries of operation with a medium-high risk for the banking sector are: Cameroon, United Arab Emirates, Guinea, Chad and Turkey. The Group's moderate-risk countries of operation are as follows: Algeria, Benin, Brazil, Burkina Faso, China, Congo, Côte d'Ivoire, United States of America, Ghana, Equatorial Guinea, India, Japan, Madagascar, Morocco, Mexico, Russia, Senegal, Singapore, Tunisia and Ukraine.

Turning to health and safety, Societe Generale's country of operation with a moderate risk for the banking sector are. Algeria, Benin, Brazil, Cameroon, China, Congo, Côte d'Ivoire, United Arab Emirates, Ghana, Guinea, Equatorial Guinea, India, Madagascar, Morocco, Mexico, Russia, Senegal, Chad and Turkey.

Regarding working conditions, Societe Generale's countries of operation with a medium-high risk for the banking sector are Benin, United Arab Emirates and Chad. The Group's moderate-risk countries of operation are: Algeria, Brazil, Burkina Faso, Cameroon, China, Congo, Côte d'Ivoire, Ghana, Guinea, Equatorial Guinea, India, Japan, Madagascar, Morocco, Mexico, Romania, Russia, Senegal, Taiwan, Turkey and Ukraine.

(1) A distinction is made between inherent and residual risks. The latter are obtained after taking account of applying the measures to avoid the risks or mitigate their consequences.

(2) For the HR, Safety & Security and Activities pillars: Verisk Mapplecroft and Reprisk; for the Sourcing pillar: Transparency International, the World Bank Group, the ILO and UNICEF.

(3) Verisk Maplecroft.

Sourcing pillar

Inherent E&S risk mapping for the Sourcing pillar was based on the main purchasing categories for the banking sector (from a classification including more than 150 sourcing sub-categories in total). The risk level assessment for each purchasing category took in three main areas: business practices and ethics, the environment, human rights and employment conditions. Contextual factors were also built into the risk assessment for the purchasing category: supply chain characteristics (complexity, including the number of actors and distance from the intermediaries to the end purchaser) and labour intensity.

E&S risks specific to purchasing categories were mapped in conjunction with three other French banks in 2018, with the support of a specialised consulting firm. The mapping was subsequently updated and supplemented within the Group.

The inherent E&S risk levels of each purchasing category were then cross-referenced with the corresponding expenditure amounts per category to identify the share of Group purchases in medium-high and high-risk categories.

Results: within the scope analysed by the Sourcing Division, around 5% of the spend was on purchasing categories representing a high E&S risk, and around 9% on purchasing categories representing a medium-high E&S risk.

Amongst the high-risk purchasing categories, building work was found to bear the greatest risk (renovations and outfitting but also construction of new buildings), together with waste management and telephone and IT equipment.

Activities pillar

Societe Generale provides financial products and services to customers in many sectors, and some may expose it to E&S risks. As in prior years, the Group has identified and ranked E&S risks for each sector, based on external sources (including information on reputation and controversies) and on expert opinion.

It then cross-referenced the risk ratings obtained with the Group's activity data to identify the Group's exposure to E&S risk industries.

The risk management framework includes mitigation measures, in line with the more in-depth due diligence required for Societe Generale products and services directly associated with the most exposed activities and regions.

Results: as we noted in prior years, the industries most vulnerable to E&S are in the energy sector (fossil fuels and electricity generation), transport and logistics (especially automotive and aerospace), agriculture (especially upstream) – although risk has decreased dramatically in the soya business, industry, construction, chemicals, mining, forestry, textiles and defence.

The main risks identified in these sectors include higher climate risks, erosion of biodiversity, risks related to working conditions (including workplace accidents), risks of forced labour and child labour, and the risk of violating community rights.

25% of the Group's exposure[1] (a slight decrease on 2020) relates to sectors with high human rights and environment risks. Once geography is taken into account (*i.e.* mainly the quality of local E&S regulations), less than 10% of the Group's business as measured in terms of sector exposure is conducted in sectors or countries found to present E&S risks.

5.7.3 REGULAR E&S RISK ASSESSMENT PROCEDURES AND RISK PREVENTION AND MITIGATING MEASURES

The aim of the Duty of Care Plan is to provide an appropriate framework for managing E&S risks. In other words it should cover the main risks pinpointed by the risk mapping exercise and be correctly deployed in the Group. Accordingly, Societe Generale regularly reviews its E&S risk management framework to identify risks of serious violations that may not be adequately covered by the existing framework and to step up prevention and mitigation measures.

Human resources, safety and security pillar

The Group's assessment and prevention model is underpinned by a set of operational processes and systems, which are constantly updated to meet continuous improvement goals.

The Group defines specific guidelines for the various health and safety issues, as well as a set of HR policies applicable to the entire Group, which are then implemented by the Business Units and Service Units:

- **social dialogue and freedom of association:** governance of these issues at Group level is based on French labour relations bodies, which monitor working conditions and freedom of association. Societe Generale renewed its agreement on fundamental rights with the UNI Global Union in February 2019; This agreement covers 100% of the workforce and is based on implementing commitments that are discussed with the UNI Global Union on a regular basis;
- staff are also represented through a European Works Council;

(1) *Corporate exposures.*

- **discrimination:** Societe Generale demonstrates its determination to recognise and promote all talents through its Diversity and Inclusion policy, in place since 2019. The Group is committed to creating the conditions of an inclusive organisation in all its HR processes and entities, and prohibits all forms of discrimination. A Diversity and Inclusion Committee, with members from the BU and SU Management Committees, sets the goal and priorities and oversees progress towards achieving them;
- **health and quality of life at work:** the Group's Health policy is implemented by the entities working with local support teams (HR, logistics managers, occupational health, etc.). Each Group subsidiary defines a level of supplementary health cover depending on the compulsory scheme in its country and with a level of protection at least comparable to local market practices. Moreover, since 2019 the Group has been working to ensure a minimum level of social, health and welfare protection for all its employees worldwide. To date, nine out of ten employees benefit from a supplementary company health or personal protection plan;
- **safety and security:** the safety of people and property on Societe Generale premises is supervised by the Group Security Division within the Corporate Secretariat. A network of departments in the Group's entities is responsible for implementing policies to protect people, property and intangible assets. These teams aim to tighten the Group's safety culture, disseminate policies and measures to make its activities safer, and coordinate relations with national, European and international public safety authorities;
- **working conditions:** the Group has set the minimum age for employment at 16. Group entities are required to check the age of all new employees at the hiring stage. Furthermore, the Group prohibits all forms of forced labour. Societe Generale also strives to offer attractive and fair remuneration to nurture employee loyalty and boost the Group's performance over the long term. The compensation policy is based on principles of non-discrimination and other principles shared by all. It is then adjusted to the businesses and geographic areas in which the Group operates, taking into account market practices and contexts;
- in addition, the Group introduced further measures to protect employees' health and facilitate them as the Covid-19 pandemic accelerated trends in new ways of working. (See Guaranteeing employees' health and safety in the workplace and in performing their professional duties, and ensuring continuous improvement of working conditions, page 314).

These are backed by ensuring that everyone knows the rules and teams are trained in all our host countries. Societe Generale's training offer primarily targets the Risk and Compliance culture (including training in the Code of Conduct, ethics and E&S responsibility). It also offers training courses specific to each business line or function, thereby limiting operational risks.

Further information on what the Group is doing in this area is available in the Group's Declaration of Non-Financial Performance (DNFP) (Chapter 5 of the Universal Registration Document, see Being a responsible employer, page 320).

Sourcing pillar

The Group's normative documentation governs E&S risk management in terms of Sourcing and supplier relationship management.

Operational implementation of the normative documentation and management of E&S risks at all stages of the sourcing process are based on a set of tools to identify, assess and manage E&S risks at a granular level: product or service and supplier or service provider. These tools are used for purchases made by the Group Sourcing Division and at least for high-risk categories in the Sourcing function in other countries. They are being phased in across the Group. To support effective implementation of these E&S risk management measures in purchasing, dedicated training has been provided to all professional buyers. In addition, to make sure occasional buyers are mindful of what is at stake, a motion design video is available presenting the Group's sustainable sourcing programme.

To identify and assess risks, the Sourcing Division draws primarily on:

- E&S risk mapping for the various purchasing categories to identify the E&S risk category for the category in question;
- inclusion of E&S criteria in calls for tender involving purchasing categories ranked as medium-high or high E&S risk;
- inclusion of E&S criteria in the KYS (Know Your Supplier) assessment for shortlisted suppliers, including verifying compliance with the E&S exclusion list;
- non-financial assessment of certain "targeted"[(1)] suppliers by independent third parties;
- review of controversies.

Managing and mitigating risks involves:

- including E&S criteria in calls for tender covering the main risks for the category of purchases identified in the risk mapping, for categories with a medium-high or high E&S risk;
- weighting E&S criteria according to the degree of E&S risk represented by the purchasing category in question, according to the rating criteria for service or product bids;
- inclusion of a CSR clause into contracts that impose a binding commitment to abide by the Group's Sustainable Sourcing Charter and Code of Conduct, as well as a reference to the right to audit (to perform E&S audits if necessary) and a request for non-financial assessment of "targeted" suppliers;
- if E&S performance falls short:
  - encouraging remedial action plans,
  - option to conduct on-site E&S audits,
  - review of E&S controversies or changes in non-financial ratings.

(1) Suppliers accounting for large purchase volumes at Group level or directly representing Societe Generale brand.

At the end of 2021, and for procurement overseen by the Sourcing Division, the E&S risk management system covers all calls for tender in purchasing categories representing a medium-high or high E&S risk. For calls for tenders managed by the Sourcing Function in the international market for all high-risk E&S categories, suppliers must meet the Group's E&S requirements. E&S evaluation criteria are included in the bid analysis matrix.

The E&S risk management operational tools for procurement not overseen by the Sourcing Division has been simplified and made available for high E&S risk categories. Further information on Sourcing is provided on page 327, Being a responsible purchaser: the positive sourcing programme.

A questionnaire was prepared with an independent third party in 2021 for new supplier CSR audits in 2022 concentrating on service provision in two medium-high risk E&S categories.

Activities pillar

Societe Generale is subject to a set of regulations (anti-money laundering regulations, compliance with embargoes, legislation on personal data protection and on transparency, the fight against corruption and modernisation of the economy, etc.) that constitute the foundation of its risk management.

Beyond its regulatory obligations, the Group has also been developing processes to manage the E&S risks associated with its activities for over ten years. This risk management framework is applied based on E&S standards and commitments, a set of Group normative documents and their transposition into operating procedures, as well as the internal tools for practical implementation.

The E&S General Guidelines govern all its E&S commitments They include the cross-sector and sector-specific policies for those sectors deemed potentially sensitive from an environmental, social or ethical point of view. These policies notably describe the main risks of human rights violations or environmental damage, and set out assessment criteria for customers or transactions carried out with counterparts acting in these sectors.

The Group's normative documentation was updated in 2019 to include information relative to risk management processes and measures introduced to prevent these risks, especially who does what in each of these areas. Since then, most of the Business Units continued to gradually introduce E&S risk management into their operational processes, strengthened their centres of E&S expertise, and conducted specific training for teams working in sales, the Risk Division and the Compliance Division.

Last, the tools to identify and assess E&S risks, used internally in the Group, are also updated at least every six months, including:

- the E&S watch list of projects, companies or sectors/countries representing a high risk on E&S issues, designed to trigger a more in-depth due diligence on such sectors, projects or companies;
- the E&S exclusion list.

The E&S risk assessment procedures and risk control systems are described in more detail in the Universal Registration Document (see E&S risk management in the businesses to promote fair and responsible growth, page 285).

5.7.4 WHISTLEBLOWING PROCEDURE

Under the Duty of Care Act (as well as the French Act on Transparency, the Fight against Corruption and Modernisation of the Economy, known as the Sapin II Act), companies must have a whistleblowing procedure. To comply with both these laws, a Group-wide whistleblowing system is now in place in addition to existing measures. The French representative trade unions were consulted and the system proposed was presented to and discussed with French and European bodies before being introduced. The policy is now available at *www.societegenerale.com* and on the Societe Generale Group's intranet. It has been rolled out in France and other countries, and is now available in 21 languages. This is in addition to going through the managerial channel and direct referral *via* the Chief Compliance Officer, to whom the issue can be reported.

Whistleblowers can use the system to report any suspected, potential or actual serious and clear violations of an international commitment, a law or a regulation; in respect of human rights, fundamental freedoms, health and safety or the environment; and regarding behaviour or a situation that runs counter to the Group's Code of Conduct. It is available to all employees, as well as to external or temporary staff and service providers working with the Group on an established basis (as subcontractors or suppliers). It is hosted on a secure external platform offering the guarantees required by the French Act on Transparency, the Fight against Corruption and Modernisation of the Economy, namely protection of personal data and strict confidentiality of any information provided.

Whistleblowing is a right and no employee may be sanctioned in any way whatsoever for having made disclosures in good faith.

The Group's Code of Conduct reflects this whistleblowing process (see A Code of Conduct underpinned by shared values, page 275).

5.7.5 MONITORING OF DUTY OF CARE MEASURES

Societe Generale has developed management and reporting tools to comply with its extra-financial reporting obligations and monitor implementation of its E&S risk management processes. These tools provide the Human Resources Department, Security Division, Sourcing Division and Sustainable Development Department with key extra-financial performance indicators. A common extra-financial reporting system is in place throughout the Group and supplies the data needed for extra-financial reporting (Chapter 5 of the Universal Registration Document) and for the Duty of Care Plan.

Duty of care measures are also monitored by means of internal self-assessment exercises, to:

- monitor how E&S risk management processes are applied in Business Units, Service Units and further down the chain (at individual legal entity level);
- identify areas for improvement and monitor the ensuing action plans; and
- leverage additional indicators for monitoring the measures taken by the Group.

Human resources, safety and security pillar

Societe Generale uses controls to assess monitoring of applicable rules.

How well it manages its risks determines the Bank's ability to achieve its HR risk prevention goals. Therefore, which control systems it uses, and how they are determined and monitored all play a crucial role in the Company's performance.

For the sake of efficiency, the Group provides all its entities with normative documentation specific to the nature of the activities and taking into account all types of risk, including HR risks. This documentation is updated, disseminated, and accessible.

Societe Generale uses self-assessment exercises to assess risk mitigation measures.

Every year the Group asks all entities with more than 50 employees to contribute to two self-assessment exercises:

- one is on hedging operational risk (Risk control self-assessment). In 2021, entities were asked to emphasise major residual risks, Culture & Conduct, recruitment, psychosocial risks and emerging risks. The Human Resources Department, the Risk Division and the Finance Division are responsible for governance and controls relating to this exercise;
- the other is specific to correct application by the Group's entities of their duty of care. It is based on a questionnaire (Planethic Reporting) that covers how local policies and processes are implemented, as well as checks performed on all issues presented in the Universal Registration Document, Being a responsible employer on page 314. The Human Resources Department governs and consolidates these data.

Societe Generale assesses the satisfaction and well-being of its employees.

In addition to these measures, the Group gauges employee engagement and gathers direct feedback on working conditions through the Employee Satisfaction Survey, an annual anonymous internal survey carried out throughout the Group. The 2021 survey set out to gain insights on insight, Culture & Conduct, working conditions and diversity. The results, shared with employees, help to take the pulse of our workforce and their expectations and to read the labour relations climate. Based on the survey findings, action plans are implemented where necessary to continuously improve employees' daily working conditions.

Sourcing pillar

The Sourcing Division tracks E&S risk indicators on suppliers and calls for tender on a quarterly basis. For procurement overseen by the Sourcing Division:

- CSR tool sheets cover 100% of the purchasing categories representing a high or medium-high E&S risk (more than 50 tool sheets in total). These tool sheets are designed to help the Sourcing Division's buyers ask CSR questions or impose CSR requirements in respect of identified risks in the context of calls for tender;
- 99% of calls for tender in high E&S risk categories included CSR criteria;
- 89% of a targeted scope of suppliers under contract have an up-to-date non-financial evaluation conducted by an independent third party;
- a tool to help tackle controversies involving companies suspected of using forced labour in their supply chains was also developed;
- at 31 December 2021, 100% of the Sourcing Division's active buyers had received Responsible Sourcing training, as defined in the Group's normative documentation and in E&S risk management tools applicable to sourcing.

Activities pillar

The Group continued to implement procedures and controls aimed at managing E&S risks in its activities, drawing on the annual monitoring in the framework of the DNFP (see E&S risk management in the businesses to promote fair and responsible growth, page 285) and on the Compliance Risk Assessment.

The Compliance Risk Assessment was conducted in 2020 and looked in detail at E&S risks in 188 Group entities. It provided the Group with more granular detail over a wider scope on implementation of its E&S risk management frameworks and insights to define the necessary improvement actions.

These internal management tools have made it possible to assess:

- familiarity with the regulatory framework for managing E&S risks in the Group (E&S policies, E&S watch list, E&S exclusion list) and their transposition into the Business Units' own procedures;
- the Business Units with the highest exposure, that implemented particular procedures (transposing the Societe Generale Code) with respect to the environmental and social risk management system;
- implementation of Group procedures and associated controls, as part of the Group's permanent control system;
- human resources and skills devoted to E&S risk management;
- governance framework to address complex E&S issues at local level, before escalation to Group level;

- number of people trained in managing E&S and climate risks;
- number of customers and transactions that pose an E&S risk that were the subject of an in-depth E&S due diligence, as well as the main findings of these reviews.

The main findings confirmed that:

- Business Units are gradually applying the E&S exclusion list (81% at the survey date) and call on E&S experts for an in-depth review if they identify this type of risk (85% at the survey date);
- E&S expert teams have been created in the Business Units and additions have been made to second line of defence staff with dedicated E&S personnel;
- E&S KYC checks or E&S watchlists are being progressively introduced (69% of entities surveyed).

5.7.6 REPORT ON EFFECTIVE IMPLEMENTATION OF THE DUTY OF CARE MEASURES

Summary

Since publication of the Duty of Care Act, Societe Generale has continued to improve and implement its E&S management framework and measures for the HR, Safety & Security, Sourcing, and Activities pillars.

The main measures implemented in 2021 in this regard, detailed above in the Duty of Care Plan, as well as their main results, were:

Human resources, safety and security pillar

Results of applying the Duty of Care Plan in the Group's entities.

Among the entities located in high, medium-high or moderate risk countries on the topics assessed under the Duty of Care Plan:

Risks	Workforce exposure level
Freedom of association and collective bargaining rights	Entities that need to strengthen their employee representation systems employ **1.8%** of the workforce.
Discrimination	Entities that need to strengthen their checks to ensure that HR processes are non-discriminatory employ **0.3%** of the workforce.
Health and safety	Entities that need to step up checks that health and safety rules are implemented employ **1.6%** of the workforce.
Working conditions(1)	Entities that need to strengthen checks that working conditions meet International Labour Organization standards employ **0.7%** of the workforce.

(1) Covers forced labour and modern slavery, child labour, decent working hours and decent wages.

Looking at freedom of association and collective bargaining, staff representation systems were improved in Societe Generale in the following host countries: China, United Arab Emirates, the United States and Turkey.

On discrimination, policies, procedures and formalised rules were improved in the following host countries to ensure non-discriminatory HR processes: Algeria, United Arab Emirates, Equatorial Guinea and Ukraine.

As announced last year, reflecting the Group's commitment to diversity and to preventing all forms of discrimination, measures are in place as follows:

- consolidation of policies to stamp out harassment and establishment of internal audits to ensure compliance with the principles of non-discrimination;
- conducting the five additional checks included in the internal control system in 2020 (on preventing discrimination and legal obligations concerning employment of people with disabilities);
- creation of a Group department responsible for corporate culture, diversity and inclusion;
- a more muscular diversity and inclusion strategy, including campaigns to address unconscious bias and stereotypes, and proactive actions to increase the representation of women in senior management positions.

On health and safety, policies, procedures and formal rules on health and/or safety at work were improved in Societe Generale in the following host countries: Cameroon, United Arab Emirates, Equatorial Guinea, Madagascar, Morocco and Russia. More generally, steps have been taken across all Group entities worldwide to protect employees' health during the pandemic.

As for working conditions, policies, procedures and formalised rules were improved in the following countries of operation to meet International Labour Organization standards: Algeria, Congo, United Arab Emirates, Morocco, Romania, Russia, Chad and Ukraine.

The 2021 self-assessment exercise was performed in entities representing 100% of the Group's headcount.

Sourcing pillar

The main achievements in 2021 were:

- enhancements to the regulatory documentation since May 2021 with new obligations to include requirements in specifications (for high-risk E&S categories for the international function and purchasing delegated in entities), as well as E&S assessment criteria in bid analysis matrices (for high-risk E&S categories for the international function);
- review of 16 tool sheets that include E&S requirements and criteria for high-risk IT equipment categories, and creation of three tool sheets for moderate- or low-risk purchases;
- training provided to the Sourcing Function in all tools;
- monitoring of action plans based on the E&S audits in 2020 at some of our suppliers with the highest E&S risks;
- kick-off of groundwork in preparation for E&S audits in 2022 (drafting the audit questionnaires on two medium-high risk purchasing categories);
- procedure for managing controversies.

Results: for procurement overseen by the Sourcing Division:

- around 5% of the spending analysed was found to be on purchasing categories with a high E&S risk and 9% on categories with medium-high E&S risk. Building work (1,5% of Group spending) emerged as the highest risk category;
- CSR tool sheets cover 100% of the purchasing categories representing a high or medium-high E&S risk (more than 50 tool sheets in total). To meet specific challenges, 50 or so additional CSR tool sheets cover other purchasing categories;
- 99% of calls for tender in high E&S risk categories included CSR criteria;
- as at 31 December 2021, 100% of the Sourcing Division's active buyers had received Responsible Sourcing training.

Activities pillar

The main achievements in 2021 were:

- review of the environmental and social (E&S) general principles in March 2021 to meet certain obligations enshrined in Regulation 2019/2088 on sustainabilityrelated disclosures in the financial services sector, especially with regard to the transparency of policies on the integration of sustainability risks and negative impacts on sustainability factors. They set out the principles that apply to transactions and dedicated products or services and define three types of criteria: exclusion criteria, priority risk assessment criteria and additional risk assessment criteria. Four sector-based policies were revised in 2021 (thermal power plants, dams and hydro power, maritime transport and mines), as well as two cross-cutting policies covering climate and biodiversity;
- roll-out of a new tool to flag transactions located in protected areas (Unesco World Heritage, IUCN I – IV, Ramsar, Alliance for Zero Extinction) to reinforce biodiversity criteria;
- definition of a procedure to escalate E&S risks;
- bolstering expertise in managing E&S risks in the Business Units and in the second line of defence. The Compliance Division appointed people assigned to handling cases where any doubt exists on compliance with the Group's voluntary E&S commitments. The decision circuit for such cases was clarified;
- continued controls on management of E&S risks were included in the permanent supervision system;
- e-learning module on E&S risk management. Training was made compulsory for staff in direct or indirect contact with corporate customers. The module described the scope, governance and main stages in managing E&S risks: identifying and assessing risk and ensuing action plans;
- all employees were offered free-to-access online training on E&S topics. The Business Units and Service Units organised workshops focusing on sector policies;
- action plans were monitored by the Compliance Division following the 2020 Compliance Risk Assessment, including specific monitoring of the highest risks. All action plans intended to target the highest risks have been introduced.

Results:

- The mapping exercise demonstrated that 8% of the Group's risk exposure was linked to activities that potentially pose an E&S risk (*i.e.* energy, transport and logistics, upstream agriculture, industry, construction, etc.) and that are conducted in countries that also entail risk;
- Action plans shed light on the following:
  - the 2020 evaluation underscored that over 90% of the Business Units apply the E&S identification and exclusion list at the KYC or transaction due diligence stage, and, at the end of 2021, 80% of entities evaluated stated having had introduced E&S review and identification or exclusion application controls,
  - more than 1,200 transactions underwent an E&S review in 2021,
  - the number of assessments increased on clients of the main Business Units with a financing activity, and produced a range of widely differing opinions: 88.5% were positive, 9.5% posed additional conditions and 2% were negative,
  - E&S training deployment continued: around 40,000 employees had received training in managing E&S risks through e-learning modules by end-2021.

5.7.7 OUTLOOK AND PLANNED DEVELOPMENTS

Part of the existing E&S risk assessment and management procedures were reviewed in 2021, in particular to include the main risks that are either not covered or insufficiently covered by the existing tools and procedures. The risk management framework will be further enhanced (policies, formal processes and/or additional checks) in 2022.

Human resources, safety and security pillar

Managing work-related psychosocial risks is more important than ever, both in the face of the Covid-19 pandemic and as result of changes brought about by the Group's transformation. And not just for Societe Generale, all companies must step up their response and vigilance.

In the Group, the main steps to prevent and manage health and safety risk are:

- analysing the results of the employee survey, paying particularly close attention to engagement and psychosocial risks;
- stepping up measures to prevent psychosocial risks, especially risks generated by the Group's transformation projects (monitoring labour relations indicators, developing preventive policies, setting up actions to contain psychosocial risk factors, and more);
- training managers and HR personnel to detect and prevent psychosocial and mental health risks;
- communicate and inform staff about health and safety rules and best practice with information on safety processes and concepts available on the Group's intranet;
- adapting properties to create a good working environment for employees and reconfigure workspaces in response to the growth of remote and hybrid forms of working, with a 2021-2025 programme led by the Group's Real Estate Division.

Additional measures are also planned in entities that need to improve their controls, for example:

- mental health information sessions are planned in the United Arab Emirates;
- in Morocco, the Bank has strengthened governance and expanded the prerogatives of the health, Safety and Security Committee;
- in Russia, all employees will be asked to complete regular questionnaires and evaluations on health at work;
- plans for Madagascar include standardising the approach to applying workplace health, safety and security rules to improve how controls are set up and monitored.

Moreover, the Group will continue to implement measures to protect and support staff during the pandemic in 2022. Listening attentively to stakeholders will clarify changes in its environment and help the Group to address them with agility. Appropriate channels have been set up to foster constructive dialogue with all stakeholders by considering the results of internal surveys and through continued dialogue with the UNI Global Union.

Sourcing pillar

The main actions planned are as follows:

- continued improvements to the tools used to identify and assess risks, including creating new tool sheets on moderate and low-risk categories for buyers;
- translating all tool sheets into English for the international function, covering all risk levels and purchasing categories;
- more regular training for Group buyers and the function as a whole, and extending training to entities that habitually manage sourcing when they request it;
- performing CSR audits and setting up remedial action plans with suppliers under contract that present E&S risk factors;
- beefing up procedures to identify and manage E&S controversies for suppliers using new E&S risk analysis tools.

Activities pillar

The main actions planned are as follows:

- publishing updated sector policies – with the addition of biodiversity criteria – with the aim of improving identification and prevention of environmental and social risks;
- defining a normative framework dealing with forced labour and related tools;
- developing aids for Business Units to apply sector policies and qualify the materiality of E&S controversies;
- continuing training workshops on sector policies.