



The Chief Executive Officer

MODERN SLAVERY ACT 2015

SOCIETE GENERALE'S SLAVERY AND HUMAN TRAFFICKING STATEMENT 2018

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Message from Frédéric Oudéa, Chief Executive Officer

“For Societe Generale, being a responsible company lies at the very heart of our business lines’ mission and reflects the essence of the relationship bank of reference that we strive to be. Being responsible must be tangible in each of our decisions, positions and actions.

As a key player in financing the economy, our mission is to offer the best solutions to individuals, companies and institutions, in order to support them in the development of their projects, the management of their financial resources and the mitigation of their risks. Our success in doing so relies on women and men, whether they are employees, contractors or any other stakeholders. Therefore, respecting human rights and dignity is at the very core of our mission. This is why we are committed to improving our practices to protect human rights¹ and avoid any violation within our sphere of influence.”

I. Introduction

This statement has been issued in response to the UK’s Modern Slavery Act (the “Act”) which came into force on 29 October 2015. The Act requires the disclosure by certain qualifying entities, in an annual statement, of the steps taken to prevent modern slavery from occurring in their own operations and in their supply chains. This statement is made on behalf of the Societe Generale Group and each of its subsidiaries which are directly subject to the Act.

Our Group

Societe Generale is one of the leading financial services groups in Europe. With a solid position in Europe and a presence in 67 countries, the Group’s 145,125 employees support millions of individual clients, together with large corporate and institutional investors worldwide. For the year 2017, the Group had a global net banking income (excluding revaluation of own financial liabilities) of EUR 24.0bn.

In accordance with the 2020 Strategic Plan presented on November 28, 2017, the Group’s General Management has adapted a new organisational structure. The Group is now organised into 17 Business Units and 10 Service Units, each directly reporting to the Group’s General Management.

Our supply chains

In 2017, the Group’s total purchases amounted to 6.6 billion Euros. The main purchasing categories were IT (software and services), consulting, facilities management, real estate, transport and travel. The Group works with large international groups and SMEs to fill our various purchasing needs worldwide.

¹ In this document, the term “human rights violations” is used to encompass all forms of slavery and human trafficking, including forced labour, child labour, domestic servitude, workplace abuse and human trafficking.

II. Commitments

The Societe Generale Group acts with integrity and in compliance with the laws applicable to its activities. The Group is subject to certain obligations relating to the management of both environmental and social (E&S) and human rights risks (which include modern slavery), such as the French Duty of Care law that came into force in 2017.

In addition, Societe Generale has undertaken voluntary commitments which have led it to develop and regularly enhance its policies and processes on E&S and human rights risk management. The Societe Generale Group is fully committed to maintaining and improving its processes designed to limit the risk of human rights violation in the Group's own operations (), its supply chains, and its products and services.

The Group's commitments towards human rights are guided by the following standards and initiatives:

- The Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights;
- The Fundamental Conventions of the International Labour Organisation (ILO), which cover issues related to forced labour and slavery, child labour, discrimination, freedom of association and decent working conditions;
- The United Nations Guiding Principles on Business and Human Rights;
- The OECD Guidelines for Multinational Enterprises;
- The United Nations Global Compact;
- The Equator Principles.

III. Our policies and processes

Policies

Societe Generale's Group-wide policies and agreements which address the reduction of the risk of human rights violations include, but are not limited to, the following:

- Societe Generale's [Code of Conduct](#) in which it commits to respect human rights (including those relating to slavery and human trafficking) and to comply with the rules established by the International Labour Organisation (ILO) fundamental conventions;
- The [worldwide agreement on fundamental human rights and trade union rights signed between Societe Generale and UNI Global Union](#);
- The Instruction on Conducting Responsible Sourcing & Compliance Rules Applicable to Sourcing (appended to the UNI Global agreement);
- The Instruction on the Fight Against Money Laundering and Terrorist Financing Within the Societe Generale Group (internal document);
- The Anti-Bribery and Corruption Policy (internal instruction) and a dedicated Code Governing the Fight against Corruption and Influence Peddling;
- The [Environmental and Social Guidelines for Business Engagement](#).

Processes

Societe Generale has implemented a number of processes (and is in the process of implementing further processes) and has taken a number of steps in order to prevent modern slavery in the Group's activities and in the Group's supply chains. The most significant ones include:

Towards our employees

- The worldwide agreement on fundamental human rights and trade union rights which Societe Generale signed with UNI Global Union in 2015: This agreement aims to ensure fair working conditions, prevent any form of employment-related discrimination, respect health and safety regulations and freedom of association. It incorporates:
 - regular monitoring conducted by UNI Global Union: continuous feedback on the social environment in local entities worldwide, alerts on human right breaches and annual meetings with Societe Generale's Human Resources division;
 - a grievance mechanism which enables employees to report complaints on fundamental human rights and trade union rights.
- A whistleblowing mechanism: each Group employee has access to a whistleblowing mechanism whereby he/she can report or raise concerns or warnings of suspected unethical or corrupt behaviour. This whistleblowing mechanism is currently being reviewed and reinforced. It is a key element of Societe Generale's Code of Conduct, which has been communicated to all Group employees and translated into 22 languages. In addition, in 2017, mandatory workshops and training on the Code of Conduct were initiated.
- Human resources governance within the Group structured around:
 - Groups in charge of social dialogue to ensure freedom of association and staff representation at Group level;
 - Human resources officers working on employment conditions and occupational health and safety and employment law teams working at Group level, with local support team members.
- Human resources and safety risk monitoring and assessment based on:
 - The evaluation of the Group in terms of operational and compliance risks (including risks related to human rights, safety and security), which has been used to standardise human resources practices worldwide;
 - A risk analysis of human rights initiated in 2017: This analysis is aimed at identifying potential human rights risks for employees in each location of the Group worldwide, taking into account local human resources and human rights related regulations;
 - Internal and external audits of the Group's human resources policies and standards for health, safety and security, which have also resulted in the implementation of action plans adapted to those areas identified for improvement;
 - Direct consultations with employees concerning general employee satisfaction and working conditions, implemented through the Group Employee Satisfaction Survey and local surveys.

Towards our clients

The Societe Generale Group's E&S obligations together with its voluntary commitments related to its business activities (including human rights issues) are set out in Societe Generale's Environmental and Social Guidelines for Business Engagement, signed by the Chief Executive Officer, and the [sector and cross-sector policies](#) appended to them.

Twelve policies have been developed relating to sectors which were identified as presenting specific E&S or human rights risks. These policies are public documents and set out the major E&S sector standards applied, the main risks identified in relation to harm to the environment or to human rights and the criteria for E&S and human rights due diligence to be carried out at customer or transaction level.

A global and in-depth sector-risk mapping was started in 2017 which will lead to an update of these policies (to include coverage of additional risks and the adaptation of the due diligence carried out at transaction or customer level).

Due diligence processes to implement the Group's E&S commitments include:

- identification of the E&S challenges associated with transactions and customers to whom the Group provides banking and financial services;
- in-depth evaluation of those identified transactions and customers by front officers and in-house expert teams, to assess consistency with the Group's E&S policies; and
- where relevant, action for remediation.

These E&S procedures are being gradually incorporated within both our credit risk and reputational risk management policies and procedures to enhance the coverage in terms of Group activities.

In 2017, within the Group's Corporate and Investment banking (CIB) activities, 97 dedicated transactions underwent an E&S evaluation (Equator Principle scope and beyond). This was within a scope of identification of E&S related reputational risk covering 17,750 CIB clients. Around five percent of these clients are considered as representing particular E&S risk and underwent a more in-depth E&S evaluation by the team of experts.

Within the Group's French Retail Banking division, the E&S analysis covered 129 Group clients in 2017. Around 50 additional evaluations were performed by the E&S teams of International Retail Banking and Financial Services.

Towards our suppliers

At the date of this statement, Societe Generale's internal processes aimed at suppliers principally address spending managed from France by the Sourcing Division. These include:

The inclusion of a corporate social responsibility (CSR) clause, that requires suppliers to abide by each of the Group's Code of Conduct and its Sustainable Sourcing Charter, in all standard contracts of the Sourcing Division in France.

The Group's Sourcing Division has developed and provides guidance tools to its buyers to enable them to manage E&S and human rights risks at various stages of the purchasing process. The purpose of these tools is to identify, assess and manage E&S and human rights risks, both at the level of the product or service purchased and at the level of the supplier or service provider. These tools are used for purchases managed by the Sourcing Division and include:

- Identification of potential risk areas based on:
 - consultation of the [map of the environmental and social risks of the products and services](#). In 2017, a comprehensive revision of this mapping tool was launched, in cooperation with 3 other French banks. and;
 - a Know Your Supplier (KYS) analysis - this KYS process is based on both Societe Generale's own and also international standards for operational, compliance and reputational risk management and includes environmental and social checks, and, in particular, reviews of E&S controversies.;
- Monitoring of potential risk areas through:
 - the integration of mandatory environmental and social criteria into requests for tender, and the application of a CSR component in suppliers' ratings, in each case depending on the products or services purchased. From April to December 2017, 86% of requests for tenders (competitive tendering only) managed by the Sourcing Division incorporated CSR criteria (on eligible categories) and the average weighting of those CSR criteria in requests for tenders was around 6%.
 - the review of suppliers' extra-financial evaluation (targeted suppliers only).
- Mitigation of human rights violation risks within our direct supply chains: when the Sourcing Division identifies a potential risk of human rights violation by a supplier (through an alert raised, a controversy check or a drop in a supplier's CSR rating) a remediation plan is put in place and Societe Generale reserves the right to carry out a supplier on-site E&S audit. In 2017, the on-site CSR audit process was reviewed with a new external auditor and a first audit was launched at the end of the year.

- All new members of the Sourcing Division receive training in relation to CSR issues in the supply chains. At the end of 2017, 85% of buyers working in the Sourcing Department at a Group level had received CSR training.

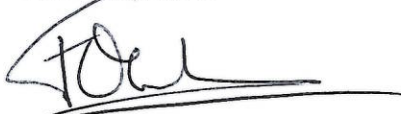
IV. Further steps

In light of both the regulatory focus and Societe Generale's own commitments undertaken in 2017, the Societe Generale Group intends to continue enhancing its E&S and human rights risk management and to continue to review its effectiveness. Current plans include:

- publishing a Group Human Rights Policy;
- formalising the global E&S and human rights risk mapping on human resources and security, purchasing and business activities;
- reviewing our existing E&S risk management procedures based on the risk mapping results, especially from a human rights perspective;
- pursuing the implementation of the existing E&S and human rights risk framework worldwide;
- providing further training and raising awareness of human rights, in order to strengthen the level of understanding of the risks of human rights issues, including modern slavery and human trafficking, amongst our employees.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Societe Generale Group's slavery and human trafficking statement for the financial year ending December 31, 2017.

On 3rd May, 2018



Frédéric Oudéa
Société Générale
Chief Executive Officer