

## **GLOBAL AGREEMENT ON FUNDAMENTAL RIGHTS**

### **PREAMBLE**

SOCIETE GENERALE and UNI Global Union (UNI), hereinafter the parties, are both engaged in activities in a multinational global marketplace which raise new challenges.

By signing this global agreement, the parties are demonstrating their desire to strengthen their dialogue on human rights and fundamental labour standards, in particular in the area of freedom of association and collective bargaining. Through mutual cooperation they wish to support the sustainable development of SOCIETE GENERALE's activities as well as promote sustainable and satisfactory working conditions for SOCIETE GENERALE's employees.

SOCIETE GENERALE undertakes to do everything in its power to ensure that the principles set out in the present agreement are respected by its subsidiaries and shared by its business partners.

UNI will publicly support companies it considers to be pioneers in terms of good employment conditions and will collaborate with SOCIETE GENERALE in order to raise employment standards within the company. It will do so by using its influence in such a way as to ensure that working conditions in the industry are improved.

### **1 - SCOPE**

This agreement applies to all the geographic zones where the subsidiaries are effectively controlled by, and integrated into, SOCIETE GENERALE.

This agreement establishes an overall framework and is not intended to substitute any national legislation, national collective agreement, or company-wide agreement that is currently in force, or which may be subsequently negotiated, and which offers more favourable conditions.

UNI is concluding this agreement in its own name and also on behalf of all its affiliates around the world.

Two handwritten signatures in blue ink, one on the left and one on the right.

## **2 - COMMITMENT TO HUMAN RIGHTS**

In line with the Group's code of conduct and general environmental and social principles, SOCIETE GENERALE reaffirms its commitment to respect the United Nation's guiding principles on business and human rights, to avoid violating human rights, to try to remedy the potential harmful effects of its activities and business lines on human rights, and to take all reasonable measures to prevent, attenuate or, where necessary redress such violations in accordance with the United Nation's guiding principles (implementation of the "Protect, Respect and Remedy Framework" applicable to business enterprises).

SOCIETE GENERALE reaffirms its commitment to respect the ILO Declaration on Fundamental Principles and Rights at Work<sup>1</sup>, which also includes freedom of association, and in particular the right of all employees to organise, to join a trade union and to engage in collective bargaining.

It subscribes to the OECD Guidelines for Multinational Enterprises.

SOCIETE GENERALE reiterates its commitment to respect all employment laws, collective agreements, national health and safety regulations as well as internationally recognised laws and human rights standards in all markets where SOCIETE GENERALE operates.

SOCIETE GENERALE undertakes to offer fair employment and working conditions throughout the SOCIETE GENERALE group.

SOCIETE GENERALE shall not engage in any form of employment-related discrimination, and shall in particular hire women and men on the basis of their specific skills. It shall treat each employee with dignity and without discrimination, regardless of age, social origin, family circumstances, gender, sexual orientation, disabilities, political, trade union or religious views, actual or supposed membership or non-membership of an ethnic group or nation in accordance with ILO Convention No. 111.

## **3 - TRADE UNION RIGHTS**

In order that all employees may exercise their right to freedom of association, and in particular the right to organise, to join a trade union of their choice and to engage in collective bargaining, SOCIETE GENERALE will take all necessary measures so that:

- a. The management of SOCIETE GENERALE in each of the countries creates a free and open environment so that people can exercise their freedom of association rights and will not prevent them from joining a trade union or exercising their rights as members of a trade union.

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<sup>1</sup> The ILO conventions are fundamental rights are:

- Convention No. 87 concerning Freedom of Association and Protection of the right to Organise, 1948
- Convention No. 98 on the Right to Organise and Collective Bargaining, 1949
- Convention No. 29 on Forced Labour, 1930
- Convention No. 105 on the Abolition of Forced Labour, 1957
- Convention No. 138 on the Minimum Age, 1973
- Convention No. 182 on the Worst Forms of Child Labour, 1999
- Convention No. 100 on Equal Remuneration, 1951
- Convention No. 111 on Discrimination (Employment and Occupation), 1958

- b. No employee will be subjected to intimidation, harassment or retaliation as a result of their exercising these rights. SOCIETE GENERALE will support and notify employees of their right to join a trade union of their choice.
- c. The recognition of, or representation by, a trade union shall not be obstructed. A trade union shall be recognised once it has completed the applicable legal formalities provided that it satisfies the legal requirements for recognition in accordance with the applicable law.
- d. Once the trade union has been recognised, the management of SOCIETE GENERALE shall engage in collective bargaining in good faith and shall seek to reach an agreement with staff representatives in accordance with the national laws governing recognition or accreditation.

In order to allow employees to exercise their rights effectively, UNI's local affiliate and the local management of SOCIETE GENERALE shall agree the modalities of access to the company, adapted to local operational requirements, so as to afford the local affiliate the opportunity to explain the advantages of joining and supporting the trade union. If the modalities vary, they shall wherever possible include the following:

- a. Meetings with the trade union representatives to discuss joining the trade union may take place on the company's premises and shall be organised in such a way as to avoid disrupting activities.
- b. UNI's local affiliate and the local management of SOCIETE GENERALE shall put in place adequate procedures in order to inform new employees of their trade union rights under the present agreement. SOCIETE GENERALE accepts that its local management shall grant its employees the right to meet with the trade unions without the management being present.

If it is impossible to reach an agreement on the modalities for access, each of the parties may submit the issue to the monitoring committee to be set up for the purpose of implementing the present agreement for consideration and resolution. These rules of access shall not prejudice any other rules of access that have already been agreed and found to be mutually satisfactory.

#### **4 - RELATIONS WITH BUSINESS PARTNERS**

Relations with suppliers and subcontractors shall be bound by "the code of conduct for responsible procurement and ethical standards applicable to procurement" which sets out the SOCIETE GENERALE group's principles on this subject (instructions are appended to this agreement for information purposes).

#### **5 - UNI's COMMITMENT**

UNI shall publicly support SOCIETE GENERALE as a pioneer in the area of employment standards and shall cooperate with SOCIETE GENERALE with a view to constantly improving those standards within the SOCIETE GENERALE group.



UNI recognises that the conditions of employment shall be fixed in accordance with the legal, social and economic conditions in each country.

## **6 - DURATION**

The present agreement shall be valid for a period of three years. It may be terminated by either of the parties providing it is done in writing and notice of six months has been given. This agreement shall be registered with the Regional Directorate for Companies, Competition, Consumption, Work and Employment (UT 92) and the Nanterre Labour Tribunal.

## **7 - APPLICATION**

The parties shall communicate the present agreement and the commitments to the principles that underpin it to all their respective organisations and bodies. Each shall assume responsibility for implementing the agreement in good faith.

SOCIETE GENERALE shall publicise this agreement by making it available online on its Internet website and shall communicate it to its national and local management teams.

The parties agree to set up a joint monitoring committee tasked with the implementation of the agreement. It shall meet once a year to discuss progress made within the framework of the agreement and its application.

In exceptional cases, the committee shall meet at the request of one of the parties if warranted by particular circumstances.

The monitoring committee shall have a balanced representation of parties, with representatives from SOCIETE GENERALE and 5 representatives from UNI.

The SOCIETE GENERALE's Group HR Director and the UNI representative shall prepare the agenda 15 days before the meeting. It shall reflect the thematic and geographic priorities relating to the implementation of this agreement on the respect of fundamental and trade union rights.

The committee may rely on information received from various countries regarding the quality of the social dialogue as well as any follow-up indicators that have already been adopted as part of SOCIETE GENERALE's corporate social responsibility policy (reference document).

If a complaint should be filed under the terms of the present agreement that cannot be resolved by the national or regional management, UNI may raise the matter with SOCIETE GENERALE's Director of Labour Relations or Director of Human Resources. An inquiry shall then be conducted without delay in an open and transparent manner. If the issue can still not be resolved, it may be submitted to the monitoring committee.

In the event that the parties are unable to resolve a dispute concerning the application of the present agreement after having discussed it at a meeting of the monitoring committee, it may be submitted by mutual consent to a mediator. Both parties shall choose the mediator jointly. Neither party may refuse a request for mediation without just cause.



The specific problems of employees or local disputes concerning collective bargaining shall be handled and settled in accordance with local dispute settlement procedures. Recourse to a higher jurisdiction may only be justified if the question at issue relates to a right or a standard established within the context of the present agreement.

UNI also recognises that the present agreement does not grant any contractual rights to third parties (including UNI affiliates) or to any employee of the SOCIETE GENERALE group, and that the agreement may not affect the practices or agreements negotiated with other trade unions (affiliates that are not members of UNI) that are active within SOCIETE GENERALE.

Done in Paris La Défense on June 3<sup>rd</sup>, 2015

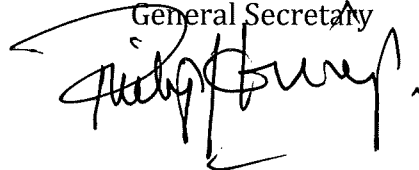
For SOCIETE GENERALE

Mr Edouard-Malo HENRY  
Group Head of Human Resources



For UNI Global Union

Mr Philip JENNINGS  
General Secretary



These Agreement is signed in the presence of SOCIETE GENERALE representatives French trade unions:

CFDT	(Confédération Française Démocratique du travail)
CFTC	(Confédération Française des Travailleurs Chrétiens)
CGT	(Confédération Générale du Travail)
CGT-FO	(Confédération Générale du Travail -Force Ouvrière)
SNB	(Syndicat National de la Banque et du Crédit) affilié à la CFE-CGC (Confédération Française de l'Encadrement - Confédération Générale des Cadres)

C1 INTERNAL

*Instructions published in French and English; in case of discrepancies, the French version shall prevail.*

## CONDUCTING RESPONSIBLE SOURCING & COMPLIANCE RULES APPLICABLE TO SOURCING

### RECIPIENTS

All personnel around the world, including subsidiaries and branches, and, more specifically:

- any Group employee identified as a buyer by job title, or fulfilling the role of a buyer, or making purchases on an occasional basis,
- any other employee involved in the sourcing process at any moment.

### SUMMARY

The instruction defines the elements to be taken into account and the actions to take for responsible purchases, i.e. in compliance with the General Environmental and Social Rules and the Code of Conduct of the Group.

This instruction also establishes the rules of professional and personal compliance, specific to conducting purchasing processes, applicable within the Group.

Every purchasing process of the Group must include the actions described in these guidelines and comply with the compliance rules laid down.

### INQUIRIES:

- *Responsible Sourcing, RESG/ACH, Anaëlle Dugué, + 33 1.58.98.69.41*

The Group Corporate Secretary

**Patrick SUET**

The Group Head of Corporate Resources and  
Innovation Division

**Françoise MERCADAL-DELASALLES**

<u>CANCELLED INSTRUCTION</u>	<u>VALIDITY</u>	<u>CLASSIFICATION</u>
None	Effective date : immediate Expiry date : indeterminate	SUPPORT FUNCTIONS /Resources/Sourcing and Procurement/Policies and Guidelines

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## REFERENCES OF DIRECTIVES AND INSTRUCTIONS TO BE POSSIBLY CONSULTED

- Directive n° 1 of 11/15/2014, "The Société Générale Group Organisation and operation rules",
- Directive n° 013661 of 09/04/2014, "Environmental and social general guidelines for business engagement",
- Directive n° 013862 of 01/24/2013, "Société Générale group code of conduct",
- Directive n° 013847 of 11/17/2012, "Corporate Resources and Innovation Division - Sourcing Division (RESG/ACH)",
- Directive n° 83 of 09/20/2012, "Data archiving within Société Générale Group",
- Instruction n° 013714 of 10/26/2011 of DGLE "Société Générale Group anti-bribery and corruption policy",
- Instruction n° 013846 of 11/17/2012 of SEGL/CFT "Preventing and managing conflicts of interest within SG group",
- Directive n° 013770 of 01/24/2013, "Reputational risk management",
- Instruction n° 013774 of 04/06/2012 of SEGL/CFT/CIB and SGIB, "SGCIB – Gifts, business entertainment and external events".

## REFERENCES OF OTHER DOCUMENTS TO BE POSSIBLY CONSULTED

- Norme AFNOR – NF X50-135-1; Achats Responsables – Guide d'utilisation de l'ISO26000; August 2012.
- Bill relating to due diligence of parent companies and client companies; N°1519; registered with the presidency of the French Assemblée Nationale; November 6, 2013.
- Charter of Responsible Supplier Relations; Médiation Inter-entreprises, Médiation des Marchés Publics and CDAF (Compagnie des Dirigeants et Acheteurs de France), 2010.
- Compliance rules applicable to Sourcing; RESG/ACH.
- For SGPM employees, the Internal set of Rules of Société Générale amended on 03/01/2013 to which are appended the Charter for using electronic communication equipment and an addendum relating to data protection and IT security. For other SG entities, the internal code of conduct applicable within their entity.
- For Business lines and business units where they have been implemented, the Collaboration Charters between the Sourcing Division and the business line or business unit.

## PREAMBLE

Société Générale is committed to carry out all of its activities responsibly. Taking account of environmental, economic and social issues during the exercising of its tasks is one of the main strands of its sustainable development policy.

For Société Générale, sustainable development is a continuous approach which draws on the best practices of the banking business, but also on those from other sectors of the economy. The objective of this approach is to know, control and improve the Bank's impacts on society and the environment in conjunction with the various stakeholders.

This is why Société Générale has drawn up the "Principes Généraux Environnementaux et Sociaux (E & S)" (Environmental and Social Guidelines). The basis for these Guidelines lies in the regulatory and legislative framework which applies to the Bank's activities and in voluntary adherence to Guidelines or Initiatives (all of these Guidelines are defined hereinafter as "The Guidelines"). The Bank has specific procedures or policies within its businesses.

Part of the Bank's impact on society and the environment is the result of its purchasing activity and relations with its suppliers.

The instruction defines the elements to be taken into account and the actions to take to conduct sourcing in compliance with the Principes Environnementaux et Sociaux (E & S) (Environmental and Social Guidelines) and the Code of Conduct of the Group. These elements and actions also participate in controlling the Bank's reputation risk.

The scope of application of this instruction covers all the Group's purchases, regardless of the regulatory and legislative framework concerning Environmental and Social (E & S) matters in the country in which the Group is present. All employees, as stakeholders in the purchasing process, must adhere to the requirements of this instruction. When certain practical details or Initiatives are specific to a country, their field of application will then be indicated explicitly in the following paragraphs.

Furthermore, Société Générale has drawn up a body of rules of conduct applicable within the Group concerning the fight against corruption and the prevention of conflicts of interest and, first and foremost, it shall undertake to adhere to the laws and regulations in this regard in the various countries in which it operates. The professional and personal compliance rules specific to sourcing lay down the aforementioned group rules in this matter. All Group employees are required to adhere to them.



## 1. Definitions

### 1.1 The Purchasing Process

The Purchasing Process refers to the due diligence employed to meet the functional needs of the Group through the selection of the most appropriate suppliers, products and services in terms of operational efficiency, associated risks and the total cost of ownership (defined in 3.4).

### 1.2 The Sourcing Function

The Sourcing Function includes the Corporate Sourcing Division (RESG/ACH), the Shared Services Sourcing Centres (SSSC) existing in the main countries where the Group operates, and the purchasing/procurement departments within the entities or subsidiaries of the Group.

They operate on the basis of the standard practices defined by the Group's Sourcing Division, which are also applicable to all buyers, as defined in 1.3 below.

### 1.3 The Buyer

The term "Buyer" in this context refers to:

- Group employees identified as such by job title, or fulfilling the role of a Buyer, or making purchases on an occasional basis,
- any other employee involved at any given moment in the various stages, from the expression of a sourcing need to the payment of the corresponding invoices.

### 1.4 The Banking Manager, Ordering Party, Internal Client or Business Partner

The Banking Manager (or Ordering Party, Internal Client or Business Partner of the Sourcing departments) is the person authorised, in accordance with the rules of the Group, to initiate an expenditure. They represent the division or department within the company which issues a purchase request for a product or service.

### 1.5 The Purchasing Process

The Purchasing Process covers the standard steps to follow when acquiring a product or service. It is described in paragraph 4.1 of this Instruction and is updated and available on the sourcing pages of the RESG Resources portal.

### 1.6 Responsible Sourcing

Responsible Sourcing means a purchase which meets the expectations of the Banking Manager and integrates, in a spirit of balance among the stakeholders, the requirements, specifications and criteria in favour of the protection and promotion of the environment, social progress and economic development.

## 2. Reminder of the Group's standards and initiatives in the field of CSR

The Group pursues its development while upholding basic human and social rights and respecting the environment in every location where it exercises its activities. It respects a duty of vigilance within the context of its activities and those of its subsidiaries or suppliers and subcontractors, while seeking to prevent health or environmental damage or the risks thereof, as well as risks arising from infringements of basic rights.

The Group also seeks to improve the impact of its activities on society and the environment in conjunction with its stakeholders, to use natural and energy resources economically and to take into account environmental and social dimensions when conducting its activities.

Thus, Société Générale adopts and adheres to the values and guidelines laid down in:

- the **Universal Declaration of Human Rights** and complementary commitments (the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights);
- the **core conventions of the International Labour Organization**;
- the **UNESCO World Heritage Convention**;
- the **OECD Guidelines for Multinational Enterprises**.

In addition, as part of a voluntary approach, Société Générale has signed up to the following public or private initiatives:

- the **financial initiative of the United Nations Environment Programme**;
- the **United Nations Global Compact**;
- the **Equator Principles**;

- the **"Pacte PME" (SME Pact)**<sup>1</sup> ;
- the **Responsible Supplier Relations**<sup>2</sup>.

### 3. Guidelines for Responsible Sourcing

All purchasing processes must be responsible and thus adhere to four guidelines:

- a purchase must be the result of **free and fair competition** between potential suppliers,
- it must ensure **fairness between the suppliers and transparency of choice**,
- it must take place in a climate of **mutual trust** to ensure constructive and balanced dialogue between the two parties,
- the selected supplier must be that which offers **"the best value for money"**.

#### 3.1 Competitive procedure principle

**Competition** between potential suppliers is the **key guideline** for responsible sourcing, since it enables any supplier to win contracts through the quality of its offer, with just as much chance as its competitors. The Group advocates **freedom of access to its contracts** in line with its commitment to fair and sustainable economic development.

As an exception to the above, the need may be met on the basis of direct negotiation in certain circumstances, such as, for example a supplier which holds a monopoly, supplementary needs to be covered following a recent request for proposals and related to the product or service already provided, voluntary allocation to the social economy sector etc.

Failure to use a competitive procedure must be justified officially by the Buyer and the Banking Manager.

#### 3.2 Principle of fairness and transparency

During each stage of the Sourcing Process, the Buyer must remain **impartial** with regard to the suppliers. They shall not rule out any company during the request for proposals process **without a valid, objective and formalised reason**. They will ensure that the **suppliers are treated equally** throughout the request process. The information and deadlines imposed must be identical for all the suppliers.

Furthermore, in the event of divergent information caused by a historical relationship with certain suppliers, the buyer will remedy this situation by keeping new potential applicants fully informed.

The analyses conducted for the selection must be based on **objective scoring** from criteria defined prior to the launch of the request for proposals and shared with the Banking Managers, enabling justification of the intermediate selections made during the process, as well as the final choice; it should make it possible to explain to non-selected suppliers the reasons for their non-selection.

#### 3.3 Principle of balance in relations

The relations between Société Générale and its suppliers must foster:

- **value creation**, encouraging suppliers to propose their best offers and enabling mutual satisfaction,
- **financial fairness**, ensuring the respect of commitments, especially as regards payment deadlines. In France, the Banking Manager and the Buyer shall undertake to adhere to the deadlines laid down in the "Loi de Modernisation de l'Economie (LME)" (Economy Modernisation Law),
- **innovation**, ensuring the sustainability of the offers emerging from the market and contributing to the transformation of the group,
- **improving cooperation with suppliers** by developing relations with all the suppliers, and, in particular, by boosting dialogue with Small and Medium-Sized Enterprises<sup>3</sup>,
- **participation in regional development** taking into account the local outreach of the company.

<sup>1</sup> A French Initiative.

<sup>2</sup> A French Initiative.

<sup>3</sup> Small and Medium-Sized Enterprises (SMEs) employ fewer than 250 persons and have an annual turnover not exceeding 50 million Euros or a total balance sheet not exceeding 43 million Euros (European Commission and INSEE).

### 3.4 Principle of selecting the 'best value for money'

The concept of 'best value for money' takes into account:

- **global economic performance**, integrating **all the costs incurred by the acquisition and use of the product or service throughout its life cycle**, such as direct acquisition, logistics, installation or implementation and maintenance costs, as well as indirect operating, training, process adaptation, insurance or end of life costs etc.  
This concept is generally known as TCO (Total Cost of Ownership), but also "global cost" or "life cycle cost".  
Whenever possible, suppliers should also be required to align the content of their offers in order to make a comparison between the prices of the offers that are strictly identical in scope. In addition, the Buyer must be wary of offers which are much lower in price than those of the rival suppliers. In such a case, the Buyer must ensure that the cost structure of the product or service will enable the achieving of price levels applied in risk-free and sustainable fashion, particularly when the essential component of the cost structure is labour,
- **social issues**, respecting national and international legislation, as well as the Guidelines drawn up by the Group. In particular, this means adhering to the core recommendations of the International Labour Organization concerning child labour, hygiene and safety, working conditions and the fight against discrimination, but also to develop initiatives concerning the employment of handicapped workers and professional reintegration for persons without stable, well-paid and fulfilling work,
- **environmental issues**, respecting national and international legislation, as well as the Guidelines drawn up by the Group. This means giving priority to products and services with limited environmental impact. In particular, the Group promotes initiatives for the reduction of energy consumption and CO<sub>2</sub> (carbon dioxide) emissions.

### 3.5 Principle of traceability and auditability

All the documents which make up the purchasing process must be **archived and kept** in order to ensure the traceability and auditability of the sourcing file. This file must include, as a minimum, the specifications, the list of suppliers consulted and all their responses, the proposal analysis grid, any supplementary questions and answers, the approval from the ordering party (business partner) for the proposed choice, the contract and its appendices.

## 4. The Process for conducting Responsible Sourcing

For each stage of the Sourcing Process, specific measures must be implemented to ensure Responsible Sourcing.

### 4.1 Steps of the Sourcing process:

As a reminder, the Sourcing Process comprises the following 7 stages:



### 4.2 Assess the needs

The goal is to gather all the information about the existing and historical situations, functional needs, expenditure forecasts and desired schedule. The opportunity to re-assess/re-classify the needs and the method for so doing are analysed. Opportunities for synergy with other entities within the Group are researched and various possibilities of responding to the needs are reviewed. The organisation of the sourcing plan is formalised through the creation of a document describing its governance.

In terms of E & S responsibility, it is necessary to:

- **identify the various environmental impacts of the product or service and search for solutions to reduce them. Mapping the E & S risks by sourcing category facilitates identification** (it is available on the sourcing pages of the RESG Resources portal),

- **decide on the possibility of reserving all or part of the service to the social economy sector<sup>4</sup>.**

#### **4.3 Know the suppliers and the market**

During this stage, the Buyer ensures familiarity with the solutions and the suppliers who can meet the need. If necessary, a RFI (Request For Information) can be generated to collate the solutions and suppliers on the market who may be consulted.

Before surveying the market, it is essential to define exactly the product or service sought. Drawing up specifications with indications of the levels of quality or performance required will enable stipulation of what is expected of the product or service.

It will be necessary to conduct a risk analysis of the suppliers identified for the request for proposals. In order to do so, the following information is key:

- legal identity and domicile,
- financial solvency as proof of economic sustainability and independence,<sup>5</sup>
- insurance coverage
- the ability to provide verifiable references for production
- the reputation of the company, associated companies and main directors as regards the environment, fundamental rights and probity; a simple online search generally enables identification of any notorious dealings.

**In terms of E & S responsibility, the following actions must be carried out:**

- **definition of environmental specifications (e.g.: respect of Eco-labels, prohibition of hazardous materials, limiting of impacts caused by CO2 emissions and energy consumption etc.),**
- **the seeking of suppliers from the social economy sector, as well as SMEs and Intermediate Businesses<sup>6</sup>,**  
N.B: increasing business with SME's, as demonstrated by our commitment to Pacte PME, is a French initiative. Nevertheless, it being a universal economic best practice, it is recommended to all the international entities of the Group to duplicate the initiative and promote working with local small and medium-sized businesses.
- **the analysis of financial risks (financial solvency and sustainability, economic independence, insurance coverage etc..).**

#### **4.4 Define the sourcing strategy**

At this stage of the Sourcing Process, the method of consultation, list of suppliers to be invited and the RFP tactics are determined.

The analysis criteria and weighting are determined for both the intermediate selections and final supplier choice. These criteria must be clearly defined, objective and measurable. A summary matrix is approved.

The list of suppliers to be invited to tender is approved after the analysis of their risks.

**In terms of E & S responsibility, the following actions must be carried out:**

- **validation of the E & S analysis criteria and their weighting in supplier selection,**
- **validation of the SMEs which will be invited to participate,**
- **validation of the suppliers from the social economy sector who will be invited to participate,**
- **the part of the contract which may be reserved for enterprises from the social economy sector is determined.**

<sup>4</sup> The social economy sector refers to a group of enterprises organised in the form of cooperatives, associations or foundations, whose internal operation and activities are based on a principle of solidarity and social value (e.g.: enterprises from the supported employment sector, social integration companies etc.).

<sup>5</sup> With few exceptions, and because of the contracts awarded and at stake, a dependency ratio greater than 25% of turnover is considered critical.

<sup>6</sup> In France, the definition is as follows: Intermediate Businesses employ between 250 and 4,999 persons and have an annual turnover not exceeding 1.5 billion Euros or a total balance sheet not exceeding 2 billion Euros (INSEE).

#### 4.5 Consult

The various stages of the request for proposals, a schedule, the methods of communication, documents to be supplied etc. are provided to the suppliers in the RFP terms and conditions, to which are appended the specifications and a draft contract. The requests for proposals are conducted online through the corporate e-sourcing solution for operations carried out by RESG/ACH buyers and the Shared Sourcing Services Centres (SSSC) of the international Sourcing Function. For auditing purposes, any other employee conducting a purchasing process must ensure the fairness and transparency of the request process, as well as the traceability of all the exchanges and choices made.

The buyer shall also organise all the exchanges necessary (questions, presentations to a panel, site visits etc.) to ensure the technical suitability of the responses and the suppliers' capability to deliver the product or provide the service. The exchanges must be traceable and conducted in total transparency and fairness (same information sent to the various suppliers and same deadlines for responses).

**In terms of E & S responsibility, it is necessary to:**

- **assess the invited suppliers with regard to their commitments and undertakings in terms of E & S. In France, this assessment is conducted by ECOVADIS<sup>7</sup> and the results must be integrated in the selection of the suppliers,**
- **ask each supplier for full explanations ensuring that the proposal matches the need expressed,**
- **explain clearly to the suppliers the parts of the proposal which must be adjusted in order to comply fully with the specifications,**
- **ensure that the responses from the suppliers match the CSR specifications**
- **assess the responses of the suppliers with regard to the CSR criteria**

#### 4.6 Negotiate

During this stage, the Buyer will seek to obtain the best value for money, in accordance with the specifications and level of performance described in the specifications. The negotiation sessions must allow clear and precise dialogue with the suppliers, highlighting the strengths and weaknesses of their offers. The suppliers must be able to perceive their room for improvement, both in economic terms and as regards the functional and qualitative level of the product or service.

**In terms of E & S responsibility, it is necessary to:**

- **express the functional, qualitative and economic objectives pursued by the buyer clearly,**
- **negotiate in good faith, seeking a balanced and sustainable outcome for both parties,**
- **make the final choice, with the Banking Manager, taking into account all the analysis criteria defined beforehand, especially the environmental and social aspects,**
- **inform all the suppliers of the final choice simultaneously,**
- **explain to the non-selected suppliers the objective reasons for the decision.**

#### 4.7 Sign

The contract formalises the mutual commitments of both the supplier and Société Générale; it includes all the terms and conditions agreed upon during the negotiations.

The draft contract is prepared systematically before the request for proposals phase and attached to the consultation file by the Buyer. As much as possible and subject to modification to comply with local laws, the Buyer must use the standard contract templates provided by the Sourcing Function.

The Buyer must ensure that the contract is stored safely, along with all the documents in the sourcing file, for the legal duration stipulated by the legislation of the country concerned and for ten years as a minimum. All of these documents must be made available to the auditing or inspection departments.

<sup>7</sup> ECOVADIS: an independent company specialising in the CSR assessment of companies ([www.ecovadis.com](http://www.ecovadis.com)). It is intended to extend the use of this platform across the Group.

In terms of E & S responsibility, it is necessary to:

- formalise, in the contract, all the supplier's commitments corresponding to the E & S issues in the specifications and the supplier's proposal,
- insert a **Corporate Social Responsibility** clause into the contract, laying down the values and Principles of the Group in terms of E & S (updated and available on the sourcing pages of the RESG Resources portal),
- insert an **Audit** clause, to provide for a CSR audit during the contract term (updated and available on the sourcing pages of the RESG Resources portal),
- include the clause concerning the use of **Internal Mediation** (updated and available on the sourcing pages of the RESG Resources portal),
- include the clause which makes reference to the Group's code of conduct in the event of a third party service provider being required to work on the Group's premises (updated and available on the sourcing pages of the RESG Resources portal).

#### 4.8 Measure the performance

Throughout the term of the contract, the qualitative monitoring of the service will be carried out by representatives of the Banking Manager and the supplier. The levels of quality or performance required in the contract will be checked and be the subject of a formalised report shared with the supplier. If the contract provides for penalties or bonuses, they will be applied accordingly.

The Buyer will keep informed of the conditions of performance of the contract and take action should it be impossible to resolve any disputes simply through the representatives of the Banking Manager and the supplier. Any additional negotiations or amendment during the period of performance of the contract will be handled by the Buyer.

In terms of E & S responsibility, it is necessary to:

- ensure regular dialogue with the supplier, inform the supplier rapidly of any dissatisfaction with the delivery of the product or service,
- encourage amicable resolution of disputes with suppliers, using Internal Mediation if necessary<sup>8</sup>.
- carry out (possibly) an on-site CSR audit when the product or service is deemed sensitive in terms of E & S,
- encourage the supplier to improve its E & S approach.

## 5. Professional and personal Compliance rules

### 5.1 Professional ethics

Every employee involved in the purchasing process will achieve their duties with professionalism and in the exclusive interest of the Société Générale group and its subsidiaries. They comply with the rules of conduct listed hereafter:

- They abide by this rule which pertains to professional secrecy, as defined by the Société Générale Group Code of Conduct (Directive n° 13862): All the elements constituting the purchasing process files are confidential,
- They do not take any commercial step with suppliers to force a banking relationship. They refuse any agreement of reciprocity and do not impose any,
- They avoid dealing with suppliers who, to their knowledge, do not respect, in the countries where they operate, the regulations in force as regards trade, labour and environmental laws or whose practices fail to comply with the Société Générale group ethics standards,

<sup>8</sup> In order to foster the amicable resolution of disputes with its suppliers, Société Générale has established an authority tasked with holding discussions with the parties and finding solutions in their best interests. An internal Mediator has been appointed to promote this process. A supplier shall submit a case to the Mediator when the former deems that attempts with the Banking Manager and buyer have failed. The contact details of the Internal Mediation service are available on the supplier pages of the Société Générale website.

- They systematically encourage competition, inviting at least two suppliers to tender, except for specific cases to be justified to their Management,
- They will ensure that the supplier selected offers the "best value for money",
- They ensure the financial solvency of the companies they invite to tender and make sure not to invite a company achieving over 25% of its turnover with the Société Générale Group, except with the approval of the Sourcing Division. This information is reviewed on a regular basis and at a minimum once every year,
- The people duly authorised to negotiate for the Société Générale Group or its subsidiaries must be identified as such and known by the suppliers,
- They will systematically use the contract templates provided by the Sourcing Function, and will contact the Group's legal teams, if they deem it necessary and under their sole responsibility, or, if applicable, external legal experts, prior to sending the draft contract attached to the request for proposals,
- They will adhere to the archiving procedures in force in their entity, enabling the traceability of the purchasing process. These must comply with Directive n° 83 of 09/20/2012, "Data archiving within Société Générale Group".

## 5.2 Personal ethics

So as to keep their impartiality, on no account should an employee involved in the purchasing process be indebted to a supplier with which they have professional relations.

In this regard:

- They refuse to take advantage or let anyone take advantage of personal benefits which might be offered by a supplier,
- They ensure that the contracts signed with a supplier who is a former employee of the Société Générale Group or any of its Subsidiaries are concluded under the same conditions as with any other supplier,
- They will not accept gifts, whatever the kind, during a RFP or request process, and in any case, for a total worth exceeding €150 per civil year in France, or any other amount defined by the local executive management in other countries, so as not to undermine their independence of judgment. Any grant, gift or benefit exceeding this amount, or any offer for such a grant, gift or benefit must be reported by the beneficiary to their Management and the Compliance Manager who will specify the appropriate course of action. It is absolutely forbidden to accept any gift or offer at one's personal residence. In the same way, use of a product or service granted under preferred terms in a private capacity and/or at an employee's residence is forbidden and any proposition of the kind from a supplier must be reported to Management and to the Compliance Manager immediately,
- The Corporate Sourcing Division reserves the right to periodically require from the suppliers, and anyone who may have offered any, the list of gifts and benefits which they might have offered to its personnel,
- The business meals must correspond to relations useful for the Société Générale Group and must be paid for on an equal basis between the two parties. The expense limits and necessary approvals for business meals set out in the Corporate Policy must be complied with. It is highly recommended not to have business meals during tenders and request processes. Dinners must remain exceptional and joint attendance to shows is to be avoided, except when the invitation involves a group of people and/or corresponds to an advertising event. Only Senior Management may authorize study trips proposed by suppliers or prospects; in this case, the expenses for trips and hotels will be paid by the Société Générale group or its subsidiary,
- They will not deal with a company in which they, or anyone in their personal circle, hold a participation (shares, holdings, administration) or with which they are in a situation of a conflict of interest as defined in Instruction n° 13846. In such a case, they will inform their Management and Compliance Manager. The Management or the Compliance Manager will decide whether or not it is appropriate to assign the file to another employee,

- The employees who have the power to sign on behalf of Société Générale or any of its Subsidiaries may not take employment nor perform paid work outside the Société Générale Group without prior notification to their Management and the Compliance Division.<sup>9</sup> They may not, unless authorized by their Management and the corporate Executive Management (delegation to the Compliance Division), exercise any function in the administration or management of any other company,
- Any employee involved in the purchasing process abnormally approached by a supplier and having difficulties in defining the appropriate course of action due to the type of offer (gift, invitation, unusual type of offer...) must immediately refer to their Management and Compliance Manager,
- In the event of difficulty or after having informed their Management or Compliance Manager, employees who find themselves in a conflict of interest may exercise the alert mechanism through the procedure defined in the code of conduct (in particular by sending a message to the compliance department, using the address [alert.alert@socgen.com](mailto:alert.alert@socgen.com)).

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<sup>9</sup> This provision does not apply to scientific, literary or artistic works.



