



**SG KLEINWORT HAMBROS BANK LIMITED**

**STATEMENT ON MODERN SLAVERY AND HUMAN  
TRAFFICKING 2024**

## Message from Slawomir Krupa, Chief Executive Officer, Societe Generale

*“Being a responsible company is at the heart of our corporate purpose. Societe Generale is constantly adapting its procedures and creating the relevant means to ensure protection of human rights, fundamental freedoms, and building a safe health and safety environment.*

*Our culture of responsibility reflects on our ability to strengthen confidence with all our stakeholders – staff, clients and business partners, and further builds the reputation of our Group. Beyond the regulatory obligations, we are all committing to acting with the highest level of integrity.”*

## I. Introduction

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This statement is issued in response to Section 54(1) of the UK’s Modern Slavery Act 2015 and Part 2 (Section 16) of the Australian Modern Slavery Act 2018 (the “Acts”). These Acts require the disclosure by large organisations carrying on business in the UK and in Australia respectively, in an annual statement, of the steps taken to prevent modern slavery and human trafficking from occurring in their own operations and in their supply chains. This statement is made on behalf of the Societe Generale Group (the “Group”) in respect of the financial year ended 31<sup>st</sup> December 2023. This Group statement will be used by some of the Group’s subsidiaries (which are directly subject to one of these Acts) for their own statement, whereas other subsidiaries (also subject to these Acts) will have to produce a specific statement at the entity level.

This Group statement was produced by the Group’s Sustainable Development Division, the Compliance Division, the Human Resources Division and the Sourcing Division together with input from the Legal departments both at Group level and in the UK and Australia. The preparation of this statement follows consultation with the relevant departments within the Group and with the UK and Australian subsidiaries over the year.

### Societe Generale Group

Societe Generale is one of the leading financial services groups in Europe. With a solid position in Europe and an overall presence in more than 60 countries, the Group’s 126,000 employees support around 25 million individual clients, large corporates and institutional investors worldwide. For the year 2023, the Group had a net banking income of more than EUR 25 bn.

The Group has built a solid diversified banking model structured around three complementary pillars: French Retail Banking; International Retail Banking; Insurance and Financial Services; and Global Banking and Investor Solutions. The Group is organised into 16 Business Units and 9 Service Units, each directly reporting to the Group’s General Management. A detailed presentation of the Group’s business model and activities is set out in the Group’s Universal Registration Document<sup>1</sup>.

Societe Generale is incorporated in France and has its registered office at 29, boulevard Haussmann, Paris. Societe Generale is listed on Euronext Paris.

### SG Kleinwort Hambros Bank Limited (“SGKHBL”)

Hambros Bank was established in the UK in 1839. Following a series of acquisitions, it was ultimately acquired by Societe Generale in 1998 and on 6 June 2016, Kleinwort Benson was purchased by SG Hambros Limited, a subsidiary of Societe Generale to form SG Kleinwort Hambros Bank Limited. With employees across a network of office in the UK, Jersey, Guernsey, Gibraltar and Singapore, SGKHBL and its subsidiary entities has a range of teams offering services to private clients around the world.

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<sup>1</sup> <https://www.societegenerale.com/sites/default/files/documents/2024-03/universal-registration-document-2024.pdf>

## Supply chains

The Group works with large international companies and SMEs to achieve its various sourcing needs worldwide. In 2023, the Group's total purchases amounted to EUR 6.2 bn. The main sourcing categories are IT services, software, consulting, IT outsourcing, real estate, non-IT outsourcing, IT equipment, market data, advertising, communication and marketing, and legal services.

In 2023, the main purchasing categories for SG Kleinwort Hambros Bank Limited were IT (software and services), Business process outsourcing services, consulting, recruitment, facilities management and real estate. SG Kleinwort Hambros Bank Limited works with the Group to fill its various needs in the UK, Jersey, Guernsey, Gibraltar and Singapore.

## II. Our commitments in relation to human rights

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The Group is fully committed to maintaining and improving its processes designed to limit the risk of serious human rights violations, including modern slavery and human trafficking, in the Group's own operations, in its supply chains, or directly associated with its products and services.

The Group's commitments towards human rights are guided by the following international 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 United Nations Principles for Responsible Banking;
- The Equator Principles.

The Group is subject to certain obligations relating to the management of both environmental and social ("E&S") risks, which include human rights risks.

In compliance with the French Duty of Care Act, Societe Generale establishes and implements a Duty of Care plan ("the **Plan**"). This Plan aims at identifying risks and preventing serious breaches in respect of human rights, fundamental freedoms, the health, safety and security of persons, and the environment as a result of the Group's activities and of the activities of the Group's suppliers and direct Group subcontractors.

The 2023 Duty of Care plan has been established by General Management and approved by the Board of Directors in February 2024. The annual presentation of this Plan and the way it is implemented can be found in the Group's Universal Registration Document<sup>2</sup>.

## III. Addressing risks of modern slavery and human trafficking : framework, risk identification, mitigation measures

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### 1- Our policies

The Group is committed to act in compliance with the legal and regulatory human rights framework of each of the countries in which it operates.

The Group's policies and commitments which aim to prevent serious risk of human rights violations include, without limitation, the following:

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<sup>2</sup> <https://www.societegenerale.com/sites/default/files/documents/2024-03/universal-registration-document-2024.pdf>

- Societe Generale's **Commitment Towards Human Rights**<sup>3</sup>
- Societe Generale's **Code of Conduct**<sup>4</sup> in which the Group commits to respect human rights (including those relating to modern slavery and human trafficking) and to comply with the rules established by the International Labour Organisation fundamental conventions. This Code applies to all Societe Generale Group employees. In addition, the Group expects its suppliers and those with whom it conducts business relationships to implement practices that are, or aim to be, consistent with this Code;
- the **Worldwide Agreement on fundamental human rights and trade union rights** – signed between Societe Generale and UNI Global Union in 2015, and which has been reconducted in 2023 with a new global agreement.
- **internal policies, formal processes and agreements relating to human resources** – in certain cases being submitted to trade union agreement. The Group provides its entities with normative documentation specific to the types of risks, including human rights risks. This documentation is updated, internally disseminated and accessible.
- the Group's **Policy on Responsible Sourcing & Compliance Rules Applicable to Sourcing** – appended to the UNI Global agreement;
- the Group's **Environmental and Social General Principles**<sup>5</sup>;
- the Group's **Policy on the Fight Against Money Laundering and Terrorist Financing Within the Societe Generale Group** (internal document)
- the Group's **Anti-Bribery and Corruption Policy** (internal document) and a dedicated Code Governing the Fight against Corruption and Influence Peddling.

In addition to these strong commitments, the Group is sharing best experience with peers on such issues. For example, Societe Generale is a member of "*Entreprises pour les Droits de l'Homme*" (Enterprises for Human Rights), an association promoting discussions, working groups, consultations and best practice sharing in favour of an enhanced integration of human rights, including forced labour, into company policies and practices.

Moreover, Societe Generale is a partner of the French *Global Deal* platform, a multi-stakeholder initiative for social dialogue and inclusive growth – a partnership of governments, businesses and employers' organisations, trade unions, civil society and other organisations. *Global Deal* partners benefit from, and contribute to, a platform that highlights the value of social dialogue and strengthens existing co-operation structures. The *Global Deal* initiative promotes social dialogue, consultation and negotiation between or among representatives of governments, employers and workers on economic and social policy issues, as a means to achieving decent work, quality jobs and increased productivity and, by extension, greater equality and inclusive growth.

## 2- Our risk assessment and management processes

Over the years, Societe Generale has implemented a number of processes and has taken various steps in order to prevent modern slavery and human trafficking in the Group's activities and supply chains and it continues to develop its work in this area.

This framework includes notably (i) an identification and a mapping of such risks<sup>6</sup>, detailed below and (ii) a periodic assessment of the processes in place to make sure they are satisfactorily implemented,

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<sup>3</sup> <https://www.societegenerale.com/sites/default/files/documents/CSR/environmental-social-general-principles.pdf#page=11>

<sup>4</sup> <https://www.societegenerale.com/sites/default/files/documents/Code-conduct/code-of-conduct-en.pdf>

<sup>5</sup> <https://www.societegenerale.com/sites/default/files/documents/2021-03/Environmental-and-Social-General-Principles.pdf>

<sup>6</sup> In the context of its Duty of Care Plan, the Group identified and mapped the risks of breaches of human rights and fundamental freedoms, discrimination, working conditions (including forced labour, modern slavery, child labour, decent working hours and decent wages), health, safety and security inherent in its banking and financial activities, as well as such risks inherent in the industry sectors of its suppliers and sub-contractors.

to assess their level of effectiveness (detailed in the 4<sup>th</sup> section of this statement) and to identify areas for improvement (detailed in the 5<sup>th</sup> section of this statement).

The following sections provide the main specificities of risk identification and mitigation regarding (i) our employees, (ii) our suppliers and (iii) our products and services, and summarize corresponding major results of the latest mappings.

### *Regarding our employees*

#### **EXISTING FRAMEWORK**

**Human Resources Gouvernance**, along with labour relations bodies to monitor working conditions and trade union freedom, is structured around:

- Group-level HR Division members being 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 together with employment law teams each working both at Group level and with local support team members;
- Operational risk management and compliance teams acting as a second line of defence on different dimensions of the human resources and security risk management system.

#### **Focus on the agreement signed with UNI Global Union**

In 2023, Societe Generale and UNI Global Union signed a new global agreement on the rights of Group employees<sup>7</sup>. The agreement formalises the positive practices observed since 2019 through new commitments on remote working (including trade union rights), the digital environment, health, safety, security and quality of life at work, including prevention and the fight against discrimination, harassment and inappropriate behaviour, the development of diversity and respect for gender equality, as well as universal commitments to social protection. Through this agreement, UNI Global Union is recognised as a “stakeholder” in the Duty of Care Plan for the HR pillar. As such, UNI Global Union is consulted annually when the Duty of Care Plan is being drafted, on the part relative to its pillar, and provides comments on the draft version of the document before it is reviewed by the Board of Directors. This agreement covers 100% of the Group’s employees.

#### **RISK MAPPING AND ASSESSMENT RESULTS**

Human Resources and safety risk monitoring and assessment are based on:

- **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;
- **the *Employee Satisfaction Survey*** : in order to gain direct feedback on working conditions, the Group gauges employee engagement and gathers direct feedback on working conditions through the *Employee Satisfaction Survey*, an anonymous internal survey carried out throughout the Group every year. In 2023, the survey covered engagement, efficiency, occupational well-being, responsibility (CSR, Culture & Conduct, Diversity, Equity and Inclusion) and the changes that will be taking place in the Group.
- **an intrinsic risk mapping on human rights**: in order to identify and better understand local issues, the Group assesses the level of exposure to risks of serious violations of human rights and fundamental freedoms, together with employee health and safety, in all its countries of operation.

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<sup>7</sup> [2023 Global Agreement on the rights of Societe Generale group employees](#)

Mapping of inherent risks was updated in 2023<sup>8</sup> using an external database<sup>9</sup> of indicators detailing the risk levels<sup>10</sup> specific to the country and to the activities performed in the financial sector. The geographic criteria include, notably, the status of the country's ratification of the ILO fundamental conventions, its employment regulations, their effective implementation, and its track record (especially as regards to human rights violations).

The Human Resources Division considers that the local context is a crucial factor in the analysis of intrinsic risks and the policies and measures implemented to prevent them. For each subject area assessed, the following results present the proportion of Societe Generale's workforce operating in countries considered to have a high, average and moderate intrinsic risk. The remaining employees are thus located in low-risk countries.

**Results:** Taken as a whole and covering all human rights analyzed, **no Group employee is located in a country considered to be high risk** according to the external database consulted.

Focusing on **working conditions** (covering forced labour and modern slavery, child labour, decent working hours and decent wages), detailed results are as follows:

- 9.6 % of the workforce are in a country of operation with an **average risk**: China, Guinea, India and the United Arab Emirates.
- 22.4 % of the workforce are in countries of operation with a **moderate-risk**: Algeria, Benin, Brazil, Bulgaria, Burkina Faso, Cameroon, Chile, Colombia, Côte d'Ivoire, Ghana, Greece, Hong Kong, Hungary, Japan, Madagascar, Mexico, Morocco, Mozambique, Peru, Romania, Senegal, Serbia, Singapore, Spain, Taiwan, Tunisia, Turkey, Ukraine, United Arab Emirates and United States of America.
- 68% of the workforce are located in countries with a **low risk**

## RISK MITIGATION MEASURES

To prevent and mitigate inherent E&S risks in the Group's relationships with employees, the Group defines (and regularly enriches, taking into account the risks identified through the assessments) specific guidelines that cover issues related to human rights, freedom of association and collective bargaining rights, in addition to a number of policies that apply Group-wide, which are then implemented by the Business Units and Service Units:

- normative documentation that sets out all the operating and organisational rules (the Societe Generale Code);
- policies and procedures regarding 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. All forms of forced labour are prohibited. Societe Generale also strives to offer attractive remuneration to nurture employee loyalty and boost the Group's performance over the long term. In addition, the Group is committed to equitable and sustainable compensation, specifically taking into consideration the decent wage guidelines developed by FairWage for each country and world region. 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.

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<sup>8</sup> In light of the ongoing disposal of certain African subsidiaries (Mauritania, Congo, Chad and Equatorial Guinea), said entities have not been included in this analysis.

<sup>9</sup> [Verisk Maplecroft](#)

<sup>10</sup> Risk levels are (ranked from riskier to less risky): high risk, average risk, moderate risk, low risk

## Regarding our suppliers

### EXISTING FRAMEWORK

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 inherent 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 identify and assess inherent E&S risks**, the Sourcing Division draws primarily on:

- identifying the level of E&S risks for purchasing categories using the dedicated E&S risk mapping tool (cf. following paragraph for details and 2023 mapping results)
- including E&S criteria in calls for tender involving purchasing categories ranked as medium-high or high E&S risk, at least covering the scope of procurement overseen by the Sourcing Division and, since 2021, for calls for tenders conducted by the Sourcing function in other countries involving purchasing categories ranked as high E&S risk;
- including 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"<sup>11</sup> suppliers by independent third parties;
- identifying whether a supplier represents a potential source of E&S controversy – a process that was improved in 2022. Using a dedicated tool designed to identify and assess ESG controversies, it monitors a targeted scope of more than 600 suppliers and/or suppliers assessed as posing a medium or high E&S risk for procurement overseen by the Sourcing Division in France, and a high E&S risk for procurement overseen by the Sourcing function in other countries.

In May 2020, the Sourcing Division strengthened the measures included in the KYS analysis it had put in place in 2016 to manage the **risks of corruption and reputation damage** related to the suppliers it monitors, extending the KYS process to all suppliers representing significant sums or sensitive purchases for the Group. It now systematically conducts the process at the beginning of the business relationship as well as periodically over the contract's term, in line with the supplier's risk level.

### RISK MAPPING AND ASSESSMENT RESULTS

Inherent E&S risk mapping for sourcing 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 (including fraud and corruption, personal data protection, rights of ownership and patents), the environment (including depletion of natural resources, pollution<sup>12</sup>, erosion of biodiversity, climate change and greenhouse gas emissions, waste and end-of-life management), human rights and employment conditions (including health and safety, working conditions and freedom to organise, discrimination, forced labour and modern slavery, child labour). Additional 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.

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<sup>11</sup> Suppliers accounting for large purchase volumes at Group level or directly representing the brand.

<sup>12</sup> Water, air, soil, etc.

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

In this mapping, the intrinsic E&S risk levels of each purchasing category are cross-referenced with the corresponding expenditure amounts per category to identify the share of Group purchases in medium-high and high-risk categories.

Accordingly, for the year 2023 and for the scope analyzed by the Sourcing Division France and the Sourcing Function abroad, around 6.02% of the spend was on purchasing categories representing a high E&S risk, and around 7.75% on purchasing categories representing a medium-high E&S risk.

Amongst the purchasing categories with a high E&S risk, building work (renovations and outfitting but also construction of new buildings) and IT equipment were found to bear the greatest intrinsic risk (before any mitigation).

### RISK MITIGATION MEASURES

In order to prevent and mitigate intrinsic E&S risks identified through the above risk identification, adequate framework has been set up and dedicated actions have been implemented, and consist of:

- including in calls for tender E&S requirements covering the main risks for the purchasing categories identified in the risk mapping, at least for the purchasing categories ranked as medium-high or high E&S risk for procurement overseen by the Sourcing Division in France and, since 2021, for calls for tenders conducted by the Sourcing function in other countries involving purchasing categories ranked as 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;
- adding a CSR clause to contract templates used by the Sourcing Division and the Sourcing function in other countries, which includes a contractual commitment to comply with:
  - the Group's Sustainable Sourcing Charter<sup>13</sup>. This charter is the result of a joint initiative started in 2017 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 (health and safety), the environment and countering corruption (See Compliance risk - Countering corruption, page 4.11);
  - principles that are at least equivalent to the Group Code of Conduct and the right to audit (to perform E&S audits if necessary) and a request for non-financial assessment of "targeted" suppliers<sup>14</sup>;
- for procurement that does not go through the Sourcing Division ranked as high E&S risk, simplified E&S risk management tools are provided;
- if E&S performance falls short:
  - encourage remedial action plans,
  - review E&S controversies or changes in non-financial ratings,
  - option to conduct on-site E&S audits.

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<sup>13</sup> [https://www.societegenerale.com/sites/default/files/constuire-demain/12112018\\_charte\\_achats\\_responsables\\_vf\\_fr.pdf](https://www.societegenerale.com/sites/default/files/constuire-demain/12112018_charte_achats_responsables_vf_fr.pdf)

<sup>14</sup> Suppliers accounting for large purchase volumes at Group level or directly representing the brand.



To support the effective implementation of these inherent E&S risk management measures when sourcing, **specific training courses** on Responsible Sourcing and E&S risk management tools are provided to all professional buyers in the Sourcing Division. These training courses were adapted and extended to buyers in the Sourcing function in other countries and to entities that are likely to regularly manage purchases and that express a need for the training. In addition, to make sure occasional buyers are mindful of what is at stake, a “motion design” video presents the Group’s sustainable sourcing programme.

### *Regarding our products and services*

#### **EXISTING FRAMEWORK**

The Group takes a proactive approach to complying with and promoting human rights, which is a core element of its E&S risk management process. It acknowledges the fundamental role played by States and governments in defining legal frameworks for the protection and full exercise of human rights. The Group complies with the legal and regulatory provisions of the territories in which it operates, and is also aware of its role in preventing serious infringements of human rights in the performance of its activities. In this regard, it acknowledges the value of the following standards, initiatives and best practices that it uses as a guideline for its own activities: the Universal Declaration of Human Rights and its additional commitments, the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the fundamental conventions of the International Labour Organization (ILO), the Unesco World Heritage Convention, the United Nations Sustainable Development Goals (SDD), and the United Nations Guiding Principles on Business and Human Rights of 16 June 2011.

The Group’s normative documentation includes information on intrinsic E&S risk management processes and the measures introduced to prevent these risks, especially who does what in the management of each of these areas. It governs consideration of controversy assessments and integration of E&S policies into existing risk management processes, such as transactional, onboarding and periodic client review processes.

The system in place to manage intrinsic human rights risks (and more generally E&S risks) extends across corporate clients, dedicated transactions, products and services and issuers, and breaks down into three key steps:

- **intrinsic E&S risk identification:** this step entails identifying whether the clients’ activities or the transaction with those clients could represent an E&S risk. This is done primarily by checking whether the client businesses or their underlying activities are on the E&S exclusion list<sup>15</sup> or the E&S identification list<sup>16</sup>, whether they are the subject of any E&S-related controversy and whether they are covered by one or more sector policies. This process is designed to confirm compliance with the criteria from the sector policies. In addition to these checks, governance due diligence is conducted as part of KYC procedures and measures to counter corruption, financing of terrorism, tax evasion and money laundering, which are often collateral to modern slavery and human trafficking situations.
- **E&S assessment (of client businesses or transactions identified as presenting an inherent E&S risk):** when an inherent E&S risk is identified, the business line assesses compliance with the criteria from the applicable E&S policy or policies 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. A policy setting out Group-wide guidelines for assessing adverse E&S information has been in force since June 2022. Based on the

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<sup>15</sup> An **E&S exclusion list**, which contains businesses that are excluded under certain E&S sector policies, is updated and distributed to the operations teams at least once a year. Societe Generale has pledged that it will not knowingly supply banking or financial services to such companies, their parent companies or their subsidiaries.

<sup>16</sup> An **E&S identification list** is updated by in-house experts on a regular basis 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.

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, which are subject to regular monitoring, may be recommended to mitigate the risks identified. Such actions are detailed in the third paragraph of this section and in further actions to be implemented in the coming months are listed in the last section of this statement.

E&S assessments and actions are reviewed by the second line of defence in accordance with the Group's escalation procedure and may be submitted for mediation by General Management if necessary. The Business Units are also phasing monitoring and controls into their inherent E&S risk management processes.

To ensure a smooth and systematic roll-out of this inherent E&S risk management framework across the Group, a new compulsory online training module ("e-learning") was developed in 2021 for all Business Units and Service Units covered by the framework. It is available in 11 languages, ensuring that the same content is consistently implemented and available to everyone in the Group wherever it operates.

Group entities are accountable for managing and controlling inherent E&S risks within their respective scopes. They implement the normative system defined by the Group and adapt it to their activities, applying it to their own processes. Each entity's management ensures that these requirements are rolled out and implemented into operations within its scope and assigns the necessary resources and expertise.

#### **RISK MAPPING AND ASSESSMENT RESULTS:**

Based on information obtained from recognised external databases<sup>17</sup> as well as internal experts, a dedicated intrinsic risk mapping focused on **human rights risks** was performed in December 2023 through an assessment of the following main risks: child labour; unfair remuneration; excessive working hours; violation of migrant workers' rights; violation of workplace health and safety rules; forced labour; violation of indigenous peoples' rights; violation of property rights; violation of freedom of association and collective bargaining; violation of minority rights; modern slavery; human rights violations by security forces; discrimination in the workplace; violation of young workers' rights; violation of sexual minorities' rights; violation of women's and girls' rights; undeclared work. The results of this mapping show that the human rights risk levels depend on the business sector and the countries of operation. **The sectors that stand out** (with levels of risk that may be high depending on the geographic location of the business) **are mining, agriculture, heavy industry and hydrocarbon production,**

#### **RISK MITIGATION MEASURES**

**Dedicated policies** have been developed relating to sectors which were identified as presenting specific human rights or E&S risks, setting out the major E&S sector standards applied, the main risks identified in relation to human rights or the environment, and the criteria for E&S and human rights due diligence to be carried out at customer or transaction level. This set of sector policies is gradually being added to and updated to improve the management of intrinsic E&S risks identified within the specified sectors or to include new sectors within the scope of its application. For instance, in 2023, the Group introduced a new sector policy on tobacco, strengthened its existing sector policy on oil and gas and added to its policy on thermal power stations. Following the results of the mapping detailed above, strengthening of policies is under preparation for mining and agricultural sectors.

In order to support the **operational application** of these policies, **operational guides** associated with each sector policy started to be rolled out in 2023 and will continue to be deployed in 2024. They are used to help employees apply sector policies across the Group. The Group is currently developing a

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<sup>17</sup> in particular Verisk Maplecroft

tool to help identify companies whose main activity is covered by a sector policy to strengthen operational security in the application of these policies.

**Operationalization of the E&S exclusion list** has also been improved thanks the **development of new tools** to beef up the risk identification process and the verification of exclusion lists. This list is now included in the Group's financial security tool and is available to all employees who deal with corporate clients.

In addition, in order to **improve the expertise of employees on human rights risks**, the e-learning module on E&S risk management was updated in November 2023 with a new section dedicated to human rights, detailing in particular the obligations of the bank (including Duty of Care and Anti Modern Slavery legislations) as well as the dedicated internal framework.

### 3- An enhanced whistleblowing framework, implemented throughout the Group

Under the Duty of Care Act and the French Act on Transparency, the Fight against Corruption and Modernisation of the Economy, (known as the Sapin II Act), a whistleblowing mechanism is compulsory. To comply with both these laws, a Group-wide whistleblowing system was introduced in 2019 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 available at [www.societegenerale.com](http://www.societegenerale.com) and on the Societe Generale Group's Intranet. It has been rolled out in France and other countries and is available in 20 languages. This is in addition to local whistleblowing channels, the managerial channel, HR channels and direct referral via the Chief Compliance Officer, to whom issues can be reported.

The whistleblowing system was updated in 2023 in accordance with the Wasserman Law, which modifies the Sapin II law. This new law extends the protection provided by whistleblowing rights to include people who were previously excluded from the regulation (third parties who are considered "facilitators, shareholders, Directors") and removes the requirement of "disinterestedness", replacing it with the criterion that the whistleblower may not be in receipt of any direct financial compensation. These changes have been incorporated into the Group's normative documentation and have led to the deployment of local whistleblowing tools offering a new channel to whistleblowers in addition to the Group channel.

Whistleblowers can use the system to report any suspected potential or actual violation or attempt to conceal a violation 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 can be used by employees, members of the management, Directors, shareholders, external and part-time employees, subcontractors and suppliers with which a business relationship exists, and third party facilitators. It is hosted on a secure external platform offering protection of personal data and strict confidentiality (to protect the whistleblower's identity) of any information provided.

The Group's Code of Conduct explains how to use the whistleblowing system.

In addition to this dedicated mechanism, the Group is also involved in an ongoing process of dialogue with its stakeholders, through which it can receive alerts from third parties that are not covered by the whistleblowing system described above.

Such dialogue covers issues related to civil society through various exchanges with French and international NGOs. When relevant issues related to human rights are reported through these channels, they are dealt with through the risk management system, for instance by adding to identification lists or enhancing sector policies.

## IV. Assessing effectiveness

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### *Regarding our employees*

**An overall internal self-assessment exercise on residual risk has been set up to evaluate the quality of the Group's systems to protect its employees against human rights risks.** The self-assessment included questions relating to the implementation of Group policies as well as formal local policies and processes and the checks performed on a range of issues:

*Results:* 2023 self-assessment exercise covered workforce located in the entities within the consolidation scope of the Group, same as 2022. Among the entities located in average or moderate risk countries on the Duty of Care topics, the assessment of the risk management systems in the Group's entities shows that 0.03 % of the workforce is employed in entities that need to strengthen their controls to verify that working conditions meet International Labour Organization standards (the concerned country is Bulgaria).

In addition, as part of its above-detailed *Employee Satisfaction Survey*, Societe Generale ensures that employees are aware of the Group's whistleblowing procedure. A sign that the speak-up culture is a core value within the Group, 86% of employees confirmed that they were comfortable giving their opinion. This positive result will be supported by the recent 2023 launch of an Ethics and Conduct course, which is mandatory for all employees and includes a specific module on whistleblowing.

In order to benchmark against best standards and further improve its framework, the Group maintains active dialogue with employees and their representatives. Societe Generale has signed a global agreement on fundamental rights with UNI Global Union. Under this agreement, it organises discussions between representatives of its Human Resources Department and of UNI Global Union to make sure that the duty of care remains front and centre in structuring social dialogue within the Group, and that all aspects of the agreement are being properly upheld. As part of its commitment under this agreement to continuous improvement in labour relations, the Group also presents its published Duty of Care Plan to UNI Global Union, taking questions from union members.

### *Regarding our suppliers*

**The Sourcing Division tracks E&S risk indicators on suppliers and calls for tender on a quarterly basis to assess how effective its risk management framework is.**

For procurement overseen by the Sourcing Division:

- proposed E&S requirements and criteria for inclusion in calls for tender exist for 99% of the purchasing categories representing a high or medium-high E&S risk. The requirements and criteria vary according to the sector and the products or services in question. Proposed E&S criteria and requirements also exist for a further 50 or so purchasing categories beyond these medium-high and high risk categories. In total, around 100 purchasing categories are covered;
- 99,7% of calls for tender in high E&S risk categories included E&S criteria in 2023;
- a tool has been developed to help tackle controversies involving companies suspected of using forced labour in their supply chains;
- by the end of 2023, 100% of the Sourcing Division's active buyers had received training in Responsible Sourcing, as defined in the Group's normative documentation, and in E&S risk management tools for sourcing.

**The Group continued to enhance its risk management framework over 2023, with the following main achievements:**

- E&S requirements and criteria for calls for tender reviewed for 26 purchasing categories representing varying levels of E&S risk;
- further training on Responsible Sourcing and E&S risk management tools provided to buyers in the Sourcing Division and the Sourcing Function for the international market;
- responsible Sourcing training materials for purchases not managed by the Sourcing Division updated, and training provided to 20 entities that source directly (of which 18 do so internationally);
- continued monitoring of the action plans drawn up further to the four supplier CSR audits conducted in 2020 and the two conducted in 2022 in partnership with other banks;
- two supplier CSR audits on a medium-high risk category of purchases;
- process for how the Group identifies whether a supplier represents a potential source of E&S controversy improved. Using a dedicated tool designed to identify and assess E&S controversies, it monitors a scope more than 600 “targeted”<sup>18</sup> suppliers and/or suppliers assessed as posing a medium-high or high E&S risk in France, or a high E&S risk within the Sourcing Function for the international market;
- 11 questionnaires sent out to sensitive suppliers to assess what they are doing to prevent forced labour within their supply chains. All responses analysed (and challenged where appropriate).

### *Regarding our products and services*

To evaluate how effective the E&S (including human rights issues) risk management framework is for Group activities, the Compliance Division conducted a new risk identification and assessment exercise (*Compliance Risk Assessment*) in 2023. The exercise consisted of 17 questions to be answered by all business units, covering the following subjects :

- familiarity with the normative framework for managing E&S risks in the Group (E&S sector policies, E&S identification list, E&S exclusion list) ;
- entities with the highest exposure on E&S risks ;
- governance framework to address complex E&S issues at local level, before potential escalation to Group level;

Based on the *Compliance Risk Assessment* and other monitoring metrics, the main conclusions were as follows:

- 100% of the Group’s Business Units have correspondents or people dedicated to E&S risk management;
- out of the 191 entities included in the Compliance Risk Assessment, 189 check the E&S exclusion list properly during the corporate client onboarding process and client reviews;
- 100% of the Group’s Business Units have introduced controls to assess E&S risks in their transaction processes and when onboarding a new corporate client. The rate of deployment in the Business Units is monitored by their Compliance Departments;
- the e-learning module on E&S risk management was updated in November 2023 with a new section dedicated to Human rights, detailing in particular the obligations of the bank (including Duty of Care and Anti Modern Slavery legislations) as well as the dedicated internal framework. This e-learning was offered to over 71,000 employees by the end of the year (at end-December 2023, almost 26% of employees had already completed this new module). In addition, around 32,000 employees had completed the Group’s e-learning module on the European Union’s sustainable investment regulations;
- Business Units conducted 1,993 environmental and social assessments of client groups. The results of these evaluations were 82.6% positive, 15.8% conditional and 1.6% negative.

## V. Further actions in relation to human rights

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As a result of the above-mentioned assessments, in a permanent improvement approach or in relation with new regulatory requirements, the following actions are expected to be implemented in the coming months to improve the existing framework in relation to human rights:

### *Regarding our employees*

At Group level, the main actions planned are as follows:

- monitoring the labour relations climate to identify where tensions exist and put actions in place to contain psychosocial risk drivers;
- analysing the results of its Employee Satisfaction Survey, communicating on them more openly and implementing appropriate action plans;
- taking steps to foster a culture of dialogue with all staff to pick up weak signals and prevent psychosocial risks;
- upskilling and raising awareness among Societe Generale Group managers, using the “Connect Manager” platform to disseminate training and fact sheets (especially on topics covered by the Duty of Care Plan, such as discrimination and working conditions);
- working towards the ambitious targets set out under its responsible employer strategy, so as to offer Group employees a working environment conducive to excellence and job satisfaction. To support these efforts, the Group has approved a budget of EUR 100 million to reduce the gender pay gap, get more women into senior leadership roles (35% of such roles by 2026), extend its remote working charter, roll out benefits internationally and boost employee engagement and wellbeing at work;
- progressively rolling out the key risk indicators defined by the Group Security Division in 2023 to all commercial entities over 2024. These indicators cover the Group’s main commercial (attacks, intrusions, armed robbery, etc.) and non-commercial (fire, property damage, triggering of safety measures, etc.) risks and were piloted in 18 entities in 2023;
- continuing social dialogue with the various employee representation bodies on topics covered by the Duty of Care Plan.

In 2024, the Group will continue to implement measures to protect and support staff in managing transformation projects and establishing new ways of working. Being attentive to stakeholders will clarify changes in its environment and help the Group address them in an agile manner. Appropriate channels have been set up to foster constructive dialogue with all stakeholders by considering the feedback and results of internal surveys.

### *Regarding our suppliers*

The Group is planning to implement the following main actions:

- gradually imposing stricter E&S risk management for purchasing within the Sourcing Function for the international market, introducing a minimum 15% weighting for E&S criteria in calls for tenders for purchasing categories representing a high E&S risk by 2025;
- continuing to provide training on Responsible Sourcing and E&S risk management tools to buyers in the Sourcing Division and the Sourcing Function for the international market, as well as to entities that regularly manage their own sourcing, if they should request it;
- conducting CSR audits, jointly with other banks where possible, on suppliers presenting E&S risk factors, and following them up with action plans when necessary;
- continuing to improve the process of identifying and managing E&S controversies for Group suppliers, and pursuing targeted dialogue with and, where appropriate, challenging those suppliers identified as being involved in significant controversies.

### *Regarding our products and services*

The main actions planned are as follows:

- amendment of the sector policies on mining and industrial agriculture & forestry to add in criteria on respecting human rights;
- continuation of deployment of the new compulsory e-learning that included a section dedicated to human rights;
- preparation of further dedicated trainings in relation with human rights.

## VI. Conclusion

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This statement is made pursuant to the United Kingdom's Modern Slavery Act 2015 and to the Australian Modern Slavery Act and constitutes the Societe Generale Group's modern slavery and human trafficking statement for the financial year ending December 31, 2023.

This statement was approved by the Board of directors of SG Kleinwort Hambros Bank Limited on 20 June 2024.

*Mouhammed Choukeir*

Mouhammed Choukeir  
Chief Executive Officer and Director  
SG Kleinwort Hambros Bank Limited  
20 June 2024