

Group Environmental Policy

for own account

2009-2010



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Group environmental policy

- **Objectives:**
 - step up the integration of environmental criteria in all Group decision-making processes,
 - coordinate environmental measures via the Group's flagship project for carbon neutrality and the fight against climate change.

- **Priorities for 2010:**
 - continue with the overhaul of the Group's environmental policy.

The environment is a major priority for today's society. An economic system that is based on the gratuitous exploitation of natural resources and the limitless discharge of pollutants cannot be sustained. Like any community, Société Générale also has an inevitable impact on the environment, and each member of its 157,000-strong Group has their part to play.

Conscious of its responsibilities, the bank strives to protect the environment in every aspect of its business by systematically integrating environmental criteria in all of its financing and investment activities and by promoting preventative measures.

Moreover, it is just as committed to acting on its **internal working methods and procedures** via an environmental policy that is based on three core priorities:

- **to reduce and minimise the direct impact of the Group's activities on the environment,**
- **to optimise and streamline the use of natural and energy resources,**
- **to constantly monitor customer and staff satisfaction.**

Like any services company, Société Générale contributes to the increase in greenhouse gas emissions because of the energy it consumes, the business trips and travel to-and-from work of its staff and the waste it generates, particularly when it comes to paper. In 2009, the Group consumed close to 824 GWh in electricity and heating, 1.6 million m³ of drinking water, 8,100 tons of paper and its employee travel amounted to close to 444 million km.

All told, its **CO₂ emissions come to around 278,835 tons (i.e. 2.14 tons of CO₂ per person working in its various offices)**. Appendix 1, the Environmental report.

The **Carbon Neutrality Project** approved by the Group's Executive Committee in 2007 is **a fundamental part of its environmental policy and commitment in the fight against climate change**, alongside various cross-business and cross-function initiatives such as:

- the integration of the environment in the Group's real estate management via the definition of governing principles that are to be systematically applied and that are intended to create a common framework for construction and renovation projects,
- the increasing implementation of new technologies that have a limited impact on the environment and that will enhance the environmental performance of the Group's different businesses and activities,
- the stricter management of consumables, notably paper, by imposing more exacting standards on suppliers and reducing paper consumption,
- responsible "travel" through the careful management and increasing limitation of business trips, the search for and implementation of alternative solutions, and heightened employee awareness.

1- Carbon Neutrality Project - Principles and Objectives

- **Objective:**
 - **reduce the Group's total CO₂ emissions per occupant by 11% between 2008 and 2012** and achieve carbon neutrality.
- **Priorities for 2010:**
 - improve and complete the collection of environmental data (quantity and quality);
 - reduce the Group's yearly CO₂ emissions by 2%;
 - oversee the Carbon Plans of each business line;
 - offset the emissions of the Group's activities in France in 2010 and pass on the costs involved to its different business lines to ensure they take a more responsible approach.
- **Highlights in 2009:**
 - validation of the target cuts in energy and paper consumption and travel for each business line;
 - implementation of carbon reduction plans for each division;
 - extension of the scope for the collection of environmental data to 99% of staff, which is an increase of 7% on 2007 (excluding Rosbank which is too recent an acquisition);
 - **4.5% cut in CO₂ emissions per occupant between 2008 and 2009.**

In approving its **Carbon Neutrality Project** in 2007, **Société Générale committed to reducing the level of its CO₂ emissions per occupant by 11% between 2007 and 2012 (same number of occupants), and to offsetting its residual emissions.**

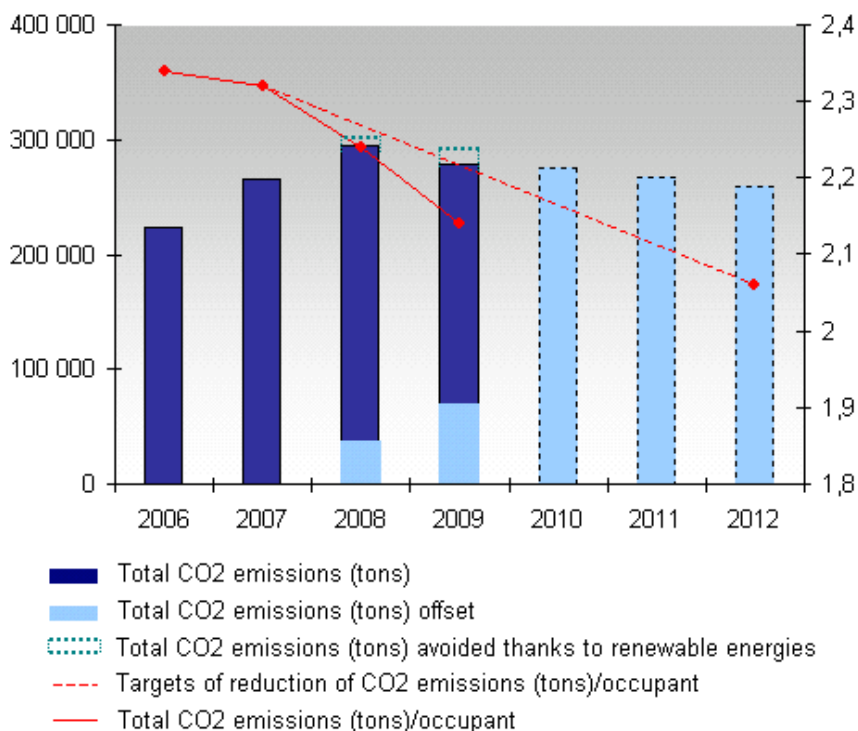
The offsetting of residual emissions will be carried out progressively: the emissions linked to the Group's corporate center buildings were offset in 2008; emissions linked to its activities in France were offset in 2009, and emissions Group wide will be offset in 2010, 2011 and 2012. As a show of the commitment of its Executive Management, the cost of the first year of the voluntary offsetting of carbon emissions was covered by the Group. From 2009 onwards, each business line is required to cover their own costs which will be invoiced internally to encourage them to adopt a responsible approach (with the Group only covering the costs of its functional departments).

Table 1 shows the trend in CO₂ indicators in both absolute and relative value terms in relation to the target reductions per year set in 2007 (constant scope), and table 2 the trends in CO₂ emissions at Société Générale.

Table 1: Target reduction in carbon and trends within Société Générale Group (constant scope)

	Ref. year.			Target
	2007	2008	2009	2012
CO2 emissions (tons)/occupant	2.32	2.24	2.14	2.06
CO2 emissions (tons) at constant scope	314,082	303,251	290,255	278,883
Change on reference year (2007)	-	-10,830	-23,827	-35,199
Change in emissions (as a %)		-3.4%	-7.6%	-11%

Table 2: Trends in CO₂ emissions at Société Générale



Steered by a strict plan of action to "**Avoid – Offset – Reduce**", the Group's Carbon Neutrality Project is based around **three core priorities**:

- 1) the **reduction of the greenhouse gas emissions** of each business line through:
 - **the definition of action plans** with reduction targets over several years which are specific to the Group's different business lines along with best practices for all construction work, travel, IT equipment and paper consumption;
 - the inclusion of **target reductions of CO₂ emissions** as a **criteria when approving** other Group projects as well as **intermediate target reductions** for energy and paper consumption and business travel;
 - **internal invoicing** to ensure the different business lines manage their emissions more effectively;
 - **the constant upgrading of reporting systems** in order to improve the scope and reliability of the data collected; a study into the feasibility of measuring the consumption of fluids in real time is underway as part of the Green-IT programme launched in 2009;
- 2) the **offsetting of carbon emissions** via the purchase of emission credits (notably through Group's subsidiary, **orbeo**) and the stronger involvement of the Group's entities and divisions in meeting their individual objectives;
- 3) **permanent communication initiatives** as a means of increasing staff awareness of the importance of climate change and the carbon economy, in particular through the organisation of events in France and around the world ("Inform, Explain, Promote"), and as a means of promoting the most effective initiatives already in place ("Green electricity").

Société Générale Group has mobilised technical and human resources alike to ensure the success of its carbon plan, including:

- a **dedicated supervisory committee** which regroups the Heads of Sustainable Development of several entities and divisions who are in charge of implementing the Group's plan and reporting on its concrete progress;
- a Group wide **Environment pilot team** to coordinate the different initiatives and ensure that decision-makers and operational staff share the information they need;
- a **data collection tool, Planethic® Reporting**, set up in 2005 to monitor the Group's consumption of energy, water and raw materials as well as the waste it generates. The scope (99% of the Group's payroll excluding Rosbank) and accuracy of the data collected is constantly improved, and is vital in order to accurately measure the Group's impact on the environment.

1.1- Carbon plans for each business line

The carbon reduction plans of each business line have two fundamental priorities, namely:

- to ensure the Group's business lines and entities make a proactive contribution by making them responsible for their own plans,
- to determine the most effective methods of measuring and managing the impact of a given entity on the environment and transposing them within other divisions where appropriate.

Using an individual template drawn up by the Sustainable Development Department, each business line has worked alongside the department's team in defining their own carbon plan with its own yearly target reductions in energy and paper consumption and business travel, and the concrete measures it plans to take. Each plan sets out a calendar for the different measures, the strategies that will apply and the main priorities when it comes to meeting their targets.

The combination of these different plans has already led to a **17%** reduction in total carbon emissions which, because it **exceeds** the Group's target reduction of 11%, leaves it a precious margin for any unexpected factors linked to its energy mix.

Table 2: Intermediary annual target reductions in emissions for Société Générale Group and achievements to date

Figures per occupant	Realised			Group targets				% reduction 2012/2007
	2007	2008	2009	2009	2010	2011	2012	
Energy consumption (KWh)	6,781	6,502	6,333	6,313	6,074	5,838	5,613	-17%
Electricity (KWh)	4,647	4,542	4,832	4,180	4,032	3,885	3,750	-19%
o/w green electricity (%)	10.6%	10.1%	14.0%	11.8%	12.2%	12.7%	13.1%	-
Office paper (Kg)	61.2	58.3	61.6	57.5	55.5	52.6	50.4	-18%
% recycled paper	15.2%	21.4%	33.1%	34.8%	43.7%	53.5%	62.9%	-
Business travel (Km)	3,853	3,585	3,436	3,338	3,197	3,072	2,975	-23%

- **Main achievements to date**

Energy and buildings:

Given the amount of energy consumed by its buildings and IT systems, they are a focal point for the Group whose priorities are to:

- set up new and much more precise measurement and reporting tools that will not only enable it to **better identify where fluid consumption (energy, water) levels are highest**, but also to manage incidents more effectively. The implementation and use of these measurement and reporting resources in the Group's offices and branches is currently under review as part of Société Générale's Green-IT programme (see section on "smart buildings" below);
- **build** or renovate its buildings (offices and branches) to make them far **more energy efficient** (see Société Générale's first "positive energy" branch in Polynesia).



Faa agency –Polynesia

The Group wide application of its Responsible Buildings Reference Framework (RBR) and its diagnostics tool will ensure that renovations do concretely mean an improvement in a structure's environmental performance, and work on the concept of an eco-branch is also underway;

- in technical terms, improve a structure's energy performance by: upgrading current workspaces with new, **more efficient** equipment, replacing lights with energy-saving fittings, information campaigns to heighten awareness amongst employees of what they can do to help, the introduction of best practices and energy audits of premises to assess what corrective measures to apply where there is a problem of excess consumption, etc.

Business travel:

Above and beyond the various information campaigns already in place, Société Générale has introduced a number of transverse measures to optimise business travel within its business lines. These include:

- a new policy applying to business travel in France and the use of trains and airplanes;
- its New Car Policy, where the aim is to prioritise vehicles with much lower emission levels in the catalogues of its long-term leasing business
- the Group's Green-IT programme which involves the development of alternative means of communications like telepresence services, the improvement of video-conferencing systems thanks to a concierge service and new teamwork tools such as instant messaging or webconferencing
- more specific measures to heighten employee awareness like the tool which calculates the CO₂ emissions their trip will cost when they book over the Group intranet.

Paper:

When it comes to paper consumption, Société Générale has two objectives: to reduce consumption and prioritise the use of recycled paper.

At present, the measures taken by the Group are mostly linked to transverse projects and mean technical changes such as:

- the replacement of its printers with machines that are systematically configured to only allow doubled-sided printing;
- the reduction in the number of general and individual printers (the target for the corporate center buildings is 1 printer for 10 members of staff);
- the use of external service providers (page printing service in the Granite tower for example).

Changes have also been made to the Group's "institutional" publications (daily reports, in-house magazines, miscellaneous documents, etc.) which are distributed across the board to each of its business lines and functions, with Société Générale's ongoing efforts to replace paper with electronic formats, optimise the use of printed documents and increase the use of recycled paper helping to reduce its overall impact on the environment. In France, the obligatory use of a central service provider for the Group's paper supply, campaigns to heighten awareness, and even better, directives from its management ensures the increasing use of paper that has been recycled or manufactured according to eco-label standards (paper provided in the Granite tower is recycled paper only).

1.2- Monitoring and improving Société Générale's environmental performance

Société Générale monitors its environmental performance according to different indicators (Planethic© Reporting) to which the majority of its entities contribute, and is committed to improving this reporting process year after year:

- by broadening the scope of the data collected to encompass the whole of the Group;
- by improving the accuracy of the indicators in place through the implementation of quality indicators;
- by different checks carried out by its Statutory Auditors.

Since 2005, Société Générale has drawn up a standard, global GHG Protocol inventory that covers each of its entities and measures its "**direct**" (scope 1) and "**indirect**" (scope 2) energy emissions, as well as its business **air, train and car travel** and office **paper consumption** (scope 3). In 2009, the inventory covered 99% of the Group's office employees (excluding Rosbank), i.e. 132,933 people. The basic data (kWh, km, tons of paper, etc.) is furnished by the building managers and entered into the Planethic© Reporting tool. Today, more than 900 contributors in over 344 entities (subsidiaries, branches, representative offices, corporate center buildings and regional divisions) and 6,900 buildings across 62 countries have taken part in the Group's annual CSR data collection campaigns. Its Statutory Auditors have also reviewed the reporting process in place.

In 2009, the Group's indicators were reviewed and revised: 20 were eliminated, 5 were modified and a further 42 were added. As a result, the environmental data collected was based on 138 indicators compared to 115 in previous years. Moreover, the indicators will continue to be revised in 2010 and better calibrated to the data that is available and can be exploited.

- **Environmental management and information: 16 indicators**

Today, the scope of the environmental data collected covers the whole of the Group's workforce and is not simply based on the number of occupants within its buildings. Having said that, the number of occupants still remains the reference for all relative indicators and the objectives set in Société Générale's environmental policy.

Rosbank is not included within the scope used for the collection of environmental data. Given that it was only recently acquired and in light of the current difficulty in obtaining accurate data, its figures will be integrated after a lock-in period from 2008-2012 .

Rosbank apart, the scope covered increased significantly in 2009 following the mobilisation of the Group's business lines and entities which were asked to take part for the 5th year running and which are already experienced in collecting the relevant data.

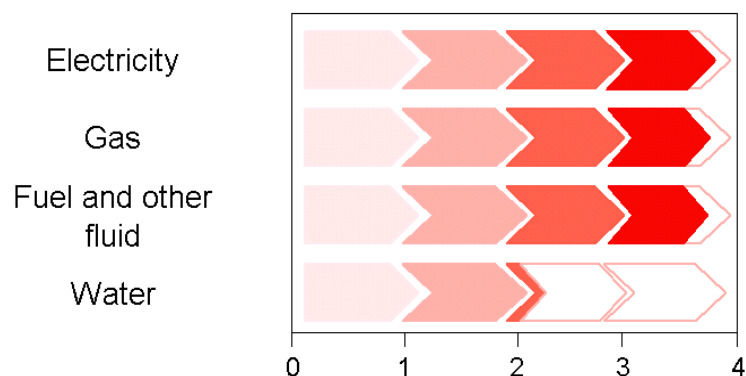
Environmental Management System indicators	Unit	2009	2008	Change
Scope of data collected	%	99%	92%	8%
Total Group employees		140,120	144,000	-3%
Number of occupants surveyed		132,933	134,884	-1%
Surface area covered	m²	3,728,409	3,490,877	7%
Surface area per occupant	m²	28	26	8%

- **Energy and water consumption: 48 indicators**

In order to enhance the indicators for the Group's consumption of fluids (energy, water), new reliability indicators have been added that establish whether the data recorded is based on direct measurements (energy and water bills), or indirect measurements (split in charges by building owners).

In the results presented in the graph below, the reliability of the indicators is rated 1 to 4 (least to most reliable).

Graph 1: Reliability indicator for the consumption of fluids in 2009



A new **indicator used to measure the energy efficiency of Group initiatives** was tested in 2009 across 15% of Société Générale's reporting scope and revealed a saving of **13.5 GWh**.

Fluid consumption indicators		Unit	2009	2008	Change
Total energy consumption		GWh	824	854	-4%
Total consumption per occupant		KWh	6,333	6,503	-3%
Total consumption per m²		KWh	227	252	-10%
o/w	Total electricity	GWh	629	597	5%
	Electricity consumption per occupant	KWh	4,833	4,542	6%
	Green electricity	GWh	88	60	46%
	Gas	GWh	97	126	-23%
	Other fluids **	GWh	98	131	-25%
Water consumption		m³(million)	1.642	1.504	9%
Consumption per occupant			15.9	15.0	6%

** Fuel, ice water and steam

At 824 GWh, Société Générale's energy consumption in 2009 was down 4% in absolute value terms and 3% in relative value terms compared with 2008. The reporting scope covered increased to 98%.

At the start of 2010, green electricity accounted for 14% of the Group's total electricity consumption and stood at 88 GWh. 12 subsidiaries and 3 corporate center buildings are now powered using this type of energy.

While water consumption increased 9% in absolute value terms and 6% in relative value terms, there are several factors that explain this increase: errors in the data collected in 2008, leaks that were not detected quickly enough, building work that led to excess consumption and figures extrapolated from indirect measurements, etc.

- **Travel: 37 indicators**

In 2009, the first indicators linked to travel to-and-from work and the use of video-conferencing were set in place throughout the Group, with the exception of its Retail Banking business and corporate center departments in France. As they are still in their test phases, their results only allow for a partial analysis. However, it is possible to establish that, within those entities that took part in the test and that account for 14% of the Group's payroll, an average 53% of occupants use public transport when travelling to-and-from work. Second, within those entities that replied regarding the use of video-conferencing and that account for 28% of Group employees (excluding Rosbank), 50,545 hours of video-conferencing were declared, i.e. 1 hour 20 minutes per occupant.

Transport indicators		Unit	2009	2008	Change
Business travel		Km (million)	444	469	-5%
Business travel per occupant			3,436	3,585	-4%
o/w	air travel	Km (million)	211	247	-15%
	short-haul	Km (million)	11	11	-6%
	medium-haul	Km (million)	46	78	-41%
	long-haul	Km (million)	154	157	-2%
	train	Km (million)	42	38	11%
	car	Km (million)	192	183	5%

In 2009, business travel dropped 4% per occupant in relation to 2008 and 5% in absolute value terms over a wider reporting scope (+4% in the space of one year). This drop is partly due to the slowdown in activity in 2009, but also to stricter policies governing business travel: use of trains instead of airplanes over certain distances, obligatory use of public transport instead of private vehicles, etc.

- **Consumables (particularly paper) and waste: 32 indicators**

These indicators been revised or simplified on a regular basis and will continue to be updated in 2010.

Consumables and waste indicators	Unit	2009	2008	Change
Consumption of office paper	Tons	8,100	7,591	7%
Consumption of office paper per occupant	Kg	61.6	58.4	5%
o/w recycled paper	tons	2,678	1,624	65%
	%	33.1%	21.4%	
Quantity of waste produced	Tons	14,466	11,696	20%
Quantity of waste produced per occupant	Kg	109	117	25%

In 2009, office paper consumption at Société Générale was measured at 61.6 kg per year and per individual, which is up 5% on 2008. This increase is explained by a broader reporting scope (+9 percentage points) that now includes bank branches with high consumption levels, and by an error in the figures reported by a subsidiary in 2008.

The use of recycled paper continued in 2009, with the level of consumption increasing 65% on 2008. The Group's Retail Banking network in France played a particularly active part and, by the end of the year, **63% of the paper it used was recycled paper**, compared with a Group average of 33.1%.

At Société Générale, each office employee produced 146 kg of waste in 2009, up 25% on 2008.

The Group's corporate center buildings in Paris generated 4,832 tons of waste in 2009 (184 kg/occupant compared with 73 kg in 2008). In 2009, the opening of the new Granite tower prompted a major change in the Group's IT equipment and resources, with the new policy on paper consumption leading to a reduction in the number of individual printers which explains the increase in the amount of waste per occupant between 2008 and 2009.

The waste produced by the bank is divided into 16 categories which are processed accordingly. Contracts have been signed with various service providers for the collection, sorting and recycling of the vast majority of waste produced.

- **Greenhouse gases: 5 indicators**

While in most instances CO₂ indicators are classed into separate categories, the greenhouse gas indicators factor in the whole of the Group and its activities.

Greenhouse gas indicators	Unit	2009	2008	Change
CO₂ emissions	Tons	278,835	294,372	-5.3%
CO₂ emissions per occupant	Tons	2.14	2.24	-4.5%
CO₂ emissions per m² (energy only)	Kg	56.4	63.7	-11%
o/w Direct energies *	Tons	26,186	37,571	-30%
Indirect energies **	Tons	178,385	178,441	-0.03%
Paper	Tons	15,642	14,977	4.4%
Transport	Tons	58,622	63,383	-8%

* Gas and fuel

** Electricity, ice water and steam

In 2009, CO₂ emissions by Société Générale Group amounted to a total 278,835 tons, which is not only a drop of 5.3% on 2008, but also encompasses a wider scope (97% of staff compared with 90% in 2008). Emissions per occupant amounted to 2.14 tons, down 4.5% on 2008 and setting the Group on track to meeting the target set in its Carbon Plan. Per square meter, emissions dropped 11% in 2009.

The breakdown of CO₂ emissions according to source remained relatively stable on 2008. There was, however, a 30% reduction in scope 1 emissions (direct emissions linked to the consumption of natural gas and fuel) and a 5% reduction in scope 3 emissions (emissions linked to business travel, office paper).

Figures for scope 2 emissions (indirect emissions linked to electricity, steam and ice water) also remained stable (-0.03%). Electricity currently accounts for the highest level of emissions (close to 60%), followed by business travel which generated 58,622 tons of CO₂ in 2009 (compared with a total 63,622 tons in 2008).

Having updated the factors used in the protocol to calculate CO₂ emissions, the impact on the amount of emissions linked to air travel was relatively high (+2,329 tons, i.e. a 9% increase) and even higher for electricity (+5,903 tons), resulting in a total 8,232 tons. Excluding this increase, CO₂ emissions per occupant in 2009 stood at 2.08 tons (instead of 2.14), whilst the impact last year was virtually nil.

1.3 - Heightened use of renewable energies across the entire Group and the first local initiatives in place

- **Green electricity: a major increase in 2009**

The purchase of electricity generated from renewable energies has been an integral part of Société Générale's CSR policy since as far back as 2005. By making it a priority, the Group's aim is to encourage the development of these types of energies. Its first move was to have the Société Générale tower in La Défense powered exclusively using 100% green electricity (55 GWh per year). In the years since then, various Group entities have made green electricity part of their policy. In 2009, **14% of the Group's total electricity was generated using renewable energies**. At a little over 88 GWh, this represents an increase of 47% on 2008.

Today, 12 entities and three corporate center buildings are partially or entirely powered by electricity that is produced using renewable energies: ALD Luxembourg (6%), ALD Sweden (77%), Banque de Polynésie (1.8%), Gefa Bank (15.8%), General Bank of Greece (5.1%), Komerčni Banka (8.1%), SG Dublin (100%), SG Hambros (29.4%), SG London (100%), SG Zurich (100%, naturemade eco-label), SG Euro-VL Ireland (100%), Sogessur (0.8%) and the three corporate center towers (100% in the Valmy and Granite towers).

The opening of the Group's Granite tower in La Défense, which is the first high-rise building in France to be awarded HQE certification (High Environmental Quality), resulted in a 7.4% increase on the figure for Société Générale's corporate center buildings in 2008.

- **"Home-grown" renewable energies**

Banque de Polynésie on the island of Faaa: the Group's first "positive energy" branch

Banque de Polynésie (BDP) took advantage of the extension of its Faaa branch to contribute to the Group's commitment to protecting the environment. Inaugurated at the start of 2009, the new branch is Société Générale's first eco-design building.

The 252m² of photovoltaic panels installed on the roof produce an average 745 kWh per week and cover all of the branch's energy needs (600 to 650 kWh). Thanks to the extensive work also carried out on the building's insulation, air-conditioning and lighting, the branch's annual energy consumption was reduced to 130 kWh/m² (compared to an average 180 kWh/m² for Group branches overseas). The branch is also able to function without a generator. In the event of very bad weather, the battery units installed allow up to 24h of autonomy after which the system switches to the local electricity network which acts as a backup.

The first months have produced positive and encouraging results and several other projects are also on the drawing board: installation of 926m² of photovoltaic panels on the roof of the bank's head office branch; installation of solar and wind energy equipment at the Taravao branch, fitting of all BDP branches with natural lighting systems. These projects will also be accompanied by a series of key initiatives to heighten awareness amongst the bank's employees.

The largest solar energy system connected to the West Africa network on the roof of Société Générale de Banques in Burkina Faso

Société Générale de Banques au Burkina (SGBB) has installed a 600m² solar powered generator capable of generating of 85,000 watts of electricity on the roof of its head office building in Ouagadougou.

Up and running since Friday 5, February 2010, the energy produced by the generator is used directly by SGBB without being reinjected into the network to which the bank is connected. The 504 photovoltaic panels cover over one third of the energy needs of its four head office buildings.

Before work began on installing the generator, SGBB undertook a series of measures to optimise the buildings' energy consumption, particularly in terms of air-conditioning, and to heighten staff awareness.

Thanks to SGBB, Ouagadougou and Burkina Faso have taken a giant step forward in renewable energies.



Solar powered generator - Société Générale de Banques au Burkina (SGBB)

In France, on the Nantes Titres Beaujoire site: a 350m² facade made up of photovoltaic panels that are capable of generating 30,000 kWh of electricity each year will be installed in 2010.

Insight...

First prize for an energy-positive branch

By **Alain Bailly** | Responsable gestion des moyens

I had the idea of an energy-positive branch* at the BATIMAT International Building Exhibition in November 2007. I saw that solar solutions had progressed and that this renewable energy source had become more reliable and affordable. So I decided to take action.

My management immediately supported my idea, which fits in with the Societe Generale Group's sustainable development policy. We had plans to extend one of our branches and since electricity is very expensive in French Polynesia, we were looking into renewable, clean energy sources.

When I came back from the Exhibition, I met with the subsidiary's management so we could carry out a feasibility study and incorporate the additional investment into our budget. Once we had addressed all the issues, we launched this innovative project. Its completion was only made possible with the support of my close colleagues and the talent of local businesses.

Our branch is now autonomous for 95% of its energy requirements. Encouraged by the success of this project, we are now planning to install a larger facility on our administrative offices this year, with the aim of producing 40% of the energy used by the whole building and the branch from solar power. A subsidiary in Burkina Faso has already reproduced this solution, and a project is under way to install solar panels on a building in Reunion.

On 25 March, I was awarded first prize in the Innovation awards. This internal competition recognises the most innovative projects carried out at Societe Generale.

I am very honoured to have received this award. It will encourage me to continue to seek ways to improve and optimise our performance. What sets us apart in the increasingly competitive banking market is our commitment to innovation and to developing the Societe Generale brand image at a global level.

* An energy-positive building produces more energy (electricity, heat) than it uses over a given period.



1.4 - Société Générale offsets its CO₂ emissions

Société Générale Group is committed to achieving **carbon neutrality** by 2012. Its target of an 11% reduction in its CO₂ emissions per occupant between 2008 and 2012 applies to energy consumption, business travel and office paper. The **offsetting of residual emissions will be carried out progressively**:

In 2008, Luxembourg subsidiaries, Société Générale Bank & Trust (SGBT) and SGSS, were the first to offset their residual CO₂ emissions generated in 2007 which amounted to **1,736 tons**. Calling on the expert services of Belgian company, CO₂ logic, the entities chose to finance a Clean Development Mechanism (CDM) project which recycles agricultural waste **to produce green electricity in Andra Pradesh in Southern India**. The project is not only a boost to local employment, but also means the transfer of technological expertise and financing from the north to south of the country. Since then, the entities have continued to offset their emissions.

In March 2009, Société Générale offset the CO₂ emissions of its corporate center buildings through the purchase of CO₂ certificates (via its subsidiary **orbeo**) by the Group.

Three principles governed the choice of which CO₂ certificates to buy:

- CERs originating from the Clean Development Mechanism (CDM) established by the Kyoto Protocol. Issued by the Executive Board of the CDM, these CERs for the reduction of greenhouse gases have been approved and certified by the United Nations;
- CERs with an equitable geographic impact: by giving precedence to CERs from those regions that are currently under-represented such as South America (Argentina);
- CERs from energy projects (energy efficient, renewable energies, etc.) or gas recovery projects. All projects likely to come under the criticism of stakeholders (NGOs, experts, etc.) were not considered.

The Group's final choice was a project involving the recovery of gas from two landfills in Argentina. As methane is a gas that contributes more to global warming than CO₂, the project which involves the recovery and elimination of the gas from these landfills is a sure means of reducing greenhouse gas emissions. All told, 28,840 tons of residual emissions were offset in France and Luxembourg.

In 2010, the Group once again increased the scope of its measures to offset CO₂ emissions by deciding that its activities in France would be carbon neutral. The Specialised Financial Services business line included its ALD subsidiary in the UK, and Luxembourg subsidiaries SGBT and SGSS continued with their initiatives set in place two years ago, enabling Société Générale to offset one quarter of its CO₂ emissions worldwide in 2009 (69,745 tons). Moreover, in order to make its different business lines more aware of their respective responsibilities, the Group will also invoice them for the costs incurred. From 2011, the entire Société Générale Group will be carbon neutral since, as set out in its plan, it has committed to offsetting all emissions generated by its energy and paper consumption as well as its business travel.

To ensure the transactions carried out in partnership with orbeo are a success, a committee with members from each of the Group's business lines was formed to draw up a Group Voluntary Carbon Offset Charter defining the selection criteria for projects and credits (Appendix 2: Group Voluntary Carbon Offset Charter). An internal guide on selecting projects and certificates has also been drawn up to explain how the process works and to improve employee awareness.

1.5 – Inform, Explain, Promote

- **"Quinzaine du Changement Climatique" (Climate Change Fortnight) at Société Générale**

The 14th **United Nations Climate Change Conference** held in Poznan in December 2008 was the ideal occasion for the Group to hold its first *"Semaine du Changement Climatique"* Climate Change Week. Throughout the week, Société Générale staff were able to listen to and read about the debate between international experts and Group specialists on the major issues in climate change and the role and responsibilities of the banking sector. It was also an opportunity to highlight some of the innovative initiatives set up by certain Group entities abroad. A brochure on climate change was also handed out to staff.

In 2009, the Group added to the programme with a fortnight of events devoted to the theme of ***l'Homme au cœur du changement climatique*** (Man at the heart of climate change).

In anticipation of the Copenhagen Summit and to give employees a better understanding of the issues at stake, a **series of conferences** was organised throughout 2009 with talks by renowned experts on the economic, energy, scientific and human implications of climate change.

During the two weeks of the 15th United Nations Climate Change Conference held in Copenhagen, a **photo exhibition** on the theme of climate refugees, **"A la rencontre des réfugiés climatiques"**, by reporters from the Argos association went on display in the entrance of the Société Générale towers in the form of a virtual visit, along with various articles and commentaries published in the Group's in-house magazines and on its intranet. Through a journey of nine destinations (Alaska, Tuvalu, the Maldives, Chad, Bangladesh, Louisiana, Nepal, Germany and China), the exhibition shows just how fast the clock is ticking and how global warming will soon force communities

to flee. Today, the United Nations estimates that, between now and the end of the century, 150 million people will be forced to migrate as a result of global warming. To complete the picture, the programme also included a **series of portraits of the men and women of Société Générale Group** who, through their actions, convictions and work, also contribute to the fight against climate change: opening of the first "100% renewable energies" Group branch in Tahiti, founding of a body of spokespersons for sustainable development in Italy, initiatives to teach children about the importance of sustainable development, etc.

- **“Sustainable Development week”**

During Société Générale's Sustainable Development Week held from April 1st to April 7th, its "réflexe off" campaign reminded the staff of the Group's corporate center buildings of the importance of switching off the lights of their offices and meeting rooms as they leave: leaflets, intranet animations and displays on the screens of the buildings' entrance halls and their lifts. Other measures were also introduced which are now firmly in place such as the switching off of ceiling lights in the two towers at set times of the day (morning, midday and at the end of the day), increasing the temperatures in certain technical rooms to stop equipment from getting too cold, etc.

Insight...

The future's not what it was

By **Raphaël Montfort** | SG CIB New York

Through their actions or their beliefs, Societe Generale employees are fighting global warming. To mark the Copenhagen summit, we invite you to meet these people.

When I arrived in America in early 2008, I decided to totally change my lifestyle because my vision of the world was turned upside down. Having recently arrived in New York in the midst of an economic crisis to take up his job as Head of Collateral Management at SG CIB, I discovered Jean-Marc Jancovici's work on contemporary climate and energy issues. A real shock. Being a witness of people's behaviour and attitudes in the United States and Europe, this discovery pushed me into taking action.



An engineer, expert and consultant specialising in energy and climate, Jancovici has raised the alarm about the urgency of reducing greenhouse gas emissions. Crucial efforts for the future of our planet that must be undertaken by society, companies and each of us as individuals. For example, in terms of CO2 emissions, a return flight from Paris to New York is equivalent to as many trips over the same distance in a small town car as there are seats in the plane. It's also equivalent to the amount of CO2 a person emits over an entire year! It's absolutely catastrophic.

That's why I started translating Jancovici's work and adapting it to American issues, the aim being to present it at the CEO Speakers Series. In early July, my presentation during this series of conferences open to Group staff in the New York offices was closely followed by around a hundred people, and has since been watched a thousand times on the Internet. The feedback has generally been positive, although people were in a state of shock. Now I intend to continue talking about climate change with the Group's staff, because people's individual awareness can still change the future.

2 - "Responsible Real Estate" Project

- **Objective:**
 - keep the energy consumption and greenhouse gas emissions of the buildings to a strict minimum.
- **Priority for 2010:**
 - apply Société Générale's Responsible Buildings Reference Framework (RBR) to all building construction and renovation projects,
 - continue to improve energy consumption in the Group's different buildings.
- **Highlights in 2009:**
 - opening of the Granite tower which has been built according to High Environmental Quality standards (HQE);
 - Société Générale's Head of Real Estate elected "Real Estate Director of the Year" for the whole of France in 2009;
 - drafting of the Group's Responsible Buildings Reference Framework;
 - signing of the WBCSD Manifesto for Energy Efficiency in Buildings.

When it comes to buildings, the choice of construction methods and materials must comply with applicable environmental and health and safety standards in order to minimise any impact on the environment, but without for as much compromising the comfort and quality of life of their occupants.

Société Générale's **Granite tower** clearly reflects the Group's goal to develop more environmentally-friendly buildings. The bank's new office tower in La Défense (Paris) was inaugurated on December 15, 2008, a few days after it won the **Grand Prix de l'immeuble neuf** (Best New Building Award) for the year awarded by the jury of the SIMI (Salon de l'Immobilier d'entreprise - corporate property trade fair) whose members include real estate directors from France's leading corporations. Société Générale's Granite tower is the first high-rise building in France to be HQE certified. In December 2009, Jean-Marc Castaignon, Real Estate Director for Société Générale, was also named Real Estate Director of the Year by the same jury in recognition of his work and the work of his teams.

A number of best practices to optimise energy consumption are already in place within Société Générale's different buildings and real estate. In June 2008, a working group was set up to examine and define a **Responsible Buildings Reference Framework specific to Société Générale to be integrated within the Group's real estate policy**, so as to give its real estate managers a single, coherent and practical reference tool. The purpose of this reference framework is to create a shared, coherent culture of responsible building management for all Group entities worldwide, and to constantly find new ways to limit energy consumption. Issued at the end of 2009, the framework comes with its own diagnostics tool.

In line with the Group's environmental policy and Carbon Neutrality Project, Société Générale's business lines have embarked on a series of construction and renovation projects to improve the environmental and energy performance of their buildings. Crédit du Nord has refurbished its main branch at Saint Lazare with a "vertical garden" that acts as a natural filter to improve the quality of the air within its premises. In the same way, the Group's Real Estate Department has made technical improvements to the head office buildings in order to limit their energy consumption and greenhouse gas emissions, as well as contributing to technical documentation on the best practices that apply within the Group. The Group's French Retail Banking division is working on a prototype for a new eco-branch, whilst the building renovations policy of its Retail Banking Outside France business arm is firmly focused on improving the energy efficiency of its branches and the use of renewable energies.

Backed by these initiatives, Société Générale Group has signed the Manifesto for Energy Efficiency in Buildings of the World Business Council for Sustainable Development (WBCSD) which imposes a certain number of obligations and constraints.

Measures are in place to **encourage the eco-friendly behaviour** of staff, particularly when it comes to consumables, sorting waste and water and electricity consumption. Each member of staff is systematically given a welcome pack when they are relocated to the Granite tower or move to a new office. The aim is to ensure each individual takes responsibility for their own environmental footprint. Throughout the year, articles and messages on "eco-gestures" are published on the Group's intranets and on posters and leaflets: "réflexe off", sorting waste, "sustainable printing", etc.

2.1 - Move to the Granite tower

Société Générale's Granite tower in La Défense was built in full compliance with French standards governing the construction of service buildings according to High Environmental Quality standards (HQE®). A pilot project for the application of HQE® standards to high-rise buildings, the Granite tower was the first of its kind to have had its planning and design phases certified by independent CSTB¹ auditors in February 2005.

¹CSTB: French Scientific and Technical Center

In the first quarter of 2009, 3,800 Société Générale employees moved into the Granite tower which was awarded HQE® certification for its completion phase on October 22, 2009.



Granite tower

To obtain HQE certification, buildings must meet 14 targets which are classed according to 3 levels of performance: Basic, High and Very High. Société Générale's Granite tower achieved a Very High performance level on eight counts (Relation between buildings and immediate surroundings; Green construction site; Energy management; Waste management; Maintenance; Odour control; Health conditions in spaces and Indoor air quality), a High performance level on four counts (Hygrothermal comfort; Noise and acoustics; Visual comfort and Water quality), and a Basic performance level on two counts (Integrated choice of products and systems and Water management).

- Its Very High performance rating in terms of energy management, and the efforts that have gone into its construction and use, highlight the tower's efficient energy resources and supply. One year after its opening, the energy consumption is 4,180 kWh per occupant, i.e. a gain of 36% on the average for the Group's corporate center buildings.
- Water consumption from the mains water supply has been reduced to 5.4 m³ per occupant and per year, which is 44% less than the Group's Alicante and Chassagne towers built in 1995.
- Waste management within the Granite tower is also rated Very High. In each open plan office, an entire system is in place to encourage employees to sort the things they throw away, including separate receptacles for miscellaneous rubbish (envelopes, post-it notes, plastic folders and sleeves, plastic waste, staples, paper clips, tissues, food and drink), newspapers, magazines or coloured paper; white paper that has not been folded or crushed; as well as used ink cartridges and batteries. In each cafeteria and on each floor of the building, staff can also sort plastic bottles, cans and other miscellaneous food and drink rubbish.
- Finally, to keep printing to a minimum, there is one printer for every 6 employees.

Preparation for the HQE® operation project phase is currently underway at Société Générale, with the Group aiming for certification by the end of 2010.

2.2 - Responsible Buildings Reference Framework at Société Générale

Société Générale's Responsible Buildings Reference Framework was drawn up at the request of its "Responsible Buildings" working group made up of representatives from the CSR, logistics and real estate teams of each business line, and from the Group CSR, Real Estate, IT and Purchasing departments. Its aim is to constantly seek to improve the energy and environmental performance of all Group property, and it has been specifically tailored to factor in the inherent needs of its different activities and the diversity of its entities around the world.

Drawing its inspiration from three global and national standards², the framework has also been validated by the Group's real estate experts and drafted in line with the United Nations report on the certification of buildings published in December 2008.

The reference framework provides Société Générale's real estate teams with **keys information on sustainable construction and renovation** for each of the phases in the life of their buildings and the property they manage.

² The main differences between the three global and national standards on which the framework is based are presented in a table in Appendix I.

Its diagnostic tool is an **interactive computer interface** which is used to assess the eco-friendly qualities of an existing building (office building, bank branch, data-centers, etc.), and to structure a coherent and individual plan to improve its energy and environmental performance. It has been specifically designed for **renovation and construction projects** within the Group's bank branches and head office buildings (offices, data-centers, etc.).

- **How the interface works:**

1. Who is it for?

The **resources and maintenance/operations managers** of each Société Générale entity are the first concerned.

2. What stages in a real estate project is it used for?

The "Responsible Buildings" framework is a benchmark that applies to all of the phases in the life of a building:

- **Design:** to ensure that the environmental impact of future buildings has been fully assessed and to anticipate the health and comfort of their occupants.
- **Construction/renovation:** to control and limit the environmental impact of construction sites.
- **Operation:** to ensure the building meets the appropriate standards in terms of performance, its long-term viability and the comfort of its occupants and customers.

In concrete terms, it is used:

- **For all new construction or renovation projects:** to assess a project's or building's level of compliance with ten target environmental standards, and to make sure that the Group's requirements are taken into account in the technical specifications.
- **When defining all real estate investment projects:** to review the environmental performance of all Group property so as to establish which areas should take priority.

3. What are its main functionalities?



A. Evaluation of existing real estate

The diagnostic tool is used to assess the compliance of existing buildings (office buildings, bank branches, data-centers, etc.) with the ten major targets of Société Générale's Responsible Buildings Reference Framework:

1. Energy savings
2. Greenhouse gases and pollutants
3. Water management
4. Waste management
5. Choice of materials
6. Hygrothermal comfort
7. Noise and acoustics
8. Visual comfort
9. Ventilation / Quality of air
10. Maintenance / operation

A ratings system is used to qualify a building's maturity according to the work that needs to be carried out and to define a short- or medium-term strategy to bring it up to code.

B. Control of future projects put forward

Where Société Générale issues an invitation-to-tender for the design, construction or maintenance of a building, the diagnostic tool enables the Group to examine the replies received and evaluate to what extent they meet the standards required.

C. Decision-making and recommendations

When drawing up the technical specifications for the design or renovation of a building, the interactive tool proposes a series of recommendations on the measures that need to be taken to ensure the efficiency, comfort and environmental performance of the end product.

It specifies the areas that need to be worked on to meet the set performance and quality criteria according to the location (surroundings) and nature (office building, bank branch) of the construction or renovation work.

D. Learning and training

Last but not least, the tool also contains a large number of definitions and concrete descriptions that are specific to construction and environmental building work. Its tree structure is organised by major theme enabling users to rapidly get to grasp with the information and content linked to their projects.

2.3 – Signing of the WBCSD Manifesto for Energy Efficiency in Buildings

Société Générale has adopted the Manifesto for Energy Efficiency in Buildings published by the World Business Council for Sustainable Development (WBCSD)³.

Signed by Jean-Marc Castaignon, Real Estate Director for Société Générale, and Philippe Laget, Head of Quality, Innovation and Sustainable Development for the Group, the Manifesto is a roadmap for reaching energy self-sufficiency in buildings and a forum for exchange with other international companies. It is also a reflection of the Group's commitment to an environment that requires less energy and produces less carbon.

Today, buildings consume approximately 40% of the world's energy resources, i.e. more than the transport sector and industry.

Leadership in energy efficiency represents opportunities to cut operating costs, improve employee productivity and satisfaction and enhance a company's corporate reputation.

In defining new standards governing energy efficiency, global business can make a huge contribution to heightening demand for energy efficient buildings.

By pooling their efforts, they can substantially reduce the consumption of energy around the globe and the CO₂ emissions that go with it.

The Manifesto is intended to mobilise companies to improve the energy performance of their commercial buildings through five core actions:

1. The creation of a baseline of the company's commercial buildings and set time-based reduction targets as outlined in its implementation guide "Energy Efficiency in Buildings: Transforming the market".
2. The implementation of a company policy for minimum energy performance levels in the company's commercial buildings.
3. The definition and execution of an audit of the company's implementation strategy to meet the energy targets for its commercial buildings.
4. The annual publication of their buildings' energy use, CO₂ emissions and progress vis-à-vis their reduction targets in their CSR reports.
5. The promotion of building energy efficiency among suppliers, employees and other stakeholders through marketing, education and training.

³ The WBCSD is a global association of 200 companies in 35 countries and 20 major industrial sectors that provides a forum for the exchange of knowledge, experience and best practises in sustainable development.

2.4 - Eco-branch prototypes in France

As part of Société Générale Group's Carbon Neutrality Project, the Real Estate Department for its Retail Banking network in France has implemented a plan of action which involves the creation of two prototype eco-branches with a limited cost structure (including operating costs) and using materials selected for their low environmental impact (eco-design). Once they have been up and running for a year, the prototypes will be reviewed and proposals made for their implementation throughout the Group. The branch in Seyssinet (Lyon Regional Division), which is currently in its design stages, will be the first prototype and will incorporate the following technical adjustments:

- insulation using the exterior walls and improved floor insulation;
- green roofing over a water-proof membrane (which requires no specific maintenance work);
- triple or double low emissivity glazing depending on exposure to the sun;
- outside blinds;
- dual flow interior ventilation with winter/summer heat recovery;
- low energy air-conditioning (insulation effect);
- general LED lighting (light-emitting diodes).

Moreover, to take advantage of the new square logo for retail branches (on which the name "Société Générale" no longer appears), the potential use of LED lighting will be examined - the aim being to cut the consumption of electricity in half and multiply the life of the different components by five. The installation of the new logos will begin towards the end of 2010.

2.5 - Constant quest to improve the energy performance of Group buildings

Throughout 2009, different **technical work was carried out at the head office buildings** to reduce their energy consumption and greenhouse gas emissions:

- replacement of all refrigeration systems by the latest generation of equipment with improved technical performance levels and elimination of R22 fluids, i.e. 19 refrigeration systems with a cooling capacity of 17,000 kW;
- installation of new air treatment units with heat recovery systems allowing for an energy saving of 50% when it comes to preheating new air;
- installation of energy control equipment with a review of monitoring and performance analysis tools scheduled for 2010. Tests on a prototype building will also be carried out in 2010;
- participation of the Real Estate Department in the **publication of technical documentation outlining the best practices** in place for buildings and used to train the real estate managers of each division on improving the energy performance of the different buildings for which they are responsible;
- compilation of a practical "tool set" for the logistics managers of small entities (surface area of less than 500m²). The documents included are intended to help managers familiarise themselves with their buildings, the technologies in place and the improvements that can be made to reduce CO₂ emissions and energy consumption;
- participation in transverse studies on reducing energy consumption and greenhouse gas emissions and on defining objectives.

3 - "Green-IT" Project

In 2009, the Group consumed close to 824 GWh of electricity and heating and employee travel amounted to approximately 444 million km. The **Group also generated the equivalent of around 279,000 tons of CO₂** (down 4.5% per occupant on 2008). IT systems and equipment accounted for a substantial proportion of these figures, namely close to 50% of the Group's electricity consumption and 25% of its CO₂ emissions.

- **Maturity analysis**

Launched in the summer of 2008, a review of the environmental maturity of Société Générale's IT systems and equipment revealed the Group's strengths and weaknesses according to five major categories of analysis:

IT production centers: calculation and data storage infrastructures.

Working environment of end users: office workstations and laptops, printers, telephone systems, etc.

Working methods: organisation of work and use of IT systems and equipment potential.

Purchasing: maturity of suppliers, responsible processes, contractual framework, etc.

Corporate responsibility: interaction between the company and its "environment".

A 20-point **plan of action** across the five categories selected was then drawn up in order to improve the energy efficiency of the Group's IT resources and reduce its CO₂ emissions.

- **The programme**

Objective: The aim of Société Générale's Green-IT programme is to implement the plan of action resulting from the Group's IT systems' maturity analysis in 2008 by defining the priority measures to be taken in order to meet its ambitious environmental targets.

Its **governance** has been adapted to ensure the implication of all of the Group's business lines and divisions and oversee their coordination. Working groups have been formed for each of the measures to be set in place and are managed by five programme leaders. The programme itself is supervised by a Green-IT Committee made up of the heads of the main departments concerned (information systems, sustainable development, real estate, purchasing, innovation) and run jointly by the Group's IT and Sustainable Development Departments.

Process:

The Green-IT Committee and programme working groups were set in place in June 2009.

Each group was responsible for carrying out the preliminary technical and cost studies needed for each initiative. The results of these studies were then used to set **quantifiable and measurable targets** and to **define the indicators** needed to monitor their progress and subsequent success.

The steering committee that met in January 2010 approved:

the macro-planning for the measures to be implemented from 2010 – 2012;

the targets (in figures) for the reduction of greenhouse gas emissions by 2012, namely the equivalent of 25,000 tons of CO₂ per year by 2012 (close to 8% of the Group's total emissions), and a 29% cut in emissions linked to IT systems and resources. Today, 70% of this target has been met;

the estimated necessary **investment** for those measures that have not yet been budgeted.

From April 2010 onwards, the progress and CO₂ gains made by the programme will be announced at the Green-IT Committee meetings held each quarter.

Responsible electronic and electrical waste management

Société Générale also plans to **ensure its employees take a more responsible approach to electronic and electrical waste management**. IT, office and telephone equipment that is replaced must be correctly treated when it is thrown away in order to keep its impact on the environment to a strict minimum. A **Group directive on electronic and electrical waste** has been published which lists the procedures to be followed and precautions to be taken in terms of security and the preservation of the environment. In France, an agreement has been signed with various companies from the waste management sector for the treatment and recycling of all Group electronic and telephone equipment.

3.1 – Approved actions and objectives of the Green-IT Programme

	Priority measures	Investment required	Target cut in greenhouse gas emissions
IT production centers	<ul style="list-style-type: none"> - Measurement of energy efficiency - Optimisation of set up and refrigeration systems - Merging of centers - Widespread use of virtual servers - Objective: reduce electricity consumption 	<ul style="list-style-type: none"> - Installation of advanced equipment to measure energy consumption - "France Data Center Strategy" Programme 	Equivalent of 8,000 tons of CO2 including 3,600 tons linked to the launch of the "France Data Center Strategy" Programme
Working environment	<ul style="list-style-type: none"> - Rolling out of "thin" client workstations - Centralised management of power supply for workstations - Increased proportion of laptop PCs - Objective: reduce electricity consumption 	<ul style="list-style-type: none"> - Centralised management of power supply for workstations - Strategy to encourage the use of laptop PCs 	Equivalent of 7,900 tons of CO2 including 3,300 tons linked to investments + Equivalent of 1,400 tons of CO2 (indirect, i.e. savings made on the air-conditioning of offices)
Working methods	<ul style="list-style-type: none"> - Roll out of telepresence - Widespread use of remote communications devices - Objective: cut down on business travel 	<ul style="list-style-type: none"> - Telepresence equipment - Setting up of other forms of remote collaboration 	Equivalent of 2,000 tons of CO2 entirely linked to investments
Responsible Real Estate	<ul style="list-style-type: none"> - Installation of solar energy equipment - Real estate that is "hooked up" - Purchase of green electricity 	<ul style="list-style-type: none"> - Solar energy - Real estate that is "hooked up" 	Equivalent of 6,200 tons of CO2 (70% linked to purchase of green energy for a production centre) including 900 tons if the pilot projects underway are a success
« Sourcing »	Selection of suppliers on the basis of eco-labels		Indirect cuts still to be estimated

3.2 – A few initiatives highlighted

Historically, IT and information systems development has always resulted in an increase in their power and therefore their energy consumption. Indeed, it is now estimated that the annual electricity cost for a piece of computer equipment amounts to a quarter of its purchase price.

In light of this fact, several concrete measures have been implemented within different projects.

Firstly, the team in charge of the EPAL (Local Access Point Upgrade) project within Société Générale has chosen to review its choice of equipment with a view to making electricity savings on its server infrastructure. This has resulted in the adoption of low consumption processors consuming up to 40% less energy. An additional financial investment was necessary to achieve this, but the return on investment with regard to this project has been estimated at less than 4 years.

Still with regard to and in the wake of the EPAL project, the workstations of employees in bank branches in France are gradually being replaced by much lighter system units consuming up to 5 times less energy (35W vs. more than 150W for a “traditional” workstation). These system units, so-called Ultra Light Terminals, are an innovative response to the needs of application upgrades and the need to control energy consumption. As a result, such system units are also being examined for potential deployment within Komerční Banka (KB) in the Czech Republic as well as within the Crédit du Nord network.

Head Office sites are also involved in the search for energy gains. This materialised in 2009 with the opening of the Granite site, which is equipped with new office printing peripherals. These peripherals, heavy consumers of electricity and paper and in sleep mode more than 98% of the time during their lifespan, have been distributed on the different floors so as to ensure that one of them is easily and quickly accessible to an average of 10 users. In addition, they have been configured to print systematically and by default on both sides of the page in order to help save paper. For a year now and since the deployment of these new peripherals, the average number of sheets of paper printed each day has fallen by nearly 30% to 20 pages per day and per user. In addition, with the number of printing peripherals deployed having been reduced, the resulting electricity consumption has also declined substantially.

Insight...

Going green with everybody

By **Emmanuel Bavière** | Group Ressources division

Through their actions or their beliefs, Societe Generale employees are fighting global warming. To mark the Copenhagen summit, we invite you to meet these people.

In 2007, my colleague Pierre Bichon and I, supported by our manager Alain Voiment, decided to plant a tree for every purchase of IT equipment. Our business has changed a lot in recent years, and we now realise that computers are using more and more energy, which we didn't know until fairly recently. In order to restore the ecological balance, the three of us therefore instigated a partnership with the Cœur de Forêt charity association: for every item of IT equipment purchased, the Group pays the charity 5 euros to replant trees. In just 4 months, 700 trees have thus been planted in French Guiana.



However, this quantitative approach rapidly reached its limit. We therefore extended the partnership towards a true sustainable development policy, and have joined – still with the same charity – a programme in Peru. In our minds, the people who replant the trees also need to be able to live from this. 50,000 euros were invested in 2008 and 61,000 euros in 2009 to sponsor plantations of essential oils. These investments make it possible to plant tens of thousands of trees, but also, and more importantly, to enable around a hundred Shipibo Indian families to live. Being able to help people make ends meet by spending just 5% of one's time is a great example, one that everyone can copy, that we want to maintain despite the economic situation.

What I am most proud of, though, is that we have managed to turn our colleagues' DNA green: today, when the Group buys new IT equipment, energy consumption is one of the main criteria!

4 - Paper

- **Objectives:**

- reduce paper consumption,
- instil the responsible use of paper (recycled and eco-label).

- **Priority for 2010:**

- set up more awareness campaigns around the theme of "Let's consume less, let's consume better",
- implement a "paper" consumption policy

- **Highlights in 2009:**

- printing programme set in place in the Granite tower to increase the number of users per printer;
- exclusive use of recycled paper in the Granite tower;
- recycled paper represents 54% of the total paper consumption in France;
- setting of targets for the reduction in paper consumption per business line as part of the Carbon Plan;
- publication of a user guide to replacing paper with electronic formats.

- **Improve the way in which paper consumption is managed**

The use of paper and its ecological value is a core priority for any "responsible" services company.

Substantial progress has been made in recent years:

- increasing use of recycled paper (33.1% Group wide in 2009 compared with 21.4% one year earlier);
- printing and reprography equipment offers more solutions for the optimisation of paper consumption;
- all printing paper is guaranteed 100% chlorine-free;
- the Group is a founding stakeholder in Ecofolio.

- **"Responsible paper" project**

Société Générale's "Responsible paper" project was approved by the Group's Executive Committee in 2007. Under the banner of "Let's consume less, let's consume better", the project has two objectives: to reduce paper consumption and encourage the use of eco-label paper.

The project not only covers office paper but each of the Group internal and external publications. It also aims to ensure that those employees that can play an important part in the responsible management of paper (administrative staff, secretaries, reprography managers):

- prioritise the use of eco-label recycled paper,
- use paper that has been manufactured according to eco-label standards for the sustainable management of forests if the supply of recycled paper poses a particular problem in terms of cost/logistics (depending on the location of Group entities).

A series of best practices have been published in order to reduce the consumption of paper and improve the way in which it is used:

- Organisation of the **Challenge Bonnes Pratiques Papier Responsable** (Responsible Paper – Best Practices Challenge) in 2008 to involve employees in the implementation of new practices.
- Setting up of a **quarterly report on paper consumption** within the Group's entities in France two years ago.
- Exclusive use of a service provider that supplies recycled and eco-label paper in France since the start of 2009.
- Posting of a **Guide Bonnes Pratiques Papier** (Guide to Best Practices in Paper) for all staff on the Group intranet.
- Printing of **business cards on recycled paper** with the words "100% recycled paper" for all staff in France since the beginning of 2009.
- Instructions to privilege the use of recycled paper over all others throughout the Retail Banking network. The consumption of recycled paper has increased from 20% to 63% of all office paper within the Retail Banking division in the space of two years.
- Publication in 2009 of a **guide to replacing paper with electronic formats**. The aim is to provide staff looking to reduce their paper consumption with the answers to questions they may have regarding legal and regulatory issues, sustainable development criteria, technical resources and solutions, best practices and feedback.

- **Printing programme for Group corporate center buildings**

When the Granite tower was opened in 2009, Société Générale Group applied new rules governing company printers. By streamlining printing requirements and creating multi-function printer rooms, the Group was able to increase the number of users for each printer (six users instead of three). A page printing service was also set up to improve the way in which printing is managed. Given the success so far, the programme will be extended to the other corporate center buildings and a procedure is currently underway to replicate the set up whenever there is a change in offices.

- **Responsible waste management**

In 2006, Société Générale began equipping all of its offices with **17,500 FFNE-approved bins** that enable waste to be sorted and the optimal recycling of paper (paper disposed of is kept flat). Since the start of 2008, contracts have been signed with those service providers managing the Group's corporate center buildings that include the collection, sorting and recycling of waste. However, the reporting of data (particularly in terms of waste) from these service providers needs to be improved. Work on this began in 2009 and will continue throughout 2010 as part of the overall improvement of the Group's environmental data reporting.

4.1- Société Générale, founding shareholder in EcoFolio

In 2006, new French legislation imposed that issuers of unsolicited printing for business purposes (publicity, free advertisement publications, etc.) aimed at individual consumers contribute to the financing of their recycling, valorisation and destruction by the local authorities.

EcoFolio, a state-approved private company, was set up in 2007 to enable companies to uphold this obligation. By subscribing to this eco-organization and thereby acquitting themselves of a voluntary contribution, issuers entrust EcoFolio with the management of their subsidies for local authorities as well as the implementation of information campaigns.

As part of its commitment to the environment, Société Générale not only subscribes to EcoFolio but also supported its creation by becoming a shareholder in the organization alongside other companies from different economic sectors.

The Group is committed to drawing up an inventory of the paper tonnage it uses each year in France and paying the corresponding contribution directly to EcoFolio. For 2009, the Group declared 1,841 tons of printed paper.

4.2 - Responsible Paper – Best Practices Challenge

The aim of Société Générale Group's **Challenge Bonnes Pratiques 2008 "Papier responsable"** (Responsible Paper – Best Practices Challenge) was to reward the most promising eco-initiatives set up by members of staff. Two types of trophy were awarded: the **"Let's consume less" trophies** and the **"Let's consume better" trophies** in line with the two objectives of the Responsible Paper project.

"Let's consume less" trophies were awarded to the following three initiatives:

- the **conversion into a clear and simple Excel file of the centralised statements from the Banque de France** to avoid them having to be printed → estimated saving of 6 million sheets of paper;
- the **electronic archiving of mutual fund prospectuses** on a shared hard drive with a precise tree structure for files → estimated saving of 720,000 sheets of paper per year;
- the **publication of the "Autour de nous" internal newsletter** in electronic format with a link to the colour file sent by e-mail to all corporate center staff → estimated saving of over 2 million paper copies.

"Let's consume better" trophies were awarded to the following three initiatives:

- **SGBT Luxembourg's global approach to responsible paper** (monthly reporting, identification of those areas in which paper formats are no longer necessary or can be avoided, information campaigns, use of responsible paper) which led to a 6.45% reduction in paper consumption in 2007;
- the **replacement of colour card folders by recycled paper folders**;
- the **replacement of pre-printed documents by electronic, interactive PDF files**. As a result, contract models can be easily modified which avoids stocks of pre-printed paper which goes to waste when documents become obsolete.

Insight... (Italian) citizens of the world!

By **Giovanna Pensalfine** | Head of communication SGSS Italia

Through their actions or their beliefs, Societe Generale employees are fighting global warming. To mark the Copenhagen summit, we invite you to meet these people.

There are currently nine of them in Milan and three in Turin. We're talking about the "sustainable development ambassadors", SGSS Italy staff that I define as people who share the same passion to be citizens of the world, and who feel concerned by everything that is related to sustainable development. They meet during their free time to organise their actions and put them to the communication department. I just support them, because I feel that they should remain independent. I meet them twice a year to listen to their ideas and to see how those ideas can be implemented.



Given that the simplest ideas are often the best, in 2007 the ambassadors launched a programme, following the principle of an internal competition, aiming to reduce paper use. They also suggested, in order to limit the use of air conditioning, that staff wear light clothes in summer and warmer clothes in winter. In 2008, there was an exhibition and a fortnight of conferences on the theme of sustainable development. Simple habits, a certain attitude and a state of mind that have become part of the mindset of SGSS Italy's 550 staff.

The major earthquake that shook the Abruzzo region of Italy on April 6 obviously didn't leave this think-tank unmoved. "They wanted to provide active assistance to the people of L'Aquila, and particularly to children", explains Giovanna. That's why, thanks to their support, the Silvestro dell'Aquila school will soon benefit from a new library. It required a lot of imagination to raise the necessary funds from their colleagues: a book fair, a food sale, a play and a ski race between staff from various foreign banks in Italy. 10,000 euros have already been raised, and the bank will double this sum at the end of the operation. At Christmas, this gift will be handed over to the school's headmaster.

5. Société Générale steps up its transport policy

- **Objective:**
 - reduce the Group's ecological footprint with a more environmentally-friendly transport policy.
- **Priorities:**
 - cut down on business travel,
 - reduce and develop a clean vehicle park,
 - heighten staff awareness of the value of car-sharing and other more ecological methods of transport.
- **Highlights in 2009:**
 - launch of Green-IT programme used in the development of alternatives to business travel
 - setting of targets for the reduction in paper consumption per business line as part of the Carbon Plan
 - launch of a new policy for cars in France

Société Générale remains committed to reducing its environmental impact in terms of transport and business travel. The Group has already set up various measures designed to limit transport pollution. Many include **collective action** and initiatives to **heighten staff awareness**, such as the Group's **company travel plan**, its **eco-comparator** for business travel which calculates the level of CO₂ emissions according to the chosen method of transport, and its **car-sharing website**.

In partnership with its subsidiary ALD Automotive, Société Générale has also sought to reduce the carbon footprint of its fleet of vehicles. In 2009, the New Car Solution programme was launched with the aim of reducing the impact on the environment of the Group's vehicle fleet via the selection of vehicles that pollute less and other measures like its eco-driving lessons. The policy should bear its fruits in France in 2010. At the end of 2009, the average level of emissions generated by the Group's fleet in France stood at 131 g/km of CO₂ and 165 g/km worldwide.

The Green-IT programme will also mean the implementation of high-performance audio and video-conferencing equipment in order to improve the quality of long-distance teamwork and to limit the need for business trips.

5.1 - "New Car Solution" Programme

- **New Car Solution Programme :**

Launched in September 2009 by the Purchasing Department in collaboration with Group subsidiary, ALD Automotive, and representatives from various entities and subsidiaries, Société Générale's New Car Solution Programme has led to the integration of environmental criteria at every stage of the Group's policy governing the purchase of new vehicles.

- Pre-selection of vehicles purchased by invitation-to-tender and liable to be included in the Group's catalogue: models with the best engine performance, mixed cycle fuel consumption and CO₂ emissions.

Only models with CO₂ emissions below a set threshold per category are selected:

- city cars (Citroën C3/ Peugeot 207);
 - cars for medium-distance journeys (Citroën C4/ Peugeot 308);
 - cars for long-distance journeys (Peugeot 407/Laguna): 130g CO₂/km.
- } 120g CO₂/km

- Harmonisation of the catalogue of Group vehicles which factors in environmental criteria for their selection:

- **65% of new vehicles in 2010 emit less than 99g of CO₂/km** (i.e. 582 vehicles out of the 907 replaced in 2010);
- no vehicles with CO₂ emissions that exceed 130g/km may be listed in the catalogue (except people carriers).

New long-term initiatives:

- Setting up of an **eco-driving lessons programme** to reduce fuel consumption and CO₂ emissions.

- **Close monitoring of innovative models** from car-makers that have a lower impact on the environment: follow-up of the development of **100% electrical models** which are scheduled for release at the end of 2010 in collaboration with car-makers.

- The **New Car Policy** Programme will be launched at the end of April 2010 and aims to define the main principles and rules governing the Group's vehicle policy with a particular focus on environmental factors.

5.2 - Company travel plan in Nantes

Société Générale Securities Services and the subsidiary in charge of the administrative management of the Group's company savings plan, both based in Nantes, announced the official launch of their company travel plan, the **Plan de Déplacement Entreprise (PDE)**, at the end of October 2007. The initiative consists of a series of measures aimed at making the day-to-day travel of their employees more energy efficient and developing cleaner means of transport in collaboration with Nantes Métropole and the ADEME (French Agency for Environment and Energy Management). In the space of just one year, the Nantes entity recorded 54 new subscribers to public transport, i.e. an increase of 168%! Thanks to its efforts, the number of potential weekly users of public transport increased to 110, accounting for 10% of its payroll. Ongoing information campaigns and an in-depth analysis of travel to-and-from work should encourage more car-sharing.

5.3 - Setting up of an eco-comparator for business travel





To increase employee awareness of the environmental impact of their business trips, a tool which calculates the resulting level of CO₂ emissions is now a feature of the Group's online train and flight booking service. The level of CO₂ emissions generated by each option selected appears alongside the price. In this way, employees can use the eco-comparator to rapidly find the method of transport that will generate the least pollution.

By selecting the method of transport that generates the lowest level of pollution, employees can reduce their ecological footprint and, as a result, contribute towards meeting the target set by the Executive Committee in 2007: 11% reduction in the CO₂ emissions generated per Group employee between 2008 and 2012.


Business travel (car, plane, train) generate a high level of CO₂. In 2009, they accounted for 21% of the Group's total emissions compared with 26% in 2008.

This initiative is not the only one of its kind. SG UK has also implemented an eco-comparator as part of its Carbon Reduction Challenge.

APPENDIX – Appendix 1: Group environmental report
Environmental Report

	2009 (excluding Rosbank)	2008 (excluding Rosbank)	2007	2006	2005
Total number of employees in the Group	140 120	144 000	135 000	120 000	103 555
Number of occupants surveyed by Planethic Reporting	132 933	134 884	118 183	101 262	87 731
Sample coverage	99%	92%	87%	84%	85%
Total floor space in the sample (m ²)	3 728 409	3 490 877	3 499 265	2 952 795	2 387 891
Energy consumption					
Number of occupants in the sample	130 166	131 370	112 732	98 200	83 931
Sample coverage	98%	90%	82%	82%	81%
Floor space in the sample (m ²)	3 626 861	3 393 519	3 360 719	2 879 285	2 305 000
Electricity (MWh)	629 155	596 663	523 810	441 660	388 787
o/w green electricity (MWh)	88 345	60 093	55 510	55 000	55 000
Reliability of the indicator (1 to 4)					
Gas (MWh)	97 405	126 111	118 066	95 351	86 054
Reliability of the indicator (1 to 4)					
Fuel + other liquid energy (MWh)	97 722	131 460	122 614	98 676	98 941
Reliability of the indicator (1 to 4)					
Total energy consumption (MWh)	824 282	854 234	764 490	635 687	573 782
Energy (kWh) /occupant	6 333	6 503	6 781	6 473	6 836
Energy (kWh) /m ²	227	252	227	221	249
Water consumption (m³)					
number of occupants in the sample	1 641 622	1 504 328	1 564 159	1 407 887	783 735
Sample coverage	103 443	100 378	84 281	74 699	51 582
Reliability of the indicator (1 to 4)					
Water consumption/occupant	15,9	15,0	18,6	18,8	15,2
Office paper (T)					
number of occupants in the sample	8 100	7 591	7 621	6 944	n.a
Sample coverage	131 579	130 012	124 438	98 335	
o/w % recycled paper	98%	89%	91%	82%	
	33,1%	21,4%	15,2%	11,4%	
Business travel (km)					
number of occupants in the sample	129 343	130 730	118 069	± 90 000	
Sample coverage	95%	91%	84%	75%	
Air	210 844 166	247 084 428	288 002 046	203 418 054	n.a
short-haul	10 757 042	11 488 488	18 113 504	30 848 632	
medium-haul	46 092 475	78 283 562	88 234 813	49 438 446	
long-haul	153 994 649	157 312 378	181 653 728	123 130 976	
Rail	4 188 926	38 742 281	33 393 554	34 050 783	
Car	19 168 156	182 812 722	133 532 618	178 840 945	
Total business travel (km)	444 414 999	468 639 431	454 928 219	416 309 782	n.a
CO₂* emissions (T)					
number of occupants in the sample	130 070	131 162	114 540	95 700	
Sample coverage	97%	90%	85%	80%	
Scope 1 (natural gas, domestic fuel, heavy fuel)	26 186	37 571	35 317	27 829	
Scope 2 (electricity, steam, chilled water)	178 385	178 441	154 536	128 479	
Scope 3 (business travel, office paper)	74 264	78 360	75 879	67 640	
Total CO₂ emissions (T)	278 835	294 372	265 732	223 948	n.a
CO ₂ emissions (T)/occupant	2,14	2,24	2,32	2,34	

* calculated according to the GHG protocol (www.ghgprotocol.org)

 This graph measure the reliability of the indicator on a scale from 1 to 4 (from the less to the more reliable).

69 745 tCO₂ of the total 278 385 t of 2009 emissions will be offset in 2010
(66 711 for France, 2 212 for SGBT and SGSS Luxembourg, 822 t for ALD Automotive UK)

Appendix 2: Group Voluntary Carbon Offset Charter

Société Générale voluntary CO₂ offsetting charter

To solidify its commitment to combating climate change, Société Générale intends to reduce the direct environmental impact of its activities. The Group has committed to reducing its CO₂ emissions by 11% per occupant from 2008 to 2010, and to gradually offset residual emissions.

This Charter establishes the scope in question and the voluntary offsetting rules adopted by the Group to this end.

1. Scope

Carbon offsetting pertains to all emissions⁴ that the Group has decided to measure and reduce, i.e. emissions linked to:

- energy consumption of buildings and facilities used for the Group's activities.
- business trips taken by building occupants,
- and office paper consumed by building occupants.

The Group is striving to improve data collection each year so as to improve the accuracy of its measurements and broaden the geographic scope of coverage to reach 100%⁵.

Entities that wish to do so can go beyond the offsetting and reduction scope defined under the Group's carbon neutrality programme.

2. Voluntary offsetting rules

- a. Types of credits: the factors of traceability, control and, potentially, ownership of emission reduction credits must be set forth in a clear and rigorous manner, which is why only credits from the UNFCCC, Gold Standards and Voluntary Carbon Standard are used.
- b. Credit vintage: to avoid the risk of having no guarantee that the reduction actually and properly took place, only credits which have already been issued (for which the reduction has already been noted) will be accepted. A framework agreement may nonetheless be set up to secure purchases of future credits (not yet issued) which meet all of the other criteria and/or which come from projects financed by Société Générale or a Group entity.
- c. Geographic preference: the Group intends to exercise an equitable geographic approach and reserves the right to give priority to projects from under-represented regions in terms of emission reductions.
- d. Sector preference: the choice will be made between credits from projects ensuring continuity of reductions, encouraging energy efficiency and new energies, while guaranteeing the sustainable development of local populations.
- e. Cancellation/Destruction: the credit cancellation/destruction certificate must be delivered and a copy must be systematically sent to the Group's CSR Division.

3. Transparency and traceability

Project descriptions and cancellation certifications will be published on the Group's CSR website. All transaction documents must be issued by the operators (project sponsor or service provider carrying out the offsetting transaction for Société Générale) to the credit offsetters and to the Group's CSR Division.

No voluntary offsetting transaction shall be posted as such by Société Générale if it fails to observe the above rules.

⁴ The Group offset the residual emissions from the central departments and buildings in 2008 as well as all "French" emissions in 2009.

⁵ With the exception of Rosbank, until 2012.