

The Chief Executive Officer

**SG KLEINWORT HAMBROS BANK LIMITED- MODERN SLAVERY AND HUMAN
TRAFFICKING STATEMENT 2022**

Message from Frédéric, Chief Executive Officer

"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."

Message from Caroline Guillaumin, Group Head of Human Resources

"We are proud to be taking our agreement with UNI Global Union even further. It confirms our commitment to respecting human rights as set out in our Code of Conduct and our recognition of the International Labour Organisation's Fundamental Principles and Rights at Work, including the freedom of association."

I. Introduction

This statement is issued in response to the UK's Modern Slavery Act 2015 (the "Act"). The Act requires the disclosure by large organisations carrying on business in the UK, 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 31st December 2021. Each of the Group's subsidiaries which is directly subject to the Act may rely on this statement for its own statement.

Our Group

Societe Generale is one of the leading financial services groups in Europe. With a solid position in Europe and an overall presence in 66 countries, the Group's 131,000 employees support more than 26 million individual clients, large corporates and institutional investors worldwide. For the year 2021, the Group had a net banking income of EUR 25.8 bn.

The Group has built a solid diversified banking model structured around three complementary pillars: French Retail Banking; International Retail Banking 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 Document¹.

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

¹<https://www.societegenerale.com/sites/default/files/documents/2022-03/Universal-Registration-Document-2022.pdf>

Our Company

Hambros Bank was established in the UK in 1839. Following a series of acquisitions as Hambros Bank 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 Société Générale, to form Kleinwort Hambros. With employees across a network of offices in the UK, Jersey, Guernsey and Gibraltar, Kleinwort Hambros

has a range of teams offering services to private clients around the world.

Our supply chains

In 2021, Kleinwort Hambros' main purchasing categories were IT (software and services), business process outsourcing services, consulting, recruitment, facilities management and real estate. Kleinwort Hambros works with large international groups and SMEs to fill its various needs in the UK, the Channel Islands and Gibraltar.

II. Our commitments in relation to human rights

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 each of human rights, fundamental freedoms, the health, safety and security of persons, and the environment as a result of the Group's activities. The annual presentation of this Plan and the way it is implemented can be found in the Group's Universal Registration Document¹.

The Group is fully committed to maintaining and improving its processes designed to limit the risk of serious human rights violations, including modern slavery, in the Group's own operations, in its supply chains, that are 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 Principles for Responsible Banking;
- The Equator Principles.

III. Our policies and processes in relation to modern slavery and human trafficking

Our policies

The Group strives to act in compliance with the legal and regulatory framework of each of the countries in which it operates. In certain jurisdictions where it may be identified that the legal and regulatory framework may not provide sufficient security in terms of human rights, the Group uses as a reference the international standards and initiatives which are listed above.

Societe Generale and Kleinwort Hambros' policies and commitments which aim to prevent the risk of human rights violations include, without limitation, the following:

- Societe Generale's **Commitment Towards Human Rights**²

¹ <https://www.societegenerale.com/sites/default/files/documents/2022-03/Universal-Registration-Document-2022.pdf>

² <https://www.societegenerale.com/sites/default/files/sg-human-rights-statement-.pdf>

- Societe Generale's **Code of Conduct** 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 was reinforced and renewed for an additional 12 months in early 2022 (until February 2023).
- **Internal policies, forma' 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 risk, including human right risks. This documentation is updated, disseminated, and accessible.
- The Group's **Policy on Responsible Sourcing & Compliance Rules Applicable to Sourcing** — appended to the UN' Global agreement;
- The Group's **Environmental and Social General Principles**³;
- 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, Société Générale 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.

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.

The most significant elements of its risk assessment and management processes include:

- An intrinsic risk mapping exercise:

In the context of its Duty of Care Plan, the Group identified and mapped the risks of breaches of human rights and fundamental freedoms, 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 subcontractors.

These identified risks were then prioritised into four categories from low to high based on sector-related data, including:

- the severity of the potential impact;
- the scale of the potential impact (such as the number of people potentially affected);
- the likelihood of the potential impact.

- Overall internal self-assessment exercises:

Measures taken to identify and manage human rights risks are monitored through internal self-assessment exercises. In 2021, the Group conducted a self-assessment exercise to:

³ <https://www.ocetegenerale.com/sites/default/files/documents/2021-03/Environmental-and-Social-General-Principles.pdf>

- monitor implementation of E&S risk management processes in its Business Units and Service Units;
- identify areas for improvement and monitor the ensuing action plans; and
- leverage additional indicators for monitoring the measures taken by the Group.

• The effective implementation of an enhanced whistleblowing framework throughout the Group:
In the context of French law, the Group decided to reinforce its Group-wide whistleblowing framework. This evolution has been rolled out in France and internationally since 2019.

Whistleblowing is a right and no employee may be sanctioned in any way whatsoever for having issued a whistleblowing report in good faith.

Whistleblowers can use the framework to report any suspected, potential or actual violations of an international commitment, a law or a regulation, notably in relation to human rights, fundamental freedoms, health and safety or the environment. It is available to all employees, as well as to external or temporary staff and service providers working with the Group on an established basis (as subcontractors or suppliers). It is hosted on a secure external platform offering the guarantees required by the law *i.e.* protection of personal data and strict confidentiality of any information provided, as well as the possibility to issue reports anonymously (where authorized by local legislation).

In addition to the Group tool, the right to blow the whistle may be exercised in different ways through the managerial line, the HR correspondent, the local compliance officer or a local set up, if any.

The Group's Code of Conduct was updated to reflect this whistleblowing process and reiterates that Societe Generale protects whistleblowers, guarantees that it will keep their identity strictly confidential throughout the entire Group, and guarantees anonymity where possible under local law.

In addition, the section below focuses on the specificities of the risk assessment and management processes for our employees, suppliers and products and services and provides corresponding major results of the latest assessments:

Regarding our employees

- The above-mentioned worldwide agreement on fundamental human rights and trade union rights which Societe Generale signed with **UNI Global Union** in 2015, was reinforced and renewed in March 2022 for a further 12 months.

This agreement applies to all of the Group's 131,000 employees throughout its 66 countries of operation and aims to ensure fair working conditions, prevent any form of employment-related discrimination, and to respect health and safety regulations and freedom of association.

This agreement incorporates:

- the fight against discrimination and the development of diversity in all Human Resources management processes (a subject already introduced in the initial agreement),
 - maintaining a working environment conducive to health, safety and satisfying working conditions for all employees,
 - punctual discussions with UNI Global Union on the application of these commitments and a yearly follow-up meeting gathering UNI Global Union representatives and the Bank's Human Resources Division.
- Group-level Human Resources governance, 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.
- Human Resources and safety risk monitoring and assessment is 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;
 - In addition to these measures and in order to gain direct feedback on their working conditions, the Group measures employee commitment through the Employee Satisfaction Survey, an annual, anonymous internal survey carried out throughout the Group. In 2021, the results showed a rebound in confidence in the decisions taken by the Group. In addition, employees are increasingly optimistic about their future within the Group, and the team spirit is well anchored. These results have been shared with employees.

Risk mapping and self-assessment 2021 results:

- **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. Intrinsic risk mapping was updated in 2021 using an external base of indicators detailing the risk levels specific to the country and to the activities performed in the financial sector. The geographic criteria include 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 critical 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, medium-high and moderate intrinsic risk. The remaining employees are thus located in low-risk countries.

Results: Taken as a whole and covering all human rights analysed, no Group employee is located in a country considered to be high risk according to the external database⁴ consulted. In terms of working conditions (covering forced labour and modern slavery, child labour, decent working hours and decent wages):

- 0.3% of the workforce are in a country of operation with a medium-high risk: Benin; United Arab Emirates and Chad.
 - 34.7% of the workforce are in countries of operation with a moderate-risk: Equatorial Guinea, Guinea, China, India, Japan, Madagascar, Morocco, Mexico, Romania, Russia, Ukraine, Senegal, Taiwan, Turkey, Cameroon, Mexico, Algeria, Congo, Brazil, Ivory Coast, Burkina Faso and the United States.
- **An overall internal self-assessment exercise on residual risk 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: 2021 self-assessment exercise covered entities representing 100% of the Group's workforce, same as 2020. Among the entities located in high, medium-high or moderate risk

⁴ Verisk Maplecroft

countries on the Duty of Care topics, the assessment of the risk management systems in the Group's entities shows that:

- 0.7% of the workforce (compared to 1 in last year's assessment) is employed in entities that need to strengthen their controls to verify that working conditions meet International Labour Organization standards: Algeria, Chad, Congo, Morocco, Romania, Russia, Ukraine and United Arab Emirates.

Regarding our suppliers

Société Générale's internal processes, described hereafter, principally address expenditure managed from France by the Sourcing Division.

These processes are progressively deployed internationally.

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

- Identification of potential risk areas based on:
 - The Group's Sourcing Division identifies E&S and human rights risks associated with each sourcing categories via the E&S risks mapping of products and services;
 - The Know Your Supplier (KYS) process is based on both Société Générale's own guidance and on international standards for operational, compliance and reputational risk management including a review of E&S controversies.

The following assessment and mitigation tools are used for purchases managed by the Sourcing Division in France systematically and progressively at international level.

They include:

- Monitoring of potential risk areas through:
 - The insertion of E&S requirements in the specifications
 - The integration of mandatory E&S criteria into requests for tender, and the application of an E&S component in the rating of suppliers' offers, depending on the products or services purchased
 - The insertion of E&S clause in the contract
 - The review of suppliers' extra-financial evaluation (for most important or critical suppliers and those representing our brand).
- Mitigation of human rights violation risks within our direct supply chains: when the Sourcing Division identifies a potential risk of human rights violation by a supplier (through an alert raised, a controversy check or a drop in a supplier's E&S rating) an enhanced due diligence is performed, that may lead to a remediation plan being put in place. Société Générale also reserves the right to carry out a supplier on-site E&S audit.

Risk mapping and self-assessment 2021 results:

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

Results: Amongst the high-risk purchasing categories, building work was found to bear the greatest risk (renovations and outfitting but also construction of new buildings), together with waste management and telephone and IT equipment. Within the scope covered by the Sourcing function, in 2021 some 5% of the spend was on purchasing categories representing a high E&S risk and around 9% on categories representing a medium-high E&S risk.

- In addition, an in-depth analysis was conducted to ensure that purchasing categories presenting the highest potential modern slavery risk were covered by E&S monitoring and mitigation tools.

Results: building work was found to bear the largest potential modern slavery risk, representing 1.5% of the spend covered by the Sourcing function. As one of the high E&S risk categories, building works are covered by the E&S analysis and mitigation scheme of the Group.

Regarding our products and services

The Societe Generale Group's obligations together with its voluntary commitments related to its business activities (including human rights issues) are set out in **Societe Generale's Environmental and Social General Principles⁵** and **the cross-business and sectoral policies⁶** appended to them.

Dedicated policies have been developed relating to sectors which were identified as presenting specific human rights or risks. These policies are public documents and set 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.

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

- identification of the E&S issues associated with transactions and customers to whom the Group provides banking and financial services;
- in-depth evaluation of riskier transactions and customers by front officers and in-house expert teams, to assess the consistency with the Group's E&S policies. The E&S client analysis is riskbased, including a more in-depth and more frequent E&S analysis of priority clients;
- where relevant, action for remediation.

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

2021 Risk mapping results:

- **An intrinsic sector-risk mapping** was conducted for the major sectors to which the Group provides products and services.

Results: Amongst the sectors analysed, a dozen had a significant part of their activities exposed to human rights and E&S risks which included: energy, transport and logistics, agriculture (upstream), industrial, construction, chemistry, mining, forestry, textile and defence.

The main risks identified in these sectors include risks related to working conditions (including workplace accidents), risks of forced labour and child labour, risk of violating community rights (in addition to climate risks and negative biodiversity impact, which are beyond the scope of this report).

At the end of 2021, approximately one-quarter of the Group's corporate exposure relates to sectors or activities that were found to present high risks in terms of human rights and the environment. Taking into account the geographic dimension (quality of local human rights and E&S regulatory framework and local practices), less than 9% of the Group's exposure corresponds to high risk activities in high risk countries.

A first analysis showed that the majority of potentially high-risk sectors were covered either by a sector policy or by the internal E&S watchlist.

In addition, a monitoring was **carried out within the framework of the Declaration of Non-Financial Performance**. Added to the previously carried out Compliance risk assessment, this exercise provided the Group with detailed results on, among other things:

- the level of familiarity with the normative framework for managing E&S risks in the Group and their transposition into the Business Units' own procedures;
- the inclusion of an E&S due diligence in the client onboarding and client periodic review processes;
- the human resources and skills devoted to E&S risk management;

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

⁶ <https://www.societegenerale.com/en/responsability/ethics-and-governance>

- the number of customers and transactions that pose an E&S risk that were the subject of an in-depth E&S due diligence, as well as the main conclusions of these reviews.

Results:

- an increase in the number of customers and transactions reviewed with results that are 88.5% positive, 9.5% conditional and 2% negative with respect to customer assessments.

IV. Recent actions taken to address modern slavery and human trafficking risks

In 2021, we have taken additional actions to improve our framework to better address risks on human rights:

Regarding our employees

- Respecting the commitment made to present the Duty of Care Plan on an annual basis to UNI Global Union.

Regarding our suppliers

- The enrichment of the normative documentation since May 2021 with new obligations to insert E&S requirements in the specifications (for categories of purchases with high E&S risk for the international sector and purchases delegated within entities) and E&S evaluation criteria in the offer analysis grids (for high-risk E&S categories for the international pipeline).
- The KYS (Know Your Supplier) measures are now systematically implemented whenever a supplier enters into a relationship with the Group and also during the life of the contract according to that supplier's identified level of risk.
- Following the update of the risk evaluation tools for all high and medium-high E&S risk purchase categories, the continuity of development of additional risk evaluation tools in 2021 for medium-low E&S risk purchase categories.
- The development of tools (E&S risk mapping, evaluation tools) to manage E&S risks for high-risk purchase categories for international entities.
- The review of 16 tool cards including E&S requirements and criteria on high-risk categories of IT equipment as well as the creation of 3 tool cards with moderate or low risk including Human Rights.
- The deployment of the tailored Corporate Social Responsibility clause referring to the Group's Code of Conduct and the requirement of non-financial evaluation for certain suppliers, as well as reference to the Sustainable Sourcing Charter in all contract models.
- The follow-up of E&S audit action plans carried out in 2020 at some of our suppliers whose E&S risks are the highest.
- The launch of preparatory work (drafting audit questionnaires on two categories of medium-high risk purchases) for the conduct of E&S audits in 2022 with main questions on Human rights issues for suppliers' employees.
- The preparation of a procedure for managing controversies especially on forced labour and Human Rights for some of suppliers in our supply chain.

Regarding our products and services

- 2022 Duty of Care plan has been validated by General Management and approved by the Board of Directors.

- The progressive implementation of the controls on E&S risks management included in the Group's permanent supervision system (end of 2021, 80% of the entities had implemented controls on the E&S review and on the implementation of exclusion list)
- 40,000 employees (targeted as being the most exposed ones to E&S and human rights risks) were trained through a dedicated e-learning on E&S Risk Management in 2021
- Updates and operationalization process of the E&S sector policies were further achieved in 2021.

V. Further steps in relation to human rights

Certain of the existing E&S risk assessment and management procedures were reviewed in the past few years, in particular to include those main risks that are either not covered or insufficiently covered by the existing tools and procedures.

The risk management framework covering human rights risks will be further enhanced (policies, formal processes and/or additional checks) in 2022, alongside continued efforts in respect of its implementation:

Regarding our employees

At Group level, the main actions planned are:

- The consolidation of anti-harassment measures to ensure compliance with the principles of non-discrimination.
- Controls related to non-compliance with labour and human rights laws will be strengthened in those Group entities identified as needing to strengthen their policies, procedures and formalised rules.
- In addition, the Group will continue to take all necessary protection and support measures with regard to the Covid-19 pandemic but also the implementation of new ways of working. Listening attentively to stakeholders will assist the Group to clarify changes in its environment and also help the Group to address them effectively. Appropriate channels have been set up to foster constructive dialogue with all stakeholders by considering the results of internal surveys and through continued dialogue with the UNI Global Union.

Regarding our suppliers

The main measures planned are:

- The performance of CSR audits and the definition of corrective action plans with our contracted suppliers presenting E&S risk factors.
- The strengthening of the process to identify and manage E&S controversies for suppliers, notably through new E&S risk analysis tools.

In addition, within Kleinwort Hambros, the main measures planned for 2022 are:

- Launch a campaign to assess KH medium to high risk suppliers E&S risks across all categories (18% of our suppliers, representing 90% of our spend).
- Agree remediation plans with KH key suppliers for implementation in 2023 where high risks are identified.

Regarding our products & services

The main actions planned are as follows:

- Setting-up and operational deployment (through adequate tools) of a normative framework to better identify forced labour issues and to identify exclusion criteria on counterparts involved in such activities.
- Deployment of dedicated trainings in relation with E&S sector policies.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Societe Generale Group's modern slavery and human trafficking statement for the financial year ending December 31, 2021. This statement has been approved by the Board of Directors of SG Kleinwort Hambros Bank Limited on 28 June 2022.

On 28 June 2022

A handwritten signature in black ink, appearing to read 'Mouhammed Choukeir', written over a horizontal line.

Mouhammed Choukeir

SG Kleinwort Hambros Bank Limited
Chief Executive Officer

