

**SOCIETE GENERALE INDIA**  
CSR Policy

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## 1 CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY – SOCIETE GENERALE INDIA

The CSR Policy is a charter to establish the governance and functioning of Societe Generale towards Corporate Social Responsibility (CSR).

In line with provisions under Section 135 of the Companies Act 2013, notifications from Reserve Bank of India (RBI) and the Group's strategy, the Societe Generale has defined a Corporate Social Responsibility Policy document to implement the CSR activities.

## 2 GROUP CSR POLICY AND STRATEGY

### 2.1 Introduction:

Societe Generale, one of Europe's leading financial services groups and a major player in the economy for over 150 years, supports 25 million clients every day with more than 117,000 staff in 66 countries.

The Group combines financial strength, proven expertise in innovation and a sustainable growth strategy with the objective of creating value for all our stakeholders. We seek to be a trusted partner in the projects of those building tomorrow's world today.

The Group is built on three complementary core businesses:

- **French Retail Banking** which brings together two major market players. SG, and Boursorama Bank serve a client base consisting of individuals, businesses, professionals, not-for-profits and local authorities;
- **International Retail Banking, Insurance and Financial Services to Corporates**, with networks in Africa, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers tailor-made solutions to support large corporate, institutional and investor clients, as well as management companies and our private banking clients. These solutions combine the skills of Societe Generale's teams dedicated to corporate and investment banking, securities services and private banking.

The Group's organisation and operating procedures are guided by the following principles:

- the dual priorities of quality of service and added value for clients;
- risk management and value creation for shareholders;
- respect for our employees and all stakeholders;
- conformity with all compliance and internal control;
- rules applicable to the banking sector.

### 2.2 CSR at the heart of our strategy:

Our Group has a leading role to play in helping build greener and more inclusive development models, and enabling the emergence of new drivers of sustainable growth. Social responsibility is at the heart of Societe Generale group's corporate purpose: "Building together, with our clients, a better and sustainable future through responsible and innovative financial solutions."

We have identified the four key and interconnected areas of our Corporate Social Responsibility (CSR) ambition. Two of the pillars form the framework of responsible banking: a culture of responsibility and being a responsible employer. The other two areas are the springboards for positive transformations driven by the Group's actions as a responsible bank: supporting the environmental transition and having a positive local impact.

We believe that we have entered a new paradigm. The world of tomorrow is being created today:

1. **All changes should be accelerated** and implemented as quickly as possible, leaving no one behind: environmental and decarbonisation issues are inextricably linked to issues of inclusion in all its forms. Transition will be holistic, not incremental.
2. **As a company, we need to change approach and mindset**, to move from the traditional bank that finances and advises to an advisory role supporting our clients in a way that covers all of their issues - their market, their ecosystem, and all of the associated factors - in order to be upstream of their problems, as close as possible to their reality. We invent new business models, and do so across all activities and businesses.
3. **This requires that everyone be trained**, that we help our staff and our clients to understand the issues at stake and so be able to innovate for the benefit of all our customers.
4. **The challenges can only be met collectively**, through coalitions with our peers and in our clients' sectors, in order to take part in the construction of common and shared standards, while maintaining a permanent dialogue with stakeholders.

### 2.3 Citizenship commitment:

The purpose of the citizen commitment programme is to contribute to the Group's strategy by promoting and nurturing the following values: Commitment, Responsibility, Team spirit and Innovation.

Societe Generale is combining its civic and patronage commitments to promote the integration of young people through sport and cultural activities. The group is engaged in civil society and pursues a corporate patronage policy built around three topics: professional integration, sport and culture. Its involvement in these areas has been steady over several decades and did not waver during the economic crisis. As it continues its work in these three fields, Societe Generale is now federating them to widen its scope of action by supporting innovative initiatives in education and professional integration through sport and music. Leveraging its close ties with the associations and stakeholders in these three fields, the Group aims to develop new kinds of interaction prior to employability programmes. The shared goal of Societe Generale and its partners is to draw on the strong educational values associated with sport and culture to offer young people more support on their path to social integration.

## 3 SOCIETE GENERALE INDIA

### 3.1 Introduction:

Societe Generale was established in India in 1978. Today, Societe Generale operates through its local branches based in Mumbai and Delhi serving both:

- Indian corporates and financial institutions, helping them to expand their footprint outside of India
- Global clients of Societe Generale, from Europe, US, Middle-East, Africa and Asia-Pacific, to develop their operations in India

In India, Societe Generale focuses on providing value-added solutions to its clients with its expertise in Global Markets and Structured Finance and also Cash Management and Trade Finance services. We are actively participating in India's development to become an efficient project finance market notably on the renewable power side.

### **3.2 Indian Companies Act:**

The policy is in line with Section 135 of the Companies Act 2013, as enacted in the Republic of India and as amended from time to time. It is applicable to every company, including its holding or subsidiary, and foreign companies having its branch or project office in India and requires companies with a net worth of INR 500 crores (INR 5 billion) or more, or an annual turnover of INR 1000 crores (INR 10 billion) or more, or net profit of INR 5 crores (INR 50 million) or more, to spend 2 percent of their average net profits of three years on CSR.

Focus areas from the Schedule VII:

1. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled;
2. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
3. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
5. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

### **3.3 RBI Notifications:**

As per the RBI notification dated 21 December 2005, the profit-making banks may make donations during a financial year aggregating up to one per cent of the published profit of the banks for the previous year. In case of losses, banks can make donations totalling Rs. 5 lakh only in a financial year. Further, in the notification dated 20 December 2007, RBI has issued advisory to the banks and financial institutions regarding their meaningful role on corporate social responsibility, sustainable development and non-financial reporting. It further states that the Sustainable Development is 'the process of maintenance of the quality of environmental and social systems in the pursuit of economic development'.

### **3.4 Focus Areas for the Group:**

All CSR initiatives focuses on the upliftment of the disadvantaged and marginalized sections of Society. The main objectives of the CSR initiatives are:

- To make a positive impact in the society through high impact programs
- To offer employees opportunities to support NGO partners through volunteering or skill sponsorship programs

**Focus Areas:**

- Education and Professional Integration
  - Innovation
  - Livelihood
  - Sports
- Others (based on the local needs)

**3.5 Geographic Reach and Beneficiaries:**

Societe Generale will give preference to the local areas around its operations for spending the amount earmarked for CSR activities. At the same time also implement initiatives that can be scaled across India.

**Beneficiaries:**

- Children/Students
- Women
- Underprivileged sections of the society
- Others – Society at large

The Policy recognizes that CSR is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the above-mentioned focus areas as notified under Schedule VII of the Companies Act, RBI notifications, and in line with the Societe Generale Group's Sponsorship and Patronage principles.

**4 CSR GOVERNANCE STRUCTURE**

The CSR governance structure for Societe Generale India has been stated under this CSR policy. The governance and implementation will be managed, as defined by the CSR Committee. The mode of implementation of CSR activities and programs will include combination of direct implementation and implementation through non-profit organizations i.e. implementing CSR partner.

**CSR Committee Members:**

<b>Sr. No.</b>	<b>Designation</b>
1	Chief Executive and Chief Country Officer of Societe Generale India ( <i>Chairperson</i> )
2	Chief Financial Officer
3	Head of Human Resources
4	Head of Markets
5	Head of Communications
6	Communications Team ( <i>Member and Secretary</i> )

**Constitution of the CSR Committee:**

- The Chief Executive and Chief Country Officer of Societe Generale India will be the Chairperson of the CSR Committee. This will apply to any new incumbent to this position.
- Review and reconstitution of the membership of the CSR Committee as well as any change of the Terms of Reference will be as per the approval and discretion of the Chairperson of the Committee.

- Any such change will be communicated to the secretary of the committee, and if made, will be recorded in the following CSR Committee meeting.
- All CSR-related decisions will be made during the Committee meetings (in-person/ virtual/ hybrid). Quorum is required for conducting the meeting.
- Minutes of the Committee meeting will be recorded and shared by Comm team

#### Role & Responsibilities of the CSR Committee:

The CSR Committee will be the decision-making body for all the CSR Activities undertaken by Societe Generale. The CSR Committee will:

- Approve the CSR policy
- Disclose contents of such policy in its report and also place it on the company's website, if any
- Ensure that the activities included in the CSR policy are undertaken by the company
- Ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years;
- Satisfy itself regarding the utilisation of the disbursed CSR funds; and
- If the company fails to spend at least two per cent of the average net profits of the company, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of sections 135(5) and 135(6) of the Act
- Submit annual review of donations to the Boards of Directors i.e. Apex Committee

#### Roles & Responsibilities of Comm Team:

- Act as a nodal point and drive all the CSR activities, end-to-end
- Co-ordinate and conduct the required screening, documentation and KYP for the identified partners
- Be the Point of Contact (PoC) for charity partners/ implementing agencies and manage the CSR partnerships with them
- Help build a strategic network of community partners and identify key projects
- Ensure CSR compliance, in accordance with the law and guidelines issued by the regulator from time-to-time
- Ensure documentation, maintain the minutes of CSR Committee meetings and other requirements around reporting
- Monitor and audit of the CSR programs, create performance indicators and measures of success
- Plan and conduct CSR-related staff engagement activities

#### CSR Volunteering Coordinators

- Staff members can volunteer to be a CSR Volunteering Coordinator, or the CSR Committee can recommend/ nominate members from the staff who are inclined towards CSR; and to ensure representation of members from various departments
- Comm Team will review the composition of this Group on an annual basis
- Any changes in the composition of the Group will be notified to the CSR Committee
- Comm Team will ensure the documentation and reporting of all the activities with Volunteering Coordinators, to the CSR Committee

#### Role & Responsibilities of CSR Volunteering Coordinators

- **Project Monitoring:** Accompany Comm team to the project site and contribute in project monitoring

- **Staff Engagement:** Support Comm Team in coordinating and facilitating staff engagement activities, with the charity partners
- **Annual Review Meeting:** Participate in the annual project review meeting with the charity partner
- Participate in the **selection process** of the new charity partner and visit the project site for inspection

## 5 CSR FRAMEWORK

### 5.1 Annual budget allocation:

At the commencement of every financial year i.e. either end of Q1 or early Q2, the CSR Committee will have a meeting to discuss and decide on the following topics:

- The projects to be undertaken by Societe Generale, based on the recommendation of Comm Team
- Fund allocation for the selected projects

### 5.2 Process of Identification, Selection, On-Boarding and Monitoring of CSR Partners:

#### Identification of CSR Activities

- For focusing its CSR efforts, the Activities / Projects may be divided into two main categories – Direct Project Funding and Employee Engagement. Projects which involve considerable financial commitment undertaken on a timeframe of 1-3 years where Societe Generale will be the primary sponsor, will be considered under Direct Project Funding and accorded due significance. Initiatives involving employee participation in a CSR activity will fall under Employee Engagement;
- The Company shall conduct / implement its CSR programs through Trusts, Societies, or Section 8 companies operating in India, which are not set up by the Company itself, herein collectively referred to as ‘CSR Partner’ or ‘NGO Partner’;
- Suggestion of NGO Partner(s) for short listing, will be received from:
  - The CSR Committee Members
  - The CSR Volunteering Coordinators
  - NGOs / Partner(s) who approach Comm Team proactively for funding
- A list of CSR activities / projects which the Company plans to undertake during the implementation year will be laid down before the Committee, specifying modalities of execution in the areas / sectors chosen and implementation schedules for the same;
- NGOs should be in line with the Schedule VII, Section 135 of the Companies Act, which lays out the key areas to receive CSR funding, various RBI notifications and in line with Societe Generale’s rules of charitable patronage
- Identification of activities / projects and the executing agency / NGO will be made, inter-alia, by assessing the following:
  - Project Objectives;
  - Baseline survey – As-is and To-be state basis, accordingly the outcome of the project will be measured;
  - Implementation schedules – Timelines for milestones of the project will need to be prescribed and agreed upon;
  - Responsibilities and authorities;
  - Major results expected and measurable outcome including the expenses / charges ratio as against the actual CSR spend;
  - Innovation



- Only activities which are not for the benefit of employees of the company or their family members shall be considered as CSR activity;

### **Selection, Screening, Due Diligence and onboarding of CSR Partners**

Societe Generale India has formulated the criteria and procedure for the selection, screening and due diligence of its implementing partners. They are as follows:

- Proposals along with their KYP (Know Your Partner) documents will be invited and assessed. Using a credibility, capability and fitment framework, the potential NGO partners will be assessed
- A preliminary stage of partner due diligence is done to assess the credibility of an NGO Partner and their fitment to the SG International Patronage and India CSR Policy requirements
  - Does not contradict SG policies
  - Does not involve any ABC (anti-bribery and corruption) risk factors
  - Does not involve any potential conflict of interest
- The 4 main indicators of Due Diligence are:
  - SG Code - Does the NGO Partner comply with overall SG International and India Patronage Policy?
  - Credibility - Does the NGO Partner have a good reputation of delivering high impact projects within the ecosystem?
  - Financial Requirements - Does the NGO Partner comply with the financial requirements of SG International and India Patronage Policy?
  - Legal Requirements - Does the NGO Partner comply with the legal requirements of SG International and India Patronage Policy?
- Handover to KYP/Procurement/Compliance officer: The CSR team shares the necessary files with the Procurement for the next stage of NGO Partner selection/due diligence process
- Out of the suggested NGO Partner(s), the ones that are aligned with the focus areas will be placed under consideration
- The Comm Team will securitize the Partner(s) and propose their recommendation to the CSR Committee (Some NGOs that are recommended by the CSR Committee members and fall within the SG focus area, can directly be evaluated by the quorum)
- The CSR Committee will refer to the proposal submitted by the Comm Team and invite the recommended Partner(s) to make a presentation to the Committee
- Post internal agreement within the CSR Committee, the onboarding process for Partner(s) will be initiated
- The Comm team will work with the legal team to draft and sign-off a Memorandum of Association with the selected NGO's for the finalisation of projects. The Framework Agreement will be signed for the duration as agreed upon by the CSR Committee.
- The Comm Team will ensure time bound implementation and roll out of all the activities identified

### **Monitoring Usage of Funds by CSR Partners**

Societe Generale shall institute a monitoring and review mechanism to monitor its CSR activity / project / programs. The monitoring mechanisms shall include:

- Comm team, along with the CSR Volunteering Coordinators, shall visit each empaneled partner to see the workings and the project site visits to ensure the transparency quotient of the projects undertaken;
- The Comm Team will review the philanthropic activities of the Company and will provide progress update to the CSR Committee every year as deemed fit;

- Review meetings with the CSR Partner and CSR Committee regarding the progress made on the Project
- The NGO/ CSR Partner shall ensure to utilise the Contribution in accordance with Applicable laws and Regulations and within the financial year for which the Contribution has been paid to the NGO/ CSR Partner and confirm to Societe Generale in writing by March 15 of each year the full utilisation of the Contribution
- At the end of the financial year, each CSR partner must submit:
  - Provisional utilisation certificate for the usage of the Contribution within 15 (fifteen) calendar days from end of the Project or end of every financial year, as requested by Societe Generale; and
  - Audited utilisation certificate by chartered accountant for usage of the Contribution within 30 (thirty) calendar days from the end of the Project or end of every financial year, as requested by Societe Generale.

### **5.3 Reporting of CSR Activities:**

In terms of the Companies Act, 2013, necessary disclosures shall be made in the Annual Report of Societe Generale under SG India CSR Program in the Annual Report / Notes to Account section. The format for the same has been specified and includes brief outline of the CSR Policy, composition of the CSR Committee, prescribed CSR expenditure, manner in which the amount is spent, reasons for not spending entire amount, etc.. The Comm Team will present it to CSR Committee for the approval.

#### **Administrative Expenditure for CSR Activities**

Societe Generale India shall allocate at least 2% of its average net profits before taxes (EBT) of the preceding three years, towards CSR activities to improve the quality of life of the communities. The Company may build CSR capacity through its own programs or employee engagements. However, such expenditure, including expenditure on administrative overheads shall not exceed 5% of the total CSR expenditure in that financial year.

#### **Treatment of Surplus**

In case the company has failed to spend the 2% of the average net profit of the last three financial year, reasons for the same will be reported in the Annual Report of the Company. The surplus arising out of the CSR activities, projects or programs - if any - shall not form part of the business profit of the company and shall be ploughed back in activities as detailed in this document.

## **6 CONTACT DETAILS**

For enquiries related to the CSR Policy, please contact us at:  
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## 7 ANNEXURE

### References:

#### CSR Law in India:

- CSR Legislation:  
<https://www.csr.gov.in/content/csr/global/master/home/aboutcsr/csr-legislation.html>
- Schedule VII-  
[https://upload.indiacode.nic.in/schedulefile?aid=AC\\_CEN\\_22\\_29\\_00008\\_201318\\_1517807327856&rid=79](https://upload.indiacode.nic.in/schedulefile?aid=AC_CEN_22_29_00008_201318_1517807327856&rid=79)
- FAQs-  
[https://www.mca.gov.in/Ministry/pdf/FAQ\\_CSR.pdf](https://www.mca.gov.in/Ministry/pdf/FAQ_CSR.pdf)

#### RBI Circulars regarding Donation:

- 2005- <https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=2665&Mode=0>
- 2007- <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=3987>

#### SG Group's CSR Commitments:

- <https://www.societegenerale.com/en/responsibility/csr-ambition/csr-commitments>

#### Charity Partners:

- <https://www.societegenerale.asia/en/about-asia-pacific/corporate-social-responsibility/charity-partners-asia/>