

Group Corporate and Social
Responsibility Department

Lucie Pinson, Director, Reclaim Finance
Sylvain Angerand, Campaign Coordinator, Association Canopée
Leyla Larbi, Senior Campaigner, SumOfUs
Marília Monteiro, Forest Campaigner, BankTrack
Jeff Conant, Director of international forests program, Friends of the Earth US
Etelle Higonet, Senior Campaign Director, Mighty Earth
Vemund Olsen, Senior Policy Adviser, Rainforest Foundation Norway
Christoph Wiedmer, CO-Director Society for Threatened Peoples Switzerland

October 16th, 2020

Dear Madam, dear Sir,

We paid great attention to the important questions raised in your letter dated September 23rd. Societe Generale is aware of the situation in the Amazon and concerned by the impacts of deforestation on local communities, water resources, biodiversity and more globally on climate change. We recognize that private companies involved in Brazilian agricultural commodities as well as governments, and indirectly financial institutions, have a key role to play in the implementation of sound environmental and social practices.

For several years, the Group has committed to manage the Environmental and Social (E&S) risks potentially attached to its activities and published E&S sector policies detailing the specific evaluation criteria and/or due diligence processes conducted on sensitive sectors such as the *Agriculture, fisheries and foods*¹ sector.

This year, the Group initiated the review of several policies including the one on Agriculture and is planning to publish updated policies in 2021. This review aims at clarifying the evaluation criteria, ensuring that the policies are fully operational and reflect the relevant standards of these sectors. In this context, we will consider with great attention the measures suggested in your letter in the review of the Agriculture policy.

¹ <https://www.societegenerale.com/sites/default/files/2018/agriculture-fisheries-and-food-sector-policy-oct2016.pdf>

As pointed out in your letter, Societe Generale is subject to the Duty of Care law of March 2017 and has therefore drawn up a Duty of Care plan in order to identify risks and implement appropriate measures to prevent serious human rights and environmental breaches occurring as a result of its activities. The ongoing review of our E&S sector policies is part of the continuous improvement process of our E&S risk management framework which is the backbone of the Duty of Care Plan for the Group's activities.

This review is carried out consistently with the current evolution of the Soft Commodities Compact that Societe Generale joined in 2016. We invite you to read our dedicated report on implementation of the Soft Commodities Compact that will be published before year end.

We noted that our major customers active in the sector are aware of the issues related to their supply chains, have made commitments and are gradually implementing measures to limit the risks associated with their activities. Our analysis is based on public information (in the case of soybean company websites, reports from organizations such as Forest 500, RTRS website...), but also information received from our clients when engaging with them on these subjects.

This being said, we are aware that we still need to progress towards a better knowledge and monitoring of our client's process in order to increase our positive lever on critical activities. The review of our Agriculture policy will be the opportunity to clarify what can be effectively done in this way.

Societe Generale is therefore willing to support its clients active in the upstream soy sector that are engaged in the path towards zero net deforestation and certification but also intend to strengthen our monitoring of their actions to ensure rapid progress.

Sincerely,

The CSR department.