

# CONFLICTS OF INTEREST POLICY SUMMARY

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Societe Generale London Branch

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Societe Generale is a French credit institution (bank) authorised and supervised by the European Central Bank (ECB) and the Autorité de Contrôle Prudentiel et de Résolution (the French Prudential Control and Resolution Authority) (ACPR) and regulated by the Autorité des Marchés Financiers (the French financial markets regulator) (AMF). Societe Generale London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

## Introduction

Building strong and lasting relationships with our clients is important to us. Due to the nature of Societe Generale London Branch (**SGLB**)'s business, a number of actual or potential situations might arise in which a client's interests conflict (or could be perceived to conflict) with our interests, those of our staff, associates or those of our other clients.

SGLB has established, implemented and maintains arrangements to identify, manage, mitigate and, where possible, prevent any and all Conflicts of Interest (**COI**), including those that could adversely affect the interests of our clients. These arrangements are underpinned by SGLB's Conflicts of Interest Policy, as summarised here. This summary is available on the SGLB website<sup>1</sup>.

## What is a Conflict of Interest?

A COI is defined as a situation where a firm, or an individual, finds itself, in the course of carrying out its activities, at the centre of multiple interests which may either oppose each other or differ. This Policy Summary applies to all types of conflicts, however they arise.

COIs may arise in the context of: (i) a specific transaction (actual or contemplated); or (ii) day-to-day operational activities and processes. A COI may be actual, potential or perceived, and is categorised as either:

- A **Personal COI** - a conflict between the personal and/or financial interests of a Staff member and/or that Staff member's **Connected Persons**<sup>2</sup> and the interests of the Firm or one or more of its clients or suppliers; or
- A **Business COI** - a conflict between (i) SGLB and a client; (ii) two or more clients; (iii) different Societe Generale business and service units; (iv) SGLB and a third-party service provider, distributor, other intermediary or a supplier; (v) SGLB and Societe Generale, its branches and/or subsidiaries.

## Identifying Conflicts of Interests

Our internal policies and procedures are designed to ensure that potential COIs that arise or may arise are identified and addressed.

The following considerations are taken into account when assessing whether a potential conflict exists (this list is not exhaustive):

- The likelihood of a financial profit or the avoidance of a financial loss, at the Client's or Societe Generale's expense;
- Having a personal interest or relationship;
- Having an economic relationship;
- Other employment or past employment;
- Having political influences or relationships;
- Receiving an advantage, or inducement, other than commission or the fees normally charged for a service, from a party other than the Client, for the service or product provided;
- Having an interest in the outcome of a service, transaction executed, or product provided to the Client or a Supplier, which is distinct from the Client's or Supplier's interest in that outcome;
- Having a financial or other incentive to give preference to one Client or group of Clients over the interests of another Client or group of Clients, or to one Supplier or group of Suppliers over the interests of another Supplier or group of Suppliers;
- Conducting the same type of business activities as the Client;
- Receiving remuneration from a person other than the Client in relation to a service provided to the Client, in the form of a monetary or non-monetary benefit;
- Receiving or having the potential to receive, an interest from a person other than the Client, to favour a particular trading position, including the fixing of a benchmark rate;
- Whether the outcome is the best outcome for the Client, or group of Clients, or Supplier or group of Suppliers;

<sup>1</sup> <https://www.societegenerale.co.uk/en/importantinformation/conflicts-interest/>

<sup>2</sup> *Connected Persons are any person with whom an individual has a family relationship; close links; or that has a direct or indirect material interest in the outcome of the trade other than a fee or commission for the execution of the trade.*

- Whether the outcome may benefit one Client over another Client or one Supplier or group of Suppliers, over the interests of another Supplier or group of Suppliers;
- Whether the situation provides the best outcome for SGLB and/or its Clients and/or Suppliers, or whether it may personally benefit the Staff member or one of the Staff member's Connected Persons; and
- Whether an objective person considering the outcome would think that the envisaged outcome is ethical and in the best interests of the Client and/or Supplier.

All Staff Members who identify an actual, potential or perceived COI must report it and are also encouraged to raise concerns.

## Key Measures to identify, prevent and/or manage Conflicts of Interests

We have implemented and maintain a number of procedures and measures for preventing and managing personal and business COIs that arise in the course of our business, and for ensuring Staff members engaged in different business activities involving a conflict of interest can carry on those activities with the requisite degree of independence. These include, but are not limited to, the following:

**COI Risk Maps and COI Registers:** actual, potential and perceived COIs are routinely documented via internal COI Risk Maps and COI Registers.

**Personal Conflicts:** SGLB identifies and manages its Staff members' Personal COIs fairly and effectively. Personal COIs fall into the following categories:

- **Outside Business Activities:** Staff must disclose and obtain pre-approval for any Outside Business Activity.
- **Close Personal Relationships:** Staff must disclose Close Personal Relationships with another person where there is regular business contact, or other business interaction with them, which goes beyond a 'normal course' business relationship and thus has the potential to give rise to an actual or perceived Personal COI.

**Personal Account Dealing:** Staff must disclose and obtain pre-approval for their Personal Account Dealings, and observe a minimum holding period;

**Gifts, Business Meals and External Events (G&E):** Staff must avoid offering or receiving G&E if they have any reason to believe these could give rise to real or perceived COIs, be perceived as influencing or seeking to influence an official in conducting their office, damage the reputation of SGLB or SG Group or conflict with applicable laws and regulations. In addition, G&E received must be of a reasonable and proportionate value, in addition to being appropriately logged and approved;

**Charitable Donations:** From time to time, Staff members may wish to make a business-related charitable donation on behalf of SGLB. In such circumstances, the charity selected must not present a COI through its association with a Client. An approval process is in place to prevent conflicts from occurring, to ensure that potential conflict and bribery risks are identified and assessed prior to the payment, particularly if the organisation is linked to a Client, a prospective Client, a Politically Exposed Person or Public Official.

**Remuneration:** SGLB ensures it does not remunerate or assess the performance of Staff in a way that conflicts with its duty to act in the best interests of its Clients. This means SGLB cannot introduce sales targets or otherwise, that could provide an incentive to Staff to recommend a particular product to Clients when another more suitable product is available. More stringent rules apply for Staff who undertake specified activities.

**Investment Research:** Measures are in place for: (a) managing COIs in connection with investment research; and (b) ensuring that investment research produced by SGLB is impartial and independent of Issuers or any activity that involves a business relationship with the Issuer. Where another part of SGLB has a relationship with an Issuer covered by the firm's research, appropriate disclosures are made.

**Outsourced and Offshored UK MiFID Activities:** SGLB assesses and records the extent to which the outsourcing/offshoring of any service to a third party or to another Societe Generale entity, might create a COI. Outsourcing within the SG Group is subject to the same requirements as external outsourcing arrangements.

**Transactional Conflict Clearance:** Review and approval procedures, as well as clearance measures, are in place to mitigate any potential COI arising from Private Side transactions.

**Information Barriers:** Internal organisational and/or physical arrangements are in place to prevent the unauthorised sharing and/or communication of information within and/or between SGLB's businesses, functions and/or external parties. Information barriers allow certain sections of the Bank to conduct business on behalf of Clients without being deemed to be in possession of Inside Information held elsewhere in the Bank.

**Wall Crossing:** Procedures and systems are in place by which a Staff member from a Public Side business unit is approved to receive Inside Information from the Private Side, usually to assist on and to provide expertise and advice on a Private Side transaction.

**Insider List Management:** Measures are in place to meet the legal and regulatory Insider List requirements.

**Restricted List:** Measures are in place to ensure Staff are prohibited from dealing with specified Issuers.

**Training:** Staff are required to undertake COI training on a regular basis.

It will not always be possible for SGLB to manage or prevent a COI that occurs, or could occur between SGLB and its Clients, Group Entities or third parties, including Suppliers/Vendors. In such cases, SGLB can and must decline to act for, or on behalf of the party or parties concerned.

## **Client Consent**

Where our arrangements for preventing or managing potential COIs are not sufficient to ensure, with reasonable certainty, that risks of damage to the interests of one or more Clients will be prevented, we will disclose the conflict to the Client and we may decline to act.

**Further information on SGLB's COI management arrangements is available upon request.**