

UK GROUP TAX STRATEGY

December 2019

This UK Group strategy, published in accordance with Schedule 19 of the Finance Act 2016, applies to Societe Generale London Branch (SGLB) and to all UK subsidiary companies and UK sub-groups of Societe Generale (SG).

SG has a Group Tax Code of Conduct approved by the Board of Directors which all staff must comply with.

SG has adopted HM Revenue & Customs (“HMRC’s”) “Code of Practice on Taxation for Banks” and complies with its obligations in the UK.

The UK tax strategy therefore aims to ensure:

- compliance with both the SG Group Tax Code and HMRC’s “Code of Practice on Taxation for Banks”;
- compliance with all tax obligations and laws; and
- that the right amounts of tax are paid at the right time.

TAX RISKS

Tax risks are linked to both SG’s business size and complexity and include:

- Non-compliance risk – failure to submit timely and accurate returns
- Legal risk – change of law or interpretation
- Transactional risk – failure to consider or control tax risk in transactions
- Operational risk – process, systems or people failure
- Reputational risk – how tax risk might impact upon staff, shareholders, clients, HMRC and the general public

Tax risks are identified and analysed and suitable tax controls are then designed, implemented and maintained.

SG has a low appetite for tax risk.

TAX RISK GOVERNANCE

SG’s tax risk management procedures aim to control the various tax risks in the UK through:

- Compliance with the UK “Code of Practice on Taxation for Banks” and the SG Group Tax Code of Conduct;

- Adherence to a documented tax governance policy;
- Procedures to validate tax risk in business decision making requiring:
 - tax validation in New Product Committees, covering new and amended products as well as new environments and systems;
 - more specific tax sign-off for potentially higher risk areas and transactions;
 - 3rd party advice and opinions where there is uncertainty.

The tax department is independent of business lines.

- Management of tax risk through the application of specific risk tools as part of the Group's operation of risk mapping and control.

TAX PLANNING

- Tax planning must support genuine commercial activity and comply with both the spirit of the tax legislation as well as the letter of the law. All transactions should give a tax result that SG reasonably believes is in accordance with the intentions of Parliament.
- SG will not promote or work with advisors to support client tax planning unless SG reasonably believes the tax result is in accordance with the intentions of Parliament.
- Employee remuneration packages are structured so that SG reasonably believes that the proper amounts of tax and national insurance contributions are paid on the rewards of employment.

TRANSPARENT RELATIONSHIP WITH HMRC

SG maintains an open and transparent relationship and holds regular meetings with HMRC. SG seeks to comply with its tax code responsibilities by:

- informing HMRC of significant changes in the business conducted by the UK Group;
- disclosing and discussing uncertainties as they arise;
- focusing on, and seeking to resolve, significant issues; and
- working collaboratively, co-operatively and in a timely and professional manner with HMRC.

ATTITUDE TOWARDS TAX EVASION

The Societe Generale Group does not encourage or promote tax evasion for itself or its subsidiaries or for its clients. It has policies and procedures that aim to ensure that none of the Group's employees or other associated persons facilitate the evasion of UK or other taxes by any person.

KEY ROLES AND RESPONSIBILITIES

- The tax department is responsible for the Group's tax policies and management of tax risks. The tax department is independent of the business lines.
- Chief Financial Officers are responsible for ensuring compliance with the tax strategy locally. CFO's also comply with HMRC's Senior Accounting Officer regime to confirm that appropriate tax accounting arrangements are maintained.
- The Corporate Secretary of the Group is ultimately responsible to SG's Board of Directors for the Group's tax strategy and reputational issues.