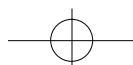


RESOURCES AND HUMAN RELATIONS DEPARTMENT



**HIGHLIGHTS OF  
THE 2000 SOCIAL  
AUDIT**

JUNE 2001



## About the 2000 Social Audit

**I**n 2000, the management of the Group's human resources was marked by:

- the signing of a new collective labour agreement,
- the effective implementation of the 35-hour working week,
- parity in the number of male and female employees,
- a sharp increase in recruitment...

The indicators given in the company's Social Audit highlight these major events in the life of Société Générale.

## 1 • EMPLOYMENT

### ■ *Strong development of the Group*

The robustness of the economic recovery in Europe in 2000, notably in France, was reflected in the creation of numerous jobs within the Group.

Parent company staff numbers rose by 3.2%, after the increase of 0.6% registered in 1999.

This sustained growth was also seen in the Group's subsidiaries, in particular SGAM (150 new jobs), the Crédit du Nord Group (150), Fimatex (90) and Temsys (80).

At the international level, Retail Banking outside France continued its strategic development, for example by strengthening its private banking activity in Egypt (150 new jobs).

Similarly, the Corporate and Investment Banking arm substantially bolstered its presence in the United States (300 new jobs at SG New York) and in the United Kingdom (+200 in London).

In view of the increase in the Group's holdings in several subsidiaries, the total payroll of the Société Générale Group rose by over 4,000 during the 2000 financial year to stand at 71,100 employees.

The total number of staff employed by Société Générale has risen by more than 60% over the past five years, driven by the Group's organic growth and acquisitions.

### ■ *Internationalisation of the Group*

While the majority of Société Générale's staff are still French, a significant part of the Group's development is focused on international markets and over 24,000 employees work outside metropolitan France.

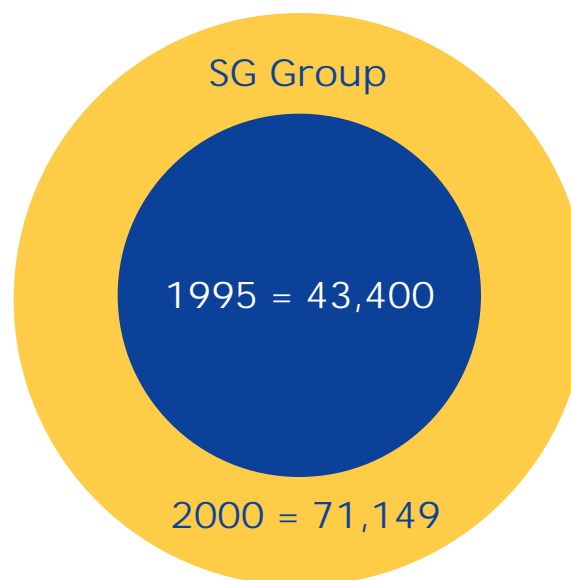
For historical and obvious reasons, the Group has a strong presence in the world's major financial centres (New York, London, Tokyo, etc.) but it is also well established in Eastern Europe and Africa, where it controls a number of major local retail banks: Romanian Development

Bank (4,400 employees), Express Bank in Bulgaria (900), Société Générale Marocaine de Banque in Morocco (1,950), Société Générale de Banque in Côte d'Ivoire (1,100), BFV SG Madagascar (800), etc.

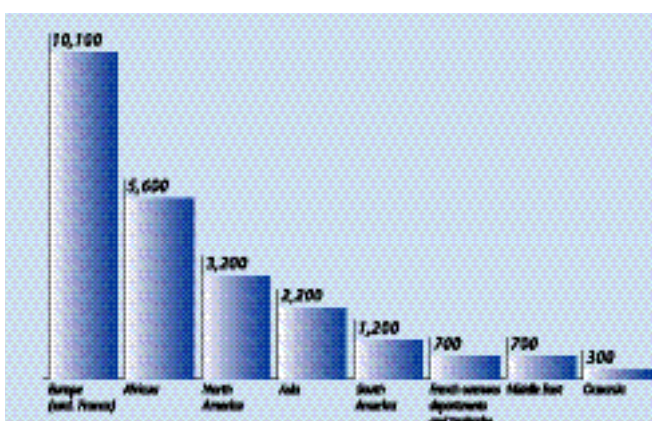
In total, nearly one in four employees is based outside France in the Retail Banking arm, one in two employees in Asset Management and Private Banking, and seven out of ten employees in Corporate and Investment Banking.

### Group Payroll

Salaried staff at December 31st	2000	1999	1998
Technical staff	21,967	21,560	21,626
Executive staff	10,428	9,838	9,587
SG France Total	32,395	31,398	31,213
Group Total	71,149	64,600	58,600



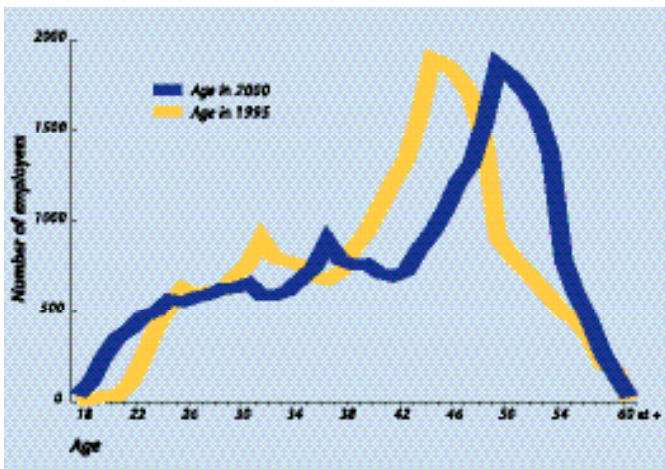
### 24,100 staff employed outside France



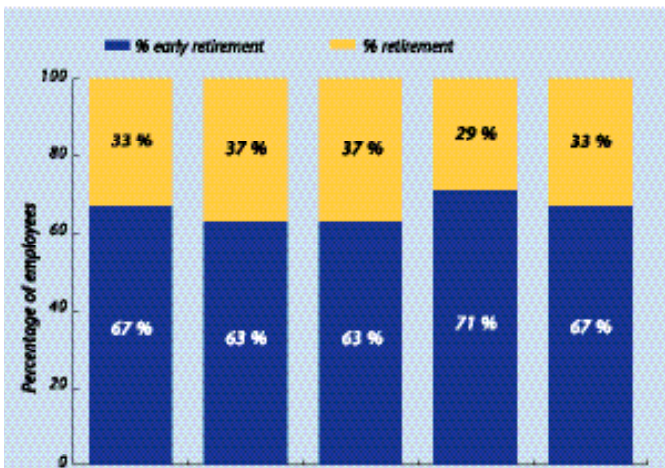
**Largest recruiters within the Group**

	Number
Société Générale	3,230
Crédit du Nord Group	660
Franfinance	250
SGAM	230
Fimatex	120
ECS Group	120
Temsys	120
Sogessur	120

**A recruitment policy geared to rebalancing the age pyramid**



**Contribution of ARPE scheme (\*) to retirements**



(\*) This scheme offers financial incentives to employees taking early retirement in order to promote the recruitment of young people.

**■ A major recruiter**

2000 was an exceptional year in terms of recruitment. With over 7,000 new staff employed worldwide, including over 4,500 in France, the Société Générale Group was one of the major players on the labour market.

The list opposite shows those Group entities that recruited the largest number of new staff. As regards the parent company, this trend underscores the robust development of the Group across all its core businesses. In particular, the French retail banking network is pursuing a deliberate policy of replacing retirees with younger staff with a view to both strengthening its sales force and anticipating the “demographic shockwave” that is expected to hit the network between 2005 and 2010.

In the Investment Banking business and corporate departments, a number of experienced specialists were recruited in view of the growth in activities, notably IT staff, market traders, middle-office staff, lawyers and economists.

Moreover, this recruitment policy has enabled the Group to rebalance its age pyramid by smoothing out the age distribution curve, with the proportion of staff under 30 rising from 10.9% in 1996 to 15.5% in 2000.

Within a few years, the Group should have a more balanced distribution of staff across the different age groups.

Over and above the recruitment of experienced staff, two other factors contributed to this rebalancing of the age pyramid:

- First, the training initiatives implemented by Société Générale, which in 2000 enabled 310 high-school leavers to follow a two-year BTS programme in sales leading to a vocational training certificate. This sandwich course has met with considerable success and almost 1,000 young people have benefited from the scheme since its launch. The French network, which is closely involved in the teaching, is reaping the rewards of these training efforts, since almost 3 students out of 4 end up working for the Group.
- In 2000, 290 staff took advantage of the French ARPE scheme. Since this scheme was introduced at Société Générale in 1996, 1,667 people have taken early retirement, which has enabled the Group to recruit the same number of young people.

# 1 • EMPLOYMENT

## ■ Male/female staff breakdown in 2000

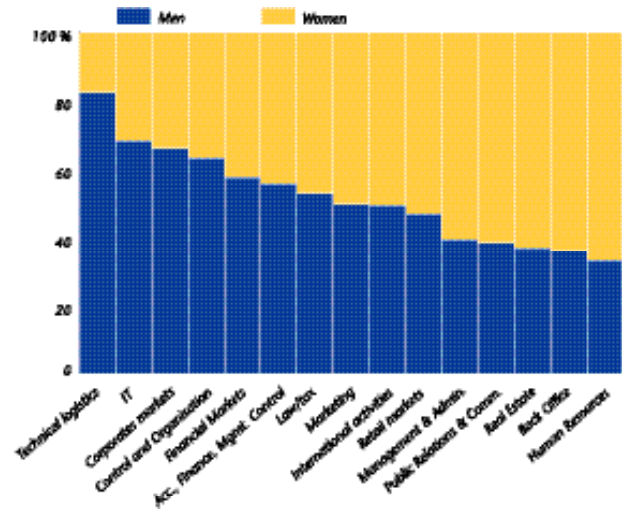
The number of female staff employed by Société Générale (16,251) exceeded the number of male staff (16,144) in 2000, with women representing 56% of new staff recruited by the parent company over the year.

This situation reflects the French labour market, where there is now a female majority among young graduates, notably those with 2 years' higher education.

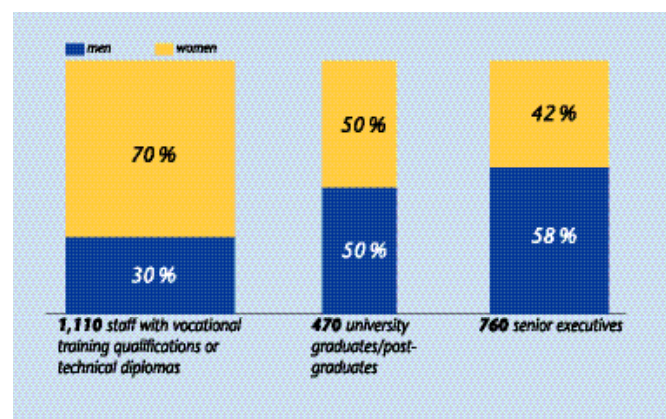
Nevertheless, this balance at the parent company level masks disparities in the individual job categories. As can be seen from the chart opposite, certain professional categories such as technical logistics or IT continue to have a high proportion of male staff. In contrast, female staff represent the majority in the communication and human relations categories.

These professional choices are obviously influenced by the educational background of staff. At the present time in the French educational system, 6 major vocational categories out of a total of 35 continue to account for 60% of female undergraduates.

Male/female staff breakdown into 15 job categories

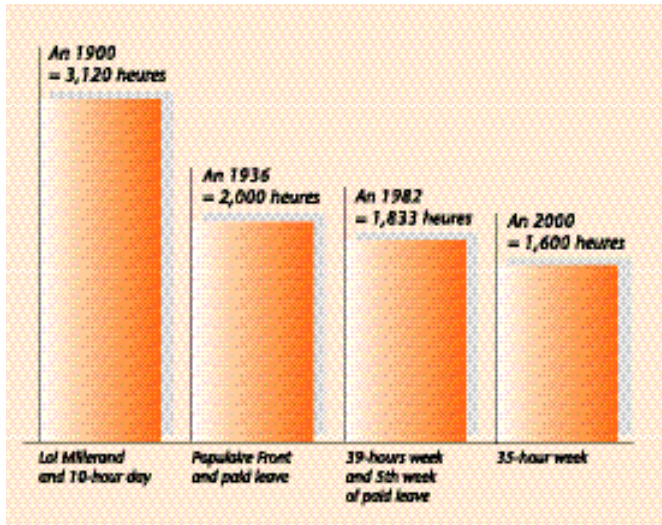


Recruitment by Société Générale reflects the current French labour market



## 2 • WORKING HOURS

### Milestones in the reduction in the working week



### ■ Reduction in the working week

One of the highlights of 2000 was the signing on October 12th of the agreement on the practical arrangements for introducing the 35-hour week at Société Générale.

This new stage in the reduction in the working week has obliged the Group to rethink its organisation and working methods in order to maintain overall efficiency and continue to offer its customers a high level of service.

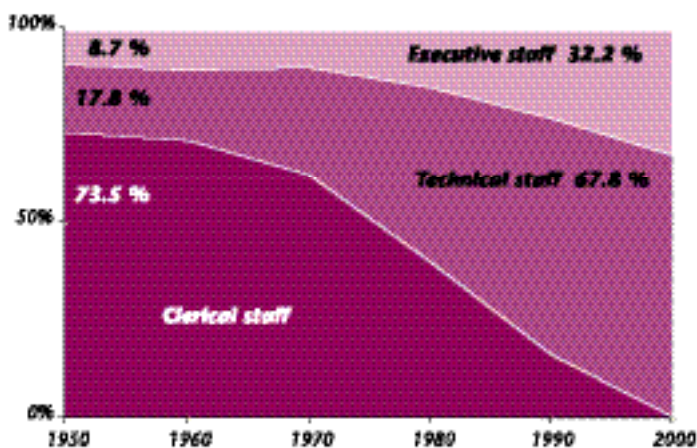
To this end, Société Générale negotiated two systems of working hours:

- a 39-hour working week with 56 days of paid leave excluding normal days off per week,
- a working week of 37 hours 22 minutes spread over 4.5 days, with 47 days of paid leave excluding normal days off per week.

It should be noted that over the course of the 20th century, French workers have seen the number of hours worked annually cut in half. This trend dates back to March 30th 1900 when the *Loi Millerand* was passed, providing for the progressive reduction in the working day from 12 to 10 hours, 6 days a week.

## 3 • CLASSIFICATION, REMUNERATION AND SOCIAL STATUS

### The disappearance of the Clerical Staff category ...



... reflects the transformation of the banking professions

### ■ A modernised collective labour agreement

On January 10th 2000, the banking profession adopted a new collective labour agreement, thereby adjusting a corpus of collective rules dating back in certain cases some 50 years to a completely different social, economic and technical environment.

The disappearance of the Clerical Staff category results from the mechanisation and progressive automation of administrative tasks. This technological progress lies

behind the disappearance of tasks for the least qualified personnel and the evolution of the role of clerical staff traditionally responsible for managing small teams towards more technical or sales-oriented functions. By creating the Technical Staff category, the new classification takes into account the changes of the past 50 years, which are reflected in the increased professionalism of employees.

### 3 • CLASSIFICATION, REMUNERATION AND SOCIAL STATUS

#### ■ A favourable social status

As an extension of the reform of the collective labour agreement, Société Générale was the first bank to negotiate additional social benefits for its employees under the terms of the agreement of July 7th 2000. Staff continue to benefit from a high level of social security guarantees, notably minimum salary increases in the case of promotion, annual salary reviews, access to certain posts in the French network for which a minimum job grade as defined in the collective labour agreement is required, authorised leave of absence for the parents of hospitalised or handicapped children, etc.

#### ■ Development of the performance-linked component

Société Générale has always adopted an individualised approach to career management and salary advancement, based on the performance of staff and their personal development potential in the medium term.

The performance-linked component of total remuneration, which is the crucial element in the salary management of market operators and senior executives, is also a key tool for applying this individualised approach to all staff categories.

Thus, the total weight of commissions and variable pay has more than doubled over the last five years (up by 113%). In 2000, these elements represented on average 6.3% of the total payroll of PAEN and CEN.

#### ■ A simplified remuneration scheme

In terms of remuneration, one of the major benefits of the new collective labour agreement is that it has made the structure of employee remuneration both simpler and clearer. Remuneration is now composed of two elements: the basic annual salary, now paid in thirteen equal monthly instalments and denominated in francs (and soon in euros), and a variable component set by management in view of individual performance and within a budget dependent on the company's commercial performance and financial results.

This type of policy, which incorporates the performance of the company, makes it easier to have employees share in the company's profits and to reward them for their personal contribution.

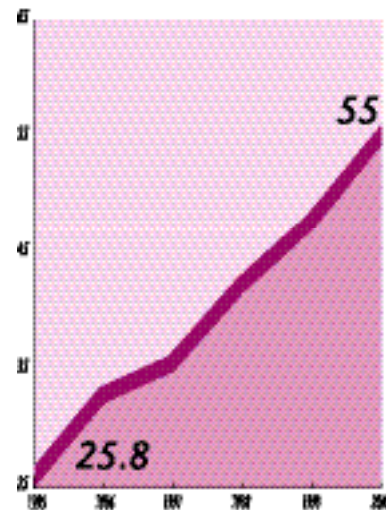
It should be underlined that the implementation of this policy has not been to the detriment of growth in basic salaries, since over the same five-year period the purchasing power of the average salary has risen by 6.6% (aggregate increase in salary excluding impact of inflation).

#### Average annual remuneration (in EUR)

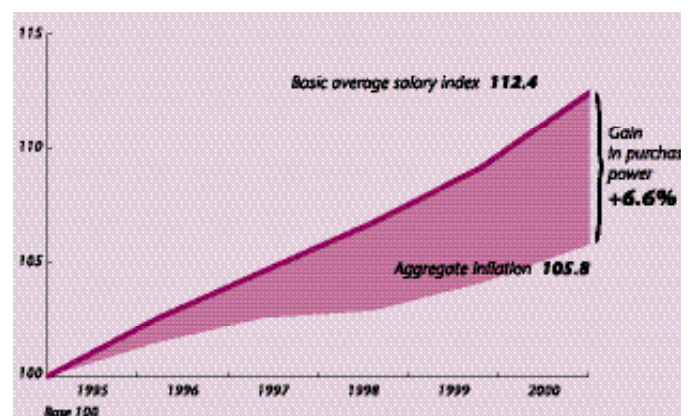
Year	2000	1999	1998
Technical staff	2,285	2,378	2,268
Executive staff	4,995	4,948	4,607
Parent company average	3,158 <sup>(*)</sup>	3,183 <sup>(*)</sup>	2,987

(\*) The wage agreement for the 2000 financial year provides for the payment of a bonus, corresponding to 27% of one month's salary, in January 2001. During the 1999 financial year, two salary-related bonuses were paid under the terms of the 1998 and 1999 agreements, together with an exceptional bonus in September 1999. When adjusted for these items, growth in average remuneration comes out at 2.8% between 1999 and 2000.

#### Sharp increase in variable components of total remuneration (exc. market specialists) in EUR m



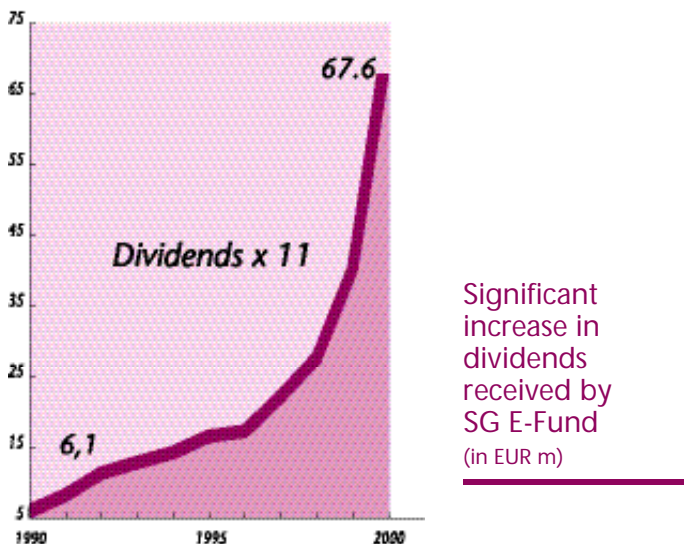
#### Rise in purchasing power



### 3 • CLASSIFICATION, REMUNERATION AND SOCIAL STATUS

#### Average amount paid under Group profit-sharing and incentive plans (in EUR)

Group profit-sharing and incentive plans	2000	1999	1998
Technical staff	2,601	1,128	1,022
Executive staff	4,776	2,258	2,046



#### ■ Strong development of company savings plan

Following its privatisation in 1987, Société Générale looked to stabilise and consolidate that part of its capital held by employees by means of capital increases reserved for employees. Over the years, this system has benefited both the company and its staff.

Since this system was introduced, Société Générale has been able to collect nearly EUR 1.7 billion, used to subscribe for over 68 million shares.

Employees for their part have built up a total holding of more than EUR 2 billion, representing a little over EUR 63,000 per employee on average.

Assuming employees invested their profit-sharing bonus each year in the E-Fund company-sponsored employee shareholding plan without withdrawing any money, technical staff would have had an average holding of EUR 67,000 at the end of 2000 and executive staff an average holding of EUR 150,000.

At present, staff hold nearly 8% of the company's capital.

### 4 • TRAINING

#### Intranet guide to all staff training programmes



#### ■ Sustained training initiatives

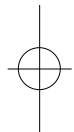
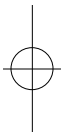
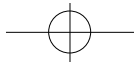
In 2000, over 24,000 employees benefited on average from 5 days' training. Société Générale dedicates significant financial resources to the development of its staff's capabilities, with these initiatives representing nearly 3.5% of the total payroll or around EUR 1,850 per participating employee.

This year, a special effort was made with training linked to staff integration, as the recruitment of senior executives necessitates specific or individualised procedures for welcoming them into the Group.

As regards professional skills, the accent was placed on helping staff to assimilate their posts, on improving the commercial

efficiency of the sales force, and on enhancing the technical expertise of the back-office teams, both in the French network and in investment banking. In addition, training programmes were run on risks, new distribution channels, purchasing procedures and systems analysis.

Lastly, PAEN created the post of regional training manager in order to closely assist the retail banking groups' management teams, notably in the preparation of specific initiatives at the local level.



You can consult the 2000 Social Audit in the “Kiosque” (the Group’s intranet news stand).  
Alternatively, if you would like to receive a copy of the audit, please address  
your request by e-mail to Fabienne Rivière, RSRH/PRE

