

Free translation - In the event of discrepancies between the French and the English versions, the French one shall prevail.

Societe Generale SA - Ordinary General Meeting of 18 May 2021
Responses to written questions from shareholders

The actual wording of the following questions has been summarised (without distorting the meaning) where it was not deemed useful to present them verbatim for the purpose of understanding their meaning.

Questions from Mr Philippe De Jong, individual shareholder (questions submitted by email on 26 March 2021):

- 1) In 2020, ROE stood at -1.7% vs. +5% in 2019. What is the strategic roadmap that the Board of Directors implemented to recover in 2021-2022 and 2023?
- 2) What is the expected decline in the Group's commercial cost of risk in 2021-2022-2023 compared to 2020-2019?
Will operating results be directly improved compared to 2020-2019?
- 3) In terms of financial policy, the Group's objective is to "maximise short- and long-term shareholder returns." What is the budgeted growth in dividends per share in the short and medium term?
- 4) As the share price changed little in 2020 despite the elimination of agendas and timetables previously offered to small shareholder clients, does the Board of Directors plan to recognise them for their loyalty in 2021 according to the continuous holding period of their shares?

Answer given by the Board of Directors:

1) *In 2020, ROE stood at -1.7% vs. +5% in 2019. What is the strategic roadmap that the Board of Directors implemented to recover in 2021-2022 and 2023?*

2020 was a particular year marked by the exceptional impacts of the COVID crisis. In Q1 2021, the group's ROTE stood at 10.1% in underlying data. This significant change stems from the combination of:

- A rebound in revenues of 21% compared to Q1 2020;
- A strong positive scissor effect as the Group continues to focus on the costs incurred over the past several years (-2.2% over Q1 2020 in underlying data);
- A decline in the cost of risk to 21 basis points, with a stable stock of provisions at a high level.

The Group is confident about the outlook for 2021, which should show a sharp rebound in profitability.

The strategic roadmap was approved by the Board of Directors:

- Supporting our clients in this exit from the crisis and helping them with their energy and digital transition;
- Executing major strategic initiatives:
 - the merger of the networks in France;
 - growth drivers (Boursorama, ALD, Komerční Banka);
 - GBIS's new roadmap, communicated to the market on 10 May.

This roadmap will improve the Group's profitability in a sustainable and structural manner.

2) **What is the expected decline in the Group's commercial cost of risk in 2021-2022-2023 compared to 2020-2019?**

Will operating results be directly improved compared to 2020-2019?

In 2020, the cost of commercial risk was EUR 3.3 billion (64 basis points), including €1.4bn in provisions on performing loans based on a cautious anticipation of the future impact of the crisis, in particular of possible successive lockdowns, and a return to normal activity in 2022/2023.

In 2021, the Group expects a lower cost of commercial risk compared to 2020. The expected cost of risk is expected to be between 30 and 35 basis points. In addition, we did not set any targets for operating income in 2021; however, we stated that we expect a positive scissor effect at the Group level and therefore an improvement in gross operating income. The Group's operating income will, of course, also benefit from the decline in the cost of risk.

3) **In terms of financial policy, the Group's objective is to "maximise short- and long-term shareholder returns." What is the budgeted growth in dividends per share in the short and medium term?**

The Board of Directors proposes the payment of a dividend of 0.55 euros per share for 2020 based on the recommendation issued by the ECB in December 2020. Subject to the lifting of the ECB's restriction announced in September 2021 and subject to the latter's agreement, the Group has already announced the implementation in Q4 of a share buyback programme for an amount equivalent to the 2020 dividend.

Going forward, we intend to maintain an attractive distribution policy by reserving 50% of underlying net income from 2021 for the remuneration of our shareholders.

4) **As the share price changed little in 2020 despite the elimination of agendas and timetables previously offered to small shareholder clients, does the Board of Directors plan to recognise them for their loyalty in 2021 according to the continuous holding period of their shares?**

At this stage, we do not anticipate changes in our statutes to implement such a mechanism, which is very limited in its scope, given the conditions laid down by the law. Moreover, the European Central Bank considers that this type of mechanism does not comply with its doctrine on the definition of capital (prohibition of instruments with a differential treatment in terms of distribution).

It should be noted that the establishment of an increased dividend is governed by the law (Article L. 232-14 of the French Commercial Code) and subject to restrictive conditions:

- Increase **within the limit of 10%** of the dividend distributed, the rate of which is set by the Extraordinary General Meeting;
- An increase in the benefit of any shareholder who justifies, at the end of the financial year, a **registration in their name held for at least two years**, and maintained on the date of payment of the dividend;
- **The number of securities eligible** for this dividend increase **may not exceed 0.5% of the Company's share capital for the same shareholder**;
- Add-on **that cannot be allocated before the end of the second financial year following the amendment of the articles of association**.

Questions from the Forum for Responsible Investment, a non-profit organisation governed by the law of 1901 (questions submitted by email on 19 April 2021):

Environment

- 1) *What are the capital expenditure amounts planned by 2025 in order to be line with the Paris Agreement? How will these capital expenditures be spread over the entire value chain between maintenance and growth expenditures? What is the geographical breakdown?*
- 2) *How do you limit the impact of biodiversity loss on your future income? Specify the indicators and resources put in place.*
- 3) *How do you anticipate the scarcity of certain natural resources and the difficulties in supplying your strategic resources? How does this affect your business models and how do you secure your supply chains?*

Social

- 4) *Solidarity between economic actors, large and small businesses, seems necessary in order to limit the negative impacts of the current crisis. How does your group adapt its purchasing or sales practices, at the national and international levels, to support its suppliers or customers affected by the crisis? Do you apply differentiated policies for VSEs-SMEs? Has the crisis led you to structurally change your policies in this area?*
- 5) *How do you manage, at the Group level, the social impacts associated with the massive development of telecommuting since the start of the pandemic? Notably in terms of the management of psychosocial risk, contribution to costs, employee satisfaction surveys, revision of employees' choices, employees working from home, etc.*
- 6) *Do you have a definition of "decent salary" not limited to the local legal minimum wage? If so, what is it? How does your company ensure that its employees, as well as the employees of its suppliers, receive a decent salary?*
- 7) *As part of the formula for employee profit-sharing agreements in France, do you take environmental and social criteria into account? If yes:*
 - *What are these criteria? Have they changed since 1 April 2020?*
 - *What is the share of these criteria in the incentive scheme? Has it changed over the past year?*
 - *What is the percentage of employees involved?*
- 8) *In the context of employee savings, which funds have been awarded a responsible label (CIES, Finansol, Greenfin, SRI)? For each proposed fund, what is the name of the label(s), what is its share as a percentage of the employee savings account, and to what proportion of employees is it proposed? In addition, what is the percentage of the Group's employees, both in France and abroad, who have access to other forms of savings taken out on a professional basis, particularly in terms of retirement? What proportion of assets corresponding to this savings are managed in a socially responsible manner and show "quality signals"? Which ones?*

Governance

- 9) *Do you apply the GRI 207 standard for your public tax reporting?*
If yes: does this report cover all the elements indicated in this standard and if not, what elements did you choose not to publish and why?
If you do not use this standard: what are the reasons for this and do you plan to apply it in the near term (1 to 2 years)?
What other measures do you have or are you considering implementing to meet the growing demand for tax transparency from your stakeholders?
- 10) *What is the scope taken into account for the equity ratios you publish? What is your analysis of the changes in these ratios? Has this analysis led you to adapt your remuneration policies? If yes, how?*
- 11) *With regard to the implementation of your group's gender equality policy, please communicate to us:*
 - (i) *The quantitative agenda and objectives - achieved or to be achieved - concerning matters relating to this policy (career, training, remuneration, balance of private/professional life, etc.) at all levels of responsibility.*
 - (ii) *If this gender equality policy is applied in all Group companies, both in France and internationally. If not, why not?*

- (iii) *If so, what specific resources do you use to promote gender equality in your country where this objective encounters difficulties?*
- 12) *How are your lobbying practices formalised and how do they fit into your group's CSR strategy? Can you describe your company's chain of responsibility for lobbying or institutional relations? In what cases can or should matters be referred to your Group's supervisory body (Board of Directors, Supervisory Board)? What factors relate to your lobbying practices (public positions, allocated budgets, etc.) for each of your global markets?*
- 13) *How, in concrete terms, do you involve social partners, at the Group and local levels, to engage your company in a fair transition? Do you intend to publish their opinion on your due diligence plan? Do you intend to publish their opinion on your non-financial performance document?*

Answer given by the Board of Directors:

1) What are the capital expenditure amounts planned by 2025 in order to be line with the Paris Agreement? How will these capital expenditures be spread over the entire value chain between maintenance and growth expenditures? What is the geographical breakdown?

The alignment of the Group's activities with the objectives of the Paris Agreement also targets the impacts linked to its operation (for example, the energy consumption of the Group's buildings or IT systems) as well as the indirect impacts, particularly those related to financing activities. The Group achieved the targets it had set to reduce greenhouse gas emissions per occupant by 25% and to increase energy performance per occupant by 25% between 2014 and 2020. These targets will be achieved in part through investments (capital expenditures), as well as by subscription to the Power Purchase Agreement recognising the renewable share of energy consumed. However, most of the emissions generated by the Group's activity are related to indirect impacts, particularly those of financing activities. With regard to this scope, alignment with the objectives of the Paris Agreement requires a significantly different approach from an investment plan (capital expenditure) that would be developed by an industrial company or that the Group is considering, as mentioned above regarding the energy renovation of its buildings. With a group of four other banks that have committed to Katowice, the Group has been a pioneer in developing methods for aligning credit portfolios under free access. <https://www.transitionmonitor.com/wp-content/uploads/2020/09/PACTA-for-Banks-Methodology-Document.pdf>.

In 2019, Societe Generale also signed the Poseidon Principles, which, in line with the International Maritime Organisation's objective, aim to reduce emissions from maritime transport by at least 50% by 2050. In 2020, the Group committed to gradually stop financing coal extraction and coal production activities (by 2030 in OECD countries and by 2040 in the rest of the world). Societe Generale is now one of the first commercial banks to reduce its exposure to the oil and gas sector in both absolute and short-term terms (-10% by 2025).

For more information: <https://www.societegenerale.com/sites/default/files/documents/2020-12/societe-generale-rapport-climat.pdf>

2) How do you limit the impact of biodiversity loss on your future income? Specify the indicators and resources put in place.

The issue of biodiversity for the Group is being studied. Given the diversified banking business model, it is likely that the impact on future revenues over the medium term will be very limited.

3) How do you anticipate the scarcity of certain natural resources and the difficulties in supplying your strategic resources? How does this affect your business models and how do you secure your supply chains?

The “strategic resource” for a banking industry is, above all, access to capital markets.

4) Solidarity between economic actors, large and small businesses, seems necessary in order to limit the negative impacts of the current crisis. How does your group adapt its purchasing or sales practices, at the national and international levels, to support its suppliers or customers affected by the crisis? Do you apply differentiated policies for VSEs-SMEs? Has the crisis led you to structurally change your policies in this area?

Throughout the crisis, the Group has paid particular attention to playing its role in the economy to the fullest extent, with its customers, employees and suppliers.

The Group has granted nearly 18 billion State-guaranteed loans and more than €33 billion in moratoriums to support its VSE-SME customers in the current crisis.

With regard to suppliers, the Societe Generale teams managing their invoices (more than 300 employees between Paris, Bucharest and Bangalore) remained fully operational from the start of the crisis as they can work entirely remotely. We therefore experienced no delay in the payment of our commitments to suppliers.

In addition, the work carried out with suppliers on the digitisation of invoices has significantly reduced the proportion received in paper format to approximately 5% of the total number of invoices processed. This makes it possible to limit dependence on postal services and subcontractors whose treatment capacity was strongly linked to the health situation.

Finally, from the beginning of the crisis, we contacted our vulnerable suppliers to request digital invoices (a photo of invoices was sufficient) and to remind them of the contact details of our support services to be used if necessary.

The adaptation of our organisation and processes, during lockdowns and throughout the health crisis, allowed us to maintain the same level of service while actively communicating with our suppliers to find appropriate solutions to the problems encountered.

5) How do you manage, at the Group level, the social impacts associated with the massive development of telecommuting since the start of the pandemic? Notably in terms of the management of psychosocial risk, contribution to costs, employee satisfaction surveys, revision of employees’ choices, employees working from home, etc.

Since the beginning of the pandemic, teleworking has been a means of combating the spread of the virus as well as a requirement imposed by governments. It has been rolled out widely in all entities where this is technically possible by allocating funding to the provision of portable PCs.

The crisis that we are experiencing, more than teleworking itself, has changed our professional behaviour because it has led to a marked distancing in working relationships. To remedy this, Societe Generale has implemented various training and awareness-raising initiatives for employees including management of remote working (for example, a series of webinars on remote management) and conducted seven pulse surveys in 2020 at the global level to assess the state of employees in the face of

the crisis (in addition to ad hoc surveys at the level of certain entities), thereby enabling the Business Units/Support Units (BU/SU) to implement action plans adapted to the situation at hand.

In addition, the Group has set up a medicinal-psycho-social support system for all employees, allowing them to benefit from personalised psychological support through phone or Skype sessions with a psychologist.

In addition to “remote crisis work” and through a white paper entitled “Future of Work” drawn up in Q3 2020, the Societe Generale group has committed to preparing for the future by capitalising on the lessons of the crisis and on its pre-existing teleworking practices. Thanks to the collection of contributions from hundreds of employees, the company is preparing for the widespread adoption of telecommuting as a new way of working post-crisis throughout the Group. This will lead to changes in its employer promise and work organisation to meet the various societal expectations amplified by the crisis. Such an approach will be based on the voluntary initiative of the employees concerned and will integrate the maintenance of a significant proportion of “in situ” work. To date, post-crisis telecommuting is in the implementation phase in 91% of our entities in 26 countries (data from a non-exhaustive survey of our entities). Support measures are proposed, in line with local social practices (e.g. equipment assistance for nearly 100% of employees in France).

6) Do you have a definition of “decent salary” not limited to the local legal minimum wage? If so, what is it? How does your company ensure that its employees, as well as the employees of its suppliers, receive a decent salary?

In general, the Group’s remuneration policy is based on the following principles:

- an approach that takes into account the market context and conditions,
- alignment with the Group’s financial and operational targets, as well as with its risk management objectives and the Code of Conduct,
- alignment with the Group’s overall policy of non-discrimination and diversity, which is part of its Corporate Social Responsibility policy.

In 2019, Societe Generale renewed its agreement with UNI Global Union on fundamental rights covering 100% of the Group’s workforce. Through these agreements, the Group undertakes to allocate a decent salary and working time by paying a sufficient minimum wage to meet essential needs, in compliance with the regulations in force in the countries where the Group operates. Each year, Societe Generale publishes a vigilance plan and a statement on the fight against modern slavery and human trafficking.

The Societe Generale group uses the social reporting tool Planethic Reporting, which collects and monitors the steering indicators of the companies selected within the Group’s financial consolidation scope. Among these indicators, those concerning remuneration are monitored in particular. On average, the lowest salary paid to our entities is 63% higher than the local legal minimum.

The Group’s remuneration policies and principles are presented annually in the Group report on its remuneration policies and practices in accordance with current regulations:

<https://www.societegenerale.com/sites/default/files/documents/2021-04/Rapport-sur-les-politiques-et-pratiques-de-remuneration-2020.pdf>

- 7) **Do you take environmental and social criteria into account as part of the formula for employee profit-sharing agreements in France? If yes:**
- **What are these criteria? Have they changed since 1 April 2020?**
 - **What is the share of these criteria in the incentive scheme? Has it changed over the past year?**
 - **What is the percentage of employees involved?**

In the context of the health crisis linked to COVID-19, Societe Generale SA's incentive agreement was signed for a single financial year (2020), without renewing the criteria for purchasing with the adapted and protected sector, but while maintaining the Corporate Social Responsibility (CSR) indicator based on the rating assigned to the Societe Generale group by the extra-financial rating agency SAM Corporate Sustainability Assessment.

Societe Generale SA's incentive formula consists of a financial portion based on operating income and a returns portion based on dividends and this CSR indicator. For the 2020 financial year, the sum allocated to the CSR indicator represented 16% of the incentive bonus excluding additional profit-sharing.

The share **of the employees** concerned represents all the beneficiaries of the incentive agreement as it is a collective scheme.

- 8) **In the context of employee savings, which funds have been awarded a responsible label (CIES, Finansol, Greenfin, SRI)? For each proposed fund, what is the name of the label(s), what is its share as a percentage of the employee savings account, and to what proportion of employees is it proposed? In addition, what is the percentage of the Group's employees, both in France and abroad, who have access to other forms of savings taken out on a professional basis, particularly in terms of retirement? What proportion of assets corresponding to this savings are managed in a socially responsible manner and show "quality signals"? Which ones?**

All Societe Generale employee savings plans in France (company savings plans, group savings plans and collective pension plans) offer SRI employee mutual funds ("Socially Responsible Investment") certified by the CIES.

These certified funds represent half of the FCPEs in the fund range (excluding employee shareholding funds) of the SG ESP/GSP. The Societe Generale group's cumulative SRI assets at December 31, 2020, all savings vehicles combined, amounted to €339 million.

The percentage of Societe Generale's SRI funds is 19% of assets under management and 7% for Crédit du Nord (CDN), with each fund's share as follows:

	% total outstanding
SG Obligations ISR (CIES certification)	8%
SG Diversifié ISR (CIES certification)	9%
Amundi label actions Solidaire ESR (CIES certification)	2%
Total SG SRI	19%

ARCANCIA Actions Ethique et Solidaire (CIES certification)	1%
Amundi Label Equilibre Solidaire ESR (Label CIES)	4%
Etoile Sélection Développement Durable	1%
Amundi Label Harmonie ESR (Label CIES)	1%
Total CDN SRI	7%

These funds are offered to all employees.

9) Do you apply the GRI 207 standard for your public tax reporting?

If yes: does this report cover all the elements indicated in this standard and, if not, what elements did you choose not to publish and why?

If you do not use this standard: what are the reasons for this and do you plan to apply it in the near term (1 to 2 years)?

What other measures have you implemented, or are you considering implementing, to meet the growing demand for tax transparency from your stakeholders?

Since 2010, Societe Generale has followed a [Tax Code of Conduct](#), available on its institutional website. This code describes in particular the Group's approach to taxation, the principles of tax governance and risk control, as well as the principles applicable in relations with its stakeholders (in particular with clients and tax authorities). The Group also provides detailed information on its compliance and tax transparency actions on an annual basis ([see p.256-257 of the Universal Registration Document 2021](#)).

As such, Societe Generale is essential to the items of information 207-1 ("Tax approach"), 207-2 ("Tax governance and risk control") and 207-3 ("Stakeholder dialogue and consideration of their concerns") of GRI 207.

Regarding Element 207-4 "Country Reporting", Societe Generale strictly complies with its reporting obligations for each country, public reporting obligations (Directive 2013/36/EU known as "CRD IV") and those of tax administrations (Directive 2016/881/EU known as "DAC 4"). For the public CRD IV component, Societe Generale has elected to publish tax amounts other than corporate tax for each country of operation, going above and beyond its regulatory obligations and the current GRI standard.

In keeping with its proactive approach to transparency vis-à-vis the public and our stakeholders in tax matters, Societe Generale has decided to publish an annual report on its institutional website regarding the Group's tax contribution and transparency. In particular, it will provide a detailed view of the Group's tax contribution and will include data currently not required or only recommended by the GRI 207 standard (e.g. withholding tax on behalf of third parties, HR contributions, VAT, etc.).

10) What is the scope taken into account for the equity ratios you publish? What is your analysis of the changes in these ratios? Has this analysis led you to adapt your remuneration policies? If yes, how?

The methods for calculating equity ratios have been defined in accordance with the AFEP-MEDEF Remuneration Multiple Guidelines (updated in February 2021). The scope taken into account for the calculation of average and median employee remuneration is Societe Generale SA, which includes foreign branches (page 115 and 116 of the URD). The change in the ratio is mainly due to changes in the compensation of corporate officers, with average and median compensation for employees with greater inertia. In 2020, the ratios were down sharply for executive corporate officers.

11) With regard to the implementation of your group's gender equality policy, please communicate to us:

- (i) The quantitative agenda and objectives - achieved or to be achieved - concerning matters relating to this policy (career, training, remuneration, balance of private/professional life, etc.) at all levels of responsibility.**
- (ii) If this gender equality policy is applied in all Group companies, both in France and internationally. If not, why not?**
- (iii) If so, what specific resources do you use to promote gender equality in your country where this objective encounters difficulties?**

In December 2020, the Group made commitments in terms of Diversity and Inclusion and set itself the goal of achieving 30% of women in the Group's management bodies and senior management by 2023.

In order to achieve this objective, an action plan is put in place, including:

- A strengthened talent management strategy that will focus on supporting women's career paths and professional development.
- Awareness sessions on biases and stereotypes made available to all employees and made mandatory for current and future managers.
- The evaluation of each member of the Executive Committee on diversity objectives as of 2021.

These objectives apply to the entire Societe Generale group, both in France and internationally.

A number of measures are deployed throughout the Group to promote equality between men and women (see Diversity and Inclusion report page 13

https://www.societegenerale.com/sites/default/files/documents/2021-03/Rapport_Diversite_et_Inclusion_2020.pdf)

In addition to the actions presented in the [Due Diligence Plan](#) (on page 345 of the 2021 Registration Document), additional measures are planned in the entities that must strengthen their non-discrimination policies and procedures, for example:

- in Romania, conferences are planned on the topics of harassment and the fight against discrimination;
- in the United Arab Emirates, the Know Your Women Employee programme, a mechanism dedicated to women and including 16 months of personal development support, is set to be renewed.

12) How are your lobbying practices formalised and how do they fit into your group's CSR strategy? Can you describe your company's chain of responsibility for lobbying or institutional relations? In what cases can or should matters be referred to your Group's supervisory body (Board of Directors, Supervisory Board)? What factors relate to your lobbying practices (public positions, allocated budgets, etc.) for each of your global markets?

In addition to the Universal Registration Document, which describes the Group's key positions, the Group publishes an official document formalising how and why lobbying is done, as well as the amounts allocated to this activity on its institutional website (accessible via the following link:

https://www.societegenerale.com/sites/default/files/documents/Document%20RSE/sg_memorandum_responsible_advocacy_activities.pdf)

As a reminder, in 2014 the Group committed to this subject through a Charter https://www.societegenerale.com/sites/default/files/documents/RSE/140513_Charte_representation_responsable_SG.PDF#_blank reflecting Transparency International France's principles. Practices for the representation of interest are formalised in several documents, including: (i) the Group's Code of Conduct, (ii) the Code on the fight against corruption and influence peddling, (iii) internal normative documentation. These documents reiterate that the Group must comply with the regulatory and institutional obligations in all the Group's geographical regions, in addition to French national obligations (particularly the Sapin II law). As such, the Group fills in the public transparency registers of the EU and the National High Authority.

In line with its CSR strategy, the Group's representation of interests is a reminder of the usefulness of

ESG investments and the standardisation of their measurement. However, the Group remains focused on limiting operational constraints and ensuring that international convergence measures are taken to avoid disadvantages for the banking sector vis-à-vis non-banking players (shadow banking) or European banks vis-à-vis international banks. In 2020, ROBECOSAM rated the Group's transparency on its lobbying practices, with a score of 96/100.

The chain of responsibility comprises three levels: (i) the Public Affairs Department, (ii) the heads of Business Units/Support Units (BU/SU), and (iii) the correspondents representing the interests of each BU/SU. The heads of each BU/SU are responsible for the initiatives of their BU/SU. The Group Head of Public Affairs is responsible for the consistency and overall compliance of lobbying actions with regulations and vis-à-vis institutions.

Internal controls have been defined to ensure compliance with the Group's obligations, with the support of an internal reporting tool, and are carried out by the internal correspondents and the Group's Public Affairs Department. Permanent controls are performed by the Group Compliance Department. Periodic controls are performed by internal audit and General Inspection.

The Board of Directors defines and approves the CSR strategy annually. The Board of Directors also validates the risk tolerance threshold and monitors its implementation. In addition, environmental and climate issues are addressed in the strategic decisions and discussions of each of the Group's businesses.

At the level of the General Management and the heads of the BU/SUs concerned, governance is defined as follows.

- (i) a Regulatory Supervisory Committee (RSC) chaired by the General Management meets on an ad hoc basis when required by regulatory changes, and validates the Group's lobbying guidelines. In 2020, it met four times.
- (ii) A Responsibility Committee (CORESP) is in charge of ESG issues, particularly issues related to reputation, and meets at least three times a year and on an ad hoc basis if necessary;
- (iii) on the risk issue in the broad sense, a Risk Committee (CORISQ) meets monthly, and one CORISQ meeting per year has been dedicated to climate issues since 2017.

13) How, in concrete terms, do you involve social partners, at the Group and local levels, to engage your company in a fair transition? Do you intend to publish their opinion on your due diligence plan? Do you intend to publish their opinion on your non-financial performance document?

In February 2019, the Group renewed its international agreement with the UNI Global Union on fundamental rights. This agreement covers 100% of the workforce and is based on the application of commitments that are discussed with UNI Global Union. In addition, an annual monitoring meeting is held to address the due diligence plan, bringing together representatives of UNI Global Union, the Corporate Social Responsibility (CSR) departments, and Human Resources. The last meeting was held in July 2020 and the 2021 discussions are underway. The renegotiation of this agreement could take place in 2022.

Questions from Mr Dominique Leroy, individual shareholder (questions submitted by email on 1 May 2021):

- 1) beyond the disposals of assets and the many reorganisation efforts in recent years, what development initiatives can we count on to significantly boost Societe Generale and to recreate value, in addition to the solid progress made by ALD and Boursorama?
- 2) shareholder remuneration:
Given the highly comprehensible dividend distribution constraints imposed by the ECB, why did you not plan free share distributions last year and this year, as a number of mutual banking institutions did?

Board of Directors' response

- 1) Aside from the disposals of assets and the many reorganisation efforts in recent years, what development initiatives can we count on to significantly relaunch Societe Generale and to recreate value, in addition to the solid progress made by ALD and Boursorama?**

After showing some resilience in 2020 in a deteriorated economic environment, the Group will be able to rely on the following development initiatives in order to relaunch a profitable growth cycle and create value for shareholders. In general, the Group will continue to favour growth, high profitability and strong commercial franchises, while investing in the banking models of tomorrow (driven in particular by internal start-ups such as Treezor, Shine, Forge, etc.) in order to meet the challenges of digital transformation, made even more necessary by the current crisis. Internal synergies will always remain a priority for the Group in order to take advantage of the value of its diversified and integrated banking model.

- On 7 December 2020, Societe Generale announced the plan to merge its retail bank in France with its subsidiary Crédit du Nord, which is due to be completed in 2025. The centralization of investments, particularly in terms of digital transformation, must help meet the challenges currently faced by retail banks while improving profitability. This merger is based on the respective strengths of each of the brands. The Group wants a model with a strong regional foundation to meet the challenge of local banking. We will therefore build this new bank with the desire to have as many decisions as possible made at local level rather than at the head office. We want to combine the best of digital with the best of human expertise.
The Group is eager to rethink the role of branches. Most customers now only visit their branch for important matters. They expect to be able to carry out day-to-day banking activities remotely, via digital technology, on their mobile phone app or on their computer. We will continue to invest in order to offer the best digital experience and the best remote experience possible for all day-to-day business which does not require to travel to the branch. The project is built with a desire to accelerate the digitisation of the model while strengthening the expertise and advice of our employees in branches, on important topics for our individual customers related to savings or wealth creation, for example.
The Group also wants to offer the organisation most suited to each category: customers, companies, professionals and individuals, Premiums in particular, and the most affluent, because each category has its specific expectations. Today, Crédit du Nord's professional customers have a single advisor for their professional and personal needs, which is a key element of strength, and a differentiating factor on the market. This is the model we want to use for all professional clients resulting from the merger. We conducted this analysis for each customer category.
- In French retail banking, the Group will also be able to count on Boursorama's progress to position itself as the undisputed leader in online banking in France, while benefiting from its bancassurance model. In international retail banking, the Group will continue to improve its operations in the Czech Republic, Romania, the consumer finance business in Western Europe, Russia and Africa, the regions in which it has a longstanding presence, in-depth knowledge of the markets and leading positions.

- In Global Banking and Investor Solutions, the Group will continue to draw on its expertise in financial engineering and innovation and the excellence of its execution capacity to support its clients and strengthen its leadership positions. The adaptation and reduction of the risk profile of market activities will improve the resilience and profitability of this pillar.
- In financial services, in addition to the bancassurance model, the Group intends to accelerate ALD's development and thus strengthen its position as a European and global leader in mobility while capitalising on its professional equipment finance activities.

The Group will also be able to rely on strong commitments in the areas of social and environmental responsibility in order to support its customers and fully involve them in its ambitions in these areas.

Finally, disciplined management of costs and scarce resources combined with risk control will remain a key focus to ensure the solidity of our balance sheet and the creation of sustainable value for shareholders.

Overall, the Group is confident that it can deliver a strong improvement in its financial performance in 2021 and will be able to maintain this positive momentum thanks to all of its strategic initiatives.

2) Shareholder remuneration:

Given the highly comprehensible dividend distribution constraints imposed by the ECB, why did you not plan free share distributions last year and this year, as a number of mutual banking institutions did?

In the particularly uncertain 2020 environment, we found it more responsible to strictly comply with the ECB's distribution recommendations, although our level of capital remained solid throughout the year. Since the distribution of free shares neither increases nor reduces the Group's equity, it remains neutral for both the Group and the shareholder. Instead, we favoured the distribution of cash dividends and propose to the General Meeting an amount of EUR 0.55 per share, corresponding to the maximum amount recommended by the ECB.

Once these restrictions have been lifted, probably at the end of September 2021, we plan to launch a share buyback programme equivalent to that of the dividend, or €470 million. This programme will automatically improve future net earnings per share, which will benefit all shareholders.

Going forward, our payout ratio will be 50% of underlying net income Group share. Up to 20% of the amount allocated to shareholder remuneration could be allocated to a share buyback, the majority then being used to pay a dividend in cash.

Questions from Mr Bernard Delpech, individual shareholder (questions submitted by email on 4 May 2021):

- 1) What is your strategy for retail banking in France? Do you still rely on insurance to boost your revenue and, if so, what does this mean for the future for retail branches?
- 2) Do you still rely as much on international retail banking in Africa and Russia? What growth rate in both cases do you expect for the coming years?
- 3) Your 2020 target was a 63% operating ratio that has not been reached. What is your objective going forward?
- 4) Does the distribution of state-guaranteed loans generate a margin and, if yes, how much on average?
- 5) NGOs have noted an increase in your financing of fossil fuels. Going forward, what is your policy in this area and how will you quantify it?

Board of Directors' response

- 1) ***What is your strategy for retail banking in France? Do you still rely on insurance to boost your revenue and, if so, what does this mean for the future for retail branches?***

Overall, we are holding up well in this unfavourable environment: French retail banking posted net income of €203 million and its profitability stands at 11.3% excluding Boursorama. In a context that is expected to improve from a health perspective, our goal for the coming months must be to strengthen the momentum we have built by continuing to improve our performance on several key points, particularly in **personal and property insurance products**, which offer major growth potential in a context of low long-term interest rates.

As part of the presentation of the new strategic phase in 2025 for retail banking activities in France, we announced the launch of the plan to **merge our two banking networks, Crédit du Nord and Societe Generale**, with a view to establishing a leading bank on the French market, serving 10 million customers.

Our project is offensive with a threefold ambition: (i) Be among the top three in terms of satisfaction among our core clients, (ii) Build a more efficient and cost-effective model, (iii) Integrate the most rigorous requirements in terms of responsibility and becoming a benchmark bank with a positive impact in the regions.

Together, we want to build a model adapted to the many challenges of the coming years in an increasingly demanding environment for our retail banking activities. We want to be a winning bank on the French market and this means being able to anticipate: we want to have a lead time.

With regard **to our branch network**, the clients of our Crédit du Nord and Societe Generale networks will benefit from a closer relationship with access to a larger branch network, supplemented by an ever-increasing digital offer allowing access to our enhanced offers (particularly in terms of savings) and our expertise to support them in all their personal and/or professional projects.

- 2) ***Do you still rely as much on international retail banking in Africa and Russia? What growth rate in both cases do you expect for the coming years?***

Retail banks in Africa and Russia are indeed growth drivers for the Group in the medium to long term.

In **Africa**, we are **one of the largest international banks** (excluding African banks) operating on the continent **with a presence in 19 countries and leadership positions**, particularly in the **Ivory Coast and Cameroon where we are No. 1** and **Senegal where we are No. 2**. Our ambition is to remain a leader in our markets and to take advantage of the continent's growth potential. For example, more than half of the world's population growth is expected to come from Africa by 2050 (with a working-age population of 1.5 billion by then). This trend has already resulted in higher growth rates in our

exposures than we have seen in Europe or North America. In addition, the banking population is still low (around 25%), offering significant opportunities for the Group.

In **Russia**, we are also **the leader as an international bank** (the majority of market share is held by state-owned banks). We have **a national network** and a **strong presence on top tier and multinational clients**. As in Africa, fundamentals are strong in Russia (low unemployment, low debt and inflation) offering attractive long-term growth prospects.

3) Your 2020 target was a 63% operating ratio that has not been reached. What is your objective going forward?

The target of 63% was defined on the basis of economic assumptions made obsolete by the global health crisis in 2020. This has had an impact on revenues and therefore on the operating ratio despite the efforts made by the Group in terms of costs since 2018.

In an environment that remains uncertain, we expect a positive scissor effect between revenue and costs for 2021, with a slight increase in costs excluding exceptional (underlying) items accompanying the recovery in activity.

4) Does the distribution of State-guaranteed loans generate a margin and, if yes, how much on average?

For the first year, the loan is at cost for the customer: the minimum resource rate is 0% and a guarantee fee is paid according to the size of the company (25 or 50 bp in the first year, then gradual over time according to a grid set by an agreement). After the first year (that is, during the amortisation phase in the event of an extension of the loan), the LGEs are priced by each bank according to their cost price. The texts specify the nature of the costs that may contribute to the definition of the cost price, in particular management fees, cost of risk and cost of equity.

5) NGOs have noted an increase in your financing of fossil fuels. Going forward, what is your policy in this area and how will you quantify it?

Since the Paris Agreement and in the face of the climate emergency, Societe Generale has a responsible and proactive climate strategy that we want to accelerate by taking initiative to support our customers in the energy transition.

Our climate strategy aims to meet the objectives of the Paris Agreement through our activities. In particular, we have committed to setting targets to align our portfolios with trajectories that meet these objectives.

After having been a pioneer in the development of renewable energies - we are the No. 2 leader globally in renewable energy financing according to IJ Global, and aim to raise €120 billion between 2019 and 2023 - we are one of the first banks in the world to have announced a significant reduction in our overall exposure to the oil and gas extraction sector in the short term: - 10% by 2025. This commitment goes beyond the requirements of the Sustainable Development scenario (SDS). Societe Generale also committed over the long term to gradually reduce its exposure to the thermal coal sector to zero, no later than 2030 for companies with electricity extraction or generation assets in EU and OECD countries, and 2040 elsewhere.

Our responsibility is to realign our business portfolio at a pace consistent with ecological transition scenarios, and in the interests of economic viability and social justice.-To achieve this, we will continue to set alignment targets for sectors with the most significant climate impact. We also manage our activities in the fossil fuel sectors through policies that clarify the expected exclusions and best practices.

Our approach is described in the Climate Report:

<https://www.societegenerale.com/sites/default/files/documents/2020-12/societe-generale-climate-disclosure-report.pdf>

Our methodologies are transparent and we discuss them with the NGOs active on the subject.

Questions from Mr Pierre Legros, individual shareholder (questions submitted by email on 4 May 2021):

A Public Interest Judicial Agreement (CJIP) was signed in 2018 between Societe Generale and the Public Prosecutor of the Financial Republic. In return for the abandonment of proceedings, Societe Generale paid:

- To the Treasury, the amount of €250,150,755
- To the United States Treasury, the same amount (€250,150,755).

- 1) How do you justify these expenses (payment of €500 million to the Treasuries)?
- 2) Has Societe Generale taken any action against senior managers to obtain the reimbursement of amounts paid as penalties for French and American Treasuries? (UT UNIVERSI action)?
- 3) If there is a negative answer to question No. 2, for what reason does Societe Generale draw a distinction between comparable situations for which it has taken legal proceedings (KERVIEL case)?
- 4) Has an UT SINGULI action been brought by a shareholder?

Board of Directors' response

Thank you for your interest in the Bank's settlement of the LIA case with the Public Prosecutor's Office and the US Department of Justice in June 2018. The facts relating to this issue, including the involvement of Societe Generale's employees concerned, were very well exposed at the time in the statement of facts accompanying the deferred prosecution agreement between the Bank and the US Department of Justice. The deferred prosecution agreement and the statement of facts can be found on the DOJ website at the end of its press release dated 4 June 2018. The Bank's statement on this subject may also be consulted at the following address: <https://www.societegenerale.com/fr/news/déclarations>

As the Bank outlined in the announcement of these regulations with the DOJ and the National Financial Prosecutor's Office, these regulations resolve the DOJ's investigations into violations of the US Foreign Corruption Act in relation to historical behaviour involving Libyan counterparties, including the Libyan Investment Authority. They also resolve the investigation initiated by the PNF on violations of French anti-corruption laws related to the same behaviour. By entering into the agreements, Societe Generale determined that it was in the best interests of the company to sign these agreements in order to resolve these disputes.

The Bank is not aware of any ut universi or ut singuli action in relation to these issues. The Bank has nothing to add to the very comprehensive statements made under the regulations with the US Department of Justice and the National Financial Prosecutor's Office.