NON-FINANCIAL INFORMATION

Appendices
## I. Declaration of Non-Financial Performance (DPEF) – Non-financial risk factors and the main mitigation policies

<table>
<thead>
<tr>
<th>NON-FINANCIAL RISK FACTORS</th>
<th>MITIGATION POLICIES</th>
<th>INDICATORS AT END-2019</th>
<th>CSR GOAL</th>
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</table>
| IT systems failure (cybercrime) | Governance: The management of this risk relies on the Group’s operational risk management systems and is based on two levels of action:  
- a first line of defence within each business/activity  
- a second line of defence: the Operational Risk Department, which reports to the Group’s Risk Division.  
The Operational Risk Department conducts a critical examination of the management of information security risk alongside the Group Security Department.  
The coordination of actions and deployment of management systems within each Business and Service Unit (BU/SUs) is the joint responsibility of the Group Security Department (information security) and the Corporate Resources and Digital Transformation Department (IT systems security).  
The cybercrime risk is addressed in a cooperative way by the information systems security and operational risk teams and is monitored by General Management within the framework of an information systems security (ISS) blueprint.  
Existing policies and actions implemented:  
- Information security policy published by the Security Department in the Group’s normative documentation (Societe Generale Code)  
- Several initiatives to strengthen the practical implementation of this policy, for example:  
  - Developing training modules to raise awareness of information security among employees and external service providers  
  - Implementing a digital tool to support information classification and protection  
  - The information systems security framework is aligned with the market standards (NIST, ISO 27002) and implemented in each Business and Service Unit  
  - Security watch and accident management by the CERT (Computer Emergency Response Team) unit responsible for the fight against cybercrime  
  - Strengthening of the CERT unit by establishing an internal Red Team responsible for assessing the effectiveness of the security systems implemented, to recommend comprehensive improvement strategies and train cybersecurity defence teams  
  - Information systems security (ISS) blueprint, developed jointly by the information systems security and operational risk teams and monitored by General Management, based on a set of KRIs (covering the 8 standard categories of IS and ISS risks recommended by regulators) and organised into five major themes (customer security, key asset protection, continued strengthening of the Group’s detection and reaction ability, developing the agility and trust zones of IT systems, and developing the expertise of the ISS teams by creating a Cyber Institute)  
  - Awareness-raising actions:  
    - An information security training module that is mandatory for all the Group’s internal employees and for all service providers using the Group’s information system  
    - A specific module for the assistants of Group Management Committee members  
    - Mandatory signature of a pledge of confidentiality when interns and VIEs take up their positions  
    - Specific awareness-raising initiatives throughout the year (conferences, demonstrations, workshops); for example, fake phishing e-mails are sent to Group employees so that they can learn to detect a suspicious e-mail.  
  
- 97% of Group employees have completed the information security training programme | IT security systems investments amounting to EUR 650 million by 2020 | Client satisfaction and protection |

For more information, see: 2020 Universal Registration Document, Chapter 4.7 “Operational risk”, paragraphs: “Risks related to information security” and “2018-2020 IT security master plan”, pages 225 and 227.
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<th>CSR GOAL</th>
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<tr>
<td>2. Corruption</td>
<td>Governance: The management of this risk relies on the Group’s operational risk management: compliance risk. The actions and controls are managed by the Group Compliance Division and rolled out in all the Business and Service Units. <strong>Existing policies and actions implemented:</strong> - The Code of Conduct is regularly updated - A Culture and Conduct programme under the authority of General Management, supervised by the Board of Directors - Annual risk mapping - Appropriate training at all levels (senior management, exposed persons, all employees) - The Anti-Corruption and Influence Peddling Code - The Group’s normative framework (internal instructions on: “Fight Against Corruption in Societe Generale Group”, “Gifts, Hospitality and Entertainment”, “Whistleblowing mechanism”, “Know Your Supplier Obligations”, “Managing the Corruption and Influence Peddling Risk of Financial Service Suppliers”, “Patronage and Sponsorship Principles”, “Human Resources Principles (recruitment, appraisals and disciplinary sanctions)”, and “External Growth Procedures” - With respect to the whistleblowing mechanism: provision of a secure Internet platform to all employees, allowing them to exercise their right to whistleblowing - The Group also rolled out a tool to report, approve and monitor gifts, business meals and external events - Strengthening of anti-corruption accounting and operational controls - Deployment of a training programme in the Group in order to increase employee awareness (online training for all employees and classroom training for employees and senior managers in roles particularly exposed to the risk of corruption) - Accounting procedures - Evaluation of third parties - Disciplinary system. <strong>Commitments made:</strong> the Group has signed the United Nations Global Compact and is a founding member of the Wolfsberg Group. <strong>For more information, see:</strong> 2020 Universal Registration Document, Chapter 4.10 “Compliance risk”, paragraph: “Anti-corruption measures”, page 245.</td>
<td>97% - completion rate of online training available to all employees</td>
<td>Ethics and governance</td>
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<td>99.5% - completion rate of classroom training by employees and senior managers in roles particularly exposed to the risk of corruption</td>
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<td>3. Data protection</td>
<td>Governance: The management of this risk relies on the Group’s operational risk management – compliance risk. Management and operational implementation of the systems developed by the Compliance Division and the Group Data Protection Officer (reporting to the Compliance Division, point of contact for CNIL – France’s national data privacy commission). <strong>Existing policies and actions implemented:</strong> - Across all Group entities, internal instructions and associated procedures (compliant with local and European regulations) define the rules and processes to be followed so as to guarantee the protection and security of customer and employee data - Systems are in place to ensure that parties are duly informed of their rights and how to exercise them, in particular via specific digital platform - A personal data security policy has been defined and integrated into the Group’s overall security strategy, especially as regards cybersecurity - Employee awareness-raising as part of the roll-out of GDPR, by way of dedicated training - Appointment of a Data Protection Officer (DPO) who, as part of his or her duties, regularly reviews a number of indicators (notably the number and nature of right exercise requests, the internal training completion rate, and the local DPO certification programme launched at the end of 2018) - Group Data Charter - Code of conduct - Duty of Care Plan. <strong>For more information, see:</strong> 2020 Universal Registration Document, Chapter 4.10 “Compliance risk”, paragraph: “Data protection”, page 245.</td>
<td>97.3% - data protection e-learning completion rate by employees</td>
<td>Client satisfaction and protection</td>
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<td>4. Environmental and Social (E&amp;S) issues that could have an impact on the Group’s reputation</td>
<td>Governance: E&amp;S risk management: Management and operational deployment of E&amp;S systems and procedures in the Business and Service Units in accordance with the two lines of Defence LOD 1 (businesses) and LOD 2 (Divisions: Risk and Compliance). Managing the Group’s direct environmental impact: Coordination of actions by the Divisions: CSR, Sourcing, Corporate Resources and Digital Transformation, and by the Business and Service Units directly. Existing policies and actions implemented: E&amp;S risk management: - A regularly updated normative framework (E&amp;S general principles, 12 sector-specific and cross-sector policies that cover sensitive sectors in which the Group plays an active role, internal procedures enabling operational deployment) - Adoption of the Equator Principles, the Soft Commodities Compact and the Principles for Responsible Banking - Integration of E&amp;S aspects into transactional processes, on-boarding processes and customer review processes - Aspects relating to E&amp;S risks are thus gradually being integrated into the credit and reputational risk management policies of all Business Units - Development of E&amp;S tools: the E&amp;S identification list (which lists any projects, companies or sectors/countries, irrespective of whether they are financed by Societe Generale, that are subject to controversy or public campaigns for E&amp;S reasons); exclusion list (it contains companies that have been excluded under the Defence sector policy) - Strengthening of governance: Integration of E&amp;S risk management principles into the Group’s new normative documentation (Societe Generale Code). Creation of the Group Responsible Commitments Committee (CORESP), which deals with subjects related to the Group’s CSR commitments and normative framework (including E&amp;S sector policies). Among other tasks, it is responsible for arbitrating complex transaction/customer cases with a high risk in terms of the Group’s reputation or non-alignment with its standards in terms of CSR, culture and conduct, ethics or reputation. - Recruitment and appointment of E&amp;S experts within several Business Units - Discussions with stakeholders regarding E&amp;S issues.</td>
<td>E&amp;S risk management: 400 employees followed the E&amp;S training programme About 700 customers or customer groups were subject to an in-depth E&amp;S analysis in 2019 A detailed E&amp;S review was performed on 109 transactions</td>
<td>Ethics and governance Climate change</td>
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<td><strong>Severity: significant risk</strong></td>
<td>Managing the Group’s direct environmental impact: - Carbon reduction programme (2014-2020) - Real estate: policy to reduce energy consumption - IT infrastructure: development of digital technology that is environmentally and socially responsible - Positive Sourcing program – action plan for responsible sourcing, based on controlling CSR risks in sourcing actions and on positive impact sourcing.</td>
<td>25% cut in GHG emissions per occupant 25% improvement in the energy performance of central buildings in France 94% of calls for tender in high-risk categories included CSR criteria 77% of a targeted scope of suppliers under contract had a non-financial evaluation conducted by an independent third party</td>
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<td>5. Non-compliance with E&amp;S laws or the Group’s E&amp;S commitments</td>
<td>Governance: Customer protection</td>
<td>3,148 mediation requests, 379 of which were deemed admissible</td>
<td>Client satisfaction and protection</td>
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<td>The management of risks related to customer protection relies on the Group’s operational risk management: compliance risk. The actions and controls are managed by the Group Compliance Division and rolled out in all the Business and Service Units.</td>
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<td>Ethics and Governance</td>
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<td>The Group’s climate risk management and climate strategy</td>
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<td>Climate change</td>
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<td>Climate change risks are an aggravating factor for the types of risks already covered by the Bank’s risk management system (credit risks, operational risks, market risks, etc.). Accordingly, the existing risk management governance framework and processes have simply been updated to include climate risk factors; work in such respect continues to ensure that the increasing relevance of such factors is properly taken into account.</td>
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<td>Social trends and innovations</td>
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<td>Developing SPIF and SPI activities</td>
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<td>Contribution to the sustainable development of Africa</td>
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<td>This commercial ambition enshrined in the Group’s CSR policy is gradually guiding all customer-oriented actions (financing, consulting, structuring and third-party management) towards activities that generate a positive impact in terms of sustainable development for the economy and society. This approach is based on the same principles as the UN Sustainable Development Goals (SDGs). The actions are driven by the Group’s Business Units.</td>
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<td><strong>5.2 Non-compliance with E&amp;S laws or the Group’s E&amp;S commitments – non-compliance with internal social regulations and rules and poor working conditions</strong></td>
<td><strong>Governance:</strong> The risks related to human resources management are included in the Group’s general risk management system, organised into three lines of defence and shared by all entities. <strong>Existing policies and actions implemented:</strong> &lt;br&gt;- formal processes on the employer’s five key missions: administrative management of human resources and payroll, managing employees’ careers, defining and managing compensation and benefits, managing jobs and skills, and defining and managing social policies. Operational risk management and compliance systems consisting of a set of procedures and controls have been established for each of these five key processes. &lt;br&gt;- collective agreements signed with social partners on working conditions (working hours, employment conditions, remuneration and benefits, etc.) and the company’s strategic projects. &lt;br&gt;- a Diversity &amp; Inclusion policy, which reflects the Group’s determination to recognise and promote all talents, whatever their beliefs, age, disability, parenthood status, ethnic origin, nationality, sexual or gender identity, sexual orientation, membership of a political, religious, trade union or minority organisation, or any other characteristic that could be subject to discrimination. &lt;br&gt;- a satisfactory health, safety and prevention policy common to the entire Group, which aims to provide each employee with a safe working environment, in terms of work premises and practices, ensuring their safety and protecting their physical and psychological health.</td>
<td><strong>20%</strong> of women in the Strategy Committee (Top 30)</td>
<td>Responsible employer</td>
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2.5% absenteeism rate 64% commitment rate 98% of employees covered by prevention and health information campaigns 98% of employees covered by prevention and safety information campaigns

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**6. E&S issues which could affect the Group’s credit risk, especially climate change issues (may become more significant over time)** | **Governance:** Climate change risks are an aggravating factor for the types of risk already covered by the Bank’s risk management system (credit risks, operational risks, market risks, etc.). Accordingly, the existing risk management governance framework and processes have simply been updated to include climate risk factors; work in such respect continues to ensure that the increasing relevance of such factors is properly taken into account. **Existing policies and actions implemented:** <br>Grouped into two categories: <br>1) Implementation of policies to manage the social and environmental impact of the Group’s activities (E&S general principles, sector-specific policies, integration of E&S aspects into transactional processes, on-boarding processes and customer review processes, development of E&S tools) | **see: 4. E&S issues that could have an impact on the Group’s reputation / E&S risk management** | **see: 4. E&S issues that could have an impact on the Group’s reputation / E&S risk management** | Climate change Ethics and Governance

2) Strengthening the credit policy through greater consideration for climate change risks <br>- Setting up a climate vulnerability indicator to conduct a more thorough credit analysis of the most exposed borrowers. (The indicator applies to all sectors flagged as sensitive to the transition risk - in 2019: the oil and gas sector, electricity generation, motor transport, aviation and shipping, metals and mining, and commercial real estate). | **For more information, see: 2020 Universal Registration Document, Chapter 5.2.3 “Positive climate action: supporting a fair, ecological and inclusive transition”, page XX and Chapter 4.5.5 “Risk measurement and internal ratings”, paragraph: “Climate risk – Measuring sensitivity to transition risk”, page 199.** | | |
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| 7. Employee misconduct    | **Governance:** misconduct risk is included in the Group’s general operational risk management system. Staff awareness-raising policy rolled out across all the Group’s Business and Service Units. **Existing policies and actions implemented:**  
- Code of Conduct applicable to all activities, which sets out the commitments towards each stakeholder and the individual and collective behaviour expected within the Group. The document is updated on a regular basis  
- Tax Code of Conduct  
- The Anti-Corruption and Influence Peddling Code  
- The Leadership Model – built on the Group’s values – the internal skills guide that describes the expected behaviour. These behavioural skills are divided into three categories corresponding to the main levels of responsibility within the Company (senior executives, managers and employees)  
- A Culture and Conduct programme – placed directly under the authority of General Management, supervised by the Board of Directors  
- Renewal of a compulsory remote learning module on the Code of Conduct  
- The inclusion of conduct risk in the annual Risk and Control Self-Assessment carried out by each Business and Service Unit  
- The production of the first conduct and culture dashboard, intended for General Management and presented to the Board of Directors (it provides better visibility of the main conduct risks for the businesses, management of which can then be improved through identification of appropriate action plans)  
- the continued alignment of the main Human Resources management processes with the Group’s ambitions in terms of culture and conduct: the fight against inappropriate behaviour, appropriation of the Group’s policy on disciplinary sanctions, changes in the system for integrating new hires and identifying high-potential employees  
- the launch of various initiatives throughout the Group to strengthen the culture of responsibility within the Business Units/Service Units, in particular through the dissemination of best practices for dealing with grey areas*, raising employee awareness of ethical reasoning, and promoting a speak-up* culture. | **94%** of employees participated in awareness-raising workshops (16,000 face-to-face sessions) regarding conduct and grey areas | Ethics and governance  
Responsible employer |

*For more information, see: 2020 Universal Registration Document, Chapter 5.1.1 “A Code of Conduct underpinned by shared values”, page 260.*
<table>
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<th>CSR GOAL</th>
</tr>
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| Lack of qualified staff:  | **Governance:** the risks related to human resources management are included in the Group’s general risk management system, organised into three lines of defence and shared by all entities  
**Existing policies and actions implemented:**  
- **strategic workforce planning** rolled out across all of the Group’s core businesses. This planning covers 95% of Société Générale SA’s employees in the core businesses in France, and is gradually being rolled out in the Group’s other locations (Asia, the United States, etc.)  
- principles on the filling of vacancies:  
  o 12 principles on mobility and the filling of positions are shared by all Group entities, including:  
    ▪ transparency as regards vacant positions, through systematic posting on the internal job exchange (Job@SG), in 72 entities that use this tool  
    ▪ prioritisation of internal mobility to fill positions  
    ▪ agreement on mobility between employees and their managers  
    ▪ and strict adherence to the recruitment process defined by the Human Resources Department, so as to avoid any potential risk of corruption or conflict of interests or any discrimination or favouritism.  
  o Société Générale adapts its recruitment policy to the specificities of each business, activity and regional environment but nonetheless promotes uniformity in the overall recruitment process, which systematically includes an HR interview to assess the candidate’s affinity with the Group’s values.  
  - skills acquisition and development programmes (compulsory training, development and learning) throughout the Group in a variety of formats (e-learning, face-to-face training, academies specific to the Business or Service Units, MOOC, videos, etc.)  
  - a performance monitoring system implemented Group-wide. Employee performance is monitored throughout their career, notably through annual appraisals, development plans and 360° assessments that evaluate how operational results are achieved  
  - a balanced compensation policy that meets regulatory requirements. Adapted to the economic, social, legal and competitive environment of the markets in which the Group operates, this policy is nevertheless based on principles shared by all entities: Monetary remuneration includes a base salary, which rewards the ability to satisfactorily hold a position using the requisite skills and is determined in a manner consistent with market practices. It also includes variable remuneration which aims to recognise collective and individual performance  
  - a talent management policy applied to all Group entities, including the identification, development and projection of a pool of talent and future leaders, as well as the management and steering of the succession of key positions in the Group  
  - additional levers to retain its employees, for example:  
    ▪ a range of possible career paths that take into account employees’ plans for the future and include new types of assignment (e.g. via intrapreneurship)  
    ▪ an ergonomic work environment that promotes well-being, innovation and collaborative working  
    ▪ and the opportunity to take part in a range of civic initiatives.  
| 26.6 hours of training on average per employee  
89% of employees have completed at least one training course during the year  
58% of positions filled through internal mobility  
8.2% rate of voluntary staff turnover due to resignation | Responsible employer |

For more information, see the 2020 Universal Registration Document, Chapter 5.1.2 “Being a responsible employer”, page 262.
## Declaration of Non-Financial Performance (DPEF) – Other regulatory topics

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>MITIGATION POLICIES</th>
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| Anti-tax avoidance measures | **Governance:** Société Générale implements control measures to ensure its transactions comply with local laws and regulations, and with its Tax Code of Conduct. These controls are performed by the Tax Division and the Compliance Division. Accordingly, all new products require approval with respect to these texts; this also applies to complex transactions either within the Group or with customers.  
**Existing policies and actions implemented:**  
- Tax Code of Conduct – the foundation of the Group’s anti-tax avoidance policy. It was updated in March 2017 and approved by the Board of Directors further to review by the Executive Committee. It is publicly available on the Bank’s institutional website. The Board of Directors reviews its implementation on an annual basis. Procedures and measures are in place within the Group to ensure that all new products and establishments comply with the Group’s tax principles.  
- Charter for responsible representation in public authorities and representative institutions, governed by relations/actions with legislators and tax policymakers.  
- Strict policy regarding tax havens: the Group cannot have establishments in a state or territory on the official French list of NCSTs (Non-Cooperative States and Territories); moreover, internal rules adopted in 2003 require monitoring of an extended list of countries and territories.  
- Société Générale follows the standards of the Organisation for Economic Co-operation and Development (OECD) regarding transfer pricing. (However, in some cases local restrictions may require that we disregard OECD methodologies; in such cases, the local restrictions must be documented.)  
- Annual publication of information about geographic locations and activities by country (For more information, see: Universal Registration Document, Chapter 2.11 “Information about geographic locations and activities related to 2019”, p. 65)  
- Compliance with tax transparency obligations for the Group’s proprietary activities (CbCR - Country-by-Country Reporting)  
- Implementation of regulations on tax transparency as regards its customers (FATCA and Common Reporting Standard – CRS). Currently: application of the new EU Directive on transparency for intermediaries, commonly referred to as the “DAC 6”, which makes reporting of all cross-border tax arrangements mandatory as from the summer of 2020  
- The account-keeping entities of the Private Banking business line are located only in states meeting the strictest tax transparency standard set by the OECD G20: these States have ratified the Convention on Mutual Administrative Assistance in Tax Matters, implemented the Standard for Automatic Exchange of Financial Information in Tax Matters (CRS) and obtained ratings of ‘largely compliant’ and ‘compliant’ following peer reviews headed by the OECD. Tax compliance checks concerning assets held by Private Banking are the subject of special attention and in-depth documentary due diligence.  
- Inclusion of tax evasion in the Group’s anti-money laundering measures, in accordance with regulatory requirements.  
(2) Including the EU’s recent blacklist. For more information, see: 2020 Universal Registration Document, Chapter 4.10 “Compliance risk, Litigation”, paragraphs: “Tax compliance”, page 244 and “Financial security”, page 243. |
| Actions to promote human rights | **Governance:** The Group develops Environmental and Social (E&S) policies, processes and operational procedures to implement these human rights commitments. This risk management framework is implemented in three main areas:  
- respect for the human rights of its employees and social partners  
- respect for human rights in its supply chain and with respect to its suppliers  
- respect for human rights in its products and services.  
The respect for and protection of human rights is enshrined in the E&S general principles and in the Group’s Code of Conduct, applied in all of its Business and Service Units. They constitute one of the fundamental values of the Group’s CSR policy.  
**Existing policies and actions implemented:**  
- Commitment to international initiatives that aim to define the roles of companies and of the banking sector in particular when it comes to respecting and promoting human rights. (United Nations Global Compact, Principles for Responsible Investment, Principles for Responsible Banking)  
- Code of Conduct and Environmental and Social General Principles  
- Environmental and Social (E&S) policies, processes and operational procedures to implement these human rights commitments  
- Publication of the Human Rights Declaration  
- Publication of the Group’s Duty of Care Plan  
- Publication of an annual declaration on modern slavery and human trafficking, setting out the main preventative actions implemented  
- Setting up a whistleblowing mechanism to collect reports concerning any potential or actual violations in respect of human rights, fundamental freedoms, health and safety of persons and the environment (open to employees, external of occasional co-workers, and service providers with which an established business relationship has been established)  
- Human resources: |
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<td>Diversity and Inclusion Policy reflecting the Group’s determination to recognise all talents, whatever their beliefs, age, disability, parenthood status, ethnic origin, nationality, sexual or gender identity, sexual orientation, membership of a political, religious, trade union or minority organisation, or any other characteristic that could be subject to discrimination</td>
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<td>Health and safety policy</td>
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<td>Social dialogue (collective agreements signed with social partners)</td>
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<td>Dialogue with stakeholders to collect their comments on the Group’s CSR policy (see: “Dialogue and Transparency” section on societegenerale.com)</td>
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<td>Actions for financial inclusion in France and abroad (For more information, see 2020 Universal Registration Document, Chapter 5, paragraphs: “Inclusive banking (and the Social and Solidarity Economy)”, page 287 and “Fostering the development of populations through financial inclusion”, page 289)</td>
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<td>Positive impact sourcing policy.</td>
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For more information, see 2020 Universal Registration Document:
- Chapter 5.1.5 “Respecting human rights”, page 271
- Chapter 5.5: “Group Duty of Care Plan”, page 297
- Chapter 5.1.2 “Being a responsible employer”, page 261
- Chapter 5.2.2 “E&S risk management in the businesses to promote fair and responsible growth”, page 277
### III. Emerging risks

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<thead>
<tr>
<th>RISK</th>
<th>DESCRIPTION</th>
<th>IMPACT ON SOCIETE GENERALE</th>
<th>MEANS EMPLOYED</th>
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<td>Macroeconomic and geopolitical risks</td>
<td>The financial markets are still affected by strong uncertainties (commercial tensions, Brexit, cyclical slowdown and more recently: Covid-19 propagation’s potential economics effect) likely to have a significantly negative effect on the Group. Geopolitical risks rise and accumulation is an additional source of instability which could also weigh on economic activity and credit demand, while increasing the financial markets volatility. Developments in the Covid-19 situation remain the main source of uncertainty.</td>
<td>These risks, which can occur suddenly and whose effects may not be anticipated and covered, could have a significantly negative effect on the Group’s financial position, cost of risk and results. Regarding to the Group’s geographic diversification, any significant change in the political, macro-economic or financial context in Europe, the United States but also in emerging markets, in particular in Russia or Africa, could weigh on its financial situation.</td>
<td>The Group regularly monitors, through its Department of Economic and Sectoral Studies, the evolutions of its macro-economic and geopolitical environment and reviews, if necessary, its strategic directions to take account of these changes.</td>
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<td>Climate Change</td>
<td>Risks linked to climate change, are taken by the Group as aggravating factors for credit, market, operational and insurance risks. We distinguish - physical risk (direct impact of long-term climate change and the multiplication of extreme weather events on people and goods), - transition risk (which results from the process of transition to a low-carbon economy, i.e. for example regulatory changes, technological breakthroughs or changing consumer preferences) and - liability risks (damages that a legal person would have to pay if it were deemed responsible for global warming).</td>
<td>The Group is mainly exposed to physical risks through its insurance activities, with very limited exposure in regions and countries subject to climate change. It could also be exposed to the transition risk through its credit portfolio, in a limited perimeter of sensitive sectors subject to more restrictive regulations or technological breakthroughs. The impact on market risk, mainly resulting from exposure to the carbon market, is very limited.</td>
<td>Regarding damage insurance activities provided to customers, the risk policy limits the exposure to 1 year and the pricing policy is updated regularly to take account of physical risks evolution. The group also subscribe reinsürance contracts to limit residual exposure to extreme losses. The impact of the transition risk on the credit activity is managed by the application of E&amp;S principles and policies, and also by the implementation at 2019 end of a credit policy on the most sensitive sectors, based on a climate vulnerability indicator calculated for each client. The Risks Department has also consolidated and clarified its role of control (LOD2) on environmental and social risks for credit exposures, in an increasingly active regulatory context. Noted that the Responsible Commitments Committee (CORESP) was created in 2019, in which the Risk Department is involved and which is chaired by a Deputy Chief Executive Officer. This Committee deals with subjects related to the Group’s engagements and normative framework in terms of CSR (including E&amp;S policies), culture and conduct, or any other subject having an impact on the Group’s responsibility or reputation and not already covered by an existing committee. The Group is also following the recommendations of the TCFD (Task force on Climate-related Financial Disclosures), with the publication of a first dedicated report in June 2019.</td>
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<tr>
<td>Intensified competition</td>
<td>The banking sector is subject to an intensified competition, the concentration of certain segments of All of the Group’s activities are facing intense competition in the local and global markets in which it operates, whether from banking or non-banking</td>
<td>The Group capitalizes on its diversified and integrated model to implement synergies and respond effectively to the expectations of its customers. Digital</td>
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financial services and the emergence of new players, such as fintechs.

players. As such, the Group is exposed to the risk of failing to maintain or develop its market shares in its various activities. This competition can also lead to pressure on margins, detrimental to the profitability of its activities.

transformation fully integrated into the strategic plan, and an ambitious innovation policy allow all businesses to constantly offer new differentiating products and services. This constant attention to customer satisfaction has earned Societe Generale wide recognition domestically and worldwide.

Cybercrime

Regarding the increasing number and sophistication of digital attacks, in a context of enhanced digitalization of customer relations, the risk of cybercrime is becoming increasingly significant for banking industry players. The security of information and information systems is therefore a crucial issue in the relationship of trust that the Group maintains with its customers.

Despite the resources dedicated, the Group could suffer targeted and sophisticated attacks on its computer network, leading to embezzlement, loss, theft or disclosure of confidential data related to the Group and its customers. Such actions are likely to cause operational losses and have a negative effect on the Group’s business and results.

The Group cybercrime control system is coordinated by the Information Systems Security and IT Operational Risks Manager in the Resources and Digital Transformation Department. This system is based on prevention, detection, reaction and on the awareness of customers and employees. In all of the Group’s sites, internal instructions and associated procedures, in accordance with local regulations, define the rules to be applied and the processing to be carried out in order to guarantee the protection and security of customer data.

Responsible for data security and respect for banking secrecy, Societe Generale invests EUR 650 M in cybersecurity over 3 years to improve the protection of the assets and transactions of its clients.