Societe Generale SA – Ordinary General Meeting of 17 May 2022

Responses to written questions from shareholders

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

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Societe Generale is reportedly involved in the financing of this project. If so, has our bank conducted a due diligence investigation? If it has, what are your conclusions; and if not, do you intend to investigate? .......................................................... 3

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At the time of publication of the results for the first quarter of 2022, you confirmed the payment of a dividend of 1.65 euros per share, plus 1.1 euros through share buybacks .............................................................................................................. 14

Although share buybacks are or have been advocated in the United States, do you not consider this to be an unattractive method for shareholders who want to gain full benefit from the allocation of their share of the company’s profits? ......... 14

While the cash payment is something quite tangible, the benefit of share buybacks seems much more uncertain, especially since the buyback sequences are not necessarily implemented at the most opportune times to maximise the impact on share price. .................................................................................................................................. 14

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1) The YUP group found itself in a structurally loss-making position, so why could a foundation not have been established that would allow it to offer this core service – an area in which the bank had something innovative and relevant to offer? .............................................................................................................. 15
2) We are observing a tendency towards disengagement by international banks in Africa; what is the strategy of Societe Generale Group on the African continent today? ...................................................... 15

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2) After noticing that the “E-statement” box had been checked in my Sharinbox space without my consent, I asked SGSS, who replied about ten days later in Sharinbox: “We wish to inform you that some issuing companies have requested that e-statements be activated for their account holders; this request was not made by us.” .................................................. 16
Questions from IPAC – an organisation governed by the law of 1901 (questions sent by email on 8 May 2022):

Large dams are very often the subject of controversy. This is true of Sombwe in the Democratic Republic of Congo (DRC). According to many observers, this project threatens rare animal species in the Upemba National Park and has been subject to a seriously flawed environmental assessment. In addition, there are accusations that a key player in the project was involved in controversial transactions with the Central Bank of Congo. Societe Generale is reportedly involved in the financing of this project. If so, has our bank conducted a due diligence investigation? If it has, what are your conclusions; and if not, do you intend to investigate?

Is our group committed to not funding deep-sea exploration and mining? If not, does it plan to make such a commitment?

Answers given by the Board of Directors:

Societe Generale has not financed the Sombwe dam.

The Group’s environmental and sector-specific policies do not include specific provisions on deep sea mining.

As a signatory of the Equator Principles since 2007, the Group carries out E&S impact analyses for the projects it finances.
Questions from the Reclaim Finance NGO – an organisation governed by the law of 1901 (questions submitted by e-mail on 9 May 2022):

1) Your support for new oil and gas production projects
   Do you agree that your expansion in oil and gas needs to be stopped immediately to achieve your goal of carbon neutrality within a +1.5°C trajectory?

2) Your position on oil and gas developers
   Will you commit to suspending the provision of new financial services to companies that will not give up developing new oil and gas fields and infrastructures?

Answers given by the Board of Directors:

As questions 1 and 2 are related, we would like to answer them jointly

The recent reports by the International Energy Agency and the IPCC are rich in lessons, both on the trajectories they outline and on the necessary social acceptance they require for their effective implementation, as well as on issues of energy security. More specifically, in the energy sector, the envisaged trajectories are very different between coal – which is declining very rapidly – and oil and gas, which will still account for one fifth of energy needs by 2050. For this reason, energy companies have initiated major shifts to increase their investments in renewables and electricity and to reduce their oil and gas activities, in line with these scenarios.

In 2021 Societe Generale strengthened its commitment to align its activities with the objectives of the Paris Agreement by joining the Net-Zero Banking Alliance (NZBA) of the United Nations Environmental Programme as a founding member. This step is important because in practice it commits the Group to contributing to achieving the target of global carbon neutrality by 2050 (otherwise known as the 1.5°C trajectory) rather than the Paris Agreement’s central target of limiting global warming to 2°C. Two ideas underpin the Group’s action to help combat global warming. This climatic, economic and social challenge can only be met by forming strong coalitions to achieve this common goal. Moreover, this issue requires a precise breakdown of actions, particularly in the highest-emitting sectors, while taking care to avoid potentially harmful side-effects.

The NZBA now accounts for more than 110 banks, representing almost 40% of international banking assets. This coalition aims to involve financial institutions on the widest possible scale in a commitment to transparency: we are convinced that market initiatives involving as many financial institutions as possible will have a greater impact and do more to accelerate change than individual and isolated approaches. On a broader scale than for NZBA, Societe Generale teams are involved in research and development and participate in market initiatives involving other financial institutions and, more often than not, industrial companies directly affected by the challenges of climate change. These initiatives include the Net Zero Asset Owner Alliance, the Hydrogen Council, the Steel Climate-Aligned Finance Working Group and the Aviation Climate-Aligned Finance (CAF) Working Group. These coalitions establish common methodological approaches to support/accelerate energy transition. They provide forums for discussion with companies in the most exposed sectors on their decarbonisation trajectory.

Prior to joining NZBA, Societe Generale had already applied science-based alignment approaches from 2020 and had already set itself the following targets, which were usually more ambitious than the IEA sustainability scenario that was available at the time. We cite some of these below to demonstrate the comprehensive approach that is being pursued in voluntarily and rapidly reducing exposure to the oil and gas extraction sector, but also in reflecting the required energy transition in the still largely fossil fuel-dependent power generation sector.

- complete phase-out of coal by 2030 for companies based in EU or OECD countries, and by 2040 for the rest of the world.
• Oil and Gas extraction sector: reduce exposure by at least 10% in absolute terms by 2025.
• Power generation sector: reduce the average emission factor of its power generation credit portfolio to 67 gCO2/kWh by 2040, with intermediate targets of 212 gCO2/kWh and 163 gCO2/kWh by 2025 and 2030 respectively.

In addition, having achieved a 150 billion contribution to the financing of energy transition between 2019 and 2021, a new objective has been set for sustainable finance of 300 billion between 2022 and 2025, through a range of specific sustainable financing solutions (loans, bonds, advice).

The Group will continue to set science-based 1.5°C alignment targets over the year, in line with the NZBA’s planned schedule of work in 2022 and 2023.

3) Your funding for shale oil and gas
What measures will you take to get out of shale oil and gas in 2023, as you have committed to do?

4) Your funding for non-conventional oil and gas
Do you plan to raise your exclusion thresholds to stop indirect support for non-conventional oil and gas?
Do you plan to extend your policy to other types of non-conventional oil and gas as defined by the Sustainable Finance Observatory, including ultra-deep drilling?
Will you commit to ceasing all support for petroleum and gas fields and infrastructure in the Arctic region from all your financial supporters?
Will you commit to integrating the scope of the AMAP into your sector-specific policy?

Answers given by the Board of Directors:

It should be noted that the quote from Frédéric Oudéa in question 3 here refers to the withdrawal from the Reserve Based Lending onshore business in the US. The Group is committed to reducing this portfolio to zero by the end of 2023 and is making progress towards this goal.

Beyond this scope, and in addition to the 1.5°C alignment commitments presented in response to questions 1 and 2, the Group tightened up its policy on the Oil and Gas sector in 2021.

Because of the often inappropriate (and very varied) way in which so-called “non-conventional” resources have been categorised, the Group has chosen, for the sake of clarity and transparency, to list the specific categories to which particular exclusions are applied, either for reasons related to very specific extraction techniques (petroleum from oil sands, extra-heavy oil, shale oil and gas) or for reasons related to the very specific vulnerability of the geographical environment to oil exploitation (oil produced in the Arctic, oil produced in the Ecuadorian Amazon).

In practice, for all the categories listed above, Société Générale excludes:
  o new pure transactions for exploiting and producing these categories of hydrocarbons;
  o pure upstream players for whom these categories of hydrocarbons represent more than 30% of their overall production (note that this threshold is applied to the sum of the categories listed above);
  o diversified players (upstream, midstream, downstream) for whom production of these categories of hydrocarbons contributes more than 30% of their overall turnover;
  o for liquefied natural gas in North America – no new mandates for new production and export projects (greenfields or major expansions of existing capacity);

It should be noted that, with regard to specific geographical vulnerabilities, the Group has incorporated exclusions that take into account areas of high biodiversity value in its oil and gas policy and other sector-specific policies.

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5) Your indirect support for TotalEnergies' EACOP project
Do you intend to ask TotalEnergies to give up EACOP? Will you commit to suspending any further support to TotalEnergies until it abandons the EACOP project?

Answers given by the Board of Directors:

Apart from the project mentioned here, on which we have no particular comment, we do not share the view that indirect support is implied.

6) Clarifying and strengthening your coal policy to truly exit coal
a. Regarding your exclusion policy for mining companies:
In order for your policy to effectively exclude the leading mining companies, will you commit to applying your exclusion policy and thresholds to parent companies listed on the Global Coal Exit List and no longer to only the entities directly operating these mines?
b. Concerning your understanding of the concepts of “transition plan” and “energy transition”
What is your definition of an acceptable “transition plan” and “energy transition” that could justify you in providing financial products and services? In particular, can you confirm that a transition from coal to fossil gas, which does not meet the requirements of a 1.5°C alignment strategy, is not considered an “energy transition” by your group? What is your position on the transition of companies in the coal sector to biomass?

Answers given by the Board of Directors:

The Group is committed to reducing its exposure to thermal coal — mining and power generation — to zero by 2030 in OECD and EU countries, and by 2040 elsewhere.
In line with the Group’s public policy on this sector, a portfolio review was conducted throughout 2021 to identify companies that are thermal coal developers or have not published a transition plan consistent with our targets to phase out coal. This review led to the termination of several business relationships in an analysis that takes into account the specific legal structures of the customer groups, the diversification of their activity and their governance.
The Group’s public policy applies to parent companies or any entity within a group if they generate revenues from thermal coal — power generation and mining.
Note that in the Group’s public policy, the “transition plan” concept always refers to Societe Generale’s 2030/2040 thermal coal phase-out objectives.
As regards gas, we believe, in line with the IEA scenario, that these technologies should not be excluded on principle.
As regards to the use of biomass, no position has yet been taken by the Group. IPCC work shows that CO2 emissions can be significant, but that they must be seen within the context of a complete cycle of cultivation practices which in turn absorb CO2. You also mention other polluting effects that can be technically overcome.

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Questions from Les Amis de la Terre France – an organisation governed by the law of 1901 (questions submitted by e-mail on 9 May 2022):

1) **Support for the expansion of fossil fuels and non-conventional hydrocarbons**

Societe Generale is committed to achieving carbon neutrality by 2050 and has set an interim target by 2025 of reducing its exposure to oil and gas production by 10%. It has also adopted initial measures limiting its financial support for certain projects and companies related to non-conventional hydrocarbons, including tar sands, shale oil and gas, and oil from part of the Arctic.

However, these still very limited commitments will not be sufficient to meet the first priority for complying with the Paris Agreement and limiting global warming to 1.5°C: stopping all development of fossil fuels.

- The conclusion of the International Energy Agency (IEA) is that alignment with a 1.5°C trajectory necessarily implies an end to all investment in new fossil fuel resources. Indeed, the IEA explicitly states that new oil and gas exploration, drilling or exploitation projects are not compatible with its Net Zero by 2050 (NZE) scenario, which is now central to its 2021 World Energy Outlook (WEO).
- The Panel on Climate Change (IPCC) states in its latest Assessment Report No. 6 (AR6) of April 2022 that consuming fossil fuel reserves that are currently being exploited, or are planned to be, will see us exceeding the remaining carbon budget for staying within a + 1.5°C trajectory. It recommends a substantial reduction in the use of fossil fuels, explicitly warning that “building new fossil fuel infrastructure will lock in greenhouse gas emissions”.

This request to stop supporting oil and gas expansion in order to align with scientific climate imperatives is also shared by the French authorities.

- The same request is being made by the Scientific and Expert Committee of the Observatoire de la finance durable, mandated by the French government to guide and assess the decarbonisation of financial players in the Place de Paris financial centre. The Committee thus recommends excluding any companies that are not quick to give up developing hydrocarbons, especially non-conventional ones.
- The financial regulators (AMF and ACPR) have criticised French market players' weak oil and gas policies. They are also pointing out the urgent need to reduce greenhouse gas emissions and thus fossil fuels, referring to the IPCC and IEA analyses “particularly with regard to investments involving new coal, gas and oil supply development projects, as well as projects based on the opening of new coal-fired power plants.”

While Societe Generale has acknowledged this scientific fact for coal by committing to exclude companies that are planning new coal projects, it has refrained from doing the same for oil and gas, including from non-conventional sources. Societe Generale is the 16th largest financier of fossil fuel expansion worldwide as of 2016. The bank has risen to become the leading French supporter of major companies active in shale oil and gas, tar sands and Arctic drilling in 2021.

**Questions:**

- Do you recognise the imperative to cease the development of new oil and gas resources – a red line drawn by the IEA to limit warming to 1.5°C?
- What energy scenario do you intend to use when implementing your objective of achieving carbon neutrality by 2050 – a temperature rise limited to 1.5°C? Do you intend to retain the IEA’s Net Zero 2050 scenario, which you cited a year ago as the benchmark instance?
- Do you intend to end all financial services for new oil and gas exploration, production and transportation projects?
- Do you intend to end all financial services to companies that will not cease development of new oil and gas resources?
- Do you intend to introduce a meaningful timetable for phasing out oil and gas, to ensure a complete exit by 2035 in Europe and the OECD and 2050 worldwide?
- Concerning non-conventional oil and gas more specifically, do you intend to strengthen your policy to stop supporting the development of these sectors, via financial services to new projects and to the companies that implement them?
- Do you intend to introduce a meaningful timetable for withdrawal from the non-conventional oil and gas sector, ensuring a complete exit by 2035?
- Do you intend to extend this same policy to all non-conventional oil and gas sectors as defined by the Scientific Committee of the Observatoire de la finance durable?
- What database of companies do you intend to base the implementation of your sector-specific policies on? Regarding oil and gas, do you intend to use the Global Oil and Gas List (GOGEL) cited as a benchmark by the Scientific Committee of the Observatoire de la finance durable, and by the AMF and the ACPR?

Answers given by the Board of Directors:

The recent reports by the International Energy Agency and the IPCC are rich in lessons, both on the trajectories they outline and on the necessary social acceptance they require for their effective implementation, as well as on issues of energy security. More specifically in the energy sector, the envisaged trajectories are very different between coal – which is declining very rapidly – and oil and gas, which will still account for one fifth of energy needs by 2050. For this reason, energy companies have initiated major shifts to increase their investments in renewables and electricity and to reduce their oil and gas activities, in line with these scenarios. We can confirm that the IEA’s work is a key methodological reference in defining the alignment targets on which the Group is working.

In 2021 Societe Generale strengthened its commitment to align its activities with the objectives of the Paris Agreement by joining the Net-Zero Banking Alliance (NZBA) of the United Nations Environmental Programme as a founding member. This step is important because in practice it commits the Group to contributing to achieving the target of global carbon neutrality by 2050 (otherwise known as the 1.5°C trajectory) rather than the Paris Agreement’s central target of limiting global warming to 2°C. Two ideas underpin the Group’s action to help combat global warming. This climatic, economic and social challenge can only be met by forming strong coalitions to achieve this common goal. Moreover, this issue requires a precise breakdown of actions, particularly in the highest-emitting sectors, while taking care to avoid potentially harmful side-effects.

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In addition, having achieved a 150 billion contribution to the financing of energy transition between 2019 and 2021, a new objective has been set for sustainable finance of 300 billion between 2022 and 2025, through a range of specific sustainable financing solutions (loans, bonds, advice). The Group will continue to set science-based 1.5°C alignment targets over the year, in line with the NZBA’s planned schedule of work in 2022 and 2023.

Because of the often inappropriate (and very varied) way in which so-called “non-conventional” resources have been categorised, the Group has chosen, for the sake of clarity and transparency, to list the specific categories to which particular exclusions are applied, either for reasons related to very specific extraction techniques (petroleum from oil sands, extra-heavy oil, shale oil and gas) or for reasons related to the very specific vulnerability of the geographical environment to oil exploitation (oil produced in the Arctic, oil produced in the Ecuadorian Amazon).

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- diversified players (upstream, midstream, downstream) for whom production of these categories of hydrocarbons contributes more than 30% of their overall turnover;
- for liquefied natural gas in North America – no new mandates for new production and export projects (greenfields or major expansions of existing capacity);

It should be noted that, with regard to specific geographical vulnerabilities, the Group has incorporated exclusions that take into account areas of high biodiversity value in its oil and gas policy and other sector-specific policies.

2) Support for shale oil and gas expansion

The shale oil and gas industry is a major threat: air pollution, water contamination, a source of diseases and public health risks, earthquakes, etc. The boom in the exploitation and export of these fossil fuel resources, mainly in the United States, is also one of the main threats to world climate. The United States is the country that anticipates the most significant growth in its oil and gas production by 2050, a development based almost exclusively on shale hydrocarbons. The planned exploitation of the Permian Basin – the world’s largest located in Texas and New Mexico – could alone consume 10% of the remaining carbon budget to remain within the +1.5°C global warming limit by 2050.

Taking some note of these impacts, Frédéric Oudéa declared at the end of 2021 that Societe Generale would immediately withdraw from financing the sector and would exit permanently from it in 2023. But this announcement has not been reflected in your new oil and gas policy, which has made very limited progress. Indeed, contrary to the recommendations of the Scientific Committee of the Observatoire de la finance durable, your bank has in no way abandoned its support for the expansion of shale oil and gas, nor has it agreed on a definitive exit timetable across the entire value chain.

For example, between 2016 and 2021, Societe Generale provided more than $6 billion to the sector. It is among the top 10 supporters of ExxonMobil and Chevron, whose shale oil and gas account for more than 20% of production and more than 30% of near-term expansion plans, according to Banking On Climate Chaos.

Furthermore, you committed last year to terminate all support for LNG export terminal projects in North America. Again, this measure is inconsistent and too inefficient: it grants an explicit exception to projects in which you are already active; it does not cover other transport and transformation infrastructures; it also contains no provision for the companies that implement such projects. Societe Generale remains a financial advisor and may participate in the financing of two new LNG projects: Rio Grande LNG and Driftwood LNG.

Questions:
- What measures will you take to get out of shale oil and gas in 2023, as you have committed to do?
- Will you commit to making your support for companies active in the upstream and midstream conditional on the discontinuation of any new investment related to shale oil and gas?
- Will you commit to ceasing all support for new shale oil and gas projects, including all new infrastructure across the value chain such as pipelines and import terminals?
- What criteria do you specifically use to exclude “greenfield projects or major expansions” of LNG in your oil and gas policy?
- How long does your financial advisor contract on Rio Grande LNG last? How long on Driftwood LNG? Will you commit to ending these contracts? If not, why not?
- Any new financial services to North American LNG terminals would contradict the measures in your oil and gas policy. This applies to the projects for which your group currently has a mandate, given that financing is a completely separate service from consulting. Will you commit from now on not to participate in the financing of Rio Grande LNG and Driftwood LNG projects? If not, why not?

Answers given by the Board of Directors:

We can confirm that the Group remains committed to a full exit from the US onshore Reserve Based Lending business by the end of 2023. The Group is making progress towards this goal.

We have no particular comment on the projects in question.

The participation of our Bank in funding any liquefied natural gas project, in North America or elsewhere, will be dependent on the project’s alignment with the Group’s commitments, including E&S and human rights.

3) Support for gas development in Mozambique
Since 2017, Friends of the Earth France has been alerting French financial players to the serious impacts of gas exploration and export projects in the north of Mozambique. Societe Generale seems to have taken no notice of these risks. After having financed the first project, Coral South FLNG, run by ENI, the bank became involved as a financial advisor and financier in the second project, Mozambique LNG, run by TotalEnergies. It is worth noting that Natixis and BNP Paribas refused to participate in this financing.
Societe Generale was also one of the top 10 supporters of TotalEnergies between 2016 and 2021, thus directly and indirectly supporting Total’s activities in Mozambique.
We have already, and repeatedly, reported this as a critical situation to your bank. This has become even more serious since the attack on Palma in March 2021, and since the declaration of “force majeure”, the evacuation of the site and the suspension of the project by Total in April 2021.

Amnesty International paints a bleak picture of human rights abuses and violations perpetrated by the insurgents, including beheadings and the butchering of people. Young boys and girls are being abducted to become part of the militia. Sexual violence is common and widespread. As a result, attacks on civilians have led to the displacement of hundreds of thousands of people and a large-scale humanitarian crisis in the region. Since the conflict began in 2017, at least 750,000 people have been displaced to escape the violence, and this number is expected to rise to 1 million by June 2022, according to UNHCR. There is an urgent need for food, shelter, health services and protection, both for refugees and for those left behind. In 2021, it was estimated that approximately 1.3 million people in Cabo Delgado were in need of urgent humanitarian assistance and protection.

The Mozambican government has been intervening by deploying the military, including the Rwandan army, and private security companies, which in turn are violating human rights and contributing to the crisis. Journalists and community activists who report on the conflict are intimidated, illegally detained, and even tortured or made to disappear, making it impossible to get an accurate picture of the current situation in Cabo Delgado.

The security and stability of the region has been eroded to such an extent that no lasting solution is possible in the near future. Insurgencies in Cabo Delgado are rooted in systemic and structural poverty and widespread social, economic and political discontent among the population, particularly among young people. The
unresolved humanitarian crisis resulting from the conflict, and the violence perpetrated by government forces and private security companies, is fuelling the insurgency. If these problems are not resolved, the conflict will continue to escalate. Any sustainable solution will require a comprehensive long-term strategy that takes into account all aspects that contributed to the social breakdown, ensuring meaningful involvement by the local population. Continuing to exploit and export gas is not the solution here.

Furthermore, Mozambique will obtain no economic benefit from these projects. A report by Open Oil shows that because Eni, ExxonMobil and Total have set up financial vehicles for these projects in the tax haven of Dubai, Mozambique will lose $5 billion in tax revenue.

Despite these critical impacts and risks, TotalEnergies aims to restart its project in Mozambique in 2022. In addition, a third project, Rovuma LNG, led by ExxonMobil, is still on the table, although delayed.

In view of the abuses against local populations, the untenable security situation, the serious social and economic problems caused by the fossil industry and the arrival of foreign companies, and the climate and environmental consequences of gas projects, they must not now go ahead. At the very least, before any decision is taken to relaunch Mozambique LNG, it seems essential for TotalEnergies to undertake a new due diligence process and present a new assessment of the context and impacts of the project.

Questions:

- What are your conditions for releasing the currently pending tranches for Mozambique LNG if the force majeure situation ends?
- Since the time of your decision to provide financial support to Mozambique LNG in 2020, the situation on the ground has fundamentally changed: thousands of refugees are living in camps near Afungi, foreign military troops have arrived in Cabo Delgado, the future development of the insurgency remains unpredictable, displaced communities cannot access the land they were supposed to receive as compensation and are living on food aid. In addition, a UK High Court judge acknowledged in a judgement on UKEF’s support for Mozambique LNG that the assessment of the climate impacts of Mozambique LNG was inadequate. For these reasons, and in particular as financial advisor on the project, do you intend to ask TotalEnergies to review the due diligence process and present a new risk assessment for Mozambique LNG prior to any decision on the future of the project? If not, can you explain why not?
- How does your bank feel about financing a gas project protected by foreign military troops if TotalEnergies requests an extended perimeter around Afungi secured by foreign troops to restart the project?
- Will you commit to suspending any further support to TotalEnergies until the group abandons the Mozambique LNG project?
- Will you commit to not providing any new financial services to gas development in Mozambique, including Rovuma LNG?
- Given that Mozambique has been a producer of electricity for decades, despite the fact that only 30% of the population has access to electricity and the majority of the population lives in poverty, and given the fiscal arrangements of the major operators, what assurances do you have that the projects will benefit the economy and the people of Mozambique?

Answers given by the Board of Directors:

Firstly, we would like to remind you that the Societe Generale Group operates locally through its Banco Societe Generale Mozambique SA subsidiary. Societe Generale continues to support the local economy in line with the Group’s commitments, particularly in terms of environmental and social issues, respect for human rights and corruption.

Societe Generale remains mandated as Financial Advisor and lender to the Mozambique LNG Project which has been under a declared situation of force majeure since last year. Although the security

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situation is improving in Cabo Delgado Province, further sustained improvements will be required before construction can resume.

From the beginning of our mandate as Financial Adviser, we have made sure that the operator (initially Anadarko Petroleum Corporation, replaced by Total in September 2019) is aware of the importance of the environmental and social (E&S) stakes, and undertakes to develop the project in accordance with international E&S standards, including the Equator Principles and the World Bank Performance Standards, the Voluntary Principles on Security and Human Rights, and the Common Approaches of the OECD. As a reminder, the Project and Total have signed the Voluntary Principles on Security and Human Rights.

Societe Generale remains fully committed to its customers and partners to support the return to a stable and normalised situation that is necessary before Mozambique LNG can resume operations.

We have no particular comment on the other projects referred to.

4) Support for the fossil fuel industry in Russia and implementation of EU sanctions

Since 24 February 2022, Putin’s criminal war in Ukraine has provided more justification than ever for a break with the Russian fossil industry. With 40% of the country’s federal budget coming from this industry, it is a well-established fact that the Kremlin’s war effort relies heavily on oil and gas exports. Although all the European oil and gas majors have for weeks been announcing their withdrawal from Russia in response to this key support, TotalEnergies refuses to do the same. The French group has merely made a few timid initial announcements on the subject but remains firmly committed to the sector: a 19.40% shareholder in Novatek; a stake in the existing Yamal LNG terminal and in the planned Arctic LNG 2 terminal; a majority shareholder in the Termokarstovoye gas field; and involvement in the Kharyaga oil project.

As one of the largest funders of TotalEnergies, Societe Generale bears a heavy responsibility for the multinational’s toxic activities in Russia.

As a European bank, you are also affected by the European sanctions. The sanctions of 15 March 2022 include a ban on all financial institutions within the jurisdiction of the European Union providing further financial support to Russian energy companies and non-Russian energy companies operating in the Russian energy sector. Provided that France has not granted special dispensation to TotalEnergies by informing the European Commission and the Member States – as specified in the regulations – Societe Generale should, under the terms of these sanctions, have suspended all new financial services to the French major by mid-March and continue to do so for as long as TotalEnergies remains in Russia.

Questions:
- In line with the EU sanctions, have you suspended all new financial services to all Russian energy companies and non-Russian energy companies operating in the Russian energy sector? If not, why not?
- Have you, in line with the EU sanctions, suspended all new financial services to TotalEnergies? If not, why not?
- If this is not the case today, will you commit to suspending any further support to all energy companies operating in Russia?
- If this is not the case today, will you commit to suspending any further support to TotalEnergies until it has announced its complete withdrawal from Russia?

Answers given by the Board of Directors:

We confirm that Societe Generale strictly complies with the regulations in force concerning sanctions and embargoes issued by the competent authorities, including the European authorities. From an EU perspective, Russia is subject to restrictions on certain natural and legal persons, as well as import and export restrictions, including those in relation to the Russian energy sector. These restrictions include the sale, export of goods and technology suitable for use in oil refining or the granting of new loans or credits to any entity or body established under the law of Russia or any other third country and
operating in the energy sector in Russia. Under the strict application of these regulations, certain transactions concerning activities related to the import of oil and gas of Russian origin into the EU may be permitted.
Questions from Dominique Leroy, individual shareholder (questions submitted by email on 10 May 2022):

At the time of publication of the results for the first quarter of 2022, you confirmed the payment of a dividend of 1.65 euros per share, plus 1.1 euros through share buybacks.

Although share buybacks are or have been advocated in the United States, do you not consider this to be an unattractive method for shareholders who want to gain full benefit from the allocation of their share of the company's profits?

While the cash payment is something quite tangible, the benefit of share buybacks seems much more uncertain, especially since the buyback sequences are not necessarily implemented at the most opportune times to maximise the impact on share price.

What is the current state of thinking by our Council and General Management on this issue to date?

Answers given by the Board of Directors:

Share buybacks are a method of providing a return to shareholders, as are cash dividends.

Share buybacks are indeed beneficial to shareholders:

(1) Share buybacks are economically all the more attractive to the shareholder as the share is discounted from its intrinsic value, measured by tangible net assets. As of late December, this amounted to 61.1 euros per share. At such times of discounting, the share buyback therefore contributes to the revaluation of the share price.

(2) The shares, bought back via the market at the market price, are then cancelled. If the number of shares decreases, the intrinsic value of each share increases, assuming a constant overall valuation of the company.

(3) The share buyback has a positive impact on the future dividend per share. The dividend per share is calculated by dividing the total amount allocated to the dividend by the number of shares. If the number of shares decreases, the dividend per share mechanically increases, assuming the same overall distribution.
Questions from Phitrust *(questions sent by email on 11 May 2022):*

Answers given by the Board of Directors:

In March 2022, Societe Generale announced the closure of the online bank YUP.

1) **The YUP group found itself in a structurally loss-making position, so why could a foundation not have been established that would allow it to offer this core service – an area in which the bank had something innovative and relevant to offer?**

In 2016, in order to meet the need for financial inclusion in sub-Saharan Africa, Societe Generale decided to issue and distribute electronic money itself, through the creation of YUP. This activity has not managed to establish a firm foundation, particularly due to the emergence of new players, as telephone operators have fewer regulatory constraints.

The Group opted to withdraw responsibly from this activity, supporting its customers and employees as it did so. All of these provisions were obviously reviewed by the local regulators, and appropriate notification was given. Societe Generale is pursuing its work in financial inclusion by partnering with more expert players and microfinance financial institutions already operating on the continent (e.g. acquisition of a stake in Advans or Boabab).

2) **We are observing a tendency towards disengagement by international banks in Africa; what is the strategy of Societe Generale Group on the African continent today?**

Societe Generale enjoys a leading role and long-standing historical presence on the continent: more than 110 years in Morocco, 60 years in Ivory Coast, Senegal and Cameroon, and almost 2/3 of our resources are positioned with subsidiaries. The Africa region accounts for approximately 8% of the Group’s revenue (i.e. €1.8 billion in 2021). This foundation has been strengthened over the last three years by the creation of regional departments to deploy decision-making centres closer to customers and a shared IT department for sub-Saharan Africa (SG ABS) based in Casablanca (Morocco).

The Group is committed to supporting the continent’s major transformations via:
- infrastructure development under the “Grow With Africa” programme (with dedicated financing platforms in place in Abidjan, Algeria and Morocco),
- support for these key clients in their energy transition,
- strengthening digital pathways to serve all our customers more inclusively.
Questions from Mr. Alain Balesdent, individual shareholder (questions submitted by e-mail on 11 May 2022):

Answers given by the Board of Directors:

1) What is the annual amount invoiced by SGSS to our company for managing pure registered shares (including internal invoicing)?

   The service cost of Societe Generale Securities Services (SGSS) for maintaining the registered share register is borne by the issuer, in accordance with the principles for the treatment of pure registered shareholders. Commercial relations between SGSS and issuers are governed by contracts, the content of which is tailored to the various services provided, and the information requested cannot be made public without infringing business secrecy. For registered shareholders, the main costs they will have to pay, in the same way just as if their shares were held in bearer form, are the brokerage fees for buy or sell orders. More information can be found in the Registered Shareholders' Guide, which can be accessed via the following link: https://www.societegenerale.com/sites/default/files/documents/2022-02/Guide_du_Nominatif.pdf (in French only).

2) After noticing that the “E-statement” box had been checked in my Sharinbox space without my consent, I asked SGSS, who replied about ten days later in Sharinbox: “We wish to inform you that some issuing companies have requested that e-statements be activated for their account holders; this request was not made by us.”

   Due to possible mail delivery difficulties linked to the health crisis, Societe Generale sought to secure the provision of portfolio statements and IFUs to shareholders for the past 3 years, by publishing them by default on the Sharinbox website reserved for shareholders, even for shareholders who have not signed up for e-statements. However, if the e-statements box has been checked in your Sharinbox area, you can easily change this option at any time. You can contact the Nomilia Customer Relations Centre to help you with this process.