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Société Générale SA - General Meeting of 22 May 2024
Responses to written questions from shareholders

The text of the following questions has been summarised (without changing the meaning) when it is unnecessary to quote them in full to ensure their proper understanding.

<u>Questions from *Forum pour l'Investissement Responsable*, an association governed by a French Act passed in 1901</u> *<u>(questions sent by email on 29 April 2024)</u>***:**

<u>Response of the Board of Directors</u>:

<u>Environment</u>

1. **a) Could you specify your decarbonisation objectives for the short, medium and long terms across your three scopes (in absolute terms and in intensity)? For each of your objectives, explain the principal actions planned to achieve these objectives (please specify the percentage contribution of each action to the objective).**

   In your strategy, what is the share dedicated to negative emissions (absorption and storage, etc.), to avoided emissions and carbon credits (as opposed to your decarbonisation objectives)?

To facilitate your answers, you can fill in the table in Appendix 1.

Societe Generale Group's climate ambition focuses on accompanying our clients in their environmental transition, reducing the potential impact of our activities on the climate and managing climate change risks. The Group has set itself decarbonisation objectives as part of these ambitions.

Day-to-day activities (Scope 1 and 2, and Scope 3 upstream and waste): After having achieved its target to reduce GHG emissions per occupant by -25% between 2014 and 2019, the Group set itself a target to halve its absolute carbon emissions between 2019 and 2030 related to its own operations by acting on the energy required for its premises, IT, reducing airline travel and its vehicle fleet. By the end of 2023, the Group had reduced its own overall carbon footprint by 34% compared to the 2019 level, in line with the target.

Scope 3: As a member of (i) the Net Zero Banking Alliance (NZBA) and (ii) the UNEP-FI Net Zero Asset Owner Alliance since 2021, the Group's objective over the short, medium and long term is to align its own corporate credit portfolio and its investment portfolio with trajectories compatible with limiting global warming to 1.5°C. To achieve this goal, it has set specific targets for each of the sectors.

On the investment side, Societe Generale Assurances has committed to reduce the carbon footprint of its equity and corporate bond portfolios by 30% by 2025 compared to 2018.

In relation to the credit portfolio, the Group makes a distinction between the carbon and oil and gas sectors, for which a reduction is expected in absolute terms, and other industrial sectors for which CO_2 intensity targets have been set, beginning with targets out to 2030. Keen to accompany its clients in the financing of their transition, the Group is prioritising its action on the most carbon-emissive sectors and which have a role to play in the transition to a low-carbon economy.

At end-2023, the Group set targets on 9 sectors out of the 12 priority sectors identified by the NZBA. A detailed description of each of these sectors appears in our Climate and Alignment Report (pages 58-87, [Climate and Alignment Report – December 2023 (societegenerale.com)]), which sets out the decarbonisation imperatives of the sector, as well as the levers identified for the actors of these sectors.

The summary below outlines the targets that were set in 2023 for these main sectors, including the complete phase-out from thermal coal in 2030 in EU and OECD countries and by 2040 in the rest of the world, and a 50% reduction of exposure to upstream oil and gas by 2025 and an 80% reduction by 2030. Concrete measures have been taken in respect of the latter targets: for example, the Group will stop providing financial products and services associated with greenfield upstream Oil & Gas fields, it will phase out exposure on upstream Oil & Gas private pure players by winding up exposures, and will reinforce engagement with energy sector clients, particularly on their climate strategy.

In 2024, the Group worked on the Aviation, Agriculture and Residential Real Estate sectors, and set a new target on the carbon intensity of the aviation sector of 775g de CO_2 equivalent per Revenue Ton Kilometer by 2030, i.e. -18 % vs. 2019. Owing to factors outside the Group's control which we detailed on our website, the targets for the Agriculture and Residential Real Estate sectors were unable to be published, but Group is committed to closely monitor trends where it is able to.

The Group does not calculate negative or avoided emissions and does not use carbon credits.

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The table below summarises the progress of our sectoral alignment work as at April 2024.

DATA ON SECTOR-SPECIFIC ALIGNMENT AND TRANSITION TARGETS(1)

	Sector	Scope 1&2 Financed Emissions associated with the value chain (mtCO2e, Q4-2023) (2)	PCAF Score (3)	Scope 3 Financed Emissions associated with the value chain (mtCO2e, Q4-2023) (2)	PCAF Score (3)	Sector boundary	Metric	Scenario	Emissions scope	Baseline	Target	Reduction target	Progress	Progress in %	New target
Energy	Oil and gas	16,8	3,8	26,1	3,9	Exploration, development and production (upstream)	Gross commitments (€m, index 100)	IEA NZE 2050	N/A (financing target)	100 (2019)	50 (2025) 20 (2030)	-50% (2025) -80% (2030)	69 (2022)	-31% (2022)	2023
						Upstream, midstream, downstream	Absolute GHG emissions (in MtCO2eq.)	IEA NZE 2050	Scopes 1 & 2 + Scope 3.11 (end-use) of the upstream part of the value chain	29.6 (2019) PCAF Score 4.7	8.9 (2030)	-70%	17.7 (2022) PCAF Score 4.9	-40% (2022)	2023
	Power	27,9	4,3	4,0	4,4	Power generation	GHG emissions intensity (gCO2eq./kWh)	IEA NZE 2050	Scopes 1 & 2	221 (2019)	125 (2030)	-43%	151 (2022)	-32% (2022)	2022
						Thermal coal value chain	Gross commitments (€m, index 100)	IEA NZE 2050	N/A (financing target)	100 (2019)	0 by 2030 for OECD countries; 0 by 2040 elsewhere (4)	-100%	82 (2022) 63 (Q2-23)	-18% (2022) -37% (Q2-23)	2019
Heavy industries	Cement	2,7	3,1	1,8	3,1	Cement producers	GHG emissions intensity (kgCO2eq./t cement)	IEA NZE 2050	Scopes 1 & 2, calculated on a gross basis	671 (2022)	535 (2030)	-20%	671 (2022)	N/A	2023
	Steel	0,7	3,5	2,8	3,6	Crude steel producers	SSP alignment score of GHG emission intensity (5)	IEA NZE 2050 MPP TM	Scopes 1 & 2 (5)	0.55 (2022)	0 (2030)	N/A	0.55 (2022)	N/A	2023
	Aluminium	0,1	4,4	0,1	4,4	Aluminium producers	GHG emissions intensity (tCO2eq./t aluminium)	IAI/MPP STS	Scopes 1 & 2 + Scope 3 upstream	8 (2022)	6 (2030)	-25%	8 (2022)	N/A	2023
Transport	Automotive	0,7	3,7	5,5	3,7	Car manufacturers	GHG emissions intensity (gCO2eq./v-km)	IEA NZE 2050	Scope 3.11 (end use)	184 (2021)	90 (2030)	-51%	175 (2022)	-5% (2022)	2023
	Shipping	3,8	3,9	2,4	4,0	Ship owners and operators	Poseidon Principles alignment score of AER(6)	IMO Striving For (7)	Scope 1 and Scope 3.3 (8)	+24.2% (2022)	+15% (2030)	-43% (6)	+24.2% (2022)	N/A	2023
	Aviation	2,1	3,8	3,5	3,9	Airlines and lessors	GHG emissions intensity (gCO2eq./RTK)	MPP PRU	Scope 1 and Scope 3.3 (8)	950 (2019)	775 (2030)	-18%	N/A	N/A	2024
Real Estate	Commercial real estate	0,8	4,6	2,1	4,6	Real estate professional investors	GHG emissions intensity (kgCO2eq./m2/y)	CRREM V2.02	Scopes 1 & 2, from a real estate asset's perspective	49 (2022)	18 (2030)	-63%	49 (2022)	N/A	2023
	Residential real estate (9)	N/A	N/A	N/A	N/A										
	Agriculture	2,0	4,0	8,0	4,0										

(1) The reduction targets are supported by origination guidelines to keep the Group on track. Applicable at either client or transaction level, separate guidelines exist for each sector, to take into account specific constraints.
(2) While our targets focus on the sector boundaries disclosed in this table, known to be the most material parts of their respective value chains, the calculation of Financed Emissions cover the sector's full value chain. It consists in aggregating the financed emissions of all companies classified within activity sectors from the NACE classification identified and disclosed here by Societe Generale as being part of the same comprehensive value chain. Financed Emissions are then calculated according to the PCAF methodology whereby we account for a portion of the annual emissions of our clients by determining the ratio between the outstanding debt and the total equity and debt of the client.
(3) The PCAF Score measures the data quality used to calculate Financed Emissions. When available, we have used data reported by clients and collected via Bloomberg or clients' annual reports (PCAF Score of 1 for verified data or 2 for unverified data). Otherwise, we have used revenue-based or asset-based emissions factors to estimate clients' emissions, with PCAF Scores of 4 and 5 respectively. We plan to improve the overall quality of our calculations in the future as client data becomes available or by using better quality physical activity-based emissions factors.
(4) Target applying to both thermal coal power and thermal coal mining.
(5) This target is an alignment score. A positive alignment score means that the steel portfolio is not aligned with the IEA NZE 2050 scenario. Conversely, a negative or zero alignment score means that the steel portfolio is aligned with the IEA NZE 2050 scenario.
For the scope of emissions, a fixed-boundary system as per the SSP is used where the indicator covers Scopes 1, 2 and a portion (depending on the level of vertical integration) of Scope 3 emissions (specifically category 1 and 10).
(6) This target is an alignment score. A positive alignment score means that the shipping portfolio is not aligned (i.e. that it exceeds the decarbonisation trajectory). Conversely, a negative or zero alignment score means that the shipping portfolio is aligned. The -43% reduction target applies to the intensity metric (AER).
(7) Excluding cruise ships, until such time as the IMO's carbon intensity indicator can be adapted to take into account the specificities involved.
(8) Or "Well-to-Wake" emissions corresponding to (i) operational activities (i.e., Scope 1, or tank-to-wake emissions for shipowners/airlines) from fuel combustion on board of a vessel/aircraft and (ii) upstream activities (i.e., Scope 3 category 3, or well-to-tank emissions for shipowners/airlines) including extraction, cultivation, production, processing, storage, transport and bunkering of fuels.
(9) Societe Generale is currently finalising the calculation of absolute emissions for the residential real estate sector based on the surface of the residential assets.

Societe Generale's Decarbonization targets and attributed emissions

b) Could you please indicate the amount of investment required for each of the main actions across the three scopes?

Please state the time frame covered by these investments.

More often than not, the information expected here is different from the amount of CAPEX/OPEX aligned with the European taxonomy, which only concerns investments in your sustainable activities and not those for your decarbonisation plan as a whole.

With regard to the objectives of reducing Scope 3 indirect emissions, the Group's investments take the form of projects to implement decarbonisation objectives within each entity, which must integrate these challenges into its operations (decarbonisation targets, sectoral policies, client E&S analysis questionnaires, monitoring tools and resources, etc.).

To coordinate these changes, the Group introduced in 2022 a four-year cross-business transformation plan called ESG by Design, the objective of which is to operationalise ESG changes. The programme to operationalise our medium- to long-term ambitions includes significant budgets to manage the transformation, as well as investments in people, data, tools and information systems (see page 17 of our Climate and Alignment Report).

For the past three years, we have also set up a strategic partnership with a consultancy firm specialising in energy transition to help us draw up our roadmap for decarbonising the Group's various businesses.

In 2023, we invested in specialist skills to significantly strengthen our team dedicated to decarbonisation work.

A wide-reaching programme called “The Shift” was implemented in the business lines at Global Banking and Advisory (GLBA), which houses our financing and advisory activities for corporate clients, to support the transformation of the Group’s large clients, using inter-sectoral approaches and bringing together 400 staff working together on 12 strategic activities (see page 27 of our Climate and Alignment Report).

The Group invests in developing skills and introduced an ambitious ESG training plan adapted to the various levels of expertise to embed ESG culture throughout the company, and to foster employees’ expertise on ESG themes in order to offer new products that are in line with our clients’ needs (see pages 15-16 of our Climate and Alignment Report). For example, we set ourselves the target of training 30% of staff on the Climate Fresk, using more than 600 specially trained moderators.

As regards its day-to-day operations, the Group has invested in its real estate assets in and outside France to improve their energy performances. The Real Estate Division has set up an energy pilot programme for buildings with surface areas greater than 1,000 m^2 to achieve the target of reducing building energy consumption by 40% by 2030, compared with 2019, as required by French regulations (French Decree on reducing energy consumption in service-sector buildings). Since 2018, all SG France network branches have used software that produces a monthly breakdown of water, electricity and gas consumption data, thereby promoting the application of corrective measures, as required.

The Group’s Real Estate Division conducted a programme over 2021-2025 to address the performance criteria of businesses, digital experience and the transformation of employees’ working methods. Societe Generale’s Corporate Centre buildings in the Greater Paris (Ile-de-France) region have obtained the following environmental and energy management certification, the La Défense building has ISO 50001 certification, in Val de Fontenay the Sakura building has BREAAM NC 2016 Excellent, HQE Bâtiment Durable High Energy Performance certification and WELL building standard Core & Shell Gold level, and the Dunes building has HQE Excellent and LEED GOLD certification. The Societe Generale building in London is certified “BREAAM Outstanding”. Societe Generale’s new Arsenal headquarters in Luxembourg inaugurated in 2023 has dual BREEAM Very Good and HQE Excellent certifications.

In 2019, the Group was also one of the first companies to sign the Sustainable IT Charter to help limit the environmental impact of technology and promote digital inclusion. The Group has implemented several actions that are monitored and measured: the transformation of its data centres, the recycling and reuse of IT hardware, improved data and system management, training for IT experts in eco-design and e-accessibility, and awareness training for future generations in these practices.

The Group also invests in professional mobility levers, above and beyond its policy on air travel. Accordingly, the French Retail Banking activity continued to grow its share of electric cars, and now registers more than 280 electric service vehicles in the regions. Electric vehicles will gradually replace the corporate fleet of Komerční banka (KB) in the Czech Republic (at the end of 2023, 131 electric vehicles were in service). Actions to optimise the total fleet of service vehicles include the rollout of a car-sharing offer by Ayvens. The Group also continued to increase the number of electric charging points at its premises: 200 were installed in 2023 at the Corporate Centre buildings in the Greater Paris (Ile-de-France) region. To encourage alternative forms of mobility, SG Network France launched a pilot programme by installing a shared electric bike station (at the Marseilles premises) using a solution designed by Ayvens and its partner GREEN ON.

The Group is investing in energy transition start-ups such as Qarnot in France, enabling it to reduce its energy consumption by reusing IT waste heat from data centres to produce hot water for social housing, and in Enviros in the Czech Republic, an energy transition advisory firm that enables the KB subsidiary to build solid technical skills and ramp up its commercial decarbonisation offering.

c) On which baseline scenario(s) is your decarbonisation strategy based (for the three scopes)? Is it aligned with the 1.5°C scenario? Has it been validated by an independent third party (SBTi, ACT- ADEME, etc.)?

Please state the name of the baseline scenario(s) and the organisation(s); for example, AIE, GIEC, etc.

The full set of targets and baseline scenarios on which they are based are listed in the table opposite, which is presented on page 340 of our Universal Registration Document. These communications are reviewed by an independent third-party body as part of the verification of the Group's Declaration of Extra-Financial Performance (DEFP), which is included in the Universal Registration Document.

d) In its Net-Zero-by-2050 scenario to which you refer in your climate policy, the International Energy Agency (IEA) forecasts that to limit global warming to 1.5°C, 6 dollars must be allocated annually to the supply of "clean" energy (including production, network and energy storage), mainly electricity, for each dollar allocated annually to fossil fuels (including the entire value chain, from production to distribution), by 2030.

Could you provide us with your target for financing (companies and projects) fossil fuels across the entire value chain and for the supply of "clean" energies (specifying the detailed scope of the sources and technologies included in these clean energies) by 2030? If you have not reached the 6:1 ratio, can you explain why?

The calculation made by the IEA in its latest Net Zero 2050 scenario is genuinely inspiring for the energy sector and our CSR teams are analysing its possible interpretation as a management indicator for financial activities. Several challenges still need to be addressed: the ratio is focused on investment flows in the energy sector, but these investments may be self-financed, financed by bond issues or bank debt, and by share issues. Accordingly, it is not directly transposable; establishing a ratio of investment flows from "clean" energies and fossil fuels also raises the question of allocating the percentages of these energies through financing flows, a significant proportion of which is unallocated (general financing of clients' needs, etc.). It is worth noting that the 6:1 ratio is phased in the IEA's scenario with an intermediate stage in 2025. This phasing-in process takes into consideration the operational restrictions associated with the energy transition.

The Group has already committed to reduce its exposure to fossil energies with a target to completely phase-out from thermal coal in 2030 in EU and OECD countries and by 2040 in the rest of the world, and a target for a 50% reduction of exposure to upstream oil and gas by 2025 and an 80% reduction by 2030, with a certain number of measures exposed to Response No.1.

For the past several years, the Group has imposed a standard enabling it to measure the distribution of its Sustainable Finance and Positive Impact (SPIF) financing offering dedicated to financing the economy and companies. Renewable energy infrastructure loan production totalled EUR 6.2 billion in 2023.

In addition, considering that some emerging technologies require equity investments before debt can be raised, Societe Generale Group announced the launch of a new EUR 1 billion investment fund focusing on transition that includes a EUR 0.7 billion equity investment component. The fund's objective is to support clients on energy transition, nature-based solutions and impact-driven opportunities which support the UN's Sustainable Development Goals.

2. **Risks, impacts, dependencies and opportunities related to biodiversity are still insufficiently taken into account in business activities (in-house, supply chain, products, customer services, etc.). However, progress is being made regarding the context and the tools (TNFD, SBTN, GRI, etc.), as well as with practices.**
   Although the topic would appear to be fairly immaterial for a number of sectors, we nonetheless believe it is worth being analysed by everyone.

a) Have you assessed, monitored and reduced your dependencies and risks, and your footprint, as well as your opportunities (investment in projects with a positive net impact on nature, biodiversity services, etc.) In relation to biodiversity and nature?
Is this assessment up to date and does it cover your entire value chain (direct operations, upstream and downstream)? If it only covers part of your value chain, do you plan to extend the scope of the assessment? If not, why?

In the run-up to the application of the CSRD and in light of the recommendations of the TNFD, the Group is working on an assessment of its credit portfolio. Accordingly, the Group carried out an initial mapping of the sectors financed according to the severity of their nature-related impacts and dependencies in relation to the Group's exposure in each of these sectors.

The work was based on the ENCORE (Exploring Natural Capital Opportunities Risks and Exposure) methodology, which provides an analytical framework for the physical impacts and potential dependencies of economic activities on natural capital. These preliminary components were presented to the Responsible Commitments Committee, chaired by General Management. The mapping provides a preliminary analysis of Societe Generale's portfolio in respect of the nature-related imperatives and also sets out the methodological limits (notably, the geographical angle and the value chain are not taken into consideration) which necessitates a more in-depth approach by sector and assessment work that is ongoing.

With regard to financial risks, Societe Generale carried out a complementary analysis aimed at identifying the nature-related risk factors for each risk category, and performed analysis aimed at identifying these risks and opportunities by Business Unit. These analyses focused on identifying the channels through which financial risks are transmitted to highlight the most significant risks so that they can be taken into account in risk management processes on a more systematic basis.

These analyses were based, among other things, on the Industry Nature Vulnerability Indicator (INVI) set up by the Group, which provides an initial assessment of financial materiality, in other words what impact physical and transition nature-related risks might have on revenues, costs and the value of assets of non-financial sectors.

Natural risks are grouped under four headings in line with the objectives of the European taxonomy: pollution, water and marine resources, biodiversity and ecosystems, resource use and the circular economy. The indicator does not include climate aspects to avoid duplication with the ICVI.

INVI scores are forward-looking and provide an assessment of the current vulnerability of sectors and the capacity to adapt to transitional and physical risks, with a focus on the way forward to 2030 and the capacity to continue out to 2050. For physical risks, this means the ability to switch to inputs or production processes that are less dependent on ecosystem services, or to protect assets from the impacts of a decline in the availability of ecosystem services. For transition risks, it means the ability to move away from inputs or activities that have a high impact on nature, or to reduce the impacts of existing activities on nature.

This work focuses on the downstream chain (i.e., our clients) where the most significant impacts, dependencies, risks and opportunities for the Group are concentrated.

In terms of opportunities, Societe Generale announced the launch of a new EUR 1 billion investment fund focusing on transition, including a EUR 700 million equity investment component. The fund notably focuses on supporting nature-based solutions.

Societe Generale joined SBTN's Corporate Program to be in a better position to accompany its corporate clients when taking into account nature-related issues. A team in Corporate and Investment Banking is dedicated to advising our clients on nature-based solutions.

Regarding the real estate development activities, SOGEPROM has structured its CSR approach around three pillars, which include preservation of biodiversity. These pillars focus on promoting green areas, training and a partnership with CDC Biodiversity. They are available by clicking on the following link (in French only):
https://groupe-sogeprom.fr/nos-engagements-rse/.

b) Have you published the results of this work? If not, do you intend to? **Please provide reasons for your answer.**
Do you plan to use voluntary frameworks such as the TNFD, SBTN, GRI101, etc. to report on nature-related risks and opportunities?

The Group already relies on this work to identify impacts and dependencies while highlighting their methodological limitations and publishes the results of these analyses in the Group's Universal Registration Document, notably in Chapter 4 on Risks, and in the Group's Duty of Care Plan, presented in Chapter 5.

Societe Generale is also a member of the TNFD Forum and contributed to successive consultations proposed by the initiative prior to the publication of its recommendations in September 2023. The rollout of the recommendations throughout the Group is currently under review.

c) Have you published or plan to publish quantitative indicators to report on the biodiversity-related risks and opportunities posed or offered to your company (asset values, liabilities, income and expenditure deemed vulnerable to nature-related risks, CAPEX, financing or investment allocated to nature-related opportunities, etc.)? If so, what are they and have you set yourself any targets? Give reasons for the choice of these indicators. If not, why?

The Group is continuing its work on assessing nature-related risks and does not plan to issue a publication in the near future.

For the past several years, the Group has imposed a standard enabling it to measure the distribution of its Sustainable Finance and Positive Impact Financing (SPIF) offering dedicated to financing the economy and companies. Environmental SPIF production for 2023 (EUR 13 billion) and its breakdown by theme is presented in the URD on page 347.

3. **a) What place does the circular economy have in the company's strategy?**

Criteria to evaluate:

- *Targets (quantitative, ambitious, scope)*
- *Strategy's ambition and quality*
- *Links to other sustainable development topics (notably decarbonisation and biodiversity)*

Societe Generale's CSR strategy is based both on the environmental transition and on the resolve to make a positive impact at local level. The circular economy, which is fundamental to a sustainable economy that respects the planet's limits, is integrated into our environmental transition pillar. The circular economy is one of the keys to transition in light of the restrictions on resources and it is also a catalyst for decarbonisation (45% of CO_2 could be addressed by circularity, which would enable the 1.5°C trajectory to be adhered to, according to the Ellen MacArthur Foundation). It is also becoming an increased focus of attention for our clients and for regulators.

The topic of circularity is crucial but difficult to understand. We have launched a number of initiatives to make progress in this area, notably training and R&D work with our teams to integrate circularity into their business models. We have also invested in the capital of more advanced players such as the Polestar Capital debt fund to learn from their experience. The Group's ambition is to strengthen its assessment of opportunities associated with the circular economy and the support it can provide to materialise these solutions.

To meet the challenges of the energy transition, several theme-based working groups have been set up in the investment bank since 2022, including one on the circular economy, in addition to hydrogen, property, healthcare and sector-specific decarbonisation solutions. The aim of the programme is to accelerate the rollout of advisory and financing services focusing on the leading ESG issues, and to develop solutions to support the emergence of new players and business models.

In 2023, the Group launched a project dedicated to the circular economy and initiated work to determine the economic potential it represents and to understand the need to adapt our financing solutions, particularly for Retail Banking. We are being advised by a specialised consulting firm, Circul'R, to assess the possibilities for integrating circularity into our various commercial offerings. Several of the Bank's businesses have been included in the exercise; they are also making progress in their understanding of the issues at stake and are considering these new opportunities.

As part of its day-to-day operations, Societe Generale also works on reducing consumption and waste of resources (management of waste, paper and furniture) and also takes steps to cut down on food waste. Societe Generale leverages the innovative spirit of its employees and encourages the most virtuous initiatives for the environment by relying on an internal carbon tax mechanism in place since 2011. As such, the Energy Efficiency & Environment prize is awarded in the property, IT, mobility and circular economy categories, and since 2023, also in the water and catering sectors. Several initiatives have been introduced to raise awareness about the circular economy amongst its teams. In March 2023, the Group organised a conference dedicated to the circular economy that was accessible to all staff. In addition, a training module on the circular economy has been integrated into the Group's training programme (notably in the Level 2 course, the objective being to train 50% of staff by the end of 2024). More recently, Societe Generale also organised training on the topic for the Board of Directors, in April 2024.

b) How do you encourage the development of circular economy business models (through investment or financing strategies, client services, commitments with suppliers, etc.)?

Assessment criterion: Give specifics in the response (for example, circular economy thematic funds, launch of financial/insurance products, support services, assessment tools used, training, etc.)

The Group is involved in different initiatives to encourage the development of circular economy activity:
1 - investment in circular economy thematic funds:

- Societe Generale acquired a stake in Polestar Capital Circular Debt Fund, the only debt fund in Europe dedicated to the circular economy. This stake and the related commercial partnership will be used to support innovation and develop circular economy projects and solutions. The fund targets high growth markets linked to circular economy models involving sectors such as biomass waste, biomolecules, the treatment of plastic pollution, sustainable construction and the built environment. While it is an urgent matter, the financing of circular economy projects poses challenges due to the applicable regulations, exposure to new technologies and new markets, and the relatively small size of investments. The aim of this partnership is to establish ongoing financing solutions for circular economy companies.

- In March 2023, the Group also acquired a stake in Citizen CIS, a EUR 14 million fund focused on the three themes of equal opportunity, innovation for employment and the circular economy.

- In order to support new business models and emerging leaders, Societe Generale launched a EUR 1 billion transition investment fund – EUR 700 million for investment in equity and EUR 300 million for investment in debt. This fund aims to support companies that facilitate transition, green technologies, nature-based solutions and impact investment projects aligned with the UN SDG.

2 - The Group has also developed an offering around the circular economy in different sectors which it plans to strengthen, for instance:

- Societe Generale Equipment Finance (SGEF) increasingly incorporates circular economy principles into its financing solutions, favouring the transition from a model historically based on asset ownership to usage or performance related models, with greater emphasis on the life cycle of the asset. The goal is to offer the possibility of recovering assets after the agreed lease period and redeploy them among other users. Another aspect is the repair and recycling of components and spare parts. Using its international network, SGEF has worked with partners to implement these new models to ensure investment in sustainable life cycles. SGEF also seeks to extend the life of assets by incorporating preventive maintenance and adapting our financing and service solutions. SGEF manages a portfolio of more than EUR 350 million in medical equipment as part of a close partnership with Philips Healthcare, applying a proactive life cycle management approach.

- Ayvens, the subsidiary that operates our long-term car leasing activity, is adapting its business model to move towards longer lease terms than those operated at present, involving several cycles of commercial usage under long-term and medium-term leases, carsharing and other services. During the life of the contract, vehicle maintenance and repair offers circular economy opportunities, for example the recycling of worn tyres, the repair of windscreens instead of replacing them, the use of spare parts from recycled materials. Such opportunities are gradually being taken into account in our supplier listing policies. More generally, Ayvens has set a target to introduce a circular approach into every aspect of its tyre repair and maintenance activity by 2026 (period of the PowerUP26 strategic plan).

- Franfinance has signed a EUR 350 million lending agreement with the EIB for SMEs/mid-caps over two years offering an attractive interest rate for eligible clients. 30% of the loans granted by Franfinance under this agreement must be for the purpose of climate action, with a share related to the circular economy. The share of Franfinance loans related to the circular economy as part of this arrangement concerns second-hand or re-purposed equipment.

- Financing activities: the teams are putting in place financing arrangements aligned with the principles of the circular economy, such as all forms of recycling, a principal theme adopted by SG (recycling of plastic, metals, batteries, etc.), for which they are applying circular economy KPI. In 2023, for instance, our financing teams structured a social impact bond for Unilever related to the treatment and recycling of plastic waste in Nigeria. The goal is to collect 33k tons of plastic, enabling the creation of nearly 780 jobs for people in marginalised communities with no income source.

- Insurance: Over the last number of years, the insurance products offered by Société Générale Assurances have been incorporating objectives related to the use of resources and the circular economy. Material claims in car insurance in 2022 showed a rate of 46%[1] for the use of repaired parts and a rate of 7.6%[2] for the use of parts from the circular economy.

Similarly, in the case of insurance for mobile devices (covering all smartphones and tablets in the household against theft, any kind of breakage, etc.), repair was favoured over replacement. Where repair was impossible, a reconditioned device of the same type was offered instead of a replacement.

Société Générale Assurances encourages responsible behaviour on the part of policyholders in the context of its car insurance offering:

1 - Lower rates for low mileage: a 10% premium reduction for policyholders that clock up less than 6,000 km a year;

2 - Lower rates for "clean vehicles": a 15% premium reduction (versus 5% previously) for electric and hybrid cars and for cars with emissions of less than 100g of CO_2/km.

The Group also participates in working groups on the circular economy organised by Circul'R, which plans to launch a "banking and insurance coalition for the circular economy".

c) What is the share of your investments/financing or offer related to the circular economy?

Assessment criterion: Share of investment or revenue as a % (or any other relevant indicator on the circular economy)

In 2023, the financing provided for the circular economy and waste treatment amounted to approximately EUR 170 million (EUR 171.3 million).

<u>Social</u>

4. a) In France, the "Climate and Resilience Law" of 22 August 2021 and the national interprofessional agreement (ANI) on the ecological transition and social dialogue of 11 April 2023 extended the environmental prerogatives of Social and Economic Committees and strengthened the role of local representatives. What initiatives give a clear illustration of changes in the operation of these bodies within your group over the last twelve months based on these provisions?

In 2019, one of the five annual interventions of the General Management of the Central Social and Economic Committee was replaced by an intervention on the Group's CSR strategy. This intervention, for which supporting information is communicated beforehand, is covered by SG Group's CSR Department which presents the objectives in this area and answers questions from the elected representatives.

Similarly, the Group European Committee, during one of its two annual meetings, incorporates a discussion session with the representatives on CSR objectives and actions.

[1] Corresponds to the percentage of repairable parts that were repaired and not replaced.
[2] Corresponds to the percentage of repair cases for which at least one part was from the circular economy.

b) As part of these new prerogatives, the training and expertise of the social partners is fundamental. Are there any programmes that have been developed recently or which are planned in the near future <u>specifically aimed at</u> enhancing the environmental expertise of the social partners which go beyond the legal obligations?

Societe Generale offers a very broad range of training modules incorporating all dimensions of CSR. The overall training offer includes more than 150 training and awareness modules, which are available to the elected representatives. Also, a CSR training course is deployed for all Group employees (active employees on a permanent employment contract), which includes six modules over five hours, covering the following subjects: the basics of CSR, sustainable finance and related regulations, climate objectives, E&S risks, the CSR strategy of the Group and the BU/SU.

SG also rolls out Climate Fresk workshops within the Group: these will be offered to staff representatives in 2024 or 2025.

As such, Societe Generale goes above and beyond its legal requirements in this regard.

Moreover, the delegates of the Central Works Council and the Central Social and Economic Committee are invited to participate in events such as those organised by associations like Entreprises pour l'Environnement or Solutions CSE, which promote and coordinate CSR actions. We do not track the activities of the staff representatives or staff bodies and therefore we do not know if they participate in these events.

c) International framework agreements help to strengthen the quality of labour relations within a group. Does your group have a framework agreement that goes beyond the scope of the European Union? If so, how have you incorporated the issue of the ecological transition and, more broadly, environmental issues? If not, do you envisage such a project? In all cases, <u>on your five main geographical markets outside of France</u>, can you give a list of the major initiatives that have helped to strengthen the involvement of social partners in the company's environmental policy in the recent period?

In June 2023, Societe Generale signed a new global agreement on the rights of its employees with UNI Global Union, on the basis of the previous agreements of 2015 and 2019. This agreement concerns all Group employees worldwide and strengthens Societe Generale's commitments concerning the fundamental rights of employees, in particular the freedom of association, social dialogue and access to unions. It bolsters the role of UNI* through a new system of formal dialogue on the Human Resources pillar of the Group Duty of Care Plan before its publication in order to identify risks and mitigation measures.

* UNI Global Union represents 20 million workers in the services sector, including banks and insurance companies, in 150 countries, advocating for improved employment and living standards.

In particular, outside of France, we can say that in our largest geographical markets, i.e. Romania, Czech Republic and Morocco, advances have been made in social dialogue with greater improvements seen in recent years on environmental topics. During meetings with the unions and staff representatives throughout the year, ESG and environmental themes were regularly discussed and presented. For instance, environmental objectives are systematically covered during presentations on the company strategy and during presentations and discussions on the banking commercial strategy. Environmental issues are also added to the agenda during discussions on the strategic priorities for training within the company. Along with all company employees, staff and union representatives also benefit from our ESG/environmental training modules.

5. **a) For each of the last five financial years, can you indicate, on the one hand, the number of shares purchased (specify also the number of shares in liquidity contracts) and, on the other hand, the number of shares created, and the number of treasury shares at the start and the end of each year? For each of these financial years, can you give a breakdown of the number of shares cancelled, the**

number of shares awarded as performance shares (and the number of beneficiaries and their proportion compared with all of the Group's employees), the number of shares distributed under employee shareholding schemes (and the number of eligible employees, the number of beneficial owners and their proportion compared with all Group employees) as well as other uses (giving details)?

To help with your response, you can complete the table in Appendix 2.

See table in Appendix 2.

b) In relation to share award plans, and where relevant, how do you "neutralise" the effects of treasury shares or cancelled shares when calculating the achievement of targets?

Concerning performance share plans, the achievement of targets is assessed based on the financial results at 31 December.

c) What investment amounts (R&D and capex) have you allocated over the last five financial years (year by year)? How much of the capital have you bought back and cancelled over the same period? To help with your response, you can complete the table in Appendix 3. As part of the overall approach to value sharing, do you measure the amount allocated to share buybacks against the amount of investments made by the company – in particular investment for the ecological transition (a vital element for the creation of value and sustainability of the company)? If so, do you have rules in this regard? If not, can you explain why you do not take investments into account when setting share buyback amounts?

To begin with, it is worth noting that Societe Generale Group's expenses, which came to EUR 18.5 billion in 2023, mainly comprise personnel expenses, which amounted to nearly EUR 10.6 billion (including profit sharing and incentives of approx. EUR 350 million in 2023). In addition, the Group recognised an IT expense of around EUR 4.5 billion in 2023, of which nearly EUR 2 billion for IT system and programme development projects, in particular to enhance their ESG capacities. EUR 0.7 billion was capitalised.

In relation to ESG, the Group allocates significant resources to its own transformation and to supporting its clients with their ESG transition projects. In particular, it set up a centralised Sustainable Development Department and implemented a vast training plan for the teams, a plan for the transformation of each business line (SHIFT project for corporate and investment banking in particular, rollout of a dedicated system and offer within the France networks, electrification of vehicles via Ayvens, etc.) and a Group level project to operationalise ESG processes. The Group's initiatives and investments to reduce its carbon footprint are presented in the response to question 1 b).

To support its clients, Societe Generale has for many years been incorporating sustainability into its offer by adapting solutions according to the objectives in the different segments: large corporates, local businesses and entrepreneurs, individual clients. The Group adopts a similar approach to its activities for the mobility (Ayvens) and real estate sectors. For its Sustainable Finance and Positive Impact Finance offers alone, the Group allocated EUR 20 billion in 2023. It also announced the launch of a EUR 1 billion investment fund for transition players, and green and nature-based technologies, which includes an equity investment component of EUR 700 million. In addition, the Group has pledged to contribute EUR 300 billion to sustainable finance between now and 2025 (more than EUR 250 billion achieved by the end of 2023).

With regard to the allocation of net profit (which was EUR 2.5 billion in 2023), the Group's policy is to apply a pay-out ratio of 40% to 50% and to allocate the balance (50% to 60%) to reserves to contribute to the Group's capital and the development of its activities, ESG activities in particular. For the 2023 financial year, the Group applied a pay-out ratio of 40%, representing a total of around EUR 1 billion, of which approximately EUR 280 million in the form of share buybacks to be carried out in 2024. As for all listed entities, the pay-out policy is approved by the Board of Directors and is submitted for approval to the General Meeting of Shareholders.

The table below shows the amounts for capital bought back/cancelled in millions of euros:

In EURm	**2023**	**2022**	**2021**	**2020**	**2019**
Shares bought back for cancellation	440,509,652	914,131,751	467,717,243	0	0
Shares cancelled	1,354,641,403	467,717,243	0	0	0

6. A living wage can be defined as: "Remuneration received for a standard work week by a worker in a particular [time and] place sufficient to afford a decent standard of living, including food, water, housing, education, healthcare, transport, clothing and other essential needs, including provision for unexpected events," definition by the Global Living Wage Coalition. A living wage is distinct from the legal minimum wage at the local level.

   a) Have you adopted a definition of the living wage that is similar or equivalent to that mentioned above? If so, what is it? Have you developed a policy/commitment in relation to the living wage (public commitments, accreditation as a Living Wage Employer, etc.)?

Note that for the remaining questions we are looking specifically for information concerning the living wage which we distinguish from the legal minimum wage at the local level. If you have not made a commitment yet, you can move on to question 7.

As we indicated last year, the Group's policy is to offer employees an attractive wage policy that is in line with market practices. Following discussions with our peers in 2023 and after questioning our usual remuneration benchmark service providers on the databases available in relation to the living wage, we noted that the company FairWage was most frequently used in the market for supplying this type of indicator. This year, therefore, we obtained these indicators and compared them with the remuneration of our employees in France in our largest structure but also in the following countries: Germany, Algeria, Cameroon, Ivory Coast, United States of America, Hong Kong, India, Italy, Senegal, Czech Republic, Romania, United Kingdom and Singapore, representing a total of nearly 80,000 employees.

FairWage provides indicators that go beyond the country data by city and region. It also provides indicators based on family structure (1 adult, 2 adults +3 children, adjusted family). As the lowest wages primarily concern employees at the start of their career, we compared the levels of fixed annual remuneration provided by FairWage with the annual remuneration levels of our employees based on the levels provided by FairWage:
- For one adult;
- Adjusted family: which takes into account the family structure and typical employment for a given country.
For these two indicators, we observed that we had no wage below that level, and in certain countries we had wages well above the living wage indicated by the data from FairWage.

We also found that in France, regardless of the city or region, the living wage level provided by FairWage for these two indicators was below the national minimum legal wage. All of our French subsidiaries comply with labour law and therefore pay wages that are above the living wage threshold indicated by FairWage. If we include the French subsidiaries, the scope in this regard is nearly 90,000 employees.

Based on these initial analyses and the two indicators selected, we verified that our remuneration policies ensure that a living wage is provided. We plan to update these analyses in 2024 and to extend the scope to include all our geographical markets during that year.

At this stage, we have indicated that we use the FairWage database for our living wage analyses. We observed that the data available on the living wage at a global level is fairly limited. We will continue to monitor the available data in this regard and the reliability of the indicators.

b) Based on your definition of a living wage, have you started to calculate the latter and what methodologies do you use? If so, in which region(s) and for what scope (employees as well as independent workers, small farmers, etc. and/or the employees of your <u>suppliers</u>)? What information do you disclose on this subject?
Have you observed a gap between the minimum wage and the living wage?

We have not yet included the remuneration of our suppliers. We will begin a process with our sourcing teams in this regard in 2024 + see response 6 d).

c) Can you describe the actions taken to implement a living wage? (e.g. set-up of an internal management function covering the living wage together with training, engagement with social partners and/or your suppliers, improvement in purchasing practices, promotion of the freedom of association and collective bargaining, etc.).

If we were to identify gaps in relation to the currently available indicators, corrective action would be taken. No gaps have been observed at this point.

d) How do you measure the implementation of a living wage for your employees and suppliers?

Please provide details of information from any external audits carried out in this regard.

We have observed that our suppliers, such as our collective catering suppliers, have also made commitments on implementing a living wage policy. We plan to engage further with our suppliers in this regard in 2024.

More broadly, we have implemented different actions on this subject within our sourcing division:

- A contractual commitment to comply with the "Responsible Sourcing Charter" (CSR clause) for all tenders issued by the Sourcing Function in France. This charter is the result of a joint initiative by banking and insurance companies in France. The reciprocal commitments set out in it are based on the principles of the United Nations Global Compact as regards human rights, working conditions, the environment and countering corruption. It includes, in particular, the concept of commitment to the provision of a living wage: https://www.societegenerale.com/sites/default/files/construire-demain/12112018-sustainable-sourcing-charter-vf-eng.pdf

- In connection with this commitment, a "working conditions" assessment criterion and minimum weighting to be complied with is systematically included in all calls for tender conducted by RESG/ACH, including the aspects of wage levels and structure. More specifically, in the area of marketing/communication services, for example, we comply with the FAIRe programme (Union de Marques programme to promote responsible communication of which Societe Generale has been a signatory since 2018), which sets out 15 commitments, including responsibility and honesty in disclosing communication and marketing service costs.

e) Have you identified potential obstacles to the payment of a living wage to your employees and the employees of your suppliers *(for example, in a country in which the accreditation rights and regulations are less strict)*? If so, what do you do to mitigate them?

Additional question: Do you communicate the results of any studies carried out and have you implemented a whistleblowing system for your employees and suppliers?

Whistleblowing tools and communication systems are available and deployed throughout the Group. We have not to date identified a country in which we do not offer a living wage.

7. **a) France scope: What funds are proposed to your employees apart from employee shareholding plans through your employee savings plans? What funds and related amounts proposed to your employees are SRI labelled (please give their names and the name of the related label)? What is the total amount of SRI assets per fund?**
   Could you also indicate the amount of total assets and the amount of assets excluding shareholding plans that are not SRI assets?

To help with your response, you can complete the table in Appendix 4.

On average, are the employer contribution amounts proposed to your employees in respect of your SRI funds higher than those proposed for your non-SRI funds, excluding employee shareholding plans.

See table in Appendix 2.
Our employee contribution rules are the same for all our employee investment funds (FCPE) (excluding employee shareholding plans).

b) If certain funds are not SRI funds but incorporate ESG criteria, explain how robust and selective these criteria are (*indicate the selectivity rate and/or theme of these funds*)?
Have you made plans with social partners to opt for more SRI funds over the next three years?

All our eligible employee savings funds for which we can act directly via their supervisory board, namely all our Societe General dedicated funds, are CIES- or SRI-accredited.

Additionally, Amundi, which manages the FCPE employee savings funds in our employee savings plans, is currently looking at the possibility of having our "SG ERS Amundi Trésorerie 6 mois" fund SRI labelled by default.

c) How do you include your social partners in the selection of responsible funds (e.g. training, an expert that oversees educational support for employees, time granted to social partners to question the responsible funds selected)?
How do you include your social partners in checking the responsibility commitments of the funds (training of the members of the supervisory board in addition to the three days of regulatory training, implementation of an employee savings committee, etc.)?

Our social partners are closely involved in developments concerning our dedicated SG FCPE funds as they are part of the employee delegation representing unitholders on the supervisory boards of the FCPEs. They also benefit from a three-day training session whenever the delegation is renewed following the election of new members to the supervisory board.

Twice a year, during the supervisory board meetings of our three dedicated funds, our fund manager gives a presentation of our CIES- and SRI-accredited dedicated funds, giving our social partners who are members of the supervisory board an opportunity to express their views and make requests.

Governance

8. To ensure that the company's fiscal responsibility is in line with its corporate social responsibility, the Board of Directors must be fully involved in all decisions made in relation to our civic fiscal activities (aligned with principles such as those of the B Team initiative). In this regard, the FIR expects to see the publication of a country-by-country tax report, reviewed and signed by the Board of Directors, aligned with the GRI 207 tax reporting standard.

a) Do you publish a detailed chart describing your commitments in relation to tax transparency (tax practices that are deemed unacceptable, tax havens)? How often is it reviewed and approved by the Board? How does the Board oversee the application of this chart?

Societe Generale has had a Tax Code of Conduct in place since 2010, and it is available to the public on its institutional website. It was last updated in December 2023.

It is reviewed and approved by the Board of Directors. The five main principles of the Tax Code of Conduct are as follows:

1. Societe Generale has a responsible tax policy that forms part of its overall strategy,

2. Societe Generale ensures compliance with the applicable tax rules in all countries where the Group operates, in accordance with international conventions and national laws,

3. In its customer relationships, Societe Generale ensures that customers are informed of their tax obligations relating to transactions carried out with the Group (insofar as this information is authorised by the applicable laws and regulations). The Group complies with the reporting obligations that apply to it as a bookkeeper and in any other way,

4. In its relations with the tax authorities, Societe Generale is committed to strictly respecting tax procedures and ensures that it maintains responsible and transparent relations,

5. Societe Generale prohibits tax evasion and the abuse of rights, whether in the Group or by its subsidiaries, and does not encourage or facilitate tax evasion for its customers. Societe Generale also prohibits any transaction not based on sound economic grounds and driven solely by tax considerations, whether for its own account or for its customers.

Details of each of these principles are set out in the Tax Code of Conduct, together with clear information on tax practices that are not authorised by the Group and, more generally, its commitments and tax guiding principles. The issue of tax havens, in particular, is covered in the Tax Code of Conduct, which specifies that "The Group is committed to a strict policy regarding tax havens. No new establishment of the Group is authorised in a state or territory on the official French list of non-cooperative jurisdictions for tax purposes (États et Territoires Non Coopératifs (ETNC) in French). In addition, the Group undertakes not to maintain any establishment in a country on this list unless a genuine regional business is undertaken in that country. Specific monitoring is carried out based on an extended list of countries and territories."

This Code is reviewed on a regular basis, and at least every five years.

It is distributed to all employees required to comply with it. A control system is in place to ensure that employees are aware of and implement the Code. Additionally, the control system for compliance with the tax strategy and for monitoring tax risks is presented at least once a year to the Board of Directors (or one of its delegated committees).

The link to the Tax Code of Conduct is below:
https://www.societegenerale.com/sites/default/files/documents/code-conduct/tax-code-of-conduct-of-societe-generale-group-uk.pdf

The application of these rules is also incorporated into Societe Generale Group's internal control system. In the event that the permanent control or the audit function detects a failure to comply with this Code, the Board of Directors is informed and ensures oversight of the matter. Each year, the Group discloses detailed information on its actions in relation to tax compliance and transparency (see p. 297 of the 2024 URD).

b) Do you disclose your tax reporting country-by-country for all your countries of operation, i.e. beyond the requirements of the EU directive, which is limited to tax reporting for EU Member States and countries on the list of non-cooperative jurisdictions? If not, could you please explain why? Does the Board discuss the country-by-country tax breakdown?

The Societe Generale Group discloses its tax reporting on a country-by-country basis in accordance with Directive 2013/36/EU, which applies to European banks since the financial year 2014. This country-by-country reporting goes beyond the European Union's Public CbCR directive and is not limited to EU Member States or to countries on the list of non-cooperative jurisdictions: the financial and tax information is reported for all the Group's countries of operation, without exception. The relevant report is available on pages 73-74 of the Group's 2024 Universal Registration Document.

In addition, since 2021 Societe Generale has decided to disclose the Group's tax transparency and contribution report on its corporate website, on a voluntary and annual basis. This report sets out our responsible tax policy and strategy, which goes beyond mere compliance, and provides a detailed overview of the amounts and nature of taxes paid by our Group every year.

This voluntary report goes well beyond the scope of regulatory requirements and includes, for example, the Group's detailed tax contribution for the following tax categories:

- Current and deferred corporate tax,
- VAT,
- HR contributions,
- Banking contributions,
- Other taxes (including taxes on goods and services, wealth taxes, taxes on financial transactions, and various local taxes and tax contributions).

This tax information is presented with different levels of specificity (Group level, regional level, and country-by-country for the 15 largest entities) and includes explanations. We also break down the taxes collected on behalf of the Group's countries of operation to provide our stakeholders with a comprehensive overview of our Group's tax contribution.

The tax transparency principle was also incorporated into our tax code of conduct, which stipulates the following: "The Group applies the principle of transparency to its communications relating to taxation.
Since 2021, the Group has voluntarily published its total tax contribution to the budgets of the countries in which it operates."
The Group's tax contribution report is available here:
https://www.societegenerale.com/sites/default/files/documents/2023-07/report-on-our-2022-tax-contribution.pdf

The above publications keep the Board of Directors informed of the country-by-country tax breakdown. Moreover, the Board of Directors discusses the Group's tax management at least once a year.

c) **Can you explain your effective tax rate for 2023? In what way is it consistent with your tax responsibility commitments?**
Will <u>special attention</u> be paid to companies with a particularly low (equal to or less than 20%) or particularly high (around 30%) tax rate?

The Group's effective tax rate for 2023 was 30.85%. This rate is calculated based on an income tax expense of EUR 1,679 million for earnings before tax of EUR 5,442 million. A detailed explanation of the discrepancy between the Group's effective tax rate and the standard rate applicable to French companies is provided in Note 6.1 "Breakdown of the tax expense" in the 2024 Universal Registration Document.

In financial year 2023, the effective tax rate was higher than the standard French tax rate due in particular to the change in the valuation of deferred tax assets/liabilities. In particular, for the France tax group, EUR 410 million in deferred tax assets could not be recognised at end-December 2023, bringing the amount of non-recognised deferred tax assets in France to EUR 930 million. An improved forecast of the tax results would mean that these deferred taxes could be recognised (in part or in full) as deferred tax assets in future years.

This effective tax rate and the related tax expense (nearly EUR 1.7 billion in income tax alone) shows that our Group makes a substantial contribution to the budgets of the countries in which it operates, which is an important part of our vision of a responsible tax policy.

Moreover, Societe Generale's tax contribution is not limited to income tax, but includes taxes on production (e.g. VAT), HR-related social security charges and taxes generated by the Group's 120,000-strong workforce, banking contributions (the Group's substantial Single Resolution Fund (SRF) contribution) and various other substantial taxes (e.g. wealth taxes, business tax, CVAE, CFE, etc.). Accordingly, Societe Generale's tax contribution in 2022 was more than EUR 6 billion (see the Group's tax contribution report).

9. As registration in the European Union's transparency register and interest representatives to France's High Authority are compulsory, the Forum for Responsible Investment (FIR) has access to your tax returns (human and financial resources, commercial interest).

With this question, we are trying to focus your answers on the advocacy activities you have carried out (head office, subsidiaries, professional associations or consulting firm) in the area of ESG. We would like to understand in what way the advocacy activities are aligned with sustainability goals / how your advocacy practices are factored into your Group's CSR strategy.

a) **What are the main interest activities (top 3, for example) that you are prioritising based on your practical ESG challenges? Can you specify all the jurisdictions in which you are conducting these advocacy activities?**

Societe Generale regularly shares its technical and more strategic expertise in regulatory areas that could affect the banking and insurance sector, or other specialised sectors relevant to the Group (e.g. car leasing). This expertise is shared directly with policy makers and indirectly via professional associations or other interest groups that represent positions able to clarify public decision-making regarding important issues for the financial industry.

This advocacy activity informs public decision-making to ensure consideration is given to all the positive and negative effects of certain regulations on the economic equilibrium of financial services provided to customers, which determines our ability to finance the economy and meet our strategic targets with respect to our customers, employees, investors, and all our stakeholders. Our activities can be carried out wherever the Group has operations, including via subsidiaries, but in practice mainly in the EU, France, the United Kingdom, and with respect to international bodies (FSB, IOSCO, BCBS, for example).

In keeping with our strategy of solidity and sustainability, announced at the Capital Markets Day held in September 2023, our main ESG advocacy activities in 2023 were as follows:

- ESG risk control over short and long time horizons. We have expressed our positions on the chosen methodologies, such as data availability and reliability, sustainability standards and publications at the European (EU taxonomy, CSRD, ESRS) and international (ISSB) level, and with regard to prudential regulation (transposition of the Basel Accords "CRR/CRD", EBA guidelines) and vigilance (CS3D). Firstly, we believe it is essential to maintain a risk-based prudential framework to ensure financial stability. Secondly, we believe it is important to maintain consistent standards and streamline their timelines in order to prevent double reporting and ensure data availability to limit the use of proxies.

- Supporting our customers in their essential transition efforts. We believe financial rules and public financing should make greater allowance for businesses' transition efforts in order to meet the Paris Agreement target. We consider each regulation in this light (e.g. CRR/CRD, SFDR).

- Maintaining a level playing field between the various jurisdictions in order to prevent specific regulations from deteriorating the competitiveness of banks and their customers, in particular regarding international activities. This is why we supported the European Commission's Green Deal Industrial Plan in response to the US Inflation Reduction Act.

- We have contributed our expertise to all these issues regarding their impact on the Group's processes, products and activities, in keeping with Societe Generale's public positioning line. This positioning line is published in Q2 every year on Societe Generale's corporate website Memorandum Responsible Advocacy Activities 2023 (societegenerale.com). The 2024 version is yet to be published.

b) How do you ensure your ESG targets are aligned with the positions of professional associations? How do you manage any misalignment? (Examples: attempting to realign the positioning of associations with your own ESG targets or considering to leave a professional association that is clearly not aligned with your ESG strategy.) What do you publish on this type of alignment or misalignment?

Societe Generale is a member of professional associations representing professional interests, at local and European level, in bodies related to the Group's financing activities or in order to promote the Group's position in broader bodies (e.g. associations representing private companies).

It should be noted that membership of an association and contribution to the work of an association do not amount to automatic support for all the positions taken by that association. If a position does not comply with our ESG objectives, as in all cases of divergence between Societe Generale's positions and those of an association, Societe Generale may use its power of influence in order to change the association's position or to formally recognise differences in views between the members, and ultimately communicate its own divergent position to public stakeholders.

We do not publish a report detailing how Societe Generale's positions are aligned with or different from those of the relevant associations. However, in Q2 of each year we update a comprehensive document describing Societe Generale's positions, allowing everyone to see our overall positioning in our various areas of intervention (Société Générale Framework for Responsible Advocacy Activities - Memorandum, the 2024 version of which is yet to be published).

c) What role does the Board of Directors play in implementing your advocacy policy (e.g. activities, budget, meetings)?

General Management is responsible for the advocacy policy. It acts within the framework defined and approved by the Board of Directors in this respect. This framework is based on compliance with the strategy defined by the Group and its Code of Conduct. Any serious compliance incidents are reported to the Board of Directors, which is tasked with supervising the application of its guidelines.

The advocacy strategy may be raised within the Board of Directors on proposal by the General Management in the context of ad-hoc transactions that have a major impact on the bank's results or image.

Moreover, as part of his or her representative role, the Chairman of the Board of Directors may be required to meet with politicians or regulators at their behest or as required by professional associations. At the Chairman's request, the Public Affairs Division may provide preparatory documents on this occasion.

d) Do you train internal or external (e.g. firms) people in responsible advocacy? If so, what criteria do you apply when selecting the firms that assist you in this matter?

All people responsible for public affairs at Societe Generale are required to comply with the Responsible Lobbying Charter[3] drawn up in 2014 following our commitment to Transparency International France. Furthermore, all of the Group's "politically exposed" employees, in particular those responsible for advocacy activities, are made aware of responsible lobbying through training focused on how to behave towards public officials (to combat corruption in particular).

As indicated in our 2023 public report on our advocacy activities[4] (the 2024 version of which is yet to be published), we have not worked with external consultants. Nevertheless, our service providers are required to meet responsible lobbying obligations as per the Charter.

10. a) How many Board directors have CSR skills? Who are they and how did they acquire these skills (studies, training, professional experience)? Are these skills specific to the challenges of your sector (biodiversity, energy transition, labour issues and value chain, financial impact of the climate crisis, etc.)?
Do you publish a matrix of the specific skills of each board member?

The 15 directors have a sound knowledge of CSR issues due to their professional activities and the training they receive each year. This information is available on page 83 of the Universal Registration Document. The organisation of the Board's CSR efforts is described on page 98.

Their CSR skills were acquired, on the one hand, through their business sector (e.g. energy, construction, electronics, banking, etc.) and, on the other hand, through their seniority on the Societe Generale Board of Directors, which has allowed them to acquire CSR expertise on issues related to the bank's activities. This two-fold CSR training process, benefiting our directors, is a source of wealth for the Group.

The Universal Registration Document presents all members of the Board of Directors as at 01/01/2024. Their biographies, which outline each director's background (studies, training, professional experience), are available online:
https://www.societegenerale.com/sites/default/files/documents/2024-03/universal-registration-document-2024.pdf#page=90.

Since 2021, the Board of Directors has been assisted by a non-voting director whose remit is to assist it with the implementation of its CSR policy, including the energy transition. This director is J.-B. Lévy, former Chairman of EDF. He plays a major role. He helps to prepare files on CSR risk strategy and management.

Yes, a matrix of the specific skills of each Board member is updated and reviewed each year by the Nomination and Corporate Governance Committee, followed by the Board of Directors, in order to assess the collective and

[3] https://investors.societegenerale.com/sites/default/files/documents/charter-responsible-advocacy-sg.PDF

[4] https://www.societegenerale.com/sites/default/files/documents/2023-05/2023-dispositif-groupe-pour-une-representation-d-interets-responsable.pdf

individual aptitude of the members of the Board of Directors. It is available in the 2024 Universal Registration Document and can be viewed online:
https://www.societegenerale.com/sites/default/files/documents/2024-03/universal-registration-document-2024.pdf#page=85

b) How do you ensure that Board members' knowledge of CSR issues is kept up to date (internal or external training processes, presentations by experts, updates on regulatory developments or key issues, etc.)? How frequently?

In accordance with the Board of Directors' Internal Rules, several training courses are organised each year by Societe Generale or third parties to update and enhance directors' expertise in various areas, including CSR. By way of example, previous courses have covered subjects related to the Societe Generale Group's CSR commitments and normative framework (including E&S sector policies). They also aim to clearly explain the Group's climate risk strategy and the resources implemented to manage this risk.

In 2023, CSR training was provided to directors in August and September, in particular through climate training with a focus on achieving net zero by 2050, the Sustainability regulatory framework, Societe Generale's climate strategy, etc.

Internal CSR training is also planned for April and October 2024 for all directors; this training will cover general principles related to the circular economy and application of the CSRD.
At least two training sessions per year are dedicated to CSR.

c) How do you assess the directors' CSR expertise? Based on what criteria? How frequently? Is this assessment carried out on an individual or collective basis?

The assessment is conducted annually and on an individual basis in order to achieve a collective overview of the Board of Directors' expertise.

Using the Directors' skills matrix, the Nomination and Corporate Governance Committee examines the Board's skills requirements each year, focusing on various areas of expertise, including CSR-related expertise. The Nomination and Corporate Governance Committee reviews the individual aptitude criteria applicable to directors each year. They are adapted to the Group's strategy, its international dimension, and the full spectrum of its related activities and risks.

The Committee defines a target for each skill, which can be revised as necessary. These targets are ranked based on the Group's strategy, recent developments, and any regulatory changes.
To apply the matrix to each director, their skills are classified according to different rating levels based on their experience, the responsibilities they hold within the governance bodies, and the skills they practise. Accordingly, this matrix of skills factors in any developments and additional training completed.

The process for assessing directors on all their actions, including CSR issues, is available at the following link:
https://www.societegenerale.com/sites/default/files/documents/2024-03/universal-registration-document-2024.pdf #page=108.

d) Do you incorporate a CSR component into the process for appointing new directors?

The Nomination and Corporate Governance Committee analyses directors' expertise using the relevant skills matrix and draws the necessary conclusions for the recruitment processes in place and the training on offer. The criteria taken into account in the skills matrix consider the directors' CSR skills in order to apply the provisions of Societe Generale's By-laws, Article 8 of which stipulates that the Board of Directors determines the Company's strategy and supervises its implementation, in accordance with its corporate interest, taking

into consideration the social and environmental stakes of its activity, and in compliance with the Board of Directors' Internal Rules, Article 1 of which sets out CSR guidelines. Further information is available at the following link:
https://www.societegenerale.com/sites/default/files/documents/2024-03/universal-registration-document-2024.pdf#page=170
Moreover, since 2021 the Board of Directors has endeavoured to ramp up its collective expertise by appointing a non-voting director specialised in these issues.

ANNEXES :

Appendix 2

Question 5 a)

	2023	2022	2021	2020	2019
Shares awarded as performance shares					
Number of shares awarded as performance shares	3,568,945	3,095,660	3,495,064	2,545,414	2,834,045
Number of beneficiaries	5,731	5,700	6,452	4,652	5,747
Shares distributed under employee shareholding schemes					
Number of shares distributed under employee shareholding schemes	12,548,674	12,759,346	NA	NA	5,638,846
Number of eligible employees	117,616	118,432	NA	NA	123,958

	2023	2022	2021	2020	2019
Number of shares repurchased	19,502,404	45,171,863	19,267,877	2,274,065	0
For cancellation purposes	*17,777,697*	*41,674,813*	*16,247,062*	*0*	*0*
To hedge free shares	*1,724,707*	*3,496,050*	*3,020,815*	*2,274,065*	*0*
For external growth	*0*	*1,000*	*0*	*0*	*0*
Number of shares repurchased under the liquidity agreement	1,145,812	734,806	0	241,001	1,706,961
Number of shares transferred under the liquidity agreement	-1,145,812	-768,306	0	-207,501	-1,836,961
Number of treasury shares held at the beginning of each year	48,737,016	22,242,568	4,545,500	3,706,880	6,105,497
Number of treasury shares held at the end of each year	6,736,010	48,737,016	22,242,568	4,545,500	3,706,880
Number of shares cancelled	-59,452,510	-16,247,062	0	0	0
Number of shares transferred for external growth	-509	0	0	0	0
Number of shares awarded as performance shares	-2,050,391	-2,396,853	-1,570,809	-1,468,945	-2,268,617

Appendix 4

Question 7 a)

Number of funds offered to your employees, excluding employee shareholding schemes, in your employee savings and pension plans	6
Number of responsible-labelled funds offered to your employees	4

Data at 31.12.2023 (SGPM + French subsidiaries).

Name of labelled fund	Name of relevant label(s)	Amount of labelled assets (€m)	Amount of dedicated incentives
SG Obligations ISR	CIES	122	NC
SG Diversifié ISR	CIES	227	NC
Label Actions Solidaire ESR	CIES	54	NC
SG Actions Internationales ISR	ISR	230	NC