



GREEN FINANCING FRAMEWORK

13 June 2023

On May 14, 2020, ENGIE's shareholders voted unanimously to include this Purpose Statement ("Raison d'être") in its bylaws.

"ENGIE's purpose ("raison d'être") is to act to accelerate the transition towards a carbon neutral economy through reduced energy consumption and more environmentally-friendly solutions. The purpose brings together the company, its employees, its clients and its shareholders, and reconciles economic performance with a positive impact on people and the planet. ENGIE's actions are assessed in their entirety and over time."

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1. Introduction

ENGIE (“the **Group**”) is a world leader in low-carbon energy supply and related services. The Group’s model is based on responsible growth to take on the major challenges of the transition to a low-carbon economy: access to sustainable energy, climate-change mitigation and adaptation and responsible use of resources.

Operating in 31 countries, ENGIE relies on a streamlined business model that seeks to achieve the energy transition with confidence through its four core businesses:

- (i) **Renewables:** ENGIE contributes to the construction of the energy system of tomorrow. The challenge is to decarbonize and balance the energy mix, in particular by placing the emphasis on solar and wind. ENGIE designs, builds, and operates hydroelectricity, solar, onshore and offshore wind, and battery storage associated with renewable assets.
- (ii) **Networks:** ENGIE is accelerating the development of renewable gases to meet climate and sovereignty challenges, and the decarbonization needs of its customers. ENGIE’s solutions thus cover energy transmission, distribution and storage including gas distribution and transmission, gas storage, regasification of LNG, electricity transmission, renewable gas production
- (iii) **Energy Solutions:** ENGIE decarbonizes the energy networks of its city, local authority, industrial and tertiary customers. Its solutions help them to lower their consumption while consuming more virtuous energy. ENGIE’s expertise is focused on local energy grids based on regional networks, which cover heating and cooling networks, local distribution networks, sustainable mobility (electric, biogas, hydrogen), and public lighting and low-carbon cities ;
- (iv) **FlexGen & Retail:** ENGIE supplies flexible and affordable electricity production that aims to support the development of renewable energy. Thermal generation and hydrogen production include gas-powered electricity production, electricity storage, large-scale renewable hydrogen production, and seawater desalination.

ENGIE’s purpose is to act to accelerate the transition towards a carbon-neutral economy, through reduced energy consumption and more environmentally-friendly solutions. Guided by its purpose, which is enshrined in its bylaws, the Group assists its customers with decarbonization through more energy-efficient, cleaner solutions which it designs and implements.

Sections 2 and 3 of this Framework aims at providing ENGIE’s stakeholder with a snapshot of its CSR and climate strategy. More information on ENGIE’s ambition, impact, governance, as well as our climate, biodiversity, renewable gases, and just transition notebooks, is available in our [Annual Integrated Report](#).

2. ENGIE's ambitious climate strategy

2.1. Overview of ENGIE's Climate strategy

ENGIE has set a goal of reaching Net Zero Carbon throughout its entire value chain (greenhouse gas (GHG) emissions scope 1, 2 and 3) by 2045, following a well-below 2°C trajectory certified by the Science Based Target initiative (SBTi) in February 2023¹.

Among the many objectives for implementing a well-below 2°C trajectory, two objectives correspond to the Group's main GHG emissions sources – energy production and gas sales:

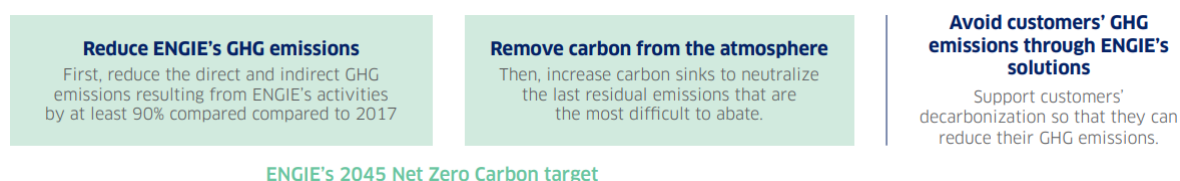
- Energy production: not to exceed 43 Mt CO₂ eq. in 2030 (scopes 1 and 3)
- Gas sales to end customers: not to exceed 52 Mt CO₂ eq. in 2030 (scope 3)

Two additional carbon intensity targets to be met by 2030 have been added in 2022:

- Reduce the carbon intensity related to energy generation and consumption (scopes 1 and 2) by 66% (to reach 110gCO₂/kWh in 2030) between 2017 and 2030 - instead of the -55% required by the SBTi well-below 2°C certification;
- Reduce the carbon intensity of energy sales produced (scopes 1 and 3) and purchased (scope 3) by 56% between 2017 and 2030.

To date, 99% of the Group's emissions are covered by a decarbonization objective by 2030, either within the framework of the well-below 2°C certification, or within the framework of objectives for which the Group had already voluntarily subscribed publicly.

ENGIE's strategy to decarbonize its value chain is based on three pillars (Reduce, Avoid and Remove) in line with the methodological framework of the Net Zero Initiative²:



The Group's Net Zero commitment will lead to a reduction in its direct and indirect GHG emissions of at least 90% compared between 2017. At the same time, it plans to work on the development of carbon sinks in order to neutralize the remaining 10% of residual emissions over the long term and thus contribute at the right level to planetary carbon neutrality. The Group is also committed to supporting its customers in the reduction of their GHG emissions in order to accelerate the decarbonization of its own value chain.

ENGIE considers that developing a fully decarbonized power mix dominated by renewable energy sources will also require massive flexibility means to address the issue of intermittency. As of today, batteries are suitable tools for intraday flexibility, but for longer term horizons (weekly, seasons) thermal assets will need to be developed³, while still targeting to be net

¹ For more information see the Science-based Initiative's website [here](#)

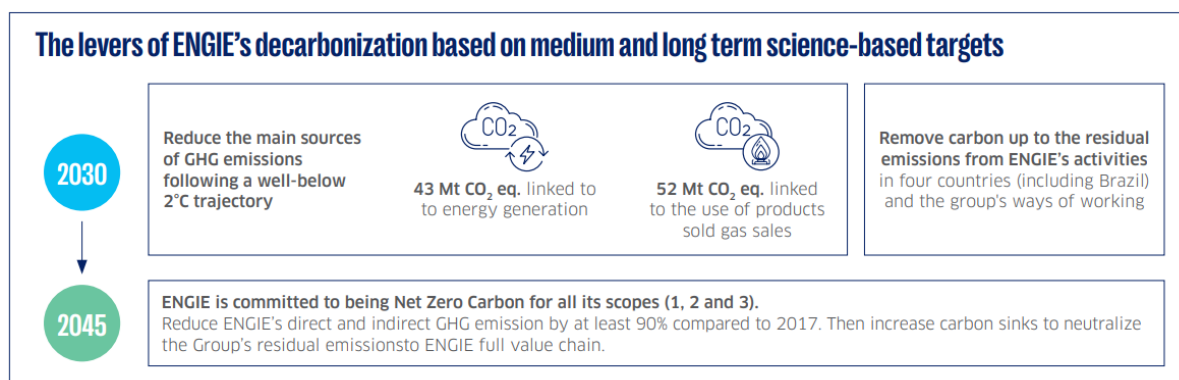
² Carbone 4 initiative supported by ADEME

³ as illustrated by the German government to develop 20 GW of new gas fired plants by 2030

zero by 2045. The current projections at EU level show that the amount of gas capacity needed -mainly used as peaking units instead of base units- will remain constant. These thermal plants will need to be decarbonized. Three main options are on the table as of today: CCS, H₂ and biomethane. There are strong techno-economic uncertainties as to which solutions will emerge. As of now, CCS appears to be the most economical solution but this could evolve, in particular if H₂ really develops. At this stage ENGIE is monitoring all these options to make the best techno-economic choice when decisions will need to be made.

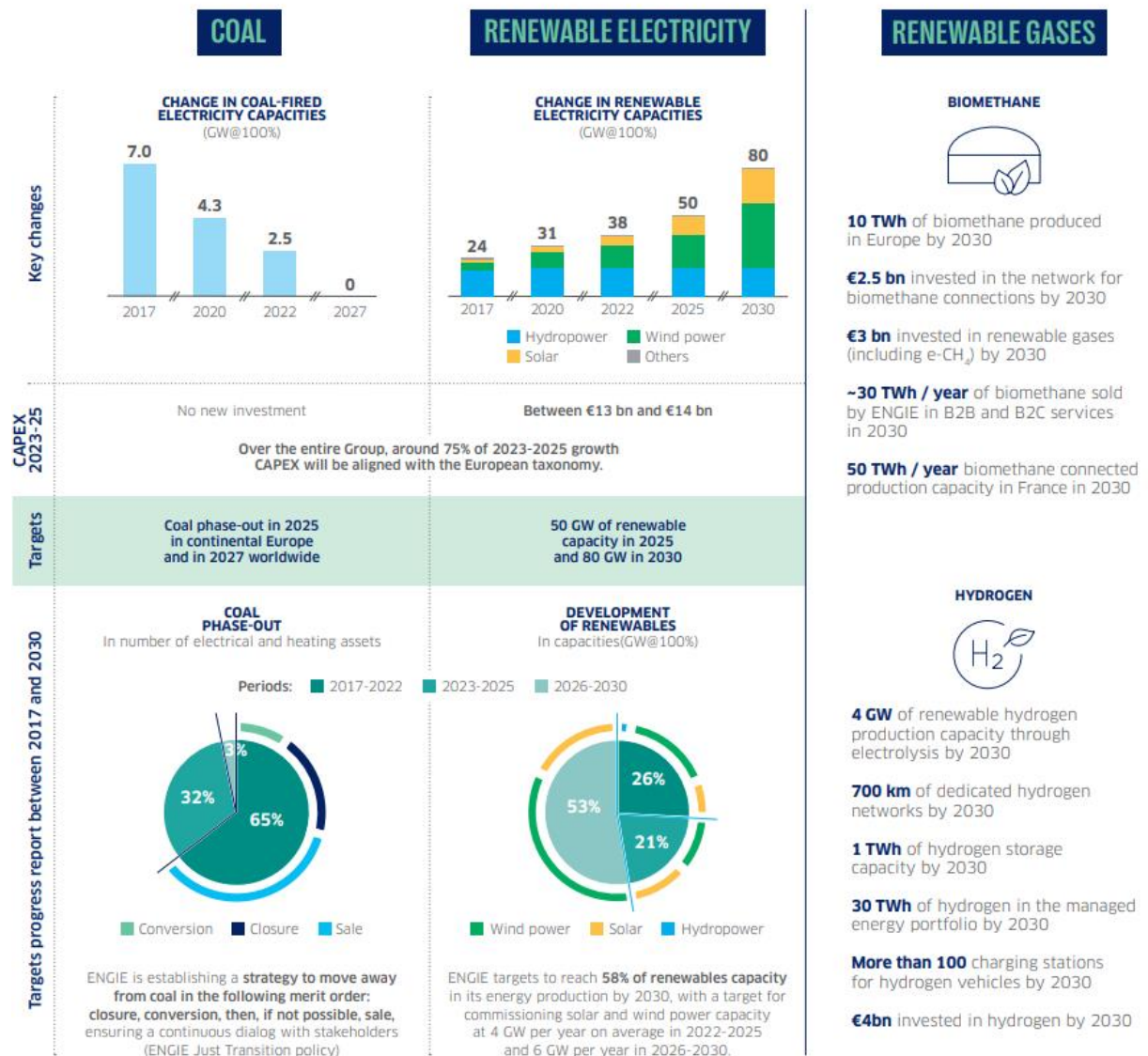
Hence, the choice of the Eligible categories retained in the current framework does reflect the ambition of the Group to make material disbursements in such categories for the expected lifetime of the framework, until its revision. It doesn't reflect the full spectrum of technologies that the Group is monitoring or developing and that could potentially be introduced in future update of the framework in function of its effective development materiality.

2.2. Climate objectives and associated action plan

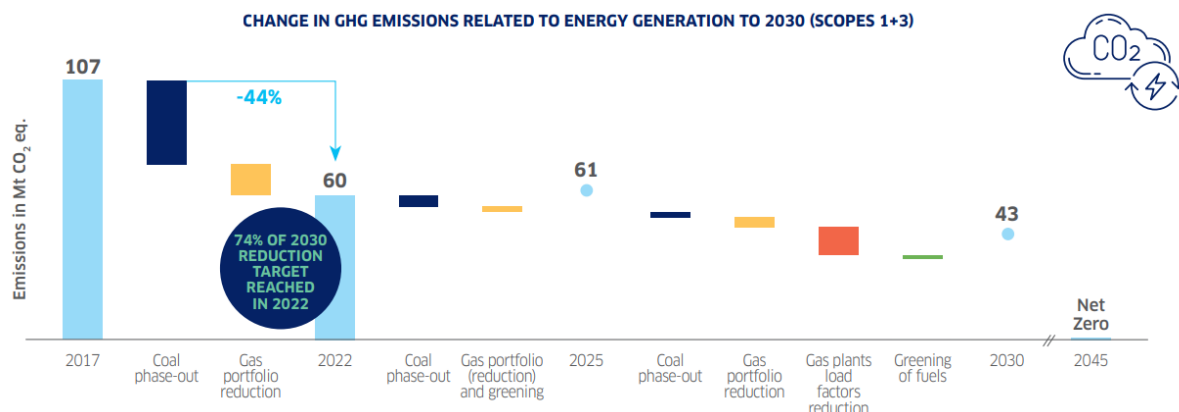


Several levers will be used to achieve these targets:

- *Coal phase-out*: a full exit from coal in 2025 for continental Europe and 2027 for the rest of the world;
- *Accelerating development of the renewable electricity*: target of 58% of renewable in the Group's capacity mix by 2030;
- *Stepping up battery storage*: reach around 10 GW of battery capacity by 2030, mainly in Europe and the United States;
- *Industrial development of renewable gases*: achieving 100% decarbonized gas by 2045 through the progressive greening of gas via the use of biomethane, renewable hydrogen and carbon capture, utilization and storage (CCUS) technologies for the residual fossil gas. Low-carbon thermal electricity is anticipated to represent between 5 to 10% of the fuel consumed by ENGIE by 2030.

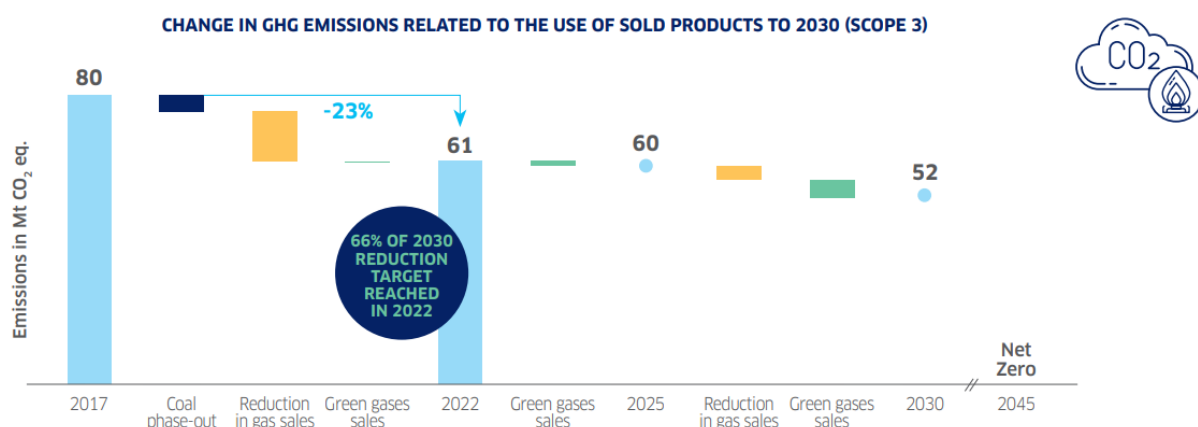


2.2.1. Decarbonize energy production (scopes 1 and 3)

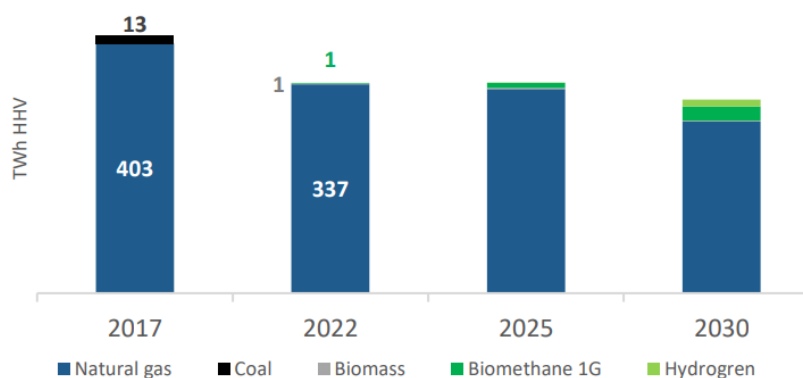


Four primary levers are used: the phase-out from coal, the reduction of the gas-fired power plants (closure of several plants at the end of life), the reduction in the utilization time of gas assets (reduction of the load factors), and the decarbonization of the heating networks.

2.2.2. Decarbonize the use of the sold products (gas sales, scope 3)



Fuel sales evolution (TWh HHV)



Two main levers are used: the reduction in gas sales (related to energy sobriety, energy efficiency and the transfer to other energy vectors) as well as the greening of sales (biomethane and hydrogen). This last lever will become more important between 2022 and

2030, before becoming the first decarbonization lever between 2030 and 2045. The share of renewable gases should represent at least 10% of the Group's gas sales by 2030.

2.2.3. Decarbonize in the long term (2030-2045)

Over the longer term, the Group will continue to use all the levers presented and is targeting a reduction of at least 90% in its absolute emissions compared to 2017, across all scopes.

Massive use of renewable gases (biomethane, renewable hydrogen, etc.) will progressively become the Group's primary decarbonization lever with renewable electricity capacity, ahead of the overall reduction of fossil gas. To a lesser extent, carbon capture (CCS) technologies will help the Group to achieve its 2045 targets.

To become competitive, renewable gases will have to benefit from public support, and the creation of partnerships and market mechanisms in order to scale up these new energy vectors. This will also imply an adaptation of existing gas networks in order to achieve the goal (in the case of France) of 100% renewable gases in the transport and distribution networks in 2050.

3. ENGIE's CSR Strategy

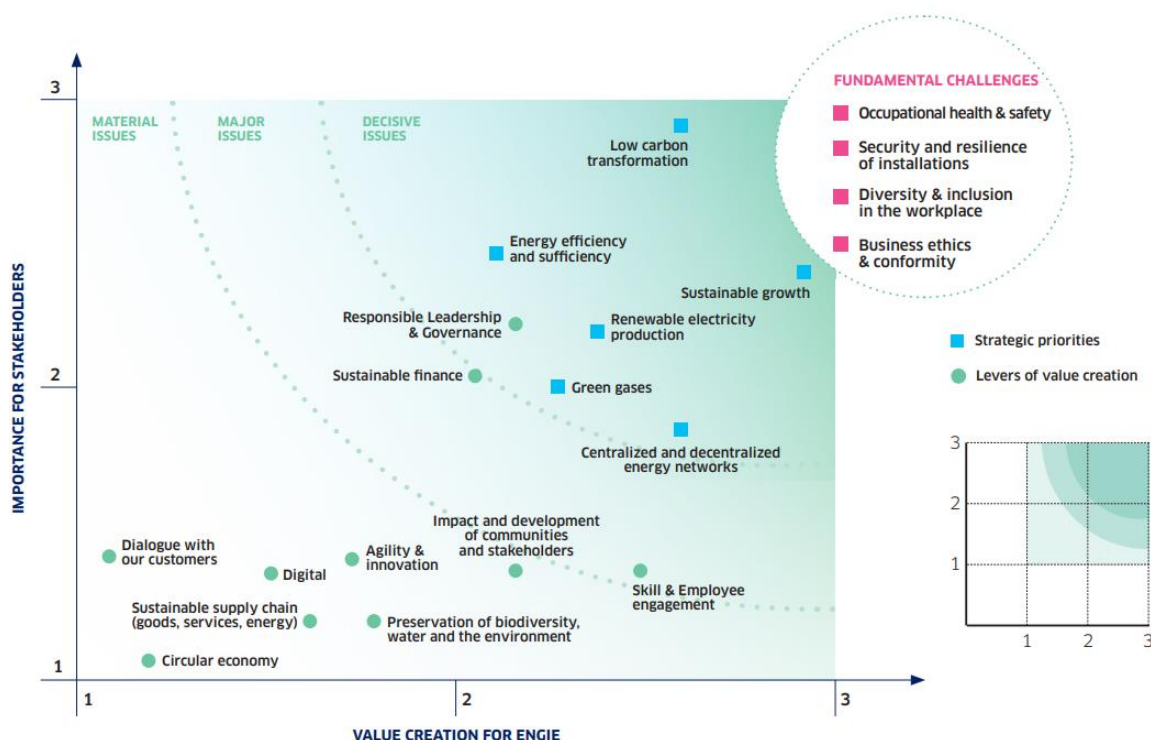
Through its CSR policy, rolled out at all levels in the Group, ENGIE is committed to energy that is always safe, efficiently used, as widely available as possible, affordable and respectful of society and its environment.

The Group devises its performance over time and at an overall level. Its environmental policy is part of its leadership in the carbon neutrality transition.

As a global player in the energy transition, ENGIE identifies and shares with all of its stakeholders the main challenges not only of its environmental, social and societal responsibility, but also those related to business, finance and its governance practices. These challenges are assessed from a dual point of view (stakeholders and Group management), which make it possible to position them and identify the most material ones, from this double perspective, in order to construct the "matrix of materiality".

3.1. ENGIE's materiality analysis

ENGIE has a materiality analysis that ranks the various challenges the Group faces. ENGIE maintains an active dialogue with all its stakeholders to take their expectations into consideration and feed the Group's strategic directions. The dual materiality to which ENGIE plans to commit itself in the near future will provide a maturity to the global approach.



The principal challenges identified are:

- Health and safety in the workplace, the safety and resiliency of the facilities, ethics and compliance, as well as diversity and inclusion in the workplace have been identified as fundamental challenges. This means that these issues should be permanent and structural in the Group's activities.
- The low-carbon transformation and the capacity to manage sustainable growth are decisive elements.
- The commitment of employees, leadership and responsible governance, and the increased use of sustainable finance tools appear to be levers of value creation to accelerate the transition to a carbon-neutral economy.

More generally, the results of the materiality matrix underline the coherence between stakeholder expectations and ENGIE's strategic orientations.

3.2. Contribution to the UN Sustainable Development Goals⁴

The actions deployed by ENGIE contributed to the sustainable development goals of the United Nations Agenda 2030. With six key contributions (UN SDG 5, 7, 8, 9, 11 and 13) and eight significant contributions (UN SDG 3, 6, 10, 12, 14, 15, 16, 17), the Group is fully making its CSR commitment a reality in response to the challenges expressed by its stakeholders in line with its strategy of sustainable growth aimed at accelerating the transition to a carbon-neutral world.



⁴ More information on p. 14 and 15 of our [2023 Integrated Report](#)

3.3. A sustainability strategy translated into clear objectives

The value created by ENGIE in the medium- and long-term depends on the Group's performance and is intended to benefit all its stakeholders. Thus, the Group has defined objectives and indicators for monitoring its performance in the categories "Planet", "People" and "Economic prosperity".

PLANET		2020	2021 ⁽¹⁾	2022 ⁽¹⁾	TARGET 2030
Objectives monitored by the governance bodies (EESDC)					
CO ₂ Energy production	GHG emissions from energy production (scopes 1 and 3) in Mt CO ₂ eq.	68	65	60	43
CO ₂ Energy production and consumption	Carbon intensity of direct energy production (scope 1) and energy consumption (scope 2) in g CO ₂ eq. per kWh	212	181	156	110 (SBTi "well-below" 2 °C obj.)
	GHG emissions from final gas sales (scope 3) in Mt CO ₂ eq.	62	66	61	52
CO ₂ Energy sales	Carbon intensity of energy sales produced (scopes 1 and 3) and purchased (scope 3) in g CO ₂ eq. per kWh	270	252	221	153 (SBTi "well-below" 2 °C obj.)
Renewable capacities	Share of renewable capacities (@100% and excluding pumped storage) in electricity production (scopes 1 and 3)	31%	34%	38%	58%
Decarbonation of our customers	Emissions avoided at the customers' sites through Group's products and services in Mt CO ₂ eq.	21	27	28	45
Decarbonization of our suppliers	Rate of top 250 SBT-certified or aligned preferred suppliers	15%	20%	23%	100%
Biodiversity	Rate of industrial sites with natural management of green spaces without the use of chemical plant protection products	0%	28%	34%	100%
Water	Fresh water consumption per energy produced in m ³ /MWh	0,278	0,342	0,301	0,1
PEOPLE		2020	2021 ⁽¹⁾	2022 ⁽¹⁾	TARGET 2030
Objectives monitored by the governance bodies (EESDC)					
Health & Safety	Lost time injury frequency rate for employees and subcontractors on closed sites with controlled access	2,7	2,5	2,0	≤ 2,3
	Fatality rate	-	0,045	0,014	0 each year
Diversity	Share of women in Group management	24,1%	28,9%	29,9%	[40-60%]
Equity	Gender pay gap	-	-	1,73%	< 2%
Learning	Rate of apprentices in the workforce in France	6,7%	7,2%	7,7%	>10%
Training	Rate of employees trained each year	70%	82%	84%	100%
Responsible purchasing	Responsible purchasing index (excluding energy): CSR assessment and inclusive purchasing	25	40	38	100
Fraud and corruption prevention	Rate of training of staff most exposed to the risk of corruption	21%	49%	55%	> 95%
Operational objectives followed by the Group Executive Committee					
Stakeholder dialogue	Rate of activities with a societal plan for stakeholder consultation	10%	37%	46%	100%
Access to energy	Number of beneficiaries with access to sustainable energy in millions ⁽²⁾	6 M	7 M	9,5 M	30 M

ECONOMIC PROSPERITY	2020⁽¹⁾	2021⁽¹⁾	2022⁽¹⁾	FINANCIAL OUTLOOK FOR 2023-2025
Indicators (Published data)				
Growth investments (€ bn)	3,9	4,3	5,5	€22-25 bn
Asset rotation program (disposals) (€ bn)	4,2	2,0	9	-
Performance program (€ m)	N/A	85	424	-
EBIT (€ bn)	4,5 / 4,6 excl. nuclear	6,1 / 5,2 excl. nuclear	9,0 / 8,0 excl. nuclear	€6,6-7,6 bn (excluding nuclear) in 2023 €7,2-8,2 bn (excluding nuclear) in 2024 €7,5-8,5 bn (excluding nuclear) in 2025
Economic net debt / EBITDA	4,2x	3,6x	2,8x	less than or equal to 4,0x
Net recurring income, Group share (NRIGs) (€ bn)	1,7	2,9	5,2	€3,4-4,0 bn in 2023 €3,8-4,4 bn in 2024 €4,1-4,7 bn in 2025
Dividend payout rate / Net recurring income, Group share	75%	66%	65%	65%-75% with floor dividend of €0,65 € per share
Credit rating	strong investment grade	strong investment grade	strong investment grade	strong investment grade

ENGIE is committing financial resources in line with its decarbonization ambition: over 75% of growth investments planned for the 2023-2025 period will be aligned with the EU Taxonomy. This will include in particular:

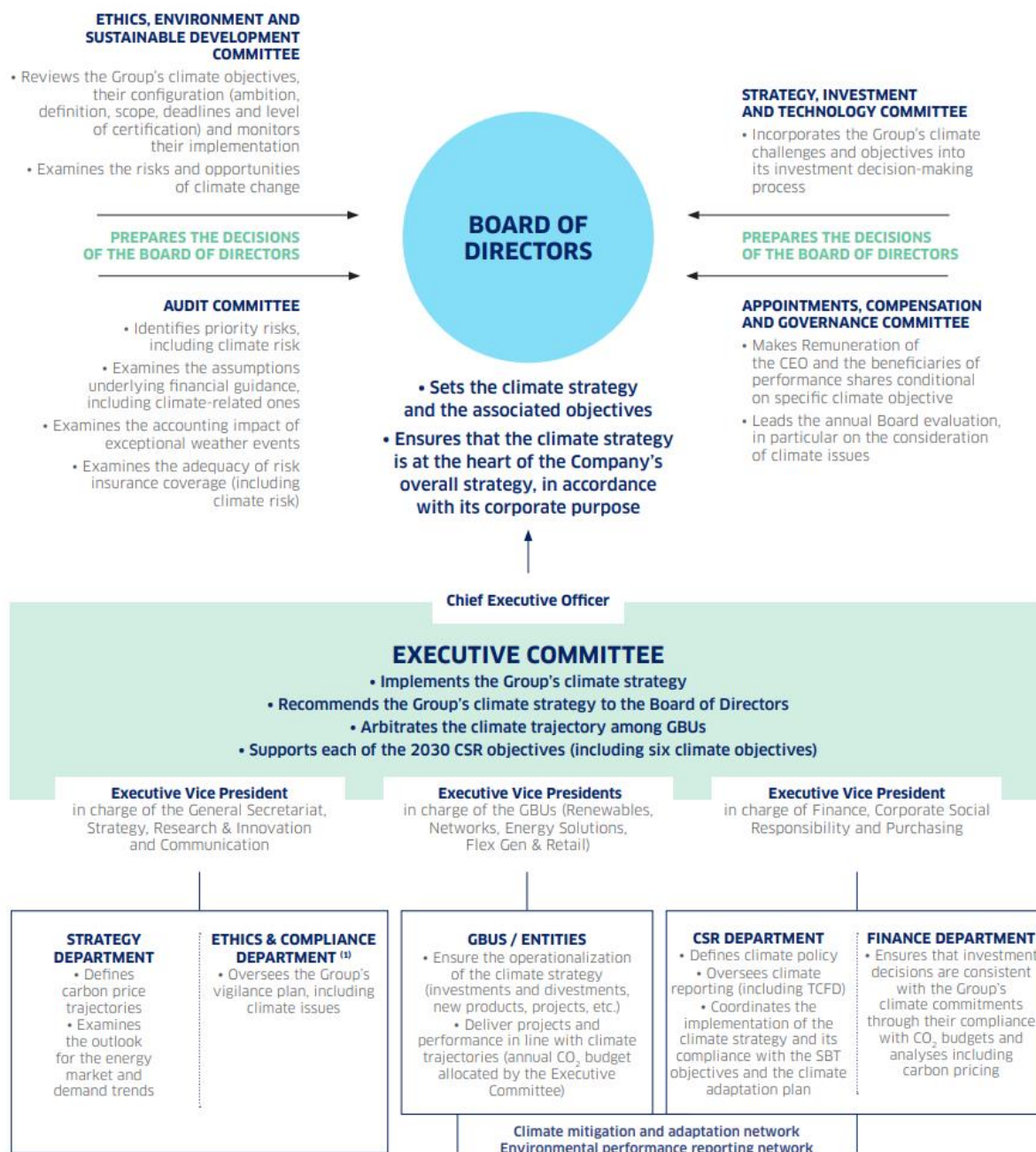
- The production of renewable wind, solar and hydraulic electricity (€13 to 14 billion),
- Production of green gases (biogas, biomethane and hydrogen) and related infrastructure, as well as storage capacities such as batteries (€2 to 3 billion)
- Infrastructure (electric transport, low-carbon mobility and heating and cooling networks) (between €1 and €2 billion)

Our performance against our objectives is published annually in our Integrated Report⁵.

⁵ See [here](#)

3.4. CSR Governance

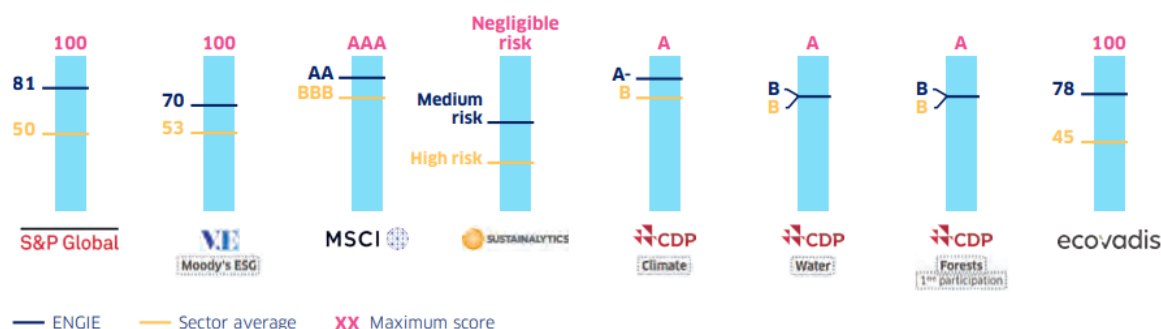
ENGIE is exposed to various risks as a result of its activity and commitments. To protect against such risks and deal with them if they occur, the Group has established a risk governance structure, as well as specific governance structures for two of its key considerations – the climate and ethics – to enable the Group to take action at the highest level.



(1) Reporting to the Legal, Ethics and Compliance Department

3.5. Market recognitions and commitments

ENGIE favors rating agencies with which the Group can maintain and develop constructive relationships to improve its CSR performance, and pays particular attention to the evolution of these ratings:



Note: As of February 2022

In addition, ENGIE is involved in a number of networks and coalitions that assist it in improving its practices and energizing its value creation for the benefit of its stakeholders. This collective approach allows ENGIE – in line with its purpose – to reconcile economic performance with a positive impact on people and the planet.

4. ENGIE's Green Financing Framework

ENGIE is a long-time issuer of Green bonds, having issued its inaugural Green bond in May 2014 and repeatedly accessed the market across the years since then. In the context of an ever-evolving Green financing market, ENGIE is publishing this updated Green Financing Framework (the “**Framework**”) with the aim to reflect and align with current best market practices.

ENGIE's Framework is fully consistent with the Group's strategy and has been established in order to support its development plan in renewable energy and energy efficiency services, as well as its aims to create value in the medium and long-term, in particular in addressing the challenges of decarbonisation. This approach confirms ENGIE's leadership and its commitment to playing a role in the transition towards carbon neutrality.

The Framework complies with the Green Bond Principles 2021 (GBP) administered by the International Capital Market Association (ICMA)⁶, and the Green Loan Principles 2023 (GLP) administered by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA), and the Loan Syndications and Trading Association (LSTA)⁷. It also takes into consideration the European Union Green Bond Standard⁸ where possible.

⁶ See [here](#)

⁷ See [here](#)

⁸ See the consolidated text of the political agreement on the European Green Bond Regulation reached on 28 February 2023 (as announced by press releases from the Council and Parliament) [here](#)

ENGIE has prepared this Framework, with the intention to issue “**Green Finance Instruments**”, which may include (but are not limited to):

- Green Bonds issued by ENGIE or any of its consolidated subsidiaries or project companies (in various formats such as, but not limited to, Senior Unsecured, Hybrid, Project Bond) where (i) an amount equal to the proceeds will be earmarked for allocation to the Eligible Green Projects as set out in the Green Financing section of the Framework in the context of Corporate Bonds or (ii) 100% of the proceeds are dedicated to (re)financing Eligible Green Projects as set out in the Use of Proceeds section of the Framework in the context of Project Bonds.
- Green Loans contracted by ENGIE or any of its consolidated subsidiaries or project companies where 100% of the proceeds are dedicated to (re)financing Eligible Green Projects as set-out in the Use of Proceeds section of the Framework.

ENGIE commits to providing information with transparency, accuracy and integrity according to the 4 key pillars below, as set out in this Framework:

- i. Use of Proceeds
- ii. Process for Project Evaluation and Selection
- iii. Management of Proceeds
- iv. Reporting

4.1. Use of Proceeds

An amount equal to the proceeds of ENGIE’s Green Finance Instruments will be earmarked to the (re)financing, in whole or in part, of existing or future **Eligible Green Projects**.

To be eligible, all projects must align with the following criteria:

Eligible types of Investments

- (i) Capital expenditures and selected operating expenditures (such as maintenance costs that either increase the lifetime or the value of the assets) of tangible assets meeting the Eligibility Technical Criteria described in the Use of Proceeds section of the Framework;
- (ii) Research and Development (“R&D”) expenditures aiming at developing new products and solutions as per the Eligibility Technical Criteria described in the Use of Proceeds section of the Framework;
- (iii) Equity investments for the acquisition of a controlling stake⁹ in “pure-players”¹⁰ whose shares are either not publicly traded, or newly issued in the primary markets.

⁹ Exclusive or joint control on the acquired company, in which case ENGIE establishes oversight of the acquired company and its assets. In the case of joint control, only ENGIE’s share in the acquisition will be taken into account for allocation purposes.

¹⁰ Companies having at least 90% of revenue, or if not applicable 90% of the balance sheet, derived from eligible Project Categories described in the Use of Proceeds section of the Green Financing Framework.

Lookback period

The proceeds of each Green Finance Instrument will be used to finance Eligible Green Projects occurring post issuance of each financing instrument and/or refinance disbursements in Eligible Green Projects subject to disbursement from ENGIE where:

- (i) New capital expenditures not previously allocated to a Green Financing Instrument shall qualify within a 2-year period prior to the date of issuance/agreement of any Green Finance instrument;
- (ii) Operating expenditures shall qualify within a 2-year period prior to the date of issuance/agreement of any Green Finance instrument;
- (iii) Capital expenditures previously allocated to a Green Financing Instrument being refinanced with a new Green Financing Instrument shall qualify without a specific look-back period.

Furthermore, ENGIE will ensure that any external funding to an Eligible Green Project will be deducted from the allocation to Green Financing Instruments

Eligible Green Projects

Eligible Green Projects support the transition to a low-carbon economy in direct link with ENGIE's climate Strategy, as presented in the first section of the Framework.

In order to ensure that all Eligible Green Projects provide environmental benefits, they must fall into and comply with at least one of the following Eligible Project Categories and Technical Eligibility Criteria. Conscious of the importance of a common definition of sustainable activities, each of the eligible categories are mapped to the relevant UN Sustainable Development Goals and EU environmental objectives they contribute to. In addition, the Technical Eligibility Criteria of the Eligible Green Projects are consistent, where relevant, possible and on a best effort basis, with the EU Taxonomy Regulation¹¹ eligibility criteria and the Delegated Acts on Climate Change Mitigation and Adaptation¹² adopted in June 2021 (the “EU Taxonomy”).

Eligible Project Categories	Sub-Categories	Mapping to Relevant Taxonomy Activity	Technical Eligibility Criteria	Environmental objectives & SDGs contribution
Renewable energy production	Hydropower	4.5. Electricity generation from hydropower	Development, construction, installation and maintenance of hydroelectricity production facilities that complies with either of the following criteria: (a) the electricity generation facility is a run-of-river plant and does not have an artificial reservoir; (b) the power density of the electricity generation facility is above 5 W/m ² ; (c) the life-cycle GHG emissions are lower than 100gCO ₂ e/kWh; (d) Other recognized international standard, including inter alia Climate Bonds Initiative ¹³ , UNFCCC Clean Development Mechanism, IFC Reference Standards for hydro projects	Climate change mitigation  

¹¹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

¹² EU Taxonomy Delegated Act on Climate Change Mitigation and Adaptation published in April 2021 and adopted in June 2021

¹³ The Hydropower Criteria for the Climate Bonds Standard and Certification Scheme set out in the [March 2021 version](#).

	Geothermal Energy	4.6. Electricity generation from geothermal energy 4.22 Production of heat/ cool from geothermal energy	Development, construction, installation and maintenance of geothermal facilities ¹⁴
	Wind Power	4.3. Electricity generation from wind power	Development, construction, installation and maintenance of wind facilities (<i>onshore and offshore projects including floating wind turbines</i>)
	Solar Power	4.1 & 4.2: Electricity generation using solar photovoltaic technology & concentrated solar power (CSP) technology	Development, construction, installation and maintenance of solar facilities (<i>Photovoltaic or concentrated solar plants</i>)
	Bioenergy	4.8. Electricity generation from bioenergy 4.20 Cogeneration of heat/cool and power from bioenergy 4.24 Production of heat / cool from bioenergy 4.23 Production of heat/cool from renewable non-fossil gaseous and liquid fuels 5.7 Anaerobic digestion of biowaste	Development, construction, installation and maintenance of facilities and related infrastructure that produce electricity exclusively from biomass, biogas or bioliquids, excluding electricity generation from blending of renewable fuels with biogas or biofuels, in line with the substantial contribution to climate change mitigation criteria of the EU Taxonomy (<i>Sourcing of sustainable raw material and sustainable sourcing process, including transport and land use & avoidance of conflicting utilization of the resources</i>).
	Low carbon hydrogen	3.10. Manufacture of hydrogen	Development, construction, installation and maintenance of low carbon hydrogen production capacity including investments in production processes aiming at promoting electrolysis efficiency with low carbon energy sources ¹⁵ . For the avoidance of doubt, low carbon hydrogen includes green hydrogen i.e. produced via electrolysis from renewable energy, and blue hydrogen i.e. produced through steam reforming or autothermal reforming with carbon capture and storage ¹⁶ , where the carbon footprint of these projects is below the threshold value of this Framework.
	Ocean Energy	4.4. Electricity generation from ocean energy technologies	Development, construction, installation and maintenance of marine energy facilities (<i>hydrokinetics and marine geothermal</i>)
Energy Storage	Storage of electricity	4.10. Storage of electricity	Development, construction, installation and maintenance of energy storage facilities including pumped hydropower storage (<i>aiming at promoting the development of</i>

¹⁴ Life-cycle GHG emissions from the generation of electricity from geothermal energy are lower than 100gCO₂e/kWh.

¹⁵ The activity complies with the life-cycle GHG emissions savings requirement of 73.4% for hydrogen [resulting in 3tCO₂eq/tH₂] and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO₂e/MJ in analogy to the approach set out in Article 25(2) of and Annex V to Directive (EU) 2018/2001.

¹⁶ Where such carbon capture and storage activities are expected to follow the substantial contribution to climate change mitigation criteria of the activity 5.11 Transport of CO₂ and 5.12 Underground permanent geological storage of CO₂ of the EU Taxonomy Delegated Act on Climate Change Mitigation

			<i>renewable energies and/or replacing peak electricity produced by less environmentally friendly units).</i>	
	Storage of Hydrogen	4.12. Storage of hydrogen	Construction and operation of facilities that store hydrogen: • Construction of hydrogen storage facilities; • Conversion of existing underground gas storage facilities into dedicated hydrogen storage; • Operation of low-carbon hydrogen storage facilities.	
Transmission and distribution infrastructure	Electricity	4.9. Transmission and distribution of electricity	Development, construction, installation and maintenance of transmission and distribution projects when at least one of the following criteria is met: • more than 67% of newly enabled generation capacity in the system is below the generation threshold value of 100 gCO₂e/kWh measured on a life cycle basis over a rolling five-year period; • the average system grid emissions factor is below the threshold value of 100 gCO₂e/kWh measured on a life cycle basis over a rolling five-year period. Development, construction, installation and maintenance of the following Transmission and Distribution projects: • T&D infrastructure having the purpose of, or the ambition to, connecting renewable energy production units; • Equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation; • Projects related to EV charging stations and electric infrastructure for public transport; • Installation of T&D transformers that are eco-designed and align with requirements on no-load losses¹⁷; • Equipment to increase the controllability and observability of the electrical power system and enable the development and integration of renewable energy sources including: - o Sensors and measurement tools (<i>including meteorological sensors for forecasting renewable production</i>); - o Communication and control (<i>including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed</i>);	Climate change mitigation 

¹⁷ The transformers comply with the Tier 2 (1 July 2021) requirements set out in Annex I to the Commission Regulation (EU) No 548/2014 and, for medium power transformers with highest voltage for equipment not exceeding 36 kV, with AAA0 level requirements on no-load losses set out in standard EN 50588-1.

			Construction/installation of equipment to allow for exchange of specifically renewable electricity between users.	
	Renewable and low-carbon gases	4.14. Transmission and distribution networks for renewable and low-carbon gases	Construction, operation, conversion, repurposing, or retrofit of either: - new transmission and distribution networks dedicated to hydrogen or other low-carbon gases; - existing natural gas networks to 100% hydrogen; - gas transmission and distribution networks that enables the integration of hydrogen and other low-carbon gases in the network. The projects includes leak detection and repair of existing gas pipelines and other network elements to reduce methane leakage.	
Energy Efficiency	Heating / cooling distribution	4.15. District heating/cooling distribution	Heating and cooling network projects meeting at least one of these criteria¹⁸: - Construction and operation of energy efficient system; - Refurbishment of systems leading it to be energy efficient; - Modifications to lower temperature regimes; - Advanced pilot systems (<i>control and energy management systems and internet of things</i>).	Climate change mitigation 
	Reduction of energy consumption per unit of output	4.17; 4.18; 4.19; 4.20 Cogeneration of heat/cool and power from solar energy; geothermal energy; renewable non-fossil gaseous and liquid fuels; bioenergy	- Cogeneration with a minimum of 50% usage of renewable power (<i>from solar energy, geothermal energy, renewable non-gaseous and liquid fuels, bioenergy</i>)¹⁹, in line with the substantial contribution to climate change mitigation criteria of the EU Taxonomy - Systems for energy management (<i>smart grids, smart metering, and demand side management systems</i>)	
	Optimization of buildings and plants efficiency	7.2. Renovation of existing buildings 7.3. Installation, maintenance and repair of energy efficiency equipment 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy	- Major renovation or restructuring of existing buildings and plants demonstrating a reduction of at least 30% of primary energy demand post refurbishment (<i>for buildings and plants</i>) - Efficient products or appliances (<i>Insulation retrofitting; energy efficient doors and windows; LED roll-out; HVAC systems renovation and improvement (excluding fossil-fuel based heating systems)</i>) - Instruments and devices for measuring, regulation and controlling energy performance of buildings (<i>zoned or smart thermostats systems; Motion</i>	

¹⁸ 'efficient district heating and cooling' means a district heating or cooling system using at least 50% renewable energy or 50% waste heat or 75% cogenerated heat or 50% of a combination of such energy and heat per Article 2, point 41, of Directive 2012/27/EU

¹⁹ The life-cycle GHG emissions from the combined generation of heat/cool and power from geothermal energy, renewable gaseous and liquid fuels, are lower than 100gCO₂e per 1 kWh of energy output from the combined generation. The life-cycle GHG emissions from the generation of heat/cool from geothermal energy are lower than 100gCO₂e/kWh.

		performance of buildings 7.6. Installation, maintenance and repair of renewable energy technologies	<i>detectors roll-out; solar shading or solar control façade and roofing elements</i> • Renewable energy technologies on-site (<i>solar panels; heat pumps; wind turbines; thermal or electric storage units; heat exchangers or recovery systems</i>)	
Clean Transportation	Projects that contribute directly or indirectly to a reduction of CO ₂ emissions or energy consumption per km-passenger	6.3. Urban and suburban transport, road passenger transport 6.5. Transport by motorbikes, passenger cars and light commercial vehicles 6.14. Infrastructure for rail transport 6.15. Infrastructure enabling low-carbon road transport and public transport	• Individual or Public Transportation Vehicles with zero direct (tailpipe) CO ₂ emissions: ◦ Electric light duty and heavy goods vehicles; ◦ Hydrogen vehicles. • Infrastructure for zero direct emissions transport: ◦ Electrification of railway and/ or highways); ◦ Infrastructure is dedicated to the operation of vehicles with zero tailpipe CO ₂ emissions (<i>electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS)</i>).	

Exclusion Criteria

ENGIE has established a set of criteria preventing any projects included in the following list to be earmarked as Eligible Green Projects:

- Projects linked to nuclear activities (such as nuclear power plants and related infrastructures);
- Projects related to acquisition, development, operation and maintenance of new or existing fossil fuel-based electricity generation capacity or heating systems (including, but not limited to, coal, oil or natural gas-powered assets). For the sake of clarity, this exclusion is not applicable in the case of cogeneration assets meeting the Technical Eligibility Criteria;
- Projects related to industrial and non-conventional waste (chemicals, nuclear, toxic waste);
- In the specific context of transmission and distribution infrastructure: projects for infrastructure dedicated to directly and solely connecting or expanding existing direct connection to production plants that are fossil-fuel based;
- In the specific context of Clean Transportation: projects for infrastructure dedicated to the transport of fossil fuels or blended fossil fuels.

Furthermore, a specific exclusion criterion is applied by ENGIE on a case by case basis for each project in the context of any material issues linked to ESG factors at project level.

Pre-issuance of a Green Financing Instrument, ENGIE intends, where possible, to provide an indication of expected proceeds allocation per category, generally assumed to be aligned with ENGIE's growth expenditure plan.

4.2. Process of evaluation and selection of projects

Responsible Management of Projects

In order to work towards an affordable and positive carbon neutral transition for businesses, communities and individuals, ENGIE has put in place internal processes to align its CSR strategy with its investment policy. The Group's priority is to manage its projects in a socially and environmentally responsible manner throughout their journey under ENGIE's scope action.

In all circumstances, all Group employees, must observe for their activities:

- International, federal, national and local standards & regulations; professional rules;
- ENGIE's policies and procedures, presented as follow.

These policies and procedures aim to ensure, to the extent feasible, that ENGIE's activities do not significantly harm any Environmental Objectives²⁰ and comply with minimum social safeguards²¹. They guarantee a close management of any adverse environmental and social impact.

Overview of ENGIE's policies and procedures:

- Ethics compliance and Privacy Documents
 - Integrity Referential
 - Compliance Referential²²
 - Vigilance Plan²³
 - Code of Conduct
- Human Rights Policy²⁴
- Human Rights Referential
- Group CSR Policy²⁵
- Environment Policy²⁶
 - Climate Policy²⁷
 - Water Policy²⁸
 - Biodiversity Policy²⁹
 - Air quality Policy³⁰
 - Circular Economy Policy³¹
 - Forest Policy³²
- Social Policy³³
- Societal Policy³⁴

²⁰ As defined in the EU Taxonomy's Environmental Objectives

²¹ represented by the principles and rights set out in the eight fundamental conventions identified in the International Labour Organisation's declaration on Fundamental Rights and Principles at Work

²² [Ethical compliance system | ENGIE](#)

²³ [ENGIE's Vigilance Plan | ENGIE](#)

²⁴ [The Group's human rights approach | ENGIE](#)

²⁵ <https://www.engie.com/sites/default/files/assets/documents/2022-07/CSR%20policy.pdf>

²⁶ [Environmental policy \(engie.com\)](#)

²⁷ [Environmental policy \(engie.com\)](#)

²⁸ [Environmental policy \(engie.com\)](#)

²⁹ [Environmental policy \(engie.com\)](#)

³⁰ [Air quality | ENGIE](#)

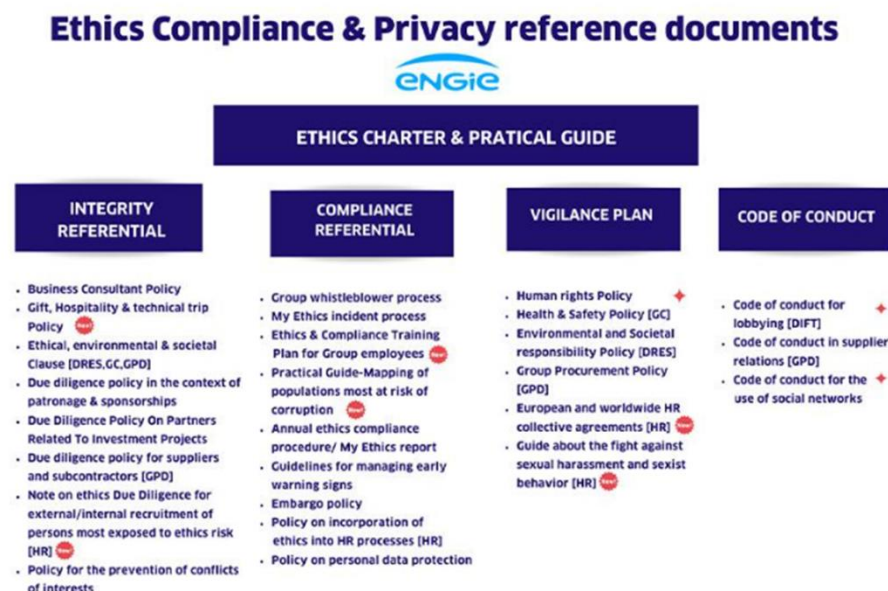
³¹ [Environmental policy \(engie.com\)](#)

³² [Environmental policy \(engie.com\)](#)

³³ [Engagements et Politiques RH | ENGIE](#)

³⁴ [Policies | ENGIE](#)

ENGIE has implemented a comprehensive list and Ethics and Privacy guidelines and policies, summarised in the below Ethics Charter:



The Group has also developed a Whistleblowing System³⁵ to report inappropriate situations or those that are not in line with the Group's principles or current laws and regulations. These tools are open to all employees and stakeholders (suppliers, sub-contractors, unions, NGOs, etc.).

Moreover, ENGIE has put in place a procedure for business development. For major projects which are presented to the Comité des Engagements Groupe (Group Investment Committee for projects with capex above €50 millions), this procedure requires:

1. Compulsory ethic due diligence and risks analysis

The Project Development Team must have conducted an ethic due diligence and a detailed risks analysis. Ethic due diligence comprises controversy reviews on project and main stakeholders. Risks analysis comprises criteria among which public and political acceptability, health, safety and environment risks and compliance with the Group ethics charter.

2. Compulsory CSR criteria matrix

Once ethics due diligences and controversy reviews are performed, the Development Team is elaborating a scorecard of CSR criteria like climate change mitigation, climate change adaptation, environmental management, water stress, biodiversity conservation, social acceptability, stakeholders involvement, community mobilization, ethics, sustainable procurement, global care, or working conditions.

³⁵ [ENGIE Whistleblowing System | ENGIE](#)

This CSR matrix aims at assessing the residual risks and opportunities once mitigation action plans are taken into account regarding the impacts on the environment and ecosystems, social inclusion, business ethics, human rights, health and safety. Each evaluation of CSR criteria by the Development Team must be justified or documented by viable evidence. In case of negative evaluation, the Global Business Unit's CSR officer must be informed and asked to provide its expert advice.

In the case of the acquisition of pure players, for which processes and procedures may need to be adapted and/or aligned with the ones of ENGIE, an up-to-18 months period (from the date of acquisition) may be required to ensure full compliance.

The projects submitted to the Business Unit's validation process (i.e. projects investments with capex that are below €50 millions) shall follow the Business Unit procedure which can be a simplified version of the Group Business development procedure but fully aligned with it.

Besides ENGIE's policies and guidelines, this is mainly addressed by maintaining an HSE Management System according to the standards ISO 45001 (Health & Safety) or equivalent framework, ISO 14001 or EMAS (Environment) and/or ISO 50001 (Energy Management). Group-wide HSE Risk Management Standard defines the minimum requirements in relation to the identification, analysis, evaluation, treatment and monitoring of HSE risks and opportunities as well as roles and responsibilities.

Eligible Green Projects Selection Process

When a Green project is likely to benefit from Green Group funding, the Business Unit, the Finance Department or the CSR Department can propose it as an Eligible Green Project.

The Finance and CSR departments review the Responsible Management of Projects as described in the section above. They also review the compliance of selected Green Projects with the Technical Eligibility Criteria before their validation by the Green Financing Committee. The CSR department also reviews the CSR criteria matrix for potential updates.

ENGIE has established a **Green Financing Committee** for the overall governance of its Green Financing Framework and related instruments. More generally, the Green Financing Committee follows the market guidelines for sustainable financing products and guides the Group's financing strategy to take them into account. The Green Financing Committee is co-chaired by the Head of the CSR Department and the Head of Finance, and composed of representatives of the Corporate Finance Department, the CSR Department, the Business Units developing Eligible Green Projects and other ENGIE Group qualified persons.

The Green Financing Committee, which meets on average 3 times per year:

- Validates the Responsible Management of Projects as described in the Framework;
- Validates and oversees the compliance of selected Eligible Green Projects with the Technical Eligibility Criteria, which is monitored on an ongoing basis by the respective Business Units, until maturity of the Green Financing Instrument the Eligible Green Projects are allocated to;
- Excludes projects that no longer comply with the eligibility criteria, or have been postponed, cancelled, divested, or subject to a material ESG controversy³⁶, and replacing them as soon as reasonably practicable;
- Validates the financial needs and amounts to be funded;

³⁶ ESG controversies monitoring is performed throughout the lifetime of the relevant asset.

- Validates the proceeds allocation;
- Validates the annual reporting to investors;
- Monitors the Auditors' annual missions;
- Reviews the Framework to reflect any change with regards to the Group's sustainability strategy and initiatives, and any change in market standards and criteria selection.

4.3. Management of the Proceeds

An amount equal to the proceeds of each Green Financing Instrument will be managed by ENGIE's Treasury department and earmarked for allocation to Eligible Green Projects as validated by the Green Financing Committee.

Pending the full allocation to Eligible Green Projects, ENGIE will hold the balance of the proceeds not already allocated to Eligible Green Projects within the treasury of the Group, invested in cash, cash equivalent and/or money market instruments. ENGIE treasury department could consider allocating the balance of unallocated proceeds in money market funds managed following a responsible investment approach on a best effort basis.

ENGIE has established systems to monitor and account for the allocation of the proceeds.

ENGIE intends to allocate the proceeds of a given Green Bond issuance within a 2-year period from its issue date when its initial maturity is less than 10 years, and within a 3-year period when its initial maturity is 10 years or more.

ENGIE is committed to position itself as a supporter of the development of the Green Finance market via repeat issuances of Green Financing Instruments. In this context ENGIE has established a dedicated set of rules to ensure complete transparency regarding Green Financing Instruments' proceeds management:

- When the Eligible Green Projects earmarked for allocation to a Green Financing Instrument are subject to joint investment or joint ventures (i.e. equity consolidation), and not fully consolidated ENGIE will only consider the pro-rated share (%) of its own investment in the specific Eligible Green Projects;
- The amounts that can be allocated to an Eligible Green Project are established after deduction of any external funding already dedicated to these projects;
- If a material issue linked to ESG factors arises after allocation of the proceeds to a specific Eligible Green Project, ENGIE commits to replacing the project as soon as feasible, as indicated in the Process for Project Evaluation and Selection section of this Framework;
- ENGIE reserves the right to use proceeds of Green Financing Instruments to refinance other Green Financing Instruments (in line with the Green Bond Principles recommendation on buy-back of Green Bonds).

However, when engaging in such refinancing operations, ENGIE will not allocate more than 50% of the proceeds of a new Green Financing Instrument to Eligible Green Projects previously allocated to the refinanced Green Financing Instrument, and commits to earmark at least 50% of proceeds to new investments in Eligible Green Projects.

This process aims at preventing the creation of a lock-in effect on existing Eligible Green Projects. Furthermore, any Eligible Green Project reaching the end of its lifetime or decommissioned will no longer be eligible.

4.4. Reporting

Until the proceeds are earmarked in full to Eligible Green Projects and later in case of any material change, ENGIE will provide annually to investors:

- i. An **allocation report** included in ENGIE's Annual Registration document providing:
 - An overview of the outstanding Green Financing Instruments;
 - The split of Eligible Green Projects' categories (re)financed;
 - The share of allocated proceeds vs total proceeds (in %);
 - The share of financing vs refinancing (in % of proceeds);
 - The list of Eligible Green Projects, including their types, sector and location, with their related description earmarked to each Green Finance Instrument in line with the table provided in Appendix of the Framework.
- ii. An **environmental impact report**, available on ENGIE's website and including information on the environmental outcomes of the Eligible Green Projects as detailed in the Impact Indicators table provided in the Appendix of the Framework. ENGIE intends to align, on a best effort basis, the Impact Report with the portfolio approach described in the "Handbook – Harmonised Framework for Impact Reporting (June 2022)".³⁷

For each reporting the methodology applied on impact indicators will be detailed in the annual Registration Document and/or on ENGIE website.

The reporting process is structured and based on relevant internal expertise:

- Business Unit representatives in charge of finance and environment oversee the data collection through internal tools;
- Then the consolidation and aggregation of indicators is made at projects and categories level by the CSR and Finance Departments.

In addition, in case of a major controversy on an Eligible Green Project, ENGIE will provide investors with information on key issues at stake and actions put in place by ENGIE.

³⁷ See [here](#)

4.5. External Review

Second party opinion

ENGIE has appointed Moody's Investors Service to assess the green features of its Green Financing Framework and its alignment with the ICMA GBP 2021 and APLMA, LMA and LTSA GLP 2023. The results are documented in Moody's Investors Service Second Party Opinion, which is available on ENGIE website.

Annual Assurance Report

Until an amount equivalent to the proceeds is fully allocated to Eligible Green Projects and later in the case of any material change in the list of Eligible Green Projects, one of the external auditors of the Issuer is expected to provide a review on at least a limited assurance basis on:

- The compliance of the Eligible Green Projects financed by Green Financing Instruments with the Technical Eligibility Criteria defined in the Use of Proceeds section of this Framework;
- The amount earmarked for allocation to the Eligible Green Projects financed by the Green Financing Instruments proceeds;
- The management of proceeds and unallocated proceeds amount.

4.6. Amendments to this Framework

ENGIE will review this Framework from time to time, including its alignment to updated versions of the relevant Principles as and when available in the market. Any major update will be subject to the prior approval of Moody's Investors Services or any such other qualified provider of Second Party Opinion.

Appendix: Environmental Impact Indicators table

Eligible Project Categories	Sub-Categories	Project description	Environmental Impact Indicators such as & not limited to
Renewable energy production and storage	Renewable energy production	- Name - Technology - Geographic zone & Country - Operational date - Installed capacity in MW - Expenditures attributable to the Green Financing Instrument (€)	- Annual renewable energy production in MWh (in full operational phase) - Annual contribution to GHG emissions avoided in tons of CO₂ equivalent
	Renewable energy storage	- Name - Technology - Geographic zone & Country - Operational date - Storage capacity in MW - Expenditures attributable to the Green Financing instrument (€)	- Annual renewable energy stored in MWh (in full operational phase) - Annual contribution to GHG emissions avoided in tons of CO₂ equivalent
Transmission and distribution infrastructure	Electricity Transmission and distribution infrastructure	- Name - Geographic zone & Country - Operational date - Physical indicator i.e. T&D lines (total and attributable km) and increase of T&D capacity (total and attributable MW) - When applicable and possible, amount of renewable generation capacity connected by the T&D asset (MW) - Expenditures attributable to the Green Financing instrument (€)	Annual GHG emissions avoided by the renewable generation capacity connected by the T&D asset (tCO₂e per year) (in full operational phase)
Energy Efficiency	Reduction of energy consumption per unit of output	- Name - Geographic zone & Country - Operational date - Technology - Expenditures attributable to the Green Financing instrument (€)	Annual reduction of energy consumption in % or in MWh (in full operational phase)
	Optimization of buildings and plant efficiency	- Name - Geographic zone & Country - Nature of Investment - Operational date - Expenditures attributable to the Green Financing instrument (€)	Annual GHG emissions reduced in tons of CO₂ equivalent
	Co-generation	- Name - Geographic zone & Country - Operational date - Share (%) of renewables - Expenditures attributable to the Green Financing instrument (€)	

Clean Transportation Projects	Projects that contribute directly or indirectly to a reduction of CO2 emissions per km-passenger	• Name • Geographic zone & Country • Nature of Project • Operational date • Number or type of vehicles • Charging capacity • Number/size of infrastructure for electrification • Expenditures attributable to the Green Financing instrument (€)	• Annual GHG emissions reduced in tons of CO2 equivalent or g CO2 per passenger-km (passengers' activities) or per t-km (freight activity) • Annual contribution to GHG emissions avoided in tons of CO2 equivalent or g CO2 per passenger-km (passengers' activities) or per t-km (freight activity)
Environmentally sustainable management of living natural resources and land use	Decontamination of grounds and basements for all types of sites to make them suitable for a new industrial, commercial or residential use	• Name • Geographic zone & Country • Type of Building • Operational date • Treatment types (Physical, Chemical, Biological, Thermal treatments) • Expenditures attributable to the Green Financing instrument (€)	• Annual contribution in ha or m² to land remediated/decontaminated/regenerated

GREEN FINANCING FRAMEWORK 2023 – DISCLAIMER

The information and opinions contained in this Green Financing Framework are provided as at the date of this document and are subject to change without notice. ENGIE S.A. does not assume any responsibility or obligation to update or revise any such statements, regardless of whether those statements are affected by the results of new information, future events or otherwise.

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This Green Financing Framework contains certain forward-looking statements that reflect ENGIE S.A.’s management’s current views with respect to future events and financial and operational performance of the ENGIE Group. These forward-looking statements are based on ENGIE S.A.’s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of ENGIE S.A. to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in the price, impact of climate and other risks mentioned in ENGIE’s reference document 2022 filed with the Autorité des Marchés Financiers on March 9, 2023. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this document. ENGIE S.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. The information contained in this Green Financing Framework does not purport to be comprehensive and has not been independently verified by any independent third party.

Date	Version	Revisions
March 2017	Initial	
January 2018	V1	Addition of transmission and distribution network projects related to renewable capacity and precision on compliance with existing standards
January 2019	V2	• Precision on energy efficiency projects with energy storage, efficient products or appliances (LED lighting...) • Addition of a new project category "Clean Transportation Projects" and precision on potential eligible projects • Addition of a new project category linked to GBP • Adaptation of reporting information to be disclosed due to previously mentioned changes • Appendix: adaptation of ESG criteria for compliance due to previously mentioned changes
March 2020	V3	Full update of the Framework
June 2023	V4	Full update of the Framework, in line with the ICMA GBP 2023 and the APLMA, LMA, LTSA GLP 2023