

ENGIE CLIMATE CHANGE POLICY

Group General Policy

Contents

1. Context	2
2. Perimeter	2
3. Gouvernance	2
4. Our actions on climate change mitigation and energy transition	3
5. Our actions on climate change adaptation	3
6. Integration in all relevant Group processes	3

1. Context

The fight against climate change, which results from the increase in the concentration of greenhouse gases (GHG) in the atmosphere, is recognised by our societies as one of the major challenges of this century. The Paris Agreement signed at the COP21 in 2015 is evidence of a growing global dynamic that prioritises the accelerated development of concrete solutions to address these threats. The Paris Agreement established the principles of a new international framework and **a high level of ambition to determine long term goals for which its progress shall be periodically reviewed: to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.**

Energy use (including industry) was responsible for 75% of global GHG emissions in 2021. While energy is a major source of emissions, it is also an essential part of the solution. The transition undertaken by the energy sector is the primary response to the climate issue.

Aware of these challenges, ENGIE is actively involved in the fight against climate change and supports the Paris Agreement. The Group is committed to significantly reducing its emissions, **in particular through the development of activities that contribute to the energy transition, in consultation with and with respect for local stakeholders.**

This policy is made public via the ENGIE website and is available to all employees.

2. Perimeter

This policy applies to the same consolidated scope used in the financial statements (i.e. fully consolidated subsidiaries and joint operations). Including business relationships in non-consolidated entities, upstream or downstream value chain (i.e. equity accounted entities).

3. Gouvernance

Annual General Meeting: During its 2022 AGM, ENGIE was one of the first CAC40 companies to consult its shareholders on its Climate strategy, which they overwhelmingly approved (97%). In 2023, ENGIE committed to put the Group's Climate strategy to the shareholder vote in the case of every major change and no later than every three years. The implementation of its Climate strategy is also presented annually with a dedicated agenda item followed by a discussion.

Board of Directors: The ENGIE Board of Directors relies on the support of dedicated committees to endorse its responsibilities on different aspect :

- ✓ the Ethics, Environment and Sustainable Development Committee (CEEDD) is specifically examining the risks and opportunities related to climate change. It is in charge of supporting the validation of the ESG objectives and the regular review of their progress.
- ✓ the Investment and Technology Committee (CIT), ensures that ESG issues, including climate-related impacts, risks and opportunities, are properly integrated into the Group's strategic investment projects.
- ✓ the Appointments, Compensation and Governance Committee makes the remuneration of the CEO and the beneficiaries of performance shares conditional on specific climate objective ; and leads the annual Board evaluation, in particular on the consideration of climate issues.
- ✓ the Audit Committee identifies priority risks, including climate risk ; examines the assumptions underlying financial guidance, including climate-related ones ; and the adequacy of risk insurance coverage (including climate risk).

Executive Committee: ENGIE Executive Committee validates the Group's policies, supports each of the associated ESG objectives and ensures their monitoring and implementation.

Executive meetings: ENGIE policy on climate is operationalised through two steering committees focusing on climate mitigation and climate adaptation. They are chaired by the Group Executive Vice President in charge of ESG.

4. Our actions on climate change mitigation and energy transition

ENGIE efforts to climate change mitigation evolves around three main pillars:

- ✓ Reducing the GHG emissions in its own operations and in its upstream and downstream value chain,
- ✓ Avoiding GHG emissions through the sales of green products and services to its customers,
- ✓ Removing carbon from the atmosphere to neutralize ENGIE residual emissions.

Main levers are used to reduce GHG emissions:

- ✓ Stop the use of coal, by 2027 at the latest, and by 2025 in continental Europe,
- ✓ Reduce and decarbonize the use of gas, while producing renewable and decarbonized gases,
- ✓ Decarbonize the production, sales and consumption of electricity and heat,
- ✓ Support the transition of energy infrastructure,
- ✓ Support customers in the decarbonization of their activities.

ENGIE approach to deliver our ambition includes:

- ✓ Defining Group targets in line with the Paris Agreement to be split between GBUs,
- ✓ Building and updating an action plan that quantifies each lever and ensure the necessary financing,
- ✓ Ensuring deployment by integrating climate in all relevant Group process and reporting,
- ✓ Anticipating and preparing the Group for regulatory evolutions,
- ✓ Participating in commitment dynamics and develop partnerships and collaborations.

Specifically on the use of credits to deliver carbon removals objectives, they are to be used in accordance with the "avoid > reduce > compensate" mitigation hierarchy, be of high quality and aligned with the following criteria:

- ✓ Additional: carbon market revenues are necessary to make the project viable / possible, otherwise it would not have existed in a business-as-usual scenario.
- ✓ Permanent: genuine long-lasting carbon sequestration, through strong monitoring and controlling over time.
- ✓ Unique: unicity of the issuance and use of the credit, avoiding any double counting.

5. Our actions on climate change adaptation

Main impacts on ENGIE include evolution of production and demand of energy; integrity of our assets; health and safety of people; as well as on our supply chain and contingencies.

ENGIE approach to increase resiliency to climate change includes:

- ✓ Ensure an internal expertise on climate science through notably a partnership with Institute Pierre Simon Laplace (IPSL);
- ✓ Ensure Group's climate resiliency at a strategic level;
- ✓ Ensure local resilience of existing sites and new projects.

6. Integration in all relevant Group processes

To fully integrate the topic of climate, focus is made in its integration in all relevant Group governance and main processes.

Strategy process: ENGIE strategy is heavily impacted by climate change and the mitigation measures taken by governments. Climate is part of ENGIE Raison d’Être and drives strategic exercises.

Mid-Term Plan process: climate KPIs have been integrated in ENGIE medium-term financial plan (MTP) to ensure compliance with objectives set.

Performance reviews: climate KPIs have been integrated in ENGIE Quarterly Business Review (QBR) and are part of the management dialog on the operational and financial performance.

Annual reporting: ENGIE publishes annually its global progress on climate. The Group uses the GHG Protocol as its main carbon accounting standard to report on its GHG emissions.

Risk management process: climate physical and transition risks analysis is part of the Enterprise Risk Management (ERM) process. They are performed both on short (1 year), mid (5 years) and long term (such as 2030, 2050 or 2070 whether it is on climate mitigation or adaptation). On climate adaptation, it allows local teams to analysis resiliency and build an adaptation plan if the risk is deemed material.

Investment process: each investment must comply with the Group carbon budgets. A CO2 budget management tool monitors the remaining CO2 budget to avoid exceeding the limits set. In addition, in regions with a carbon tax, an internal price of CO2 is integrated in the financial valuation of the project. Finally, climate adaptation is also fully integrated in this process.

Projects financing: ENGIE is one of the leading issuers of Green Bonds. In addition, and in order to materialise its commitment to reduce GHGs, the Group has incorporated, into its syndicated credit lines, mechanisms for adjusting the lenders’ margins in relation to compliance with annual CO2 performance indicators.

Relations with stakeholders: ENGIE is committed to ensuring that its lobbying activities and membership to sector associations are aligned with the objectives of the Paris Agreement and the company’s climate strategy and published since 2023 a review of its membership alignment. In addition, ENGIE regularly exchanges with its main investors on its climate strategy.

Remuneration of employees: ENGIE compensation policies for the Chief Executive Officer, the Executive Committee and the senior executives include criteria linked to the Group’s climate objectives. In addition, the Group’s performance shares (long-term incentives) granted to the Chief Executive Officer, senior executives and 5,000 employees take climate criteria into account.

Training of employees: ENGIE believes that acculturation, skills development and the commitment of its employees are a powerful lever to support the transformation of its business. Thus, ENGIE created its Sustainability Academy in 2021 which enables ENGIE employees to act as internal ambassadors for the Group’s strategy and its operational implementation.