

WATER AND OCEANS POLICY

Group General Policy

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1. Perimeter

This policy applies to all Group activities, as well as to the upstream chain. It covers all consolidated financial reporting entities.

2. Context

Water is essential to life. But it is also a very important resource for industrial activities, including energy production. Faced with the risk of water shortages in several countries, in terms of quantity or quality, and the risk of conflicts of use, ENGIE is seeking to continually improve its commitment to water management and the preservation of oceans throughout the world.

The main processes with impacts on freshwater are water discharges from power generation plants, water withdrawals for all activities, water use for hydroelectricity production, pumping and turbinage, and water use in the construction phases of projects. In the upstream chain, the impact on water resources is mainly linked to the extraction of raw materials and transformation processes. The Group is also dependent on water resources and the water cycle for all its activities.

Through the United Nations Principles for Sustainable Oceans, the Group is also committed to preserving the oceans and taking into account their direct and indirect impacts. The main impacts are discharges from power plants, LNG terminals and desalination plants, as well as the presence of offshore wind turbines.

In the upstream chain, the main impact concerns the transport of raw materials by ship.

For over ten years, ENGIE has made a significant commitment to better water management. This process is supported by ENGIE's membership of the CEO Water Mandate¹ (a United Nations initiative), since its foundation in 2007, and by its contribution to the CDP water security questionnaire since its launch in 2011. The Group is also involved in the BAFWAC (Business Alliance for Water and Climate) initiative and supports the OECD's work on water governance.

3. Governance

The Executive Committee validates the Group's policies covering Nature issues, including water. It supports each of the associated ESG objectives and ensures that they are implemented and that performance trends are monitored.

The ENGIE's Board of Directors, supported by the Ethics, Environment and Sustainable Development Committee ("CEEDD"), ensures that the various extra-financial issues (Environment, Social and Governance) are taken into account in the Group's strategy, including water and oceans. It is also responsible for validating ESG objectives and regularly reviewing progress.

¹ The CEO Water Mandate aims to mobilize a critical mass of business leaders to tackle global water challenges through corporate water management, in partnership with the United Nations, governments, civil society and other stakeholders

The ENGIE's Board of Directors, supported by the Investment and Technology Committee ("CIT"), ensures that ESG issues, including impacts, risks and opportunities related to water and oceans, are properly integrated into the Group's strategic investment projects.

4. Actions

ENGIE is committed to complying with environmental and social laws and regulations applicable to its activities in the countries where it operates.

A great deal of work has already been carried out in the area of water management, including measuring the water footprint of the Group's main activities, overhauling indicators, assessing water risk and implementing action plans, and contributing to international initiatives such as WULCA², the Water for Energy Framework and the OECD's water governance initiative.

As the Group's asset portfolio changes and stakeholders' expectations rise, water management issues are evolving: while the use of water for hydroelectric power plants remains the same, new areas of commitment must be taken into account, notably concerning water used in district heating and cooling systems, hydrogen production, issues related to the use of water in the supply chain or access to water for ENGIE employees (implementation of WASH: Water Access, Sanitation and Hygiene).

On the basis of these developments, and in line with the commitments of the CEO Water Mandate (Global Compact), the Group is committed to:

- ✓ Identify industrial sites subject to water stress, and draw up action plans in consultation with watershed stakeholders for all sites located in high and very high water stress zones, in order to reduce freshwater consumption.
- ✓ Analyze risks and opportunities related to water and oceans in projects and implement appropriate actions in line with the avoid-reduce-compensate logic for these impacts.
- ✓ Contribute to improving water management and governance in local areas, and work to implement collective actions on a watershed scale.
- ✓ Implement all available technologies, within the limits of technical and economic feasibility, to reduce the impact of discharges into rivers and oceans (physico-chemical modifications, disruption of ecosystems).
- ✓ Contribute to the improvement of marine ecosystems in the Group's areas of activity
- ✓ Identify suppliers with a significant impact on water resources, based in particular on work carried out on water footprints in previous years, and encourage them to develop action plans.
- ✓ Integrate sustainable water management into the services offered to customers.
- ✓ Promoting access to water, sanitation and hygiene in the workplace (WASH).

² WULCA is a Life Cycle Initiative group project on the assessment of water resource use and depletion in Life Cycle Assessment (LCA).

5. Implementation in Group processes

Water and ocean issues are fully integrated into the Group's core processes.

Strategic process: ENGIE's strategy is impacted by Nature issues, including water. The environment is part of ENGIE's Purpose and the associated issues are integrated into strategic thinking.

Performance reviews: water performance and targets are reviewed annually when the results for the year are presented to the Executive Committee and CEEDD.

Vigilance process: a water-related risk analysis for existing sites is carried out annually. Local entities then develop action plans in consultation with stakeholders to address identified impacts and risks. These action plans are analyzed and questioned annually during environmental reporting.

Investment process: each investment is subject to an ESG assessment. Water and the oceans are fully integrated into the evaluation criteria, with impacts and risks assessed in terms of (i) the quantities of water used in the construction and operation phases, (ii) discharges into the environment, and (iii) the impact on ecosystems.

Stakeholder relations: Action plans developed and implemented by local entities are drawn up and monitored in consultation with the relevant stakeholders.

Employee training: ENGIE considers the acculturation, skills development and commitment of its employees to be a powerful lever for supporting the transformation of its business. In addition to the ongoing commitment of skilled operators to sustainable operations, ENGIE created its Sustainability Academy in 2021, which enables ENGIE employees to be internal ambassadors for the Group's ESG strategy and its operational implementation.

Research and development: The work of ENGIE's Research and Innovation division focuses on measuring the water footprint of activities and optimizing water use.

The implementation of this policy and the measurement of the effectiveness of actions are framed by objectives and targets defined for 2030.