

Statutory auditors ' report on non-financial statement

2019



3.10 Independent third party's report on consolidated non-financial statement presented in the management report

Year ended December 31st, 2019

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of ENGIE (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on the 31 December 2019 (hereafter referred to as the "Statement"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement and are available upon request at the Company's headquarters from the Group Environmental and Social Responsibility Department, the Group Health and Safety Department and the Group Human Resources Department.

Independence and quality control

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Responsibility of the independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

Nature and scope of the work

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000 ⁽¹⁾.

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to
 - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important ⁽²⁾. For certain risks: « Low level of societal acceptance of activities », « Reputational », « Participation of employees », « Corruption » and « Tax non-compliance », our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities.

(1) ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information

(2) **Social, health and safety information:** results of the human resources development and mobility policies (Engie Skills, Engie Mobility, Engie University), results of the diversity policy, results of the health and safety policy.

Environmental information: climate change (most important sources of GHG emissions related to activity, GHG emissions reduction objectives, climate change adaptation measures), water management and management of sites under water-stress conditions, biodiversity protection.

Societal information: actions implemented to avoid corruption and tax evasion, results of responsible supply chain management.

- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important ⁽¹⁾, we implemented:
- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
- tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities ⁽²⁾ and covers on average, 20% of the headcount and between 33% and 83% of the quantitative environmental data;

- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.
- We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion. A higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our verification work mobilized the skills of 12 people and took place between September 2019 and March 2020 on a total duration of intervention of about 30 weeks.

We conducted about ten interviews with the persons responsible for the preparation of the Statement in particular representing Human Resources, Health and Safety, and the environment.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense, March 10th, 2020

Independent third party

EY & Associés

Jean-François Belorgey
Associé

Alexis Gazzo
Associé, Développement Durable

(1) Social, health and safety information: Total workforce, Total workforce - Breakdown by SPC, Total workforce – Breakdown by type of contract, Female workforce, Proportion of women in workforce, Proportion of women in management, Proportion of workforce trained, Proportion of trainees in the workforce, Proportion of disabled employees, Number of permanent hires, Number of fixed-term hires, Hiring rate, Permanent hiring rate, Number of lay-offs, Turnover, Voluntary turnover, Proportion of workforce trained, Total number of training hours, Number of training hours per person trained, Days of absence per person, Number of fatal accidents (employees), Frequency rate, Severity rate (French framework), Severity rate (ILO framework), Engagement level from the Engie&Me survey, Proportion of women in senior management positions, Proportion of non-French and non-Belgian senior managers, Proportion of Group entities that have a process that ensures training in the “life-saving rules” for subcontractors, Proportion of Group entities that have a process that ensures the identification and management of potentially serious events.

Societal information: BtoC customer satisfaction level, Training of the employees most exposed to corruption risk.

Environmental information: Percentage of relevant revenue covered by an EMAS certification, Percentage of relevant revenue covered by an ISO14001 (non-EMAS) certification, Renewable – Net installed power (electric and thermal), Renewable – Electricity and heat produced, Primary energy consumption – total (excluding own consumption), Electricity and thermal energy consumption (excluding own consumption), Energy efficiency of fossil fuel plants (including biomass/biogas), Total direct GHG emissions - scope 1, Indirect emissions related to energy (“Scope 2”), GHG emissions per business unit – energy generation, Fresh water – Total withdrawal, Fresh water - Total discharge, Non-fresh water - Total withdrawal, Non-fresh water - Total discharge, Total Consumption (fresh water and non-fresh water), Total quantity of non-hazardous waste and by-products discharged (including sludge), Total quantity of non-hazardous waste & by-products recovered (including sludge), Total quantity of hazardous waste and by-products discharged (including sludge and excluding radioactive waste), Total quantity of hazardous waste and by-products recovered (including sludge and excluding radioactive waste), NOx emissions, SO2 emissions, Fine particle emissions.

(2) Social, health and safety information: Audits performed at the BU level: France Renewable Energy BU and North, South and Eastern Europe BU. Audits performed at entities level: France BtoC BU: Direction des Tarifs Réglementés ; France Networks BU: Cofely Réseaux Etablissement ; United Kingdom BU: ENGIE Services ; Middle East, South and Central Asia, and Turkey BU: SUEZ Tractebel Operation & Maintenance (Oman), Other BU: ENGIE SA Corporate activities.

Environmental information: Audits performed at the BU level: United Kingdom BU. Audits performed at entities level: France Renewable Energy BU: CN’AIR, Compagnie Nationale du Rhône ; France BtoB BU: ENGIE COFELY installations – East-North Territory, ENGIE energy production and distribution subsidiaries – East-North Territory, France Networks BU: Climespace ; Generation Europe BU: Coö, DK6 (Dunkerque), Knippegroen, SPEM (Montoir), Maxima, Amercoeur, Eems power plants ; Benelux BU: Doel, Tihange ; North, South and Eastern Europe BU : ENGIE Servizi ; Latin America BU: ENGIE Generación Monterrey, Mejillones, Tocopilla and Inversiones Hornitos power plants (ENGIE Energia Chile) ; Brazil BU: Salto Santiago, Companhia Energetica Estreito, Machadinho, ITA Energetica and Jorge Lacerda power plants (ENGIE Brasil Energia); Asia-Pacific BU : Pelican Point power plant ; Storengy BU: Chémery storage site.