

Non-Financial Statement 2020

extract from 2020 Universal registration document



**#Act
With
ENGIE**

3

Non-Financial Statement and CSR information

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French ordinance 2017-1180 dated July 19, 2017 and French Decree 2017-1265 dated August 9, 2017 transposed European directive 2014/95/EU, also called the non-financial reporting directive (NFRD), as regards disclosure of CSR information by companies via the Non-Financial Statement (NFS), thus amending Article 225 of the French Commercial Code, which required companies to incorporate their social, environmental and societal information into their management reports.

Pursuant to this legislation, the ENGIE Group's NFS comprises the following elements:

- a description of the Group's activities presented in a summary form by major business segment in Section 3.2

"Business model", and in a detailed form in Section 1.6 "Description of the Group's activities";

- an analysis of the CSR risks relating to the areas referred to in the NFRD Directive, detailed in Section 3.3 "Analysis of the main CSR risks and challenges";
- a presentation of the governance of CSR performance in Section 3.1 "Corporate Social Responsibility", together with: the Board of Directors' diversity policy, described in Section 4 "Corporate Governance", the Vigilance Plan described in Section 3.9 "Vigilance Plan (synthesis)", and the rules of ethics described in Section 3.8 "Ethics and compliance".

3.1 Corporate Social Responsibility

The fundamental principles of Corporate Social Responsibility are elaborated on in the Group's purpose statement and enshrined in the Group's bylaws.

Rethinking the global energy landscape has today become a necessity in the face of global warming.

The urgent need to reduce environmental impacts means that we have to establish a lower-carbon, more decentralized, more digitized and more pared-back energy system. The Group's societal approach is fueled by its quest for positive impacts on the planet.

3.1.1 CSR policy and governance

ENGIE's Corporate Social Responsibility (CSR) policy sets out the Group's CSR priorities and commitments to bring together everyone's skills, create shared value for all its stakeholders and contribute to the achievement of the Sustainable Development Goals defined by the United Nations. By acting for a positive impact on people and the planet, the Group contributes to ensuring its leadership, over the long term, as a benchmark player in energy transition and related services beyond energy. This policy is detailed in Section 1.5.1.

The Corporate Societal Responsibility Department (CSR Department) is supported by a network comprising a *Chief Sustainability Officer* and an *Environmental Officer* for each BU. To engage employees as widely as possible on these subjects, the CSR Department also has an internal network of global CSR ambassadors.

The CSR Department provides regular presentations on the latest CSR topics (Science-Based Targets, Task Force on Climate-related Financial Disclosures, CSR commitments, discussions with civil society) and an annual report (CSR ratings, CSR objectives, the environmental and societal actions of the Group and the BUs) to the Ethics, Environment and Sustainable Development Committee (EESDC).

The CSR Department jointly chairs the Green Financing Committee with the Finance Department, overseeing projects likely to be financed by green bonds regularly issued on the market by the Group. It also jointly chairs the Duty of Vigilance Committee.

The CSR Department regularly meets with a range of stakeholders (NGOs, investors, rating agencies, clients, opinion leaders, and experts), and organizes panels and discussion forums to work on the sustainability of offerings, projects and services related to the Group's operations. The Group regularly holds training courses on sustainable development and stakeholder engagement for its employees.

Each year, at its Shareholders' Meeting, Engie publishes an integrated report on its overall financial, environmental, social and societal performance, which it discusses in advance with its main stakeholders.

The CSR Department has also launched a project to ensure the roll-out and proper implementation of the purpose. Initially based on a detailed analysis of the purpose in order to clarify what it means - particularly the concept of a positive impact, tools are being developed to facilitate this roll-out: long-term CSR goals, an internal taxonomy, a compatibility tool and an integrated reporting process. The CSR Department has joined forces with other departments to develop these tools and roll them out to the teams, updating the Group's major processes by incorporating the purpose within them. All of this work is designed to ensure that the decisions made are consistent with ENGIE's new purpose.

3.1.2 2030 CSR objectives

In 2020, the Group has set itself 19 CSR 2030 objectives in line with its purpose and its new strategic orientations.

Each objective has an Executive Committee member as a sponsor and a manager who works in partnership with the functional line concerned to take the necessary action to achieve it.

The 2020 results of the eight key CSR objectives (referred to as Tier 1) are presented in Section 1.5.3 of this document.

3.1.3 Climate trajectory (related to the recommendations of the TCFD: Task Force on Climate-related Financial Disclosures)

3.1.3.1 Governance

The Ethics, Environment and Sustainable Development Committee (EESDC) studies and decides on climate-related issues and in particular points concerning the implementation of TCFD recommendations, decarbonization objectives and climate policy. This role was confirmed by its inclusion in the Internal Regulations of the Board of Directors in 2019.

In order to fulfill this mission, the EESDC relies on an annual climate assessment, an analysis of climate-related risks and opportunities, as well as other more specific elements (e.g. progress on the adaptation plan). These reports are prepared by the CSR Department, which also includes a chapter dedicated to climate change in its CSR reporting to the EESDC.

The CSR Department leads a committee to monitor and manage the Group's decarbonization objectives, and a committee to monitor and implement TCFD recommendations.

The Group has also set up training modules for directors so that they can ensure that they have sufficient skills to fulfill their roles. The climate is one of the training topics.

The CSR Department also makes proposals to the Appointments, Compensation and Governance Committee on the criteria for compensating the Chief Executive Officer in relation to ENGIE's main non-financial challenges. The Group's GHG performance is one of these.

3.1.3.2 Strategy

In line with its purpose, contributing to the decarbonation of the economy is at the heart of the Group's strategy.

It also takes the form of medium- to long-term commitments to a GHG emissions trajectory compatible with the Paris Agreement (SBT certification) (see Section 3.1.4). In order to define its commitments, the Group has studied the resilience of its business model by comparing it to different decarbonation scenarios (work undertaken as part of the ENGIE adaptation process), and by varying the assumptions for the development of its activities.

These commitments are already reflected in the Group's processes: for example, the allocation of a carbon budget to the main businesses as well as a revision of the investment framework memorandum.

Moreover, climate change brings new opportunities: it strongly encourages the development of new technologies and solutions, which also are opportunities for the Group, particularly in terms of:

- strong development of renewable power and gas that is more energy efficient (e.g. heating and cooling networks);
- more offers of decarbonization support and solutions for our customers.

3.1.3.3 Risk management

Climate change entails risks for the Group:

- **The transition risks** to which the Group is exposed mainly result from the strengthening of emissions regulations and decarbonization policies, changes in market and consumer behavior, and technological developments.

The Group has been setting itself greenhouse gas emissions targets since 2012. Since the Paris Climate Agreement was signed in 2015, the Group has reduced its direct emissions by almost 60%. It has set ambitious new goals for 2030 – certified by SBTi.

As well as the emissions of its own industrial assets, the Group acts throughout its value chain, including suppliers, work practices, and support for customers as they decarbonize their footprint.

- **Physical risks** are inherent in the assets and activities of the Group that might be exposed to the impacts of climate change. The collaboration of the CSR Department with the Group's operating entities has made it possible to identify the climate indicators that affect our activities (rising temperatures, floods, droughts, wind, and heat waves). The Group has also forged a partnership with the Pierre Simon Laplace Institute to obtain climate change data for the periods to 2030 and 2050.

In addition to risk management, insurance coverage and short-term continuity plans, a plan to adapt our high-risk assets for 2030 and 2050 is being drafted.

3.1.3.4 Indicators and targets

ENGIE has a robust panel of KPIs that enable it to measure its carbon footprint with all the desired level of detail. These indicators allow it to very precisely control changes in its GHG emissions.

The results of the decarbonization targets are shown in Section

3.1.4 Science Based Targets certification and carbon neutrality

The Science Based Targets (SBT) initiative aims to encourage companies to take ambitious climate action by validating the compliance of their forecast chronicles of CO₂ eq emissions with the commitments of the Paris Agreement.

Mindful of its environmental responsibility, Engie submitted at the end of 2019 a request for certification of its CO₂ eq emissions to the +2°C commitments of the Paris Agreement. It obtained this certification in February 2020.

For this, the Group is engaged on two points:

- reduce the carbon intensity of its electricity production (scopes 1 and 3) by 52% by 2030 compared to 2017;
- reduce emissions from the use of products sold (scope 3) by 34% by 2030 compared to 2017.

This certification demonstrates ENGIE's aim of becoming a major player in the energy transition to a carbon neutral world.

As well as analyzing the potential GHG emissions trajectories resulting from the SBT commitment, ENGIE has launched a project dedicated to Carbon Neutrality. This work has mobilized many of the Group's entities and has focused on all the components of decarbonization, including emissions from industrial assets, emissions generated by employee activity, and impacts on the value chain, i.e. on all of the Group's scope 1, 2 and 3 emissions.

ENGIE has also developed a method for assessing its contribution to the avoided emissions of its customers, which it plans to share so that the approach can be standardized.

ENGIE is committed to ending its coal activity in 2025 for Europe and in 2027 for the rest of the world for all its coal assets.

This exit from coal is achieved through conversions, disposals or plant closures. If the closure of a coal-fired power plant is indeed preferable to its disposal from an environmental point of view alone, its implementation faces two limits: ENGIE is almost never the sole decision-maker in this matter and closure is often impossible when the coal plant contributes to the energy security of a State.

Finally, when ENGIE decides to sell a coal-fired power plant, it always chooses the purchasing partner taking into account CSR considerations. The proceeds from the sale also enable the Group to finance the development of renewable capacities that are beneficial to the climate.

Concerning natural gas, the Group's ambition is to gradually replace fossil gas by green gas through the development of biomethane and green hydrogen.

3.2 Business model

The acceleration of the energy transition is shifting the sector's value towards more environmentally-friendly activities and services that are closer to the end customer. It has also created a need to provide responses tailored to each region, incorporating a good understanding of local situations and resources. ENGIE is involved in raising awareness of, and co-constructing, the energy transition with its stakeholders.

The Group's activities, detailed in Section 1.6 "Description of the Group's activities", can be represented as follows:

Renewables (€1.6 billion i.e. 17% EBITDA)

Wind	<ul style="list-style-type: none"> • 10.1 GW • No. 1 onshore wind producer in France • Activities under PPA 	Solar	<ul style="list-style-type: none"> • 3.1 GW • No. 1 producer in France • Activities under PPA 	Biogas/Biomass	<ul style="list-style-type: none"> • 0.3 GW • No. 1 producer in France • Activities under PPA 	Hydropower	<ul style="list-style-type: none"> • 17.9 GW (hors pumped storage: 3,3 GW) • No. 1 producer in France • Activities under PPA
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Infrastructure (€3.9 billion i.e. 42% EBITDA)

Transmission	<ul style="list-style-type: none"> • Brands: GRTgaz and Elengy (France), gas transmission subsidiaries in Germany, Mexico, TAG (Brazil, Gralha Azul (Brazil), etc. • Positioning: No. 1 transporter in France and No. 2 in Europe – through independent subsidiaries, No. 1 terminals operator in France and No. 2 in Europe • Activities: Management of lines of transmission, electricity and gas 	Storage	<ul style="list-style-type: none"> • Brands: Storengy France, Storengy Deutschland, Storengy UK • Positioning: Leader in underground gas storage in Europe • Storage activities regulated in France, competitive in the UK and Germany 	Distribution	<ul style="list-style-type: none"> • Brands: GRDF (France), Distrigaz (Romania), Engie MaxiGas (Mexico), Turkey, Argentina, Thailand • No. 1 natural gas distribution network in Europe – through independent subsidiaries • Most activities regulated
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Client Solutions (€1.2 billion i.e. 13% EBITDA)

Cities and Communities	<ul style="list-style-type: none"> • Brands: ENGIE Solutions in France, outside France: ENGIE Cofely, ENGIE Axima, ENGIE Ineo, ENDEL ENGIE, and TRACTEBEL • Employees • Positioning: <ul style="list-style-type: none"> • No. 1 global operator of cooling networks • 350 heating and cooling networks in 20 countries • No. 4 operator of heating networks (in TWh) • No. 2 global provider of EV charging points • Activities: Management of urban power networks, green mobility (NGV, hydrogen), Smart city: Solutions for cities (1.5 million public lighting points, video surveillance) 	Industries	<ul style="list-style-type: none"> • Brands: ENGIE Solutions in France, outside France: ENGIE Cofely, ENGIE Axima, ENGIE Ineo, ENDEL ENGIE, and TRACTEBEL • Employees • Positioning: <ul style="list-style-type: none"> • No. 1 provider of energy efficiency services • No. 2 facility provider in Europe • Leader in solar units for industrial and commercial customers • Activities: Decentralized energy generation, Adigital systems and platforms 	Tertiary	<ul style="list-style-type: none"> • Brands: ENGIE Solutions in France, outside France: ENGIE Cofely, ENGIE Axima, ENGIE Ineo, ENDEL ENGIE, and TRACTEBEL • Employees • Positioning: <ul style="list-style-type: none"> • No. 1 provider of energy efficiency services • Activities: Smart building management, facilities management, digital systems and platforms
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Thermal: (€1.6 billion i.e. 17% EBITDA)

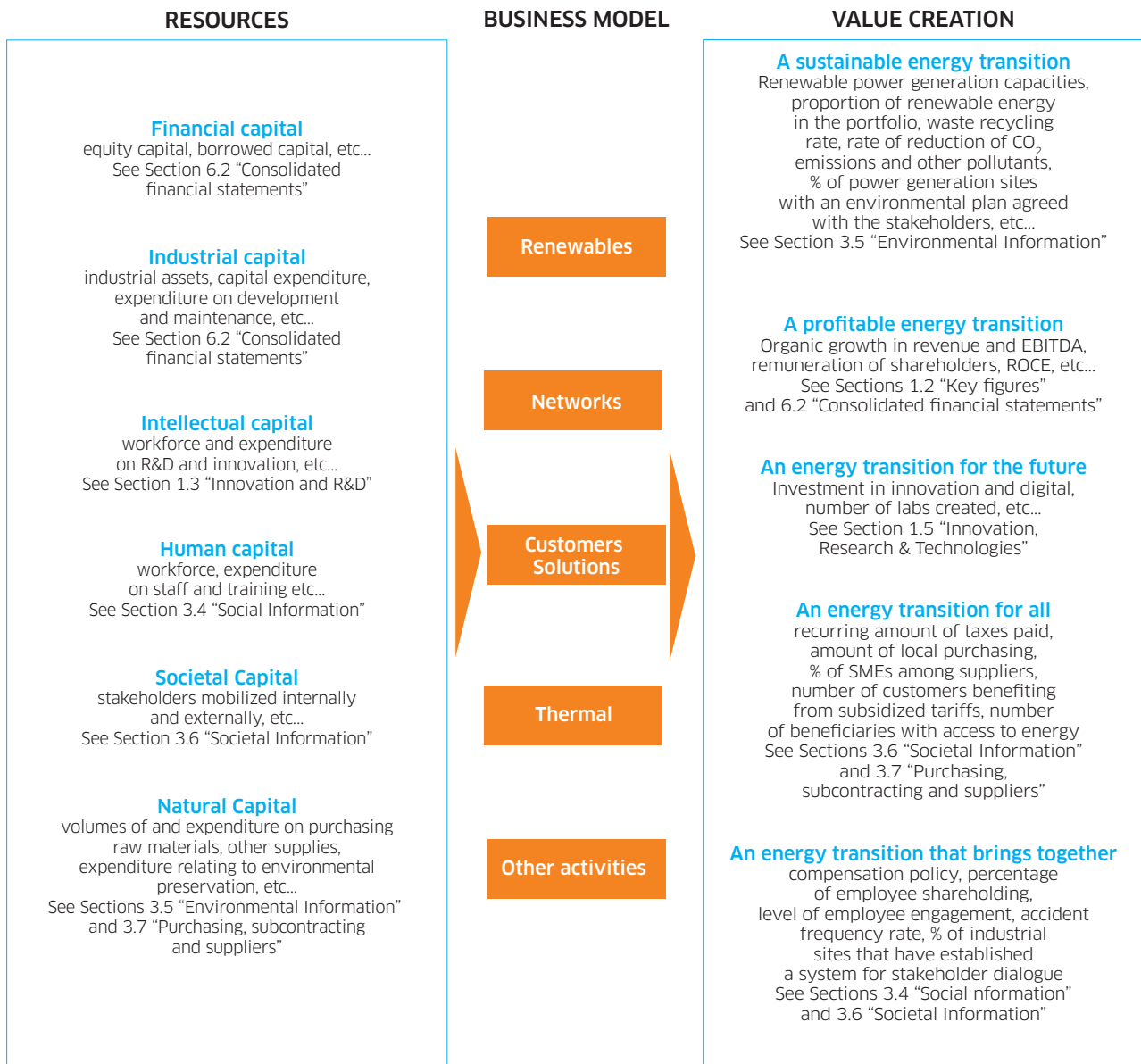
Natural gas	<ul style="list-style-type: none"> • 52.5 GW • Major presence in the Middle East (30.1 GW) • Activities under PPA 	Coal	<ul style="list-style-type: none"> • 4.3 GW • Withdrawal in progress
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Other activities (€1.0 billion i.e. 11% EBITDA)

BtoC customers	<ul style="list-style-type: none"> • Brand: ENGIE • 24 M contracts o/w 11 M in France • 126 TWh of gas sales and 36 TWh of electricity sales • No. 1 French provider of natural gas 	Nuclear	<ul style="list-style-type: none"> • 6.2 GW • No. 1 producer in Belgium • Activities under PPA 	Energy supply	<ul style="list-style-type: none"> • Supply and management of gas assets • Management and development of electricity assets • Energy supply • 8 trading platforms • Commercial activities in more than 50 countries
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The Group's four segments of activity (Renewables, Networks, Client Solutions, and Thermal) and Other activities utilize capital or resources of different kinds and create value according to five areas, as shown below. This presentation covers the *International Integrated Reporting Council* (IIRC) principles.

Value creation for ENGIE



ENGIE aims to create a group (code name BRIGHT) on July 1st, 2021, leader in multi-technical installation and maintenance services. This entity will develop its skills mainly in the fields of electrical, climatic and energy engineering, as well as in the fields of telecommunications, video and digital, for industrial, tertiary and local authority customers.

3.3 Analysis of main CSR risks and challenges

In order to identify the main CSR risks, ENGIE relied on the most recent version (2020) of its matrix of challenges, called materiality matrix, which was created to gain a better understanding of the expectations and priorities of its stakeholders and to target its strategy and actions more effectively.

This results in 20 challenges, divided into four categories, namely: four fundamental, seven material, two major, and seven decisive.

The fundamental challenges are long-lasting issues that form the founding basis for the responsible conduct of the Group's industrial and commercial activities. Therefore, they were not ranked or compared with other challenges. The other challenges were assessed and classified according to three categories of increasing materiality:

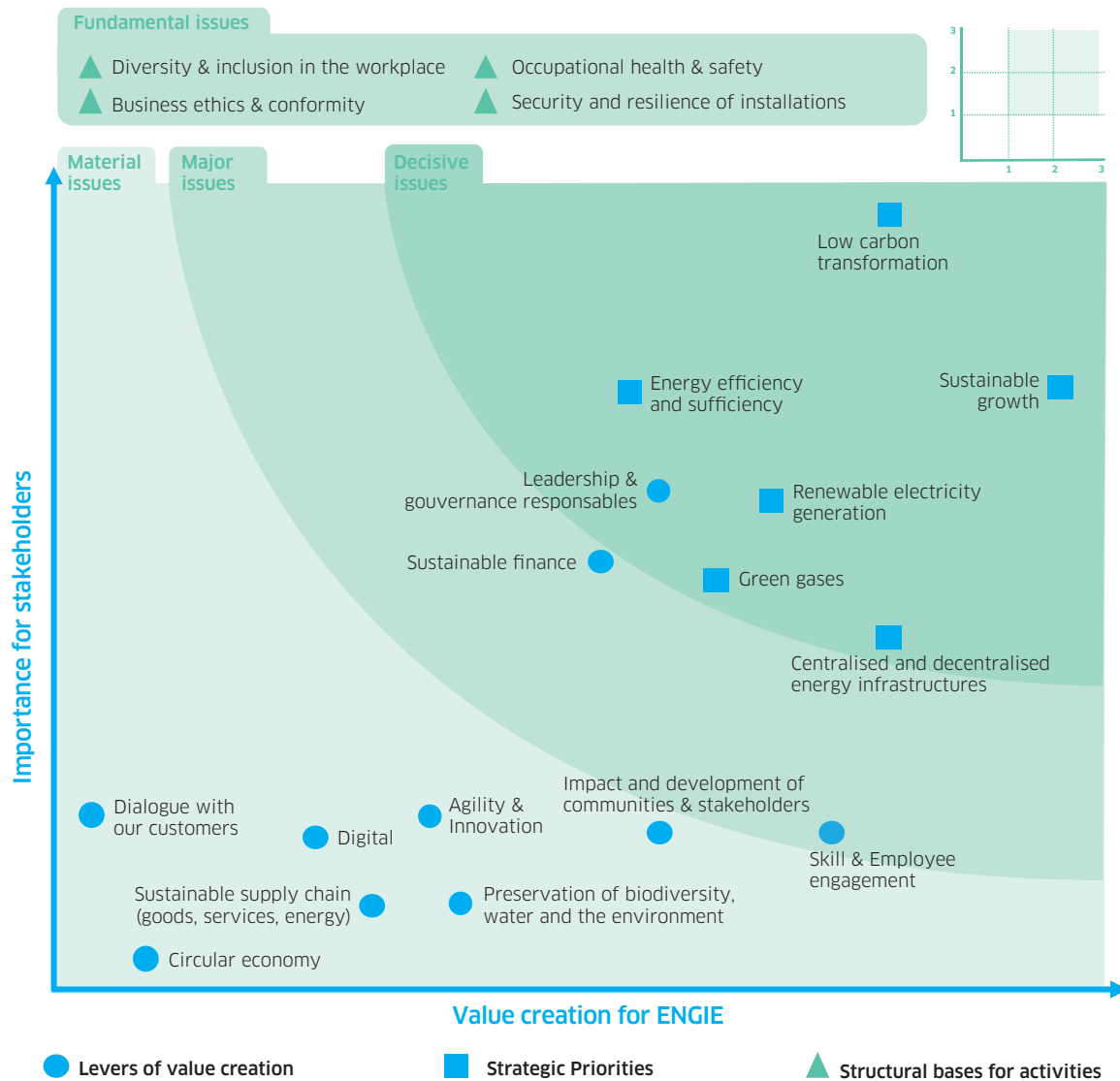
- the material challenges that create value for the Group;

- the major issues that make a significant contribution to this value creation;
- and the decisive issues that make an essential contribution to it, six of which constitute the Group's strategic priorities.

The challenges are positioned on the matrix:

- according to their importance for stakeholders (vertical axis);
- according to the impact in terms of value creation for ENGIE (horizontal axis).

The method used to construct the matrix can be found on the Group's website (Corporate Social Responsibility area).



The definitions of the 2020 challenges are provided in the following tables:

Challenge	2020 definitions
1. Responsible leadership & governance	Ensure exemplary and transparent leadership and governance, adapted to the strategic challenges; ensure transparency and integrity of information through reliable communication, effective management of potential controversies and ENGIE's brand image; ensure the clarity of the Group's objectives; ensure that the Group's actions are consistent with its purpose.
2. Digital	Put our digital expertise at the service of the energy transition by offering our customers innovative and differentiating solutions and services; leverage these technologies to improve the Group's operational efficiency and to strengthen cohesion between our employees through new collaborative tools.
3. Sustainable growth	Ensure the resilience of the Group's business model as well as the growth of financial results over the long term; guarantee value sharing with all stakeholders (incentive-based compensation for senior management and all employees; ensure shareholder attractiveness and loyalty); limit the risk of stranded assets; ensure stability in terms of financial and CSR ratings.
4. Security and resilience of installations	Ensure the operating safety of facilities and business continuity by guaranteeing: the security and surveillance of the Group's sensitive sites (nuclear and industrial), the resilience and adaptation of facilities to climatic risks, the cybersecurity of industrial systems, the confidentiality and protection of the personal data of our employees and clients; ensure the dismantling of nuclear sites under the required security conditions.
5. Employees' skills and commitment	Encourage employees to take ownership of ENGIE's purpose, strategy and values by making them actors in their deployment; strengthen the relationship of trust between management and employees; explore and develop new ways of working adapted to employees' needs; ensure quality social dialogue within the Group; to capitalize on employees' skills and support them in their professional development; attract and develop talent; strengthen intrapreneurship in our practices.
6. Occupational health & safety	Guarantee safety and optimal working conditions for our employees, contractors and subcontractors in all geographic areas where the Group operates.
7. Diversity & inclusion in the workplace	Promote equal opportunities and make equal treatment a reality; ensure non-discrimination with respect to both our employees and our candidates; promote diversity of profiles and experience at all levels of the company.
8. Circular economy	Encourage circularity throughout the value chain by guaranteeing the recycling, reuse and recovery of resources in operations; control the consumption of resources (responsible consumption); ensure efficient use of raw materials.
9. Preservation of biodiversity, water & the environment	Prevent and control the impact of the Group's operations on biodiversity, water and the environment (noise pollution, soil pollution, water and air pollution); be a player and driving force in environmental protection and contribute to the restoration of natural habitats through targeted and concrete commitments.
10. Low-carbon transformation	Acting positively for the environment and the climate by ensuring a clear and ambitious shift towards low-carbon activities, by withdrawing from carbon activities, by developing offers aimed at reducing the carbon footprint of the Group's customers, by controlling the carbon footprint of our supply chains and our working practices (ways of working).
11. Renewable electricity generation	Strengthen our investment in a competitive and sustainable portfolio of renewable energy power generation activities and ensure their local acceptability; anticipate new renewable energy sources and be a player in their deployment.
12. Green gases	Sustainably develop the entire green gas value chain (biomethane, hydrogen); raise awareness among our clients and stakeholders of the role of green gases as levers for resilience and performance in the energy transition.
13. Centralized and decentralized energy infrastructures	Pursue the development of gas and electricity energy infrastructures as well as decentralized infrastructures (heating and cooling networks, networks of charging stations for electric vehicles, urban public lighting networks, etc.); take advantage of new technologies for the intelligent and connected management of networks and infrastructures.

Challenge	2020 definitions
14. Agility & innovation	Change the corporate culture towards greater agility and openness to innovation; strengthen our ability to evolve (adaptation of business models and group organization, transformation of working methods, development of intrapreneurship, etc.) in the face of changes in the Group's environment (expectations, uses, etc.).
15. Dialogue with our customers	Engage in a strategic dialogue with our current and historical clients in order to best support them in their low-carbon transformation; make all our clients aware of our values and commitments; develop a quality partnership relationship and adapt to the specificities of our geographical locations; commit to long-term performance (energy, carbon, etc.) with our clients.
16. Business ethics & conformity	Ensure responsible business conduct through robust and transparent ethical practices in operational activities (e.g. anti-corruption, taxation).
17. Impact & development of communities and stakeholders	Work for the respect of human rights throughout our value chain ; maintain a continuous and quality dialogue with stakeholders ; develop new partnership dynamics; contribute positively to territorial development, while respecting local communities and taking into account changing needs ; contribute to a fair and efficient energy transition ; encourage a more inclusive and equitable economy.
18. Sustainable finance	Work towards sustainable finance through: promoting responsible financial instruments (green bonds, etc.), integrating ESG issues into the investment process in order to encourage the development of sustainable activities; demonstrate the alignment of ENGIE's actions with the growing expectations of investors and CSR rating agencies; anticipating and adapting to regulatory changes in this area.
19. Sustainable supply chain (goods, services, energy)	Promote ENGIE's CSR practices throughout its supply chains; foster quality dialogue with its suppliers; forge strategic partnerships for sustainable development; control the social and environmental risks related to the activity and geographic location of suppliers of goods, services and energy; favor a diversified panel of suppliers in order to guarantee business continuity.
20. Energy efficiency & sufficiency	Support an individual and collective approach to technical changes, uses, practices and organizational methods aimed at reducing energy consumption; at all levels of the Group: daily work practices, operations, supply chain and at our clients' sites through our offers as well as at the level of our infrastructures.

These 20 challenges generate CSR risks and opportunities. These CSR risks are classified in accordance with the regulations into the following categories:

- environmental;
- societal;
- social;
- and governance.

The main United Nations Sustainable Development Goals (SDGs) that could be impacted by these risks are also indicated.

The risk analysis included in Chapter 2 "Risk factors" is different from the analysis of these CSR risks. In Chapter 2, risks referred to as "net specific material risks" are assessed

and ranked. They are specific to ENGIE's activities and could have a financial impact in the short or medium term in the context of investment decisions concerning ENGIE. They are classified as net because they are presumed to be material even after the measures taken by the Group to manage them have been taken into account.

The risks included in this Section are CSR-related, not necessarily specific to ENGIE's activities, and may have a medium- or long-term impact. These are gross risks because they do not take account of the management measures implemented by ENGIE.

These different approaches explain the differences between the list of risks presented in Chapter 2 and those presented in this Section.

ENVIRONMENTAL RISKS

Challenge 2: Digital

Challenge 8: Circular economy

Challenge 9: Preservation of biodiversity, water and the environment







Challenge 10: Low-carbon transformation

Challenge 11: Renewable electricity generation

Challenge 12: Green gases

Challenge 13: Centralized and decentralized energy infrastructures

Challenge 20: Energy efficiency and sufficiency

Associated CSR risks	Associated opportunities	Associated SDGs
<p>A <i>Industrial safety</i>: corresponds to the risk of harm to the integrity of persons or property due to the Group's operational activities.</p> <p>B <i>Nuclear safety</i>: corresponds to specific risks in the event of accidents that might result in radioactive releases from the Group's nuclear plants.</p> <p>C <i>Cyber attack on industrial systems</i>: corresponds to the risk of an attack on industrial command systems.</p> <p>D <i>Malicious damage to tangible and intangible assets</i>: corresponds to malicious acts affecting the Group's industrial or tertiary sites and facilities, which make up its tangible assets, as well as those affecting information, which is part of the Group's intangible assets, whether conveyed on computerized or physical media or even verbally.</p>	<p>Sales of services: digitization, robotization, security and monitoring of sensitive sites, help with adapting customer facilities to climate change, and help with the decarbonization of customer portfolios</p>	 
<p>E <i>Contribution to climate change</i></p> <p>F <i>Impact of climate change</i></p> <p>G <i>Biodiversity</i></p> <p>H <i>Water stress</i></p> <p>I <i>Waste management</i></p> <p>J <i>Atmospheric pollution</i></p> <p>K <i>Pollution of the surrounding environment</i></p>	<p>Service sales: reducing the carbon footprint of industrial sites, environment management plans</p> <p>Program to restore flora and fauna</p> <p>Mobilization of stakeholders: customers, employees, regions and NGOs</p>	   

SOCIAL RISKS

Challenge 3: Sustainable growth

Challenge 15: Dialogue with our customers

Challenge 17: Impact and development of communities and stakeholders

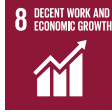

Challenge 18: Sustainable finance

Challenge 19: Sustainable supply chain




Associated CSR risks	Associated opportunities	Associated SDGs
<p>L <i>Societal acceptance</i>: the Group's activities involve the holding of various permits and authorizations, the obtaining or renewal of which with the competent regulatory authorities may involve long and costly procedures. The Group may face opposition from the local population or associations during the installation or operation of certain equipment.</p> <p>M <i>Management of major projects</i>: particularly including non-compliance with costs and construction deadlines and the operational performance of large-scale industrial projects.</p> <p>N <i>Reputation</i>: inability of the company to establish and maintain the trust of stakeholders and to obtain the benefits associated with this, inability to maintain the values and social standards of the company, including with its suppliers or subcontractors, inability of the company and the project to build and protect its brand image, and inability of projects aimed at improving access to energy to reach their targets.</p>	<p>Co-construction of offers with stakeholders</p> <p>Continuation of industrial activities</p> <p>Development of the access to energy offer in unserved regions</p> <p>Tackling fuel poverty with adapted offers</p> <p>Group's societal role beneficial to its internal and external reputation</p>	     

SOCIAL AND GOVERNANCE RISKS



Challenge 1: Responsible leadership and governance
Challenge 5: Employees' skills and commitment
Challenge 14: Agility and innovation

Associated CSR risks	Associated opportunities	Associated SDGs
<p>O <i>Skills</i>: i.e. a shortage of qualified people, unavailability of resources that are flexible according to needs, the loss of key knowledge in the event of departure due to lack of succession plans or due to more attractive conditions in the same geographical area.</p> <p>P <i>Employee commitment</i>: in the context of the Group's transformation, the lack of engagement could result in social movements.</p>	<p>Adapting to changes in occupational sectors</p> <p>Appeal of the Group to young people aware of carbon neutrality</p> <p>Digitization improving work efficiency</p>	 

Challenge 7: Diversity & inclusion in the workplace



Associated CSR risks	Associated opportunities	Associated SDGs
<p>Q <i>Diversity</i>: the non-representativity of the working population with respect to the society in which the Group operates.</p> <p>R <i>Inequality</i>: discriminatory treatment of employees or job applicants.</p>	<p>Group's societal role beneficial to its internal and external reputation</p> <p>Inclusivity of the company</p> <p>Reflection of society</p> <p>Attractiveness of the Group</p>	  

Challenge 6: Occupational health & safety


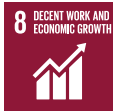
Associated CSR risks	Associated opportunities	Associated SDGs
<p>S <i>Health and safety at work</i> for employees, contractors and subcontractors.</p> <p>T <i>Safe travel</i></p>	<p>Improvement of operational performance</p> <p>Occupational well-being</p> <p>Employee motivation</p>	 

RISQUES DE GOUVERNANCE

Challenge 1: Responsible leadership and governance
Challenge 16: Business ethics & conformity

Associated risks	Associated opportunities	Associated SDGs
<p>U <i>Corruption</i>: the risk of criminal wrongdoing by which a person solicits or accepts a benefit with a view to carrying out an act within the scope of his or her duties.</p> <p>V <i>Tax</i>: the risk of non-compliance with tax regulations, reporting obligations and their development.</p>	<p>Group setting an example as a good citizen</p> <p>Employee motivation</p>	 

Challenge 17: Impact and development of communities and stakeholders

Associated risks	Associated opportunities	Associated SDGs
<p>W <i>Human rights violations</i></p>	<p>Group's societal role beneficial to its internal and external reputation</p>	 

In accordance with the regulations, these risks are analyzed, on the following pages, by means of:

- a summary of the policies or action plans implemented to limit them;
- indicators established to monitor them, sometimes with targets set;
- and the results of these indicators over three years (2018, 2019 and 2020).

Furthermore, pursuant to the French Act of March 27, 2017, ENGIE has drawn up a vigilance plan to monitor risks associated with human rights in the broadest sense, including aspects related to health and safety, responsible purchasing and the environment. This vigilance plan covers all of ENGIE's activities and its controlled subsidiaries world-wide, as well as those of its main suppliers. The vigilance plan is described in Section 3.9 "Vigilance plan (synthesis)".

3.3.1 Main environmental risks

Policies or action plans established to cover or remedy risks more	Steering resources or KPIs, objectives	2020 results	2019 results	2018 results
Risk A: Industrial safety (see Section 2.2.5.1)				
ENGIE's health and safety policy incorporating industrial safety Industrial safety policies specific to the different activities conducted by Group subsidiaries Action plans implemented by the subsidiaries that integrate feedback as part of a continuous improvement approach	Monitoring of incidents and accidents related to industrial safety at subsidiary level Assessment of the level of risk control achieved through dedicated internal control standards (IND 2 & 3)	No significant incident at industrial facilities	No significant incident at industrial facilities	No significant incident at industrial facilities
Risk B: Nuclear safety (see Section 2.2.5.4)				
Nuclear Safety and Radiation Protection Policy Independent supervision of nuclear safety 2016-2020 Global Nuclear Safety Plan Minimum requirements for systems of management of nuclear actors	Monitoring of significant incidents	No significant incident	No significant incident	No significant incident
Risk C: Cyber attack on industrial control systems (see Section 2.2.6.1)				
The Group policy review on Security of Industrial Control Systems Technical security standard assessment Qualitative assessment of the maturity level of the cybersecurity culture on the entities	Monitoring of the security rate of priority sites to be secured (critical and sensitive sites) Assessment of the level of risk control achieved through dedicated internal control standards (IND 4)	Maintaining the security of existing sites and securing new sites in accordance with objectives	Maintaining the security of existing sites and securing new sites in accordance with objectives	All critical and sensitive sites were secured at the end of 2018
Risk D: Malicious damage to assets (see Section 2.2.6.4)				
Group policy to protect individuals and tangible and intangible assets Prevention and protection measures implemented on the basis of the criticality of the geographic location Group Information Security Committee	Monitoring of threats to the Group, particularly from terrorists Monitoring of damage to assets	No significant damage to assets	No significant damage to assets	No significant damage to assets
Risk E: Contribution to climate change (see Section 2.2.2)				
The Group's environmental policy, which specifies:	2020 targets:			
<ul style="list-style-type: none"> the environmental challenges faced by the Group, including climate change; the resources used by the Group to meet these challenges and improve its performance; the governance elements that contribute to the implementation of the Group's environmental policy. 	<ul style="list-style-type: none"> Percentage reduction of the CO₂ emissions ratio from energy production of 20% compared with 2012 	-52.0%	-43.7%	-28.7%
	<ul style="list-style-type: none"> 25% of power capacity from renewables (counted at 100%, regardless of the rate of detention) 	31.2%	27.8%	23.7%
	2030 targets:			
	<ul style="list-style-type: none"> 43 Mt of GHG emissions (scopes 1 and 3) from energy production, in line with the SBT commitments 	68	75	86
	<ul style="list-style-type: none"> 52 Mt of GHG emissions from use of sold product, in line with the SBT commitments 	62	61	62
	<ul style="list-style-type: none"> 0 Mt of GHG emissions from its working practices (after offsetting) 	0.49	0.7	na
	<ul style="list-style-type: none"> 58% of power capacity from renewables 	27.8%	27.8%	23.7%

Policies or action plans established to cover or remedy risks more	Steering resources or KPIs, objectives	2020 results	2019 results	2018 results
Risk F: Impact of climate change (see Section 2.2.2)				
The Group's environmental policy	2020 target: 100% of its target sites (i.e. presenting a risk to the environment according to a multi-criteria approach integrating biodiversity, water, waste and air pollution) with an integrated environmental management plan, drawn up in collaboration with their stakeholders, and include adaptation of the Group's facilities to respond to climate change	100%	86%	75%
Risk G: Biodiversity				
The Group's biodiversity policy which aims to:	2020 target:			
<ul style="list-style-type: none"> avoid the direct or indirect impacts of its activities and those of its value chain on biodiversity; failing this to reduce them; or even to offset them as a last resort. 	100% of the priority sites (i.e. those likely to affect biodiversity due to their proximity to a protected natural area) with an action plan to respond to the challenges of preserving biodiversity	100%	94%	94%
	2030 target:			
	100% of industrial activities with ecological site management plans	0%	Not communicated	Not communicated
Risk H: Water stress				
The Group's water policy, which focuses in particular on the management of water used in energy generation and wastewater treatment processes	2020 targets:			
	15% reduction in the level of freshwater withdrawals per MWh of energy generation compared with 2012	-46.2%	-36.4%	-39%
	100% of the sites in areas of high water stress with local action plans in collaboration with stakeholders	100%	63%	58%
	2030 target:			
	35% reduction in the water consumption of industrial activities compared with 2019	-19%	0%	na
Risk I: Waste management				
The Group's circular economy policy, which aims to ensure that each site or activity works on the recovery and/or recycling of its waste	% of non-hazardous waste recovered	76%	76%	85%
	% of hazardous waste recovered	31%	31%	28%
Risks J and K: Air pollution and pollution of the surrounding environment				
The Group's environmental policy	NOx	47,538 t	50,408 t	60,412 t
	SO ₂	119,584 t	129,026 t	118,291 t
	Fine particles	4,406 t	4,544 t	4,873 t

3.3.2 Main societal risks

Policies or action plans established to cover or remedy risks more	Steering resources or KPIs, objectives	2020 results	2019 results	2018 results
Risk L: Societal acceptance				
The Group's societal policy, which specifies: <ul style="list-style-type: none"> the Group's societal challenges; the resources it uses to meet these challenges; the governance elements that contribute to implementation of the policy. 	2020 target: 100% of industrial activities covered by an appropriate mechanism for dialogue and consultation with stakeholders	100%	74%	53%
	2030 target: 100% of its activities, projects and sites that are being decommissioned with an environmental plan in consultation with stakeholders	21%	10%	na
	Annual monitoring of BUs or entities trained in the stakeholder engagement tool, which is a self-assessment framework based on standard AA1000 – Stakeholder management, produced by the Accountability NGO	6	9	6
Risk M: Management of major projects (see Section 2.2.6.2)				
Investment procedure for projects passing through the Group Commitments Committee which provides for a risk analysis and a self-assessment matrix of 12 CSR criteria based on information from the EIA (Environmental Impact Assessment) and ESIA (Environmental Social Impact Assessment)	Risks analysis 12 CSR criteria matrix			No indicator
Risk N: Reputation				
Protection of the brand	2020 target: 85% BtoC customer satisfaction level (*): change in methodology in 2019, with a questionnaire administered by email and no longer by phone leading to a reduction in satisfaction of 12 points)	76% (*)	72% (*)	81%
	2030 target: 100% of offers proposing an alternative option contributing to decarbonization	51%	na	na
Environmental policy	Number of environmental complaints and convictions	6 complaints and 2 convictions	10 complaints and 1 conviction	24 complaints and no conviction
Ethics Charter Code of conduct for business relations Code of conduct for relations with suppliers	Ethical malfunctions monitored using the INFORM/ethics reporting tool	283 incidents, proven or non-proven	282 incidents, proven or non-proven	218 incidents, proven or non-proven
Group Purchasing Policy that sets out the obligations and commitments applicable to ENGIE in terms of its relations with suppliers	2020 target: 100% of the entities with a system in place for responsible supply chain management	100%	86%	84%
	2030 targets: 100% of preferred suppliers (excluding energy purchasing) SBT certified or aligned	15%	Not communicated	Not communicated
	Ratio of 100 on responsible purchasing (excluding energy): CSR assessment, payment terms, and inclusive purchasing	18	Not communicated	Not communicated

Policies or action plans established to cover or remedy risks more	Steering resources or KPIs, objectives	2020 results	2019 results	2018 results
Promotion of access to energy for populations living far away from networks, including in Africa, and through the social impact fund, Rassembleurs d'Énergies	2020 target: 20 million recipients at the base of the pyramid with access to sustainable energy (including the Rassembleurs d'Énergies fund)	11.5 M	8.9 M	3.7 M
	2030 target: 30 million recipients with access to affordable, reliable, and clean energy from 2018 (excluding the Rassembleurs d'Énergies fund)	6 M	4 M	0 M
Vigilance Plan (synthesis) (see Section 3.9)				

3.3.3 Main social risks

Policies or action plans established to cover or remedy risks	Steering resources or KPIs, objectives	2020 results	2019 results	2018 results
Risk O: Skills				
The Group's mobility development policy, which is based around: <ul style="list-style-type: none"> • ENGIE Skills, which is aimed at developing skills early to prepare for the future; • ENGIE Mobility, which fosters internal mobility; • and is supported by ENGIE University. 	2020 target: 66% of employees trained during the year	70.1%	69.2%	66.1%
	2030 target: 100% of employees trained during the year	70.1%	69.2%	66.1%
	Monitoring of number of hires (permanent and fixed-term)	29,481	37,182	29,754
	Monitoring of voluntary turnover rate	5.4%	7.1%	5.8%
The Group's innovation policy, which is based on: <ul style="list-style-type: none"> • the ENGIE Fab entity to implement new businesses; • the ENGIE New Ventures investment fund to support start-ups. The Group's research & technology policy that relies on the ENGIE Research entity, which brings together several Labs and centers of expertise and engineering	R&D budget	€190 M	€189 M	€182 M
Risk P: Commitment				
The Leadership Way, which defines four key behaviors: caring - demanding - open - bold. These behaviors enable us to meet five objectives: Prepare the future - Cultivate and give responsibility - Act and challenge the status quo - Deliver results - Adopt inspiring behavior on a daily basis.	2020 target: 80% employee engagement rate through the worldwide annual "ENGIE&Me" survey	83%	80%	79%
	Privileged forums for consultation between management and employee representatives: The European Works Council and the French Group Works Council	These bodies monitor and sign Group collective bargaining agreements	No new agreement	No new agreement

Policies or action plans established to cover or remedy risks	Steering resources or KPIs, objectives	2020 results	2019 results	2018 results
Risk Q: Diversity				
Group diversity policy Diversity label	2020 targets:			
	25% of the workforce are women	21.5%	20.9%	21.1%
	25% of international senior managers are neither French nor Belgian, calculated within the scope of the Group Managed Roles (GMR)	25%	25.5%	24%
	33% of senior managers appointed are women, calculated within the scope of the Group Managed Roles (GMR)	25.4%	28%	24%
Employment of young people	2030 target: 50% of managers are women	24.1%	23.5%	23.3%
	2030 target: 10% of European workforce are apprentices	4.3%	3.9%	Not communicated
Risk R: Inequality				
Professional equality policy	2030 target: Equity ratio of women to men of 100			
	France	87	72	Not communicated
	Rest of world	80	72	Not communicated
Risk S: Health and safety at work				
Global agreement on health and safety at work that states the goals and strategies of the health and safety policy	2020 target: Frequency rate of lost-time employee accidents of less than 3.4 by 2020. This target was revised in 2019 to take account of the structural change in activities	3.0 for a 2020 target of 3.4	3.7 for a 2019 target of 3.9	3.4 for a 2018 target of 3.5
	2030 target: Total lost time injury frequency rate for employees and subcontractors on sites with controlled access \leq 2.9	2.7 for a 2020 target of 3.3	3.3	
Health and safety policy that sets out the fundamental principles that have to be met for all the ENGIE entities, in order to respect the integrity of people and assets It constitutes, for every person, a reference point to ensure that health and safety are incorporated within all the actions of the Group	Managerial safety inspections Identification of potentially serious situations and events			
	2020 targets: 100% of Group entities with a process that ensures training in the "life-saving rules" for subcontractors	97%	92%	92%
	100% of Group entities with a process that ensures the identification and management of events with high potential of severity	99%	95%	93%
	2030 target: Health and safety prevention rate \geq 0.75	0.59	0.42	Not communicated
European agreement on the improvement of working conditions 2016-2020 Health and safety action plan "No Life at Risk" program of specific actions designed to strengthen the health and safety culture	Annual health and safety reviews conducted with each BU			
	Monitoring of health and safety results by the Executive Committee, the EESDC and the Board of Directors			
	Utilization by the BUs of a internal control questionnaire on health, safety and security			

Policies or action plans established to cover or remedy risks	Steering resources or KPIs, objectives	2020 results	2019 results	2018 results
Annual communication campaign Feedback shared among the BUs and subsidiaries		Communication campaigns focused on the prevention of the Covid-19 risk and on maintaining vigilance in terms of health and safety	Communication campaign to carry out a risk analysis on the ground, immediately before starting the activity	Shared vigilance "United together for everyone's safety"
Risk T: Safe travel				
Safety rules for international trips Employee access to the ISOS international medical and health portal Employee access to the analyses and reports of the Control Risks Group site on country risks and to e-learning on personal security when traveling abroad	Reinforcement of event-detection mechanisms "Travel Tracker" tool to monitor individuals traveling in high-risk areas Alert system for office-based personnel which supplementing the alert system for international personnel mobility	No significant event	No significant event	No significant event

3.3.4 Main governance risks

Policies or action plans established to cover or remedy risks	Steering resources or KPIs, objectives	2020 results	2019 results	2018 results
Risk U: Corruption				
Anti-corruption policy based on: <ul style="list-style-type: none"> the Ethics Charter; the Practical Guide to Ethics; the integrity reference system; the Ethics Compliance reference system; specific policies: Third party assessments, business consultants, gifts, invitations, conflicts of interest, lobbying in particular and supplier relations; ethics and CSR clause in the general terms of sales. 	System for whistleblowing and reporting ethics incidents Control process Annual compliance procedure by means of a specific reporting system INCOME COR 4 internal control program Internal audits and external audits including the ISO 37001 certification audit (certification received in 2018 and renewed in 2019) Annual publication of the communication on the progress of UN Global Compact Principle 10	283 proven or unproven incidents reported in My Ethics Incident, including 20 cases of alleged corruption	282 incidents (proven or unproven) declared in INFORM'ethics including 9 cases of alleged corruption	218 incidents (proven or unproven) declared in INFORM'ethics
	Alert system: ethics@engie.com	201 incidents including 20 concerning business ethics cases	183 incidents including 17 concerning business ethics cases	Not communicated
	The Group is committed to training its senior managers, expanding its commitment for 2019 to Group managed roles (GMRs) and anti-corruption in 2025	86% of GMR	91% of senior managers and 86% of executive managers	91% of senior managers
	2030 target: 100% of employees most exposed to corruption risk trained	21%	25%	

Policies or action plans established to cover or remedy risks	Steering resources or KPIs, objectives	2020 results	2019 results	2018 results
Risk V: Tax				
Tax policy that sets out the rules and principles for the payment of taxes in the countries in which the Group operates	Tax reporting by country Adherence to the principles of the United Nations BTeam initiative	See website	See website	See website
Risk W: Human rights violations				
Human Rights referential and policy Vigilance Plan Ethics due diligence policy (suppliers, subcontractors, and commercial partners)	Checklist on the risk of violating human rights (annual risk review, see Sections 2.2.7 and 3.8.2) Annual ethics compliance report (quantitative and qualitative indicators, see Section 3.8.6) System for whistleblowing and reporting ethics incidents Monitoring of the Group Vigilance Plan (see Section 3.9.3)	283 incidents in My Ethics Incident (alleged or unsubstantiated), including 6 allegations relating to human rights and environmental law (excluding allegations relating to sexual harassment and moral harassment)	282 incidents (proven or non-proven) declared in INFORM'ethics, including no case concerning human rights	218 incidents (proven or non-proven) declared in INFORM'ethics, 34% of which involve social responsibility and human rights, including HR practices

3.4 Social information

ENGIE's Human Resources (HR) strategy supports and contributes to the Group's strategy to meet the challenges of today and anticipate those of tomorrow. Listening to its stakeholders, the HR function constantly reconciles economic performance, human progress and contributions to society. It is a necessary and complex responsibility which calls for a strong and agile HR function, . capable of transforming itself to provide concrete and innovative responses to the multiple challenges that ENGIE has to meet. Passionately committed to the success of the business project, HR pursues three strategic objectives: developing skills within the Group, developing leadership and building ENGIE's culture.

ENGIE sees women and men as the main driver of its performance. The Group must be able to rely at all times on skills tailored to its changing needs. Accordingly, the HR function plays a major role:

- anticipating and identifying the needs of the BUs and businesses as well as emerging trends;
- developing and adapting skills to our new solutions and business challenges;
- strengthening the Group's ability to attract, recruit and retain the talents of today for tomorrow in an increasingly competitive market.

The health and economic crisis that has been going on since March 2020 is unprecedented. It has affected people both collectively and individually. Its impact is global and has required the rethinking of models and operations. From the start, the HR department has been a strategic player in crisis management. It has played a central role in the definition, application and roll-out of health rules. It has had to adapt working methods and implement measures to support employees and preserve jobs. It recognized the extent of the social crisis very early on, accelerating the roll-out of the ENGIE Care worldwide social protection program.

The HR transformation project created a global, united and interconnected HR community. Throughout the crisis, this community has been sharing and adapting the practices put in place within its regions to ensure the safety, health and well-being of employees and to maintain their commitment. Ongoing consultation with union representatives has strengthened internal cohesion and enhanced performance during this period. More generally, the crisis has tested its great capacity for resilience. The Group has maintained its social commitments without compromising its objectives: 50% female managers by 2030, professional and pay equity between women and men, professional integration with a target of 10% of staff consisting of students on work-study programs in 2021 in France and in 2030 in Europe, and 100% of staff trained each year by 2030.

3.4.1 Social data

3.4.1.1 Workforce

ENGIE was present in around 60 countries in 2020, with 172,703 employees. The workforce increased by 1,600 employees, or around 1%, compared with 2019. This change was due to business expansion and the acquisition and integration of new companies within the Group in connection with the development strategy.

GRI 102-7 /405-1	2020							2019		
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	%	Group
Managers □□	1,439	14,801	4,666	10,338	2,066	2,064	9,906	45,280	26.2%	42,963
Men	1,078	11,485	3,129	8,513	1,604	1,629	6,923	34,361	75.9%	32,856
Women	361	3,316	1,537	1,825	462	435	2,983	10,919	24.1%	10,106
Non-managers □□	1,847	44,697	12,773	44,391	10,700	8,178	4,837	127,423	73.8%	128,141
Men	1,422	38,102	9,495	34,256	9,022	6,793	2,191	101,281	79.5%	102,527
Women	425	6,595	3,278	10,135	1,678	1,385	2,646	26,142	20.5%	25,614
TOTAL □□	3,286	59,498	17,439	54,729	12,766	10,242	14,743	172,703	100%	171,103
Men	2,500	49,587	12,624	42,769	10,626	8,422	9,114	135,642	78.5%	135,383
Women	786	9,911	4,815	11,960	2,140	1,820	5,629	37,061	21.5%	35,720
% reporting	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

As of December 31, 2020, the workforce comprises 45,280 managerial staff, i.e. 26.2%, and 127,423 non-managerial staff, i.e. 73.8%. The proportion of managerial staff increased slightly, from 25% to 26.2%. The proportion of women in the workforce increased from 20.8% in 2019 to 21.5% and represented 24.1% of managers (see Section 3.4.4.1).

3.4.1.2 Contract types and trends

At the end of December 2020, 156,140 employees were on permanent contracts, making up 90.4% of the workforce. 10,602 employees were on fixed-term contracts, mainly in the Latin America, Asia Pacific and China BUs. Furthermore, with 5,961 young people on work-study programs (5,523 in

2019), ENGIE favors the inclusion of young people. Work-study programs combine practice with the teaching provided at their training centers. They are also an important source of recruitment (see Section 3.4.2.1.3).

GRI 102-8	2020							2019	
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	Group
Permanent □□	96.5%	91.5%	93.6%	94.3%	70.6%	81.1%	90.0%	90.4%	90.3%
Fixed-term □□	3.3%	2.4%	0.2%	4.6%	29.3%	17.8%	6.6%	6.1%	6.5%
Work-study contracts □□	0.2%	6.2%	6.2%	1.1%	0.1%	1.1%	3.4%	3.5%	3.2%
% reporting	100%	100%	100%	100%	100%	100%	100%	100%	100%

3.4.1.3 Workforce by age bracket

The average age of employees on permanent contracts is 42.8, unchanged compared with 2019.

GRI 405-1	2020							2019	
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	Group
< 25 yrs old	3.3%	4.0%	2.6%	3.1%	5.3%	3.1%	2.3%	3.4%	3.7%
25-34 yrs old	20.9%	23.5%	25.3%	17.2%	33.3%	34.4%	26.5%	23.0%	23.4%
35-44 yrs old	25.2%	29.3%	31.3%	25.3%	32.1%	34.0%	33.0%	28.8%	28.6%
45-54 yrs old	26.1%	27.3%	28.2%	30.4%	19.8%	20.4%	24.2%	27.3%	27.4%
> 55 yrs old	24.5%	15.9%	12.6%	24.0%	9.6%	8.1%	14.0%	17.5%	16.7%
% reporting	100%	100%	100%	100%	100%	100%	100%	100%	100%

3.4.1.4 Hiring

Nearly 29,500 employees were hired. They are suited to our future skills requirements and will support the transformation. 70% of them relate to occupations in the technical, engineering and business development areas. The profile of these hires is shifting towards increased expertise, particularly in the digital occupations. These hires reflect different situations in terms of activities and countries. 11,393 hires took place in France, including 6,420 on permanent contracts and 4,973 on fixed-

term contracts (12,802 in 2019). Internationally, 18,088 hires took place in 2020, compared with 24,380 in 2019, down 6,292 or 26%. The impact of the health crisis resulted in a 21% drop in hires, particularly in those occupations hit hardest in the first half of the year in Latin America, the United Kingdom and France. 21.5% of hires were women. In addition to these hires, 6,494 employees benefited from the internal mobility selection procedures (7,914 in 2019).

GRI 401-1	2020							2019	
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	Group
Permanent hires	620	5,526	815	5,041	1,552	1,227	1,759	16,540	20,388
Women	130	871	279	1,165	298	249	619	3,611	4,477
Men	490	4,655	536	3,876	1,254	978	1,140	12,929	15,911
Fixed-term hires*	86	4,161	775	2,076	4,143	521	1,179	12,941	16,794
Women	23	982	292	498	358	132	438	2,723	3,296
Men	63	3,179	483	1,578	3,785	389	741	10,218	13,498
TOTAL	706	9,687	1,590	7,117	5,695	1,748	2,938	29,481	37,182
% reporting	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Including work-study students

3.4.1.5 Departures

The Group registered a 9.3% decrease in departures in 2020: 19,537, compared with 21,545 in 2019. The specific context of the health crisis resulted in a decrease in resignations worldwide. The decrease was limited in France: 3.6%, compared with 4% in 2019. Internationally, countries with historically high levels of resignations registered sharp drops:

Latin America 10.1% compared with 19.4%, United Kingdom 8.1% compared with 12.4%, and United States 8.3% compared with 9.3%. On the other hand, the health crisis caused a sudden shutdown of projects, with the early departures of employees recorded as redundancies, explaining the increase in some areas: the United Kingdom, Latin America, and India.

GRI 401-1	2020							2019	
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	Group
Departures	638	4,922	627	5,523	4,351	2,294	1,182	19,537	21,545
Retirements	22	809	404	774	53	86	100	2,248	2,196
Resignations	288	2,698	180	2,864	1,320	1,385	709	9,444	12,120
Dismissals	326	841	23	1,329	2,802	598	247	6,166	5,691
Contractual terminations	2	574	20	556	175	225	126	1,677	1,537
Levels of resignations	8.3%	4.6%	1.0%	5.2%	10.1%	12.7%	5.0%	5.4%	7.1%
TURNOVER*	17.8%	7.0%	1.3%	8.6%	32.8%	20.2%	7.6%	10.0%	11.3%
% reporting	100%	100%	100%	100%	100%	100%	100%	100%	100%

* Excluding retirements

3.4.2 Attraction, hiring and retention of talent

3.4.2.1 Hiring and the employer brand

3.4.2.1.1 Hiring talent

Faced with a highly competitive job market, changing occupations, and constantly evolving candidate expectations, the talent recruitment strategy is aligned with ENGIE's purpose and the transition to a carbon-neutral economy. This strategy stands out because it favors an approach that places the candidate at the center of the recruitment process in the service of the occupations and the business. In this sense, ENGIE has developed its methods, strengthened the

professionalization of its HR teams and cultivated its agility. The Group has developed strategic partnerships with LinkedIn, Indeed, and Glassdoor. This is how the HR sector identifies, supports and develops the profiles, skills and resources to enable the Group to anticipate and respond to the challenges of today and tomorrow. ENGIE has therefore initiated an active policy of developing its employer brand to attract the best talent and roll out its strategy. Multiple communication actions take place on networks and recruiting

sites to publicize ENGIE's occupations. ENGIE had more than 547,000 subscribers on LinkedIn at the end of 2020 and ranks 7th on LinkedIn's list of "Top Companies."

3.4.2.1.2 Academic relationships

ENGIE has forged special relationships with many prestigious engineering schools and universities that are levers for recruiting and attracting future young talent: Polytechnique, CentraleSupélec, Centrale Lyon, INSEE/ENSEA, MINES ParisTech, Télécom ParisTech, IAE, Gobelins, Grenoble INP – Ensimag, INSA, etc. In the Renewables occupations, the Group has embarked on numerous partnerships with laboratories and engineering schools (Mines, Centrale, Supélec, Polytechnique, ENSEIIGHT, etc.). They give their students the opportunity to take part in the ENGIE adventure through work-study programs and internships and the hosting of PhD students and students researching specific areas. ENGIE has launched the first 100% renewable Graduate Program. Lastly, partnerships have also been established in digital occupations (EPITHEC and Ecole 42) and with the major French business schools (HEC, ESSEC, EDHEC, ESCP, Sciences Po, Paris Dauphine and Institut Magellan).

3.4.2.1.3 Apprenticeships

To tackle the skills war and guarantee the Group's performance, ENGIE relies on young people and apprenticeships as a path of excellence towards its future occupations.

The Group has set itself two strategic targets:

- the proportion of apprentices in the Group's workforce to reach 10% in France by the end of 2021 and 10% in Europe by the end of 2030;
- a level of transformation into permanent or fixed-term contracts in France of 50% by the end of 2021.

Representativity of apprentices compared to permanent and fixed-term contracts

FRANCE	EUROPE	OTHER	GROUP
7.1%	1.0%	0.5%	3.6%

3.4.2.2 The employees' commitment to the Group's strategy

ENGIE&Me

In line with the large-scale transformation program launched in 2016, the Group implemented the *ENGIE&Me* engagement survey in October 2020, for the fifth consecutive year. Addressed to employees on permanent contracts all over the world ⁽¹⁾, it allows them to express themselves on the key dimensions of commitment: strategy, working conditions, relations within the team, quality of management, prospects for development and mobility, sense of security, etc. The results make it possible to measure the progress made from one year to the next and to determine an action plan for improvements on each scope, at the local level and at all levels of the organization: team, management, entity, BU, and Group. It is a key tool for driving change. In 2020, 53% of employees took this opportunity and responded to the survey despite the context of the health crisis. The main strengths of the Group

ENGIE had 5,961 apprentices at the end of 2020. For several years, ENGIE has been working with the Apprentice Training Centers (Centres de Formation d'Apprentis or CFA) throughout France. They support the Group in designing its training courses and searching for skills through a regional network that provides information on its occupations in all four corners of the country. In France, the percentage of staff undertaking work-study programs compared to permanent and fixed-term contracts is 7%. Developing the skills of the future to serve the transition to carbon neutrality is more than ever a priority for the Group, and promises to have a positive impact on people and the planet. Furthermore, on November 2, 2020, ENGIE opened its own CFA in France: the "Academy of Energy and Climate Transition Occupations." This human-scale Academy will welcome several hundreds of students by the end of 2024. The CFA offers the vocational Baccalaureate Diploma and higher technician's license (brevet de technicien supérieur or BTS) for young people aged 16 to 29, in close partnership with well-known educational establishments. The aim is to meet the changing needs of the Group and to attract more young people, particularly women, to its occupations. All of the training courses have the same foundation, focused on the transition to carbon neutrality, in order to raise awareness of environmental and climate issues, and what behaviors to adopt in terms of health and safety and with regard to customers. By creating its business CFA, ENGIE has confirmed its commitment to employment and the inclusion of young people. The Academy of Energy and Climate Transition Occupations is helping ENGIE achieve its target of 10% of its French employees on work-study programs by the end of 2021 (of which 3% young people with disabilities), i.e. double the legal limit of 5% for companies with more than 250 employees. The Group also aims to hire 50% of its employees on work-study programs at the end of their training by 2021, particularly in the technical occupations, which represent more than two-thirds of its total hiring needs. With the same aim, on October 6, 2020, ENGIE Benelux launched ENGIE Academy at Gand in Belgium, which is fully in line with the Group's commitment to making energy occupations accessible to all.

Lastly, the Group's work in welcoming interns, the VIEs (Volunteers for International Experience) and all other forms of dual training have been maintained despite the health crisis.

highlighted by the survey are adherence to ENGIE's goals and objectives in the move towards carbon neutrality (+13 points) and the sustainable engagement index (+3 points). The management of the health crisis by the Group and by the management line was praised: 84% of employees trust ENGIE's ability to ensure their safety and health. Questions relating to the quality of management and the sense of security each increased by 4 points on average, which is very significant at Group level. In addition, 90% of employees say they are proud to work for the company (up 10 points in a year) and 81% would recommend the Group as an employer. Lastly, 79% of employees consider that they have the equipment/tools/resources they need to do their job effectively (up 5 points). Notable improvements where there is still room for progress: 40% of respondents have reservations about the Group's ability to have a clear vision of the future.

(1) Excluding regulated entities

In the context of the health crisis, particular attention was paid to the health, state of mind and morale of employees, measured by regular ad hoc surveys, organized at BU level and adapted to the specific context of each BU.

To meet the challenge of engagement, retention and upgrading of skills, the Group promotes, among other measures, the establishment of communities that enhance the employee experience.

3.4.2.3 The Technical Ambassadors

In 2018, ENGIE launched CommunauTech, a community of Technical Ambassadors with the task of promoting the technical sector, both internally and externally. This system creates value from our technicians, builds their loyalty, and disseminates an attractive image of hard-to-fill positions. The Technical Ambassadors take part in events for specific occupations, jobs forums and trade fairs organized by the Group or by the entities to which they belong, explaining their occupations and promoting the technical sector. They also work with schools to make young people aware of environmental and climate issues and the importance of our occupations in the transition to carbon neutrality in order to

generate interest in them. Finally, they may be called upon to intervene internally as part of "flying schools", which are technical trainings actions between peers, organized on an ad hoc and bespoke basis at the request of an entity (for example, the flying school between France and Chile in late 2019). The goal is to build a community of 500 Technical Ambassadors at the European level by the end of 2021. The CommunauTech currently has 350 Technical Ambassadors, including 20 women: 300 French ambassadors from the ENGIE Solutions, GRDF, France Renewables, BtoC, Storengy, and Generation Europe BUs and 50 Italian ambassadors from the NECST BU.

3.4.2.4 The Experts

In 2020, ENGIE completed the first ExpAND campaign. The program aims to identify and recognize the Group's experts, to develop communities of expertise and make the ExpANDers ambassadors for ENGIE both inside and outside the Group. It is also a development program that allows experts to develop their "soft skills", such as leadership and communication. Each application is voluntary and all

expertise aligned with the Group's strategy is recognized, whether technical, technological or functional. Three levels of experts have been established - Global, Key and Local - according to their impact scope and their exposure. At the end of the first campaign, 560 ExpANDers had been identified: 38 "Global", 354 "Key" and 168 "Local". A second campaign is scheduled for 2021.

3.4.3 Human resources development policies

The Group offers opportunities to build a range of career paths by benefiting from continuous training programs adapted to provide long-term employability. ENGIE can thus better adapt to the evolution of organizations and occupations. The transition to carbon neutrality and technological accelerations due to digitization and artificial intelligence are transforming the professions of employees and creating shortages of qualified personnel in the Group's many businesses, whether traditional or newly emerging. To tackle this, ENGIE is implementing a social strategy to

increase the skills and mobility of its employees in three directions: advance skills management to prepare for the future; enhanced internal mobility to serve the transformation of the company; and professional training objectives for all employees. They are being implemented in order to favor the enrichment of tasks, the renewal of experiences, and the consideration of employee initiatives and empowerment, which strengthen their engagement and foster their development and employability.

3.4.3.1 ENGIE Skills, the jobs and expertise advance management system

In order to anticipate changes in the Group's occupational sectors and skills needs, the ENGIE Skills system challenges the BU and entities every year on their three-year projections. In 2020, ENGIE Skills strengthened its system by setting up a reference framework for occupations, ENGIE Jobs, which lists 100 technical/business occupations and 60 support functions. Making use of this framework and the survey carried out across all of the Group's BUs, ENGIE Skills has made it possible

to map the Group's workforce in these ENGIE Jobs and to measure their development. The aim is to have a strategic skills management tool oriented around three main areas:

- mapping of the skills available to Group executives;
- improvement of HR performance and skills management by the BUs, operational entities or functional sectors;
- knowledge of our occupations in order to develop employees and increase their mobility.

3.4.3.2 ENGIE Mobility, the internal mobility system to support the Group's transformation

In order to stimulate the internal labor market and to address the challenges projected by ENGIE Skills, the ENGIE Mobility system plays a major role in supporting the mobility of employees. ENGIE believes that mobility is a key lever in employee development and business performance. For this reason, the Group stipulates that all internal job applications must be prioritized in the recruitment process. In addition to this policy, "My Mobility", a digital space dedicated to constructing the professional project and to mobility was rolled out to

employees in France in 2019. It is expected to become available for all employees, including abroad, in 2021. In connection with its aim of strengthening local talent, ENGIE Mobility has expanded its services offer to support the return of expatriates. ENGIE Mobility is regularly called upon during transformation projects to contribute its expertise and a services offer tailored to the projected changes. Finally, ENGIE Mobility supports the Global Business Lines when they carry out their cross-BU HR reviews in order to identify all the strategic positions.

3.4.3.3 Training, skills development, and leadership

Developing skills and maintaining employability are crucial areas for the achievement of the Group's strategy. In February 2020, a non-financial goal was thus defined of training 100% of employees each year by 2030. In response to this, ENGIE favors a skills development approach of diversification of its methods.

3.4.3.3.1 ENGIE Schools

Since 2019, ENGIE Schools has been boosting the skills development of employees with technical profiles, i.e. 70% of the workforce and more than 100,000 employees worldwide, by focusing on peer-to-peer training. Addressing a technical/business target, skilling up actions shared between entities complement ENGIE University's actions for managers. ENGIE Schools asserts itself as the international internal network of the Group's occupational schools. It is made up of 32 internal training centers, half of which are in France, with a tailor-made technical training offer adapted to the requirements of our businesses. It ranges from the "Ecole du gaz GRDF Energy Formation" to the "Institut du Froid Axima Réfrigération" and the "Chile ENGIE Services Escuela" of the LATAM BU. It is the driving force behind a dynamic of cross-functional projects, acting as a catalyst for awareness-raising and shared Group training projects, capitalizing on experience, internal skills and inter-entity cooperation. This dynamic resulted in an inter-BU course on the skill of "Preventing low-voltage electrical risk" and the corresponding accreditation in 2019. In 2020, a training offer of "Occasional Technical Trainers" was added to the catalog to encourage and structure peer-to-peer training. All technical training resources are shared between the Group's entities on a dedicated digital portal.

3.4.3.3.2 Occupational pathways

Launched in 2018 to meet the internal mobility needs of the technical occupations, the occupational pathways developed further in 2019, with a focus on recruitment through training. They enable current or future employees to join an occupation by going through a training process over several months as part of a work-study program within a Group entity. In 2019, nearly 300 trainees spread over 11 occupational pathways attended these qualifying training courses. More than 85% of them joined a Group entity, thus making a strong contribution to the objectives of welcoming and integrating work-study students. In 2020, the same volume of trainees enrolled and new courses were established, but the training was postponed given the health context. The pathways are also a way of meeting the challenge of integrating populations distanced from employment.

3.4.3.3.3 ENGIE University

In 2020, ENGIE University stepped up the implementation of programs enabling every employee to learn about the Group's strategy. These programs focus on issues related to carbon neutrality, the energy transition, customer orientation and the organizational agility of managers and executives. In addition, to fulfill the Group's diversity aims, the University has launched an Inclusive Leadership program for all managers.

The year 2020 was strongly marked by the pandemic. This had significant effects on training, in terms of both course content and format. In terms of content, during a short and intense period, specific programs were rolled out to meet the

new needs of managers, on subjects including remote management, individual and collective resilience, leadership in times of uncertainty, new business models and factors of competitiveness. In terms of format, the pandemic accelerated the transition to distance learning.

Since 2016, the University has been increasing learning opportunities by rolling out new modalities. For example, the number of hours of digital training quadrupled between 2016 and 2020. In this context, and in response to training needs, the University organized the Learning Festival in October 2020. This event, which was 100% digital, consisted of a week of intense training for all of the Group's employees, all over the world. Provided in addition to the traditional training courses, it is a key driver for ENGIE's culture of engagement, belonging, and ownership of strategy. It, first of all, involved the development of key skills, a need that goes hand in hand with the crisis and which requires a readjustment of our know-how. It also responded to the need to change perceptions of virtual training. The Learning Festival brought together more than 2,300 employees from 43 different countries, representing all of the Group's BUs on 100 different programs. It involved 50 internal stakeholders and 40 external teachers. Every day, more than 1,000 employees took part in one of the programs.

As the transformation of the Group also entails the evolution of occupations, ENGIE University is developing programs so that employees can upskill in their occupations. It supports the ENGIE Boost program, which is dedicated to the talent population and supports executives via new training programs: on leadership with *Co-leaders Extreme*, on high-performance teams with *Team Accelerator* and on "customer-centricity" with *Customer Academy*.

3.4.3.3.4 Development of high-potential talent

ENGIE Boost is a system for identifying, developing and retaining high-potential talent at all levels of the organization in order to prepare these individuals to occupy the most strategic roles at the Group. It consists of the Rise! and Pulse! programs, which, over 24 months, prepare leaders with the capacity to assume strategic responsibilities within ENGIE in the near future. A third program, called Up!, is designed for High-Potential talent within each BU. Inclusion in the Rise! or Pulse! programs is determined by the Group Human Resources Department, which uses People Reviews carried out with the BUs and a range of assessment and development tools to ensure a clear and coherent approach. In 2020, 202 talented individuals take part in the Pulse! program and 126 joined the Rise! program. In the BUs, 1,519 talented individuals joined the Up! programs. This initiative is not intended to reward performance or to be used as a recognition tool; it is an opportunity offered to employees in order to develop their potential and to ensure we are in the best position for future development. It is also an opportunity to create an active diverse community of leaders who are committed to ENGIE's future and who engage their teams.

The majority of the development actions offered under these programs aim to strengthen understanding of the ENGIE Leadership Way, ENGIE's management charter. It is structured around five fundamental aspects (Prepare the future/Cultivate and give responsibility/Act and challenge the status quo/Deliver results/Adopt inspiring behavior on a daily basis) and four behaviors (being bold/demanding/open/caring) to underpin the Group's transformation, inspiring the day-to-day behavior of managers and thus also affecting their teams.

To support these programs, ENGIE launched a Strategic Resource Planning approach at the end of 2019, centered on the Group's 500 key positions. In the course of 2021, it will provide a consolidated three-year view of the key skills to be developed and will adapt talent development programs according to the priorities identified.

As a result of the implementation of all these systems, ENGIE trained 70.1% of its employees in 2020, despite the backdrop of the pandemic.

Proportion of people trained

GRI 404-2	2020							2019	
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	Group
Proportion of women trained	14.6%	47.1%	64.2%	82.1%	100.0%	68.5%	77.2%	69.2%	62.0%
Proportion of men trained	30.4%	60.1%	72.8%	75.9%	100.0%	66.7%	61.5%	70.3%	71.1%
Proportion of employees trained □□	27.3%	58.0%	70.5%	77.1%	100.0%	67.0%	67.5%	70.1%	69.2%
% reporting	45.37%	100%	100%	100%	100%	100%	96.90%	98.66%	97.42%

Training hours

GRI 404-1	2020							2019	
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	Group
Total nb. of training hours	9,369	759,605	490,831	781,998	581,379	181,783	158,277	2,963,242	3,271,154
Average nb. of hours per person trained	23	22	41	19	44	25	17	26	28
% reporting	45.37%	100%	100%	100%	100%	100%	96.90%	98.66%	97.42%

Breakdown of training hours by topic

GRI 404-1	2020							2019	
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	Group
Business techniques	62.6%	33.2%	30.2%	41.4%	17.9%	54.9%	48.3%	35.9%	38.9%
Quality, safety and environment	14.7%	45.6%	15.9%	32.9%	57.8%	22.8%	9.6%	33.7%	32.6%
Languages	1.1%	3.9%	0.7%	2.4%	3.8%	1.3%	10.3%	3.0%	2.0%
Management, personnel development	11.4%	11.2%	8.0%	19.7%	6.3%	12.2%	19.4%	13.1%	15.0%
Others	10.2%	6.1%	45.1%	3.6%	14.3%	8.8%	12.3%	14.2%	11.4%
% reporting	45.37%	100%	100%	100%	100%	100%	96.90%	98.66%	97.42%

3.4.4 Social commitment: a company committed to corporate citizenship and solidarity

For many years, the Group has implemented a corporate social responsibility (CSR) policy that is proactive, ambitious and innovative to combat discrimination and promote equal opportunity and treatment. ENGIE's diversity policy was rewarded by the four-year renewal of its Diversity label in October 2017 for all Group activities in France. A follow-up audit in September 2020 confirmed the Group's commitment to promoting diversity and equal opportunities and praised

the many initiatives taken by all the BUs and entities. At the European level, ENGIE has again signed the European "Embrace Difference" petition on diversity and inclusion of the European Round-Table of *Industrialists*. Lastly, ENGIE has renewed its commitment to professional equality by signing up in September 2019 to the Women's Empowerment Principles defined by the United Nations.

3.4.4.1 Diversity and the commitment to professional and pay equality between women and men

ENGIE aims to become a benchmark for professional and pay equality. Accordingly, in February 2020, the Group's Board of Directors approved two new, rank 1, non-financial targets:

- The Group's consolidated gender equality index to reach 100 out of 100 points by the end of 2030;
- women to make up 50% of the Group's managerial staff in 2030.

3.4.4.1.1 Gender diversity

To support its gender diversity goal, ENGIE has rolled out the "Fifty-Fifty" project, which aims to create the necessary conditions for gender parity in management. This ambitious project came in response to demand not only from the entire Company and ENGIE's customers, but also investors. A Group-level roadmap has been drawn up in order to attract the best talent and make ENGIE a benchmark player in the field. It is based on six pillars: structuring and governance, diagnostics, awareness and communication, organizational adaptation,

development, and external partnerships. All of the Group's BUs are already taking steps to make the "Fifty-Fifty" goal a reality.

In addition, to promote gender diversity in the occupations, ENGIE is raising awareness among young female audiences through the "Elles Bougent" association, which promotes the role of women in technical sectors in France. Lastly, as part of its partnership with Le Laboratoire de l'Égalité, ENGIE has been helping since September 2019 to develop an artificial intelligence pact to ensure that new technologies underlying HR processes that incorporate AI are not discriminatory in terms of gender.

In December 2020, women made up 21.5% of the Group's workforce. The proportion of women in management was 24.1%. Within the ENGIE 50, a body made up of the CEOs of the BUs and the operational managers of central services, the proportion of women is 27.6% (13 women and 34 men). The proportion of women on the Group Executive Committee is 36% (4 women and 7 men).

GRI 405-1	2020							2019	
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	Group
Proportion of women in workforce □□	23.9%	16.7%	27.6%	21.9%	16.8%	17.8%	38.2%	21.5%	20.9%
Proportion of women in management □□	25.1%	22.4%	32.9%	17.7%	22.4%	21.1%	30.1%	24.1%	23.5%
% reporting	100%	100%	100%	100%	100%	100%	100%	100%	100%
Proportion of women in permanent hires	21.0%	15.8%	34.2%	23.1%	19.2%	20.3%	35.2%	21.8%	22.0%
Proportion of women in permanent management hires	22.4%	25.7%	40.7%	20.6%	32.7%	21.1%	31.6%	27.0%	25.4%
% reporting	100%	100%	100%	100%	100%	100%	100%	100%	100%

3.4.4.1.2 Equal pay

The efforts made with regard to professional and pay equality in 2019 were pursued in all of the French subsidiaries to improve the gender equality index. In 2020, as part of its CSR policy and to support its purpose, ENGIE extended the obligation to calculate the index annually in each of its legal entities in France and internationally. In France, the consolidated index score is 89⁽¹⁾, up 17 points compared with 2019. The consolidated index also showed a marked improvement at Group level, reaching 84 versus 72 in 2019. To facilitate the implementation of the BU's action plans in favor of professional and pay equality between women and men, the Group HRD has developed EQUIDIV, a decision-making tool that enables automatic calculation of the index from individual data and provides priority remedial actions. The tool was rolled out to all the entities concerned by the calculation of the index in France and internationally, between 2019 and 2020.

3.4.4.1.3 Professional equality

On November 22, 2017, ENGIE signed a European Agreement for an indefinite period on professional equality between women and men, the fight against discrimination and violence, and the prevention of sexual harassment. Sexist behavior was the subject of a specific article.

Management is committed to developing awareness campaigns to combat sexism, to take all necessary measures to prevent incidents of sexual harassment and to put in place reporting tools to enable any deviant behavior to be flagged.

In addition, on the basis of an international benchmark of legislation in force in this area, the Group has defined a common international reference framework designed to eradicate sexual harassment. As an extension of this theme, and because lockdown has increased the occurrence of this risk, ENGIE has launched a global information and awareness campaign on domestic violence on the occasion of the International Day for the Elimination of Violence against Women. Through this agreement, the Group has undertaken to encourage a better work-life balance, in particular through the organization of working time and a proactive parenting policy.

In France, most of the Group's entities have signed an agreement to implement regular remote working, on the basis of one or two days a week. Before the lockdown in March 2020, fewer than 30% of employees worked from home. With the advent of the health crisis, negotiations to renew expiring agreements will be an opportunity to take feedback on generalized remote working into account. Some entities have also signed agreements on the right to disconnect.

(1) Calculate with 2020 data

In France, the Group provides access to a company nursery with 60 places and to networked places. During the lockdown, ENGIE offered a home care service for children and dependent relatives to help employees with no alternative resources. Since it was launched, more than 1,000 employees have signed up and more than 1,500 services have been provided throughout France. ENGIE has extended the scheme to cover the 2020-2021 school year.

In addition, an experiment was launched at ENGIE SA's Corporate function in France in early 2020 which involved the extension of paternity leave from 11 days to six weeks, with employee fathers actively encouraged to take advantage of it. The experiment will be generalized in line with the instructions of the French public authorities.

These various arrangements for working time and improvements to working conditions help to limit absenteeism.

GRI 403-2	2020							2019	
	United States and Canada	France excluding Infra-structures	France infra-structures and others	Rest of Europe	Latin America	Middle East, Asia & Africa	Others	Group	Group
Absenteeism	2.6%	7.0%	8.9%	5.9%	3.3%	3.8%	5.1%	6.0%	5.2%
Absence due to sickness	0.8%	5.3%	3.9%	4.2%	1.6%	1.0%	1.9%	3.8%	3.4%
% reporting	100%	100%	100%	100%	100%	100%	100%	100%	99.13%

3.4.4.2 Inclusion and job-seeking support

ENGIE is a major, engaged and active player and develops many innovative initiatives in partnership with its ecosystem to promote learning.

A founding member of the Collectif des entreprises pour une économie plus inclusive ("group of companies for a more inclusive economy"), since 2018 the Group has been taking action countrywide, alongside 34 large companies and public authorities, to promote the inclusion of young people, particularly those who have been distanced from employment or come from the most disadvantaged areas. In particular, ENGIE has undertaken to host 3,000 young people from priority neighborhoods for a period of three years, from the third grade until they start their working lives.

The Group is committed to the social and professional inclusion of people in severe difficulty or in a situation of exclusion via the Parcours Emploi - Mobilité - Sport (PEMS) program. This program helps young people aged 17 to 26 from priority neighborhoods, or young isolated minors supported by child welfare or charities, to sign up to a work-study contract. More than 300 young people have been supported by the initiative since it started in 2016, with a positive exit rate still above 60%. For this initiative, ENGIE relies on a network of volunteer employee sponsors, who help the young people find work-study contracts and a host company while providing them with moral support. To combat isolation during lockdown, ENGIE stepped up its commitment by distributing computers and packed lunches to the young people on the program.

In 2020, the Group made a commitment alongside the apprenticeship foundation, Fondation Innovations Pour les Apprentissages (FIPA), to support the "Ingénieuses" program, assisting around a dozen female work-study students taking the vocational baccalaureate who want to gain a higher technician's license and then enter a general engineering school.

With Nestlé, ENGIE has launched the "Apprenti Swap" pilot project, in which four young people hired as apprentices are taking part in a two-year master's 2 in Digital Marketing, starting in the autumn of 2020, spending one year as an apprentice at each of the two partner companies.

At the European level, ENGIE has been a partner in the Alliance for Youth movement since December 2015. It renewed its support for the "Entreprendre Pour Apprendre" initiative, providing seven Group volunteers to coach six mini-enterprises and funding 50 "European Skills Pass" places in the 2019-2020 school year. With its coalition partners, the Group made recommendations to the European Commissioner for Employment and members of the European Parliament to promote actions in favor of young people.

At the global level, ENGIE became a member of the Global Apprenticeship Network (GAN), a worldwide network of apprenticeships chaired by France since November 2020.

ENGIE also assists with job creation via its employment foundation, Fondation Agir Pour l'Emploi (FAPE), which operates under the auspices of the Fondation de France. The foundation's resources come from donations by Group employees and retirees, which are fully matched by their companies. Since its establishment in 2013, FAPE (in France and Belgium) has awarded more than €1.7 million in grants for 150 projects working for access to employment and against exclusion. These 150 projects created 250 jobs and consolidated 250 across the region. The SNC (Solidarité Nouvelle contre le Chômage) is one of the associations that FAPE supports. Volunteers from ENGIE partner up to mentor around a dozen people in long-term unemployment living in Ile-de-France. Lastly, for the ninth straight year, ENGIE raised awareness of intergenerational issues among around 40 employees by taking part in the Octave program, a powerful tool for change led by Danone. By opening itself up to other enterprises in this way, ENGIE has developed its capacity for innovation.

3.4.4.3 Diversity

3.4.4.3.1 Employees with disabilities

ENGIE is fully committed to the area of disability, including at the highest levels of the Group. In France, it is mainly involved in recruitment, integration, support and job retention, awareness-raising, communication and collaboration with the sheltered sector. In 2019, the Group reaffirmed the need for collective corporate action by signing, alongside 130 large

companies, the "Manifesto for the Inclusion of People with Disabilities in Economic Life". Through this charter of operational commitments, ENGIE is taking action, with the other signatories, that includes bringing the world of education and the world of work closer together, in order to help young people discover occupations and access the labor market through work-study programs.

Thanks to financial and human resources -€3 million per year on average and more than 20 disability officers supported by local representatives - ENGIE has more than 2,800 employees with disabilities in France and around 3,300 worldwide. ENGIE's direct employment rate in France was 3.7% in 2020

ENGIE sees work-study programs as a lever for recruiting young people with disabilities. The Group has undertaken to make a substantial effort to recruit people with disabilities for work-study programs each year, aiming for a level of 3% by the end of 2021 in France, i.e. more than 200 people with disabilities on work-study programs. At the end of December 2020, the estimated level of work-study students with disabilities was close to 1.2%. During the health crisis, an experiment took place in the Nantes area in conjunction with vocational high schools. Humando Pluriels, a partner of ENGIE, sourced candidates and facilitated the hiring of four people to technical occupations on a work-study basis, including three women, who are being retrained and who have disabilities.

The collaboration with the protected and adapted work sector makes the inclusive vision of the Group's CSR commitments a reality. It aims to ensure the viability of indirect jobs, promote the local economy and encourage professional integration. In France, ENGIE is a partner of the GESAT network. It puts ENGIE in economic contact with service providers in the protected and adapted work sector. The services provided represented around €7 million in 2020.

3.4.5 Remuneration, social protection, employee savings plans, and employee shareholding

3.4.5.1 Principles of the remuneration policy

Group policy is to offer everyone remuneration that is personalized, fair and competitive on the market, which reflects the performance and level of responsibility of each person. The Group uses external information provided by specialized firms to establish its positioning in relation to the local reference market. It also ensures compliance with the

3.4.4.3.2 Religious diversity

One of the 26 legal criteria of the principle of non-discrimination applies to the actual or perceived adherence to a religion. ENGIE is committed to ensuring that no employee or applicant is treated unfavorably because of their religious beliefs. To support managers with this issue, in 2015 the Group prepared some points of reference on religious diversity in the company. This guide was updated in 2019 and provided to the entities, along with an interactive version and a meeting coordination kit.

3.4.4.3.3 LGBT+ (Lesbian, Gay, Bisexual, Transgender/Transsexual plus)

As part of its initiatives to boost diversity and combat discrimination, ENGIE signed the L'Autre Cercle's LGBT+ commitment charter on December 6, 2017. In 2019, ENGIE participated in the IFOP-L'Autre Cercle survey, which made it possible to assess the perception of employees, regardless of their sexual orientation or gender identity, of the inclusion of LGBT+ people in their working environment and to take the necessary steps. In October 2020, in France, ENGIE published the practical guide "LGBT+, understanding to act together" in order to raise awareness of the question of LGBT+ in the workplace. ENGIE participated in the 2020 edition of L'Autre Cercle's 95 LGBT+ & Allié.e.s au Travail Role Models in France. Two employees were designated in the LGBT+ Leaders and Allié.e.s Dirigeant.e.s Role Models category.

3.4.5.2 Social protection

ENGIE ensures that it adheres to the best practices of major international groups in the area of social protection and ensures the competitiveness of its entities' systems in relation to local practices. In 2020, ENGIE rolled out the *ENGIE Care* social protection program worldwide. It allows each employee to benefit from health coverage, guaranteeing reimbursement of at least 75% of costs in the event of hospitalization. It also protects the employees' family or loved ones in the event of their death or permanent disability by paying a benefit equal to at least 12 months' salary. Moreover, *ENGIE Care* offers 100% coverage for a minimum of 14 weeks of maternity leave and a minimum of four weeks

of paternity leave. *ENGIE Care* accelerates the Group's performance in terms of employee benefits by providing access to a pool of international insurance policies with optimized subscription conditions and the possibility to share local and global surpluses.

As well as protecting employees against the vagaries of life all over the world, *ENGIE Care* contributes to the attractiveness of the Group and the employee retention. It facilitates a better home-life balance. It improves equal opportunities between men and women and strengthens ENGIE's CSR policy.

of paternity leave. *ENGIE Care* accelerates the Group's performance in terms of employee benefits by providing access to a pool of international insurance policies with optimized subscription conditions and the possibility to share local and global surpluses.

3.4.5.3 Group employee savings plans policy

The Group's employee savings plans are available to employees of companies that are fully consolidated or whose share capital is majority-owned, directly or indirectly, by ENGIE SA.

3.4.5.3.1 Savings plans

In France, since the end of 2009, the Group's employees have had access to a Group Savings Plan (Plan d'Épargne Groupe - PEG), which includes employee shareholding funds as well as a large range of diversified savings options totaling close to €2 billion in assets at the end of 2020. Outside France, measures have also been put in place in some countries to allow employees to save, under terms adapted to local laws.

3.4.5.3.2 Retirement savings plans

In France, since 2010, all employees may, at their own pace, build funds for retirement by paying into the ENGIE Group Collective Retirement Plan (Plan d'Épargne pour la Retraite Collectif - PERCO). Outside France, products exist in some countries that allow employees to supplement their pensions by making voluntary contributions on favorable terms.

3.4.5.4 Profit-sharing and incentive plans

Due to the existence of legally separate companies, there is no common collective profit-sharing and incentive plan for the Group. Collective variable compensation systems are widely developed in the subsidiaries. In 2020, the employees of the various French subsidiaries thus saved nearly €80 million in Group employee savings plans, to which was added a further €27 million.

At the ENGIE SA level, a profit-sharing agreement was signed with three representative trade unions on July 20, 2020. This agreement provides for the payment of an envelope of 7% of

3.4.5.5 Employee shareholding

With an employee shareholding level of 3.2%, ENGIE has a particularly dynamic and innovative shareholding policy. ENGIE periodically organizes the global employee shareholding operation known as "Link". ENGIE carried out the largest employee shareholding operation of 2018 with a volume of €340 million. This operation was subscribed by more than 40,000 employees worldwide at attractive conditions in terms of discount and employer contribution.

3.4.5.6 Performance shares/Long-term incentives

ENGIE grants performance shares, which are described in detail in Section 4.4.3. These shares, which have a minimum maturity of three years, are subject to internal and external performance conditions. This system is not reserved for

3.4.5.3.3 Solidarity funds

In France, the ENGIE solidarity employee mutual Fund (FCPE) called "Rassembleurs d'Énergies Flexible" is one of the largest dedicated solidarity funds in the French market. It has supplemented the range of Group Savings Plan and Retirement Savings Plan investment products since the beginning of 2012 and enables employees to take part in a social initiative that is consistent with their occupations.

the principal remuneration in the event of the achievement of financial (3%) and non-financial (4%) targets. The amount paid out in 2020 for 2019 profit-sharing was €15,574,863. The agreement setting up the employee profit-sharing system for ENGIE SA was signed on June 26, 2009. Application of the statutory profit-sharing formula for 2019 resulted in no payment being made to employees in 2020.

ENGIE is also particularly innovative as it is the only issuer to offer a "LINK +" structured product. Its 10-year lock-up period in return for a discount and a specific employer contribution enabled the largest number possible to subscribe by offering payment terms spread over time. Given the resources employed, this type of operation does not take place every year.

executives, and ENGIE has for several years granted performance shares to more than 7,000 employees around the world.

3.4.6 Social dialogue

Within national and European representative bodies and through national, European and global collective bargaining agreements, ENGIE involves its social partners in the

implementation of its Social Ambition, which has been opened and broadened to take into account environmental and societal challenges.

3.4.6.1 Representative bodies

At Group level, social dialogue is organized around two representative bodies that are privileged forums for consultation between management and employee representatives:

- **The European Works Council (EWC):** comprising 41 full members representing the Group's 140,813 employees throughout Europe, the purpose of the EWC is to develop and strengthen European social dialogue, ensure balanced representation between the Group's countries and main business activities, and develop social dialogue within these activities. A secretariat with 13 members representing eight countries meets every two months. In 2020, the EWC held two plenary meetings, along with six

EWC secretariat meetings, and eight meetings of the health and safety, social, strategy and research working groups. It should be noted that from April, meetings have been held by videoconference due to restrictions on travel and physical meetings owing to the health crisis.

- **The French Group Works Council:** this body, which represents more than 78,400 employees in France, has 30 full members. The French Groupe Work Council is an information body with representatives of institutions representing the employees of French companies. Two meetings were held in 2020.

3.4.6.2 Group collective bargaining agreements

In line with its commitments, in September 2020 ENGIE opened negotiations with the international union federations for a worldwide agreement on fundamental rights and social

responsibility. This agreement is expected to be concluded in the first quarter of 2021.

3.4.7 Note on the calculation method for social indicators

3.4.7.1 Tool

The social indicators are derived from Group social reporting (GSR). These are set out in a shared Group database that may be viewed on request. The collection, processing and reporting of data entered by the local entities, subsidiaries of the ENGIE Group, is carried out in the SyGMA consolidation

tool, in accordance with the IFRS financial scope. The indicators published in this report relate to fully consolidated companies, whose capital and management are under the control of ENGIE. The social indicators are fully consolidated, regardless of the percentage of the company's capital owned.

3.4.7.2 Scope of reporting

The Group data include those of the BUs existing in 2020 and of Corporate, grouped into seven reporting sectors that essentially correspond to the geographical areas of the Group's activities (see Section 1.6 for further details). A

reporting percentage is attached to each indicator, according to the workforce covered. Data relating to professional training in the GTT BU and for some US entities have been excluded.

3.4.7.3 Consolidation methods

The content of the report is based on indicators selected to reflect the main social and societal impacts of the Group's activities. The indicators are chosen in accordance with the Global Reporting Initiative (GRI) standards.

The indicators for this report are consolidated using defined procedures and criteria. Data on the organization's structure, employee turnover, working conditions, training and safety were consolidated by aggregation.

3.4.7.4 Internal control

The social data are successively consolidated and verified by each operational entity and by each BU, before reaching the Group HRD level.

3.4.7.5 Additional information on some indicators

3.4.7.5.1 Employment

Administrative employees are recognized under "senior technicians and supervisors". The Belgian entities in the energy sector do not declare "manual workers, clerical staff and technicians" (Electrabel). Contractually, unskilled or low-skilled workers have employee status. This might cause an underestimation of this category. The French concept of cadres (managerial staff) (≥ 300 points on the Hay Guide Chart, the universal job classification and evaluation system) is sometimes difficult to understand in other countries. This can lead to a slight underestimation because some entities may take only their senior management into account.

3.4.7.5.4 Career development

When all data cannot be provided within the timelines, the most recent are provided as well as a forecast of the missing data at year-end.

Training: the definition of the indicator was changed in 2020 to ensure that it included face-to-face and e-learning training courses. The format and duration of a training may vary but must include a description of educational content. The breakdown of training hours by topic does not include e-learning hours.

3.4.7.5.2 Employee flows

Indicators in this section have been calculated on a current scope basis, i.e. the fully consolidated reporting entities included in the scope of consolidation at 12/31/Y.

The lay-offs indicator does not include contractual terminations.

3.4.7.5.5 Organization of working time

The working hours of personnel within the Group companies are organized within the legal framework for working time, which varies from country to country.

Days of absence per person are calculated according to the Group convention of eight hours of work per day.

3.4.7.5.3 Diversity and equal opportunity

The declared percentage of people with disabilities provides the best possible information on the inclusion of people with disabilities. The Group does not consider it relevant to provide a reporting percentage for this indicator, since some entities are unable to gather the relevant information due to local regulatory restrictions.

3.4.8 Health and safety policy

3.4.8.1 Performance

The Group's performance in terms of health and safety is as follows:

- a total frequency rate of lost-time accidents for employees and subcontractors operating on site with controlled access of 2.7, which is well below the maximum target for the year of 3.3. The impact of the public health crisis on this performance was particularly significant during lockdown periods in the countries in which the Group operates;
- a severity rate of occupational accidents of 0.11 which, in the unprecedented context of 2020, was down markedly compared with the previous year (0.14 in 2019).

3.4.8.2 The health and safety management system

The Group's health and safety policy sets out the key principles for the management of health and safety. This policy was subject to an agreement with the representative bodies of European personnel and the representatives of the global federations.

To implement these principles, the Group's Health and Safety Rules set out the minimum standards and requirements that apply within the Group.

3.4.8.2.1 Performance reporting

The Group's performance in terms of health and safety in the workplace and process safety are monitored by:

- the Executive Committee;
- the Board of Directors;
- the Ethics, Environment and Sustainable Development Committee (EESDC).

In 2020, all analyses of fatal workplace accidents were presented to the Executive Committee and to the EESDC. Regular updates were also provided at meetings of the Board of Directors and of ENGIE 50 (all directors of the BUs and the Group's main functional departments).

The health and safety performance is shared with *managers* and the Group's health and safety functional line. It is distributed to the BUs via managers and made available to all employees on the Group intranet.

Periodic updates and annual reviews are carried out with each BU in order to assess the effectiveness of the measures implemented. These also serve to evaluate the BUs capacity to prevent serious and fatal accidents involving employees and subcontractors.

3.4.8.2.2 The management of risks arising from the Covid-19 pandemic

To manage the risks arising from the Covid-19 health crisis, crisis management committees were set up at the different levels of Group governance. A Group Covid-19 steering committee was tasked with supervising ENGIE's actions. In addition, three specific committees were created, of which one dedicated to the protection of people. This committee was responsible for drafting and then adapting general health risk management guidelines as well as various thematic guidelines.

A dedicated communications system was set up to support the roll out of the various personal protection measures.

Throughout the crisis, the health and safety, human resources and communication functional lines worked in close collaboration with the Group's various organizational levels. This collaboration helped to implement prevention measures that were best-suited to the various situations faced by the BUs.

The number of fatal accidents arising from the exercise of a professional activity among all Group employees, temporary workers and subcontractors was six in 2020 - three employees and three subcontractors.

In the field of occupational health, the number of new cases of recognized occupational illness was 106 in 2020, marking a decrease compared with 2019 (120).

From the beginning of the crisis, the Group decided to limit contamination as much as possible by drawing on the best external practices. The Group enlisted a service provider specialized in managing health risks in different territories to help guide its decision making. Measures to prevent the infection of employees, subcontractors and customers were applied which took into account the contamination level in each country.

Managers were made aware of the need to reinforce communication and listening time with both employees working from home and those active at their usual places of work. Particular attention was paid to detecting weak signals that are markers psychological discomfort. The BUs carried out regular surveys of their employees to assess their well-being at work. These made it possible to qualify their feelings, in particular regarding the support provided to them, and to identify any needs they might have.

All employees were provided with masks suited to their activities, thanks to rigorous inventory management. The Group introduced weekly monitoring of the number of contaminated employees. Contamination rates remained in line with those of the countries in which the activities were carried out.

The system put in place was part of a continuous improvement cycle. Feedback from BUs expressing their needs and sharing any difficulties helped adapt the prevention system to the Group's various organizational levels. A more in-depth survey was carried out during summer 2020 covering both health and safety and human resources aspects. This survey helped identify areas for improvement, such as the need to adapt the Group's Covid-19-related rules in order to maintain them over the long term.

3.4.8.2.3 The management risks relating to health and safety at work

Vigilance in terms of risks to health and safety at work was stepped up during the Covid-19 period, in particular when resuming activity after a period of lockdown. The aim was to avoid the risk of contamination would overshadow the other risks which remained present. A targeted communication campaign was launched to ensure this. Alongside its major investment to manage the pandemic-related risk, the Group continued to improve its management of risks in the workplace.

The action program to reinforce the safety culture of everyone, with a focus on preventing serious and fatal accidents ("No Life at Risk") continued. This program includes various provisions such as "Life-Saving Rules", the suspension of work if safety is not guaranteed ("*Stop the work*" process), and the identification of events with a high potential for serious repercussions (see Section 3.4.8.4). These provisions are subject to regular awareness-raising campaigns within the entities.

During 2020 ENGIE improved its lifting risk management. The Group and its BUs thus rolled out various tools to manage this risk which focused on the key stages of lifting operations. *Guidelines*, a risk-awareness raising video and a tool for the self-assessment of compliance with fundamentals were also made available to the operational teams.

Over the last several years, the Group, its BUs and subsidiaries have stepped up the number of initiatives aimed at improving the well-being at work of their employees. In 2020, the Group set up a network of well-being at work contacts, with the following objectives:

- to pool existing tools and resources and those being developed;
- to design new tools;
- to share feedback and best practices between BUs;
- to reinforce the sharing of information between the human resources and health and safety functional lines.

Particular attention has been paid to the management of psycho-social risks, in particular through measures to improve well-being at work.

3.4.8.3 Strengthening the health and safety culture

Various tools were used to strengthen the health and safety culture among the Group's employees and subcontractors. The Group's ambitions in terms of health and safety, major measures to be implemented, as well as the Group's performance, have been regularly presented to the Group's senior executives. The "No Life at Risk" action plan, which covers in particular the prevention of serious and fatal accidents, continued to be implemented.

The health and safety functional line animation makes extensive use of digital tools, with a great deal of work going

3.4.8.4 Prevention of serious and fatal accidents

The Group has defined nine "Life-Saving Rules", which constitute the last barrier before a serious or fatal accident, if all other barriers have not worked. The BUs have also implemented a systematic approach to identifying, analyzing and handling events with high potential of severity (HiPo) that are precursors to serious accidents.

3.4.8.5 Dialogue with social partners

In 2020, dialogue with employee representatives continued at all levels of the Group and particularly with global and European bodies. A permanent health and safety at work working group has been set up within the European Works Council. Each half year, this working group reviews the performance and actions taken in terms of health and safety at work.

3.4.8.2.4 Definition of the new 2021-2025 action plans

The Group's objectives in terms of health and safety at work, which are reflected in its policy, are set out in multi-annual action plans. The new 2021-2025 action plan covers the Group four major health and safety challenges:

- leadership : to improve the accountability of all managers when taking into account health and safety risks;
- forward planning, by prioritizing the identification and management of events events with a high potential for serious repercussions (called "HiPo");
- integration, with the aim of rapidly bringing the standards of newly-acquired companies up to the Group level;
- acculturation, by sharing our health and safety culture with all our employees and our subcontractors.

The new action plan covers three areas of prevention:

- "No life at risk", the management of physical risks relating to the direct execution of activities;
- "No mind at risk", well-being at work, vigilance, the management of risks relating to the context of activities being executed;
- "No asset at risk", dedicated to the safety of our industrial activities.

Two major cross-functional drivers will be implemented:

- the use of digital tools with the aim of improving the safety of Group employees and subcontractors, as well as improving their well-being at work;
- communication to support the strengthening of the health and safety culture and the commitment of each individual.

into dissemination of information to the various BUs and entities. This work is supported by the organization of thematic monthly webinars, the presentation of the analysis of fatal accidents and the provision of various technical support.

A weekly *newsletter*, "Prevention News", covering most of the exchanges with the BUs, was sent out to the entire health and safety functional line. This document enables information on all accidents, significant hazardous situations and events with high potential of severity (HiPo) to be shared Group-wide.

Moreover, operators are asked to stop working if safety conditions are not met (the "Stop the work") approach. Operators must also implement "the life-saving minute", which consists of carrying out a new on-site review of risks to ensure that these are correctly under control.

Finally, the Group expects all of its employees to be mindful of the safety of others, under its "shared vigilance" provision.

With regards to the management of the pandemic, the representative bodies were regularly informed and consulted regarding new provisions to be implemented.

Health and safety data

Additional information regarding the health and safety indicators

The analyses carried out in this document concern the entities and activities in which ENGIE has operational management, regardless of the method of financial consolidation.

The health and safety at work reporting scope includes the data of entities sold during the year up to their date of transfer.

Concerning the indicator number of new cases of occupational illness, we do not consider it relevant to provide a refund rate since some companies cannot collect this indicator due to local regulatory constraints.

	Number of fatal accidents (employees)	Frequency rate (employees) □□	Severity rate ⁽²⁾ (French framework)	Severity rate ⁽²⁾ (ILO framework)	Number of new cases of occupational illness
GROUP ⁽¹⁾					
2020	3	3	0.19	0.11	106
% reporting	100%	100%	100%	100%	
2019	2	3.7	0.21	0.14	120
% reporting	100%	100%	100%	100%	
2018	4	3.4	0.19	0.13	91
% reporting	100%	98%	98%	98%	
NORTH AMERICA					
2020	0	1.03	0.08	0.05	1
% reporting	100%	100%	100%	100%	
2019	0	1.73	0.11	0.09	0
% reporting	100%	100%	100%	100%	
2018	0	1	0.03	0.03	0
% reporting	100%	100%	100%	100%	
FRANCE EXCLUDING INFRASTRUCTURE					
2020	1	4.47	0.36	0.19	4
% reporting	100%	100%	100%	100%	
2019	1	5.25	0.36	0.21	108
% reporting	100%	100%	100%	100%	
2018	1	5.22	0.34	0.20	82
% reporting	100%	100%	100%	100%	
FRANCE INFRASTRUCTURE					
2020	0	2.02	0.07	0.07	0
% reporting	100%	100%	100%	100%	
2019	0	2.1	0.10	0.08	0
% reporting	100%	100%	100%	100%	
2018	1	2.47	0.12	0.07	1
% reporting	100%	100%	100%	100%	
REST OF EUROPE					
2020	1	3.27	0.19	0.12	1
% reporting	100%	100%	100%	100%	
2019	0	3.60	0.23	0.17	5
% reporting	100%	100%	100%	100%	
2018	0	3.72	0.12	0.11	0
% reporting	100%	100%	100%	100%	
LATIN AMERICA					
2020	1	2.83	0.07	0.06	84
% reporting	100%	100%	100%	100%	
2019	0	5.28	0.12	0.09	6
% reporting	100%	100%	100%	100%	
2018	1	1.84	0.10	0.10	1
% reporting	100%	100%	100%	100%	

	Number of fatal accidents (employees)	Frequency rate (employees) □□	Severity rate ⁽²⁾ (French framework)	Severity rate ⁽²⁾ (ILO framework)	Number of new cases of occupational illness
MIDDLE EAST/AFRICA/ASIA					
2020	0	1.26	0.02	0.02	0
% reporting	100%	100%	100%	100%	
2019	1	1.09	0.02	0.01	0
% reporting	100%	100%	100%	100%	
2018	0	0.48	0.01	0.01	4
% reporting	100%	80%	80%	80%	
OTHER					
2020	0	0.68	0.02	0.02	16
% reporting	100%	100%	100%	100%	
2019	0	1.64	0.03	0.03	1
% reporting	100%	100%	100%	100%	
2018	0	1.09	0.03	0.03	0
% reporting	100%	97%	97%	97%	

(1) Groupe covers the ENGIE 7 sectors

(2) The evolution of severity rates does not include fatalities

3.5 Environmental information

ENGIE faces the main environmental challenges: climate change, the quality and availability of natural resources (air, water, soil and energy) and the protection of biodiversity and ecosystems. Although its activities sometimes have an impact on ecosystems and natural resources, the Group seeks to measure and reduce this via the environmental management of its activities.

ENGIE's challenges and ambitions in this area are reflected in the Group's environmental policy (available on the ENGIE website) and in the performance indicators deployed across all its activities. The challenges also include the risks identified in the environmental vigilance plan. A team in charge of analysis and coordination is specifically dedicated

to environmental responsibility and reports to the Director of Environment. It has environmental coordinators in each BU who lead their own networks of coordinators, organize actions, supplement corporate expertise with their knowledge of operations, and implement environmental reporting.

The Corporate Social Responsibility Department produces an annual report which is sent to the Executive Committee and then presented to the Board of Directors' Ethics, Environment and Sustainable Development Committee. This report is supplemented by BUs' own reports and letters of environmental compliance, as well as the results of environmental audits ordered by the Executive Committee.

3.5.1 Legal and regulatory framework

The Group actively monitors regulatory developments (set out in Chapter 2 "Risk factors and controls"), stating its positions while they are being prepared and applying the new rules as soon as they are published. In particular, the Group has been calling for the harmonization of international regulations and greater integration between the various environmental and energy policies. In the run-up to COP21, the Group strongly pledged to support an ambitious

international climate agreement to limit the global temperature rise to 2°C. It also pledged to support the more widespread application of regulations on carbon pricing, which would be a price signal for investment in low-carbon technologies and an incentive to reduce greenhouse gas emissions. To this end, the Group plays an active role in the CPLC (Carbon Pricing Leadership Coalition).

3.5.2 Environmental management

At the end of 2020, the entities that had implemented an Environmental Management System (EMS) accounted for 75.7% of relevant revenue ⁽¹⁾. The need to obtain external EMS

certification is assessed locally with regard to local economic conditions and benefits.

(1) Relevant revenue excludes revenue generated by activities not considered pertinent in terms of environmental impact (services, trading, sales, activities, etc.)

Percentage of relevant revenue covered

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
By an EMAS certification	3.72%	3.09%	2.42%
By an ISO 14001 (non-EMAS) certification	57.25%	59.09%	65.99%
By another external EMS certification	2.80%	2.90%	2.15%
TOTAL EXTERNAL CERTIFICATIONS	63.77%	65.08%	70.57%
By an internal certification (but not by a certified EMS)	11.92%	7.36%	9.73%
TOTAL INTERNAL AND EXTERNAL EMS	75.68%	72.43%	80.30%

When the implementation of a certified or registered management system is not economically justified, entities are encouraged to define an internal management system ensuring concern for the environment in carrying out their activities. As a result, some Group entities have defined their

own management system standard. When an internal or external EMS is implemented, employees take part in awareness and training sessions relating to the environmental issues they encounter at their sites so that they adopt the EMS and make it their own.

3.5.3 Performance control and measurement systems, a prerequisite for environmental responsibility

To monitor the implementation of its environmental policy, control environmental risks and encourage the communication of its environmental performance to stakeholders, ENGIE implements a specific reporting system that goes beyond the requirements of French law and which takes into account the Global Reporting Initiative (GRI) recommendations.

Environmental reporting is closely tied to operational performance reporting, thus becoming a management tool. The Group's Executive Committee transmits this goal of making environmental concerns an integral part of management responsibilities.

A system of letters for environmental compliance ensures operational management involvement.

Methodological elements

ENGIE conducts its environmental reporting using a dedicated tool that allows data to be reported following a defined methodology. This tool, called EARTH, is an environmental reporting IT solution used to manage the network of environmental correspondents and coordinators; to handle the management and documentation of the scope of environmental reporting; to manage data entry, monitoring and consolidation of indicators; to draft reports; and to provide the documentation necessary for producing and collecting data (reporting procedures and instructions).

EARTH is deployed in each of the BUs and thus covers the entire ENGIE organization.

The legal entities included in the reporting scope are those whose operations are relevant in terms of environmental impact and that are consolidated fully or proportionately under the rules of financial consolidation (IFRS). Legal entities solely engaged in energy trading, financial activities or engineering are excluded. The selected entities report on the performance and impacts of the industrial facilities over which they have technical operational control, including facilities operated on behalf of third parties. Legal entities consolidated at equity are excluded.

Thus, in accordance with the rules of financial consolidation, 100% of the impact data collected is consolidated when the entities are fully consolidated. For entities proportionately consolidated, the environmental impact data are consolidated in proportion to the Group's consolidation rate provided that it has 100% technical operational control or that, as a minimum, this is shared with other shareholders.

For disposals occurring during the year, the entities concerned complete the environmental questionnaire with the data available as of the last day of the month preceding the disposal. If it is not possible to collect all the environmental indicators,

they are extrapolated on the basis of the main activity (e.g., energy production for a power plant) and historical data. For acquisitions made during the year, it may happen that their environmental management system is not sufficiently mature to meet all the environmental indicators. In this case, the missing indicators are extrapolated on the basis of the main activity and indicators available in entities with a similar technical profile. A correction of these extrapolated values can be made a posteriori the following year, at the end of the first full fiscal year.

To calculate environmental management indicators such as the "share of relevant revenue covered by an environmental certification, an environmental crisis management plan, etc.", the relevant revenue is estimated for each legal entity. To obtain the relevant revenue, operations regarded as "not relevant in terms of environmental impact" (e.g. trading, finance and engineering) are stripped out of the consolidated revenue figure for each legal entity.

The environmental data reporting procedures encompass general procedures defined as standard guidelines to be implemented at the appropriate levels of the reporting process. Procedures and guidelines are rolled out Group-wide via a network of duly mandated environmental contacts and coordinators. These procedures and guidelines at Group and BU level describe in detail the environmental data collection, control, consolidation, validation and transmission phases at the different levels of the organization, as well as the rules for defining the scope of consolidation. They include technical documents that provide methodological guidelines for the calculation of some specific indicators. Depending on its activities, each entity is assigned a profile that determines the indicators to answer. The list of the entities included in the scope of environmental reporting is approved by each BU.

The definitions of the indicators used to measure the environmental performance of Group businesses have been revised based on comments made by the Statutory Auditors. They also take into account the comments by line managers represented in dedicated work groups. All the documentation is available from the Group upon request (CSR Department).

Previously, ENGIE used to provide a "coverage rate" for each indicator published, corresponding to the response rate obtained from all the entities surveyed. Thanks to the implementation of the new EARTH reporting tool, the coverage rate is now 100% for all indicators.

The following points should be noted with regard to the data published in this report:

- the reliability of the scope of environmental reporting is a priority for ENGIE, which is evolving in an international context of business disposals and acquisitions. Before every reporting campaign, the financial scope for consolidation is compared against the information fed back by the BU's environmental managers in order to check which industrial entities contributing to EARTH report to which financial entities;
- for facilities burning natural gas that do not have automated measurement systems, default emission factors for SO_x and fine particle emissions have been set up (factors recommended by the EMEP, the European Monitoring and Evaluation Programme);
- since 2007, ENGIE has been a signatory to the CEO Water Mandate, thus demonstrating its commitment to the preservation of water resources. The water indicators are consistent with the GRI indicators in 2011 and fall into four categories: withdrawal, discharge, consumption, reuse/recycling. Since 2015, the materiality of the water indicators published has been reviewed and the Statutory Auditors verify the inputs, outputs and consumption of fresh and non-fresh water;
- as it is concerned about what becomes of the waste generated by its activities, the Group has indicators on the production and recovery of the waste generated by its activities. These are based on definitions of waste and recovery established by local regulations. To avoid erroneous data about stock, only the tonnages taken away and weighed on site are reported as disposed of. The tonnages that must be reported are wet or dry, depending on the way they are disposed of: if the waste disposed of was wet, the reported tonnages are wet and the converse for dry waste. As an exception, if the waste is permanently stored on site, the associated dry tonnages must also be reported as disposed of. In the latter case, the waste is never recovered. Waste generated by the construction or dismantling of plant and equipment, by the repowering or upgrading of facilities, and by soil rehabilitation, are not covered by the indicators for waste generated by activities;
- CO₂ emissions from the combustion of fossil fuels were calculated based on the most recent emission factors published by the IPCC (IPCC *Guidelines for National GHG Inventories, Vol. 2 Energy* - 2006). However, the emission factors for coal can vary greatly depending on the provenance. For this reason, each reporting entity consuming coal provides a locally calculated emissions factor. This is also the case for alternative fuels for which it is not possible to use standard emission factors;
- The global warming potential (GWP) compares the warming capacity of the various greenhouse gases to CO₂. The GWP used to convert the Group's greenhouse gas (GHG) emissions to CO₂ equivalent are the latest GWP published by the IPCC (5th Assessment Report - 2014), considered on a 100-year scale;
- specific GHG emissions from energy generation in kg CO₂ eq./MWh are calculated for the BUs where this is a main activity: Generation Europe, North America, Latin America, Brazil, Asia Pacific, Middle East, South and Central Asia, and Turkey, Benelux, North, South and Eastern Europe, UK, France BtoB, France Networks, and France Renewable Energy;
- for the sake of consistency, the factor for converting thermal energy produced (GWh_{th}) into electric power (GWh_e) is set at 0.44 for all Group power generation businesses and at 0.25 for incinerators;
- significant environmental impacts resulting from subcontractors during services performed at one of the Group's facilities must be included in the Group's impacts except when a specific contractual clause provides that a subcontractor is liable for impacts generated at the site while providing the service. Data provided by subcontractors is not subject to systematic internal verification before being included in Group data and is the responsibility of the subcontractors alone. Regulations and legal obligations related to the environment may differ from one country to another, and certain data may thus be sometimes more difficult to gather;
- the energy efficiency indicator covers fossil fuel and biofuel power plants. It also includes heat supplied by third parties;
- ENGIE operates hydraulic installations, some of which have water tanks. Given the difficulties in modeling the evaporation of each site, the evaporated water is not yet included in environmental reporting;
- NO_x, SO_x and fine particulate matters emissions are calculated locally on the basis of measurements. As of this year, if discontinuous measurements are carried out on a site, an average of the measurements over the last five years is taken where possible. This methodological change, which avoids inconsistencies due to one-off measurements, has notably led to a 3% increase in NO_x emissions in 2019. When it is not possible to measure these emissions, a calculation method is provided for NO_x emissions and standard emission factors based on fuel consumption are used for SO_x and fine particles. These emission factors are taken from the US Environmental Protection Agency (US EPA) standards;
- ENGIE carries out residual gas recovery services for its steel producing customer ArcelorMittal. This service allows ArcelorMittal to meet the majority of its electricity needs and thus reduce its GHG emissions by avoiding a high level of energy use by the network. When analyzing the GHG emissions relating to these services, ENGIE has noted that 100% of the emissions relate to the steel manufacturing process. At the end of this process, regulations require that steel producers burn residual gases, generally through flaring. ENGIE only intervenes in this process to extract energy that would otherwise have been lost to flaring, by taking over for ArcelorMittal in the burning of the residual gases, but without generating additional GHG emissions. This is why ArcelorMittal's reporting methodology includes direct emissions from the external plants to which the residual gases are delivered for recovery. This state of affairs is confirmed by the 2019 French law on climate and energy and the related decrees which set the greenhouse gas emissions ceiling for fossil-fueled power plants. Decree No. 2019-1467 of December 26, 2019 states that "Emissions from waste gases used in electricity generation facilities are not recognized." As a result, ENGIE now excludes these GHG emissions from its Scope 1 (-6.7 Mt in 2020) and has restated data for 2018 and 2019 for consistency purposes (-8.53 Mt in 2018 and -8.9 Mt in 2019). As these are residual gases and not fuel with a supply chain, ENGIE does not include emissions from an upstream fuel chain in its Scope 3. With the exception of GHG emissions related to the combustion of steel gases, all environmental indicators for these entities are included in the consolidated data;

- In 2018, Glow's power plants in Thailand were sold to Global Power Synergy Public Company Ltd. (GPSC). These power plants were initially set to exit the scope by the end of 2018, but remained within ENGIE's scope until March 18, 2019 for administrative reasons. For the sake of consistency, 2019 values were corrected to take this activity into account. This mainly included fuel consumption, 1.8 Mt of direct GHG emissions and energy production. Other indicators (management, waste, air, water) were estimated based on 2019 production and data collected in 2018. Two other smaller entities, Viking Energy of Lincoln and Viking Energy of McBain, were reintegrated for the same reason in the same manner;
- the methodology for calculating the "Purchases of goods and services" item in "Other indirect GHG emissions" was reviewed in 2020. On the one hand, purchasing sub-categories have been created to calculate more precisely the GHG emissions associated with purchases. On the other hand, the volume of expenditures not yet categorized has been taken into account by extrapolating the nature of these expenditures on the basis of the volume already categorized. This extrapolation made it possible to estimate the GHG emissions associated with this volume of expenses not yet categorized. The 2018 and 2019 data have been restated for consistency.

3.5.4 Group actions

3.5.4.1 Climate change

Direct emissions

Information presented in this section and in Section 2.2.2 "Climate change" reflects the financial risks associated with the effects of climate change and the measures taken by the company to mitigate them by implementing a low carbon strategy in all areas of its business as required by Article L.225-37 of the French Commercial Code.

By developing a low carbon ⁽¹⁾ energy mix and through its energy efficiency activities, the Group has put energy transition and the fight against climate change at the heart of its strategic focus. ENGIE is further increasing its decarbonization efforts: the emission rate at the end of 2020 was 212.5g CO₂eq./kWh, down 3.4% compared to 2019, and down 52% compared to 2012, i.e. well in excess of its 2020 target of 20%. The Group's absolute direct CO₂ eq. emissions fell by more than 12.2 million tons in one year, from 46.2 tons to 38.6 million tons, a 16.5% reduction.

This excellent result reflects the Group's desire to follow an emissions trajectory compatible with the Paris Agreement's objective of not exceeding +2°C by 2050, which corresponds to an 85% reduction in its direct emissions by 2050 compared to 2012, total disengagement from coal, and growth in green energy (renewable electricity and biogas).

In addition, the Group supports TCFD's (Task Force on Climate-related Financial Disclosures) recommendations for greater transparency on the risks and opportunities related to the impacts of climate change, monitors issuer-investor work and prepares a plan to implement these recommendations. The Group publishes its Scope 1, 2 and 3 (main items) emissions and answers the CDP (formerly Carbon Disclosure Project) questionnaire each year.

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
Total direct GHG emissions - Scope 1 ☐	38,589,016 t CO ₂ eq.	46,188,978 t CO ₂ eq.	57,205,670 t CO ₂ eq.
of which emissions from energy production	36,396,271 t CO ₂ eq.	43,724,817 t CO ₂ eq.	54,696,246 t CO ₂ eq.
of which CH ₄ emissions	1,516,355 t CO ₂ eq.	1,726,874 t CO ₂ eq.	1,830,192 t CO ₂ eq.
GHG emissions per business unit - energy generation	212.5 kg CO ₂ eq./MWh _{eq} .	220.0 kg CO ₂ eq./MWh _{eq} .	284.1 kg CO ₂ eq./MWh _{eq} .
GHG emissions per business unit - gas storage	0.8 kg CO ₂ eq./MWh _{eq} .	0.9 kg CO ₂ eq./MWh _{eq} .	0.9 kg CO ₂ eq./MWh _{eq} .
GHG emissions per business unit - gas transportation (excluding via LNG tanker)	0.8 kg CO ₂ eq./MWh _{eq} .	1.0 kg CO ₂ eq./MWh _{eq} .	1.1 kg CO ₂ eq./MWh _{eq} .
GHG emissions per business unit - LNG terminals	0.9 kg CO ₂ eq./MWh _{eq} .	0.8 kg CO ₂ eq./MWh _{eq} .	1.8 kg CO ₂ eq./MWh _{eq} .
GHG emissions per business unit - gas distribution	3.2 kg CO ₂ eq./MWh _{eq} .	3.4 kg CO ₂ eq./MWh _{eq} .	3.2 kg CO ₂ eq./MWh _{eq} .

☐ Verified by the Statutory Auditors with "reasonable" assurance for 2020

Adaptation through anticipation of the negative impacts of climate change is key to making ENGIE's infrastructure and activities more resistant to natural hazards (more extreme events such as floods and droughts, etc. and other more

progressive phenomena such as rising sea levels, rising temperatures, etc.). The risks generated by climate change are varied and include physical risks, risks of disruption to value chains, reputational risks and regulatory risks.

(1) The share of energy production from non-fossil sources has increased by 60.8% in six years, from 31.6% to 50.8% in 2020

ENGIE is implementing practical measures to guard against this set of risks, including the construction of a perimeter wall to tackle the risk of exceptionally heavy flooding at the Tihange site in Belgium, a vegetation project to prevent soil erosion in the event of storms in Mexico, the digging of ditches and a reservoir to deal with the risk of flooding at the Capel Grange solar park in England, etc.

The Group has also established methods to help its various sites to draw up adaptation action plans. The use of tools, such as Aqueduct software, helps the Group to identify local-scale risks and enables it to identify adaptation strategies tailored to the problems and features of each site.

Adapting to climate brings multiple beneficial effects for ENGIE: anticipating risks enables it to manage its assets better, cut costs and expand its market to new products and services.

Indirect emissions

The Group's approach to GHG emissions accounting and reporting is based on the GHG Protocol Corporate Standards (for companies) and the ISO 14064 standard (supplemented by ISO 14069). These standards constitute an internationally recognized reference framework. For the purposes of consistency with the other environmental information published, the "Scope 2" and "Scope 3" emissions listed below do not include those of the water and waste management businesses of SUEZ.

ENGIE has analyzed the various categories of emissions in order to identify and quantify the most pertinent categories. The following categories have been identified and quantified to date.

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
Indirect emissions related to energy ("Scope 2")	2,330,625 t CO₂ eq.	2,534,464 t CO₂ eq.	2,912,586 t CO₂ eq.
Indirect emissions related to power consumption*	1,215,892 t CO ₂ eq.	1,454,795 t CO ₂ eq.	1,853,696 t CO ₂ eq.
Indirect emissions related to the consumption of steam, heating or cooling*	1,114,733 t CO ₂ eq.	1,079,669 t CO ₂ eq.	1,058,890 t CO ₂ eq.
Other indirect GHG emissions ("Scope 3")	134,001,032 t CO₂ eq.	133,601,446 t CO₂ eq.	139,222,319 t CO₂ eq.
Upstream fuel chain (energy-related emissions not included in the "direct GHG emissions" and "indirect energy-related GHG emissions" categories)	19,684,560 t CO ₂ eq.	20,467,749 t CO ₂ eq.	21,889,235 t CO ₂ eq.
Investments (GHG emissions from power plants consolidated under the equity method)	31,105,244 t CO ₂ eq.	31,127,157 t CO ₂ eq.	30,869,952 t CO ₂ eq.
Use of products sold (fuel sales to third parties)	61,496,829 t CO ₂ eq.	60,882,185 t CO ₂ eq.	61,968,404 t CO ₂ eq.
Purchased products and services	18,572,190 t CO ₂ eq.	17,762,429 t CO ₂ eq.	21,670,364 t CO ₂ eq.
Capital equipment	3,142,210 t CO ₂ eq.	3,361,926 t CO ₂ eq.	2,824,365 t CO ₂ eq.

* The electricity and thermal energy consumption used to calculate this data is subject to verification by the Statutory Auditors with "reasonable" assurance for the financial year 2020 (see Section 3.11)

3.5.4.2 Renewable energy

The strengthening of the Group's capacity in renewable energy has continued, for both electricity and heat generation and, in the case of biogas, for transportation. In 2020,

renewable energy accounted for close to 17.3 GW of installed electric equivalent, representing 28.4% of the total capacity directly operated by the Group.

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
Renewable - Net installed power (electric and thermal) □□	17,289 MW _{eeq.}	16,315 MW _{eeq.}	14,799 MW _{eeq.}
Share of renewable resources in installed capacity*	28.4%	24.6%	23.9%
Renewable - Electricity and heat produced □□	55,442 GW _{eeq.}	61,556 GW _{eeq.}	57,069 GW _{eeq.}
Energy produced - share of large hydropower	64.0%	71.8%	77.4%
Energy produced - share of small hydropower	1.7%	1.4%	1.7%
Energy produced - share of wind	18.1%	12.3%	6.2%
Energy produced - share of geothermal	0.26%	0.23%	0.23%
Energy produced - share of solar	5.1%	3.2%	2.5%
Energy produced - share of biomass and biogas	10.9%	11.1%	11.9%

* These capacities correspond to the scope of the environmental reporting specified in Section 3.5.3 (excluding equity-accounted and non-controlled facilities)

□□ Verified by the Statutory Auditors with "reasonable" assurance for 2020

3.5.4.3 Energy efficiency

For electricity-generating facilities, energy performance is directly connected to the site's efficiency which influences its profitability. Measures taken to improve the generation fleet, and which are compliant with environmental regulations and the constraints of the electricity market, have helped

optimize its energy efficiency and, hence, consumption of raw materials. For example, the replacement of older turbines or boilers with recent models has an immediate positive impact on a facility's energy efficiency.

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
Primary energy consumption - total (excluding own consumption) □□	284,571 GWh	342,564 GWh	330,440 GWh
Share of coal/lignite	10.13%	12.05%	20.90%
Share of natural gas	46.19%	42.31%	44.59%
Share of fuel oil (heavy and light)	0.71%	0.70%	0.74%
Share of uranium	33.59%	35.85%	24.50%
Share of biomass and biogas	5.68%	5.57%	5.71%
Share of other fuels	3.37%	3.23%	3.28%
Share of fuel in transport	0.32%	0.30%	0.29%
Electricity and thermal energy consumption (excluding own consumption) □□	8,697 GWheeq.	9,244 GWheeq.	10,362 GWheeq.
Energy efficiency of fossil fuel plants (including biomass/biogas) □□	45.1%	45.0%	44.2%

□□ Verified by the Statutory Auditors with "reasonable" assurance for 2020 (see Section 3.11)

3.5.4.4 Nuclear energy

Maintaining a very high level of safety at the seven nuclear reactors operated by ENGIE is a key priority for the Group. ENGIE also attaches great importance to limiting the environmental impact of these facilities (e.g. waste, emissions).

Concerning waste from nuclear power plants, particularly radioactive waste, is monitored by Electrabel, but also by ONDRAF (the national body for radioactive waste and enriched fissile materials) and its subsidiary Belgoprocess,

which is responsible for the management of radioactive waste from nuclear power plants. Each plant also publishes an annual environmental on the Electrabel website.

Provisions for the downstream portion of the nuclear fuel cycle (operations relating to fuel after its use in a nuclear reactor) and for the costs of decommissioning nuclear power plants after they are shut down, are shown in 19 to Section 6.2.2 "Notes to the consolidated financial statements".

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
Radioactive gas emissions			
Rare gases	47.3 TBq	35.1 TBq	54.4 TBq
Iodines	0.04 GBq	0.02 GBq	0.03 GBq
Aerosols	0.25 GBq	0.26 GBq	0.26 GBq
Radioactive nuclear waste (low and medium level)	225 m ³	149 m ³	204 m ³
Radioactive liquid wastes			
Beta and Gamma emitters	16.50 GBq	17.21 GBq	22.77 GBq
Tritium	86.50 GBq	65.07 GBq	84.82 GBq

The risk factors relating to nuclear power are presented in Section 2.2.5 "Industrial Risks".

3.5.4.5 Water

As a committed player in water management, ENGIE is taking part in the current debate over corporate risk disclosure and water stewardship, alongside organizations such as the CEO Water Mandate of the UN Global Compact and the OECD. These initiatives have led to a homogenization of the definition and implementation of water stewardship. The Group has two water-related objectives for 2020: one involves the implementation of concerted local action plans for sites in areas with extremely high water stress, and the other involves reducing freshwater withdrawals across the Group. In 2020, ENGIE was awarded an A- rating by the CDP Water Disclosure program, representing a marked improvement compared with 2019.

Each year, as part of the optimization of its energy production, ENGIE assesses the risk of water stress for the Group's industrial sites using the Baseline Water Stress Index

and the Aqueduct tool (World Resource Institute). In 2020, 40 sites were located in areas with extremely high water stress (5.9% of sites excluding solar and wind), for which action plans have been finalized and are being implemented. The impact of water stress is relative, however, as it depends on the site's activity and fresh water needs. Only six out of the 40 sites have substantial freshwater requirements (more than 100,000 m³/year). For the others, the challenge is rather how to indirectly help to preserve water resources, for example by proposing the reuse of the water by other entities in the drainage basin. As of 2013, the Group has calculated the water footprint in the life cycle analysis of 1 kWh of electricity, and of 1 kWh of gas in 2016. All of the Group's initiatives have resulted in a 71.5% reduction in freshwater withdrawals from its power generation business since 2012.

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
Fresh water			
Total withdrawal	2,088 Mm ³	2,814 Mm ³	2,717 Mm ³
Total discharge	2,036 Mm ³	2,743 Mm ³	2,642 Mm ³
Non-fresh water			
Total withdrawal	5,195 Mm ³	6,003 Mm ³	7,603 Mm ³
Total discharge	5,169 Mm ³	5,979 Mm ³	7,594 Mm ³
Total consumption	76.8 Mm ³	94.5 Mm ³	85.1 Mm ³

3.5.4.6 Waste

In January 2014, ENGIE took the recommendations of an internal audit on waste management and incorporated them into its environmental policy released in 2017. Its chief aim was to reduce the quantities of waste it produces and to increase its rate of waste recovery.

These efforts have led to a recovery rate of 76.1% for non-hazardous waste and 30.2% for hazardous waste in 2020. The Group's industrial sites actively seek local waste recovery

solutions, even though some of these channels remain dependent on market opportunities governed by the laws of supply and demand.

Food waste and associated waste only relate to group catering for employees. In this area, ENGIE selects subcontractors that include missing space measures against food waste in their specifications.

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
Total quantity of non-hazardous waste and by-products discharged (including sludge)	3,333,317 t	3,440,451 t	2,535,782 t
Fly ash, refioms (residues from the purification of incineration fumes from household waste)	1,583,111 t	1,719,517 t	1,509,757 t
Ash, bottom ash	1,280,439 t	1,047,170 t	638,364 t
Desulfurization by-products	66,332 t	120,365 t	180,478 t
Sludge	21,860 t	19,316 t	19,500 t
Driftwood	12,970 t	5,305 t	8,888 t
Total quantity of non-hazardous waste and by-products recovered (including sludge)	2,537,618 t	2,352,561 t	2,159,142 t
Total quantity of hazardous waste and by products discharged (including sludge and excluding radioactive waste) □□	38,139 t	52,524 t	40,371 t
Total quantity of hazardous waste and by products recovered (including sludge and excluding radioactive waste) □□	11,511 t	16,291 t	11,919 t

□□ Verified by the Statutory Auditors with "reasonable" assurance for 2020

3.5.4.7 Atmospheric pollutants

ENGIE uses a wide range of techniques to further reduce its emissions: reduction at the source using a tailored energy mix; optimization of combustion and treatment of fumes; filters or water injection to reduce fine particle emissions; installation of low-NOx burners or use of urea injection

(secondary treatment) to control nitrogen oxides; and choosing fuels with very low sulfur content to reduce sulfur dioxide emissions. A strong improvement was observed in 2019 thanks to the reorientation of ENGIE's production assets portfolio.

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
NOx emissions	47,538 t	52,799 t	60,355 t
SO ₂ emissions	119,584 t	124,276 t	118,291 t
Fine particle emissions	4,406 t	4,662 t	4,791 t

3.5.4.8 Management of biodiversity

Biodiversity (fauna, flora) is a natural heritage essential to human health and well-being. ENGIE depends on it also depends on it through its use of biomass resources and water and climate regulation provided by biodiversity.

Biodiversity is threatened by climate change, pollution, habitat modification, invasion of exotic species and overexploitation of resources. Fragmentation and disturbance of habitats caused by the territorial of our sites and soil sealing are the main impact of the main impact of ENGIE's activities on biodiversity.

In order to contribute to biodiversity protection and to mitigate its impact under the "prevent, reduce, offset" process, the Group has been committed since 2010 to integrating biodiversity into its strategy and activities.

Examples of objectives and actions carried out by the Group include the restoration of natural habitat (hedges, grassy strips, wetlands), the reduction of the impact of wind turbines on wildlife, the installation of fish ladders at dams, ensuring that gas-grid easements contribute to ecological continuity, and applying differentiated landscaping to green spaces.

In pursuit of its commitment to biodiversity, the Group relies on the skills and expertise of its two partners: the French committee of the IUCN (International Union for Conservation of Nature) and France Nature Environnement.

As part of a voluntary initiative, which was recognized at the end of 2012 by the French government as part of the National biodiversity strategy, the Group has defined a targeted action plan⁽¹⁾ for each of its priority sites in Europe designed to address the biodiversity protection issues identified at the site and/or by local stakeholders, based on the site's activity.

Since 2016, biodiversity action plans have been incorporated into a more comprehensive approach to integrated and concerted environmental management at site level for all the Group entities, but the method of identifying sites for biodiversity remains unchanged.

In 2018, the Group also strengthened its international commitments by joining the "act4nature" initiative. The individual commitments made in this area were largely achieved. Among the measures completed it is worth noting: the constant increase in the number of participants in the network of experts, the introduction of an integrated biodiversity assessment tool (IBAT), and the publication of an internal brochure covering biodiversity. Further information is available on the website.

In 2020, the Group renewed its two commitments in terms of biodiversity via the "act4nature international initiative" and "Entreprises engagées pour la nature-act4nature France".

3.5.4.9 Active prevention of environmental risks

The management of industrial, health and environmental risks has two components: risk prevention and crisis management.

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
% of relevant revenue covered by an environmental risk prevention plan	82.7%	81.2%	87.6%
% of relevant revenue covered by an environmental crisis management plan	88.4%	86.1%	88.4%

The six complaints registered in 2020 did not give rise to an obligation to pay compensation. They all originate from surrounding neighborhoods and are exclusively related to the stroboscopic effect of wind turbines. The Group actively monitors these data and implements actions to further reduce this nuisance.

In September 2019, a leakage of 5.4 kg of SF₆, a greenhouse gas, was recorded at the Bergum power plant in the Netherlands. Following the disclosure of this leak to the authorities by ENGIE, a police investigation is underway to determine its source.

In France, at the site of the Plateau de la Motte solar farm, deforestation operations encroached on protected woodland reserves and resulted in a criminal transaction of €14,000 with the DRAAF (the French Regional Directorate of Agriculture and Forestry).

In 2020, environmental expenses (investments and current operating expenses related to environmental preservation) amounted to more than €553 million.

Indicator title	ENGIE 2020	ENGIE 2019	ENGIE 2018
Environment-related complaints	6	10	24
Environment-related convictions	2	1	0
Amount of compensation (in € thousands)	14	13	0
Environmental expenditure (in € thousands)	553,019	466,365	406,428

3.5.4.10 Noise pollution

Any industrial activity is a source of noise pollution. In order to reduce these impacts, Group entities conduct regular soundproofing work (acoustic cladding, noise barriers,

containment, etc.). For more recent projects, reducing this potential form of noise pollution is directly integrated into the design.

(1) A targeted action plan must combine and detail all the measures taken to preserve or restore biodiversity locally. See the note on methodology in Section 3.5.3 for more details

For its renewable energy projects, particularly onshore wind and solar power, ENGIE conducts impact studies and offers support measures to prevent, reduce or offset any noise or visual impact. Examples of such actions include defining and implementing turbine restrictions (stoppage or reduced power at key times and/or under certain wind conditions), conducting specific actions with builders to reduce the sound power of machines, seeking better harmonization with the landscape during the design and, after construction, initiating planting and vegetation schemes on sites or for neighbors if

there is an obvious visual impact. By way of illustration, in France, ENGIE has partnered with the "Respect" project launched as part of the offshore wind project in the city of Tréport and on the islands of Yeu and Noirmoutier. The aim is to improve understanding of the biological impact related to the noise footprint of projects and reduce this by developing appropriate technology. The results were integrated into the impact studies and made it possible to obtain prefectural authorization in October 2018.

3.5.4.11 Land use

Protection of soil and groundwater is an integral part of the Group's environmental policy. The environmental consequences of soil pollution can be significant, as can the costs of subsequent remedial measures. It is therefore important to prevent this risk and to hedge it with financial provisions. These amounted to €1.125 billion in 2020 and concerned site rehabilitation, decommissioning of non-nuclear facilities and scheduled product elimination. In this area, ENGIE complies with the regulations in each of the countries in which the Group operates.

For example, a soil pollution survey was carried out at several power plant sites in Belgium. Risks were assessed in conjunction with the appropriate environmental authorities and a remediation program was implemented.

ENGIE owns a number of former gasworks. These sites may be affected by oil, heavy metals and other volatile substances that can adversely affect health. As a result, they must be repaired before reuse. In 1996, a ten-year plan was agreed via a memorandum between Gaz de France and the French government to rehabilitate these sites, which have been compatible with their use from a health perspective since 2007. When these former sites are sold, ENGIE is committed to ensuring that the buyer's project is compatible with the environmental and industrial liabilities of the site and that the risk to the environment and residents is effectively managed. At all its sites, the Group monitors the soil and groundwater, in accordance with its operating permits, in order to prevent pollution.

Moreover, in order to more firmly anchor its presence in the regions, ENGIE has established a structured system of dialogue with its stakeholders, pursuant to the main international standards (AA1000, ISO 26000, the Global Compact principles, and OECD guidelines). This system is based on regular meetings with NGOs and non-profit associations, and on the development of long-term partnerships in connection with ENGIE's activities. The dialogue is defined at Group level and then rolled out to each BU according to specific local requirements in terms of issues, activities and regulations. As part of these new CSR objectives, ENGIE aims to cover 100% of its industrial activities with an appropriate dialogue and consultation mechanism by 2020.

Gas pipelines account for the largest amount of land use by ENGIE. As the gas lines are buried, they do not break up natural habitats, but may nevertheless generate land-use conflicts. GRTgaz has therefore established amicable easement agreements in France with all the owners of the land crossed, following consultation periods (the signing rate for amicable agreements is regularly >90% for projects). These agreements define land usage restrictions for the owners (prohibition on building in pipeline locations and planting vegetation higher than 2.70 m) in exchange for compensation. More specific work is carried out with the agricultural industry to preserve land use for farmers as part of their professional activity.

For the development of new wind and photovoltaic renewable energy production sites, the choice of the site is paramount. The arable nature of the land is an essential element taken into account very early in the project to avoid any subsequent conflict. In France, calls for tenders for photovoltaic power plants are made under the aegis of the French Energy Regulatory Commission. Proposing a site on arable land causes valuable points to be lost in tenders and this is another reason for selecting other types of land. For wind farms, development on arable land is possible provided that an assessment is carried out before and after the project by an independent agricultural expert. This allows for fair compensation to be paid to owners or farmers for the use of these lands.

In France, for example, in August 2020, in the Kastellin (Finistère) biogas production plant of ENGIE Bioz Services - a 100% subsidiary of ENGIE, an operating incident caused an overflow of a tank of digestates, which are the residues resulting from the methanization of organic matter. These digestates have polluted in a nearby river with ammonia and caused drinking water restrictions in Châteaulin (France) and its surroundings for a few days. After analysis of the accidental causes, ENGIE has taken the appropriate measures to prevent this incident from happening again. These measures concern the follow-up by thermal camera of the incoming organic materials to avoid any accidental heating, the sealing of the rainwater basin, the removal of the automatic pumping device for discharge into the outside environment and the installation of a safety system at the level of the liquid digestate recovery tank. These measures have made it possible to envisage a restart of the installation.

3.6 Societal information

The responsible growth model developed by ENGIE is based on a structured dialogue adapted to all stakeholders of the Group's activities promoting co-construction for the creation of shared value and with a view to optimizing the business.

3.6.1 Dialogue with stakeholders and partnerships

ENGIE maintains an ongoing and proactive dialogue with all stakeholders around its industrial activities. Based on existing approaches, the Group supports its operating entities in deepening and structuring their practices, from the implementation of dialogue strategies to their operational deployment in the project teams.

The support is based on a Group methodology which is adapted to the strategic, technical and geographical specificities of the operational activities. It is based on international standards such as ISO 26000, AA1000, IFC (International Finance Corporation, World Bank) and the Equator Principles.

On the one hand, it consists of raising awareness and training of employees in the structuring of dialogue with stakeholders in connection with the Group's training entity, ENGIE University. On the other hand, the methodology consists of technical support for the implementation of dialogue action plans adapted to the challenges and expectations of the territories.

The goal is to optimize performance and increase value creation by deepening the ownership of the Group's activities by its beneficiaries.

The Group achieved its 2020 target of covering 100% of its industrial activities by means of an appropriate dialogue and consultation mechanism which aims to strengthen the sustainability of its activities.

2020 was devoted to setting up various spaces for dialogue: a Stakeholders Committee in charge of challenging the Group's strategy, and an access space made up of members of civil society, companies and local authorities, in charge of supporting sensitive projects.

This culture of listening and dialogue is extended through societal and environmental partnerships with, in particular, France Nature Environnement, Emmaüs and the ONE (Ocean Nature and Environment) Foundation.

At the international level, ENGIE is a member of the United Nations Global Compact in the Global Compact Advanced category.

This culture of listening and dialogue was implemented when, in France, in 2017, ENGIE started building a new propane supply station in the city of Ajaccio (Corsica).

Prior to the launch of the construction site, the Group endeavored to meet with local environmental associations as well as local residents such as the hospital and residents living near the site. In addition to the information meetings set up by the project to inform local residents about the progress of activities, the CSR manager is in constant contact with local residents to discuss any questions they may have.

In addition, the project will offset the environmental impact of its 2 ha industrial site on a 20 ha natural site for 30 years. The project has delegated its management to the Conservatoire des espaces naturels de la Corse (Corsican Natural Spaces Conservatory), which can thus study the evolution and dynamics of the local fauna and flora populations in partnership with the University of Corsica.

3.6.2 Combating fuel poverty

3.6.2.1 Fuel poverty of individual customers

In 2020, ENGIE continued to support the Fonds de Solidarité pour le Logement (French solidarity housing fund), providing €6 million. In 2020, around 70,000 of ENGIE's retail customers benefited from these departmental council subsidies.

ENGIE has created a network of mediation partners with over 120 customer assistance centers throughout the country as of the end of 2020. Mediators at these associations, who are trained by ENGIE, talk to customers facing payment difficulties, help them to understand their bills, give them advice on their energy spending and can help them to set up structured payment plans or direct them towards social services to apply for assistance.

3.6.2.2 The environmental and social fund "ENGIE Rassembleurs d'Énergies"

The Group supports social enterprise and disadvantaged populations through the social and environmental fund, ENGIE Rassembleurs d'Énergies. ENGIE invests in social enterprises promoting shared and sustainable growth for all based on clean, affordable energy and on innovative business models linked to the Group's operating entities.

The fund is utilized for various themes which all combine financial performance and a strong social and environmental impact: individual or collective decentralized solar electrification in Latin America, sub-Saharan Africa and India; clean, secure cooking solutions, particularly biogas solutions in emerging economies; energy efficiency, mainly in social housing in Europe; and, lastly, the circular economy. The fund thus made all of its new investments in this sector in 2020.

At the end of 2020, the companies in the portfolio had enabled clean and affordable electrification for more than 5.5 million beneficiaries worldwide, in addition to the beneficiaries of companies subsequently acquired by the Group. The companies also created more than 20,000 direct

and indirect jobs, with a strong focus on the empowerment of women. 21,000 employees invested part of their savings in the ENGIE Rassembleurs d'Énergies solidarity mutual fund (FCPE), thus giving meaning to their savings with a direct connection to their occupation.

The 19 active companies in the portfolio operate on four continents (Europe, Africa, Asia and Latin America) and in around 20 countries. These companies cover 13 sustainable development goals through a wide range of technologies that respond to the issue of inclusive growth, in particular through access to sustainable energy and the reduction of fuel poverty. Through them, Rassembleurs d'Énergies seeks to both reach vulnerable populations and develop synergies with the Group entities. In 2020, the fund made a particular effort to support companies affected by the global health crisis, but nevertheless also finalized two divestments from companies that it had supported since 2013 and 2014. By the end of 2020, ENGIE Rassembleurs d'Énergies had invested €35 million of equity with a highly selective approach.

3.6.2.3 ENGIE Corporate Foundation

The ENGIE Foundation works on behalf of children, with access for all to education, sport and culture, for integration through employment and the fight against poverty, and for access for all to energy and essential goods, and the protection of biodiversity.

The role of the Foundation, with the commitment of the employees of the ENGIE group, is to give a chance to those who do not have one.

To respond to major challenges, the ENGIE Foundation also provides support for projects related to major causes or emergency missions.

Faced with the unprecedented health situation caused by the Covid-19 pandemic, which requires new forms of solidarity to be put in place, the Foundation took action throughout 2020 alongside its partners. After the first emergency measures to

provide hospitals and care homes with emergency equipment, followed by operations for vulnerable groups during the "summer of solidarity", the Foundation launched new initiatives at the end of the year for caregivers and the most vulnerable groups.

Key figures of the mobilization of the ENGIE Foundation:

- more than 200 medical establishments assisted in France, Belgium, Africa, and Brazil;
- 800 computers distributed to young people in France and Belgium to help them keep up with their education;
- more than 10,000 families helped with food aid in France.

In 2020, the ENGIE Foundation supported more than 120 projects which reached more than 480,000 beneficiaries.

The ENGIE Foundation renewed its mandate for five years in October 2020, with an annual endowment of €7,800,000.

3.6.2.4 Other solidarity actions in the context of the Covid-19 pandemic

The Group was fully mobilized to respond to the global health crisis, carrying out essential tasks to maintain the energy supply and services and to ensure the proper functioning of transport and buildings, especially critical buildings such as hospitals. Many solidarity actions have been implemented to help the medical community, its suppliers and its employees.

The ENGIE teams responsible for maintaining heating, ventilation and air conditioning facilities in hospitals worked more quickly to allow for the rapid provision of additional beds and resuscitation rooms for Covid-19 patients: for example, in Italy (the Lazzaro Spallanzani National Institute of

Infectious Diseases in Rome and the Luigi Sacco hospital in Milan) and in France (the Mondor hospital in Créteil). The ENGIE Foundation set aside a €500,000 fund for hospitals to help purchase respiratory and protective equipment.

The Group mobilized a budget of €250 million to accelerate the payment of its suppliers, SMEs and VSEs, and to help strengthen their cash flow at this difficult time.

Regarding its employees, the Group decided to accelerate the implementation of a minimum level of social protection for all of its employees worldwide (ENGIE Care).

3.6.3 Just transition

ENGIE is fully aware of the need to adapt its business model to changes in its environment and first and foremost to climate change without losing sight of its social responsibility.

Adapting the Group's business model cannot be done without taking into account the social impacts of the transition to a low-carbon economy.

This is the purpose of the just transition that ENGIE is promoting and which leads it to manage the restructuring of its activities by striving to make decisions that are as satisfactory from an environmental perspective as from a social perspective.

For example, following the 2017 closure of the Hazelwood coal-fired power plant in Australia, ENGIE paid out all employee entitlements, participated in government programs to assist in the redeployment of employees and contractors, and refocused its community partnerships to support the vocational success of young people.

ENGIE then launched a major rehabilitation project to prepare the site and the adjoining mine for future productive uses, a project that employs up to 400 workers.

This project is progressing with a clear and strong commitment to local consultation through community forums, stakeholder information sessions, media, advertisements, and public information kiosks. ENGIE has also developed a Conceptual Master Plan to describe the site's future opportunities. The Group maintains active discussions with the Victorian Government and other stakeholders on how

best to capitalise on the site's natural advantages, such as the availability of prime agricultural land, potential tourism opportunities or future clean energy production, given its proximity to the major power transmission lines supplying Melbourne and its surroundings.

Another example of just transition is the Group's participation in Chile's plan to phase out coal by 2040. Thus, in 2019, in agreement with the Chilean Ministry of Energy, ENGIE Energia Chile (EECL), a 52.8%-owned subsidiary of the Group in Chile, has committed to the closure of six coal units, totaling nearly 800 MW, or more than 50% of its thermal power plant fleet.

These closures concern units located in northern Chile in the Antofagasta region, namely four units in Tocopilla: two units (12 and 13 totaling 170 MW) closed in June 2019, two other units (14 and 15 totaling 270 MW) to be closed by the end of 2021, and two units in Mejillones (CTM1 and CTM2 totaling 334 MW) closed by 2024.

At the same time, EECL announced the development of 1,000 MW of renewable capacity, more than a third of which is currently secured with the launch of three renewable projects located in the same region of Antofagasta: a 150 MW wind farm in the city of Calama - advanced thanks to an agreement with IDB Invest, which developed an innovative financial instrument to monetize avoided GHG emissions, the Capricornio solar farm (100 MW peak) located 35 km from the city of Antofagasta and the Tamaya solar farm (120 MW peak) located in the city of Tocopilla.

EECL supported all the personnel affected by these closures, with two plans negotiated and implemented with the unions:

- a social plan to facilitate the retirement or transfer of employees to other positions in the company;
- a training and employability plan for the remaining employees to ensure their internal retraining at the future production sites mentioned above.

These plans have benefited from work carried out with the Antafagosta Labor Observatory through the Catholic University of the North and also from multiple collaborations with local decision-makers (Chamber of Commerce, Tourism, Union of Artisanal Fishermen, Municipality of Tocopilla).

3.7 Purchasing, subcontracting and suppliers

Suppliers and subcontractors represent key stakeholders in the Group's value chain.

The Group's Purchasing function has defined a clear vision organized around the following goals:

- to contribute to the Group's operational performance by putting forward a panel of competitive and differentiated suppliers to the operational teams;
- to uphold the Group's commitments to its suppliers;
- to contribute to the Group's CSR approach and carbon neutrality;
- to develop key talent and expertise within the Purchasing sector and promote Purchasing within the Group's career paths.

In order to achieve this ambition, the Purchasing function relies on a management system structured around:

- a **Purchasing Policy**: this public document, which is shared with suppliers, expresses ENGIE's involvement. In particular, it specifies the Group's requirements in terms of:
 - the suppliers' health and safety commitments,
 - a commitment from suppliers to engage in ethical business relationships and take into account social responsibility, ethics, embargoes and anti-corruption,

– the search for competitive bids and sustainable and innovative solutions;

- a **Purchasing Governance**: document defining Group-wide principles for the management of external expenditure and setting out the operating rules for Purchasing. It aims to reinforce the separation of tasks between buyers and purchasing advisers, while encouraging their cooperation when selecting the best offerings.

The requirements of these two documents, as well as the Group's more general requirements, are set out in the operational processes. These processes cover the management of purchasing categories and supplier panels as well as the stages of purchasing and procurement.

They include the ethical requirements of: the Ethics Charter, the Corporate Social Responsibility Policy Global Care, the Code of Conduct for Relations with Suppliers, and the Due Diligence Policy for Direct Suppliers and Subcontractors.

The Purchasing function is helping the Group to achieve its 2030 goals through a sustainable purchasing process driven by actions with equipment suppliers in all business segments.

In 2020, the Group Purchasing Department set four CSR goals, which will later be rolled out throughout its management system:

Objective title	Criterion	2025 objective	2030 objective
Decarbonization of the main suppliers	250 preferred suppliers aligned with or certified by the SBT	25%	100%
CSR assessment of suppliers	Share of preferred and major suppliers with an ECOVADIS rating higher than the "managed CSR risk" level	70%	100%
Improvement of payment terms for suppliers	Reduction in the total amounts of invoices paid late (reference year 2020)	-40%	-90%
Promotion of inclusive purchasing	Share of inclusive purchasing in line with GT3 recommendations	60%	100%

To achieve these goals, the Purchasing function implements operational processes by following key steps, using a Plan-Do-Check-Act method:

- analysis of risks and opportunities by purchasing category prioritized by country, based on a risk matrix developed in partnership with EcoVadis;
- definition of mitigation plans and supplier selection criteria using the analysis above. The CSR commitment of suppliers is assessed across four dimensions: ethics, human rights, environment and sustainable purchasing. These plans may include document audits or on-site audits;

- establishment of specific contract clauses to strengthen our requirements. These may include the application of penalties in the event of non-compliance;

- the performance delivered by the suppliers, measured periodically in the context of the business reviews and the review of the associated improvement plans.

These four steps are verified through the internal control and audit processes in order to ensure the continuous improvement of the approach.

The actions of the Purchasing Department focus primarily on the Group's preferred suppliers (~250), followed by the major suppliers of each Group BU (~1,350), which represents around 20% of total expenditure.

The achievement of these ambitious goals is supported by a progressive program of ongoing training that began in 2013 within the Purchasing function and the Business Units. In 2020, the training plan focused on:

- the due diligence policy of suppliers and subcontractors;
- ethics and supplier relations.

In addition, these CSR topics are regularly included in the management routines of the Purchasing sector, and in

meetings organized with purchasing advisers and operational staff involved in the Purchasing process.

Since the start of the Covid-19 crisis, Purchasing has been carrying out service continuity tasks and supporting the gradual resumption of activity. Exceptional measures have been implemented. In response to the shortage of masks, a task force was formed to supply them, as well as other health products. To support the most fragile suppliers, the payment of invoices issued by SMEs and VSEs was accelerated in France and Belgium.

3.8 Ethics and compliance

The Group's senior executives drive and oversee the Group's ethics and compliance policy and ensure that it is properly applied. A message of "zero tolerance" with respect to all forms of fraud and corruption is regularly communicated by the Chief Executive Officer. All managers at all levels of the Group convey the same message.

ENGIE's principles of action are based on international standards. All of the Group's measures to prevent and combat

corruption comply with these. The same is true for the Group's strategy on human rights and its personal data protection program.

The Group has made voluntary anti-corruption commitments. ENGIE adheres to the United Nations Global Compact, the tenth principle of which relates to combating corruption. ENGIE also adheres to the French chapter of the Transparency International NGO.

3.8.1 Ethics and compliance governance

Ethics and compliance within the Group are overseen by the Board of Directors via its Ethics, Environment and Sustainable Development Committee (EESDC).

The Compliance Committee assesses the handling of ethical incidents and monitors the process for updating the Group's ethics and compliance framework. At Group level, it brings together the General Secretariat and the directors of the following departments: Ethics, Compliance & Privacy, Internal Audit, Internal Control, Human Resources and Legal.

The Group Ethics, Compliance & Privacy Department (ECPD) is functionally attached to the Group General Secretariat, to which it reports. The ECPD oversees the incorporation of ethics into the Group's strategy, management and practices. It

proposes ethics and compliance policies and procedures for the Group and supports their implementation at all levels of the Group. It coordinates the implementation of the Group's vigilance plan (see Section 3.9) and deals with whistleblower reports arising under the Group procedure which it manages. The Group Ethics, Compliance and Privacy Department leads the network of Ethics & Compliance Officers and Data Privacy Managers throughout the Group.

Since 2018, the Group Ethics, Compliance & Privacy Department has been the competent department for all issues requiring the establishment of a compliance procedure. It works in the area of personal data protection. Export controls and embargoes, and interest representation are also within its remit.

3.8.2 Risk assessment

The assessment of ethical risks is included in the Group's risk analysis process (Enterprise Risk Management or ERM) (see Section 2.1.1). Five ethical risks have been identified: corruption; human rights violation; failure to take account of competition law and/or embargoes; fraud; and lack of ethics management. The Group's risk analysis approach also includes data privacy risk. It also covers the risk of personal data breaches and the risk of non-compliance with the General Data Protection Regulation (GDPR).

The process for assessing corruption risks, human rights violation risks and data privacy risks uses a common analysis methodology for all the BUs. In particular, the Group has developed a self-diagnostic scorecard on corruption risk and a checklist regarding human rights violations risk. It has also issued guidelines on the assessment of the risk of personal data breaches.

3.8.3 Reference texts

ENGIE's ethics and compliance policy aims to develop an ethics culture and practice based on:

3.8.3.1 The ENGIE Code: the Ethics Charter and the Practical Guide to Ethics

The Ethics Charter establishes the general framework for the professional conduct of every employee. It specifies ENGIE's four fundamental ethical principles. It also describes the Group's ethics and compliance organization.

The Practical Guide to Ethics determines the day-to-day application of ethics. It includes the Group's decision to refrain from any financing of political activities.

These two documents constitute our Code of Ethics and apply to all Group employees. They are shared with external stakeholders.

3.8.3.2 The Integrity reference system

The “Integrity” reference system is a collection of policies and procedures for preventing fraud, corruption and influence peddling. All of the ethical assessment procedures were reviewed in 2018 and 2019. Thus, the stakeholders of investment projects, beneficiaries of corporate sponsorship, suppliers and business consultants are the subject of enhanced preventive action.

3.8.3.3 The Human Rights reference system and policy

The “Human Rights” reference system and policy comprise ENGIE’s commitments to respect internationally recognized human rights. The system specifies the operational processes for analyzing and managing risks. It thus enables the Group to

In 2020, the Group overhauled its gifts and invitations policy. It also rolled out a new register of business consultants. Lastly, the Group has created a new gifts and invitations register that will be rolled out in the first half of 2021. These registers are fully digitized and designed as management and monitoring tools.

3.8.3.4 The Ethics Compliance reference system

The “Ethics Compliance” reference system sets out how the Group implements its ethics and compliance system and measures compliance. It also includes the Group’s procedures for complying with rules on embargoes, export controls, and competition law.

Since 2017, the reference system has also aimed to ensure compliance in terms of personal data protection, in accordance with the requirements of European Regulation 2016/679 on personal data protection. In this context, the Group defined procedures and reviews in 2019 and supplemented them in 2020 with “privacy by design”.

be vigilant about the impact of its activities on the human rights of all individuals. The reference system and policy are the cornerstones of the human rights component of the Group’s vigilance plan (see also Section 3.9).

In 2017, the Group set up a specific compliance system to monitor interest representation actions. In accordance with the law of December 9, 2016, this system enables Group entities to comply with their obligation to report to the French High Authority for the Transparency of Public Life (Haute Autorité pour la transparence de la vie publique or HATVP).

Lastly, guidelines for identifying weak signals in ethical matters were rolled out in the Group in 2019.

3.8.3.5 Codes of conduct

Codes of conduct are used to apply ENGIE’s ethics commitments to business practices and operations. These codes of conduct include the “Code of conduct in supplier relations,” and the “Code of conduct on lobbying”.

These documents are available on ENGIE’s website via the following link: <https://www.engie.com/en/group/ethics-and-compliance>.

3.8.4 Whistleblowing and reporting of ethics incidents

The Group’s new whistleblowing policy was defined in 2017. It includes the legal requirements of Sapin 2 and those of the law on the duty of vigilance. On July 1, 2018, a new procedure for collecting alerts via the email address ethics@engie.com and a dedicated telephone number, was set up at the Group level. Both channels are outsourced to an external service provider, which is responsible for receiving the alerts. This new procedure was opened to all of the Group’s staff worldwide on January 1, 2019. Alerts may be received in several languages and the service is available 24/7.

The system is described on the Group’s website via the following link: <https://www.engie.com/en/ethics-and-compliance/whistleblowing-system>. It is an addition to the Group’s other reporting routes, which can be accessed by any employee and any person outside the Group.

Alerts and managerial reports of ethical failures are monitored using a digital tool for collecting ethical incidents, which has been rolled out in the BUs and Corporate. In 2020, an improved digital tool, My Ethics Incident, replaced the INFORM’ethics tool. It covers seven areas: accounting and financial integrity, conflicts of interest, social responsibility and human rights, business ethics, confidential information, the protection of intangible assets, and personal data. In 2020, 201 alerts were input (183 in 2019) and 283 managerial reports of ethical incidents were made (282 in 2019, 218 in 2018, and 199 in 2017).

3.8.5 Training and awareness

The Group holds mandatory awareness seminars and training for populations at risk. The managers (“GMRs”) have to take part in the seminar on the prevention of fraud and corruption (86% of GMRs took part in 2020). This seminar is also

mandatory for members of the BU executive committees. Members of the ethics and compliance network also have to attend.

Purchasers are specifically trained in topics related to fraud and corruption risk and duties of vigilance (see Section 3.7). Regarding competition law, the Group rolled out an e-learning module in 2019 and face-to-face training increased in 2020. Training on institutional relations in France and for Data Protection Managers continued in 2020. The same was true for training on human rights (see Section 3.9.1).

Awareness-raising videos have been distributed to all Group employees since 2018. They present subjects with strong ethical challenges: gifts, invitations, corruption, whistleblowers,

human rights, and conflicts of interest. In 2020, the Group rolled out a new digital tool to monitor the progress at all levels of the e-learning training provided to Group employees. This tool will be followed in the first half of 2021 by the roll-out of a map for easier identification of those employees most exposed to the risk of corruption. Lastly, the Group has formalized its system to include timetables for the implementation of all the compulsory training courses. This supplement to the Group's training system will be rolled out in the first half of 2021.

3.8.6 Controls and certifications

The monitoring of the implementation of the ethics and compliance policy is based on an annual compliance procedure. In this context, the Ethics & Compliance Officers produce a report on the work and progress accomplished by their entity in this area. This report is submitted to the relevant supervising entity. It is accompanied by a compliance letter from the manager certifying their commitment to the application of the ethics and compliance program within the organization for which they are responsible. At the start of the year, a bilateral assessment of the activities and risks of each BU is carried out by the Ethics, Compliance & Privacy Director. The consolidated annual report resulting from this process is submitted to the Group's Executive Committee and to the Ethics, Environment and Sustainable Development Committee.

This compliance procedure is part of a broader control procedure. This is based in particular on the annual internal control campaigns which assess the level of implementation of ethics, embargo and personal data policies. It is also based on policy controls that are built into the internal audit campaigns.

The Group is also engaged in external audits of its ethics and compliance framework. In 2018, ENGIE obtained ISO 37001 (anti-corruption management systems) certification from ETHIC'Intelligence, a certification body accredited by COFRAC. This certification was renewed in 2019 and 2020 following supervisory audits. The audits were carried out at Group level and in several operating entities that are representative of the Group's activities. The certification follows the obtaining in 2015 of anti-corruption certification from Mazars and ADIT.

3.9 Vigilance Plan (synthesis)

This section summarizes the ENGIE Group's Vigilance Plan and reports on its operational implementation. A more complete version of the vigilance plan as well as details of the policies and actions are available on the Group's website <https://www.engie.com/en/group/ethics-and-compliance/policies-and-procedures>.

The plan covers all the measures established by ENGIE SA to prevent risks related to its activities and those of its controlled subsidiaries. It covers serious violations relating to

human rights and fundamental freedoms, the health and safety of individuals and the environment. The Group's adherence to international standards is the minimum basis for commitments that the Group intends to apply wherever it operates.

These approaches and the common alert system have already been in use for several years. Completely backed by the ethics organization, it benefits from steering, governance and dedicated monitoring.

3.9.1 Identification and management of the risks of serious harm to individuals and the environment

The Group exercises vigilance through policies that cover all issues and procedures relating to the identification and assessment of risks. Goals and follow-up and assessment processes are put in place on the basis of these procedures.

3.9.1.1 Prevent and manage the risks related to human rights

The major risks of negative impacts on the human rights of any individual due to the Group's activities are related to the fundamental rights of workers. The following risks are focused on (details on the website):

Fundamental rights of employees	Rights of local communities	Subcontracting/suppliers/partners
<ul style="list-style-type: none"> • Health and safety conditions • Freedom of association • Non-discrimination • Combating forced labor • Working hours • Living conditions of workers • Private life 	<ul style="list-style-type: none"> • Harm to the health of surrounding populations • Harm to the living conditions of surrounding populations (food, water, housing, culture, access to resources, etc.) and to the right to a healthy environment • Displacement and rehousing of populations • Suppression of the Group's opponents 	<ul style="list-style-type: none"> • Working conditions and health and safety of subcontractors • Energy procurement • Traceability and procurement of the materials used for the Group's products and services • Practices of commercial partners in projects

Security of employees and sites

- Practices of private or public forces of order in the exercise of their security mission, and in particular practices relating to the use of force
- Security of employees in high-risk countries

The Group's human rights policy, adopted in 2014, specifies the Group's commitments and provides for regular processes to identify and manage risks. In particular, every year, the entities must assess their activities with regard to their impact on human rights, via a dedicated self-diagnostic scorecard (see Section 3.8.2). They must also assess any new business activity via a dedicated scorecard designed to identify the risk factors specific to the planned activity.

The risks are assessed according to the country, the activity, the presence of vulnerable populations, the products/services used, and the type of business relationship. Some partners (see Section 3.9.2) are also subject to ethical due diligence procedures, explicitly including human rights.

In 2020, six BUs were assessed as being at risk in terms of human rights, either because of their country of activity or their type of activity. At the operational level, the specific risks identified are the subject of specific action plans described on the aforementioned website. Face-to-face training on the Group's human rights approach was developed in 2019 and fully rolled out in 2020. A new e-learning module on human rights for all employees was also rolled out.

The monitoring of the application of these processes is incorporated into the ethics compliance report (quantitative indicators) and into the internal control system (see Section 3.8.6).

2020 results (Article 2.3)	360 employees trained in human rights.
Internal control	51.7% of the Group's entities assessed the roll-out of the vigilance plan at their level as effective. 84% of the entities that assessed the roll-out of the human rights policy considered it to be effective (level 4).
Ethics compliance report	Coverage of the annual human rights risk sheet. Number of due diligence procedures (with human rights risk) on partners in the context of the Group's investment committees: 100%.

3.9.1.2 ENGIE's response to the pandemic

In 2020, the Group had to respond to the outbreak of the Covid-19 pandemic from January. A specific crisis management system was put in place, including a Group Covid-19 steering committee. The various functional departments involved in crisis management, as well as the occupational health physicians, took part in this steering committee. The Group steering committee was reinforced by several geographic committees, in which the CEOs of the BUs took part (France, Belgium, and International committees).

Three specific committees were set up to support the Group Covid-19 steering committee. The first was devoted to the protection of people, and the other two to customer relations and to purchasing. The structure deployed at Group level was rolled out to the BUs and the entities in the form of specific

crisis management systems. The BUs and entities adapted and then implemented their business continuity plans as soon as the crisis started.

The committee dedicated to the protection of people drew up Group health and safety rules, working in collaboration with the BUs. These rules apply to the entire Group when resuming activity after a period of lockdown as well as during the business continuity phase. These rules were supplemented by technical instructions on various topics. Examples include cleaning and disinfection, protection of people on site, and prevention of psycho-social risks. Specific actions for communicating with employees were implemented by the Group and the BUs.

These requirements were reviewed by an independent consultant in order to compare them with the provisions recommended by international health organizations. These include the World Health Organization and the European Center for Disease Prevention and Control. The review established that the Group's requirements do comply with the recommendations of these international organizations.

The other measures intended to ensure the health and safety of individuals working for the Group are presented in Section 2.2.7.5 "Health and safety at work" and in Section 3.4.8 "Health and safety policy".

The measures put in place by the Group to ensure the security of individuals are described in Section 2.2.7.4.

3.9.1.3 Prevent and manage environmental and societal risks

From an environmental perspective, the major risk for the Group is climate risk, followed by biodiversity, water and pollution risks. These global and local environmental risks are identified annually at head office and sites level to allow a list of "at risk" sites to be established. From a societal point of view, the risks analyzed are the impact of activities on local communities and their social consequences.

The Group's CSR Policy guides the vigilance process with regard to environmental and social matters (see Section 3.1.1). Environmental and societal risks are analyzed periodically at every level of the company. This policy is deployed in each BU, subsidiary, and site. Its implementation is monitored through goals and action plans that are reviewed every year. This review process enables us to make sure our obligations, with respect to environmental and societal vigilance, are properly satisfied.

The environmental policy fully incorporates this risk analysis. The control of its CO₂ emissions is a major issue for the Group, causing it to establish a specific action plan. This plan is supplemented by international objectives and commitments which are reported on in detail. The environmental policy also aims to institute action plans at various levels to avoid, reduce, and if necessary, offset the environmental impacts of the Group's activities. In 2020, around 670 sites were analyzed: 100% of sites identified as "at risk" have action plans in place.

The societal policy, which is centered on "stakeholder engagement," includes a level 1 target. Its implementation also includes a toolkit and training programs, a center of expertise and a self-assessment system for the BUs. In 2020, 100% of industrial activities were covered by an appropriate mechanism for dialogue with stakeholders. For more information, please visit the website.

3.9.1.4 Prevent and manage risks related to energy supply

The risks related to the Group's energy supply (coal, biomass, natural gas and LNG) have been identified as a specific issue of vigilance for the Group. They are managed directly by the relevant BUs, which must identify the risks specific to each of their activities by source of energy, by country, etc. They must also identify the actors concerned and the measures to be taken in response to these risks. A CSR strategy was formalized to meet these challenges, with specific action plans per energy source.

The governance structure was strengthened to ensure that the duty of vigilance is included in decision-making processes. The supply chain risk assessment approach has been systematized, based on the 3P (People, Planet and Profit) approach.

3.9.1.5 Prevent and manage risks related to non-energy purchases

The Group's Purchasing management system is designed to supervise and reduce the risks associated with purchasing:

- a purchasing policy that specifies ENGIE's commitments and requirements vis-à-vis its suppliers;
- purchasing governance that describes the methods of implementation through 12 key rules. To these rules is added, for each BU, the obligation to carry out an analysis of ethical risks. This analysis takes into account the occupations, purchasing categories and amounts, and organizations and projects. It encourages the rotation of actors in the purchasing function engaged in supplier relationships;
- operational processes dealing with the management of purchasing categories, supplier panels and the stages of purchasing and supply;
- a code of conduct for relations with suppliers, revised in 2020 to ensure fair treatment of their employees. Suppliers must ensure that the wages paid are fair or meet more than basic needs.

The purchasing processes are implemented through the following key stages:

- the assessment of new preferred (Group level) and major (BU level) suppliers;

- the analysis of risks and opportunities by purchasing category and by country, based on a risk matrix developed in partnership with EcoVadis. Three purchasing categories are considered high risk: engineering/turnkey installation, chemicals, and batteries;
- the implementation of an associated management plan taking into account the eligibility criteria of suppliers. These plans may include, for example, audits, specific contractual provisions to limit the risk, an ethics clause, etc.; a risk reduction plan is automatically implemented for suppliers with an EcoVadis score below 45/100;
- the measurement of the performance delivered by the suppliers and related improvement plans.

The proper implementation of these processes is verified via the INCOME internal control program (see Section 2.3). With 27 different controls, the INCOME PRO reference system covers all purchasing processes.

Lastly, the Purchasing management system is facilitated by a continuous training plan for the entire Purchasing sector. In 2020, around 750 purchasers took part in the "Ethics and supplier relations" training course through face-to-face sessions and videoconferencing.

3.9.2 Third-party assessment

In 2020, 100% of the partners in the Group's investment projects were subject to due diligence, including a systematic study of "vigilance" subjects.

Likewise, 180 major suppliers were subject to due diligence. Some assessments are supplemented by on-site audits. For example, the MESCAT BU carried out 48 audits of the site facilities for foreign workers (United Arab Emirates and Bahrain).

Lastly, the Group's new preferred and major suppliers were automatically assessed via due diligence before contracting took place. This rule applies to a panel of 1,600 suppliers representing about 20% of total expenditure.

Directly or indirectly, 100% of the Ethics Officers and purchasers have access to a specialist due diligence tool.

3.9.3 Alert mechanism and collection of alerts

The alert mechanism has been open to all employees, permanent or temporary, and to all external stakeholders, since January 2019. An external service provider forwards the anonymous report to ENGIE for processing (see

Section 3.8.4). In 2020, 201 alerts were received via the system, 50 of which concern subjects related to the duty of vigilance. They relate to:

Incidents of bullying and sexual harassment	Interpersonal relationships between employees	Incidents of discrimination	Questions related to the environment and the rights of communities
23	13	13	1

3.9.4 Steering, governance and follow-up of the deployment of the plan

3.9.4.1 Steering and follow-up at the highest corporate level

The Group has set up monitoring and global coordination at the highest level to meet the law's objectives in an effective way. The plan was approved by the Group's Executive Committee, which entrusted its management to the Ethics, Compliance & Privacy Department (ECPD), under the responsibility of the General Secretariat. A report on the effective implementation of the plan is presented annually to the EESDC of the Board of Directors.

A specific committee is responsible for the operational implementation of the plan. Its aim is to ensure that the plan is distributed and that information can be fed back easily. The members are:

Department	ECPD	CSR	Group Purchasing Department	Global Care	Internal control	Risk
BU	Africa	APAC	China	ENGIE Solutions	LATAM	MESCAT NORAM UK

In addition, each entity must ensure that the vigilance plan has been effectively rolled out within its scope. The monitoring of these actions by the entities is included in the annual compliance report (see Section 3.8.6).

3.9.4.2 Stakeholder relations

The plan and the progress made in its implementation are presented and regularly discussed with the employee representative bodies. It has been implemented via the existing committees at Group level, as well as the European Works Council, the EESDC, and the Board of Directors. The BUs and major entities were also asked to present the vigilance plan to their employee representative organizations.

In addition, societal risks are mapped at the level of industrial activities through a process of dialogue with stakeholders deployed in the Group's entities. This six-stage process (see Section 3.6.2) allows for the construction and follow-up of tailor-made action plans.

3.10 Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated non financial statement

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2020

To the Shareholders,

In our capacity as Statutory Auditor of ENGIE SA, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2019 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement has been prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on request from its headquarters.

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 for Statutory Auditors (Code de déontologie). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the statutory auditor appointed as independent third party

Based on our work, our responsibility is to express 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 pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

However, it is not our responsibility to provide any conclusion on the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation nor on the compliance of products and services with the applicable regulations.

Nature and scope of procedures

We performed our work in accordance with Articles A. 225-1 et seq. of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information*).

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:

- we familiarized ourselves with the Group's business activity and the description of the principal risks associated.
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- we verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, as well as in the second paragraph of Article L. 22-10-36 regarding the respect for human rights and the fight against corruption and tax evasion.
- 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 entity's activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its 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 ⁽¹⁾; concerning certain risks (social, environmental), 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.
- we verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- 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.

(1) Dialogue with stakeholders; Scope 3 emissions of greenhouse gas emissions; Objectives set by the Group Purchasing Department

- We carried out, for the key performance indicators and other quantitative outcomes ⁽¹⁾ that in our judgment were of most significance:
 - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
 - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities ⁽²⁾ and covered between 22% and 94% of the consolidated data for the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement in relation to our knowledge of the company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work engaged the skills of twelve people between November 2020 and March 2021.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around ten interviews with people responsible for preparing the Statement.

Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comment

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comment relating to environmental information in the Declaration: as indicated in Note "3.5.3 Performance control and measurement systems, a prerequisite for environmental responsibility" and its "methodological elements" section, and in accordance with Decree no. 2019-1467 of December 26, 2019, greenhouse gas emissions generated by the recovery of waste gases from steel production of ArcelorMittal are now excluded by ENGIE from its scope 1. The impact on emissions for 2020 financial year and on the data for 2019 and 2018 financial years, which have been recalculated, is presented in this same section.

Paris-La Défense, March 12, 2021

One of the statutory auditors,

DELOITTE & ASSOCIES

Olivier Broissand

Patrick E. Suissa

(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, Number of fatal accidents (employees), Frequency rate, Severity rate (French framework), Severity rate (ILO framework), Gender Equity Index, Management engagement rate, Percentage of women appointed GMR (Group Managed Roles) / Women appointed to senior management, International GMR (Group Managed Roles) rate

Environmental information: 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 and 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, Share of renewable electricity capacity in line with SBT commitments

(2) **Social, health and safety information:** Audits performed at the BU level: Asia Pacific BU; Tractebel Engineering BU

Audits performed at entities level: Generation Europe BU: Electrabel; Benelux BU: Cofely Fabricom; North America BU: Engie North America, Conti Services; Brazil BU: Engie Brasil Energia; GRDF BU: GRDF; Other BU: ENGIE SA's marketing activity to companies and local communities, Engie Insight Services

Environmental information: Generation Europe BU: Cartagena, Combigo, CyCoFos, Coe, Amercoeur, Knippegroen, Zandvliet, Voghera, Rodenhuize power plants; Nuclear BU: Doel power plant; Brazil BU: Estreito, Jorge Lacerda, Machadinho, Salto Osório, Pampa Sul, Umburanas power plants; Asia Pacific BU: Kwinana power plant; Storengy BU: Gournay sur Aronde storage site

3.11 Statutory auditors' reasonable assurance report on selected social, environmental and governance information

This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English speaking readers

Year ended December 31, 2020

To the Shareholders,

Pursuant to your request and in our capacity as Statutory Auditors of ENGIE (the "Company"), we performed a review in the aim of providing reasonable assurance on the environmental and social indicators selected by ENGIE and identified by the symbols □ in sections 3.4 and 3.5 of the Universal registration document (the "Data" ⁽¹⁾) for fiscal year 2020.

Responsibility of the Company

The Data has been prepared under the responsibility of ENGIE executive management, in accordance with the criteria used by the company (hereinafter the "Reporting Criteria") for social and environmental reporting data, a summary of which appears in the Universal registration document in the section "Methodological elements" and "Note on the methodology of social indicators", 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 regulatory texts, the profession's Code of Ethics as well as the provisions set forth in Article L.822-11-3 of the French Commercial Code (Code de commerce). Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with ethical rules, professional standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditors

Based on our work, our responsibility is to express reasonable assurance on the fact that the Data has been prepared, in all material aspects, in accordance with the Reporting Criteria. The conclusions expressed here below cover only this Data and not all of the information set forth in sections 3.4 and 3.5 of the Reference Document.

We have performed the procedures described below in accordance with the professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this operation and ISAE 3000 ⁽²⁾.

- We have assessed the appropriateness of the Reporting Criteria with respect to its relevance, completeness, reliability, neutrality and clarity, by taking into consideration, when relevant, the sector's best practices.
- We have verified the set-up of a process to collect, compile, process, and check the completeness and consistency of the Data.
- We have consulted the documentary sources and have interviewed the relevant staff from the Group Environmental and Social Responsibility Department, the Group Health and Safety Department and the Group Human Resources Department at the headquarters and Business Units (hereinafter "BUs") in order to analyze the deployment and application of the Reporting Criteria.
- We have set up analytical procedures on the Data and verified, using sampling techniques, the calculations as well as the consolidation of Data.

(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, Number of hours worked, Number of work accidents among staff with at least one day off, Frequency rate

Environmental information: Primary energy consumption - total (excluding own consumption), Electricity and thermal energy consumption (excluding own consumption), Energy efficiency of fossil fuel plants (including biomass/biogas), Renewable - Net installed power (electric and thermal), Renewable - Electricity and heat produced, 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), Total direct GHG emissions - scope 1 and 2

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

- We have tested the Data for a representative sample of entities that we selected⁽¹⁾ based on their activity, their contribution to the consolidated Data, their location and a risk analysis. We have conducted interviews to verify the proper application of procedures and conducted substantive tests, using sampling techniques, to verify the calculations performed and reconcile data with supporting evidence. The selected sample represented between 26% and 67% of the key performance indicators and results selected for these tests.

We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgment enable us to express a reasonable assurance. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the Data cannot be totally eliminated.

We believe that these procedures enable us to express reasonable assurance on the Data.

Conclusion

In our opinion, the information selected by the group and identified by the sign □ in sections 3.4 and 3.5 of the Reference Document have been prepared, in all material aspects, in accordance with the Reporting Criteria.

Comment

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comment relating to environmental information in the Declaration: as indicated in Note "3.5.3 Performance control and measurement systems, a prerequisite for environmental responsibility" and its "methodological elements" section, and in accordance with Decree no. 2019-1467 of December 26, 2019, greenhouse gas emissions generated by the recovery of waste gases from steel production of ArcelorMittal are now excluded by ENGIE from its scope 1. The impact on emissions for 2020 financial year and on the data for 2019 and 2018 financial years, which have been recalculated, is presented in this same section.

Paris-La Défense March 12, 2021

The Statutory Auditors

DELOITTE & ASSOCIES

ERNST & YOUNG et Autres

Olivier Broissand

Patrick E. Suissa

Charles-Emmanuel Chosson

Stéphane Pédron

(1) **Social, health and safety information:**

Audits performed at BU level: BU France BtoC; North, South and Eastern Europe BU; Asia Pacific BU; Tractebel Engineering BU

Audits performed at entities level: France Renewable BU: Compagnie Nationale du Rhône (CNR); ENGIE Solutions : Engie Energie Service – Cofely Services Etablissement, Ineo; Europe Generation BU: Electrabel; Benelux BU: Cofely Fabricom; UK BU: Engie Regeneration; North America BU: Engie North America, Conti Services; Latin America BU: CAM Colombia Multiservicios; Brazil BU: Engie Brasil Energia; Africa BU: Thermaire Investments et Ampair Ltd.; GRDF BU: GRDF; Other BU: ENGIE SA Company and Collectivity Commercialization Activity, Engie Insight Services

Environmental information: *France Renewables BU: Compagnie Nationale du Rhône (CNR), ENGIE Green France, Société Hydro-Electrique du Midi (SHEM); ENGIE Solutions: Installations Cofely du Territoire Est-Sud; France Networks BU: Celsius, Chalon'Energie, CORPO Energie, En'RnoV, ENERSUD, Cogénération Besançon, ERENA, Moncia, Roseo, Société de Distribution de Chaleur de Chambéry (SCDC), Dole, Lons le Saunier, Valaxion; Europe Generation BU: Cartagena, Combigolfe, Coa, Amercoeur, Knippegroen, Zandvliet, Voghera and Rodenhuize power plants; Nuclear BU: Doel plant; UK BU: Cofely UK; North, South and Eastern Europe BU : all ENGIE installations in Germany; Latin America BU: thermal power plant Chilca in Peru ; Brazil BU: Estreito, Jorge Lacerda, Machadinho, Salto Osório, Pampa Sul and Umburanas power plants; Africa BU: Engie Services Maroc; Asia Pacific BU: Kwinana plant; Storengy BU: storage site of Gournay sur Aronde; Middle East, South and Central Asia and Turkey: Uch I and Uch II power plants in Pakistan*