

Statutory Auditors report on Non-Financial Statement 2020

extract from 2020 Universal registration document

The logo for ENGIE, featuring a white curved line above the word "ENGIE" in a bold, white, sans-serif font.

**#Act
With
ENGIE**

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, Coö, 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