ENVIRONMENTAL, SOCIAL & GOVERNANCE
## ENGIÉ’s purpose aligning financial and non financial performance

### Planet
Respecting planetary limits by acting in particular for the Paris Agreement

<table>
<thead>
<tr>
<th>Tier 1 objectives</th>
<th>2020</th>
<th>2021</th>
<th>Objective 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions related to energy production (Scope 1 and 3) in line with the SBT commitments (MtCO₂ eq)</td>
<td>67.5</td>
<td>66.7</td>
<td>43</td>
</tr>
<tr>
<td>GHG emissions from the use of sold products, in line with the SBT commitments (MtCO₂ eq)</td>
<td>61.5</td>
<td>65.5</td>
<td>52</td>
</tr>
<tr>
<td>Share of renewable electricity capacities, in line with the SBT commitments (%)</td>
<td>31%</td>
<td>34%</td>
<td>58%</td>
</tr>
<tr>
<td>Avoided GHG emissions by our products and services (MtCO₂ eq)</td>
<td>21</td>
<td>28</td>
<td>45</td>
</tr>
<tr>
<td>Share of preferred suppliers (excluding energy purchase) certified or aligned SBT (%)</td>
<td>15%</td>
<td>20%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### People
Building a new and more inclusive world of energy together

<table>
<thead>
<tr>
<th>Tier 1 objectives</th>
<th>2020</th>
<th>2021</th>
<th>Objective 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lost time injury frequency rate for Group employees and subcontractor employees on closed sites</td>
<td>2.7</td>
<td>2.9</td>
<td>≤ 2.9</td>
</tr>
<tr>
<td>Percentage of women in Group management (%)</td>
<td>24%</td>
<td>25%</td>
<td>50%</td>
</tr>
<tr>
<td>Gender Equality Index</td>
<td>France 87</td>
<td>International 80</td>
<td>100</td>
</tr>
</tbody>
</table>

### Profit
Ensuring responsible performance shared between employees, shareholders and stakeholders

<table>
<thead>
<tr>
<th>Objective</th>
<th>2020</th>
<th>2021</th>
<th>2021</th>
<th>Objective 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic net debt to EBITDA ratio</td>
<td>4.0x²</td>
<td>3.6x</td>
<td>below or equal to 4.0x</td>
<td></td>
</tr>
<tr>
<td>Dividend policy payout ratio</td>
<td>75%</td>
<td>66%</td>
<td>65-75%</td>
<td></td>
</tr>
<tr>
<td>Guidance NRIs (€bn)</td>
<td>Achieved</td>
<td>Achieved</td>
<td>objective per year</td>
<td></td>
</tr>
</tbody>
</table>
Operationalising decarbonisation

Our ambition: NET ZERO BY 2045 across all scopes

A clear climate strategy
- A trajectory aligned with Paris Agreement and SBT certified
- A dedicated governance, incentivized on Group climate ambition success
- A Group Strategy focused on development of renewables & green gases in addition to full coal exit by 2027

A strong GHG emissions steering
- GHG annual forecasts until 2030 fully aligned with Group mid-term financial plan
- GHG management targets for 2022, 2025, 2030 and 2045 at Group and GBU levels
- Analysis of GHG emissions alignment with above targets for all new investments
- Integration of GHG emissions in all GBU Quarterly Business Reviews (QBRs)

A dedicated governance process for new investments
- Analysis of carbon prices impact on new investment and long-term energy prices forecasts
- Bi-monthly reporting to Excom on GHG emissions budget for new investments

Our ambition: NET ZERO BY 2045 across all scopes
Commitment to phase out coal by 2025 in Europe and 2027 globally

Merit order for a ‘just transition’ that benefits all stakeholders

1. Closing
2. Conversion
3. Disposal

2021 achievements
2 coal power plants exited

Brazil – Jorge Lacerda
0.7 GW sold
Sale of the asset conducive to ensuring the gradual transition of the regional economy, reducing potential local socio-economic impacts when compared to a process of operational decommissioning.

Portugal – Tejo
0.6 GW - closed

1 As of 31 December
-30% of total GHG emissions since 2017

**Scope 1 (direct emissions)**
(MtCO₂ eq.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy production (controlled assets)</td>
<td>76</td>
<td>57</td>
<td>46</td>
<td>36</td>
<td>35</td>
</tr>
<tr>
<td>Gas networks</td>
<td>81</td>
<td>55</td>
<td>44</td>
<td>39</td>
<td>38</td>
</tr>
</tbody>
</table>

**Scope 2 (indirect emissions)**
(MtCO₂ eq.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of electricity, steam, heating or cooling</td>
<td>3.6</td>
<td>2.9</td>
<td>2.5</td>
<td>2.3</td>
<td>1.9</td>
</tr>
</tbody>
</table>

**Scope 3 (indirect emissions)**
(MtCO₂ eq.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy production (non controlled assets)</td>
<td>153</td>
<td>139</td>
<td>124</td>
<td>125</td>
<td>127</td>
</tr>
<tr>
<td>Use of sold products</td>
<td>43</td>
<td>62</td>
<td>61</td>
<td>61</td>
<td>66</td>
</tr>
<tr>
<td>Other Scope 3 categories</td>
<td>30</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
</tr>
</tbody>
</table>

**GHG emissions from energy production**
(MtCO₂ eq.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions Scope 3</td>
<td>106</td>
<td>86</td>
<td>75</td>
<td>68</td>
<td>67</td>
</tr>
<tr>
<td>Energy production (controlled assets)</td>
<td>30</td>
<td>31</td>
<td>31</td>
<td>31</td>
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<td>76</td>
<td>55</td>
<td>44</td>
<td>36</td>
<td>35</td>
</tr>
</tbody>
</table>

**GHG emissions from use of sold products**
(MtCO₂ eq.)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of products sold</td>
<td>79</td>
<td>62</td>
<td>61</td>
<td>61</td>
<td>66</td>
</tr>
</tbody>
</table>

2030 objective
Decarbonisation of Clients emissions through ENGIE products and services

Helping clients incrementally reduce their carbon emissions with a robust methodology

GHG emissions (ton CO$_2$e)

1. Emissions that would have occurred under a credible baseline case

2. Emissions related to the use of ENGIE’s product or service

ENGIE’s contribution to the decarbonization of a Client = 1 minus 2

~28 Mt CO$_2$e avoided for clients in 2021
(21 Mt CO$_2$e in 2020)

~45 Mt CO$_2$e avoided / year by 2030

1. The baseline is the most likely alternative in the absence of the product or service provided by ENGIE
Developing a culture to reduce CO₂ for ENGIE as a workplace

**CO₂ emissions related to the ways of working**

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>ktCO₂ eq.</td>
<td>684</td>
<td>493</td>
<td>579</td>
</tr>
</tbody>
</table>

**CO₂ emissions related to ways of working need 100% of ENGIE employees’ commitment**

**Target:** Net-zero carbon by 2030 related to business travel, corporate fleet, commuting, buildings, digital uses and devices.

**2021 emissions are 15% below 2019 emissions** *(2020 data is not considered relevant due to the pandemic).*

Employees have endorsed ENGIE’s CO₂ reduction target and walk the talk notably strongly limiting their business travel compared to 2019 beyond travel restrictions due to Covid crisis.

**ENGIE’s Sustainability Academy to support employees’ engagement to be active players of ENGIE’s strategy through:**

- Regular events connecting people and experts to exchange on strategic choices and their impact on business
- Annual Sustainability Learning Days gathering people from all GBU’s and Regions
- Learning programs to master sustainability challenges at ENGIE and be able to accompany our business partners’ ambitions.
**Adapting to climate change**

**Scenario Analysis**

Partnership with IPSL (Institut Pierre Simon Laplace) to better understand 2030 and 2050 climatic events

Study based on our main production technologies and mapping of the evolution of their performance due to climate change

4 main extreme climate events studied

**Impacts on Group’s strategy**

Assessment of the impact of climate change on ENGIE’s strategy with review of all our countries / regions

3 key issues:

- Country vulnerability to climate change
- Value of current assets with regards to climate change
- Resilience of 2030 strategic objectives

**Operational Preparedness**

Identification of ENGIE sites with high vulnerability to climate change

Current build up of Group adaptation plans to reduce vulnerability to climate change
ENGIE’s commitment for a just transition

For ENGIE, transitioning to net zero by 2045 means taking into account the social impacts of the energy transition. Therefore, the just transition principles must be embedded in all our projects at local level and must be developed in partnership with workers, unions, communities and suppliers.

In line with the Paris Agreement on Climate Change, ENGIE commits to decarbonise while ensuring a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities.

1. **EMPLOYMENT**
   - Processes and initiatives to boost job opportunities, skills development and employee retention, along with measures to support employees affected by decarbonisation

2. **REGIONAL BENEFITS**
   - Initiatives to create economic value for the regions and benefits for the communities

3. **STAKEHOLDER INCLUSION**
   - Stakeholder inclusion to promote a just transition in a co-constructive way; seeking cooperation-based solutions between the company, government and civil society
Committed to Just Transition for workers, communities, customers & citizens: examples

**Coal phase-out in Chile**
- Workplan to reconvert 5 units of coal (800 MW) in 100 MW of renewable projects (work in progress until 2024)
- **Challenge**: solution to include all stakeholders (communities, unions, local authorities, workers, contractors)
- Closing of the 2 first units without social conflicts, 100% of direct workers (33) relocated
- **Workplan taken for example** for other decarbonization projects by the Chilean Ministry of Energy

**COP 26**
- ENGIE signatory of the Pledge on energy crisis and just transition coordinated by C40 Cities Climate Leadership Group, ITUC (International Trade Union Confederation) & BTeam calling for government leadership in climate crisis and spiraling energy prices

**Organic backyards in Mexico**
- Construction of a 306 km natural gas transmission pipeline which runs through 3 states
- Workshops with the 89 impacted communities to develop a common social investment program
- For 5 consecutive years training and transfer of knowledge to 100 women & their families to develop backyard gardens in their homes and in community areas.
- **Generation of additional income to the family economy**, With a total investment of $262,000, women have installed 750 m² of greenhouses, develop 4,500 m² of productive land, and generate revenues in the order of $6,200 in 2021

**Commercial offers in supply in France**
- “**Mon programme pour agir**” gives customers access to a loyalty program: the more their control their consumption, the more points (called KiloActs) they earn. Once enough KiloActs accumulated, customers can invest them in projects that promote energy transition or exchange them for eco-responsible objects that help them consume better

**Crowdfunding and shared governance at ENGIE Green**
- **Banyuls wind park** (provisional commissioning in 2026) / 6 wind turbines / 13 MW 40% of the project owned by a citizen cooperative
- **Marcoussis PV park** (commissioned in September 2021) / 20 MW (largest PV park in the Region IDF) €18.8m - 20% community / 60% ENGIE / 20% citizens
- **La Tieule PV park , Drôme** (commissioned in mars 2021) / 15 MW on 18 ha
  Inclusive development of PV park with positive social & economic impacts on the territory. Co-activities (apiaries, honey plants), work with persons with disabilities for the production of organic honey and aromatic hedge cultivated by a local company, eco-grazing
  €100,000 raised as part of a crowdfunding campaign
ENGIE renews its commitment on biodiversity in 2021

Avoid Reduce Compensate
100% of the plants submitted to the Group’s CDE in 2022

Application of the “avoid-reduce-compensate” sequence on development projects presented to the Committee on Commitments (CDE), throughout the world, in concert with stakeholders.

Nature-based solutions
10 projects identified that meet the IUCN NBS standard by 2022

To act simultaneously on the challenges of climate change and biodiversity, contribution to the implementation of nature-based solutions (NBS) in territories

Ecological site management
2025: 50% sites

Implementation of an ecological site management for all of the Group’s industrial activities, with a minimum of 0 phytosanitary products and maintenance of green spaces that respects nature.

Priority sites for biodiversity
2025: 50% priority sites with an action plan established with relevant stakeholders

Continued development of action plans for sites located in or near a biodiversity hotspot by applying the new definition of priority sites throughout the world.

Supply chain
Analysis at least 2 activities per year by 2025

Integrating biodiversity criteria into life cycle assessments to carry out an in-depth analysis of the impacts and dependencies with regard to biodiversity for the Group’s activities throughout the value chain, in order to identify the challenges and the appropriate solutions to meet them.

Awareness-raising and sharing good practices
2 modules minimum per year by 2025 - 2022 - 2023: 3000 employees/year

- Delivery of biodiversity awareness modules for all employees
- Creation of a platform for sharing good practices
ENGIE CSR ratings and indexes

**ENGIE listed in main indexes:** DJSI World, DJSI Europe, Euronext Vigeo World 120, Euronext Vigeo Europe 120, Euronext Vigeo Eurozone 120, Euronext Vigeo France 20, STOXX® Europe 600 ESG-X, STOXX® Europe 600 ESG Broad Market, STOXX® Global 1800 ESG Broad Market, STOXX® Global 1800 ESG-X, MSCI EUROPE ESG Universal Select, MSCI EUROPE Climate Change CTB, MSCI EMU ESG, MSCI World ESG Universal Select, MSCI World Climate Change CTB, CAC 40 ESG, Bloomberg Gender-Equality Index

- **S&P Global**
  - Maximum score: 81
  - Reference sector: Medium risk

- **Moody’s ESG**
  - Maximum score: 68
  - Reference sector: BBB

- **MSCI**
  - Maximum score: A
  - Reference sector: Medium risk

- **SUSTAINALYTICS**
  - Maximum score: A-
  - Reference sector: B

- **CDP climate**
  - Maximum score: A-
  - Reference sector: B

- **CDP water**
  - Maximum score: 77
  - Reference sector: BBB

- **ecovadis**
  - Maximum score: 45
  - Reference sector: 52
Eligibility of activities for the European taxonomy

**Turnover Taxonomy 2021**

Low eligible turnover (20%) due to the weight of trading activities in a high commodity price environment (€20 billion not covered by the taxonomy) and energy supply (12 out of €13 billion not covered).

**Capex Taxonomy 2021**

Capex (maintenance & growth) eligible at 47% thanks to the Renewables (€2.4 billion) and Energy Solutions (€0.8 billion) GBUs offset by the not covered Capex of the Networks GBU (€2.3 billion).

**Opex¹ Taxonomy 2021**

Low eligible Opex (15%) due to energy purchases in a high commodity price environment included in Others and, to a lesser extent, uncovered expenses of the Networks and Thermal & Supply GBUs.

**Growth Capex 2021**

75% eligible

€4.5bn

1. Opex includes expenses related to day-to-day servicing & operating of assets
Committed to increase Group financing through sustainable finance instruments

A pioneer & leader on the Green Bond market

with €14.25bn
of green bonds issued since 2014
ESG related bonds’ share of outstanding bond financing expected to climb further over the next 10 years to reach more than 60%

€9bn
of Sustainability-linked Revolving Credit Facility. Margin indexed on two climate change KPIs

€2.5bn
of Green Project Finance (not financed by the Group’s Green bonds)

21,500
employees invested in solidarity fund Rassembleurs d’énergies

>75%
of assets funding pension liability invested with asset managers signatories of UN PRI

Financing in Chile
In the context of CO₂ reduction by 80% by 2026 and €1.5bn investment by 2025, ENGIE Chile and Inter-American Development Bank put in place an innovative financing structure allowing ENGIE Chile to monetize the cost of decarbonisation.

€2.5bn
of assets funding Group’s French pension liabilities with integrated ESG criteria

€41m of investments in gender equality funds for French pension liabilities

Adherence to the B Team principles
Responsible taxation recognized by the World Benchmarking Alliance

100% of Money Market funds invested by Group’s treasury with ESG investment screening
ENGIE’s commitment to the green bond market (1/2)

ENGIE is one of the world’s top issuers in green bonds with >€14bn issued since 2014, of which €2.3bn in 2021

- **2014**
  - Inaugural green bond issuance
    - May €1.2bn 6Y 1.375%
    - May €1.3bn 6Y 2.375%

- **2017**
  - Publication of the green bond framework
    - Mar €0.7bn 7Y 0.875%
    - Mar €0.8bn 11Y 1.500%
    - Sept €0.5bn 6Y 0.375%
    - Sept €0.75bn 12Y 7.375%

- **2018**
  - Update of the green bond framework
    - Jan €1bn Perp. 1.375%

- **2019**
  - Update of the green bond framework
    - Jan €1bn Perp. 3.250%
    - June €0.75bn 8Y 0.375%
    - June €0.75bn 20Y 1.375%
    - Oct €0.9bn 11Y 0.500%

- **2020**
  - Publication of the green financing framework
    - Mar €0.75bn 8Y 1.750%
    - Mar €0.75bn 12Y 2.125%
    - Nov €0.85bn Perp. 1.5%

- **2021**
  - 75% of Group's growth capex plan over 2021-2023 to be eligible to EU taxonomy
    - Jul €0.75bn Perp. 1.875%
    - Oct €0.75bn 8Y 0.375%
    - Oct €0.75bn 15Y 1.00%

**Natural Resources Preservation**
- 1 Renewable Energy
- 2 Energy Efficiency
- 3 Natural Resources Preservation

**Renewable Energy**
- 1 Renewable Energy (inc T&D)
- 2 Energy Efficiency (inc E.Storage)
- 3 Natural Resources Preservation

**Energy Efficiency**
- 1 Renewable Energy (inc T&D)
- 2 Energy Efficiency (inc E.Storage)
- 3 Natural Resources Preservation
- 4 Clean Transportation

**Clean Transportation**
- 1 Renewable Energy (inc T&D)
- 2 Energy Storage
- 3 T&D Infrastructure
- 4 Energy Efficiency
- 5 CCS & CCU
- 6 Green Buildings
- 7 Clean Transportation
- 8 Environmentally sustainable management of living natural resources and land use

**Environmentally sustainable management of living natural resources and land use**
- 1 Renewable Energy (inc T&D)
- 2 Energy Storage
- 3 T&D Infrastructure
- 4 Energy Efficiency
- 5 CCS & CCU
- 6 Green Buildings
- 7 Clean Transportation
- 8 Environmentally sustainable management of living natural resources and land use
ENGIE’s commitment to the green bond market (2/2)

ENGIE is one of the world’s top issuers in green bonds with >€14bn issued since 2014, of which €2.3bn in 2021

**Historical issuance and allocation**
€bn as at Dec 2021

A green bond (GB) is a bond that is specifically earmarked to raise financing for climate and environmental projects. Allocations to green projects are verified and reported annually (in the URD). These bonds carry the same credit rating as the issuers’ other debt obligations.
ENGIE committed to social improvements

Diversity

**Gender Equality Index**
- France: 89\(^1\); International: 82\(^1\)
- Target 2030: 100 globally

**Gender Diversity**
- 24.6\(^1\)% of women in management
- Target 2030: 50% of women in management

Afnor diversity label extended to October 2022 in France

ENGIE is starting to be recognized among the largest companies in France, Europe and the world in terms of efforts on gender diversity, as shown by the results below:
- 7th in the List of Women in Leadership Led by the Ministry Responsible for Equality between Women and Men (out of 120 SBF companies);
- 47th in the European Gender Diversity Index Report 2021 issued by European Women on Boards - EWOB (out of 668 European companies evaluated) and 7th among French companies;
- Nominated at the 2022 Bloomberg Gender Equality Index among 418 internationally recognized companies.

Hiring, Training, Engagement

**Apprenticeship\(^3\)**
- ~6,000 apprentices\(^1\)
- Target 2030: ≥ 10% of workforce in Europe
- ENGIE’s “Apprenticeship training center” dedicated to energy transition and climate businesses, count over 100 young trainees in just one year since its creation.

**Training**
- ~82\(^1\)% of employees trained
- Target 2030: 100%

**Employee commitment\(^2\)**
- 80\(^1\)% would recommend ENGIE as a good place to work
- > 83% fully committed

Health & Safety

**Safety**
- Prevent serious and fatal accidents: “No life at risk” program
- Injury frequency rate = 2.9\(^{14}\)
- Target: ≤ 2.3 by 2030

**Well-being at work**
- “No mind at risk” program
- 9 commitments for workplace wellbeing

**ENGIE Care**
- Social protection for all Group employees worldwide by 2023

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\(^1\) 2021 figures
\(^2\) ENGIE internal survey
\(^3\) In Europe
\(^4\) Excl. Covid-19 effects
ENGIE Rassembleurs d’Énergies
A robust track record

A GLOBAL & DIVERSIFIED PORTFOLIO

- 21 active investments
- €38m invested as of end of 2021

SOCIAL LEADERSHIP

- B.Corp certification
- French ‘Société à Mission’ status

HIGH SOCIAL & ENVIRONMENTAL IMPACT

- 6.5 million beneficiaries for energy access
- 27,000 jobs created of which 50% women
- 4 women CEOs, a gender equality focus
- 0.5 MtCO₂ eq avoided per year

EMPLOYEE ENGAGEMENT

- 21,500 employees
  invested in Rassembleurs d’énergies solidarity fund