

UNIVERSAL REGISTRATION DOCUMENT 2021

INCLUDING ANNUAL FINANCIAL REPORT



3.9 Vigilance Plan

In accordance with Law 2017-399 of March 27, 2017, this section summarizes the broad strokes of the Group's vigilance plan. A developed version of the vigilance plan, its progress report, 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 whistleblowing system have already been in use for several years. Completely integrated to 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 targeted: details of the risks can be accessed via <https://www.engie.com/en/group/ethics-and-compliance/policies-and-procedures>.



- 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 and constantly evolving, 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 2021, the entities in two major regions, South America (SOUTHAM) and Asia - Middle East - Africa (AMEA), along with GEMS and Tractebel, were assessed as being at risk in terms of human rights, either because of their country of activity or the sector in which they do business. At the operational level, the specific risks identified are the subject of specific action plans described on the aforementioned website. A face-to-face training course on the Group's human rights approach was developed in 2019 and targets operational collaborators and managers directly concerned by this topic. An e-learning module on human rights for all employees has been also in use for several years now.

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).

2021 results	634 employees trained in person on human rights, 64% of whom were operational functions, and half of these from at-risk entities, and 21,178 employees trained by e-learning.
Internal control (Section 2.3)	71.2% of the Group's entities assessed the roll-out of the vigilance plan at their level as effective ⁽¹⁾ . 88.3% of the entities that assessed the roll-out of the human rights policy considered it to be effective ⁽¹⁾ .
Ethics compliance report	95%: Coverage of the annual human rights risk sheet. 100%: Number of due diligence procedures (with human rights risk) on partners in the context of the Group's investment committees

(1) Maximum level 4 according to the internal control standards

3.9.1.2 Prevent and manage risks related to health and safety and to personal security

The mapping of personal health and safety risks includes both risks of harm to the health and safety of people working for the Group (employees, temporary workers and subcontractors) and risks relating to industrial facilities that are owned by the Group or maintained and/or operated by the Group for customers, which could generate risks for people working for the Group or for neighbors of these industrial facilities.

With regard to serious and fatal accidents, the Group aims, in decreasing order of priority, to first eliminate the exposure of people to risks and then to establish collective and then individual prevention measures. The prevention system implemented by the Group includes the following measures:

- compliance with the Life-Saving Rules by everybody in all circumstances;
- identification and handling of "HiPos": events and situations with high potential of severity, which are precursors to serious accidents;
- work stoppages if safety conditions are not met ("Stop the work" approach);
- shared vigilance, consisting of also overseeing the safety of others;
- a last-minute risk analysis just before starting work, to take into account any changes in the working environment (the "life-saving minute" approach).

In addition, an action plan specifically designed to prevent serious and fatal electricity-related accidents has been rolled out to all Group entities. Other measures to prevent serious and fatal accidents are described in Section 3.4.8.2.4 "The management of risks relating to health and safety at work."

These various measures must be implemented, not only by the Group's employees, but also by the employees of subcontracting companies working on behalf of the Group.

The monitoring of the measures implemented and the assessment of their effectiveness takes place by means of management safety visits and inspections, internal audits and peer reviews.

As well as these specific measures to prevent serious and fatal accidents, the Group has launched its new health and safety action plan for the period 2021-2025, which is based on the following three areas:

- "No Life at Risk" (prevention of risks directly related to the execution of activities);
- "No Mind at Risk" (prevention of risks related to the context of execution of activities);
- "No Asset at Risk" (prevention of risks related to industrial processes).

As a result of the fatal accidents experienced by the Group in 2021, a number of specific actions were taken:

- a "safety stand down" was held with all teams to discuss safety at work;
- in-depth health and safety reviews at certain construction sites deemed to be particularly at risk;
- strengthening of safety, quality assurance and control standards;
- assessment of the Group's health and safety maturity and organization by a specialist provider to identify improvements to be made.

With regard to well-being at work, the Group has defined and disseminated to employees its "nine commitments for well-being at work."

With regard to the prevention of Covid-19, the Group guidelines, both general and by subject, have been implemented in all of the entities, accompanied by a specific announcement. A summary of the anti-Covid-19 measures implemented is available in Section 3.4.8.2.2 "The management of risks arising from the Covid-19 pandemic."

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." Details of the measures are provided on the Group's website: <https://www.engie.com/engagements/global-care>

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 both Group and local level in order to establish a list of "at risk" sites. 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 GBU, 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 non-financial targets and international commitments such as SBTi, which are described in detail in the integrated report. 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.

The societal policy is focused on stakeholder engagement. Its implementation includes a toolbox, training programs and a center of expertise.

In addition, since 2021, the Group has taken nine CSR criteria into account for its major investment projects, assessed using risk and opportunity analyses. These criteria mainly relate to:

reducing GHG emissions, adaptation to climate change, biodiversity, water, pollution, the circular economy, ethics, health and safety, collaboration with stakeholders and sustainable purchasing. These criteria are described in detail on the website at <https://www.engie.com/en/analysts/governance/duty-of-vigilance-environmental-societal-risks>.

3.9.1.4 Prevent and manage risks related to energy supply

The risks related to the Group's energy supply (biomass, natural gas, LNG, etc.) have been identified as a specific issue of vigilance for the Group. These are subject to the Group's reporting rules and governance and managed directly by the responsible entities, which identify the specific risks of each activity by energy source and at the country and energy supplier level. If necessary, mitigation measures are included in the contracts with the related suppliers.

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. It includes:

- a Purchasing Charter 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 entity, 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 sourcing process;
- a code of conduct in supplier relation, which was revised in 2021 to ensure the implementation of the principles throughout the supply chain.

The purchasing processes are implemented through the following key stages:

- the assessment of new preferred (Group level) and major (entity 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 implementation, in 2021, of a specific enhanced vigilance plan to identify and manage the risks of forced labor practices in the Group's Chinese supply chains. The principal measures taken to identify and manage these risks are presented in Section 2.2.6.4.

The proper implementation of these processes is verified via the INCOME internal control program (see Section 2.3). With 28 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. Face-to-face and videoconferencing sessions are supplemented by the delivery of online modules via Ulearn, the Group's training intranet. In 2021, around 500 purchasers took part in the "Ethics and supplier relations" training course through face-to-face sessions and videoconferencing. Three Ulearn training modules were mandatory for the entire purchasing function: Fraud and Corruption, Zero Tolerance; Our Group, Our Ethics; and Competition Law.

3.9.2 Third-party assessment

In 2021, 100% of the partners in the Group's investment projects were subject to due diligence, including a systematic study of "vigilance" topics.

In addition, the Group's new preferred and major suppliers are automatically assessed via due diligence (by the category managers and chief procurement officers) before contracting takes place. Since 2019 this rule has been gradually extended to cover our panel of 1,600 recurring suppliers. To date,

995 have been evaluated in terms of ethics by EcoVadis, including, in 2021, 591 new or re-evaluated suppliers.

Directly or indirectly, 100% of the Ethics Officers have access to a specialist due diligence tool. As an illustration, over 5,000 first-level due diligence searches were performed by the Ethics, Compliance & Privacy Department in 2021 using our due diligence tools.

3.9.3 Whistleblowing and collection of alerts

The whistleblowing system 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 2021, 187 alerts were received via the

system, 46 of which concern subjects related to the duty of vigilance. Details of the alerts are provided on the website at <https://www.engie.com/en/group/ethics-and-compliance/policies-and-procedures>. They can be summarized as follows:

Allegations of bullying and sexual harassment	Interpersonal relationships between employees	Allegations of discrimination	Questions related to the environment and the rights of communities
29	9	7	1

All allegations of discrimination and harassment were dealt with in 2021 and action plans and disciplinary sanctions are automatically adopted whenever such facts emerge.

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
Regions	SOUTHAM	NORTHAM	France	Europe	AMEA	EQUANS

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 entities were also asked to present the vigilance plan to their employee representative organizations.

In addition, since 2021, societal risks have been mapped at the level of industrial activities, services and decommissioning project through a process of dialog with stakeholders deployed in the Group's entities. This six-stage process (see Section 3.6.1) allows for the construction and follow-up of tailor-made action plans. Details of the methodology are provided on the website at <https://www.engie.com/en/analysts/governance/duty-of-vigilance-environmental-societal-risks>

3.9.5 Duty of vigilance correlation table

Risk categories covered by the Vigilance Plan	Location in the URD	Page
Risks related to human rights	Section 3.8.1 "Ethics and compliance governance"	118
Risks related to health and safety and to personal security	Section 3.4.8.2 "The health and safety management system"	101
Environmental and societal risks	Section 3.1.1 "CSR policy and governance"	70
Risks related to non-energy purchasing	Section 3.7 "Purchasing, outsourcing and suppliers"	115
The four risks above	Section 2.2 "Risk factors"	41

Details of the categories above are provided on the Group's website: : <https://www.engie.com/en/group/ethics-and-compliance/policies-and-procedures>



A public limited company with a share capital of 2,435,285,011 euros
Corporate headquarters: 1, place Samuel de Champlain
92400 Courbevoie - France
Tel.: +33 (0)1 44 22 00 00
Register of commerce: 542 107 651 RCS NANTERRE
VAT FR 13 542 107 651

engie.com