CIRCULAR ECONOMY AND NATURAL RESOURCES POLICY
Group General Policy

Contents

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1. Perimeter

This policy applies to all Group activities, as well as to the upstream chain. It covers all consolidated financial reporting entities.

2. Context

Virtuous and resilient management of planetary resources

Preserving the planet's natural resources is vital for humankind. According to a study by the Potsdam Institute and the Stockholm Resilience Center, a sixth of the nine planetary limits was crossed in 2023. After global warming, the integrity of the biosphere, the biochemical cycles of nitrogen and phosphorus, changes in land use and chemical pollution, the limit for freshwater was crossed. By 2024, only three limits remain: the ozone layer, ocean acidification and the concentration of atmospheric aerosols.

At a time when human consumption far exceeds the planet's capacity to regenerate its resources and absorb waste, our economic models need to evolve to produce better with fewer resources (sobriety), to consume more responsibly, and to recycle our waste efficiently and reinject it into resources. This is the foundation of the circular economy.

2.1. The pillars of the circular economy

The circular economy relies on the behavior of economic players, both on the supply side in terms of sustainable purchasing, raw material extraction, eco-design of products and services, territorial and industrial ecology and the functionality economy, and on the demand side by changing consumer behavior through longer product lifetimes based on repair, reuse and responsible consumption. Waste management is the loop that links the behavior of economic players. These virtuous actions contribute to the preservation of natural resources. Last but not least, the circular economy can help create jobs.

2.2. A decarbonization tool

The circular economy is also an important vector for decarbonization. The reuse of materials, the reduction of waste production and the extension of product lifetimes not only reduce the need for new raw materials, thereby cutting emissions associated with their extraction, processing and transportation, but also reduce energy requirements. According to a study by the Ellen MacArthur Foundation, the efficient and more circular use of materials in just four key industrial materials (cement, steel, plastic and aluminum) could reduce global greenhouse gas emissions by 40% by 2050. Circularity also contributes to innovation by encouraging technologies that emit less greenhouse gas.

2.3. Impact on biodiversity

These same actions also help to preserve biodiversity. Indeed, reducing the extraction of natural resources and the pollution associated with their use and processing goes hand in hand with preserving natural habitats and the health of species, thereby promoting biodiversity.

2.4. The challenge of autonomy

The circular economy also contributes to the autonomy and resilience of our economies and territories in a context of increasing scarcity of resources and geopolitical issues concerning rare earths and minerals. By reducing dependence on external resources, encouraging all value chains to be proactive, and making use of new renewable energies, the circular economy stimulates innovation and local development.

2.5. The benefits of circularity can be measured on several levels.

ENGIE's Purpose resonates with these challenges: "... *is to act to accelerate the transition to a carbon-neutral economy, through more energy-efficient and environmentally-friendly solutions. This raison d'être unites the company, its employees, customers and shareholders, reconciling economic performance with a positive impact on people and the planet. ENGIE's actions are appreciated in their entirety and over the long term*".

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3. Governance

The ENGIE's Board of Directors, supported by the Ethics, Environment and Sustainable Development Committee ("CEEDD"), ensures that the various extra-financial issues (Environment, Social and Governance) are taken into account in the Group's strategy, including the circular economy and natural resources. It is also responsible for validating ESG objectives and regularly reviewing progress.

The ENGIE's Board of Directors, supported by the Investment and Technology Committee (“CIT”), ensures that ESG issues, including the impacts, risks and opportunities associated with the circular economy and natural resources, are properly integrated into the Group's strategic investment projects.

The Executive Committee validates the Group's policies covering Nature issues, including the circular economy and natural resources. It supports each of the associated ESG objectives, and monitors their implementation and performance.

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4. Actions

The circular economy within the Group

ENGIE is committed to complying with environmental and social laws and regulations applicable to its activities in the countries where it operates.

Drawing on its know-how, the development of renewable energies, innovation and the commitment of its employees, the Group considers the integration of its activities into a more circular economy to be an essential factor in its economic and environmental performance. Indeed, the circular economy often leads to a reduction in production costs, an increase in added value and greater customer loyalty. Each site or activity works to recover and/or recycle its waste and minimize its impact on the environment and society.

Actions are therefore taken at several levels in the value chain: product and service purchasing, with regard to their impact on natural resources; the Group's own activities, with optimized equipment lifetimes; and waste, which is transformed into resources as far as possible, in order to reduce the volume of non-recycled waste.

The Group's Circular Economy and Natural Resources Policy aims in particular to meet the identified challenges of preserving natural resources, reusing and upgrading assets and infrastructure to support the energy transition, and conducting dismantling operations responsibly.

The approach is based on 8 key actions:

1. **Eco-design**: by encouraging eco-design, it is possible to minimize environmental and social impacts right from the product development stage, thereby reducing the use of new materials, including critical and rare earths and materials for which there may be tensions, including geopolitical tensions, on the markets.

2. **Preserve**: by reducing energy consumption (energy sobriety and efficiency as a priority), the Group contributes to the preservation of natural resources. For residual energy needs, the Group prefers to use renewable energies (solar, wind, hydraulic, biomass, geothermal, etc.), including heat recovery.
3. **Optimize**: for example, by combining its materials, waste and energy flows with those of its neighboring partners, the Group can contribute to the implementation of a resource- and cost-efficient "industrial and territorial ecology" in a win-win approach with its stakeholders.
4. **Re-use**: by re-using products and services, the Group reduces the production of waste and the use of natural resources, and contributes to the energy transition by re-using existing assets (e.g., converting gas networks to hydrogen) that no longer meet the needs of an operating entity, or by recovering spare parts via a stock managed at Group level or as part of dismantling operations. In addition, the Group is a major player in heat recovery (heat from incinerators, industrial processes or data centers, for example) to provide heat for district heating and/or buildings.
5. **Repair**: by taking care of used, damaged or broken-down products, such as repairing used boilers or photovoltaic panels, the Group reduces the footprint of its activities while creating dedicated jobs in the value chain.
6. **Recycling**: by increasing the recycling rate of waste generated by industrial activities and dismantling operations, the Group transforms waste into resources, thereby limiting the quantity of waste to be disposed of and the impact on natural resources, in conjunction with the identification of recycling channels, particularly for renewable solar and wind energy and batteries.
7. **Innovation**: the Group is open to other approaches aimed at strengthening the resource economy, such as the economy of functionality, for example, and provides innovative tools to support the decision-making process for the circular economy in industrial zones (BE CIRCLE tool).
8. **Empowerment**: the Group uses resources sustainably through certified or labeled channels (e.g. for biomass).

For over 20 years, ENGIE has been measuring its footprint on resources through life cycle assessments (LCA). It has also developed tools to analyze its sensitivity to certain critical raw materials and flows on a regional scale, in order to reduce its impact on resources and develop industrial ecology.

5. Implementation in Group processes

The theme of the circular economy and natural resources is fully integrated into the Group's core processes.

Strategic process: ENGIE's strategy is impacted by Nature issues, including the circular economy and natural resources. The environment is part of ENGIE's Purpose and the associated issues are integrated into strategic thinking.

Performance reviews: performance in terms of the circular economy and natural resources, as well as a review of objectives, is carried out annually when the results for the year are presented to the Executive Committee.

Vigilance process: a water-related risk analysis for existing sites is carried out annually. Local entities then develop action plans in consultation with stakeholders to address identified impacts and risks. These action plans are analyzed and questioned annually during environmental reporting.

Investment process: each investment is subject to an ESG assessment. The circular economy and natural resources are fully integrated among the evaluation criteria, including the impacts and risks assessed for the construction and operation phases, environmental discharges and ecosystem issues.

Stakeholder relations: action plans developed and implemented by local entities are drawn up and monitored in consultation with the relevant stakeholders.

Employee training: ENGIE considers the acculturation, skills development and commitment of its employees to be a powerful lever for supporting the transformation of its business. In addition to the ongoing commitment of skilled operators to sustainable operations, ENGIE created its Sustainability Academy in 2021, which enables ENGIE employees to be internal ambassadors for the Group's strategy and its operational implementation.

Research and development: ENGIE's Research and Innovation division focuses on the circular economy and natural resources.

The implementation of this policy and the measurement of the effectiveness of actions are framed by objectives and targets defined for 2030.