



Sustainability at ENGIE

April 2020

RESTREINT

INTERNE

SECRET



ENGIE, a CSR world leader

A RECOGNIZED INTEGRATED REPORT,
COBUILT WITH STAKEHOLDERS



LEADING CSR RATINGS



MEMBER OF
**Dow Jones
Sustainability Indices**

In collaboration with  **SAM**
a RobecoSAM brand

FIRST MULTI-ENERGY COMPANY
CERTIFIED SBT



SCIENCE
BASED
TARGETS

A CERTIFIED IMPACT FUND



2ND GREEN BOND ISSUER
WORLDWIDE

11.15 Bn€ collected to date

A CSR policy to address business trends

Placing the environment at the heart of our activities

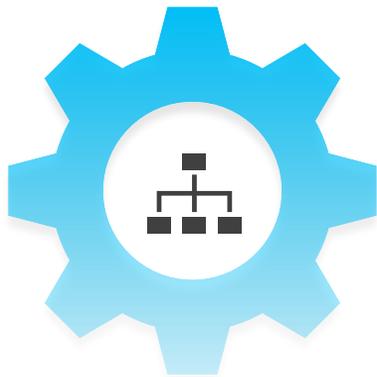
Giving meaning to our action



Acting like a responsible community

Promoting a different way of consuming

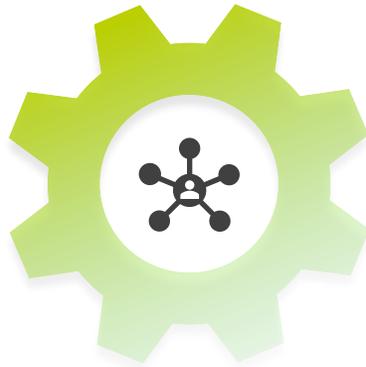
CSR fully integrated in the gouvernance of the Group



1

MANAGEMENT

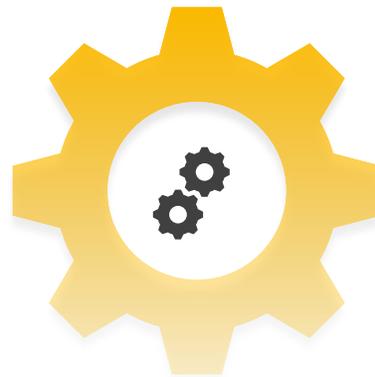
CSR is represented at all levels of the management: board, EXCOM, Corporate, BUs & entities



2

NETWORKS

Additional networks complete the governance with CSR ambassadors and focus groups open to all employees



3

POLICIES

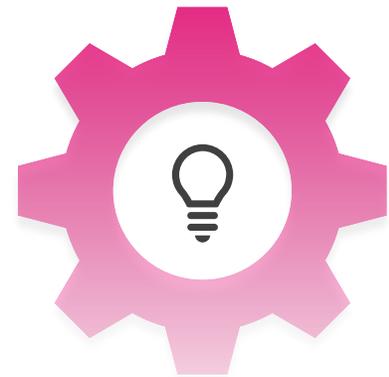
Several policies⁽¹⁾ frame sustainability at ENGIE and are regrouped in the main CSR policy



4

OBJECTIVES

ENGIE follows a set of 19 objectives for 2030, proving its positive impact on the Planet and People



5

IMPACT BOOSTER

A Group impact fund boosts our positive impact and leads the way towards sustainability

(1) Environmental policy; Societal policy; HR and Health and Safety development policy; Purchasing and Supply Policy; Ethics Policy; Social Responsibility Policy; Tax policy



OUR POSITIVE IMPACT

A purpose to be added⁽¹⁾ in ENGIE bylaws



ENGIE's purpose

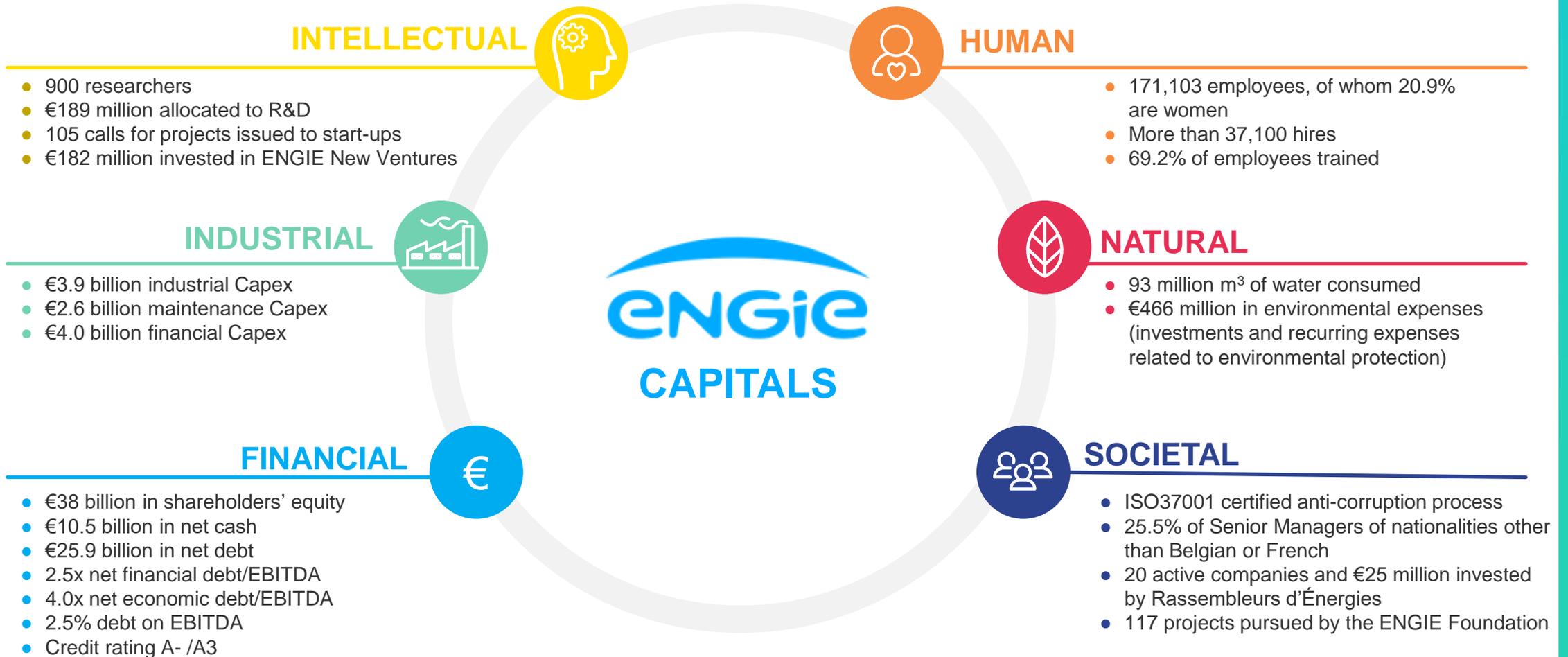
Act to accelerate the transition towards a carbon-neutral economy, through reduced energy consumption and more environmentally-friendly solutions.

The purpose rings together the company, its employees, its clients and its shareholders, and reconciles economic performance with a positive impact on people and the planet.

ENGIE's actions are assessed in their entirety and over time.

(1) To be proposed to shareholders

ENGIE capitals to deliver an integrated performance



New CSR objectives contributing to measuring the global performance of the Group

Planet

Respecting planetary limits by acting in particular for the Paris Agreement

- 43 Mt CO₂eq from production of electricity (regardless of asset ownership), in line with the SBT trajectory by 2030
- 52 Mt CO₂eq from gas sales, in line with the SBT trajectory by 2030
- 58% of renewable energy in the electric capacity mix by 2030
- 100% of our offers with an alternative that contribute to decarbonation by 2030
- 100% of our preferred suppliers (except energy purchase) certified SBT by 2030

Other indicators followed

- GHG emissions from our ways of working
- Share of activities, projects and dismantling sites with an environmental plan
- Share of industrial sites with an ecological management
- Water consumption from industrial activities compared to 2019



People

Building a new and more inclusive world of energy together

- Frequency rate of accident (including suppliers on closed sites) limited to 2.9 by 2030
- 50% women in the management of the Group by 2030
- Score of 100 of the gender equity index at Group level by 2030

Other indicators followed

- Health & safety prevention rate
- Share of apprentices in Europe
- Share of employees with annual training
- Training of the staff most exposed to the risk of corruption
- Number of beneficiaries with access to clean and reliable energy
- Share of activities, projects and dismantling sites with a societal plan
- Responsible purchasing index score ⁽¹⁾



Profit

Ensuring responsible performance shared between employees, shareholders and stakeholders

- 6 - 8% 2019-22 NRIGS CAGR
- Economic net debt to EBITDA ratio below 4.0
- Dividend policy of a 65 - 75% pay out ratio
- €22bn Capex plan over 2019-22, of which ~€10bn for growth



(1) Index includes CSR evaluation, payment delays and inclusive purchasing

SBT, a step toward carbon neutrality

Commitments covering 95% of scope 1 and 90% of scope 3 emissions in 2017



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Reduce the intensity of emissions
of its power generation activities
by **52%** to **180** gCO₂ / kWh (2030 on 2017)



Reduce Scope 3 emissions
on use of sold products
by **34%** by 2030 on 2017

To achieve our goals : we will drastically reduce emissions related to our generation activities (full exit of coal activities, massively develop renewable generation, improve efficiency), and also act steeply on indirect emissions related to our sales (greening of the gas -biogas and hydrogen-, efficiency of solutions)

Our main Corporate commitments



Caring for Climate
BUSINESS FORUM | 7-8 DECEMBER 2015
PARIS - LE BOURGET, FRANCE



FRENCH BUSINESS CLIMATE PLEDGE
LES ENTREPRISES FRANÇAISES S'ENGAGENT POUR LE CLIMAT !

#OnePlanetSummit | #ClimatePledge

Paris - 11 décembre 2017



United Nations
Global Compact



THE B TEAM

UNSG Summit Pledge letter
Business commitment to a just
transition and green, decent jobs





2

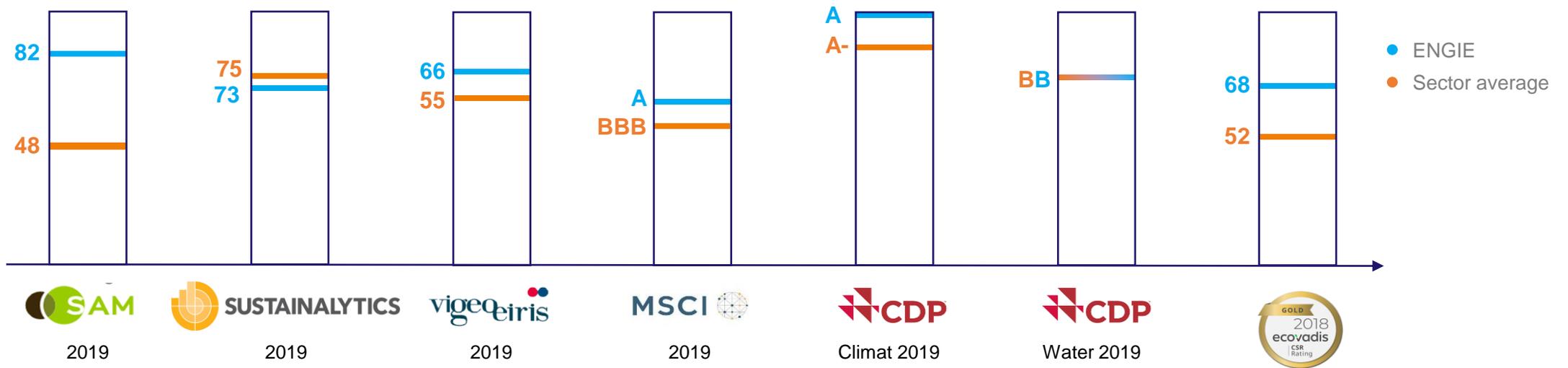
OUR CSR PERFORMANCE

Leading position in CSR ratings and indexes

ENGIE listed in the main indexes

DJSI World, DJSI Europe, Industry Leader

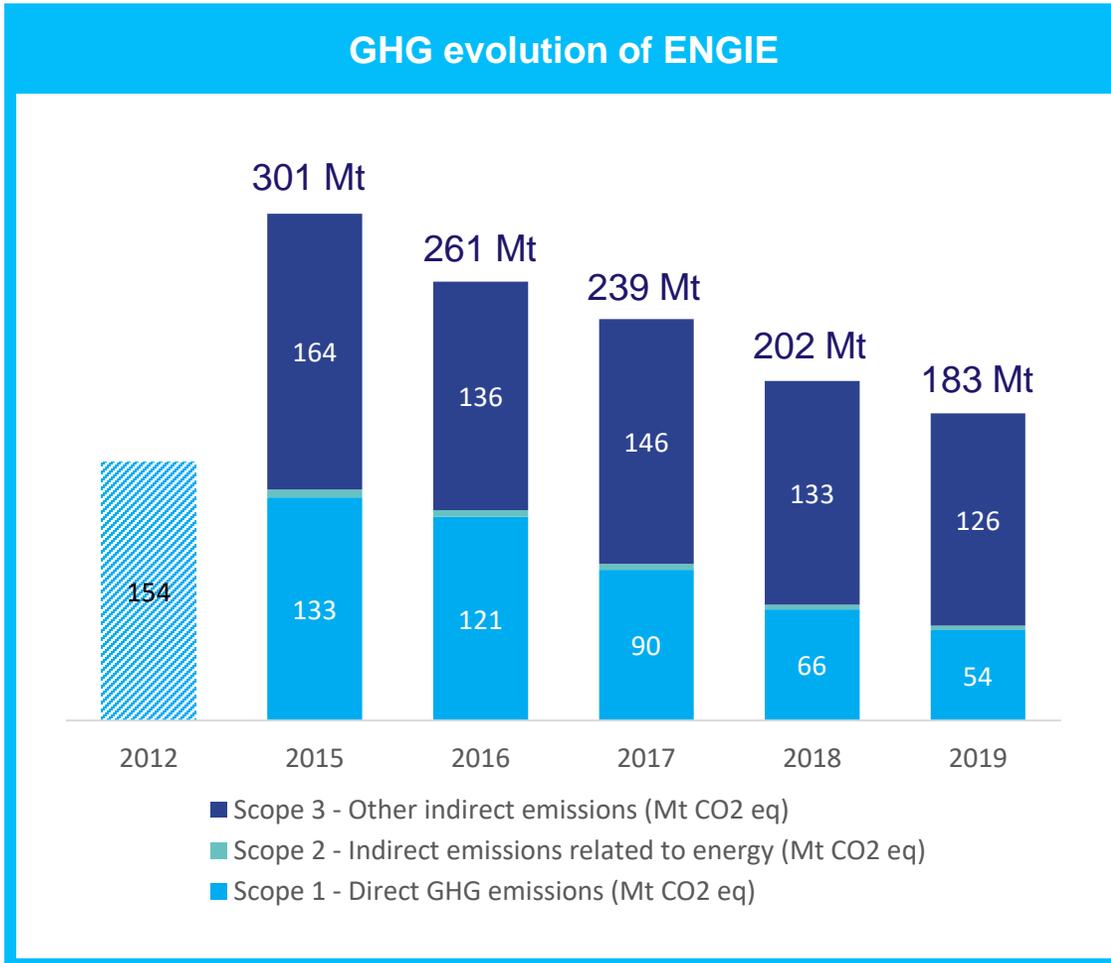
Euronext Vigeo Eiris World 120, Europe 120, Eurozone 120 and France 20



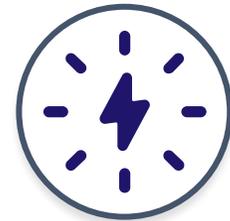
United Nations Global Compact Communication on progress: Advanced level

(1) Sector CDP (EDF, EON, RWE, ENEL, IBERDROLA, ENGIE)

-39% of total GHG emissions since 2015



2019 carbon footprint (all scopes)



Power production⁽¹⁾ → **80 Mt**
-50% since 2015



Use of products sold → **61 Mt**
-47% since 2015



All other emissions → **42 Mt**

(1) Include all power production units, regardless of ownership (scope 1 & 3)

Our commitments to mitigate our impact on climate

Decarbonizing our customers



At the core of our strategy, we are actively building a methodology to measure our customers' avoided emissions we enable



100% of our offers will have an alternative that contribute to decarbonation by 2030



This objective shall be replaced once our methodology and processes to calculate avoided emissions for our clients are defined and operational

Decarbonizing our activities



Despite strong reductions of GHG emissions, the Group remains a large emitter. Our trajectory is in line with the Paris Agreement (SBT certified)



Reduce the intensity of emissions of its power generation activities by **52%** to 180 gCO₂ / kWh by 2030 from 2017



Reduce Scope 3 emissions on use of sold products by **34%** by 2030 from 2017

Decarbonizing our ways of working and purchasing



Walking the talk - it is important to act on our ways of working to shift the company culture to align it with a carbon neutral world



100% of our preferred suppliers (except energy purchase) will be certified SBT by 2030



Achieve **net zero emissions** on our ways of working by 2030

Adapting to future climatic changes

ENGIE supported the Task Force on Climate-related Financial Disclosures work and is implementing its recommendations. We are now currently:

- ❑ Assessing financial risks of climate change on our infrastructures before
- ❑ Designing Group adaptation plans to reduce our vulnerability to climate impacts

In details

1

We identified the specific vulnerability to climate change of each type of assets own by the Group

2

We built a partnership with IPSL (Institut Pierre Simon Laplace) to assess at a regional level the physical consequences of climate change according to the needs previously defined

3

Based on the elements, we shall measure the potential impacts of climate change on our assets. Each industrial site will be able to elaborate its adaptation plan.

Our social responsibility focused on the safety of our employees and attraction of new talents

Health & Safety

Continued efforts on health & safety at all levels

- Frequency rate of accident (including suppliers on closed sites) limited to 2.9 by 2030
- Specific indicator on the prevention of accidents

**2020
focus**

Equal chances on gender

Strong focus and efforts to provide additional gender diversity

- 50% of women managers by 2030
- Score of 100 of the gender equity index at Group level by 2030

Formation

Education is key to prepare tomorrow's competencies, with focus on new generations and current employees

- 10% of apprentices in Europe by 2025
- 100% of employees with an annual training by 2030

Proactive stakeholders engagement



PARTNERSHIPS WITH CIVIL SOCIETY



INTEGRATED INDUSTRIAL PROCESS

CSR performance objective; criteria in investment process



METHODOLOGY AND TOOLS

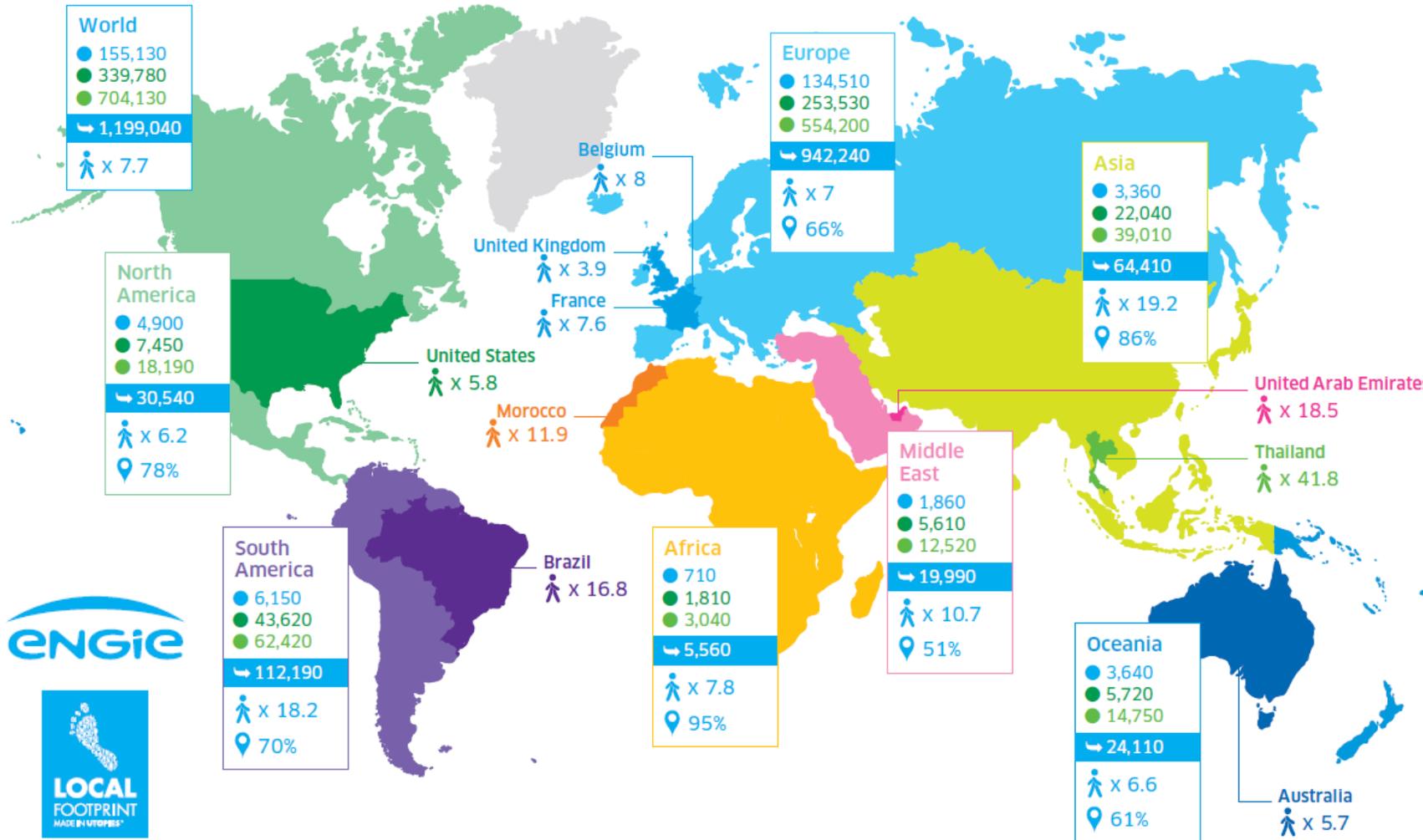
Stakeholder mapping and Engagement Framework



DEDICATED TRAINING

For business developers and project managers

More than 1 million jobs supported worldwide

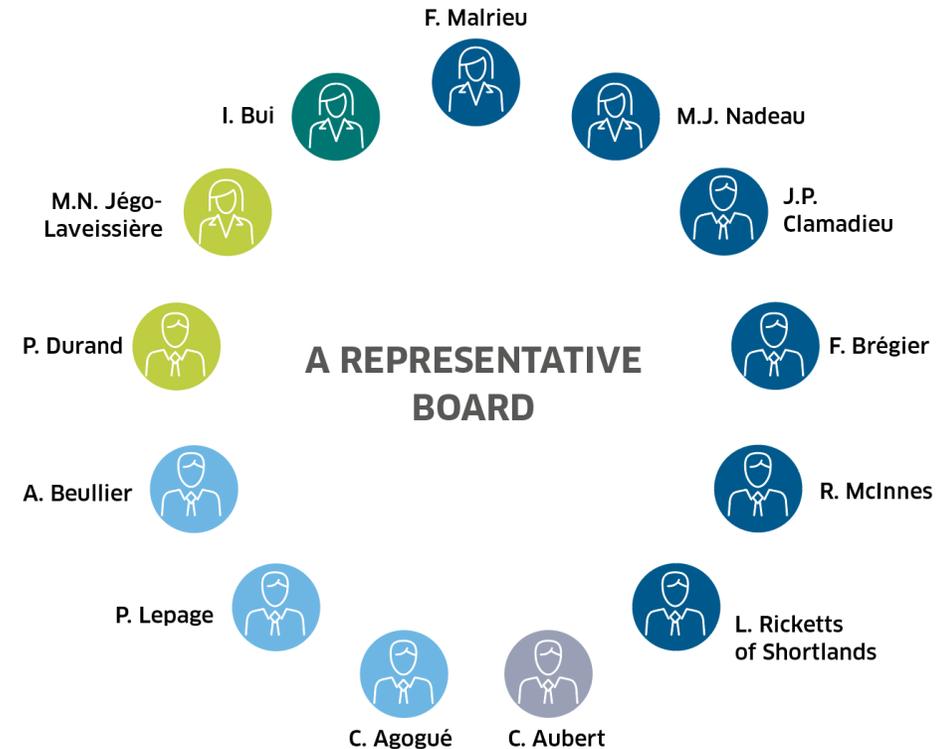
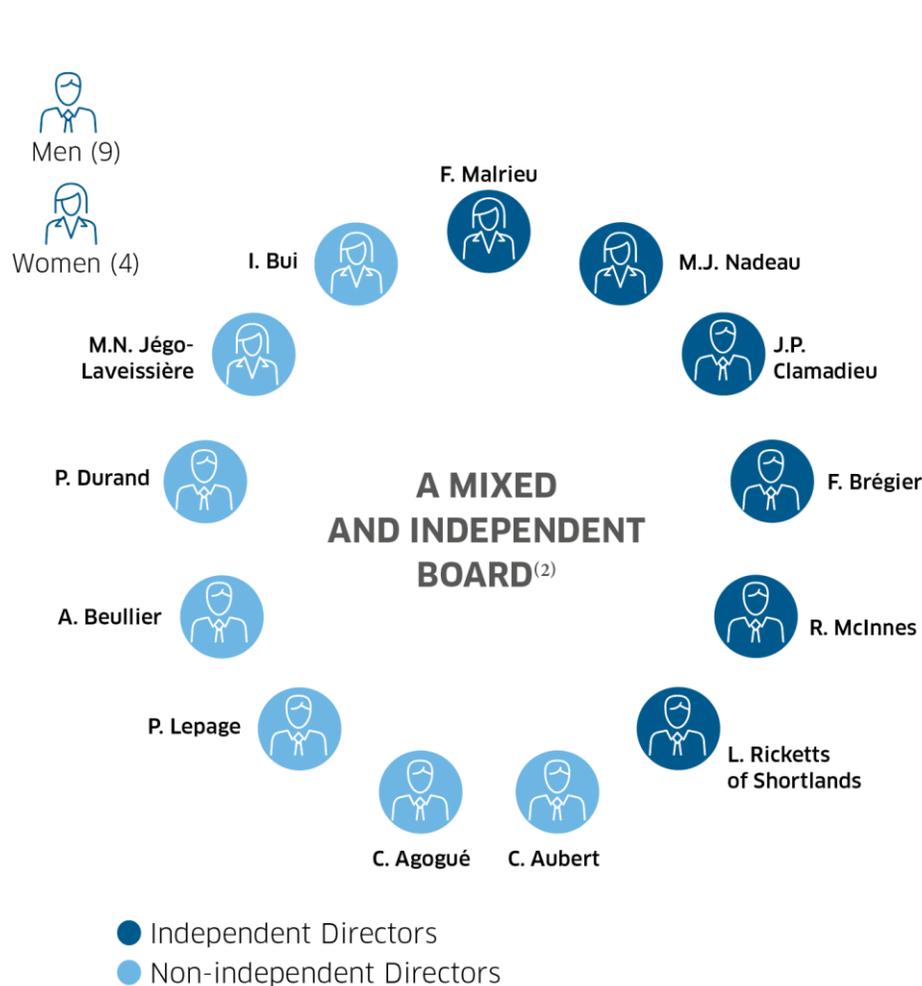


- **Direct jobs**
- **Indirect jobs** supported by the region in the global supplier chain (FTE, except Group energy purchases)
- **Jobs generated** supported worldwide by the region through household consumption and the costs of public bodies for personnel and taxation paid by ENGIE and its supplier chain (FTE)
- ↪ **Total jobs supported by the region worldwide (FTE)**
- 👤 **Multiplying coefficient for the region** (ratio of jobs supported by the region to direct jobs)
- 📍 **Local presence** (% of jobs supported in the region relative to the total number of jobs supported worldwide)

Year 2017

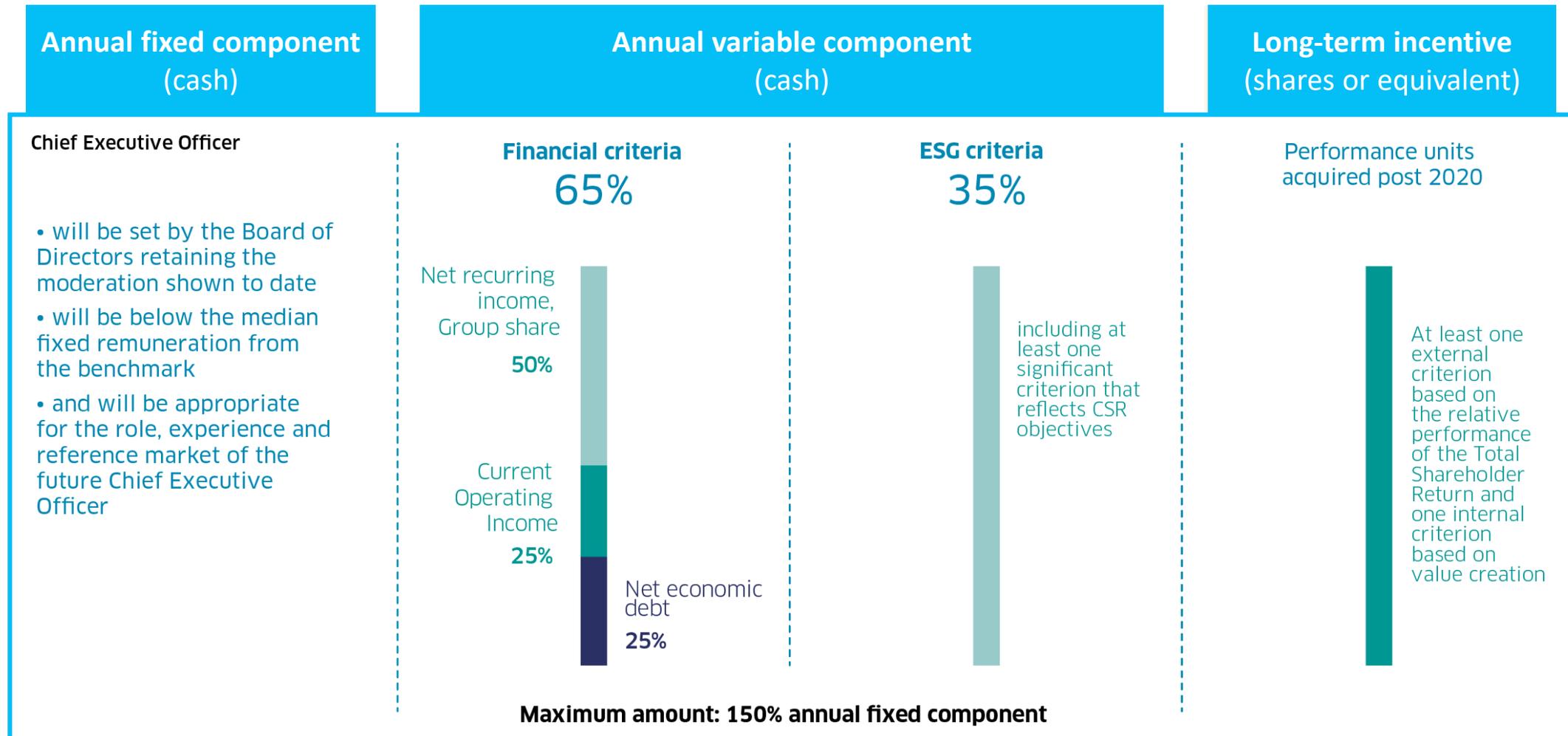


A mixed and independant board



- Directors elected by the General Shareholders' Meeting
- Director elected by the General Shareholders' Meeting to represent employee shareholders
- Directors elected to represent employees
- Directors elected by the General Shareholders' Meeting on the recommendation of the French State
- Director representing the State appointed by order

2020 CEO compensation



Extensive and dynamic approach to risk management

ERM APPROACH FOR ENDOGENOUS RISKS

- ❑ Monitoring of main CSR risks on our activities: health & safety, climate change, water stresses, etc.

CONTROVERSIES MANAGEMENT

- ❑ Constant monitoring using external tool
- ❑ Examination at Board level



DUTY OF VIGILANCE FOR EXOGENOUS RISKS

- ❑ Identify risks within the supply chain and prevent violations (French law)
- ❑ 4 main axis: human rights; health&safety; environmental and societal; purchasing

DIALOGUE TO MITIGATE RISKS

- ❑ Participating in public debate, directly or via business associations
- ❑ Stakeholder dialogue on complex projects
- ❑ CSR risk analysis available in the non-financial statement

A Group committed to increased transparency

AUDITED CSR PERFORMANCE

- ❑ Reasonable assurance notice covers 20 indicators (11 environmental and 9 social)
- ❑ Moderate insurance notice covers all CSR information based on an audit sample covering the most important information
- ❑ No reserve from the auditors

REFERRING TO MAJOR INTERNATIONAL STANDARDS

- ❑ Communication on corresponding table with GRI
- ❑ Ongoing work on the implementation of TCFD recommendations
- ❑ Study on compliance with SASB



Committed to increase Group financing through sustainable finance tools

11.15 bn€

of green bonds since 2014. ENGIE is the leading issuer of green bonds worldwide

5 bn€

of Sustainable Revolving Credit Facility. Margin index (+/- 1.5 bp) on two climate change KPIs

>3,000

crowdfunders on renewable energy projects in France to increase project acceptability in a very inclusive way

>67%

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

2.5 bn€

of assets funding group's French pension liabilities with integrated ESG criteria

15 M€

of investments in "gender equality" funds

Rassembleurs d'Énergies: at the forefront of ENGIE's positive impacts

**18 active companies and 34 M€
invested in 5 sectors**

*Offgrid clean collective energy,
Households clean energy solutions,
Circular Economy,
Energy efficiency and sobriety,
Clean cooking*



Conclusion

CSR at the heart of ENGIE's new profile

Sustainability is more than ever key to achieve business performance.

The Group is actively engaged towards this path with a purpose and a strategy firmly set towards the reduction of our customers' impacts.

We are committed to strengthen our positive interactions with all our stakeholders.

ENGIE has a strong societal role to play due to the central position the energy sector holds in our society and the large ecosystems involved.