

JUST TRANSITION POLICY

Group General Policy

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1. Perimeter

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

2. Context

Putting people at the heart of the energy transition

ENGIE is committed to achieving Net Zero Carbon by 2045 for all its direct and indirect greenhouse gas emissions, following a "well below 2° C" trajectory. To achieve this goal, the Group aims to switch massively to the production of decarbonized energy, with the aim of minimizing the residual emissions to be offset. This trajectory is based on intermediate targets for greenhouse gas (GHG) emissions from energy production and GHG emissions linked to the use of products sold (gas sales).

There are two levers to guarantee this trajectory: the first lever is based on phasing out coal by 2025 in continental Europe and 2027 in the rest of the world. In line with its coal phase-out plan, the Group is prioritizing first the closure of its sites, then their conversion to less carbon-intensive energy, and finally their sale if closure or conversion is impossible due to local constraints. The second lever is based on accelerating the development of renewable energies and making gas greener.

Thus, ENGIE will only invest in projects and regions that are compatible with its long-term objective of reducing its GHG emissions, and has chosen to allocate carbon budgets to each of its activities and to take carbon pricing into account in its short, medium and long-term investment decisions.

The transition to a carbon-neutral economy also has important social implications, particularly in the energy sector. The notion of "Just Transition" stems from the conviction that a transition to a more carbon-neutral and sustainable economy cannot be achieved without integrating the social dimension. It must be carried out in a way that is fair to all stakeholders: workers, consumers, local and/or affected communities and suppliers, and must aim to minimize the negative effects of the transition while maximizing its positive effects.

Thus, in line with the Paris Agreement on climate change, ENGIE is committed to an ambitious decarbonization trajectory while ensuring a just transition via :

- ✓ an employee support approach focusing on training and retraining,
- ✓ its contribution to local economic and social development,
- ✓ offers for its customers to help them reduce their environmental impact by consuming less and better,
- ✓ a partner in the field of integration through economic activity.

These principles are implemented through a transparent and open process of dialogue and consultation with all the Group's stakeholders in the territories where it operates, in accordance with its stakeholder dialogue policy.

3. Governance

The Executive Committee validates the Group's policies covering social issues, including dialogue with stakeholders. It supports each of the associated ESG objectives, ensures that they are implemented and monitors performance.

The ENGIE's Board of Directors, supported by the Ethics, Environment and Sustainable Development Committee ("CEEDD"), is responsible for examining the risks and opportunities associated with societal and environmental issues, including stakeholders, and making recommendations to the Board of Directors. It is 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 stakeholder impacts, risks and opportunities, are properly integrated into the Group's strategic investment projects.

4. Actions

Two prerequisites for a just transition: cooperation and tax justice

Collaboration: no single actor can achieve a just transition: governments have a leading role to play in coordinating all policies and planning, while companies have a direct role in guiding the just transition, whether through international inter-company collaboration or at local level, in collaboration with trade unions, local authorities and NGOs.

ENGIE has also set up a transparent and open process of dialogue and consultation with territories for each new project and throughout the project's lifespan. ENGIE's stakeholder engagement policy sets out the internal tools for engaging with stakeholders.

Tax justice: ENGIE has adhered to the B team principles of responsible taxation and encourages the emergence of responsible taxation throughout the world. ENGIE's tax policy responds to a renewed requirement to reconcile economic performance with the fair application of the law in all the countries where it operates.

Principles implemented

The Group's actions focus on the reasonable management of restructurings that impact employees, while taking into account the economic and social development of territories in order to ensure their resilience. The environmental dimension is also part of ENGIE's scope of action to ensure a just transition.

Controlled management of restructuring with ...

The shift towards a carbon-neutral economy is leading to changes in the energy asset management portfolio, with an impact on workers that can be positive (creation of new jobs) or negative, depending on the sites concerned, and may even lead to job losses.

...support for site closures

In line with its commitment to be Net Zero Carbon by 2045, ENGIE is committed to phasing out coal in continental Europe by 2025 and by 2027 for the rest of the world. To this end, ENGIE has developed a plan aimed at prioritizing site closure, then conversion and, as a last resort, sale, if it is impossible to

close or convert the plant due to local restrictions. ENGIE's experience in closing coal-fired power plants (in the UK, Italy, the Netherlands and more recently in Portugal, Chile and Brazil) offers valuable lessons on the need to anticipate and collaborate with all stakeholders (government, ENGIE employees and workers in the value chain, unions, municipalities,...) not only on the retraining and redeployment of workers, but also on how to restructure the regional economic fabric (rehabilitation projects co-constructed with local communities, social contributions through partnerships, etc.).

...enhanced employability and skills development

The shift towards a carbon-neutral economy is leading to a profound transformation of skills. It is therefore essential to anticipate tomorrow's skills in order to avoid tensions. To this end, ENGIE is taking part in work to identify the key

skills of tomorrow's professions, and is developing support programs through training, thanks to close links with the academic world and education.

...a common base of guarantees for all workers

ENGIE has developed a global policy of just transition for its employees worldwide and has renewed in 2022 its 2010 global framework agreement signed with the global trade union federations IBB, IndustriAll and ISP, as well as with the representative trade union organizations at Group level in France (CFDT, CFE-CGC, CGT and FO) covering fundamental social rights and social responsibility. This agreement provides a common base of guarantees for all ENGIE employees worldwide and reflects the importance attached by the Group to its social responsibility, in line with its Purpose.

Contributing to local economic and social development with...

... building regional projects

If the transition is to be fair, i.e. chosen, equitable and not imposed on the greatest number of people, it is essential to take account of local issues. Given local economic, social and environmental disparities, some areas will be more affected than others. To be fair, the transition must therefore take into account the consequences for each territory, in order to take advantage of its geography, its economic and social assets and its specific features to create new opportunities where current jobs are threatened.

ENGIE's knowledge of its host regions and the challenges they face enables it to make investments tailored to local needs. In this way, ENGIE makes a lasting contribution to the economic and social progress of host regions by optimizing the local economic spin-offs associated with its industrial projects: local investments, policies to promote local employment, taking into account the impact of restructuring on the local employment pool.

ENGIE is also involved in the structuring of new industrial sectors (biomethane, renewable hydrogen, offshore wind energy, energy efficiency services, DHC, decarbonization of industrial processes, etc.), which have a positive impact on local areas not only in economic and social terms, but also in terms of intangible assets (dissemination/publication of scientific results, development of new skills through training) and the circular economy with the development of biomethane.

... affordable energy supply

Affordable energy, i.e. energy at a cost that is acceptable to both individuals and businesses, is essential to limit the impact of rising costs on the purchasing power of households and the competitiveness of businesses. ENGIE offers not only energy-saving solutions, but also a wide range of energy-efficiency

solutions. In this way, consumers can monitor their consumption, benefit from personalized advice, manage according to a target budget or remotely control their consumption and comfort.

Alongside the public authorities, consumer associations and NGOs, ENGIE is also working on the ground to combat fuel poverty: using national social aid schemes, spreading out payments, learning how to consume less and better, preventive solutions to replace consumer equipment with more efficient equipment.

Contributing to regional resilience with...

... preservation of natural resources and neighboring communities

Any new infrastructure has both a general interest and an impact on local and/or affected communities and biodiversity. By taking these impacts into account, through environmental and societal plans, ENGIE contributes to the resilience dynamics of territories. Since 2016, ENGIE has implemented an integrated approach to managing environmental and societal issues for its sites, activities or projects, framed by an appropriate dialogue with stakeholders. Accordingly, ENGIE carries out environmental impact studies and implements avoidance, reduction and compensation measures to preserve biodiversity and take into account the interests of local and/or affected communities, and does so in partnership with local stakeholders and environmental protection associations.

The Group's water, biodiversity, pollution and circular economy policies also contribute to these objectives.

... helping to reduce local vulnerability

To better understand the impact of climate change on its assets and activities, ENGIE has entered into a partnership with the Institut Pierre Simon Laplace to model future energy production trends and the impact of extreme events on all the Group's technologies in different regions of the world. In 2021, the impact of climate change on the development of solar, wind and hydro power generation has been mapped. In 2022, the Group has concluded this analysis with an impact study for thermal activities, the biomass and biogas supply chain, and for heating and cooling networks. ENGIE plans to share these adaptation plans with local stakeholders to help reduce vulnerability.