

3.1.2.3 European Taxonomy

3.1.2.3.1 Methodology for the classification of activities

In order to direct European industrial investments toward sustainable activities and achieve carbon neutrality by 2050, the European Union has adopted, with Regulation No. 2020/852 of June 18, 2020 and four delegated acts - (2021/2139) dated June 4, 2021, (2022/1214) dated March 9, 2022 and (2023/2485 and 2023/2486) dated June 27, 2023 - a European Taxonomy that defines the economic activities deemed environmentally sustainable. **The Group followed a four-step process to identify the activities which are eligible and aligned in accordance with the European Regulation governing the Taxonomy of sustainable activities (2020/852) across all the countries where the Group operates.** For Taxonomy-eligible activities, the process covered all six

Taxonomy objectives: the two climate objectives (climate change mitigation and adaptation) and the four other environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems).

The analysis of economic activities across all six objectives shows that the Group is mainly concerned with the mitigation objective, in line with its purpose and its decarbonization strategy (see Section 3.10 "Appendix - Taxonomy tables"). Activities related to other objectives, which are not material with regard to the indicators covered by the European Taxonomy, are therefore implicitly included in the mitigation objective declared for the Group.

The **first stage** consisted of studying the eligibility of activities and dividing the Group's economic activities into two categories: eligible and non-eligible. To do so, the Group determined which of its activities strictly corresponded to an economic activity described in one of the delegated acts (2021/2139), (2022/1214) or (2023/2486). The main activities deemed eligible were those of the Renewables GBU (wind, solar, hydropower and geothermal electricity production), Energy Solutions GBU (heating production and distribution with or without gas or biomass cogeneration, energy efficiency services), and the FlexGen & Retail GBU (electricity storage, electricity production from natural gas). For the Networks GBU, activities relating to the greening of injected, transported and distributed natural gas were taken into account in proportion to the green gas transported in the networks (activities 4.9 - Transmission and distribution of electricity and 4.14 - Transport and distribution networks for renewable and low-carbon gas). In Nuclear Production, the extension of Belgian units Doel 4 and Tihange 3 was the subject of an agreement between the Belgian government and the Group, which led to the creation of a legal structure dedicated to the two extended nuclear units, owned equally by the parties (ENGIE and the Belgian government are currently concluding various procedural steps with a view to completing the transaction by March 14, 2025 at the latest, see Note 24.2 of Section 6.2.2 "Notes to the consolidated financial statements"). This dedicated company will be consolidated using the equity method. Furthermore, given the definition of CAPEX according to the Taxonomy regulation and/or the nature of the expenses incurred, investments made in the Group's nuclear activity are outside the scope of the Taxonomy analysis exercise. Accordingly, only drawing rights on French power plants owned and identified as Taxonomy eligible by EDF are considered as eligible by the Group. Non-eligible activities mainly relate to sales of electricity and gas as a marketer or trader.

The **second stage** consisted of determining, among the eligible activities, those that made a substantial contribution to the climate change mitigation or adaptation objective by assessing their compliance with the technical review criteria presented in the delegated acts. The life-cycle assessment criterion of 100 g CO₂/kWh does not currently qualify the Group's natural gas-fired power generation assets on its own. Among the technical review criteria, the activity is considered aligned if:

- for hydropower generation: the hydropower plant was a "run of the river" type or can demonstrate a power flux density of more than 5 W/m² - certain large capacity hydropower installations are therefore not aligned for this reason;
- for the heating networks: the energy system was efficient as defined by the EU (using 50% renewables, 50% residual heat, 75% cogenerated heat or 50% a combination of such energy and heat);
- for the installation of energy efficiency equipment or energy performance services in the buildings: the activity is related to one of the activities described.

The **third stage** related to compliance with technical review criteria ensuring no detriment to the other environmental objectives (Do No Significant Harm - DNSH). Risk management

relating to climate change, water resources, the circular economy, the erosion of biodiversity and air pollution is covered by ENGIE's environmental policies (see ESRS E1 to E5 and the Group's website: <https://www.engie.com/en/group/social-responsibility/csr-goals>). The compliance assessment was carried out by environmental coordinators for each activity based on the following main elements:

- the analysis of risks relating to climate change (physical risks), water stress, pollution (NO_x, SO_x, PM), the conservation of protected areas which is updated each year as part of environmental reporting on sites in operation;
- the preparation of an environmental management plan as part of the Group's voluntary ESG objectives;
- EMAS and ISO 14001 certification for installations with the highest environmental impact such as hydropower production sites.

The **fourth stage** related to the Group's compliance with minimum safeguards. This compliance is achieved thanks to the policies of the Group's Ethics, Compliance & Privacy Department and in particular through the policy relating to human rights which refers to major international standards, and the Integrity and Ethics Compliance reference systems for the establishment of anti-corruption and fair competition procedures, and through risk analysis and vigilance action plans, as well as the system for whistleblowing and reporting ethics incidents. A description of the system and the Vigilance Plan is available in Sections 3.1.4.1 "Business conduct and ethics" and 3.2 "Vigilance Plan", and on the Group's website: www.engie.com/en/ethics-and-compliance/whistleblowing-system and www.engie.com/en/ethics-and-compliance/vigilance-plan.

Activities considered aligned are those that correspond favorably to the four stages described above. Additionally, the results are the subject of a follow-up note at the level of the EESDC and the Board of Directors.

3.1.2.3.2 Calculation method for indicators

EU Regulation No. 2021/2078 dated July 6, 2021 requires this Sustainability Statement, (previously NFS), to disclose, as of 2022, the rate of eligibility and alignment of economic activities with the Taxonomy using three indicators defined by said Taxonomy:

- turnover (Revenues);
- capital expenditure (CAPEX);
- operating expenses (OPEX).

The Revenues, CAPEX and OPEX indicators used for these eligibility rate calculations are strictly in line with the Taxonomy definitions.

Revenues refers to the Group's published revenues (see Note 7 "Revenues" of Section 6.2.2 "Notes to the consolidated financial statements"), i.e., it excludes the revenues of entities consolidated using the equity method (like Ocean Winds, a partnership with EDP Renováveis in offshore wind). Moreover, revenues from an energy production site eligible for the Taxonomy must be included even if the final sale to an external third party is carried out by the Group's marketer (GEMS), and not directly by the entity producing the sustainable energy.

The CAPEX indicator defined by the Taxonomy is different from that used by ENGIE in its management dialogue and in its financial communication to the market (growth CAPEX). In particular, the Taxonomy does not include financial investments in companies accounted for using the equity method, or Design Build Own Operate (DBSO) disposals including tax equity received. The reconciliation between ENGIE CAPEX and Taxonomy CAPEX is as follows (the reconciliation between CAPEX and growth CAPEX is presented in Note 5.6 of Section 6.2.2 "Notes to the consolidated financial statements"):

Data at December 31, 2024 <i>(in millions of euros)</i>	Capital expenditure (CAPEX)⁽¹⁾	Taxonomy CAPEX
Acquisitions of property, plant and equipment and intangible assets	10,129	10,129
Amounts received under tax equity schemes	-744	-327
<i>(-) Change in investment liabilities relating to property, plant and equipment and intangible assets</i>		4
Additions of property, plant and equipment and intangible assets arising from "Business combinations"		1,489
Changes in scope – Acquisitions	311	
<i>(+) Other</i>	-4	
Acquisitions of controlling interests in entities, net of cash and cash equivalents acquired	670	
<i>(+) Cash and cash equivalents acquired</i>	184	
Acquisitions of investments in entities accounted for using the equity method and joint operations	66	
Acquisitions of equity and debt instruments	-1,693	
Change in loans and receivables originated by the Group and others	4,289	
<i>(-) Impact of disposals relating to DBSO activities</i>	-830	
<i>(-) Synatom financial investments/Disposal of Synatom financial assets</i>	-2,495	
Change in ownership interests in controlled entities	87	
Right-of-use assets (IFRS 16)		998
TOTAL	9,970	12,294

(1) See Note 5.6 of Section 6.2.2 "Notes to the consolidated financial statements".

Since 2022, ENGIE has adapted its chart of accounts to strictly adhere to the definition adopted by the European regulation for the **OPEX indicator**, i.e., direct costs not recognized as assets for research and development, the renovation of buildings, leases, maintenance and repairs, and any other direct expense relating to the routine maintenance of property, plant and equipment. The 2024 results are presented in the three tables below, with a breakdown of the results by segment.

2024 REVENUES (TURNOVER) USED BY THE TAXONOMY

Segment	Eligible Revenues (€ millions): A	Aligned Revenues (€ millions): B	Total Revenues (€ millions): C	Eligible proportion of Revenues: (A/C)	Aligned proportion of Revenues: (B/C)
Renewables	5,402	5,107	5,467	99%	93%
Networks	611	547	7,231	8%	8%
Energy Solutions	7,027	5,980	9,853	71%	61%
FlexGen & Retail	4,014	1,232	19,007	21%	6%
Nuclear	890	890	68		
Other (of which GEMS)	154	70	32,187	0%	0%
TOTAL	18,099	13,826	73,812	25%	19%

2023 REVENUES (TURNOVER) USED BY THE TAXONOMY

Segment	Eligible Revenues (€ millions): A	Aligned Revenues (€ millions): B	Total Revenues (€ millions): C	Eligible proportion of Revenues: (A/C)	Aligned proportion of Revenues: (B/C)
Renewables	5,357	4,996	5,512	97%	91%
Networks	470	379	6,873	7%	6%
Energy Solutions	7,738	6,826	11,033	70%	62%
FlexGen & Retail	5,175	1,428	21,707	24%	7%
Nuclear	815	815	118		
Other (of which GEMS)	81	73	37,322	0%	0%
TOTAL	19,635	14,517	82,565	24%	18%

2024 CAPITAL EXPENDITURE (CAPEX) USED BY THE TAXONOMY

Segment	Eligible CAPEX (€ millions): A	Aligned CAPEX (€ millions): B	Total CAPEX (€ millions): C	Eligible proportion of CAPEX: (A/C)	Aligned proportion of CAPEX: (B/C)
Renewables	5,882	5,877	5,914	99%	99%
Networks	311	267	2,269	14%	12%
Energy Solutions	879	734	1,256	70%	58%
FlexGen & Retail	1,229	617	1,519	81%	41%
Nuclear	88	88	336	26%	26%
Other	-7	-8	999	-1%	-1%
TOTAL	8,382	7,576	12,294	68%	62%

Information on the issuance of green bonds

In accordance with the Group's commitments, ENGIE issues green bonds complying with the provisions of the Green Financing Framework. The proceeds of these bonds are used to finance, in whole or in part, projects that support the transition to a low-carbon economy, particularly in renewable energies.

As a reminder, according to the Green Financing Framework (see Section 5.3 "Green bonds"), the Group has a period of 24 months following the issuance of the green financing instrument to allocate the funds to Green Eligible Projects, or to refinance them if necessary (three years if the bond has a

maturity of 10 years or more), whereas the European Taxonomy CAPEX indicator is calculated on the investments made in the reporting period. In 2024, ENGIE allocated €3.5 billion in green bond proceeds, of which €1.7 billion and €0.6 billion related to expenditure incurred in 2024 on Renewables GBU solar, wind and hydropower projects and FlexGen & Retail GBU energy storage projects, respectively. The specified activities are considered 100% eligible and aligned under the criteria of the European Taxonomy. In addition, the green bond proceeds allocated in 2024 include €0.4 billion in CAPEX committed in previous years and €0.1 billion in CAPEX excluded from the scope of the Taxonomy (equity method entities and R&I expenditure).

2023 CAPITAL EXPENDITURE (CAPEX) USED BY THE TAXONOMY

Segment	Eligible CAPEX (€ millions): A	Aligned CAPEX (€ millions): B	Total CAPEX (€ millions): C	Eligible proportion of CAPEX: (A/C)	Aligned proportion of CAPEX: (B/C)
Renewables	4,687	4,668	4,707	100%	99%
Networks	357	261	2,099	17%	12%
Energy Solutions	818	705	1,040	79%	68%
FlexGen & Retail	2,062	1,555	2,348	88%	66%
Nuclear	45	45	170	27%	27%
Other	23	23	692	3%	3%
TOTAL	7,992	7,258	11,055	72%	66%

2024 OPERATING EXPENSES (OPEX) USED BY THE TAXONOMY

Segment	Eligible OPEX (€ millions): A	Aligned OPEX (€ millions): B	Total OPEX (€ millions): C	Eligible proportion of OPEX: (A/C)	Aligned proportion of OPEX: (B/C)
Renewables	679	669	720	94%	93%
Networks	104	70	953	11%	7%
Energy Solutions	1,291	1,025	1,747	74%	59%
FlexGen & Retail	297	40	750	40%	5%
Nuclear	37	37	193	19%	19%
Other	0	0	22	0%	0%
TOTAL	2,408	1,842	4,384	55%	42%

2023 OPERATING EXPENSES (OPEX) USED BY THE TAXONOMY

Segment	Eligible OPEX (€ millions): A	Aligned OPEX (€ millions): B	Total OPEX (€ millions): C	Eligible proportion of OPEX: (A/C)	Aligned proportion of OPEX: (B/C)
Renewables	515	507	553	93%	92%
Networks	93	60	907	10%	7%
Energy Solutions	723	489	876	83%	56%
FlexGen & Retail	267	35	631	42%	6%
Nuclear	35	35	198	18%	18%
Other	-	-	6	0%	0%
TOTAL	1,633	1,126	3,172	51%	35%

In 2024, ENGIE recognized Taxonomy-eligible **Revenues** up slightly at 25% and 19% respectively due to the normalization of merchant activities, Taxonomy-eligible CAPEX of 68% and Taxonomy-aligned CAPEX of 62%, down compared to 2023 (72% and 66% respectively) due to the acquisition in 2023 of BRP in the United States (batteries activity) by the FlexGen & Retail GBU, and Taxonomy-eligible OPEX of 55% and Taxonomy-aligned OPEX of 42%.

In 2024, as was the case in 2023, these Group figures cover major disparities from one business line to another.

The majority of **Renewables GBU** activities are eligible (99% for revenues, 99% for CAPEX) and almost all are aligned (93% for Revenues, 99% for CAPEX).

The majority of **Energy Solutions GBU** activities are eligible (71% for revenue, 70% for CAPEX) and mostly aligned (61% for Revenues, 58% for CAPEX).

The activities of the **FlexGen & Retail GBU** are minimally eligible and aligned with the Taxonomy for Revenues (21%), whereas, thanks to the development of battery activities, CAPEX has become predominantly eligible and aligned (81% and 41% in 2024).

The activities of the **Networks GBU** are also minimally eligible and aligned. On the other hand, the three gas network activities (transport, distribution and storage) will gradually become eligible and aligned as they are converted to renewable gas and hydrogen storage.

Nuclear activities are eligible and aligned for those corresponding to drawing rights on French plants identified as eligible and aligned by EDF.

Lastly, the **Other** activities (including GEMS, which sells energy to companies, and which offers energy management services and solutions to support the decarbonization of the Group and its customers) are not eligible for the Taxonomy.

It should be noted that 87% of the 2025-2027 growth CAPEX plan (see 6.1.1.1.2 of Section 6.1.1 "Management report") is eligible and 82% is aligned, which is significantly higher than the percentages calculated across all CAPEX (growth and maintenance). These eligibility and alignment ratios in relation to growth CAPEX reflect the Group's commitment to a carbon-neutral economy, which is demonstrated through its financial investments. In addition, in its growth CapEx, ENGIE has taken into account the CapEx incurred to extend the life of the two nuclear units in Belgium from 2025 to 2035, in accordance with the agreement with the Belgian State, which is expected to close at the latest on March 14, 2025 (see Note 24.2 of Section 6.2.2 "Notes to the consolidated financial statements").

The Taxonomy analysis of the 2025-2027 CAPEX plan is presented in the tables below and includes the CAPEX indicator defined under the Taxonomy and the CAPEX growth indicator as monitored at Group level (see Note 5.6 of Section 6.2.2 "Notes to the consolidated financial statements").

CAPITAL EXPENDITURE (CAPEX) USED BY THE TAXONOMY

Segment	2025-2027 plan		2024-2026 plan	
	Eligible proportion	Aligned proportion	Eligible proportion	Aligned proportion
Renewables	100%	100%	100%	100%
Networks	31%	25%	31%	22%
FlexGen	95%	67%	71%	50%
Other activities	48%	44%	47%	38%
Capital expenditure used by the Taxonomy (growth and maintenance CAPEX)	72%	67%	72%	65%

GROWTH CAPEX

Segment	2025-2027 plan		2024-2026 plan	
	Eligible proportion	Aligned proportion	Eligible proportion	Aligned proportion
Renewables	100%	100%	100%	100%
Networks	71%	62%	76%	58%
FlexGen	100%	77%	96%	68%
Other activities	67%	58%	70%	62%
Growth CAPEX⁽¹⁾	87%	82%	90%	83%

(1) (See Note 5.6 of Section 6.2.2 "Notes to the consolidated financial statements").

The calculation of eligibility and alignment in terms of 2025-2027 CAPEX is supported by expected expenditure for the Renewables GBU activities, which represent more than half of the Group's CAPEX. The tables presenting the standard templates used for information related to 2024 data on the Revenues, CAPEX and OPEX indicators according to the

Commission Delegated Regulation (EU) No. 2021/2178 of July 6, 2021, as well as those containing the standard models for the publication of information related to nuclear and gas activities according to Commission Delegated Regulation (EU) No. 2022/1214 of March 9, 2022, can be found in Section 3.1.5.5 "Appendix - Taxonomy tables."