

### 3.9 VIGILANCE PLAN

In accordance with Law no. 2017-399 of March 27, 2017, this section summarizes 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:



Drawn up in association with ENGIE's international trade union federations in the framework of the new Global Agreement signed in 2022 (see Sections 3.4 "Social information" and 3.9.5.2 "Stakeholder relations"), this plan covers all the measures established by ENGIE S.A. to prevent risks related to its activities and those of its controlled companies. It covers serious violations relating to human rights and fundamental freedoms, the health & 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.

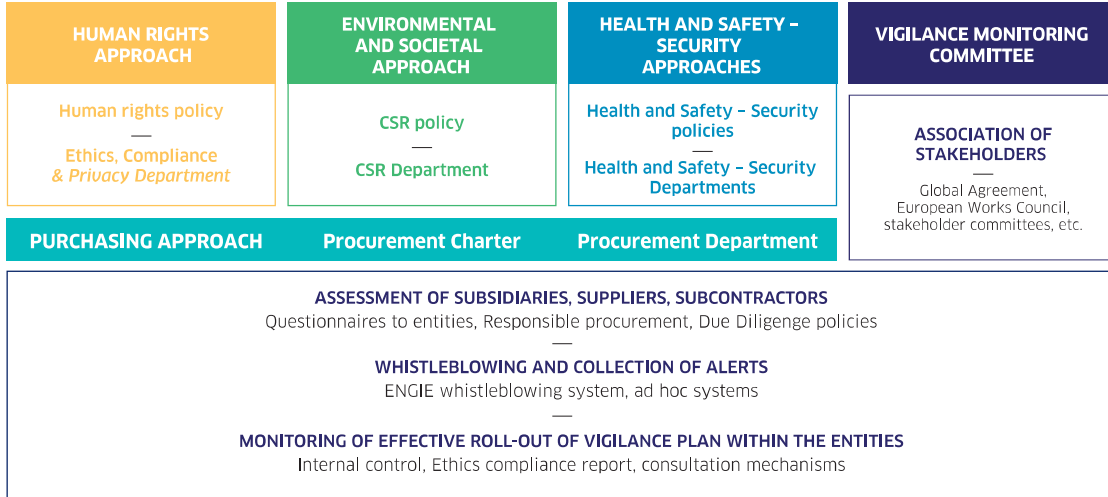
These measures and the common whistleblowing system have already been in use for several years. Completely integrated to the ethics organization, the vigilance plan benefits from steering, governance and dedicated monitoring (see Section 3.9.5).

All Group entities located in Germany subject to Germany's Supply Chain Due Diligence Act (abbreviated in German: LkSG), which came into force in January 2023, comply with the legal requirements.

## 4 VIGILANCE APPROACHES

Risk identification and management (activities, projects, etc.)

MANAGEMENT ENTRUSTED TO THE ETHICS, COMPLIANCE & PRIVACY DEPARTMENT



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### 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

##### Governance

ENGIE SA's Ethics, Compliance & Privacy Department, attached to the Legal, Ethics and Compliance Department, itself under the authority of the Corporate Secretariat, is directly responsible for the legal rights component of the vigilance plan. It relies on its network of Ethics and Compliance Officers and ethics correspondents located across the world and on other departments concerned by human rights aspects (see Section 3.8.1).

##### Risk mapping

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. More generally, challenges relating to human rights for the Group are as follows:

EMPLOYEES' FUNDAMENTAL RIGHTS	RIGHTS OF LOCAL COMMUNITIES	SUBCONTRACTORS / SUPPLIERS / PARTNERS
<ul style="list-style-type: none"> <li>• Health and safety conditions</li> <li>• Freedom of association</li> <li>• Non-discrimination</li> <li>• Fight against forced labor</li> <li>• Working hours</li> <li>• Housing conditions of workers</li> <li>• Private life</li> </ul>	<ul style="list-style-type: none"> <li>• Health of surrounding populations</li> <li>• Living conditions of surrounding populations (food, water, housing, culture, access to resources, etc.) and the right to a healthy environment</li> <li>• Rehousing of populations</li> <li>• Fight against the suppression of the projects' opponents</li> </ul>	<ul style="list-style-type: none"> <li>• Work and health and safety conditions of subcontractors</li> <li>• Energy supply</li> <li>• Traceability and supply of materials used for the Group's products and services</li> <li>• Best practices of commercial partners in projects</li> </ul>

#### SAFETY CONDITIONS FOR EMPLOYEES AND SITES

- Best practices of private or public security forces in the performance of their security mission, and notably practices relating to the use of force
- Security conditions of employees in at-risk countries

Details regarding risks are available on the ENGIE Group's website at the following address: [www.engie.com/en/group/ethics-and-compliance/policies-and-procedures/human-rights-referential](http://www.engie.com/en/group/ethics-and-compliance/policies-and-procedures/human-rights-referential)

### Human rights policy

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.

Risks are assessed by country, the presence of subcontracting, business, characteristics relating to workers, the presence of populations where risk is heightened if they are vulnerable, the products / services used, use of armed security forces, and the type of sales relations. The assessment of third parties (suppliers, subcontractors, partners, contractors, etc.) explicitly including human rights (see Section 3.9.3) as well as the whistleblowing system (see Section 3.9.4), is also used to identify risks.

The Group's human rights policy and other detailed information are available on the Group's website at the address mentioned above.

### Risk management measures

The entities in two major regions, South America (SOUTHAM) and Asia - Middle East - Africa (AMEA), along with Global Energy Management & Sales (GEMS) and Tractebel, saw a change in risk levels relating to human rights, either because of their country of activity or the sector in which they do business (gross risk). For each identified risk, entities define and implement specific action plans to manage those risks at the operational level. These action plans are described and updated regularly on the Group's website at the address mentioned above.

In addition to these risk management measures defined and implemented locally by the Group's entities are more global actions. The application of the Group's human rights policy ensures this risk management for all the Group's human rights issues. Examples of these risk management measures illustrating the main categories of human rights issues identified for the Group are presented below.

The Global Agreement on fundamental social rights and social responsibility signed in 2022 by ENGIE and the Group's social partners (see Sections 3.4 "Social information" and 3.9.5.2 "Stakeholder relations") also contributes to the management of risks related, for example, to the fundamental rights of workers, health & safety at work and to suppliers and subcontractors.

### Fundamental rights of workers

#### Prevent the risk of harassment and discrimination

The prevention and combating of harassment and all forms of discrimination is applied both within the Group and for the benefit of the subcontractors' employees. For example, in 2021 and 2022, the Group rolled out guides to reaffirm the principle of zero tolerance in all parts of the world:

- a guide against all forms of discrimination against LGBTQ+ people;
- a guide on combating sexual harassment and sexist action.

#### Prevent the risks related to modern slavery

The Group shares the objectives of the British Modern Slavery Act and takes various steps to ensure that no modern slavery practices (including slavery, forced labor and human trafficking) are used in its operations and those of its supply chain. ENGIE's declaration on modern slavery is available at the address mentioned above.

Other risk management measures related to the fundamental rights of workers are elaborated on in the ENGIE Global Agreement and Sections 3.9.1.2 "Prevent and manage risks related to health & safety in the workplace" and 3.9.1.3 "Prevent and manage risks related to personal security."

### Rights of local communities

#### Prevent the risks of violation of the rights of local communities

The Group is particularly attentive to the impact of its activities on local communities. It specifically takes into account the situations of vulnerable people (such as indigenous communities). To do this, the Group assesses the potential impact of its activity on communities and ensures that their expectations are taken into account through dialog and consultation (see Section 3.9.5.2).

### Employee and site security conditions

#### Prevent the risk of disproportionate use of force

In order to prevent the risk of disproportionate use of force, the Group's requirements include raising awareness among security managers and mandatory training of the staff of security service providers.

Other health, safety and security risk management measures are elaborated on in the ENGIE Global Agreement and Sections 3.9.1.2 "Prevent and manage risks related to health & safety in the workplace" and 3.9.1.3 "Prevent and manage risks related to personal security."

### Subcontracting, suppliers, partners

#### Prevent the risk of forced labor practices in the Group's supply chains located in China

The Group does not wish to procure supplies from Chinese manufacturers that are unable to provide proof that they have not used forced labor. In 2020, the Group introduced a specific heightened vigilance action plan to identify and manage these risks. The Group has agreed to ensure compliance with international laws and actively monitors the situation to ensure that no forced labor is used anywhere along its supply chain. In 2023, the Group continued its enhanced vigilance activities (see also Section 2.2.5.1).

The main measures implemented include:

- in-depth due diligence on suppliers carried out by independent experts;
- supply chain evidence requested from suppliers;
- written commitment from suppliers not to use forced labor;
- sending out questionnaires in which suppliers have to provide evidence that they ban forced labor;
- enhanced contractual clauses (general audit clause, breach of contract in case of failure by suppliers to meet their obligations, supplier's guarantee to comply with local and international regulations governing forced labor, from the procurement of commodities through to the delivery of a product);
- participation in several sector initiatives in solar and wind to share and help improve risk management practices.

#### Prevent the risk of violation of the fundamental rights of workers in ENGIE's customer relations centers located abroad

The Group began to roll out an action plan in one of its entities in 2022. This plan targets the Group's customer relation centers located abroad and is aimed at assessing the actual working conditions of workers in consultation with them. In 2023, for example, controls to ensure the implementation of the requirements were conducted directly on site in certain customer relations centers.

Other risk management measures related to business relations are elaborated on in the ENGIE Global Agreement and Sections 3.9.1.2 "Prevent and manage risks related to health & safety in the workplace," 3.9.1.5 "Prevent and manage risks related to energy supply," 3.9.1.6 "Prevent and manage risks related to personal security" and 3.9.3 "Third-party assessment."

More detailed information on risk management measures is also available on the Group's website: <https://www.engie.com/en/ethics-and-compliance/vigilance-plan>.

### Awareness-raising tools

A face-to-face training course on the Group's human rights approach was developed in 2019. Open to all, it particularly targets operational staff and managers directly concerned by this topic. Since 2022, individuals in positions particularly exposed to human rights risks have been identified and a specifically dedicated training plan was launched. An e-learning module on human rights for all employees has been also in use for several years now.

### Performance monitoring and measurement

The monitoring of the application of these processes is incorporated into the ethics compliance report (quantitative and qualitative indicators) and into the internal control system (see Section 3.8.6).

<b>2023 Results</b>	2,228 employees trained in person on human rights, around 57% of whom were from operational functions, and around half of these from at-risk entities, and 16,520 employees trained by e-learning.
Internal control (see Section 2.3)	83.9% of the Group's entities assessed the roll-out of the vigilance plan at their level as effective <sup>(1)</sup> . 97.5% of the entities that assessed the roll-out of the human rights policy considered it to be effective <sup>(1)</sup> .
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.

In 2022, the Group signed a new Global Agreement relating to fundamental social rights and social responsibility. The Agreement also includes a monitoring of commitments:

Group commitments	Monitoring (2023 figures)
Health & safety (see Section 3.4.6)	1.8 (representing an improvement compared with 2022: 2.0): lost time work-related injury frequency rate for employees and subcontractors working on sites with controlled access 0.019 (0.014 in 2022): fatality rate (target of zero each year)
ENGIE Care program (minimum level of social protection for all employees worldwide, see Section 3.4.4.1.2)	73.5% (66.5% in 2022) of entities (representing 90.7% of employees): fully paid maternity leave (14 weeks) 40% (27.7% in 2022) of entities (representing 62.3% of employees): fully paid paternity leave (four weeks) 97.2% (94.6% in 2022) of employees: 12 months' gross salary paid in the event of death 98.6% (97.2% in 2022) of employees: reimbursement of 75% of costs in the event of hospitalization 87% (79.2% in 2022) of employees: 12 months' gross salary paid in the event of permanent disability
Gender diversity: 50% of female managers (see Section 3.4.2.2.2)	31.2% (29.9% in 2022): percentage of female managers
Gender pay equity (see Section 3.4.2.3.2)	1.92% (1.73% in 2022): pay difference between men and women

## 3.9.1.2 Prevent and manage risks related to health & safety in the workplace

### Health & safety management system

Protecting the health & safety of the people working for the Group is an absolute priority. In order to achieve its objectives in this area, the Group has put in place the following provisions:

- a health & safety policy that identifies the issues, sets ambitions and defines the levers for action;
- a dedicated governance system, incorporating the presentation of health & safety results to the Executive Committee, the EESDC and the Board of Directors;
- Group Rules and thematic standards that define the requirements to be respected by entities and operators, including employees, subcontractors or temporary workers;
- action plans designed to control risks including training of employees and raising awareness among operators;
- quantitative reporting in the form of indicators and qualitative reporting enabling the escalation and analysis of incidents and accidents, as well as events organized by the entities;

- actions to verify implementation in the field of the Group's expectations in the form of safety visits, audits and inspections.

The main provisions implemented in 2023 are described below, and in Section 3.4.6 "Health & safety policy."

**Governance**

Occupational health & safety is led by the Group Health & Safety Department in accordance with its health & safety policy.

A Group Health & Safety Management Committee chaired by the Group's Health & Safety Vice President, including the health & safety managers of the four GBU and of Nuclear,

meets every fortnight. The role of this committee is to define the indicators to be monitored and the objectives, to decide on actions to be implemented and to ensure the operational roll-out of the Group's health & safety transformation plan, ENGIE One Safety.

**Risk mapping**

The mapping of risks relating to health & safety includes both risks of harm to the health & safety of people working for the Group (employees, temporary workers, subcontractors, etc.) and risks relating to the process safety of the Group's industrial facilities or those for which the Group provides maintenance and / or operates on behalf of customers.

**MAPPING OF HEALTH AND SAFETY AND PROCESS SAFETY RISKS**

RISKS TO PERSONAL HEALTH AND SAFETY		
OCCUPATIONAL ACCIDENTS	HARM TO HEALTH	INDUSTRIAL ACCIDENTS
<p><b>Risks related to safety:</b></p> <ul style="list-style-type: none"> <li>• examples of risks: falls from height, road accidents, working with vehicles or moving equipment, electric shocks, electrocution, explosion, exposure to high pressures, collapsing trenches, fire, acute poisoning, suffocation, lack of oxygen, injuries relating to the use of tools or machinery, the lifting of equipment, falling objects, tools or equipment.</li> </ul>	<p><b>Risks related to the context of execution of activities:</b></p> <ul style="list-style-type: none"> <li>• examples of risks to health: musculoskeletal disorders, psychosocial risks, exposure to carcinogenic, mutagenic or reprotoxic products.</li> </ul>	<p><b>Risks related to industrial processes</b> <b>Examples of activities:</b></p> <ul style="list-style-type: none"> <li>• operation of LNG terminals, of gas underground storage sites, of gas transmission and distribution networks, of boiler rooms and plants, of hydro dams, of heating networks of wind farms;</li> <li>• services at a customer's industrial facility;</li> <li>• construction of infrastructures.</li> </ul>

**Health & safety at work policy**

The Group's health & safety policy sets out the key principles for the management of health & safety. More information on the policy is available on the Group's website at <https://www.engie.com/en/engagements/global-care>.

Due to the number of fatal accidents in recent years, the Group decided to improve its health & safety at work rules and practices by entrusting an expert consultant with assessing its health & safety management system two years ago and analyzing deviations from best practices implemented by the most efficient industrial players in this field.

The assessment carried out by the consultant identified the Group's strong points and resulted in the issue of a certain number of recommendations aimed at permanently eradicating serious and fatal accidents.

Based on these recommendations, the analysis carried out internally and feedback from operating entities, the Group defined a major health & safety transformation plan called ENGIE One Safety, which will be gradually rolled out until the end of 2024.

**Risk management measures**

The main risk management measures implemented in 2023 as part of the ENGIE One Safety transformation plan are:

- further strengthening of the Group Rules on health & safety, drawing on best practices from an external benchmark;
- reinforcement of the managerial safety rituals: the Managerial Safety Visit (MSV), the Life Saving Check (LSC),

the Joint Safety Tour (JST), the health & safety toolbox talks, the safety performance review (see Section 3.4.6.3.4);

- the design of a new method of training-coaching for managers so that managerial safety rituals have the expected outcome on the safety behavior of the teams on the ground, including that of subcontractors; the design of this training incorporates the feedback collected following the test carried out in 2022 on seven pilots representative of the Group's activities and its geographic areas;
- development of a new standard for implementing the Live Saving Rules, describing the technical requirements to be met for each Live Saving Rule;
- development of a new standard dedicated to the management of health & safety risks in industrial projects.

The other measures intended to ensure the health & safety of individuals working for the Group are presented in Section 3.4.6 "Health & safety policy."

**Awareness-raising tools**

In 2023, the Group developed and disseminated several awareness-raising tools to improve health & safety at work:

- circulation of the "Safety Essentials" key behaviors that everyone must adopt to prevent serious and fatal accidents (Live Saving Rules, Stop the Work, the Last Minute Risk Assessment, escalation of incidents, shared vigilance); these Safety Essentials were circulated on World Safety Day in April;

- provision of the “ENGIE One Safety Induction” e-learning course, for all operators, which aims to embed the Safety Essentials into daily practices;
- revision of the Prevention News newsletter dedicated to accident prevention in order to improve its relevance and content;
- publication of a new No Mind at Risk newsletter aimed at improving well-being at work and preventing psychosocial risks.

### Performance monitoring and measurement

Several systems have been implemented to assess and monitor the Group's performance in terms of health & safety at work, in addition to the measures put in place by the entities.

The Group has been implementing health & safety reporting for several years to monitor its performance in this field through quantitative indicators. In 2023, the Group published a new version of its health & safety reporting framework in order to incorporate new proactive indicators (known as “leading KPIs”) defined as part of the ENGIE One Safety transformation plan.

In addition, in 2023, the Group revised its internal control framework dedicated to health & safety at work (INCOME / COR8a) by identifying nine major themes which appear to require control to achieve the goal of zero serious and fatal accidents (e.g. health & safety of subcontractors, compliance with Life Saving Rules, Fair Culture in health & safety at work).

Monitoring of the Group's health & safety performance is carried out by the Group's various governing bodies:

- the Group Health & Safety Management Committee chaired by the Group's Health & safety Vice-President;
- the Executive Committee;
- the Ethics, Environment and Sustainable Development Committee (EESDC);
- the Board of Directors.

Finally, the Group has defined and implemented a new internal audit process to verify the control of major risks in the entities, with a view to avoiding serious and fatal accidents. It involves the identification of good practices and improvement actions for implementation.

### 3.9.1.3 Prevent and manage risks related to personal security

The Group's Security and Economic Intelligence Department is notably responsible for ensuring that people are protected. It brings together and leads a network of security managers who define and coordinate the implementation of the ENGIE's Group Security policy.

The “protection of individuals against malicious acts” section of ENGIE's Group Security policy is governed by Law No.2017-399 of March 27, 2017, on the duty of vigilance of parent companies and contractors. This duty of protection applies to all employees, regardless of their status, and notably those who are internationally mobile.

Malicious threats and acts targeting individuals form an integral part of the security risks included in the company's risk catalog (ERM / Enterprise Risk Management). Security incidents are recorded in a Group incident reporting tool (MySecurityIncident), brought to the attention of the security team and are systematically dealt with.

The security network pays particular attention to the respect for human rights in security activities and implements measures aimed at preventing any risk of disproportionate use of force. For this reason, contracts with care-taking and private security firms always include the Group's ethics and sustainable development clause which appears in the general procurement conditions. Moreover, these firms are always subject to checks (due diligence) before they are used.

Security managers are advised by the Security department, which regularly reminds them of their obligations in this area. Finally, security players, working closely with the data privacy teams, ensure that General Data Protection Regulation (GDPR) rules and local laws relating to recordings and the conservation of video protection data are also strictly adhered to.

### 3.9.1.4 Prevent and manage environmental and societal risks

#### Governance

The CSR Department, reporting to the Executive Vice President in charge of Finance, Procurement and CSR, addresses Climate, Nature and Societal challenges at Group level. It leads and coordinates a network of CSR and environmental correspondents responsible for the proper implementation of policies, compliance with objectives and performance measurement.

#### Risk mapping

From an environmental perspective, the major risk for the Group is climate risk, followed by biodiversity, water and pollution risks. Climate risk is analyzed through the double dimension of mitigation (annually and quarterly) and adaptation (annually). Other environmental risks are analyzed annually. These environmental risks are addressed both globally and locally in order to identify projects and sites at risk, and to establish action plans.

From a societal point of view, the risks analyzed consist of the impact of activities on local communities and their social

consequences. The risk analysis is based on a mapping of stakeholders.

Special attention is paid to project development with an analysis of environmental and societal risks as far upstream as possible of development in order to avoid impacts as much as possible. The result of the risk analysis is presented in the form of a matrix, containing 10 criteria, analyzed during the validation of projects in the Investment Committee. In 2023, this process applies to all projects submitted for validation by the GBU, the Group Executive Committee or the Board of Directors. The aim is to cover all projects, regardless of their size, by the end of 2025. The themes covered by the CSR matrix are: climate change mitigation, climate change adaptation, biodiversity, water and oceans, air pollution, the circular economy, stakeholders, workers' social rights, responsible procurement and controversies. The criteria are detailed on ENGIE's website at <https://www.engie.com/en/analysts/governance/duty-of-vigilance-environmental-societal-risks>.

**ENVIRONMENTAL RISKS**

- Climate change mitigation (GHG)
- Adaptation to climate change
- Biodiversity and the rehabilitation of ecosystems
- Freshwater and oceans
- Pollution
- Land use

**SOCIETAL RISKS**

- Relations with local and indigenous communities
- Training, employee retraining
- Right to operate in a territory
- Affordable business offers

**CSR policy**

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 Global Business Unit (GBU), subsidiary, and site. The implementation of the policy is monitored through Group objectives related to the identified risks (see Section 3.3). The progress of these objectives is measured annually and the results are presented and commented on by the Executive Committee and EESDC. For climate change risk mitigation, in addition to the measurement of annual performance, quarterly reviews are carried out to ensure that the results are in line with the defined trajectories. The data are reviewed annually by the Statutory Auditors through audits and audit work on consolidation levels. Other environmental and societal risks are analyzed through compliance with objectives and the proper implementation of action plans. The implementation of the policy, objectives and action plans is also subject to an annual internal control process. The results are presented to the Audit Committee.

**Risk management measures****Climate**

ENGIE fully recognizes the threat posed by climate change and the control of its CO<sub>2</sub> emissions is a major issue for the Group. ENGIE has thus set emission reduction objectives compatible with a GHG emission trajectory aligned with the Paris Agreement; ENGIE committed, in May 2021, to the Net Zero Carbon by 2045 objective for all of its direct and indirect emissions; it has also set a new objective for four countries (including Brazil) to be Net Zero Carbon by 2030. This objective should be achieved by following a "well-below 2°C" trajectory certified by SBTi, with intermediate milestones, notably by 2030, and new objectives related to the intensity of sales and electricity production. Other actions have been implemented such as the study of climate risk on six indicators (heatwave, flood, drought, extreme wind, forest fire and landslide) with adaptation plans where the risk is material, the implementation of a Quarterly Business Review to monitor CO<sub>2</sub> budgets, the extension of the scope of the medium-term CO<sub>2</sub> plan to monitor climate trajectories and work toward a carbon storage trajectory by 2030 and then 2045.

To date, the Group has taken visible measures:

- the rollout of the coal exit plan by 2027 at the latest, with the following order of merit: closure, conversion, then, if this is not possible, sale, ensuring continuous dialog with stakeholders (ENGIE's fair transition policy, see Section 3.6.3). The exit plan is progressing rapidly; centralized coal-fired power capacity dropped from 7.2 GW in 2017 to 2.1 GW in 2023, and emissions from coal use in energy generation (scope 1 and 3.15) decreased from 41,3 Mt in 2017 to 1.5 Mt in 2023);

- reducing the carbon intensity of electricity production;
- reducing emissions related to the use of products sold drastically by 2045;
- the alignment of future investments with the Group's carbon ambition;
- the allocation of carbon budgets to each GBU; and
- the assessment of management teams related to the achievement of the Net Zero Carbon objectives.

ENGIE's climate trajectory is set out in the 2024 Climate Notebook included in the integrated report (<https://www.engie.com/en/group/social-responsibility/csr-publications>). ENGIE's decarbonization strategy within its value chain is based on three pillars "Reduce-Avoid-Store," consistent with the Net Zero Initiative methodological framework. Firstly, the Group aims to reduce direct and indirect emissions from its activities by at least 90% compared to 2017, based on three main drivers: coal exit by 2027, development of renewable electricity production activities and development of the production and sale of green gases, particularly biomethane and hydrogen. This emission reduction trajectory is closely controlled by indicators associated with public targets that cover 99% of ENGIE's carbon footprint (scopes 1, 2 and 3).

In order to achieve its CO<sub>2</sub> emission reduction targets, the Group has developed tools on both long-term strategic projections and investment decisions, as well as on infra-annual operational management. ENGIE management has thus defined limits not to be exceeded on the main GHG emissions items of its activities (energy, gas and electricity generation) according to a well-below 2°C SBTi trajectory. They are set as milestones throughout the Group's Net Zero Carbon trajectory (2025, 2030, 2045) and allocated to each GBU. The monitoring of these CO<sub>2</sub> limits is then ensured each year as part of the Medium Term Plan, through which the GBUs develop their decarbonization business strategy so as not to exceed the limits set (budget N+1, 2025, 2030 and 2045 limits). Since 2023, infra-annual monitoring of emissions has been carried out via a quarterly survey of GHG indicators. It is integrated into the managerial dialog on operational and financial performance as part of the Quarterly Business Reviews. In addition, any new investment decisions must be made in accordance with the carbon budgets allocated to the GBUs. In parallel with these climate change mitigation efforts, the Group is also adapting to the impacts this will have on its activities, in line with climate science projections. This includes integrating climate change adaptation into the risk management process.

Every year, the Group communicates on the progress of its transition plan through the Climate Notebook and reports to its shareholders through a specific item on the agenda of the Shareholders' Meeting since 2023.

**Nature**

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. These action plans are audited annually and are subject to a 100% rollout target for projects, sites and activities by 2030.

The nature-related objectives cover: the preservation of biodiversity, the consumption of fresh water, the reduction of atmospheric pollutant emissions and the reduction of waste generation.

**Societal**

The societal policy is focused on stakeholder engagement. Its implementation includes a toolbox, including a tool for

Results from e-learning participation:

e-learning courses proposed	Number of participants since the launch
Net Zero Carbon ambition (2021)	6628
Business change maker (2021)	1,302
CO <sub>2</sub> killer (2021)	1,642
People of the world (2021)	1,252
Introduction to biodiversity (November 2021)	3,797
Stakeholder engagement (March 2022)	1,144
CSR matrix (April 2022)	391
Digital Responsibility (June 2022)	3,575
<b>TOTAL</b>	<b>19,731</b>

mapping stakeholders and supporting the development of associated action plans, training programs and a center of expertise. This policy also covers transition issues through its four areas: employees, customers, regions and suppliers.

**Awareness-raising tools**

E-learning modules covering the climate, biodiversity, stakeholder engagement and the CSR matrix in investment decisions have been developed since 2021 with the Sustainability Academy and target, more specifically, operational employees and managers who are directly concerned by this subject.

**Performance monitoring and measurement**

The performance of climate change mitigation, characterized by compliance with the 2030 emission reduction trajectory, is monitored quarterly as part of the Quarterly Business Reviews and annually as part of the non-financial performance statement.

Environmental and societal performance is also measured annually and presented to the Executive Committee and EESDC. An internal control system, as well as audits by the Statutory Auditors of non-financial performance, make it possible to control the implementation of the process.

The Group updated its act4nature commitments in 2023, identified good practices in nature-based solutions and continued the rollout of biodiversity frescoes. It has also set a new objective on water.

Through the fair transition, the Group has worked on its key indicators following the 2022 Stakeholders' Committee and is actively involved in the negotiation at European sectoral level of an agreement on the fair transition in the gas sector between the sectoral trade union unions EPSU and IndustriAll and the association of gas professionals Eurogas, under the aegis of the European Commission.

In view of regulatory developments, particularly European ones with the entry into force of the Corporate Sustainability Reporting Directive (CSRD), ENGIE will gradually strengthen its risk analysis system, as well as the control tools, in 2024 and 2025.

**3.9.1.5 Prevent and manage risks related to energy supply**

The main challenges for the Group relating to energy supply (biomass, gas, LNG, etc.) are as follows:

**CHALLENGES IN THE ENERGY SUPPLY CHAIN (PRODUCTION, TRANSMISSION, ETC.)**

HUMAN RIGHTS	ENVIRONMENTAL
<ul style="list-style-type: none"> <li>Forced labor, child labor (e.g.: equipment production, mining)</li> <li>Rights of local communities and indigenous populations (e.g. land rights, right to free and informed consent, right to resources, right to health)</li> <li>Health and safety of workers and local communities (e.g. the impact of production operations, protective equipment, chemical products used, risk of explosion, emissions)</li> </ul>	<ul style="list-style-type: none"> <li>Climate change (e.g. CO<sub>2</sub> / methane emissions, carbon footprint, deforestation, use of fossil fuels)</li> <li>Water scarcity and quality (e.g. the use of drinking water, water requirements, the overuse of water, use of chemical products)</li> <li>Air, water and soil pollution (e.g. chemical products, heavy metals, residues, waste management)</li> <li>Biodiversity (e.g. risk to ecosystems, risk to flora and fauna, to ecological corridors, deforestation, the use of agricultural land)</li> </ul>



The Group has identified risks relating to the energy supply chain as a specific issue of vigilance for the Group. The entities responsible for these purchases manage these risks directly, in accordance with the Group's reporting rules and governance, and identify the risks specific to each of their activities by energy source, at the country and energy supplier level.

The Group's governance structure ensures that the duty of vigilance is included in decision-making processes. The Group has also systematized the supply chain risk assessment approach, based on the 3P (People, Planet and Profit) approach.

More generally, entities implement the following prevention and risk management measures:

- entities adopt, where necessary, mitigation measures and contractual clauses adapted to the identified risks (e.g. specific performance clauses for the carbon footprint and methane emissions) in their contracts with suppliers;
- they include an ethics and CSR clause in their contracts, which also allows them to terminate a contract in the event of a breach of these obligations by the third party;

- they apply the human rights policy, ethical due diligence policies, environmental and societal policies, as well as the Group's other policies;
- they ensure the ESG certification of certain suppliers and energy sources (e.g. biomass) as well as the presence of guarantees of origin;
- they carry out onsite audits at certain suppliers;
- they take part in bilateral and sector ESG working groups;
- they enter into gas procurement agreements that are compatible with the Group's carbon trajectory;
- in relation to shale gas, the Group carries out extensive social and environmental due diligence and chooses, among producers, those who are able to offer the best guarantees in terms of traceability of emissions and monitoring of the social and environmental performance of their activity;
- The Group continues its strategy to withdraw from the coal business (in Europe by 2025 and worldwide by 2027).

### 3.9.1.6 Prevent and manage risks related to non-energy purchases

Non-energy purchases cover all equipment supply contracts and the provision of services and works. In this regard, the Group's procurement reference system uses the term Supplier to refer to subcontractors and equipment suppliers.

#### Governance

The Group Procurement Department, reporting to the Executive Vice President in charge of Finance, Procurement and CSR, is responsible for the Group's performance, sustainability and competitiveness, thanks to the selection of high-performance, innovative suppliers who have a positive impact on sustainable development. The Procurement Department is organized through three levels:

- the Procurement Department in charge of the management category defines the governance, tools and performance objectives of the division;
- the regional hubs, led by a Regional Procurement Director, are responsible for organizing synergies and ensuring the

standardization of processes across countries with the support of shared service centers;

- countries headed up by local procurement managers responsible for operational procurement.

#### Risk mapping

The sustainability of procurement is based on three pillars:

- the impact of procurement on carbon emissions and climate. Procurement has a key role in achieving the Group's decarbonization commitments (Net Zero Carbon in 2045, well below 2°C in 2030 trajectory, etc.).
- the impact of procurement on nature;
- the human impact of procurement (inclusive procurement, impact on communities, human rights, health, etc.).

Six procurement categories are currently considered high risk in terms of human rights, health & safety and / or their environmental impact. These procurement categories are listed below:

PROCUREMENT CATEGORIES	SEVERE RISKS IDENTIFIED	ACTION PLANS
<ul style="list-style-type: none"> <li>• Solar panels</li> <li>• Batteries</li> </ul>	<p>Human / environmental rights Environmental / human rights</p>	Contractual provisions reinforced, new suppliers located in lower risk countries, ethical audits, sector initiatives, etc. (see Sections 3.9.1.1 and 2.2.5.1)
<ul style="list-style-type: none"> <li>• Wind power</li> </ul>	<p>Human / environmental rights</p>	Contractual provisions reinforced, ethical audits, sector initiatives, etc. (see Sections 3.9.1.1 and 2.2.5.1)
<ul style="list-style-type: none"> <li>• Electrical equipment</li> </ul>	<p>Human Rights</p>	Social audits and sourcing of new suppliers
<ul style="list-style-type: none"> <li>• Workwear</li> </ul>	<p>Human Rights</p>	Social audits and diversification (Brazil for example)
<ul style="list-style-type: none"> <li>• IT equipment (PCs, printers, etc.)</li> </ul>	<p>Human Rights</p>	Diversification of the panel of suppliers thanks to relocation to the United States and Europe
<ul style="list-style-type: none"> <li>• Turnkey EPC contracts</li> </ul>	<p>Health and safety / human rights</p>	Reinforcement of health and safety rules and exclusion of suppliers who do not respect these rules Ethical audits on construction sites

Since 2020, particular attention has been paid to purchases that may be linked to forced labor in China. The principal measures taken to identify and manage these risks are presented in Section 3.9.1.1.

### Procurement Charter and risk management measures

The identification and management of risks are ensured by the implementation of ENGIE's Procurement vigilance process through:

- risk mapping developed on the basis of data provided by the CSR partner EcoVadis (risks by Industry and country risks) and analysis of the procurement categories carried out by the Category Managers network <sup>(1)</sup>;
- a Supplier selection process that relies in particular on a CSR assessment (EcoVadis), the implementation of the due diligence policy (see Section 3.9.3), the implementation of associated management plans taking into account Supplier eligibility criteria, and the measurement of performance delivered by suppliers and associated improvement plans. These plans may include, for example, audits, specific contractual provisions to limit risk, an ethical clause, etc. A risk reduction plan is systematically put in place for Suppliers with an EcoVadis rating of less than 45/100;
- a Procurement management system structured around:
  - a Procurement Charter which defines ENGIE's commitments and requirements with regard to its Suppliers in terms of human rights, health, safety, ethics and sustainability (carbon, environment, circularity);
  - a Procurement Governance which includes due diligence obligations for key Suppliers for the Group and entities, the implementation of the Code of Conduct for Supplier Relations, and an analysis of ethical risks that must be carried out within each entity.

These principles and rules are set out in the operational procurement processes that include the requirements of the Ethical Code of Conduct (which replaced the Ethics Charter in 2023), the Corporate Social Responsibility Policy, the health & safety policy, the Code of Conduct for Relations with Suppliers, the Due Diligence Policy for Direct Suppliers and Subcontractors. (see Section 3.7 "Procurement, subcontracting and suppliers") and the Subcontracting Policy. These requirements apply to the entire supply chain and are incorporated into the mandatory ethics and CSR clause in all ENGIE contracts.

- a whistleblowing and reporting system which is also open to persons outside the Group (see Section 3.9.4).

## 3.9.2 SITUATION RELATED TO RUSSIA AND UKRAINE

The Group has no industrial activity in Russia and no investment projects are underway on Russian territory. The Group closed its representative office in Moscow in 2022. One employee was based in Ukraine and left the country at the

The implementation of the procurement component of the vigilance plan is part of the Procurement Department's strategy to strengthen supply chain resilience. The development of regulations on human rights and concomitant trade barriers leads to the development of traceability and diversity of the Group's supply chains (see Section 3.7). In 2023, ethical audits on the rights and working conditions of employees were conducted in parallel with quality audits carried out at the facilities of certain Suppliers. This audit program was initially rolled out on the solar panel and wind turbine categories and will be gradually extended to all the severe risk procurement categories identified above.

### Awareness-raising tools

A Procurement Academy which provides a set of mandatory training courses for the Procurement Division. Face-to-face and videoconferencing sessions are supplemented by the delivery of online modules via Ulearn, the Group's training Intranet. The topics covered are sustainable development, ethics, hygiene, health & safety, human rights, management, diversity and IT security. As a population particularly exposed to ethical risks, all members of the Procurement Division must follow an enhanced ethical training plan. In particular, this includes classroom-based training courses on "Ethics and Supplier Relations in Practice" and three digital training modules: Fraud and Corruption, Zero Tolerance; Our Group, Our Ethics; and Competition Law. In 2023, 84% of buyers had completed mandatory training courses.

### Performance monitoring and measurement

The proper implementation of these processes is verified via the INCOME internal control program (see Section 2.3). With 30 different controls, the INCOME PRO reference system covers all procurement processes. Moreover, the Group Procurement Department works in partnership with the Internal Audit Department to ensure the monitoring of corrective action plans recommended by the latter. In 2023, 88.2% of the INCOME controls carried out by the Group's entities assessed the rollout of the procurement processes at their level as effective.

More information is provided on ENGIE's website at <https://www.engie.com/en/group/suppliers/sustainable-purchasing-policy>.

beginning of the Russian invasion, in February 2022. Moreover, the Group has no activities in Crimea, the Donbass or the Louhansk Oblast.

## 3.9.3 THIRD-PARTY ASSESSMENT

Due diligence is carried out on third parties (suppliers, subcontractors, partners, contractors, etc.) in line with due diligence policies, as described on ENGIE's website: <https://www.engie.com/en/ethics-and-compliance/vigilance-plan/third-parties>. In particular, a first level of due diligence is carried out internally, using public databases or specialized tools. In the event that this analysis reveals risks, ENGIE performs a level 2 due diligence either via the Due Diligence Bureau of the Group's Ethics, Compliance & Privacy Department or via external service providers.

In 2023, 100% of the partners in the Group's investment projects were subject to due diligence, including a systematic study of "vigilance" topics by the Ethics Line.

Directly or indirectly, 100% of the Ethics & Compliance Officers have access to a specialist due diligence tool. In 2023, the Group's Ethics & Compliance Officers and ethics correspondents declared more than 20,000 level one due diligence searches performed using the due diligence tools.

(1) Category Managers are responsible for managing one or more Group procurement categories. As such, they manage ENGIE's key Suppliers and implement applicable contracts across all ENGIE entities.

In addition, the Group's new preferred and major strategic Suppliers are automatically assessed by the Procurement Line via due diligence carried out by the Category Managers and Chief Procurement Officers before contracting takes place. The Group has set up a dedicated team in charge of carrying out the due diligence of key Suppliers and has equipped itself with a new digital tool providing an ethical risk score covering five

dimensions: country risk, activities at risk, politically exposed persons, sanctions and controversies. ENGIE also uses EcoVadis for environmental aspects, human rights and ethics. In 2023, approximately 1,100 recurring key Suppliers (Strategic, Preferred and Major) and at least 1,180 other suppliers of Group entities exposed to high ethical risks were subject to due diligence.

### 3.9.4 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 the Group for processing (see

Section 3.8.4). In 2023, 274 alerts were received via the system, 82 of which concern risk categories related to the duty of vigilance. They can be summarized as follows:

Allegations of harassment*	Allegations relating to health & safety	Allegations relating to working practices	Allegations of discrimination	Questions related to the environment and the rights of communities
68	13	11	18	7

\* There were 56 allegations of harassment and four allegations of sexual harassment. Eight allegations of sexual harassment were also identified within the management system.

As for all of the alerts, alerts relating to allegations of discrimination and harassment are processed systematically and immediately. When allegations are proven to be true,

disciplinary measures are systematically taken and action plans deployed.

### 3.9.5 STEERING, GOVERNANCE AND FOLLOW-UP OF THE DEPLOYMENT OF THE PLAN

#### 3.9.5.1 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 Executive Committee, which entrusted its management to the Ethics, Compliance & Privacy Department (ECPD), under the responsibility of the Legal, Ethics and Compliance Department, itself attached to the Corporate 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. The members are:

Departments							
ECPD	CSR	Procurement Department	Health & Safety Department	Security Department	HR Department	Internal control	Risk
Regions / operational members							
SOUTH AMERICA	NORTH AMERICA	FRANCE	EUROPE	AMEA (ASIA, MIDDLE EAST AND AFRICA)	GEMS	TRACTEBEL	

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).

### 3.9.5.2 Stakeholders 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 the Group level, as well as at the European Works Council. The plan is also presented to the EESDC which reports to the Board of Directors. The entities were also asked to present the vigilance plan to their employee representative organizations. This approach was implemented when the first vigilance plan was adopted in 2018.

Since 2020, an internal control process, notably aimed at ensuring that all stakeholders are aware of the requirements set out in the law and the vigilance plan, has been in place.

The new Global Agreement is a resource to facilitate the deployment of the vigilance approach. It was negotiated and signed in 2022 with all of the Group's social partners. Under this Agreement, ENGIE's duty of vigilance is the subject of a strengthened social dialog: working groups were organized in 2022 with international trade union federations. These discussions resulted in the adoption of the mechanism

described on the website (<https://www.engie.com/en/ethics-and-compliance/vigilance-plan/stakeholders>). A body to monitor this agreement (the "World Forum") meets once a year. These exchanges also make it possible to monitor the vigilance approach in consultation with social partners.

In order to prevent and manage the human rights, environmental and societal impact of its activities as best as possible, ENGIE has adopted a specific "commitment to stakeholders" policy, as part of the Group's CSR policy. This policy is available on the Group's website: <https://www.engie.com/en/group/social-responsibility/csr-goals#1>.

Finally, the Group is committed to building a meaningful dialog which each of its stakeholders. In 2021, the Group set up a Dialog Committee with its stakeholders as well as a discussion forum (the Dialog and Transition forum) to support sensitive projects. This Committee met on October 21, 2022 to discuss the subject of a fair transition (see Section 3.6.3). The next meeting of this committee is planned in 2024. The next meeting of this committee is planned for 2024, with a theme yet to be defined.

### 3.9.6 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"	121
Risks related to the health & safety of individuals	Section 3.4.6 "Health & safety policy"	103
Risks related to the security of individuals	Section 3.9.1.3. "Prevent and manage risks related to personal security"	129
Environmental and societal risks	Section 3.1.1 "CSR policy and governance"	64
Risks related to non-energy procurement	Section 3.7 "Procurement, outsourcing and suppliers"	120
The five risks above	Section 2.2 "Risk factors"	43

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