ENGIE North America

2019 Sustainability Report





ENGIE Group

Accelerating the transition toward a carbon-neutral economy

Working alongside 171,100 employees in 70 countries, ENGIE centers its operations on three key business priorities: low-carbon electricity production, particularly from natural gas and renewable energy; energy infrastructure; and customer solutions. Leveraging these strengths, the Group stands at the forefront of the zero-carbon transition, offering solutions that blend technological and digital capabilities with financing to reduce energy consumption and support a better future for everyone through harmonious progress.





St \$67.4

Group Sustainability Ratings

ROBECOSAM: **82/100** SUSTAINALYTICS: **73/100** VIGEO EIRIS: **66/100** ECOVADIS: **68/100** MSCI: **A** CDP CLIMATE: **A** CDP WATER: **B**

Our Purpose

ENGIE's purpose is to act to accelerate the transition toward a carbon-neutral economy, through reduced energy consumption and more environmentally-friendly solutions. The purpose brings 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.

Low-Carbon Electricity Production²

96.8	GW installed
-92%	Low carbon
28%	Renewables

Sustainability

-55% Decrease in Scope 1 CO₂ emissions since 2016
Science Based Target 2°C Certification Achieved
\$10.8 Billion in green bonds³ issued since 2014

Customer Solutions

Global leader in energy solutions for cities+250 District and heating networks worldwideNo. 1 Energy efficiency services provider in the world

Our Customers

CITIES AND TERRITORIES COMMERCIAL AND INDUSTRIES BUILDINGS AND PROPERTIES RESIDENTS

¹ As of 12/31/2019 ² As of 12/31/2019, at 100% ³ Green bonds are investments issued and earmarked specifically to support climate and environmental projects



Group Strategy

Making the zero-carbon transition possible

Three years ago, ENGIE put the energy transition at the heart of its business strategy. In that time, the Group reviewed its portfolio of businesses, halved its CO_2 emissions between 2012 and 2018, and returned to growth. The company has now entered the second wave of the energy transition, driven by companies and local authorities, with an ambition to become the world leader in the zero-carbon transition.

Reconciling the planet, people, and profit for a positive impact

At ENGIE, we are convinced that the common good is good for business. Our role as a leader in the zero-carbon transition is to show that focusing on the planet and people creates long-term value, and combining performance and profitability with the common good is possible.

This belief – that social and ecological performance are just as important as traditional financial performance – is at the core of our strategy to pioneer the zero-carbon transition. The three Ps – planet, people, and profit – are the fundamental ways in which we illustrate that commitment.





For the planet, we consider the climate change emergency in all business activities.



For people, we take into account the well-being of our employees and the impact on companies, suppliers, communities, and society as a whole into the company's choices.



For profit, we aim to be the world leader in the zero-carbon energy transition, helping both our company and our customers become more profitable through greater efficiency and lower costs.



ENGIE North America

Inviting our communities, customers, suppliers, and employees to #ActWithENGIE

Part of ENGIE Group, ENGIE North America is a power generator, energy services company, and retail electricity supplier committed to shaping a more sustainable future throughout the United States and Canada. Our mission is to connect society and companies to clean, affordable, innovative, and resilient energy and the infrastructure that supports it. Together with our customers and our employees, we aim to make a positive impact that can be replicated on a grand scale, creating a better planet tomorrow that starts today.



Engaging Customers in Energy as a Service™

To support the zero-carbon transition, ENGIE is working to accelerate the adoption of Energy as a Service[™] solutions in North America to simplify energy strategies with guaranteed outcomes. These programs give customers the ability to focus resources on core business priorities, achieving capital flexibility with minimal balance sheet impact while reaching infrastructure, efficiency, renewable, and sustainable objectives with greater predictability in energy costs.

Our Customers

CITIES AND COMMUNITIES COMMERCIAL AND INDUSTRIES PROPERTIES

Main Office Locations

Houston, TX (Headquarters) Oakland, CA Santa Barbara, CA Santa Clara, CA Chicago, IL Detroit, MI Allentown, PA New York, NY Boston, MA Toronto, ON Montreal, QC

	SOLAR ² POWER ¹	NATURAL GAS AND BIOMASS ¹
1,165 MW in operation	315 MW in operation	2,390 MW in operation
9,400 MW in development	3,900 MW in development	

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 $^{\rm 1}$ As of 12/31/2019, at 100% $^{\,\rm 2}$ Includes utility scale solar (70 MW) and distributed solar (245 MW)



North America Strategy

Repositioning to shape a more sustainable future

ACQUISITION

PBW High Voltage, a

in Ontario, Canada

ACQUISITION

integrated developer,

owner, and operator

co-op, community,

and commercial

solar projects

SoCore, a fully

of municipal/

power system specialist

Amid a changing energy landscape, ENGIE North America is a forerunner in sustainable energy and services, significantly repositioning its generation portfolio and related investments over the last three years.

FEBRUARY 2017

LANDMARK EVENT

FEBRUARY 2018

Infinity Renewables, a

utility-scale wind projects

and maintenance provider

Donnelly Mechanical Corp,

a mechanical, heating,

conditioning (HVAC), and

energy services contractor

ventilation, and air

leading developer of

ACQUISITION

APRIL 2018

ACQUISITION

ACQUISITION

ENGIE completes the sale of 10.4 GW of thermal assets, marking a new strategic focus on zero- and low-carbon generation

Unity International, a premier electrical construction

JULY 2017

INNOVATIVE SOLUTION

Ohio State Energy Partners is formed by ENGIE and Axium Infrastructure to support a 50-year asset optimization solution for The Ohio State University to operate, maintain, and invest capital in energy infrastructure

SEPTEMBER 2017

ACQUISITION

A group of six mechanical services companies from Talen Energy Partners

MARCH 2018

INNOVATIVE SOLUTION

Longwood Energy Partners is formed by ENGIE and Axium Infrastructure to support a microgrid district energy solution and day-to-day operations for the Longwood Medical and Academic Area

SEPTEMBER 2018

LANDMARK EVENT

ENGIE opens Mt. Tom Solar, replacing the Mt. Tom coal plant, ENGIE's last coal asset

OCTOBER 2018

DIVESTITURE

Ownership stake in Cameron LNG, a liquefaction facility

DIVESTITURE

Everett LNG Terminal, the longest-operating LNG import facility of its kind in the United States

FEBRUARY 2019

ACQUISITION

Systecon LLC, a leading provider of complex modular utility solutions

MAY 2019

ACQUISITION

Genbright, a technology company with software to unlock more value from distributed resources JULY 2019

ACQUISITION

Conti Corporation, a construction services company that designs, builds, and maintains energy infrastructure and assets

EARLY 2020

INNOVATIVE SOLUTION

ENGIE and Meridiam enter a 50-year partnership with the University of lowa to perform asset optimization and facilitate all operations with respect to steam, cooling, water, and electricity

THE AIM

To reconcile the planet, people, and profit, building a thriving business that provides a complete suite of sustainable life cycle solutions and delivers long-term, positive impact to the environment and society



Climate change is a major crisis that we will face in the coming years throughout North America.

That's why, in the last three years, ENGIE North America has undergone extensive change in the United States and Canada to better position our business for zero-carbon growth.

We have transformed our generation portfolio by reducing thermal generation and have made several bold commitments for the future:

- To accelerate the development of renewable energy, achieving at least 2.5 GW of new projects by 2021 and supporting customers through power purchase agreements
- To become a leader in integrated, carbon-neutral solutions, combining technical capabilities and internal technologies to deliver sophisticated and financed energy programs
- To industrialize the development of asset-based strategies, starting with district heating and cooling, distributed solar, and battery solutions

We made tremendous progress toward these commitments in 2019. We set a new record in building nearly 500 MW of renewable capacity with 2 GW currently under construction. The year was also marked by major power purchase agreements with Microsoft, providing 24/7 renewable supply, and with Walmart, supplying 366 MW from wind projects in Texas and Oklahoma.

We also initiated several revolutionary, customer-centric solutions. We won two 30-year contracts with our partners to serve the Canadian government in the National Capitol Region. We also earned a 50-year partnership with the University of Iowa at the beginning of 2020 to improve efficiency and enable the institution to meet its sustainability goals. We will help the university meet its goal to become "coal free" before 2025.

These are tremendous examples of the positive contributions we can provide to our communities, customers, and stakeholders in the U.S. and Canada.

We are proud to share these accomplishments with you in this inaugural sustainability report and are looking forward to building upon this momentum as we continue to explore new opportunities for creating value through sustainable energy.



sincerely, Gwenaelle Avice-Huët Executive Vice President, ENGLE Group President and CEO, ENGLE North America



With the transition to zero carbon underway, ENGIE North America is pioneering a new path forward to fulfill our purpose: to shape a sustainable future.

We have come a long way in the last year in our corporate social responsibility strategy. Our first priority has been to track and measure the carbon footprint of our operations and the emissions we help our customers avoid through efficiency services and renewable energy assets. This involved aligning our business unit and employees with the Group's zero-carbon strategy, including emissions from our offices, business travel, procurement, and IT performance.

Beyond that, we have prioritized community engagement around our activities with a strong focus on sustainable educational programs – leveraging our existing relationship with universities, colleges, and schools across the country. Finally, we continued to engage employees in all of our corporate social responsibility efforts.

These are just a few of the ways ENGIE North America is living up to our vision: to empower vibrant, sustainable businesses and communities for generations to come.

A strong foundation has been built to support the future of our people. Human resources, corporate social responsibility, ethics, and risk management policies provide the lens through which all decisions are made.

We are working hard to inspire everyone to embody ENGIE's four key behaviors, encouraging our teams to be bold, demanding, open, and caring. We are boldly positioning the business around an ambition to zero carbon, demanding to go the extra mile with the belief that anything is possible through the creativity and innovation of our people. We are designing an open organization to drive powerful collective action, while ensuring a caring environment based on mutual trust and respect.

Our culture is what uniquely sets us apart and is directly reflected in the achievements we share with you in this report as well as the objectives we have set for ourselves moving forward.

We know we have a long way to go in fully realizing our ambition to zero carbon. However, the path ahead certainly holds much promise for the planet, for people, and for profitability.



sincerely, Paula Sacks Senior Vice President, HR, Communications and Marketing, and CSR ENGIE North America



Insights from The Ohio State University - an ENGIE North America Partner



Kate Bartter Executive Director, Sustainability Institute, The Ohio State University It's been three years since ENGIE and Axium Infrastructure, an independent investment firm, formed Ohio State Energy Partners to execute the 50-year concession agreement with The Ohio State University to operate, maintain, and invest capital in the energy assets that serve the 490-building, 2,000-acre Columbus site. The partnership included a \$1.015 billion upfront payment to the university, a \$150 million commitment to support academic priorities, and a commitment to improve campus energy efficiency by at least 25% before 2028.

ENGIE sat down with Kate Bartter, Executive Director of the Sustainability Institute, to take an in-depth look at the impact the strategy is having on campus operations.

When did sustainability and energy service become a focus at Ohio State?

Ohio State's sustainability journey crossed a significant threshold in 2008, when the university publicly committed to achieve carbon neutrality by 2050. As we began work toward achieving that goal, it became clear that energy use was the primary driver of Ohio State's emissions footprint. In fact, we now know that campus building energy use represents almost three-quarters of the university's total emissions. When President Michael V. Drake took office, he pushed the university to explore new ways to accomplish carbon neutrality in a manner that harmonized with another significant issue facing all of higher education: keeping access to a university degree affordable for all students.

What sustainability-related goals does Ohio State currently have in place?

Although the university established its carbon neutrality goal in 2008, it wasn't until 2015 when a broad collection of Ohio State's faculty, students, and staff developed more comprehensive targets. Many of these directly relate to the carbon neutrality effort, such as reducing the amount of energy use per square foot in our built environment and university fleet vehicle emissions. Others reflect Ohio State's broader mission and include teaching and learning, research and innovation, and outreach and engagement.

Ohio State Energy Partners has been a highly active participant in many of the university's sustainability goals: increasing student learning through new scholarships and internship opportunities, advancing new knowledge through the envisioned Energy Advancement and Innovation Center, helping to raise the university's profile among peer institutions and communities of interest, and, of course, executing campus-based solutions to achieve our operational energy use and emissions reductions targets.

• What kind of progress has the university made in the last three years through the agreement?

A While the energy management agreement is still relatively young, as we are only two full fiscal years into the 50-year agreement, it is already delivering results in terms of the university's sustainability goals.

The partnership has led to the endowment of a diverse array of sustainability activities at Ohio State that go well beyond campus energy management. For instance, co-curricular learning outside of formal coursework is advancing as ENGIE both exceeds the number of Ohio State student interns hired for professional development opportunities than the agreement originally outlined and develops unique programming to support student project-based learning.

The partnership is also allowing Ohio State to invest \$40 million in programs and projects that can accelerate university priorities in areas such as health and wellness, leadership, arts and humanities, and sustainability – opportunities that would not have been possible otherwise.



Insights from the Renewable Energy Buyers Alliance – an ENGIE North America Partner



Miranda Ballentine Chief Executive Officer, REBA

Established in 2013, the Renewable Energy Buyers Alliance (REBA) works to create a resilient, zero-carbon energy system where organizations have a viable, expedient, and cost-effective pathway to renewable energy procurement. With over 200 members, REBA brings together large-scale energy users, their energy supply partners, other industry service providers, and energy-focused nonprofit organizations.

As a member of the alliance, ENGIE sat down with Miranda Ballentine, Chief Executive Officer of REBA, who shared the following insights on the landscape of corporate procurement.

• What is the typical path buyers take in procuring renewable energy?



While every organization's journey to procuring renewable energy is different, large energy buyers typically go through three key phases:

- **1. Understand**. Before the procurement journey begins, a thorough accounting and mapping of an organization's carbon footprint must happen to identify where opportunities to reduce carbon emissions exist.
- **2. Commit**. Setting sustainability targets and making public pledges to procure 100% clean energy may sound simple. However, in reality, the process requires securing internal buy-in from key stakeholders and making a strong case to pursue the complex road to emissions reductions.
- **3.** Act. This is the fun part. It's also where REBA thrives and moves the market forward by supporting its members' pursuit of renewable energy projects across business enterprises.

What are some emerging trends you are seeing in the market?

A The underlying theme of all the emerging trends is that energy users see themselves as part of system-wide solutions.

First, and most prominent, energy buyers are shifting from a focus on procuring 100% renewable energy to being powered by zero-carbon energy 24/7/365. Many large energy users are beginning to view procuring 100% renewable energy as a means to an end, not the end itself. The focus is shifting to how organizations can directly power their operations with region-specific, zero-carbon energy, on a 24/7/365 basis. Second, many large energy users are shifting their focus from "new renewables" to "material impact." Third, more companies are integrating their other social and environmental goals into their clean energy objectives.

What advice would you give to a company wanting to procure renewable energy for the first time?

First, join REBA! This community is designed to help you accelerate progress toward your goals, solve the toughest barriers in energy markets, and connect you with peers to make the impact of your work even greater. Second, engage your entire company. CEO commitment is a necessary underpinning, and your colleagues in finance, legal, procurement, and contracting will be critical partners to your success.



Planet | 2030 Group Objectives

Strengthening our commitments to the environment

Energy is at the heart of human progress. Aware of our impact on the environment, ENGIE puts the planet at the foundation of its business strategy, harmonizing growth with critical priorities to benefit the common good and create long-term value that can be shared by all.



We also monitor the following indicators to track our performance, develop strategies for improvement, and establish baselines for target setting:

- Share of activities, projects, and dismantling sites with an environmental plan
- Share of industrial sites with an ecological management plan
- Water consumption from industrial activities





People | 2030 Group Objectives

Improving performance for everyone

Thinking about the planet also means thinking about people. That's why ENGIE strives to be more inclusive and works to shape a sustainable future where everyone benefits from strategies that reduce energy consumption and speed the zero-carbon transition.

Ţ	LESS THAN	GROUP FREQUENCY RATE OF ACCIDENTS ¹ BY 2030	Including suppliers on closed sites 2018 rate - 3.2
- - - -	greater than .75	GROUP HEALTH AND SAFETY PREVENTION RATE ² BY 2030	2018 rate38
£073	100%	GROUP SHARE OF EMPLOYEES WITH ANNUAL TRAINING BY 2030	2018 share - 67%
	50%	GROUP SHARE OF WOMEN IN MANAGEMENT BY 2030	2018 share - 23.3%
(=)	100	GROUP GENDER EQUITY INDEX SCORE ³ BY 2030	

We also monitor the following indicators to track our performance, develop strategies for improvement, and establish baselines for target setting:

- Training of the staff most exposed to the risk of corruption
- Share of activities, projects, and dismantling sites with a societal plan
- Responsible purchasing index score⁴



¹ Occupation accidents and fatalities resulting in one day or more of lost time, per 1 million work hours ² Number of (high-potential) near-miss incidents, divided by the total number of occupational accidents and (high-potential) near-miss incidents ³ Calculated based off gender wage gap and measures taken to reduce wage inequality ⁴ Index includes CSR evaluation, payment delays, and inclusive purchasing

2019 Sustainability Report PLANET





Planet

Aligning our business strategy with the United Nations Sustainable Development Goals

In three years, ENGIE North America has gone from being an energy producer to operating in such a way that the core business now involves providing reliable clean energy to our customers and helping them consume less energy. This fundamental shift in our commitments – to focus first on the planet – comes in direct response to climate change and the urgent need for companies, communities, and countries across the globe to contribute to a lower-carbon future.

The environmental efforts featured in this section of the report are closely aligned to four key goals on the 2030 Agenda for Sustainable Development, adopted by United Nations members in 2015.



No. 7: Ensure access to affordable, reliable, sustainable, and modern energy for all

The development of renewable energy is essential in the transition to zero-carbon resources. As of 2019, 37% of our generation portfolio is renewable and nearly 100% is low-carbon or carbon-free. As a leading efficiency services provider, we have also maintained a strong focus on reducing greenhouse gas emissions with solutions aimed at lowering consumption.



No. 13: Take urgent action to combat climate change and its impacts

To keep global warming under 2°C, global greenhouse gas emissions must be reduced by 40% to 70% by 2050 compared to 2010, according to the Intergovernmental Panel on Climate Change. In addition to our ambitious plans to expand adoption of renewable energy and energy efficiency, ENGIE is facilitating long-term, asset-based solutions to reduce the carbon footprint of our customers.



No. 14: Conserve and sustainably use the oceans, seas, and marine resources to achieve sustainable development

ENGIE improves water resource management by recycling treated effluents and controlling the impact of discharges into marine environments. Activities to reduce the volume of water used and maintain water quality for industrial processes further support these efforts.



No. 15: Protect and restore biodiversity

To mitigate the global erosion of biodiversity, ENGIE employs an "avoid, reduce, and compensate" model. We work with local, state, and federal environmental entities to address biodiversity risks and help improve habitats adjacent to our assets through initiatives such as our solar pollinator program.



Planet

Affirming ENGIE North America's position in the zero-carbon transition

Never before has the global issue of climate change been so pressing. Creating a clean, prosperous, low-carbon future requires bold commitments from leading companies and communities worldwide. ENGIE is proud to stand together with our customers and other industry leaders to champion environmentally responsible business models and bring innovative sustainability strategies to the market.

NONPROFIT INSIGHTS



Carla Frisch is Principal of Carbon-Free Cities and States at Rocky Mountain Institute, where she works on America's Pledge, which brings together private and public sector leaders to ensure the United States remains a global leader in reducing emissions. The Rocky Mountain

Institute is an independent nonprofit organization designed to engage businesses, communities, institutions, and entrepreneurs in the adoption of market-based solutions that cost-effectively shift from fossil fuels to efficiency and renewable energy.

¹¹ Cities, states, businesses, universities, and others are taking climate action in record numbers. U.S. subnational coalitions committed to climate action represent almost 70% of gross domestic product, 65% of the population, and more than 50% of emissions. Our analysis, *Accelerating America's Pledge*, shows that ambitious and rapidly expanded bottom-up action - drawing on the policies of the most successful states, cities, and businesses - could reduce U.S. greenhouse gas emissions up to 37% below 2005 levels by 2030. Combining subnational leadership with renewed federal engagement could further reduce emissions, putting the U.S. on a reduction pathway consistent with limiting warming to 1.5°C.⁷⁷

Carla Frisch

Principal, Carbon-Free Cities and States Rocky Mountain Institute

CORPORATE INSIGHTS



Kyle Goehring is the Executive Vice President of Clean Energy Solutions at JLL, where he advises on and facilitates clean energy strategies and technology opportunities for clients. JLL is a leading real estate services firm that purchases, builds,

occupies, and invests in a variety of real estate assets to create rewarding opportunities and amazing spaces around the globe.

⁴⁴ At JLL, we believe that climate change is arguably the biggest long-term challenge currently facing humanity. Our global reach (in more than 90 countries) puts us in a position to continually drive improvements and assist our clients in achieving their sustainability objectives. We focus our efforts on climate adaptation and mitigation by creating initiatives and actions designed to ensure our clients, people, workplaces, and communities are prepared for any possible future. One example of this is the recent partnership with ENGIE to address sustainability at scale and across diverse client portfolios. This relationship allows us to achieve continuous improvement for our clients by assessing, implementing, managing, and refining sustainable energy supply as well as infrastructure solutions.

Kyle Goehring

Executive Vice President, Clean Energy Solutions
JLL



Our Customers

Organizing for customer centricity

In 2019, ENGIE North America launched a plan to strengthen the alignment of business operations with organizational priorities. The aim: to transform the organization in a way that broadens cross-functionality and improves collaboration to better address the needs of customers and deliver energy as a service. Today, a new profile has emerged with customer-centricity at the forefront, intently focused on building innovative solutions to manage energy more responsibly and sustainably.





Municipalities, universities, schools, and hospitals

ENGIE North America tailors custom solutions to help cities and communities achieve reliable energy supply, balancing operational objectives with priorities to safeguard social and environmental well-being. Our strategies help these customers use resources more efficiently to meet critical stakeholder expectations, while devoting more attention to their core missions.





Christine Knapp

Director, Office of Sustainability, City of Philadelphia

A 'Major Step' for Philadelphia

In 2019, ENGIE North America entered into a power purchase agreement with the City of Philadelphia, in partnership with the Philadelphia Energy Authority, to purchase energy generated by the Adams County solar farm, an 88 MW project being developed by ENGIE. Christine Knapp, Director of the Office of Sustainability for the City of Philadelphia, said the move marked a critical milestone in achieving the city's aggressive targets.

"The City of Philadelphia is committed to 100% renewable, zero-carbon electricity by 2030 and this solar project is a major step toward that goal," she said. "We are excited to work with ENGIE to staff this project with dedicated, forward-thinking Philadelphians."







- ENGIE imes University of Iowa

ONE SIGNIFICANT PARTNERSHIP. THREE KEY OBJECTIVES.

ENGIE North America and Meridiam, a global investor and asset manager, entered into a **50-year**, **\$1 billion public-private partnership** in 2019 with the University of Iowa to manage energy and water utilities and help the **1,700-acre campus** achieve three distinct energy transition goals.

- 1. Make energy production on campus coal-free by January 1, 2025, if not sooner
- Prepare the campus for resilient and sustainable energy use by exploring generation sources such as renewable energy, microgrids, energy storage, and other innovative technologies – as well as services and solutions to reduce energy use
- **3.** Build and deliver innovative engagement opportunities to the campus and community such as internships, global learning programs, and collaborative initiatives where students, faculty, and staff can engage in sustainability efforts alongside the ENGIE team

ENGIE imes The Ohio State University

INCREASING SUSTAINABILITY WHILE DECREASING ENERGY COSTS

The agreement with the University of Iowa was modeled after the landmark **50-year**, **\$1.165 billion public-private partnership** with The Ohio State University in 2017. Last year, Ohio State Energy Partners, a consortium of ENGIE North America and Axium Infrastructure, deployed a revolutionary **Smart Institutions platform** as part of its plan to reduce energy use across the campus and achieve our commitment to **improve energy efficiency on the campus by 25% before 2028**. The AI-powered, holistic energy-as-a-service software solution is now being made available by ENGIE to large institutions to help proactively and automatically manage buildings and energy assets, improving sustainability while decreasing energy costs.

$\mathsf{ENGIE} \times \mathsf{Longwood}$ Medical and Academic Area

ADDING VALUE BEYOND ENERGY SAVINGS AND RELIABLE OPERATIONS

Operating jointly as Longwood Energy Partners, ENGIE North America and Axium Infrastructure completed the acquisition of a microgrid and district energy system in 2018 that serves **six preeminent Harvard-affiliated healthcare institutions**. The **33-year partnership** includes operation of the utility system, supply procurement, sustainability, and asset modernization to support the **213-acre campus**.

Program highlights include:

- Microgrid and district energy operation of a campus with over **74 buildings**, occupying **12 million square feet**
- Commitment to develop and invest in planned expansions as well as energy efficiency, solar, and storage projects
- **\$250 million** life cycle infrastructure investment over 33 years
- Supply, procurement, and risk management of **450 GWh of power**, **5 bcf of natural gas**, and other commodities



ENGIE imes City of San José

SUPPORTING AN AMBITIOUS TRANSITION TO RENEWABLE ENERGY

In 2014, the City of San José partnered with ENGIE North America to replace existing streetlights with smart, zero-emission lighting and reduce per capita energy use by 50%. Since the initial engagement, over 18,100 smart streetlights have been installed, significantly improving lighting quality while helping to increase traffic safety and reduce light pollution. A total of **1.33 MW of solar photovoltaic capacity** was also installed at **seven sites** – from community centers to fire and police stations to a public library.

ENGIE has also upgraded heating and cooling equipment in the City's buildings, such as the HVAC rooftop unit at the Shirakawa Community Center. In 2019, ENGIE replaced the chiller at the San José Museum of Art, culminating a series of initiatives that is projected to **save the city \$30 million**, cut energy costs by more than half over the life of the program, and **lower its carbon footprint by 5,000 metric tons** annually.

$extsf{ENGIE} imes extsf{Austin Energy}$

HELPING THE CITY OF AUSTIN'S RENEWABLE OBJECTIVES TAKE FLIGHT

In 2019, Austin Energy – a municipal electric utility owned and operated by the City of Austin – and ENGIE North America signed a **2.3 MW solar power purchase** agreement for 25 years. The project includes the development of a solar canopy system at the City of Austin's Bergstrom International Airport. When complete, the system will provide **3,327 MWh of renewable energy** to customers in the Greater Austin area and will contribute to Austin Energy's 2027 Resource Generation and Climate Protection Plan to increase consumption from **renewable resources to 65%**.

${\sf ENGIE} imes {\sf City}$ of Philadelphia

MARKING A MAJOR STEP IN ACHIEVING AGGRESSIVE TARGETS

ENGLE North America and the City of Philadelphia, in partnership with the Philadelphia Energy Authority, signed a significant solar power purchase agreement in 2019 to supply **22% of the electricity required** to run Philadelphia's city-owned buildings. Construction on the **80 MW Adams County project** – which marks a major step in the city's clean energy vision – will break ground in the first half of 2020, creating more than **150 jobs**. It is expected to become operational in 2021, as the largest solar farm in the state and one of the largest renewable deals of its kind signed by any city in the U.S.



Decarbonization of Customers

Helping cities and communities track environmental performance

As more cities and communities commit to ambitious climate action, ENGIE North America has heightened its focus on data collection to track decarbonization and communicate progress to our customers. In 2019, we measured the energy savings and decarbonization of the cities and communities we serve, which includes **hospitals, schools, universities, and municipal buildings and infrastructure**. Energy savings data is tracked as part of performance-based contracts with monitoring and guaranteed energy savings.

Continuing progress on this front will help our customers better understand the environmental benefits of energy efficiency services and increase the amount of available data. The goal is to expand the reporting to include all service-based contracts and increase the total number of agreements that monitor energy savings in the coming years.

2019 Avoided Emissions¹ from Energy Services with Performance Contracts²

40,268 MWH REDUCTION 23.6K MT AVOIDED CO2e 16.00 MT AVOIDED NOX 7.73 MT AVOIDED SO2 1,750 Kg AVOIDED CH4

In 2019, ENGIE analyzed data from city and community contracts with monitoring and guaranteed energy savings. These contracts are associated with energy efficiency projects, such as **lighting upgrades**, **building control system upgrades**, **cogeneration**, **and HVAC replacements and modifications**.

The data demonstrated significant environmental impact for these customers with a **reduction of more than 40,000 MWh**. Based on the regional energy mix of our customers, this corresponded to over **23,000 metric tons of CO₂ equivalent**. This figure is comparable to the annual emissions of over 5,000 U.S. passenger vehicles, the annual electricity consumption of nearly 4,000 U.S. homes, or the emissions from nearly 2.7 million gallons of gasoline consumed.

¹ Based on eGRID 2018 sub-regional, annual non-baseload output emissions rates ² These figures were revised May 20, 2021 from those originally published to reflect corrections to the calculations ³ Metric tons; equivalent to 1,000 kg



Large, medium, and small private sector corporations

ENGIE North America devotes special teams to commercial and industrial customers requiring streamlined processes and digital solutions as they confront significant challenges in reliable, sustainable, affordable, flexible, and predictable energy supply. Our solutions are designed to meet evolving regulatory requirements while addressing competitive market opportunities and shareholder concerns.





Aaron Hicks ite Director, Irving, QTS Data Centers

Big Data Management Meets Big Energy Innovation

When renewable energy supply became mission critical, QTS Data Centers turned to ENGIE North America as a low-carbon leader for an innovative, customer-centric solution for physical green supply at its Irving, Texas location. Aaron Hicks, Site Director of the company's Irving facility, said ENGIE has since become critical in the organization's pursuit of 100% renewable energy by 2025.

"Around the time that ENGIE started to explore renewable solutions in the market, QTS Data Centers made a pretty bold commitment to transition its entire footprint to 100% renewable supply. We joined the RE100... Why did we do this? Because we wanted to show customers that we share in their commitment to low or zero carbon, and ENGIE ultimately helped us deliver on that point."







$\mathbf{ENGIE} imes \mathbf{Microsoft}$

REVOLUTIONARY, AROUND-THE-CLOCK RENEWABLE SUPPLY

With the high-tech capabilities of Microsoft – and the zero-carbon assets of ENGIE North America – the companies pioneered a strategy in 2019 to convert intermittent renewable supply into a fixed **24/7 power solution** aligned to Microsoft's specific energy requirements. Leveraging a software with the intelligent cloud services of Microsoft Azure, ENGIE will optimize the performance of **two wind projects** in Texas when they come online in January 2021. The **230 MW**-deal increases Microsoft's renewable energy portfolio to more than 1,900 MW while paving the way for a new solution to support others in achieving zero-carbon objectives.

$\mathbf{ENGIE}\times\mathbf{Amazon}$

REINFORCING SUSTAINABILITY COMMITMENTS WITH A SOLAR POWER PURCHASE AGREEMENT

In 2019, ENGIE North America announced power purchase agreements with Amazon Corporation that will contribute to the company's commitment to achieving 100 percent renewable energy use for its global Amazon Web Services infrastructure. Amazon will purchase energy and renewable energy credits from two solar projects in ENGIE's portfolio: the **50 MW** Whitehorn Solar Farm in Pennsylvania and the **65 MW** Hawtree Creek Solar Farm in North Carolina. These farms, scheduled to come online in the summer of 2021, will generate an estimated **250,000 MWh** annually – equivalent to the annual electric use of 21,000 U.S. homes – and will be used to help power current and future Amazon cloud datacenters.

$\mathbf{ENGIE}\times\mathbf{Walmart}$

bility Report

CONTINUING PROGRESS TO POWER 50 PERCENT OF OPERATIONS WITH RENEWABLE ENERGY BY 2025

On the heels of its agreement with ENGIE North America to procure **150 MW from the Triple H** Wind Project in South Dakota, the global retail giant announced more plans to help people live better by purchasing an **additional 366 MW** from ENGIE. The agreement includes 166 MW sourced from ENGIE's Prairie Hill Wind Project in Texas as well as 200 MW from ENGIE's King Plains Wind Project in Oklahoma. The 2019 deal – combined with the existing Triple H agreement – brings the collaboration between Walmart and ENGIE to **more than 500 MW** of wind power in the U.S. market.

19 Sustaii



Revolutionizing renewable strategies with simplified, customer-centric options

ENGIE North America began to respond to the evolving renewables landscape two years ago with the introduction of easyRE and customRE – two custom structured solutions to deliver renewable supply through traditional commodity contracts. **easyRE** gives customers the ability to procure physical green supply from an existing renewable asset through a traditional retail contract structure. **customRE** provides the ability to support the development of small-scale renewable assets, primarily wind and solar, through a traditional retail contract structure.

In 2019, ENGIE took its strategies one step further, launching **portfolioRE** as a portfolio-based option for small to midsize customers. The innovative opportunity provides the option to aggregate for simplified renewable supply, tailored to fit load profiles and low-carbon objectives. Since the initial launch of these novel, customer-centric offerings in 2018, 14 customers have enrolled, representing 1.6 million MWh of annual volume. These programs also serve different segments with 10 commercial and industrial customers, three universities, and one hospital.

ENGIE imes Nestlé Waters

customRE TO REDUCE RISK AND LOWER EMISSIONS

Nestlé Waters first turned to ENGIE in 2018 for a custom structured solution to help manage the risks of an existing **50 MW power purchase agreement** in the Midwest to supply its facilities in Pennsylvania. ENGIE tailored a unique customRE solution to sleeve the renewable volumes through a retail contract, converting Nestlé to a fixed retail price relative to the location of the facilities. ENGIE has since developed an easyRE strategy to deliver wind energy to Nestlé Waters North America locations in Texas, helping to reduce the company's carbon footprint by more than **44,000 metric tons of CO**₂ per year. In 2019, ENGIE built a strategy in Ohio to procure renewable energy certificates to offset consumption and further the domestic development of zero-carbon resources.

$\mathbf{ENGIE} imes \mathbf{QTS} \, \mathbf{Data} \, \mathbf{Centers}$

easyRE TO ACHIEVE AGGRESSIVE RENEWABLE TARGETS

In 2018 – to demonstrate its environmental commitments – QTS Data Centers set its sights on an ambitious goal: to join the **RE100** by 2019 and publicly commit to procuring **100% renewable energy by 2025**. With this objective, QTS was primed to expand its renewable supply portfolio – and ENGIE was positioned to help. To support the company's fiscal and environmentally responsible priorities, ENGIE tailored an easyRE solution for physical green supply to deliver the following key benefits:

- Renewable power sourced from Flat Top wind project a 200 MW wind farm located less than 200 miles from the company's Irving site – via an electricity wholesaler
- Renewable energy credits tied to the same generation asset, directly supporting the development of this nearby wind energy resource, to meet the contracted 15 MW
- Price security with a 100% hedged green block of power
- Traditional retail services, including balancing and scheduling, to manage the risks of price and volume exposure



Facilities requiring contracted energy services

ENGIE North America helps properties achieve operational efficiency with complex solutions that bring flexibility and state-of-the-art technology to facilities. Our strategies address the critical priorities of this customer segment – scheduling, price certainty, reliability, and safety – while taking into account all fiscal and social drivers, down to the local level.





Marty Tierney

CEO and President, Systecon, a Company of ENGIE North America

Creating a Seamless, Sustainable Energy Services Model

In February 2019, ENGIE North America capped off a series of acquisitions to enhance its capabilities in mechanical and electrical services. The company announced the purchase of Systecon LLC, a leading complex modular solution provider for customers in a broad range of industries. Systecon CEO and President Marty Tierney shared his thoughts on the opportunity to build on the company's legacy of achievements as a new part of ENGIE.

"Systecon is ready for the next chapter of our company's success story. By leveraging the interconnected network of other successful ENGIE teams, we can expand on our unique approach to delivering modular HVAC and mechanical contracting solutions-creating a seamless, sustainable energy services model for our valued customers."







$\mathbf{ENGIE} imes \mathbf{One} \ \mathbf{Vanderbilt}$

LIGHTING EFFICIENCY FOR AN ICONIC DEVELOPMENT

With **1.75** million square feet of space, the 67-floor One Vanderbilt is the largest building in Midtown Manhattan. Scheduled to open in 2020, the building was designed with sustainability as a top priority and will garner LEED, WELL, and Wired Construction certifications. Unity International Group, an ENGIE North America company, was selected to install the building's LED lighting fixtures and daylight harvesting technology, which involved the installation of **thousands of lighting fixtures** throughout the facility. The **daylight harvesting system** reads the amount of daylight at any given time and adjusts lighting fixtures to balance the lumens necessary to light each space, leading to greater efficiency than traditional lighting systems.

$extsf{ENGIE} imes extsf{Government}$ of Canada

A 35-YEAR EFFICIENCY CONTRACT IN THE NATIONAL CAPITAL REGION

In 2019, Innovative Energy – a consortium of ENGIE North America, PCL Construction, and Black & McDonald – commenced a public-private partnership to **modernize**, **maintain**, **and operate the district energy system** that heats 80 buildings and cools 67 buildings in Canada's Capital Region (Ottawa-Gatineau). This mandate is part of the Government of Canada's Energy Services Acquisition Program and will contribute to its goal of **reducing energy consumption and greenhouse gas emissions from operations by 40%** by 2030.

${\sf ENGIE} imes {\sf Basketball City}$

A SLAM DUNK IN IMPROVING OPERATIONAL EFFICIENCY

After experiencing persistent issues with their HVAC system, Basketball City, a **70,000-square-foot**, state-of-the-art sports and entertainment facility in New York City, reached out to Donnelly Mechanical, an ENGIE North America company, for help. A full systems analysis identified poor maintenance, incomplete system installation, and a need for additional cooling capacity. To resolve these issues, Donnelly **replaced seven existing units and installed four units to add 80 tons of cooling capacity** to the facility. Basketball City then entered into a preventive maintenance agreement and enrolled in the **ENGIE 20/20 reporting platform** to monitor energy use and control costs.



Acquiring capabilities to strengthen sustainability offerings

ENGIE North America has intensified its acquisitive growth strategy over the last three years to enhance operations and maintenance capabilities and amplify the mechanical and electrical contract services available to customers. These energy services represent critical components of efficiency and sustainability strategies and can be leveraged with other ENGIE capabilities to build reliable, responsible solutions to energy cost and carbon emissions challenges.

The recent acquisitions include a portfolio of six mechanical services companies from the Talen Energy Group, in addition to Unity International Group and Donnelly Mechanical – two leading mechanical and electrical services providers.

In 2019, ENGIE made two additional acquisitions to strengthen its best-in-class mechanical service, maintenance, construction, commissioning, and energy solutions in North America. The newest members of ENGIE's portfolio of energy services companies are Systecon, a complex modular solutions provider, and Conti Corporation, a construction services company.

Air Quality Solutions

Studies indicate that proper space temperature and humidity conditions – coupled with great indoor air quality – can improve environmental responsibility while reducing illness and sick days and increasing employee productivity in the workplace. ENGIE performs indoor air quality testing, remediation, and maintenance for large buildings, leveraging the expertise of certified indoor environmental consultants, ASCS-licensed air cleaning specialists, and HVAC engineers. Services include indoor air quality assessments and inspections, duct cleaning, and customized solutions, addressing everything from filtration to ventilation strategies.

HCFC Refrigerants Solutions

Due to environmental damage, U.S. production and importation of common HCFCs¹ – a chemical primarily used for refrigerants – is being suspended or phased out. ENGIE assists owners in the replacement of older equipment and provides services that upgrade existing equipment, allowing air conditioning systems to operate with environmentally responsible alternatives. When installing or servicing air conditioning equipment, ENGIE tracks and manages the purchase, usage, recovery, and disposal of refrigerants, in compliance with U.S. EPA regulations.



Energy Generation and Supply

Increasing clean energy resources

As part of our commitment to helping society meet the growing demands for energy today without compromising the resources available to future generations tomorrow, ENGIE North America has heightened its focus on adding new zerocarbon generation. ENGIE operates renewable, biomass, and natural gas assets to deliver reliable electricity supply to customers. We also provide commercial, industrial, and residential consumers with a range of natural gas options.

In 2019, the company set an ambitious objective to add 2.5 GW of wind and solar capacity to the North American generation mix by 2021. In the first year of this three-year commitment, ENGIE built 500 MW of zero-carbon resources – a move that has put the company well on its way to achieving its goal within, or potentially before, the allotted time frame.





Avoided Emissions from Renewable Energy

Establishing a baseline to measure our impact

In 2019, the renewable assets ENGIE North America owns and operates helped avoid over **920,000 metric tons of CO₂ equivalent**. These avoided emissions are directly correlated with the energy mix of the region in which the energy is produced. The higher the carbon intensity of the regional electricity grid, the greater the impact of renewable energy sources. For example, the **50MW Holman solar project** in Texas produced 130,000 MWh of electricity in 2019. This helped avoid **75,000 metric tons of CO₂ equivalent**. If this wind farm were located in California – a region with a lower carbon intensity – and generated the same MWh, it would avoid 55,000 metric tons of CO₂ equivalent.

2019 Avoided Emissions¹ from Renewable Energy Assets

 920k MT²
 572 MT³
 635 MT³
 63 MT
 10.5 MT

 Avoided co₂e
 Avoided nox
 635 MT³
 Avoided co₂
 Avoided ch₄
 Avoided n₂₀

 560k MT CO₂e
 360k MT CO₂e
 360k MT CO₂e
 Avoided emissions from wind assets
 Avoided emissions from solar assets

Avoiding Emissions for Boston University

In 2018, Boston University announced a 15-year power purchase agreement with ENGIE, marking a major step in the university's strategy to become carbon neutral by 2040. Last year, construction began on the South Dakota wind project that will become the source of 205,000 MWh worth of Green-e[®] Certified renewable energy certificates, which will account for the annual energy supply of Boston University in 2020. Of the 127 wind and solar project proposals reviewed by the university, the institution ultimately chose a project that would have the greatest impact on global emissions. The South Dakota wind farm is located in a region intense with fossil fuel electricity production and is projected to realize significantly more avoided emissions than a local renewable project in New England.



Renewable Energy

Expanding our portfolio of zero-carbon assets

RENEWABLES IN DEVELOPMENT

The time it takes to construct a wind or solar farm can range anywhere from a few months to multiple years, depending on the size as well as other factors, such as permitting and stakeholder engagement. Development can have a significant impact on the local economy and lead to a number of positive outcomes.

In 2019, the 160 MW Jumbo Hill wind project and the 225 MW Long Draw solar project, both located in Texas, commenced construction. The Jumbo Hill wind project, which required a \$150 million capital investment, will employ 250 people during the height of construction and is expected to support significant economic development in the region. The Long Draw solar project will employ approximately 150 people during peak construction and is expected to generate tax payments to Borden County and the Borden County Independent School District of more than \$10 million over the life of project.

WIND IN ACTION

In 2019, the Solomon Forks wind project in northwestern Kansas commenced commercial operation. With 105 wind turbines capable of producing 276 MW of clean energy, Solomon Forks is currently the largest wind farm in ENGIE's portfolio. Its location is near the East Fork wind project, which is scheduled to become operational in the spring of 2020. Together, both projects will serve a number of leading brands, including T-Mobile U.S., Target Corporation, Brown-Forman, and Allianz Global Corporate & Specialty.

1,480 MW RENEWABLE CAPACITY IN OPERATION

3,313 GWh 2019 GENERATION FROM RENEWABLE ASSETS IN PORTFOLIO

37% share of renewable capacity in generation portfolio

1,165 MW wind in operation 9,400 MW wind in development

70 MW utility solar in operation

3,900 MW utility solar in development

Funding Renewables with Green Bonds

A green bond is a fixed-income investment that is issued and earmarked specifically to finance climate and environmental projects. In 2019, ENGIE utilized over \$412 million in green bonds to finance renewable energy projects in North America. The Jumbo Hill wind project was financed with \$57.8 million in green bonds, while the Long Draw solar project was financed with green bonds worth \$50.2 million.



Renewable Energy

DISTRIBUTED SOLAR

ENGIE North America is a recognized leader in distributed solar resources with hundreds of projects in operation and development throughout the United States. Although the vast majority of these installations are small, with many under 1 MW, the volume of ground mount, rooftop, and carport projects plays a significant role in our ability to empower vibrant, sustainable businesses and communities.

ENGIE brings affordable distributed generation, small scale utility, and grid integration projects to electric cooperatives and municipalities. Commercial and industrial customers often have significant real estate assets, offering abundant potential for solar energy production. ENGIE helps these businesses evaluate and maximize opportunities, in many cases pairing offerings with battery storage to close the loop on generation that is not consumed at the time it is produced.

DISTRIBUTED SOLAR IN OPERATION: 245 MW capacity | 459 sites

STORAGE

ENGIE designs, deploys, operates, and aggregates battery-based energy storage to support producers, distributors, and consumers in the transition to sustainable energy-as-a-service solutions. Teams work closely with solar developers to optimize projects and ensure energy is available when customers need it, providing funding options and technology to simplify storage operation and monitoring. ENGIE's portfolio of storage solutions in operation includes 146 sites, providing 57.9 MWh of storage capacity with an additional 44 sites in development or under construction.

In 2019, 75 sites began operations, providing 24.7 MWh of storage capacity. Among the new customers was Syncarpha Capital. The private equity firm develops, owns, and operates commercial and utility scale solar solutions. A storage adder for Massachusetts' SMART program motivated Syncarpha to seriously consider pairing energy storage with its portfolio of community solar projects. ENGIE's ability to guarantee payments for wholesale market participation ultimately resulted in booking 36 MWh capacity at six sites – the largest portion of the firm's portfolio.

BATTERY STORAGE IN OPERATION: 57.9 MWh | 146 sites

Genbright

ENGIE acquired Genbright in 2019 to help consumers unlock more value from distributed solar and storage solutions. The startup's proprietary platform offers a simplified solution for distributed energy resources to tap into wholesale market opportunities and build new revenue streams. ENGIE is now deploying assets with Genbright with a particular focus on the New England and Massachusetts markets, a region that has created several new mechanisms to facilitate battery storage participation.



Natural Gas and Biomass

Supporting the transition to decarbonization

ENGLE North America's gas-fired power plants produce 50% less CO_2 than the average coal-fired plant, making natural gas an important fuel for the company's decarbonization efforts in the electricity sector. Biomass and biogas are produced from organic materials, such as wood chippings, agricultural waste, or municipal waste streams. These fuels are therefore renewable, only releasing CO_2 previously absorbed in an organic process, and can help reduce landfill waste and reliance on fossil fuels.

TRACKING THE IMPACT OF OUR PLANTS

In 2019, this portfolio of assets generated over 12,000 GWh of electricity. ENGLE tracks the emissions associated with these assets and adjusts generation and emissions data based on our ownership percentage of each generation source. When adjusted for ENGLE's ownership share, our thermal assets produced over 2.14 million metric tons of CO_2 equivalent in 2019 with 359 kg of CO_2 equivalent for each MWh generated.

♦ 13 NATURAL GAS AND BIOMASS PLANTS

2,394 MW Portfolio capacity

12,703 GWh 2019 portfolio generation

1,211 MW

Portfolio capacity (adjusted for ownership)

5,966 GWh

2019 portfolio generation (adjusted for ownership)

2.14 million MT CO₂e EMISSIONS (ADJUSTED FOR OWNERSHIP)¹ 358.9 kg per MWh PORTFOLIO CO₂e EMISSIONS RATIO²

FUELING WASTEWATER TREATMENT WITH BIOGAS

The Metro Wastewater Reclamation District serves 1.7 million people in the Denver metropolitan area and surrounding suburbs and can treat up to 140 million gallons of water per day. As the plant's anaerobic digesters treat wastewater solids, methane is produced as a byproduct and used as fuel for the plant's combined heat and power system, which is owned and operated by ENGIE.

The system includes two 3.1 MW gas turbines configured to run on low BTU biofuel and conventional methane gas. One generator runs at full capacity while the second runs based on the amount of available biogas. System heat is used to maintain the proper temperature of the plant's digester and support other processes, including space heating. By leveraging a waste source for the production of energy, the Metro Wastewater Reclamation District is also reducing the need for fossil fuels.



Energy Supply

Powering our customers with low-carbon energy

ENGLE North America provides commercial, industrial, and residential consumers with a range of retail electricity and natural gas options to best fit their needs. Across the United States, we serve over 35,000 commercial and industrial customers in 14 electricity markets and seven gas markets, and over 100,000 residential and small commercial customers in 14 electricity markets and five gas markets.

COMMERCIAL AND INDUSTRIAL

ENGIE helps commercial, industrial, and institutional customers better understand the risks that come with buying energy in deregulated markets, providing fixedprice products with flexible volumes and contract lengths. By offering both natural gas and electricity, we simplify procurement, streamline contracting, and reduce supplier management costs. In 2019, ENGIE delivered nearly 40,000 GWh of retail electricity and over 37.3 million Dth of natural gas to customers.

To date, more than 11,500 GWh in renewable PPAs, renewable energy certificates, and demand management programs have helped commercial and industrial customers participate in the zero-carbon transition by significantly reducing emissions.

RESIDENTIAL AND SMALL COMMERCIAL

ENGIE also serves residential and small commercial consumers under the Think Energy brand. Think Energy helps customers manage energy costs by offering competitive pricing on fixed-price products that eliminate market risk and cost fluctuations and ensures billing transparency. In 2019, the company provided more than 1,000 GWh of retail electricity and over 635,000 Dth of natural gas to customers.

Think Energy also offers customers competitively-priced. 100% renewable energy options, allowing customers to procure zero-carbon energy for their home or small business.

Commercial and Industrial

35,000+ CUSTOMERS 40,000 GWh PROVIDED **37.3 MILLION Dth PROVIDED**

Residential and Small Commercial

100.000+ CUSTOMERS 1,000 GWh PROVIDED 635,000 Dth PROVIDED

Tracking Emissions from Gas Sales

To better understand our overall carbon footprint in North America, ENGIE began compiling data in 2019 from retail gas sales and calculating the associated CO, emissions. Tracking these emissions is allowing ENGIE to build a more accurate count of our Scope 3 emissions while providing information to establish reduction targets and related strategies.

37.98 million Dth \mid 2 million MT CO₂ TOTAL RETAIL GAS SOLD

END-USE EMISSIONS FROM GAS SALES



Biodiversity

Protecting and ensuring healthy habitats

To help combat the global erosion of biodiversity, ENGIE North America undertakes a range of activities to mitigate its impact while protecting – and, in some cases, improving – local ecosystems and habitats. In alignment with the United Nations Sustainable Development Goals, the company remains committed to the sequential steps of mitigation hierarchy. Working together with our customers and stakeholders, we avoid, reduce, and compensate at every opportunity.



Solar Pollination Program

In 2015, ENGIE introduced a nationwide initiative to restore native landscapes and create beneficial habitats beneath and surrounding ground-mounted solar projects. In the Midwest, the company focused specific attention on establishing high-quality, diverse, pollinator-friendly vegetation.

ENGIE has since become a leading advocate and trailblazer behind the approach. By the end of 2019, ENGIE had installed and continues to maintain over 600 acres of native vegetation and pollinator habitat across more than 35 sites, managing the company-owned projects in a way that exceeds the pollinator-friendly certification standards. Although the installations have required a higher upfront cost, the native vegetation actually reduces maintenance costs, improves soil infiltration, and minimizes soil erosion. Over the past five years, ENGIE has partnered with many national research organizations, nonprofit companies, and academic institutions to test various restoration approaches and quantify the benefits.

NATIVE VEGETATION AND POLLINATOR HABITAT: 604 acres | 35 sites



Bird and Bat Conservation Strategy

During the development of renewable projects, ENGIE works with state or provincial, federal, and local environmental entities and interested stakeholders to evaluate and address the risks of proposed projects to properly site the infrastructure. All projects undergo evaluations to consider possible effects and identify appropriate setbacks associated with wildlife, such as nests, hibernacula, and other habitat features; valley breaks; wetlands; watercourses; and areas of cultural and archaeological significance.

Bird and bat conservation strategies or similar plans are developed for all wind projects to protect avian and bat species during construction and operation. These strategies describe a conservation strategy that includes measures to avoid and minimize impacts that may occur in the vicinity of the project. They also include post-construction monitoring and adaptive management plans to detect and respond to significant impacts should they occur.



Water Use

Monitoring water use from plants and district heating systems

The United States withdraws 161 billion gallons of water a day to generate electricity in gas, coal, oil, and nuclear plants. Ensuring water availability and efficiency are critical priorities for ENGIE North America. Our plants, and the district heating solutions we manage and develop for cities and communities, depend on available sources of water to operate properly. Thermal plants boil water to make steam that propels generator turbines, and large amounts of water are often lost through evaporation. District heating and cooling systems use steam and condensate to heat and cool several buildings, and the efficient collection and reuse of condensate in these systems helps reduce the need for water withdrawal.

MONITORING WATER USE AT OUR PLANTS

Water withdrawal involves removing water from a local source, such as a lake, river, or aquifer, while water consumption is the amount of water that is evaporated during the generation process. To track performance and identify resource risks and efficiency opportunities, ENGIE monitors its water withdrawal and consumption at our thermal assets for which we have controlling ownership. In 2019, our total water consumption was 1.45 million m³, using 1.81 m³ of water for each MWh generated.

1.79 million m³ FRESHWATER WITHDRAWALS **1.45 million m³** WATER CONSUMPTION

1.81 m³ per MWh water consumption ratio

STEAM OPTIMIZATION IN DISTRICT HEATING SYSTEMS

District heating systems are large-scale solutions that can consume a significant amount of water through steam utilization. Many steam networks are closed loop, returning steam condensate back to the heating source to be reused. However, a great deal of steam condensate can still be lost – even in closed loop systems.

To reduce consumption – and the water required to operate the system – ENGIE works with customers to lower energy demand and make the flow of heating systems more efficient. At The Ohio State University, ENGIE is leveraging these tactics to reduce steam demand and condensate losses, and ultimately lower the water requirements of the system. It is also employing a strategy to increase the ratio of condensate return over steam produced so the system requires less water input.



Ways of Working

Walking the talk for a sustainable future

ENGLE North America exists to shape a sustainable future. Our aim is to illustrate that commitment in everything we do – from the energy solutions we provide customers to the strategies we employ to reduce our own footprint. In 2019, several steps were taken to increase awareness, measuring, and reducing our impact on several critical fronts.

SUSTAINABLE OFFICE SOLUTIONS

ENGLE recognized a significant opportunity in 2019 to reduce the environmental impact of our office buildings and create a more sustainable space for our employees. ENGLE teamed with ENGLE Impact to conduct a pilot program for environmental self-audits focused on energy, water, and waste. With baseline data from the facilities that took part in the pilot program, ENGLE intends to develop custom sustainability initiatives for our office buildings and enable employees at the local level to drive participation in identifying opportunities to reduce environmental impact.

EMISSIONS FROM CLOUD SERVICES

As ENGIE continues to digitize and increase its dependence on cloud storage technology, the company has undertaken several measures to better understand the emissions associated with the cloud services we employ. In 2019, ENGIE began working with Microsoft to understand and track the emissions of our Microsoft Azure services. In total, our Microsoft Azure services resulted in 5 metric tons of CO₂ equivalent, primarily from data storage and computing services. These emissions are significantly lower than what would be required for an on-site data center due to Microsoft efficiencies and renewable energy purchases.

Fleet and Business Travel Emissions¹

Emissions from fleet vehicles and business travel can be significant for companies with decentralized organizational structures and large geographic footprints. In 2019, we calculated the emissions from our fleet of almost 700 service trucks and vans to gain a better understanding of our overall carbon footprint. Additionally, as part of a new educational program, we began collecting quarterly flight emissions data and sending our employees individual reports outlining the emissions associated with their business flights. The aim is to encourage employees to develop innovative solutions and local policies to minimize fleet and travel emissions while providing benchmark data for internal targets. 5,628 MT CO₂ TOTAL FLEET VEHICLE EMISSIONS²

8.1 MT CO₂ AVERAGE EMISSIONS PER FLEET VEHICLE

2,546 MT CO₂ TOTAL BUSINESS TRAVEL EMISSIONS

1.86 MT CO₂ AVERAGE BUSINESS TRAVEL EMISSIONS³



Ways of Working

MOVING TO A MORE SUSTAINABLE HEADQUARTERS

ENGIE North America made the strategic decision in 2019 to relocate its Post Oak Central corporate headquarters to Four Oaks Place, keeping the offices in Houston but moving to a facility that better reflected the company's sustainability priorities. The new location will improve space utilization, reducing the physical footprint of office space by more than 10%. It will also offer electric vehicle charging stations and improve energy efficiency with more natural light, LEDs, and sensors. And it will operate as a paperless environment, with no paper products, plates, or plastic utensils.

Before the buildout of Four Oaks Place could begin, several existing furniture items were decommissioned through Green Standards. The company employs charitable donations, resales, and recycling to responsibly redistribute nolonger-needed workplace items.

ENVIRONMENTAL AND SOCIAL IMPACT OF THE GREEN STANDARDS COLLABORATION

1274 TONS DIVERTED FROM LANDFILLS

\$45,725 CHARITABLE DONATIONS

TOTAL BENEFICIARIES

When the move is complete in 2020, ENGIE plans to broaden its impact, decommissioning the bulk of the furniture currently being used at Post Oak Central to ensure environmental responsibility while supporting those in need locally.

"We would first like to say thank you not only for your generous donation but for the quality of office furniture that we received. This donation allows for us to use funds that were allocated to purchase office furniture, to now be used for improving and enhancing our services provided to our participants and the community."



Regina Hasan

Executive Managing Officer **Unlimited Visions Aftercare, Inc.**



The Green Team

In 2017, ENGIE employees in our Oakland office formed the Green Team to inspire behavioral changes and make the office more sustainable. The team began by eliminating single-use utensils and cups as well as the use of disposable promotional materials. In 2019, they started procuring 100% recyclable paper and paper products, promoted proper waste disposal, and eliminated disposable soap dispensers. These contributions have set such a positive example for the company that, in 2020, ENGIE plans to form and support additional Green Teams in major office locations across North America.

2019 Sustainability Report





People

Achieving excellence by positively impacting employees and society

The transformation ENGIE North America has undergone to become a leader in the zero-carbon transition has positively impacted people both internally and externally. ENGIE helps to reduce energy consumption and bring innovative green energy options to the market for customers of all sizes. The company strives to be inclusive, particularly in relation to young people and women, and seeks engagement from the community on critical business priorities while upholding the highest level of health, safety, and ethical standards in all interactions.

The employee and societal efforts featured in this section of the report are closely aligned to four key goals on the United Nations' 2030 Agenda for Sustainable Development.



No. 3: Ensure healthy lives and promote well-being for all at all ages

ENGIE believes employee experiences should be elevated with a focus on health, safety, and well-being across all business lines. We hold ourselves to a high standard by providing employee training, tracking our performance, and following our "No Life at Risk" policy as well as health and safety standards.



No. 5: Achieve gender equality and empower all women and girls

To ensure everyone is able to share their talent, we have made diversity a top priority. The company is committed to professional equality and diversity as a key team asset, and we aspire to have women make up 50% of our management positions by 2030.



No. 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

We support inclusive and sustainable economic growth by providing diverse opportunities for employees to learn and grow. We promote an inclusive and collaborative working environment with development opportunities and training for employees at all levels within the organization.



No. 16: Promote just, peaceful, and inclusive societies

At ENGIE, we act in conformity with laws and regulations, establish a culture of integrity, and demonstrate loyalty, honesty, and respect with others. We act in accordance with our values and core behaviors – to be bold, open, demanding, caring – and in line with the principle of zero tolerance for fraud and corruption.



People

Illustrating the strength of our impact

Employees and society are two of our most important stakeholder groups. ENGIE North America brings these critical segments together to forge a path for the common good and amplify our strategic position. United for harmonious progress, we collaborate and innovate to support initiatives that have a positive impact on the world on a grand scale.



EMPLOYEE INSIGHTS

ENGIE supports career development by providing internship opportunities for future employees as well as training and development opportunities for current employees. Mariana de Brito is a Lead Project Manager for ENGIE who began her

career with the company as an intern in 2012, joining full time in 2014. She shares her perspectives on working with company.

PARTNER INSIGHTS



Alisal Union School District in California is a long-time customer of ENGIE. Through a unique education program, ENGIE employees train teacher advocates who rotate through classrooms facilitating monthly science projects for more than 9,000

students within the school district. By providing materials and lessons complete with objectives, directions, and literature, ENGIE helps these teachers inspire the next generation of scientists and engineers.

⁴⁴ I started as an intern and eventually became a leader with my own direct reports. I've met many great mentors along the way at ENGIE, who have encouraged me to take the next steps in my career development. As an environmental engineer, it gives me great joy to know that the projects I work on help our customers reduce their carbon footprint, while saving money, improving facilities, and meeting their goals. I like that our projects include both energy efficiency upgrades and on-site renewable generation and that we are involved at every step of the way. It's a real partnership with our customers, and I enjoy working closely with them to develop and deliver projects that truly meet their needs.⁷⁷

Mariana de Brito

Lead Project Manager **ENGIE North America**

⁴⁴ There are three words I'd use to describe our experience working with ENGIE - professional, exciting, and effortless. The team is always prepared and willing to help. Lessons are dynamic, and students are engaged in a way that comes naturally. Our school district is impacted by poverty, homelessness, and other negative issues. Many of our students do not often get opportunities to create and discover. With ENGIE, our students are excited about building something. Lessons have opened the door for more of our female students to see their part in science and engineering. Both boys and girls have begun to see and explore possibilities they had not thought possible before. They're empowered! ¹⁷

Tina Gutierrez

GLRT Facilitator Alisal Union School District

Employees



Health and Safety

Prioritizing for a new risk profile

As the business strategy of ENGIE North America has shifted over the last three years, the health and safety requirements of the organization have also changed. In 2019, ENGIE introduced health and safety standards to help guide a new strategy that addresses the company's current risk profile while continuing to reflect the Group's commitment to "No Life At Risk."

ENGIE'S "NO LIFE AT RISK" POLICY IS BASED ON FOUR PILLARS THAT APPLY TO EVERYONE -WHETHER EMPLOYEES OR SUBCONTRACTORS

LIFE SAVING RULES	THE BREAKPOINT	IDENTIFYING HIPOS	SHARED VIGILANCE
Nine fundamental rules to be respected by everyone, everywhere.	If you're not as safe as you could be, say STOP! It's everyone's duty for the sake of everyone's safety.	A HIPO is an event with high potential for causing death or serious injury. Identifying and analyzing HIPOs contributes directly to preventing risks.	Employees, subcontractors, and temporary workers must be vigilant for each other, for their own safety, and that of others.

ENGIE's standards reinforce these pillars, providing nine elements to ensure all safety practices and procedures are implemented in a consistent manner across the various entities. The aim is to build a culture that is rewarded by injury-free execution of work while establishing benchmarks for safety metrics given the organization's new risk profile.







Health and Safety

Health and Safety Performance

At ENGLE North America, the health and safety of our employees is essential. Many of our employees often work in conditions that present potential hazards. Therefore, the implementation of health and safety standards, proper training, and methods to identify trends in performance is vital.

ENGLE tracks two key indicators to determine trends. Lost time accident frequency rate represents the number of accidents resulting in one day or more of lost time per 1 million hours worked. Medical treatment frequency rate represents the number of reportable medical cases, minus incidents of occupational diseases, per 1 million hours worked.

In 2019, our lost time accident frequency rate was 2.36 and our medical treatment frequency rate was 6.45. Both of these metrics showed an improvement throughout the year and were well below the 2019 target rate. New health and safety standards and the dedication of leadership in applying processes and procedures to mitigate risks, such as pre-task planning, incident reporting, and proper use of personal protective equipment, attributed to the strong performance.

LOST TIME ACCIDENT FREQUENCY RATE

2.36 2019 TARGET - 5.0 MEDICAL TREATMENT FREQUENCY RATE

6.45 2019 TARGET - 8.7





Diversity and Inclusion

Promoting an environment where differences are valued

The heart of innovation at ENGIE North America beats with divergent thinking. Encouraging diversity of thought and providing an inclusive environment where different perspectives are heard, respected, and valued are critical company priorities. Our diverse and inclusive workplace reflects the communities where we live and work, and the varying viewpoints of our employees help us bring new ideas to life to better serve our customers.

GENDER DIVERSITY

The ENGIE Group has rolled out a series of initiatives to empower women and encourage them in their careers since 2008. These plans have been carried through to our operations in North America and include managing a Women in Energy Network, a mentoring program, and a training program to encourage female leadership. As of early 2020, women make up 22.9% of our workforce, 22.3% of management positions, and 38% of the ENGIE North America Executive Committee.

We believe that increasing gender diversity will make our company more productive and attractive to potential candidates. We also believe that our female leaders can set a positive example for younger generations within our workplace, the energy industry, and throughout society. This is why we aspire to have women make up 50% of our management positions by 2030.



22.3% women in management positions

22.9% women in the workforce 38%

WOMEN IN ENGIE NORTH AMERICA EXECUTIVE COMMITTEE



Diversity and Inclusion

EMPLOYEE GROUPS

The **Young Professionals Network** was established in 2019 by a volunteer team of young ENGIE North America employees. This network, modeled after others within the ENGIE Group, offers this important employee segment a chance to develop professionally and collaborate with peers. It relies on the initiative, engagement, and creativity of members to foster a strong culture of inclusion and camaraderie among young employees and provide them with opportunities to contribute to ENGIE's strategy.

ENGLE Pride is an inclusive, supportive organization that provides resources, shapes policies, and leads outreach to foster and celebrate the lesbian, gay, bisexual, transgender, and queer community within the company and beyond. The group is structured on three pillars – internal awareness, education, and support; policy and advocacy; and community outreach and involvement. In 2019, the organization continued to expand its reach and now has an active presence in 10 offices across ENGIE's North American footprint.

The **Women in Energy Network** was established in 2019 in the corporate headquarters in Houston as a way to engage women in ENGIE with opportunities to collaborate. The group is focused on three pillars – to inspire women to become leaders, to train women and provide them with resources to succeed, and to provide opportunities for members to give back to the company and the local community. In 2020, the network plans to form committees around each of the three pillars and expand its activities to other offices.



Timothy Lee Marketing and Data Analytics Strategist, ENGIE North America

Young Professionals Network

"As a member of the planning committee for the Young Professionals Network (YPN), I worked alongside my peers to establish the foundation for this employee group. The YPN benefits young employees by giving them the opportunity to connect globally with peers and impact ENGIE's vision and strategy. Through networking, development, and collaborative discussion, the YPN promotes professional growth for all young professionals. Within the first few months of establishing the YPN, initial events and planning sessions received widespread interest and positive feedback. We are enthusiastic about further expanding the network. Through the YPN, I hope to gain stronger connections throughout the organization, further develop professional skills, and contribute to meaningful and thought-provoking business ideas."



Growth, Training, and Development

Strengthening the skills required to achieve a zero-carbon future

ENGIE North America prioritizes growth, training, and development to ensure employees are equipped for the future and continuously challenged to broaden their capabilities. We aim to shape and support skill sets that can be transferred to any environment, providing opportunities for fulfilling careers that contribute to organizational success.

EMPLOYEE TRAINING

ENGLE firmly believes that learning and development are essential to employee growth, organizational transformation, and business performance. We offer employees flexible, online and in-person training programs to improve competency and effectiveness while emphasizing organizational values to be bold, open, demanding, and caring. In 2019, 57% of our employees attended at least one documented training course. Moving forward, ENGLE plans to employ new strategies to focus even more on training and ensure our employees are prepared to help make ENGLE a leader in the transition toward a carbon-neutral economy.

2002	TRAININGS BY	TRAININGS BY (TRAININGS BY COURSE TOPICS ¹		
Z,UU3 FULL-TIME EMPLOYEES TRAINED ¹	ONLINE TRAINING	57% professional techniques	7% MANAGEMENT AND PROFESSIONAL DEVELOPMENT		
61,769	67% NON-ONLINE TRAINING	21% QUALITY, SAFETY ENVIRONMENTAL	15% other		

ENGIE & ME SURVEY

ENGIE conducts an annual global engagement survey to help identify employee needs and better understand critical issues to ensure a collaborative and engaging environment. Questions assess knowledge of company priorities and determine how employees view their work as a contribution to organizational success. In 2019, ENGIE achieved a 78% response rate and improved in 10 out of 15 categories over the previous year. Senior leaders shared findings with their respective groups and developed action plans that will be monitored for progress on a quarterly basis.

ZERO-CARBON TRANSITION JOURNEY TRAINING

As the business strategy changed, ENGIE recognized the importance of keeping employees informed on the company's new direction and reasoning behind its shift in focus. A Zero-Carbon Transition Journey Training was created to help employees understand the company's ambition, the path forward, and the way in which new activities and plans would be introduced to customers. This training has equipped participants with key insights on their individual roles in our total success and how day-to-day activities impact the organization's performance. Managers were also given a toolkit to drive employee engagement, follow their learning, and organize workshops to share opinions and collectively decide on actions to launch.

Employees



Growth, Training, and Development

Culture and Values Team

In 2019, ENGIE North America launched the Culture and Values Team (CVT) to help facilitate a customer-centric culture to make the transition to zero carbon a reality. Led by the ENGIE Head of Culture, the group is composed of roughly 50 diverse leaders of high character from across the company who embody ENGIE's values and have leadership capabilities, a willingness to serve, and positive and motivating energy. Together, the group works to achieve five goals:

- 1. Increase awareness of ENGIE's purpose, vision, mission, and values
- 2. Execute initiatives that enhance cultural adoption
- 3. Align the organization's culture with the business strategy
- 4. Enroll and acknowledge culture champions
- 5. Harmonize individual experiences at all opportunities, from attracting and assessing employees to developing and retaining them

INTERNSHIPS

As ENGIE works to shape a sustainable future, we look to the next generation to join us. ENGIE lays the foundation for future careers with internship opportunities that deliver hands-on experiences and mentorships from industry experts. Mobility and diversity are two important components of candidate selection. ENGIE invests in recruiting efforts at universities based on the number of students graduating with specific backgrounds as well as student demographics. We target candidates who are open to relocating and can contribute to our priorities of diversity in thought, gender, race, and ethnicity. In 2019, 84 individuals were employed as interns. Plans are underway to expand the number of interns and conversions to fulltime positions with closer coordination among Human Resources, hiring managers, and internship program developers to identify more opportunities to hire graduates.



"I began my career at ENGIE in August 2016 as a marketing analytics intern from the Trading, Risk and Investment Program at Texas A&M University. I joined the marketing analytics team full-time in December 2017 after finishing my master's degree in financial management. My internship equipped me with the skills I needed to excel at my job, and the culture of the company kept me challenged. Since joining, I have been asked to partake in numerous projects that have helped shape me as a person and an employee. After two years of being full-time in marketing, I transitioned to the sales floor and am now part of the Marketing and National Indirect Sales Team. ENGIE has given me great mobility, and I could not be more thankful!"



Komal Premjee

Marketing Analyst II ENGIE North America



Economic Development and Job Impact

Illustrating our commitment to making a positive socioeconomic impact

To better understand our contribution to local and national development, ENGIE North America initiated a study in 2019 to evaluate the impact of our business activities on society. Three levels of socioeconomic impact were evaluated:

- Direct Impacts: Corresponds to the company's employees and operating income
- Indirect Impacts: Economic activity generated by ENGIE's investments and expenses paid within its supply chain
- Induced Impacts:¹ Wages payed by ENGIE and its suppliers, which support household consumption

The study concluded that ENGIE generated \$1.6 billion in Gross Domestic Product (GDP) in 2018, while supporting 18,175 jobs.²

2018 Jobs Supported and Economic Flows



¹ Induced impacts calculated for ENGIE North America's USA footprint only

² These figures included ENGIE Insight, an entity located in the United States that is now a part of the ENGIE Impact business unit
 ³ Induced jobs measured for ENGIE North America's USA footprint only
 ⁴ Wages and benefits

⁵ Corresponds to the company's operating revenue



Society

Economic Development and Job Impact

2019 Jobs Supported and Economic Flows

Following the acquisition of Conti Corporation in 2019, a similar assessment was performed to gauge the impact of the organization's economic flows. The study found that Conti - a construction services company that designs, builds, and maintains energy infrastructure and assets generated \$1.2 billion in GDP and supported 8,510 total jobs in 2019. Had these figures been included in the initial socioeconomic assessment of ENGIE North America, the impact of the business entity would have produced \$2.8 billion in GDP and supported 26,685 total jobs.

> conti Corp. \$1.2 Billion GDP 8.510 Total Jobs Supported 1,814 Direct Jobs 1.983 Indirect Jobs 4,713 Induced Jobs

ENGIE's Total Impact¹

\$2.8	Billion GDP
26,685	Total Jobs Supported
7,439	Direct Jobs
6,583	Indirect Jobs
12,663	Induced Jobs

A Focus on California and New York



CALIFORNIA

\$142 Million GDP 1,428 Total Jobs Supported **248** Direct Jobs 618 Indirect Jobs 562 Induced Jobs

NEW YORK

\$255 Million GDP 3,151 Total Jobs Supported **1.282** Direct Jobs 826 Indirect Jobs 1,043 Induced Jobs



Stakeholder Engagement

Creating trusting, mutually beneficial relationships with critical members of society

Stakeholder engagement is an essential process that brings value both to the community and our business initiatives. ENGIE North America depends on relationships with customers, employees, suppliers, communities, governments, and nonprofit organizations for input on important priority areas and projects. This helps optimize strategies, avoid unforeseen obstacles, and ensure plans are sustainable and well-suited for local environments.

STAKEHOLDER MAPPING AND ENGAGEMENT FRAMEWORK

We leverage a stakeholder mapping and engagement framework as well as a corresponding assessment tool to conduct analyses of stakeholder concerns and evaluate our efforts. The framework takes into consideration the full engagement cycle – identifying key constituents as well as planning, managing, and monitoring actions – and comprises six steps:

- LIST AND DESCRIBE STAKEHOLDERS
 PROVIDE CONTEXT AND PERCEPTION
 IDENTIFY AND PRIORITIZE ISSUES
- 4. MAP STAKEHOLDERS IN RELATION TO KEY ISSUES
- 5. BUILD ACTION PLANS
- 6. ENSURE FOLLOW UP AND REPORTING

In 2019, ENGIE launched an initiative to conduct stakeholder engagement evaluations at key generating plants including natural gas, biomass, and renewable. Managers were tasked with performing self-assessments to review the quality of local stakeholder engagement activities and develop action plans. A total of 13 plants conducted the self-assessments, with 5 plants exceeding the compliance requirements established in the stakeholder mapping and engagement framework.



Michael Woods Plant Manager, Alabama-Decatur Energy LL(

Alabama-Decatur Energy, LLC

"Stakeholder engagement is critical because we want to make sure that everyone understands why partnering with ENGIE is beneficial. We want to be a true ally at every level and acting on the feedback we obtain through engagements plays a critical role in those efforts. The mapping exercise helped us to bring clarity to our stakeholder relationships – some are truly on the periphery of our operations and our total footprint was realized when we used the mapping exercise. We value the data gathered and have already made strides in reaching out to stakeholders through social media, direct contact, and email. We are also using the communications as a forum for two-way dialogue where we may have simply had one-way communications in the past."



Stakeholder Engagement

TRIPLE H WIND PROJECT

ENGIE North America is committed to transparency and sharing information about projects. The company conducts multi-year engagements to proactively work with regulators and local communities.

In 2015, ENGIE began conducting thorough environmental risk assessments for the proposed Triple H wind project in Hyde County, South Dakota. After two years of biological baseline surveys, which include wildlife, noise, and visual impact assessments, the consultation process with regulators and local communities officially commenced. ENGIE staff first began engagements with Hyde County to update zoning ordinances, which included meetings and open houses to allow the local community to voice their opinions about the wind project and proposed revisions to the county ordinance.

After the new ordinance was approved in 2018, ENGIE began filing conditional use permits with Hyde County and the South Dakota Public Utilities Commission. In conjunction with these filings, a public scoping was conducted and an additional open house was held. These transparent and cooperative efforts resulted in no public objections or opposition to the project, and unanimous approval was achieved for the required permits. In August 2019, construction commenced for the project, which will provide 250 MW capacity of zero-carbon energy to customers and communities.



Better Cities Today: Award Winning Stakeholder Engagement in Pismo Beach

Using a unique stakeholder engagement and priority setting approach – ENGIE's Unlock Process[™] – the City of Pismo Beach earned global recognition as a Smart 50 Awards recipient for its Better Cities Today project. The initiative uncovered priorities and opportunities for technology and data projects that Pismo Beach could use to advance existing city goals and improve services to this unique small community with a dynamic visitor population.

With ENGIE's Unlock Process, a comprehensive stakeholder engagement model, planning teams were able to identify and prioritize city concerns, needs, and opportunities. More than 400 ideas were generated and leveraged by ENGIE to build the final road map to achieve five initiatives: a smart parking strategy, smart water meters, city website improvements, promenade digital signage, and highway digital signage. These projects will allow the city to use technology to better serve and engage with residents and visitors while reducing the city's electricity costs by approximately 40%.



Society

Engagement with **Education Institutions**

Advancing academic opportunities for universities

Large, multiyear agreements with academic institutions, such as The Ohio State University and The University of Iowa, are continuing to generate interest. These partnerships are helping universities meet sustainable and environmentally responsible goals while adding significant value in academics, research, operations, and student retention.

ENHANCING ACADEMIC MISSIONS

As part of the innovative public-private partnership with The Ohio State University, a \$150 million commitment was made through Ohio State Energy Partners - a consortium of ENGIE North America and Axium Infrastructure - to support academic collaboration through scholarships, faculty endowments, sustainability projects and curriculum, internships, and philanthropic support. It also supported the creation of a \$50 million Energy Advancement and Innovation Center, where faculty members, students, alumni, ENGIE researchers, local entrepreneurs, and industry experts can work together on the next generation of smart energy systems, renewable energy, and green mobility solutions.

ENGIE is delivering similar value to The University of Iowa through an agreement that provides an upfront payment of \$1.165 billion - most of which will go into an endowment and be invested to generate \$3 billion over 50 years. That investment is estimated to give the university \$15 million annually to support academic priorities, including improving research and student retention.

INTERNSHIPS AND PROGRAMS AT OHIO STATE

In 2019, the Smart Campus Challenge was initiated through philanthropic contributions provided by Ohio State Energy Partners. Through the venture-capitalist-style event, six student finalist teams won \$144,000 for their projects to make Ohio State's campus more sustainable.

Ohio State Energy Partners also employed 10 interns in 2019 and sent six additional MBA students from the Fisher College of Business to work with ENGIE for three weeks in Paris, France. ENGIE also partnered on a number of unique campus and external events including research and innovation series, hackathons, and on campus festivals.

FINANCIAL SAVINGS FOR UNIVERSITIES AND SCHOOLS

ENGIE helps educational institutions save money through renewable energy procurement and efficiency services. With this savings, customers are able to finance infrastructure improvements to enhance learning environments for students. Net savings can also be used to invest in new learning materials or classroom technology.

K-12

\$28.9 million

IN ENERGY SAVINGS FOR JUST OVER 100 CUSTOMERS

HIGHER **EDUCATION**

\$7.1 million

IN ENERGY SAVINGS FOR **16 CAMPUSES**



People Society

Engagement with **Education Institutions**

Advancing STEM opportunities for K-12 institutions

ENGIE North America is committed to promoting STEM - science, technology, engineering, and mathematics - education in schools to increase the number of tangible, realistic learning opportunities available to students. We believe driving interest and engagement in these subjects improves critical thinking and enables innovation in a way that supports future workers in contributing to sustained growth and stability in the U.S. economy. That's why ENGIE works with K-12 institutions to tailor unique energy solutions that address key operational priorities while supporting educational objectives.

ENGLE imes Momence Community Unit School District 1

IMPROVING ENERGY EFFICIENCY AND INCREASING STEM OPPORTUNITIES

Like many schools in Illinois, Momence Community Unit School District 1 (MCUSD1) faced urgent needs to improve the learning environment and address deferred maintenance. Pioneering an innovative solution, MCUSD1 opted for a strategy with ENGIE that delivered energy upgrades and a meaningful STEM education program.

Across the district, a growing effort was already underway to augment science and math curricula with energy efficiency, conservation, and renewable technology concepts. ENGIE created an energy awareness and conservation program to support that focus and help save energy by building a culture of awareness. The company also implemented a four-year professional development program with energy efficiency workshops, hands-on efficiency activities, and energy team tools and training.

The solution has saved the district \$10,000 in repair and maintenance costs and is expected to generate a net savings of over \$120,000 while enhancing student engagement with professional development sessions and resources for teachers.

ENGLE × South San Francisco Unified School District

EDUCATION AND EFFICIENCY 10 YEARS IN THE MAKING

Since 2010, the South San Francisco Unified School District has worked with ENGIE to help lower utility costs while modernizing classrooms and supporting student achievement. The program is expected to deliver \$23.7 million in net savings and offset annual electric usage by 60% through on-site solar while making more opportunities available for STEM learning.

Together with ENGIE, the district launched its first-ever Summer STEM Institute. The program focused on serving students in grades 2-8 by providing hands-on STEM activities, real-world relevance, and project-based learning experiences. Students in grades 2-5 participated in a four-week program, which included building energy transformation machines, engineering solar ovens, designing and testing wind turbine blades, and conducting classroom energy audits. The school district conducted pre- and post-program assessments that determined 85% of students showed growth in STEM knowledge.



Responsible Purchasing

Assessing our supply chain to support the common good

According to the U.S. Environmental Protection Agency, the supply chain can account for more than 75% of the overall emissions associated with an organization's operations. It can also be the source of many social issues, such as human rights' violations and corruption – even for the most socially responsible companies. In 2019, ENGLE North America began assessing suppliers to better understand its overall impact in this regard.



Evaluating Environmental and Social Performance

An analysis of our 2019 purchases in North America was performed to better understand the CO_2 emissions associated with our supply chain. Purchase records from ENGIE's global procurement system were utilized as well as CO_2 conversion factors from Quantis, which are based on the average emissions associated with

different categories of products and services. Through this analysis, ENGIE estimated that 2019 purchases were associated with more than 1,100,000¹ metric tons of CO₂.

To receive additional data, ENGIE engaged 50 of its top suppliers for an assessment through EcoVadis. Suppliers were asked to provide information regarding their environmental, ethics, sustainable procurement, and labor and human rights performance. EcoVadis provides sustainability ratings that enable businesses to reduce risk, drive performance, and improve environmental and social outcomes. Collecting data through EcoVadis will help us better understand the environmental and social performances of our suppliers and the types of policies they have in place to support a low-carbon future.

Tracking Supplier Diversity

In late 2019, ENGIE began tracking procurement from minority-, women-, LGBTQ-, and veteran-owned enterprises, as



well as certified small businesses in the supply chain. All suppliers have the opportunity to disclose their status. Once self-identified, suppliers are appropriately categorized on ENGIE's business spend management platform, and a verification process is initiated. This exercise provides the company with more information on the number of and total spend with minority-owned businesses, while delivering insights into

opportunities for improvement to ensure inclusivity in procurement decisions. As of early 2020, 111 suppliers have selfidentified and 39 have been verified within a supplier diversity category.

880+ TOTAL NUMBER OF SUPPLIERS 111 SUPPLIERS SELF-IDENTIFIED² WITHIN A DIVERSITY CATEGORY \$10.1 M SPEND ON SUPPLIERS VERIFIED WITHIN A DIVERSITY CATEGORY 1.16 M MT CO₂ EMISSIONS¹ FROM SUPPLY CHAIN PURCHASES

Society



Responsible Purchasing

Insights from a supply chain expert and an ENGIE North America supplier

ECOVADIS

The supply chain can represent 50% to 70% of the sustainability footprint of companies across the world. From environmental impacts to labor, human rights, and ethics risks, the supply chain is the single greatest mechanism for change. As stakeholders

are holding companies accountable for responsible practices across their entire value chain, companies must understand not only the impact of their supply chain, but also the underlying sustainability performance of their suppliers.

As we redefine the business landscape to center around purpose and sustainable value, more and more energy companies are focusing on carbon neutrality. A 2019 global supply chain report found that a company's supply chain generates on average 5.5 times as many greenhouse gas emissions as its own operations. Businesses are standing up to the issue by setting emission reduction targets in order to fight against climate change and global warming.

The most successful companies aren't assessing suppliers for the sake of assessment – they are making improvements, reducing risks, and driving innovation in the supply chain. It's important to train suppliers on what corporate social responsibility means to your company if sustainability initiatives are to be effectively implemented. You should also provide value and rewards to ensure high adoption. Remember: sustainability is a journey, not another compliance initiative. The goal is to address root causes and encourage continuous improvement; not perform a one-off box-check. Communication, training, and including incentives are great tools to ensure engagement and long-term impact. **11**

Pierre-François Thaler

Co-CEO EcoVadis

GE RENEWABLE ENERGY



¹¹ The renewable energy industry has a major role to play for the world to meet a carbon-neutral future, both in terms of the products we deliver and the way in which we ensure future growth. GE Renewable Energy's operations commitment, announced in

September 2019, reflects how we want to walk the talk by becoming a carbon-neutral business by the end of 2020. The program is all about business improvements and speaks directly to our company purpose as we help unleash limitless energy and deliver renewable energy solutions.

Our decarbonization efforts are anchored around this commitment and leverage three main components:

- Reducing our company's carbon emissions through operational efficiencies
- **2.** Using 100% renewable electricity from on-site installations, power purchase agreements, or energy attribute certificates
- **3.** Offsetting remaining emissions through carbon credits that help build low-carbon, sustainable development through the delivery of clean and renewable energy

With this carbon-neutral commitment, we are heightening supply chain engagement and have initiated outreach to our Tier 1 suppliers that influence our operational carbon footprint. We are sharing everything we learn with customers and other stakeholders across the value chain, and leveraging the experiences from LM Wind Power, which achieved carbon neutrality in 2018. Customer and supplier engagement are key priorities and will only increase as much of our operational emissions require collaboration to be effectively reduced. **??**

Lene Mi Ran Kristiansen

Carbon Neutral Program Leader GE Renewable Energy



Governance and Ethics

Supporting our commitment to ethics and compliance

At ENGLE North America, our business practices reflect an absolute belief that our ability to succeed starts with a commitment to being responsible at the highest level. As a wholly owned subsidiary of ENGLE Group, we align our commitments with those of our parent company, and we hold ourselves to the strictest standards of accountability.

Group policy is deliberately clear: zero tolerance for violations, particularly with regard to fraud and corruption, and complete commitment to ethical rules – those of the countries in which we operate and those we set for ourselves. Strict respect for the essential rules regarding ethics and security is always a paramount priority.

ENGIE Group's vigilance plan supports the Ethics Charter and Practical Guide to Ethics. It is led and monitored in coordination with the Group's executive committee and the ethics, environment, and sustainable development committee, and it covers three key areas: human rights, health and safety, and the environment. An integrity referential, compliance management referential, human rights referential, and codes of conduct reinforce the vigilance plan.



EQUAL OPPORTUNITY AND ZERO DISCRIMINATION

To make team diversity an effective reality, ENGIE monitors its human resources activities to ensure full compliance with the principle of equal opportunity in access to jobs. The organization does not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. ENGIE provides a whistleblowing line for all employees – and external stakeholders – to signal any infringement on the organization's commitments.

RISK MANAGEMENT

The ENGIE Group's ambition to achieve zero carbon and the diverse range of business activities that support that effort expose the organization to a wide range of risks that could significantly impact its results, image, and share price. To maintain alignment with Group priorities, ENGIE North America retains a comprehensive risk management policy to underpin the business strategy and ensure long-term performance with routine oversight, regular audits, proactive engagements, action plan development, and annual risk assessments.



Governance and Ethics

Ensuring ethics, compliance, and sustainability in North America

ENGIE North America's Executive Committee guides the strategic direction of the efforts in North America to operate as a responsible organization. This group meets regularly to evaluate the company's position, set targets, track performance, and define the strategic decisions that ensure ENGIE North America is aligned with ENGIE Group ethics, compliance, and sustainability priorities.

ETHICS AND COMPLIANCE COMMITTEE

The ENGIE North America Ethics and Compliance Committee, Chaired by the Chief Legal and Ethics Officer, is comprised of members of the Executive Committee and members of the ethics and compliance function. This committee meets bi-annually specifically to review and address ethics and compliance matters relevant to ENGIE North America. Ethics Officers, who are within legal or management functions across all U.S. and Canadian entities, are then responsible for implementing the key elements of the ethics program.

SUSTAINABILITY COMMITTEE

In 2019, ENGIE North America established a transversal Sustainability Committee to help incorporate sustainability into our North American operations and ways of working. This cross-functional group includes representatives from our corporate finance, business development, sales, environment, human resources, legal, real estate, IT, public affairs, marketing, and procurement teams as well as various operational positions across the U.S. and Canada. The committee meets bi-monthly to discuss the latest sustainability issues and implement solutions and initiatives across the company.

ETHICS AND COMPLIANCE

The ENGIE Group Ethics Charter – along with its Practical Guide to Ethics – serves as the foundation for all internal policies and codes of conduct for business relations, supplier relations, financial officers, and lobbying. This charter defines the four fundamental ethical principles underlying our dedication while providing insight on the application of these commitments to the Group's employees and entities, to customers and stakeholders, and to society as a whole.

- 1. ACT IN ACCORDANCE WITH LAWS AND REGULATIONS
- 2. BEHAVE HONESTLY AND PROMOTE A CULTURE OF INTEGRITY
- 3. BE LOYAL
- **4.** RESPECT OTHERS

Ethics and Compliance Training

ENGIE employees are required to complete annual training on the company's ethics principles as well as our position on anti-fraud and corruption. The ethics course provides a refresher on ENGIE's Ethics Charter as well as how employees should react when confronted with harassment, conflicts of interest, bribery and corruption, and other violations. The anti-fraud and corruption training reiterates ENGIE's zero-tolerance policy for fraud and corruption, offering a range of scenarios to illustrate how employees can avoid such situations.



Planet and People Performance Data

Summarizing ENGIE North America's environmental and social impact data

This section outlines the indicators mentioned throughout ENGIE North America's 2019 Sustainability Report. These results reinforce our commitments to environmental responsibility and improving performance for everyone.

PLANET: 2019 ENVIRONMENTAL IMPACT DATA	
Share of renewable energy capacity in generation portfolio	37%
Generation from renewable assets in portfolio	3,313 GWh
Avoided emissions from renewable energy assets	920,585 MT CO ₂ e
Avoided emissions from efficiency services (with performance contracts)	23,570 MT ¹ CO ₂ e
Emissions from natural gas and biomass assets (adjusted for ownership)	2,141,479 MT CO ₂ e
Emissions ratio from natural gas and biomass assets	358.9 kg CO ₂ e per MWh
Water consumption from natural gas and biomass assets	1,454,663 m³
Water consumption ratio from natural gas and biomass assets	1.81 m ³ per MWh
Emissions from gas sales	2,002,653 MT CO ₂
Emissions from fleet vehicles	5,628 MT CO ₂
Emissions from business travel	2,546 MT CO ₂
Emissions from supply chain purchases	1,157,625 MT ¹ CO ₂
PEOPLE: 2019 SOCIAL IMPACT DATA	
Employees	6,500

Direct and indirect jobs supported in North America	26,685
Gross Domestic Product generated in North America	\$2.8 billion
Lost time accident frequency rate	2.36
Medical treatment frequency rate	6.45
Full-time employees trained	2,003
Training hours	61,769
Women in the workforce	22.9%
Women in management positions	22.3%
Women in ENGIE North America Executive Committee	38%



For any comments or suggestions about this publication, please email act.ena@engie.com