



ENVIRONMENTAL POLICY

Reference	POL-ENGIE-007 ed 1 rev 0
Release and applicability	<p>The policy is applicable to all activities carried out by ENGIE Romania Group legal entities (hereafter „the Group”), meaning ENGIE Romania SA, Distrigaz Sud Retele SRL, ENGIE Servicii SRL, ENGIE Building Solutions SRL, Alizeu Eolian SA, Braila Winds SRL, Helios Development SRL, Solar Development SRL but also any other legal entity that would be part of the Group.</p> <p>This policy is communicated to all employees and to all external stakeholders, including our contractors in order to ensure consistency and agreement throughout the implementation process and it is made available to the public through selected media (on ENGIE Romania website).</p>

This policy has been developed taking into account the CSR standards, ENGIE Group policies and commitments from bodies such as the United Nations Global Compact to which ENGIE Romania Group adheres. It is applicable within the limits of the laws and regulations that apply to regulated companies.

The policy is written under the Sustainability, Risk and Assurance Department from ENGIE Romania. ENGIE Romania Group puts the environment at the heart of its concerns as measured by two objectives: a transition to a carbon-neutral economy and a positive impact on the planet. ENGIE therefore considers its performance over the long term and as a whole (combining financial and CSR criteria). This policy has been developed in line with other interconnected policies: Health and Safety, Human Resources, Ethics, Purchasing, Industrial safety, etc. Together, these policies allow the Group to ensure the operational implementation of its purpose statement, ambition and strategy.

As well as meeting the regulatory requirements in force – which are increasing in this field – the Group has set itself a series of ambitious targets for 2030. Today, ENGIE Romania encourages proactive action that aims to:

- reduce the negative impacts of its activities on the environment, and whenever possible, increase their positive impacts;
- take advantage of the opportunities associated with protecting the environment in the services it offers and in its stakeholder relationships.

In some cases, the Group's internal standards are proving more ambitious than local regulations. ENGIE Romania Group is also pursuing a continuous improvement approach based on:

- sharing best practices on all environmental issues;
 - contributing to improving the environmental performance of those within its sphere of influence, more specifically, its customers, suppliers and subcontractors;
- regular communication on its environmental performance, with an ongoing concern for transparency.

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1. Scope and governance in terms of environmental responsibility

This policy applies to all ENGIE Romania Group companies. The environmental policy, which is fully integrated into the Group's governance, is driven by every one of its entities. Within ENGIE Romania Group, the Country Environmental Officer and its network are supporting the line management in implementing and monitoring the environmental policy. The network of environmental officers is coordinated by the Sustainability, Risk and Assurance Department, which is also tasked with:

- facilitating regular meetings within each business lines. The aim is to facilitate exchange regarding the terms of the environmental policy, the difficulties encountered when implementing it, the application of action plans on specific topics and the recommendations made during the audits and on good practices;
- ensuring the operational implementation of the environmental policy and its commitments. For this purpose, it drives and supervises working groups, studies and tools on subjects linked to the environment. It also supports the use of Group goals; alongside this, the business lines can use their own objectives;
- measuring on a consolidated level the impact of the Group's activities on the environment. Environmental reporting is based on a data collection tools that can be accessed also by the subsidiaries.
- informing the top management (Executive Committee and Sustainability Committee) about the Group's environmental performance in order to identify potential improvements for the proposal of future action plans. The Sustainability, Risk and Assurance Department therefore draws up an annual balance sheet accompanied by a plan and supplemented by a report supplied by the Business Units.

2. Review Mechanism

The policy is reviewed annually for relevance to ensure it remains up-to-date, effective, and aligned with organizational objectives, legal requirements, technological advancements, stakeholder expectations, and environmental performance. It is also complemented by the Annual Environmental Management Program part of ISO 14001/2015 to which the Group complies with. The frequency of reviews can vary depending on factors such as:

- Legal and regulatory requirements: Compliance with environmental laws and regulations may require regular reviews to ensure ongoing adherence and to incorporate any updates or changes in legislation;
- Organizational changes: Changes in the organization's structure, operations, or objectives may warrant a review of the environmental policy to align with new priorities and strategies;
- Environmental performance: Monitoring and assessing environmental performance indicators can help identify areas for improvement and the need for policy adjustments;
- Technological advancements: Advances in technology may offer new opportunities for environmental management and sustainability initiatives, prompting a review of the policy to incorporate relevant innovations;
- Stakeholder expectations: Input from stakeholders, including customers, investors, employees, and communities, may influence the need for revisions to the environmental policy to address emerging concerns or meet evolving expectations;
- External factors: Changes in the external environment, such as shifts in market conditions, emerging environmental risks, or societal trends, may necessitate a review of the policy to ensure continued relevance and effectiveness.



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3. The Group's environmental challenges

Environmental issues are multiplying and being increasingly better understood by the Company. The risks associated with climate change, the overexploitation of natural resources, the erosion of biodiversity and pollution are key concerns.

3.1. Climate change

The fight against climate change caused by an increase in the concentration of greenhouse gases (GHGs) in the atmosphere, is recognized by our societies as one of the major challenges of this century. The Group plays an active role in the fight against climate change and has set itself ambitious emission reduction targets, for the short term (2025) and long term (2030 and 2045) in terms of direct and indirect emissions, including air pollution.

For the Group, it is also important to support customers and suppliers in reducing their emissions by offering suitable solutions. Reducing greenhouse gas (GHG) emissions is also an opportunity for the Group to access new markets with new solutions and to prioritize certain actions and investments in projects that move in the direction of reducing emissions.

Finally, climate change is a key issue for ENGIE Romania Group, in that the Group's supply chains, infrastructure and activities will be affected by the consequences of climate change. Repercussions from the climate (droughts, fires, storms, extreme rains and floods, etc.) are at risk of increasing while more gradual changes (increasing temperatures, etc.) are changing the environment in which the economic players are evolving. The Group is mobilizing to adapt to climate change by increasing the resilience of its infrastructure and services and mobilizing its innovative capacity.

3.2 Conserving natural resources

Preserving natural resources, such as the water and raw materials we need in order to carry out our activities or produce our renewable energy is a priority.

For the Group, the need to conserve resources is reflected in two priorities:

- The circular economy. The Group considers that integrating its activities into a more circular economy is an essential factor in its economic and environmental performance. The actions are carried out at various levels: projects to reuse of organic waste (biomethane production) and initiatives to manage the end-of-life of materials (wind turbines, solar panels, etc.).
- Conserving water resources. Water is an indispensable resource for society in general. Water is not directly material for the performance of the Group's activities, as the Group has no energy production based on water (only solar and on shore wind production), no activities in water stressed areas or affecting river streams. We are closely analyzing our impact of water waste in the environment deriving from our activities. The Group's entities must work to better understand the water footprint left by their activities (mostly administrative building usage) and decide on actions aimed at changing water reuse.

3.3 Preserving biodiversity

Biodiversity is both:

- a resource that is necessary for the Group's activities (e.g., biomass) and one that is to be preserved;
- and an asset that the Group shares with its stakeholders.

ENGIE Romania Group is aware of its interdependence with biodiversity and aims to preserve biodiversity and even develop it by integrating it into its strategy and businesses. The Group is helping to reduce the pressures weighing down on biodiversity by:

- making use of our soil footprints. ENGIE's sites can contribute to restoring ecological continuity, preserving normal biodiversity and reducing invasive exotic species whether they are in the cities or in



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- the countryside;
- contributing to the reduction of the pressure exerted by climate change by implementing its strategy, making ENGIE a major player in decarbonization;
- reducing impact throughout the value chain. In its risk and opportunity analyses, the Group incorporates the potential impact of own activities as well as those of its supply chain.

4. The methods implemented to address its challenges

4.1. Continuously improving environmental performance

The improvement of the Group's environmental performance is based on three types of actions:

Understanding and anticipating our impact on the environment

In order to provide the most relevant responses, it is worth studying these interactions which are not always direct or immediately observable. In order to anticipate these interactions, the Group carries out impact studies and introduces environmental elements – carbon avoided emissions, in its new investment projects and cases. It also maps all its environmental risks.

Anticipating also means understanding the ways in which the environment – which is changing especially as a result of climate change – can affect the execution of the Group's activities and business model. To this end, for example, we are using risk assessment methodology for adapting to climate change that allows it to better understand the impact of changes in climate on its activities and will support the implementation of local adaptation plans.

Committing to make our impact on the environment a positive one

ENGIE Romania Group's environmental policy is broken down into specific texts on each of its main challenges. In general, the Group's impacts are managed according to the principle of the "prevent > reduce > offset" sequence. Whether that is in relation to our greenhouse gas emissions or our impact on resources and biodiversity, we therefore always strive to prevent any impact before reducing it, offsetting it as a last resort where possible. In the context of climate, for example, this takes the form of the following method: restraint > efficiency > renewables (electricity mainly) > offsetting.

To demonstrate its commitment and mobilize its teams, the Group has set itself a collection of CSR targets for 2030 (see Section 5). To meet these, it sets out action plans and implements tools to evaluate the risks and impacts or to identify action plans.

Managing our impact over time

In order to manage the improvement of its environmental performance, ENGIE Romania Group has defined indicators in particularly challenging areas. These indicators make it possible to compare its performance over time, as well as its performance in comparison with other comparable organizations.

In addition, ENGIE Romania Group evaluates its environmental actions through the development of competitive benchmarks and encourages the sharing of good practices.

As the Group's environmental performance is evaluated by ratings agencies, ENGIE also relies on this information in order to identify its ways forward.

4.2. Raising awareness and forming partnerships with our stakeholders

ENGIE Romania Group focuses on dialogue with stakeholders so that it can understand and integrate its expectations and observations in the best way possible, whether at the local or the global level. This dialogue



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is supported by the Group's regular communication regarding its environmental performance and its open, friendly attitude in order to respond to any controversies that may appear in this area.

Employees

ENGIE Romania Group environmental performance is achieved in part through better employee awareness of environmental issues. The Group implements a number of methods to achieve this: conferences and internal training, networks, intranet. It encourages the sharing of good practices, innovation and field initiatives via internal skills networks and these contribute to the general raising of awareness. On specific topics, such as individual carbon footprints, green mobility, waste recycling, low-carbon behavior, or Green IT, the Group is launching discussions and actions aimed at employees to encourage behaviors to change. ENGIE Romania encourages its employees to become involved in developing and implementing environmentally-friendly practices.

Suppliers

Suppliers are an essential stakeholder in the ENGIE Romania value chain. The duty of vigilance also makes the Group responsible for the actions of its suppliers. For a number of years now, the Group's purchasing policy has incorporated preserving the environment into its requirements. To this end, and in addition to the contractual provisions of the requirement specifications, the Group has initiated an external CSR appraisal (Ecovadis) of its strategic suppliers.

Customers

ENGIE Romania Group helps to change behaviors by developing offers with environmental components directed at its customers, such as the green offer for electricity, solar self-consumption, boilers and thermostats, energy efficiency services, etc.

Public authorities

ENGIE Romania Group involves itself in projects to develop environmental regulations, participating in them from the earliest possible stage. For example, through relevant associations we are supporting public authorities' needs with respect to energy policies, hydrogen strategies that aim to speed up the transition to a low-carbon economy, as well as the need to develop incentives to promote renewable energies, including thermal energies (biomass, green gas, etc.).

NGO's

ENGIE Romania Group develops partnerships with environmental NGO's whose expertise and capacity for dialogue benefit the Group in its search for performance. This collaboration is exercised both in the policy guidelines studied by the Group and in actions in the field.

4.3. Mobilization within the Group to adopt and promote the environmental policy

This environmental policy and the Group's commitments and objectives are promoted by:

- a global environmental management system (ISO 14001/2015);
- taking into account environmental criteria in projects, as well as in the risk management and control policies;
- training and providing information to employees and management;
- working with suppliers to help them increasingly integrate respect for the environment;
- participating in initiatives, ratings and international indices with regard to CSR and the environment.



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5. Our commitments and environmental intermediary targets

Our environmental aim is to respect the planet's limits, in particular, by acting in line with the Paris Agreement. The Group has committed to being Net Zero Carbon for all its direct and indirect emissions (scope 1, 2 and 3) by 2045.

Target #1: Set an example in deploying our own transition to carbon neutrality by 2030	
Reduction of GHG emissions associated with sales of gas and other energy products <i>vs 2021 reference year</i>	-25%
GHG emissions associated with working practices	-50%
Proportion of renewable energies in the electrical production capacity mix	100%
Target #2: Involve our customers and suppliers in their own transition to carbon neutrality by 2030	
Including in our offers an alternative that contributes to decarbonization	100%
% of strategic and preferred suppliers (excluding energy procurement) to be CSR certified	100%
Target #3: Limit the impact of our activities on the environment and the living world	
Proportion of industrial sites to have established ecological management by 2030	100%

Operational objectives followed by Executive management

Environment objectives 2030	
Rate of activities with an environmental plan established in consultation with stakeholders	100%
NOX emissions reduction rate vs 2017	-50%
SOX emissions reduction rate vs 2017	-50%
Pollution objectives 2030	
Total particulate emissions reduction rate vs 2017	-50%
Non-hazardous waste generation reduction rate vs 2017	-50%
Hazardous waste generation reduction rate vs 2017	-50%

High transparency

Progress on the targets for reducing GHG emissions from energy sales and increasing the share of renewables generation capacity are published yearly. ENGIE Romania Group publishes an annual Sustainability Report to accompany its financial statements. In 2022, this climate report was published in accordance with the requirements of the GRI standards.



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Appendix 1: Climate Policy

Climate change

The fight against climate change, which results from the increase in the concentration of greenhouse gases (GHG) in the atmosphere, is recognised by our societies as one of the major challenges of this century. The Paris Agreement signed at COP21 in 2015 is evidence of a growing global momentum that prioritises the accelerated development of concrete solutions to address these threats. The Paris Agreement established the principles of a new international framework as well as a **high level of ambition in the short and long term: to limit global warming to well below 2°C, preferably 1.5°C, compared to pre-industrial levels.**

Energy use is responsible for 60% of global GHG emissions. While energy is a major source of emissions, it is also an essential part of the solution. The transition undertaken by the energy sector is the first response to the climate issue. Aware of these challenges, the Group is actively involved in the fight against climate change and supports the Paris Agreement. Climate change is at the heart of its transformation strategy: **ENGIE Romania Group is committed to significantly reducing its emissions, in particular through the development of activities that contribute to the energy transition, in consultation with and with respect for local partners, and by putting in place climate change resilience measures.**

Our targets and actions to reduce GHG emissions

The Group has set decarbonization targets as part of its commitments:

- Reduce the emissions from the use of the products we sell by 25%.
- These objectives are accompanied by an objective to accelerate the development of renewables to reach 100% of the Group's installed capacity in 2030 – the equivalent of 1GW installed capacity.
- Supporting customers in their decarbonization through the use of ENGIE products and services;
- Encouraging all employees of the Group to be actors in the reduction and compensation of their carbon footprint (*Ways of working*) with a reduction of 50% of GHG emissions related to its working practices (after compensation);
- Engaging with its suppliers with a target of having 100% of preferred suppliers (excluding energy) certified under CSR evaluations.

For the Group, it is also a question of supporting its customers and suppliers in reducing their emissions by proposing appropriate solutions. The reduction of GHG emissions is also an opportunity for the Group to conquer new markets and to enhance the value of some of its actions and investments that are in line with the reduction of emissions. Finally, climate change is a central issue for ENGIE Romania insofar as the Group's supply chains, infrastructures and activities will be affected by the consequences of climate change. Climate impacts (droughts, fires, storms, extreme rainfall and floods, etc.) are likely to increase, while more gradual changes (rise in temperature, sea level, ocean acidification, etc.) are altering the environment in which economic players operate.

Our approach to reducing emissions

- Develop renewable energies, promote the most efficient technologies (energy efficiency, condensation boilers, heat pumps, etc.)
- Define targets and propose action plans to put us on a decarbonisation trajectory in line with the Paris Agreement
- Strengthen the transparency of reporting on the evolution of the Group's GHG emissions
- **Development of a systematic dialogue with our stakeholders in order to share our approaches, our analyses, our positions**
- **Development of partnerships and collaboration with numerous associations**

The CO₂ emissions reduction targets to which the Group is committed are integrated into the medium-term planning process. CO₂ monitoring is an integral part of the managerial dialogue, which is expressed through



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the performance analysis process based on financial data relating to the periodic closing of the consolidated accounts (*updates*) and *forecasts*. The investment decision process incorporates the CO₂ impact of projects and its consequences on baseline trajectories. The applicable internal procedure aims to favour, within the strategic criteria, projects with a low CO₂ impact. Analysis of the CO₂ impact of each project on the Group's emissions trajectory and of any emissions avoided by customers are systematically reviewed before any investment decision is made.

Assessing the risks associated with climate change and drawing up an adaptation plan

- Increasing knowledge and internal expertise via a methodology for classifying and prioritizing risks and working groups across the business lines (climate, adaptation).
- Strengthening the resilience of our infrastructure and activities (identifying priority sites, identifying local adaptation options).
- Anticipating the impact associated with climate change: incorporating a risk analysis (non-financial criteria) for new projects, isolating and incorporating elements of climate change into the Group scenarios.
- Communicating on actions (observing and anticipating regulatory requirements for publishing risks, positioning the Group as a committed player etc.).



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Appendix 2: Biodiversity Policy

Biodiversity one of the company's challenges

All human activity is dependent on nature, which contributes directly and indirectly to the good quality of life, by providing material goods, regulating environmental conditions and through non-material contributions. To meet this global challenge, each actor, whether public or private, can act at his or her level according to the impacts and dependencies on biodiversity related to his or her activities.

The Group's activities are in constant interaction with biodiversity: on the one hand, and, on the other hand, the footprint of industrial sites has an impact on ecosystems. In accordance with the environmental policy, the Group strives to avoid its direct or indirect impacts on biodiversity, or to reduce them, or even to offset them as a last resort.

From managing the biodiversity footprint to positive impact :

The Group analyses its impacts and dependencies on biodiversity, according to the five major pressures on biodiversity (land use change, resource depletion, climate, air pollution and invasive alien species), in order to identify actions that will help reduce these impacts and control its dependencies.

In order to reduce the footprint, contribute to the restoration of ecological corridors and reduce the presence of invasive alien species, the Group :

- Implements ecological management of sites wherever possible, i.e., at least no use of chemical plant protection products and differentiated management of green spaces
- Identifies protected areas in the vicinity of the sites and defines actions in consultation with stakeholders to minimise impacts or turn them into positive impacts. Protected areas considered are Natura 2000 areas, Ramsar areas, UNESCO sites (natural and mixed), IUCN categories I to VI, Important Bird Areas, Key Biodiversity Areas and Biosphere Reserves (MAB)
- Commits to the application of the "avoid, reduce, offset" sequence throughout the world.

The Group includes biodiversity in its exchanges with stakeholders:

- In-depth study of impacts and dependencies in the value chain and exchange with key suppliers and subcontractors
- Maintain and develop partnerships with biodiversity stakeholders.

Committed to the fight against the global loss of biodiversity, the Group is also committed to :

- Contribute to the development of knowledge on biodiversity at the territorial level
- Continue to raise awareness and train employees.

Objectives and commitments:

Under the previous guidelines and commitments, several objectives have already been achieved, such as

- The provision of a tool to identify protected areas in the vicinity of sites and projects
- Identification of priority sites in Romania, then worldwide, and the implementation of action plans drawn up in consultation with stakeholders



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The new objectives and commitments are defined for the period 2025-2030.

	Target
Implementation of ecological management of industrial sites	50% of sites by 2025 100% of sites by 2030
Further development of action plans for sites located in or near a biodiversity hotspot by applying the new definition of priority sites, which now includes all sites located near protected areas with no derogation possible	80% of sites by 2025 100% of sites by 2030
Application of the 'avoid, reduce, offset' sequence to development projects, in consultation with stakeholders	2024: 100% of the investment files above 30 M€
Carrying out an in-depth analysis of the impacts and dependencies for the Group's main activities along the value chain	At least 2 activities per year by 2025
Provision of biodiversity awareness modules for employees	Minimum one modules per year by 2025



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Appendix 3: Water Policy

Context: a local issue

Water is in general a very important resource for industrial activities. Faced with the risk of water shortages, in terms of quantity or quality, ENGIE Romania Group seeks to continually improve its commitment to water management in the country.

From water management to positive impact :

The water footprint of the Group is currently not posing a risk for the overall environment. As ENGIE Romania Group's activities are currently not directly impacting significantly the water consumption, as most of our usage is linked to the administrative buildings, we understand that we need to consider future implications of our strategy in water management such as hydrogen production, issues related to the use of water in the supply chain (e.g. for the production of biomass resources).

The Group is committed to :

- Analyze water-related risks and opportunities in projects and implement appropriate actions
- Contribute to the improvement of water management and governance in the administrative buildings
- Identify suppliers with water issues and encourage them to develop action plans

Objectives and commitments:

Over the past years, several actions and objectives have been implemented within the Group:

- Measuring the water footprint of activities
- Achieving the target of reducing water usage

	Targets
Establishment of environmental plans for all industrial activities	80% of sites by 2025 100% of sites by 2030



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Appendix 4: Circular Economy Policy

Context

The circular economy, an economic model whose objective is to produce goods and services in a sustainable way, by limiting consumption, resource wastage and waste production, is a response to this challenge. In the energy sector, the circular economy can be developed around three main themes:

- the exploitation of natural resources for energy production,
- energy consumption by end-users and
- the recovery of waste heat.

The circular economy within the Group :

ENGIE Romania Group considers the integration of its activities into a more circular economy as an essential factor of its economic and environmental performance. Actions are carried out at several levels:

- projects on reuse of organic waste (production of biomethane),
- projects on management of the end-of-life of materials (wind turbines, solar panels, etc.), or
- sustainable use of resources.

The circular economy often leads to a reduction in production costs, an increase in added value and increased consumer loyalty. Each site or activity works to recover and/or recycle its waste. The Group, works with suppliers and recycling channels to reduce the impact on resources.

As a major player in the ecological transition, ENGIE Romania implements the principles of the circular economy and is thus committed to :

- Increase the recycling rate of waste generated by activities
- Developing green gases such as biomethane and hydrogen
- Identify recycling channels and thus reduce the impact on resources, particularly for renewable solar and wind energy

Objectives and commitments:

The new targets and commitments are set for the period 2020-2030.

	Targets
Study of the impact of major activities on the planetary boundaries	2025

