

TIPS VENDOR AGREEMENT

Between ENGIE Services U.S. Inc. and _____
(Insert Company Name)

THE INTERLOCAL PURCHASING SYSTEM (TIPS), a Department of Texas Education Service Center Region 8 for **TIPS RFQ 220104 Energy Savings Performance Contract**

General Information

The Vendor Agreement (“Agreement”) made and entered into by and between The Interlocal Purchasing System (hereinafter “TIPS”) a government cooperative purchasing program authorized by the Region 8 Education Service Center, having its principal place of business at 4845 US Hwy 271 North, Pittsburg, Texas 75686 and the TIPS Vendor. This Agreement consists of the provisions set forth below, including provisions of all attachments referenced herein. In the event of a conflict between the provisions set forth below and those contained in any attachment, the provisions set forth shall control unless otherwise agreed by the parties in writing and by signature and date on the attachment.

A Purchase Order (“PO”), Agreement or Contract is the TIPS Member’s approval providing the authority to proceed with the negotiated delivery order under the Agreement. Special terms and conditions as agreed between the Vendor and TIPS Member should be added as addendums to the Purchase Order, Agreement or Contract. Items such as certificate of insurance, bonding requirements, small or disadvantaged business goals are some, but not all, of the possible addendums.

Terms and Conditions

Freight

All quotes to Members shall provide a line item for cost for freight or shipping regardless if there is a charge or not. If no charge for freight or shipping, indicate by stating “No Charge”, “\$0”, “included in price” or other similar indication. Otherwise, all shipping, freight or delivery charges shall be passed through to the TIPS Member at cost with no markup and said charges shall be agreed by the TIPS Member unless alternative shipping terms are agreed by TIPS as a result of the proposal award.

Warranty Conditions

All new supplies equipment and services shall include **manufacturer's minimum standard warranty** unless otherwise agreed to in writing. Vendor shall be legally permitted to sell all products offered for sale to TIPS Members if the offering is included in the Request for Proposal (“RFP”) category. All goods proposed and sold shall be new unless clearly stated in writing.

Customer Support

The Vendor shall provide timely and accurate customer support for orders to TIPS Members as agreed by the Parties. Vendors shall respond to such requests within a commercially reasonable time after receipt of the request. If support and/or training is a line item sold or packaged with a sale, support shall be as agreed with the TIPS Member.

Agreements

Agreements for purchase will normally be put into effect by means of a contract, agreement, or purchase order(s) executed by authorized agents of the TIPS Member participating government entities, but other means of placing an order may be used at the Member's discretion. Vendor accepts and understands that when a purchase order or similar purchase document is sent from a customer through TIPS to the Vendor, TIPS is recording the purchase and verifying whether the purchase is within the parameters of the TIPS Contract only. Vendor agrees that TIPS is not a legal party to the purchase order or similar purchase document and TIPS is not responsible for identifying fraud, mistakes, or misrepresentations for the specific order. Vendor agrees that any purchase order or similar purchase document issued from a customer to Vendor, even when processed through TIPS, constitutes a legal contract between the customer and Vendor only. A Vendor that accepts a purchase order or similar purchase document and fulfills an order, even when processed through TIPS, is representing that the vendor has carefully reviewed the purchase order or similar purchase document for legality, authenticity, and accuracy.

Tax exempt status

Most TIPS Members are tax exempt and the related laws and/or regulations of the controlling jurisdiction(s) of the TIPS Member shall apply.

Assignments of Agreements

No assignment of this Agreement may be made without the prior notification of TIPS. Written approval of TIPS shall not be unreasonably withheld. Payment for delivered goods and services can only be made to the awarded Vendor, Vendor designated reseller or vendor assigned company.

Disclosures

- Vendor and TIPS affirm that he/she, or any authorized employees or agents, has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with this Agreement.
- Vendor shall attach, in writing, a complete description of any and all relationships that might be considered a conflict of interest in doing business with the TIPS program.
- The Vendor affirms that, to the best of his/her knowledge, the offer has been arrived at independently, and is submitted without collusion with anyone to obtain information or gain any favoritism that would in any way limit competition or give an unfair advantage over other vendors in the award of this Agreement.

Term of Agreement and Renewals

The Agreement with TIPS is for approximately **five (5)** years with an option for renewal for an additional **one (1)** consecutive **year**. If TIPS offers the renewal extension year, the Vendor will be notified by email to the primary contact of the awarded Vendor and shall be deemed accepted by the Vendor unless the awarded Vendor notifies TIPS of its objection to the additional term. TIPS may or may not exercise the available extension(s) provided in the original solicitation beyond the base **five-year** term. Whether or not to offer the extension is at the sole discretion of TIPS.

“Start Date” for Term Calculation Purposes Only: Regardless of actual award/effective date of Contract, for Agreement “term” calculation purposes only, the Agreement “start date” is the last day of the month that Award Notifications are anticipated as published in the Solicitation

Example: *If the anticipated award date published in the Solicitation is March 24, 2022 but extended negotiations delay award until June 27, 2022 The end date of the resulting initial “five-year” term Agreement, (which is subject to an extension(s)) will still be March 31, 2027.*

“Termination Date”: The scheduled Agreement “termination date” shall be the last day of the month of the month of the Original Solicitation’s Anticipated Award Date plus **five years**.

Example: *If the original term is approximately five years, and the solicitation provides an anticipated award date of March 24, 2022, the expiration date of the original five-year term shall be May 31, 2027.*

Extensions: Any extensions of the original term shall begin on the next day after the day the original term expires.

Example Following the Previous Example: *If TIPS offers a one-year extension, the expiration of the extended term shall be March 31, 2028.*

TIPS may offer to extend Vendor Agreements to the fullest extent the original Solicitation permits but is not required to do so.

Automatic Renewal Clauses Incorporated in Awarded Vendor Agreements with TIPS Members Resulting from the Solicitation and with the Vendor Named in this Agreement.

No Agreement for goods or services with a TIPS Member by the awarded vendor named in this Agreement that results from the solicitation award named in this Agreement, may incorporate an automatic renewal clause that exceeds month to month terms with which the TIPS Member must comply. All renewal terms incorporated in an Agreement by the vendor with the TIPS Member shall only be valid and enforceable when the vendor receives written confirmation by purchase order, executed Agreement or other written instruction issued by the TIPS Member for any renewal period. The purpose of this clause is to avoid a TIPS Member inadvertently renewing an Agreement during a period in which the governing body of the TIPS Member has not properly appropriated and budgeted the funds to satisfy the Agreement renewal. This term is not negotiable and any Agreement between a TIPS Member and a TIPS awarded vendor with an automatic renewal clause that conflicts with these terms is rendered void and unenforceable.

Shipments

The Vendor shall ship, deliver or provide ordered products or services within a commercially reasonable time after the receipt of the order from the TIPS Member. If a delay in said delivery is anticipated, the Vendor shall notify TIPS Member as to why delivery is delayed and shall provide an estimated time for completion of the order. TIPS or the requesting entity may cancel the order if estimated delivery time is not acceptable or not as agreed by the parties.

Invoices

Each invoice or pay request shall include the TIPS Member’s purchase order number or other identifying designation as provided in the order by the TIPS Member. If applicable, the shipment tracking number or pertinent information for verification of TIPS Member receipt shall be made available upon request.

Payments

The TIPS Member will make payments directly to the Vendor, the Vendor Assigned Dealer or as agreed by the Vendor and the TIPS Member after receiving invoice and in compliance with applicable payment

statute(s), whichever is the greater time or as otherwise provided by an agreement of the parties.

Pricing

All pricing submitted to TIPS' Members shall include the participation fee, as provided in the solicitation, to be remitted to TIPS by the Vendor. Vendor will not show adding the fee to the invoice presented to TIPS Member customer.

Participation Fees and Reporting of Sales to TIPS by Vendor

The Participation Fee that was published as part of the Solicitation and the fee published is the legally effective fee, along with any fee conditions stated in the Solicitation. Collection of the fees by TIPS is required under Texas Government Code §791.011 Et seq. Fees are due on all TIPS purchases reported by either Vendor or Member. Fees are due to TIPS upon payment by the Member to the Vendor, Reseller or Vendor Assigned Dealer. Vendor, Reseller or Vendor Assigned Dealer agrees that the participation fee is due to TIPS for all Agreement sales immediately upon receipt of payment including partial payment, from the Member Entity and must be paid to TIPS at least on a monthly basis, specifically within 31 calendar days of receipt of payment, if not more frequently, or as otherwise agreed by TIPS in writing and signed by an authorized signatory of TIPS. Thus, when an awarded Vendor, Reseller or Vendor Assigned Dealer receives any amount of payment, even partial payment, for a TIPS sale, the legally effective fee for that amount is immediately due to TIPS from the Vendor and fees due to TIPS should be paid at least on a monthly basis, specifically within 31 calendar days of receipt of payment, if not more frequently. **Fees for this RFQ is 1% of the sale price paid by the TIPS Member entity.**

Reporting of Sales to TIPS by Vendor

Vendor is required to report all sales under the TIPS contract to TIPS. When a public entity initiates a purchase with a TIPS Awarded Vendor, if the Member inquires verbally or in writing whether the Vendor holds a TIPS Contract, it is the duty of the Vendor to verify whether or not the Member is seeking a TIPS purchase. Once verified, the Vendor must include the TIPS Contract number on any communications and related sales documents exchanged with the TIPS Member entity. To report sales, the Vendor must login to the TIPS Vendor Portal online at https://www.tips-usa.com/vendors_form.cfm and click on the PO's and Payments tab. Pages 3-7 of the [Vendor Portal User Guide](#) will walk you through the process of reporting sales to TIPS. Please refer to the TIPS [Accounting FAQ's](#) for more information about reporting sales and if you have further questions, contact the Accounting Team at accounting@tips-usa.com. The Vendor or vendor assigned dealers are responsible for keeping record of all sales that go through the TIPS Agreement and submitting same to TIPS. Failure to render the participation fee to TIPS shall constitute a breach of this agreement with our parent governmental entity, Texas Education Service Center Region 8, as established by the Texas legislature and shall be grounds for termination of this agreement and any other agreement held with TIPS and possible legal action. Any overpayment of participation fees to TIPS by a Vendor will be refunded to the Vendor within ninety (90) days of receipt of notification if TIPS receives written notification of the overpayment not later than the expiration of six (6) months from the date of overpayment and TIPS determines that the amount was not legally due to TIPS pursuant to this agreement and applicable law. It is the Vendor's responsibility to identify which sales are TIPS Agreement sales and pay the correct participation fee due for TIPS Agreement sales. Any notification of overpayment received by TIPS after the expiration of six (6) months from the date of overpayment will be non-refundable. Region 8 ESC and TIPS reserve the right to extend the six (6) month deadline to notify if approved by the Region 8 ESC Board of Directors. TIPS reserves all rights under the law to collect the fees due. Please contact TIPS at tips@tips-usa.com or call (866) 839-8477 if you have questions about paying fees.

Indemnity

The Vendor agrees to indemnify and hold harmless and defend TIPS, TIPS Member(s), officers and employees from and against all claims and suits by third parties for damages, injuries to persons (including death), property damages, losses, and expenses including court costs and reasonable attorney's fees, arising out of, or resulting from, Vendor's performance under this Agreement, including all such causes of action based upon common, constitutional, or statutory law, or based in whole or in part, upon allegations of negligent or intentional acts on the part of the Vendor, its officers, employees, agents, subcontractors, licensees, or invitees. Parties found liable shall pay their proportionate share of damages as agreed by the parties or as ordered by a court of competent jurisdiction over the case. **NO LIMITATION OF LIABILITY FOR DAMAGES FOR PERSONAL INJURY OR PROPERTY DAMAGE ARE PERMITTED OR AGREED BY TIPS/ESC REGION 8.** Per Texas Education Code §44.032(f), and pursuant to its requirements only, reasonable Attorney's fees are recoverable by the prevailing party in any dispute resulting in litigation.

State of Texas Franchise Tax

By signature hereon, the Vendor hereby certifies that he/she is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171, Tax Code.

Miscellaneous

The Vendor acknowledges and agrees that continued participation in TIPS is subject to TIPS sole discretion and that any Vendor may be removed from the participation in the Program at any time with or without cause. Nothing in the Agreement or in any other communication between TIPS and the Vendor may be construed as a guarantee that TIPS or TIPS Members will submit any orders at any time. TIPS reserves the right to request additional proposals for items or services already on Agreement at any time.

Purchase Order Pricing/Product Deviation

If a deviation of pricing/product on a Purchase Order or contract modification occurs between the Vendor and the TIPS Member, TIPS must be notified within five (5) business days of receipt of change order.

Termination for Convenience of TIPS Agreement Only

TIPS reserves the right to terminate this agreement for cause or no cause for convenience with a thirty (30) days prior written notice. Termination for convenience is conditionally required under Federal Regulations 2 CFR part 200 if the customer is using federal funds for the procurement. All purchase orders presented to the Vendor, but not fulfilled by the Vendor, by a TIPS Member prior to the actual termination of this agreement shall be honored at the option of the TIPS Member. The awarded Vendor may terminate the agreement with ninety (90) days prior written notice to TIPS 4845 US Hwy North, Pittsburg, Texas 75686. The vendor will be paid for goods and services delivered prior to the termination provided that the goods and services were delivered in accordance with the terms and conditions of the terminated agreement. This termination clause does not affect the sales agreements executed by the Vendor and the TIPS Member customer pursuant to this agreement. TIPS Members may negotiate a termination for convenience clause that meets the needs of the transaction based on applicable factors, such as funding sources or other needs.

TIPS Member Purchasing Procedures

Usually, purchase orders or their equal are issued by participating TIPS Member to the awarded vendor and should indicate on the order that the purchase is per the applicable TIPS Agreement Number. Orders are typically emailed to TIPS at tipspo@tips-usa.com.

- Awarded Vendor delivers goods/services directly to the participating member.
- Awarded Vendor invoices the participating TIPS Member directly.
- Awarded Vendor receives payment directly from the participating member.

- Fees are due to TIPS upon payment by the Member to the Vendor. Vendor agrees to pay the participation fee to TIPS for all Agreement sales upon receipt of payment including partial payment, from the Member Entity or as otherwise agreed by TIPS in writing and signed by an authorized signatory of TIPS.

Licenses

Awarded Vendor shall maintain, in current status, all federal, state and local licenses, bonds and permits required for the operation of the business conducted by awarded Vendor. Awarded Vendor shall remain reasonably fully informed of and in compliance with all ordinances and regulations pertaining to the lawful provision of goods or services under the Agreement. TIPS and TIPS Members reserves the right to stop work and/or cancel an order or terminate this or any other sales Agreement of any awarded Vendor whose license(s) required for performance under this Agreement have expired, lapsed, are suspended or terminated subject to a 30-day cure period unless prohibited by applicable statute or regulation.

Novation

If awarded Vendor sells or transfers all assets, rights or the entire portion of the assets or rights required to perform this Agreement, a successor in interest must guarantee to perform all obligations under this Agreement. A simple change of name agreement will not change the Agreement obligations of awarded vendor. TIPS will consider Contract Assignments on a case by case basis. TIPS must be notified within five (5) business days of the transfer of assets or rights.

Site Requirements (*only when applicable to service or job*)

Cleanup: When performing work on site at a TIPS Member's property, awarded Vendor shall clean up and remove all debris and rubbish resulting from their work as required or directed by TIPS Member or as agreed by the parties. Upon completion of work, the premises shall be left in good repair and an orderly, neat, clean and unobstructed condition.

Preparation: Awarded Vendor shall not begin a project for which TIPS Member has not prepared the site, unless awarded Vendor does the preparation work at no cost, or until TIPS Member includes the cost of site preparation in a purchase order. Site preparation includes, but is not limited to: moving furniture, installing wiring for networks or power, and similar pre-installation requirements.

Registered sex offender restrictions: For work to be performed at schools, awarded Vendor agrees that no employee of a subcontractor who has been adjudicated to be a registered sex offender will perform work at any time when students are, or reasonably expected to be, present unless otherwise agreed by the TIPS Member. Awarded Vendor agrees that a violation of this condition shall be considered a material breach and may result in the cancellation of the purchase order at the TIPS Member's discretion. Awarded Vendor must identify any additional costs associated with compliance of this term. If no costs are specified, compliance with this term will be provided at no additional charge. **Safety measures:** Awarded Vendor shall take all reasonable precautions for the safety of employees on the worksite, and shall erect and properly maintain all necessary safeguards for protection of workers and the public. Awarded Vendor shall post warning signs against all hazards created by the operation and work in progress. Proper precautions shall be taken pursuant to state law and standard practices to protect workers, general public and existing structures from injury or damage.

Safety Measures

Awarded Vendor shall take all reasonable precautions for the safety of employees on the worksite, and shall erect and properly maintain all necessary safeguards for protection of workers and the public. Awarded vendor shall post warning signs against all hazards created by the operation and work in progress. Proper precautions shall be taken pursuant to state law and standard practices to protect workers, general public and existing structures from injury or damage.

Smoking

Persons working under Agreement shall adhere to the TIPS Member's or local smoking statutes, codes or policies.

Marketing

Awarded Vendor agrees to allow TIPS to use their name and logo within TIPS website, marketing materials and advertisement subject to any reasonable restrictions provided to TIPS in the Proposal to the Solicitation. The Vendor may submit an acceptable use directive for Vendor's names and logos with which TIPS agrees to comply. Any use of TIPS name and logo or any form of publicity, inclusive of press release, regarding this Agreement by awarded vendor must have prior approval from TIPS which will not be unreasonably withheld. Request may be made by email to TIPS@TIPS-USA.COM.

Supplemental Agreements

The TIPS Member entity participating in the TIPS Agreement and awarded Vendor may enter into a separate Supplemental Agreement or contract to further define the level of service requirements over and above the minimum defined in this Agreement such as but not limited to, invoice requirements, ordering requirements, specialized delivery, etc. Any Supplemental Agreement or contract developed as a result of this Agreement is exclusively between the TIPS Member entity customer and the Vendor. TIPS, its agents, TIPS Members and employees not a party to the Supplemental Agreement with the TIPS Member customer, shall not be made party to any claim for breach of such agreement unless named and agreed by the Party in question in writing in the agreement. If a Vendor submitting a Proposal requires TIPS and/or TIPS Member to sign an additional agreement, those agreements shall comply with the award made by TIPS to the Vendor. Supplemental Vendor's Agreement documents may not become part of TIPS' Agreement with Vendor unless and until an authorized representative of TIPS reviews and approves it. TIPS review and approval may be at any time during the life of this Vendor Agreement. TIPS permits TIPS Members to negotiate additional terms and conditions with the Vendor for the provision of goods or services under the Vendor's TIPS Agreement so long as they do not materially conflict with this Agreement.

Survival Clause

All applicable sales, leases, Supplemental Agreements, contracts, software license agreements, warranties or service agreements that were entered into between Vendor and TIPS or the TIPS Member Customer under the terms and conditions of this Agreement shall survive the expiration or termination of this Agreement. All Orders, Purchase Orders issued or contracts executed by TIPS or a TIPS Member and accepted by the Vendor prior to the expiration or termination of this agreement, shall survive expiration or termination of the Agreement, subject to previously agreed terms and conditions agreed by the parties or as otherwise specified herein relating to termination of this agreement.

Legal obligations

It is the responding Vendor's responsibility to be aware of and comply with all local, state and federal laws governing the sale of products/services identified in the applicable Solicitation that resulted in this Vendor Agreement and any awarded Agreement thereof. Applicable laws and regulations must be followed even if not specifically identified herein.

Audit rights

Due to transparency statutes and public accountability requirements of TIPS and TIPS Members', the awarded Vendor shall, at their sole expense, maintain appropriate due diligence of all purchases made by TIPS Member that utilizes this Agreement. TIPS and Region 8 ESC each reserve the right to audit the

accounting of TIPS related purchases for a period of three (3) years from the time such purchases are made. This audit right shall survive termination of this Agreement for a period of one (1) year from the effective date of termination. In order to ensure and confirm compliance with this agreement, TIPS shall have authority to conduct audits of Awarded Vendor's pricing or TIPS transaction documentation with TIPS Members with 30 days' notice unless the audit is ordered by a Court Order or by a Government Agency with authority to do so without notice. Notwithstanding the foregoing, in the event that TIPS is made aware of any pricing being offered to eligible entities that is materially inconsistent with the pricing under this agreement, TIPS shall have the ability to conduct the audit internally or may engage a third- party auditing firm to investigate any possible non- compliant conduct or may terminate the Agreement according to the terms of this Agreement. In the event of an audit, the requested materials shall be reasonably provided in the time, format and at the location acceptable to Region 8 ESC or TIPS. TIPS agrees not to perform a random audit the TIPS transaction documentation more than once per calendar year, but reserves the right to audit for just cause or as required by any governmental agency or court with regulatory authority over TIPS or the TIPS Member.

Force Majeure

If by reason of Force Majeure, either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement then such party shall give notice and full particulars of Force Majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied upon, and the obligation of the party giving such notice, so far as it is affected by such Force Majeure, shall be suspended during the continuance of the inability then claimed, except as hereinafter provided, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

Choice of Law

The Agreement between the Vendor and TIPS/ESC Region 8 and any addenda or other additions resulting from this procurement process, however described, shall be governed by, construed and enforced in accordance with the laws of the State of Texas, regardless of any conflict of laws principles.

Venue, Jurisdiction and Service of Process

Any Proceeding arising out of or relating to this procurement process or any contract issued by TIPS resulting from or any contemplated transaction shall be brought in a court of competent jurisdiction in Camp County, Texas and each of the parties irrevocably submits to the exclusive jurisdiction of said court in any such proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the Proceeding shall be heard and determined only in any such court, and agrees not to bring any proceeding arising out of or relating to this procurement process or any contract resulting from or any contemplated transaction in any other court. The parties agree that either or both of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and freely bargained for agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Process in any Proceeding referred to in the first sentence of this Section may be served on any party anywhere in the world. Venue for any dispute resolution process, other than litigation, between TIPS and the Vendor shall be located in Camp or Titus County, Texas.

Project Delivery Order Procedures

The TIPS Member having approved and signed an interlocal agreement, or other TIPS Membership document, may make a request of the awarded Vendor under this Agreement when the TIPS Member desires goods or services awarded to the Vendor. Notification may occur via phone, the web, courier, email, fax, or in person. Upon notification of a pending request, the awarded Vendor shall acknowledge the TIPS

Member's request as soon as possible, but must make contact with the TIPS Member within two working days.

Status of TIPS Members as Related to This Agreement

TIPS Members stand in the place of TIPS as related to this agreement and have the same access to the proposal information and all related documents. TIPS Members have all the same rights under the awarded Agreement as TIPS.

Vendor's Resellers as Related to This Agreement

Vendor's Named Resellers ("Resellers") under this Agreement shall comply with all terms and conditions of this agreement and all addenda or incorporated documents. All actions related to sales by Authorized Vendor's Resellers under this Agreement are the responsibility of the awarded Vendor. If Resellers fail to report sales to TIPS under your Agreement, the awarded Vendor is responsible for their contractual failures and shall be billed for the fees. The awarded Vendor may then recover the fees from their named reseller.

Support Requirements

If there is a dispute between the awarded Vendor and TIPS Member, TIPS or its representatives may, at TIPS sole discretion, assist in conflict resolution if requested by either party. TIPS, or its representatives, reserves the right to inspect any project and audit the awarded Vendor's TIPS project files, documentation and correspondence related to the requesting TIPS Member's order. If there are confidentiality requirements by either party, TIPS shall comply to the extent permitted by law.

Incorporation of Solicitation

The TIPS Solicitation which resulted in this Vendor Agreement, whether a Request for Proposals, the Request for Competitive Sealed Proposals or Request for Qualifications solicitation, or other, the Vendor's response to same and all associated documents and forms made part of the solicitation process, including any addenda, are hereby incorporated by reference into this Agreement as if copied verbatim.

SECTION HEADERS OR TITLES

THE SECTION HEADERS OR TITLES WITHIN THIS DOCUMENT ARE MERELY GUIDES FOR CONVENIENCE AND ARE NOT FOR CLASSIFICATION OR LIMITING OF THE RESPONSIBILITIES OF THE PARTIES TO THIS DOCUMENT.

STATUTORY REQUIREMENTS

Texas governmental entities are prohibited from doing business with companies that fail to certify to this condition as required by Texas Government Code Sec. 2270.

By executing this agreement, you certify that you are authorized to bind the undersigned Vendor and that your company (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Agreement.

You certify that your company is not listed on and does not and will not do business with companies that are on the Texas Comptroller of Public Accounts list of Designated Foreign Terrorists Organizations per Texas Gov't Code 2270.0153 found at <https://comptroller.texas.gov/purchasing/docs/foreign-terrorist.pdf>

You certify that if the certified statements above become untrue at any time during the life of this Agreement that the Vendor will notify TIPS within three (3) business day of the change by a letter on Vendor's letterhead from and signed by an authorized representative of the Vendor stating the non-compliance decision and the TIPS Agreement number and description at:

Attention: General Counsel
ESC Region 8/The Interlocal Purchasing System (TIPS)
4845 Highway 271 North
Pittsburg, TX, 75686
And by an email sent to bids@tips-usa.com

Insurance Requirements

The undersigned Vendor agrees to maintain the below minimum insurance requirements for TIPS Contract Holders:

General Liability	\$1,000,000 each Occurrence/ Aggregate
Automobile Liability	\$300,000 Includes owned, hired & non-owned
Workers' Compensation	Statutory limits for the jurisdiction in which the Vendor performs under this Agreement.
Umbrella Liability	\$1,000,000

When the Vendor or its subcontractors are liable for any damages or claims, the Vendor's policy, when the Vendor is responsible for the claim, must be primary over any other valid and collectible insurance carried by the Member. Any immunity available to TIPS or TIPS Members shall not be used as a defense by the contractor's insurance policy. The coverages and limits are to be considered minimum requirements and in no way limit the liability of the Vendor(s). Insurance shall be written by a carrier with an A-; VII or better rating in accordance with current A.M. Best Key Rating Guide. Only deductibles applicable to property damage are acceptable, unless proof of retention funds to cover said deductibles is provided. "Claims made" policies will not be accepted. Vendor's required minimum coverage shall not be suspended, voided, cancelled, non-renewed or reduced in coverage or in limits unless replaced by a policy that provides the minimum required coverage except after thirty (30) days prior written notice by certified mail, return receipt requested has been given to TIPS or the TIPS Member if a project or pending delivery of an order is ongoing. Upon request, certified copies of all insurance policies shall be furnished to the TIPS or the TIPS Member.

Special Terms and Conditions

- **Orders:** All Vendor orders received from TIPS Members must be emailed to TIPS at tips@tips-usa.com. Should a TIPS Member send an order directly to the Vendor, it is the Vendor's responsibility to forward a copy of the order to TIPS at the email above within 3 business days and confirm its receipt with TIPS.
- **Vendor Encouraging Members to bypass TIPS agreement:** Encouraging TIPS Members to purchase directly from the Vendor or through another agreement, when the Member has requested using the TIPS cooperative Agreement or price, and thereby bypassing the TIPS Agreement is a violation of the terms and conditions of this Agreement and will result in removal of the Vendor from the TIPS Program.
- **Order Confirmation:** All TIPS Member Agreement orders are approved daily by TIPS and sent to the Vendor. The Vendor should confirm receipt of orders to the TIPS Member (customer) within 3 business days.
- **Vendor custom website for TIPS:** If Vendor is hosting a custom TIPS website, updated pricing when effective. TIPS shall be notified when prices change in accordance with the award.

- **Back Ordered Products:** If product is not expected to ship within the time provided to the TIPS Member by the Vendor, the Member is to be notified within 3 business days and appropriate action taken based on customer request.

NOTE: It is always the Vendor's responsibility under the TIPS agreement to report all sales under the TIPS Agreement. When a public entity initiates a purchase with a TIPS Awarded Vendor, if the Member inquires verbally or in writing whether the Vendor holds a TIPS Contract, it is the duty of the Vendor to verify whether or not the Member is seeking a TIPS purchase. Once verified, the Vendor must include the TIPS Contract Number on all related quotes, invoices, and similar sales documents. It is the duty of the Vendor to submit documentation of all final purchases to TIPS for processing. This may only be done through the TIPS Vendor Portal or by emailing the sales documentation to TIPSP0@TIPS-USA.com, unless TIPS agrees to an alternative reporting method in writing. Failure to report a TIPS sale may result in termination of Vendor's TIPS Contract(s) and preclusion to responding to future solicitations.

The TIPS Vendor Agreement Signature Page is inserted here.

TIPS Vendor Agreement Signature Form

RFQ 220104 Energy Savings Performance Contracts

ENGIE Services U.S. Inc.

Company Name _____

500 12TH Street #300

Address _____

Oakland

CA

94607

City _____ State _____ Zip _____

510-502-7314

Phone _____ Fax _____

courtney.jenkins@engie.com

Email of Authorized Representative _____

Courtney Jenkins

Name of Authorized Representative _____

Vice President and General Manager

Title _____

Signature of Authorized Representative _____

DocuSigned by:
C. Jenkins
16A1B7CLIUBAD453...

Date 2/7/2022

TIPS Authorized Representative Name David Fitts

Title Executive Director

TIPS Authorized Representative Signature David Wayne Fitts

Approved by ESC Region 8 David Wayne Fitts

Date 3/24/2022

NOTICE TO MEMBERS REGARDING ATTRIBUTE RESPONSES

TIPS VENDORS RESPOND TO ATTRIBUTE QUESTIONS AS PART OF TIPS COMPETITIVE SOLICITATION PROCESS. THE VENDOR'S RESPONSES TO ATTRIBUTE QUESTIONS ARE INCLUDED HEREIN AS "SUPPLIER RESPONSE." PLEASE BE ADVISED THAT DEVIATIONS, IF ANY, IN VENDOR'S RESPONSE TO ATTRIBUTE QUESTIONS MAY NOT REFLECT VENDOR'S FINAL ATTRIBUTE RESPONSE, WHICH IS SUBJECT TO NEGOTIATIONS PRIOR TO AWARD. PLEASE CONTACT THE TIPS OFFICE AT 866-839-8477 WITH QUESTIONS OR CONCERNS REGARDING VENDOR ATTRIBUTE RESPONSE DEVIATIONS. PLEASE KEEP IN MIND THAT TIPS DOES NOT PROVIDE LEGAL COUNSEL TO MEMBERS. TIPS RECOMMENDS THAT YOU CONSULT YOUR LEGAL COUNSEL WHEN EXECUTING CONTRACTS WITH OR MAKING PURCHASES FROM TIPS VENDORS.



**220104 Addendum 1
Engie Services U.S. Inc
Engie Services U.S. Inc. formerly OpTerra
Supplier Response**

Event Information

Number: 220104 Addendum 1
Title: Energy Savings Performance Contracts (ESPC)
Type: Request for Qualification
Issue Date: 1/6/2022
Deadline: 2/18/2022 03:00 PM (CT)
Notes: **IF YOU CURRENTLY HOLD TIPS CONTRACTS (170103) Energy Savings Performance Contracts (“170103”) OR (200209) Energy Savings Performance Contracts (“200209”), YOU MUST RESPOND TO THIS SOLICITATION TO PREVENT LAPSE OF CONTRACT. THIS AWARDED CONTRACT WILL REPLACE YOUR EXPIRING TIPS CONTRACT.**

Contact Information

Address: Region 8 Education Service Center
4845 US Highway 271 North
Pittsburg, TX 75686
Phone: +1 (866) 839-8477
Email: bids@tips-usa.com

Engie Services U.S. Inc Information

Contact: Alekso Stankoski
Address: 1360 Post Oak Blvd
Suite 400
Houston, TX 77056
Phone: (713) 636-0000
Email: alekso.stankoski@engie.com
Web Address: <https://www.engie-na.com/>

By submitting your response, you certify that you are authorized to represent and bind your company.

Alekso Stankoski

Signature

Submitted at 2/14/2022 9:23:04 AM

alekso.stankoski@engie.com

Email

Requested Attachments

Agreement Signature Form

TIPS Vendor Agreement Signature Form.pdf

If you have not taken exception or deviation to the agreement language in the solicitation attributes, download the AGREEMENT SIGNATURE FORM from the "ATTACHMENTS" tab. This PDF document is a fillable form. Download the document to your computer, fill in the requested company information, print the file, SIGN the form, SCAN the completed and signed AGREEMENT SIGNATURE FORM, and upload here.

If you have taken exception to any of the agreement language and noted the exception in the deviations section of the attributes for the agreement, complete the AGREEMENT SIGNATURE FORM, but DO NOT SIGN until those deviations have been negotiated and resolved with TIPS management. Upload the unsigned form here, because this is a required document.

Confidentiality Claim Form

TIPS Confidentiality Form.pdf

REQUIRED CONFIDENTIALITY FORM. Complete the form according to your company requirements, make any desired attachments and upload to the appropriate section under "Response Attachments" THIS FORM DETERMINES HOW ESC8/TIPS RESPONDS TO LEGAL PUBLIC INFORMATION REQUESTS.

Proposed Goods and Services

2020 Integrated Report.pdf

Please upload one or more documents or sheets describing your offerings, line cards, catalogs, links to offerings OR list links to your offerings that illustrate the catalog of proposed lines of goods and or services you carry and offer under this proposal. It does not have to be exhaustive but should, at a minimum tell us what you are offering. It could be as simple as a sheet with your link to your online catalog of goods and services.

Reference Form

220104 ESPC Reference_Form - leave as Excel.xls

The vendor must download the References spreadsheet from the attachment tab, fill in the requested information and upload the completed spreadsheet. DO NOT UPLOAD encrypted or password protected files.

Current W-9 Tax Form

2022 ESUS W-9.pdf

You are required by TIPS to upload a current W-9 Internal Revenue Service (IRS) Tax Form for your entity. This form will be utilized by TIPS to properly identify your entity.

Vendor Agreement

220104 ESPC Vendor Agreement.pdf

The vendor must download the Vendor Agreement from the attachment tab, fill in the requested information and upload the completed agreement.

DO NOT UPLOAD encrypted or password protected files.

OPTIONAL Information Requested

No response

IF you agree to do so, Please upload the Optional Information Requested regarding ESaaS.
See attachment.

All Other Certificates

NAESCO ACCREDITATION.jpg

All Other Certificates (if applicable) must be scanned and uploaded. If vendor has more than one other certification scan into one document. (PDF Format ONLY)
DO NOT UPLOAD encrypted or password protected files.

Conflict of Interest Form CIQ- ONLY REQUIRED IF A CONFLICT EXISTS PER THE INSTRUCTIONS

No response

ONLY REQUIRED IF A CONFLICT EXISTS PER THE INSTRUCTIONS

Conflict of Interest Form for Vendors that are required to submit the form. The Conflict of Interest Form is included in the Base documents or can be found at <https://www.tips-usa.com/assets/documents/docs/CIQ.pdf>.

D/M/WBE Certification OPTIONAL

No response

D/M/WBE Certification documentation may be scanned and uploaded if you desire to claim your status as one of the identified enterprises. (Disadvantaged Business Enterprise, Minority Business Enterprise and/or Woman Business Enterprise) If vendor has more than one certification scan into one document. (PDF Format ONLY)
DO NOT UPLOAD encrypted or password protected files.

Warranty

No response

Warranty information (if applicable) must be scanned and uploaded. (PDF Format ONLY)
DO NOT UPLOAD encrypted or password protected files.

Supplementary

No response

Supplementary information may be scanned and uploaded. (Company information, brochures, catalogs, etc.) (PDF Format ONLY)
DO NOT UPLOAD encrypted or password protected files.

Logo and Other Company Marks

No response

If you desire, please upload your company logo to be added to your individual profile page on the TIPS website. If any particular specifications are required for use of your company logo, please upload that information under the Supplementary section or another non-required section under the "Response Attachment" tab. Preferred Logo Format: 300 x 225 px - .png, .eps, .jpeg preferred

Certification of Corporate Offerer Form- COMPLETE ONLY IF OFFERER IS A CORPORATION

No response

COMPLETE AND UPLOAD FORM IN ATTACHMENTS SECTION ONLY IF OFFERER IS A CORPORATION

Disclosure of Lobbying Activities Standard Form LLL

No response

ONLY IF you answered "I HAVE Lobbied per above" to attribute #66, please download and complete and upload the Standard Form-LLL, "disclosure Form to Report Lobbying," in the Response attachments section.

Response Attachments

ENGIE's Response to TIPS RFQ.pdf

ENGIE's response to TIPS RFQ requirements

Bid Attributes

1	Yes - No Disadvantaged/Minority/Women Business Enterprise - D/M/WBE/Federal HUBZone (Required by some participating governmental entities). Vendor certifies that their firm is a D/M/WBE or HUBZone? Vendor must upload proof of certification to the "Response Attachments" D/M/WBE CERTIFICATES section. <input type="text" value="NO"/>
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2 Yes - No
Historically Underutilized Business - HUB (Required by some participating governmental entities) Vendor certifies that their firm is a HUB as defined by the State of Texas at <https://comptroller.texas.gov/purchasing/vendor/hub/>.
Proof may be submitted. Vendor must upload proof of certification to the "Response Attachments" HUB CERTIFICATES section.

3 Yes - No
The Vendor can provide services and/or products to all 50 US States?

4 States Served:
If answer is NO to question #3, please list which states can be served. (Example: AR, OK, TX)

5 Company and/or Product Description:
This information will appear on the TIPS website in the company profile section, if awarded a TIPS contract. (Limit 750 characters.)

6 Primary Contact Name
Primary Contact Name

7 Primary Contact Title
Primary Contact Title

8 Primary Contact Email
Primary Contact Email

9 Primary Contact Phone
Enter 10 digit phone number. (No dashes or extensions)
Example: 8668398477

10 Primary Contact Fax
Enter 10 digit phone number. (No dashes or extensions)
Example: 8668398477

1 1	Primary Contact Mobile Enter 10 digit phone number. (No dashes or extensions) Example: 8668398477 <input type="text" value="4157359082"/>
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1 2	Secondary Contact Name Secondary Contact Name <input type="text" value="Lacey Sullivan"/>
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1 3	Secondary Contact Title Secondary Contact Title <input type="text" value="Sales Advisor"/>
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1 4	Secondary Contact Email Secondary Contact Email <input type="text" value="lacey.sullivan@engie.com"/>
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1 5	Secondary Contact Phone Enter 10 digit phone number. (No dashes or extensions) Example: 8668398477 <input type="text" value="6266608258"/>
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1 6	Secondary Contact Fax Enter 10 digit phone number. (No dashes or extensions) Example: 8668398477 <input type="text" value="6266608258"/>
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1 7	Secondary Contact Mobile Enter 10 digit phone number. (No dashes or extensions) Example: 8668398477 <input type="text" value="6266608258"/>
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1 8	Admin Fee Contact Name Admin Fee Contact Name. This person is responsible for paying the admin fee to TIPS. <input type="text" value="Lacey Sullivan"/>
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1 9	Admin Fee Contact Email Admin Fee Contact Email <input type="text" value="lacey.sullivan@engie.com"/>
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2 0	Admin Fee Contact Phone Enter 10 digit phone number. (No dashes or extensions) Example: 8668398477 <input type="text" value="6266608258"/>
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2 1	Purchase Order Contact Name Purchase Order Contact Name. This person is responsible for receiving Purchase Orders from TIPS. <input type="text" value="Lacey Sullivan"/>
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2 2	Purchase Order Contact Email Purchase Order Contact Email lacey.sullivan@engie.com
2 3	Purchase Order Contact Phone Enter 10 digit phone number. (No dashes or extensions) Example: 8668398477 6266608258
2 4	Company Website Company Website (Format - www.company.com) https://www.engie-na.com/
2 5	Entity D/B/A's and Assumed Names Please identify all of your entity's assumed names and D/B/A's. Please note that you will be identified publicly by the legal name under which you responded to this solicitation unless you organize otherwise with TIPS after award. ENGIE Services U.S. Inc.
2 6	Primary Address Primary Address 1360 Post Oak Blvd #400, Houston, TX 77056
2 7	Primary Address City Primary Address City Houston
2 8	Primary Address State Primary Address State (2 Digit Abbreviation) TX
2 9	Primary Address Zip Primary Address Zip 77056
3 0	Search Words: Please list search words to be posted in the TIPS database about your company that TIPS website users might search. Words may be product names, manufacturers, or other words associated with the category of award. YOU MAY NOT LIST NON-CATEGORY ITEMS. (Limit 500 words) (Format: product, paper, construction, manufacturer name, etc.) energy efficiency, energy performance contract, energy service company, solar, battery energy storage system, microgrid, electric vehicle, fleet electrification, design-build, wastewater treatment plant energy efficiency, building system retrofit, water conservation, energy conservation, smart city

**3
1** Do you want TIPS Members to be able to spend Federal grant funds with you if awarded? Is it your intent to be able to sell to our members regardless of the fund source, whether it be local, state or federal?

Most of our members receive Federal Government grants or other funding and they make up a significant portion of their budgets. The Members need to know if your company is willing to sell to them when they spend federal budget funds on their purchase. There are attributes that follow that include provisions from the federal regulations in 2 CFR part 200, etc. Your answers will determine if your award will be designated as eligible for TIPS Members to utilize federal funds with your company.

Do you want TIPS Members to be able to spend Federal funds, at the Member's discretion, with you?

**3
2** Yes - No

Certification of Residency (Required by the State of Texas) The vendor's ultimate parent company or majority owner:

(A) has its principal place of business in Texas;

OR

(B) employs at least 500 persons in Texas?

This question is required as a data gathering function for information to our members making purchases with awarded vendors. It does not affect scoring with TIPS.

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3** Company Residence (City)

Vendor's principal place of business is in the city of?

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4** Company Residence (State)

Vendor's principal place of business is in the state of?

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5** TIPS Administration Fee

By submitting a proposal, I agree that all pricing submitted to TIPS shall include the Administration Fee, as designated in the solicitation or as otherwise agreed in writing which shall be remitted to TIPS by the Vendor, or the vendor's named resellers, and as agreed to in the Vendor Agreement. I agree that the fee shall not and will not be added by the Vendor as a separate line item on a TIPS member invoice, quote, proposal or any other written communications with the TIPS member.

36 Yes - No

Vendor agrees to remit to TIPS the required administration fee or, if resellers are named, Vendor agrees to guarantee the fee remittance by or for the reseller named by the vendor?

TIPS/ESC Region 8 is required by Texas Government Code § 791 to be compensated for its work and thus, failure to agree shall render your response void and it will not be considered.

37 TIPS Administration Fee Paid by Vendor - Not Charged Separately to Customer

Vendor understands and agrees that it owes TIPS a TIPS Administration Fee (published in the RFP/RCSP document) on every TIPS sale made under an awarded TIPS Contract. Vendor further understands and agrees that Vendor shall submit pricing to Member entity which includes and accounts for the TIPS Administration Fee and **shall never** separately charge the TIPS Member Customer the TIPS fee or add the TIPS Administration Fee line item to an invoice or similar purchase document. Submission of this proposal is Vendor's certification that Vendor agrees to this mandatory term.

38 Years in Business as Proposing Company

Years in business as proposing company?

39 Resellers:

Does the vendor have resellers that it will name under this contract? Resellers are defined as other companies that sell your products under an agreement with you, the awarded vendor of TIPS.

EXAMPLE: BIGmart is a reseller of ACME brand televisions. If ACME were a TIPS awarded vendor, then ACME would list BIGmart as a reseller.

(If applicable, Vendor should add all Authorized Resellers within the TIPS Vendor Portal upon award).

40 Right of Refusal

The proposing vendor has the right not to sell under the awarded agreement with a TIPS member at vendor's discretion unless required by law.

4 **NON-COLLUSIVE BIDDING CERTIFICATE**

1 By submission of this bid or proposal, the Bidder certifies that:

- 1) This bid or proposal has been independently arrived at without collusion with any other Bidder or with any Competitor;
- 2) This bid or proposal has not been knowingly disclosed and will not be knowingly disclosed, prior to the opening of bids, or proposals for this project, to any other Bidder, Competitor or potential competitor:
- 3) No attempt has been or will be made to induce any other person, partnership or corporation to submit or not to submit a bid or proposal;
- 4) The person signing this bid or proposal certifies that he has fully informed himself regarding the accuracy of the statements contained in this certification, and under the penalties being applicable to the Bidder as well as to the person signing in its behalf.

Not a negotiable term. Failure to agree will render your proposal non-responsive and it will not be considered.

4 **CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ - Do you have any CONFLICT OF INTEREST TO REPORT OR DISCLOSE under this statutory requirement?**

2 Do you have any CONFLICT OF INTEREST TO REPORT OR DISCLOSE under this statutory requirement? YES or NO

If you have a conflict of interest as described in this form or the Local Government Code Chapter 176, cited therein- you are required to complete and file with TIPS.
The Form CIQ is one of the attachments to this solicitation.

There is an optional upload for this form provided if you have a conflict and must file the form

4 **Filing of Form CIQ**

3 If yes (above), have you filed a form CIQ by uploading the form to this RFP as directed above?

4 **Regulatory Standing**

4 I certify to TIPS for the proposal attached that my company is in good standing with all governmental agencies Federal or state that regulate any part of our business operations. If not, please explain in the next attribute question.

4 **Regulatory Standing**

5 Regulatory Standing explanation of no answer on previous question.

4 **Antitrust Certification Statements (Tex. Government Code § 2155.005)**

6 By submission of this bid or proposal, the Bidder certifies that:

I affirm under penalty of perjury of the laws of the State of Texas that:

(1) I am duly authorized to execute this contract on my own behalf or on behalf of the company, corporation, firm, partnership or individual (Company) listed below;

(2) In connection with this bid, neither I nor any representative of the Company has violated any provision of the Texas Free Enterprise and Antitrust Act, Tex. Bus. & Comm. Code Chapter 15;

(3) In connection with this bid, neither I nor any representative of the Company has violated any federal antitrust law;

(4) Neither I nor any representative of the Company has directly or indirectly communicated any of the contents of this bid to a competitor of the Company or any other company, corporation, firm, partnership or individual engaged in the same line of business as the Company.

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Suspension or Debarment Instructions

Instructions for Certification:

1. By answering yes to the next Attribute question below, the vendor and prospective lower tier participant is providing the certification set out herein in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and / or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms “covered transaction,” “debarred,” “suspended,” “ineligible,” “lower tier covered transaction,” “participants,” “person,” “primary covered transaction,” “principal,” “proposal” and “voluntarily excluded,” as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction” without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and / or debarment.

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Suspension or Debarment Certification

By answering yes, you certify that no federal suspension or debarment is in place, which would preclude receiving a federally funded contract as described above.

Yes

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Non-Discrimination Statement and Certification

In accordance with Federal civil rights law, all U.S. Departments, including the U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at How to File a Program Discrimination Complaint and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

(Title VI of the Education Amendments of 1972; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Title 7 CFR Parts 15, 15a, and 15b; the Americans with Disabilities Act; and FNS Instruction 113-1, Civil Rights Compliance and Enforcement – Nutrition Programs and Activities)

All U.S. Departments, including the USDA are equal opportunity provider, employer, and lender.

Not a negotiable term. Failure to agree by answering YES will render your proposal non-responsive and it will not be considered. I certify that in the performance of a contract with TIPS or its members, that our company will conform to the foregoing anti-discrimination statement and comply with the cited and all other applicable laws and regulations.

Yes, I certify (Yes)

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2 CFR PART 200 Contract Provisions Explanation

Required Federal contract provisions of Federal Regulations for Contracts for contracts with ESC Region 8 and TIPS Members:

The following provisions are required to be in place and agreed if the procurement is funded in any part with federal funds.

The ESC Region 8 and TIPS Members are the subgrantee or Subrecipient by definition. Most of the provisions are located in 2 CFR PART 200 - Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards at 2 CFR PART 200. Others are included within 2 CFR part 200 et al.

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

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1 **2 CFR PART 200 Contracts**

Contracts for more than the simplified acquisition threshold currently set at \$250,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

Notice: Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members reserves all rights and privileges under the applicable laws and regulations with respect to this procurement in the event of breach of contract by either party.

Does vendor agree?

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2 **2 CFR PART 200 Termination**

Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members reserves the right to terminate any agreement in excess of \$10,000 resulting from this procurement process for cause after giving the vendor an appropriate opportunity and up to 30 days, to cure the causal breach of terms and conditions. ESC Region 8 and TIPS Members reserves the right to terminate any agreement in excess of \$10,000 resulting from this procurement process for convenience with 30 days notice in writing to the awarded vendor. The vendor would be compensated for work performed and goods procured as of the termination date if for convenience of the ESC Region 8 and TIPS Members. Any award under this procurement process is not exclusive and the ESC Region 8 and TIPS reserves the right to purchase goods and services from other vendors when it is in the best interest of the ESC Region 8 and TIPS.

Does vendor agree?

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3 **2 CFR PART 200 Clean Air Act**

Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

Pursuant to the Clean Air Act, et al above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members requires that the proposer certify that during the term of an award by the ESC Region 8 and TIPS Members resulting from this procurement process the vendor agrees to comply with all of the above regulations, including all of the terms listed and referenced therein.

Does vendor agree?

5 4 2 CFR PART 200 Byrd Anti-Lobbying Amendment

Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members requires the proposer certify that during the term and during the life of any contract with ESC Region 8 and TIPS Members resulting from this procurement process the vendor certifies to the terms included or referenced herein.

Does vendor agree?

5 5 2 CFR PART 200 Federal Rule

Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$250,000)

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, ESC Region 8 and TIPS Members requires the proposer certify that in performance of the contracts, subcontracts, and subgrants of amounts in excess of \$250,000, the vendor will be in compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

Does vendor certify that it is in compliance with the Clean Air Act?

5 6 2 CFR PART 200 Procurement of Recovered Materials

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Does vendor certify that it is in compliance with the Solid Waste Disposal Act as described above?

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2 CFR PART 200 Rights to Inventions

If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

Pursuant to the above, when the foregoing applies to ESC Region 8 and TIPS Members, Vendor certifies that during the term of an award resulting from this procurement process, Vendor agrees to comply with all applicable requirements as referenced in the Federal rule above.

Does vendor agree?

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2 CFR PART 200 Domestic Preferences for Procurements

As appropriate and to the extent consistent with law, the non-Federal entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. For purposes of 2 CFR Part 200.322, “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States. Moreover, for purposes of 2 CFR Part 200.322, “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum, plastics and polymer-based products such as polyvinyl chloride pipe, aggregates such as concrete, glass, including optical fiber, and lumber.

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, Vendor certifies that to the greatest extent practicable Vendor will provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products).

Does vendor agree?

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2 CFR PART 200 Ban on Foreign Telecommunications

Federal grant funds may not be used to purchase equipment, services, or systems that use “covered telecommunications” equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. “Covered telecommunications” means purchases from Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), and video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

Pursuant to the above, when federal funds are expended by ESC Region 8 and TIPS Members, Vendor certifies that Vendor will not purchase equipment, services, or systems that use “covered telecommunications”, as defined by 2 CFR §200.216 equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

Does vendor agree?

6 **2 CFR PART 200 Contract Cost & Price**

For contracts more than the simplified acquisition threshold currently set at \$250,000, a TIPS Member may, in very rare circumstances, be required to negotiate profit as a separate element of the price pursuant to 2 C.F.R. 200.324(b). Under those circumstances, Vendor agrees to provide information and negotiate with the TIPS Member regarding profit as a separate element of the price. However, Vendor certifies that the total price charged by the Vendor shall not exceed the Vendor's TIPS pricing and pricing terms proposed.

Does Vendor Agree?

6 **FEMA Fund Certifications**

Submission of this proposal is Vendor's certification that Vendor agrees to this term. Vendor certifies that **IF and when** Vendor accepts a TIPS purchase paid for in full or part with FEMA funds, Vendor certifies that:

(1) Vendor agrees to provide the TIPS Member, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to and rights to reproduce any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions. The Vendor agrees to provide the FEMA Administrator or an authorized representatives access to construction or other work sites pertaining to the work being completed under the contract. Vendor acknowledges and agrees that no language in this contract or the contract with the TIPS Member is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

(2) The Vendor shall not use the Department of Homeland Security's seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

(3) The Vendor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

(4) The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

(5) The Vendor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Vendor's actions pertaining to this contract.

6 **Certification of Compliance with the Energy Policy and Conservation Act**

When appropriate and to the extent consistent with the law, Vendor certifies that it will comply with the Energy Policy and Conservation Act (42 U.S.C. 6321 et seq; 49 C.F.R. Part 18) and any mandatory standards and policies relating to energy efficiency which are contained in applicable state energy conservation plans issued in compliance with the Act.

Does Vendor agree?

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3

Certification Regarding Lobbying

Applicable to Grants, Subgrants, Cooperative Agreements, and Contracts Exceeding \$100,000 in Federal Funds

Submission of this certification is a prerequisite for making or entering into this transaction and is imposed by section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of congress, or an employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all covered subawards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

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4

If you answered "I HAVE lobbied" to the above Attribute Question

If you answered "I HAVE lobbied" to the above Attribute question, you must download the Lobbying Report "Standard From LLL, disclosure Form to Report Lobbying" which includes instruction on completing the form, complete and submit it in the Response Attachments section as a report of the lobbying activities you performed or paid others to perform.

6
5

Subcontracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms.

Do you ever anticipate the possibility of subcontracting any of your work under this award if you are successful?

IF NO, DO NOT ANSWER THE NEXT ATTRIBUTE QUESTION. . IF YES, and ONLY IF YES, you must answer the next question YES if you want a TIPS Member to be authorized to spend Federal Grant Funds for Procurement.

6 6 ONLY IF YES TO THE PREVIOUS QUESTION OR if you ever do subcontract any part of your performance under the TIPS Agreement, do you agree to comply with the following federal requirements?

ONLY IF YES TO THE PREVIOUS QUESTION OR if you ever do subcontract any part of your performance under the TIPS Agreement,

do you agree to comply with the following federal requirements?

Federal Regulation 2 CFR §200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms. (a)The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce ; and

(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs(1) through (5) of this section.

YES

6 7 Indemnification

The ESC Region 8 and TIPS is a Texas Political Subdivision and a local governmental entity; therefore, is prohibited from

indemnifying third parties pursuant to the Texas Constitution (Article 3, Section 52) except as specifically provided by law or as

ordered by a court of competent jurisdiction. A provision in a contract to indemnify or hold a party harmless is a promise to pay for

any expenses the indemnified party incurs, if a specified event occurs, such as breaching the terms of the contract or negligently

performing duties under the contract. Article III, Section 49 of the Texas Constitution states that "no debt shall be created by or on

behalf of the State ... " The Attorney General has counseled that a contractually imposed obligation of indemnity creates a "debt" in

the constitutional sense. Tex. Att'y Gen. Op. No. MW-475 (1982). Contract clauses which require the System or institutions to

indemnify must be deleted or qualified with "to the extent permitted by the Constitution and Laws of the State of Texas." Liquidated

damages, attorney's fees, waiver of vendor's liability, and waiver of statutes of limitations clauses should also be deleted or qualified

with "to the extent permitted by the Constitution and laws of State of Texas."

Not a negotiable term. Failure to agree will render your proposal non-responsive and it will not be considered. Do you agree

to these terms?

Yes, I Agree (Yes)

**6
8 Remedies**

The parties shall be entitled to exercise any right or remedy available to it either at law or in equity, subject to the choice of law, venue and service of process clauses limitations agreed herein. Nothing in this agreement shall commit the TIPS to an arbitration resolution of any disagreement under any circumstances. Any Claim arising out of or related to the Contract, except for those specifically waived under the terms of the Contract, may, after denial of the Board of Directors, be subject to mediation at the request of either party. Any issues not resolved hereunder MAY be referred to non-binding mediation to be conducted by a mutually agreed upon mediator as a prerequisite to the filing of any lawsuit over such issue(s). The parties shall share the mediator's fee and any associated filing fee equally. Mediation shall be held in Camp or Titus County, Texas. Agreements reached in mediation shall be reduced to writing, and will be subject to the approval by the District's Board of Directors, signed by the Parties if approved by the Board of Directors, and, if signed, shall thereafter be enforceable as provided by the laws of the State of Texas.

Do you agree to these terms?

**6
9 Remedies Explanation of No Answer**

**7
0 Choice of Law**

The agreement between the Vendor and TIPS/ESC Region 8 and any addenda or other additions resulting from this procurement process, however described, shall be governed by, construed and enforced in accordance with the laws of the State of Texas, regardless of any conflict of laws principles. THIS DOES NOT APPLY to a vendor's agreement entered into with a TIPS Member, as the Member may be located outside Texas.

Do you agree to these terms?

**7
1 Venue, Jurisdiction and Service of Process**

Any proceeding, involving Region 8 ESC or TIPS, arising out of or relating to this procurement process or any contract issued by TIPS resulting from or any contemplated transaction shall be brought in a court of competent jurisdiction in Camp County, Texas and each of the parties irrevocably submits to the exclusive jurisdiction of said court in any such proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the Proceeding shall be heard and determined only in any such court, and agrees not to bring any proceeding arising out of or relating to this procurement process or any contract resulting from or any contemplated transaction in any other court. The parties agree that either or both of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and freely bargained for agreement between the parties irrevocably to waive any objections to venue or to convenience of forum. Process in any Proceeding referred to in the first sentence of this Section may be served on any party anywhere in the world. Any dispute resolution process other than litigation shall have venue in Camp County or Titus County Texas.

Do you agree to these terms?

**7
2** **Infringement(s)**

The successful vendor will be expected to indemnify and hold harmless the TIPS and its employees, officers, agents, representatives, contractors, assignees and designees from any and all third party claims and judgments involving infringement of patent, copyright, trade secrets, trade or service marks, and any other intellectual or intangible property rights attributed to or claims based on the Vendor's proposal or Vendor's performance of contracts awarded and approved.

Do you agree to these terms?

Yes, I Agree

**7
3** **Infringement(s) Explanation of No Answer**

No response

**7
4** **Contract Governance**

Any contract made or entered into by the TIPS is subject to and is to be governed by Section 271.151 et seq, Tex Loc Gov't Code. Otherwise, TIPS does not waive its governmental immunities from suit or liability except to the extent expressly waived by other applicable laws in clear and unambiguous language.

Yes, I Agree (Yes)

**7
5** **Payment Terms and Funding Out Clause**

Payment Terms:

TIPS or TIPS Members shall not be liable for interest or late payment fees on past-due balances at a rate higher than permitted by the laws or regulations of the jurisdiction of the TIPS Member.

Funding Out Clause:

Vendor agrees to abide by the laws and regulations, including Texas Local Government Code § 271.903, or any statutory or regulatory limitations of the jurisdiction of any TIPS Member which governs contracts entered into by the Vendor and TIPS or a TIPS Member that requires all contracts approved by TIPS or a TIPS Member are subject to the budgeting and appropriation of currently available funds by the entity or its governing body.

See statute(s) for specifics or consult your legal counsel.

Not a negotiable term. Failure to agree will render your proposal non-responsive and it will not be considered.

Do you agree to these terms?

Yes, I Agree (Yes)

7 Insurance and Fingerprint Requirements Information

6 Insurance

If applicable and your staff will be on TIPS member premises for delivery, training or installation etc. and/or with an automobile, you must carry automobile insurance as required by law. You may be asked to provide proof of insurance.

Fingerprint

It is possible that a vendor may be subject to Chapter 22 of the Texas Education Code. The Texas Education Code, Chapter 22, Section 22.0834 & 22.08341. Statutory language may be found at: <http://www.statutes.legis.state.tx.us/>

If the vendor has staff that meet both of these criterion:

- (1) will have continuing duties related to the contracted services; and
- (2) has or will have direct contact with students

Then you have "covered" employees for purposes of completing the attached form.

TIPS recommends all vendors consult their legal counsel for guidance in compliance with this law. If you have questions on how to comply, see below. If you have questions on compliance with this code section, contact the Texas Department of Public Safety Non-Criminal Justice Unit, Access and Dissemination Bureau, FAST-FACT at NCJU@txdps.state.tx.us and you should send an email identifying you as a contractor to a Texas Independent School District or ESC Region 8 and TIPS. Texas DPS phone number is (512) 424-2474.

See form in the next attribute to complete entitled:
Texas Education Code Chapter 22 Contractor Certification for Contractor Employees

Texas Education Code Chapter 22 Contractor Certification for Contractor Employees

Introduction: Texas Education Code Chapter 22 requires entities that contract with school districts to provide services to obtain criminal history record information regarding covered employees. Contractors must certify to the district that they have complied. Covered employees with disqualifying criminal histories are prohibited from serving at a school district.

Definitions: Covered employees: Employees of a contractor or subcontractor who have or will have continuing duties related to the service to be performed at the District and have or will have direct contact with students. The District will be the final arbiter of what constitutes direct contact with students. Disqualifying criminal history: Any conviction or other criminal history information designated by the District, or one of the following offenses, if at the time of the offense, the victim was under 18 or enrolled in a public school:

(a) a felony offense under Title 5, Texas Penal Code; (b) an offense for which a defendant is required to register as a sex offender under Chapter 62, Texas Code of Criminal Procedure; or (c) an equivalent offense under federal law or the laws of another state.

I certify that:

NONE (Section A) of the employees of Contractor and any subcontractors are covered employees, as defined above. If this box is checked, I further certify that Contractor has taken precautions or imposed conditions to ensure that the employees of Contractor and any subcontractor will not become covered employees. Contractor will maintain these precautions or conditions throughout the time the contracted services are provided.

OR

SOME (Section B) or all of the employees of Contractor and any subcontractor are covered employees. If this box is checked, I further certify that:

(1) Contractor has obtained all required criminal history record information regarding its covered employees. None of the covered employees has a disqualifying criminal history.

(2) If Contractor receives information that a covered employee subsequently has a reported criminal history, Contractor will immediately remove the covered employee from contract duties and notify the District in writing within 3 business days.

(3) Upon request, Contractor will provide the District with the name and any other requested information of covered employees so that the District may obtain criminal history record information on the covered employees.

(4) If the District objects to the assignment of a covered employee on the basis of the covered employee's criminal history record information, Contractor agrees to discontinue using that covered employee to provide services at the District.

Noncompliance or misrepresentation regarding this certification may be grounds for contract termination.

Some

7 **Texas Business and Commerce Code § 272 Requirements as of 9-1-2017**

8 SB 807 prohibits construction contracts to have provisions requiring the contract to be subject to the laws of another state, to be required to litigate the contract in another state, or to require arbitration in another state. A contract with such provisions is voidable. Under this new statute, a "construction contract" includes contracts, subcontracts, or agreements with (among others) architects, engineers, contractors, construction managers, equipment lessors, or materials suppliers. "Construction contracts" are for the design, construction, alteration, renovation, remodeling, or repair of any building or improvement to real property, or for furnishing materials or equipment for the project. The term also includes moving, demolition, or excavation. BY RESPONDING TO THIS SOLICITATION, AND WHEN APPLICABLE, THE PROPOSER AGREES TO COMPLY WITH THE TEXAS BUSINESS AND COMMERCE CODE § 272 WHEN EXECUTING CONTRACTS WITH TIPS MEMBERS THAT ARE TEXAS GOVERNMENT ENTITIES.

7 **Texas Government Code 2270 & 2271 Verification Form**

9 Texas Government Code 2270 & 2271 Verification Form

If (a) Vendor is not a sole proprietorship; (b) Vendor has ten (10) or more full-time employees; and (c) this Agreement has a value of \$100,000 or more, the following certification shall apply; otherwise, this certification is not required. Pursuant to Chapter 2271 of the Texas Government Code, the Vendor hereby certifies and verifies that neither the Vendor, nor any affiliate, subsidiary, or parent company of the Vendor, if any (the "Vendor Companies"), boycotts Israel, and the Vendor agrees that the Vendor and Vendor Companies will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Our entity further certifies that it is is not listed on and we do not do business with companies prohibited by Texas Government Code 2270 or that are on the Texas Comptroller of Public Accounts list of Designated Foreign Terrorists Organizations per Texas Gov't Code 2270.0153 found at <https://comptroller.texas.gov/purchasing/docs/foreign-terrorist.pdf>

I swear and affirm that the above is true and correct.

8 **Logos and other company marks**

0 Please upload your company logo to be added to your individual profile page on the TIPS website. If any particular specifications are required for use of your company logo, please upload that information under the "Logo and Other Company Marks" section under the "Response Attachment" tab. Preferred Logo Format: 300 x 225 px - .png, .eps, .jpeg preferred

Potential uses of company logo:

- * Your Vendor Profile Page of TIPS website
- * Potentially on TIPS website scroll bar for Top Performing Vendors
- * TIPS Quarterly eNewsletter sent to TIPS Members
- * Co-branding Flyers and or email blasts to our TIPS Members (Permission and approval will be obtained before publishing)

8
1

Solicitation Deviation/Compliance

Does the vendor agree with the General Conditions Standard Terms and Conditions or Item Specifications listed in this proposal invitation?

Yes

8
2

Solicitation Exceptions/Deviations Explanation

If the bidder intends to deviate from the General Conditions Standard Terms and Conditions or Item Specifications listed in this proposal invitation, all such deviations must be listed on this attribute, with complete and detailed conditions and information included or attached.

TIPS will consider any deviations in its proposal award decisions, and TIPS reserves the right to accept or reject any bid based upon any deviations indicated below or in any attachments or inclusions.

In the absence of any deviation entry on this attribute, the proposer assures TIPS of their full compliance with the Standard Terms and Conditions, Item Specifications, and all other information contained in this Solicitation.

Additional terms have been provided in our proposal response.

8
3

Agreement Deviation/Compliance

Does the vendor agree with the language in the Vendor Agreement?

Yes

8
4

Agreement Exceptions/Deviations Explanation

If the proposing Vendor desires to deviate from the Vendor Agreement language, all such deviations must be listed on this attribute, with complete and detailed conditions and information included. TIPS will consider any deviations in its proposal award decisions, and TIPS reserves the right to accept or reject any proposal based upon any deviations indicated below. In the absence of any deviation entry on this attribute, the proposer assures TIPS of their full compliance with the Vendor Agreement.

Additional terms have been provided in our proposal response.

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5

Felony Conviction Notice

Texas Education Code, Section 44.034, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony." Subsection (b) states "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract." (c) This section does not apply to a publicly held corporation. The person completing this proposal certifies that they are authorized to provide the answer to this question.

Select A., B. or C.

A. My firm is a publicly held corporation; therefore, this reporting requirement is not applicable.

OR B. My firm is not owned nor operated by anyone who has been convicted of a felony, OR

C. My firm is owned or operated by the following individual(s) who has/have been convicted of a felony. (if you answer C below, you are required to provide information in the next attribute.

B. Firm not owned nor operated by felon; per above

86 If you answered C. My Firm is owned or operated by a felon to the previous question, you are **REQUIRED TO ANSWER THE FOLLOWING QUESTIONS.**

If you answered C. My Firm is owned or operated by a felon to the previous question, you must provide the following information.

1. Name of Felon(s)
2. The named person's role in the firm, and
3. Details of Conviction(s).

87 **Required Confidentiality Claim Form**

Required Confidentiality Claim Form

This completed form is required by TIPS. By submitting a response to this solicitation you agree to download from the "Attachments" section, complete according to the instructions on the form, then upload the completed form, with any confidential attachments, if applicable, to the "Response Attachments" section titled "Confidentiality Form" in order to provide to TIPS the completed form titled, "CONFIDENTIALITY CLAIM FORM". **THIS REQUIRED PROCESS IS THE ONLY WAY TO DEEM PROPOSAL DOCUMENTATION CONFIDENTIAL ANY OTHER CONFIDENTIAL DESIGNATION WILL BE DISREGARDED UNLESS THE DOCUMENT IS IDENTIFIED BY AND ATTACHED TO THE REQUIRED FORM.** By completing this process, you provide us with the information we require to comply with the open record laws of the State of Texas as they may apply to your proposal submission. If you do not provide the form with your proposal, an award will not be made if your proposal is qualified for an award, until TIPS has an accurate, completed form from you.

Read the form carefully before completing and if you have any questions, email bids@tips-usa.com.

88 **Member Access to Vendor Proposal**

Notwithstanding any other information provided in this solicitation or Vendor designation of certain documentation as confidential or proprietary, Vendor's acceptance of this TIPS Contract constitutes Vendor's consent to the disclosure of Vendor's comprehensive proposal, including any information deemed confidential or proprietary, **to TIPS Members**. The proposing Vendor agrees that TIPS shall not be responsible or liable for any use or distribution of information or documentation by TIPS Members or any other party. By submitting this proposal, Vendor certifies the foregoing.

89 **Choice of Law clauses with TIPS Members**

If the vendor is awarded a contract with TIPS under this solicitation, the vendor agrees to make any Choice of Law clauses in any contract or agreement entered into between the awarded vendor and with a TIPS member entity to read as follows: "Choice of law shall be the laws of the state where the customer resides" or words to that effect.

90 **Venue of dispute resolution with a TIPS Member**

In the event of litigation or use of any dispute resolution model when resolving disputes with a TIPS member entity as a result of a transaction between the vendor and TIPS or the TIPS member entity, the Venue for any litigation or other agreed upon model shall be in the state and county where the customer resides unless otherwise agreed by the parties at the time the dispute resolution model is decided by the parties.

9 1 Indemnity Limitation with TIPS Members

Texas and other states restrict by law or state Constitution the ability of a governmental entity to indemnify others. TIPS requires that any contract entered into between a vendor and TIPS or a TIPS Member as a result of an award under this Solicitation limit the requirement that the Customer indemnify the Vendor by either eliminating any such indemnity requirement clauses in any agreements, contracts or other binding documents **OR** by prefacing all indemnity clauses required of TIPS or the TIPS Member entity with the following: "To the extent permitted by the laws or the Constitution of the state where the customer resides, ".

Agreement is a required condition to award of a contract resulting from this Solicitation.

9 2 Arbitration Clauses

Except for certain circumstances, TIPS forbids a mandatory arbitration clause in any contract or agreement entered into between the awarded vendor with TIPS or a TIPS member entity. Does the vendor agree to exclude any arbitration requirement in any contracts or agreement entered into between TIPS or a TIPS member entity through an awarded contract with TIPS?

9 3 Required Vendor Sales Reporting

By responding to this Solicitation, you agree to report to TIPS all sales made under any awarded Agreement with TIPS. Vendor is required to report all sales under the TIPS contract to TIPS. If the TIPS Member entity requesting a price from the awarded Vendor requests the TIPS contract, Vendor must include the TIPS Contract number on any communications with the TIPS Member entity. If awarded, you will be provided access to the Vendor Portal. To report sales, login to the TIPS Vendor Portal and click on the PO's and Payments tab. Pages 3-7 of the Vendor Portal User Guide will walk you through the process of reporting sales to TIPS. Please refer to the TIPS Accounting FAQ's for more information about reporting sales and if you have further questions, contact the Accounting Team at accounting@tips-usa.com. The Vendor or vendor assigned dealers are responsible for keeping record of all sales that go through the TIPS Agreement and submitting same to TIPS.

9 4 Upload of Current W-9 Required

Please note that you are required by TIPS to upload a current W-9 Internal Revenue Service (IRS) Tax Form for your entity. This form will be utilized by TIPS to properly identify your entity.

9 5 CERTIFICATION REGARDING BOYCOTTING CERTAIN ENERGY COMPANIES (Texas law as of September 1, 2021)

By submitting a proposal to this Solicitation, you certify that you agree, when it is applicable, to the following required by Texas law as of September 1, 2021:

If (a) company is not a sole proprietorship; (b) company has ten (10) or more full-time employees; and (c) this contract has a value of \$100,000 or more that is to be paid wholly or partly from public funds, the following certification shall apply; otherwise, this certification is not required. Pursuant to Tex. Gov't Code Ch. 2274 of SB 13 (87th session), the company hereby certifies and verifies that the company, or any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of these entities or business associations, if any, does not boycott energy companies and will not boycott energy companies during the term of the contract. For purposes of this contract, the term "company" shall mean an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, that exists to make a profit. The term "boycott energy company" shall mean "without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (a) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law, or (b) does business with a company described by paragraph (a)." See Tex. Gov't Code § 809.001(1).

**9
6 CERTIFICATION PROHIBITING DISCRIMINATION AGAINST FIREARM AND AMMUNITION INDUSTRIES
(Texas law as of September 1, 2021)**

By submitting a proposal to this Solicitation, you certify that you agree, when it is applicable, to the following required by Texas law as of September 1, 2021:

If (a) company is not a sole proprietorship; (b) company has at least ten (10) full-time employees; (c) this contract has a value of at least \$100,000 that is paid wholly or partly from public funds; (d) the contract is not excepted under Tex. Gov't Code § 2274.003 of SB 19 (87th leg.); and (e) governmental entity has determined that company is not a sole-source provider or governmental entity has not received any bids from a company that is able to provide this written verification, the following certification shall apply; otherwise, this certification is not required.

Pursuant to Tex. Gov't Code Ch. 2274 of SB 19 (87th session), the company hereby certifies and verifies that the company, or association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary parent company, or affiliate of these entities or associations, that exists to make a profit, does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this contract against a firearm entity or firearm trade association. For purposes of this contract, "discriminate against a firearm entity or firearm trade association" shall mean, with respect to the entity or association, to: "(1) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (2) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (3) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association. See Tex. Gov't Code § 2274.001(3) of SB 19. "Discrimination against a firearm entity or firearm trade association" does not include: "(1) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (2) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency, or for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association." See Tex. Gov't Code § 2274.001(3) of SB 19.

**9
7 CERTIFICATION REGARDING CERTAIN FOREIGN-OWNED COMPANIES IN CONNECTION WITH
CRITICAL INFRASTRUCTURE (Texas law as of September 1, 2021)**

By submitting a proposal to this Solicitation, you certify that you agree to the following required by Texas law as of September 1, 2021:

Proposing Company is prohibited from entering into a contract or other agreement relating to critical infrastructure that would grant to the company direct or remote access to or control of critical infrastructure in this state, excluding access specifically allowed by the Proposing Company for product warranty and support purposes. Company, certifies that neither it nor its parent company nor any affiliate of company or its parent company, is (1) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or a designated country; (2) a company or other entity, including governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or (3) headquartered in China, Iran, North Korea, Russia, or a designated country. For purposes of this contract, "critical infrastructure" means "a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility." See Tex. Gov't Code § 2274.0101(2) of SB 1226 (87th leg.). The company verifies and certifies that company will not grant direct or remote access to or control of critical infrastructure, except for product warranty and support purposes, to prohibited individuals, companies, or entities, including governmental entities, owned, controlled, or headquartered in China, Iran, North Korea, Russia, or a designated country, as determined by the Governor.

**9
8 Acknowledgement**

By submitting this proposal, Vendor certifies that it has read, examined, and understands all portions of this solicitation including but not limited to all attribute questions, attachments, solicitation documents, bid notes, and the Vendor Agreement(s). Vendor certifies that, if found to be necessary by the proposing vendor, vendor has sought the advice of counsel in understanding all portions of the solicitation.

AMENDED

OPTIONAL INFORMATION REQUESTED

It has come to my attention that the correct name for the below process is Energy Efficiency as a Service (EEaaS)

I have modified the below document to use this commonly accepted term.

Additional Information Requested Regarding Energy Efficiency ~~Savings~~ as a Service (ESaaS) (EEaaS)

Vendors ***are not*** required to respond to the additional request for information related to Energy Efficiency ~~Savings~~ as a Service (ESaaS) (EEaaS) and qualifications to provide same.

Failure to respond to this additional information request for Energy Efficiency ~~Savings~~ as a Service (ESaaS) (EEaaS) will have **NO BEARING** on the evaluation of your qualifications to provide offer Energy Savings Performance Contracting (ESPC).

If it is later determined that governmental procurement of Energy Efficiency ~~Savings~~ as a Service (ESaaS) (EEaaS) is permitted, TIPS will timely issue a legally sufficient solicitation to address that need. All information gathered here will be used to aid TIPS in the solicitation process for contracts with companies that provide ESaaS.

Texas statutes do not specifically address **Energy Efficiency ~~Savings~~ as a Service (ESaaS) (EEaaS)** however TIPS recognizes that it is an option offered by many vendors that also offer Energy Savings Performance Contracting (ESPC).

Please provide in a separate sheet(s) or document if your company offers ~~ESaaS~~ EEaaS and how that service is offered to governmental entities. Please provide your detailed information related to your company's qualifications and your process as it relates to ~~ESaaS~~ EEaaS and governmental customers. Please list existing governmental customers currently contracted with you for ~~ESaaS~~ EEaaS. Please provide details on how this model is structured, how it differs from ESPC and how a governmental entity would benefit from ~~ESaaS~~ EEaaS as it compares with ESPC.

You may utilize the Confidentiality Form included in the RFQ to declare this information confidential if you choose to. Final determination of confidentiality of any information provided to TIPS as a department of the Texas governmental entity Texas Education Service Center Region 8 is at the discretion of the Texas Attorney General and subject to Texas Government Code §552. See <https://comptroller.texas.gov/about/policies/open-records/public-information-act.php>

References

TIPS RFQ 220104 Energy Savings Performance Contracts

ENGIE Services U.S. Inc.

Insert Company Name

DO NOT HANDWRITE REFERENCES AND DO NOT CONVERT EXCEL SHEET TO ANY OTHER FORMAT.

**ALL INFORMATION MUST BE TYPED AND FORM
MUST BE UPLOADED IN EXCEL FORMAT.**

Please provide **FIVE (5) VERIFIED AND WILLING** references, preferably from school districts or other governmental entities who have used your services within the last three years. Additional references may be required.

DO NOT INCLUDE TIPS EMPLOYEES AS A REFERENCE.

You may provide more than FIVE (5) references.

Entity Name	Contact Person	VALID TYPED EMAIL IS REQUIRED	Phone
Riverton 14, IL	Dr. Brad Polanin, Superintendent	bpolanin@rivertonschools.org	309-258-3836
Porta 202, IL	Matt Brue, Superintendent	mbrue@porta202.org	217-899-6416
Oregon 220, IL	Dr. Tom Mahoney, Superintendent	tmahoney@ocusd.net	815-761-1610
Broward County, FL	Mark Darmanin, Project Engineer	mdarmanin@broward.org	954-831-0908
City of Milpitas, CA	Tony Ndah, PE, Public Works Director	tndah@ci.milpitas.ca.gov	408-586-2602
City of Pismo Beach, CA	Jim Lewis, City Manager	jlewis@pismo-beach.org	805-773-7003

Hartnell College, CA	Joseph Reyes, Director of Facilities, Operations and Asset Management	jreyes@hartnell.edu	831-755-6950
Hayward Unified School District, CA	Matt Wayne, Superintendent	mwayne@husd.k12.ca.us	510-784-2600
Belle Vernon Area School District, PA	Jason E. Zadrozny Director, Buildings & Grounds	Jason.Zadrozny@bvasd.net	724-808 2500 ext.7121
City of Arlington, TX	Nora Coronado, Asset Management	nora.coronado@arlingtontx.gov	817-459-6564



436 Walnut St., Philadelphia, PA 19106

March 7, 2022

Re: ENGIE Services U.S. Inc. - Pre-qualification

To Whom It May Concern:

ENGIE Services U.S. Inc. is a valued surety bond client of Aon Risk Services Central, Inc. Federal Insurance Company, a corporation under the laws of the State of Pennsylvania, with an office and place of business at 436 Walnut Street, Philadelphia, PA 19106-3703, represents **ENGIE Services U.S. Inc.** for its surety bonding needs.

At the present time, **ENGIE Services U.S. Inc.** is in a position to consider single projects up to \$75,000,000 within an aggregate limit of \$300,000,000. The statement of these values is neither a commitment nor a limitation of the bonding capacity of **ENGIE Services U.S. Inc.** At the request of **ENGIE Services U.S. Inc.**, Federal Insurance Company will give favorable consideration to providing the required performance and payment bonds. We are listed on the U.S. Treasury Department's Listing of Approved Sureties (Department Circular 570; 2021 Revision) and are also authorized to do business in Texas.

Please note that the decision to issue performance and payment bonds is a matter between **ENGIE Services U.S. Inc.**, and Federal Insurance Company, and will be subject to our standard underwriting at the time of the final bond request, which will include but not limited to the acceptability of the contract documents, bond forms and financing. We assume no liability to **ENGIE Services U.S. Inc.**, third parties, or to you if for any reason we do not execute said bonds.

If you have any questions or need any additional information, please do not hesitate to contact me at 215-255-1750.

Sincerely,

Sara Owens, Attorney-In-Fact

Federal Insurance Company
A++ by AM BEST CO Financial Size Category XV



Power of Attorney

Federal Insurance Company | Vigilant Insurance Company | Pacific Indemnity Company

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Kimberly G. Sherrod of Columbus, Ohio; George Gionis, Vicki Johnston, Kaitlyn Malkowski, Elizabeth Marrero, Jaquanda Martin, Wayne G. McVaugh, Sara Owens, Patricia A. Rambo, Lori S. Shelton and Joanne C. Wagner of Philadelphia, Pennsylvania; Cathy H. Ho, Justin Johnson and Barbara L. Rutter of Pittsburgh, Pennsylvania-----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this 11th day of April, 2019.

Dawn M. Chloros

Dawn M. Chloros, Assistant Secretary

Stephen M. Haney

Stephen M. Haney, Vice President



STATE OF NEW JERSEY
County of Hunterdon ss.

On this 11th day of April, 2019, before me, a Notary Public of New Jersey, personally came Dawn M. Chloros, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Dawn M. Chloros, being by me duly sworn, did depose and say that she is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of said Companies; and that she signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that she is acquainted with Stephen M. Haney, and knows him to be Vice President of said Companies; and that the signature of Stephen M. Haney, subscribed to said Power of Attorney is in the genuine handwriting of Stephen M. Haney, and was thereto subscribed by authority of said Companies and in deponent's presence.

Notarial Seal



ROSE CURTIS
NOTARY PUBLIC OF NEW JERSEY
No. 50072400
Commission Expires November 22, 2022

Rose Curtis
Notary Public

CERTIFICATION

Resolutions adopted by the Boards of Directors of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY on August 30, 2016:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into in the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such person's written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing to any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested."

I, Dawn M. Chloros, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing Resolutions adopted by the Board of Directors of the Companies are true, correct and in full force and effect,
- (ii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Whitehouse Station, NJ, this 7th day of March, 2022



Dawn M. Chloros

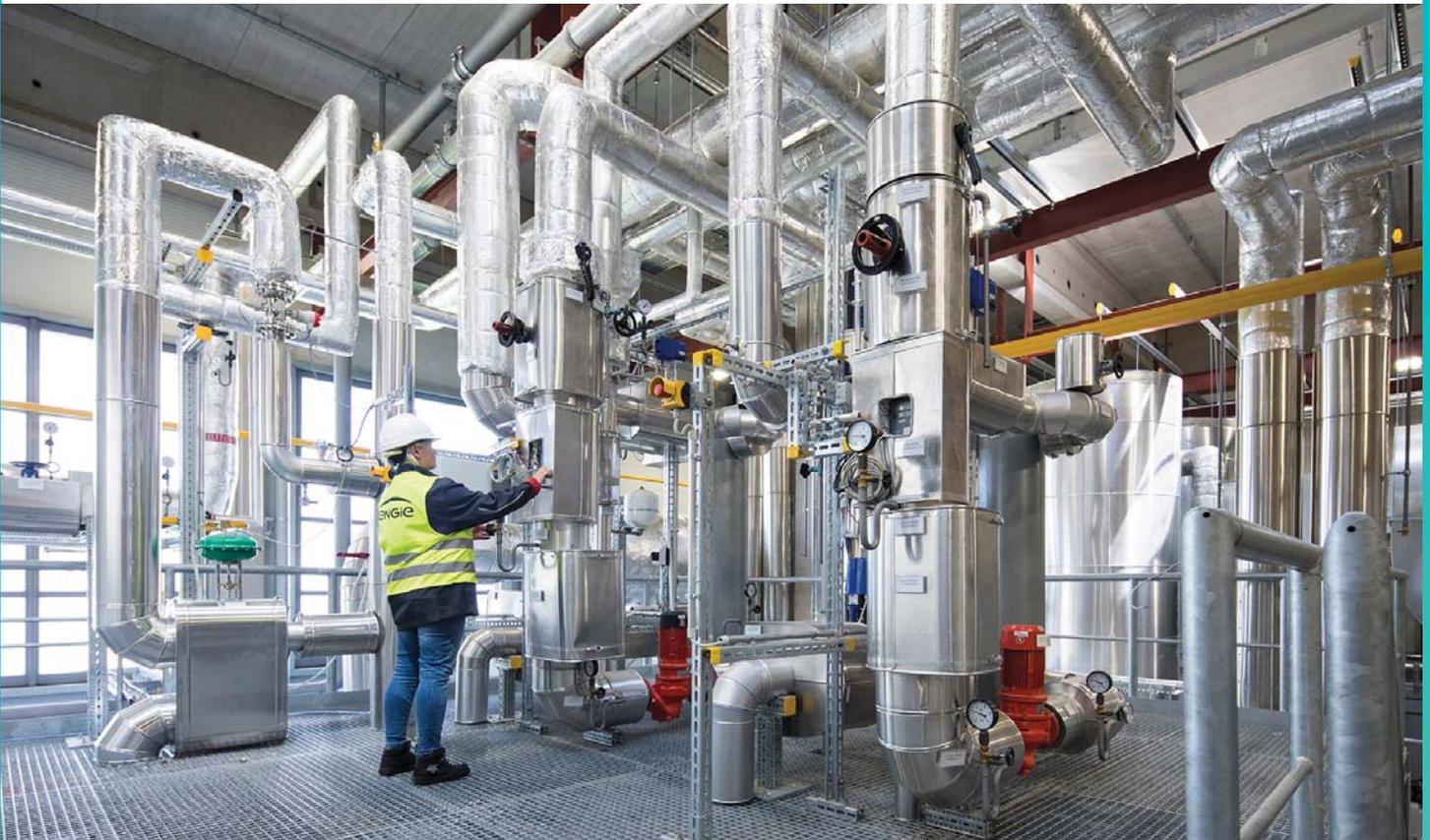
Dawn M. Chloros, Assistant Secretary

IN THE EVENT YOU WISH TO VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT:
Telephone (908) 903-3493 Fax (908) 903-3656 e-mail: surety@chubb.com



The Interlocal Purchasing System (TIPS)
Energy Savings
Performance Contracts
RFQ #220104

February 18, 2022





The Interlocal Purchasing System (TIPS)

RFQ 220104 Energy Savings Performance Contracts



February 18, 2022

Prepared by:

ENGIE
Rhianna Howell
Lead Proposal Manager
415-735-9082
Rhianna.howell@engie.com



This proposal, in whole or in part, is to be used only for evaluation purposes. If the proposal is accepted and a contract entered into then, to the extent, federal or state law requires disclosure, advance notice to ENGIE Services U.S. Inc. is requested with a right to oppose or seek to narrow the disclosure. The data subject to this restriction is contained in all sheets marked, "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation." ENGIE Services U.S. Inc. is not a municipal advisor and cannot give advice with respect to municipal securities or municipal financial products. This information is provided for educational purposes about possible financing options and is not the provision of advice, or a recommendation to pursue, any financing option. Consult with your municipal advisor or financial advisor about the financing option appropriate for your situation. ENGIE Services U.S. Inc. can provide information to your municipal advisor or financial advisor about the hypothetical assumptions and educational scenarios used in these materials. To ensure compliance with requirements imposed by the IRS under Circular 230, we inform you that any U.S. federal tax advice contained in this communication (including any attachments), unless otherwise specifically stated, was not intended or written to be used, and cannot be used, for the purpose of (1) avoiding penalties under the Internal Revenue Code or (2) promoting, marketing or recommending to another party any matters addressed herein. The information contained herein is general in nature and based on authorities that are subject to change. ENGIE Services U.S. Inc. recommends that you consult your tax adviser to understand its applicability to specific situations. ENGIE Services U.S. Inc., the Respondent, is a wholly owned subsidiary of ENGIE Holdings Inc.



Table of Contents

Executive Summary	1
References	2
Project Management.....	3
Successful Experience in the field of Energy Savings Performance Contracts	13
Staffing/Personnel.....	14
Financial Strength/Bonding Capacity.....	16
Terms and Conditions	17
Pricing	20
Appendix A	



Executive Summary

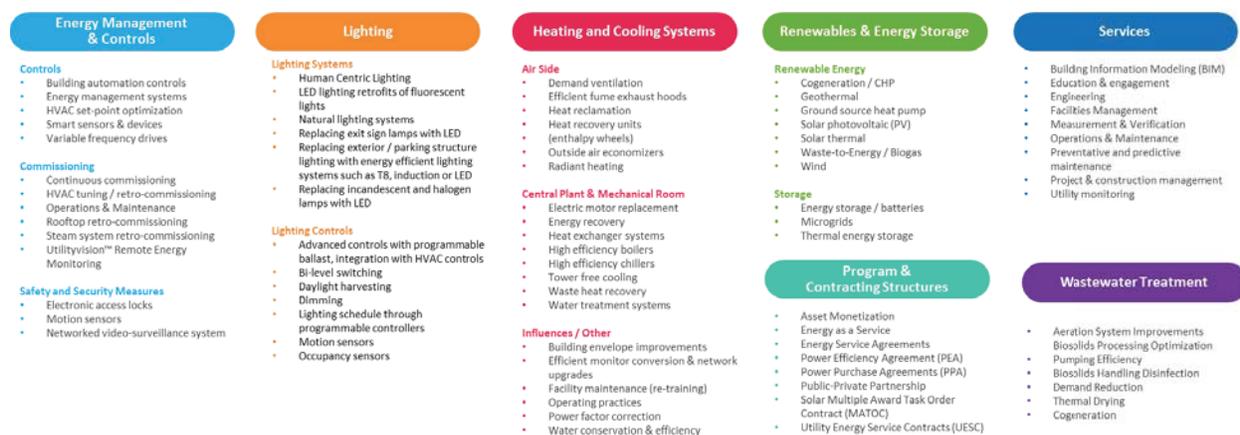


Executive Summary

In this report, ENGIE Services U.S. Inc. submits our qualifications to renew our contract for RFQ 2020209 energy savings performance contracts through The Interlocal Purchasing System (TIPS).

ENGIE Services U.S. Inc. is part of the ENGIE Group (ENGIE), a global company committed to low-carbon energy and services. ENGIE offers true design-build general construction services specializing in energy and water conservation, building system retrofits, and renewable energy projects for the public-sector. We finance, design, build, operate, maintain and manage building systems and energy infrastructure projects.

ENGIE has implemented economically viable, comprehensive energy programs for over 500 public sector customers throughout the US. In the past five years alone, ENGIE has completed 157 energy performance contracts. This includes K-12, higher education, city, county and special district customers that would qualify as TIPS member entities. The ENGIE portfolio has generated over \$2.8 billion in utility savings for our public-sector customers. In support of our contract renewal, ENGIE has included several references to corroborate our capabilities. Our technical capabilities are summarized in the graphic below:



A major reason for our success with similar projects is our experience with Investment Grade Audits (IGAs). As a full-service, design-build energy service company (ESCO), ENGIE’s approach has always been to look at our customer’s facilities and listen to a customer’s goals through a holistic lens and develop comprehensive programs that provide the most robust return on investment for those customers.

ENGIE has no felony conviction notice to disclose. ENGIE is also vendor and equipment agnostic and therefore has no resellers/dealers to disclose. In addition, ENGIE does not qualify as a diverse business enterprise. As an appendix, we have provided our latest company integrated report that describes our company strategy as this articulates the types of goods and services we provide. It is our hope we have provided sufficient information to renew our contract. Should you have any questions, please do not hesitate to reach out to ENGIE’s point of contact, Rhianna Howell.



References



References

The proposal response should contain a minimum of Three (3) references of customers you have served that would be considered eligible for membership in TIPS (i.e. K-12 School Districts, College/Universities, and/or City/County Government Entities, Water or Fire Districts, etc.). It is not required that the references be public entities but it is preferred. In addition to the name of the entity, a contact name, email and phone number shall be included. The references document must be downloaded from the “Attachments” section, completed and uploaded to the “Response Attachments” REFERENCES section.

ENGIE has implemented economically viable, comprehensive energy programs for over 500 public sector customers throughout the US. The ENGIE portfolio has generated over \$2.8 billion in utility savings for our public-sector customers. Since 2016, ENGIE has implemented nearly a billion dollars in energy performance contracts. Our proven results and diverse experience demonstrate our reliability and credibility required to deliver various aspects of TIPS member customers energy and water efficiency and renewable energy goals. References include, but are not limited to, the following:

Entity Name	Contact Person	Email	Phone
Riverton 14, IL (multiple phases)	Dr. Brad Polanin, Superintendent	bpolanin@riverschools.org	309-258-3836
Porta 202, IL (multiple phases)	Matt Brue, Superintendent	mbrue@porta202.org	217-899-6416
Oregon 220, IL (multiple phases)	Dr. Tom Mahoney, Superintendent	tmahoney@ocusd.net	815-761-1610
Broward County, FL	Mark Darmanin, Project Engineer	mdarmanin@broward.org	(954)-831-0908
City of Milpitas, CA	Tony Ndah, PE, Public Works Director	tndah@ci.milpitas.ca.gov	408-586-2602
City of Pismo Beach, CA	Jim Lewis, City Manager	jlewis@pismo beach.org	805-773-7003
Hartnell College, CA	Joseph Reyes, Director of Facilities, Operations and Asset Management	jreyes@hartnell.edu	831-755-6950
Belle Vernon Area School District, PA	Jason E. Zadrozny Director, Buildings & Grounds	Jason.Zadrozny@bvasd.net	724-808 2500 ext.7121
City of Arlington, TX	Nora Coronado, Asset Management	nora.coronado@arlingtontx.gov	817-459-6564
Hayward Unified School District, CA	Matt Wayne, Superintendent	mwayne@husd.k12.ca.us	510-784-2600



Project Management



Project Management

a) **Comprehensiveness and rationale of project management plan, based on:**

i. **Approach to project management, including staffing and contractor oversight**

Our success over the years has shown that our strengths lie with our people, partners and processes. Combining our knowledge, technology, engineering and financial resources, we explore a range of possibilities for our customers and deploy solutions that address their unique challenges. The chart below identifies the project development phases.



Figure No. 2: Project Phases.

Many of the processes that are today standard practice in the energy services industry were developed by ENGIE’s legacy companies.



Preliminary Site Assessment & Energy Analysis

The key to having a successful energy project starts with a strong partnership in the development, implementation and performance of the program. Open communication and close collaboration with all key stakeholders are critical to ensure that the customer fully explores their program options and achieves a project that meets their expectations. This close communication also allows for flexibility and creativity in the approach. To facilitate the process and ensure continuity, ENGIE will use an elite team of energy professionals dedicated to the TIPS program for all phases of the project. The same team of energy experts will be responsible for the preliminary analysis, investment grade audit, engineering, procurement, construction management, commissioning, and project closeout. They will work closely with TIPS member personnel and staff to develop a project that meets their needs.

During each analysis stage pertinent customer personnel are welcome and encouraged to shadow the ENGIE team for training and mentoring purposes. This will offer opportunities to deepen the skill set of the staff at no additional cost to the customer.

ENGIE will provide a preliminary analysis called the Opportunity Assessment Report (OAR) at no cost to the customer. The methodology to perform this assessment is as follows:

1. Qualify and prioritize facilities based on a calculated Energy Use Index (EUI), Btus/sqft, for all facilities. This is accomplished by converting all utilities to a common energy unit, Btu’s,

and dividing it by the facilities square footage. The EUI provides a fair indication of each facility's overall efficiency compared to other facilities.

2. Interview customer staff to validate EUI calculations and determine long term asset plans for the facilities and priorities for the district. The interview process would be used to identify current problems within a given facility, planned upgrades/modifications and other potential operational issues.
3. Finalize facility list to be included with the customer based upon the EUI calculations and collaboration with customer personnel.
4. Perform a preliminary walk through of the agreed upon facilities, determine type of HVAC systems, lighting, plumbing fixtures, control system, set points and occupancy schedules.
5. Develop a preliminary ECM matrix for all facilities in the report based on facility surveys and input from the customer.
6. Estimate potential savings based on a "target" EUI for each facility type and use. The target EUI is based on ENGIE's national and local experience.
7. Develop a financial Project Financial Proforma showing project estimated costs, financing costs, M&V fees and potential savings of the project.
8. Provide final report

Once the facilities have been identified that will provide a most savings, we then take a deeper dive at each facility and further analyze the energy savings potential. We identify potential ECMs and potential facility improvement opportunities. The ECMs must improve the facility as well as save energy and meet the goals uncovered by the Unlock Approach. We then estimate the cost and the energy savings and run financial proformas to determine program financials.

Throughout the project development process, the customer, in partnership with ENGIE, will make important decisions such as selecting the ECMs, evaluating the short-term and long-term payback of each measure, reviewing funding options, reviewing M&V options for the energy savings, and more.

The basic criteria that ENGIE uses to select and recommend specific ECMs include:



Facility or organizational need. Determined during our engineering audits and conditional assessment of energy infrastructure and meetings with facilities staff and customer management personnel. ENGIE understands that to make any project a success, a collaborative, committed effort in close coordination with the customer is imperative.



Measure economics. Primarily intended to deliver operational savings to the customer. These savings will comprise reduced energy costs, maintenance savings, and improved operational effectiveness. The specific economic criteria used to evaluate the measure is customer-specific, but typically, simple payback, return on investment, and/or net present value have all been used to evaluate specific measures and groups of measures or programs.



Program fit. The customer, like other ENGIE customers, seeks an optimized overall project or "program" that satisfies overall economic and operational objectives. ENGIE will work with customer staff to understand these requirements and use them to develop an overall program. This program may include projects that, on their own, do not provide the economic justification, but that may satisfy longer term, strategic, operational, comfort, or environment requirements of the facilities and customer.



A major reason for our success with similar projects is our experience with IGAs. As a full-service, design-build ESCO, ENGIE’s approach has always been to look at our customer’s facilities and listen to a customer’s goals through a holistic lens and develop comprehensive programs that provide the most robust return on investment for those customers. **ENGIE is not owned by equipment or technology providers and as such we are technology and equipment agnostic** which allows to focus on the best solutions that make sense for the customer. Identifying, evaluating, designing, and building energy conservation projects is our only business. As illustrated below, we have developed a Standard Operating Procedure (SOP) that prescribes how we develop, select, and evaluate ECMs.

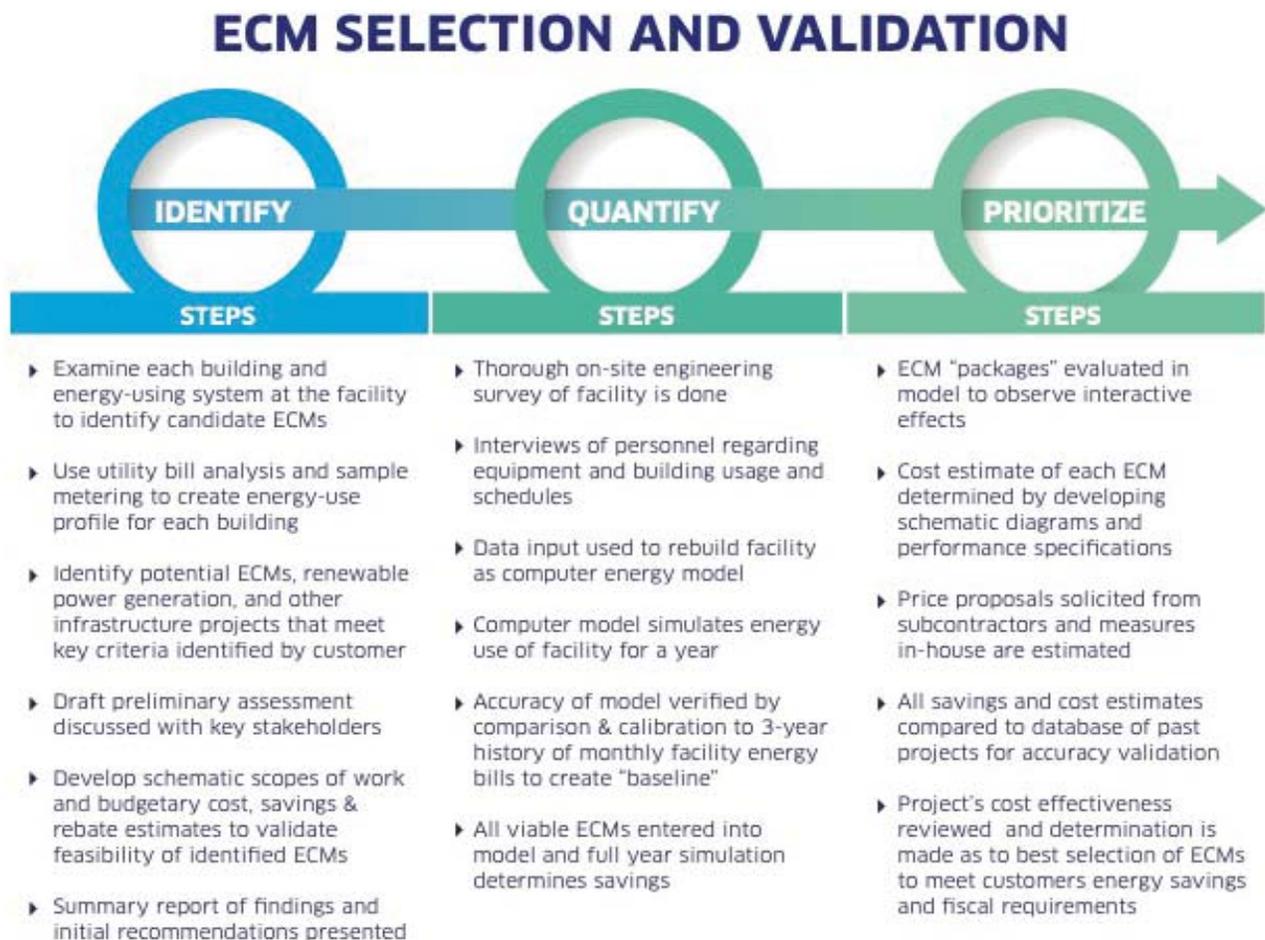


Figure No. 3: Investment Grade Audit SOP

ENGIE has audited hundreds of public sector facilities in the past year covering more than hundreds of millions of total square feet of space. Based on this experience we can identify, develop and deliver a diverse solution customized to each customer’s unique functions.

Throughout our development process, ENGIE project managers and engineers work in concert with our construction managers to ensure that work scopes include all relevant requirements for constructability and maintenance. Because we build and stand behind our projects, we have the institutional experience and incentive to ensure we translate recommendations to scopes of work that subcontractors in the building trades can implement properly.

 **Final Engineering, Competitive Procurement & Risk Mitigation**

To meet all customer objectives, ENGIE will use a design development plan checklist aid to promote quality management and a tool to document the plan for project execution. The checklist will help the design team meet all design development obligations. It comprises a series of documents defined by the design team which establish the baseline (project, resources, and design).

ENGIE’s project manager will develop the checklist, get concurrence from the appropriate supervising engineer/architect, and transmit a preliminary scope of work to procurement.

We establish the design baseline through identification of industry codes and standards, including jurisdictional codes, applicable RFP design criteria and standards, and other third-party design documents, existing plant as-built record documents, and other related design documents.

The project manager and the design team determine the number of internal design review milestones based on complexity, duration, and nature of the project. A typical energy project will require conceptual, 30%, 60%, 90% and 100% reviews, but ENGIE will conduct ongoing design reviews at least weekly. We coordinate with design disciplines (architect, civil, structural, mechanical, electrical, landscape) at all design milestones. Typical design milestones include:



Figure No. 4: Design Milestones.

Conceptual Design: ENGIE will develop design criteria. Completed conceptual design plans will include plans that identify major design characteristics and features, development of the outline specifications and establishment of the initial Rough Order of Magnitude (ROM) estimate.

Preliminary Design - 30% complete: Preliminary design is the “design freeze” point for conceptual design plans where ENGIE defines and implements major design criteria.

Interim Design - 60% complete: At interim design, plans and specifications are at an advanced stage and ENGIE completes all calculations, performs value engineering, reviews constructability, completes ROM and develops a preliminary construction schedule.

Pre-Final Design - 90% complete: Pre-final design is the basis for developing the construction schedules and cost estimate. The design drawings, specifications and calculations are complete pending review comments.



Final Design - 100% complete: At final design, ENGIE validates design and resolves design review comments accepted by reviewers. Professional engineers/architects sign and seal plans, specifications and calculations, and we release the final design package for implementation.

Coordinating engineering with the customer will follow a parallel track with the technical design. ENGIE begins detailed engineering after project approval from the customer and implementation contract execution. ENGIE will first review and confirm all project requirements. This includes examining all engineering analyses included in reports, drawings, and other documents pertinent to project design. The team will assess the constructability of preliminary designs created during the engineering analysis and make any final changes or alternate plans.

ENGIE does not manufacture any equipment. At ENGIE, we are “vendor neutral,” meaning we design, select, install, and maintain equipment openly available to the market. We leverage the buying power of our parent company to buy equipment at the best price. ENGIE is a global energy company, and the number one supplier of energy efficiency services, with over \$63 billion in annual revenue. We are a major buyer of HVAC equipment, LED lighting, solar modules and inverters, and automation and controls systems. Our global buying power has allowed us to negotiate favorable terms to qualify industry leading original equipment manufacturers (OEMs) as preferred suppliers. Our procurement department leverages this buying power and our global agreements to receive the most competitive pricing. We will evaluate the customer’s unique specifications through total cost of ownership to ensure you receive the highest quality equipment at the lowest cost.

In addition, our procurement team has extensive experience and knowledge about local labor markets related to engineering, construction, installation, and other services. We work with our customers to adhere to other requirements related to diversity, geography (local subcontractors), sustainability, material origin traceability, and any other important considerations and requests. Often our customers have existing relationships with local contractors. In such instances, we prioritize the award of subcontracts to those companies if they possess the capabilities needed to execute work and meet our supplier qualification requirements, including safety, financial, commercial competitiveness, and work quality. We take a customer centric approach to procurement and tailor our processes for each customer to include your unique, important necessities and requests.

ENGIE will solicit input from the facility owner and approve all subcontractors for the performance contracting project. In addition to the facility owner requirements, all subcontractors and suppliers must be qualified under ENGIE’s rigorous process that considers such factors as safety, financial strength, and organizational capability. Although subcontractors are used for the installation of the equipment, ENGIE retains all responsibility for the project success. ENGIE typically utilizes subcontractors to purchase equipment and material and complete installation. ENGIE uses local resources where possible because of specific background knowledge of the area, specific knowledge of applications, and our desire to foster growth in the regions we serve.

ENGIE uses a very extensive pre-qualification process to select subcontractors and suppliers for our projects. Oftentimes local subcontractors with outstanding track records are used to implement projects. Once ENGIE has audited the facilities, a list of qualified subcontractors will be put together in conjunction with the Facility Owner’s project team. Contractors and suppliers selected in the pre-qualification process competitively bid that portion of the project they are to work on. Additionally, ENGIE has extensive experience managing a competitive bid process for our customers. In this way, costs are kept as low as possible, and we can evaluate their performance.



Finalize Program Funding

To help our customers bridge the gap between aging (and sometimes failing) infrastructure and the availability of revenue-saving energy technologies, ENGIE has a dedicated project finance department that keeps apprised of developments in financial markets. ENGIE project finance has helped our customers obtain **over \$1 billion in cumulative project financings** to implement projects. For this project, **ENGIE's project finance experts can help secure and facilitate funding at no cost to the customer.** We can provide information to the customer about the broad spectrum of options, allowing the customer to select the financing source(s) with the best rates, terms, and conditions for its project needs. Our goal in any financing plan is to help our clients establish a financing option that minimizes overall project costs, allocates risk appropriately, and maximizes total savings. ENGIE can help you understand the spectrum of finance options that are available to customers to fund these projects, and work with your administration and preferred Municipal Advisor to model the project accordingly.

ENGIE has provided project financing assistance to an array of public and private sector customers across the US. For public sector clients, these solutions include tax-exempt leases, general obligation bonds, certificates of participation, and revenue bonds. ENGIE can also provide a public-private structure such as Design, Build, Own/Finance, Operate, and Maintain (DBO/DBFOM) using our own balance sheet and/or combined with other debt and equity financing. Our experience in offering these solutions greatly reduces the project finance cost and risk, while giving our customers a host of options. With over 200 public-private partnership agreements under management, ENGIE is committed to forming lasting, high-impact partnerships with our clients.



Project Management

During installation, ENGIE manages all activities through our construction managers. For the customer's project, a full-time, on-site construction manager will be responsible for construction scheduling, subcontractor and vendor coordination, safety programs, security issues, permits and licenses, and progress meetings with subcontractors and vendors. Our construction management approach focuses on coordinating construction activities to ensure minimal disruption to the customer.



Our construction managers are not contract or subcontracted personnel but are ENGIE employees who take great pride in implementing successful projects

The project team will use Procore™, a cloud-based construction project management tool designed to keep the team in sync out in the field. Procore tracks progress and field notes in real-time and provides a link from mobile devices to field documents — including weekly and daily schedules, meeting minutes, punch lists, and dashboards. Key advantages of this tool include accessibility and automated task workflow. Intended for a shared environment, customer stakeholders will have access to tracking tools and dashboards and will be participants in approval workflow streams, along with other key project partners (such as construction subcontractors and engineering consultants).

We assume responsibility for the proper installation of all equipment. Our project manager will work with our construction manager to create a detailed timeline outlining and scheduling all construction activities to ensure timely completion, close coordination with the customer's other activities, and

minimal impact to customer operations. The on-site construction manager will ensure there is a managed process incorporating all the customer's inputs, goals and needs into a successful energy savings project. The construction manager's regular presence at the job site will provide the opportunity to develop a close working relationship with the customer's staff. Upon completion of installation, ENGIE will oversee the commissioning of all installed equipment to confirm proper installation and operation.



Commissioning, Training and Project Closeout

After equipment installation, ENGIE carries out a commissioning process for all installations to ensure that all systems are functioning correctly and according to their design. For those projects involving installations or modifications of Energy Management Systems (EMS), EMS commissioning is a particularly critical process in guaranteeing project performance. Unless an EMS is properly and thoroughly commissioned, chances are high that the system will not function properly. ENGIE's monitoring department, along with the construction manager, commission every energy management system that ENGIE installs. This process includes a point-by-point testing of each input and output, plus a software commissioning of the programming. In this manner, ENGIE ensures for the Client that the EMS is complete and functional at the conclusion of implementation.

ENGIE will provide training during construction, commissioning, and start-up and re-training is available throughout the term of the customer's energy savings performance contract program. ENGIE personnel fully understand the importance of training in achieving and maintaining predicted energy savings over time and recognize that training can easily be the forgotten energy savings measure.



Monitoring and Verification

Throughout the energy savings term, we will submit an annual performance guarantee report that shows a precise calculation of the energy savings during the corresponding measurement period. We will measure kilowatt-hours (kWh) produced by the system(s) using automated metering. We will compare measured interval production kWh against production shown on the monthly utility bills and reconcile any differences. Additional information regarding our M&V procedures are Customer Care team are provided later in this qualifications packet.

ii. Ability to successfully complete projects on time and to customer satisfaction.

ENGIE management approach ensures projects are completed on-time, under-budget, and to the satisfaction of our customers. We control project costs by developing bottom-up budgets at the outset that are complete and representative of the final work scope and continuously monitoring those budgets during implementation. ENGIE will ensure the accuracy of project budgets through performing conceptual engineering during the project's audit phase. ENGIE's value engineering and quality control teams will also ensure that the projects are designed efficiently with the best engineering practices and state-of-the art equipment. To further promote efficiencies, the ENGIE will ensure that the best available market prices are used to develop the overall project budget. This engineering analysis allows for a more-defined project scope, which leads to greater accuracy in project cost estimating. ENGIE follows several SOPs to help ensure projects are on schedule to

meet construction deadlines. For example, a project manager uses our construction tracking tool to deliver detailed site installation lists to a construction manager. The construction manager then creates a Gantt chart using Microsoft® Project for tracking weekly construction progress. The construction manager establishes construction start and completion dates per energy conservation measure so that a projected completion schedule/curve can be formulated. The construction manager compares the actual progress to the projected progress to anticipate delays or advances in construction.

Once ENGIE sets the project budget, our project manager will ensure the actual project costs adhere to the budget. This requires continuous cost projection, cost data review, cost updates, and re-projection. ENGIE uses SAP job costing and construction accounting software to standardize contract management method across all subcontracts and vendors. ENGIE will also automate project cost reports to provide our project manager with real-time knowledge of project financials so they can best understand cost variances, update cost performance predictions, identify warning flags, and take immediate action to remedy cost control issues. ENGIE's senior project manager will prepare a weekly project status report for the TIPS customer and internal leadership with up-to-date project financial data including original budgets, allocated and unallocated costs, current and pending change orders, cost variances, and projected completion costs. ENGIE will also involve subcontractor team members in project planning and cost estimating to validate established goals and ensure low-risk project implementation. This team-wide transparency of project status on a regular and continuous basis ensures that each project receives the resources, attention, and support to promote successful completion.

b) Method employed to establish baseline energy use in individual buildings and facility-wide

To estimate energy savings, ENGIE uses proven engineering methods including computer modeling, graphical analysis, sub-metering and testing of facilities, spreadsheet analysis, and field M&V. Our goal is to select an M&V approach that is straightforward and can be easily verified by the client and/or their third-party reviewer. ENGIE mitigates risk to the client and guarantees performance by establishing a baseline energy use, predicting the savings reduction by using industry established building modeling and calculations, and monitoring and verifying the energy reduction throughout the guarantee. We understand that selecting an appropriate M&V plan is key to the success of the contract. To assure confidence in these processes, ENGIE follows the International Performance Measurement and Verification Protocol (IPMVP). NAESCO recognizes this protocol as the standard guideline of how savings resulting from energy conservation projects should be measured.

The IPMVP defines four broad options for measurement and verification of energy savings. Each option is applicable to specific situations, and oftentimes, more than one option is possible. Multiple options are often implemented on a single project. The IPMVP options are categorized in the table below with application samples.

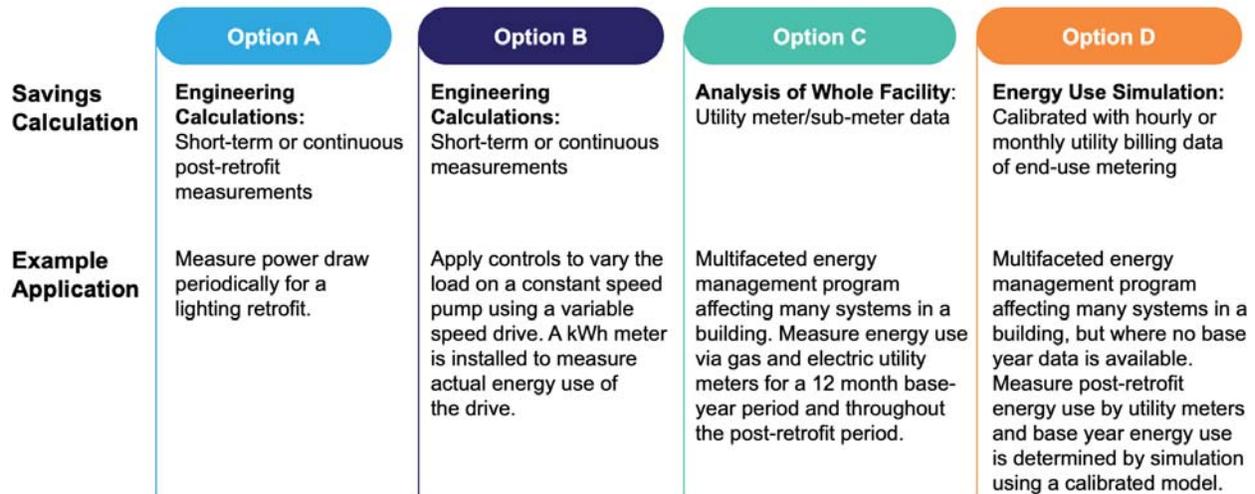


Figure No. 5: IPMVP Options.

Implementation of a verification plan for the diverse types of ECMs typically involved in a performance contract usually requires a combination of methods to measure savings. Even for a given ECM, verification categories may be crossed by combining a stipulated and an end-use measurement component into the savings calculation. Factors that guide the selection of an M&V method for each ECM include:

Attribute	A	B	C	D	S
Cost of Measurement vs. Savings	●	✘	○	○	●
Timing of ECM Installation	●	●	✘	●	●
Likelihood of Future ECM's	✘	●	○	●	●
Likelihood of Future Construction	●	●	○	●	●
Complexity of ECM's	✘	●	●	●	○
Level of Interaction between ECM's	✘	○	●	●	○
Historically Dynamic Facility	●	●	○	✘	●
Likelihood of Savings Degradation	✘	●	●	✘	✘
Low Savings Percentage	●	●	✘	●	●

● Compatible Method ✘ Incompatible Method ○ Method may be compatible

Figure No. 6: IPMVP option factors (S indicates stipulated savings).

Due to the variables and dynamics that are unique to each performance contract, and often to each facility within a performance contract, an individual M&V plan must be developed for each situation. While the specifics may vary, the general method employed will always follow one of the techniques outlined in the IPMVP Guidelines.

c) Method of measurement and verification used to demonstrate energy use reduction and cost savings as guaranteed

The ENGIE guarantee specifies that enough energy and operational savings will result over the term of the program to pay for all costs associated with the plan, including engineering analysis, equipment, installation, engineering design, construction management, commissioning, training, monitoring and verification and debt service.

Savings guarantees are structured based on each customer's contractual preference, but typically range between five and 20 years. We offer a highly competitive guarantee that can be customized to meet the individual needs and requirements based on the specific host site needs, system size, rate tariffs and final designs. We will match any commercially viable guarantee offered by a responsible supplier.

On average, our PV systems perform 108.2% over the guaranteed generation. This gives us a high level of confidence in our ability to deliver on our performance guarantee. Our M&V team has ongoing guarantees that total over \$800 million.



Successful Experience in Field of Energy Savings Performance Contracts





Successful Experience in the field of Energy Savings Performance Contracts

a) Business unit dedicated to providing guaranteed energy savings programs.

ENGIE Services U.S. Inc. has been in continuous operation for 48 years and unlike many of our competitors, has strictly been an ESCO for our entire company history. ENGIE offers true design-build general construction services specializing in energy and water conservation, building system retrofits, and renewable energy projects for the public-sector. We finance, design, build, operate, maintain and manage building systems and energy infrastructure projects. Our partnership approach delivers “paid from savings” programs backed by a performance guarantee for our customers.

b) Business unit dedicated to ensuring project performance.

ENGIE’s Customer Care team is dedicated to ensuring project performance. The Customer Care team is currently delivering on nearly 150 customer contracts. ENGIE’s team includes M&V professionals. Throughout the energy savings term, we will submit annual performance guarantee reports that show a precise calculation of the energy conservation savings during the corresponding measurement period. Kilowatt-hours (kWh) produced by the system(s) will be measured using automated metering. Measured interval production kWh will be compared against production shown on the monthly utility bills, and any differences will be reconciled. To monitor data acquired from our energy projects, we use a proprietary web-based system, Utilityvision™. Our customer care team also includes ENGIE’s O&M personnel that help ensure equipment warranties remain valid and that our systems produce at or above guaranteed production levels. ENGIE believes that a strong preventative maintenance program ensures reliability and efficiency standards are met.

c) Affiliation with energy and/or business organizations (including ISO certification and EPA or DOE affiliations).

ENGIE is accredited by the National Association of Energy Service Companies (NAESCO) and has always met all the requirements to be re-accredited. We hold the Energy Services Provider (ESP) level, which is the highest level an ESCO can attain. NAESCO accreditation recognizes a company’s technical and managerial competence. ENGIE first received our ESP accreditation in 1996 and have successfully renewed the accreditation ever since. ENGIE is also included on the U.S. Department of Energy’s (DOE) Qualified List of Energy Service Companies.

d) Reference responses

References have been provided earlier in this qualification’s submission.



Staffing/Personnel



Staffing/Personnel

a) **Quality of personnel assigned to projects and degree of pertinent experience.**

Our professionals design and build high-efficiency projects that provide customers with annual energy savings, operational savings and energy cost predictability. We also help public institutions leverage private sector non-securities financing and understand government and utility incentives, potentially saving additional taxpayer dollars. As a result, most projects can be funded without up-front capital, so institutions can redirect their resources to other important priorities.

The projects we develop use proven technologies. Our engineers are experts in alternative energy solutions including solar PV. Many of our professionals are accredited by the U.S. Green Building Council in the processes and requirements for achieving Leadership in Energy and Environmental Design (LEED®).

ENGIE Services U.S. Inc. has over 300 professionals dedicated solely to the public-sector, and additional professional staff can be added to meet project schedules or add expertise for given technologies. Given the comprehensive needs of many of our customers, an integrated program development team is being proposed. The project team consists of a senior project manager, who will have overall responsibility for this program. Individual project managers will have direct responsibility for the successful completion of the various scopes of work that would be proposed.

Our teams serving TIPS member customers will cover the following key areas:

Engineering (Development) – Our approach to every project is to establish a consultative partnership. Therefore, ENGIE begins its partnership with a kickoff meeting to understand needs and challenges, identify problem areas, and prioritize. This lays the framework for effective communication across customer stakeholders to advance timelines that work for you. Once problem areas and priorities are identified, ENGIE will conduct a full audit. ENGIE begins every project with an investment grade audit to determine baseline energy use, seasonal variation, and effective energy costs. The energy assessment includes a review of utility data, consideration of any existing tracked utility baseline data, and site walks. Once an audit is completed, ENGIE runs energy models using the collected data to estimate system performance and simulate the yield of measures. This allows us to determine the most viable design at each site. As a best practice, we design to maximize customer benefit.

Construction Management – ENGIE manages all construction activities through our construction managers responsible for construction scheduling, subcontractor and vendor coordination, safety programs, security issues, permits and licenses, and progress meetings with subcontractors and vendors. The on-site construction manager will ensure there is a managed process incorporating all customer inputs, goals and needs into a successful energy savings project.

Project Finance – ENGIE brings a robust portfolio of experience to the customer of leveraging funding and maximizing resources for clients in the public-sector. We bring strong and unique expertise in structuring financial solutions from multiple funding sources to maximize program impact. Our in-house project finance department assists with identifying project funding and obtaining financing. We have assisted in the financing of more than \$1.25 billion in performance contracts (paid from savings projects) for our public-sector customers throughout the US. We have



successfully developed projects that leverage funds and financing with low interest financing, grants, rebates, utility incentives, state funds and local and state bond proceeds without requiring any additional capital from customer budgets.

Customer Care – ENGIE’s team includes M&V professionals. Throughout the energy savings term, we will submit annual Performance Guarantee Reports that shows a precise calculation of the energy conservation savings during the corresponding measurement period. Kilowatt-hours (kWh) produced by the system(s) will be measured using automated metering. Measured interval production kWh will be compared against production shown on the monthly utility bills, and any differences will be reconciled. To monitor data acquired from our energy projects, we use a proprietary web-based system, Utilityvision™. Our customer care team also includes ENGIE’s O&M personnel that help ensure equipment warranties remain valid and that our systems produce at or above guaranteed production levels. ENGIE believes that a strong preventative maintenance program ensures reliability and efficiency standards are met.

Community Engagement - One of our values as an organization is impact. We measure impact not only by the savings we generate and emissions we offset but also by our ability to positively impact the core mission, vision, and values of our partners. Our customer engagement team can work with the customer in several ways to increase our value on the project, and develop a customized, co-authored program.



Financial Strength/Bonding Capacity





Financial Strength/Bonding Capacity

a) Demonstrable ability to bond savings through third party surety.

ENGIE Services U.S. Inc. is a valued client of Westchester Fire Insurance Company, Fidelity and Deposit Company of Maryland, and Argonaut Insurance Company. The AM. Best Ratings and Financial Class Size of each of these participating sureties are A++ XV, A+ XV, and A XIII, respectively, and all are listed on the U.S. Treasury Department's Listing of Approved Sureties (Department Circular 570; 2017 Revision).

ENGIE Services U.S. Inc. is in good standing with Westchester Fire Insurance Company, Fidelity and Deposit Company of Maryland, and Argonaut Insurance Company, and currently has a \$75,000,000 single project limit, within an aggregate bonding capacity of \$1,000,000,000.

Bonding Agent:

Sara Owens | Account Executive – Surety Operations
AON Risk Solutions | Surety
1650 Market Street, Suite 1000
Philadelphia, PA 19103
Phone: 215-255-1734
E-Mail: sara.owens@aon.com



Terms and Conditions



Terms and Conditions

The Special Terms and Conditions of the TIPS Vendor Agreement (RFQ 220104) are supplemented and amended as follows. In the event of a conflict between the provisions set forth below and those contained in the Vendor Agreement Special Terms and Conditions, the provisions set forth below shall control.

Additional Provisions

Creditworthiness – If, at any time, Customer’s credit rating falls below investment grade as defined by Moody’s Investors Services (or other nationally-recognized independent rating agency), Customer agrees to provide ENGIE Services U.S. Inc. with current information regarding its creditworthiness upon the request of ENGIE Services U.S. Inc. At its sole option, ENGIE Services U.S. Inc. may then require Customer to provide security satisfactory to ENGIE Services U.S. Inc., and the Work may be withheld until such security is received. If Customer deposits the contract amount into a third-party escrow account with an escrow agent and agreement acceptable to ENGIE Services U.S. Inc., then the terms of this paragraph are not applicable.

Limitation of Liability – ENGIE Services U.S. Inc. will not be liable, in connection with this Agreement or any analysis, report, or other deliverables provided hereunder, for damages of any kind, including special, indirect, incidental, consequential or punitive damages, however caused, under any theory of liability and regardless of either Party’s fault. Per Section 8 above, under certain circumstances Customer is prohibited from utilizing ENGIE Services U.S. Inc.’s Work Product for a period of five (5) years and Customer may be required to pay liquidated damages to ENGIE Services U.S. Inc. for violating this prohibition. In addition, if Customer uses the information provided hereunder or in the Report for implementation purposes without the written permission of ENGIE Services U.S. Inc., Customer agrees to waive and release, and indemnify and hold harmless, ENGIE Services U.S. Inc., its subcontractors, and their directors, employees, subcontractors, and agents from any and all liability, claims, damages, losses and/or costs associated with or resulting from such use.

Warranty – ENGIE Services U.S. Inc. warrants its workmanship provided hereunder, including its subcontractors’ workmanship, shall be free of material defects for a period of one (1) year from the date of Substantial Completion as indicated on the executed Certificate of Substantial Completion, or the date of Beneficial Use as indicated on the executed Certificate of Beneficial Use (“ENGIE Services U.S. Inc. Warranty”). All warranties hereunder, including without limitation those for defects, whether latent or patent, in design, engineering, or construction, shall terminate one (1) year from the date of Substantial Completion or Beneficial Use; and thereafter, ENGIE Services U.S. Inc. will have no liability for breach of any warranty or for any latent or patent defect of any kind. Equipment and material warranties that exceed the one (1) year warranty period shall be provided directly by the equipment and/or material manufacturers and such warranties shall be assigned directly to the Customer, after the one (1) year period. During the one (1) year ENGIE Services U.S. Inc. warranty period, ENGIE Services U.S. Inc. shall be the Customer’s agent in working with the equipment and material manufacturers in resolving any equipment or material warranty issues. Other than for lamps and ballasts, any material defects that are discovered within the one (1) year ENGIE Services U.S.



Inc. warranty period, ENGIE Services U.S. Inc., or ENGIE Services U.S. Inc.' subcontractors, will correct its defects, and/or ENGIE Services U.S. Inc. will work with the equipment or material manufacturer as the Customer's agent to facilitate the manufacturer's correction of the equipment or material defect. For typical industry standard lamp and ballast failures during the one (1) year ENGIE Services U.S. Inc. warranty period, the Customer will replace such failed lamps/ballasts with replacement stock provided by ENGIE Services U.S. Inc., provided, however, Customer shall return the failed lamps/ballasts to the manufacturer in order to ensure that sufficient quantities of replacement stock are available during the one-year warranty period. Such warranty services shall be performed in a timely manner and at the reasonable convenience of the Customer. This warranty expressly excludes any remedy for damage or defect caused by improper use, improper or inadequate maintenance, operations of the installed equipment by users other than ENGIE Services U.S. Inc. or its subcontractors, corrosion, erosion, deterioration, abuse, modifications or repairs not performed by an authorized ENGIE Services U.S. Inc. subcontractor, improper operation, or normal wear and tear under normal usage. If a warranty issue arises on any equipment or material installed after the one (1) year ENGIE Services U.S. Inc. warranty period, and the equipment or material has a warranty period that exceeds one (1) year, the Customer shall contact the manufacturer directly to resolve such warranty issues and Customer acknowledges that the manufacturer shall have sole responsibility for such issues. Under no circumstances will either Party be liable to the other Party for any special, indirect, incidental, consequential or punitive damages, however caused and on any theory of liability.

Conflicts of Interest – Conflicts of interest relating to this Contract are strictly prohibited. Except as otherwise expressly provided herein, no Party nor any director, employee or agent of any Party shall give to or receive from any director, employee or agent of any other Party any gift, entertainment or other favor of significant value, or any commission, fee or rebate in connection with this Contract. Likewise, no Party nor any director, employee or agent of any Party, shall without prior notification thereof to all Parties enter into any business relationship with any director, employee or agent of another Party or of any Affiliate of another Party, unless such person is acting for and on behalf of the other Party or any such Affiliate. A Party shall promptly notify the other Parties of any violation of this section and any consideration received as a result of such violation shall be paid over or credited to the Party against whom it was charged. Any representative of any Party, authorized by that Party, may audit the records of the other Parties related to this Contract, including the expense records of the Party's employees involved in this Contract, upon reasonable notice and during regular business hours, for the sole purpose of determining whether there has been compliance with this Section.

ENGIE Services U.S. Inc. Insurance. ENGIE Services U.S. Inc. shall maintain, or cause to be maintained, for the duration of this Contract, the insurance coverage outlined in (i) through (vii) below, and all such other insurance as required by applicable law. Evidence of coverage will be provided to Customer via a Certificate of Insurance or a Self-Administered Claims Letter.

(i) Workers' Compensation/Employers Liability for states in which ENGIE Services U.S. Inc. is not a qualified self-insured. Limits as follows:

* Workers' Compensation: Statutory

* Employers Liability: Bodily Injury by accident \$1,000,000 each accident

Bodily Injury by disease \$1,000,000 each employee

Bodily Injury by disease \$1,000,000 policy limit

(ii) Commercial General Liability insurance with limits of:

* \$1,000,000 each occurrence for Bodily Injury and Property Damage

* \$2,000,000 General Aggregate - other than Products/Completed Operations

* \$1,000,000 Products/Completed Operations Aggregate

* \$1,000,000 Personal & Advertising Injury

* \$ 100,000 Damage to premises rented to ENGIE Services U.S. Inc.

Coverage to be written on a claims-made form. Coverage to be at least as broad as ISO form CG 002 (12/07), without endorsements that limit the policy terms with respect to: (1) the definition of an Insured Contract, (2) provisions for severability of interest, (3) explosion, collapse, underground hazard.

(iii) Auto Liability insurance for owned, hired and non-owned vehicles with limits of \$1,000,000 per accident. Coverage to be written on an occurrence form.

(iv) Professional Liability insurance with limits of:

* \$1,000,000 per occurrence

* \$1,000,000 aggregate

Coverage to be written on a claims-made form.

(v) Excess Liability insurance. Limits as follows:

* \$1,000,000 each occurrence

* \$1,000,000 aggregate

Coverage terms and limits to apply excess of the per occurrence and/or aggregate limits provided for Commercial General Liability and Professional Liability written on a claims made form. Coverage terms and limits also to apply in excess of those required for Employers Liability and Auto Liability written on an occurrence form.

(vi) Policy Endorsements.

* The insurance provided for Workers Compensation and Employers Liability above shall contain waivers of subrogation rights against Customer.

* The insurance provided for Commercial General Liability and Auto Liability above shall:

(a) include the Customer as an additional insured with respect to Work performed under this Contract but only to the extent of the indemnity obligations contained in this Agreement, and

(b) provide that the insurance is primary coverage with respect to all insureds and shall not be considered contributory insurance with any insurance policies of the Customer.



Pricing



Pricing

While ENGIE understands pricing is not required at this time, we wanted to include more information to understand our pricing approach.

ENGIE does not bill customers on an hourly rate for any type of service. As a design-build energy services contractor, we provide our customers with an engineered scope of work and price for a turnkey project that includes all necessary permitting, engineering, design, installation, commissioning, delivery, training and education, warranty service, regulatory compliance, and on-going services. ENGIE determines fees for engineering and professional services including design engineering, project and construction management, guarantee services, and commissioning based on project scope, requirements, and cost. Project costs are calculated using accepted industry standards based on the type, size, and complexity of the project. ENGIE has a straightforward open book pricing approach that assures our customers receive a top-performing project at a fair and reasonable price.



Appendix A





2020 Integrated Report



ENGIE

About this Report

ENGIE's Integrated Report provides a comprehensive, forward-looking vision of the Group, its purpose, ambition, strategy, objectives, governance and value creation. Modeled on the reference framework of the International Integrated Reporting Council (IIRC), the Integrated Report forms part of an approach to medium-term value creation and the systematic reconciliation of financial and CSR approaches. In it, ENGIE presents its contribution to the most significant United Nations Sustainable Development Goals (SDGs) in terms of its activities.

The report was drafted by the CSR Department and produced with the active involvement of the functional departments, businesses and BUs that worked throughout the process to select and structure the information. The 2020 Integrated Report has been approved by the Executive Committee and the Ethics, Environment and Sustainable Development Committee of the Board of Directors of the Group. It has been reviewed by the Statutory Auditors, who have validated its compliance with the indicators verified by them. (■: moderate assurance for audited indicator and ■ ■: reasonable assurance for audited indicator). An audit statement appears on page 65 of the report.

This report was prepared under difficult conditions due to the Covid-19 health crisis. We would like to thank all the contributors who worked during this period.

We are thinking in particular of our colleagues involved in the provision of essential services and of all the people mobilized in the health management of this crisis.

We hope you find this report useful! #Stay at home

Major developments in the ENGIE Integrated Report



2014-2015

Publication of ENGIE's first integrated report, drawn up on the basis of a first "interim" version submitted for consultation with the Group's stakeholders.



2016-2018

Presentation and implementation of the 2016-2018 transformation plan, which repositioned ENGIE on three activities: renewable energy, energy efficiency and natural gas.



2019-2020

Presentation and implementation of the 2019-2021 strategy, which aims to position the Group as a world leader in the energy and climate transition. The 2020 edition includes a climate notebook, a customer focus and a statement by the Statutory Auditors on the audited CSR indicators.

SEE ALSO

2020 INTEGRATED REPORT > ENGIE's Contribution to Sustainable Development Goals > **pp. 50-51**

2019 UNIVERSAL REGISTRATION DOCUMENT >

Statement on Non-Financial

Performance > **Chapter 3**

engie.com: <https://www.engie.com/en/group/social-responsibility>

Summary of the ENGIE Integrated Report

Guided by its purpose to "act to accelerate the transition to a carbon-neutral economy*," ENGIE continues to implement its strategy to become the leader in the energy and climate transition. Convinced that value creation must be understood in its entirety, the Group now relies on an integrated business model, focused on four major activities: client solutions, renewable energy, networks and thermal. The Board of Directors and the Executive Board are the guarantors of this model of responsible capitalism: they rely on attentively listening to the Group's internal and external stakeholders, as well as on the highest standards of governance.

By developing its activities toward a carbon-neutral economy, ENGIE strives for harmonious development in its ecosystem. This model, which is profitable for the Group and its shareholders, creates – very concretely – economic, social, environmental and societal value for all its stakeholders.

** Subject to approval by the 2020 General Shareholders' Meeting*

Group Profile	02
Editorials	04

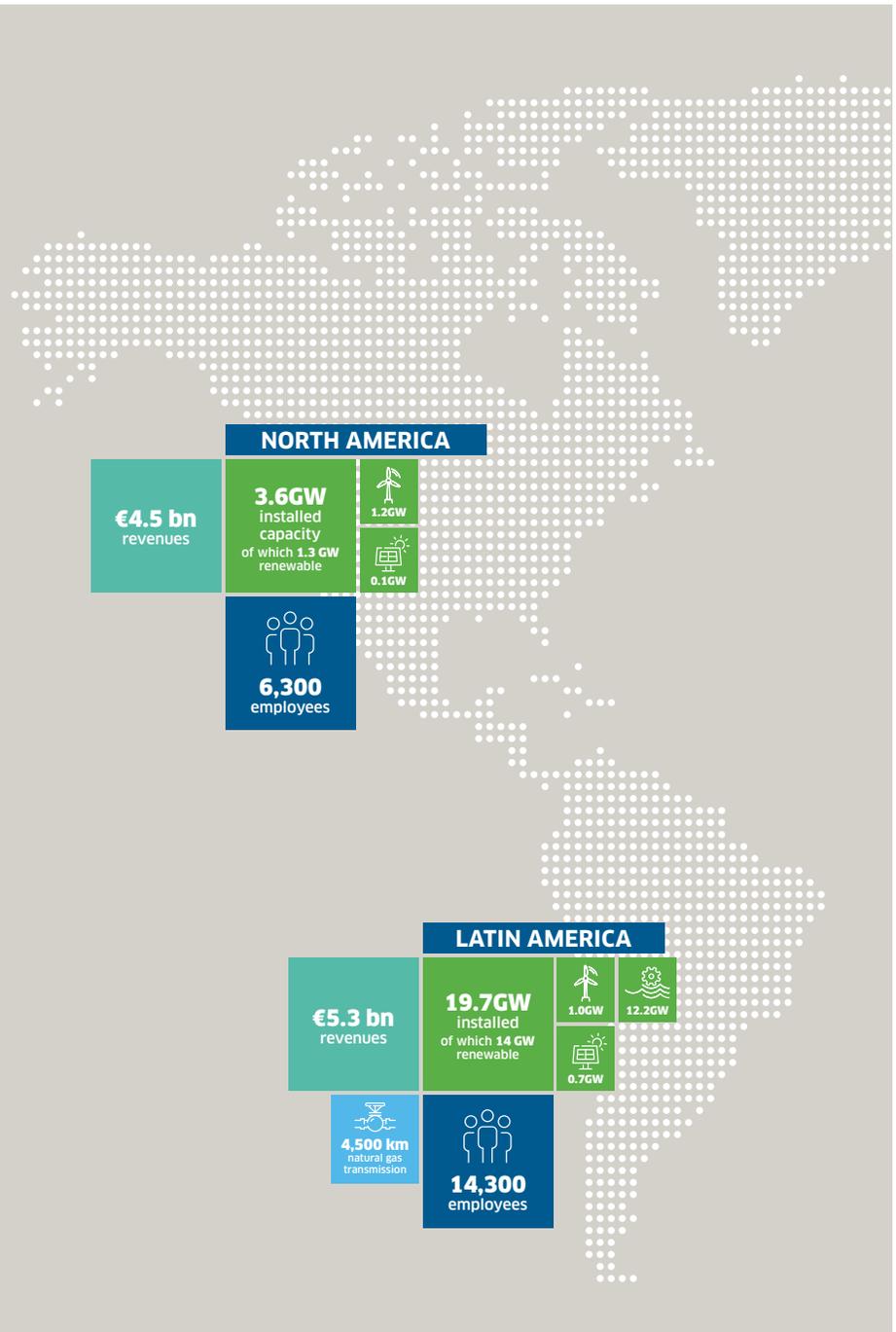
1	STRATEGY	06
	Consultation central to the definition of our purpose	07
	Our vision of energy market trends	08
	Our 2019-2021 strategy	09
	Main achievements in 2019 and early 2020	13
	Our objectives	14
	Our commitments in the fight against climate change	16
	Our other commitments	20
	Our business model	22
	Client solutions	24
	Renewable energy	26
	Networks	28
	Thermal	30
	Other activities	31
2	GOVERNANCE	32
	The Board of Directors	33
	An expert and engaged Board	34
	Strong involvement of Board Committees	34
	Executive Board	36
	Our organization	37
	Human Resources	38
	Corporate Social Responsibility	40
	Ethics and Compliance	42
	Vigilance Plan	43
	Risks	44
3	VALUE CREATION	45
	Our customers at the center of our value creation	46
	Challenges bringing risks and opportunities	48
	ENGIE's contribution to Sustainable Development Goals	50
	A sustainable carbon-neutral transition	52
	A carbon-neutral transition that serves everyone	56
	A competitive carbon-neutral transition	58
	A carbon-neutral transition that brings people together	60
	A carbon-neutral transition for the future	62
	Distribution of value in 2019	64
	Statement and indicators	65

GROUP PROFILE

An energy Group mobilized to become a leader in the energy transition

ENGIE is a global energy and services group based on **four major activities**: client solutions, renewable energy sources, networks and thermal power generation. Driven by the aim of **contributing to harmonious progress**, ENGIE is facing up to major global challenges such as combating global warming, access to energy for all and mobility, and is offering its customers – companies, the tertiary sector, cities and regions – energy production solutions and services that bridge the gap between individual interests and collective challenges.

Low in carbon, its integrated, effective and sustainable offers rely on **digital technology**. Going beyond energy, they foster the development of **new uses** and **new ways of living and working**. Every day, **171,100 employees** are working toward ENGIE's ambition. ENGIE has its purpose enshrined in its bylaws*, and has set up new medium-term objectives (2030) to support its customers and partners in a carbon-free world



* Subject to approval by the 2020 General Shareholders' Meeting



€189 m
spent on
research and
development (R&D)
in 2019



+ 3 GW
installed
renewables capacity
in 2019



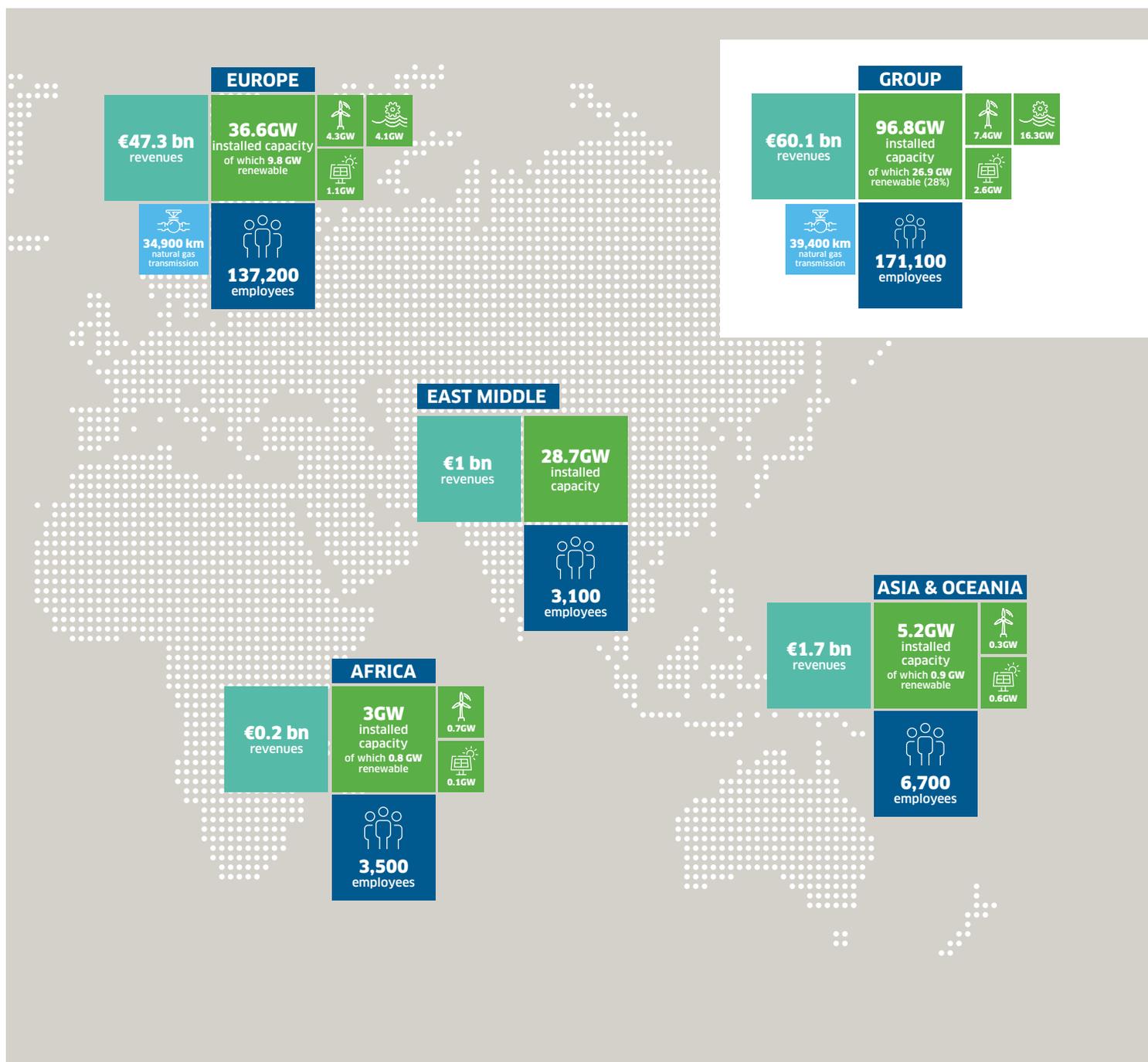
€10.7 bn
revenues in
portfolio for
customer solutions
in 2019



+4,500 km
natural gas
transmission
network
in 2019



52.7GW
natural gas installed
capacity at the close
of 2019



Editorial



*“In 2020,
our **purpose**
must be
indistinguishable
from our **actions.**”*

Jean-Pierre Clamadieu
Chairman of the
Board of Directors

Every year for the past seven years, ENGIE's integrated report has presented **our understanding of developments in the world** of energy, clarified **the challenges**, affirmed **our commitments and ambitions** and explained **our strategy**.

This report is intended for our shareholders, employees and, more broadly, civil society actors, and it aims to **give meaning** to our actions and greater **transparency** to our approach and the setting of **our objectives**. It illustrates **our main achievements** and demonstrates the **economic value that our projects create** for all of our stakeholders in line with our CSR commitments.

ENGIE is an actor with a commitment to CSR. Our historical adherence to the 10 Principles of the United Nations Global Compact is currently expressed in our many commitments and actions **for the planet** (climate, biodiversity, water, circular economy, etc.) and **for people** (gender balance, youth, the disabled, minorities, access to energy, etc.). These actions contribute primarily to 12 of the 17 United Nations **Sustainable Development Goals**.

The year 2019 was marked by the launch of a new **strategic plan** based on four priority activities and by a participatory reflection on our Group's **purpose**, which will be put to the vote at our General Shareholders' Meeting. In 2020, our purpose must be indistinguishable from our **actions**. We will continue to deepen our strategy to make it even clearer and more effective, along with the recruitment process for the future Chief Executive Officer, who will be in charge of its operational implementation.

At the time of writing, the world is facing an unprecedented **health crisis**, which has taken hold in many parts of the world for an indefinite period. In these unprecedented circumstances, the Group has fully mobilized to **protect the health** of our employees, subcontractors and customers, **continue our operations** where our activities are often indispensable, ensure the **quality of service and information** to our customers and **preserve the sustainability** of our ecosystem.

Published earlier than last year at the request of our investors, this edition of the integrated report has been enriched with a **climate notebook**, a stronger **customer focus**, and it gives a detailed presentation of our 2030 objectives and the changes in our business model while continuing to give voice to several of our stakeholders.

On behalf of our Board of Directors, I invite you to read this 2020 integrated report, which is the product of a **collaborative effort** internally and externally that is informed by and enriching for all those involved.

Making the carbon-neutral transition possible

STRATEGY

Guided by its purpose "to act to accelerate the transition to a carbon-neutral economy*," ENGIE continues to implement its strategy to become the leader in the carbon-neutral transition.

The Group has set new objectives for 2021 and 2030 in order to steer its financial and CSR performance as closely as possible.

* Subject to approval by the 2020 General Shareholders' Meeting

BEING

PURPOSE

Acting to accelerate the transition to a carbon-neutral economy

ACTING

WHY?

Ambition

- **Becoming the leader in the carbon-neutral transition**

VISION

- Decarbonization
- Decentralization
- Digitization

HOW?

Strategic directions

- **Developing 4 activities:** Client solutions, Renewables, Networks, and Thermal
- Focusing on high added value activities
- Focusing on a few regions

DNA

- Expertise in networks
- Customer proximity

Strategic levers

- Relying on integrated solutions, digital operations and growth-financing platforms
- Adapting our organization
- Investing in talent
- Optimizing the portfolio

VALUES

- Drive
- Commitment
- Daring
- Ambition

Strategic challenges

- Faster growth
- Higher value
- Better impact

WHAT?

Impacts and objectives 2020-2030

- PEOPLE**
 - Supporting human development in our company
 - Working with our ecosystem to accelerate the transition
- PLANET**
 - Being exemplary in deploying our own carbon-neutral transition
 - Making our customers and suppliers actors in their transition to carbon neutrality
 - Controlling the impact of our activity on the environment and living things
- PROFIT**
 - Creating sustainable value
 - Redistributing value creation among employees, shareholders and stakeholders

Consultation: central to the definition of our purpose

In 2019, following the adoption of the Pacte Law, ENGIE indicated its intention to define its purpose with a view to its adoption in 2020 by its General Shareholders' Meeting.

After consulting all its stakeholders as part of the "Imagine 2030", "Harmonious Progress" and "Capital Market Day" initiatives, ENGIE conducted further external consultations with around 15 investors, proxy advisors, CSR rating agencies and more than 20 civil society actors via individual interviews. It solicited all employees by asking an open-ended question as part of the annual commitment survey "ENGIE & ME" directed at internal employee communities, and conducted individual interviews with Executive Committee members.

Work on its purpose was conducted in project mode, with the main departments concerned represented on the Steering Committee. The Executive Committee and the Appointments, Compensation and Governance Committee (ACGC) regularly validated its work during four meetings between May 2019 and February 2020. In December 2019, the Board of Directors decided to move toward a statutory purpose, which places ENGIE in the restricted circle of companies who have enshrined their purpose in their bylaws.

At the end of the work, subject to the approval of the General Shareholders' Meeting, the Board of Directors adopted the following wording:

ENGIE's purpose ("raison d'être") is to act to accelerate the transition towards 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.

This reason for acting is reflected in the new concrete Social and Environmental Responsibility targets announced by the Group when it published its 2019 annual results:

- greenhouse gas emissions from electricity production should be reduced from 149 Mt in 2016 to 43 Mt in 2030 (80 Mt in 2019);
- the proportion of women in Group management should increase from around 23% in 2016 to 50% in 2030 (23.5% in 2019);
- the proportion of renewable energy in the electricity mix should increase from 20% in 2016 to 58% in 2030 (28% in 2019).

Interview



“ With this purpose, ENGIE firmly gears its action for the long term and for the transition to carbon neutrality. The Group has halved its direct GHG emissions in recent years, and its employees work daily to build service offers that reduce the carbon footprint of cities, communities and businesses, to the benefit of all. The Group's purpose is the result of a broad consultation process, bringing together all of its stakeholders, including first and foremost its employees. ”

Claire Waysand
Interim Chief Executive Officer and
General Secretary

Where are we from? 170 years of industrial expertise

With our 170-year history as pioneers, and thanks to the commitment of our employees, we have successfully repositioned our Group to become a leader in the carbon-neutral transition.



1858
Creation of Compagnie Universelle du Canal Maritime de Suez



1946
Creation of Gaz de France



2001
Suez Lyonnaise des Eaux becomes SUEZ



2008
GDF SUEZ is created from the merger between SUEZ and Gaz de France



2015
GDF SUEZ becomes ENGIE



2019
ENGIE announces its strategy for 2019-2021



2020
ENGIE announces its purpose

Major challenges of the age

The golden age of transport Industrial reconstruction Essential needs and population growth Strengthening competition in the energy market Decarbonization, decentralization and digitization of energy management Decentralization quickens Pacte Law

Group positioning

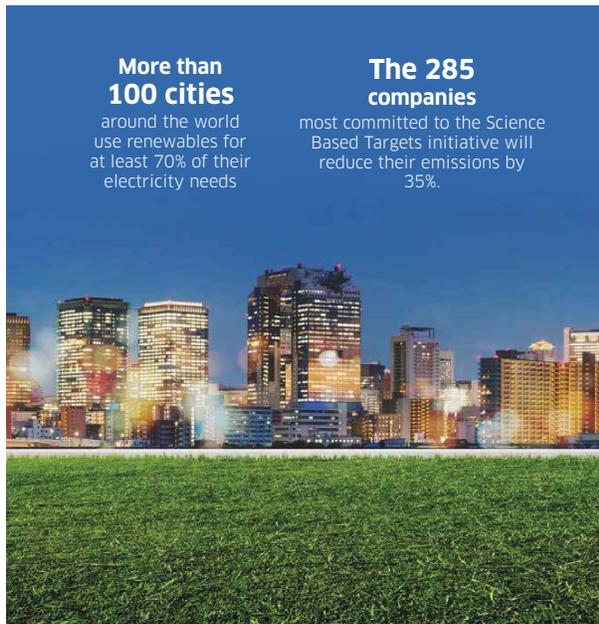
Major economic player (holdings and investments) Carrier, distributor and trader of natural gas A leader in the energy sector, and in energy and environmental services World leader in energy Among the leaders of the energy transition Becoming the world leader of the energy transition Accelerating the deployment of the strategy for greater impact

Our vision of **energy market trends**

As the climate emergency is increasingly integrated into decision-making processes – at global, national and local levels – the energy sector has a major role to play, both in the provision of sustainable energy as well as in the promotion of new, more frugal, digital and decentralized modes of consumption.

A global awareness of the climate emergency

At a time when environmental and energy issues are at the heart of concerns, the call for action is intensifying, driven particularly by the younger generations. Through media action, millennials are calling on society to drastically reduce its CO₂ emissions and to adopt new ways of producing, consuming and living that preserve the environment and biodiversity. Faced with these challenges, businesses and local authorities – aware of the urgency to act – are becoming the drivers of the new wave of the energy transition and are inventing together the energy systems of tomorrow.



**More than
100 cities**

around the world
use renewables for
at least 70% of their
electricity needs

**The 285
companies**

most committed to the Science
Based Targets initiative will
reduce their emissions by
35%.

Three profound changes in the energy sector

Decarbonization: The energy sector, a major emitter of greenhouse gases, is undergoing a strong and rapid transformation driven by the development of renewable energy sources. Whether solar, wind, hydro or biomass-based, energy is now increasingly carbon-free and environmentally friendly. This trend is set to continue: the International Energy Agency (IEA) forecasts a sharp increase in renewable electricity production capacity (+1,200 GW by 2024). Both as new sources of green energy and as solutions to the problems of intermittent renewable energy production, biogas and hydrogen also represent a strong opportunity for decarbonization.

Digitization: The energy transition is also digital, with the emergence of new technologies that are profoundly changing consumption and lifestyle patterns. The deployment of Artificial Intelligence (AI) and the Internet of Things (IoT) opens up new possibilities for controlling and optimizing energy consumption at the individual level as well as at institutional, municipal and regional levels.

Decentralization: Previously centralized by country, the energy transition is now driven by companies and local authorities who will increasingly decide on tomorrow's energy systems.

These are the difficult challenges faced by today's society:

- drastically reducing CO₂ emissions
- and adopting new ways of producing, consuming, living and buying without degrading living conditions and, on the contrary, if possible, positively impacting not only the environment but also comfort, health and well-being.

A community of Imaginative Builders in the service of ENGIE's energy sobriety

The "I'm taking action for my planet" internal community shares best practices about the environment and energy sobriety and thus contributes to the carbon-neutral transition. Its 600 members work on exemplary themes within the Group and have chosen 7 areas of work: mobility, IT, food, communication, events, building and purchasing. They were able to share their recommendations within the Group, notably with the members of ENGIE 50, with the Creative Lab of the Young Professional Network and during the Leadership event. Their joint work resulted in proposals to make the Group's operations more energy-lean and integrate energy-efficiency into its commercial offers.



Our 2019-2021 strategy

With its 2019-2021 strategic plan, ENGIE asserts its ambition: to become the world leader in the carbon-neutral transition. By relying on a selective investment strategy and a high-level integrated support offering, the Group is helping companies and local authorities make the transition to carbon neutrality.

Our DNA

Its **dual DNA** allows ENGIE to have at its disposal the skills essential to the success of its ambition:

- **the DNA of client solutions:** more than 100,000 ENGIE employees work in services, at the customer's premises, in close collaboration with 30,000 businesses and 1,000 local authorities around the world;
- **the DNA of networks:** the Group has cutting-edge skills in the design, operation and maintenance of complex networks (networks, renewable energy sources, thermal power plants).

Our ambition

ENGIE is positioning itself as the energy **pioneer** by offering **integrated, tailored, cost-effective and financed solutions**. This model is based on an innovative approach that enables **businesses and local authorities** to overcome the main obstacles in the carbon-neutral transition: the complexity of the solutions to be implemented and the size of the investments required to change the model.

To this end, ENGIE offers:

- **integrated capabilities**, combining the latest technologies, including digital, with a multidisciplinary approach worldwide;
- **commitments to results**, indexed not only to energy savings but also to quality of life criteria;
- **long-term contracts** to have an increasing impact over time;
- and **three types of solutions:**
 - a concession contract, public service delegation;
 - a long-term partnership contract: Public-Private Partnership (PPP), Power Purchase Agreement (PPA);
 - a performance contract where compensation is linked to fulfillment of objectives.



Our strategic direction

Developing four activities

To become the world leader in carbon-neutral transition, ENGIE relies on **two high value-added activities, growth drivers**:



Client solutions

- **integrated client solutions** for businesses and local authorities, enabling them to reduce their consumption with smart, energy-lean equipment, powered by low-carbon energy.



Renewables

- **renewables** – hydropower, solar, onshore wind, offshore wind, biomass, biogas, green hydrogen – which focus on projects dedicated directly to customer uses. These will account for 50% of ENGIE's new renewables projects by 2021. The Group aims to become one of the leaders in renewable PPAs (Power Purchase Agreements: long-term power purchase contracts) for businesses, and aims to add 9 GW of capacity to its portfolio by 2021. ENGIE also plays a major role in the development of new-generation renewables, notably offshore wind and “green” gas.

The development of these growth drivers is made possible by the Group's **solid positioning** in two activities: **networks** and **thermal energy**:



Networks

- **networks**: gas and electricity networks adapted to renewable energy sources to ensure continuity of supply.



Thermal

- **production and marketing of electricity from other energy sources**

Focusing on high added value solutions

ENGIE adapts its business lines, specializing in **complex, innovative, integrated, long-term** and results-oriented **offers** rather than simple, standardized activities. In this way, each Group entity aligns itself with its customers' requirements in order to make their transition to carbon neutrality possible, notably through the development of high value-added, **tailored and technologically sophisticated solutions**.

Focusing on a few regions

In an effort to refine its geographic footprint and capital allocation, the Group's investment priorities are refocused on 20 countries, 30 developing cities and the **world's 500 largest companies**. The objective is to position itself among the top three companies in these geographical regions and to increase the density of operations in these territories.



Our strategic levers

Relying on three growth accelerators

Three accelerators enable the Group to speed the implementation of its strategic plan:

- **a range of integrated solutions** that meet the carbon-neutral transition challenges of large companies and local authorities.
- **its digital operations** enable the Group to offer innovative and customized services by combining the maturity of its know-how in decarbonized and decentralized energy with digital technologies. With **10 global digital platforms**, ENGIE offers a wide range of **cutting-edge digital services** that use data, artificial intelligence and blockchain to improve the performance and reliability of installations.
- **financing platforms** are an essential part of the Group's integrated solutions thanks to the diversity of its project portfolio and its strong network of investor relations. These financing methods, which ENGIE has long applied to its thermal and renewables activities, make it possible, on the one hand, to **optimize the cost of capital** and therefore the competitiveness of its offers, and on the other hand, to **accelerate ENGIE's growth** while reducing the capital intensity of projects.

Adapting our organization

In order to meet its customers' needs as closely as possible and to promote a spirit of initiative, the Group is based on a decentralized organization comprising 25 Business Units (BUs).

Four Global Business Lines (GBL) - Client Solutions, Networks, Renewables and Thermal - enable the Group to align its organization with its strategy and thus gain **competitiveness, innovation** and **coordination**. In addition, by simplifying financial reporting, this organization **boosts the strategic visibility** of the performance of each Business Line and therefore of the Group as a whole.

Investing in talent

With a target of **50% women managers** and **100% of employees trained** by 2030, and **10% of employees in Europe on work-study programs** by 2023, ENGIE confirms its commitment to diversity and the success of its employees, which are essential levers for the success of its strategy.



Optimizing the portfolio

The investment forecasts announced in February 2020 when presenting the 2019 financial statements were suspended in April 2020 due to the COVID-19 health and economic crisis.

Despite this crisis, ENGIE will devote a significant portion of its resources to investments in organic growth and to acquisitions. It will continue to apply strict criteria for both industrial and financial investments.

Active portfolio management: the Group is continuing its asset rotation program, including the exit of coal assets. At the end of 2019, coal will represent only 4% of ENGIE's power generation capacity, compared to 13% at the end of 2015.

Accelerating profits: The drive to reduce costs and improve profitability continues in the current operating income, with a performance program of €800 million for 2019-2021 based on cost reduction (purchasing, digitization, shared services center) and revenue growth (industrial assets, improved performance, enhanced service offerings and new service offerings).

Our strategic challenges

Stronger growth: Improved net recurring income, Group share

Higher value: A better return on capital employed

Better impact: Become an example of the carbon-neutral transition by:

- reducing the Group's CO₂ emissions to be compatible with a trajectory of 2°C;
- committing to producing 100% green gas by 2050;
- significantly increasing the proportion of green vehicles in the ENGIE fleet by 2030;
- supporting employees to engage in their own carbon-neutral transition.

> SEE ALSO

2020 Integrated Report > ENGIE's contribution to Sustainable Development Goals pp. 50-51
2019 Universal Registration Document > Chapter 1, Section 1.1



Main achievements in 2019 and early 2020



Client solutions

- **Acquisition of energy services company CONTI** in North America

Industry:

- Supporting industrial customers in their energy transition: contracts with **L'Oréal Brazil, Fiat Chrysler Automobiles, General Electric Renewable, Microsoft, PSA Sochaux.**

Cities and Communities

- **Long-term energy efficiency contracts:** Ohio State University (50 years), University of Iowa (50 years), City of Ottawa (35 years), Milan (San Carlo Trieste district), Angers (France's leading smart territory), Paris Porte de Montreuil (zero-carbon district), Vélizy Villacoublay

Tertiary:

- 10-year contract to improve the energy efficiency of one of the tallest towers in the Philippines, and for the Library and Archives Canada (33-year contract).



Networks

- **Acquisition of TAG**, Brazil's leading natural gas transmission network (4,500 km).



Thermal

- **Disposal of the coal-fired power plants in Glow** (Thailand), **in Rotterdam** (the Netherlands), **Farge, Zolling and Wilhelmshaven** (Germany).



Renewables

- **Chile:** investment plan for 1,000 MW of renewables
- **France:** 235 MW in renewable bids won, including 165 MW in solar energy

Solar:

- **thermodynamic solar plant in Kathu** (South Africa, 100 MW), **solar plant in Kadapa** (India, 200 MWAC), **Kristal Solar Park** (Belgium, 99.5 MW), **photovoltaic plant, Seneca** (Spain, 50 MW), PPA: **Long Draw solar project** (Texas, 225 MW), Philadelphia, (80MW).

Wind:

- **Tres Mesas III** (Mexico, 1,000 MW), **Ras Ghareb** (Egypt, 500 MW), **Campo Largo 2** (Brazil, 361.2 MW), **Solomon Forks** (USA, 276 MW), **Willogoleche** (Australia, 119 MW), **WindFloat Atlantic** (25 MW).

Hydrogen:

- **partnership with Air Liquide and DLVA** to produce green hydrogen on an industrial scale, **partnership with Anglo American** to develop hydrogen-powered trucks to decarbonize the mining industry.
- investment in **H2SITE** and R&D partnership with **Tecnia** and **Eindhoven University** to develop decentralized solutions for hydrogen transport and storage.
- hydrogen supply test for the world's first hydrogen-powered passenger train (Netherlands)

Hydropower:

- **acquisition in partnership with Crédit Agricole Assurances and Mirova** of a 1.7 GW hydropower portfolio in Portugal.

Other activities

- Reinforcement of the **"My Power"** self-consumption range

Interview



Judith Hartmann
Executive Vice-President,
Chief Financial Officer of
the Group, also responsible
for CSR, the GTT BU and
coordination with Suez

“ How does CSR fit into ENGIE's overall performance monitoring?

The major trend is the increasing integration of CSR criteria and the internal price of CO₂ into our investment decisions in the same way as financial criteria. For investors, the impact of climate change is now a recurring issue. The Group has expanded its CSR performance indicators with a new set of 2030 objectives presented below.

This global project, which aims to reduce our impacts through sustainable value creation, has been led by the CSR Department, the Finance Department and the Strategy Department, and covers the three areas of "People," "Planet" and "Profit." The Board of Directors was regularly included throughout the process, which ended in February 2020.

The Group has thus set itself 19 CSR objectives, of which a selection of 7 indicators will be published and commented on at each annual closing of accounts, the other 12 being communicated in our integrated report. ”

Our objectives

To drive the various aspects of its value creation, ENGIE has set new medium-term CSR objectives.

People

Theme	Impact	PEOPLE	2019 Results	Objective 2020	Objective 2030	Objective 2030 Tier 1	Contribution to SDGs
Gender diversity		■ ■ Percentage of women in the Group's workforce	20.9%	≥25%			
		■ ■ Percentage of women in Group management	23.5%		50%	✓	
		Gender Equity Index	NA		100/100	✓	
Health & Safety	Supporting and assisting human development in our company	■ ■ Internal occupational accident frequency rate	3.7	≤3			
		Lost time injury frequency rate for Group employees and subcontractor employees on closed sites	NA		≤2.9	✓	
		Health and safety prevention rate	NA		≥0.75		
Training and apprenticeships		Percentage of apprenticeships in Europe	4%		≥10%		
		■ ■ Percentage of employees trained	69.2%		100%		
		Training of staff most exposed to the risk of corruption (~ 40,000 people)	NA		100%		
Stakeholders / sphere of influence	Bringing together our ecosystem to accelerate the transition	■ Satisfaction rate of B to C customers	72% ⁽¹⁾	≥85%			
		Share of industrial activities covered by an appropriate dialogue and consultation mechanism	74%	100%			
		Share of activities, projects and sites being dismantled with a societal plan	NA		100%		
		Responsible Purchasing Index (excluding energy): CSR assessment, payment terms, inclusive purchasing	NA		100%		
		Number of beneficiaries with access to affordable, reliable, and clean energy since 2018	4.4 million		30 million		

Planet

Theme	Impact	PLANET	2019 Results	Objective 2020	Objective 2030	Objective 2030 Tier 1	Contribution to SDGs
GHG emissions	Being exemplary in deploying our own carbon-neutral transition	CO ₂ emission reduction rate for power generation compared to 2012	-43.7% (248.7')	-20% (354.4')			
		GHG emissions related to energy production (Scope 1 and 3) in line with the SBT trajectory	80 Mt		43 Mt	✓	
		GHG emissions from the use of products sold, in line with the SBT trajectory	61 Mt		52 Mt	✓	
		GHG emissions from our work practices (after compensation)	NA		0 Mt		
		Share of renewable electricity capacities in line with the SBT trajectory	27.8%	≥ 25%	≥ 58%		
Decarbonization	Making our customers and suppliers actors in their transition to carbon neutrality	Offer an alternative that contributes to decarbonization	NA		100%	✓	
		Share of preferred suppliers (excluding energy purchase) certified SBT	NA		100%	✓	
Environmental plan		Share of activities, projects and sites being dismantled with an environmental plan in conjunction with stakeholders	NA		100%		
Biodiversity	Controlling the impact of our activity on the environment and living things	Implementation of ecological management of sites for all the Group's industrial activities	NA		100%		
Water consumption		Water consumption by industrial activities compared to 2019	93 Mm ³		60 Mm ³ -35%		

* kg CO₂ eq/MWh

(1) Change of methodology in 2019, with a questionnaire administered by email instead of by phone, leading to a 12% drop in satisfaction

Due to the health and economic crisis resulting from Covid-19 and the lack of visibility for its economic consequences, on April 1, 2020, the Board of Directors decided to withdraw the 2020 financial targets and cancel the dividend that should have been paid for 2019.

Profit

Theme	Impact	PROFIT	2019 Results	Contribution to SDGs
Strategic objectives	Creating sustainable value	Growth investment	€7.4 bn	
		Increase in renewables capacity	+3GW	
		Asset rotation program (disposals)	€2.8 bn	
		Cost reduction performance program	€300 m	
Guidance	Creating sustainable value	EBITDA	€10.4 bn	
		COI	€5.7 bn	
	Redistributing benefits among employees, partners and stakeholders	Net recurring income, Group share	€2.7 bn	
		Financial ratings (Standard & Poor's/Moody's/Fitch)	A-/A3/A	
		Dividend payout rate/Net recurring income, Group share	74%	
Financial outlook	Creating sustainable value	Annual EBITDA growth	+7%	
		Annual COI growth	11%	
		Net financial debt/EBITDA ratio	2.5x	
		Net economic debt/EBITDA ratio	4.0x	

Recognition of ENGIE by international indices and rating agencies

Main financial indices: CAC40, BEL 20, Euro STOXX 50, STOXX Europe 600, MSCI Europe, Euronext 100, FTSE Eurotop 100, Euro STOXX Utilities, STOXX Europe 600 Utilities

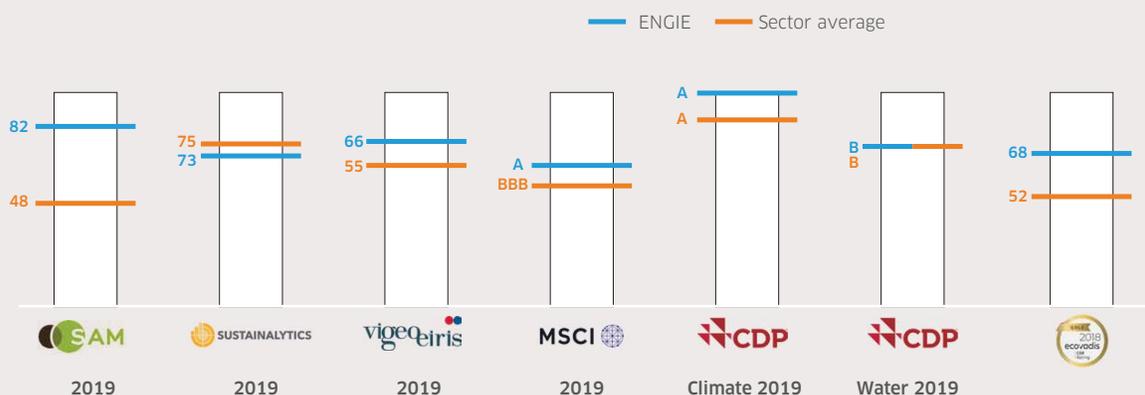
Main non-financial indices: DJSI World, DJSI Europe, Euronext Vigeo Eiris: World 120, Eurozone 120, Europe 120, France 20, CAC Governance

Certifications: 73% of relevant revenues covered by ISO 14001, EMAS (Eco Management & Audit Scheme), other external and internal EMS (Environmental Management Scheme) certifications

Financial Performance: ENGIE is monitored by three rating agencies:

- Standard & Poor's: A- rating with outlook under review (March 2020)
- Moody's: A3 rating with stable outlook (2019)
- Fitch: A rating with stable outlook (2019)

CSR Performance: ENGIE is monitored by the following agencies:



ENGIE rated B+ in the 3rd edition of the CAC 40 business confidence index



Communication on progress: Advanced level

Our commitments in the fight against **climate change**

The ongoing transition in the energy sector is tantamount to a revolution. It calls for a significant change in the business models of its players. It involves moving from mature, centralized production technologies to new technologies that allow for local, sometimes intermittent production, as close as possible to the sources of consumption. As a corollary, demand management technologies, energy efficiency and the development of renewable electrical and thermal energies, with the greening of gas in particular, are becoming essential levers for meeting the challenges of the fight against climate change and the new aspirations of consumers.

Early and multidimensional engagement

The Group has sharply reduced its emissions over the past five years. Aware of its responsibility with regard to climate change, the Group sees the control of its CO₂ emissions as a major challenge, which has led it to implement an early action plan, supplemented by international objectives and commitments and subject to detailed reporting:

- promotion of the most efficient and virtuous technologies (energy efficiency, condensing boilers, heat pumps, renewable energy, etc.)
- Involvement in the construction of the international framework for the fight against climate change through joining and supporting of initiatives such as the World Bank's Prototype Carbon Fund, Caring for Climate (United Nations Global Compact) or the Task-force on Climate-related Financial Disclosures (TCFD).
- Support for initiatives to develop carbon prices (Carbon Pricing Leadership Coalition, WEF Climate Leaders, Strengthening the ETS price signal, Quinet Commission in France, etc.) and adoption in 2015 of an internal carbon price that facilitated the phasing-out of coal activities.

- Improved reporting quality and transparency.
- Adoption in 2014 of an ambitious objective to reduce the carbon intensity of our electricity production by 20% by 2020.
- Continued long-standing climate dialogue with NGOs and more recent dialogue with investors.



Anne Chassagnette
Group Director of CSR
and CEO of the
Rassembleurs d'Énergies
impact
investment fund

“ Climate change is a major challenge for the Group. This has become a business issue that feeds its service offerings and future value creation. Supported by the growing involvement of its consumers and stakeholders, as well as by the recommendations of financial players and the TCFD, the Group is now well on its way to reconciling financial performance and CSR. To this end, the Board of Directors has amended its internal rules of procedure by assigning the EESDC (Ethics, Environment and Sustainable Development Committee) the task of monitoring the risks and opportunities related to climate change. ”



A global vision of the challenges

Through the various renewable energy production processes (hydroelectricity, biomass, wind, solar) and the footprint of its industrial sites (gas storage, solar), ENGIE has strong interactions with biodiversity. This is why, since 2010, the Group has made commitments to preserve it. Through its act4nature commitments, the Group seeks to develop solutions that combine adaptation to climate change with biodiversity preservation.

As a direct consequence of climate change, water stress is a major challenge both for ENGIE, which has some sites that depend on access to fresh water, and for local populations. To address this issue, the Group analyzes the level of water stress at all its industrial sites each year and draws up action plans in consultation with the relevant stakeholders for sites presenting a proven risk.

Aware that air pollution is an aggravating factor in global warming, the Group works with local authorities to reduce air pollution in cities and towns, and strives to implement the best available techniques at its industrial sites to reduce nitrogen oxide, sulfur dioxide and particulate emissions as much as possible.

Ambitious targets for 2030

ENGIE is determined to be aligned with the Paris Accord and is **drastically reducing emissions related to its industrial activities**. It has just obtained SBT certification for its new objectives for 2030, a step toward the Group's carbon neutrality:

- reduce by 52% the rate of emissions per kWh of energy production between 2017 and 2030
- reduce by 34% the emissions linked to the use of the Group's products sold between 2017 and 2030

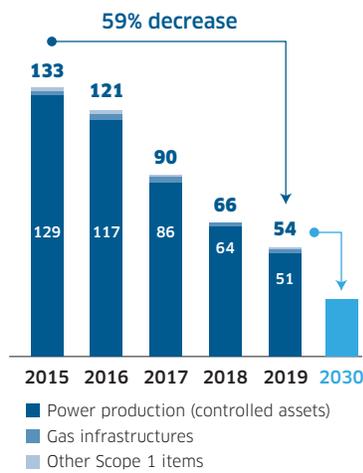
These reductions cover 96% of Scope 1 emissions and 91% of Scope 3 emissions.

The Group also acts on emissions related to its entire value chain. Its action includes defining with all its entities the neutrality trajectories of its work modes (building, IT, business travel and commuting, professional catering, etc.) and the definition of action plans with the various supply chains. With regard to its customers, ENGIE develops consulting offers and decarbonization solutions in order to become the leader in decarbonization services.

The Board of Directors has set four objectives for 2030: **two GHG emission reduction objectives for our energy production (target of 43 Mt CO₂) and for the use of products sold (target of 52 Mt CO₂)**, in line with our SBT commitments, supplemented by systematic **decarbonization offers to all our customers** and the prioritization of **SBT-certified suppliers** for all our preferred suppliers.

GHG Emissions (Mt CO₂ eq)

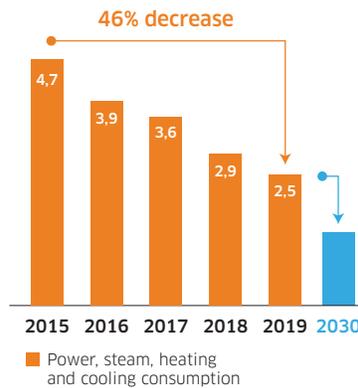
Scope 1 (direct emissions)



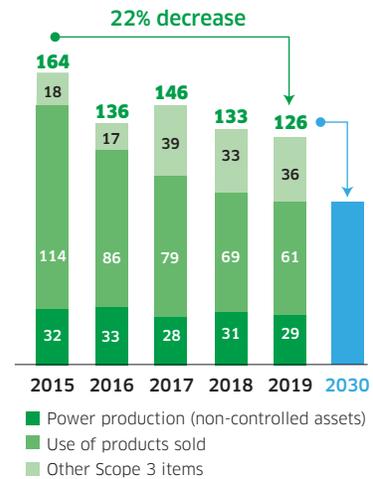
> SEE ALSO

2019 Universal Registration Document > Chapter 3, Section 3.5.3 Methodology elements

Scope 2 (indirect emissions)



Scope 3 (indirect emissions)



Climate-focused R&D

The challenge for R&D is to continue to guarantee access to energy vital for human activities without impacting the climate or ecosystems.

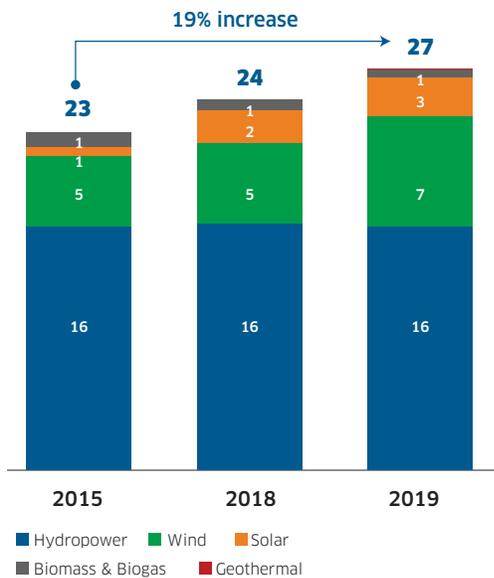
The fastest, cheapest and most reliable way to achieve carbon neutrality is through a mix of low-carbon electricity and fuels. There are many research topics. They include low-carbon electricity generation from **wind, solar** and **geothermal energy**, and the production of low-carbon gases such as **biomethane, synthetic methane, hydrogen** and hydrogen carriers (ammonia, formic acid and methanol). Other important levers are being investigated with technologies that reduce the amount of CO₂ in the atmosphere through **carbon sequestration, direct air capture** and **soil carbon**

sequestration. In addition, the use of such tools as **drones, robots, sensors** and **artificial intelligence** is being studied. Lastly, intelligent and efficient uses of energy through **energy storage, smart devices and user education** can be relied upon to change behavior and habits.

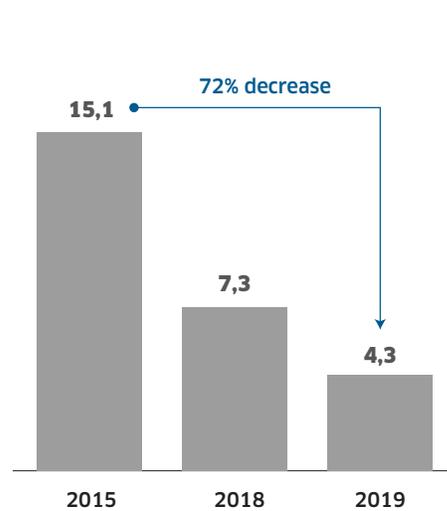
At ENGIE, the programs carried out by our researchers are organized around these themes, alongside our scientific and academic partners, and aim to facilitate the deployment of these alternatives, notably by reducing their cost, so that research can help accelerate the transition toward sustainable solutions that preserve biodiversity, the climate and social inclusion.

The Group is committed to having 58% of renewable capacities in 2030 and is continuing to withdraw from coal at a steady pace.

Change in renewable capacity (GW (@100%))



Change in coal-fired capacity (GW (@100%))



Lola Vallejo
 Climate Programme Director, Institute for Sustainable Development and International Relations (IDDRI) on current climate negotiations

“ The global objective enshrined in the Paris Accord is to limit warming to well below 2°C. This year should see the first concrete achievement of this objective: all countries are expected to attend COP26 in Glasgow in November (now put back a year) with more ambitious emission reduction plans for 2030, as well as long-term strategies defining their decarbonization trajectory. The disengagement of some key countries from the Agreement, and the global health crisis of COVID-19, create uncertainties about the outcome. Facing the climate challenge implies that all governments put climate action at the heart of their political project, like Europe with its Green Pact, or of their economic recovery plans. ”

A detailed analysis of climate risks

While actively reducing its emissions and in line with the TCFD's recommendations, ENGIE anticipates the physical impacts of climate change, assesses the financial consequences and analyzes its adaptation needs.

In 2019, ENGIE worked on the transition with the development of a 2°C trajectory that was certified SBT. The Group has also adapted its governance policy and continued its dialogue with investors on their specific expectations regarding the TCFD.

Four priorities have been identified for 2020:

- 1/ **Continuation of the partnership with the Pierre-Simon Laplace Institute** for the definition of climate curves and the assessment of the financial impacts on the Group's facilities
- 2/ **narrative description of 2°C and 4°C climate scenarios** specifying the risks and opportunities for ENGIE as well as the adaptation plans considered
- 3/ **Review of risks that could impact the Group's industrial assets worth more than €50 million** and analysis of the current exposure of assets to floods, rising sea levels, extreme winds and temperatures and forest fires
- 4/ **overall statistical and financial evaluation** of the physical impacts on all the Group's assets

IDENTIFIED PHYSICAL RISKS	POTENTIAL IMPACTS	IMPLEMENTED ACTIONS
<p>Storm Intensification</p> 	<p>High winds can directly or indirectly damage solar panels, wind turbines, power lines, depending on their type and resistance, and/or generate service interruptions.</p>	<ul style="list-style-type: none"> ▶ Maintenance campaigns, and consideration right from the design stage of the use of more resistant materials, taking into account the exposure of the installations ▶ Development of contingency plans to provide for continuity of service, including in the event of supply chain difficulties ▶ Insurance coverage
<p>Increasing rainfall intensity</p> 	<p>Heavy rainfall can increase the risk of flooding and affect dam flows - triggering disruptions and affecting the capacity of dams to generate power. The operation of certain other types of assets can also be affected (cogeneration, gas storage, gas transmission networks, heating and cooling networks). Landslides can also damage gas networks.</p>	<ul style="list-style-type: none"> ▶ Ongoing monitoring of assets to accurately assess their degree of exposure and adjust their insurance coverage ▶ Development of nature-based solutions to better manage floods, such as natural dikes, mangrove replanting, river or wetland restoration
<p>Increasing frequency and magnitude of droughts</p> 	<p>Water capacity is likely to be affected, which could lead to a reduction in production in some regions. Some thermal and nuclear power plants that use river water for cooling may have to reduce their operation if the temperature of their discharged water becomes too high. Some equipment may not be able to withstand excessively high temperatures.</p>	<ul style="list-style-type: none"> ▶ Development of contingency plans to provide for continuity of service ▶ Study of the implementation of alternative production technologies to make up for possible shortfall ▶ Development of nature-based solutions to better preserve water resources and reduce evaporation ▶ Identification of sites under high water stress and associated action plans
<p>Sea level rise</p> 	<p>A rise of more than one meter can impact assets located on exposed coasts.</p>	<ul style="list-style-type: none"> ▶ Sensitivity studies for rises more than one meter in height ▶ Continuous monitoring of assets ▶ Study of protection solutions
<p>Increasing frequency of forest fires</p> 	<p>Specific asset exposure in South Africa, Australia, North America and Europe.</p>	<ul style="list-style-type: none"> ▶ Development of contingency plans to provide for continuity of service ▶ Deployment of a policy of systematic clearing of the surroundings of production assets

Our other commitments

ENGIE has been committed for many years to an ambitious and global policy of Sustainable Development. Today, this policy is a key lever for the Group's performance.

The creation of new maritime and port ecosystems

ENGIE has joined the "**coalition for the ecological and energy transition of the maritime sector**" created at the initiative of the French Maritime Cluster in partnership with ADEME. Its objective is to define a vision for 2050 of the ecological and energy transition of the maritime sector in order to implement the first levers of transition today.

The Group has already initiated several lines of work with certain players in the maritime and port ecosystem, for which the Group is already providing solutions:

- ▶ the supply of low-carbon energy and resources
- ▶ optimizing resources by ensuring green and competitive environments and processes

Committed to biodiversity: act4nature, UNESCO



Starting in 2010, the Group set itself the target of developing a biodiversity conservation action plan for each of its priority sites in order to respond to local challenges identified together with stakeholders. In July 2018, ENGIE strengthened its commitments by supporting act4nature and by broadening the scope of its biodiversity targets to cover all its activities. Since February 2019, ENGIE has also been committed to assessing the potential impact of new projects on UNESCO World Heritage sites (natural or mixed) and to avoiding the development of projects with negative impacts.

- ▶ 98% of European sites have been covered by a biodiversity action plan since the end of 2015
- ▶ deployment of the Integrated Biodiversity Assessment Tool (IBAT), a tool for locating and sharing information on the biodiversity of protected areas around the world
- ▶ drafting of a guide to best practices worldwide for the ecological management of sites
- ▶ implementation of biodiversity awareness modules
- ▶ ecological management of sites, bird and bat conservation near wind-farms, eco-grazing on solar and wind farms

Circular economy

Under the coordination of the Association Française des Entreprises Privées (AFEP), ENGIE is committed to three actions to develop the circular economy:

- boost renewable gases
- develop energy recovery from industrial and tertiary processes
- working in an innovative way to support decision-making on the circular economy in industrial areas
 - ▶ some 97 sites inject biomethane into French gas networks, including 83 sites on the network operated by GRDF
 - ▶ creation of an urban heating network, 90% supplied by the Rambervillers waste-to-energy plant scheduled for commissioning in 2020
- ▶ use of the Be Circle service to support customers in their thinking about the circular economy
- ▶ tools to raise awareness among sales staff of the prospection and study of waste-heat recovery projects

Water resources

As part of its water management strategy, ENGIE is deploying local and concerted action plans for sites in areas of extreme water stress and is aiming for a 15% reduction in its impact on fresh water resources worldwide by 2020.

- ▶ 39% less fresh-water withdrawals/MWh electricity generation in 2019 compared to 2012
- ▶ annual Communication On Progress (COP) Report of the **CEO Water Mandate** under the coordination of the Global Compact

Responsible and profitable projects World Alliance for Efficient Solutions / Solar Impact

Through the **World Alliance for Efficient Solutions**, ENGIE is helping to promote practical energy solutions that are viable ecologically as well as economically:

- ▶ provision of communication experts and actions
- ▶ numerous solutions were awarded labels in 2019, including:
 - Vertuoz Pilot, an automatic heating and lighting control solution for small buildings based on Artificial Intelligence,
 - Community Solar, which aims to democratize access to affordable solar energy
 - PowerCorner, energy access via mini-grids

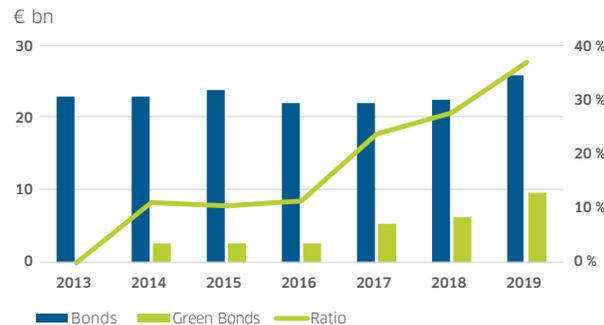


Sustainable Finance

ENGIE promotes the development of sustainable finance, especially the green bond market, helping the Group's long-term vision and the sustainable development goals of investors to converge.

- ▶ ENGIE is a member of the Paris Europlace Finance For Tomorrow office
- ▶ participation in the "Just and Inclusive Transition" Task Force

At the end of 2019, more than one third of ENGIE bonds were green



Sustainable Taxation



ENGIE implements a tax policy, validated by the Audit Committee, which is aligned with the BTeam principles (governance, compliance and stakeholder relations) and underlines the Group's societal role.

Diversity, inclusion, fight against sexual harassment



ENGIE promotes strong principles on equal opportunities, combating discrimination, and diversity.

ENGIE adheres to the UN Women Empowerment Principles.

The Group has signed the ERT (European round-table of industrialists) "Embrace Difference" statement on diversity and inclusion which sets out six commitments to create an environment that appreciates and values the different contributions that a diverse society can make.

In 2017, the Group's Diversity Label was renewed for all its subsidiaries in France for four years.

Involvement in PAQTE (France), which mobilizes businesses to better include the inhabitants of the 1,514 priority neighborhoods.

ENGIE signed l'Autre Cercle's LGBT Commitment Charter.

Along with 30 companies, ENGIE has taken part in the #StOpE initiative and reasserts its zero-tolerance attitude to sexism and sexual harassment.

- ▶ implementation of the Allo'discrim system for complaints from candidates who have been discriminated against
- ▶ hosting of 9th grade students for a jobs discovery event in high-rise buildings

- ▶ 200 young people have benefited from the "Employment-Mobility Sport" program.
- ▶ integration of young students from overseas in BTS and professional license courses
- ▶ participation in the IFOP Barometer - L'Autre Cercle, which aims to understand the issues surrounding LGBT issues in the work environment
- ▶ a hotline to help victims of sexism and sexual harassment that anyone can call, 70 trained support staff, plus awareness and communication tools



Youth Employability Alliance for Youth

ENGIE has made the employability of young people a priority commitment in all the countries where the Group is developing. Global Alliance For Youth: In 2018, ENGIE joined the international initiative in favor of employment for young people and strengthened its commitment by setting a target of accepting 10% of work-study students in France within three years and in Europe within five years.

- ▶ participation in the European Meeting on Education and Entrepreneurship (Lille - France July 2019)
- ▶ 10 employee volunteers have coached six mini-companies
- ▶ 300 young people gathered at the 1st edition of the ENGIE Alter Show to discover the opportunities in terms of work-study programs
- ▶ funding of 50 "European Skills Passports," e-portfolios that help students demonstrate their skills and qualifications in order to find a job or training
- ▶ signing of the OECD Business Pledge Against Inequalities at the G7 meeting in Biarritz

B Corp™ certification for the ENGIE Rassembleurs d'Énergies Fund



ENGIE Rassembleurs d'Énergies is the 1st ENGIE entity to be B Corp™ certified. It thus joins the 63 B Corp™ certified companies in France. This certification promotes real change and positive contributions, both social and environmental, in its activities and investments. This strengthens the effectiveness of the fund and promotes shared growth that includes vulnerable populations through clean energy and sustainable economic solutions.

OUR BUSINESS MODEL

RESOURCES USED

FINANCIAL CAPITAL

- €38 billion in shareholders' equity
- €10.5 billion in net cash
- €25.9 billion in net debt
- 2.5x net financial debt/EBITDA
- 4.0x net economic debt/EBITDA
- 2.5% debt on EBITDA
- Credit rating A-/A3/A

INDUSTRIAL CAPITAL

- €3.4 billion development Capex
- €2.6 billion maintenance Capex
- €4 billion financial Capex

INTELLECTUAL CAPITAL

- 900 researchers
- €189 million allocated to R&D
- 105 calls for projects issued to start-ups, more than 3,000 proposals received
- €182 million invested in ENGIE New Ventures

HUMAN CAPITAL

- 171,103 employees, of whom 20.9% are women
- More than 37,100 hires
- 69.2% of employees trained

SOCIETAL CAPITAL

- ISO37001 certified anti-corruption process
- 25.5% of Senior Managers of nationalities other than Belgian or French
- 20 active companies and €32 million invested by Rassembleurs d'Énergies
- 117 projects monitored by the ENGIE Foundation

NATURAL CAPITAL

- 93 million m³ of water consumed
- €466 million in environmental expenses (investments and recurring expenses related to environmental protection)

CSR Approach
Considering the environmental and societal aspects

OUR ACTIVITIES



CLIENT SOLUTIONS

CONTRIBUTION TO EBITDA > 17%

Development of unique integrated solutions to support companies and local authorities in the carbon-neutral transition.



RENEWABLES

CONTRIBUTION TO EBITDA > 17%

Generation and marketing of electricity from all renewable energy sources, particularly 2nd generation.



NETWORKS

CONTRIBUTION TO EBITDA > 39%

Presence in the gas and electricity value chain (hydrogen, natural gas and biogas) upstream of supply to customers.



THERMAL

CONTRIBUTION TO EBITDA > 17%

Generation and marketing of electricity from other energy sources.

OTHER ACTIVITIES

CONTRIBUTION TO EBITDA > 10%

Energy supply to private, business, nuclear, energy management and corporate customers.

Finance
Improving profitability

Operation of facilities
Optimizing operations and performance

7

6

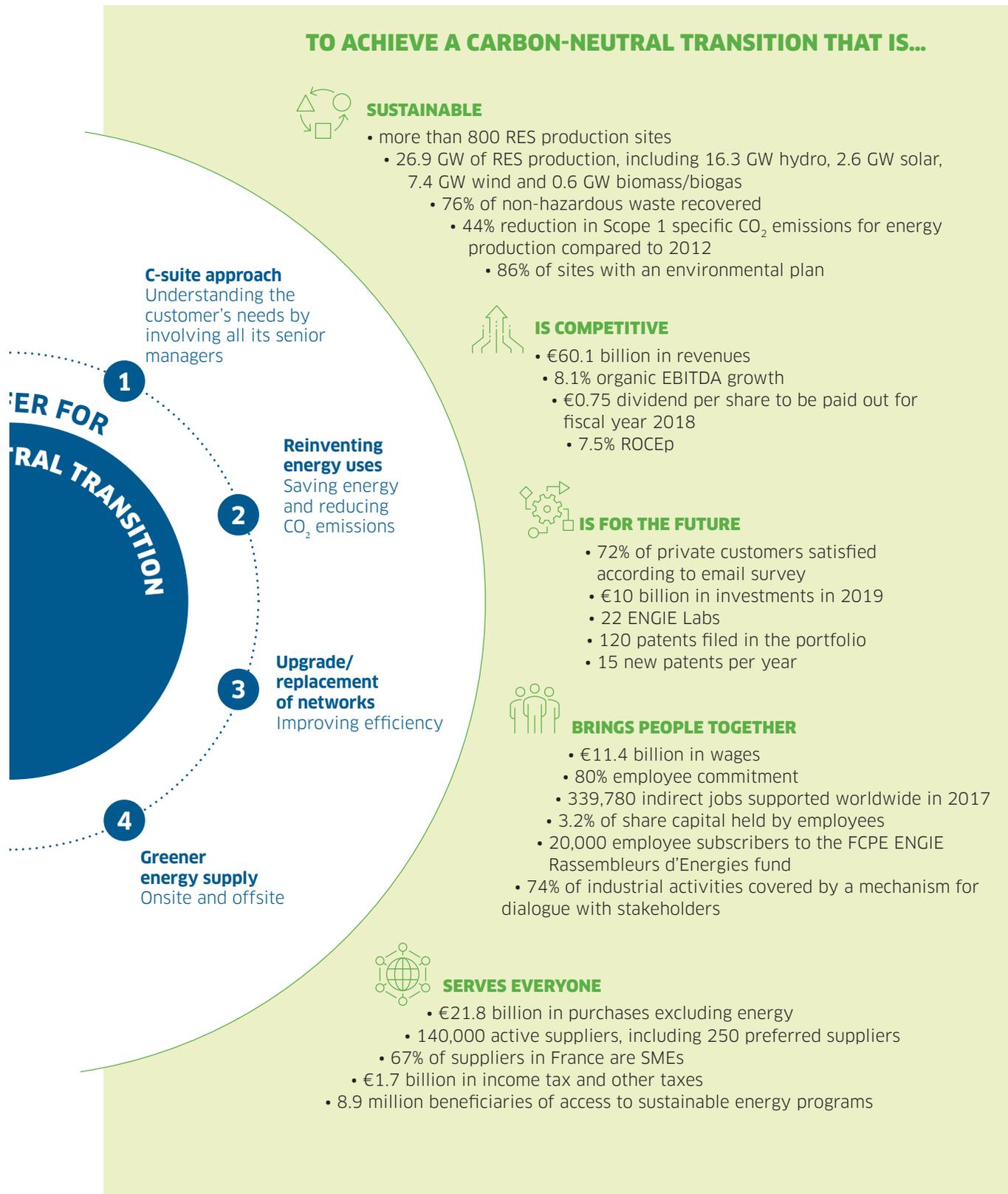
8

OUR OFF
A CARBON-NEUTRAL

5

Using big data
Encouraging continuous improvement

ENGIE places the carbon-neutral transition at the core of its value creation and sharing model.



Client Solutions

Development of unique integrated solutions to support companies and local authorities in the carbon-neutral transition.

119,350
employees

€21.bn
in revenues in 2019

€1.8 bn
EBITDA

CONTRIBUTION TO EBITDA > **17%**

Our activities



Our priorities

Developing unique integrated solutions

2021 Objectives

- strengthening the growth of capital-asset projects
- Améliorer la performance des activités de services nécessitant peu d'actifs
- Développement des solutions intégrées uniques comprenant la définition de la stratégie, la conception, la gestion d'infrastructures, le développement de plateformes numériques, le financement ou encore l'exploitation

Market Positions

No. 1
in France, Belgium,
Italy and the Netherlands

No. 2
in technical facilities

No. 1
global cooling network

No. 2
in charging stations for electric vehicles



Interview



Olivier Biancarelli
Executive Vice President,
CEO of Tractebel,
responsible
for the Customer Solutions
Global Business Line and
for supervising
ENGIE Impact

“ What are the Group's objectives in the client solutions segment?

Our customers fall into three main categories: cities and local authorities, industry and services. We offer them a wide range of solutions aimed first at reducing consumption (building efficiency, heating and cooling networks, eco-districts, etc.), and then greening the energy supplied (on-site production, green gas, cogeneration, etc.). The aim is to improve the living environment in cities, the comfort of buildings and the competitiveness of industries, all while reducing the overall consumption of resources.

How has ENGIE organized itself to achieve these objectives?

We are focusing on three main areas: organic development (particularly with the largest companies via our new ENGIE Impact entity, which supports our customers on the road to zero carbon), operational performance and acquisitions. These areas are of equal importance in achieving our objectives, throughout the Group, and are subject to rigorous management. ”

STRATEGY IN ACTION

A 35-year energy efficiency contract with the Canadian government

ENGIE and its partners win a public-private partnership for the deployment of heating and cooling systems as well as for the energy renovation of government buildings.

Tailored services

Innovate Energy, a consortium of ENGIE, PCL Construction and Black & McDonald, was awarded a public-private partnership contract in July 2019 to upgrade, maintain and operate an energy system that heats 80 buildings and cools 67 in the Ottawa-Gatineau region. This mandate is part of the Canadian government's Energy Services Acquisition Program (ESAP). It will contribute to reducing its energy consumption and greenhouse gas (GHG) emissions from its own operations by 40% by 2030.

From concept to management: long-term support

From 2019 to 2025, Innovate Energy will design and drive the transformation of the current system - which uses steam - to use hot water, a more energy-efficient solution. At the same time, the consortium will continue to provide heating and cooling services using existing facilities. Once the construction period is completed, ENGIE will be responsible for the operation and maintenance of the new system until 2055.

Contract

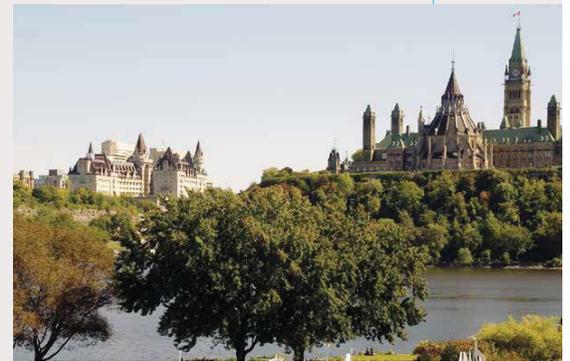
35 years

63%

reduction in carbon pollution by 2025

\$2.6 bn

over 35 years



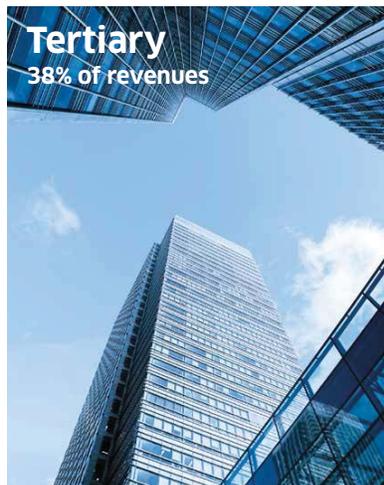
Strong offers in all segments

Cities
30% of revenues



Conurbations, heating and cooling networks, universities, hospitals, ports and airports, etc.

Tertiary
38% of revenues



Offices, hotels, distribution networks, banks and insurance companies, information and communication technologies, etc.

Industry
32% of revenues



Food processing, pharmaceuticals and cosmetics, defense, chemicals, etc.



Renewable Energy

Generation and marketing of electricity from all renewable energy sources, particularly 2nd generation

4,600
employees

€2.7 bn
in revenues in 2019

€1.7 bn
EBITDA

CONTRIBUTION TO EBITDA > **17%**

Our activities



Our priorities

Use complex technologies and combine them

2021 Objectives

- Become one of the leaders in PPA for businesses and the world leader in "green" PPAs
- Add 9 GW of additional renewables to the capacity portfolio from 2019 to 2021

Market Positions

Wind
No. 1 producer of onshore wind power in France (2.3 GW)

Solar
No. 1 producer in France (1.1 GW)

Hydropower
No. 2 producer of hydropower in France (3.9 GW excluding pump storage)

Interview



Gwénaëlle Avice-Huet

Executive Vice President, in charge of the France Renewables and Hydrogen Business Units, head of the Renewables Global Business Line, and CEO of the NORAM Business Unit

ENGIE's strategy is to increase its renewable capacities by 9 GW by 2021. What is your initial assessment at the beginning of 2020?

“ Our renewable energy strategy is based on 3 pillars. First of all, stronger growth. That's why we are committed to increasing our capacities by an average of 3 GW per year over the duration of the plan. By the end of 2019, we have commissioned an additional 3 GW, i.e. four times more than in 2018! The second pillar is to improve value creation by developing technologies and complex contracts. We have done this in fixed and floating offshore wind farms by launching Ocean Winds, a joint venture by ENGIE and EDPR. We have also continued our developments in biogas with the commissioning at the end of 2019 of the Terres de Montaigu biomethane plant in the Vendée region and the creation of ENGIE Bioz. We also want to meet the needs of our customers who want to "go green," by developing Corporate Power Purchase agreements (PPAs). In 2019, we signed 2.1 GW of corporate PPAs with industrial and local authority customers worldwide, including 1.2 GW in the United States. We were also the market leader in the United States! Finally, the third pillar is the positive impact. This means both helping our customers and ourselves to go green, and increasing access to energy worldwide.”

STRATEGY IN ACTION

Installation of the first floating wind farm in continental Europe

The Windplus consortium, comprising EDP Renewables, ENGIE, Repsol and Principle Power Inc., in late 2019 launched the commissioning of the world's largest wind turbine on a floating platform off the coast of Portugal.

Cutting-edge technology at the service of the carbon-neutral transition

Following the success of a prototype project, WindFloat 1, which has now been operating continuously for five years, ENGIE and its partners are deploying the world's first semi-submersible floating wind farm: the WindFloat Atlantic project. This farm will be equipped with three turbines mounted on floating platforms anchored to the seabed at a depth of 100 meters. It is equipped with cutting-edge technology that will minimize its environmental impact and facilitate access to previously unexploited offshore wind resources.

A first unit installed off the Portuguese coast

The first two platforms have been commissioned. Three 30-meter floating structures were installed to form the largest floating wind farm in continental Europe.

Two more platforms will be added to complete the wind farm, which, with an installed capacity of 25 MW, will be able to generate enough power to meet the needs of the equivalent of 60,000 people every year.

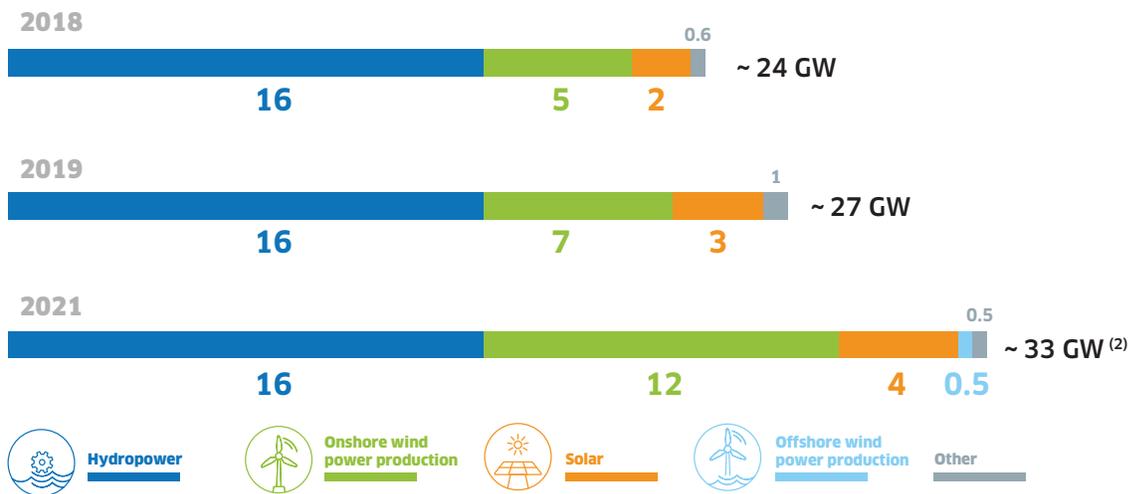


25MW
installed capacity

60,000
beneficiaries

INCREASE

in installed capacity by 2021⁽¹⁾



(1) Renewable capacity excluding renewable client solutions and hydropower storage capacity - Capital Market Day forecasts from February 2019 not taking into account the acquisition of hydraulic dams in Portugal for 1.7 GW signed at the end of 2019

(2) including 0.3 GW divested during the period (biomass and hydropower)



Networks

Presence in the gas and electricity value chain (hydrogen, natural gas and biogas) upstream of supply to customers	22,500 employees in 2019	€6.6 bn in revenues in 2019	€4.0 bn EBITDA
	CONTRIBUTION TO EBITDA > 39%		

Our activities



Our priorities

- Growth in dynamic markets, particularly in Latin America
- Optimizing operating costs of European networks
- Priority given to converting networks to green gas

2021 Objectives

- Integrating the acquisition of TAG in Brazil

Market Positions

No. 1 carrier in France, No. 2 in Europe	No. 1 underground gas storage in Europe
No. 1 terminal operator in France, No. 2 in Europe	No. 1 natural gas distribution network in Europe

Interview



Didier Holleaux
Executive Vice President supervising Elengy, GRDF, GRTgaz, Storengy, China and APAC Business Units, and Head of the Networks Global Business Line

“ What progress has ENGIE made in meeting its targets for green gas injection into the Group networks? And specifically biogas? ”

ENGIE's objective as a producer is to participate in the development of biogas production and injection facilities in France, the Netherlands and the rest of the world. In 2019, the Group managed 13 operating production plants with a total capacity of 265 GWh/year through its subsidiary Engie Bioz, and invested in biogas. In addition, as an infrastructure owner (networks, storage), the Group has 123 methanization units connected to the transmission and distribution network at the end of 2019 with an injection capacity of 2.2 TWh/year, and aims to reach 5 TWh by 2030. We believe that biogas is an indispensable component of a green energy mix.

What are the positive externalities of biogas?

There are many. The recovery of agricultural waste and the reduction in the use of chemical fertilizers by using the digestate from the fermentation process are the main environmental externalities. Social and economic externalities must be added, such as job creation in rural areas to ensure the development and operation of facilities and the development of additional income for farmers. Biogas, and more generally green gases, will allow gas to be included in the family photo of the energy mix at the end of the energy transition; it won't just be a transitional energy. ”



STRATEGY IN ACTION

Acquisition of the largest natural gas transmission network owner in Brazil: TAG

With the acquisition of TAG, the largest natural gas transmission network owner in Brazil, ENGIE broadens its customer portfolio and enters the Brazilian gas market, a strategic segment for the Group.

A major player in gas infrastructure in Brazil

A consortium led by ENGIE acquired a 90% stake in TAG, Brazil's largest natural gas transmission network owner. TAG assets include 4,500 km of gas pipelines, representing 47% of the country's entire gas infrastructure. Thanks to its capacity to operate large-scale energy infrastructures, ENGIE will develop new uses for gas transmission networks based on new technologies such as biomethane and green hydrogen, thus contributing to the diversification and decarbonization of Brazil's energy mix.

A key transaction to become a leader in the carbon-neutral transition

This acquisition is fully in line with ENGIE's strategy to become the leader in the carbon-neutral transition. The transaction will enable the Group to rebalance its geographic and regulatory exposure, benefit from the growing Brazilian gas market, generate stable and attractive regulated profits from long-term contracts, and expand its customer portfolio. Within three years, ENGIE will also become the company's industrial partner by taking over the management, operation and maintenance of TAG's natural gas pipeline.



4,500 km
of gas pipelines

47%
of the country's gas infrastructure

Green gas, renewable energy on the road to **carbon neutrality**



Produced from organic materials, green gas is a clean energy source that reduces greenhouse gas emissions and improves air quality. It has properties similar to natural gas and can be used as a fuel to produce heat or electricity, or as fuel. Biogas also allows the recovery of waste and the reduction of chemical fertilizer use by transforming 95% of waste into fertilizer, with a beneficial effect on the soil. This also reduces the CO₂ emissions associated with the manufacture of chemical fertilizers.

ENGIE works proactively to develop this energy and is positioned throughout the biogas value chain – from project development, in close collaboration with farmers, to sales to end customers. For the Group, this new non-polluting, locally produced energy is supporting the ecological transition and will play an essential role in the European energy mix. It relies on three production processes:

- **Methanization:** the natural process of degradation of organic material
- **Pyro-gasification:** a 2nd generation biomethane production process that relies on the natural fermentation of waste
- **Power-to-gas:** a wave of the future, converting hydrogen generated by surplus renewable energy into gas that can be injected into distribution networks



Thermal

Generation and marketing of electricity from other energy sources

5,200

employees in 2019

€4.0 bn

in revenues in 2019

€1.8 bn

EBITDA

CONTRIBUTION TO EBITDA >

17%

Our priorities

Optimization of thermal capacity portfolio including phasing-out of coal activities in particular

2021 Objectives

- Continuing to phase out coal assets
- Optimizing merchant gas assets

Market Positions

Major presence in the Middle East (29.6 GW)

STRATEGY IN ACTION

1,000 MW
of renewable energy

In Chile, ENGIE replaces 1 GW of coal-fired assets with 1 GW of renewable energy

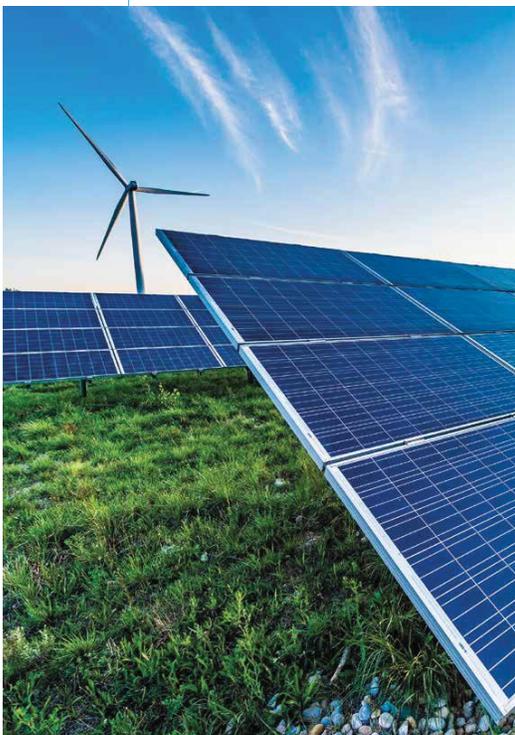
As part of COP25, Chile is accelerating its energy transition to achieve 70% renewable energy by 2030. ENGIE is supporting this transformation by combining coal plant closures and investments in renewable energy.

Disengagement from 1 GW of carbon-based energy

In line with the plan to decarbonize Chile's energy mix, ENGIE is committed to closing nearly 1 GW of coal-fired assets in Chile and Peru between 2019 and 2024. In addition to the previously announced closures of two plants (12 and 13) at Tocopilla, there is the prospect of closing two plants (CTM1, CTM2) at Mejillones by 2024 and two other plants at Tocopilla (14 and 15) by 2021. This decision is an important step in the country's transition to a carbon-neutral economy.

A 1 GW renewable energy investment plan

At the same time, the Group has embarked on a vast plan to develop renewable energy by devoting approximately \$1 billion to the development of 1 GW of solar and wind power. Two initial projects (Capricorn Solar Park and Calama Wind Farm) are currently under construction, while a third (Tamaya Solar Park) will come on stream in the first quarter of 2020. The total surface area occupied by the two solar projects will be equivalent to 380 soccer fields and will allow for the installation of 551,000 solar panels. These three projects - which will directly generate 1,000 jobs in their peak period - constitute the first 370 MW of the plan with an initial investment of about \$300 million.



Other activities



Our priorities

Transformation from a model focused on energy sales to one focused on energy efficiency
Clarifying the conditions for potentially extending the Belgian nuclear component beyond 2025

2021 Objectives

- Stabilizing the availability rate of Belgian nuclear assets and carrying out the scheduled maintenance plans
- Optimizing the margins on renewable energy commercialization contracts

Market Positions

No. 1
 supplier of natural gas to private customers in France

No. 1
 supplier of renewable electricity in France

No. 1
 nuclear electricity producer and electricity supplier in Belgium

11.2 million
 contracts with private customers

STRATEGY IN ACTION

Self-consumption: ENGIE at the cutting edge

For ENGIE, self-consumption is part of tomorrow's usages that allow customers to be actors in their consumption and carbon-neutral transition.

Tailored, turnkey solutions

Since 2017, the Group has been offering "My Power" solutions, which enable owners of single-family homes to use electricity produced by photovoltaic panels installed on their roofs. Accessible on smartphones since 2018, the dedicated website allows everyone to determine, simply by entering their address, whether their roof is suitable for the installation of solar panels. The simulator also calculates the energy and therefore financial savings that can be made each year by their installation. The "My Power" range then allows the implementation of tailored, turnkey solutions, and since April 2018 offers the possibility of using a residential battery to store the electricity produced and reuse it on demand.



Up to
€750
 in savings a year from the first year

Up to
96%
 autonomy with the battery

65,300
 self-consumption installations in France

Governance

guaranteeing
a strategic
vision and its
implementation

GOVERNANCE

The Board of Directors and the Executive Board have built ENGIE's strategic plan based on an analysis of its environment and on listening to its stakeholders.

At the General Shareholders' Meeting in May 2020, the Board will ask its shareholders to adopt its purpose in order to anchor its ambition of responsible capitalism in the Company's bylaws.

Members
of the Board of
Directors



- A** Jean-Pierre Clamadieu
Chairman of the Board of
Directors
- and in alphabetical order:
- B** Christophe Agogué
- C** Christophe Aubert
- D** Alain Beullier
- E** Fabrice Brégier
- F** Isabelle Bui

- G** Patrice Durand
- H** Mari-Noëlle
Jégo-Laveissière
- I** Philippe Lepage
- J** Françoise Malrieu
- K** Ross McInnes
- L** Marie-José Nadeau
- M** Lord Ricketts
of Shortlands

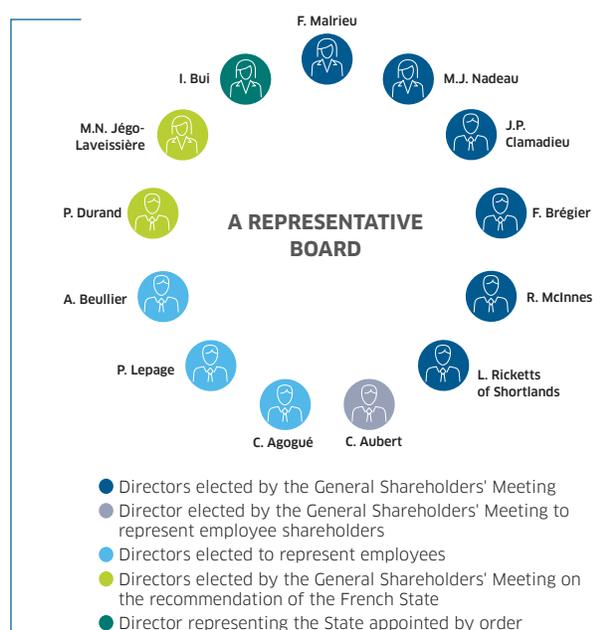
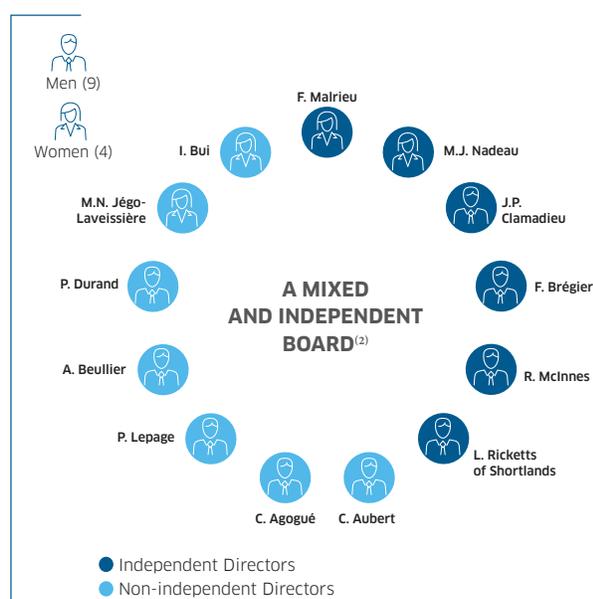
The Board of Directors

Thanks to the complementary nature of their profiles and expertise, the 13 members of the ENGIE Board of Directors carry the expectations of all of its stakeholders, including its shareholders, with a view to creating sustainable value.

Composition of the Board

As of the close of the General Shareholders' Meeting of May 14, 2020⁽¹⁾, the Board of Directors of ENGIE, **chaired by Jean-Pierre Clamadieu**, remains composed of 13 members.

With an independence rate of 67%⁽²⁾ and a female representation rate of 40%⁽³⁾, ENGIE also monitors the skill, expertise and international experience of the members of its Board; four nationalities are represented within it.



Key competencies of the Directors

The Board has all the expertise required to define and implement the Group's strategy.

Following discussions with investors in 2019, the market-matching of directors' skills has evolved toward a more individual approach centered on three key competencies of each director.

The following table presents the three key competencies of each director.

• Administration of large companies	J.P. Clamadieu • R. McInnes F. Malrieu • M.J. Nadeau • I. Bui
• Executive Board	J.P. Clamadieu • F. Brégier • M.J. Nadeau
• Industrial sector	J.P. Clamadieu • F. Brégier R. McInnes • P. Durand
• Energy sector	C. Agogué • A. Beullier P. Lepage • M.J. Nadeau
• Services sector	P. Durand • C. Aubert M.N. Jégo-Laveissière
• Public sector	L. Ricketts of Shortlands • I. Bui
• Finance	R. McInnes • P. Durand • C. Agogué C. Aubert • F. Malrieu • I. Bui
• CSR, climate, dialogue with stakeholders	A. Beullier • F. Malrieu • M.N. Jégo-Laveissière
• HR social dialogue	L. Ricketts of Shortlands C. Agogué • A. Beullier
• Digital, innovation, new technologies	F. Brégier • P. Lepage M.N. Jégo-Laveissière
• Geostrategic challenges	L. Ricketts of Shortlands
• Regulatory environment	P. Lepage • C. Aubert

(1) Subject to approval of the resolutions

(2) In accordance with the Afep-Medef Code, the four Directors representing employees or employee shareholders are not taken into account when calculating the ratio of Independent Directors for the Board of Directors and its Committees

(3) In accordance with the Copé-Zimmermann law, the three Directors representing employees who are not elected by the General Shareholders' Meeting are not taken into account when calculating the ratio of women to men

An engaged Board

The Board of Directors sets the overall strategic direction of ENGIE and ensures that it is implemented, and chooses its members to that effect. In particular, it supervises the financial policy and commitments in terms of corporate, social and environmental responsibility and meets as often as the interests of the Group require. The rights and duties of Directors and the rules regarding the performance of such duties are set out in the Code of Conduct and in the Directors' Charter. Meetings of non-executive directors are held regularly after the end of Board and committee meetings. **In 2019, the participation rate in Board of Directors' meetings was 95%.**

The Chairman maintains regular dialogue with the members of the Group's Shareholders' Advisory Committee, the main associations of individual shareholders and the ENGIE employee shareholder association. He also has the opportunity to hold discussions with the main institutional investors and voting advisory agencies, notably in the context of the governance roadshows conducted in 2019 and 2020, in which he met holders of over 20% of share capital.

Training in the Group's business lines

In addition to the customized training program available to all new Directors, ENGIE regularly organizes training sessions or specific information sessions at the request of the members of the Board of Directors. This also enables Directors to meet with the Group's senior executives. In 2019, ENGIE organized three sessions specific to the Group's businesses: on Renewables, Networks and Client Solutions.

Strong involvement by Board Committees in 2019

Strategy, Investment and Technology Committee

Chairman:
Jean-Pierre Clamadieu





I. Bui
M.J. Nadeau



J.P. Clamadieu
R. McInnes
P. Durand
P. Lepage



92%
Participation rate

50%
Independent

Gives its opinion on general strategic directions, particularly in regard to technology, internal and external growth projects, sales, strategic agreements, alliances and partnerships.

Main work 2019

- strategic challenges
- research, innovation, digital, and new business in the Group
- the state of negotiations with the Belgian government and nuclear provisions
- contribution of digital to operational excellence and the quality of customer relationships, digital transformation
- feedback on acquisitions
- preparation of the Board's annual strategy seminar
- investment and disposal projects in progress

Appointments, Compensation and Governance Committee

Chair:
Françoise Malrieu





F. Malrieu
I. Bui



F. Brégier
L. Ricketts of Shortlands
A. Beullier



97%
Participation rate

60%
Independent

Reviews and drafts recommendations on any proposed changes to the Board, reviews the succession plan and the compensation policies for governance, and evaluates the effective operation of the governance bodies.

Main work 2019

- the policy on diversity within the Board
- reduction of the size of the Board and independence of its members
- change in compensation and objectives of share lock-ins for Directors
- effective operation of the Board and its committees
- governance roadshows led by the Chairman of the Board
- compensation of executive corporate officers and succession plans
- evolution of the management team
- compensation policy for executives
- performance action plans
- employee shareholding
- draft resolutions submitted to the GSM

The 2019 Strategy Seminar

As in previous years, the members of the Board met in strategy seminars to discuss sector developments and the expectations of the Group's stakeholders. They reviewed the progress of the strategic plan, business by business, in order to identify opportunities and challenges to be seized. This exercise made it possible to clarify the strategic outlook and the financial balances that would serve as the basis for future decisions by the Group.

“ Interview



Ross McInnes
Director,
Chair of the EESDC

“How did the EESDC prepare the Board's decision on the 19 new CSR objectives?”

The EESDC has looked at the 2030 CSR objectives three times in close interaction with the teams. The Committee ensured that these objectives cover all areas of CSR and are truly ambitious in line with the Group's strategy, SBT (Science Based Targets) certification and previous CSR results. The EESDC will closely monitor the annual progress of these objectives in line with the results to be achieved by 2030. The most important objectives will be published at each presentation of the annual accounts, as they also contribute to the Group's overall performance. Indeed, one cannot conceive of a financial performance that does not integrate CSR issues. ”

> SEE ALSO

2019 Universal Registration Document > Chapter 4, Section 4.1
engie.com > <https://www.engie.com/en/group/who-are-we/governance>

Ethics, Environment and Sustainable Development Committee

Chairman:
Ross McInnes



F. Malrieu
M.N. Jégo-
Laveissière



R. McInnes
C. Agogué



100%
Participation
rate

50%
Independent

Ensures the Group has the right level of commitment with regard to ethics, CSR compliance, and corporate, social and environmental responsibility

Main work 2019

- report of 2019 ethics incidents
- management report of the Ethics, Compliance and Data Privacy Department
- review of the Group's CSR performance
- new CSR objectives
- draft of Integrated Report
- BtoC prospection in France
- development of Science Based Targets (SBT) and recommendations of the Task force on Climate-related Financial Disclosures (TCFD)
- review of psycho-social risks
- monitoring of 2019 HR action plans
- professional and salary equality policy
- 2019 Health and Safety Assessment and Review of Fatal Accidents

Audit Committee

Chair:
Marie-José Nadeau



F. Malrieu
M.J. Nadeau
I. Bui



R. McInnes
C. Aubert



93%
Participation
rate

60%
Independent

Reviews the financial statements and financial position, and reviews internal and external audits and risk mapping

Main work 2019

- consolidated and parent company financial statements, and their press releases
- options, assumptions and forecasts at close of period, and forward-looking management reports
- dividend and guidance policy
- evolution of operational KPIs communicated to the market
- internal audit activity reports, follow-up of audit recommendations, annual internal audit plans
- review of Group internal control, including nuclear in Belgium and nuclear safety
- presentation of operating statements of the Chairman and the Board of Directors
- financial resolutions submitted to the GSM
- monitoring of the work of the Statutory Auditors and feedback from roadshows
- review of Group risks and insurance
- draft procedure for evaluating ongoing agreements
- impact of Brexit on ENGIE
- cybersecurity, digital and IS
- integration of acquisitions and monitoring of synergies
- treasury policy

Executive Board

Two executive bodies, the Executive Committee and the Operational Management Committee, are responsible for formulating ENGIE's strategy and monitoring its implementation.

Following a decision-making process based on a detailed review of Isabelle Kocher's term of office, the Board of Directors decided that further development of the strategy required new leadership. It decided on February 6, 2020 not to propose renewing her term of office as Director. The Board of Directors appointed its Chairman, Jean-Pierre Clamadieu, with the support of the Appointments, Compensation and Governance Committee, to search for the Group's next executive officer as part of a process that meets the highest standards of governance. The operational management of the Group is temporarily entrusted on a collegial basis to Paulo Almirante, Chief Operating Officer, Judith Hartmann, Chief Financial Officer and Claire Waysand, General Secretary, the latter assuming the mandate of Interim Chief Executive Officer.

Executive Committee

The Executive Committee is responsible for steering the Group. Actively involved on the ground to support the 25 BUs, the 13 members of the Executive Committee, composed of functional and operational managers, review ENGIE's long-term strategy and outlook while ensuring its short-term objectives are met. At weekly meetings, they specifically make structural decisions regarding the Group's investment policy, performance and transformation.

ENGIE 50

The "ENGIE 50" Operational Management Committee implements ENGIE's strategic decisions. It is also in charge of taking the Group's transformation closer to the territories. The Committee's monthly meetings are attended by Chief Operating Officers, Directors of the 25 BUs and four activities, and the heads of the main functional departments.



4 female members of the Executive Committee



5 nationalities represented on the Executive Committee



No. 1 company in its sector, and **No. 10** overall in the ranking on increasing female representation on the governing bodies of SBF 120 companies



- A Claire Waysand**, Interim CEO and General Secretary
- B Judith Hartmann**, Executive Vice-President, Chief Financial Officer, also responsible for CSR, the GTT BU and coordination with Suez
- C Paulo Almirante**, Executive Vice President, Chief Operating Officer in charge of the Brazil, NECST (North, South and Eastern Europe) and MESCAT (Middle East, South and Central Asia, and Turkey) BUs .
- D Gwénaëlle Avice-Huet**, Executive Vice President in charge of the France Renewable Energy and Hydrogen BUs, responsible for the Renewables Global Business Line, and CEO of the North America BU (USA and Canada)
- E Olivier Biancarelli**, Executive Vice President, CEO of Tractebel, responsible for the Customer Solutions Global Business Line and for supervising ENGIE Impact
- F Franck Bruel**, Executive Vice President supervising the UK and LATAM (Latin America) BUs
- G Ana Busto**, Executive Vice President in charge of Brand and Communications
- H Pierre Chareyre**, Executive Vice President in charge of the GEM (Global Energy Management), Generation Europe, BtoC France and Benelux BUs, and head of the Thermal Global Business Line
- I Pierre Deheunynck**, Executive Vice President in charge of Group Human Resources, Transformation, Corporate, Global Business Support, Global Care and Real Estate
- J Didier Holleaux**, Executive Vice President in charge of the Elengy, GRDF, GRTgaz, Storengy, China and APAC BUs, and Head of the networks GBL
- K Shankar Krishnamoorthy**, Executive Vice President in charge of Strategy & Innovation, Industrial Development, Research & Technology, and Purchasing, and in charge of the Africa BU
- L Yves Le Célard**, Executive Vice President in charge of Digital and Information Systems
- M Wilfrid Petrie**, Executive Vice President in charge of the Cities & Local Authorities, Industries, Tertiary & Proximity BUs

> SEE ALSO
 2019 Universal Registration Document > Chapter 4, Section 4.3
 engie.com > <https://www.engie.com/en/group/who-are-we/governance>

Our Organization

CORPORATE combines support and operational functions to develop synergies and support the Group on a day-to-day basis. It includes:

4 GLOBAL BUSINESS LINES (GBL) serving all Group entities:



Entity in charge of high-level dialogue and strategic advice for the Group's major clients.

25 BUSINESS UNITS (BUs) with close proximity to customers and regions

21 BUs worldwide

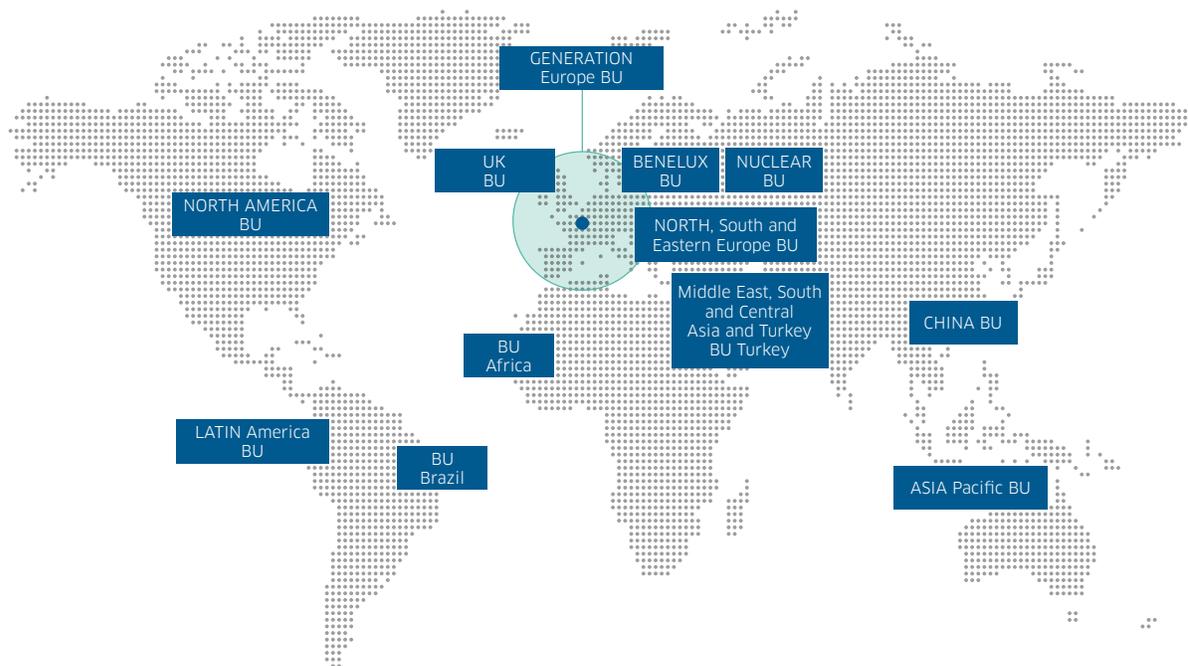
4 global BUs worldwide in scope

- Hydrogen
- Global Energy Management
- Tractebel Engineering
- GTT



INCLUDING 9 BUs in France

- GRTgaz
- GRDF
- Elengy
- Storengy
- France BtoC
- France Renewables



Interview



“ What advantages does ENGIE have for the coming years? ”

The Group has attractive advantages in infrastructure and the generation of conventional power with low CO₂ emissions. It has developed powerful growth drivers in renewable energies and client solutions. Since carbon neutrality requires a mix of solutions, this complementary approach boosts confidence in our future. Our teams' commitment to achieving their objectives in each of these areas will be a key factor for acceleration in 2020. ”

Paulo Almirante

Chief Operating Officer and Executive Vice President in charge of the Brazil, NECST and MESCAT BUS

Human Resources

ENGIE implements a Human Resources strategy that reconciles economic performance, human progress and societal contributions. Along with its actions to promote diversity, the HR policy aims to prepare the Group for changes in its environment.

Adapting skills to prepare for the future

The energy transition is causing new business lines in the energy sector to emerge. To deploy the Group's strategy, ENGIE must at all times have skills that are **adapted to a changing market**. For this reason, the Group seeks to **anticipate and identify the needs** of the various BUs and business lines, **develop and adapt skills** to new business challenges and **strengthen its ability to attract**, recruit and retain talent. This policy is structured around three tools:

- **ENGIE Skills** questions and challenges the Group's BUs and entities each year for their three-year projections. Skills mapping carried out using this tool helps to anticipate business needs and ensure appropriate resources. The results of the 2019 survey highlighted the main trends for 2019 to 2021 and made it possible to develop action plans.
- **ENGIE Mobility** seeks to make internal mobility more flexible and strengthen the culture of mobility within the Group. This tool uses a digital space for the construction of professional projects, events and business meetings, as well as for support for international mobility.
- **Engie University** develops programs that help employees to improve their skills in their day-to-day work. In addition, the ENGIE Schools program, deployed in 2019, is an international network of 30 in-house training centers that offers tailor-made technical modules to accelerate the transfer of technical skills around the world.

Safe, fulfilling work conditions

For many years, the Group has invested in the development of a **proactive culture** of occupational health, safety and security, in addition to the traditional reactive approach. This culture reinforces the factors that contribute positively to safety. For example, the Group's proactive culture makes it possible to **anticipate potential accidents** that could occur in order to better prevent them, by identifying dangerous situations and events or situations that could have resulted in a serious or even fatal accident (HiPo, for High Potential of severity). It also makes it possible to **detect technical or organizational improvements** that make activities even safer.



Interview



Pierre Deheunynck
Executive Vice President
in charge of Group Human Resources, Transformation, Corporate, Global Business Support, Global Care and Real Estate

“ The Group has signed a declaration with the European Works Council to anticipate and support the economic, social and organizational transformations related to the development of digital technology. What are the challenges it faces? ”

Digital transformation is one of the major levers of ENGIE's strategy. For all employees to take part in these changes, job, skill and organizational challenges must be shared with them. This will allow us to anticipate and propose ways of adapting them to everyone, especially in terms of training.

What objective has the Group set for itself to combat gender inequality?

In France, a law has established an index that examines, for comparable positions and ages, the wage gaps between men and women and the measures taken each year to reduce those gaps. As a result, in 2019, our subsidiaries in France received a score of 72/100, which enabled us, based on an analysis of the results, to initiate an action plan and commit to scoring over 90 the next time the index is calculated. The Group now hopes to extend the use of this index to all of its controlled subsidiaries worldwide. It has set for itself the goal of reaching 100/100 by 2030. I am confident in the Group's ability to mobilize and to deploy the policies necessary to achieve this objective. ”

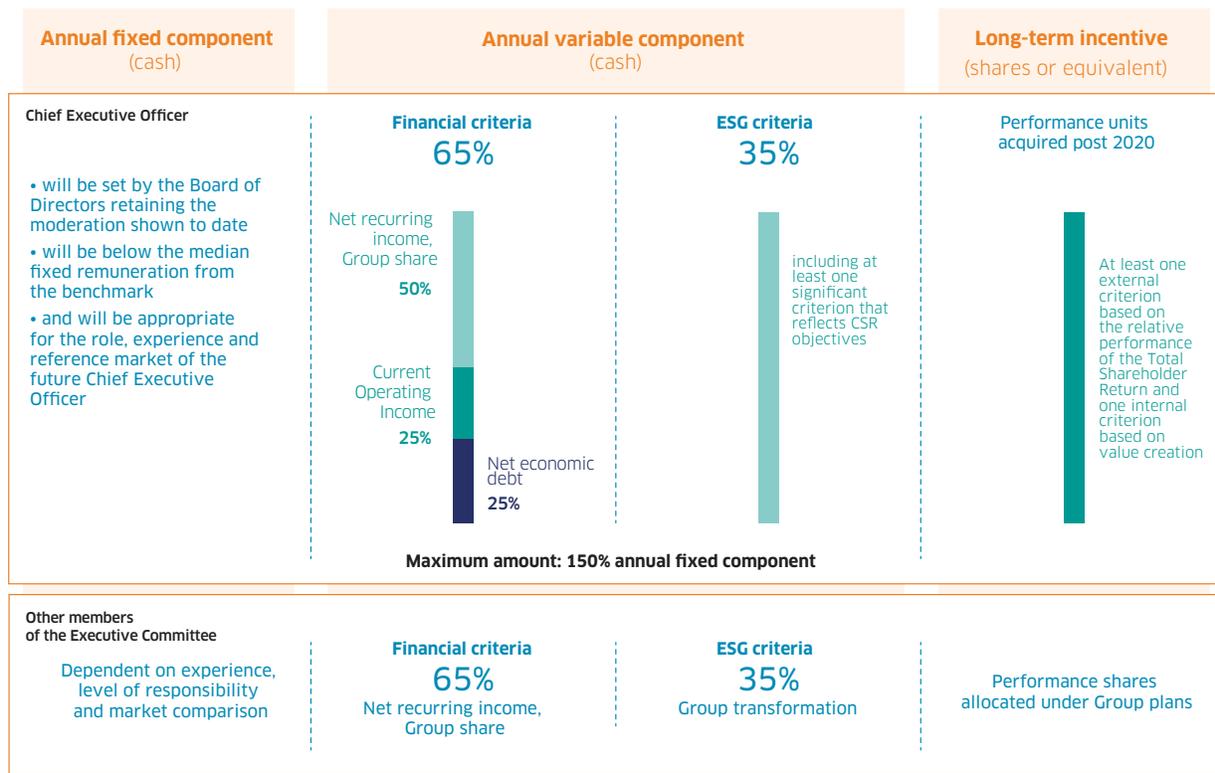
Compensation to serve long-term performance

The Group offers everyone compensation that is **personalized, fair and competitive** and which reflects the performance and level of responsibility of each person. Compensation of ENGIE's Senior Managers is set according to strict **quantitative and qualitative** performance criteria, which reflect the implementation of the Group's

transformation strategy. The compensation of executive managers and corporate officers is reviewed annually by the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, and is subject to approval by the Annual Ordinary General Shareholders' Meeting.

2019 equity ratios and 2020 Executive Committee compensation

In 2019, the ratio of the compensation for each corporate officer to the compensation of employees in France is 9.3x for the Chairman and 55.7x for the Chief Executive Officer¹.



The members of the Executive Committee are bound by a shareholding target of 2 years of fixed compensation for the Chief Executive Officer and 1.5 years for the other members.

Senior manager compensation

To become players in the transformation of the Group and its long-term performance, the Group's 800 senior managers were able to **jointly structure their variable compensation** through the Leadership Deal program, in collaboration with the Human Resources and Finance Departments. They

determined the most relevant **individual and collective** criteria with regard to their activity, and this will be used as a basis for their annual bonus. Any behavior that is not compatible with the Group's values – particularly in terms of ethics, ethical conduct or safety – may be subject to a penalty.



> SEE ALSO

2019 Universal Registration Document > Chapter 4, Section 4.4
 engie.com > <https://www.engie.com/en/group/who-are-we/governance>
 2020 Integrated Report > Value creation > A carbon-neutral transition that brings people together pp. 60-61

¹ In 2019, the Chairman's compensation amounted to a fixed fee of €0.43 million. The compensation of the Chief Executive Officer amounted to €2.58 million, consisting of a fixed component of €1.00 million, a variable component of €0.64 million and €0.94 million in performance units from previous years.

Corporate Social Responsibility (CSR)

To create shared value that is respectful of society and the environment, ENGIE relies on ambitious environmental and societal policies that are integrated into its carbon-neutral transition strategy and into each of its activities and operations.

Environmental policy

Performance is perceived by ENGIE in its entirety and over time. It incorporates a strong environmental dimension into all of its activities and into its innovation policy and financing strategy.

Improving the Group's environmental performance

Although its activities sometimes have an impact on ecosystems and natural resources, ENGIE seeks to measure and reduce this through its environmental policy. To that end, the Group defines and implements **objectives and action plans**, relying on **internal and external skills** and on **tools** that are adapted to each problem. To measure the effectiveness of its environmental policy, the Group has established **performance indicators** for each action plan, whether for its own activities or for its customers'.

Supporting new businesses

The process of developing new ENGIE services and activities includes an **environmental performance analysis** that allows the Group to demonstrate its environmental impact and distinguish itself in a competitive market. The Group

concentrates its research efforts on the **definition of new technological solutions** and business models that are respectful of the environment, through **partnerships** with innovative start-ups, for example.

Encouraging sustainable finance

The Group is positioning itself to be a **green finance pioneer**. It has been using **green bonds** to finance the energy transition since 2014 and developing innovative financial products such as participatory finance. It also supports the **adoption of the carbon price mechanism** to incorporate climate-based external effects into the financial rationale and to steer investments towards the low-carbon economy.

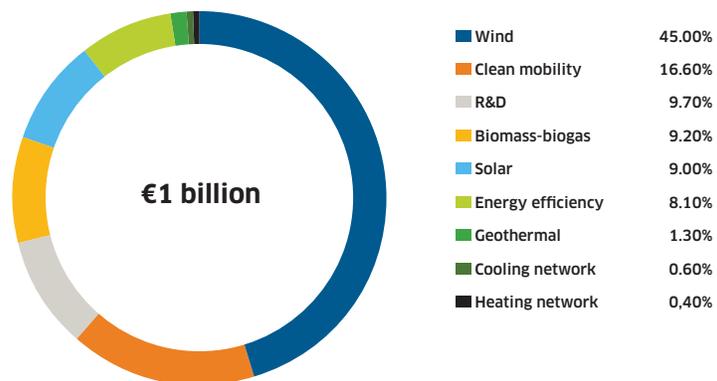
CSR organization



A pioneering commitment to green finance

Changes to its business model allow the Group to **finance its operations** through **green finance**. The total amount of **green bonds** issued by ENGIE since 2014 now stands at €11.15 billion, making the Group one of the world's leading corporate issuers of green bonds. ENGIE issued a €1.5 billion green bond in March 2020 using a reference framework aligned with the most recent market practices.

Allocation of the January 2019 green bond by technology



Societal policy

ENGIE is facing growing expectations from civil society and authorities. To understand and respond to them, the Group deploys a societal policy that is inseparable from its commercial strategy, which supports changes in society and optimizes value creation for all of its stakeholders.

Fostering permanent contact with civil society

ENGIE maintains an **ongoing, proactive dialogue** with various components of civil society. The Group assists its operating entities in the deepening and structuring of their **dialogue with their stakeholders** from the implementation of strategies through to their operational deployment. **Regular talks** with NGOs in connection with the energy sector and large companies encourage discussion of current events and the strategies of each of them. It is essential for the Group to include the strategies of civil society stakeholders in its strategy.

Supporting project leaders

ENGIE provides its employees with a **toolbox** designed with and for operating entities based on a six-step dialogue

process called Stakeholder Engagement. For each project, this process makes it possible to analyze the context, identify the stakeholders involved, draw up an action plan and assess its impact. The toolbox contains training programs covering the management of societal issues and is made available to all BUs.

Deploying a dialogue process at all levels of the company

Stakeholder dialogue determines the success and sustainability of the Group's activities. This dialogue is conducted by an **identified manager** supported by experts trained in this field, and relies on feedback by way of quantified performance indicators.

“ Interview



Paula Sacks

Executive Vice President of the NORAM BU in charge of Human Resources, Communication and CSR



Greg Murray

Director of the APAC (Asia Pacific) BU in charge of Human Resources, Communication and CSR

“ In addition to climate, what are the CSR priorities for your BU?

PS: After the implementation of the climate component of our CSR strategy, our priority is community engagement, with a strong focus on sustainable educational programs, given our long-standing relationships with universities and primary and secondary schools across the country. Finally, in our Walk the Talk initiative, we seek to involve employees in all of our CSR efforts. Our employees are true pioneers who are leaders in the energy transition in North America.

GM: Our priority is to create sustainable business opportunities that meet the expectations and challenges of communities. To achieve this, our CSR team works with government partners, NGOs and other stakeholders in a “win-win” shared value approach.

What are the greatest challenges to overcome with your stakeholders?

PS: With our new business model, we measure the long-term climate impact of our activities. We must also demonstrate the positive social impact we create at the local level in terms of local stakeholder involvement, local investment and the jobs we support through our projects. Finally, we need to deepen our work in gender equality and diversity in our workforce to ensure that we are in tune with society.

GM: Our challenge is to have a thorough understanding of the issues and challenges faced by the communities we interact with. Even though the CSR impact of CO₂ emissions is relatively simple to determine, we seek to make progress in the CSR impact of our activities in terms of sustainable business development, added value, stakeholder satisfaction and employee engagement and retention.”

> SEE ALSO

2019 Universal Registration Document > Chapter 3 and Chapter 5, Section 5.1.5
 engie.com > <https://www.engie.com/en/group/social-responsibility>
 2020 Integrated Report > Value creation pp. 45 to 68

Ethics and Compliance

ENGIE's policy in terms of ethics and compliance is to act, everywhere and in all situations, in accordance with its fundamental ethical principles. Compliance with this commitment, as well as the principle of zero tolerance for fraud and corruption, is subject to special monitoring by the Group's Executive Board.

Reference documents that apply to all

- The **Ethics Charter** sets out ENGIE's fundamental ethical principles.
- The **Practical Guide to Ethics** sets out and illustrates the procedures for practical application of the Group's ethical commitments.
- The **Integrity referential** defines how the Group is organized to guard against fraud, corruption and influence peddling.
- The **Human Rights referential and policy** form the basis of the Group's Human rights vigilance process.
- The **Ethics Compliance management referential** specifies how the Group is organized to support the implementation of its ethics and compliance systems and to measure the status of compliance; it also includes the systems for compliance with the rules on embargo, export control, the protection of personal data and competition.
- The **codes of conduct** govern professional practice in terms of ethics.

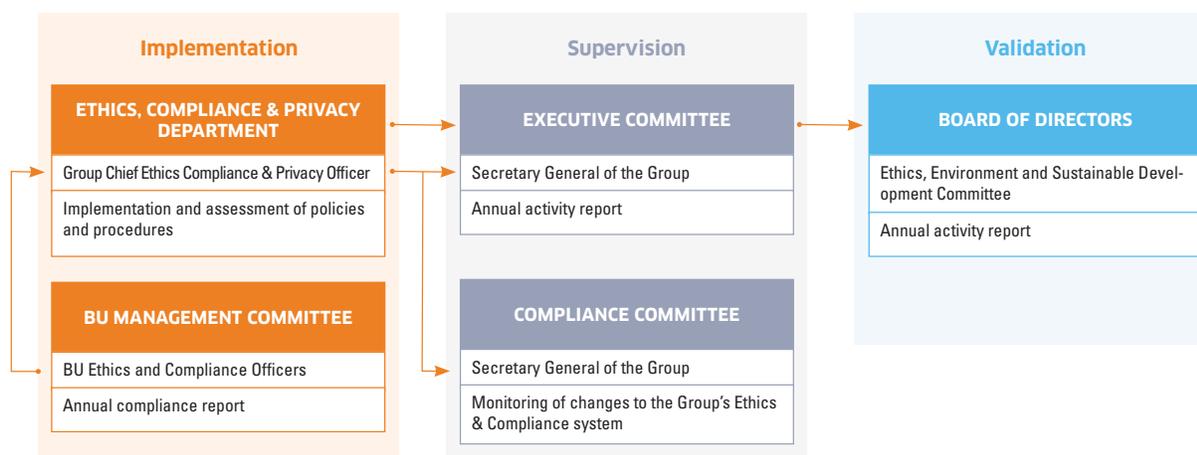
A rigorous application and control process

ENGIE ensures the **proper application of the texts** governing its ethics and compliance policy through a set of complementary measures:

- an assessment of ethical risks, including corruption and human rights risks
- a system for whistle-blowing and receiving alerts
- managerial reporting of ethics incidents, whether they are allegations or proven incidents, through the Group's INFORM'ethics tool
- training sessions and information campaigns
- an annual compliance procedure implemented via the Group's REPORT'ethics tool
- an internal control program
- internal and external audits

Organization and governance of ethics and compliance

The whole system is steered by the Group Ethics, Compliance and Privacy Department, and led by managers with the support of the Ethics and Compliance network.



Whistle-blowing and alert system

Open to all employees and external stakeholders, the whistle-blowing and alert system covers all **types of ethical incidents**, including all **vigilance** issues. An alert can be initiated at any time in **four languages** by email or telephone. It is received and managed by an **external service provider** that guarantees the **confidentiality** of the information and sends the anonymous report to ENGIE for review and investigation. **@mail: ethics@engie.com**

Lobbying system

ENGIE deploys its lobbying activity in professional associations of which it is a member. ENGIE works to bring the positions of these associations into line with its own positions, which may nevertheless be different even though it is a member. The majority of the Group's lobbying activities take place in France, at the European level and in Belgium. They are all **declared in the public registers** provided for that purpose in France and Europe. Lobbying expenditure amounts to approximately **€2 million** each year.

> SEE ALSO

2019 Universal Registration Document > Chapter 3, Sections 3.8 and 3.9
engie.com > <https://www.engie.com/en/group/ethics-and-compliance>

Vigilance Plan

The vigilance plan covers the measures taken by ENGIE to prevent serious violations of human rights, fundamental freedoms, human health and safety or the environment caused by the activities of the Group, its controlled subsidiaries and its suppliers. Overseen by the Group Ethics, Compliance and Privacy Department, the plan is based on various risk identification and prevention procedures as well as a common whistle-blowing and alert system.



Interview



Xavier Hubert
 Group Director of Ethics, Compliance & Privacy

“ Two years after the adoption of the Law on the Duty of Vigilance, what is your assessment of ENGIE? ”

Even though the vigilance plan was based on procedures already deployed within the Group, its implementation has made it possible to strengthen risk identification methodologies, systematize them and ensure uniform management of all vigilance issues. Ensuring a shared vision of law-related issues is fundamental for effective deployment everywhere, and this has been made possible by the creation of a cross-functional and interdepartmental Monitoring Committee within ENGIE, which was initially responsible for reviewing existing policies in relation to the law and defining the Group's vigilance plan. Today, it ensures its proper dissemination, the coordination of the various channels, entity awareness and the tools for its effective implementation by the entities of the group. ”

Risk Management

Due to the diversity of its activities and its locations, ENGIE is exposed to a variety of risks that could have a significant impact on its income, image and share price. To limit their occurrence and minimize their impact, the Group has a global risk management policy that reflects its ambition in this area: "controlling its risks to ensure its performance."

A consolidated management process

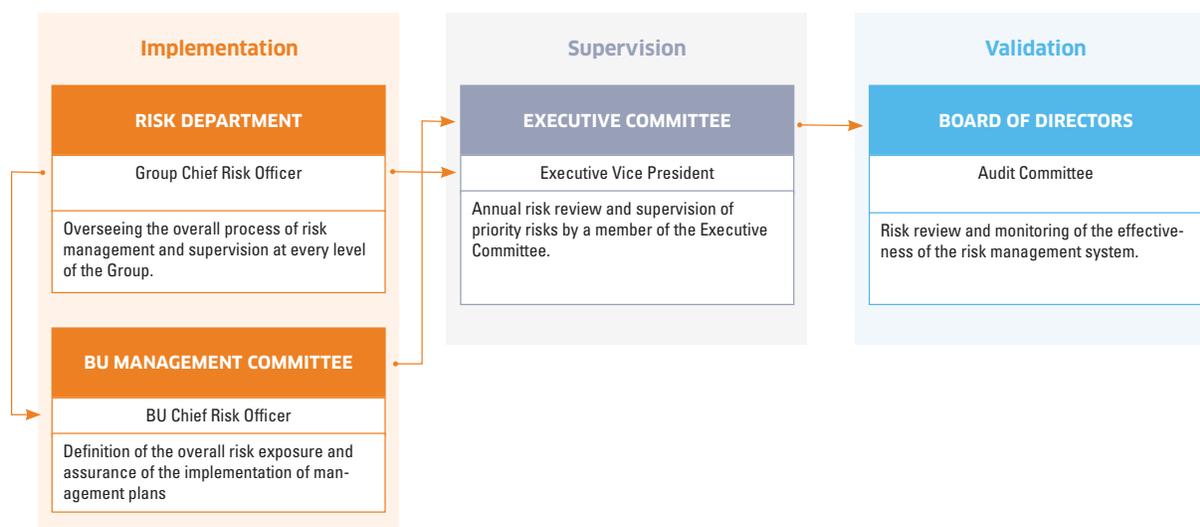
ENGIE has defined a **risk management** policy that applies to all of its activities and entities¹. This policy states that every manager is a risk manager and promotes risk-taking at a **reasonable** level from a legal perspective, **acceptable** to generally held opinion and economically **viable**.

Each year, the risk assessment process begins with a **risk review by the Executive Committee**. It is based on **feedback** from operating entities and functional departments,

interviews with management and a review of external analysts' publications. A campaign is then launched across the Group that sets out guidelines for risk management throughout the year. In particular, it focuses on priority risks. This campaign results in a **new Group risk review** that is presented to the Executive Committee, then to the Audit Committee, which gives its opinion on the effectiveness of the risk management system to the Board of Directors.

¹ In compliance with the rules of governance applicable to each entity

Organization of risks



Crisis management system

To deal effectively with the occurrence of all types of crises, ENGIE has put in place a **global crisis management system**. The Group has set up a **whistle-blowing and alert system** based on the reporting and analysis of major incidents and the organization of a decision-making process to manage the crisis at the appropriate level. To test the robustness of the organization and as part of a continuous improvement process, each Business Unit must conduct **one exercise per year** and provide the Group with feedback.

The **COVID-19** system consists of several committees: a Group steering committee, three geographical committees (France-Belgium-International) in addition to the country committees, and an Executive Board committee. This system should make it easier to return to work while preserving the health of employees, to resume business activity and to resume our access to supplies in the event of a disruption.

Main net risks

The significant specific risks to which the Group believes it is exposed are presented in the Universal Reference Document. **They have been assessed and prioritized on the basis of "net risk"** after the control resources put in place are taken into account. One high-level net risk has been identified in the short term: the market risk for raw materials in terms of price and volume.

In the context of its statement on non-financial performance and its duty of vigilance, the Group has identified several gross risks that require the implementation of specific medium-, short- and long-term policies and action plans. (see p. 49)

> SEE ALSO

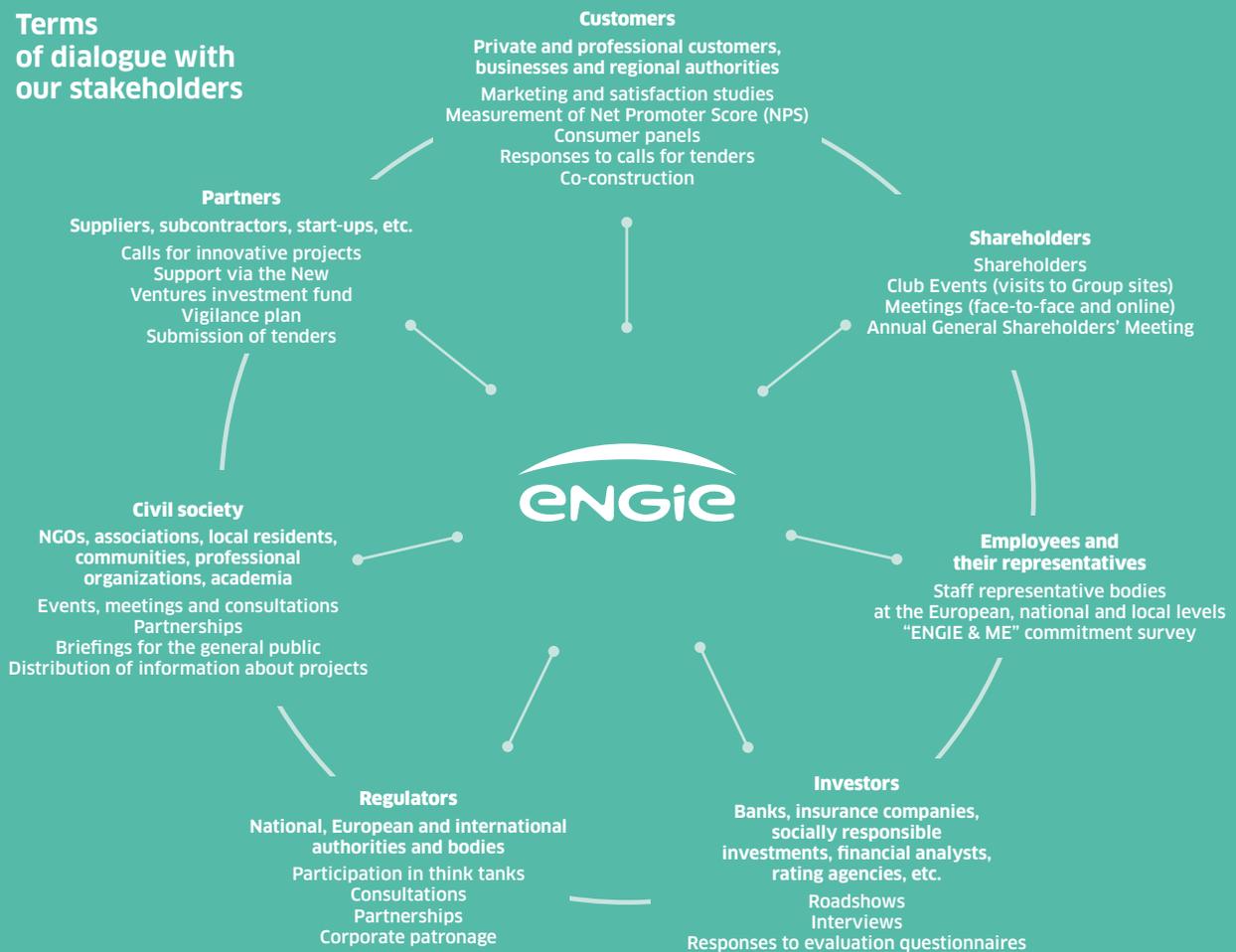
2019 Universal Registration Document > Chapter 2
2020 Integrated Report > Challenges that present risks and opportunities, p. 48

VALUE CREATION

A zero-carbon **transition** that benefits all our stakeholders

By redesigning its activities in line with the transition to carbon-neutrality, ENGIE has bet on the Group's harmonious development in its ecosystem. Profitable for the Group, the energy transition also - very concretely - creates value for our stakeholders: economic, social, environmental and societal.

Terms of dialogue with our stakeholders



ENGIE gives a voice to those involved in the transition to carbon neutrality



On June 20, 2019, ENGIE welcomed all players committed to accelerating the carbon-neutral transition to a groundbreaking event called **The Good Day**. The purpose of the day was to bring together the participants in this change in order to combine energies and share concrete solutions for the carbon-neutral transition. The 1,500 visitors - economic and civil society leaders, experts, researchers, business leaders and start-ups - representing 26 countries attended conferences and round tables led by high-level speakers and experts from the Group. This event, unprecedented in

its format, was organized around two themes: buildings & industries and cities & territories. It demonstrated ENGIE's ability to offer integrated solutions to its customers, which include local authorities and businesses.

The spirit of The Good Day inspired the entire Group. Thanks to the BUS' commitment, as expressed in the broadcasting of plenary sessions, conferences, workshops, organization of discussion forums and fun workshops, the number of carbon-neutral transition initiatives was increased.

Our customers are at the heart of our value creation

Customers are at the heart of the energy transition. By adapting their energy consumption patterns, they each contribute in their own way to the fight against global warming. It is ENGIE's ambition to support them in this transition by providing answers adapted to each need using a customized approach.

INDUSTRIES

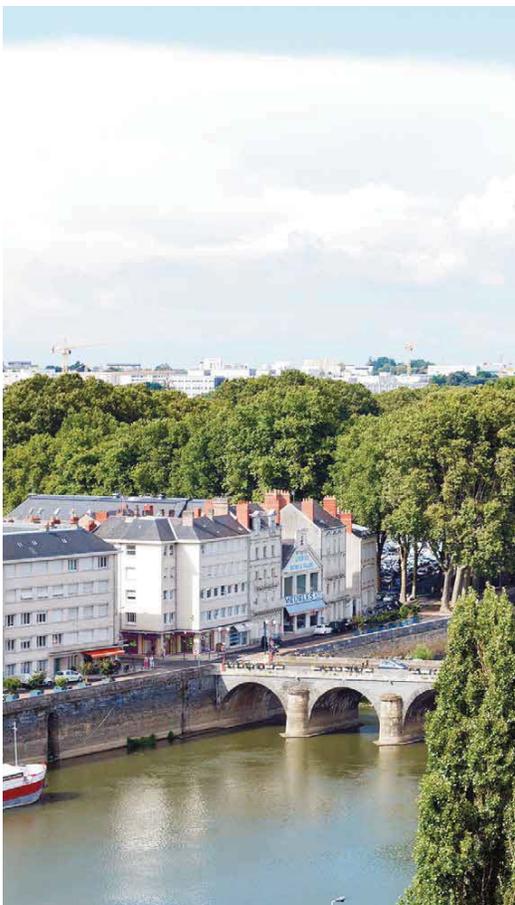
WALMART strengthens its wind energy supply

ENGIE is strengthening its partnership with US retailer Walmart through the signing of **two Virtual Power Purchase Agreements**. This unique procurement process, which will enable the construction of more than 366 MW of wind power projects, is in line with Walmart's goal to supply 50% of its activities with renewable energy by the end of 2025. These two agreements supplement an existing partnership between the two groups that covered the purchase of 150 MW as part of the Triple H wind project in South Dakota, increasing the collaboration between Walmart and ENGIE to **over 500 MW**.

500 MW supplied by ENGIE

“ The supplying of energy from wind projects such as ENGIE's is a major challenge to achieving our goals. The energy that we will purchase from these facilities represents a major step toward renewable energy for us and reinforces Walmart's mission to inspire collective action alongside key partners to promote environmental sustainability. ”

Mark Vanderhelm, Vice President, Energy at Walmart Inc



CITIES AND COMMUNITIES

ANGERS LOIRE METROPOLE: France's first smart territory

To become France's model smart territory, Angers Loire Métropole has chosen a consortium consisting of Suez, La Poste, the VYV Group and ENGIE Solutions. The project will use **digital technologies** to develop infrastructures capable of communicating with each other to **improve the management of public services** and their relationships with users, **reduce the ecological footprint** of the urban community and **achieve energy savings** in all areas of day-to-day life. At the heart of the project, ENGIE Solutions will deploy **LIVIN'**, the **hypervision platform** that provides public services with all of the information they need to **optimize** public lighting, video protection, water and sanitation, green space, health, building, mobility and waste services. In concrete terms, after current energy-intensive lighting fixtures are replaced with LEDs, this platform will use detection to increase lighting intensity whenever a pedestrian or car passes by. Another strong point of the approach is **continuous collaboration** with the stakeholders that will be involved in the governance of the projects within a Forum where citizens can get information about, discuss and understand the concept of a smart territory.

66%
energy savings
in public lighting
starting in 2025

-20%
of energy
consumption for
city buildings

-30%
of water consumption
for public watering

“ The ambition of this smart territory project is, of course, to respond to the environmental, economic and demographic challenges of the Angers region. First and foremost, we want to adopt a comprehensive approach for Angers Loire Métropole to effectively mobilize all infrastructures so that they are efficient and combine the best qualities of our region. This means optimizing public services, improving citizens' quality of life and saving our resources through the use of technology. ”

Constance Nebbula, elected official in charge of the Digital Economy and Innovation.
(source: ville intelligente-mag.fr)

INDIVIDUALS

MON ELEC: choosing your own green energy

ENGIE offers its private customers a **choice of renewable energy production sites** that will cover their electricity needs. With eight sites throughout France, the Group allows everyone to select the region or type of production of their choice before **purchasing the equivalent of their electricity consumption from the selected producer**. Electricity from hydropower or wind power is certified by **Guarantees of Origin**, an official certificate issued by an independent body that guarantees the quantity of renewable electricity injected into the grid. This gives the Group's customers the opportunity to **support a facility that produces renewable energy** on French territory. The **fixed-price** market offer is for one year and there is no time commitment. It is **100% digital**, which allows customers to limit their carbon footprint by managing their account entirely on their secure customer space.

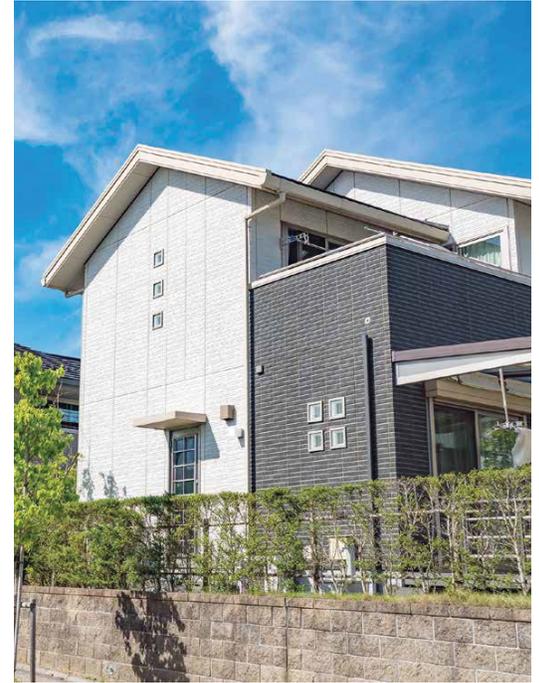
8
production sites

A
100%
digital offer

for **1 year**
of green electricity
at a fixed price

“ I'm very fond of the idea that it is little streams that make big rivers. We all have a role to play, in our own small way, to take action on things that are bigger than us, such as preserving the planet. Rather than remaining passive consumers, we can become active consumers by choosing green electricity offers such as Mon Elec. The more we opt for this type of offer, the more it will help the development of renewable energy and the protection of the environment. ”

Anne, Mon Elec customer



TERTIARY

Optimizing the energy performance of one of the tallest towers in the Philippines

For ten years, ENGIE will participate in **improving the energy efficiency** of the third-highest tower in the Philippines, the PBCOM Tower (259 m), through an energy efficiency agreement. The alliance between ENGIE Services Philippines and Filinvest Land Inc. will design, finance, rehabilitate, construct, install, operate and maintain a **new fresh water plant** that will enable the 52-story tower to save energy using the BOOT (Build-Own-Operate-Transfer) model⁴. As a result, PBCOM Tower **will reduce its electricity consumption** by approximately 4,103 MWh per year, or 2,429 tonnes of CO₂ equivalent. The project also aims to reduce carbon dioxide emissions, a key element of the customer's sustainable development vision.

-4,103 MWh
of electricity per year

“ I am convinced that this historic project will significantly improve our energy efficiency and cost-cutting measures and, most importantly, that it will allow us to fulfill our social responsibility to minimize existential climate risks in the communities to which we belong. ”

Maricel Brion Lirio, Filinvest Asia Corporation.

⁴ An agreement in which the private sector designs, builds and operates facilities while providing services to municipal or State-owned public utilities

Challenges that bring risks and opportunities

ENGIE's ability to connect with the territories where it has a presence is a considerable competitive advantage. Thanks to various discussions conducted throughout the year with its stakeholders, the Group has prioritized its challenges and identified the associated risks and opportunities.



Methodology

ENGIE updated its map of challenges (materiality matrix) in 2017 to supplement its discussions on the Group's main responsibility challenges. The analysis was carried out in accordance with the AA 1000 guidelines, the G4 recommendations from the Global Reporting Initiative (GRI) and directions issued by the TCFD on the organization's relations with its stakeholders.

This consultation, which called on a hundred or so people both internally and externally, has made it possible to rank 23 priority challenges, highlighting a strong convergence between the assessed impact of these challenges on ENGIE's value creation by both stakeholders (vertical axis) and by Group management (horizontal axis).

Material challenges	Gross risks	Opportunities
Safety of facilities Cybersecurity	Industrial safety violations	<ul style="list-style-type: none"> Sales of services: digitization, robotization, securing and monitoring of sensitive sites
	Nuclear safety violations	
	Cyber-attacks to industrial systems	
	Property damage	
Climate	Contribution to climate change	<ul style="list-style-type: none"> Sales of services: renewable energy, energy efficiency, decarbonization consulting, heating and cooling networks, etc.
	Impact of climate change on our activities	
Preservation of the environment Resources and waste	Pollution of the surrounding environment	<ul style="list-style-type: none"> Sales of services: reduction of industrial site carbon footprints, environmental management plans, fauna and flora restoration program Mobilization of stakeholders: customers, employees, local communities, NGOs
	Loss of biodiversity	
	Loss of water resources	
	Air pollution	
	Waste	
Communities Transparency Purchasing Access to energy	Low approval levels for activities	<ul style="list-style-type: none"> Co-construction of offers with stakeholders
	Mismanagement of large projects	<ul style="list-style-type: none"> Sustainability of industrial activities
	Damage to reputation	<ul style="list-style-type: none"> Group's societal role beneficial to its internal and external reputation Stakeholder support and regional presence Dealing with fuel poverty through adapted offerings Development of energy access offerings in unserved regions
Employee motivation Social dialogue Agility Innovation	Absent or inadequate skills Social movements	<ul style="list-style-type: none"> Digitization that improves work efficiency Attractiveness of the Group to young people who are aware of carbon neutrality Adaptation to changes in businesses
	Lack of employee commitment Loss of competitiveness	<ul style="list-style-type: none"> Occupational well-being Mobilization of employees
Diversity	Lack of employee diversity	<ul style="list-style-type: none"> Group's societal role beneficial to its internal and external reputation Inclusivity of the company Reflection of society
Health and safety at work	Health and safety at work	<ul style="list-style-type: none"> Occupational well-being Employee motivation
	Personal safety during travel	
Ethics and compliance	Corruption	<ul style="list-style-type: none"> Group's exemplary corporate citizenship motivating employees
	Tax non-compliance	
Human rights	Human rights abuses	<ul style="list-style-type: none"> Group's societal role beneficial to its internal and external reputation
Energy efficiency	No material risks	<ul style="list-style-type: none"> Energy sales Development of bonds of trust with the customer
Shareholder policy	Decrease in share price Excessive shareholder turnover	<ul style="list-style-type: none"> Increase in share price Shareholder retention
Sustainable growth	Margin and earnings erosion over time Dispersion of concentrated efforts in the short term	<ul style="list-style-type: none"> Visibility and stability of growth Confidence in activities and business model
Financial strength	Short-term pressure from lenders and shareholders Lack of long-term perspective	<ul style="list-style-type: none"> Easier borrowing capacity Greater decision-making autonomy

ENGIE's contribution to Sustainable Development Goals

ENGIE's CSR objectives contribute to the achievement of its strategy, but also meet the United Nations Sustainable Development Goals (SDGs) for 2030. In terms of its activities, ENGIE has identified the twelve main SDGs to which it contributes.





A sustainable carbon-neutral transition

For many years now, the development of renewables has been an important growth driver for ENGIE. Thanks to its 2015-2018 transformation program, the Group has repositioned its business model to respond to the demand for both the generation of decarbonized energy that helps combat global warming, and new energy services. The Group also pays particular attention to preserving natural resources and to reducing the impact of its activities on biodiversity.



A carbon-neutral transition that brings people together

ENGIE's many businesses employ more than 170,100 staff on a daily basis. Their health, their safety at work, their commitment and their career within the Group are priorities that are fundamental to joint success, and are constantly monitored, especially during a pandemic like COVID-19. In addition, stakeholders as a whole are seen as partners in building the Group's sustainable development, and as such are frequently consulted.



A carbon-neutral transition that serves everyone

Territories are a cornerstone of the carbon-neutral transition. From urban heating and cooling systems, green mobility and smart grids to lighting and safety systems, ENGIE offers innovative, bespoke solutions to invent the cities of the future and improve the well-being of their inhabitants. Since access to energy is an integral part of its societal responsibility, ENGIE provides technical or financial support to many projects around the world. The Group also adopts a responsible purchasing approach aimed at promoting ethical management in its supplier relations and in the management of its supply chain.



A sustainable carbon-neutral transition

To be at the forefront of the second wave of the carbon-neutral transition, ENGIE gives its customers the means to improve their energy and environmental performance.

Supporting the carbon-neutral transition of industrial and tertiary customers

OUR DRIVERS OF ACTION

ENGIE supports its industrial and tertiary customers in their own energy transitions. To support its customers in the construction of their decarbonization road map, the Group has developed a **three-step approach**: providing customers with a **global view** of their carbon footprint, building a detailed **road map** with solutions to decarbonize their activities, and finally, **proposing solutions** that are suited to various countries.

This means that, for each request, the Group provides a **personalized solution** that takes into account the constraints and objectives of each customer. Services range from the supplying of green energy to facility optimization, energy diagnostics and improvement of environmental footprints, and they all respond precisely to each individual's problems.

These new innovative, high-performance and personalized services are based on a common foundation:

digital technology. Thanks to a continuously growing software library and expertise in data exploitation, ENGIE combines its many years of know-how in decarbonized and decentralized energy with **digital technologies**.

OUR ACHIEVEMENTS IN 2019

- ▶ Three-year contract signed with **L'Oréal Brazil** to cover 100% of its needs using wind energy
- ▶ Global partnership with **Microsoft** that includes the supplying of green energy and the implementation of Darwin, the data management platform for optimizing the production of wind and solar farms
- ▶ Installation and operation of 45,000 solar panels on the **PSA Sochaux site** for 30 years
- ▶ Signing of a ten-year contract to improve the energy performance of the **CHR Sambre et Meuse hospital (France)** by 15.5%
- ▶ Support for **GE Renewable Energy** through strategic and technical consulting and implementation assistance to achieve its goal to be carbon-neutral by 2020
- ▶ Signing of a ten-year contract to improve the energy efficiency of one of the tallest towers in the **Philippines** (see p.47)
- ▶ **ENGIE Impact** will provide the critical data that Verizon, a global leader in innovative technology and communications solutions, needs to shape its strategy and achieve its goal of deriving 50% of its electricity consumption from renewable energy
- ▶ Launch of the **PROSUMER** tool to help BtoB and BtoC customers improve their energy consumption by optimizing choice and use in the energy asset mix



Producing and storing decarbonized energy

The **supplying of green energy** is an essential component of ENGIE's support for the carbon-neutral transition. In this way, the Group relies on the least carbon-intensive types of energy and participates in the **development of future industrial sectors** to offer its customers a safer, greener, more diversified and more local energy supply.

As a pillar of a sustainable energy transition, **solar energy** is playing an increasingly important role in the Group's energy mix. With its presence across **the entire value chain**, from research to facility installation and manufacturing, ENGIE is the leader in solar energy in France, and it inaugurated about a dozen photovoltaic power plants around the world in 2019.

Convinced that **renewable hydrogen** is the missing link to creating a decarbonized energy system, the Group is positioning itself more than ever as a key player in this new energy source. A solution to the challenges of intermittent renewable energy production, "Power to Gas" technology makes it possible to **store renewable energy overproduction** by transforming it into hydrogen, thus providing consumers with sustainable energy all year round. This technology is expected to be deployed on a mass scale starting in 2025. In France, ENGIE has been coordinating two major experimental projects since 2013: the GRHYD project in Dunkirk and the Jupiter 1000 demonstrator in Fos-sur-Mer.

As France's leading wind energy player, ENGIE has comprehensive know-how across the entire industry, from project development to power marketing, engineering, construction and facility operation and maintenance. To capture the tremendous potential of sea winds, ENGIE is investing in major **floating offshore wind farm** projects in Europe to actively participate in the emergence of sustainable industrial sectors.

For the past ten years, ENGIE has been developing unique expertise to transform **bio-waste into energy**. With over 50 sites worldwide, the Group has some of the best international expertise. ENGIE is participating in the creation of a **new sector** for second-generation biomethane (pyro-gasification), which will be profitable by 2020.

Inauguration and commissioning of photovoltaic power plants and parks throughout the world, including:

- ▶ **Long Draw Solar Project** in Texas, the Group's largest solar project (225 MW)
- ▶ **Kristal Solar Park**, Benelux's largest solar park (99.5 MWh)
- ▶ **Col de la Dona** (Occitanie, France), on a waste storage site, in partnership with SUEZ (4.94 MW)
- ▶ **Tangadiou** in New Caledonia (3 MW)
- ▶ **Coo-Trois-Pont** in Belgium (717 kW)
- ▶ Urban solar power plants on the roofs of the **Monaco Culture and Convention Center** (526 kW) and the Donauzentrum shopping center in Vienna (Austria)
- Signature of the first **PPA** (Power Purchase Agreement) on an industry-wide scale worldwide with around a hundred Australian hotels and pubs.
- Signature of an agreement with **Air Liquide** and the "**Durance et Luberon, Verdon**" conurbation to develop the "HyGreen Provence" project, which hopes to produce, store and distribute green hydrogen on an industrial scale.

Inauguration and commissioning of wind farms and projects internationally:

- ▶ The **Solomon Forks** wind project in Kansas (276 MW)
- ▶ The **Ras Ghareb** wind farm in Egypt (7 GW by 2022)
- ▶ The launch of construction of **Campo Largo 2**, the Group's largest wind farm complex, comprising 11 wind farms, in the State of Bahia, Brazil (361.2 MW)
- ▶ The launch of **Windfloat**, the Group's first offshore wind project (see p.27)

Development of the biomethane and biomass sector in France

- ▶ First production of biomethane in CO₂ methanation mode on a local scale thanks to **GAYA**, the first platform for the production of green gas from dry biomass in Europe
- ▶ Achievement of the objective of 20% hydrogen injected into the network thanks to the first **Power-to-gas GRHYD** demonstrator
- ▶ Commissioning of the biomethane plant in **Terres de Montaigu** in Loire Atlantique (France - 22 GWh/year)
- ▶ Launch of a call for projects to facilitate the financing of agricultural and injection methanization projects with the **Hauts-de-France Region and the French Agency for the Environment and Energy Management (ADEME)**
- ▶ Inauguration of a **biomass boiler plant** and heating network in Haute-Vienne (France)

Contributing to the protection of the environment

OUR DRIVERS OF ACTION

Alongside its customers, ENGIE contributes to the **preservation of the environment** by protecting the local flora and fauna for each of its projects and by supporting the development of the **circular economy**.

The Group serves as an example of the carbon-neutral transition at the corporate level. It strives to improve its **impact** not only through its activities but also by **reducing its energy and environmental footprint**.

In this way, employees become stakeholders in that commitment, in particular through the **Walk The Talk** initiative, which provides a space for discussion of views on responsible initiatives to be implemented within the Group.

OUR ACHIEVEMENTS IN 2019

- ▶ New **Bee to Bio**® offer by Storengy to enhance biodiversity on its customers' sites
- ▶ **Solar parks greening** process to protect pollinators
- ▶ Offer to new private customers to participate in the **restoration of the forest ecosystem** for any subscription to an energy offer.
- ▶ Development of solutions to **protect bats from wind turbines** using cameras and ultrasounds
- ▶ Development of a circular economy project in partnership with **Umicore**, which consists of creating a high-capacity storage battery (1.2 MW) made with batteries previously used in electric vehicles
- ▶ Creation of the **"I'm taking action for my planet"** internal manifesto (see p.11).
- ▶ Deployment of a fleet of 1,000 fully electric vehicles by **ENGIE Solutions**

Our performance

		2017	2018	2019	Objective	Maturity
PROFIT						
Strategic objectives	Increase in renewables capacity			+3 GW	+9 GW	2021
PLANET						
Renewables	Share of renewable energy in the power generation capacity mix	23.10%	23.70%	27.80%	≥ 25%	2020
Greenhouse Gas Emission	CO ₂ equivalent emission reduction rate for power generation compared to 2012	-18.10%	-28.70%	-43.70%	≤ -20%	2020
Controlling the impact of our activity on the environment and living organisms	% reduction in freshwater withdrawals/MWh of power generation compared to 2012	-48%	-39%	-39%	≤ -15%	2020

And new commitments to be met by 2030 > Our objectives pp. 14-15

+ 9 GW

in renewable capacities between the end of 2018 and 2021

-62%

in GHG emissions for energy production (Scope 1 and 3) compared to 2017 by 2030

-35%

in water consumption by industrial activities compared to 2019 by 2030





“ Interview



Wilfrid Petrie

Group Executive Vice
President supervising ENGIE
Solutions

“ What example of a decarbonization project has mobilized the ENGIE Solutions* teams?

With full awareness of the challenges of the energy transition, the City of Vélizy-Villacoublay has chosen to draw on the wide range of recognized expertise within ENGIE Solutions through several strategic projects that aim to reduce carbon emissions and optimize the management of public action by promoting virtuous regional development.

For example, the energy performance contract includes the operation of 4,000 LED light points and the management of all intersections with traffic lights. Annual energy consumption for public lighting will eventually be reduced by 44%, or more than 1 GWh per year. To help decarbonize travel and make it more fluid, electric charging points have been deployed in four neighborhoods, and a real-time management application for nearly 2,000 parking spaces has been launched. Experiments to improve air quality in schools by installing sensors to collect information on indoor and outdoor air quality and innovative pollution control devices have also been proposed.

In addition, ENGIE Solutions has joined forces with the City to become an 80% shareholder in SAS Véligéo to supply heat to the Vélizy-Villacoublay network with deep geothermal energy for 28 years, using multi-drain drilling technology for the first time in France. More than 60% of the heating network's energy production will therefore come from renewable energy: heat that has a low environmental impact and stabilizes the price for subscribers. ”

* ENGIE Solutions is the new brand that unites the France B to B and France Networks BUS for cities and local authorities, industry and the tertiary sector.

OUR VALUE CREATION

ENGIE

- ▶ Sustainability of value creation driven by the growing demand to support the carbon-neutral transition
- ▶ Better management of environmental risks
- ▶ Strengthening the Group's attractiveness and stakeholder trust
- ▶ Stable, long-lasting relationships in connection with long-term contracts
- ▶ Improvement of customer satisfaction, new customer acquisition, fostering loyalty
- ▶ Access to green finance
- ▶ A significant reduction in GHG emissions and negative external environmental effects from the Group's activities

Customers

- ▶ Optimizing energy consumption and achieving savings
- ▶ Contribution to the achievement of Sustainable Development Goals
- ▶ Reducing environmental and carbon footprint
- ▶ Reduction of exposure to risks and uncertainties related to fossil fuels
- ▶ Commercial offers in line with new expectations
- ▶ Contributing to the sustainable economic development of territories

Organized civil society

- ▶ Contributing to the success of the 2°C trajectory
- ▶ Better air quality, preservation of biodiversity
- ▶ Opportunity to influence projects through consultation
- ▶ Development of locally produced renewable energies with a positive impact on jobs created

Investors

- ▶ Sustainable and resilient business model
- ▶ Decarbonization of the portfolio
- ▶ Long-term vision for strategy

A carbon-neutral transition **that serves everyone**

Through special support, ENGIE contributes to the responsible development of cities and regions, in collaboration with all their stakeholders.

Supporting regions on the path to energy transition

OUR DRIVERS OF ACTION

To adapt to the new needs of cities and regions, ENGIE offers **complete and integrated** services designed in close consultation with local authorities. The Group deploys a variety of solutions to build **smart, responsible and desirable regions** based on **digital technologies**.

At the heart of the offer, the installation and **greening of heating and cooling networks** enables regions to supply their networks with different types of **renewable energy**. Its expertise in complex infrastructures also enables ENGIE to assist public actors in the **construction, renovation or management** of **efficient and sustainable** buildings or neighborhoods.

ENGIE now includes a **societal component** in many energy transition projects. The Group has thus won several tenders thanks to its **knowledge of regional institutions and associations**.

ENGIE builds long-term relationships with around **140,000 active suppliers**, 90% of which are European, by **supporting them in their SBT (Science Based Targets) trajectory**. It also has a **support policy for SMEs**.

OUR ACHIEVEMENTS IN 2019

- ▶ Global support to improve the energy performance of cities (Milton Keynes in the United Kingdom, Milan San Carlo Trieste in Italy and Edinburgh St James in Scotland)
- ▶ Greening of the heating and cooling networks in Ottawa (see p. 25), Champs-sur-Marne (Ile-de-France) and Compiègne (Hauts-de-France)
- ▶ Support for architectural and urban planning projects:
 - Library and Archives of Canada (33-year contract)
 - Palais du Commerce in Rennes
- ▶ Launch by ENGIE and C3.ai of "Smart Institutions," an AI-based software solution for global energy management aimed at regional players
- ▶ Winner of the "Reinventing Cities - Paris Porte de Montreuil" competition, which includes an important societal component
- ▶ Support for some thirty SMEs to develop innovative solutions to meet the new needs of urban populations in accordance with the fourth SME Pact
- ▶ Support for suppliers in their SBT trajectory⁽¹⁾ and support for suppliers located in so-called "Priority City Neighborhoods"

Facilitating access to the energy transition for everyone

OUR DRIVERS OF ACTION

Convinced of energy efficiency's major role in a **competitive** energy transition, ENGIE confirms its commitment to provide its customers with solutions that enable them to act to promote the **energy transition according to their means**. The Group relies in particular on **Rassembleurs d'Energies (RdE)**, its Impact Investment Fund, which invests in social entrepreneurs that offer innovative and sustainable energy solutions to unserved populations in more than 15 countries.

OUR ACHIEVEMENTS IN 2019

- ▶ The "Energy Purchasing Power" plan, which enables the most modest French households to replace their old equipment with modern fixtures
- ▶ Construction of eight hybrid solar power plants that will supply nearly 1,600 isolated households in Gabon
- ▶ B-Corp™ certification of the RdE fund, which increases the value of the real impact and positive contributions of its investments in companies, which have created more than 6,000 jobs and given access to energy to 4.3 million recipients

(1) SBT: Science Based Targets

Interview



Yoven Mooroooven
Chief Executive Officer of
ENGIE Africa

“ What is the place of energy access in ENGIE's development strategy in Africa? ”

In energy access, ENGIE aims to industrialize and intensify the development of a wide range of off-grid solutions, with a solid, profitable and sustainable business model. Currently, ENGIE provides decentralized electricity to more than four million people in nine countries through Fenix and ENGIE Mobisol home solar kits and ENGIE PowerCorner mini-grids. These solutions make it possible to catalyze economic development through the creation of income-generating activities (commerce, industry, agriculture) and improve living conditions through the electrification of homes as well as streets, schools and hospitals. ”

Developing carbon-neutral mobility

OUR DRIVERS OF ACTION

ENGIE offers a complete set of **mobility** solutions that transform the way energy is used. The Group's goal is to participate in the emergence of **cleaner**, more **shared** and more **connected** mobility.

To do this, it takes a systemic approach, combining its skills and expertise in **alternative fuels, transportation infrastructure, intelligent transportation systems, design** and upstream **planning**.

The Group is becoming a **pioneer** in **green hydrogen**, which can be used as a fuel thanks to a fuel cell that converts it into electricity. **Electric mobility** is also one of the key elements of ENGIE's strategy.

The Group is also working to **improve the mobility experience** for users, with such solutions as wireless **Internet connectivity** for public transportation, or traffic fluidity.

2nd

largest global player in recharging stations for electric vehicles

Over 4 million

beneficiaries of the ENGIE Rassembleurs d'Energies social fund

OUR ACHIEVEMENTS IN 2019

- ▶ Deployment of turnkey mobility solutions:
 - Santiago, Chile: leasing of 100 electric buses and management of recharging stations powered by 100% renewable energy
 - Management of 5,000 charging points for electric cars in Rotterdam
 - Agreement with Heliox for the installation, operation and maintenance of electric bus recharging infrastructures in nine European countries
- ▶ Launch of Hystart, a renewable hydrogen production and distribution solution for local authorities and tertiary fleets
- ▶ Inauguration of the first hydrogen bus station in Houdain (Hauts-de-France)
- ▶ ENGIE selected as a partner for projects in France to support the deployment of green hydrogen in mobility: EFFE H2, Hynovar, HyPort and Zéro Emission Valley
- ▶ Partnership with Fiat Chrysler Automobiles to provide recharging solutions for electric vehicles in 14 countries in Europe
- ▶ Installation of on-board connectivity solutions in trains and buses in the Province of Ontario (Canada) and in the trains of the Italian company Trenitalia
- ▶ Partnership with the start-up Pragma Industrie to launch a hydrogen-powered bicycle sector in France

OUR VALUE CREATION

ENGIE

- ▶ Sustainability of value creation driven by the growing demand to support the carbon-neutral transition
- ▶ Stable, long-lasting relationships in connection with long-term contracts
- ▶ Improvement of customer satisfaction, new customer acquisition, fostering loyalty
- ▶ Strengthening the Group's attractiveness and stakeholder trust

Customers

- ▶ Strengthening the effectiveness, sustainability and attractiveness of regions
- ▶ Reduction of exposure to risks and uncertainties related to fossil fuels
- ▶ Increased relevance of projects
- ▶ Support for customers threatened by energy poverty

Organized civil society

- ▶ Development of sustainable mobility
- ▶ Regional presence and increased acceptance of the Group's regional projects and activities
- ▶ Contributing to the success of the 2°C trajectory
- ▶ Support for innovation and the development of new energies and technologies

Our performance

		2017	2018	2019	Objective	Maturity
PEOPLE						
Stakeholder dialogue	Share of industrial activities covered by an appropriate dialogue and consultation mechanism	48%	53%	74%	100%	2020
Integrated and concerted environmental management	Share of target sites with an integrated plan for environmental management developed in conjunction with their stakeholders	61%	75%	86%	100%	2020
Responsible procurement	Proportion of Group entities with a "CSR" process for managing their supply chain	37%	84%	86%	100%	2020
Access to energy	Number of "Bottom of the Pyramid" beneficiaries of sustainable energy access programs	2.0 million	3.7 million	8.9 million	≥ 20 million	2020

And new commitments to be met by 2030 > Our objectives pp. 14-15

A **competitive** carbon-neutral transition

Its teams' commitment and its carbon-neutral transition strategy have enabled the Group to post solid 2019 results, in line with the planned trajectory.

OUR DRIVERS OF ACTION

Pursuing growth momentum

In 2019, the Group recorded good financial performance, with revenues of €60.1 billion, up 4% organically, and net recurring income, Group share of €2.7 billion, up 11% organically. These results were driven by the increase in nuclear availability and the performance of energy management activities.

Reducing the risks associated with our operations

In line with its carbon-neutral transition strategy, ENGIE is **expanding its portfolio** to minimize the impact of the least sustainable activities and strengthen the place of renewable energy and services. The Group is **multiplying its partnerships** with private or public players in order to **pool the risks** associated with its acquisitions or the large-scale investment projects it undertakes.

OUR ACHIEVEMENTS IN 2019

- ▶ Better readability of financial results thanks to the Group's organization into four Global Business Lines (Infrastructure, Thermal, Client Solutions, Renewables)
- ▶ Finalization of the sale of the 69.1% holding in Glow in Thailand and sale of coal-fired power plants with an installed capacity of 2.3 GW in Germany and the Netherlands, reducing the Group's share of coal to around 4% of total power generation capacity
- ▶ Acquisition of activities consistent with the Group's strategy (renewable energy and client solutions, transportation and mobility, innovation and new technologies)
- ▶ Signing of partnerships to share risks:
 - Partnership with Mirova and Forestia to create ten wind farms in Spain
 - Creation of a renewable energy joint venture in Mexico with Tokyo Gas

Our performance		2019	Objective	Maturity
PROFIT				
Strategic objectives	Growth investment	€7.4 bn	Objectives suspended due to COVID-19 by a decision of the Board of Directors on April 1, 2020	
	Asset rotation program (disposals)	€2.8 bn		
	Cost reduction performance program	€300 m		
2019 Guidance	EBITDA	€10.4 bn	€9.9 bn-€10.3 bn	2019
	Net recurring income, Group share	€2.7 bn	€2.5 bn-€2.7 bn	2019
	Dividend payout rate for fiscal year 2019/Net recurring income, Group share	0% by a decision of the Board of Directors on April 1, 2020	65% to 75%	2019

And new commitments to be met by 2030 > Our objectives pp. 14-15

3.2%
of share capital held by employees

€9.65 bn
in green bonds

¹ Disposals agreed

OUR DRIVERS OF ACTION

Sharing value with shareholders and employee shareholders

Individual shareholders and employees hold nearly **10% of ENGIE's capital**. Through a **transparent shareholder policy**, ENGIE gives them the opportunity to have medium-term visibility on their investment and participate in the carbon-neutral transition.

OUR ACHIEVEMENTS IN 2019

- ▶ Inclusion of ENGIE shares in the Euronext FAS IAS employee shareholding index
- ▶ Gold Trophy for the best CAC 40 shareholder relationship from the newspaper Le Revenu
- ▶ Share return between 5% and 6% for 2019

OUR DRIVERS OF ACTION

Making the energy transition profitable for our customers

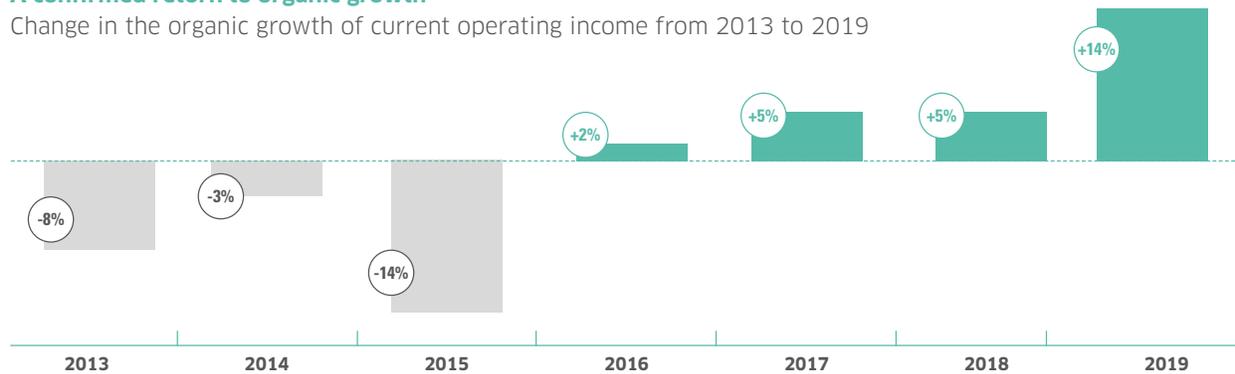
While the carbon-neutral transition strategy is profitable for the Group, it is also profitable for its customers. By optimizing energy consumption and infrastructure operation, each project results in large-scale, long-term **savings**.

OUR ACHIEVEMENTS IN 2019

- ▶ Energy performance contracts in industrial and tertiary activities
- ▶ 10-year contract to improve the energy efficiency of a tower in the Philippines

A confirmed return to organic growth

Change in the organic growth of current operating income from 2013 to 2019



OUR VALUE CREATION

ENGIE

- ▶ Rotation of portfolio assets for the transition to a sustainable business model
- ▶ Sustainability of value creation, driven by increasing demand for energy services and a growing number of customers
- ▶ Stable, long-lasting relationships in connection with public-private partnership contracts

Customers

- ▶ Energy and financial profitability
- ▶ Greater confidence thanks to the Group's performance and longevity

Investors

- ▶ Long-term vision for the financial and the CSR strategy
- ▶ Quality of shareholder policy and transparency and regularity of information

A carbon-neutral transition that brings people together

To carry out its strategy successfully, ENGIE uses the carbon-neutral transition to give its employees a shared purpose and deploys an HR policy that prepares the Group for changes in its market environment.

Working better together

OUR DRIVERS OF ACTION

Discussion and collaboration are the core of the Group's approach to collective progress. Events, meetings and immersion days are opportunities for employees to **foster synergy** between businesses and become **internal and external ambassadors** of the carbon-neutral transition strategy.

For example, ENGIE promotes and develops **intrapreneurship**, a lever for concrete action that enables employees to propose and develop solutions that reconcile business and societal expectations.

OUR ACHIEVEMENTS IN 2019

- ▶ Launch of the digital "The zero carbon transition journey" for all employees to take ownership of the strategy and implement it concretely
- ▶ Organization of the first Learning Expedition to demonstrate to the Group's technicians how they are participating in the carbon-neutral transition through the discovery of technical businesses, the sharing of best practices and the exchange of information
- ▶ Gathering of 130 young employees for the Young Professional Network's Creative Lab dedicated to the sustainable city
- ▶ Implementation of the 60 Intrapreneur4Good initiative alongside BNP Paribas and Danone to promote and develop positive-impact intrapreneurship

Leading a just transition

OUR DRIVERS OF ACTION

While the transition to a low-carbon economy is positive in many respects, its acceleration could nevertheless harm certain economic sectors, jobs, communities or regions heavily dependent on carbon-based energy.

A just transition aims to **offset and if possible improve** the social situation through a balanced sharing of constraints and opportunities.

OUR ACHIEVEMENTS IN 2019

- ▶ Launch of the project to close coal power plants in northern Chile with consideration of the social impact, offset by the development of renewable energy projects in the same region. Support and retraining of employees is facilitated by a constructive dialogue between national and local decision-makers and employee representatives
- ▶ Continuation of the project to rehabilitate the site of the former Hazelwood coal power plant (Australia) closed in 2017 and the neighboring mine, taking into account the social impact of the closure, which has been reduced by financial support measures and retraining courses at the new site or at other neighboring sites

Our performance

		2017	2018	2019	Objective	Maturity
PEOPLE						
Gender diversity	■ ■ Percentage of women in the Group's workforce	22.2%	21.1%	20.9%	≥ 25%	2020
	■ Share of women appointed to senior management positions (GMR)	38.5%	24%	28%	≥ 33%	2020
Diversity	■ Percentage of senior managers (GMR) coming from abroad, excluding France and Belgium	21%	24%	25.5%	≥ 25%	2020
Health and safety	■ ■ Internal occupational accident frequency rate	3.3	3.4	3.7	≤ 3	2020
	■ Percentage of Group entities that have a process that ensures training in the "life-saving rules" for subcontractors	85%	92%	92%	100%	2020
	■ Percentage of Group entities that have a process that ensures the identification and management of events with potentially high severity	90%	93%	95%	100%	2020
Training	■ ■ Percentage of employees who received training during the year	67.7%	66.1%	69.2%	≥ 66%	2020
Commitment	■ Percentage of employee commitment (ENGIE & Me survey)	78%	79%	80%	≥ 80%	2020

And new commitments to be met by 2030 > Our objectives pp. 14-15

Attracting talent and developing employability

OUR DRIVERS OF ACTION

To achieve its recruitment objectives, and in particular to have 10% of its total workforce in France and Europe be in work-study programs, the Group conducts **targeted campaigns** and regularly organizes **days dedicated to the professions of the future**. It continues to work with young people, experienced professionals and influencers to strengthen its image as an international Group and enhance its attractiveness.

To adapt expertise to the Group's transformation, ENGIE is developing a **catalog of physical and digital training courses** and promoting internal mobility.

8000

work-study trainees should be hired by 2021

50%

women managers in 2030

100

Gender equity index in 2030

OUR ACHIEVEMENTS IN 2019

Attracting talent

- ▶ Organization of the first Alter Show, an event aimed at young people who are seeking professional opportunities within the Group

Developing employability

- ▶ Deployment of training programs to guide young work-study students and employees toward "green" jobs with the ENGIE Academy project
- ▶ An HR Digital Committee has been set up to coordinate experiments in the BUs and at Group level relating to topics such as the management of skills and HR data
- ▶ Deployment of a digital space for the construction of professional projects and mobility
- ▶ Creation in Chile of the first "flying school": a personalized inter-country peer-to-peer training program, organized from time to time at the request of an operational entity for a specific technical target

Preserving health, safety and security at work

OUR DRIVERS OF ACTION

With its health and safety policy, ENGIE strives to **preserve the integrity of people** - employees, subcontractors, temporary workers, third parties - and property and to **improve the quality of life at work**. Targets set for the period 2016-2020 focus mainly on **eliminating serious and fatal accidents**, controlling **industrial risks**, reducing **workplace accidents**, **reducing absenteeism** for medical reasons, and developing a **health and safety culture and commitment** among employees, managers and subcontractors.

OUR ACHIEVEMENTS IN 2019

- ▶ Promotion of a just culture of health and safety (recognition of virtuous behaviors and punishment commensurate with the seriousness of discrepancies)
- ▶ Implementation of the **Prevention Rate**: a new, proactive and innovative indicator focused on identification and anticipation of risks and promoting prevention
- ▶ Deployment of a new e-learning tool designed to help all employees to memorize the fundamental rules of health, safety and security based on the most recent knowledge in neurocognitive sciences (use of the memory anchoring technique™)

OUR VALUE CREATION

ENGIE

- ▶ Embracing a huge diversity of profiles, a wide range of talents and skills
- ▶ Attractiveness of the ENGIE employer brand to new generations
- ▶ Improving efficiency and productivity through social performance (reducing absenteeism, costs of replacement, etc.)

Employees

- ▶ Individual development and skills diversification
- ▶ Strengthening confidence and quality of life at work
- ▶ Establishment of a "culture of protection" in health and safety at work (Global Care)

Civil society

- ▶ Compatibility of the Group profile with Society
- ▶ Increased compatibility of the Group's regional projects and activities
- ▶ Development of local projects with creation of sustainable activities and jobs

A carbon-neutral transition **for the future**

At the heart of the Group's strategy, ENGIE's innovation policy is fueled by constant exchanges with its ecosystem. By identifying emerging trends, the Group is improving its performance and positioning itself in new sectors that offer opportunities.

Improving industrial performance

OUR DRIVERS OF ACTION

ENGIE directs its **research** toward projects that enable it to be ever more **efficient** and **responsible** in the **conducting** of its **operations**. Its corporate R&D and expertise center, the CRIGEN Lab, develops **pilot projects** related to new energy sources, energy uses in cities, industry of the future and emerging technologies. Its work is strongly focused on the implementation of innovative solutions and offers aimed at **improving the operational performance** of the Business Units and generating **new sources of revenue**.

20

direct holdings of the ENGIE New Ventures investment fund in start-ups

900

researchers

OUR ACHIEVEMENTS IN 2019

- ▶ Development of the Bioscyane project to use nature's intelligence to develop new solutions for industrial performance and avoid the use of polluting chemicals
- ▶ Management of three research projects focusing on hydrogen and Artificial Intelligence funded by the European Union:
 - Platoon, the goal of which is to build and deploy a platform that can support, extend and consolidate real-time energy management solutions
 - C2Fuel, the ambition of which is to explore the potential of green hydrogen for industrial CO₂ recovery
 - THyGA, which aims to expand knowledge of the technical impacts of hydrogen and gas mixtures in the residential and tertiary sectors
- ▶ Partnership with Accenture, Vlocity and Salesforce to deploy a global unified CRM platform that will provide a 360-degree view of customers

Preparing for the future with an ecosystem of innovation

ENGIE relies on **partnerships** with key players in the innovation ecosystem - accelerators, incubators, Fab Labs, clusters - to deploy **ambitious R&D projects** to promote carbon-neutral transition and **jointly construct tomorrow's solutions**.

- ▶ Launch of an innovative project to explore offshore photovoltaic energy technology with a consortium that includes Tractebel, the Jan De Nul Group, DEME, Soltech and Ghent University
- ▶ Participation in Artificial Intelligence research at PRAIRIE, the Paris Institute of Artificial Intelligence, alongside Suez, Facebook, Google and Amazon

OUR VALUE CREATION

ENGIE

- ▶ Improvement of industrial performance
- ▶ Greater adaptation to market needs to allow the acquisition of new customers and retain loyalty in the customer portfolio
- ▶ Detecting opportunities that create long-term value
- ▶ Personalized service and diversification of its activity by being more than an energy supplier
- ▶ Strengthening of ENGIE's attractiveness as a leading player in cutting-edge sectors

Customers

- ▶ Access to new products and services that respond to their needs
- ▶ Possibility of a lower-cost energy transition
- ▶ Moving toward more sustainable regions

Employees

- ▶ Development of a "culture of innovation" within the Group
- ▶ Enhancing skills through collaboration with internal and external stakeholders

Listening to the environment to detect weak signals

OUR DRIVERS OF ACTION

Through its ENGIE Fab innovation center, the Group **detects the emergence of new trends** and ideas that could potentially lead to new businesses. The Group is also increasing opportunities to **meet innovative start-ups** throughout the year. ENGIE has also developed a **policy for listening to** and measuring the **satisfaction of its customers**, regularly monitored by the top management by means of two indicators: the Net Promoter Score (NPS) and the Customer Satisfaction Indicator.

This policy of listening also applies to employees, with the implementation of many internal tools to **collect innovative ideas**, such as the Innov@ENGIE platform.

OUR ACHIEVEMENTS IN 2019

- ▶ Deployment of the NPS indicator among BtoB customers
- ▶ Implementation of the "Data@ Engie" project, which aims to create value using the Group's data
- ▶ Launch of the Digital 50: a forum for interaction and synergy between a community of entrepreneurs from companies with a strong digital component and the ENGIE teams
- ▶ First meetings of the ENGIE Salesforce and Vlocity community, which aims to present concrete uses developed by various entities around customer relationship solutions
- ▶ Support for the Grenoble School of Management's Energy for Society chair, which will study the impact of new energy services that reconcile business attractiveness and citizen support

Inventing the regions of tomorrow

OUR DRIVERS OF ACTION

The **city of the future** is an especially strategic area of innovation for ENGIE. The Group is involved in numerous research projects to **improve citizens' living conditions** that integrate energy transition and digital transition.

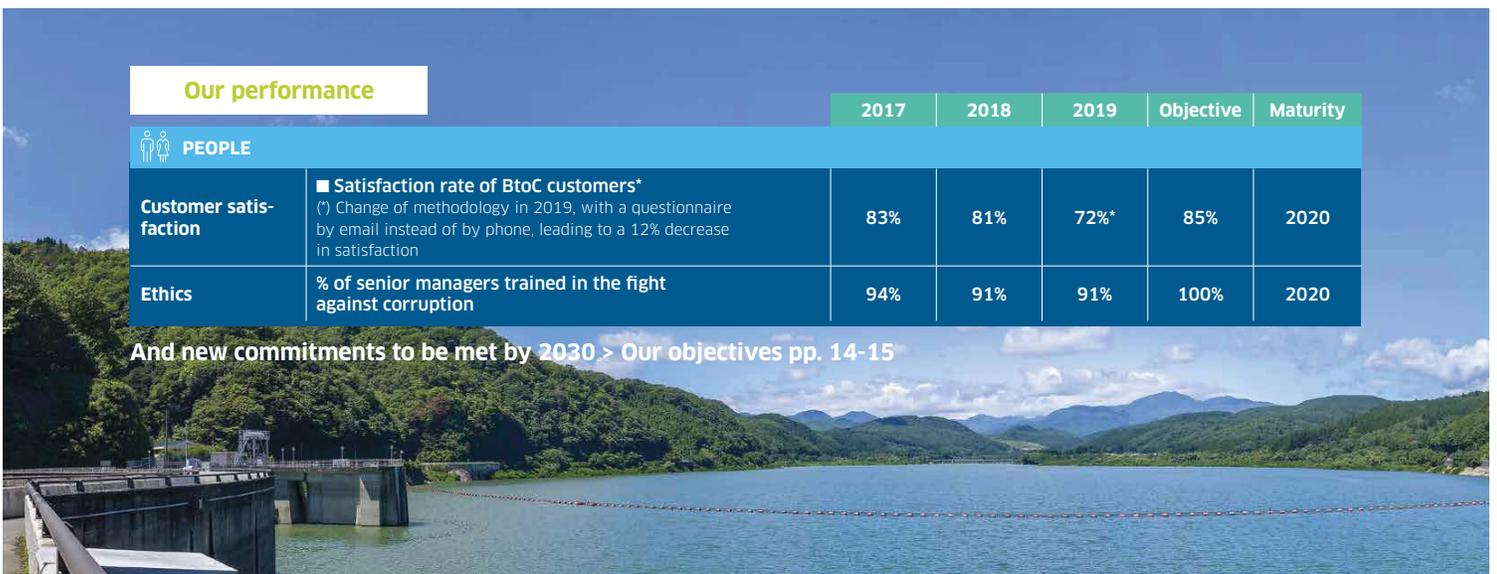
OUR ACHIEVEMENTS IN 2019

- ▶ Partnership between Aire Nouvelle, a subsidiary of ENGIE, and start-ups to design the cities of the future
- ▶ Support of Paris La Défense by Efficacity in the deployment of 5G
- ▶ Development of 3D digital twinning for territories: a benchmark that gathers all of the data of a territory that can combine public and private data and calculate new performance and sustainability indicators
- ▶ Implementation and support for the deployment of Smart Platform 2030, a common vector for the development and promotion of the Île-de-France Region
- ▶ Inauguration of the 3rd "Connected Cities and Territories e-Lab" near Nantes, to continue constructing innovative solutions with cities for greater attractiveness, fluidity and safety

Our performance

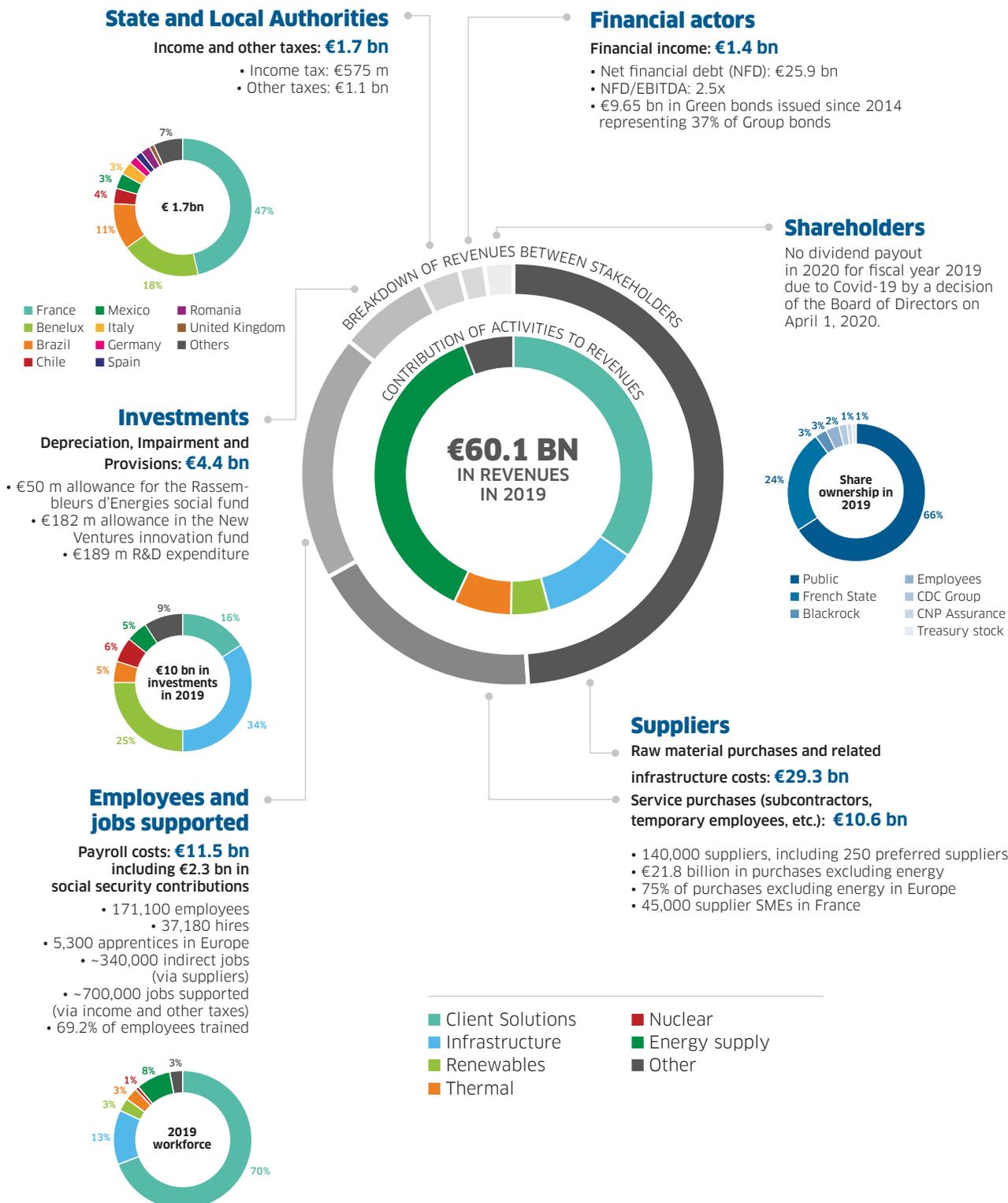
		2017	2018	2019	Objective	Maturity
PEOPLE						
Customer satisfaction	■ Satisfaction rate of BtoC customers* (*) Change of methodology in 2019, with a questionnaire by email instead of by phone, leading to a 12% decrease in satisfaction	83%	81%	72%*	85%	2020
Ethics	% of senior managers trained in the fight against corruption	94%	91%	91%	100%	2020

And new commitments to be met by 2030 > Our objectives pp. 14-15



Distribution of value in 2019

The following diagram shows the contribution by customers of various activities to ENGIE's revenues in 2019 and the breakdown of value creation between the various stakeholders: **suppliers** via purchases, **employees** via payroll costs, **the State and local authorities** via taxes, **financial players** via debt, **shareholders** via dividends, and **economic partners** via investments.



Statutory auditors' assurance report

on selected social, environmental and governance information published in the 2020 ENGIE Integrated Report

This is a free translation into English of the original report issued in the French language and is provided solely for the convenience of English-speaking readers

Pursuant to your request and in our capacity as Statutory Auditors of ENGIE (the "Company"), we performed a review in the aim of providing limited and reasonable assurance on the environmental and social indicators selected by ENGIE and identified by the symbols ■ and ■■ respectively in the 2020 integrated report for fiscal year 2019 (the "Data").

Responsibility of the Company

The Data has been prepared under the responsibility of ENGIE executive management, in accordance with the criteria used by the company (hereinafter the "Reporting Criteria") for social and environmental reporting data, available upon request at the Company's headquarters from the Group Environmental and Social Responsibility Department, the Group Health and Safety Department and the Group Human Resources Department.

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as the provisions set forth in Article L.822-11-3 of the French Commercial Code (Code de commerce). Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with ethical rules, professional standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditors

Based on our work, our responsibility is:

- to express a limited assurance on the fact that the Data selected by the Company has been prepared, in all material aspects, in accordance with the Reporting Criteria. The conclusions expressed here below cover only this Data and not all of the information set forth in the integrated report.
- to express a reasonable assurance on the fact that the Data selected by the Company has been prepared, in all material aspects, in accordance with the Reporting Criteria. The conclusions expressed here below cover only this Data and not all of the information set forth in the integrated report.

Nature and scope of work

We have performed the procedures described below in accordance with the professional guidance issued by the national auditing body (Compagnie nationale des commissaires aux comptes) relating to this operation and ISAE 3000.

We carried out the work described below in order to obtain:

- a reasonable assurance that Data selected by the Group and identified by the sign ■■ are fairly presented with no material anomaly in accordance with the Guidelines, in all material respects.

- a limited assurance that Data selected by the Group and identified by the sign ■ are fairly presented with no material anomaly in accordance with the Guidelines, in all material respects. A higher level of assurance would have required us to carry out more extensive procedures.

We entrusted our experts in corporate social responsibility to assist us in the work described below:

- We have assessed the appropriateness of the Reporting Criteria with respect to its relevance, completeness, reliability, neutrality and clarity, by taking into consideration, when relevant, the sector's best practices;
- We have verified the set-up of a process to collect, compile, process, and check the completeness and consistency of the Data;
- We have interviewed the relevant staff from the Group Environmental and Social Responsibility Department, the Group Health and Safety Department and the Group Human Resources Department at the headquarters and Business Units (hereinafter "BUs") in order to analyze the deployment and application of the Reporting Criteria.
- We have set up analytical procedures on the Data and verified, using sampling techniques, the calculations as well as the consolidation of Data.
- We have tested the Data for a representative sample of entities that we selected based on their activity, their contribution to the consolidated Data, their location and a risk analysis. We have conducted interviews to verify the proper application of procedures and conducted substantive tests, using sampling techniques, to verify the calculations performed and reconcile data with supporting evidence.
- The selected sample represented:
 - For the reasonable assurance, 50% of the workforce and between 15% and 61% of the environmental information.
 - For the limited assurance, 20% of the workforce and between 33% and 83% of the environmental information.

Conclusion

Reasonable assurance

In our opinion, the information selected by the Group and identified by the sign ■■ in the integrated report have been prepared, in all material aspects, in accordance with the Reporting Criteria.

Limited assurance

Based on the procedures performed, nothing has come to our attention that causes us to believe that the information selected by the Group and identified by the sign ■ in the integrated report is not presented fairly in accordance with the Guidelines, in all material respects.

Paris-La Défense April 17th 2020

The Statutory Auditors

DELOITTE & ASSOCIES

Olivier Broissand
Partner

Patrick E. Suissa
Partner

Charles-Emmanuel Chosson
Partner

ERNST & YOUNG et Autres

Stéphane Pédron
Partner

¹ **Social, health and safety information:** Support persons (incl. subcontractors) trained in "Life-saving rules", Identification of treatment of potentially serious events by BU, Hours of training, Work-study trainees in the workforce, Employee commitment (ENGIE & me survey), Number of permanent contract and fixed-term hires, Number of fatal accidents (employees), Accident severity rate, Senior Managers from abroad (outside France, Belgium), Women appointed to senior management, Satisfaction rate of BtoC customers.

Environmental information: Total Consumption - freshwater and non-freshwater, Non-hazardous waste recovery rate, NOx emissions, SO2 emissions, Fine particle emissions.

² **Social, health and safety information:** Number of employees, Internal occupational accident frequency rate, Women in the Group's workforce, Women in management positions, Trained workforce, Managerial staff in the workforce, Workforce with permanent contracts.

Environmental information: Primary energy consumption - total (excluding self-consumption), Total GHG emissions - scope 1, Total GHG emissions - scope 2, CO2 emission ratio - Energy generation scope 1, Hazardous waste recovery rate.

³ ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information.

⁴ **Social, health and safety information:**

Audits performed at BU level: France Renewable Energy BU ; Benelux BU ; North, South and Eastern Europe BU ; Tractebel Engineering BU.

Audits performed at entities level: France BtoB BU : INEO, ENDEL ; France BtoC BU: Direction des Tarifs Réglementés ; France Networks BU: Cofely Réseaux Etablissement ; United Kingdom BU : ENGIE Services ; North America BU : Unity International Group, ENGIE Insight Services ; Latin America BU: IMA Industrial ; Brazil BU: ENGIE Brasil Serviços de Energia ; Middle East, South and Central Asia, and Turkey BU: SUEZ Tractebel Operation and Maintenance (Oman) ; Asia-Pacific BU: ENGIE Services Singapore ; GRTgaz BU: GRTgaz ; Elengy BU: Elengy ; Other BU : ENGIE SA Corporate activities.

Environmental information:

Audits performed at BU level: United Kingdom BU.

Audits performed at entities level: France Renewable Energy BU : CN'Air, Compagnie Nationale du Rhône; France BtoB BU : Engie energy production and distribution - East-North Territories ; France Networks BU : Climespace ; Generation Europe BU : Coo, DK6 (Dunkerque), Knippegroen, SPEM (Montoir), Maxima, Amercoeur and Eems power plants ; Benelux BU: Doel, Tihange ; North, South and Eastern Europe BU : Engie Servizi ; Latin America BU : Engie Generación Monterrey, Mejillones, Tocopiella and Inversiones Hornitos power plants (ENGIE Energia Chile) ; Brazil BU: Salto Santiago, Companhia Energetica Estreito, Machadinho, ITA Energetica and Jorge Lacerda power plants (ENGIE Brasil Energia); Asia-Pacific BU : Pelican Point power plant ; Storengy BU: Chémery storage site.

Operational Indicators

	2017	2018	2019
Installed electricity generation capacity (GW) ⁽¹⁾	102.7	104.3	96.8
Capacity under construction (GW) ⁽¹⁾	6.1	6.7	6.3
Installed renewables capacity (%) ⁽¹⁾	23.1	23.7	27.8
Installed renewables capacity (GW) ⁽¹⁾	23.7	24.8	26.9
- of which hydro (excluding pump storage)	16.5	16.5	16.3
- of which wind	4.8	5.4	7.4
- of which solar	1.8	2.2	2.6
- of which biomass/biogas	0.6	0.7	0.6
■ Satisfaction rate of BtoC customers (%)	83	81	72
R&D expenditure (€ million)	180	182	189
Gas sales (TWh) ⁽²⁾	632	496	550
Electricity sales (TWh) ⁽²⁾	339	317	344
Electricity generation (TWh) ⁽¹⁾	433	416	417
Load factor of gas stock (%)	55	53	53
Load factor of coal stock (%)	66	54	41
Availability of nuclear power plants (%)	77	52	79
RAB distribution France (€ bn) ⁽³⁾	14.4	14.5	14.8
RAB transmission France (€ bn) ⁽³⁾	8.3	8.2	8.9
RAB storage France (€ bn) ⁽³⁾	NA	3.6	3.7
RAB LNG terminals France (€ bn) ⁽³⁾	1.0	1.1	1.0
Quantity of energy distributed (TWh)	283.7	277.5	274.9
Storage capacity sold (TWh)	78.3	104.8	118.2
Length of distribution networks (km)	269,124	249,272	252,279
Length of GRDF network (km)	199,781	200,700	201,719
Length of transmission networks (km)	40,060	34,904	39,345
Length of GRTgaz network (km)	32,414	32,548	32,527
Facilities - Order book (€ million)	6240	8,116	9,922
Engineering - Order book (€ million)	771	778	786

Group financial data

	2017	2018	2019
Revenue (€ bn)	65.0	57.0	60.1
EBITDA (€ bn)	9.3	9.7	10.4
Current Operating Income (€ bn) ⁽⁴⁾	5.3	5.2	5.7
Net recurring income, Group share (€ bn)	2.6	2.5	2.7
Gross investment (€ bn)	9.3	8.2	10.0
Cash flow from operations (CFFO) ⁽⁵⁾	8.3	7.7	7.6
Net financial debt	22.5	23.3	25.9
Net financial debt/EBITDA	2.25	2.3	2.5
Ordinary dividend for year N paid in year N+1 (€/share)	0.70	0.75	0

(1) 100% recognized regardless of the ownership rate and excluding Client Solutions capacities for the 2019 figures

(2) Sales figures are consolidated in accordance with accounting standards

(3) Regulated Asset Base as of January 1

(4) Current operating income after share in net income of entities accounted for using the equity method

(5) Cash Flow From Operations: Free cash flow before maintenance CAPEX

Environmental indicators

	2017	2018	2019
■ ■ Total GHG Emissions - Scope 1 (Mt CO ₂ eq)	89.8	66.1	54.0
■ ■ Total GHG Emissions - Scope 2 (Mt CO ₂ eq) **	3.6	2.9	2.5
Total GHG Emissions - Scope 3 (Mt CO ₂ eq)	145.5	133.1	126.3
■ ■ CO ₂ emission ratio - Energy generation - Scope 1 (kg CO ₂ eq/MWh)	363.7	315.3	248.7
Reduction of CO ₂ emission ratio for electricity production compared to 2012 (%)	-18.1	-28.6	-43.7
■ NOx emissions (kt)	92.2	60.4	50.4
■ SO ₂ emissions (kt)	159.6	118.3	129.0
■ Fine particle emissions (kt)	7.4	4.9	4.5
■ ■ Primary energy consumption - Total (excluding self-consumption) (TWh)	445	331	338
■ Total consumption - freshwater and non-freshwater (Mm ³)	124.9	85.3	93.3
Reduction in ratio of freshwater withdrawals/MWh of power generation compared to 2012 (%)	-48	-39	-39
Environmental risk prevention plan (% of relevant revenue)	83.2	87.6	80.2
Environmental expenditure (€ million)	397	406	466
Environment-related complaints (no.)	13	24	10
Environment-related convictions (no.)	1	0	1
Amount of compensation (€ thousand)	0	0	13
■ Non-hazardous waste recovery rate (%)	81.3	85.0	76.2
■ ■ Hazardous waste recovery rate (%)	13.5	27.7	31
Certified environmental management system (% of relevant revenue)	81.7	80.3	72.6

Social indicators

	2017	2018	2019
■ ■ Number of employees	155,128	160,301	171,103
■ ■ Internal occupational accident frequency rate	3.3	3.4	3.7
■ Accident severity rate (%)	0.20	0.19	0.21
■ Support persons (incl. subcontractors) trained in "Life-saving rules" (%)	85	92	92
■ Identification of treatment of potentially serious events by BU (%)	90	93	95
■ ■ Women in the Group's workforce (%)	22.2	21.1	20.9
■ ■ Women in management positions (%)	22.9	23.3	23.5
■ ■ Women appointed to senior management (%) (Group Managed Roles since 2018)	38.5	24	28
■ ■ Trained workforce (%)	67.7	66.1	69.2
■ Hours of training (no.)	3,082,644	3,069,973	3,271,154
■ Work-study trainees in the workforce (%)	2.9	3.0	3.3
Overall employment rate of employees with disabilities in France	4.61	4.8	4.3
■ Employee commitment (%)	78	79	80
Employee shareholding (% of share capital held)	2.6	3.9	3.2
Women receiving performance shares (%)	nd	26	27
■ ■ Managerial staff in the workforce (%)	24.0	25.0	25.1
■ ■ Workforce with permanent contracts (%)	93.3	92.5	90.3
■ No. of permanent contract and fixed-term hires	23,838	29,754	37,189
Voluntary turnover (%)	5.8	5.8	7.1
■ Number of fatal accidents (employees)	1	4	2

Societal indicators

	2017	2018	2019
Industrial activities covered by an appropriate stakeholder dialogue and consultation mechanism (%)	48	53	74
Target sites with an integrated plan for environmental management developed in conjunction with their stakeholders (%)	61	75	86
Entities with a CSR process for managing their supply chain (%)	37	84	86
"Bottom of the pyramid" beneficiaries of sustainable energy access programs (million)	2.4	3.7	8.9

Governance indicators

	2017	2018	2019
Number of Directors	19	14	13
Number of nationalities represented on the Board of Directors	5	4	4
Participation rate on the Board of Directors (%)	90	94	95
Independence rate of the Board of Directors (%)	53	60	67
Gender diversity rate of the Board of Directors (%)	50	40	40
■ Senior Managers from abroad (outside France, Belgium) (%)	21	24	25.5
Senior managers trained in combating corruption (%)	94	91	91

* AT the end of the General Shareholders' Meeting of year N +1

This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based as well as statements about projects, objectives and expectations regarding future operations, products or services, or future performance. Although ENGIE's management believes that these forward-looking statements are reasonable, investors and ENGIE shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of ENGIE and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by ENGIE with the French Financial Markets Authority (AMF), including those listed in the "Risk Factors" section of the ENGIE Universal Registration Document filed with the AMF on March 18, 2020.

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Targeted communication for each of our stakeholders

- Investors and analysts ● Individual shareholders ● Key accounts (industrial and public authorities) and individual customers
- Industrial partners and suppliers ● Public authorities ● NGOs and civil society ● Employees



Integrated Report

Targets:



Integrated vision of the Group's financial and CSR strategy and performance and of its value creation strategy



Universal Registration Document

Targets:



Document in accordance with French and European legislation containing the financial report, governance report, consolidation of annual results, statement on non-financial performance



Annual results for 2019

Targets:



Presentation to investors of the Group's annual results and its strategic and organizational developments



Sustainability Book

Targets:



Annual review of CSR achievements and performance

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