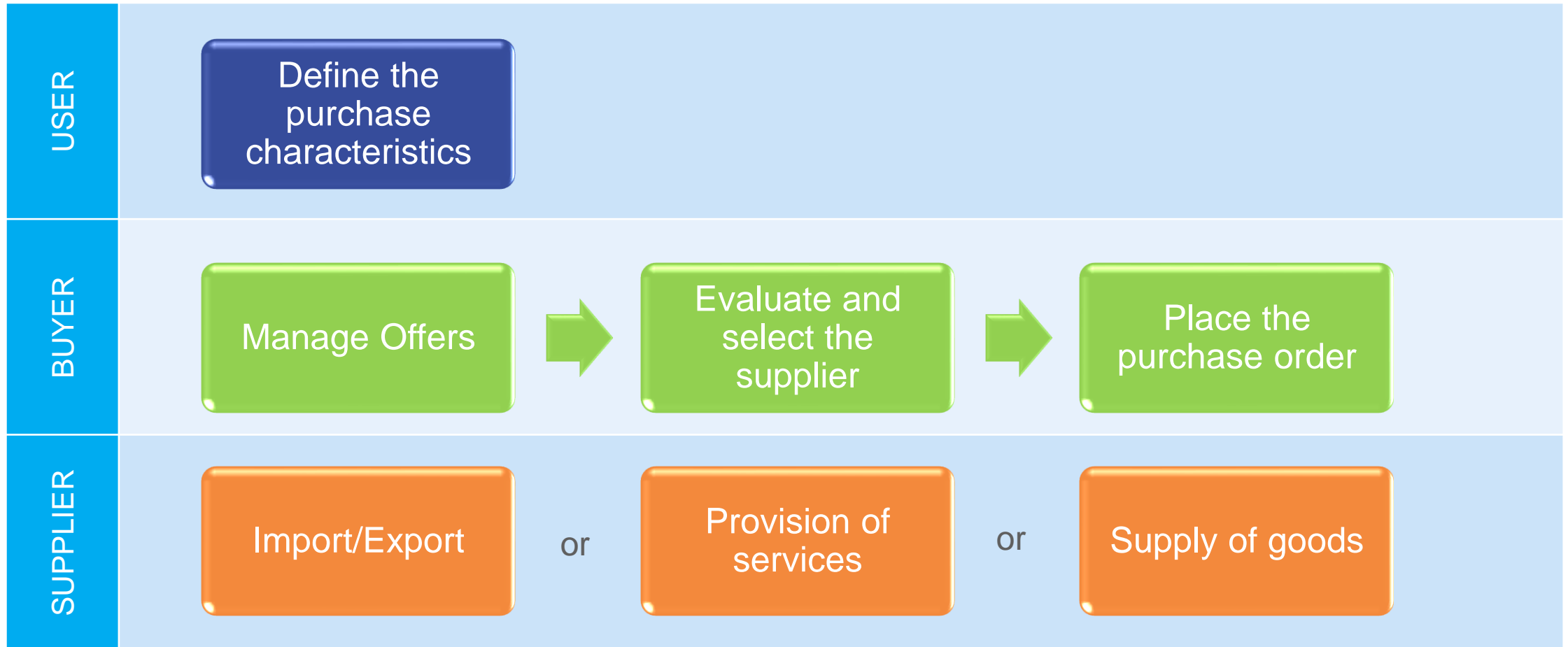


ENGIE SUPPLY CHAIN



Purchasing Process Description



Due Diligence Policy: Direct suppliers and subcontractors

Description

- As soon as a potential supplier is contacted, the supplier's compliance with the obligations addressed by the policy must be verified.
- The Due Diligence report is valid for the full contract term (3 years at most) and must be updated if the Chief Procurement Officer or Category Manager learns of any new event (takeover, negative news article, etc).

Simplified Due Diligence – Level 1

- **Level 1 Due Diligence** is designed to detect any breach in relation to corruption or fraud, mainly linked to health, safety, human rights, or environmental issues.
- It is conducted using open source data from Google searches combined with two more specialized tools.
- The DDL1 also assesses credit risk, whether the supplier has a business structure in a tax haven, presents a risk for the environment and business reputation
- **Red flags** refers to the identification of any real or potential breach that may indicate a risk. Red flags may concern to:
 - Lack of information about a company or its shareholders.
 - Convictions, indictments or allegations concerning fraud, corruption, arms trafficking, human trafficking, money laundry, or terrorism.
 - Sanctions, convictions, indictments or allegations pursuant to embargo regulations or violations of export control rules (e.g; being listed on the sanctions list of the United States Office of Foreign Assets Control (OFAC), The European Union or the United Nations).
 - Convictions, indictments or allegations concerning violations of fundamental human rights, human trafficking or slavery;
 - Convictions, indictments or allegations concerning incidents or failures concerning the environment (pollution, industrial accidents, contamination, etc) or health safety (accidents, fires, collapses etc) or
 - Any reputational risk (petition, trial, conviction, class action, scandal etc)

Level 2 Due Diligence

- Level 2 Due Diligence** is a more thorough investigation conducted by an economic intelligence professional, either C2A, or an external provider.
- Critical suppliers that present breaches in their Due Diligence Level 1 (DDL1) assessment must pass a Level 2 Due Diligence assessment, which is performed by an external company.
 - If after Level 2-Due Diligence the C2A or the provider considers that the risk is controlled or limited, the CM or CPO may continue the commercial relationship
 - If the Due Diligence results indicate a significant risk, the CM or CPO must inform the Ethics and Compliance Officer and together determine how to mitigate the risk (ask the supplier for more information about its accounts, the addition of a more restrictive legal clause, institute a monitoring process if there are suspicions of corruption, require an anticorruption policy).

ESG criteria in supplier selection and contract awarding

Description

Security (Decisive)	Environment (Decisive)	ESG Factors-Factor that gives additional score (10 points)	Technical Evaluation (55)	Economic evaluation (41)
<ul style="list-style-type: none"> • Annual Occupational Health and Safety Plan and Program. • Hazard Identification Matrix, risk assessment and its controls. • Rate of accidentability/safety of 03 years. • Staff organization and CV's of personnel in charge of risk management • Certifications, Safety training for high-risk positions. 	<ul style="list-style-type: none"> • Waste and surplus management plan. • Environmental risk matrix. 	<ul style="list-style-type: none"> • Carbon footprint measurement. • Sustainability Policy. • Annual Sustainability Report. • Evidence of implementation of actions that promote Diversity & Inclusion (Gender Equity, LGBT+ Diversity, Inclusion of ethnic minorities, Fight against racial and cultural discrimination, Inclusion of people with disabilities, Diversity of age groups, Diversity of education and social origin). • Evidence of being signatory formally and publicly of any external or joint initiative of principles on Corporate Social Responsibility (CSR). • Policies and procedures on crime prevention. • Certifications related to sustainability, for example Ecovadis, ISO 26001, or another. 	<ul style="list-style-type: none"> • Scope Compliance • Experience of previous services in similar companies. • Quality Management System, procedures for the execution of the service, protocols, check list, etc. • Organization chart and CV of Key personnel for the execution of the service • Schedule • Cybersecurity Policy (in case it does not apply to the service, all bidders receive 5 points) 	<ul style="list-style-type: none"> • Cost of the Service + exceptions • Payment Method • Fulfillment of responsibilities (Social Security and Employees' Pension Fund)

PROCESS CHARTER -BUSINESS PARTNER MANAGEMENT

Internal controls

Subproceso	Activity	Risk	Internal control
<ul style="list-style-type: none"> Creation of the Business Partner 	Ethical validation	Risk of corruption of a supplier (non-compliance with SAPIN 2 regulations).	Supplier anti-corruption check list.
	Technical and financial verification	Failing management of critical supplier (financial).	Periodical re-classification and monitoring of the critical suppliers
	Registration in the data base of Business Partners Suppliers	Contracting with supplier which involves risk for the Group (Ethics, Embargo, ...).	Creation, blocking or reopening of suppliers, are justified and validated by the procurement function of the entity.
		Procurement is based on supplier data in error (error or fraud).	Administrative and bank details of suppliers are checked and approved by two separate persons during the creation or modification of supplier data in the database.
<ul style="list-style-type: none"> Suppliers Maintenance process 	<p>Evaluation and re-evaluation of suppliers:</p> <p>Critical suppliers Biannually the review and definition of EEP Critical Supplier will be carried out. The definitions established for suppliers will be updated in the List of Critical Suppliers for Evaluations DDL1 and DDL2 (if applicable).</p> <p>Services in EEP Facility The User performs the evaluation in SAP considering the criteria of Safety, Environment, Quality, Customer Service, Order and Cleanliness, Legal compliance with its employees and environmental performance.</p>	Procurement is based on supplier data in error (error or fraud).	Periodical review of quality and coherence of the supplier database.

PROCESS CHARTER GESTION BUSINESS PARTNER

Internal controls

Critical Supplier definition: The supplier that meets at least one of the criteria, must be reviewed periodically at best once every 2 years, considering the purchases made in the last 12 months.

Suppliers whose annual turnover is more than 500 kUSD in operations (goods and services).

Suppliers that when executing their service at any time, represent ENGIE with authorities and that have contracts or purchase orders in the process of execution.

ECOVADIS

All the supplier belonging to the list of "Critical Suppliers" must go through the Ecovadis certification, where their CSR Management procedures are evaluated. This certification is carried out by the external company Ecovadis and is considered mandatory in order to continue working with ENGIE. This process ensures that the supplier is aligned with ENGIE's Safety and Environment policy.

APPROVAL CERTIFICATE:

All national suppliers that provide services and / or perform services inside the facilities or perform an operational service outside the facilities and whose execution may generate an impact on the occupational health and safety management of EEP must submit their Homologation Certificate together with their proposal.

In case the supplier does not have an Approval Certificate, it may present the ISO 45001 certification for evaluation by the security area.

Supply chain team Training

On a global scale, the ENGIE Group requests its preferred suppliers to undergo the EcoVadis evaluation, international company specialized in comprehensive assessment of Corporate Social Responsibility. The evaluation covers aspects related to the Environment, Labor Practices and Human Rights, Ethics and Sustainable Purchases.

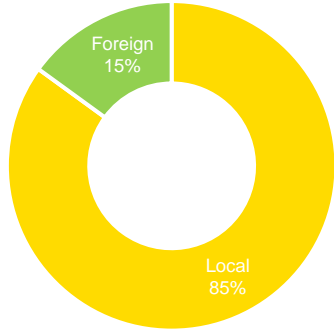
In April 2023, the supply chain team in Peru received training from Ecovadis with the following objectives:

- Understand who EcoVadis is and why ENGIE is an EcoVadis partner.
- Understand the four actions (inform, consult, support until the end and review) with partners.
- Importance of sustainable purchasing and characteristics of Ecovadis' CSR assessment.
- Learn how to inform the business partners about the evaluation.

The training introduced the methodology of EcoVadis, the world's most trusted global sustainability ratings company, which works with companies across all sectors to help them drive sustainable improvements in their supply chains.

Supplier selection

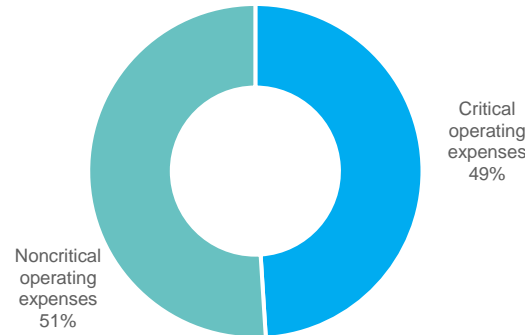
For the selection of a new supplier, the following evaluations must be completed and passed:



Suppliers by location and spend (as % of total number of suppliers)

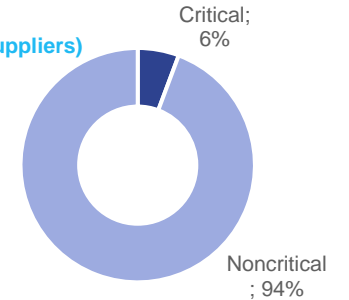
We have 1,615 suppliers, of which 239 (15%) are foreign suppliers and 1,376 (85%) are local suppliers.

We have 1,615 suppliers, of which 92 are critical suppliers. They represent 49% of the operating expenses, and all of them are assessed annually.



Supplier type (as % of total number of suppliers)

- Critical
Critical supplier
High incidence supplier SSOMAC
- Non-critical



Supplier selection

- Due diligence Level 1: Credit assessment is performed for local suppliers
- Due diligence Level 2: This evaluation is carried out by an external company.
- Supplier Approval Certification: All national service suppliers (Contractors) must present their Supplier Approval Certificate.
- Verification of links with public authorities: It will be verified that they do not maintain any relationship that could generate a conflict of interest.
- Commercial references of other clients: A business reference survey will be sent to clients who have previously worked with the supplier.

What fields we see in our supplier:

- ✓ General information
- ✓ Commercial
- ✓ Financial
- ✓ Legal and Human Resources
- ✓ Quality management system
- ✓ Environmental Management
- ✓ Management of Corporate Social Responsibility
- ✓ Security and health at work



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