



>>> DRIVER OF THE ENERGY TRANSITION >>>

2020 ACTIVITY AND SUSTAINABLE DEVELOPMENT REPORT

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eréga is a major operator in the transport and storage of gas in France. For more than 75 years, we have provided our customers with a secure, high-performance network, serving the energy needs of the regions. Our infrastructures hold a strategic position, at the crossroads of major gas flows and at the heart of European energy. Established in fifteen departments in the South-West of France, our regional network of more than 5,000 km of pipelines and our two underground storage sites play a key role in the energy transition of these regions and their communities.

As a responsible operator, Teréga provides very close support to the stakeholders and residents of these communities to help them make this transformation, so that together we can put carbon-free energy at the heart of their daily lives, with a circular economy approach that respects the environment. We rely on a flexible local network to develop the transport and new uses of gas. With our strong local connection, we support the emergence of local biogas production and promote green mobility. We also work to ensure that our network is able to accommodate new carbon-free gases, such as hydrogen, produced using renewable electricity.

Determined to make gas a driver of the energy transition in these regions, Teréga places great value on collective intelligence. Behind our injection stations and NGV stations, more than 600 employees contribute, every day, to designing and constructing the links of the energy system of the future for the benefit of the community, with knowledge and expertise, from the operation of the installations to the research laboratories, in addition to listening on the ground and placing digital technology at the heart of our approach. Let's go and meet these energy drivers, so as to better understand their vision and their actions.

SHEDDING LIGHT ON THE ISSUES AT STAKE IN THE ENERGY TRANSITION



03

PATRICE GEOFFRON A DOCTOR OF INDUSTRIAL ECONOMICS AND PROFESSOR OF ECONOMIC SCIENCES AT THE PARIS DAUPHINE UNIVERSITY, AND AN EXPERT IN THE SUPPORT GROUP FOR THE CITIZENS' CLIMATE CONVENTION, GIVES US HIS VIEWS ON THE CHALLENGES ENTAILED IN THE ENERGY TRANSITION, THE SOLUTIONS THAT ARE EMERGING AND THE OPPORTUNITIES IT OFFERS.

Why do we need to increase our efforts to meet the climate targets??

The issue is obvious: our climate is very disrupted. The global temperature has already risen by 1.2°C. We are under the threat of various tipping points that could lead to very rapid changes, for example in the event of a massive release of methane in the Siberian tundra. These threats are closer than anyone feared, even recently. It is urgent that we take action. The goal is clear: to limit the temperature increase to between 1.5°C and 2°C by the end of the 21st century, in line with the commitments entered into in the Paris Agreement. This means emitting no more than 5 to 10 billion tonnes of CO₂ worldwide from 2050 onwards, instead of the 35 billion tonnes emitted currently. For the most proactive countries, including France, the aim will be to achieve carbon neutrality by this date, with a CO₂ capture capacity as high as the emissions, using either plants or industrial techniques.

In the face of these challenges, is the ambition of the European Green Deal pragmatic?

Unlike the United States, which is still rich in fossil fuels, European countries have everything to gain by committing to the Green Deal. First of all, Europe has a historical responsibility. In the 19th century, Europe was the first part of the world to develop with a high carbon model of society, notably through the massive use of coal. That situation continued throughout the 20th century. At a time when the whole world must speed up the decarbonisation effort, Europe must assume this responsibility by leading the movement. It is also in Europe's interest, since its dependence on hydrocarbon imports is considerable – almost €1 billion worth of oil and gas products are imported every day – with uncontrollable geopolitical risks: caught in a 'vice' between the Russians and Americans

in the gas sector, Europe is also under the long-term threat of instability in the Strait of Hormuz and the Middle East in general.

There is every incentive to transform these financial flows into alternative local investments, not only in new energy production and consumption channels, but also in greater energy efficiency. This approach can reduce greenhouse gas emissions, as well as generating various additional benefits: added value and jobs, reduction of geopolitical and climatic risks, improvement of air quality, with a reduction in health impacts, which are worth several points of European GDP per year.

What solutions will emerge in the European energy mix of tomorrow?

There will be many innovations: we will not emerge from two centuries of "fossil" growth via a single sector or solution. Moreover, the needs and resources to be mobilised in Europe will differ wildly from one region to another. One only need look at the Scottish offshore wind potential and the Greek solar potential to see this.

“European countries have everything to gain by committing to the Green Deal.”

Biomethane has specific advantages. Its use contributes to the economic model of agriculture by diversifying the portfolio of activities of the farming community, and places all types of waste used in a circular economy system. It also makes it possible to increase the acceptability of gas uses, thanks to the greenhouse gas and particle emissions avoided, particularly in mobility using bioNGV. In addition, the connection of gas networks represents a very significant investment.

It is essential to preserve the use of these resources, otherwise the result will be stranded costs that are detrimental to the community.

This network constitutes a very advantageous energy storage capacity. This is also an important advantage for hydrogen, which could, in the longer term, constitute an inter-seasonal energy storage system and accelerate the decarbonisation of heavy industry and transport. The Europeans intend to build a hydrogen industry via the Green Deal and national plans. It will take time, but it is a great ambition.

Does the transition also require a better connection between the local, national and European levels?

This question is key. It is no longer possible to implement the energy policy of the last century, since the new means of production are spread out over the regions, as are the efforts to be made in terms of uses, urban renewal, low-carbon transport networks, etc. It will also be necessary to compensate the “losing” regions in the energy transition as closely in line with reality as possible: coal miners in Germany and Poland, and some of our fellow citizens who have recognized themselves in the *Gilets Jaunes* movement, etc. Otherwise, how can we build a high-speed network for long-distance hydrogen transport or determine the volume of electricity interconnections between European neighbours, for example? Of course, it is also important to have a central discussion to determine the right balance between nuclear and renewables in France in the electricity system by 2050.

“A better connection between the local, national and European levels.”

What is your view of the *France Relance* [France Recovery] plan?

This plan is better balanced than the one put in place at the end of 2008 after the subprime mortgage crisis, with €30 billion of the budgeted €100 billion earmarked for the ecological transition. However, France is clearly behind the European target of reducing greenhouse gas emissions by 40% by 2030, and even more so if this ambition is raised to 55%. As it is, the plan is insufficient to close this gap, as is the French Climate and Resilience Law. There is still hope, however, in our collective understanding of what is at stake and what is urgent. This understanding is much clearer than in the 2010s. An acceleration during this decade therefore seems very plausible to me. I was impressed by the mobilisation of the participants in the Citizens’ Climate Convention, whom I met as a member of the Support Group, and by their ability to move towards a common goal. My hope is based on this perspective of collective intelligence.

KEY FIGURES
The energy transition in France

GREENHOUSE GASES (GHGS)

-40%

REDUCTION TARGET (1990/2030)
Source: French Energy-Climate Act

BIOGAS

7%

OF GAS CONSUMPTION IN 2030
Source: Multi-year Energy Forecast
2019-2023 2024-2028

2050

CARBON NEUTRALITY
Source: French Energy-Climate Act

HYDROGEN

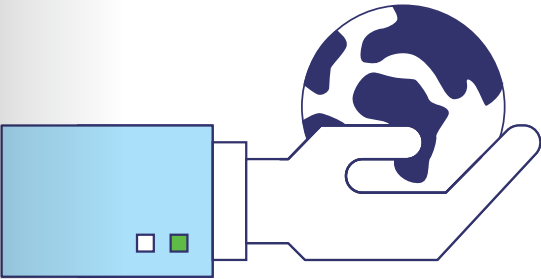
20%

OF LOW CARBON AND RENEWABLE
HYDROGEN IN THE TOTAL CONSUMPTION
OF HYDROGEN IN 2030
Source: French Energy-Climate Act

NGV

20,000

GAS-POWERED TRUCKS IN CIRCULATION
IN 2023
Source: Multi-year Energy Forecast
2019-2023 2024-2028



CITIZENS’ CONVENTION ON CLIMATE

150

REPRESENTATIVES

8

MONTHS OF
WORK (OCTOBER
2019- JUNE 2020)

149

PROPOSALS



CREATING A KEY PLAYER IN THE ENERGY TRANSITION

07

DOMINIQUE MOCKLY CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER OF TERÉGA SA.
“AN UNPRECEDENTED 2020, MARKED BY THE MOBILISATION OF ALL EMPLOYEES TO ENSURE THE CONTINUITY OF ENERGY SERVICE IN OUR REGIONS IN AN EXCEPTIONAL HEALTH CONTEXT, DRIVEN BY THE ACCELERATION OF THE DIGITAL TRANSFORMATION AND THE ENERGY TRANSITION, MARKED BY NUMEROUS INITIATIVES BY TERÉGA AT THE EUROPEAN LEVEL AND IN FAVOUR OF GREEN GASES.”

“2021 must be the year when the changes that our times call for are carried out.”

For more than a year, the Covid-19 crisis has had major and direct consequences on the organisation of our daily lives. Although the health situation remains extremely worrying and physical distancing measures are still in place, the year 2021 offers hope. Vaccination, the prospect of a way out of the crisis and the importance given to the ecological aspect are real positive signals! In order to make a success of the necessary transitions, and in particular the energy transition, we must first determine the consequences of 2020. Faced with the scale of the Covid-19 crisis, how did Teréga's mobilisation materialise?

DM For Teréga, as it was for all sectors, 2020 was an unprecedented year. The health crisis has tested us collectively. Thanks to the commitment of all our employees, we have mobilised the necessary resources to fulfil our public service mission by enabling the continued supply of gas to public entities, companies and individuals. Faced with this exceptional situation, it was our duty to ensure the supply of gas to our regions, while guaranteeing the safety of our teams and our infrastructures. This was the intention behind the Business Continuity Plan (BCP) that we deployed from March onwards. First of all, I would like to highlight the collective resilience that we have shown and which is a real feather in our company's cap. During this strange

year, we were also committed to supporting those on the front line. Indeed, the crisis has revealed the ability to react of our regions' stakeholders.

These times are really accelerating the transitions that we have been sensing for many years. Teréga has been able to take these ongoing transformations in hand by relying on its employees, who have shown great ability to adapt.

To which transitions are you referring?

DM By revealing the limits of a hyper-specialised, interconnected and centralised globalisation, the crisis has amplified the need to regionalise industry, in order to recreate a resilient economic and industrial fabric, which is the driving force behind the ecological transition. In order to cope with the health restrictions put in place, 2020 saw the emergence of a new “hybrid” organisation of work, and the accelerated development of remote working. At the same time, this year has seen an unprecedented leap forward in terms of digitalisation, both in our daily and professional lives. In response to this new societal and organisational situation, and at a time when highly qualified profiles in the IT field remain too rare, we have launched the

Pyrenees Cloud Academy, in partnership with the Pau College of Higher Education and Professional Training (*Campus d'Enseignement Supérieur et de Formation Professionnelle de Pau - CESI*). The Pyrenees Cloud Academy provides students with access to the new professions of the cloud, digital tools and data management. This impetus for digital transformation is intensifying the energy transition. 2020 has reinforced the pre-existing ecological expectation among the general population. True to our ambition to be a "driver of the energy transition", we have carried out numerous initiatives in this direction.

Can you detail some of these initiatives?

ND In order to play our full part in the ecological transition, we have taken numerous initiatives at European level. Together with our long-standing partner Enagás, we have become a shareholder in the energy start-up DualMetha, in order to support its development and that of the biomethane sector. In addition to strengthening our research and innovation strategies in favour of green gases, we signed a Memorandum of Understanding (MoU) with Hydrogène de France (HDF) to develop massive hydrogen storage solutions in salt caverns. This project, which is fully in line with the new Multiannual Energy Programme (MEP), will allow for better integration of renewable energies into the energy mix.

"Faced with this exceptional situation, it was our duty to ensure energy continuity in our regions, while guaranteeing the safety of our teams."

"The impetus for digital transformation is intensifying the energy transition!"

Together with ten other gas transportation companies, operating in nine EU Member States, we have presented our plan for the creation of a "hydrogen backbone". With this European Hydrogen Backbone Report, we have demonstrated that a vast network linking the different hydrogen valleys is possible and would allow Europe to reach carbon neutrality in 2050. By mobilising existing gas infrastructures, the creation of this network would minimise the cost of the energy transition for the end consumer and would be the key to the development of hydrogen in Europe. Thanks to our central position at the crossroads of major European gas flows, we are convinced of the importance of transnational cooperation in energy matters. The existing transport infrastructures possess genuine potential for enabling Europe to achieve carbon neutrality by 2050.

Is taking action at European level a priority?

Σ Building a carbon-neutral European Union is one of the strong convictions that drives us at Teréga. By calling on our gas expertise and promoting renewable energies in the European energy mix, we are working to make Europe the first carbon-neutral continent.



These multiple initiatives are guided by a single objective: to succeed in the energy transition!

To meet this challenge, we have invested heavily in green gases. This is why we created Teréga Solutions! Through this specific entity, we have forged a strategic alliance with the major stakeholder in regional methanisation, Chadasaygas, by acquiring a stake in the company, resulting in an investment of €5 million. Teréga Solutions, which will operate alongside Teréga, thus aims to intensify our support for the energies of the future and for energy innovations.

Despite the crisis, the combination of these actions allows me to say that 2020 was really the year that the ecological transition was driven forward. I am convinced that the coming year will be the year in which this development will become a reality!

How do you envision 2021?

Σ 2021 must be the year when the changes that our times call for are carried out! This is why Teréga will intensify its actions. We will continue our regional and national commitments to the energy transition and the promotion of green gases.

At European level, we will increase our coordinated action with the other gas stakeholders. As part of the Gas

for Climate consortium, the beginning of this year is marked by our proposals to support the implementation of an ambitious target of 11% renewable gas by 2030. In addition to our role in accelerating the energy transition, we will strengthen our commitment to society, as demonstrated by the launch of our *Teréga Accélérateur d'Énergies* [Driving Energies Forwards] Endowment Fund.

"These multiple initiatives are guided by a single objective: to succeed in the energy transition!"

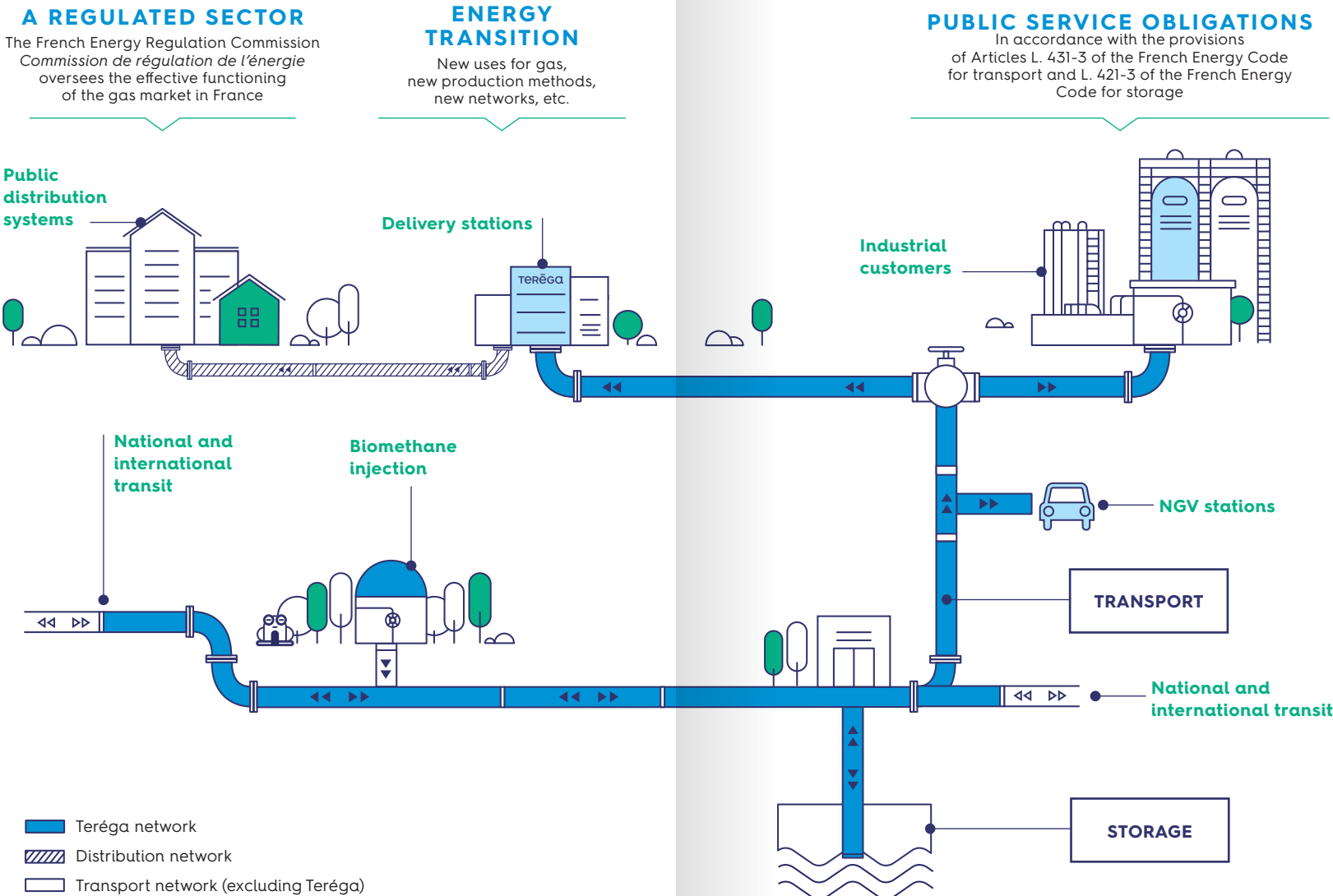
BUSINESS MODEL

A solid business model

RESOURCES

- FINANCIAL**
- Share ownership:
 - SNAM (40.5%)
 - GIC (31.5%)
 - Questgaz (18%)
 - Predica (10%)
 - Investments: €126M
- INDUSTRIAL**
- 5,127 km of transport pipelines
 - 6.5 Gm³ of total gas storage capacity
- HUMAN**
- 661 staff
- CUSTOMERS**
- 68 shippers (Transport)
 - 27 shippers (Storage)
 - 111 industrial customers
 - 152 public distribution systems
 - 2 biomethane injection stations
- INTELLECTUAL**
- Approx. 60 staff integrated into the R&I network
 - Average annual budget for R&I: €3.4M
- ENVIRONMENTAL**
- ISO 14001 (environmental management) and ISO 50001 (energy management) certifications

>>> DRIVER OF THE ENERGY TRANSITION >>>



RESULTS

- FINANCIAL**
- €460M in turnover
- INDUSTRIAL CUSTOMERS**
- 122,859 GWh of gas transported
 - 25,369 GWh consumed in the TERÉGA area (industrial customers + public distribution systems)
 - 33,100 GWh of subscribed storage capacity, i.e. 100% of available capacity
- HUMAN**
- 71 people hired (permanent and temporary contracts)
 - 96% of staff trained
 - engagement score 7.3/10 (2019 biennial survey)
 - TRIR (Total Recordable Incident Rate): 3.1
- CUSTOMERS**
- 96% of customers satisfied overall (2020 survey of 70% of connected customers)
- INTELLECTUAL**
- Around 55 R&I projects ongoing
- ENVIRONMENTAL**
- 0.81 tCO₂eq/GWh transported*

* calculated using methane GWP = 34.

OUR MISSION: TO MAKE GAS A CATALYST FOR ENERGY TRANSITION

OUR VALUES

RESPONSIBILITY

COOPERATION

INNOVATION

AMBITION

IMPACTS 2025 AN AMBITIOUS, STRATEGIC PLAN INVOLVING 5 PRIORITIES

To guide consumers and the market

To improve efficiency and responsibility

To increase our visibility

To secure and accelerate

To reinvent the company's DNA

OUR REGIONS 15 departments in the South-West





IMPACTS 2025

A strategic plan aligned with the major changes in our societies

With the Covid-19 crisis and the recovery plans undertaken by all States, the energy transition, the digital transition and corporate social responsibility are more than ever at the heart of the changes in our societies. These three trends form the DNA of the IMPACTS 2025 plan, which was launched three years ago. Its strategic roadmap therefore remains relevant. However, the acceleration we are facing must not be underestimated. It should even guide our priorities for the coming year.

PRIORITY 1

TO GUIDE CONSUMERS AND THE MARKET

To strengthen the commercial ties already established by Teréga and to win new customers. Listening to their expectations must be at the heart of Teréga's corporate culture.

In 2020, the health situation had a strong impact on our customers' activities, leading to a drop in consumption, which was partially recovered at the end of the year. In this context, Teréga has been able to mobilise to maintain optimal customer service and secure its revenues thanks to the stability of the regulatory framework. Despite the crisis, action for development in the territories has been sustained. It has resulted in the signing of new biomethane and NGV connection contracts.

PRIORITY 2

TO IMPROVE EFFICIENCY AND RESPONSIBILITY

To confirm its position as a sustainable and responsible stakeholder in terms of health, safety, security and the environment. With a strong objective for 2025: "Zero accidents, zero snagging, zero surprises" across our entire network.

The company has demonstrated the effectiveness of its organisation in times of crisis, ensuring the safe operation of its infrastructures and the continuity of its public service missions, while obtaining 4 certifications for all its activities. In 2020, for the first time, carbon neutrality was achieved for Teréga's facilities, thanks to the strong commitment of the teams to the reduction of CO₂ emissions, and to the implementation of mechanisms to offset residual emissions.

PRIORITY 3

TO INCREASE OUR VISIBILITY

In public debate, to defend the role of gas in the energy transition and to publicise Teréga's activities. The company is already well known to regional decision makers. It must now develop its reputation on a national and European scale.

Although some of the interactions between Teréga and its stakeholders were limited by the health situation, the company was able to propose new forms of constructive and supportive dialogue, which were received with great enthusiasm. In particular, Teréga created its *Teréga Accélérateur d'Énergies* Endowment Fund, launched its new website and laid the foundations for a decentralised communications strategy. The *Pyrenees Cloud Academy* was also created at Teréga's initiative, and thanks to the mobilisation of a group of local and national stakeholders.

PRIORITY 4

TO SECURE AND ACCELERATE

To extend and diversify our business areas while relying on the value of our existing network. We are developing our non-regulated activities to support the development of hydrogen and biomethane, support the NGV sector and develop intelligent multi-energy systems. Although the year 2020 was disrupted by the Covid-19 crisis with the first lockdown, which saw the complete shutdown of all work sites, Teréga was able to mobilise and accelerate to achieve its infrastructure investment plan in accordance with its forecasts.

2020 was marked by some very good successes, in particular the acquisition of stakes in two groups specialising in the biomethane sector: DualMetha and Chadasaygas. Strategic thinking on hydrogen is well underway. Teréga's launch of several structural projects lays the foundations for its commitment to this sector of the future.

PRIORITY 5

TO REINVENT THE COMPANY'S DNA

To ensure that these challenges are an opportunity for each employee to develop and enhance their skills. This requires giving more room for individual initiatives by promoting cross-cutting schemes and putting digital technology at the service of employees. The flexibility of our digital strategy, based on the data liberation programme, includes the implementation of a data management approach and a data hub.

2020 tested Teréga's resilience and its ability to adapt, both individually and collectively. The results are clear: the values, commitment and robustness of Teréga's management team have enabled it to get through this troubled period without abandoning any of its corporate objectives, while committing all its teams to the success of this shared project.

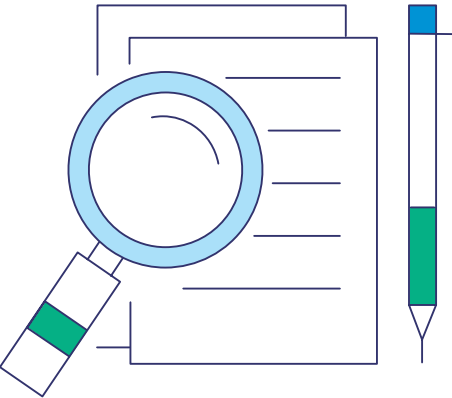
NON-FINANCIAL RISKS AND OPPORTUNITIES

Analysis of our environment

As a responsible industrial player,
Teréga draws no distinction between its global policy and its CSR commitments, taking the view that all of the company’s commitments should contribute to the sustainable development of all its business activities and its development strategy.

The creation of Teréga’s Non-Financial Performance Declaration therefore forms part of the company’s overall approach. As the basis for the Non-Financial Performance Declaration, the non-financial risks have been identified based on the Teréga group’s Risk Benchmarking Exercise, which is updated annually. The Environment-CSR Department has analysed the risks from this benchmarking exercise, in particular with regard to the categories of information mentioned in Article L.225-102-1 of the French Commercial Code (namely social/societal aspects, the environment, respect for human rights and prevention of corruption and tax evasion), as well as Teréga’s materiality matrix.

This analysis, approved by the Executive Committee, enabled the non-financial risks detailed below to be determined. The policies and actions implemented to manage these risks, as well as the results obtained, are presented throughout this report.



>>> DRIVER OF THE ENERGY TRANSITION >>>

NON-FINANCIAL CHALLENGES

Managing legislative and regulatory changes and guaranteeing regulatory compliance.

Anticipating energy market developments, particularly through Research and Innovation.

Ensuring personnel and third-party safety.

Working with our suppliers in accordance with our social commitments.

Minimising our environmental footprint and acting in a socially responsible manner.

Ensuring service continuity from our IT infrastructures.

Maintaining a calm social environment.

Managing and developing skills.

Respecting ethics.

Promoting the acceptance of our facilities in their regions.

Ensuring we have a solid organisation to achieve our objectives.

DEFINITION

The regulatory changes associated with the energy transition are key, structural challenges for Teréga, especially the adoption of the French Energy Climate Law and the establishment of objectives for carbon neutrality by 2050 at regional, national and European level.

The energy market is undergoing changes for which the company must prepare itself through a suitable Research & Innovation (R&I) programme.

Operating a high-pressure gas network necessitates the implementation of adequate risk prevention measures for Teréga staff, its subcontractors, third parties and customers.

Teréga selects subcontractors and suppliers that respect its social commitments, particularly in terms of health, safety and the environment.

Teréga’s contribution within its regions must be in line with the expectations of society in terms of energy policy and environmental impact.

Digital tools must be used increasingly while still maintaining the level of reliability required for the continuity of our activities.

In this period of change, Teréga wants to maintain continuous and high-quality social dialogue and the engagement level of its employees.

The internal skill level must be consistent with the company’s current and future challenges in terms of both support and operational functions.

The ethical behaviour of a company such as Teréga is today a condition of its continued existence and its industrial and commercial success.

The success of infrastructure projects is intrinsically linked to a positive reception from stakeholders (local residents, farmers, elected officials, etc.).

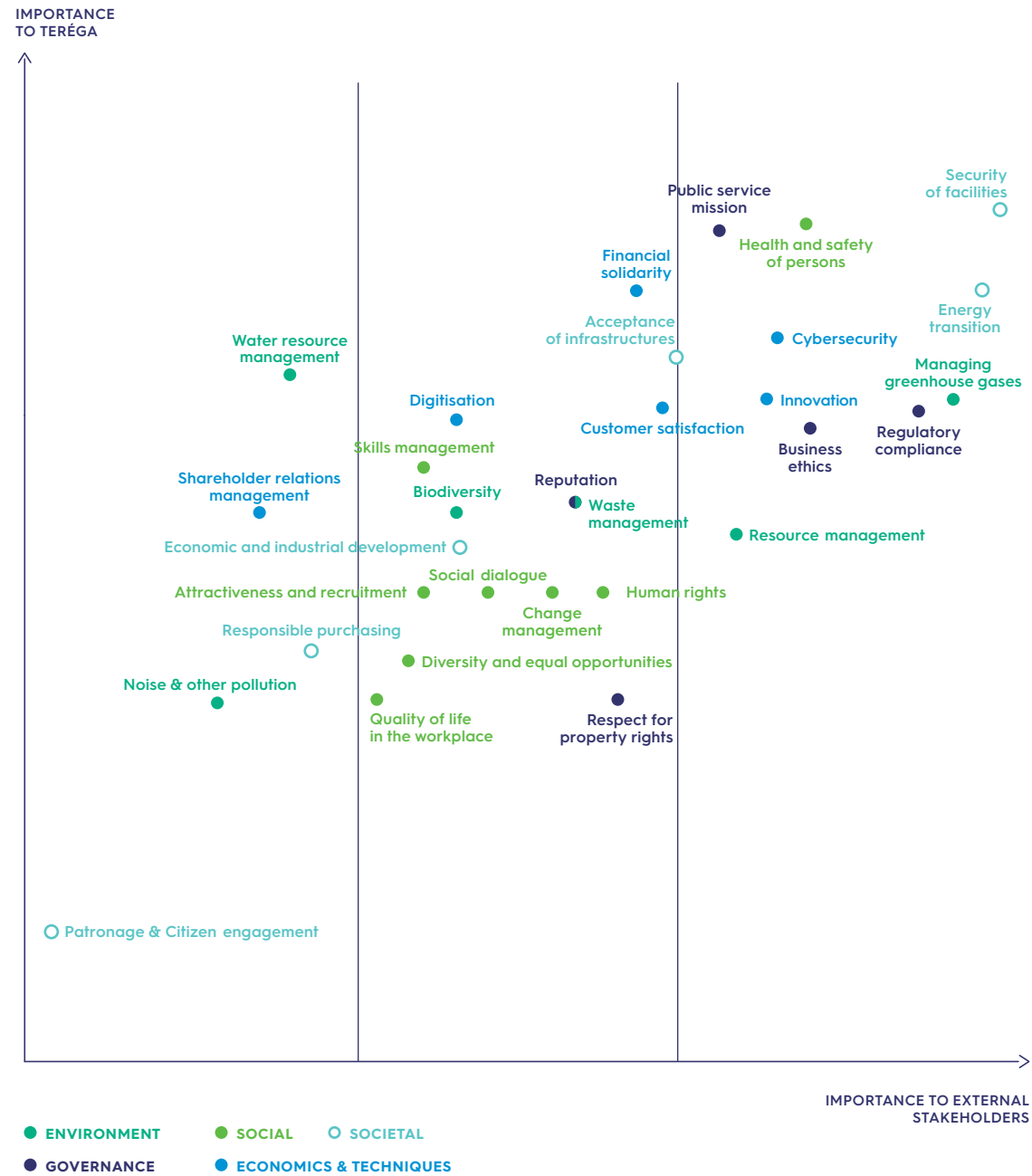
The success of the IMPACTS 2025 Plan requires a robust and fluid organisation.

FOCUS ON THE MATERIALITY MATRIX

To carry out a materiality analysis is to exhaustively translate the social, societal and environmental issues that impact Teréga’s activities on a daily basis; failure to consider these could adversely affect its success. This materiality analysis was updated at the

beginning of 2021 by questioning external stakeholders, in particular via a survey on professional social networks, as well as Teréga staff. This analysis makes it possible to identify the main areas of action to be taken into account in Teréga’s CSR policy.

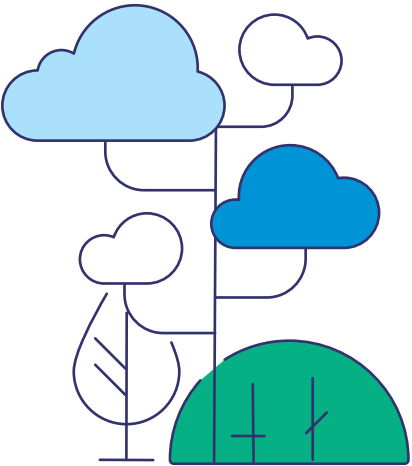
>>> DRIVER OF THE ENERGY TRANSITION >>>



L'LEGAL AND REGULATORY FRAMEWORK

A turning point in energy transition policies

Public decision-makers significantly accelerated the greening of the economy in 2020, both at French and European level, despite an unprecedented crisis.



In September 2020, France allocated €30 billion to the ecological transition, to boost the economy by greening it and relocalising its industry. Energy renovation, decarbonisation of mobility and green hydrogen are key points of the plan. The government is betting on a large-scale hydrogen industry, with €7 billion over ten years and an electrolysis production capacity of 6.5 GW, for a gain of 6 million tonnes of CO₂ by 2030 and 50,000 to 150,000 direct and indirect jobs. It also wants to boost hydrogen mobility and decarbonise industry. The Directorate-General for Energy and Climate has initiated a consultation with the industry's stakeholders to draw up the hydrogen ordinance (Energy and Climate Law), which introduces a distinction between renewable, low-carbon and carbon-based hydrogen, support for production by electrolysis, and guarantees of traceability and origin.

EUROPE IS ALSO ADOPTING A HYDROGEN STRATEGY

The EU unveiled its strategy in July 2020: hydrogen should increase from 2% to 14% by 2050 in its energy mix to achieve carbon neutrality, relying on its production through renewable electricity and 40 GW of electrolyzers by 2030. An Important Project of Common European Interest (IPCEI) allows national hydrogen projects to receive aid from Member States if they bolster European integration and industrial jobs. The Lacq Hydrogen project (see p. 29) falls within this framework. It is also a link in the European Hydrogen Backbone. Presented by Teréga and ten other European operators, this backbone plans to deploy a 23,000 km

hydrogen transport network by 2040, at a cost well below that of a new network, 75% of which will be built by converting natural gas pipelines. Discussions are underway in Europe on the draft Climate Regulation to achieve carbon neutrality by 2050. The Board has approved a reduction in emissions of at least 55% by 2030, compared to 1990 levels. To achieve this, the Commission is counting on sectoral integration, building synergies between gas and electricity, with a common approach focused on energy efficiency and optimisation. Teréga’s IMPULSE 2025 is part of this vision. The creation of sustainability criteria is another pivotal element of carbon neutrality, to direct investments towards green assets. The Commission intends to include these criteria in the selection of priority infrastructures and to remove energy generated from fossil fuels from the projects of common interest, and to include energy from hydrogen and smart gas networks. Teréga contributes to these discussions through the European Clean Hydrogen Alliance and associations such as ENTSOG, Gas Infrastructure Europe (GIE), Hydrogen Europe and Gas for Climate. The regulatory changes present a major challenge for Teréga. The company anticipates legislative and regulatory changes through its institutional relations centre and through its involvement in the various bodies. In 2021, Teréga intends to continue its commitment to green gases and hydrogen at European and French levels in the context of France Relance, the French and European hydrogen strategies and the European Green Pact. We have a Monitoring Committee composed of department representatives that is responsible for monitoring and implementing any texts published that apply to Teréga. It meets once a month.

GOVERNANCE

A THREE-TIER ORGANISATION CERTIFIED BY THE FRENCH ENERGY REGULATION COMMISSION

The company Teréga Holding owns 100% of the shares in Teréga SAS, a simplified joint-stock company, which itself holds virtually all of the shares (99.99%) in Teréga SA and 100% of the shares in Teréga Solutions, the Teréga Group entity dedicated to non-regulated activities.

The capital of Teréga Holding is held by four shareholders: SNAM with a 40.5% share, GIC with 31.5%, Questgaz with 18% and Prédica with 10%.

This three-tier structure (Teréga Holding, Teréga SAS and Teréga SA) results from the application of the regulations governing ownership unbundling established in Directive 2009/73/EC of 13 July 2009 concerning common rules for the internal market in natural gas. This structure was certified by the French Energy Regulation Commission in its ruling of 3 July 2014 granting certification to the company TIGF, now Teréga. The certification is valid indefinitely, in accordance with the provisions of Article L.III-4 of the French Energy Code.

A LIVING AND ACTIVE GOVERNANCE

The rules and operating methods of the Board of Directors of Teréga SA, Teréga's operating company, are laid out by the provisions of Articles L.III-8 et seq. of the French Energy Code and by the company's Articles of Association. The composition of the Board of Directors reflects the diversity, the complementarity of the technical skills of the directors and a focus on ensuring equal representation of men and women. The Board meetings give the directors an accurate and up-to-date view of Teréga's operational and financial performance as well as the context of the energy markets in which the company operates. Each

Board meeting must include an up-to-date review of the application of the Teréga IMPACTS 2025 business plan. In 2020, the Board of Directors met eight times, a testament to the commitment of the directors to support and assist in the business strategy proposed by the management committee. The Board of Directors relies on the work conducted by the Audit Committee to allow the directors to review and draw up the company's annual and quarterly accounts.

COMPOSITION OF THE BOARD OF DIRECTORS OF TERÉGA SA AS AT 31 DECEMBER 2020

The Board of Directors of Teréga SA is made up of four members:

- 2 Directors representing SNAM
- 1 Director representing GIC
- The CEO of Teréga SA in his role as a Director

Two employee representatives attend meetings of the Board of Directors.

Dominique Mockly, CEO since 31 July 2016, is also the Chairman of the Teréga SA Board of Directors.

- By a decision dated 24 January 2020, the General Meeting of Shareholders decided to appoint Ms Paola Bonandrini as a Director of Teréga SA, replacing Ms Paola Boromei.
- By a decision dated 23 April 2020, the General Meeting of Shareholders decided to appoint Mr Stefano Zamboni as a Director of Teréga SA, replacing Mr Franco Pruzzi.
- By a decision dated 11 December 2020, the Board of Directors co-opted Mr Paolo Ventrella as a Director of Teréga SA, replacing Mr Stefano Zamboni.

Board of Directors



DOMINIQUE MOCKLY
Chairman of the Teréga SA
Board of Directors

PAOLO VENTRELLA
SNAM



NICOLAS MACHTOU
GIC

PAOLA BONANDRINI
SNAM



HÉLÈNE SEGUIS
TERÉGA

JEAN-MARIE HAGHCHEHO
TERÉGA

100% Rate of attendance
at meetings
of the Board of
Directors in 2020

In 2021, TEREKA wants to introduce an indicator measuring the proportion of CSR/HSE topics discussed in the Board of Directors.

Executive Committee



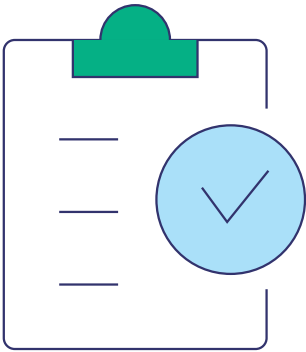
1. **DOMINIQUE MOCKLY** - Chairman and Chief Executive Officer, 2. **AGNÈS BUTTERLIN** - Chief Financial and Purchasing Officer, 3. **ANTOINE CHARBONNIER** - Head of Strategy and Innovation, 4. **ARNAUD LATEULADE** - Chief Security, Health, Safety and Environment Officer, 5. **DANIEL WIDERA** - Chief Transformation, Digital and Performance Officer, 6. **DOMINIQUE BOQUILLON** - Chief Communication Officer, 7. **GILLES DOYHAMBOURE** - Chief Business and Regulation Officer, 8. **MARIE-CLAIRE AOUN** - Head of Institutional Relations, 9. **MICHEL BOCHE** - Chief Officer Infrastructure & Projects, 10. **OLIVIER BÉATRIX** - Corporate Secretary, 11. **PATRICK HAMOU** - Chief Operating Officer, 12. **VALÉRIE LE GARS** - Chief Human Resources Officer.

>>> DRIVER OF THE ENERGY TRANSITION >>>

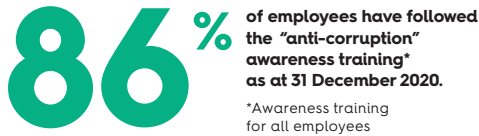
ETHICS Committed to respecting the rules of ethics

Teréga firmly believes that involving everyone in respecting its values and ethical principles contributes to the company's reputation and allows it to carry out its missions by guaranteeing its legal security.

Nowadays, the ethical behaviour of a company is a condition of its continued existence and its industrial and commercial success. In this context, Teréga has set up its Ethics Committee, an internal reference point for all matters associated with ethics. In accordance with its Code of Ethics and its values, Teréga undertakes to carry out its activities transparently and responsibly. In line with this, Teréga has established its Anti-Corruption Code of Conduct under the responsibility of its General Secretariat. This code meets the legal obligation to set up an anti-corruption mechanism and is fully in line with the company's ethical culture.



In 2020, Teréga deployed a whistleblowing system using an external company, which allows its employees, as well as employees outside the Group, to report breaches of the Code of Ethics and the Anti-Corruption Code in complete confidentiality. Furthermore, Teréga's anti-corruption training system enables each staff member to understand the anti-corruption rules, learn how to respond to typical situations and acquire good practices and good habits in this respect. Indeed, Teréga firmly believes that involving everyone in respecting its values and ethical principles allows it to carry out its missions by guaranteeing the legal security of the company, while at the same time contributing to its reputation.



FROM THEORY TO PRACTICE



23

ANTOINE CHARBONNIER HEAD OF STRATEGY & INNOVATION, ANTOINE CHARBONNIER DIRECTS THE INNOVATION STRATEGY AND ACTIONS IN ORDER TO CONTINUE STRENGTHENING TERÉGA'S LONG-STANDING ACTIVITIES AND ACCELERATE ITS POSITIONING IN THE NEW SECTORS OF THE ENERGY TRANSITION.

How does innovation play a key role in driving the energy transition?

AC Innovation is a strategic tool for successfully decarbonising our energy system. Innovation at Teréga enables us to develop solutions to continuously reduce the environmental impact of our industrial activities, all while improving their operational performance. What's more, in order to make further progress and achieve carbon neutrality, the energy transition will go through the large scale development of decentralised production of renewable gases, biomethane and hydrogen. So as to be able to integrate these new gases into the current energy system, our teams are simultaneously managing several work tasks and research projects.

What are the drivers of this innovation at Teréga?

AC The first is the talent of our employees. Their skills and their commitment form the basis for progress. Their expertise in the field of natural gas and industrial systems allows us to plan for new business areas, those related to renewable gases and the decarbonisation of the industry. This dynamic is supported by another lever: a culture of innovation based on an open ecosystem and an approach linked to operational needs, in partnership with research bodies, other stakeholders in the energy sector and start-ups. The third driving factor is the necessary adaptation of our activities. In order to grow, we must understand how to anticipate trends well, with technologies and services that create value for the company and its customers.

The financial constraint remains crucial?

AC Innovation projects can indeed be costly in the energy sector. Every year, Teréga needs to make significant investments to bring new technologies and offerings to market, not only in terms of infrastructure but also as regards associated systems. For example, green hydrogen is the area in which we will be investing the most over the next two years, with transport and storage projects, but also projects for

conversion to synthetic methane via methanation. Major efforts are also being made in biomethane and the development of intelligent multi-energy networks and systems.

What concrete results are already in place or under development?

AC The creation of the new Multi-energies and Digital Business Unit is an excellent example of our capacity to innovate. We will be offering manufacturers high-performance operational and energy control tools that have all been developed and deployed within our company, thanks to our digital know-how. What's more, in the very near future this offering will be supplemented by the results of the IMPULSE 2025 project, which aims to show the feasibility of an intelligent multi-energy multi-stakeholder system from the point of view of the decarbonisation of an industrial platform. In the area of biomethane, the innovative methanisation unit that we are committed to building alongside the start-up DualMetha should see the light of day in 2023. Finally, we are making progress on solutions that make it possible to reduce the operating risks of our infrastructures, such as the implementation with Thales of a programme to deploy drones for real-time monitoring of the gas network.

“Hydrogen is the area in which we will be investing the most over the next two years.”

OVERVIEW OF INNOVATION PROJECTS

Innovating to anticipate development on the energy market

Teréga's Research & Innovation (R&I) approach places the company at the heart of the diversified and decentralised low-carbon energy system of the future by devising solutions that promote the performance, flexibility and adaptability of its gas transport and storage infrastructures.

In 2019, conscious of the climate challenges, France adopted its Energy and Climate Law. This law sets carbon neutrality by 2050 as a national ambition. To achieve this objective, the entire energy sector must undergo a profound change. Indeed, the Government's roadmap plans for drastic reductions in greenhouse gas emissions. The gas industry must therefore overcome some major challenges if it is to retain its place and role in tomorrow's energy landscape. In this context, innovation is a major issue for Teréga. Its programmes aim to achieve operational excellence and reduce its impact on the environment by leveraging the benefits of digital transformation. Through its innovation, Teréga is also contributing to the emergence of new sectors that are essential to the success of the energy transition, in particular through several hydrogen and multi-energy system projects.

FOUR KEY RESEARCH & INNOVATION OBJECTIVES

Teréga's Research and Innovation team organises a cross-functional internal network that implements the IMPACTS 2025 Innovation Plan through dedicated governance. Teréga sees innovation as a vector for the development of its strategic priorities, by instilling a virtuous circle in its teams. Innovation mobilises 60 employees, and creates a culture that allows everyone to play a part. In order to become an indispensable link in the energy sector of tomorrow, Teréga is leading several innovation programmes from the front. Based on its core business and the topics associated with the energy transition, they are structured around four key objectives:

Innovating to operate facilities safely – The main focus of R&I is the continuation of efforts for continuous improvement. It aims to optimise operational performance by developing digital and technological innovations for the protection, inspection, monitoring and maintenance of facilities, as well as for optimal personal safety.

Innovating to achieve a positive environmental balance sheet and to improve acceptance of us in society – R&I is endeavouring to improve Teréga's energy efficiency and reduce its global environmental footprint at the best possible cost. This key pillar of the company's CSR policy is based on providing a constant stimulus for internal innovation.

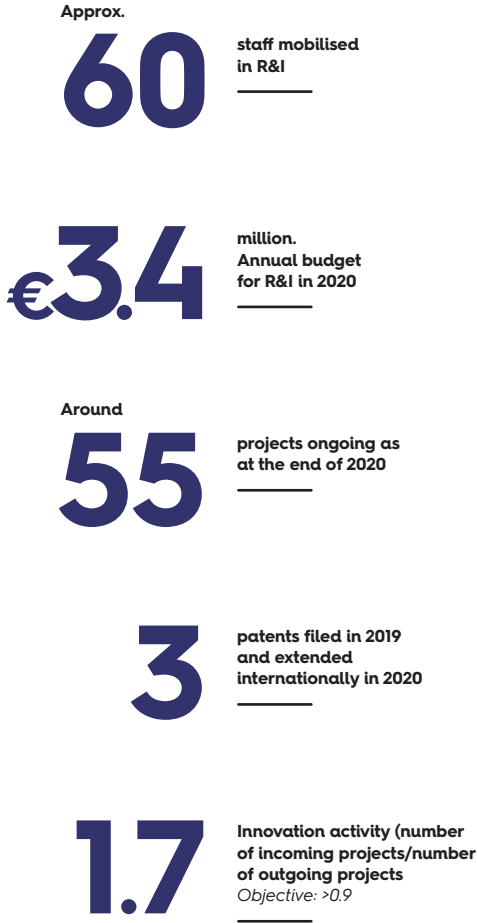
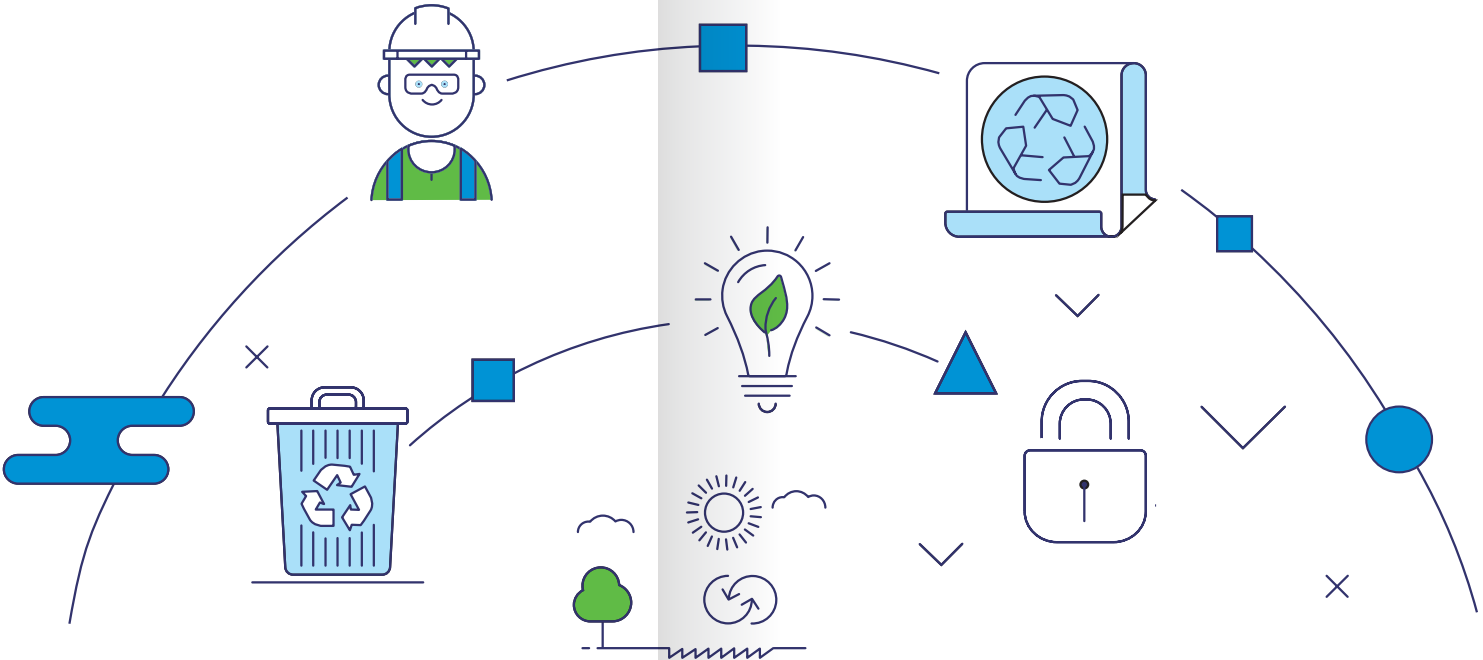
Integrating new gases into the infrastructures – R&I is providing key solutions to guarantee the quality of injected gases and the management of new inflows, which is necessary to balance the network. R&I supports the acquisition of knowledge and skills in the new business areas that have emerged in association with the massive arrival of biomethane, synthetic methane and hydrogen in the gas facilities.

Developing the energy systems of the future – R&I is rolling out projects that promote synergies between the various sources of renewable energy (electricity, methane, heat, hydrogen) to better position Teréga's

infrastructures in the energy landscape of the future: increasingly more closely connected and associated with other energy networks through strong complementarity and flexibility. This is the concept known as the multi-energy Smart Grid.

DIVERSIFIED PARTNERS

Teréga's collaboration with public and private research bodies allows us to develop knowledge and skills within our teams. The partnerships forged with design offices, small and medium-sized enterprises and start-ups all help to develop innovative solutions that generate value. They also allow us to deploy new technologies or sectors on an industrial scale. The company is also pooling its efforts with other major energy players, in particular with GRTgaz, Storengy and SNAM. Teréga is involved in several Open Innovation initiatives, for example those coordinated by the association EVOLEN (CITEPH programme) or Pôle Avenia (GeoEnergy Days). In 2020, Teréga intensified this dynamic by launching its own collaborative innovation initiative, TENEXI *Tous Ensemble EXplorons l'Innovation* - Together, Let's Explore Innovation), in order to better consult its external R&D ecosystem on key themes. In addition, TENEXI also aims to encourage the emergence of internal solutions, by



allowing each employee to play a part in Teréga's innovation in the broadest sense.

CREATION OF THE SENGAL LABORATORY

In 2020, Teréga and the University of Pau and the Pays de l'Adour (UPPA) created SEnGa, a joint laboratory dedicated to studying the impacts of decarbonised gas storage in deep aquifers. This initiative enables the two companies to undertake ambitious research initiatives, strengthening their long-standing partnership and the complementarity of their expertise in innovation in geological gas storage. Supported by the Thermal, Energy and Processes Laboratory (*Laboratoire de Thermique, Energétique et Procédés* - LaTEP), the project will bring together researchers from different research laboratories in the Pau region, with complementary skills. The resources and expertise of UPPA and Teréga will also be shared.

BIOMETHANE

Teréga is strengthening its positions

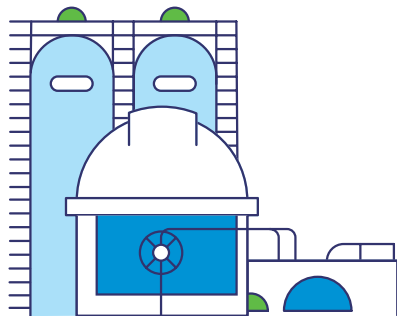


In 2020, Teréga acquired a 20% stake in DualMetha and a 40% stake in Chadasygas and its subsidiary Méthajoule. These partnerships confirm its desire to drive the development of biomethane, through R&I and innovative industrial players.

As a builder of virtuous and profitable energy models for its regions, Teréga supports holders of projects to inject biomethane into its natural gas transmission network. The two stakes acquired in DualMetha and Chadasygas reflect Teréga's desire to drive the development of this high-potential sector, which is a vector of a circular economy to benefit the regions through the recovery of waste. Teréga provides them with knowledge, expertise and risk management, to better consolidate their processes and drive their industrialisation.

TWO PROMISING PROCESSES

DualMetha is known for its unique methanisation process, which combines dry batch and wet methods. Teréga will support the development of this start-up and contribute to the deployment of its innovative technology designed to simplify the operation of a methanisation unit while recovering all types of waste in an optimal manner. DualMetha also makes methanisation more accessible, thanks to an economic model



based on a 15-year rental contract, which reduces the investment required to purchase the methaniser. Together with DualMetha, Teréga will soon test this solution in a pilot project. Through its subsidiary Méthajoule, the Chadasygas Group develops and builds methanisation units using a dry batch process that is particularly well suited to solid animal waste. Teréga's commitment will support Méthajoule's R&D programme, improve the competitiveness of its process and its growth objectives.

The ownership of these two stakes, based on common values to benefit the regions and their development, will make it possible to consolidate the processes of these companies and drive their industrialisation.

THE R&I BIOMETHANE PROGRAMME

Teréga is conducting several R&I projects on gas composition and the potential impact of biomethane on its infrastructures, in partnership with universities, research groups and other French and European gas stakeholders. These projects include:

→ The CARABIO (CARActérisation des BIOMéthaneS - Biomethane Classification) project brings together French gas storage, transport and distribution companies. Led by the GRT RICE (Research and Innovation Center for Energy) laboratory, this project analyses the exact chemical composition of biomethanes. The results obtained on more than 80 injection stations and 500 trace compounds confirm it is safe for them to be injected in Teréga's facilities.

→ Launched in 2017 with Storengy and the University of Pau and the Pays de l'Adour (UPPA), the RINGS (Research into the Injection of New Gases into Storage) project is performing laboratory research into the impact of the oxygen present in biomethane on the chemistry, geology and biology of underground aquifers. SNAM and Enagás joined the project in 2020.

→ Teréga and the UPPA have created the joint laboratory SEnGA (Storage of Gas Energy in Aquifers). This laboratory brings together experts from universities and Teréga in order to become a major player in research into the storage of renewable gases in deep aquifers by 2025 (see pages 24-25).

MULTI-ENERGY GRIDS

Managing the grid of tomorrow



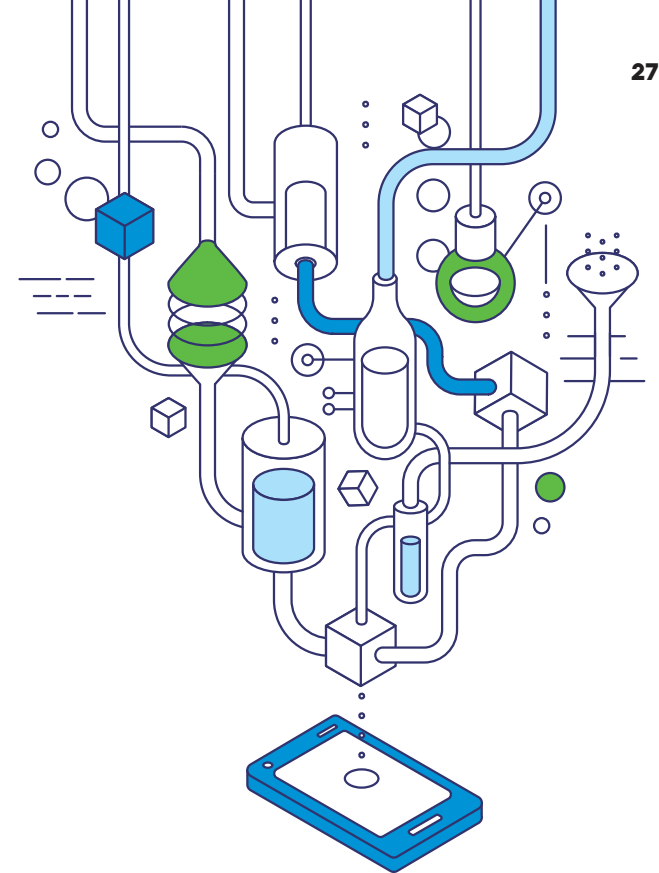
Soon, our multi-energy smart grids and management solutions such as IMPULSE 2025 and IOBASE will enable us to minimise wasted energy and recover unavoidable losses for other appropriate uses, optimising overall performance and environmental impact.

The energy grids of the future will no longer be separate. They will be multi-energy grids, interconnecting and sharing different energy sources, including renewable ones, on the same grid and delivering them to different users as needed.

These Smart Grids will embody new data management technologies to optimise the flows between production and consumption, gaining in energy and environmental efficiency. It will be possible to store losses or convert them into energy and reduce energy waste. In the first stage, the principle of Power to Gas consists of converting renewable electricity into hydrogen or synthetic methane, in order to convert excess electricity into gas. Teréga is working with GRTGaz on the JUPITER 1000 project, the first French demonstrator program for this technology.

IMPULSE 2025, A NEW APPROACH

With IMPULSE 2025, Teréga goes further in the multi-energy Smart Grid and proposes a new approach to energy systems, backed by industrial and digital technologies. The aim is to reduce and recover lost energy, either by storing it for later use, or by converting it into a more demanded or more suitable energy. Sharing several energy sources will allow them to be channelled to new users. The adaptability of existing infrastructures and the optimisation of existing energy resources will also allow for a reduction in greenhouse gas emissions and the integration of renewable energy production.



IOBASE UNLOCKS THE SMART GRID

The project has a key component, IOBASE. This innovative platform offers digital services that enable the design, management and optimisation of energy systems. Designed with exemplary digital frugality in mind, it simultaneously integrates managed public cloud services, a blockchain, a digital twin, etc. IOBASE is the result of Teréga's expertise as an operator of gas and digital infrastructures, developed in-house and based on the tools deployed for its installations. Its market launch will bring cloud technologies that unlock the potential of intelligent multi-energy systems for businesses and regions.

The development of IMPULSE 2025 continued in 2020. The creation of the first simulation models with prospective sites has helped define the potential of IMPULSE 2025 to launch the physical demonstrator. The creation of digital Minimum Viable Products has advanced the development of the future Energy Management System for multi-energy sites. From 2021, these digital services will make it possible to speed up the confirmation of the assumptions still pending and to understand the site's operation in real time, before deployment of the demonstrator.

NATURAL GAS FOR VEHICLES

Teréga signs off on its first NGV station projects

In 2020, Téréga supported the development of NGV by releasing an offering that provides the possibility of connecting to its high-pressure network. Two new projects are already developing this use of natural gas as a fuel, providing numerous economic and environmental benefits.



Teréga's NGV station at the head office in Pau.

The Law on Managing Mobility (Loi d'orientation des mobilités - LOM) and its implementing decree of June 2020 introduced an exception into the French Energy Code, aimed at authorising a NGV station project developer to connect to the gas transport network. Within this new framework, Teréga has signed off on two NGV station projects in the last twelve months:

The "Bio-NGV du Confluent" station, to be commissioned in the second quarter of 2021, in Damazan, with a capacity of 3 lanes, for 25 to 40 heavy goods vehicles per day.

The "SEVEN Occitanie" station, to be commissioned in the first quarter of 2022, at St-Sulpice la Pointe, with a capacity of 2/3 lanes, for 15 buses and 10 to 15 heavy goods vehicles per day.

THE ADVANTAGES OF TERÉGA'S NGV

The Teréga network transports natural gas at high pressure (45 bars on average). The gas used for fast filling of vehicles in NGV stations requires pre-storage at pressures of 250 to 300 bars before being loaded into the tanks, at 200 bars and 15°C. Its high-pressure transport in the Teréga network allows for compression savings, contributing directly to better energy efficiency and economic optimisation for the project owner.

Teréga's transport solution is suitable for large stations with certain criteria, such as a minimum gas capacity of 700 Nm³ per hour and provided there is some proximity to the transport network.

Teréga supports its prospective customers by very quickly identifying the benefit of exploring a transport solution by carrying out a free, non-binding preliminary study (with an indicative budget and time frame), which can be delivered within two months in most cases.

THE VOLTA STATION, FOR CLEANER MOBILITY

To drive its road mobility transformation plan, Teréga has decided to replace its diesel vehicles with NGV vehicles by installing stations at four of its sites: Pau, Lussagnet, Cugnaux and Barbaire.

The Volta station was the first facility to become operational in December 2020 and has enabled the launch of Autoclic BE Positif, a mobility service with ten NGV vehicles available at present, with capacity for 40 vehicles. The station is supplied by the natural gas distribution network, via a 100% biomethane contract. This bioNGV is equivalent to a reduction of more than 60% in greenhouse gas emissions, combined with a reduction in CO₂, NOX and fine particles in particular, fuel savings, lower taxes, and a reduction in noise and odour pollution.

HYDROGEN

Teréga, driving the deployment of carbon-free hydrogen

Convinced that the use of hydrogen as an energy vector is the key to the carbon-free multi-energy smart grids of the future, in 2020 Teréga led the deployment of promising projects such as the European Hydrogen Backbone, Lacq Hydrogen, RINGS and HyGéo.

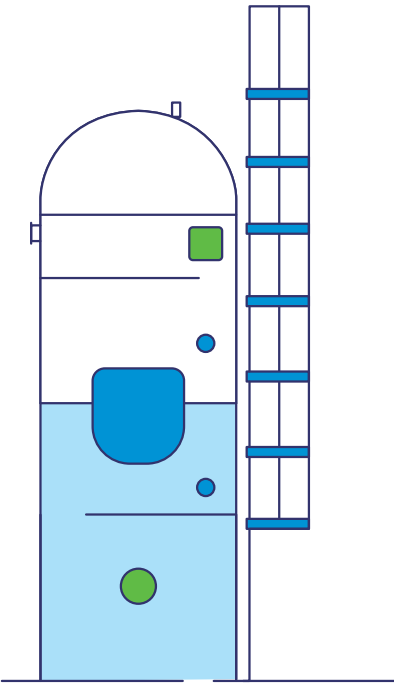
Carbon-free hydrogen is an essential component of the energy transition: this gas makes it possible to store and redistribute various sources of renewable electricity. As such, it allows synergies between gas and electricity networks, thus optimising and reducing energy consumption. Teréga has set up an ambitious Research & Innovation (R&I) programme to meet the challenges posed by its industrialisation, in order to accelerate the development of this sector of the future. This programme for the use of hydrogen includes projects devoted to its transport, the impact of its injection on infrastructures and its underground storage.

BUILDING A EUROPEAN HYDROGEN BACKBONE

In 2020, along with ten other European gas operators, Teréga participated in the European Hydrogen Backbone, a project to adapt their existing gas infrastructures to transport hydrogen at an affordable cost. This European network would be built from 2025, reaching 6,800 km by 2030 and 23,000 km by 2040, 75% of which would be existing natural gas pipelines converted to carry pure hydrogen.

DEVELOPING THE VALUE CHAIN BETWEEN SPAIN AND FRANCE

The Lacq Hydrogen project aims to study the production and supply of renewable hydrogen from Spain to France between DH2 and GazelEnergie and the transport of hydrogen from Spain to France between Enagás and Teréga, as well as the storage and transport of hydrogen to the Teréga area in order to fuel a combined cycle power plant located in the Lacq basin, near Pau.



STUDYING THE IMPACT OF NEW GASES ON UNDERGROUND STORAGE

Conducted with Storengy and the University of Pau and the Adour Region, the RINGS (Research into the Injection of New Gases into Storage) project is performing laboratory research into the effect of adding hydrogen and biomethane at different rates to the gas flows injected into storage, in order to anticipate the interactions between these gases and the chemistry, geology and biology of underground aquifers. Their impact on the steel and cement of storage wells is also being studied. SNAM and Enagás joined the project in 2020.

MASSIVE HYDROGEN STORAGE

Launched together with Hydrogène de France, the HyGéo project consists in developing a geological carbon-free hydrogen storage solution for Power To Power use in a pilot installation. This hydrogen will be stored in a former underground salt cavern used to store hydrocarbons. The hydrogen will then be able to be converted back into electricity using high-powered fuel cells. The project started in 2020 and will be operational in 2024.



INTEGRATING THE ENERGY TRANSITION IN THE REGIONS

MICHEL GABAS AN ELECTED LOCAL REPRESENTATIVE AND DEPARTMENTAL COUNCILLOR FOR GERS, MICHEL GABAS IS PRESIDENT OF THE PÔLE D'ÉQUILIBRE TERRITORIAL ET RURAL (PETR) OF THE ARMAGNAC REGION. HE LOOKS BACK AT THE ACTIONS UNDERTAKEN FOR THE ENERGY TRANSITION IN THIS REGION AND GIVES US HIS VISION OF THE CHALLENGES OF TOMORROW.

“The construction of the biomethane sector would make it possible to consolidate our agricultural model.”

What are the missions of the PETR of the Armagnac region?

MG The PETR is a public-private entity that brings together 4 communities containing 102 municipalities, with a population of approximately 45,000. It draws up the economic, social, cultural and environmental development project for the Armagnac region. Supporting change is its key mission, to make things happen on the ground with a vision for the future, through assistance in financial engineering, tourism development, town planning and ecological and energy transition. The elected representatives of Armagnac see this transition as an opportunity to promote the region's assets and its attractiveness, by creating a local economy that creates wealth and local jobs.

How are you supporting the energy transition?

MG In 2019, we began drawing up Regional Air and Energy Climate Plans. Our renewable energy production represents 13% of the energy consumed in 2019, with a high level of dependence on fossil fuels. Our objective is therefore to relocate production by developing a mixture of renewable energies, in particular via photovoltaic energy, fuelwood and agricultural biomass, as well as supporting the energy renovation of old buildings. The aim is to guarantee sustainable access to abundant energy at controlled prices by gaining energy autonomy, while also creating income for farmers.

What is the role of the Ecological Transition and Recovery Contract (Contrat de Relance et de Transition Écologique - CRTE)?

MG The PETR is one of the 80 pioneer regions of the Ecological Transition Contracts at national level. This contract has made it possible to launch pilot actions from 2020 onwards by providing more than €4 million in support for 8 projects, in 5 areas: food, eco-tourism, viticulture, mobility and of course energy. It will be merged with the future CRTE, which is currently being drawn up. In particular, the PETR is

supporting the d'Artagnan vocational college in Nogaro in setting up a training course dedicated to green vehicles and new engine technologies.

What is the role of gas in the Armagnac region?

MG In 2019, natural gas accounted for 8% of our energy consumption. The construction of a biomethane sector would make it possible, thanks to the potential of biomass and the highly developed gas network, to consolidate our agricultural model. We are working on a technically mature path: to develop this local energy production via sustainable mobility and a bioNGV ecosystem linking a critical mass of vehicles, stations and maintenance companies. Hydrogen also opens up new possibilities, with the storage and integration of renewable energies.

How do you view Teréga's role?

MG The PETR is committed to bringing together solid skills and forging the right partnerships to build viable solutions with high-performing stakeholders. However, we cannot change a century-old energy model without the support of industrial operators. Public-private partnership is even essential to achieving the energy transition. Through its expertise and its network of partners, Teréga is thus one of the key players in helping the PETR to construct and support local initiatives. We will be working together more often in the future.

Interview conducted in collaboration with Philippe Duzé, Director of the Pôle d'Équilibre Territorial et Rural (PETR) of the Armagnac region.

KEY FIGURES

The Teréga network

5,127 KM

of pipelines

15.8%

of the French gas transport pipeline network

18%

of the volume of French gas in the Teréga network

6.5 GM³

of total gas storage capacity

2.9 GM³

of marketable volume

25.9%

of national storage capacities



AUTHORITIES

Teréga is committed to working with local authorities

Teréga is accelerating the energy transition in partnership with the regional and local authorities. In 2020, its targeted actions contributed to the development of the hydrogen sector, at both national and regional level.

Teréga is heavily involved alongside regional, departmental and local institutions, which are mobilised around the Recovery Plan deployed by the French government to support industry in the context of the Covid-19 crisis.

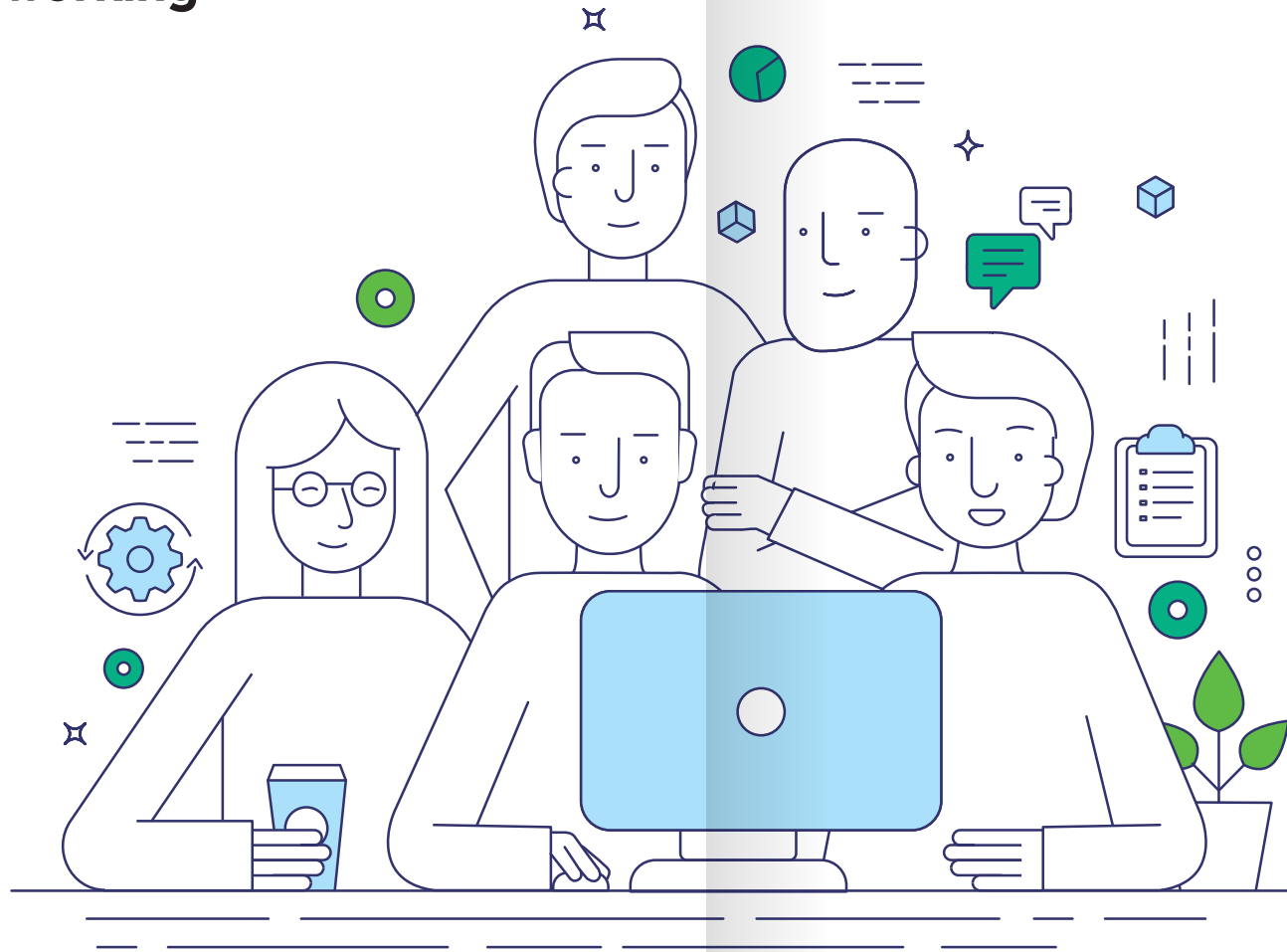
Teréga played an active role in the development of the 100% green gas scenario in the Nouvelle-Aquitaine region. This plan identified the possibility of the region achieving 30% green gas by 2030 and 100% by 2050. With regard to uses for mobility purposes, and in the same spirit, Teréga has contributed to the NGV/bioNGV master plan of the Nouvelle-Aquitaine region.

The Industrial Territories are a component of this recovery plan. As the industrial point of contact for Pays de Béarn in relation to the Lacq-Pau-Tarbes Industrial Territories scheme and the Chairman and CEO of Teréga, Dominique Mockly is creating the industrial action plan for this Industrial Territory alongside François Bayrou. In this context, Teréga is part of a committee of industrialists in the employment basin, in the study of a hydrogen ecosystem and in the forward-looking management of local jobs and skills.

SUPPORTING THE CARBON-FREE HYDROGEN SECTOR

Teréga has decided to invest in the heart of the regions to support the development of the hydrogen sector, in particular by participating in discussions on the scale of the offering. Within the framework of the Lacq-Pau-Tarbes Industrial Territories scheme, Teréga took part in the work of creating a hydrogen roadmap

for the Nouvelle-Aquitaine region, emphasising the importance of transport and storage infrastructures to facilitate the deployment of the offering and to encourage the emergence of ecosystems. Teréga also reiterated the integrating role that hydrogen can play in a global sectoral and multi-energy system approach. In Occitania, Teréga is a partner in a study conducted by nine of the region's thirteen energy unions, with the aim of identifying and quantifying the areas suitable for the installation of hydrogen and bioNGV refuelling stations. Finally, as part of the regionalisation of France Hydrogène's actions, Teréga has been appointed deputy regional delegate of the entity in Nouvelle-Aquitaine and is associated with the deputy regional delegate of Occitania, in charge of logistics, transport and storage issues.



“Developing digital skills to accelerate the digital transition in order to benefit the region and local stakeholders.”

In 2020, Teréga was also involved in the Campus des Métiers et des qualifications de la transition énergétique [Energy Transition Qualifications and Professions Forum] project in the Hautes-Pyrénées area. This centre of excellence in the Occitania region, accredited by the Toulouse Academy, aims to contribute to the development of skills of the future. Already involved in the creation of the Gas Network Technician vocational baccalaureate taught at the Sixte Vignon secondary school in Aureilhan (65), Teréga is also active on the Campus steering committee and in three working groups, in order to define the roadmap and action plans for 2021. Teréga provides a vision based on the lessons learned from its prospective study on skills related to the energy transition and its expertise in multi-energy technology and infrastructures for new gases.

The energy transition is closely linked to the development of digital technology: digital design, digital management of operations and maintenance, intelligent connected objects, new intelligent energy management, analysis of complex data, etc. are essential skills for the success of energy transition projects.

Teréga is optimising its processes and operational performance by integrating the challenge of digitalisation at all levels of its value chain. Teréga's business lines are evolving with new technologies and developing new skills (Data analysis and processing, Artificial Intelligence (AI) and the Internet of Things (IoT), etc.).

TRAINING THE REGION'S ENERGY SECTOR TO ACCELERATE THE TRANSITION

In September 2020, Teréga launched the Pyrénées Cloud Academy with the CESI Pau college and the Hélioparc technology park. The head of the employment department of the Pau urban area has also joined the governance, as well as several companies in the region. This course is in line with Teréga's ambition to develop digital skills to accelerate the digital transition in order to benefit the region and local stakeholders, by training students in the new professions of the Cloud environments. A Bachelor's degree in DevOps has already been launched, with a class of fifteen students. Teréga has sought the involvement of its suppliers and partners to take the students on as apprentices.

SPONSORING

Teréga contributes to local life

In 2020, Teréga continued with its commitment to the world of sports and associations, with the firm belief that we must contribute to local life in our territories in order to free up all of their energy.

As an ambassador for Béarn, Teréga supports local initiatives that contribute to human development and the influence of the South West of France. In 2020, the second edition of the *Teréga Open Pau-Pyrénées* took place between 24 February and 1 March, at the *Pau Palais des sports*. This international men's tennis tournament, which is part of the ATP Challenger Tour 100, of which Teréga is the title partner, contributes to the influence of the South West of France. Alongside the tournament, several meetings were scheduled for Teréga's partners, such as the Supplier Forum, the Ambassadors of Béarn, welcoming the gems of the Start-up Nation for Béarn at Open Innovation Israël organised by DPD or the Sports Professions Day, organised together with the CCI Pau Béarn and the CNPC Sport school. During the summer, Teréga extended these contacts with the general public and in particular with young people by participating for the second consecutive year in Bpifrance's *Big Tour*, a tour that travels the coasts of eight regions of France to promote industry, innovation, actions in favour of the climate and employment. The initiative was an opportunity for Teréga to explain its role as a key player in the gas sector and the energy transition.

A PARTNER OF BÉARN'S SPORTSPERSONS

In addition, during this sports season, which has been impacted by health restrictions, Teréga continued its partnership with the Élan Béarnais basketball team for the 2020/2021 Jeep Elite season.

As an official partner of the Section Paloise since 2016, Teréga has been constantly involved in the project of this prestigious rugby club over the seasons, and has renewed its support this year. The Teréga brand is displayed on players' shirts and on social networks. The company also has the naming rights for the East stand of the Hameau stadium, named the Tribune Est-Teréga or the Teréga East Stand. Teréga supports these two sports clubs based on common values, with the same attachment to the region and its collective strength.



Official photo of the 2020 Teréga Open Pau-Pyrénées tennis tournament.



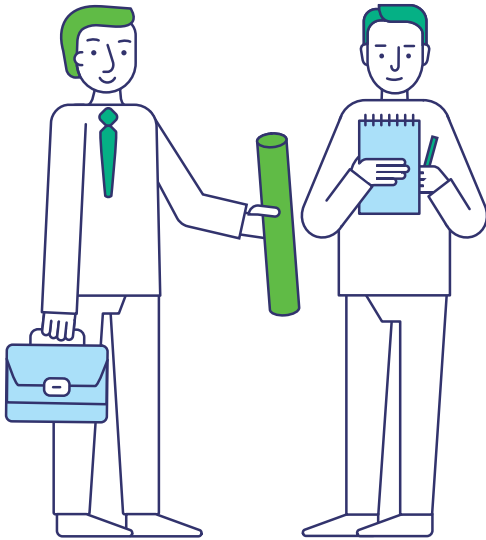
The Section Paloise rugby union team in training.

SUPPLIERS

A local, responsible and inclusive commitment

As a responsible contractor, Teréga, through its Purchasing department, implements a purchasing policy that is based on a network of local partners and on the resources available in its region, with the ambition of creating an efficient local network, favouring innovation and sustainable partnerships.

As a signatory to the Responsible Supplier Relations Charter, Teréga places the requirement for a responsible, balanced and sustainable relationship with its suppliers at the heart of its concerns and purchasing policy. Teréga's annual forum was fully in line with this approach aimed at strengthening a bond of trust and proximity. Organised in February 2020 alongside the *Teréga Open Pau Pyrénées*, the event was an opportunity to present the company's key facts, strategic orientations and major developments. The day also provided an opportunity to discover suppliers' expectations, thanks to several informal meetings and the various participative thematic workshops that were offered. The participation rate, the quality of the discussions and the satisfaction rate shown during this event are proof of the close bond of trust between Teréga and its suppliers. As a responsible contractor, over the past months, Teréga has supported a number of them that have been weakened by the health crisis, and continues to support some of them today. In 2020, Teréga changed the way it takes HSE (Health, Safety and Environment) criteria into account in its purchasing process, in order to better target the major risks and challenges by adapting its consultation tools: specifications, bid analysis grids, contracts, etc.



60% OF PURCHASES ARE MADE WITH LOCAL BUSINESSES

True to its vocation as a regional and inclusive contractor, Teréga has also continued to develop a network of business relationships favouring suppliers located within its region, including companies in the protected sector, in order to support economic activity. Thus, 60% of Teréga's purchasing volume was achieved with local companies, which represent 47% of its suppliers. In addition, Teréga's purchasing coverage rate reached 87%, exceeding the target and in line with its purchasing policy, which aims to secure contractual relationships with its suppliers. This target is maintained at 80% for subsequent years.

FIELD TESTING



39

JULIEN JOYET HAS BEEN IN CHARGE OF TERÉGA'S BORDEAUX REGION SINCE SEPTEMBER 2019. HE IS RESPONSIBLE FOR MONITORING AND MAINTAINING A TRANSPORT NETWORK THAT IS GRADUALLY ADAPTING TO THE TRANSIT OF BIOGAS, A DEMANDING BUT EXCITING ROLE.

“It is a great source of motivation to take part each day in an activity that will build a more sustainable planet.”

What is your role and the role of your teams?

The mission of the Bordeaux region is to guarantee and ensure the safety and health of people, the integrity of our facilities and service continuity. The region has around twenty technicians. Every day, we monitor and operate a network of approximately 900 km of natural gas transport pipelines. We also ensure the safety of works carried out near the structures. In addition, we draw up maintenance plans for the substations and compressor stations to ensure optimum availability of the facilities.

What projects were carried out in 2020?

Our team was mobilised for six months on the first phase of the Sauveterre Acoustique project. The aim of this intervention is to reduce the acoustic footprint of our Sauveterre-de-Guyenne gas compressor station. The work consists of installing more efficient and quieter gas coolers, acoustic enclosure of various pieces of equipment and upgrading the turbo-charger exhaust. We were also heavily involved in the revamping of two of the most important delivery substations in the area, located in Ludon-Médoc and Saint-Médard-en-Jalles.

How did you manage the health crisis while continuing to operate?

During the first lockdown, the implementation of the Business Continuity Plan enabled essential activities to be maintained, by deploying a specific network monitoring programme and focusing our interventions on corrective maintenance. The Business Recovery Plan then led to a gradual return to normal, optimising the work schedule to make up for the delay. Despite the health crisis, we have finally managed to complete the entire maintenance and monitoring programme planned for 2020.

How does your work advance the energy transition on the ground?

By working on the construction and commissioning of new biomethane injection facilities. In Gironde, we will soon be connecting the Mélusine Energie and Agri Énergie methanisation units to the network, in the communes of Aillas and Auros. More and more biogas is passing through our transport facilities, which were originally designed for natural gas. We are adapting all of our activities to enable the transit of this new energy across the region and beyond.

How do you see your role in this energy transition? And how proud are you of this?

Green gases will take up a growing share in our region, with the transit of new molecules in the pipelines and compressors. We are therefore preparing to take on new operational challenges in the operation and maintenance of facilities, by developing new skills, particularly digital skills, to master these technologies in the field. I am proud to be involved in the energy transition and to contribute to moving towards a low carbon world. I have a little girl and I think about the future. It is important, and a great source of motivation, to take part each day in an activity that will help build a more sustainable planet for our children, with “clean” energy.

MANAGING THE CRISIS

Our collective strength stood up to the pandemic

2020 will be remembered for the Covid-19 pandemic and the measures put in place to deal with it. During this unprecedented period, Teréga ensured that its mission of public interest was continued under the best possible conditions, while guaranteeing the safety of all its employees.

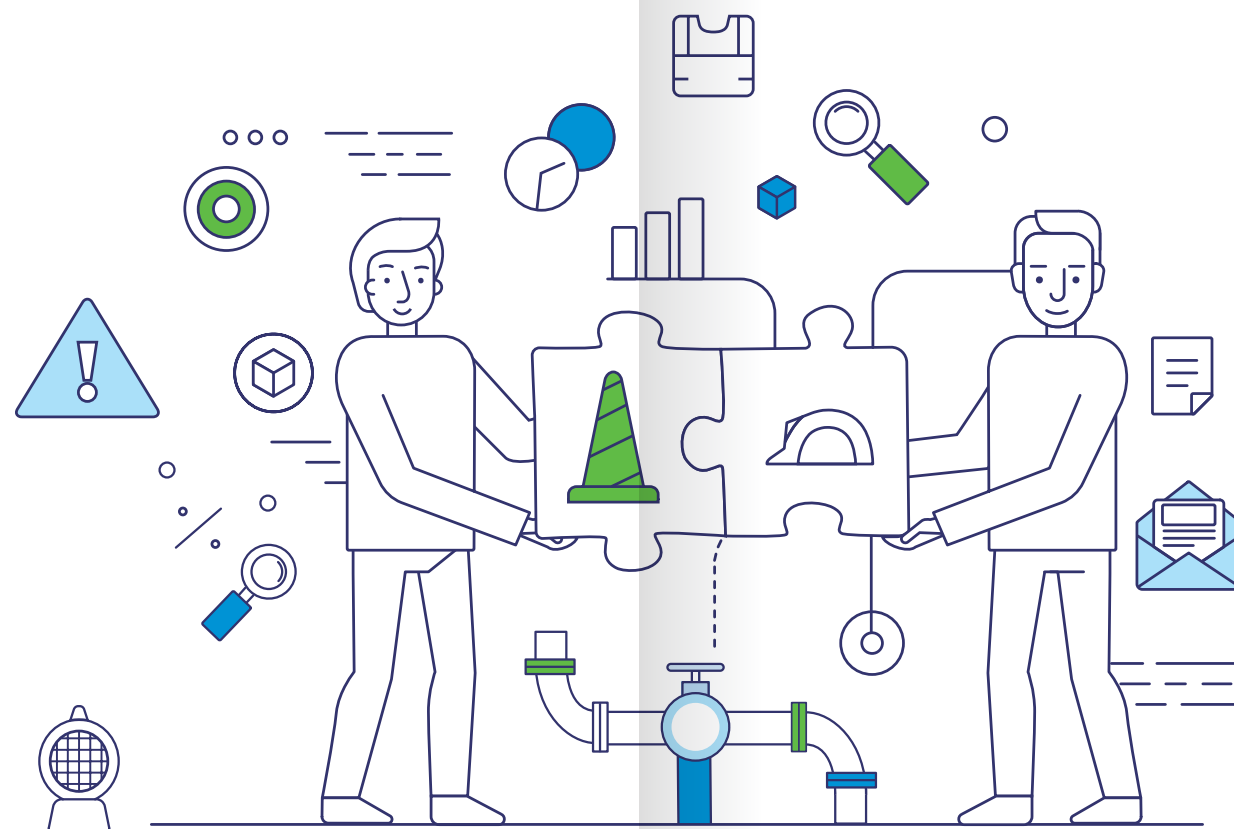
Teréga activated its Business Continuity Plan as soon as the first lockdown measures were announced. Prepared several weeks in advance, this plan aimed to ensure that the company's essential functions would be maintained to fulfil its Public Service Obligation. Through this efficient deployment, Teréga demonstrated its full capacity to continue its gas supply mission over the long term despite the epidemic, while adapting its operations to official instructions.

PERMANENT ADAPTATION

The mobilisation of Teréga's teams made it possible to secure all the sites within 72 hours. They ensured the continuous management and monitoring of all the infrastructures, remaining on permanent standby to intervene in the event of an emergency, for remedial work to maintain supply or to accompany imperative third-party work near the facilities. This allowed us to avoid any incidents that would have caused the unavailability of our infrastructures. The operational teams resumed their network operation and maintenance activities as soon as the first lockdown ended and maintained them even during the sec-

ond lockdown and subsequent curfew periods, in strict compliance with French shielding measures and sanitary procedures.

At the same time, the Projects and Purchasing teams redefined their priorities, rebuilt the investment plan, adapted the site plans and secured the supply of materials, with the Logistics and Internal Purchasing team (ELIT) providing support for the purchase, storage and provision of equipment to protect against Covid-19. The Trade and Regulation Department mobilised to support customers and offer them solutions to any financial difficulties caused by the crisis. Teréga also maintained a daily legal watch on the measures adopted by the government in the framework of emergency health laws in order to adapt them to the organisation. The Human Resources Department involved the Staff Representative Bodies and Union Representatives in the management of this crisis by informing them as early as possible.



72^h

This is the time required to secure all Teréga's sites after the announcement of the first lockdown measures.

DAILY MOBILISATION

Teréga's cloud strategy has enabled a massive and rapid shift to working remotely for non-essential on-site teams, who have had to reinvent themselves and work more closely together than ever before. Everyone could report a change of situation via a dedicated application named APPLI COVID. In addition, Teréga maintained its training effort by moving to 100% distance learning for non-regulatory training (webinars, e-learning, etc.) and has ensured the circulation of information through new tools. Weekly "Covid-19" web

"The incredible collective strength and the capacity of Teréga's teams to adapt and mobilise have given the company the means to continue its mission."

conferences hosted by Dominique Mockly, Chairman and CEO of Teréga, were offered as soon as the first lockdown was implemented, in order to maintain contact, provide information on the evolution of the business in the context of this crisis and share the measures implemented by the company with the teams.

In addition, employees received a weekly newsletter (reZonance). A freephone hotline was set up, as well as a Coronavirus Information Community, accessible on Teréga's reZo intranet, on which the latest news related to the crisis were published.

From the beginning of the health crisis, the company mobilised to protect the health of its employees by carrying out several specific actions. The introduction of a

Health and Safety Reference System has made it possible to ensure the safety of activities on site and to adapt continuously to health and regulatory changes. Its Covid-19 advisor ensured that the measures implemented were respected, while answering all employee questions. In addition, to promote the physical and mental well-being of its employees, Teréga adapted its Capital Forme programme to working remotely and during lockdown periods.

Teréga retraces the key points of this unique period in *Voyage au pays du confinement* (Journey to the Land of Lockdown). This booklet is set out like a logbook, recounting, through photos and testimonies, the actions and energy deployed internally in the face of this unprecedented situation by “heroes” whose generosity and imagination made the difference. The pandemic has demonstrated the incredible collective strength and the formidable capacity of Teréga’s teams to adapt and mobilise, which have given the company the means to continue its mission without jeopardising its customers, employees and partners.



JEAN-FRANÇOIS CARENCIO
President of the French Energy
Regulation Commission (CRE)

**UNFAILING MOBILISATION
AND SUPPORT**

“In 2020, the health crisis had a downward impact on energy consumption and on market prices for gas. In addition, an entire sector had to adapt in a limited time and learn to work differently over time. The responsiveness of all players was one of the key factors for the sector. Everyone’s ability to cope and to remain on the front line to manage the essentials, adapt and transform activities, made it possible to respond to the emergency and then to sustain these efforts over time. I would like to pay tribute to the unfailing mobilisation of Teréga’s teams, which has made it possible to maintain an essential service for our fellow citizens under good safety and service quality conditions.

At the end of March, the French Energy Regulation Commission also took action, adopting a deliberation providing for the abolition of CP2 price supplements in 2020, and opening up the possibility of payment facilities for companies and suppliers. The stable and efficient regulatory system implemented by the French Energy Regulation Commission has helped protect operators from the financial shocks that could have resulted

from the health crisis. For example, the additional costs associated with the suspension of major construction projects and the reduction in revenue from tariffs due to lower consumption will be borne for the most part by the tariffs.

Despite this context, the fight against climate change remains fundamental, pursuing the objectives of energy transition. The French Energy Regulation Commission endeavours to support the operators. By way of example, the decisions relating to the new generation of infrastructure tariffs that the Commission took in 2019 and 2020 provide the operators with dedicated and protected resources through incentive regulation mechanisms, as well as resources to support their users, for example for the upscaling of biomethane production projects. The regulatory framework defined by the French Energy Regulation Commission for the implementation of the right to injection also creates optimal conditions for this sector to be integrated into the networks and participate in the decarbonisation of energy under optimal conditions for the community.”

IT SYSTEM

Ensuring service continuity
from our IT infrastructures

— **Teréga is working to maintain the high degree of availability of its IT system, via the Transformation, Digital and Performance Department, in order to guarantee the continuity of its activities. It is continuing with the implementation of its strategy and Cloud-based service offering in order to achieve some of the best performance figures on the market.**

The use of digital tools must be accompanied by a level of reliability that guarantees the continuity of Teréga’s activities in the face of any critical interruption. This policy sets out the resources to allow the resumption and continuation of essential and critical operations, from the very moment that an event occurs that has an impact on their normal function. The 2020 health crisis afforded us an opportunity to test this system and confirm the effectiveness of the Business Continuity Plan under real conditions.

**GUARANTEEING THE HIGH
AVAILABILITY OF APPLICATIONS**

— The Business Continuity Plan includes a digital section, which contains procedures to prevent an operational disruption to the applications identified as vital and critical to Teréga’s activities. Vital applications are those that contribute to the main gas transport and storage activities. Critical applications are those that could have a major impact on the company (from a financial or commercial perspective or regarding reputation), resulting in financially bearable harm. There were no major malfunctions during the lockdown period and all employees were able to connect and work remotely.

UPSCALING THE CLOUD STRATEGY

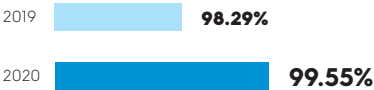
— Teréga’s cloud strategy ensured a seamless transition to working remotely, with the implementation of a new supervision system that provides rapid adaptation to control any unforeseen context and provide information in a proactive manner to avoid incidents. A new data-centric identity and access management solution has also enhanced security. A finalised cloud

technology base and mature expertise now make it possible to accommodate the first historical applications that could not be transformed in the short term, generating significant financial gains. This technology base and expertise continuously optimise the cost of IT resources, and therefore the simplicity of digital uses. They speed up the creation of end services and support innovation, via a Minimum Viable Product approach that is facilitated by the architecture. In 2021, Teréga intends to create a new technological brick to streamline the algorithms and AI, complete Teréga’s digital twin and enable users to improve their resource consumption and therefore their environmental impact.

A DYNAMIC NEW WEBSITE

— Launched in late 2020, the new Teréga website offers targeted spaces and content, a Biomethane Simulator, an environment dedicated to projects and a powerful search engine, *Le Labo* (The Lab). It will be complemented by a collaborative brick to create personalised spaces with stakeholders. Deployed in the wake of the new website, the digital campaign *On fait quoi ?* (What are we doing?) has raised awareness of Teréga’s actions in the areas of green gas and the energy transition, while also generating traffic to the new site.

**RATE OF AVAILABILITY
OF CRITICAL APPLICATIONS**



**RATE OF AVAILABILITY
OF VITAL APPLICATIONS**



The annual objective of maintaining a rate of over 99% has therefore been achieved.

OPERATIONS - TRANSPORT

Precise management

In a context of health constraints, the commitment of the Operations Department's employees in the field enabled them to complete 100% of the Monitoring and Maintenance Plans and to carry out the most critical interventions, including those related to maintaining the integrity and safety of our infrastructures.

On the front line in the field, the commitment of Teréga's operational teams made it possible to ensure the continuity of essential activities, with priority given to interventions related to regulatory and contractual obligations as well as to work related to the integrity and safety of the facilities.

The adaptation of work procedures enabled employees to work in compliance with the health regulations in force, to fulfil their obligations to monitor third-party sites and to continue internal operations. Teréga has thus completed 100% of the maintenance, monitoring and inspection plans scheduled for 2020, while at the same time stepping up monitoring of the network during this period.

The new organisational model of the Operations Department implemented in 2019 has proven to be efficient and robust during the Covid-19 crisis. The new coordination and steering processes have enabled adjustments to meet the special requirements imposed by the health conditions. In particular, the increased skills of the teams have helped to increase their level of autonomy and versatility, bringing greater flexibility and agility, which are valuable assets in a constrained environment. The rapid revision of business planning has prevented any deterioration in risk control.

CONTINUATION OF ENVIRONMENTAL PROJECTS

Teréga continued to implement its major projects in terms of environmental issues, in particular its gas recovery programme during work on the pipelines. Commissioned in 2020, its mobile recompression unit recovers and recompresses natural gas from a section emptied for works, then reinjects it into the network, thus avoiding its release into the atmosphere. In 2020, this process made it possible to save 720,000 m³ of gas,

or the equivalent of 100 return flights between Paris and Pau in terms of energy consumption.

In addition, Teréga continued the deployment of its project for monitoring pipelines by drone, successfully carrying out an autonomous flight test. The use of drones will ultimately reduce the carbon footprint of pipeline monitoring, which has until now been carried out by aircraft.

Two further major projects were initiated in 2020 to optimise industrial safety:

Launched by the Transport teams following the risk assessments carried out in 2019, the programme of compliance work includes the completion, over three years, of several actions ranging from the simple installation of markers to the physical protection of the pipelines,

the replacement of small marker posts through the installation, over three years, of 30,000 marker beacons positioned higher up along the entire network will improve the visibility of the network, which is essential for safety, the environment and the company's image.



The commitment of Teréga's teams made it possible to ensure the continuity of key activities.

RECOMPRESSION

Countdown for RECOMP

In 2020, Teréga began work on its RECOMP project in Lussagnet, which will make it possible to recover the gas released into the atmosphere during operations on the facilities, recompress it and reinject it into the network, reducing greenhouse gas (GHG) emissions.

At the Lussagnet site, RECOMP plans to reinject the gases from seven storage compressors and four transport machines into the AGU compressor station by installing two 75 kWh compressors. Work began in 2020, with the installation of piping and the completion of structural and civil engineering works.

7,000 T LESS CO₂ EMISSIONS

The commissioning of RECOMP in May 2021 will enable a reduction of emissions by 7,000 tonnes of CO₂ equivalent per year (tCO₂eq/year), which represents 7% of Teréga's GHGs. The commissioning of two further systems at the Barbaira and Sauveterre-de-Guyenne compressor stations is planned for late 2021.

Another initiative based on the same auxiliary compressor principle, the SRGG (System for the Recovery of Gas from the Seals) project aims to recover gas from compressor seals, which is usually vented into the atmosphere. A pilot project will be commissioned in late 2021 at the Mont compressor station. The system could then be extended to Barbaira and Sauveterre-de-Guyenne.



Realisation of the technical installation prior to the construction of the building on the AGU platform.

ACCEPTABILITY AT THE HEART OF THE PROJECTS

In 2020, Teréga's teams commissioned twenty projects despite the context of the Covid-19 pandemic, which affected the progress of the works. Most of these projects concern the creation, modernisation and adaptation of delivery and block-valve stations.

For any infrastructure project to be successful, it is vital that the various stakeholders involved, such as local residents, farmers and elected officials, are in favour of it. As part of its pipeline projects, Teréga's Federal Affairs Department maintains close contact with the owners of the areas of land crossed. The aim of this approach, which is carried out jointly with the Infrastructure and Projects Department, is to obtain as many amicable easement agreements as possible. Public information meetings are organised to notify the local residents and stakeholders of the impact associated with the establishment of the work site.

99% Passage agreement rate for infrastructure projects
Objective > 95%

OPERATIONS - STORAGE

Optimising the facilities at Izaute and Lussagnet

In 2020, Teréga continued with its policy of optimising the equipment at its underground storage sites in Lussagnet and Izaute, drilling a new control well (IZA-22) and carrying out two workover operations on other wells. These interventions improve the reliability of the facilities, providing ever-growing flexibility for our customers.

Drilled at Izaute on an existing platform, the new IZA-22 control well replaces the IZA-5 well. This well is used for drawing groundwater samples to be used for regulatory compositional analysis. In particular, the samples drawn will allow the continuation of the studies of the RINGS (Research into the Injection of New Gases into Storage) project, which is examining interactions between water and new gases in a simulated aquifer storage facility in the laboratory (see page 26).

ENSURING THE INTEGRITY OF THE FACILITIES

As part of its Maintenance and Safety campaign, Teréga has also replaced the production equipment at two of its wells, in Izaute and Lussagnet. This operation ensures that they are maintained in compliance with the industry standard over time. Both wells were recommissioned in early 2021, so as to ensure their availability for the withdrawal phase in the last months of winter.

The drilling and recovery campaigns were successfully completed on time, despite the constraints linked to the health situation. This performance is based on the continued close collaboration with some thirty service providers that were already present during the 2019 work campaign.



Teréga illustrates its expertise in the maintenance, securing and development of infrastructures.

OPERATIONS ADAPTED TO THE HEALTH SITUATION

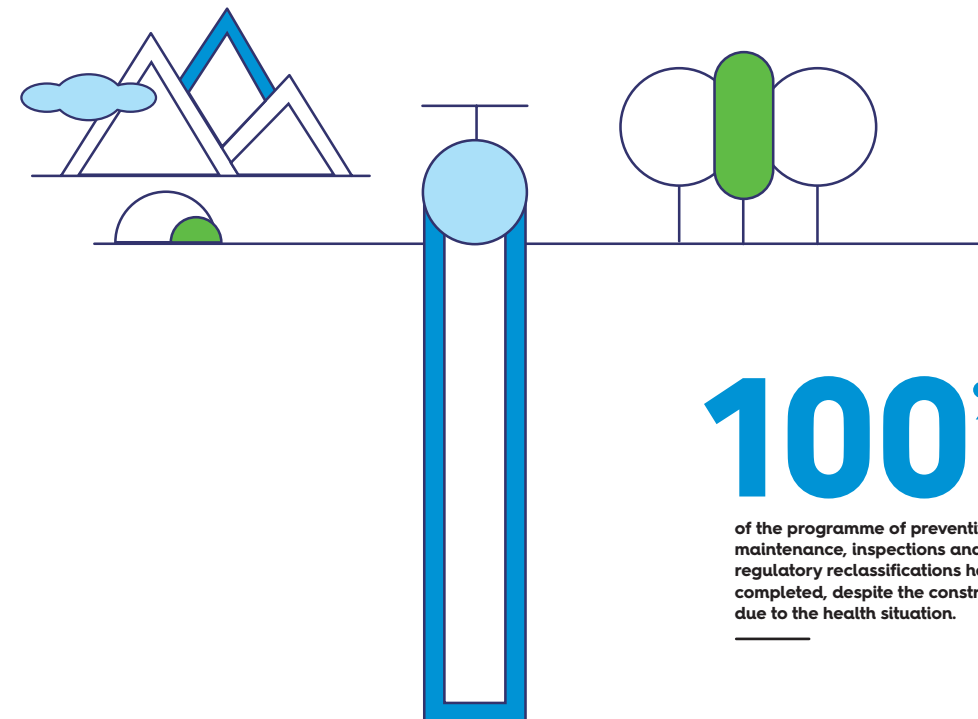
During the first period of strict lockdown observed in March 2020, only the personnel required to operate the facilities and those on call were present at the Lussagnet and Izaute sites, in order to carry out essential activities. All other activities (maintenance, inspection and works) were suspended. The storage sites were largely operated autonomously throughout the lockdown phase, by re-internalising activities and skills within the various Teréga teams, a reorganisation made possible by the agility of the new organisation of the Business Excellence Operations Department.

The organisation of the exit from lockdown allowed the resumption of activities in complete safety, integrating the new health constraints, with the implementation of an awareness programme intended to prepare for a calm return of all personnel. A number of changes were made at both sites to ensure that activities could continue in line with the health requirements linked to the Covid-19 pandemic, such as the installation of new changing rooms and marquees to increase the space available and avoid people crossing paths.

100% OF MAINTENANCE COMPLETED AS WELL AS THE INSPECTION PLAN

Operations gradually resumed until they returned to normal levels in late June 2020. Thanks to the mobilisation of all involved, the majority of the Maintenance and Safety operations programme planned for 2020 could be implemented. The entire programme of preventive maintenance, inspections and regulatory reclassifications has been completed.

The planned regulatory shutdowns of compressors C13, C16 and C17 at the Lussagnet site were also completed on time. In addition, major improvements were made to the compressors, with changes to the non-decompressible sections, modifications to the oil network and the installation of nitrogen vents, as well as to the digital control and monitoring system that manages the facilities in the Lussagnet control room. Finally, various development works undertaken on the site were delivered: bypass road, modernisation of the general markings, development of the business village car park.



Zero accidents objective



For Teréga, the safety of people and facilities is a top priority. As a responsible industrial operator, the company follows a structured and systematic approach to control all risks associated with its activity and to reach “zero accidents, zero snagging and zero surprises” by 2025.



The safety of people and facilities is a priority for Teréga.

The safety of people and goods is Teréga's first responsibility. Risk control encompasses workplace health and safety, industrial safety, cybersecurity and operational security. Since 2018, Teréga has been committed to an ambitious Industrial Accident and Risk Prevention programme, PARI 2025. This programme strengthens risk management in terms of the most significant risks and promotes an integrated safety culture through specific measures, actions and objectives.

RIGOROUS MANAGEMENT SYSTEMS

In early 2020, Teréga obtained certification for its integrated management system for all its transport and storage activities. It brings together quality (ISO 9001), the environment (ISO 14001), energy (ISO 50001) and health and safety at work (ISO 45001). The integration of the various systems into a single approach, extended to industrial safety, is a guarantee of the involvement of all employees in common HSE issues.

Based on a voluntary commitment, standard ISO 45001 introduces a prevention and anticipation approach that places people at the core of the mechanism. Teréga's safety standard has also been created following the structure of ISO 45001 in order to reinforce consistency across the organisation. The company's major accident risk prevention system is based on the accident prevention and processing activities organised via

its Safety Management Systems (SGSs) and the cornerstone of those systems, the risk assessment. In 2020, Teréga submitted additions to the last five-year generic study of the transport network to the administration, following specific inspections, the review and risk assessment of storage at the Lussagnet site, and the update of the risk assessment for storage at the Izaute site. These documents demonstrate the good risk management at Teréga's network and surface facilities.

ADDRESSING THE HUMAN AND ORGANISATIONAL FACTORS

In 2020, Teréga continued its training programme on safety leadership and shared awareness of major risks. A human potential pilot project was also launched in Lussagnet, so as to enable each employee to better mobilise his or her resources in any situation. In addition, in response to the need expressed by employees to better share internal feedback, a film was made containing accounts of accidents experienced by Teréga employees and the lessons learned, which was shown to all the teams and companies involved during the safety day. Teréga also expanded its range of personal protective equipment, offering its employees PPE according to the risks to which they are exposed.

INVOLVING TERÉGA'S PARTNERS

On the ground, Teréga consolidated its QOACQ last minute risk analysis tool, launched in 2018, through the visual management of pipeline construction projects. This daily “What, Where, With, How, Who?” analysis grid invites teams to verify and anticipate the safety of works before they are launched, and to better manage the risks of joint activity.

Teréga also promotes exchange visits between project managers and companies working on the same work site, which have been extended to all operational entities in 2021. These exchanges provide a fresh look to better identify risk situations and share good practices. In the Purchasing process, Teréga has evolved its tendering procedures, aligning them with a single, global operational vision of the control of the most important risks on each of its projects.

The approach was complemented by the deployment of a more simplified HSE standard that is easier to engage with, in the form of thematic information sheets that can be used during the preparation of specifications and during the construction phase, as a basis for discussion, supervision or control.

DIGITAL SOLUTIONS CONTRIBUTING TO SAFETY

Teréga has several digital tools at its disposal to strengthen prevention. Since 2019, the TERA (Teréga Events Report Application) mobile app has allowed users to report risk activities or situations and accidents



“Zero accidents, zero snagging, zero surprises” across our entire network by 2025.”

on the ground in real time, with photos and geolocation. These events are processed by HSE officers who identify the corrective actions to be implemented. In 2020, field staff were heavily involved in the reporting and processing of these events. The app has been enhanced with new features, including good practice feedback, planned general inspections and reporting of undeclared work.

“ZERO SURPRISES”, THE CREED OF SAFETY/CYBERSECURITY

In the area of cybersecurity, the challenges are growing, in the face of increasingly collaborative working methods, greater openness to the outside world and the digitisation of data. For Teréga, the priority is to identify risks in order to better control them, to improve its safety/cybersecurity culture and to work on how to behave in the face of malicious intent. This approach involves three actions: anticipation to reduce exposure to a potential threat and avoid being merely reactive; prevention using organisational, technical and human measures; protection to limit the impact of a malicious act, by practising cybersecurity by design.

SAFETY

Controlled outcome indicators

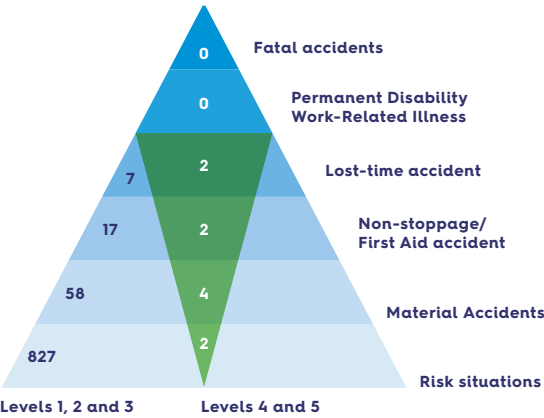
The reduction in the number of personal injury accidents in 2020 and good control over Undeclared Works have not diverted Teréga from its priority: to continue to mobilise every day to respect basic safety rules and spread a zero accidents culture.

2020 was marked by the Covid-19 pandemic and the introduction, within very short time frames, of new health rules. Teréga has been highly vigilant in deploying these measures and ensuring that they are properly applied throughout its operations and within the companies involved.

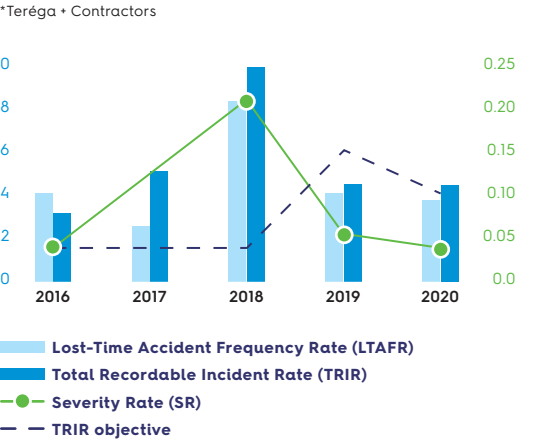
REDUCTION IN WORKPLACE ACCIDENTS

These health and safety issues have not diminished the attention paid and preventive actions taken by Teréga's teams in relation to occupational risks. In 2020, the Frequency Rate for workplace accidents and events with a high potential for severity are thus down slightly. In addition, Teréga recorded a good dynamic in the reporting and processing of risk situations and accidents.

Safety management based on the "prevention diamond" model has made it possible to ensure systematic analysis and treatment of root causes in order to prevent serious or potentially serious events from recurring.



ACCIDENT FREQUENCY AND SEVERITY RATES*



NO WORK-RELATED ILLNESSES WERE REPORTED IN 2020

Workstation examinations were carried out and plans made to prevent the risks of musculoskeletal disorders associated with screen work.

	2016	2017	2018	2019	2020
Number of work-related illnesses reported to the Social Security authority	3	0	1	0	0

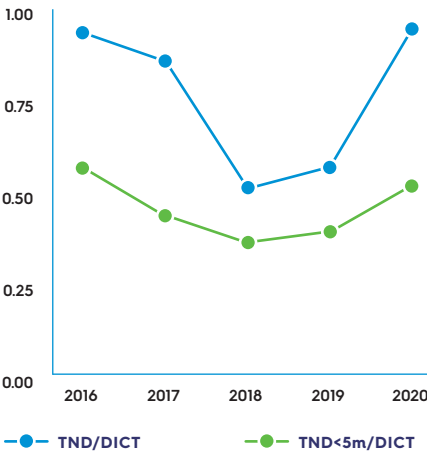
CONTROLLING UNDECLARED WORKS (UDW)

For Teréga, third-party site supervision is a major and ongoing concern. The most significant industrial risk for the company is the rupture of a gas pipeline during earth-moving works, followed by a leak and a resulting fire. The regulations oblige all works project managers and all companies intending to carry out earth-moving works to declare these in advance to the underground network operators by means of a Notice of Intent to Begin Works (DICT).

NUMBER OF UNDECLARED WORKS BY TYPE OF STAKEHOLDER

	2016	2017	2018	2019	2020
Authorities	8	7	4	5	2
Public works	49	50	25	30	44
Local residents	27	20	15	17	36
Total	84	77	44	52	82
UDW/DICT ratio	0.93%	0.87%	0.53%	0.59%	0.93%

TREND OF UDW/DICT RATIO (%)



THERE WERE NO PIPELINE SNAGGING INCIDENTS IN CONNECTION WITH THIRD-PARTY WORK

Despite the health situation linked to the Covid-19 pandemic, the number of work sites monitored by Teréga increased by 5%, with 8,848 requests from third parties. Over this period, UDW increased significantly compared to 2019. This increase is due to two factors:

- a high number of works carried out by private individuals during the lockdown periods,
 - increased monitoring of the network, with systematic reporting of all illegal work.
- This development does not call into question the steady decline in anomalies observed since 2012. The action plan implemented by Teréga to combat UDW has been bolstered for 2021.

	2016	2017	2018	2019	2020
Number of incidents of snagging of TEREGA infrastructure linked to third parties	1	1	1	1	0



AS CLOSE TO
OUR CUSTOMERS
AS POSSIBLE

53

LIONEL LALANNE HEAD OF REGIONAL DEVELOPMENT WITHIN TERÉGA'S TRADE AND REGULATION DEPARTMENT, LIONEL LALANNE IS DRIVING THE ENERGY TRANSITION ON THE GROUND BY SHIFTING FOCUS FROM CUSTOMER RELATIONS TO THE CUSTOMER EXPERIENCE.

Is the energy transition changing the challenges of customer relations?

Not everyone can take the same path towards the energy transition. Our regions are predominantly rural in nature, with a medium-sized but fairly well represented industry. They have a high potential for biomethane, which can be injected into our network for local use. We are therefore moving towards decentralised green energy, via small local producers in a short circuit, based on regional initiatives. In addition, many users are committed to greening their activities in order to consume better. These developments are changing our customer and prospective customer portfolio. Several green gas producers are already injecting it into our network. Some inter-municipalities are interested in this energy and in NGV mobility. Industrialists are also seeking to reduce their emissions. Everyone wants to be enlightened!

How are you adapting your approach

By supporting them in this greening and decentralisation of energy. We show them the path that best fits their DNA, their situation and their aspirations, towards a fair and seamless energy transition. This personalised approach to co-construction requires a precise understanding of the challenges of

the new energy ecosystem in their region, in order to be able to carry out a well-founded study on the most relevant avenues, in a climate of trust and an approach based on sustainable partnership. This requires a great deal of preparation on our part and an increase in skills in new energy systems. Our action also involves setting an example: our sales representatives all travel in NGV vehicles.

How do you strengthen the customer relationship with marketing?

Our commercial action is based on our presence on the ground, listening to our stakeholders. Our employees also live in these regions. So we receive a lot of feedback. Marketing allows us to process and classify this data well in order to better target our interventions, with appropriate language and an approach aligned with the company's strategic plan. Our sales force also works closely with marketing to measure the relevance and effectiveness of these campaigns through bi-annual satisfaction surveys. In addition, their digital tools strengthen the impact of our initiatives and spread our customer culture across all business lines.

What are your main areas of innovation?

Innovation requires the continuous improvement of our commercial offering. We seek out optimisations that lower our upstream costs and therefore our prices. This means that the prices of our injection stations are at the same level as the competition. We also rolled out advantageous conditions for investment repayment and bank guarantees for methanisation project holders. Advanced business solutions also require technology. In this way, we have built up an efficient NGV station connection offering by taking advantage of the higher operating pressure on our network. And our team is participating in the creation of the new IOBASE digital energy optimisation offering for industrialists.

"We must show the path towards a fair and seamless energy transition."

Alongside our customers

Improving customer relations is a key objective for Teréga, in order to better understand and anticipate their needs, respond to their requests and increase their satisfaction. In 2020, Teréga carried out several large-scale actions to be as close to our customers as possible.

In contact with its shipper customers, in February Teréga took part in the E-World forum, a major event in the energy sector. Other initiatives followed despite the pandemic: frequent conference calls, much appreciated webinars, specific business tutorials, etc. The Storage Convention, held remotely in October in the form of a TV show to introduce Teréga's offering to the market before it is brought to market, was a great success. In addition, the improved ergonomics of the customer portal, with the addition of functions, has made customer relations flow better.

These actions have improved our knowledge of customers and of the factors that influence performance, such as revenue from storage auctions, and have in particular made it possible to better promote Teréga's storage offering to traders.

“Teréga has created a new cross-functional marketing and communication unit for its upstream and downstream activities.”

DEPLOYMENT OF DATA STUDIO

The Trade and Regulation Department now uses Data Studio. This free tool from Google makes it easy to create customisable, easy-to-read and easy-to-share dashboards and reports from multiple sources without programming. With Data Studio, the Trade and Regulation Department now carries out more in-depth market research on the gas markets. The Transformation, Digital and Performance Department deployed the solution by collecting and consolidating data from gas operators' platforms, Transparency Platform and Open Data Energy Networks.

A NEW MARKETING UNIT

Teréga has created a cross-functional marketing and communication unit for its upstream and downstream activities, as well as for new gases. This unit has three priorities: to create value through technical, economic and regulatory monitoring and an analysis of consumption trends and growth drivers of the energy transition; to develop the commercial communication strategy via the eDeal CRM software with customers and prospective customers; to build differentiated and targeted offerings that meet the needs of customers, while gaining in efficiency. A special effort has already been made to communicate with shipper customers: messages have been clarified and structured plans put in place.



2020 Customer Convention: so as to adapt to the health situation, the annual customer convention was held remotely, filmed from the head office in Pau.

EFFICIENT INDICATORS

The digital and operational teams have improved the availability of gas metering data delivered to customers, secured the availability of applications and optimised costs. The migration of the applications to the cloud in July increased the resilience of the GasX metering tool, with an availability rate close to 100% without any major incident. At the same time, Teréga strengthened its relationship with its IT service providers, who are better informed about its continuous improvement and digital transformation processes. Cross-functional teams from the Operations Department, the Trade and Regulation Department and the Transformation, Digital and Performance Department, have worked on service quality indicators, via the M-Opérations process, to improve data knowledge and analysis, detect and anticipate anomalies on metering stations, better target remedial actions and resolve incidents more quickly. The performance achieved in 2020 thanks to the implementation of these actions led the French Energy Regulation Commission to grant a financial bonus to Teréga, in the framework of the incentive regulation rules.

FULL SPEED AHEAD FOR BIOMETHANE

2020 was a good year for the biomethane business, with the signing of three connection contracts: Mélusine Énergie in Aillas (33) with a maximum flow rate of 230 Nm³/h, Cap Vert Energie in Labessière-Candeil (81) with 400 Nm³/h and Agri Énergie in Auros (33) with 115 Nm³/h. At the end of 2020, Teréga had eight biomethane injector customers, with a maximum flow rate of over 3,600 Nm³/h and a production capacity of 320 GWh/year, equivalent to the annual consumption of over 90,000 gas-heated homes.

Teréga has significantly improved the competitiveness of its connection contract, lowering the price of the injection station by almost 25% and making bank guarantees and payment facilities more flexible. The development of the sector requires Teréga and the other managers to jointly draw up connection zones for methanisation facilities, which set out the most relevant plans for strengthening gas networks and connections (French law for balanced commercial relations in the food sector - EGAlim law). A map shows their progress and the most favourable locations for injection projects.

AN EXPERT AND COMMITTED GROUP



57

FLORENCE ECHENAY, HEAD OF MANAGEMENT AND DEVELOPMENT, (PHOTO ON THE LEFT), AND **JENNY JHUGROO**, HEAD OF SKILLS AND TALENTS (PHOTO ON THE RIGHT), IN THE HUMAN RESOURCES DEPARTMENT, HIGHLIGHT THE ACTIONS UNDERTAKEN BY TERÉGA TO DEVELOP A GROUP TO DRIVE THE ENERGY TRANSITION FORWARDS.

What challenges does Teréga's working group have to overcome in order to achieve the energy transition?

The energy transition places us at the crossroads of major regulatory, technological, market and societal changes: the rise of renewable energies, changes in the legal framework, the industrialisation of green gases, digitisation, new customer expectations, etc. Our teams have to adapt to these rapid changes, which are shifting boundaries and affecting all our business lines. To integrate them, we rely on our capacity for anticipation, innovation, agility and responsiveness. We have defined the strategic orientations for jobs and skills to master the energy transition.

What does this mean in terms of professional practice and organisation?

We are ensuring that we adapt our practices throughout the value chain and that the required skills upgrades are identified and will be developed as we have done for the internalisation of maintenance. In particular, the energy transition is rapidly changing technical knowledge and expertise. Beyond that, working methods are changing: decompartmentalisation, collaborative work and cross-functionality are the rule for progress. Our organisation is also opening up by taking part in Strategic Sector Committees. They allow us to reflect, together with other energy stakeholders, on the actions to be taken to develop standards and skills acquisition mechanisms in line with the challenges of the energy transition.

What are the strengths of Teréga's teams?

To be successful, technical skills alone are no longer enough. Behavioural skills, such as openness, curiosity and boldness, are decisive factors for success and adaptation, and are the difference and strength of this group. We have also deployed a responsive and agile organisation that is capable of rapidly creating interdisciplinary working groups and thematic task forces, to address issues such as those relating to hydrogen, for example.

Does this unlock new opportunities?

The energy transition opens up new playing fields for our employees. These are all opportunities for new career paths, professional development and fulfilment in innovative projects, cross-functional roles and new areas of expertise. Teréga ensures that everyone is involved in their own professional development to seize these opportunities. The challenge is to make these new paths visible and to make each employee aware of his or her own potential for action.

How exactly do you manage these developments?

By building a forward-looking vision that gives everyone a clear direction. This is the goal of Teréga Pass in 2021. This system will support employees by helping them to transfer their skills and put themselves on the path towards the jobs of tomorrow. We are also rolling out actions to raise awareness of the energy transition: webinars, conferences, etc. Above all, training plays a central role in developing the skills of our teams, whether through in-depth programmes such as Business Excellence or targeted actions focussed on new gases. This goes hand in hand with improving the sourcing of young talent. Many join us on internships and work-study programmes. 5.82% of our staff are on work-study placements, up 10% in one year. These new energies are also decisive for staying ahead of the game!

“Behavioural skills are the difference and strength of this group.”

TRAINING

Tailor-made solutions

In 2020, Teréga adapted its training offering in terms of distance learning format and content, both to meet the new challenges posed by remote working and to maintain the effort to develop its employees' skills.

Teréga's skills development plan is drawn up in accordance with the strategic guidelines for employment and business skills by the Management and Human Development Division within the Human Resources Department.

During 2020, this division planned to continue to develop the skills of Teréga's employees, within the framework of Business Excellence projects, including the one led by the Operations Department. The planning and delivery of the envisaged training courses had to be adapted to the health situation in order to maintain the effort to develop the employees' skills while preserving their health.

In this context, Teréga first chose to support its employees and managers in mastering remote working and managing the resilience required to operate in this new environment. Several online conferences and training courses were organised on the themes of Managing remotely, Succeeding at remote working, Living well in lockdown and Strengthening the working group. In addition to these webinars, Teréga adapted the "mental load" component of its Capital Forme well-being programme.

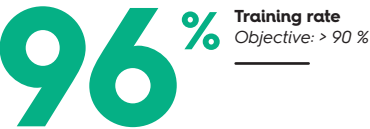


In 2020, Teréga provided vital face-to-face training.

DEPLOYMENT OF DISTANCE TRAINING AND MOBILE LEARNING

In addition, Teréga's Learning team was mobilised to convert the face-to-face training courses that could be converted into a distance learning format, and to provide the essential face-to-face training courses, particularly those involving technical handling or practical parts, in compliance with health protocols. In particular, Teréga deployed an innovative Mobile Learning tool. This new way of accessing educational content, via a mobile device, aimed to raise awareness of certain topics among all Teréga employees in short, more effective sessions. The first module was devoted to the health conditions of returning to work on site. The success of the initiative led the team to create a second module on the prevention of undeclared works, in collaboration with the business lines concerned.

These various measures made it possible to maintain a very high rate of access to training and to continue with the dynamic of developing skills within Teréga.



>>> DRIVER OF THE ENERGY TRANSITION >>>

SOCIAL

A constructive dialogue

The quality of the social dialogue in 2020 within Teréga contributed to the resilience of the organisation and the working group, in a long-lasting context of health crisis linked to Covid-19.

In 2020, a large part of Teréga's social agenda was to be devoted to the development of the rules applicable to organisations and working conditions, as well as to agreements relating to social policies and supplementary social protection for employees. These measures sought to adapt the social base to changes in Teréga's activities, the deployment of its social policy and its social commitments. With Covid-19, the social dialogue finally focused on adjustments to the organisation of work, working conditions and the methods of exercising social dialogue in a pandemic context, and then on the definition of a framework adapted to the resumption of activity and to a long-lasting health crisis situation.

A CONSTRUCTIVE DIALOGUE

In addition to the sessions of the Social and Economic Committee and the Health, Safety and Working Conditions Committee, Teréga set up a weekly meeting between Management, the secretary of the Social and Economic Committee, the union delegates and the rapporteurs of the Health, Safety and Working Conditions Committee and local representatives, in order to give feedback on the impressions, questions and situations of employees. These meetings were supplemented by other specific meetings. The Labour Rela-

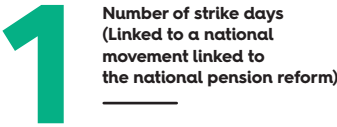
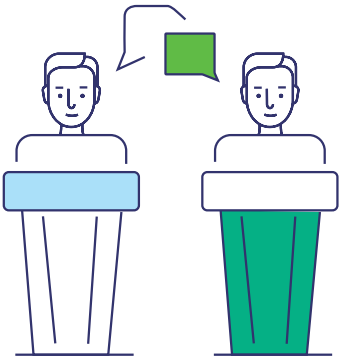
tions team facilitated the dialogue and ensured the legal monitoring of the measures adopted by the government in the context of the health state of emergency. The Human Resources Department involved the staff representative bodies and the union representatives in the management of this crisis, informing and consulting them as early as possible in order to anticipate difficulties, support employees and implement effective measures that are shared by all.

In the next two years, modernisation of the contractual arrangements will be at the heart of the social dialogue.

EFFICIENT OPERATIONAL SOLUTIONS

Business agreements specific to the health crisis have been concluded with the trade unions in order to implement solutions that guarantee public service continuity during a pandemic, adjust operating methods and protect the health and safety of employees. Two successive agreements deal with the management and organisation of shift work in the areas of transport and storage and commercial dispatching. All the representative trade unions adopted them unanimously. Two other agreements were signed with three of the four trade unions, on the organisation of working hours, the introduction of a hybrid work organisation combining on-site work and remote working, depending on the activity, and the adaptation of social dialogue procedures.

According to a survey conducted in late June, to which 63% of employees responded, 90% of people felt that the measures put in place in the context of the health crisis were appropriate.





Teréga supports its employees with ambitious campaigns to promote their well-being.

QUALITY OF LIFE AT WORK

A guarantee of performance and innovation

Convinced that the quality of life at work is a source of engagement and therefore a guarantee of performance and innovation, Teréga supports its employees through ambitious actions that promote their well-being and development.

Teréga's Quality of Life at Work policy reflects its desire to place people at the heart of its business plan, by taking into account the health-related issues of its employees and developing actions that promote their well-being at work throughout their professional lives, in order to build long-term loyalty. In this context, Teréga undertakes to:

Secure and develop employees in their working environment. To achieve this, Teréga implements actions making it possible to control workloads, identify and deal with irritants, develop skills, secure career paths, develop cooperation and cross-functionality, and provide adapted tools and work spaces.

Make changes an opportunity for its employees.

The actions implemented by Teréga in this respect aim to take human factors into account in transformation projects, control the pace of change, clarify and simplify processes, and involve its employees in the implementation of the changes.

Acknowledge and promote the work of its employees.

In this respect, Teréga is committed to acknowledging day-to-day work, identifying and promoting skills, developing and promoting areas of expertise, and encouraging initiatives and innovations.

Develop its employees within a socially responsible company.

To this end, Teréga deploys initiatives that promote activities that create social ties and conviviality, involve its employees in Corporate Social Responsibility (CSR) actions, encourage a healthy work/life balance and ensure respect for professional equality.

The Human Resources Department manages the deployment of this policy by ensuring that the measures put in place enable these commitments to be met.

LIGHTEN THE WORKLOAD AND THE MENTAL LOAD

In 2020, Teréga carried out a number of actions designed to improve the quality of life at work for its employees by following the priority areas of its policy. In order to make effective progress in dealing with the issue of workload, Teréga has drawn up a guide to analysing and regulating workloads, intended for managers and all employees. In addition, support was provided to two test entities in regulating and controlling their workloads, with a diagnosis being carried out in each of them and an action plan then being drawn up.

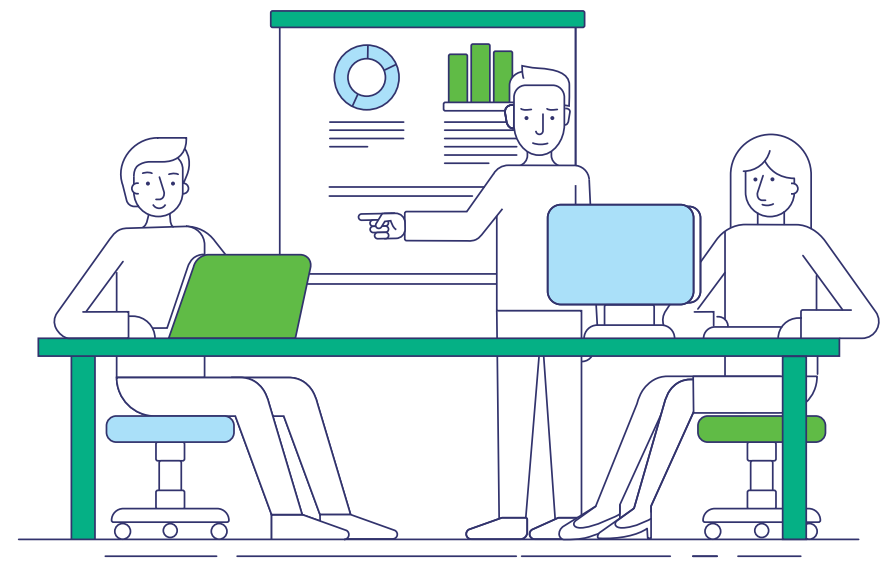
In order to promote the physical and mental well-being of its employees and to create a corporate culture that helps them develop in a socially responsible environment, Teréga set up remote physical exercise sessions in 2020, as part of its Capital Forme programme, adapted to working from home and periods of lockdown: yoga, muscle strengthening and cardio training. 49 employees registered for the courses. Videos on stretching at the work station have also been distributed on the internal communication area, reZo, so as to prevent the risks of musculo-skeletal problems linked to remote working.

7.3^{/10} Employee engagement score in September 2019

The methods for measuring and promoting engagement will be reviewed in 2021, in order to adapt them to the changes in the company and its environment.

In addition, Teréga deployed a programme of six conferences in 2020 aimed at addressing the mental load: Better understanding the phenomena of stress, Reducing the mental load, Relaxing on a daily basis, How to organise one's work, Developing relaxed professional relationships and Dealing with hyper-connection. On average, 77 employees participated in these conferences, which are available as recordings on the internal communication tools.

Finally, Teréga produced a guide and organised two conferences on family carers, to better inform employees about their role and the existing support mechanisms, in the context of a better work/life balance. 53 employees participated in these conferences, which are available as recordings.



KEY FIGURES

HR indicators

661

NUMBER OF EMPLOYEES

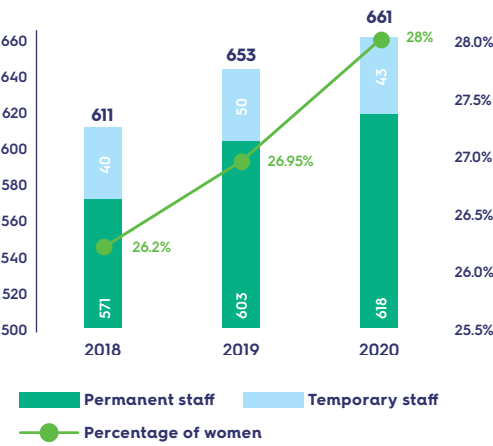


INCOMING-OUTCOMING EMPLOYEES

71 INCOMING EMPLOYEES
(of which 32 on permanent employment contracts)

64 OUTCOMING EMPLOYEES
(of which 17 on permanent employment contracts)

NUMBER OF EMPLOYEES BY TYPE OF CONTRACT AND PERCENTAGE OF WOMEN



GENDER EQUALITY INDEX

87

The 2021 index for TEREGA SA for the 2020 financial year
73 for 2019

The 2020 findings highlight the current dynamic of this gender equality perspective (the previous year's results having been impacted by the transformation within Operations).

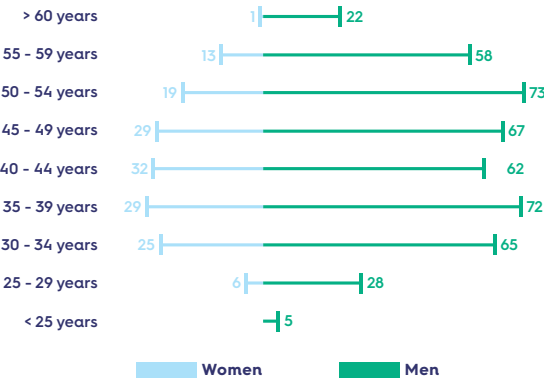
PROFESSIONALISATION

11 TRAINEES
(placements longer than one week)

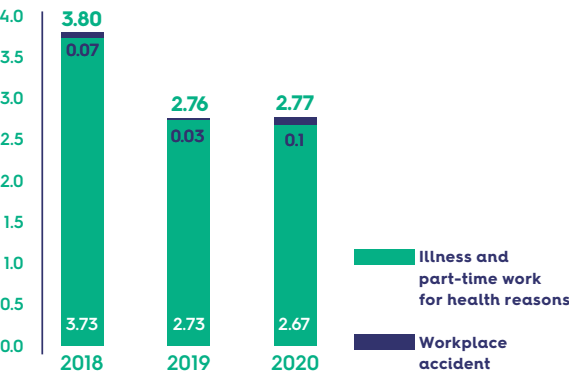
13 APPRENTICESHIP CONTRACTS

23 WORK-STUDY CONTRACTS

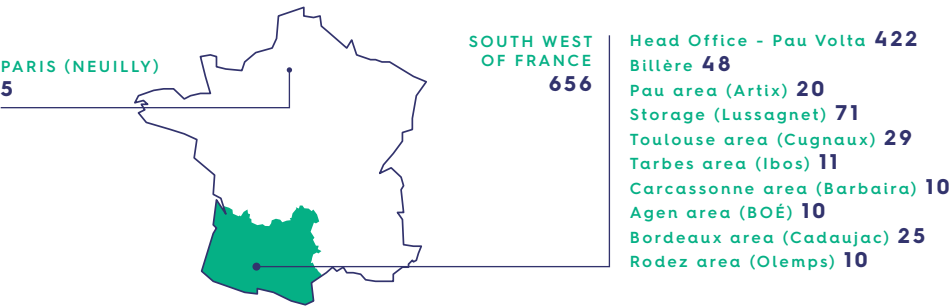
AGE PYRAMID



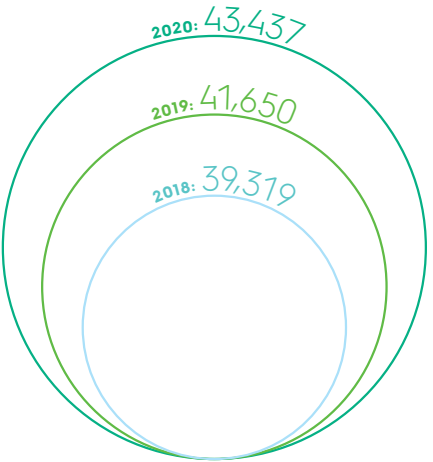
ABSENTEEISM (%)



DISTRIBUTION OF STAFF BY GEOGRAPHICAL LOCATION



PAYROLL (IN THOUSANDS OF €)



ORGANISATION OF WORKING TIME

	2018	2019	2020
Annual working time (no. of hours worked - temporary and permanent staff)	902,510	946,143	1,009,625
Number of part-time employees	23	20	23
Number of employees working remotely (1 day/week)	14	30	N/A

SOCIAL AND ECONOMIC COMMITTEE

28 ELECTED DEPUTIES
(14 office holders + 14 deputies)

14 MEETINGS

3 COLLECTIVE BARGAINING AGREEMENTS SIGNED

2 AMENDMENTS TO COLLECTIVE BARGAINING AGREEMENTS SIGNED

TRAINING

17,345h

TRAINING
(i.e. 2,478 days)

RATE OF ACCESS TO TRAINING BY GENDER
Men: 95.59% Women: 98.38%

4.43%

OF PAYROLL

96.37%

RATE OF ACCESS TO TRAINING
(i.e. 637 employees)

96.27% Rate of access to training among OETAM

97.55% Rate of access to training among senior managers

AN APPROACH THAT HELPS EVERYONE



65

LAËTITIA MAHENC AS THE HEAD OF ENVIRONMENT & CSR SINCE 2015, LAËTITIA MAHENC GUIDES AND IMPLEMENTS TERÉGA'S IMPACT REDUCTION STRATEGY, ITS CARBON NEUTRALITY TRAJECTORY AND ENVIRONMENTAL MONITORING.

“Every day we create a process of environmental, economic and social change.”

Does being a player in the energy transition give you special responsibilities?

LM The gas of tomorrow will be renewable and key in the fight against global warming. However, its production, storage and transport in our regions will have an ecological impact. It is our responsibility to anticipate and limit this impact on our environment by improving our safety parameters and the footprint of our activities today. As a public service operator and partner of the regions, Teréga's mission is one of public interest. We therefore also have a responsibility to support these regions by nourishing them with the ecological and digital culture that the energy transition brings.

So do societal and environmental commitments go hand in hand?

LM They are inseparable. For Teréga, accelerating the energy transition means implementing a corporate strategy that integrates its responsibility towards not only its employees, but also its regions and our planet, in order to contribute to their combined development, over the long term, as part of a sustainable approach. This gives meaning to all the people who collaborate and interact with us, and the desire to move forward with a stakeholder committed to a decarbonised, circular and virtuous economy.

How are you combatting climate change?

LM At company, regional and societal levels. We have an ambitious environmental programme: BE POSITIVE. In this context, we are instilling a culture and good practices that mobilise all our employees.

We also raise awareness among our partners, for example through the environmental clauses in our calls for tenders and our charter for responsible supplier relations. Our endowment fund *Teréga Accélérateur d'Énergies* expands this action in the regions through patronage. Finally, Teréga shares best practices in France and Europe through consultations, workshops

and various initiatives, such as the Oil & Gas Methane Partnership 2.0.

2020 was the year that Teréga became carbon neutral. How did you manage that?

LM Through actions based on a three-pronged methodology: avoid, reduce and offset our emissions.

We avoid some emissions by controlling our sources, especially methane losses from the facilities. We reduce others by minimising our needs, for example through machinery optimisation systems. In 2020, we neutralised the remaining incompressible emissions through the voluntary carbon offsetting project Clean Water. This programme provides access to drinking water for people in Ethiopia and Eritrea by renovating wells, thus avoiding the cutting down of 20,000 trees to boil water.

How does the transition benefit everyone through these responsible actions?

LM Our commitment and actions contribute to moving society as a whole towards greener energy solutions, more virtuous behaviour and better preservation of the environment, in order to produce, work and live together in more environmentally friendly regions. Every day we create and accelerate a process of environmental, economic and social change that contributes to a global response to the climate and sustainability challenges facing our planet.

A positive impact



In 2020, Téréga continued its strategy of having a positive impact on its regions: gradually erasing its environmental footprint, promoting diversity and working towards inclusion. By way of example, the company has just achieved carbon neutrality and is maintaining its efforts to have a positive footprint by 2025.

Since 2017, Téréga has been implementing its BE POSITIF (Positive Environmental Balance) programme, the environmental component of its CSR approach, with an ambitious objective: to erase the footprint of its activities. To achieve this, its teams have adopted a proactive approach at all levels of the organisation, based on a three-pronged methodology: avoid, reduce and offset.

For the past three years, Téréga has been focussing on the avoidance and reduction of its emissions. This approach is now producing excellent results. Since 2012, its total greenhouse gas (GHG) emissions have fallen by 50%. Since 2017, its total Carbon Balance has fallen by 25%, with a reduction in methane emissions of over 15% in four years. Its environmental performance, based on the ratio of GHG emissions produced to the amount of energy transported, has improved by 15%. In addition, in terms of energy performance, Téréga has reduced its energy consumption by 20% for the same activity.

QUANTIFIABLE CONCRETE ACTIONS

This performance is based on the implementation of tangible, efficient and quantifiable actions, backed by constant monitoring of the environmental footprint. In order to avoid methane emissions during the works phase, the use of a recompression truck makes it possible to recover 10 to 15% of GHG emissions. Flaring of residual methane helps to reduce the impact of emissions when recompression is not possible. In addition,

the management of the machinery is optimised using the Optimus software, a digital solution that integrates the CO₂ factor into the technical solution implemented. The deployment of less energy-intensive technologies, tools, operating methods and digital services also contributes to reducing the company's footprint through digital frugality. In addition, the increased skills of the teams enable the work and maintenance phases to be further optimised.

Since 2018, 100% of the electricity consumed by Téréga for its own needs has come from renewable sources. In late 2020, Téréga also commissioned a bioNGV station for its vehicle fleet and will commission a 12 GWh self-consumption solar power plant at its Lussagnet site by 2023.

OFFSETTING, A COLLECTIVE ADVENTURE

To achieve carbon neutrality, it is not enough to reduce GHG emissions as much as possible: some of them cannot be compressed. Téréga has therefore initiated a strategy to offset residual emissions, the third component of the BE POSITIF programme. The company participates in Clean Water, an international carbon offsetting project. Selected in 2018 by its employees from among three other initiatives, Clean Water has been awarded the Gold Standard reference label. Led by decarbonisation leader Eco-Act, this project is developing a drinking water supply for people in Ethiopia and Eritrea through 41 wells, avoiding the need to boil water and chop wood, thus preserving 20,000 trees.

FROM CARBON NEUTRALITY TO A POSITIVE FOOTPRINT

Thanks to these actions, Téréga achieved carbon neutrality for the first time in 2020. The company will continue its efforts to further reduce its methane emissions by 36% by 2025 (compared to 2017) and generate a positive footprint. In particular, this ambition is based on the fight against diffuse losses at its facilities, the optimisation of the carbon footprint of each employee and the development of offsetting projects in the vicinity of the facilities, particularly through the production of biomethane, using a circular economy approach. In this respect, in October 2020, Téréga joined the work of the Oil & Gas Methane Partnership (OGMP) 2.0, a partnership launched by the

United Nations Environmental Programme, alongside some sixty other European gas stakeholders. This initiative, which is supported by the European Commission, proposes the establishment of accurate and transparent reporting of methane emissions throughout the entire gas chain, in order to support companies in the sector in their commitment to reduce their emissions. The European Commission expects an overall reduction of 45% in methane emissions from gas infrastructures between 2016 and 2025.

SUSTAINABLE WATER RESOURCE MANAGEMENT

Téréga stores natural gas in a deep water aquifer, called the Eocene aquifer. The responsible and sustainable management of this aquifer is also a strategic issue. Alternating the filling and emptying of gas storage reservoirs leads to cyclical variations in the water level in the aquifer, impacting drinking water wells and thermal baths. Téréga monitors these piezometric variations using a network of piezometers installed in wells in the area of influence and anticipates them using digital simulation tools.

Since 2014, Téréga has also been involved alongside the French Geological Survey (*Bureau de Recherches Géologiques et Minières* - BRGM) and the Adour Garonne Water Agency in the GAIA research programme, which aims to gain better understanding of the functioning of the aquifers of the North Pyrenees. In line with this work, which will be completed in 2021, Téréga has just signed the charter set up by the Adour Garonne institution, alongside other private and institutional stakeholders, and sits on its steering committee. This Charter for Engagement in Governance for concerted, sustainable and united management of the deep aquifers of the Adour basin [Charte d'engagement dans la gouvernance pour une gestion concertée, durable et solidaire des nappes profondes du bassin de l'Adour] aims to provide better understanding of these aquifers, protect against pollution, streamline withdrawals and set up a united management to preserve this strategic resource.

SUPPORTING STUDENTS AND PROMOTING DIVERSITY

In June 2020, Téréga adopted an action plan on work-study placements, internships and summer jobs, anticipating students' difficulties in finding host companies during the health crisis. This approach made it possible to offer ten additional work-study

positions and two final year internships. Téréga also maintained its summer job campaign, with offers of employment to unemployed students with scholarships and to young people presented by its partner CREPI (*Clubs régionaux d'entreprises partenaires de l'insertion* - Regional Business Clubs to Promote Integration). 9 of 20 summer jobs were thus filled. The company's wealth lies in its diversity. However, Téréga has only 10% women in its technical professions, compared to 14% nationally in the energy sector. In 2021, Téréga is therefore implementing an action plan to improve the attractiveness of these professions for girls in secondary schools, high schools and potential candidates. This will require a campaign to promote the image of women in the industry, highlighting its female employees in technical roles.

COMMITTED TO INCLUSION

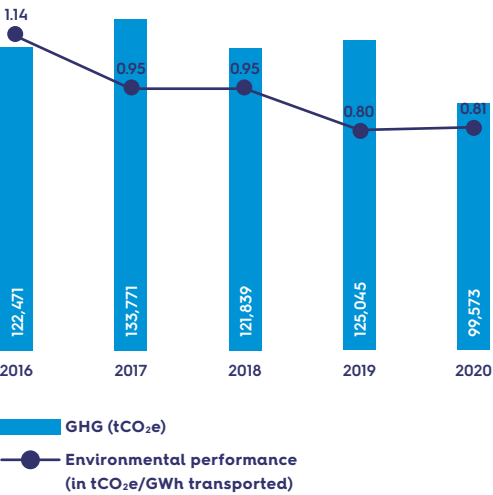
In October 2020, Téréga organised a round table in the presence of Sophie Cluzel, Secretary of State for People with Disabilities, on their professional inclusion. Discussions with Téréga's teams, local companies and employees with disabilities have highlighted the difficulties encountered and the measures implemented by Téréga. In addition, Téréga carried out an awareness-raising campaign for its employees during Disability Week in November 2020: welcoming and simulating a job interview with a disabled job seeker, ordering a service from an adapted company, etc. Téréga also updated its internal disability guide, specifying the role of the social assistant and the disability advisor, as well as the support measures available to employees in the event of an application for recognition as a disabled worker or for financial aid. Convinced that digital technology is a driver of employment and inclusion, Téréga will also undertake targeted inclusion actions in 2021 based on digital technologies.

KEY FIGURES

Environmental indicators

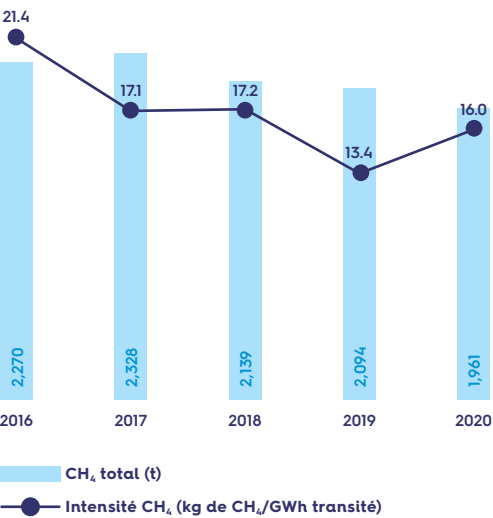
ENVIRONMENTAL PERFORMANCE

This refers to the quantity of greenhouse gas (GHG) emitted by Teréga’s activities per GWh of gas transported on the Teréga network.



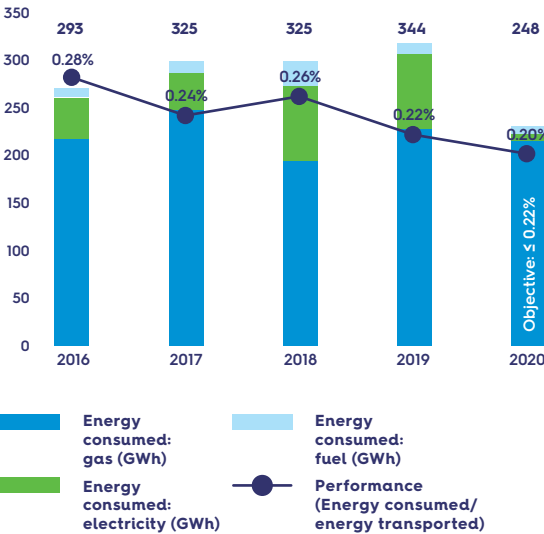
METHANE INTENSITY

The methane intensity indicator is the ratio of the quantities of methane emitted by Teréga’s activities to the quantities of gas transported through its network.



ENERGY PERFORMANCE INDICATOR

This refers to the quantities of energy consumed in GWh for Teréga’s activities per GWh of gas transported on our network.



PRODUCED PHOTOVOLTAIC ENERGY

	2016	2017	2018	2019	2020
Lussagnet, Cugnaux and Volta buildings	143,276	153,402	141,500	152,785	137,029

100%

SHARE OF ENERGY RENEWABLE CONSUMED

WATER

	2016	2017	2018	2019	2020
Teréga					
Consumption of water from drinking water networks – all sites (m³)	8,060	7,657	8,160	8,184	5,798
Storage site					
Volume of process water discharged into the natural environment after water treatment at Lussagnet (in m³)	2,693	2,773	4,842	5,921	5,581

PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISKS

€350,087

AMOUNT OF THE PROVISION REQUIRED BY THE LUSSAGNET SITE

WASTE

	2016	2017	2018	2019	2020
Quantity of Teréga waste generated (in tonnes)	1,867	2,957	1,426	2,637	1,770
(%) reused	92%	85%	75%	85%	86%

BIODIVERSITY

224ha

OF ECOLOGICAL OFFSET SITES MANAGED BY TERÉGA AS AT THE END OF 2020



PATRONAGE

Driving collective energies forwards

— **Teréga promotes** the talents and assets of its regions. Patronage actions are carried out by the **Teréga Accélérateur d'Énergies** [Driving Energies Forwards] endowment fund, created in August 2020. It supports projects of public interest that contribute to harmonious cultural, sporting and social development, respectful of people and their environment, in the regions where the company is based.

The *Teréga Accélérateur d'Énergies* endowment fund is thus an independent, non-profit patronage mechanism, the purpose of which is to carry out or finance actions of public interest with four priorities: supporting the economic and social development of the South-West, preserving biodiversity, encouraging social inclusion and promoting France's scientific and cultural heritage. The selected projects provide viable and sustainable assistance and/or support for the major challenges of today and tomorrow to help our regions grow.

TERÉGA accélérateur d'énergies

PROMOTING THE TALENTS OF THE REGIONS

— As the *Teréga Accélérateur d'Énergies* Endowment Fund can create its own initiatives and projects, it has initiated the publication of the collective work "Lignes Essentielles" [Essential Lines] aimed at promoting the regions. Through twelve portraits, this collection highlights the inspiring solidarity initiatives of committed stakeholders in the South West of France aimed at mitigating the impact of the health crisis and the lockdown, all driven by the desire to be useful and help others: doctors, restaurant owners, craftsmen, entrepreneurs, shopkeepers, etc. Some of the work was distributed to Teréga's employees and stakeholders. The *Reconciliations, Henri IV and Rome* (1589-1610) exhibition organised by the *Réunion des Musées Nationaux - Grand Palais* and the *Château de Pau* also received

support from the Endowment Fund. Teams from Teréga's Transformation, Digital and Performance Department participated in the digitisation of some of the works and in the design of applications for the tablets made available to visitors.

COLLABORATION WITH THE CENTRE POMPIDOU

— As a partner of the *Pompidou Accéléérations* endowment fund, through its own Endowment Fund, Teréga continued the dialogue initiated in 2018 with the artistic world, companies, teams and the public of the Centre culturel Pompidou, with the launch of the second season of the *Centre Pompidou Accéléérations* endowment fund, on the topic Create, Innovate and Act in today's times. The planned events were ultimately postponed due to the pandemic. However, a delegation from the Centre, including its President Serge Lasvignes, came to talk to Teréga's employees about its activities. At that time, the artist Hubert Duprat, co-opted by Teréga for the first season, spoke about his career and his work.

DRIVING SOCIAL INCLUSION FORWARDS

— For Teréga, social welfare is of paramount importance to all generations. In the spring of 2020, the donation of digital tablets to the Hospital Establishments for Dependent Elderly Persons (EHPAD) in Nogaro and Magnolias du Houga, located in Gers near the Lussagnet storage site, facilitated communication between the residents and their relatives during the pandemic. The two establishments received 10 and 4 tablets respectively, configured by the Transformation, Digital and Performance Department.

In the wake of this, Teréga assisted the managers of Hameau Social Centre, located in the Ousse des Bois district of Pau, to deploy digital training sessions during the summer activity *Les Vacances apprenantes* [Learning Vacations]. This initiative has been very well received and has made it possible to combat school drop-outs during the pandemic among young

people who are often isolated and unsupported, by teaching them how to use an email account, write a document, do research online or take distance-learning classes. The courses were given by the company STEP. Teréga provided laptops for the students and trainers. The scheme was continued in the form of tutoring after classrooms were set up in the centre, to maintain the link with the children.

Finally, at the end of the year, Teréga donated the budget allocated to its traditional end-of-year party to Secours Populaire, as it was cancelled as a result of the anti-Covid measures, for the benefit of the *Pères Noël Verts* [Green Santas]. This operation offered a moment of comfort to children from families in difficulty, to the elderly or to isolated people. Meals and gifts were distributed in our 15 departments.

SPORT - A DRIVER OF INCLUSION

— In addition, the new Teréga Endowment Fund supports the *Hand Ensemble* section of the *Billère Handball* club, which welcomes adults aged 28 to 50 with mental disabilities, as well as its actions in favour of the training of twenty promising young sportsmen and women at the Roger Tétin Centre. In particular, this partnership allows the Hand Ensemble team to travel to neighbouring departments to compete against other disabled sports teams.

Through the endowment fund, Teréga also supports three associations linked to the Élan Béarnais basketball team from Pau, in order to promote this sport while developing solidarity around its practice: its amateur unit, the Élan Béarnais Pau Nord-Est, its women's section of Élan Béarnais Pau-Lacq-Orthez, and the Élan à Fleur de Pau, a collective that allows other associations to come and present themselves to the public during each home game.

Teréga Accélérateur d'Énergies is also a partner of the *CREPI*, which promote access to employment and business creation in priority neighbourhoods.



A SUSTAINABLE AND EFFICIENT MODEL

73

AGNÈS BUTTERLIN AS THE DIRECTOR OF FINANCE AND PURCHASING SINCE JUNE 2020, AGNÈS BUTTERLIN BRINGS TO TERÉGA OVER TWENTY YEARS OF EXPERTISE IN FINANCE AND ENERGY, WHICH ALLOWS HER TO MAKE A PRECISE DIAGNOSIS OF THE COMPANY'S MODEL AND TRAJECTORY.

“Teréga’s economic model is both stable and resilient.”

What is your view of Teréga’s business model?

AB I joined Teréga in the middle of the health crisis and the stability of the business model made an impression on me. This is reflected in our 2020 results, even though they are down due to subscriptions to Pirineos. This stability is based on regulated revenues, together with the solidity of our customers, since we did not suffer any cases of non-payment in 2020. This model will evolve as the energy transition accelerates and requires us to rethink our business model.

What are its strengths and the guarantees of its sustainability?

AB It is a resilient business model in times of crisis, in terms of revenue and cash flow, which reassures investors. The complementary nature of our transport and storage activities is another advantage for future projects, for example in hydrogen. Our territorial presence also gives us detailed knowledge of local ecosystems to support regional initiatives. In light of these advantages, the employees’ skills and the ability to innovate are decisive for future performance.

Is the energy transition changing this business model?

AB Natural gas is a transitional fossil fuel. The objective of achieving carbon neutrality by 2050 requires us to orient our economic model towards the development of decarbonised energy and green gases, such as biomethane and hydrogen. The first developments in green hydrogen will be local and then gas infrastructures have a key role to play in its transport and storage at European level.

What are the challenges for 2021?

AB The energy transition sped up in 2020, in terms of awareness of the challenges and as regards the measures implemented, with economic recovery programmes that place a large emphasis on green

energy. The EU’s July 2020 plan states that 37% of expenditure should be allocated to environmental objectives. For Teréga, this dynamic translates into two priorities: to accelerate consideration of the evolution of our economic model, and to strengthen the management and control of our costs in traditional activities.

What are the levers that will enable the company to improve its performance?

AB Operational efficiency is the first of the levers, by continuing to question how to manage our activities differently to do better, without compromising safety. Simplifying processes is a second lever: they are sometimes too complex or redundant, which is a source of inefficiency or additional costs. Innovation is another lever, for example by creating commercial offerings adapted to the new needs of customers, or by promoting the digital tools successfully developed and deployed by us to other energy stakeholders.

And how can Teréga’s sustainable trajectory be strengthened?

AB Firstly, by setting ourselves ambitious targets for reducing CO₂ and methane emissions and by deploying efficient measurement systems. Secondly, by significantly increasing our investments in activities that meet sustainability, emissions reduction and zero-carbon trajectory criteria. These green criteria will become essential, via the implementation of the European taxonomy, in the reporting of investors, and therefore in their future investment choices.

KEY FIGURES

Financial and market indicators



TURNOVER

The turnover of the Transport business was €313 million in 2020, a decrease of approximately 8% compared to 2019. For its part, the turnover of the Storage business showed a contraction of approximately 9% compared to 2019. These two results are principally connected to the entry into force of the new ATR7 tariff for the Transport business and the new ATS2 tariff for the Storage business, and more specifically to the reduction of return on assets, partially compensated for by the start-up of the new investments realised. The reduction in capacity subscriptions also had an impact on the turnover of the Transport business in 2020.

€50M

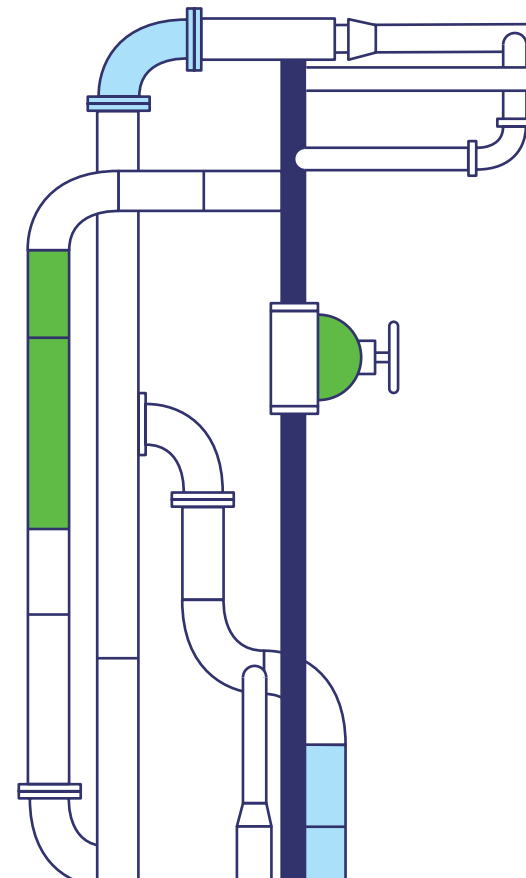
NET INCOME

Teréga delivered €50 million of net income in 2020, a particularly solid result given the start of a new tariff period and the global health crisis.



AMOUNT OF INVESTMENT

In 2020, the total sum of our investments was €126 million. For the Transport business (€92 million), this primarily consisted of investments for the development of the network and the modernisation, safety and security and maintenance of our infrastructures. For the Storage business, investments reached €34 million and largely corresponded to projects for the modernisation, safety and security and maintenance of infrastructures.



TOTAL CONSUMPTION IN THE TERÉGA AREA



TRANSPORT AND STORAGE

122,859 GWh

QUANTITY OF GAS TRANSPORTED

68

NUMBER
OF TRANSPORT
SHIPPERS

27

NUMBER
OF STORAGE
SHIPPERS

33,100 GWh

SUBSCRIBED STORAGE
CAPACITY

100%

SUBSCRIBED STORAGE
CAPACITY

Correlation table
for the Non-Financial
Performance Statement

The following tables set out the elements of the report constituting the Teréga Non-Financial Performance Statement included in the Sustainable Development Activity Report. These elements have been audited by an Independent Third-Party Organisation, whose opinion is published in this report.

IN RESPECT OF ARTICLE R.225-105 OF THE FRENCH COMMERCIAL CODE

The various elements required are presented in the report on the following pages:

- the business model is presented on pages 10-11 of the report;
- the description of the main risks (challenges) is on pages 14-15 of the report;
- the policies, due diligence and results associated with these challenges are presented in the report as follows:

NON-FINANCIAL CHALLENGE	ARTICLE	KEY PERFORMANCE INDICATOR
Managing legislative and regulatory changes and guaranteeing regulatory compliance	Legal and regulatory framework (p. 17)	
Anticipating energy market developments, particularly through Research and Innovation	Overview of innovation projects (p. 24-25)	Innovation activity (p. 25)
Ensuring personnel and third-party safety	Safety - Zero accidents objective (p. 48-49)	Total Recordable Incident Rate (p.50) UDW/DICT ratio (p.51)
Working with suppliers in accordance with our social commitments	Suppliers - A local, responsible and inclusive commitment (p. 37)	Purchasing coverage rate (p. 37)
Minimising our environmental footprint and acting in a socially responsible manner	CSR approach- BE POSITIF (p. 66-69) Regions (p. 34-35) Patronage (p. 70-71)	Environmental performance (p. 68-69)
Ensuring service continuity from our IT infrastructures	IT system (p. 43)	Rate of availability of critical and vital applications (p. 43)
Maintaining a calm social environment	Quality of life at work (p. 60-61) Social dialogue (p. 59)	Number of social alerts (p. 59)

NON-FINANCIAL CHALLENGE	ARTICLE	KEY PERFORMANCE INDICATOR
Managing and developing skills	Training (p. 58)	Training rate (p. 58)
Respecting ethics	Ethics - Committed to respecting the rules of ethics (p. 21)	No. of cases taken on by the Ethics Committee (p. 21)
Promoting the acceptability of our facilities in the regions	Recompression - Paragraph: Acceptability at the heart of the projects (p. 45)	Passage agreement rate for Infrastructure Projects Department projects (p. 45)
Ensuring we have a solid organisation to achieve our objectives	Governance (p. 18-20)	Attendance rate at meetings of the Board of Directors (p. 19)

IN RESPECT OF ARTICLE L. 225-102-1 OF THE FRENCH COMMERCIAL CODE

The following table sets out the elements required under Article L. 225-102-1 of the French Commercial Code and the manner in which TERÉGA responds in this Activity and Sustainable Development Report.

ARTICLE L.225-102-1 OF THE FRENCH COMMERCIAL CODE	CORRESPONDENCE IN THE 2020 ACTIVITY AND SUSTAINABLE DEVELOPMENT REPORT
The impact on climate change of the company's activity and of the use of the goods and services it produces	BE POSITIF article (p. 66-67)
Its societal commitments: • to sustainable development • to the circular economy • to fighting food waste • to fighting food insecurity • to respecting animal welfare • to responsible, fair and sustainable eating	• BE POSITIF (p. 66-69) and Authorities (p. 34-35) • Not relevant to the risk analysis • Not relevant to the risk analysis • Not relevant to the risk analysis • Not relevant to the risk analysis
The collective agreements concluded within the company and their impact on the company's economic performance and the working conditions for staff	Number of collective agreements signed in HR indicators key figures (p. 62-63)
Actions to fight discrimination and promote diversity and measures implemented to benefit disabled people	Gender equality index in the HR indicators key figures (p. 62-63) CSR approach (p. 66-69) - paragraphs: Supporting Students and Promoting Diversity, and Committed to inclusion

Report by the independent third party, on the consolidated non-financial statement included in the management report

Teréga
40, avenue de l'Europe, 64000 Pau
For the year ended December 31, 2020

TO THE SHAREHOLDERS

As an independent third party and certified by COFRAC under number 3-1055 (information available on www.cofrac.fr), we hereby report to you on the non-financial statement for the year ended December 31, 2020, included in the management report pursuant to the legal and regulatory provisions of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

THE ENTITY'S RESPONSIBILITY

Pursuant to legal and regulatory requirements, the board of directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators. The Statement has been prepared in accordance with the entity's procedures.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code, in addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the applicable legal and regulatory requirements.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY VERIFIER

On the basis of our work, our responsibility is to provide a report expressing a conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation and the compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with article A. 225-1 and following articles of the French Commercial Code:

- we obtained an understanding of all the activities of the companies included in the scope of consolidation and, the description of the principal risks;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III ;
- we verified that the Statement provides the information required under article R. 225-105 II when relevant in regard to the principal risks and includes where necessary a clear and reasoned explanation for the absence of the information required in article L. 225 102-1 III, 2°;

- we verified that the Statement presents the business model and the principal risks associated with all the companies' activities included in the scope of consolidation, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we referred to documentary sources and conducted interviews in order to :
 - assess the process used to identify and confirm the principal risks and the consistency of the key performance indicators used with respect to the principal risks and the policies presented;
 - corroborate the qualitative information (measures and outcomes) that we considered to be the most important*;
- we verified that the Statement covers the scope of consolidation, i.e. all the companies included in the scope of consolidation in accordance with article L. 233-16 within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures implemented by the entity and we assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important, we implemented:
 - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
 - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers 28% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the companies included in the scope of consolidation.

MEANS AND RESOURCES

Our work was carried out by a team of 3 people between November 2020 and April 2021 and took a total of 21 weeks. We conducted 18 interviews with people responsible for preparing the Statement.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the non-financial statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly.

COMMENTS

Without qualifying our conclusion above and in accordance with article A. 225-3 of the French Commercial Code (*Code de commerce*), we formulate the following comments:

The policy related to the risk entitled "Managing legislative and regulatory changes and guaranteeing regulatory compliance" does not present any precise commitment or improvement target.

There is no key performance indicator related to the risk entitled "Managing legislative and regulatory changes and guaranteeing regulatory compliance".

* Key performance indicators and other quantitative outcomes:

- Innovation activity
- Total recordable incident rate
- Lost-time accident frequency rate
- UDW/DICT Ratio
- Purchasing coverage rate
- GHG/GWh of gas transported
- Methane intensity
- Rate of availability of critical applications
- Rate of availability of vital applications
- Training rate
- Number of cases taken on by the Ethics Committee
- Passage agreement rate for infrastructure projects
- Rate of attendance at meetings of the Board of Directors

Done in Toulouse, 3 May 2021

THE INDEPENDANT THIRD-PARTY BODY
SAS CABINET DE SAINT FRONT

Pauline de Saint Front
Chairwoman



The JUPITER 1000 project is supported by:



In partnership with:



Teréga Communication Department, May 2021. Director of the Publication: Dominique Boquillon. Editors in Chief: Céline Dallest, Nelly Salabert.
CSR project managers: Laëtitia Mahenc - Head of Environment & CSR Division, Agnès Baillot - Environnement and sustainable development Engineer.
Design and production: **BABEL**. Photo credits: Alexis Atteret, Département du Gers, Jean-Michel Ducasse, Maxime Huriez, Laurent Pascal, Stéphane Lavoué/Pasco, Romain Perchicot, Teréga - Équipe Projet RECOMP, Éric Traversié.



Headquarter: 40, avenue de l'Europe • CS 20522 • 64010 Pau Cedex • France
8, rue de l'Hôtel de Ville • 92200 Neuilly-sur-Seine • France
Tel. +33 (0)5 59 13 34 00 • [@Teregacontact](#) • [www.terega.fr](#)