



# Accelerating

the energy transition to serve the territories



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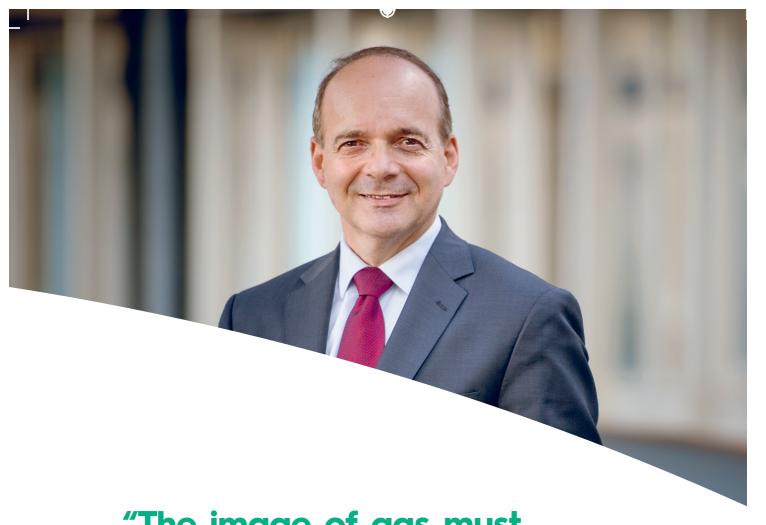
Report by the independent third party, on the consolidated non-financial statement included in the management report

Multi-energy and digital technology BU

#### **Profile**

Teréga 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, highperformance 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.



#### "The image of gas must evolve and find its right place in the virtuous cycle of the energy transition."

Dominique Mockly, Chairman of the Board and Chief Executive Officer of Teréga SA, President of Teréga Solutions



**EDITORIAL** The year 2021 was one of transitions for Teréga: Transition for post-Covid economic recovery and transition to the energy model of tomorrow. With resilience as our watchword, we have adapted to a changing environment to continue delivering on our mission and transforming our model to speed up the energy transition.

#### What have you learnt from a year particularly rich in energy challenges?

**D. M.:** In an unprecedented international context, characterised by the pandemic, 2021 saw an unprecedented resumption of gas consumption. Teréga's role in fulfilling its responsibilities to its customers was crucial, guaranteeing the delivery of gas throughout the network, including during peak consumption, with very high responsiveness and availability of its infrastructure.

Thanks to the commitment of all our teams, we have accomplished our public service mission by ensuring the supply of gas to all our connected customers, from companies to public distribution.

This period has enabled us to validate the approaches taken by the company over the past several years concerning the training of its teams, support for projects involving biomethane and Natural Gas for Vehicles (NGV) filling stations that may be connected to our network and the deployment of digital best practices to increase the efficiency of our network, our operational teams and our customers. This year also reminds us of the many advantages of gas, advantages managed perfectly by the company. Thanks to its storage capacity, whether natural or renewable, gas is a perfect way to manage fluctuations in demand throughout the year.

#### What actions have you taken at Teréga to accelerate the necessary energy transition?

**D. M.:** Well, 2021 was also the year of diversification with the rise of Teréga Solutions, a subsidiary of Teréga SAS, which aims to promote renewable energy sources, industrial performance and projects serving the territories of tomorrow. Its objective is to provide solutions to promote the development of priority topics for the energy transition, including biomethane, NGV, hydrogen, systems that combine several energy sources with the objective of energy efficiency and frugality, and digital technology.

Teréga Solutions, the group entity dedicated to these non-regulated activities, enables us to intensify our support for the energy sources of the future through three business units launched in 2021: Biomethane and Gas Mobility launched in January, Multi-Energy and Digital Technology launched in March and Hydrogen launched in September. This new entity is a powerful driver of energy transition for the group.

#### Can you describe some of the activities of Teréga Solutions?

**D. M.:** The transition to a more responsible energy mix can only be achieved by developing innovative and exemplary digital solutions that improve the efficiency of our infrastructure and operations in the most straightforward manner. As the permanent link between producers and consumers, the networks are indispensable tools in this energy revolution. In particular, their flexibility enables them to deal with fluctuations in demand. Interconnected grids, or smart grids, will play a crucial role in building the energy world of tomorrow. This is the main objective of the Multi-Energy and Digital Technology Business Unit of Teréga Solutions.

The Hydrogen Business Unit demonstrates our commitment to the development of the renewable hydrogen sector by assisting project leaders and nurturing ecosystems so that they can build their initiatives. It also backs promising technologies through our investment capacity. Its goal is to become a key hydrogen player in France as well as Europe, particularly by forging strategic partnerships—such as the one initiated with Hydrogène de France (HDF)— to create the hydrogen infrastructure and logistics solutions needed to develop a seamlessly harmonised sector.

#### What do you see for 2022?

**D. M.:** In 2021, Teréga demonstrated its adaptive and resilient capacity to make full use of a changing environment. The acceleration of the energy transition and the profound changes in the energy system resulting from Russia's invasion of Ukraine, with the security of energy supply for our territories, France and Europe at stake, underline the strength of our strategy. In 2022, we will continue and increase the momentum we have achieved with the same ambitious objective: to be a leader in the energy transition thanks to an approach to the energy supply of our country and its territories that is secure, responsible and committed to green gas. •



# Innovation is a strategic imperative

**RESEARCH & INNOVATION** The energy sector is facing major upheaval and the twin challenges of the world's unprecedented energy and digital transitions. For Teréga, innovation is a central focus and a strategic tool for success in this transformation.

To achieve its objective of becoming a key player in the energy sector in Europe and to anticipate and reach new milestones in the acceleration of the energy transition, Teréga has implemented a winning plan: IMPACTS 2025.

#### IMPACTS 2025: a responsible action plan

This business plan is structured around five main focuses: deploying our business offerings and satisfying our customers; improving efficiency and accountability; improving our recognition; accelerating our development and transforming our infrastructure; and reinventing the company's DNA.

As a sustainable and responsible player, both socially and environmentally, in a rapidly changing ecosystem, Teréga has implemented two key initiatives to address our carbon footprint and risk management, both integral parts of IMPACTS 2025:

- the BE POSITIF programme for positive environmental balance pursues the objective of gradually eliminating the environmental footprint of our activities.
- the PARI 2025 safety programme for the prevention of accidents and industrial hazards aims for "zero accidents, zero mishaps, zero surprises" by 2025.

#### A seamless innovation approach

In support of the IMPACTS 2025 business plan and these two ambitious initiatives, Teréga's Research & Innovation (R&I) activities play an essential role in maintaining the company's position as an exemplary gas infrastructure operator, preparing it for and supporting its role as an accelerator of the energy transition.

Teréga's R&I approach is based on a collaborative, seamless and effective approach, which instils a shared dynamic between all its employees and partners in its ecosystem, enabling everyone to play a part in the innovation and development of the company's strategic areas

#### IMPACTS Innovation Plan: R&I that creates value

To achieve the objectives set out in the business plan, Teréga and its employees co-built a Research & Innovation Roadmap that represents the company's strategic vision and defines its priority objectives for its Transport and Storage activities through 2025 using its energy and digital technology foundation: the Innovation IMPACTS Plan 2025.

1.9

Innovation activity: number of incoming projects/number of outgoing projects

Target: > 0.9



Initiated in April 2018, this roadmap was updated and revalidated by Comex at the beginning of 2021. IMPACTS Innovation Plan 2025 is flexible and can respond to market developments and to the new strategic directions of the company.

This Plan consists of 11 cross-cutting programmes for our Transport and Storage activities, covering more than 30 projects:

- Integrity of infrastructure
- Anticipation of failures
- Network monitoring
- Occupational health and safety
- Information security and cybersecurity
- Storage monitoring
- Reducing greenhouse gas (GHG) emissions and energy efficiency
- Territorial integration and environmental footprint
- Biomethane and synthetic methane
- Hydrogen
- Multi-energy systems.

#### What is an R&I project?

All R&I projects at Teréga contribute to the company's objectives. They connect to operational needs, allowing Teréga to develop solutions specific to on-the-ground applications and its customers. R&I covers three possible actions: improvement and development of Teréga's knowledge and practices; qualification of a technology or a new methodology through testing and prototyping; and integration of solutions developed in the Teréga operational environment.

R&I performs application-oriented research and develops projects that can be deployed at Teréga's industrial facilities at the end of a development process lasting about three years. Once feasibility is validated, the project moves to industrialisation and deployment beyond the R&I scope, and innovation takes place within the relevant business teams. •



# France strengthens its climate goal with binding targets

**LEGAL & REGULATORY** In 2021, France equipped itself with the means to achieve its climate goals, including the promotion of the hydrogen sector. The European Union (EU) has developed new legislative tools to achieve carbon neutrality by 2050.



In August 2021, the French Parliament approved a law to mitigate climate change and strengthen resilience to its effects. The government is committed to meeting the EU's target of reducing greenhouse gas emissions by at least 55% by 2030. For the development of renewable gases, the text brings the rate of reduction in the tariffs on the costs of connecting biomethane units to the transmission and distribution networks from 40% to 60% to a maximum of 600,000 euro. Its provisions make it possible for the administrative authority to use tenders for hydrogen and the creation of biogas production certificates to encourage injection into grids. In addition, the French Directorate–General

for Energy and Climate has initiated a consultation process as part of the preparation of the French Strategy for Energy and Climate, in which Teréga is participating.

#### Reindustrialising through hydrogen

The second sectoral contract between industrial companies and the French government was signed at the end of 2021 for two years. Work is continuing to restructure the basins identified and to achieve the national objective of 6.5 GW of hydrogen production with France Hydrogène and the sector strategic committee (CSF). This restructuring takes place particularly through the regional delegations of France Hydrogène. A major stakeholder in the Occitanie and Nouvelle-Aquitaine delegations, Teréga contributes to the emergence of this basin and to coordination between the two regions, in line with Pyrenean cross-border initiatives.

Within the New Hydrogen Energy Systems CSF, a group of manufacturers, including Teréga, has demonstrated the advantage that gas transport and storage infrastructure represents for French industry and the hydrogen strategy. By 2030, interlinking in France the territorial basins with hydrogen ecosystems will save 10% on the price of clean hydrogen delivered to industrial companies and 9% on the investments needed for the energy network.

#### Mobilised stakeholders: a dynamic market

In June 2021, GRTgaz and Teréga launched the first national survey on renewable and low-carbon hydrogen to meet the needs of the market stakeholders and add value to the existing infrastructure for gas transport and storage over the long term. Nearly 130 contributors responded to the questionnaire,

identifying 90 production and/or consumption sites. Based on the replies to the survey, lessons learnt from the territorial workshops—organised particularly on the Lacq-Pau-Tarbes basin—and exchanges with market stakeholders, on 10 March 2022, Teréga and GRTgaz presented a consolidated vision for the future low-carbon and renewable hydrogen market. The results of the survey show a need for clean hydrogen now to decarbonise mobility and industrial processes and to develop new uses. Manufacturers also point out that infrastructure is needed to transport and store clean hydrogen at high volumes.

#### European tools to reduce emissions

In July 2021, the European Commission (EC) published proposals for the Fit for 55 package to reduce emissions by at least 55% by 2030 compared with 1990 and achieve carbon neutrality by 2050. These proposals, which include increased use of renewable energy, are crucial to Teréga, as they set the criteria for distinguishing between renewable and non-renewable energy, strengthen the current EU Emissions Trading Scheme (ETS), extend ETS to new sectors and create a new ETS for road transport and buildings. In December 2021, the European Commission published a package for hydrogen (H<sub>2</sub>) decarbonised gas, which plans to adapt the framework to renewable and low-carbon gases and sets out the framework for an open and competitive European hydrogen market. From 2030 onwards, it offers third-party access to the network, an entry-exit tariff system, horizontal separation of gas and hydrogen legal entities and vertical separation between production/supply and network management activities, as well as the creation of a European network of hydrogen transmission system operators and privileged access of renewable gases to grids.

Coordination between these texts is crucial. Teréga contributes to these discussions via EC consultations, the Clean Hydrogen Alliance and its participation in European associations,

#### **EUROPEAN HYDROGEN BACKBONE**

Launched in 2020 by ten gas operators, including Teréga, the European Hydrogen Backbone (EHB) initiative was strengthened in 2021 with the arrival of 12 new partners. In a June 2021 study, the initiative estimates H<sub>2</sub> demand at 2300 TWh by 2050 in the EU and the UK (i.e. 20-25% of total future energy demand), which have sufficient potential to produce this hydrogen in a renewable and low-carbon manner.

By 2040, EHB plans a 39.700-km hydrogen network connecting 21 European countries. at a much lower cost than a new network. The proposed backbone consists of 69% H, pipelines from existing converted gas infrastructure and 31% new pipelines. The study shows that long-distance pipeline transport within the EU or with cross-border countries is a more competitive solution than transport by seg.

such as the Gas for Climate consortium, which Teréga has chaired since 2021, Hydrogen Europe, Gas Infrastructure Europe and the European Network of Transmission System Operators for Gas (ENTSOG).

#### A Group that is attentive to legal and regulatory requirements

Regulatory changes present a major challenge for Teréga. The Group anticipates legislative and regulatory changes through its institutional relations centre and its involvement in the various bodies. We have a monitoring committee consisting of department representatives responsible for monitoring and implementing any texts published that apply to Teréga. It meets once a month. •



### Teréga SA: a solid business model

#### **RESOURCES**

#### **Financial**

- ·Share ownership:
- · SNAM (40.5%)
- · Pacific Mezz (Luxembourg) (31.5%)
- · Ouestgaz (18%)
- · Predica (10%)
- ·Investments: €138M

#### **Industrial**

- · 5,115 km of transport pipelines
- **6.5 Gm³** of total gas storage capacity

#### Human

• 650 staff

#### **Customers**

- · 73 shippers (Transport)
- 28 shippers (Storage)
- 112 industrial customers
- $\cdot$  152 public distribution systems
- 3 biomethane injection stations

#### Intellectual

- Approx. 60 staff integrated into the R&I network
- Average annual budget for R&I:
   €3 to €5 M

#### **Environmental**

 ISO 14001 (environmental management) and ISO 50001 (energy management) certifications

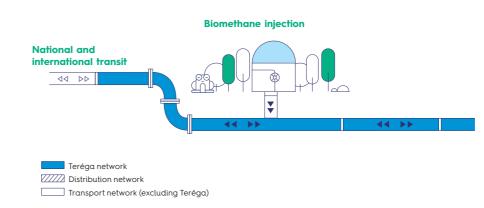
#### A REGULATED SECTOR

The French Energy Regulation Commission Commission de régulation de l'énergie oversees the effective functioning of the gas market in France

#### **ENERGY TRANSITION**

New uses for gas, new production methods, new networks, etc.



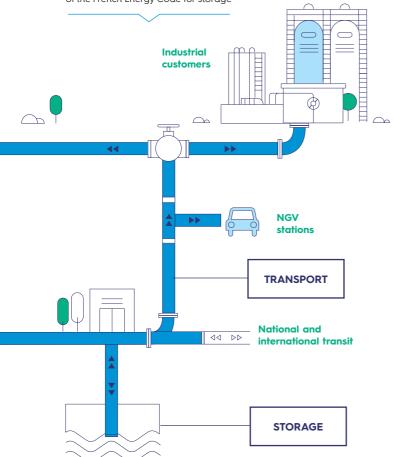


#### OUR MISSION: TO MAKE GAS A CATALYST FOR ENERGY TRANSITION



#### PUBLIC SERVICE OBLIGATIONS

In accordance with the provisions of Articles L. 431-3 of the French Energy Code for transport and L. 421-3 of the French Energy Code for storage



#### **RESULTS**

#### **Financial**

. €488 M in turnover

#### **Industrial customers**

- · 121,465 GWh of gas transported
- **27,422 GWh** consumed in the TEREGA area (industrial customers
- + public distribution systems)
- **33,100 GWh** of subscribed storage capacity, i.e. 100% ofavailable capacity

#### Human

- **62** people hired (permanent and temporary contracts)
- 95.7% of staff trained
- Engagement score
- **7.7/10** (2021 biennial survey)
- TRIR (Total Recordable Incident Rate): **1.04**

#### **CUSTOMERS**

• **100%** of customers satisfied overall (2021 survey of of connected customers)

#### Intellectual

· Around 50 R&I projects ongoing

#### **Environmental**

· **0.75 tCO₂eq/GWh** transported\*

#### IMPACTS 2025

#### AN AMBITIOUS, STRATEGIC PLAN INVOLVING 5 PRIORITIES



Deploying our business offerings and satisfying Improving efficiency and accountability

Improving our recognition

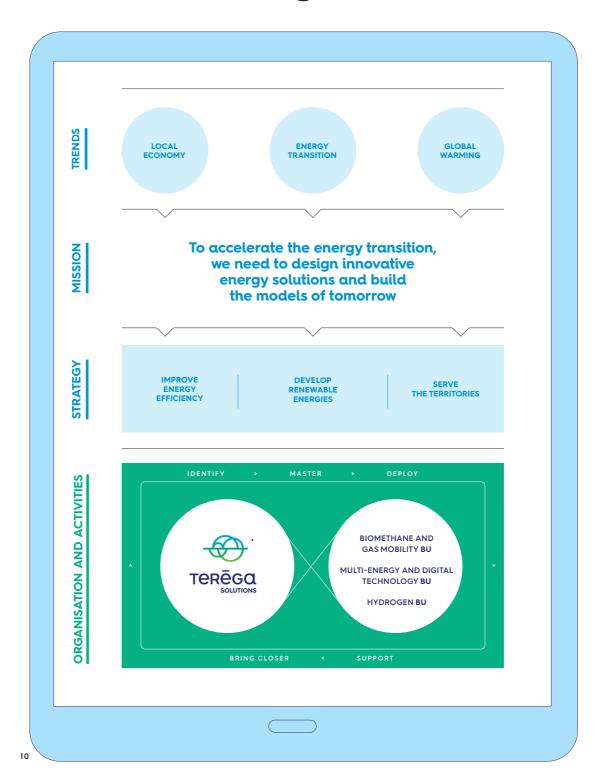
Accelerating our development and transforming our infrastructure Reinventing the company 's DNA

#### OUR REGIONS 15 departments in the South-West



<sup>\*</sup>calculated using methane GWP = **34.** 

# Teréga Solutions: responding to new challenges



### Analysis of our environment

NON-FINANCIAL RISKS AND OPPORTUNITIES 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.

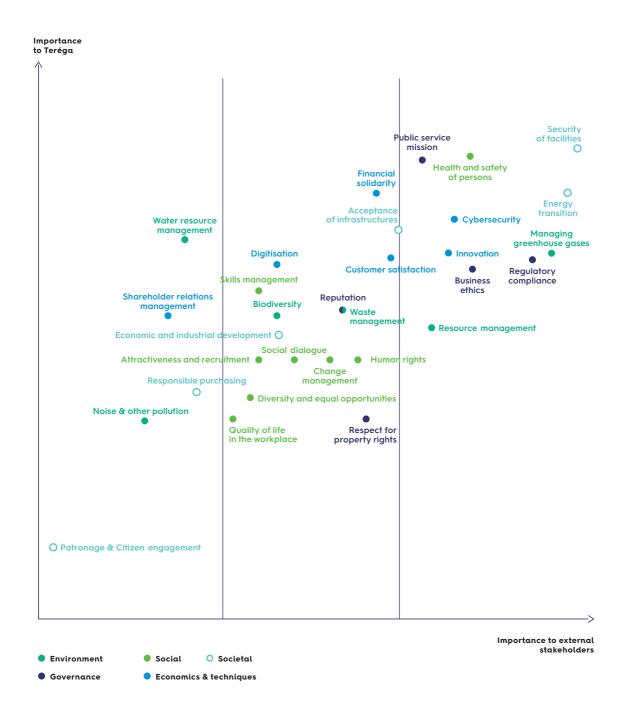
This analysis, approved by the Executive Committee, enabled the non-financial risks detailed below to be determined. The policies and actions implemented to manage these risks, as well as the results obtained, are presented throughout this report.

NON-FINANCIAL CHALLENGES	DEFINITION
<b>Managing</b> legislative and regulatory changes and guaranteeing regulatory compliance.	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.
<b>Anticipating</b> energy market developments, particularly through Research and Innovation.	<b>The energy market</b> is undergoing changes for which the company must prepare itself through a suitable Research & Innovation (R&I) programme.
<b>Ensuring</b> personnel and third-party safety.	Operating a high-pressure gas network necessitates the implementation of adequate risk prevention measures for Teréga staff, its subcontractors, third parties and customers.
Working with our suppliers in accordance with our social commitments.	Teréga selects subcontractors and suppliers that respect its social commitments, particularly in terms of health, safety and the environment.

NON-FINANCIAL CHALLENGES	DEFINITION
<b>Minimising our environmental footprint</b> and acting in a socially responsible manner.	<b>Teréga's contribution</b> within its regions must be in line with the expectations of society in terms of energy policy and environmental impact.
<b>Ensuring service continuity</b> from our IT infrastructures.	<b>Digital tools must be used increasingly</b> while still maintaining the level of reliability required for the continuity of our activities.
Maintaining a calm social environment.	<b>In this period of change,</b> Teréga wants to maintain continuous and high-quality social dialogue and the engagement level of its employees.
<b>Managing</b> and developing skills.	<b>The internal skill level</b> must be consistent with the company's current and future challenges in terms of both support and operational functions.
Respecting ethics.	<b>The ethical behaviour</b> of a company such as Teréga is today a condition of its continued existence and its industrial and commercial success.
<b>Promoting the acceptance</b> of our facilities in their regions.	<b>The success</b> of infrastructure projects is intrinsically linked to a positive reception from stakeholders (local residents, farmers, elected officials, etc.).
Ensuring we have a solid organisation to achieve our objectives.	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.





# the gas



in the current transition. As a major stakeholder in the sector, Teréga is an essential link of national and European gas flows and contributes to the daily supply of gas to the residents, companies and territorial communities of Southwest France.

# Securing supply



# Delivering operational excellence to meet the challenge

**REGULATED ACTIVITIES** As a European gas stakeholder and recognised manager of transport and storage infrastructure, Teréga ensures and is committed to guaranteeing constant operational excellence in a rapidly changing world, adapted to the new energy, environmental and human challenges.

As a major stakeholder in gas transport and storage infrastructure in France and Europe, Teréga is a central link that connects energy producers and consumers. With the mission of ensuring the security of supply for local communities, companies and associations, Teréga contributes to the energy security of France and to the proper functioning of the gas market.

#### A key role during the winter of 2021

In the face of a global market under pressure, Teréga's role has been particularly important over the past year, particularly in responding to the high demand for gas that impacted the winter of 2021. With high market and LNG prices and lower European stocks than in France, Teréga has endeavoured

to preserve the necessary capacities to ensure gas supply to its regions and to customers throughout the country.

As in previous years, Teréga and GRTgaz identified the main prospects for the gas system for the coming winter at the Winter Outlook conference. While the gas system is capable of meeting national winter demand, careful storage management was necessary to ensure security of supply in the event of exceptional cold.

#### Teréga adjusts its network

To meet the requirements of stakeholders and changes in the regulatory framework and to comply with its safety standards, one of Teréga's projects in 2021 was to modernise and make its infrastructure more reliable, particularly by renewal of its Capens-Pamiers pipeline, a territorial project to modernise and adapt Teréga's network, which aims to guarantee the continuity of natural gas supply while maintaining a maximum level of safety. This pipeline, which is almost 55 km long, currently supplies public distribution and industrial customers in the territories of Volvestre, Lèze Valley, Ariège Plain and Lauragais.

The energy tensions of the last few months show once again that the question of the ecological, climatic and energy emergency is more pressing than ever and that Teréga has a role to play in enabling Europe to become the first carbon-neutral continent. At the crossroads of Europe's major gas flows, our network is strategically positioned to build Europe with green energy: already existing, it is capable of adapting to new forms of energy, which is a major asset in achieving a low-cost energy transition that creates jobs on our territory.



#### Hydrogen cap

To support Europe's and France's commitment to achieve carbon neutrality by 2050, Teréga is fully committed to the development of the necessary infrastructure to meet the needs of hydrogen market players at the local, national and European levels, with a view to enhancing the long-term value of existing gas transmission infrastructure for the benefit of the entire community. This is why Teréga and GRTgaz launched the first national consultation on the renewable and low-carbon hydrogen market in June 2021, which provided valuable information on the development of hydrogen in France.

In the same way, Teréga's annual barometer, "The French and hydrogen", launched in partnership with Harris Interactive in 2021, provides a better understanding of the French people's perception of energy, particularly renewable energy, and also steers Teréga's work on energy transition. The first two editions have already fulfilled their mission by revealing the growing engagement of the French on energy issues (75%), the concern about the future of the sector and its possibilities and the increase in knowledge of hydrogen (+5%), which enjoys a positive image: energy that is clean, renewable and non-polluting.

Because Teréga is a responsible stakeholder in gas and a recognised transport and storage infrastructure manager, the safety of the people on its teams and the partners who operate on its sites takes priority. This is why Teréga has set up its own Health, Safety and Environment (HSE) accreditation system for suppliers, an initiative that aims to strengthen risk control and guarantee the same level of safety culture shared with its partners.

In a changing world in which the stakes are energy, environmental and human, Teréga is committed to ensuring constant operational excellence.

### Always closer to its customers

**CUSTOMER RELATIONSHIP** Teréga took several major initiative and launched new services in 2021 to continue to adjust its operations, strengthen its relationship with customers and offer them better service.

#### Objective, rigorous and regular monitoring

Teréga received a 9/10 rating in customer relations in the satisfaction survey conducted in 2021 by an independent firm for criteria such as reachability, quality and response times. The rate of satisfied and very satisfied customers is 95%. This survey corroborates the indicators of the E-Deal CRM tool, which analytically monitors customer requests and complaints very precisely to implement improvement actions.

#### Closer to industrial customers

Teréga has 112 industrial customers in its portfolio of connected customers spread across the entire area covered by its network. 96% of them are satisfied with the services they receive according to the latest satisfaction survey conducted at the end of 2020. This is thanks particularly to the frequency of visits: in 2021, the Teréga teams met with all their customer contacts. Their expectations relate to the reliability and security of the infrastructure, the quality of interventions, competence in cathodic protection and assistance with routing rules and capacity subscriptions to better manage their connection contracts. Perceived as a partner in the decarbonisation of their processes, Teréga collaborates with its customers and assesses their CO<sub>2</sub> emissions.

In 2021, Teréga provided its customers with a new format of connected customer portal, in addition to regular meetings. Focused on data management, it exemplifies the relationship of tomorrow with our industrial customers today. Also, Teréga has developed with one of its clients a service for the provision of data from the delivery substation. It is expected to be deployed in 2022 after validation of the current pilot phase.

#### A strong customer portal

Teréga has added new value-added functionality to its customer portal. There are now APIs that make it possible to automatically retrieve updated information.

Another long-awaited advancement is the creation of a notification assistance page, which provides shipping customers with a single point of access to all the information they need to monitor and project their schedules during the day and on D+1, particularly the availability of UBI<sup>(1)</sup> capacity. The operational documentation has also been supplemented with summary sheets on Teréga's additional services, such as UBI, Optim<sup>(1)</sup> and Booster Injection<sup>(2)</sup>. These new materials give customers a better understanding of the services available. Furthermore, the portal page dedicated to the management of Trading Region France now includes all the elements necessary for its optimised management: imbalances, congestion management and maintenance systems.





#### Flexible gates and StoragExpand: two new services

Teréga has launched additional storage services. Flexible gates allow customers to adapt to market conditions and benefit from wider gates: up to 90% at the end of July and up to 55% at the end of March. StoragExpand gives customers the possibility, when the storage reserved for year N+1 represents less than 40% of the capacity booked in year N, to return to the correct storage level through withdrawal over two months.

#### **Hybrid** meetings

Teréga has adapted to today's health concerns by offering its customers an innovative hybrid meeting format. It combines face-to-face and remote meetings and was used for the Storage Convention, which presented the storage offering and new products, and for the Ambassadors Club, a space to co-build with customers of the portal's new pages and get feedback from users. The 2021 Customer Convention, held by videoconference, provided an opportunity to take stock of the year 2020 and to look ahead to the future in terms of offerings and customer support.





POINT OF VIEW OF

Sophie Privat, Associate and Director of ATESyn\*

#### How do you work with Teréga?

The company has been working with us since the operational launch of ARSEME in 2017. It enabled us to optimise the sizing of the biogas plant and comply with the conditions for connection to the network. Its proactivity facilitated the development of the project and the implementation of the connection contract, notably through staggered payments. Its teams helped us prepare public information meetings and answer the most specific questions about gas systems. The collaboration continued for construction and the injection station. Since commissioning, we appreciate the availability and performance of the Teréga operations teams. We also have seamless information on injection volumes via their dedicated portal, and on their consolidated value. This responsiveness helps us to deliver on our goals.

#### What are the strengths of this collaboration?

Smoothness in the relationship. Its teams have a partnership approach based on their availability, competence and ability to take initiatives. They take a very human approach, and their involvement is generous. In addition, Teréga plays a facilitating role in the processes: support for the economic model, knowledge sharing etc. Operating energy production plants is a demanding job. Their strong people skills and operational competence are therefore valuable. ATESyn also shares with Teréga a similar attachment to the territory.

#### How can this cooperation be prolonged?

This partnership has established our visibility and our legitimacy in assisting project owners with methanisation projects. We intend to develop other projects by through Teréga's expertise in gas infrastructure and the reproducibility of the model. We could also cooperate in hydrogen and energy storage. ATESyn aims to guide the developers of H<sub>2</sub> ecosystems associated with the production of renewable electricity, including hydropower, on rural territories. The approach launched by Teréga to develop hydrogen can therefore add to our knowledge of the ground to promote the deployment of operational projects.

<sup>\*</sup> Environmental engineering platform that provides technical coordination and assistance in the management of the ARSEME methanisation plant in Montaut (Ariège).



# From operations and projects to European challenges at the centre of the territories

**TRANSPORT** As a national and European operator of gas transport infrastructure, Teréga is leading the operation and development of its gas network with a vision of the energy system of tomorrow, in constant consultation with other national carriers closer to the needs on the ground and in close collaboration with its customers and local stakeholders.

At the crossroads of the major European gas flows and in the heart of the greater Europe of the energy of the future, Teréga is a key partner in regional development. Its operational teams intervene and mobilise on a daily basis to ensure the safe operation and supply of gas, honouring its public service obligation.

With over 75 years of experience, Teréga continues to invest in maintaining and strengthening its gas transport infrastructure and to provide everyone with an increasingly safe, efficient, seamless and innovative gas network, adapted to the new challenges of the energy transition.

#### Operational objectives maintained in favour of the territories

In 2021, in a less restrictive health context, the commitment of Teréga's teams made it possible to meet all the operational objectives in its Monitoring and Maintenance Plan, in its works programme and concerning the availability of facilities, without requesting any additional capacity reduction, by the deadlines and in maintaining good safety conditions.

These interventions took place despite deteriorating weather conditions in spring and winter, with two successive floods causing damage in the Tarbes, Agen and Pau areas, and without affecting Teréga's industrial facilities.

In addition, indicators for the prevention of mishap risks have improved, with a decrease in the number of undeclared works, despite the economic recovery.

In 2021, the Transport teams finalised several operations and launched new projects, including:

- Commissioning of the Michelin technological factory in Bassens, France.
- Modernisation work on the Le Taillan-Médoc and Mérignac delivery substations to guarantee the safety and supply of gas for the Regaz project.
- Commissioning of the switching station in Urgosse and a pipeline bypassing the town of Soues.
- Commissioning of the RECOMP project at the compression station in Barbaira for the recovery of gas normally vented into the air during decompression operations.

#### **Deployment of R&I projects**

To strengthen the safety of its facilities, Teréga has continued, to follow its R&I approach to implement a solution for monitoring its gas transport network using drones over long distances, with initial overflight tests covering 40 kilometres. Teréga has also conducted various proof of concept projects with companies offering optimised satellite data processing solutions for increased monitoring of its piping network.

As part of the reduction of diffuse losses from compressors, meaning greenhouse gas emissions, Teréga also put into service at the end of 2021 an industrial R&I pilot for the recovery of packing gases at the Mont compression station in the Pyrenees-Atlantiques department. Depending on the results, the company will consider the deployment of other systems in the territory.



#### **CAPENS-PAMIERS PIPELINE RENEWAL**

After more than a year of work and two months ahead of schedule, Teréga commissioned the new gas pipeline linking the communes of Capens and Pamiers, between Haute-Garonne and Ariège, in spring 2021. Recognised as being in the public interest and launched in 2017, this project, known as "Renouvellement Capens-Pamiers" (RCP), replaces

the old gas pipeline, which has been in operation since 1947. Work began in the summer of 2020 and consisted in building more than 50 kilometres of new underground pipelines and 15 surface substations on a new route. At a total cost of around 45 million euro, the project involved up to 160 suppliers and 230 employees from service companies.

Since 2020, thanks to its Mobile recompression solution, Teréga recovers and reinjects several tens of tons of eqCO<sub>2</sub> per year during works. Until now, these quantities of gas went into the atmosphere. The system includes a semi-trailer equipped with a mobile compressor, which can be moved to construction sites. This unit is operated and maintained independently by the Specialised Operations department. In 2021, Teréga launched a feasibility study for the deployment of mobile recompression units for recompression operations during smaller-scale interventions.

Moreover, Teréga has begun to deploy fixed recompression stations at its compressor stations to handle emissions caused by scheduled decompressions (made available for works, extended shutdowns etc.). The stations in Barbaira, Sauveterre-de-Guyenne and AGU compression stations were equipped with these facilities.

#### Digital twins for compressors

The Specialised Operations teams are responsible for maintaining the compression units, with the aim of ensuring an optimal rate of availability. The preventive and predictive maintenance they implement has taken a decisive step forward in 2021 with the deployment of a digital twin in collaboration with the Programmable Infrastructure Department at Teréga. This solution makes it possible to remotely monitor the behaviour and performance of equipment in real time from the office or on the move by collecting and processing all the data, thanks to the Indabox physical boxes and the Indaview digital platform (real-time hypervisor).



#### New gases: commissioning of two NGV stations

In 2021, Teréga connected its first two NGV stations to its natural gas transmission network, which offers unique features to densify the network of these stations, essential for the development of natural gas as a fuel.

- On 7 April 2021, Teréga connected the NGV station of the company Bio-GNV du Confluent SAS to its transmission network in Damazan. Designed to accommodate up to 40 heavy lorries a day, it distributes bioNGV derived from biomethane.
- On 15 December 2021, Teréga commissioned the connection to the SEVEN Occitanie NGV station in Saint-Sulpice-la-Pointe, the first station built by Teréga. This facility distributes NGV and compressed biogas for vehicles to about ten lorries a day.

These projects included the installation and connection of a pipe with an embedded safety valve, as well as a high-pressure, non-expansion delivery substation.

In addition, in 2021, Teréga conducted numerous studies to assess the compatibility of its industrial tool with the transport and storage of hydrogen. For example, Teréga built a helium test bench at its plant in Billère in late 2021. This bench is used to safely assess the hydrogen compatibility of delivery substations and surface switching stations with an inert gas of equivalent molecular size. The tightness of several pieces of equipment was tested at different

mixing rates and pressures: mobile substations, pigging stations, valves, insulating seals, actuator control boards etc.

#### **Successful projects**

The success of Teréga's infrastructure projects is linked to the positive reception of the parties concerned: local residents, farmers etc. In the context of its pipeline projects, the Public Procurement Department is in constant contact with the owners of the land crossed. Public meetings are also held to inform stakeholders of the site impacts. Together with the Infrastructure Projects Department, this approach makes it possible to obtain a maximum number of amicable easement agreements. For the Capens–Pamiers pipeline renewal project, Teréga obtained fully amicable agreements from the 250 owners concerned. •

Passage agreement rate for infrastructure projects
Objective: > 95%





# An ongoing adaptation to market developments

**STORAGE** In 2021, Teréga's gas storage facilities demonstrated their great flexibility in managing flows, while meeting regulatory, commercial and safety requirements. This high-performance industrial tool is backed by an innovation strategy that guarantees its constant adaptation to new needs and the requirements of the energy system.

The 2021 gas withdrawal period was atypical. A mild climate until mid-November 2020 resulted in a late start to the withdrawal period, which actually began after 20 November and the decrease in temperatures, bringing the storage level to 67%. The mild weather at Christmas interrupted this withdrawal, with a switch to injection, an extremely rare situation for the period.

#### A period of historical withdrawal

In early 2021, the storage centres in Lussagnet and Izaute were very busy. Between mid-January and mid-February, withdrawal rates were close to their historical maximums, almost at commercial

demand (47.9 MNm3/day) over two weeks in January, with a daily peak of 49.22 MNm<sup>3</sup>/day on 12 January 2021. The reliability of the facilities made it possible to meet this high demand from shippers.

#### Continuation of the storage infrastructure improvement programme

For several years, Teréga has undertaken projects to modernise its two storage facilities. This approach aims to improve the level of performance and reliability of the installations to guarantee quality service in line with the needs of the market.

The SECURLUG Phase A project secures gas withdrawal and injection from the aquifer storage facilities by modernising the Lussagnet compressor fleet by installing and commissioning two new electrical compressors in 2024. In 2021, the main



supplies were launched as well as an initial works package contracted on the future electrical substation of the compressors.

The TEP project will create a new process water treatment plant for the Lussagnet centre, with commissioning planned for late 2022, which will make it possible to adjust the current storage volumes and contain the volatile organic compounds in the effluent In 2021, the project contracted three initial works packages: earthworks, integration and treatment.

In 2021, Teréga continued its policy of improving facilities through the replacement of part of them.

#### Two regulatory shutdowns

The Izaute storage facilities were subject to a regulatory shutdown from the end of April to July 2021, with periodic inspections and requalification for a selection of equipment supervised by Teréga's Recognised Inspection Service (SIR), based on the Planned Maintenance Plan (PMP) set up jointly and validated by the administration in accordance with the ministerial order governing the in-service monitoring of pressure equipment. Between March and September, its teams also performed regulatory shutdowns of the four reboilers at the Lussagnet centre.

#### R&I on the ground

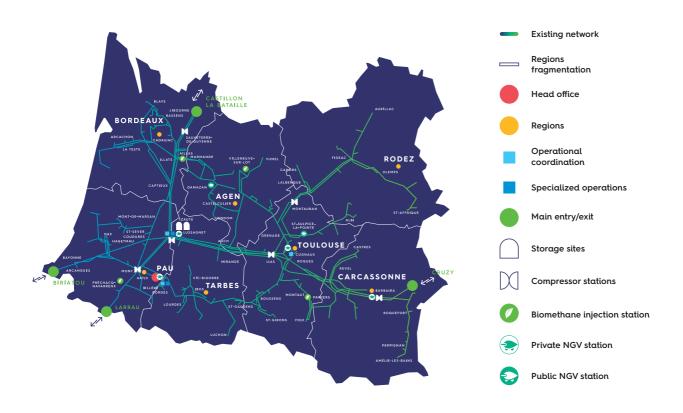
In 2021, several R&I projects related to the performance and integrity of underground storage were completed:

- GAIA: Work with BRGM (Bureau de recherches géologiques et minières French geological survey) and the Adour-Garonne water agency has enabled the development of modelling tools for deep storage aquifers, for more harmonious management with other users of the aquifer (balneotherapy, drinking water production, irrigation etc.);
- IMPALAS: Studies conducted with the University of Pau and Pays de l'Adour (UPPA) and Storengy have proven that natural gas storage does not harm the chemical quality of the aquifer;
- RINGS (Research on the Injection of New Gases into Storage facilities): Laboratory experiments conducted with UPPA and Storengy have been used to study the potential impacts of the oxygen in biomethane and hydrogen on the storage facility and the microbiology of the subsoil.

Teréga and UPPA have also set up a joint laboratory called SEnGA. Several theses studying the impacts of storing decarbonised gases in deep aquifers are under way. In addition, INGEN was selected by Teréga through its TENEXI Open Innovation challenge to develop a tool for analysing the self-ignition potential of powdery residues extracted from delivery stations or in pipes during routine maintenance operations. •



#### The Teréga network



TRANSPORT STORAGE



6.5 Gm<sup>3</sup>

15.7% of the French gas transport pipeline network 18% of the volume of French gas in the Teréga network

2.9 Gm<sup>3</sup>

25.4% of national storage





**The current energy transition** requires rapid change in the energy sector. As a stakeholder committed to this change, Teréga Solutions has a mission: develop new solutions to support the energy sources of the future at the service of the territories.

# Developing utions





### Focusing on the energy sources and performance of tomorrow

**TERÉGA SOLUTIONS** To be proactive in energy transition solutions, Teréga SAS is diversifying in non-regulated activities in conjunction with its expertise in gas transport and storage. This has taken shape with its subsidiary Teréga Solutions, whose objective is to promote renewable energy sources, industrial performance and projects serving the territories of tomorrow.

Aware of today's environmental challenges, Teréga, an accelerator of the energy transition, remains fully mobilised to build tomorrow's models and design innovative energy solutions.

#### New solutions for decarbonisation

Since 2021, Teréga SAS has been diversifying its activities through its subsidiary Teréga Solutions to promote renewable energy sources, industrial performance and projects serving the territories of tomorrow. Its objective is to provide solutions to promote the development of priority topics for the energy transition: biomethane and NGV for vehicles, hydrogen, multi-energy sources and digital technology.

By creating an entity dedicated to its nonregulated activities, Teréga Solutions, the Teréga Group is expanding its support for energy innovation and making it possible to offer decarbonisation solutions for industry and for the territories.

#### Three BUs with a single goal: innovative and sustainable growth

Teréga Solutions anchors Teréga at the heart of the energy sources of the future through three business units (BUs) launched in 2021 reflecting the acceleration of Teréga's diversification of its activities.

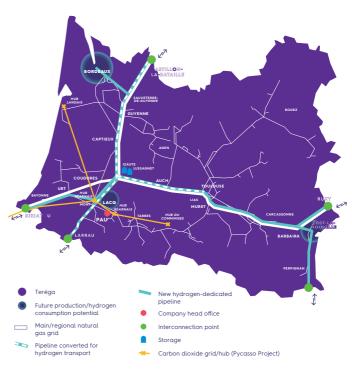
- Launched on 25 January, the Biomethane and Gas Mobility BU's mission is to speed up the growth of the company's activities as close as possible to the territories in the methanisation and NGV mobility sectors.
- Launched on 8 March, the Multi-Energy Sources and Digital Technology BU aims to accelerate the development of multi-energy and digital infrastructure service offerings to promote industrial, energy and economic performance.
- Since 9 September, the Hydrogen BU has been implementing Teréga Solutions' hydrogen goals to make this entity a key player in the hydrogen market, both nationally and in Europe.

#### Pycasso designs zero-carbon networks

Controlling climate change requires all industries to decarbonise their activities very quickly. Reducing emissions at the source is not enough to meet the carbon neutrality target by 2050. The implementation of  $\text{CO}_2$  capture solutions is therefore essential to help decarbonise the industrial sector.

To move forward, Teréga has joined the Pyrenean Carbon Abolition through Sustainable Sequestration Operations (Pycasso) programme. Launched by the Avenia competitiveness cluster, the project aims to decarbonise local industry in a cross-border area between France and Spain. In this context, the Group is actively working in partnership with other territorial players (communities, industrial  $\text{CO}_2$  emitters, transporters,  $\text{CO}_2$  recovery-storage operators and research organisations) to adapt the capture processes of local emissions.

#### Infrastructures for 2040/2050



#### A hub for capture, geological storage and CO<sub>2</sub> recovery

The programme aims to create a decarbonisation ecosystem based on solutions for the recovery of emissions from industrial platforms using  $CO_2$  storage capacities in depleted gas fields in the Pyrenean foothills, particularly with the chemical and subsoil management expertise of the Lacq industrial basin, and creating a transport network. By 2040/2050, the  $CO_2$  network deployed in conjunction with Teréga will be structured in France around three hubs located in Landes, Béarn and Comminges, with a point of interconnection to Spain in Biriatou.

The entire programme will make it possible to reduce the  $CO_2$  emissions of industrial companies in the Nouvelle-Aquitaine and Occitanie regions and those in north-western Spain, and to attract new activities with a strong socioeconomic impact on the territory. ullet



BIOMETHANE AND GAS MOBILITY BU

Biomethane is playing a key role in the development of the circular economy. This is why, through its Biomethane and Gas Mobility Business Unit (BU), Teréga Solutions is deploying solutions that enable players in the agricultural world and local authorities to enhance and revitalise their territories by adopting virtuous energy and mobility models.

### Guide the sector to become a key player



Teréga Solutions' commitment to biomethane allows an increase in the use of gas with a smaller carbon footprint. Produced locally through the recovery of waste, this energy contributes to building a renewable, decentralised and low-carbon energy mix.

Launched in January 2021, the Biomethane and Gas Mobility BU built virtuous and fruitful energy models. Its strategy is based on ambitious equity investments in start-ups and companies that provide innovative methanisation solutions. This support enables Teréga Solutions to make biomethane competitive and thus to intensify its uses within a rigorous regulatory framework.

#### Innovative industrial solutions

As a partner of DualMétha with a 20% stake, the BU is supporting the start-up in the deployment of its exclusive process: combining discontinuous dry and continuous wet anaerobic digestion to treat all types of input and accelerate biogas production. The BU is basing its development strategy on this high-performance technology, with a business model that is unique in France: biogas plants for hire, a commercial offering that limits investment and financial risk for project owners. Teréga Solutions has also joined forces with Chadasaygas, with a 40% stake, whose subsidiary Méthajoule develops, builds and operates methanisation units using the discontinuous dry process technology.

To accelerate the development of this highpotential sector, the BU provides these players with its industrial know-how and its expertise in risk management to help consolidate their processes and accelerate their industrialisation. Particular attention is paid to the safety of facilities and people.



#### **3 QUESTIONS PUT TO...**

Jérémy Perrot, Director of the Biomethane and Gas Mobility Business Unit

#### What is the purpose of your BU?

Accelerate the growth of Teréga Solutions' activities in methanisation and bioNGV mobility to promote the development of these sectors as close as possible to the territories. These activities have a functional link and a common purpose, since mobility is also a fundamental issue in decarbonising our ecosystems. Bringing them together and strengthening synergies was an obvious goal.

#### What is your assessment of 2021 for Teréga?

We launched the transition to the industrial phase of our methanisation solutions. Managing this step is always tricky: you compare your roadmap with the reality on the ground. Naturally, we faced difficulties that we did not foresee. We learned by moving forward, adapting and overcoming the pitfalls. 2021 was the year of resilience!

#### What is your strategy for 2022?

Continue to rise in power in support of our partners and in the industrialisation of methanisation solutions. Construction of the STRAW-Berry pilot begins in April. We will finalise the creation of LocaMétha, which will market the DualMétha offering. Méthajoule will be able to deliver four to five methanisation units every year. In short, it will be a long-distance race, with many obstacles. Especially since the rise in gas prices in mobility is upsetting our business model. As a result, we can't rule out adjusting our strategy and objectives.

At the end of 2021, Teréga Solutions launched its first pilot biomethane production unit in Indre to test the DualMétha technology in a rental offering, with the company STRAW-Berry.

#### Becoming a key player in agricultural methanisation and bioNGV

With these virtuous solutions, Teréga Solutions promotes the growth of the territories by supporting project developers in the creation of methanisation units. The BU relies on the Group's gas expertise with a priority objective: to be a key player in agricultural methanisation in France.

Aware that infrastructure is at the heart of the extension of uses, Teréga Solutions is also a facilitator of the bioNGV sector, as part of its integrated new gas mobility strategy. The BU participates financially in the deployment of refuelling station projects to promote alternative mobility in collaboration with energy authorities in areas where no stakeholder has yet positioned itself despite a clearly identified local need. Together with EnR64, this model resulted in the creation of the company Stirvia on 8 December 2021. (photo: Stéphane Castet, CEO of EnR64, and Dominique Mockly, President of Teréga Solutions, at the launch of Stirvia). First created several years ago as part of a partnership, its purpose is to develop a network of public Natural Gas for Vehicles (NGV) or bioNGV stations in the Pyrénées-Atlantiques territory, with the possibility of transforming them into multi-energy stations. •





# Accelerate the structuring of a hydrogen value chain

HYDROGEN BU In September 2021, the Teréga Group launched its new «Hydrogen» Business Unit (BU) within Teréga Solutions. The creation of this entity marks a key step in the implementation of Teréga Group's ambitions: become a key player in the hydrogen market, in France and Europe.

The deployment of low-carbon hydrogen can help meet the dual challenge of energy transition and strengthening of the French industrial fabric. The only condition is to provide efficient production, storage, transport and distribution solutions to ensure the sector's development. Faced with these challenges, the Teréga Solutions Hydrogen BU is committed to:

- supporting local authorities, project developers and industrial clients in the development of their hydrogen strategies;
- developing infrastructure offerings that ensure the complete logistics of hydrogen in local or global ecosystems, for all volumes and uses: treatment, compression, transport, surface and geological storage, up to distribution through refuelling stations;
- deploying promising technologies, particularly by proposing innovative digital solutions to better manage, secure, size and track hydrogen flows;
- supporting the decarbonisation efforts of industrial customers and territories to reduce their carbon footprints.

The BU has its own expertise to ensure the conduct of its projects and to promote the construction of an  $H_2$  ecosystem: project managers, developers etc. It also uses the technical and operational skills of Teréga Group.

#### A new business unit and its first projects

The Hydrogen BU team has already launched several initiatives:

- In June 2021, Teréga Solutions committed to participating in the initial public offering of Hydrogène de France (HDF Energy) for €10 million. This initiative is part of a strategic partnership memorandum of understanding concluded to promote the deployment of the hydrogen value chain through large-scale synergies, particularly via the HDF Energy HyPower® (Gas-to-Power) offering.
- Since 2020, Teréga and HDF Energy have been developing with the *Bureau de Recherches Géologiques et Minières* (BRGM), (the French Geological Survey) the HyGéo pilot project for hydrogen storage in salt caverns, spearheading a new hydrogen mass storage system. Engineering tests and studies will begin in 2022. Thanks to HDF Energy fuel cells, the stored hydrogen will produce about 1.5 GWh of electricity.

- As a technical partner of the Pure ETCR (electric touring car racing) final in October 2021, the world's first 100% electric touring car championship, Teréga Solutions was responsible for coordinating and supplying hydrogen for battery recharging via a multi-energy station.
- Teréga Solutions is participating in the Power-to-Power Lacq-Hydrogen renewable electricity project. Conducted in partnership, it provides for the production of renewable hydrogen from solar electricity by the company DH2 energy in Spain, its transport by Enagás to France and its storage and transport by Teréga to a combined cycle power plant, built and operated by GazelEnergie in Lacq, France, to produce 100% renewable electricity.
- Teréga Solutions participates in the Pyrenees H<sub>2</sub> hydrogen ecosystem project in the industrial area Territoire d'Industrie Lacq-Pau-Tarbes. This project includes the production, transport and distribution of renewable hydrogen for mobility and industry. It is part of the ADEME H<sub>2</sub> Ecosystem Project call for projects in September 2021.
- Teréga Solutions has been selected, in partnership with Valorem, by the CCI Côtes-d'Armor, Saint-Brieuc Armor Agglomération, the Banque des Territoires and the Syndicat Départemental d'Énergie des Côtes-d'Armor as part of the call for expression of interest Development of a Green H<sub>2</sub> Sector in the Brioche urban area and the Côtes-d'Armor department. •





#### **3 QUESTIONS PUT TO...**

Hind Lammari,
Director of the Hydrogen Business Unit

#### Why a Hydrogen BU?

As a non-intermittent and adaptable renewable energy carrier, hydrogen is a formidable driver for the energy mix of tomorrow, in electricity storage, heat production, clean mobility and decarbonisation of industry. Teréga intends to become a key player in the transport and storage ecosystems of this hydrogen sector in France and Europe. The BU provides the means to achieve its goal.

#### With which strategy?

We are leveraging our gas expertise by positioning ourselves in all hydrogen infrastructure and logistics, in industry and mobility. We are also focusing on the production of hydrogen from renewable sources

of electricity. Faced with the considerable investments required to produce, store and distribute hydrogen, our approach aims to forge innovative strategic partnerships with public and private stakeholders.

#### What are your goals for 2022?

To co-build relevant offerings in terms of mobility and equipment to meet our customers' expectations and rapidly develop our portfolio of projects, particularly through calls for expressions of interest and calls for tenders. such as those of ADEME. We are working with stakeholders in the Occitanie and Nouvelle-Aquitaine regions to design and build together a strategy and hydrogen infrastructure adapted to their needs.

#### **Using data** to improve energy performance

#### MULTI-ENERGY AND DIGITAL TECHNOLOGY BU

Created in March 2021, the Multi-Energy and Digital Technology Business Unit (BU) strengthens the positioning of Teréga Solutions as a player in Industry 4.0, with the ambition of accelerating the development of multi-energy and digital technology infrastructure service offerings to promote industrial and energy performance.

The creation of the Multi-Energy and Digital Technology Business Unit embodies the innovative capacity and digital know-how of Teréga Solutions.

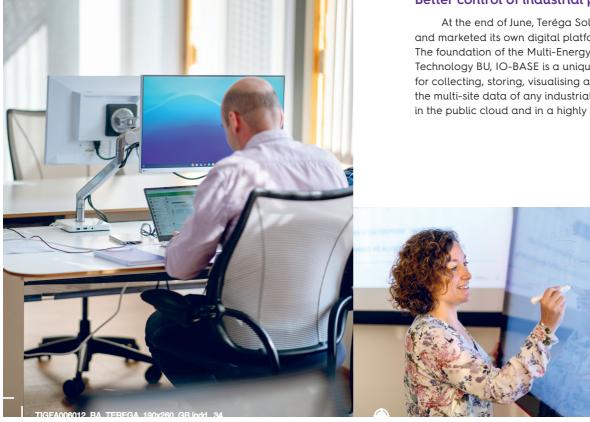
#### Optimised management of multi-energy systems

This BU responds to an observation: in the future, energy efficiency will be managed in a context of local exchanges of different energy sources via the interconnection of networks, particularly smart grids. Digital solutions will make it possible to better manage and optimise the functioning of this ecosystem, the processes deployed and energy consumption.

To this end, Teréga Solutions offers manufacturers high-performance tools for operational management and improved energy efficiency, with reduction in energy losses generated by current systems and lower environmental impact. These systems have all been developed by Teréga's teams and deployed within the Group.

#### Better control of industrial processes

At the end of June, Teréga Solutions launched and marketed its own digital platform, IO-BASE. The foundation of the Multi-Energy and Digital Technology BU, IO-BASE is a unique solution for collecting, storing, visualising and reusing all the multi-site data of any industrial environment in the public cloud and in a highly secure manner.





It enables manufacturers to easily deploy digital optimisation services via tailored creation of a digital twin, with three objectives: improve the industrial performance of their sites, be energy efficient and promote sustainable value creation. This scalable platform provides a reliable response to the innovation, performance and energy security requirements of industrial customers, helping to design tomorrow's multi-energy grid today. Local organisations will soon join this service offering, including companies in the food and beverage industry.

#### Sharing data to decarbonise

Very soon, IO-BASE will be enriched with the results of IMPULSE 2025, a pilot project aiming to prove the feasibility of an intelligent multi-energy and multi-stakeholder system with a view to decarbonising an industrial platform. This demonstrator will create new synergies and maximise interconnections to unify and optimise the various energy networks in a responsive manner, avoiding  ${\rm CO}_2$  emissions, making the most of energy losses and reducing operating costs.

At the same time, Teréga Group is developing high-level tools and expertise to ensure carbon savings and reduce the footprint of its digital information system and digital devices. •



#### **3 QUESTIONS PUT TO...**

Émilie Bouquier, Director of the Multi-Energy and Digital Technology Business Unit

## Why combine multi-energy sources and digital technology?

Decarbonisation requires a diverse mix, backed by local renewable energy sources, by connecting producer and consumer sites in a smart grid to optimise the whole. Digital technology is vital to deploying this multi-energy network. It enables real-time data collection and processing so that diverse production matches needs and processes work efficiently, securing network provisioning and imbalances.

#### With which strategy?

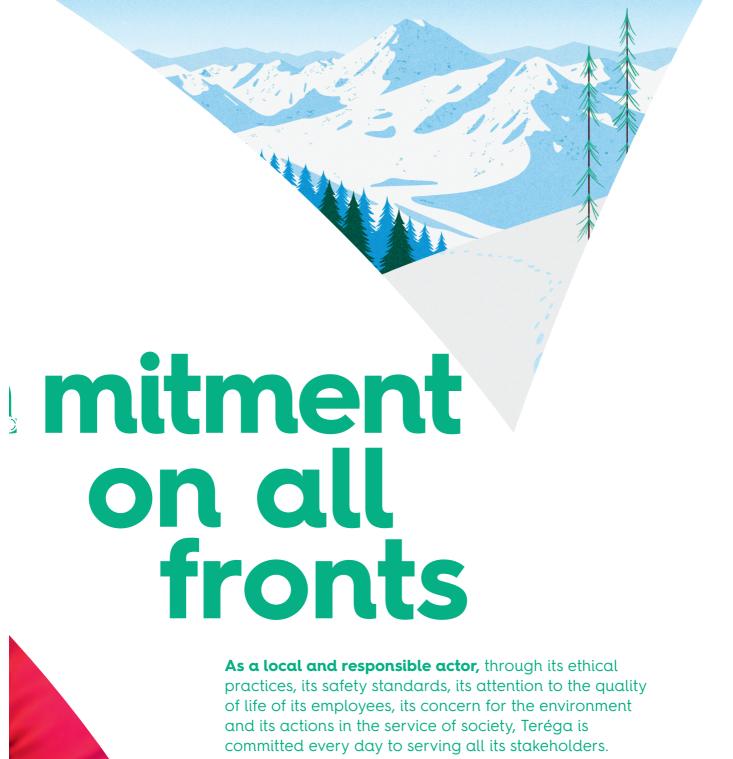
To build these ecosystems combining data and industrial process control, we pool our best business and digital expertise. IO-BASE is a decisive link, as we can rapidly develop this modular base by adding bricks and rapid prototyping.

This pragmatic digital approach, uses across the board with the other two BUs, enables us to be responsive to other optimisation needs and offer new turnkey solutions.

### What worksites were launched in 2022?

We are updating our real-time gas network simulation tools to optimise our activity as a gas operator while adapting it to future developments: biomethane, traceability of origins, hydrogen etc. We are also finalising the first version of the IMPULSE 2025 multienergy platform: two use cases will allow the reliability of processes to be tested live using simulated data. Finally, we are preparing offerings associated with the control of the carbon footprint of territorial stakeholders, notably through the development of tools likely to facilitate their certification processes.





## **Our governance**

#### A three-tier organisation certified by the French Energy Regulation Commission

The organisational structure of Teréga Group is based on three levels of companies. Teréga Holding SAS wholly owns Teréga SAS, which is both the majority shareholder (99.99%) of Teréga SA and the sole shareholder of Teréga Solutions, dedicated to the non-regulated activities of Teréga Group.

The capital of Teréga Holding is held by four shareholders: SNAM with a 40.5% share, Pacific Mezz (Luxembourg) with 31.5%, Ouestgaz with 18% and Prédica with 10%.

This three-tier structure (Teréga Holding SAS, Teréga SAS and Teréga SA) results from the application of the ownership unbundling rules provided for in Directive 2009/73 EC of 13 July 2009 on 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.111-4 of the French Energy Code.

#### Active and committed 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.225-1 to L.225-270 of the French Commercial Code, articles L.111-8 et seq. of the French Energy Code, as well as the stipulations of 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-todate view of Teréga's operational and financial performance, as well as the conditions 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 2021, the Board of Directors met six 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 Teréga SAS Audit Committee to allow the directors to review and finalise the company's annual and quarterly accounts.

### A commitment of the Board of Directors to CSR

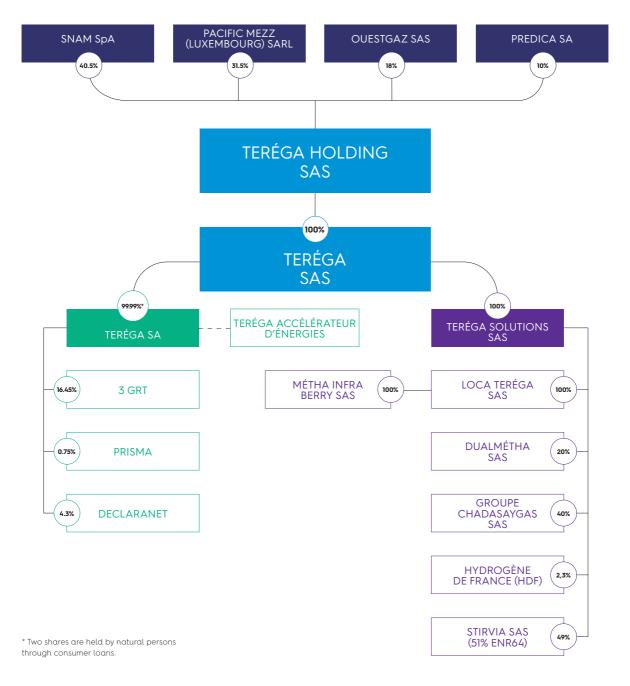
Firmly committed to a proactive sustainable development approach, Teréga has made corporate social responsibility (CSR) a strong pillar of its governance and strategy. Its Board of Directors pays particular attention to the social, societal and environmental aspects of the company's projects and strategy to conduct operational and commercial activities that have a positive impact on society.

In 2021, Teréga set up an indicator that focuses on the CSR issues dealt with by the Board of Directors. This indicator covers the CSR matters submitted for approval and provides information to the Board of Directors. All the matters presented to the Board of Directors in 2021 were evaluated in accordance with the ISO 26000 standard, indicating whether they related to Teréga's social responsibility. In 2021, 24% of the matters submitted to the Board of Directors touched on CSR. In view of Teréga's future commitments, a minimum threshold of 25% is now set.

24%
Rate of CSR matters discussed by the Board of Directors in 2021

## The Teréga Group

**LEGAL ORGANISATION** The capital structure of the Teréga Group is one of the tools enabling it to ensure compliance with the regulatory framework applicable to operators of energy transmission networks (defined in Articles L. 111-8 et seq. of the French Energy Code), thanks in particular to a capital and operational separation of Teréga SA's activities from both Ouestgaz SAS, a subsidiary of the EDF Group active in the energy production sector, and the unregulated and competitive activities carried out by Teréga Solutions SAS.



## **Board**of Directors



**Dominique MOCKLY** Chairman of the Teréga SA Board of Directors



Pαolo VENTRELLA SNAM



Nicolas MACHTOU
Pacific Mezz (Luxembourg)



Paola BONANDRINI SNAM

40



Hélène SEGUIS Teréga



Jean-Marie HAGHCHENO Teréga

## Composition of the Board of Directors of Teréga SA as at 31 December 2021

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

- 2 Directors representing SNAM
- 1 Director representing Pacific Mezz (Luxembourg)
- 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

100%
Rate of attendance at meeting of the Board of Directors

## **Executive Committee**



**Dominique MOCKLY** Chairman and Chief Executive Officer



**Agnès BUTTERLIN**Director of Finance, Purchasing and CSR



Antoine CHARBONNIER
Head of the Strategy, Innovation and Development Department



Arnaud LATEULADE
Chief Security, Health, Safety
and Environment Officer



**Daniel WIDERA**Chief Transformation, Digital and Performance Officer



**Dominique BOQUILLON**Chief Communication Officer



Gilles DOYHAMBOURE Director of Trade, Regulation and Major Accounts



Marie-Claire AOUN
Director of Prospective
and Institutional Relations



Michel BOCHE
Chief Officer Infrastructure
& Projects



Olivier BÉATRIX Corporate Secretary



Patrick HAMOU
Chief Operating Officer



Valérie LE GARS Chief Human Resources Officer

## Committed to upholding ethical standards

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

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 perform its activities transparently and responsibly. It is with this in mind that Teréga has implemented its Anti-Corruption Code of Conduct under the responsibility of the 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.

#### Involving employees

The whistleblowing system at Teréga in 2020 allows its employees, including those from outside the Group, to report breaches of the Code of Ethics and the Anti-Corruption Code of Conduct 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.

The Ethics Committee met five times in 2021. Its activity was mainly involved in issues relating to conflicts of interest or linked to patronage actions. These issues are addressed anonymously in the annual report of the Ethics Committee, thus enabling Teréga employees to take ownership of the ethical and anticorruption rules of the company.

Indeed, Teréga believes that involving everyone in respecting its values and ethical principles allows it to complete its missions by guaranteeing the legal security of the company, while at the same time contributing to its reputation. •

89.9%

of Teréga employees had completed an awareness or anti-corruption training session by 31 December 2021.

(In 2021, Teréga set itself the target of having 90% of its employees attend an awareness or anti-corruption training session. As of 31 December 2021, 89,9% of its permanent employees had attended these awareness or anti-corruption training sessions).



## A responsible and sustainable commitment to local presence

**SUPPLIER RELATIONSHIPS** As a responsible contractor, Teréga implements a procurement policy based on a network of local partners and the resources of the area in which it operates, with the aim of building an efficient network that respects HSE and environmental criteria, while promoting innovation and sustainable partnerships.

Teréga places the development of local, balanced and responsible partnerships with its suppliers at the heart of its procurement policy, giving priority to the development of its local resources. In 2021, Teréga made 61% of its procurement volume with nearly 350 local companies.

#### 167 HSE approvals issued

Teréga has been a signatory of the Responsible Supplier Relations Charter since 2018. As such, the Group closely involves its suppliers in the development of its environmental approach and the decarbonisation of its activities. Their selection also involves compliance with several priority health, safety and environment (HSE) criteria, with the issue of an approval valid for three years. This approach makes it possible to guarantee an effective safety and CSR culture within the Group, while contributing to the progress of its suppliers. In 2021, nearly 167 companies received HSE certification from Teréga.



#### New partnerships with ESATs

Teréga is also consolidating its role as a responsible contractor through its commitment to employing people with disabilities. As a signatory of the Charter of Commitment to an Inclusive Society since 2019, the Group renews its trust in adapted companies and ESATs (assistance and service centres helping people with disabilities into work) on its territory every year. In 2021, Teréga entered into new partnerships with these organisations, specifically by signing a multi-year contract with an interim agency specialised in the provision of persons with disabilities.

Teréga's procurement policy also aims to secure contractual relationships with its suppliers. In accordance with this approach, the rate of purchases increased by 7% in 2021 in line with the objectives set for purchasing security. •



Rate of purchases 2022 objective ≥ 90%

# Ensuring continuity of service and release of data

INFORMATION SYSTEM Teréga is careful to maintain the high availability of its information system to ensure the continuity of its activities.

The Group continues to deploy a cloud strategy and offering that aims to achieve some of the best performance on the market.

The use of digital tools must include a level of reliability that guarantees the continuity of Teréga's activities in the face of any critical interruption. This approach 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 health crisis of 2020 and 2021 allowed us to test this system and confirm the effectiveness of the Business Continuity Plan (BCP) and the Business Resumption Plan (BRP) in real conditions.

## Guaranteeing the high availability of applications

Teréga's BCP includes a digital component, provided by the Transformation, Digital and Performance Department (DTDP), with procedures designed to avoid disruption of vital and critical applications for its activities. Vital applications contribute to the main gas transport and storage activities. Vital business applications can have a high impact on the company, in terms of image, business or financial, with a bearable loss. The adoption of a Cloud strategy has enabled Teréga to consolidate and seamlessly extend its teleworking offering through the Move To Cloud programme.

#### **Upscaling the Cloud strategy**

In 2019, Teréga launched the total migration of its information infrastructure to Amazon Web Services (AWS). This strategy involves the complete dismantling of its data centre. It will make it possible to gain in agility, security and speed, while reducing the environmental impact by optimising resources. Now, 80% of Teréga's servers are located in the Cloud. This migration brings tangible benefits in terms of service

reliability, environmental impact and expense visibility:

- no operational emergency intervention on a production incident for two years;
- carbon footprint reduced by more than 80% on already migrated applications. A special tool transmits the carbon footprint of the information system in real time based on all its power consumption data, converted to CO<sub>2</sub> equivalent;
- real-time monitoring of consumption, with identification of possible optimisations, by developing the use of serverless technologies. Users are directly involved in the daily optimisation of infrastructure services and now have on-demand access to any application migrated to AWS. Previously, a single application used at least three servers, powered on 24/7.

## Rate of availability of critical applications

2020		99.55%
2021		99.94%
	Target: 98%	
	e of availability ital applications	
2020		99.80%
2021		99.87%
	Taraet: 99%	

# Web campaigns and podcasts for the energy of tomorrow

**DIGITAL COMMUNICATION** In 2021, Teréga deployed several digital communication campaigns on the web to serve its business lines and launched a series of podcasts in which economic, political and scientific players give their vision of the energy transition.

The year 2021 was also marked by the organisation and broadcast of two major web campaigns designed specifically for stakeholders on the territory where Teréga operates, in the service of its businesses.

### A prospecting campaign for biomethane

In a context where public authorities are encouraging methanisation and where farmers are seeking to diversify their activity and receive additional income, Teréga decided to launch its first social media campaign with a commercial focus, targeting potential customers for its biomethane offering. This operation strengthened the field work of Teréga's sales representatives who meet with methanisation project owners. The aim was to raise the company's profile and promote methanisation by targeting farmers located near Teréga's pipelines.

The system put in place linked to the Teréga website and a contact form and biomethane simulator that estimated the potential for biomethane production. A direct marketing campaign was also conducted among farmers to generate qualified contacts and enable interested prospects to contact Teréga's teams again.

## A campaign against undeclared work

Teréga has also launched a major campaign to raise awareness among its stakeholders about third-party work: the Declaration of Intention to Begin Work (DICT) and Undeclared Work (UDW). A pipeline being damaged by third parties is a major risk for Teréga. To guarantee the safety of gas pipes, local residents and all those involved, this communication operation was designed to remind people that all third-party work planned near the network must be declared in advance. It targeted all the people concerned (private individuals, farmers, winegrowers, construction and public works workers, local authorities, mayors and town planners) via a referencing strategy and an appropriate media campaign. Clickable teasers linked to an explanatory video on the Teréga website. •

## ENERGY TELLERS: ENERGISING PODCASTS!

To shed light on the challenges of the energy transition, Teréga has launched Energy Tellers, a series of podcasts designed to provide a better understanding of the energy transition. Hosted by the economic journalist Jean-Baptiste Giraud, each podcast invites an economic, political

or scientific leader to provide their vision of the energy sources of tomorrow and the energy transition, with the goal of having the entire community think about and find the best solutions. Each episode is introduced by Dominique Mockly, President and CEO of Teréga.



## An evolution of the framework and devices

**SOCIAL** In 2021, Teréga's social agenda was marked by the evolution of the Group's structure, the stabilisation of arrangements related to the health crisis and the implementation of the hybrid work organisation.

In 2021, a large part of Teréga's social agenda was devoted to adapting the structure of the Teréga Group as part of the diversification of its energy and digital activities, with the creation of its subsidiary Teréga Solutions and three dedicated Business Units.

Effective 29 April 2021, the voluntary application of the National Collective Bargaining Agreement for the Petroleum Industry (CCNIP) to Teréga Solutions promotes the intra-group mobility of employees attached to Teréga's social status and attracts new talent. The CCNIP is now the national collective agreement of reference for all the entities of Teréga Group.

In line with the development of Teréga Group, an agreement on social dialogue within the Group was also concluded on 25 October 2021 with all the representative trade union organisations, with the aim of collectively negotiating over the next few years an evolving social foundation at Group level, while preserving the fundamental principles of constructive social dialogue inherent at Teréga. Pending these developments, all Group agreements have been extended to Teréga Solutions.

### Stabilisation of health crisis management mechanisms

The company agreements specific to the management of the Covid-19 crisis concluded in 2020 with the trade unions were extended until 31 December 2021, adapting the measures initially put in place to the developments in the health crisis and to the Group's practices, thanks to feedback on managing the business continuity and recovery plans deployed in 2020. These agreements cover the organisation of work, working conditions and social dialogue in a pandemic context.



### Implementation of the hybrid work organisation

On 23 December 2021, Teréga signed a Group agreement with all the representative trade unions on remote working arrangements within the framework of a hybrid work organisation. In line with the innovative dialogue on remote working initiated by Teréga before the health crisis, this one-year agreement aims to experiment with and generalise teleworking as a vector for hybrid work organisation. The initiative builds on the experience gained during the health crisis. It leverages the flexibility and efficiency of the teams' operations, aiming to improve the quality of work life and the health of employees, with better consideration of unique situations, as well as reducing the carbon footprint of employees. The principle adopted establishes the possibility for each employee to work remotely for up to ten days a month on a voluntary when they are in an eligible role. The entry into force of this agreement enabled 74% of employees to work remotely. A period of experimentation will make it possible to monitor the deployment of the system to improve it over time. •

#### TERÉGA PASS: TAILOR-MADE TRAINING

Launched in 2021, Teréga Pass strengthens the support of each employee in their development and the co-construction of their career path. Managers and HR can also more effectively manage team competencies, with  $\alpha$ real-time image and better management of the Group's skill and business assets. A comprehensive and responsive service, the system meets three key needs for Teréga's performance: mobilise all skills, anticipate changes in skills related to new

energy issues and nurture an environment that combines the goals of employees with those of the organisation. With a dedicated application available since the end of September, everyone can learn about job profiles, self-assess their skills in their current, previous or target position and share the diversity of knowledge and know-how they have acquired. Four months after its launch. 54% of employees had entered their skills on the application.

## Four new offerings for employee well-being

**QUALITY OF WORK LIFE** Teréga supports its employees by promoting their well-being and development. In 2021, its Quality of Work Life Division designed and released four service offerings to strengthen quality of work life, a source of commitment, performance and innovation.



Teréga's quality of work life (QWL) actions contribute to the construction and promotion of an organisation and a work environment that promotes the sustainable performance of the company and the overall quality of life of employees. They mainly concern the protection of employees' physical and mental health, support for the company's transformations and the improvement of working conditions and the working environment. The effectiveness of the quality of work life actions is measured mainly by the trends in the annual rates of absenteeism and occupational illness and through the results of the commitment and job satisfaction surveys that are conducted every two years.

#### New service offerings

The Human Resources Department manages the deployment of this policy by ensuring that the measures put in place enable these commitments to be met. In 2021, the QWL Division released four service offerings:

1. Identify and manage workload. A guide for analysing and managing workloads was drawn up with a support methodology for managers and all employees. Group support in workload management and control was launched in three entities, with diagnosis, development of an action plan and personalised support for three employees.

- 2. Identify, anticipate and support human impacts. The QWL teams supported three entities through three Human Impact Assessments (HIAs) including a diagnostic phase and an action plan.
- 3. Benefit from ergonomic support. Ten people benefited from an individual study as part of an ergonomic assessment.

4. Capital Forme Programme. Designed and launched in 2021, the Capital Forme programme web platform centralises information on physical, mental and social well-being and brings employees together around various self-service and à la carte activities. In 2021, Teréga continued its distance learning courses, which promote a shared culture of well-being: sports activity sessions, new videos on stretchina at the workstation and more. In addition, four relaxation chairs were installed at three Teréga sites. Finally, several actions have helped to strengthen social ties: a Teréga Euro Challenge event based on the Euro football tournament, a Teréga team for the Tour du Béarn, philosophy cafés led by Bruno Roche, a conference by psychiatrist Stéphane Mouchabac on cooperation in the workplace and a conference on educational guidance, among others.

#### CSR actions in support of inclusion

In 2021, Teréga strengthened its actions with local players who work for the inclusion of people who are excluded from the workplace, by launching several initiatives in the region and within the company. The Group supported single mothers in their job search and ran an information campaign on energy transition jobs for young people in the priority neighbourhoods of the city of Pau, in partnership with the association CREPI (Clubs Régionaux d'Entreprises Partenaires de l'Insertion), which brings together companies that promote inclusion. Teréga also participated in the École de la 2e chance, a French government initiative to assist young dropouts, and provided assistance to people who are out of the job market via the Job Social Club, so that they can build a professional network.

In addition, Teréga continued its commitment to promoting the professional inclusion of people with disabilities by forming three new partnerships with two ESATs and an adapted temporary work agency, and by participating in a CV writing and interview preparation workshop to help them find jobs, in collaboration with the association Cap Emploi.

Finally, Teréga carried out several actions to raise awareness among its employees during the European Week for the Employment of Disabled Workers in November 2021, through a sports workshop for people with disabilities, a conference on disability and business, and a day of immersion for two disabled people in the company. •

## GOOD RESULTS FOR THE ENERGIZ ENGAGEMENT SURVEY

Conducted among all the Group's employees in September 2021, this biennial survey shows an increase in their commitment, to 7.7 out of 10 in 2021 compared with 7.3 in 2019. This result is all the more significant, as the participation rate was high: 82%. The actions carried out have therefore borne fruit, since all the

drivers of commitment have increased, particularly the level of energy of employees, their confidence in the future, satisfaction with their professional development, financial and non-financial recognition, adherence to Teréga's values, the quality of professional relations and the customer-oriented approach.

82%

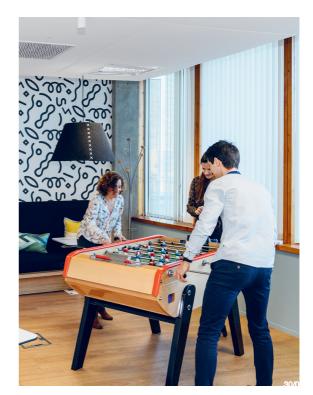
Employee participation rate in the engagement survey conducted from 8 September to 1 October 2021 7.7/10

Employee engagement score in September 2021

## NEW EMPLOYER BRAND: OUR PLURAL ENERGIES

Our plural energies symbolises the energy that flows through Teréga's network and is transformed into a varied, renewable, decarbonised, delocalised and connected mix. This employer brand embodies the human energy that is set in motion every day at Teréga to accelerate the energy and digital transition with its stakeholders. It aims to improve employee loyalty and attract new talent by conveying an image of a responsible employer to young people and to those responsible for developing the new skills required

for the energy transition: a proactive policy on work-study and internships, active participation in events to raise awareness among young people of the future of the sector, such as school forums or the Big Tour etc. Our plural energies also reflects a deep-seated belief in the need to increase the number of women in the energy transition professions, which Teréga is implementing by joining "Elles bougent" (women on the move), and by participating in several skill development projects, such as Etincel.





## A pragmatic offering accessible to all

**TRAINING** Teréga has upgraded its training courses by strengthening digital learning and introducing a compulsory course during onboarding. To develop employability and to respond to new challenges, the Group has focused on training in security, management, languages and energy transition.

The year 2021 was marked by the maintenance of restricted classroom activity dictated by the development of the health situation. Catching-up on several training actions launched in 2020 had to be postponed to 2022. In this particular context, Teréga has chosen to focus its efforts on training schemes adapted to digital learning and to support its employees in acquiring targeted skills required by immediate operational needs, changing compliance requirements and the accelerated energy and digital transition of its activities.

#### A training path for 4.0 trainers

Teréga's Learning Department has designed a certification programme for the Group's internal trainers to enable them to design and implement online training courses using tools adapted to distance learning and digital learning methods. Eleven trainers have received this digital learning certification.

The safety training offering linked to the HSE matrix has been reviewed, with the result that it is better monitored and more visible. Several HSE awareness-raising initiatives have also been launched via Mobile Learning on topics related to industrial security, protection of sensitive data and Vigipirate measures. In addition, Teréga has created Manager Coach, a training course designed to increase

the effectiveness of its managers in their actions to develop the skills of their employees. This innovative new program, designed remotely, combines different educational methods. Three executive promotions have already resulted from training in 2021.

### Focus on languages and energy transition

Another innovation is a new foreign language training course that allows students to alternate between learning on a digital platform and individual lessons. This packaged offering meets the needs of a wider audience. Ninety-five employees have registered. Training focused on energy transition also experienced a significant increase in 2021. Forty-three employees have completed a hydrogen curriculum and 66 others have completed training dedicated to the development of biomethane injection stations.

To facilitate the onboarding of newcomers and to help them better understand the digital tools and the various policies of the company, Teréga has set up a compulsory training path from the moment they arrive. Finally, every employee can now register directly and freely via the internal training portal. •

95.7%

**Training rate**Objective: >90%

## **HR** indicators

650
Number of employees

183 WOMEN

467 MEN

#### INCOMING-OUTCOMING EMPLOYEES

62

incoming employees (of which 31 on permanent employment contracts) 73

outcoming employees
of which 37 on permaner

(of which 37 on permanent employment contracts)

#### NUMBER OF EMPLOYEES BY TYPE OF CONTRACT AND PERCENTAGE OF WOMEN



GENDER EQUALITY INDEX

The 2022 index for TEREGA SA for the 2021 financial year (87 for 2020)

#### **PROFESSIONALISATION**

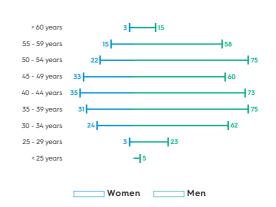
23

(placements longer than one week) 26

\_\_\_

(apprenticeship contracts and work-study contracts)

#### AGE PYRAMID



#### ABSENTEEISM (%)



Illness and part-time work for health reasons

Workplace accident

#### DISTRIBUTION OF STAFF BY GEOGRAPHICAL LOCATION



Head Office - Pau Volta 421 Billère 40 Pau area (Artix) 20 Storage (Lussagnet) 73 Toulouse area (Cugnaux) 30 Tarbes area (Ibos) 10 Carcassonne area (Barbai a) 10 Agen area (BOÉ) 10 Bordeaux area (Cadaujac) 22 Rodez area (Olemps) 9

PAYROLL (IN THOUSANDS OF €)

2021

41,650

43,437

#### ORGANISATION OF WORKING TIME

	2019	2020	2021
Annual working time (no. of hours worked – temporary and permanent staff)	946,143	1,009,625	984,382
Number of part-time employees	20	23	22
Number of employees working remotely (1 day/week)	30	NA	64%*

<sup>\*</sup>Worked from home at least one day a week in December.

#### **TRAINING**

training (i.e. 3,290 days)

RATE OF ACCESS TO TRAINING BY GENDER

WOMEN: 95.63%

MEN: 95.72%

rate of acces to training (i.e. 622 employees)

95.57%

Rate of access to training among OETAM

Rate of access to training among senior managers

#### SOCIAL AND ECONOMIC COMMITTEE

elected deputies

(14 office holders +12 deputies)

meetings

collective agreements signed supplementary agreements (four corporate agreements + four Group agreements)

to the collective agreements signed

(1 supplementary agreement to a corporate agreement + 17 supplementary agreements to Group agreements)



## Zero accidents objective

SAFETY 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 the risks associated with its activity and achieve "Zero accidents, zero mishaps and zero surprises" by 2025.

The safety of people and goods is Teréga's first responsibility. It is led by the Occupational Safety and Health Department. Risk control encompasses occupational health and safety, industrial safety, cybersecurity and operational security. Since 2018, Teréga has engaged in an ambitious programme of accident and industrial risk prevention, PARI 2025, which strengthens risk management and instils an integrated safety culture through concrete measures, actions and objectives.

Teréga's industrial risk prevention is based on accident prevention and treatment actions organised via its Safety Management Systems (SMS) and its cornerstone, the risk assessment (EDD). In 2021, Teréga submitted to the administration the expected supplements on the last five-year generic study of the transport network. In the Storage activity, the first drilling EDD and the surface EDD for the IZA 23 project, submitted in June, demonstrate the good control of hazards on the network and Teréga's surface facilities.

## Progress on human and organisational factors (HOF)

In view of the importance of HOF in personal injury accidents and incidents with a high potential for seriousness (see page 54) and to go further than the training provided to date in their prevention, Teréga has launched an in-depth study on making practices more reliable by applying safety measures. In 2021, its staff attended a conference on "Neurosciences and Safety" to learn how to outsmart the brain's pitfalls. In addition, Teréga has extended peer-to-peer visits (project managers and operators) to all its operational entities to better identify risk situations and share best practices.

#### Prevention also requires leadership

Teréga maintained its safety day, offering interactive workshops to its employees and to the employees of contractors. A Safety Caravan travelled as close as possible to the operational teams, offering fun educational activities. Consultation, speaking out and sharing initiatives are essential

to stop the deterioration of accident indicators in 2021. This is the goal of the quarterly magazine, Mag PARI 2025, and the web series written directly by employees, which give a voice to those working in the field.

#### Managing hazards in collaborative mode

At its Seveso-classified storage facility, Teréga conducted a safety performance assessment to identify the strengths of current practices and areas for improvement. In its Transport Operations activity, efforts to improve the quality of risk analyses and to harmonise and simplify prevention plan practices have resulted in a new, more ergonomic tool that facilitates collaborative work and in which internal and external contributors have been trained beforehand.

Teréga's employees remain involved in reporting and processing hazardous situations, best practices, undeclared work and planned general inspections, particularly via TERA (Teréga Events Report Application). In 2021, this mobile application was enhanced with a field control feature, which enables verification of the correct application of safety requirements in the field.

## "Zero surprises": the safety and cybersecurity moto

Teréga continues to strengthen the security of its infrastructure by adapting to changing threats. In the face of increasingly collaborative working methods, greater openness to the outside world and the digitisation of data, cybersecurity is a major challenge, with three priorities: identifying risks to better control them, working on behaviour in the face of malicious intent and improving the safety/cybersecurity culture. This culture is a major issue because the human factor is both the key element of the "Zero surprise" system and the one most targeted by attackers.

Teréga's action rests on three levels:

- anticipate to reduce exposure to potential threats;
- prevent with organisational, technical and human measures;
- protect to limit the impact of malicious acts, with cybersecurity by design.

In 2021, the focus was on protecting information assets, targeting sensitive data exchanged between employees. The year was characterised by a sharp increase in cyberattacks, particularly ransomware and especially against service providers, requiring the urgent blocking of access to the domains concerned. Teréga also mobilised to take security countermeasures or apply patches after the disclosure of major vulnerabilities in supply chain systems and applications.

#### Launch of the Vauban system

For safety and to better secure its most vulnerable facilities, Teréga implemented the Vauban system in 2021. Nearly 100 sites will be equipped by 2024. This advanced detection and alert system brings together a compact standard that easily secures any shallow gas site. Teréga also has a mobile version of this system.

In an uncertain times marked by the rise of random phenomena that can trigger major crises, Teréga is formalising and deploying its global business continuity plan. Currently being finalised, the system has already made it possible to effectively coordinate the Group's actions for the continuity of sensitive activities during the health crisis in 2021.



## Mixed outcome indicators

SAFETY The control of third-party work and the good level of safety monitoring indicators contrast with the increase in the number of occupational accidents. In this context, Teréga is striving every day to ensure that basic safety rules are followed and to spread a culture of zero serious accidents.

The year 2021 remained disrupted by the health crisis. The uncertainties that it generated have destabilised many employees at the expense of safety. To gain certainty and focus again on safety, Teréga relies on team collaboration and transparent feedback, which are essential to openly talking about what is okay and what is not.

### Increase in the number of occupational accidents

In 2021, the monitoring indicators were satisfactory, while the rate of occupational accidents worsened. Teréga recorded a significant increase in the number of occupational accidents, mainly involving contractors, with three main types of accidents: slips, falls and hand injuries while handling tools.

Teréga has also experienced an increase in accidents and incidents with high potential for seriousness. More than half of these are due to human and organisational factors (HOF). The most common organisational factors are linked to poor change management, unsuitable working environments, equipment design defects etc. The most recurrent human factors are underestimation of the hazard, non-compliance with rules, inattention, fatigue and stress.

### One strength: treatment of hazardous situations

Teréga makes prevention a priority and manages safety according to the "prevention diamond" model. The goal is to reach the bottom line by following a gradation of severity of events. This approach systematises the analysis and treatment of root causes to prevent serious or potentially serious events from recurring.

In 2021, Teréga paid particular attention to the consolidation of feedback in its reference system and to cooperation with the companies involved. The dynamic reporting and handling of hazardous situations remains a strong point of its organisation.

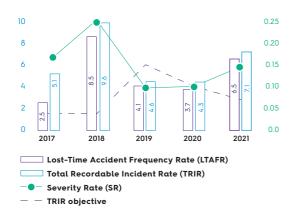
## A GLOBAL AND INTEGRATED APPROACH VIA CERTIFIED MANAGEMENT SYSTEMS

The year 2021 was marked by the renewal of the certification of Teréga's Integrated Management System, which covers four standards based on a voluntary commitment and cohesion of their components: Quality (ISO 9001), Environment (ISO 14001), Energy (ISO 50001) and, since 2020, Occupational Health

and Safety (ISO 45001).
The audits performed have highlighted the involvement of employees at all levels.
The Teréga Safety Management Systems (SMS) and Security repositories are built using a common approach, strengthening consistency throughout the entire organisation.

### Accident frequency and severity rates\*

(\*Teréga + Contractors)



### No work-related illnesses were reported in 2021

Sixty-seven ergonomic studies were conducted on the activities of storage and transport operations. They have resulted in station and vehicle upgrades.

	2017	2018	2019	2020	2021
Number of work-related illnesses reported to the Social Security authority	0	1	0	0	0

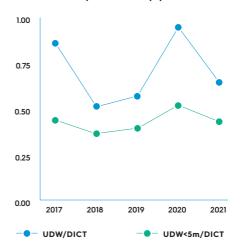
## Excellent control of undeclared work (UDW)

For Teréga, monitoring third-party work is an ongoing concern. The most important industrial risk for the company is the rupture of a gas pipeline during earthworks performed by external workers, followed by a leak and a fire. Regulations require prior notification to the operators of the underground networks via a DICT (Declaration of Intention to Begin Work). In 2021 and for the second year running, Teréga did not have to report any pipe damage resulting from the work of third parties.

	2017	2018	2019	2020	2021
Number of incidents involving Teréga's infrastructure related to third-party work	1	1	1	0	0

This performance goes hand in hand with a significant decrease in the UDW/DICT ratio.

#### Trend of UDW/DICT ratio (%)



#### A new plan to combat UDW

In 2021, the number of worksites monitored by Teréga increased by 6%, with 9435 requests from third parties. UDW fell sharply compared with 2020 thanks to the implementation of a specific plan to combat it based on:

- increased awareness raised in stakeholders,
- optimised surveillance of the network, with increased aerial surveillance during agricultural work periods,
- increased skills of the employees of Teréga in charge of the management of the work of third parties.

Additional innovative actions are planned in 2022 to maintain this ratio at a "very good" level, i.e. <0.85%. •

	2017	2018	2019	2020	2021
Authorities	7	4	5	2	9
Public works	50	25	30	44	32
Local residents	20	15	17	36	19
Total	77	44	52	82	60
UDW/DICT ratio	0.87%	0.53%	0.59%	0.93%	0.64%

## Our priority: reducing greenhouse gas emissions

**ENVIRONMENT** In 2021, TEREGA continued its efforts to reduce its environmental footprint, contributing to France's strategy to achieve carbon neutrality by 2050.

Since 2017, Teréga has been implementing its BE POSITIF programme for positive environmental balance, the environmental component of its CSR approach, with an ambitious objective: gradually erasing the footprint of its activities. To achieve this, its teams have adopted a proactive approach at all levels based on a three-pronged methodology: avoid, reduce and offset.

#### -50% GHG emissions

Teréga is taking priority action to prevent and reduce its priority impact source: air emissions. This approach has borne fruit, with a 50% reduction in its greenhouse gas (GHG) emissions on Scopes 1 and 2 since 2012.

Since 2017, Teréga's carbon footprint fallen by 25%, with a reduction in methane emissions of over 15%. Its environmental performance, based on the ratio of " $\rm CO_2$  emissions/quantity of energy transported", has improved by over 15%. In addition, the Group has

reduced its energy consumption by almost 10% in its gas transport and storage activities.

In 2021, Teréga continued its actions within the framework of BE POSITIF, with a result equal to that of 2020. Indeed, technical uncertainties have delayed the commissioning of recompression units at compression stations, thereby neutralising environmental and energy performance.

#### Quantifiable actions

This performance is based on tangible, efficient and quantifiable actions backed by continuous monitoring of the environmental footprint. To prevent methane emissions during maintenance works, a recompression lorry 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 fleet is constantly optimised thanks to Optimus software, a digital solution whose technical system includes the CO<sub>2</sub> factor. Technologies, tools, operating methods and digital services that consume less energy also contribute to reducing the Group'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, all of the electricity consumed by Teréga for its own needs has come from renewable sources. The Group also opened a bioNGV station for its vehicles at the end of 2020 and will commission a 12 GWh self-consumption solar power plant, the SOLUS project, at its Lussagnet site by 2023.

This year, Teréga faced constantly increasing energy and  $CO_2$  prices. Despite the increase in the price of electrical energy, Teréga continues to favour the use of electric compressors. The soaring price of  $CO_2$  allowances on the market fully justifies this approach to minimising emissions. The Group has also installed a recompression unit at the Lussagnet compressor station, which should be fully operational by 2022.

### A strong commitment to low emissions

In 2021, Teréga fully committed to the Oil & Gas Methane Partnership 2.0 (OGMP) initiative, alongside some 60 other European gas companies. This partnership, launched by the United Nations Environment Programme and supported by the European Commission, aims to establish accurate and transparent reporting of methane emissions across the gas supply chain.

It also set a target to reduce methane emissions by 2050. Teréga has therefore committed to reducing emissions by 36% between 2017 (reference year) and 2025, through its BE POSITIF programme, associated investments and the involvement of its teams.

The European Commission expects an overall reduction of 45% in methane emissions from gas infrastructure between 2016 and 2025, the first step in a more advanced reduction process that should be strengthened in 2022 by a directive focusing on more agaressive monitoring and reporting of emissions.

Teréga is engaged in several French and European working groups and is actively preparing for this regulation, notably by testing new bagging measurement techniques to better identify fugitive emissions at its facilities. This process should allow the emission calculation models to be refined to better reflect the current situation.

#### A voluntary compensation strategy

Reducing GHG emissions as much as possible is not enough: some emissions cannot be reduced. Since 2020, Teréga has therefore embarked on a strategy to offset its residual emissions. This third component of the BE POSITIF programme consists in balancing its carbon sources with natural sinks.

To this end, Teréga has continued the offsetting projects already undertaken alongside EcoAct.

The Group supports the international carbon offset project Clean Water, which has the Gold Standard reference label. Selected in 2018 by its employees, this programme is increasing the supply of drinking water to populations in Ethiopia and Eritrea through 41 wells, avoiding the need to boil water and cut wood, to save 20.000 trees.

Aware that these investments could also make it possible to conserve and restore sensitive areas in France, in 2021, Teréga began consolidating its offsetting programme by looking for projects with the Low Carbon label as close as possible to its facilities and territories. Commitments to this effect should be formalised in 2022.



#### **POINT OF VIEW OF**

Tania Meixús Fernández, Head of Environmental Policy and Regulation at Engaés

### Are gas network operators working together on the environment?

We are working more and more closely together. Each of us has its own strategy for reducing areenhouse aas (GHG) emissions to address climate change. Climate change has become a priority for our company. At Enagás, we are aiming for carbon neutrality by 2040, with more than 50 energy efficiency and emissions reductions projects. In this context, reducing methane emissions is a key priority for sector actors. This is all the truer given that about 100 countries committed in 2021 through the Global Methane Pact to reducing emissions by 30% between 2020 and 2030. Initiatives are therefore multiplying between the various players, particularly between gas infrastructure operators, to better quantify and rapidly reduce these emissions. We know that we must move forward in this rapidly changing area by learning from each other, with emphasis on successful actions taken by our industry.

#### With which drivers?

European operators are involved in numerous European and international working groups on methane emissions within initiatives led by industry and institutions: European Gas Research Group (GERG), European Network of Transmission System Operators for Gas (ENTSOG), MARCOGAZ, International Gas Union, Methane Guiding Principles, and Gas Infrastructure Europe (GIE), whose methane emissions group I chair. Meetings are often crossfunctional. For example, at the end of 2021 we created a joint group between GIE, MARCOGAZ, GERG and ENTSOG to analyse the implications of the proposal for a regulation presented by the European Commission to reduce methane emissions in the energy sector. We are also involved with other managers in the group dedicated to the mid/ downstream segments of the gas supply chain within the Oil & Gas Methane Partnership (OGMP) 2.0, which aims to better measure and control methane emissions.

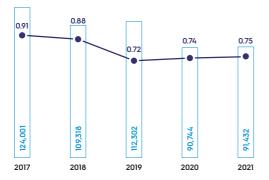
### How is the collaboration with Teréga going?

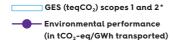
It's a fantastic collaboration. We are working very actively, both within the OGMP 2.0 and in working groups and bilateral meetings. We openly exchange the technologies and mitigation measures we implement and our actions, share our experiences and best practices, compare our strategies and more. Recently, our technical teams worked together to reduce methane emissions at compression stations. This allowed us to discover several valuable solutions implemented by Teréga.

## **Environmental indicators**

ENVIRONMENTAL PERFORMANCE(1)

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





- \*The calculation of GHG emissions is carried out based on three scopes:
- Scope 1: direct emissions
- Scope 2: indirect emissions related to energy
- Scope 3: other indirect emissions

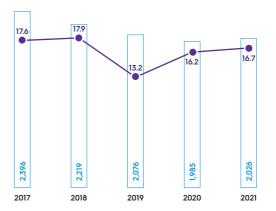
The target for the environmental performance indicator is based on 2019, since 2020 was a very unique year due to the pandemic. The environmental performance indicator stabilises at around 0.75 t CO<sub>2</sub>-eq/GWh transited. In 2021, Teréga continued its daily operational efforts by prioritising the use of electric compressors with turbo-compressors, thereby significantly reducing GHG emissions related to compression. The emissions that prevented this decrease from being even greater are essentially due to two events that occurred during the year: an incident when the gas was turned on again in a structure after works had been carried out and an exceptional leak of SF<sub>6</sub> (fluorinated gas acting as an insulator) from a piece of high-voltage electrical equipment.

Note: As part of its efforts to balance its greenhouse gas emissions, in 2022, Teréga aims to refine the calculation of indirect emissions corresponding to Scope 3, and make it more reliable.

1. The method for calculating these indicators changed in 2021 to include Scopes 1 and 2.

#### METHANE INTENSITY

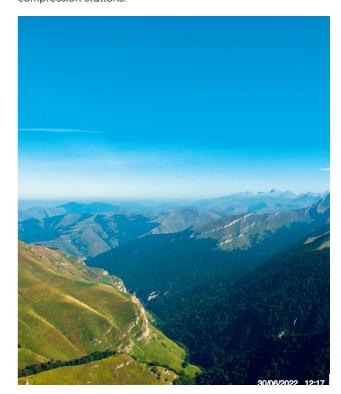
The methane intensity indicator is the ratio of the quantities of methane emitted by Teréga's activities to the quantities of gas transported through its network.



CH₄ total (t)

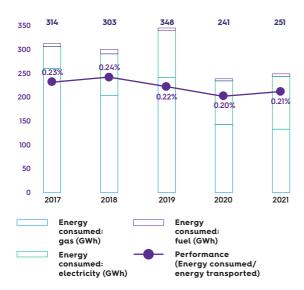
CH₄ intensity
(in t of CH₄/GWh transported.)

The increase in this indicator is particularly linked to a moderate increase in the venting of compressors for transport. This last point will be addressed in 2022 and 2023 with the commissioning of gas recompression facilities in four of Teréga's most significant compression stations.



#### ENERGY PERFORMANCE INDICATOR(1)

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



The target set for the energy performance indicator, based on 2019, was met in 2021. Prioritising the use of electric compressors (around 97% efficient) with turbo-compressors (around 33% efficient) played a significant role in achieving this.

#### PRODUCED PHOTOVOLTAIC ENERGY

	2017	2018	2019	2020	2021
Lussagnet, Cugnaux and Volta buildings (kWh)	153,402	141,500	152,785	137,029	129,525

Share of energy renewable consumed

#### WATER

	2017	2018	2019	2020	2021
	2017	2010	2019	2020	2021
Teréga					
Consumption of water from drinking water networks – all sites (m³)	7,657	8,160	8,184	5,843	6,055
Storage site					
Volume of process water discharged into the natural environment after water treatment at Lussagnet (in m³)	2,773	4,842	5,921	5,581	5,824

### PROVISIONS AND GUARANTEES FOR ENVIRONMENTAL RISK

## €350,087 Amount of the provision required by the Lussagnet site

#### WASTE

	2017	2018	2019	2020	2021
Quantity of Teréga waste generated (in tonnes)	2,957	1,426	2,649	1,841	1,243
(%) reused	85%	75%	85%	85%	<b>27%</b> <sup>(2)</sup>

<sup>2.</sup> The outage of the storage facility's water treatment station meant that water had to be sent for process water treatment, unlike in previous years. The figures for a similar scope are: 434 tonnes and 78% recovery.

#### **BIODIVERSITY**

224 ha

of ecological offset sites managed by Teréga as at the end of 2021





## Oriving collective energy forwards

**PATRONAGE** Teréga promotes the talents and assets of its regions. Patronage activities are offered by the Teréga Accélérateur d'Énergies [driving energy forward] endowment fund, created in August 2020.

The Teréga Accélérateur d'Énergies endowment fund is an independent, non-profit-making patronage mechanism that leads or funds actions in the public interest with four priorities: supporting the economic and social development of the French Great South-West, protecting biodiversity, fostering social inclusion and promoting France's scientific and cultural heritage. The projects selected provide sustainable assistance and support to meet the challenges that make territories grow.

#### Promoting the talents of the regions

In 2021, the endowment fund supported three initiatives:

- The association 60,000 Rebonds, which supports entrepreneurs whose companies has gone into receivership, helping them to rebound towards a new professional project.
- The Agir Responsable Ici endowment fund, which supports and promotes the development of initiatives that encourage ethics and social and environmental responsibility.

• The continuation of its Lignes Essentielles editorial collection, with the preparation of a second collective work highlighting the inventiveness of 11 players in the restaurant sector to overcome the health crisis, entitled *La gastronomie du Sud-Ouest se réinvente* (South-West gastronomy reinvents itself). It will be in bookstores in early 2022 and given to Teréga employees and stakeholders.

#### Acting for the environment

In 2021, Teréga Accélérateur d'Énergies provided its support to The SeaCleaners. This NGO founded by the navigator Yvan Bourgnon is reversing plastic pollution in the oceans by collecting waste, raising awareness and conducting scientific research. It is developing a boat capable of collecting and treating floating ocean wastes.

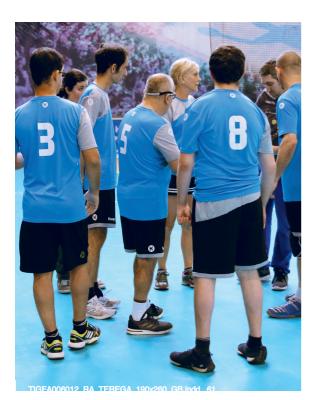
The endowment fund has also validated its support for Polar Pod, a drifting oceanographic platform project designed and organised by the explorer Jean-Louis Étienne, which will make it possible to collect scientific data of major interest, for example, on the study of the Antarctic Circumpolar Current.

Finally, Teréga Accélérateur d'Énergies supported the Trail Runner Foundation's Relay Utile 2024 on the occasion of European Waste Reduction Week. Starting from Hendaye in 2019, the runners of the Relais Utile will reach Paris in 2024 after crossing France while collecting the maximum waste on their route. From 27 November to 4 December, the 2021 edition took place between the Hameau de Pau and Montpellier. The employees of Teréga took part in the race on the section crossing the territory of the company.

#### Driving social inclusion forwards

For Teréga, well-being and social inclusion are essential. The endowment fund has supported *La Cravate Solidaire*. This association helps people who are out of the job market through workshops on physical appearance during job interviews.

In addition, the endowment fund continued its support for the Hand Ensemble section of the Billère Handball Club, which welcomes adults aged 26 to 50 with mental disabilities, as well as its actions in favour of the sports and university training of 20 promising young people at the Roger Tétin Centre. •





#### **POINT OF VIEW OF**

Michel-Hubert Jamard, Chairman of the Advisory Board of the *Teréga Accélérateur* d'Énergies Fund

#### Why have you joined the Teréga Accélérateur d'Énergies Advisory Board?

I am convinced that, in addition to economic performance, a company's success depends on its ability to assume its responsibilities towards the communities in which it operates. Teréga Accélérateur d'Énergies is an innovative nonprofit-making patronage scheme designed to fund projects and works in the public interest. Its creation is in line with the philosophy that drives Teréga. As my professional career at one time crossed that of Dominique Mockly, I know that we share the same vision and that this endowment fund is based on a real commitment in this respect. It is therefore without hesitation that I have accepted to lead the Advisory Board to which I am proud to bring my experience in CSR.

#### What is your role in this Advisory Board?

Composed of outside experts, this Board aims to guide and challenge the choices made by the endowment fund in terms of initiatives. First, the Advisory Board assists the fund's Board of Directors in determining its investment policy. Furthermore, the recommendations and opinions it is called upon to provide on support choices are based on their relevance to the fund's areas of intervention, given that the applications submitted have already passed the stage of an objective assessment methodology based on four criteria: innovation, values supported, experience of the applicant organisation, funding and partnership envisaged.

## Teréga contributes to local life

**SPONSORING** Ambassador of Béarn, in 2021, Teréga strengthened its commitment to the sports and non-profit-making world by supporting several local initiatives, faithful to its moto: participating in the life of the French Great South-West frees the energy sources of the region.



In 2021, the third edition of the Teréga Open Pau-Pyrénées took place between 15 and 21 November at the Pau Palais des Sports. This 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 French Great South-West. Various meetings were scheduled in the wake of this event with Teréga partners. An Afterwork des Ambassadeurs du Béarn provided an opportunity to discuss the attractiveness of Béarn in the digital age. Organised by Bpifrance, the Innovation in Sport Meeting collected the testimonies of great sports figures on how to reconcile sport and entrepreneurship.

Jean-Louis Étienne also led two events on climate change. The famous explorer interacted with the children of Teréga employees and leisure centres of the Pau urban area around an imperative: "Help us save our planet!" These young people also took part in the activities offered by The SeaCleaners, an association that raises awareness and takes action to save the oceans from plastic pollution.

## Energy transition explained at the Big Tour

During the summer, Teréga extended these exchanges with the public, especially young people, by participating for the third consecutive year in Bpifrance's Big Tour, criss-crossing the coasts of six regions of France to showcase the wealth of French entrepreneurial knowledge in industry, technology and innovation. The initiative was an opportunity for Teréga to explain its role as a key player in the gas sector and the energy transition through its 3D animation: 2050, a world of renewable energy.

#### A partner of Béarn's rugby players

Official partner since 2016 in the Section Paloise project, Teréga renewed its support in 2021. Teréga supports this rugby club based on common values, with the same attachment to the region and its collective strength. 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 in Pau, named the Tribune Est-Teréga or Teréga East Stand. •

#### THE POINT OF VIEW OF

Jérémy Chardy and Audrey Roustan, Co-Directors of Teréga Open Pau-Pyrénées (TOPP)

#### What is your relationship with TOPP?

J. C.: I am very committed to this tournament because it echoes all that Pau and its region have brought to me throughout my sports education and tennis training. Beyond the court, I want this event to be a moment of sharing, marked by a spirit of conviviality because these values are dear to me.

A. R.: We are very pleased that the Teréga Open Pau-Pyrénées is taking place for the third year in a row. Thanks to the support of Teréga, all our partners and teams, we have succeeded in making it a milestone for young talent as well as the great names of international tennis.

## Guiding the energy transition in the territories

**TERRITORIAL COMMITMENT** In 2021, Teréga has undertaken several complementary actions in the heart of the territories to better understand and share the challenges of low-carbon energy with their stakeholders.

Teréga is strongly involved alongside regional, departmental and local institutions in the development of a new energy ecosystem.

## A white paper with the Territoire d'Industrie Lacq-Pau-Tarbes

The Teréga teams participated in the preparation of the white paper on vehicles for development of hydrogen. Developed by the industrial area Territoire d'Industrie Lacq-Pau-Tarbes, this white paper will help to launch future projects. The result of cooperation between local institutional and economic players, it aims to identify the challenges and assets that favour the development of a territorial ecosystem across the hydrogen value chain. This approach is fundamental for industrial players to be able to meet the objective of carbon neutrality by 2050 and to develop decarbonised solutions that create jobs and local economic benefits.

Teréga also presented to the Office of the Rector of Académie de Toulouse its vision of the training challenges concerning the new skills required for industrial development of hydrogen in the territories, which goes hand in hand with the evolution of academic training benchmarks.



## Supporting the development of renewable gases

At the end of 2021, France Hydrogène appointed Paul de Braquilanges, manager of institutional relations at Teréga, Regional Delegate of Nouvelle-Aquitaine to boost the hydrogen sector in this territory.

In addition, the Environment Committee of the Regional Economic, Social and Environmental Council (CESER) of Nouvelle-Aquitaine has auditioned Teréga in December 2021 regarding the place of gas in the energy transition and the vehicles for development of renewable gases to choose between an energy mix-based approach to carbon neutrality and a renewable energy-based approach.

#### Teréga is a patron of the Biogas initiative

Launched by the French Ministry of National Education, Youth and Sport in partnership with the French Association for the Development of Technical Education, the Biogas educational project aims to raise a playful awareness among youth from year 7 (age 11) to higher technical certificate (BTS) students about renewable energy sources and more specifically about the processes and technologies implemented in the biogas sector. Teréga is committed to creating resources for green energy (production, transport, distribution, new uses and innovations): educational scenarios, digital animations, serious games etc.

Open to teachers and national education professional, the Étincel educational platform will make all the educational resources produced accessible.

## A new regulation

**EUROPEAN TAXONOMY** Faced with the effects of climate disruption, on the one hand, and the inadequacy of public investment to carry out alone the transformation necessary to limit this phenomenon, on the other, the European Commission has introduced the taxonomy to direct private investment towards the activities necessary to achieve climate neutrality.

Aware of these climatic and environmental challenges and its responsibility as a stakeholder in the energy sector, Teréga Group is committed to this energy transition by working to accelerate the development of the integration of renewable gases such as biomethane and soon hydrogen. Teréga is convinced that the use of renewable energy is essential to achieving the objectives set out in the Paris Agreement at a controlled and sustainable cost for the end consumer.

Teréga SA's existing infrastructure provides it with essential leverage to offer sustainable solutions for the medium and long terms, while optimising the investments to be made in the networks. To this end, Teréga is developing projects aimed, in the short term, at accelerating the injection of a mix of biomethane and renewable hydrogen<sup>1</sup> into its networks and at reducing its own emissions through the BE+ programme for positive environmental balance, which aims to gradually erase the environmental footprint of its activities. And, in the longer term, to build new infrastructure for hydrogen transport and storage. Convinced that tomorrow's energy mix will be the result of a multi-energy mix, Teréga is also developing digital tools to optimise their operation. All these decarbonisation solutions are in line with the framework auidelines of the French National Low Carbon Strategy (SNBC) and the Energy-Climate law enacted in December 2019.

### European taxonomy applicable to Teréga SA

In accordance with article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and its delegated act (adopted by the European Commission on 6 July 2021), Teréga SA is subject for the first time in respect of the financial year 2021 to the obligation to publish the share of its activity eligible for taxonomy. This regulation

could pose a risk, as it would limit access to financing for investments that Teréga considers necessary for the energy transition.

This report covers the activities carried out by Teréga SA and does not include the scope of Teréga Solutions given the recent creation of the new Business Units. Their integration will be reconsidered in light of their future development.

The Taxonomy Regulation and the associated texts, particularly the Delegated Regulation of 4 June 2021<sup>2</sup>, allow Teréga to divide its activities into three categories:

- Activities eligible for the taxonomy according to the list of activities referenced by the delegated acts at the time of their adoption. These projects are likely to make a substantial contribution to the objective of mitigating climate change or adapting to climate change.
- One or more activities listed by the taxonomy as ineligible, i.e. activities considered harmful to the environment and climate.
- Activities not listed by the taxonomy at the date of adoption of the delegated acts.

The analysis of Teréga SA's eligible activities under its first two objectives (mitigation of climate change and adaptation to climate change) was segmented based on the framework defined by the European Commission (definition assigned by Regulation (EU) 2020/852 of 18 June 2020 and associated texts) and mainly concerns the replacement and conversion of existing infrastructure to allow the transport of renewable gases and reduction in methane emissions.

Nevertheless, Teréga considers the entire natural gas transmission activity as a pillar of the energy transition, on the one hand, because natural gas is a transition energy and, on the other hand, because the infrastructure will be used to promote the development of the use of renewable gases, such as biomethane and hydrogen. Thus, Teréga SA

ensures the maintenance and safety of its infrastructure, with a view to facilitating the transition to a future based mainly on renewable energy.

As for the storage of natural gas, it is not included in the list of economic activities referred to by the taxonomy, but it is a major driver of the energy transition. Indeed, storage sites are an essential brick in energy systems and will contribute to the growth of biomethane and hydrogen in the future.

### CAPEX, OPEX and turnover of eligible activities as of 31 December 2021

With regard to the obligation to publish the sustainable share of the three indicators: capital expenditure (CAPEX), operational expenditure (OPEX) and turnover for the year 2021, Teréga has developed methods for calculating eligibility specific to each performance indicator requested, the description and results provided here.

• Eligibility ratio at the level of capital expenditure (CAPEX) and operating expenditure (OPEX)

The calculation of the eligible share of the CAPEX is carried out by dividing the amount of the investments relating to the eligible projects by the total amount of the investments registered under CAPEX for 2021.

The calculation of the eligible share of OPEX is obtained by dividing the share of eligible OPEX by the total amount of OPEX registered in 2021 according to the taxonomy definition. To link to operating expenses in the financial statements, it is necessary to remove the operating allowances for depreciation on fixed assets, the expenses that have been the subject of fixed production and the purchases linked to sales (ex-gas balancing).

• Eligibility ratio at the level of turnover Because of its regulated business model, the calculation of the share of the turnover of eligible activities does not result from a direct reading of the breakdown of its turnover. Teréga has chosen to use only the percentage of renewable gas injected into its pipelines in 2021 to calculate the rate of eligibility of the turnover, a percentage that is expected to increase in the coming years.

To contribute to this acceleration of the integration of renewable gases into French consumption and transport, Teréga is engaged in the development of methanisation projects.

In 2021, Teréga has 16.5% of eligible CAPEX, 9.1% of eligible OPEX and 0.1% of eligible turnover under its first two environmental objectives.

In addition, Teréga believes that it is important to materialise the share of expenses that are not directly covered by the taxonomy but that we consider necessary for the energy transition and that have an indirect impact on the gas infrastructure conversion activity, particularly through expenses related to the maintenance of the transmission network. These expenses contribute to the sustainability and resilience of the existing infrastructure to transport the gas of tomorrow. Therefore, the CAPEX 2021 required to ensure the energy transition amounts to approximately 75%.

- Hydrogen can currently be transported in natural gas pipelines only at limited proportions due to various technical complexities.
- 2. Commission Delegated Regulation (EU) of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council.

Activities eligible for taxonomy in €K	CAPEX	OPEX	Turnover
4.14 Renewable and low carbone intensity gas	18,719	11,876	
6.5 Transport in motorcycles, passenger cars and light commercial vehicles	1,238		
7.3 Installation, maintenance and repair of energy efficiency equipment	1,086	1,142	
8.1 Data processing, hosting and related activities	845		
9.1 Research, development and innovation close to the market	1,919		
Total activities eligible for taxonomy	22,697	13,018	
Total Teréga SA Financial Statements	137,635	463,089	
Total Teréga SA definition Taxonomy	137,635	142,700	
% eligibility	16.5	9.1	0.1

## Financial and market indicators

#### **TURNOVER**



The turnover of the Transport business was €340 million, up almost 9% compared to 2020. This strong performance follows a lacklustre 2020, where transport activity was hit quite hard by the decline in capacity subscriptions. The turnover of the Storage business was €148 million, stable compared to 2020 (introduction of the new tariff period in 2020).

#### NET INCOME



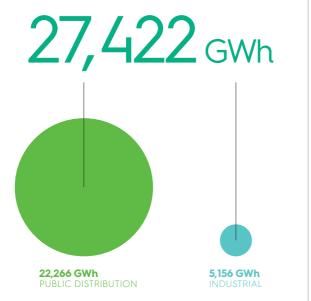
Net income in 2021 grew by 30% compared to 2020. This marks a return to a level comparable to pre-Covid levels (2018 and 2019).

#### AMOUNT OF INVESTMENT



Total investment in 2021 amounted to €138 million. For the Transport business (€103 million), this mainly involved investments related to infrastructure security and maintenance, but also investments related to network development. For the Storage business, investments reached €35 million and also largely corresponded to infrastructure security and maintenance.

#### TOTAL CONSUMPTION IN THE TERÉGA AREA



#### TRANSPORT AND STORAGE

121,465 GWh

73
Number of transport shippers

28
Number of storage shippers

33,100 GWh

100%
Subscribed storage capacity/available capacity

Biomethane contract signed

Quantity of injected biomethane (GWh)

# Correlation table for the Non-Financial Performance Statement

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 08-09 of the report;
- the description of the main risks (challenges) is on pages 11-12 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 & REGULATORY - France strengthens its climate goal with binding targets (p. 06)	
Anticipating energy market developments, particularly through Research and Innovation	RRESEARCH & INNOVATION – Innovation is a strategic imperative (p. 04)	Innovation activity (p. 05)
	Paragraph «R&I on the ground» in STORAGE (p. 24)	
	Paragraph «Deployment of R&I projects» in TRANSPORT (p. 21)	
<b>Ensuring</b> personnel and third-party safety	SAFETY – Zero accidents objective (p. 52) and Outcome indicators (p. 54)	Total Recordable Incident Rate (p.55) UDW/DICT ratio (p. 55)
<b>Working</b> with suppliers in accordance with our social commitments	SUPPLIER RELATIONSHIPS – A responsible and sustainable commitment to local presence (p. 43)	Purchasing coverage rate (p. 43)
Minimising our environmental footprint and acting in a socially responsible manner	ENVIRONMENT - Our priority: reducing greenhouse gas emissions (p. 56)	Environmental performance (p. 58)
<b>Ensuring</b> service continuity from our IT infrastructures	INFORMATION SYSTEM - Ensuring continuity of service and release of data (p. 44)	Rate of availability of critical and vital applications (p. 44)

NON-FINANCIAL CHALLENGE	ARTICLE	KEY PERFORMANCE INDICATOR
<b>Maintaining</b> a calm social environment	QUALITY OF WORK LIKE – Four new offerings for employee well-being (p. 47) SOCIAL – An evolution of the framework and devices (p.46)	Employee engagement score (p. 48)
Managing and developing skills	TRAINING – A pragmatic offering accessible to all (p. 49)	Training rate (p. 49)
Respecting ethics	ETHICS – Committed to upholding ethical standards (p. 42)	Awareness or anti-corruption training session rate (p. 42)
<b>Promoting</b> the acceptability of our facilities in the regions	Paragraph "Successful projects" in TRANSPORT (p. 22)	Passage agreement rate for Infrastructure Projects (p. 22)
<b>Ensuring</b> we have a solid organisation to achieve our objectives	Governance (p. 38)	Rate of CSR matters discussed by the Board of Directors (p. 38)

#### In respect of article R.225-105 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 2021 ACTIVITY AND SUSTAINABLE DEVELOPMENT REPORT
<b>The impact on climate</b> change of the company's activity and of the use of the goods and services it produces	ENVIRONMENT - Our priority: reducing greenhouse gas emissions (p. 56-57)
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	<ul> <li>ENVIRONMENT - Our priority: reducing greenhouse gas emissions (p. 56-57)</li> <li>Not relevant to the risk analysis</li> </ul>
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 (p. 51)
<b>Actions</b> to fight discrimination and promote diversity and measures implemented to benefit disabled people	Gender equality index in the HR indicators key figures (p. 50-51) Paragraph "CSR actions in support of inclusion" in QUALITY OF WORK LIFE (p. 48)

## 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, 2021

#### 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, 2021, 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 Management Board 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 ISO17020 requirements and 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, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II when relevant in regard to the principal risks and includes a clear and reasoned explanation for the absence of required 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, 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<sup>1</sup>;
- 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 asked what internal control and risk management procedures the entity has put in place and we assessed the data collection process implemented by the entity 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 100% 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, 2021, and April, 2022. and took a total of 23 weeks.

We conducted 13 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.

#### Comment

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 comment:

The policy related to the risk entitled "Handle the legislative and regulatory modifications and ensure the regulatory compliance" does not present any precise commitment or improvement target, nor key performance indicator.

Done in Toulouse, 13 May 2022

THE INDEPENDANT THIRD-PARTY BODY SAS CABINET DE SAINT FRONT

Pauline de Saint Front Chairwoman



(1) key performance indicators and other quantitative outcomes

- Innovation activity TND/DICT ratio GHG/gas energy emissions transited
- Part of renewable energy consumed
- Availability rate for vital applications Rate of CSR topics addressed by the Management Board Number of companies having received an HSE approval
- Percentage of employees having attended an anti-corruption awareness or training session

This is a free translation into English of the independent third party's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

