
Inventing the sustainable energy world of tomorrow

November 2016

ENGie

A hand holding a small globe. The globe is covered in green grass and features various elements: wind turbines, houses, trees, flowers, a fish, and birds. The background is a blue sky with clouds and an airplane.A horizontal bar with a rainbow color gradient, consisting of segments in green, yellow, blue, red, and purple.

Summary

1/ Context

Becoming low-carbone and connecting to stakeholders

2/ Integrated Performance

CSR at the heart of ENGIE's business model

3/ A new ambition

CSR ambition contributing to ENGIE's transformation



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1/ Context



A unique positioning to embrace the energy revolution

Low CO₂ power generation mix & strong positions in renewables

- 85% low CO₂ emissions, 19% renewables⁽¹⁾, #1 in solar & wind energy in France, present in many countries on every continent

ENGIE's strategy to gradually end its coal activities

- Stop all projects which had not yet been firmly committed
- In 2016, ENGIE has already sold or closed coal assets which represent > 5000 MW of capacity
- Decision to close Hazelwood power station - 1500 MW - in Australia at the end of March 2017

Leading energy company supporting countries in their move towards the energy transition

- Without waiting for worldwide spread prices, ENGIE uses a carbon price in its investment assessments

Developing the uses of natural gas to replace more carbon emitting energies

- Biogas, retail LNG

100,000 people dedicated to energy efficiency solutions

- Enabling customers to achieve their own sustainability objectives

Priority to lowest CO₂ options
CO₂ light activities⁽²⁾ will represent more than 90% of Group's Ebitda by 2018

(1) Data at 100%, as of end of June 2016, excluding pumped storage for hydro capacity

(2) Low CO₂ power generation, gas infrastructures & LNG, downstream

Advocating for carbon pricing, a key lever towards decarbonization

Since 2013, ENGIE openly advocates for the generalization of carbon prices in the World

- To signal for low carbon investments
- One of the best ways to accelerate the transition

ENGIE is Member of the World Bank Carbon Pricing Leadership Coalition (IMF, WEF, IETA, UN Global Compact, CDP, ...) which committed to :

- x2 by 2020 the coverage of emissions by carbon pricing regulations (25%)
- And x2 again the coverage by 2030 (50%)

Mr Mestrallet nominated co-president of the French Commission on carbon pricing, which made proposals to reinforce the carbon pricing signals

- Set a price corridor on the EU ETS at European level

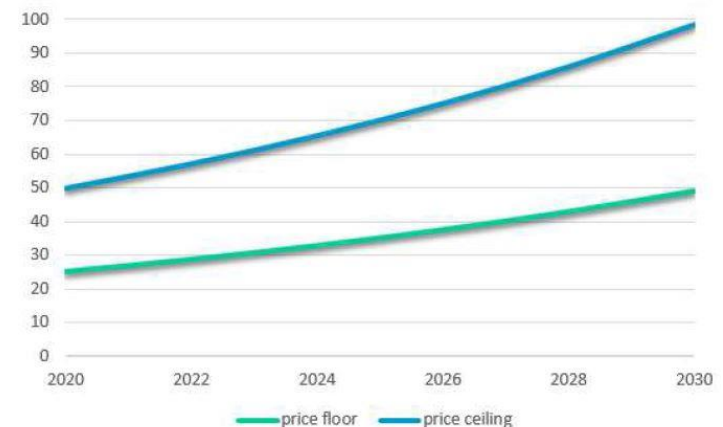


Figure 1: Trajectory of the soft price collar proposed by the commission

TERRAWATT initiative: massive solar scale-up



TERRAWATT initiative

- Global non-profit association working together with International Solar Alliance and its member states in establishing proper regulatory conditions for a massive deployment of competitive solar generation
- Calls for 1 terawatt (1,000 GW) of additional solar power capacity by 2030, representing an additional \$1 trillion in investments to finance solar power infrastructure

IRENA and TERRAWATT initiative

- Pledge to cooperate to establish proper conditions for the substantial deployment of competitive solar power generation
- Areas of possible future cooperation:
 - Reducing the cost of finance and cost of technology for immediate deployment of competitive solar generation assets
 - Supporting industrial capacities, through support for development and implementation of appropriate regulatory frameworks and innovative financial and risk mitigation instruments
 - Developing a systemic approach for the massive integration of renewables, solar in particular, in the energy systems at local, national and regional level
 - Paving the way for future solar generation energy storage and technology solutions adapted to each country's individual needs



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2/ Integrated Performance



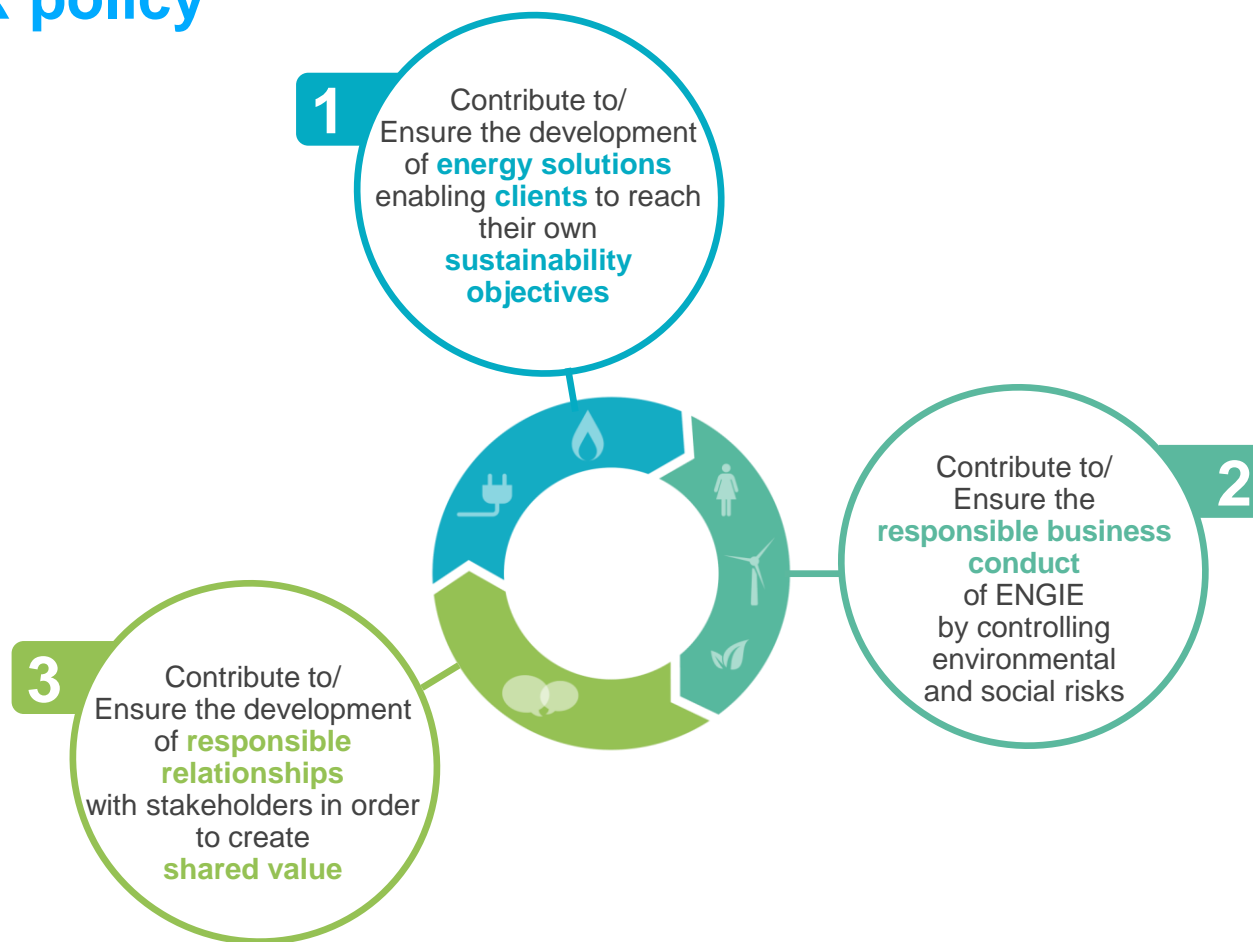
What is CSR for ENGIE?

Long term business thinking

- ▶ Design successful services & offers
- ▶ Compliance with standards of responsible business
- ▶ Delivery of capital projects on time and on budget
- ▶ Creation of shared value
- ▶ Addressing main CSR challenges

Climate change, Environmental footprint, Biodiversity, Access to energy for all, Stakeholder engagement

Ambitious CSR policy



An ambitious policy supported by strong commitment from top management

ENGIE well-positioned in ESR ratings and indexes



Sept 2015: ENGIE named to the Dow Jones Sustainability World & Europe Index

- **Total score: 85/100 (2016)** (up from 79/100 in 2015)
- Economic Dimension: 85/100
- Environmental Dimension: 78/100
- Social Dimension: 95/100 (Industry Leader)

Sept. 2016: ENGIE industry leader, member of DJSI World & DJSI Europe



(2016)

- Listed in the CDP “A List”



(2016)

- Performance: 61/100, Advanced level
- Listed in the Euronext VigeoEiris World 120, Europe 120, Eurozone 120, France 20



(2016)

- Performance: 73/100
- Advanced level, CSR Gold

CERTIFICATIONS

- Relevant share of revenues covered by **ISO 14001, EMAS⁽¹⁾, other external EMS⁽²⁾ certifications and internal EMS: 84.2% (2015)**

(1) Eco Management & Audit Scheme
(2) Environmental Management Scheme

Materiality matrix: a strong stakeholder dialogue process

OBJECTIVES

- Identify **priority** issues according to their **relevance both to ENGIE and its stakeholders**
- Cover environmental, social, societal, economic, financial and governance issues
- Fit in with ENGIE's approach to responsible performance
- **High convergence between the priorities for our stakeholders and those of the Group**

RELEVANCE FOR STAKEHOLDERS		•Stakeholder dialogue	<ul style="list-style-type: none"> •Local acceptance •Business conduct •GHG emissions •Reputation •Health & safety •Facility safety
		<ul style="list-style-type: none"> •Access to energy •Responsible purchasing •Biodiversity •Regulatory compliance •Staff diversity •Human rights •Risk management •Taxation •Air pollution •Relations with political decision-makers 	<ul style="list-style-type: none"> •Adaptability of the business model •Management culture •Staff career & personal development •Social dialogue •Operational efficiency •Innovation •Balanced energy mix •Local recruitment •Customer/manager relations •Security of supply •Financial strength •Energy transition •Financial value creation
	<ul style="list-style-type: none"> •Sponsorship •Other pollution (noise, landscape, odours, etc.) 	<ul style="list-style-type: none"> •Group energy consumption •Rules of procedure of the Board •Water management •Waste management •Protection of personal data 	<ul style="list-style-type: none"> •Staff commitment •Industrial partnerships •Shareholder policy
RELEVANCE FOR THE GROUP			

ENGIE first among CAC40 companies to publish an Integrated Report

Objectives

- Provide a comprehensive understanding of the Group's **value creation on the short & long term**
- Make the company **more attractive** to investors, particularly SRIs,
- Allow large customers to **better understand ENGIE** and initiate **new partnerships**
- **Develop relations** with all Group stakeholders, among which NGOs

2016 improvements following a consultation of all the Group's stakeholders

- Report systematically structured around the **components of ENGIE's strategy**
- **More customer centricity**, with a specific focus on customer expectations
- Focus on **ENGIE's transformation plan and new organization**
- Better integration of financial and non-financial results and objectives to **explain the long term value creation process**
- **Anticipation of the reporting obligations** set out in Article 173 of the French Energy Transition Law for Green Growth: risks resulting from climate change, measures taken to reduce these risks and consequences of ENGIE's activities on climate change





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3/ A new ambition



A strong ambition for 2020

Stepping up our ambition

- In response to **profound changes in the energy sector** and the **growing importance of environmental and societal factors** to our stakeholders
- To help the Group implement its enterprise project and **support its sustainable growth strategy**

Objective	Key Performance Indicator	Target value in 2020
Supporting our customers in the energy transition	Satisfaction rate among our B2C customers by 2020	85% ⁽¹⁾
Renewables	Share of renewable energy in the generating capacity mix in 2020	25%
Greenhouse gas emissions	% reduction in ratio of CO ₂ emissions to electricity generation compared with 2012	-20%
Stakeholder dialogue	% of industrial activities covered by a suitable dialogue and consultation mechanism	100%
Gender diversity	% of women in the Group's workforce	25%
Health and safety	Internal frequency rate for occupational accidents	3

(1) or equivalent following work to harmonize BU methods in 2016

Innovation: value-generating startups & incubators

€115 million

ENGIE New Ventures

fund dedicated to investing in businesses, developing innovative solutions that will transform our activities in the domain of the energy transition



Examples of investments already made:

- **AMS** (USA): energy storage solution
- **Sigfox** (France): Internet of Things
- **Powerdale** (Belgium): electric vehicle recharging
- **Tendril** (USA): energy efficiency B2C
- **Redbird** (France): analysis of technical data collected by drones
- **Heliatek** (Germany): organic photovoltaic technology

Work with

external incubators

who provide the premises, an ecosystem and coaching for both startups and our own project owners



Impact investment fund *ENGIE Rassembleurs d'Energies*

18 investments on 4 continents in 6 different technologies

Clean cookstoves

N°	Company	Country
1	Green Bio Energy Waste to recovery biomass fuel and clean cookstoves	Uganda

Solar home systems

N°	Company	Country
1	Simpa Networks	India
2	Green Village Ventures	India
3	Rural Spark	India
4	Eres Renewable	Mexico
5	Fenix international	Uganda
6	PEG Ghana	Ghana
7	BBOXX	Rwanda

Micro-mini grids

N°	Company	Country
1	Mera Gao Power	India
2	Ausar	Morocco
3	CDS (micro utility)	Mauritania

Biogas

N°	Company	Country
1	Biobolsa	Mexico
2	SIMGAS	Tanzania

Biomass

N°	Company	Country
1	Estera	France

Energy efficiency

N°	Company	Country
1	Les toits de l'espoir	France
2	Le Chênelet	France
3	Habitat et Humanisme	France
4	LivingStones	Belgium

Impact investment fund *ENGIE Rassembleurs d'Énergies*

Latest investments overview



- Waste to energy briquettes and clean cookstoves
- Created 2010, mainly active in Uganda
- *ENGIE Rassembleurs d'Énergies* participated in 1 financing round as series A
- Objective: improve lives of 300,000 people and displace 270,000t CO₂ by 2020



- Mini utility promoting renewable energy
- Created in 1980, active in Mauritania
- *ENGIE Rassembleurs d'Énergies* participated in 1 financing round
- 10,000 people served with water and power in rural Mauritania



- Solar Home System using Pay As You Go
- Created in 2010, mainly active in East Africa
- *ENGIE Rassembleurs d'Énergies* participated in 2 financing rounds
- 350,000 people served to date



Seizing the opportunities of the energy revolution

Recent developments

Examples of partnerships recently announced

- ENGIE selected among all the international suppliers to provide 10 cargoes of LNG to Beijing Gas Group over the period November 2016 through February 2017
- ENGIE continues its development in Chongqing: Investment agreement to build a natural gas distributed energy project in the Hechuan Weituo Zone
- ENGIE signs a technological and commercial alliance with IBM to deploy smarter cities solutions and improve the quality of life for citizens
- ENGIE installs 4,000 charging points for electric cars in Rotterdam and The Hague (NL)
- ENGIE and Powerdale selected to provide Luxembourg with 800 public charging stations
- ENGIE invests in Symbio FCell to accelerate the development of hydrogen mobility solutions
- ENGIE signs a letter of intent with Unibail Rodamco to help the Europe's leading commercial real estate operator to reduce its carbon footprint
- ENGIE partners with La Poste Group to develop green mobility in France and Europe using alternative fuels VNG/bioVNG and hydrogen



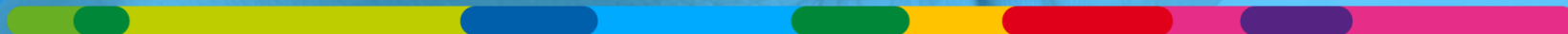
Conclusion: CSR Priorities

- Priority to lowest CO₂ options
- Further develop Stakeholder Engagement
- Access to Energy: 20 million beneficiaries by 2020

**CSR ambition contributing to
ENGIE's transformation**

APPENDICES

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Attracting new investors through activities in Renewable Energy & Energy Efficiency

- **€2.5bn Green Bond** issued in 2014, highest corporate issue to date
- To highlight ENGIE's business model based on **responsible growth through CSR commitments**
- To **diversify investor base** and reinforce ties with responsible investors
- To **support development of the Green Bond market** - instrumental in the energy transition
- **2 tranches**: 6-year €1.2bn 1.375% annual coupon & 12-year €1.3bn 2.375% annual coupon
- **3-times oversubscribed, SRI 64% of the issue**
- Criteria set to select projects developed & validated by Vigeo, ENGIE's auditors assess the compliance of Green Bond projects with criteria
- **Regular reporting** on projects in renewable energy & energy efficiency financed with Green Bond proceeds

Environment protection

Fight climate change, environmental management and biodiversity protection

Community involvement

Contribute to local development and to communities well-being

Ethics and business behavior

Promote ethical practices throughout the supply chain & sustainable relationships with suppliers

Human resources

Ensure responsible relations and working conditions

Project Governance

Ensure internal ESG assessment and positive recommendation

€1.7bn allocated to eligible projects as of end 2015

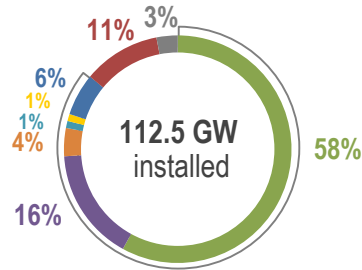
A low CO₂-emission energy mix

Breakdown of generation capacity by technology (as of 6/30/2016)

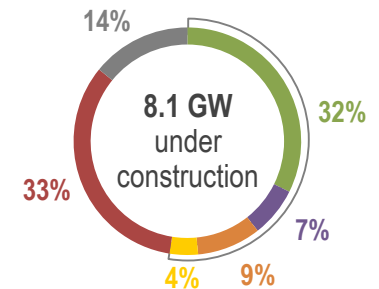
■ Natural gas ■ Hydro ■ Wind ■ Biomass & biogas ■ Solar
■ Nuclear ■ Coal ■ Other non-renewable

At 100%

85%
 low CO₂ emissions
 19%
 renewables⁽¹⁾

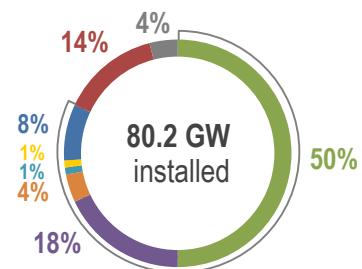


52%
 low CO₂ emissions
 21%
 renewables⁽¹⁾

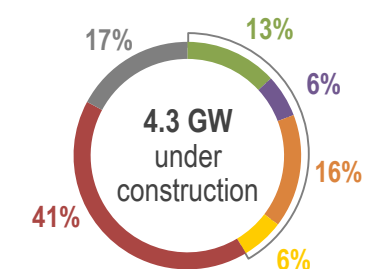


% consolidation⁽²⁾

82%
 low CO₂ emissions
 20%
 renewables⁽¹⁾

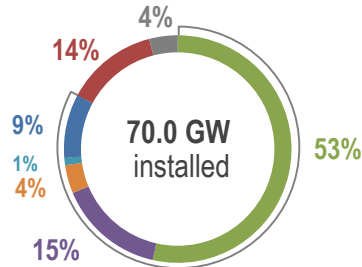


41%
 low CO₂ emissions
 28%
 renewables⁽¹⁾

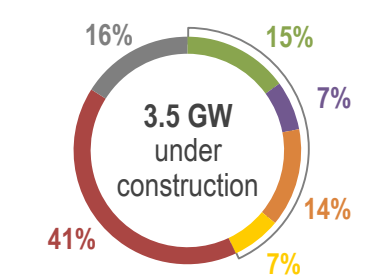


Net ownership⁽³⁾

83%
 low CO₂ emissions
 17%
 renewables⁽¹⁾



43%
 low CO₂ emissions
 28%
 renewables⁽¹⁾

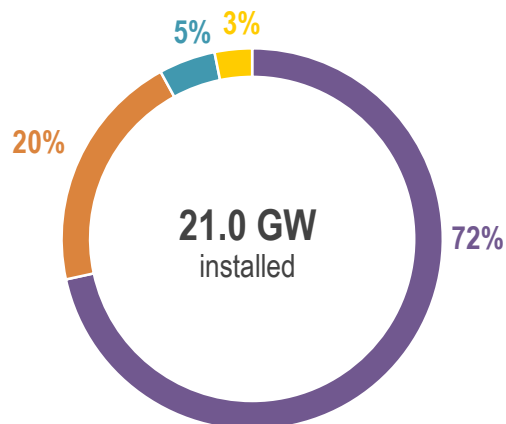


Renewable energy: ~19% of Group's generation capacity

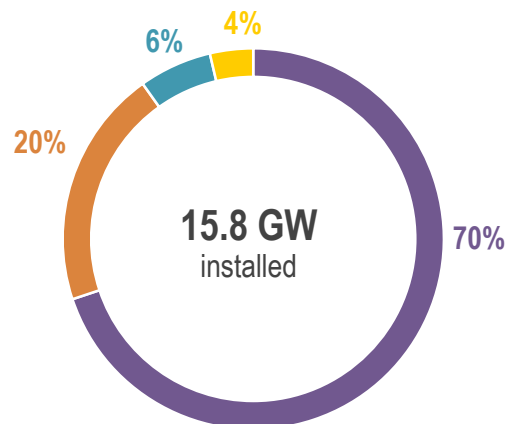
As of 6/30/2016

Hydro⁽¹⁾ Wind Biomass & biogas Solar

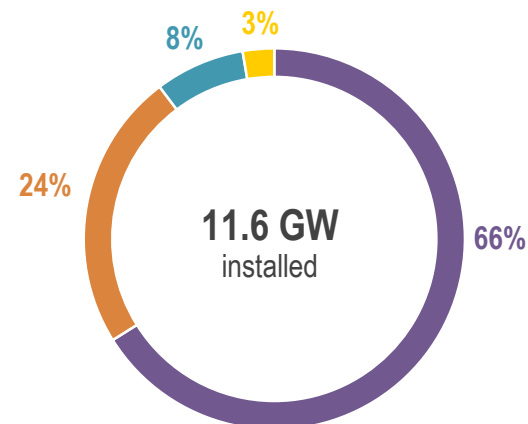
At 100%



% consolidation⁽²⁾



Net ownership⁽³⁾



in MW	Hydro ⁽¹⁾	Wind	Biomass & biogas	Solar
EUROPE	4,032	2,964	750	486
NORTH AMERICA	-	659	130	20
LATIN AMERICA	10,789	209	99	12
MIDDLE EAST, TURKEY & AFRICA	-	392	-	21
ASIA	152	-	30	125
OCEANIA	48	63	-	1
TOTAL	15,021	4,287	1,008	665

in MW	Hydro ⁽¹⁾	Wind	Biomass & biogas	Solar
EUROPE	3,994	2,487	740	413
NORTH AMERICA	-	264	130	8
LATIN AMERICA	6,878	209	82	12
MIDDLE EAST, TURKEY & AFRICA	-	190	-	21
ASIA	152	-	30	125
OCEANIA	48	63	-	1
TOTAL	11,073	3,212	981	580

in MW	Hydro ⁽¹⁾	Wind	Biomass & biogas	Solar
EUROPE	2,452	2,082	684	159
NORTH AMERICA	-	264	123	8
LATIN AMERICA	5,111	159	57	7
MIDDLE EAST, TURKEY & AFRICA	-	190	-	16
ASIA	71	-	21	118
OCEANIA	48	50	-	1
TOTAL	7,682	2,744	885	310

Disclaimer

Forward-Looking statements

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