



SUSTAINABILITY

Environmental & Societal Responsibility At the heart of ENGIE's Enterprise Project

November 2015

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Content

- Main Environmental & Societal Responsibility challenges faced by ENGIE
- Ambitious ESR policy
- Sustainability managed at the highest corporate level
- Energy transition at the core of ENGIE's activities
- Main achievements in sustainability: 2015 in a nutshell
- ESR targets well on-track
- ENGIE well-positioned in ESR ratings and certifications
- Strong involvement in the preparation of COP21
- Conclusion
- Appendices

Main Environmental and Societal Responsibility (ESR) challenges faced by ENGIE

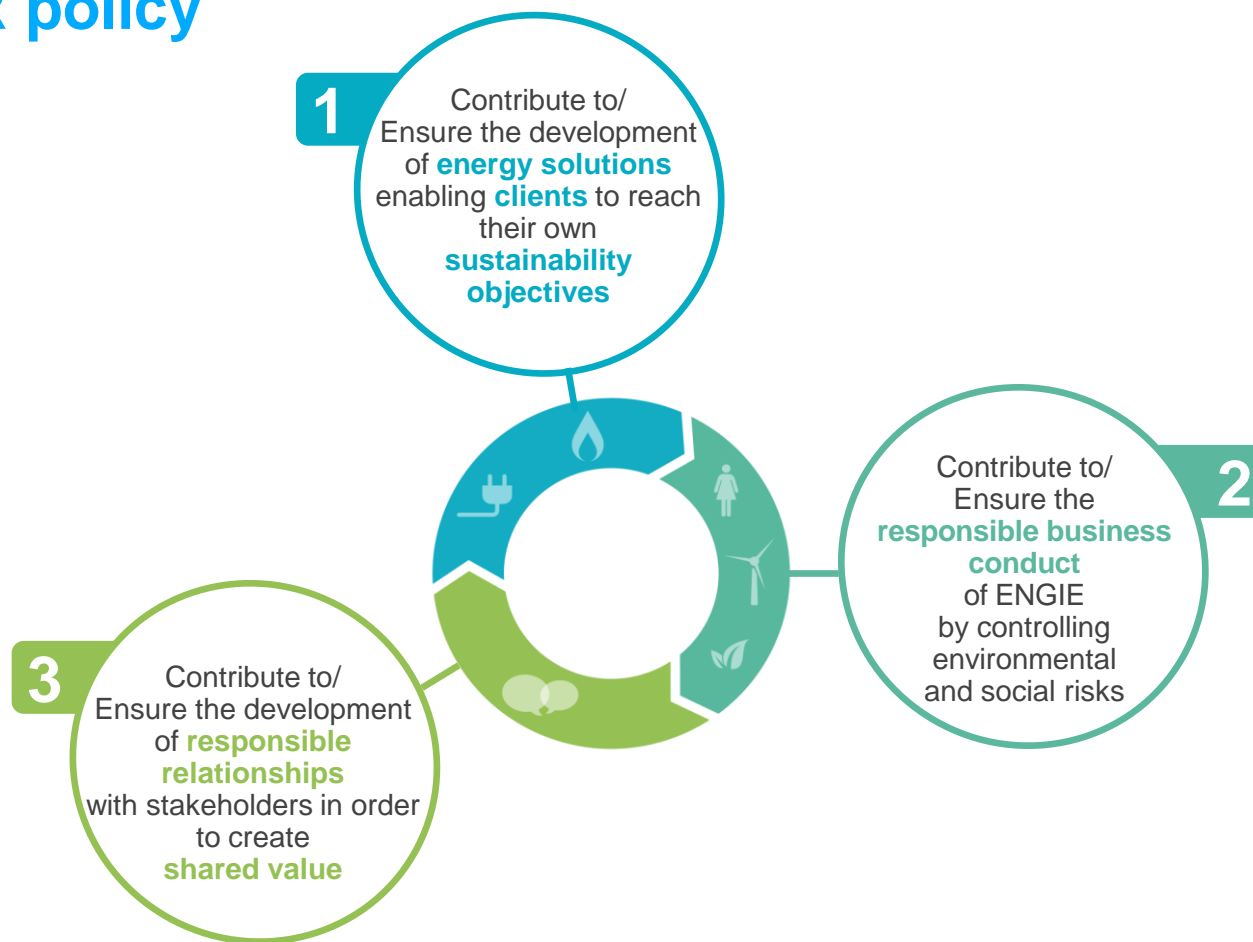
ENGIE's mission statement

- Supply the **goods and services that are essential to life**, to millions of people all over the world
- Contribute to **build a better world, combining access to energy & respect of environment**
- Long term vision: promote access to energy with a **lower carbon intensity, increased reliability & flexibility, with smart solutions & solutions for mobility**

Main ESR challenges

- **Climate change**: strong impact on energy companies' business models
- **Fight against pollution** (water, air, soil)
- **Water resources management**: operational challenges & image risk
- **Saving resources**: translating into energy efficiency in the energy sector
- **Biodiversity**: already a major cause of additional expenditure or rejection for new projects
- **Stakeholder management**: homogeneous & high-quality dialogue in a global company
- Further develop **structured offers for access to energy**

Ambitious ESR policy



An ambitious policy supported by strong commitment from top management

Sustainability managed at the highest corporate level

**Board of Directors:
Committee for Ethics, Environment
and Sustainable Development**

1 of the 4 board committees

Review of ethical and compliance issues, review of the extra-financial performance, adoption of a dashboard, state of play of ethics training, review of country risk in terms of human rights and corruption

General Management Committee

Holding at least **two meetings a year fully** dedicated to environmental and societal responsibility

**Environmental & Societal Responsibility
Executive Committee**

Implementing the environmental and societal responsibility **policy, within the Group**
Meeting **every month**

Investment Committee

10 ESR criteria

Environmental and societal “second regard”
on largest investment Group projects

- Extra-financial dashboard to monitor the implementation of ESR ambition
- ESR Business reviews with each business line

A unique positioning to embrace the energy transition

A low carbon energy portfolio

- **Low CO₂ power generation mix & strong positions in renewables:** 84% low CO₂ emissions, 18% renewables⁽¹⁾, #1 in solar & wind energy in France, present in many countries on every continent
- Strategic decision to **build no further coal-fired power plants**, leading to stop all projects which had not yet been firmly committed
- Leading energy company **supporting countries in their move towards the energy transition**
- Developing the **uses of natural gas** to replace more carbon emitting energies, including **biogas, retail LNG**
- **100,000 people** dedicated to **energy efficiency solutions**, enabling customers **to achieve their own sustainability objectives**



A strong focus on innovation

- **Operational solutions:** smart offers, demand side management , smart grid systems, urban energy, energy storage, tidal energy
- **Promoting commercial offers** integrating **ESG competitive advantages**
- **ENGIE New Ventures:** investment fund of €100m

(1) Data at 100%, as of end of June 2015, excluding pumped storage for hydro capacity

Main achievements in sustainability: 2015 in a nutshell

- In April, ENGIE published the first **Integrated Report** among CAC40 companies, providing a comprehensive understanding of the Group's **value creation on the short & long term**



- In July, ENGIE became the French leader in the solar industry by **acquiring a 95% stake in Solairedirect**.
- Moreover, ENGIE decided in October **to no longer build any new coal plants in future**.

- In September, ENGIE has been **named to the Dow Jones Sustainability World & Europe Index**.

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

- All year long, ENGIE prepared the implementation of **its new Enterprise Project**, in which ESR plays a key role, with a priority to **stakeholder engagement**
- Well on-track to **achieve ESR 2015 targets**
- Call for a **global carbon pricing** and carbon markets improvements

ESR targets well on-track

Fighting against climate change

Decrease in CO₂ specific emissions vs 2012

Selective development in renewables

- **2,435 MW COD in 2014** of which Europe ~400 MW

New target RES for Europe x2 by 2025, from 8 to 16 GW⁽²⁾

€2.5bn Green Bond: the highest corporate amount to date (projects eligibility based on *Vigeo* assessment)

Addressing risks linked to climate change

- Support for a **global carbon pricing** and **carbon markets improvements**
- Promotion of **innovative Climate friendly solutions**
- **Involvement in the COP21** preparation (Paris 2015)

2014

Targets

-2%

-10%
(2020)⁽¹⁾

+42%

+50%
(2015)

installed capacity increase vs. 2009

Health & Safety

frequency rate improved continuously, 7% reduction vs. 2013

Biodiversity

% of sensitive sites in the EU with a biodiversity action plan

Diversity

% of women in managerial staff

Training

% of employees trained each year

Employee shareholding

% of Group's capital held

2014

2015 targets

4.1

<4

72%

100%

22%

25%

68%

>66%

3.2%

3%

(1) Emission ratio per power and energy production: 434 kgCO₂eq/MWh in 2014 vs 443 kgCO₂eq/MWh in 2012 excluding SUEZ Environnement

(2) At 100% 8 GW installed end H1 2014 in Europe, excluding Energy Services business line

ENGIE well-positioned in ESR ratings and indexes



Listed in the following indices:

- Euronext Vigeo World 120
- Euronext Vigeo Europe 120
- Euronext Vigeo Eurozone 120
- Euronext Vigeo France 20



CDP (2015)

Performance: A-

Disclosure: 100/100

Listed in the CDLi France Benelux index



- **Total score: 79/100**
- Economic Dimension: 82/100
- Environmental Dimension: 68/100
- Social Dimension: 91/100 (Industry Leader)

ENGIE named to the Dow Jones Sustainability World & Europe Index (Sept. 2015)

ENGIE's position on climate negotiations

- Allow **growth** and encourage all countries to take an **equitable share of the effort**
- Focus on **generalizing carbon pricing**, mainly through carbon markets. Visibility is key to drive the energy transition
- Implement comparable computation methodologies in addition to **transparent & reliable** systems to monitor, report, and check emission levels and emission reductions.
 - Key to build investors confidence and facilitate links between market tools
 - Systems have to correct imperfections and distortions that are unfavorable to emission-reducing investments
- Promote **appropriate funding mechanisms** to support low-carbon technologies
 - Green Bonds
 - Key role of the “Green Climate Fund” and multilateral development banks



ENGIE calls for an ambitious climate agreement in Paris in line with keeping the temperature increase below 2°C

A strong momentum in favor of carbon pricing



40 countries, 20 regions have a pricing regulation

- Covers 12% of World emissions

The Magritte European power utilities coalition

- Call for a stronger price signal in the EU ETS

ENGIE is part of the high level carbon pricing panel constituted by the World Bank and the IMF, with:

- German Chancellor, Chilean President, French President, Ethiopian Prime Minister, Philippines President, Mexican President, Governor of California, Mayor of Rio de Janeiro
- Calpers (USA), Mahindra (India), Royal DSM (Netherlands)
- OECD

Coalition to deploy carbon pricing along with the World Bank

- Signatory of World Bank Declaration on Pricing Carbon at the United Nations Climate Leaders summit in NYC in Sept. 2014, and of the Carbon Pricing Leaders Global Compact Initiative
- Partner with IETA/Harvard proposing legal text allowing development of carbon market in the Paris Agreement
- Active with WBCSD, IEA, IDDRI, SDSN, in initiatives on Low carbon technologies, and access to energy

COP 21 / Business Dialogues

Exceptional Involvement of Top Management

Origin of the initiative

- 2014: French business organisations⁽¹⁾ suggested to establish a high level debate between negotiators on climate and CEO to discuss negotiation issues

Members

- G Mestrallet to coordinate⁽²⁾ a group of business leaders invited to contribute to the climate change negotiation discussions
- ~40 business leaders from all industries in both hemispheres + negotiators
- Working closely with Laurence Tubiana, Special Representative of the French Minister of Foreign Affairs at the climate change negotiations

Targets

- Appropriation of the issues of the COP21 by the economic actors
- Discuss the main issues of the negotiations and the solutions that need to be implemented
- Gather concrete proposals to maximize the positive impact on the COP21 agreement on the economic sphere

4 sessions

- 20/5 in Paris: General structure of the agreement, with WEF et Global Compact
- 26/9 in New York during the Climate Week: "Carbon Pricing and Carbon Markets" with the World Bank et IETA
- 6/10 in Tokyo: "Technologies" with WBCSD
- Morocco after COP21

(1) Afep, Medef and Cercle de l'Industrie (2) to the request of Laurent Fabius and Ségolène Royal

Conclusion

ENGIE: a global industrial group, “architect of energy”

- Long-term activities in direct interaction with the environment and local communities
- Sustainability managed at the highest corporate level

ESR is a key component of ENGIE’s business model

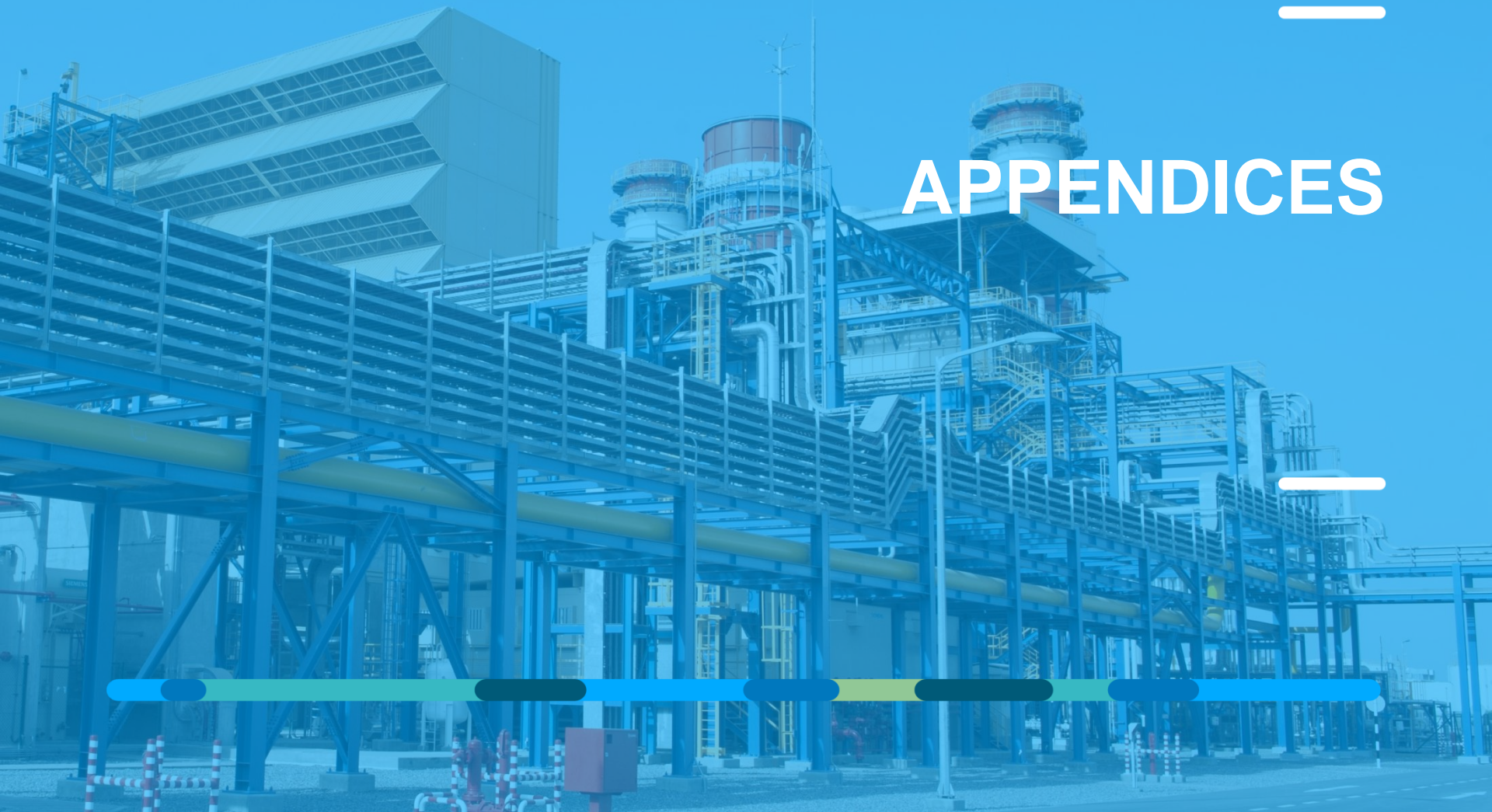
- Integrating ESR criteria in day-to-day business decisions and in the investment process
- Creating business opportunities and differentiating factor from competitors

Ambition to further build leadership positions in sustainability





APPENDICES



Appendices - Content

- Materiality matrix
- Integrated Report
- Environmental policy
- Human Resources
- Health & Safety
- Governance policy
- Ethics
- Sustainable procurement
- Green Bond
- *Rassembleurs d'Energies*
- Innovation
- ESG criteria to assess investment projects
- Magritte initiative
- Jirau



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			
		<ul style="list-style-type: none"> •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		

Publication of the first Integrated Report

DEFINITION

The Integrated Report is a **concise communication** document in which the vision, strategy, governance, performance and prospects of the organisation, in reference to the non-financial performance, are presented to demonstrate the **value creation on the short, medium & long-term**

OBJECTIVES

- 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

TIMELINE

1. Provisional version of the Integrated Report published online (November 2014)
2. Stakeholder consultation (January-February 2015)
3. **Final version of the report published during Group General Shareholders' Meeting in April 2015**

Provide a comprehensive understanding of the Group's value creation on the short & long term

Environment policy

Commitment of a Global Energy Player

IMPROVING OPERATIONAL ENVIRONMENTAL PERFORMANCE

- **Objectives:** +50% renewable energy capacity by 2015 ⁽¹⁾, and +100% of by 2025 in Europe ⁽²⁾
- **Environment policy** set up in close relation with Global Compact, United Nations environmental Conventions requirements
- **High quality of environmental reporting:** 21 key indicators verified by external auditors, including 9 with “reasonable assurance”

FIGHTING AGAINST CLIMATE CHANGE

- **Low carbon emission power portfolio**
~85% low CO₂ emissions, ~20% of renewables
- **Strong development in renewables**
#1 wind & solar producer, #2 in hydro in France
- **Reduction target of CO₂ specific emissions:**
-10% within 2020
- Strategic decision to **build no further coal-fired power plants:** stop all projects which had not yet been firmly committed

LEADERSHIP IN ENERGY EFFICIENCY

- Active across **the whole value chain:** heating networks, maintenance, engineering & installation
- Green **real estate policy** with a target of 40% reduction of primary energy consumption in 2020⁽¹⁾
- Target to **increase revenues linked to energy efficiency** by +40%⁽³⁾

INTEGRATING BIODIVERSITY IN OPERATIONAL MANAGEMENT

- **Biodiversity action plan** for every sensitive site in Europe in 2015
- **Partnerships with NGOs**⁽⁴⁾
- The Group biodiversity action plan granted by the French government in the framework of the **National Strategy for Biodiversity**

(1) vs. 2009 (2) At 100% 8 GW installed end H1 2014 in Europe, excluding Energy Services business line (3) between 2013 and 2018 (4) International Union for Conservation of Nature, France Nature Environnement

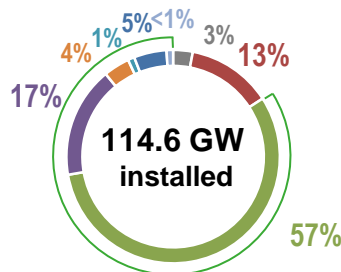
A low CO₂-emission energy mix

Breakdown of generation capacity by technology (as of 6/30/2015)

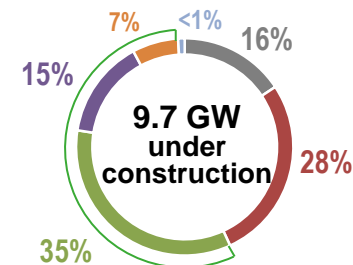
■ Natural gas
 ■ Hydro
 ■ Wind
 ■ Biomass & biogas
■ Coal
 ■ Nuclear
 ■ Other non-renewable
 ■ Other renewable

At 100%

84%
 low CO₂
 emissions
18%
 renewables⁽¹⁾

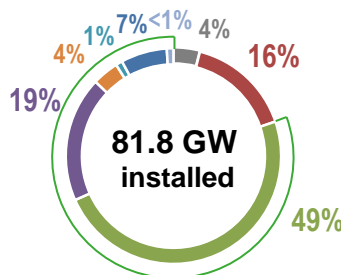


57%
 low CO₂
 emissions
21%
 renewables⁽¹⁾

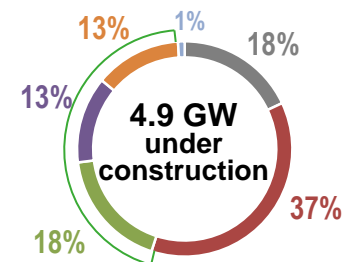


% consolidation⁽²⁾

80%
 low CO₂
 emissions
18%
 renewables⁽¹⁾

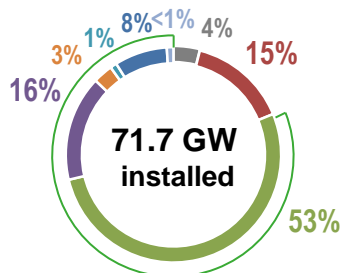


45%
 low CO₂
 emissions
26%
 renewables⁽¹⁾

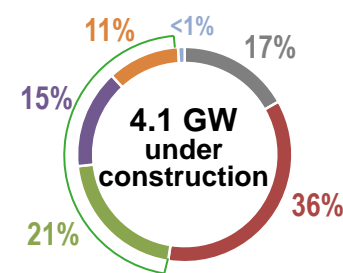


Net ownership⁽³⁾

81%
 low CO₂
 emissions
15%
 renewables⁽¹⁾



47%
 low CO₂
 emissions
26%
 renewables⁽¹⁾



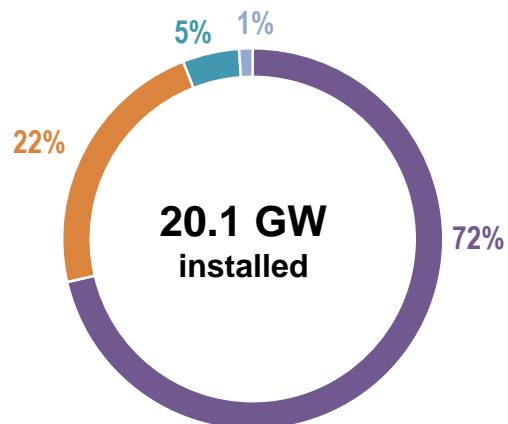
(1) Excluding pumped storage for hydro capacity; (2) % of consolidation for full consolidated and joint operations affiliates and % holding for equity consolidated companies; (3) ENGIE ownership

Renewable energy: ~18% of Group's generation capacity

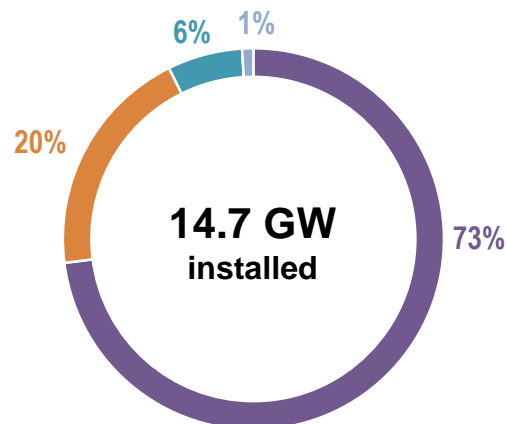
As of 6/30/2015

■ Hydro⁽¹⁾ ■ Wind ■ Biomass & biogas ■ Solar & others

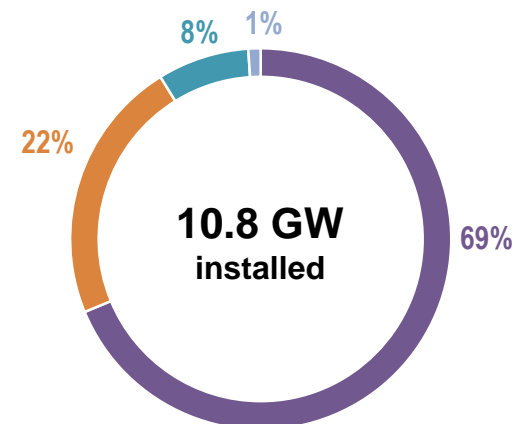
AT 100%



% CONSOLIDATION⁽²⁾



NET OWNERSHIP⁽³⁾



in MW	Hydro ⁽¹⁾	Biomass & biogas	Wind	Solar & others
EUROPE	4,013	711	3,191	196
NORTH AMERICA	166	130	659	22
LATIN AMERICA	9,997	96	209	5
MIDDLE EAST, TURKEY & AFRICA	-	-	395	-
ASIA	152	30	-	2
OCEANIA	48	-	62	1
TOTAL	14,375	966	4,516	225

in MW	Hydro ⁽¹⁾	Biomass & biogas	Wind	Solar & others
EUROPE	3,949	701	2,144	116
NORTH AMERICA	166	130	264	10
LATIN AMERICA	6,490	79	209	5
MIDDLE EAST, TURKEY & AFRICA	-	-	191	-
ASIA	152	30	-	2
OCEANIA	48	-	62	1
TOTAL	10,805	940	2,870	134

in MW	Hydro ⁽¹⁾	Biomass & biogas	Wind	Solar & others
EUROPE	2,410	645	1,747	94
NORTH AMERICA	166	123	264	10
LATIN AMERICA	4,769	55	159	3
MIDDLE EAST, TURKEY & AFRICA	-	-	191	-
ASIA	71	21	-	1
OCEANIA	48	-	49	1
TOTAL	7,463	844	2,409	109

(1) Excluding pumped storage

(2) % of consolidation for full and proportionally consolidated affiliates and % holding for equity consolidated companies

(3) ENGIE ownership

CO₂ emissions

Among the low-emission producers

Group's emission ratio 20% below world average ratio⁽¹⁾

2020 target

To reduce the CO₂ specific emission ratio of ENGIE power and associated heat generation fleet throughout the world by 10% between 2012 and 2020

2014 situation: -2% vs. 2012⁽²⁾

Actions

- **Replacing high emitting plants** by top performing units
- **Selective development in renewables**
 - Increasing the renewable worldwide installed capacity by 50% by 2015⁽³⁾
 - **New target for Europe:** x2 by 2025, from 8 to 16 GW⁽⁴⁾

(1) Source: AIE 2012

(2) 434 kgCO₂eq/MWh in 2014 vs 443 kgCO₂eq/MWh in 2012 excluding SUEZ Environnement

(3) Vs 2009

(4) At 100% 8 GW installed end H1 2014 in Europe, excluding Energy Services business line

Human Resources

Be a responsible and proactive company

ANTICIPATE THE GROUP DEVELOPMENT

- **2 major European-wide agreements** signed in 2010 with European Unions on jobs and skills planning and H&S (6-year action plan)

CREATE LONG TERM & SHARED VALUE

- **Employee shareholding:** 3.2%⁽¹⁾
2015 target: 3%
- **Social dialogue:** Common Agreements with Unions representatives of ENGIE employees in Europe
- **Gender equality:** 21.9% women at senior executives positions in 2014 (versus 13% in 2012).
2015 target: 25% of women in managerial staff, 30% of recruitments, 35% of high potential, 1/3 senior managers nominations
- **Diversity Label** awarded in 2012 by AFNOR⁽²⁾
- **Strong participation in work/study insertion:** 2.6 % of the global workforce ⁽¹⁾

ATTRACT, RETAIN & INCREASE EMPLOYEES' SKILLS

- **Management Way:** internal guidelines for the managers, to implement ENGIE values.
- **Expert Policy:** Coaching, mentoring and development training for experts, designed to bring out their full potential.
3,000 experts, 500 Key Experts Groups, 17 Top Experts Groups
- **Training Policy:** **68.1% in 2014**, in line with the target of 2/3 of the staff following at least 1 training/year

INNOVATE TO EVOLVE & SPUR THE COLLECTIVE THINKING

- **180 Sharing Practice Communities**
- Development of several **internal social networks**
- **Yearly Innovation Trophy** organized since 2009.

(1) end 2014 (2) French Association of Normalization

Health & Safety

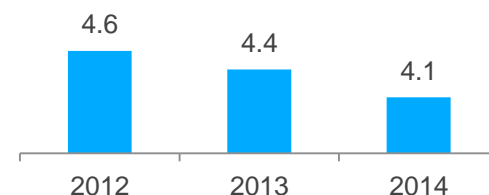
Achieving a high-level performance

CHALLENGES

ACHIEVEMENTS / OBJECTIVES

Reduce the number of accidents:
H&S Action Plan 2010-2015

- **Frequency rate (employees)**
4.1 in 2014, more than halved vs 2004
- **Steady improvement in all business lines**
- **Target of < 4 in 2015**



Reduce the number of fatalities for employees and subcontractors

- **Action plan for eradication of fatalities (2013-2015)**
Life-saving rules to prevent the main causes of fatalities identified during the last 3 years within the Group
- **Target of Zero fatal accident** linked with the Group activity by the end of 2015
2 fatalities of Group's employees in 2014 while no death of Group employee was registered in the last 2 years and **5 fatal accidents of subcontractors** in 2014 (more than halved vs 2013): measures implemented

Carcinogenic Mutagenic and Reprotoxic
chemicals inventory, substitution when possible

- **Inventory (2012) and proposal of alternative chemical products for industrial cleaning and water treatment (2012-2013)**

Preventing psycho-social risks by improving the quality of life at work

- **Diagnosis and action plan by each entity**
in France (2012) and other countries (2013)

Musculoskeletal disorders action plan

- **Group standard (2012), action plan (2013)**
Deploy Group recommendations and share good practices

Managers involvement through personal targets and through variable remuneration.

- **10% of business managers' variable remuneration** linked to their health and safety performance

Governance policy: an active, diversified & balanced Board

CHALLENGES

ACHIEVEMENTS / OBJECTIVES

Reducing the size of the Board of Directors

- **24 directors in 2008** (following the merger of GDF and SUEZ) reduced to **19 directors at the 2015** shareholders' meeting

A significant number of independent directors

- **8 independent directors (53% of the Board)**

An international Board

- **5 foreign directors**

A significant presence of women on the Board

- **11 directors are women (63%)**, above the average of the CAC 40 (30%) Ahead of French law and governance code requirements

Fostering attendance at Board meetings

- Attendance at Board meetings in 2014: **83%**

4 committees assist the Board, all chaired by an independent Director

- Audit - Strategy & Investment - Nomination & Compensation - Ethics, Environment & Sustainable Development

Improving operating procedures of the Board

- Annual review of Board operating procedures under the **supervision of an independent director**

Efficiency of strategy and risk management

- Annual Board seminars on Group strategy ; Chairmen of Audit and Strategy committees attending each other's committee ; as the case may be, joint meetings of Audit and Strategy committees



Governance: Incentive mechanisms

Variable compensations linked to ENGIE global performance

For 2014 – for the 2 Executive Corporate officers

- **70% quantitative:**
 - 50% Recurring net income, Group Share per share
 - 50% Free Cash Flow, ROCE, Net debt
- **30% qualitative based on several criteria**
Including:
 - effectiveness in driving forward a strong European energy policy
 - **development of new corporate social responsibility initiatives** for the Group
 - establishment of a determined and proactive **innovation policy**, also involving the business lines, with the creation of major Group-wide programs with clearly-stated priorities
 - setting up of an “Innovation and New Business” policy and assessment of the preliminary results
 - **establishment of a global renewable energy organization**
 - definition and implementation of a Group “Services” strategy

For Senior executives (~600 people)

- **50% on economic criteria:**
 - Recurring net income, Group Share per share
 - ROCE
 - Free cash flow
 - Operating expenses
- **50% on qualitative criteria**

Ethics: guaranteeing implementation in the whole organization

PRINCIPLES OF ACTION

Acting in Accordance with Laws et Regulations		Establishing a Culture of Integrity	Behaving Fairly and Honestly	Respecting Others
CHALLENGES		ACHIEVEMENTS		
Implement Ethics	At the highest level of governance	<ul style="list-style-type: none"> • A Board Committee for Ethics and Sustainable development • Ethical Charter adopted by the Board 		
	And through the whole Group	<ul style="list-style-type: none"> • “Guidelines Ethics in Practice”, publication in 21 languages, Objective: reach every employee • A network of 175 Ethics Officers • Annual analysis of ethical risks embedded in the Group’s risk review 		
“Integrity Referential”: ENGIE anti-fraud and corruption program		<ul style="list-style-type: none"> • Action plan <ul style="list-style-type: none"> – New principles for commercial relationships – A mandatory training for senior executives about risk of fraud and corruption – A new policy for business consultants in order to obtain an external certification – E-learning training for employees 		
Managing Ethical Compliance Referential		To ensure the effectiveness of ethical programs <ul style="list-style-type: none"> – A compliance Committee – Annual Compliance procedure – Monitoring tool for ethical incidents – A whistle blowing e-mail 		
Ethics, suppliers & projects		<ul style="list-style-type: none"> • Ethical and Sustainable Development clauses in purchasing contracts for each new contract or renewal since 2010 • Prevention and respect of human rights criteria integrated in the assessment of the large projects 		

Sustainable procurement: stronger expectations towards suppliers

- **Procurement and Supply Policy implemented since 2013**

- A standard applied throughout all the entities of ENGIE Group for new contracts or addendums
- Any engagement with a supplier must be a written agreement, based on a common template,
- Suppliers' selection and management of business relationships based on a range of objective criteria, regarding environmental, social and economic criteria

- **The “Ethics, and Social and Environmental Responsibility Clause” mandatory for new contracts or addendums**

- Compulsory compliance of every supplier with the rules of international and national laws applicable to the Contract, in relation to fundamental human rights, and in particular the prohibition of:
 - i. Using children labor and any form of forced or compulsory labor,
 - ii. Organizing any form of discrimination within its company or towards the suppliers and sub-contractors

- **Possibility for ENGIE to require from the suppliers evidence that they have complied with these rules**

- **Launch of a Global Compact membership campaign with ENGIE 100 largest suppliers**



Sustainability / Client orientation

Positioning ENGIE as a responsible supplier

RESPOND TO CALLS FOR TENDER

Online tools for responding to calls for tender

- **SEDEX:** Online platform detailing the non-financial performance of players in the supply chain for agri-food manufacturers
- **EcoVadis:** Online questionnaire rating suppliers based on their non-financial performance

ENGIE relies on its extra-financial performance in energy retail and customer relationship management in order to:

- Promote competitive commercial offers and services
- Contribute to dialogue process with clients

EXAMPLES: Danone and Coca-Cola requests for ENGIE results

DANONE SUSTAINABILITY PRINCIPLES

The Fundamental Social Principles

Child Labor, Forced Labor, Discrimination, Freedom of association and Right to Collective Bargaining, Health Care and Safety at Work, Working Hours and Pay

The Fundamental Environmental Principles

Preservation of Resources, Chemicals, Emissions, Environmental Management (risks / waste) Animal Testing

The Business Ethics Principles

Highest standards of ethical, moral and lawful conduct

ENGIE has joined the Sedex initiative, "Empowering ethical and responsible supply chains"

"B" member registration to online Sedex platform confirms ENGIE adherence to the Danone sustainability principles

COCA COLA ENTREPRISE SUSTAINABILITY VISION

Deliver for today

On our commitments and targets

Lead the industry

In Energy and Climate change and Sustainable Packaging and Recycling

Innovate for the future

Opportunities for innovation, collaboration and partnership

ENGIE extra-financial performance noted 67/100 - Coca Cola Enterprise Award

Electrabel winner of the Corporate Responsibility & Sustainability Supplier category

"Electrabel has exceeded CCE's (Coca-Cola Enterprises) expectations in working to deliver carbon emission reductions and supplying CCE with low-carbon energy, including renewable energies and optimised Grid management. Electrabel is also challenging its own carbon footprint with a goal of 25% reduction by 2015 using carbon footprinting."

Transparency

Bettercoal and the Extractive Industries Transparency Initiative



Promote the **continuous improvement** of corporate responsibility in the coal supply chain

- **Founder company (2013)**
- Transparent and regular **communication** on the **whole Group coal procurements**
- **Running** internal and third-party site **assessment**

Compliance with **10 principles**, sorted in four issues.

- **Compliance with laws and implementation of proactive policies**
- **Business Ethics**
- **Human Rights and Social Performance**
- **Environment**



Extractive Industries Transparency Initiative

Commitment to **transparency and fight against corruption**

- **Supporting company since 2009**
- Publish from our **E&P activity** what we pay to the governments in countries part of this initiative: **tax and revenues published in 5 countries**

12 principles, mainly focused on data disclosure and operational, environmental, social and financial transparency

Green Bond

€2.5bn Green Bond issued in 2014, highest corporate issue to date

Attracting new investors through activities in Renewable Energy & Energy Efficiency

- To highlight ENGIE's business model based on **responsible growth through ESR 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**
- **Regular reporting** on projects financed with Green Bond proceeds: **~€0.9bn allocated** to eligible projects as of end 2014, in renewable energy & energy efficiency
- Criteria set to select projects developed & validated by Vigeo, ENGIE's auditors assess the compliance of Green Bond projects with criteria

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

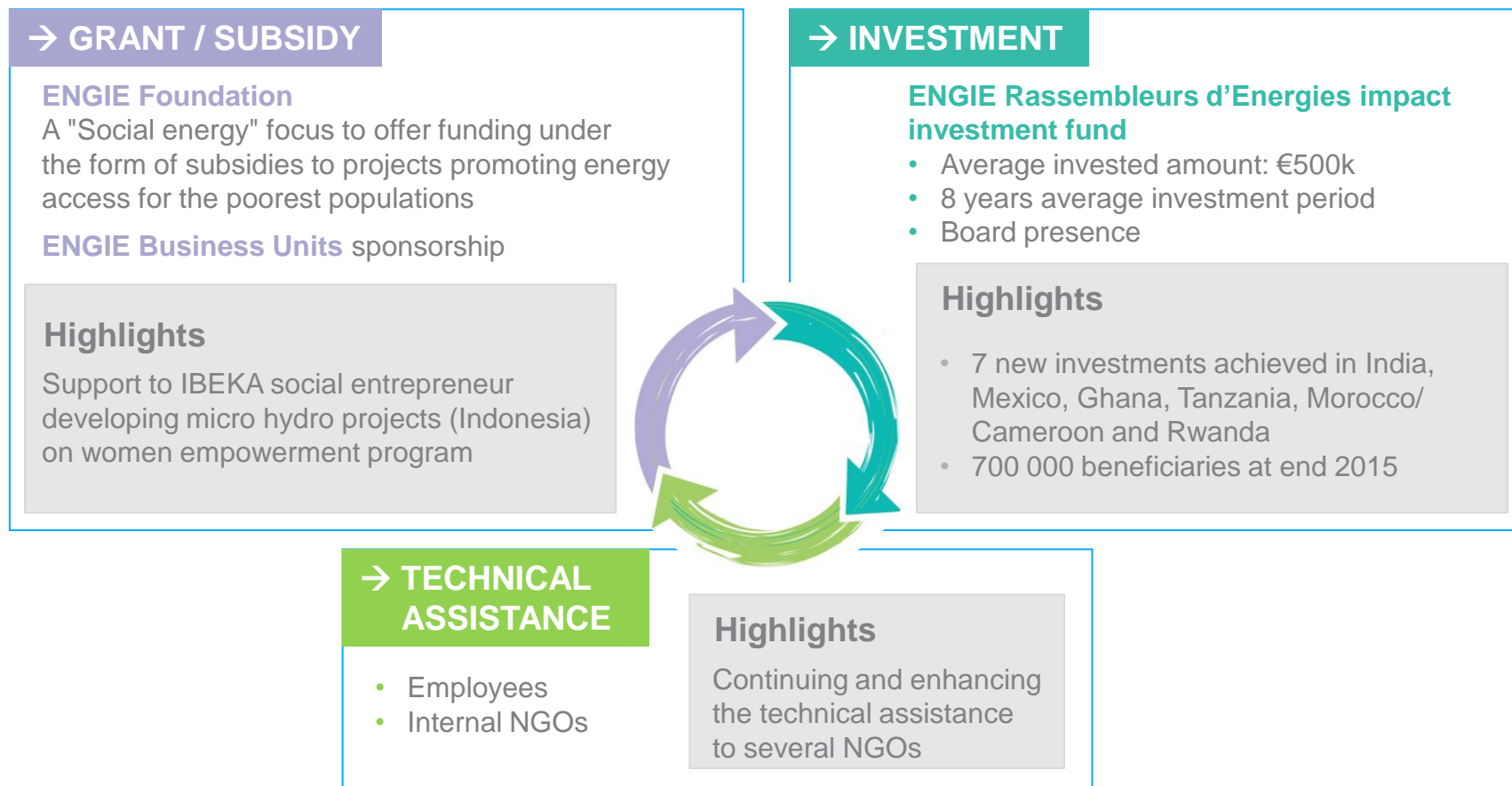
Ensure responsible relations and working conditions

Project Governance

Ensure internal ESG assessment and positive recommendation

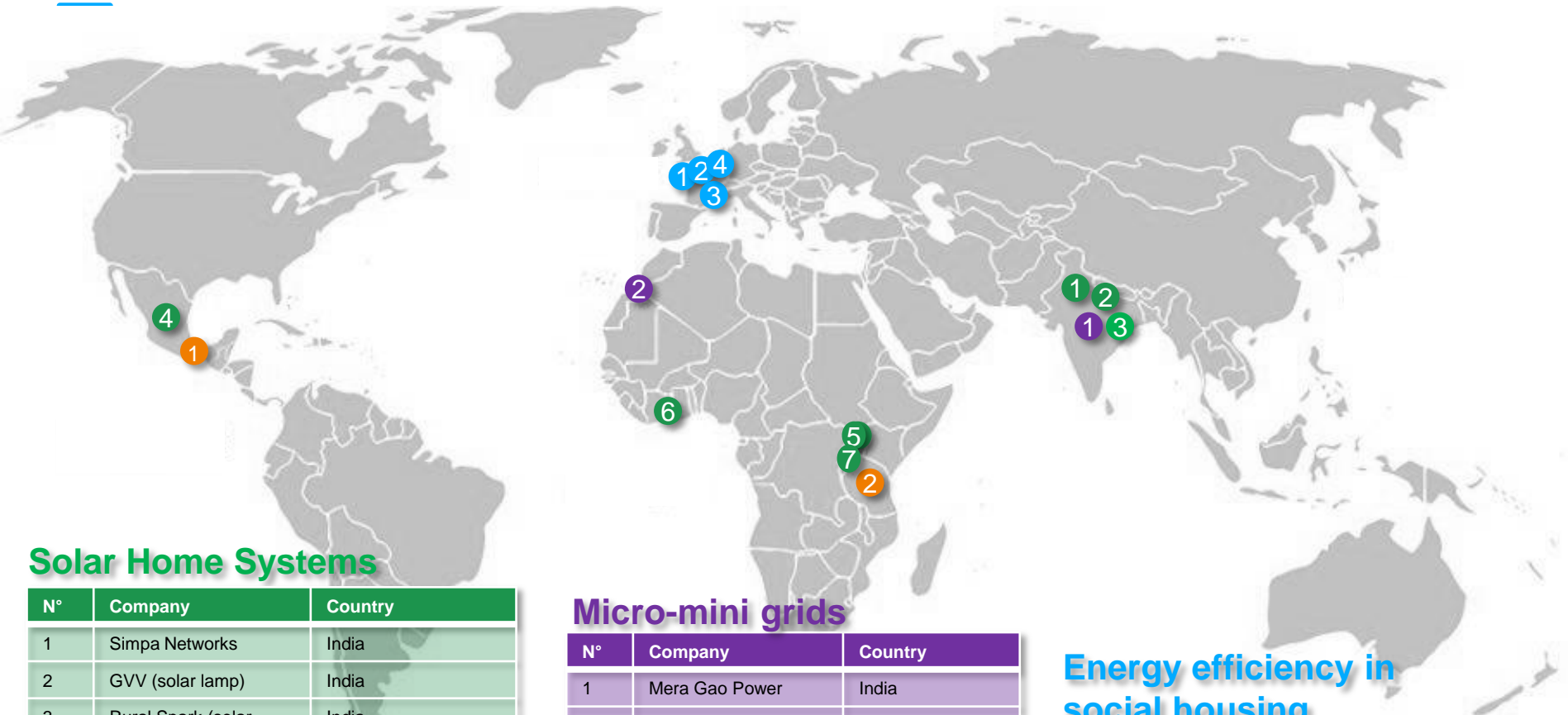
ENGIE Rassembleurs d'Energies

A UNIQUE, INNOVATIVE INITIATIVE TO PROMOTE ACCESS TO SUSTAINABLE ENERGY FOR ALL
AND TO REDUCE ENERGY POVERTY THROUGH THREE INTERDEPENDENT LEVERS



ENGIE Rassembleurs d'Energies Corporate impact Investment fund

Portfolio covering wide range of technologies



Solar Home Systems

N°	Company	Country
1	Simpa Networks	India
2	GVV (solar lamp)	India
3	Rural Spark (solar lamp)	India
4	Ilumexico	Mexico
5	Fenix international	Uganda
6	PEG Ghana	Ghana
7	BBOXX	Pan Africa

Micro-mini grids

N°	Company	Country
1	Mera Gao Power	India
2	Ausar	Morocco

Biogas

N°	Company	Country
1	Biobolsa	Mexico
2	Simgas	Tanzania

Energy efficiency in social housing

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

Reinforcing open innovation & collaboration with startups

ENGIE NEW VENTURES:

CREATION OF A VENTURE CAPITAL FUND IN MAY 2014

- **€100 million** over 5 years
- Minority equity participation in startups from around the world in the phase of development
- Examples of investments already made:
 - **Powerdale** (Belgium): electric vehicle recharging
 - **Tendril** (USA): energy efficiency B2C
 - **Sigfox** (France): Internet of Things
 - **Redbird** (France): analysis of technical data collected by drones



MULTIPLYING OPPORTUNITIES FOR COLLABORATION

- Market places
- Calls for proposals
- Hackathons
- Web-platform for open innovation



ESG criteria to assess investment projects

Assessment of a new investment file

- For each investment project submitted to Group Commitment Committee
- Extra-financial analysis based on Sustainable Development Assessment Criteria for investment decisions
- 10 criteria defined to address the main issues such as CO₂ emissions, social matters, or ethics
- Assessment of each of the 10 criteria to spot the risks & the opportunities which have to be addressed and managed
- CO₂ price included for all investment decisions (even when CO₂ price does not exist regionally)

- 1 Ethics
- 2 CO₂ Emissions
- 3 (EUA/CER) Price impact on IRR
- 4 Energy Efficiency
- 5 Environmental Ecosystem Management
- 6 Cooperation with Stakeholders
- 7 Social Impact
- 8 Human Resources
- 9 Local Purchases
- 10 Health, Safety & Security

Discussion / Decision-making



In Group Board Committee,
Executive Committee
and Investment Committee

“Magritte” initiative

Main results (1/2)



• Energy Union:

- Magritte messages based on “more convergence, more integration and more Europe,” on the energy policy are fully supported by representatives of the 3 EU institutions. A roadshow is now taking place where the European Commission will progressively impose this strategic ambition to the different member states. It will provide, for the business, common rules of the game and more visibility on the regulatory framework

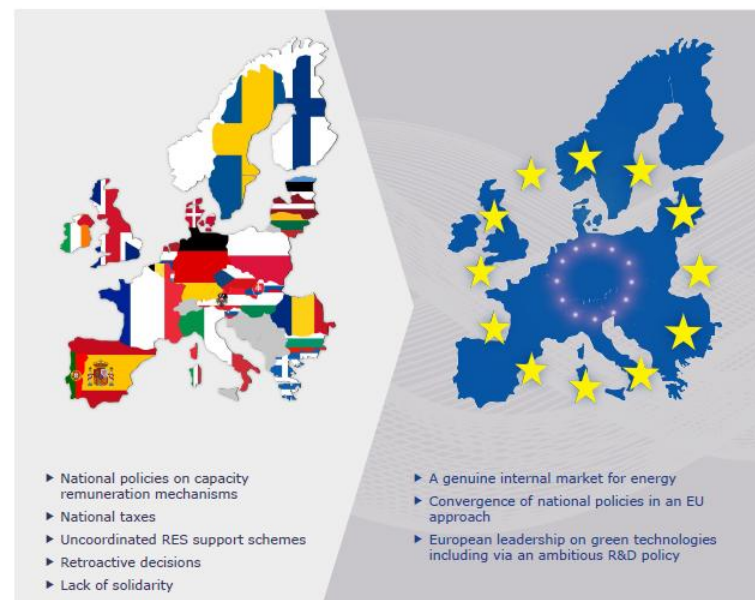
• Carbon Market :

- On the reform of the EU-ETS, Magritte Group achieved a successful lobbying strategy as the “Market Stability Reserve” has been adopted with an early start. This extremely positive result will open the way to a meaningful CO2 price signal enabling low-carbon investments. But the mobilization still remains to achieve even more on the structural reform of the EU-ETS. This is fully in line with the ambition raised by ENGIE, and other Magritte Group members for a world carbon price signal

• Capacity Remuneration Mechanisms (CRM):

- For the first time the European Commission is recognizing that electricity security of supply is not fully guaranteed. Even though discussion on the means remain still open, we have now a chance to promote CRM across Europe

From the past regulations to what Magritte aims at
WHAT we expect?



“Magritte” initiative

Main results (2/2)



• Gas purchasing Group:

- Following many recommendations of the Magritte group to the European Commission, the Energy Union strategy finally reached an equilibrium on its proposal to set up a Gas purchasing Group
- The EC will indeed assess options for a voluntary demand aggregation mechanism for collective purchasing of gas limited to crisis periods and only where member States are dependant on a single supplier
- Moreover, it will have to be fully compliant with WTO rules and EU competition rules
- This step back position from the European Commission recognizes energy companies' market expertise and responsibility to respond to business opportunities and customers' needs quickly as they occur. Energy purchasing should therefore continue to follow established commercial practices.

Jirau

ESG highlights 2015

- Status of the 34 Social and Environmental Programs
- 3 sets of independent audits:
Equator Principles and International Finance Corporation compliance
AECOM hired by the Consortium of Banks
- Hydropower Sustainability Assessment Protocol IHA
Clean Development Mechanism (CDM) registration

BUILDING AND OPERATING A HPP IN THE AMAZON REGION

34 social and environmental programs – Investments of 1,2 billion BRL



PROTECTING
BIODIVERSITY



DIALOGING WITH
STAKEHOLDERS



MAXIMIZING
SOCIOECONOMIC
POSITIVE IMPACTS



RESPECTING LOCAL
CULTURE AND
TRADITIONAL
COMMUNITIES



SUSTAINABLE
CERTIFICATES

Jirau

Social, Economic and Environmental programs

**34 Programs designed to guarantee a positive impact
of the hydraulic plant on its environment**

22 Physical and Biotic Programs

12 Socioeconomic Programs

Investment of over BRL 1.2 Billion (~EUR 0.4 Billion) in social, economic and environmental programs, which are executed by renowned universities and institutions.

The 34 programs were established by IBAMA and approved by the environmental agency and other institutions involved in the licensing process, including FUNAI, IPHAN and Ministry of Health.



Brazilian Institute of
Environment and Renewable
Natural Resources



FUNAI - National
Indian Foundation
(Brazil)



National Historic
and Artistic
Heritage Institute



Ministry of Health

For more information about ENGIE and its sustainability initiatives



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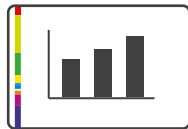
<http://www.engie.com/en/investors-area>

<http://www.engie.com/en/csr-experts-area/>

FOR MORE INFORMATION ABOUT FINANCIAL RESULTS, YOU WILL FIND ON
<http://www.engie.com/en/investors/results>



Presentation



Appendices



Press
Release



Recorded
conference
audiocast



Conference
call transcript



Financial
report



Analyst
pack⁽¹⁾

(1) Including power generation fleet as of June 30th, 2015 and Key financial performance indicators

Disclaimer

Forward-Looking statements

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