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HUMAN RIGHTS REFERENTIAL : COMMITMENTS AND IMPLEMENTATION

INTRODUCTION

RESPECTING HUMAN RIGHTS, AN ETHICAL COMMITMENT

Human rights aim to guarantee dignity and equality of all.

They cover a very broad spectrum of rights, and in particular civil and political rights (right to life; right not to be subjected to torture; right to privacy; right to freedom of thought, conscience and religion, etc.) and economic, social and cultural rights (right to own property; right to work and to enjoy just and favorable conditions of work; right to form and join trade unions and the right to strike; right to education, etc.).

The “internationally recognized” rights are those defined by international or regional instruments for the defense and protection of human rights, and in particular “the International Bill of Human Rights” composed of the 1948 Universal Declaration of Human Rights, the 1966 International Covenant on Civil and Political Rights, and the 1966 International Covenant on Economic, Social and Cultural Rights.

The international human rights law also pays particular attention, through specific treaties, to categories of people referred to as “vulnerable” such as women, children, indigenous peoples, persons with disabilities and migrant workers.

The recent United Nations Guiding Principles on Business and Human Rights recognize the corporate responsibility to respect human rights. These Guiding Principles were unanimously adopted in June 2011 by the United Nations Human Rights Council and are now considered by companies, their stakeholders and States as the reference framework in this matter.

Human rights are part of the four fundamental principles that define ethics at ENGIE: “respecting others”. Taking human rights into account in the exercise of its activities is a fundamental requirement for the Group. The Group is committed to respecting human rights through its Ethics Charter and its “Global agreement on fundamental rights, social dialogue, and sustainable development”.

“Respecting others” is defined as “respect for the rights of individuals, for their dignity in all circumstances and for their differences, as well as the respect for cultures”. Respecting human rights allows the Group to be recognized as legitimate in the regions where it operates and strengthen its local presence. This gives it an external social legitimacy, promoting long-term development.

In addition, putting ethics and respect for human rights at the heart of our corporate culture promotes internal cohesion and a strong sense of belonging and pride for employees, and helps attract new talents.

As part of the deployment of our ethics policy, the Ethics & Compliance Division provides all employees with the present human rights Referential “commitments and implementation” which describes the procedure for implementing the ethical principle “respecting others”. It consolidates and develops the main guidelines presented in the Ethics Charter and the “Ethics in Practice” guidelines. It is primarily intended for managers, ethics officers and experts, who will need to acquaint themselves with the content and ensure that the conditions for its implementation in their entities are fulfilled.

1. GROUP COMMITMENTS

THE ENGIE “ETHICS IN PRACTICE” GUIDELINES STATE THAT: “THE GROUP HAS IDENTIFIED RESPECT FOR OTHERS AS ONE OF ITS FUNDAMENTAL ETHICAL PRINCIPLES. FOR THIS REASON, IT PLACES PARTICULAR EMPHASIS IN EACH OF ITS ACTIVITIES ON RESPECT FOR THE SPIRIT AND LETTER OF THE 1948 UNIVERSAL DECLARATION OF HUMAN RIGHTS.”

The following commitments are intended to explain the Group’s commitments and are consistent with the recommendations of the United Nations Guiding Principles. The first one is the Group’s global commitment, the others detail it and are more specifically related to the Group’s activities.

COMMITMENT NO. 1: the Group carries out its activities while respecting internationally recognized human rights, wherever it operates.

In accordance with its ethical commitments, the Group considers that all human rights are equally important and adheres to the highest ethical standards, in particular “the International Bill of Human Rights”, composed of the 1948 Universal Declaration of Human Rights, the 1966 International Covenant on Civil and Political Rights and the 1966 International Covenant on Economic, Social and Cultural Rights, as well as the Conventions of the International Labor Organization.

The Group refers, if needed, to other international instruments of protection and defense of human rights specific to certain situations or to certain categories of persons.

It will make sure that its business activities are conducted in accordance with the highest standards of protection and, at a minimum, in line with the provisions of international texts for the protection and defense of human rights.

In the event of conflicting standards between domestic law and international standards, the Group strives to find alternative means to comply with international principles, without violating domestic laws.

It is particularly vigilant when operating in ‘high risk’ countries (such as conflict zones or countries with weak governance).

COMMITMENT NO. 2: the Group will make sure that the fundamental rights of its employees are respected, in accordance with the conventions of the International Labor Organization:

- it rejects all forms of forced or compulsory labor
- it rejects all forms of child labor
- it rejects all forms of discrimination
- it recognizes freedom of association and the right to collective bargaining

Moreover, it pays particular attention to guarantee:

- the highest standards of health and safety in the workplace (including accommodations if provided)
- working hours and holidays in accordance with international standards

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In accordance with its ethical commitments and its “global agreement on fundamental rights, social dialogue, and sustainable development”, the Group is committed to operating in accordance with the International Labor Organization core conventions and in particular:

- Conventions No. 29 and No. 105 on Abolition of Forced Labor
- Conventions No. 138 and No. 182 on Abolition of Child Labor
- Conventions No. 100 and No. 111 on Non-discrimination
- Conventions No. 87 and No. 98 on Freedom of association and Right to organize and Collective Bargaining

It endorses the International Labor Organization Tripartite Declaration Concerning Multinational Enterprises and Social Policy, by committing to respect the principles set forth therein.

COMMITMENT NO. 3: the Group rejects all forms of harassment and violence in the workplace and will make sure that its employees are provided with a working environment that is respectful of their individual freedoms and privacy.

Any act of violence, aggression, harassment in all its forms, intimidation, bullying, etc. can be considered cruel, inhuman or degrading treatment, as per the definitions given in Article 5 of the Universal Declaration of Human Rights and Article 7 of the International Covenant on Civil and Political Rights.

The Group does not tolerate such behavior in the workplace and takes all necessary measures to prevent and punish such conduct.

The right to privacy is defined in Article 12 of the Universal Declaration of Human Rights and Article 17 of International Covenant on Civil and Political Rights.

The Group is vigilant not to undermine the privacy of its employees, in particular when collecting personal data or during the use of surveillance systems in the workplace.

The Universal Declaration of Human Rights and the associated Covenants uphold a number of individual freedoms, such as freedom of thought, conscience and religion; freedom of opinion and expression; freedom of movement, etc.

The Group is committed to respecting the individual freedoms of its employees to the extent that these are compatible with the employment relationship. Restrictions on these freedoms must be justified by legitimate reasons (such as the protection of people, safety and hygiene, commercial interests, the organization and operation of the company, the ability of the employee to perform their assignment) and be proportionate to the aim pursued.

All employees of the Group have the possibility to inform the management, human resources, ethics officers or via the ethics email, of any failure to respect these commitments.

COMMITMENT NO. 4: the Group will make sure that its activities do not infringe the rights of local communities surrounding its sites.

It is particularly attentive to the consequences of its activities on their right to health and to a healthy environment, their right to own property, their right to an adequate standard of living (including water, food, housing) and their access to natural resources.

It takes into account the situation of vulnerable people (such as indigenous peoples), in line with the relevant international instruments.

In situations of displacement of people, it will make sure that international principles have been complied with and in particular that displaced persons have been given their free and informed consent, and received fair and adequate compensation, in accordance with legislation and local realities.

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To do this, it undertakes to evaluate regularly and at all stages of projects, the potential impacts of its activities on communities, and it will make sure that their expectations are taken into account through dialogue and consultation.

COMMITMENT NO. 5: the Group will make sure that assignments related to the security of its employees and assets are conducted with respect for human rights.

The Group takes all necessary measures to make sure that the tasks related to the security of its employees and its assets are carried out with respect for human rights and, in particular, in compliance with international rules on the use of force.

The Group relies in particular on the provisions of the “Voluntary Principles on Security and Human Rights”.

COMMITMENT NO. 6: the Group includes in its contracts with its suppliers, contractors and partners a provision requiring the respect by them of the Group’s human rights commitments.

The Group requests its primary suppliers and contractors to commit in the same way with their suppliers and contractors involved in the business relationship and to avoid the use of many suppliers which makes the control ineffective.

It does not solicit or knowingly benefits from acts that infringe human rights, committed by third parties with whom it has a business relationship.

It endeavors to verify the integrity and the reputation of its suppliers, contractors and partners.

It is committed to helping its suppliers, contractors and partners improve their practices.

COMMITMENT NO. 7: the Group respects internationally recognized human rights in its relations with public authorities.

The Group will make sure that any request from public authorities is consistent with its ethical commitments in respect of national sovereignty and the principle of political neutrality; it will not intervene in the functioning of political life.

The Group’s ethical commitments are also outlined in the “Global agreement on fundamental rights, social dialogue, and sustainable development” signed in 2010 by the Global Union Federations (IndustriALL, BWI and PSI), as well as other agreements and policies that supplement this agreement.

To uphold this ethical commitment, the Group has joined several voluntary initiatives, in particular:

- The Global Compact, which asks companies to adopt, support and enact, within their sphere of influence, a set of fundamental principles in the areas of human rights, labor standards, the environment and the fight against corruption.*
- The association “entreprises pour les droits de l’homme edh” [companies for human rights], founded in 2009, a forum for exchanges, actions and proposals to promote the integration of human rights in corporate policies and business practices. ENGIE is a founding member of the initiative.*
- The Better Coal initiative which aims to promote a coal supply chain that protects the environment, respects the rights of people and contributes positively to the quality of life of workers and communities, and the sustainability of producers.*

2. OPERATIONAL IMPLEMENTATION

TO MAKE SURE COMPLIANCE WITH ITS COMMITMENTS AND IN ACCORDANCE WITH THE UNITED NATIONS GUIDING PRINCIPLES, THE GROUP IMPLEMENTS A PROCESS OF HUMAN RIGHTS DUE DILIGENCE.

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This document provides for the incorporation of human rights within global ethics compliance management, in the Group's cross-cutting policies and processes and at operational level, as well as the implementation of grievance mechanisms for stakeholders.

THE OVERALL MANAGEMENT OF ETHICAL COMPLIANCE

The Group's human rights commitments fall within the Group's ethics policy and will be integrated into the processes linked to the ethical compliance, as described in the Group's compliance management Referential:

- From 2014, the Group's annual compliance report has included a section dedicated to action plans relating to human rights, to be implemented by business lines and entities.
- Similarly, a human rights section has been incorporated into the COR 4 section of the INCOME internal control program.
- From 2015, the Group has introduced audits that verify compliance with the commitments of this Referential.

TRAINING AND AWARENESS

To assist in the implementation of overall management, the Ethics & Compliance Division has developed tools for training and raising awareness with respect to human rights.

These actions will be reinforced upon publication of this Referential to support its implementation. They can also be rolled out within business lines and entities according to their specific challenges.

CROSS-BUSINESS POLICIES AND PROCESSES

The Group's cross-business policies and processes incorporate a human rights component when it is relevant. All Group Policies comply with the commitments set out above.

The risks specific to certain functions or business activities have been identified and are subject to appropriate measures of risk management. For example:

- The responsible purchasing policy takes into account a "human rights" component for the selection and evaluation of suppliers.
- The guidelines developed by the Global Gaz & GNL Business Line on the use of private security companies or local security forces.
- The Group policy on health and safety.

GRIEVANCE MECHANISMS

Anyone who feels affected by the Group's activities can freely address questions, comments and requests. It is the responsibility of each Business Unit and entity to appoint a dedicated person or comity in charge of handling grievances at the operational level and to inform local stakeholders thereof.

Grievance mechanisms available for "external" people have been formalized at the corporate level:

- The Ethics mail, for any question linked to the Group's Ethics commitments, including human rights issues
- The Mediator, for commercial questions

THE OPERATIONAL IMPLEMENTATION IN BUSINESS LINES AND BUSINESS UNITS

Each Business Unit ensures compliance with the Group's commitments at local level.

Note that any human rights incident must be reported using the internal INFORM'ethics tool (domain 3: "Social Responsibility and Human Rights").

Operational management of activities:

Risk assessments related to the BU's activities are performed annually. Any risk identified must be included in a structured action plan, incorporating:

- a) The Group's commitments
- b) Awareness actions on specific issues identified
- c) Appropriate guidelines and actions to address these

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issues

d) Instruments for control and performance tracking

Regular exchanges with stakeholders take place through specific dialogue and consultation mechanisms. They are implemented at the appropriate level according to the type of relationship or their objective. Their accessibility and their form are adapted to the specific situations and actors.

A human rights check-list has been developed by the Ethics & Compliance Division to enable entities and Business Lines to analyze on an annual basis their practices with regard to the human rights Group's commitments.

Projects – new business development – presence in a new country

Criteria relating to human rights are integrated into the overall preliminary analysis:

- of any new project,
- of any new business relationship,
- for the development of a new activity,
- when setting up in a new country.

These analyses must allow to identify as early as possible the potential impacts related to human rights, as well as the stakeholders concerned, and to establish prevention or mitigation measures for the project management.

A process for monitoring the measures implemented must be in place throughout the activity in question.

Mechanisms for dialogue and consultation with stakeholders are put in place throughout the projects to enable them to express their expectations and their concerns with respect to human rights.

The information and awareness-raising of local project managers on human rights must be subject of particular attention.

A practical sheet in the form of a checklist has been made for the projects. It aims to provide managers with human rights key points to consider in their activities.

A country rating tool is also available for entities and project managers. For countries with a global risk lower to 5 (codified in red or orange), a specific study is conducted and prevention measures are defined. This study and associated prevention measures are incorporated in the investment file.

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