

Purchasers are specifically trained in topics related to fraud and corruption risk and duties of vigilance (see Section 3.7). Regarding competition law, the Group rolled out an e-learning module in 2019 and face-to-face training increased in 2020. Training on institutional relations in France and for Data Protection Managers continued in 2020. The same was true for training on human rights (see Section 3.9.1).

Awareness-raising videos have been distributed to all Group employees since 2018. They present subjects with strong ethical challenges: gifts, invitations, corruption, whistleblowers,

human rights, and conflicts of interest. In 2020, the Group rolled out a new digital tool to monitor the progress at all levels of the e-learning training provided to Group employees. This tool will be followed in the first half of 2021 by the roll-out of a map for easier identification of those employees most exposed to the risk of corruption. Lastly, the Group has formalized its system to include timetables for the implementation of all the compulsory training courses. This supplement to the Group's training system will be rolled out in the first half of 2021.

3.8.6 Controls and certifications

The monitoring of the implementation of the ethics and compliance policy is based on an annual compliance procedure. In this context, the Ethics & Compliance Officers produce a report on the work and progress accomplished by their entity in this area. This report is submitted to the relevant supervising entity. It is accompanied by a compliance letter from the manager certifying their commitment to the application of the ethics and compliance program within the organization for which they are responsible. At the start of the year, a bilateral assessment of the activities and risks of each BU is carried out by the Ethics, Compliance & Privacy Director. The consolidated annual report resulting from this process is submitted to the Group's Executive Committee and to the Ethics, Environment and Sustainable Development Committee.

This compliance procedure is part of a broader control procedure. This is based in particular on the annual internal control campaigns which assess the level of implementation of ethics, embargo and personal data policies. It is also based on policy controls that are built into the internal audit campaigns.

The Group is also engaged in external audits of its ethics and compliance framework. In 2018, ENGIE obtained ISO 37001 (anti-corruption management systems) certification from ETHIC'Intelligence, a certification body accredited by COFRAC. This certification was renewed in 2019 and 2020 following supervisory audits. The audits were carried out at Group level and in several operating entities that are representative of the Group's activities. The certification follows the obtaining in 2015 of anti-corruption certification from Mazars and ADIT.

3.9 Vigilance Plan (synthesis)

This section summarizes the ENGIE Group's Vigilance Plan and reports on its operational implementation. A more complete version of the vigilance plan as well as details of the policies and actions are available on the Group's website <https://www.engie.com/en/group/ethics-and-compliance/policies-and-procedures>.

The plan covers all the measures established by ENGIE SA to prevent risks related to its activities and those of its controlled subsidiaries. It covers serious violations relating to

human rights and fundamental freedoms, the health and safety of individuals and the environment. The Group's adherence to international standards is the minimum basis for commitments that the Group intends to apply wherever it operates.

These approaches and the common alert system have already been in use for several years. Completely backed by the ethics organization, it benefits from steering, governance and dedicated monitoring.

3.9.1 Identification and management of the risks of serious harm to individuals and the environment

The Group exercises vigilance through policies that cover all issues and procedures relating to the identification and assessment of risks. Goals and follow-up and assessment processes are put in place on the basis of these procedures.

3.9.1.1 Prevent and manage the risks related to human rights

The major risks of negative impacts on the human rights of any individual due to the Group's activities are related to the fundamental rights of workers. The following risks are focused on (details on the website):

Fundamental rights of employees	Rights of local communities	Subcontracting/suppliers/partners
<ul style="list-style-type: none"> • Health and safety conditions • Freedom of association • Non-discrimination • Combating forced labor • Working hours • Living conditions of workers • Private life 	<ul style="list-style-type: none"> • Harm to the health of surrounding populations • Harm to the living conditions of surrounding populations (food, water, housing, culture, access to resources, etc.) and to the right to a healthy environment • Displacement and rehousing of populations • Suppression of the Group's opponents 	<ul style="list-style-type: none"> • Working conditions and health and safety of subcontractors • Energy procurement • Traceability and procurement of the materials used for the Group's products and services • Practices of commercial partners in projects

Security of employees and sites

- Practices of private or public forces of order in the exercise of their security mission, and in particular practices relating to the use of force
- Security of employees in high-risk countries

The Group's human rights policy, adopted in 2014, specifies the Group's commitments and provides for regular processes to identify and manage risks. In particular, every year, the entities must assess their activities with regard to their impact on human rights, via a dedicated self-diagnostic scorecard (see Section 3.8.2). They must also assess any new business activity via a dedicated scorecard designed to identify the risk factors specific to the planned activity.

The risks are assessed according to the country, the activity, the presence of vulnerable populations, the products/services used, and the type of business relationship. Some partners (see Section 3.9.2) are also subject to ethical due diligence procedures, explicitly including human rights.

In 2020, six BUs were assessed as being at risk in terms of human rights, either because of their country of activity or their type of activity. At the operational level, the specific risks identified are the subject of specific action plans described on the aforementioned website. Face-to-face training on the Group's human rights approach was developed in 2019 and fully rolled out in 2020. A new e-learning module on human rights for all employees was also rolled out.

The monitoring of the application of these processes is incorporated into the ethics compliance report (quantitative indicators) and into the internal control system (see Section 3.8.6).

2020 results (Article 2.3)	360 employees trained in human rights.
Internal control	51.7% of the Group's entities assessed the roll-out of the vigilance plan at their level as effective. 84% of the entities that assessed the roll-out of the human rights policy considered it to be effective (level 4).
Ethics compliance report	Coverage of the annual human rights risk sheet. Number of due diligence procedures (with human rights risk) on partners in the context of the Group's investment committees: 100%.

3.9.1.2 ENGIE's response to the pandemic

In 2020, the Group had to respond to the outbreak of the Covid-19 pandemic from January. A specific crisis management system was put in place, including a Group Covid-19 steering committee. The various functional departments involved in crisis management, as well as the occupational health physicians, took part in this steering committee. The Group steering committee was reinforced by several geographic committees, in which the CEOs of the BUs took part (France, Belgium, and International committees).

Three specific committees were set up to support the Group Covid-19 steering committee. The first was devoted to the protection of people, and the other two to customer relations and to purchasing. The structure deployed at Group level was rolled out to the BUs and the entities in the form of specific

crisis management systems. The BUs and entities adapted and then implemented their business continuity plans as soon as the crisis started.

The committee dedicated to the protection of people drew up Group health and safety rules, working in collaboration with the BUs. These rules apply to the entire Group when resuming activity after a period of lockdown as well as during the business continuity phase. These rules were supplemented by technical instructions on various topics. Examples include cleaning and disinfection, protection of people on site, and prevention of psycho-social risks. Specific actions for communicating with employees were implemented by the Group and the BUs.

These requirements were reviewed by an independent consultant in order to compare them with the provisions recommended by international health organizations. These include the World Health Organization and the European Center for Disease Prevention and Control. The review established that the Group's requirements do comply with the recommendations of these international organizations.

The other measures intended to ensure the health and safety of individuals working for the Group are presented in Section 2.2.7.5 "Health and safety at work" and in Section 3.4.8 "Health and safety policy".

The measures put in place by the Group to ensure the security of individuals are described in Section 2.2.7.4.

3.9.1.3 Prevent and manage environmental and societal risks

From an environmental perspective, the major risk for the Group is climate risk, followed by biodiversity, water and pollution risks. These global and local environmental risks are identified annually at head office and sites level to allow a list of "at risk" sites to be established. From a societal point of view, the risks analyzed are the impact of activities on local communities and their social consequences.

The Group's CSR Policy guides the vigilance process with regard to environmental and social matters (see Section 3.1.1). Environmental and societal risks are analyzed periodically at every level of the company. This policy is deployed in each BU, subsidiary, and site. Its implementation is monitored through goals and action plans that are reviewed every year. This review process enables us to make sure our obligations, with respect to environmental and societal vigilance, are properly satisfied.

The environmental policy fully incorporates this risk analysis. The control of its CO₂ emissions is a major issue for the Group, causing it to establish a specific action plan. This plan is supplemented by international objectives and commitments which are reported on in detail. The environmental policy also aims to institute action plans at various levels to avoid, reduce, and if necessary, offset the environmental impacts of the Group's activities. In 2020, around 670 sites were analyzed: 100% of sites identified as "at risk" have action plans in place.

The societal policy, which is centered on "stakeholder engagement," includes a level 1 target. Its implementation also includes a toolkit and training programs, a center of expertise and a self-assessment system for the BUs. In 2020, 100% of industrial activities were covered by an appropriate mechanism for dialogue with stakeholders. For more information, please visit the website.

3.9.1.4 Prevent and manage risks related to energy supply

The risks related to the Group's energy supply (coal, biomass, natural gas and LNG) have been identified as a specific issue of vigilance for the Group. They are managed directly by the relevant BUs, which must identify the risks specific to each of their activities by source of energy, by country, etc. They must also identify the actors concerned and the measures to be taken in response to these risks. A CSR strategy was formalized to meet these challenges, with specific action plans per energy source.

The governance structure was strengthened to ensure that the duty of vigilance is included in decision-making processes. The supply chain risk assessment approach has been systematized, based on the 3P (People, Planet and Profit) approach.

3.9.1.5 Prevent and manage risks related to non-energy purchases

The Group's Purchasing management system is designed to supervise and reduce the risks associated with purchasing:

- a purchasing policy that specifies ENGIE's commitments and requirements vis-à-vis its suppliers;
- purchasing governance that describes the methods of implementation through 12 key rules. To these rules is added, for each BU, the obligation to carry out an analysis of ethical risks. This analysis takes into account the occupations, purchasing categories and amounts, and organizations and projects. It encourages the rotation of actors in the purchasing function engaged in supplier relationships;
- operational processes dealing with the management of purchasing categories, supplier panels and the stages of purchasing and supply;
- a code of conduct for relations with suppliers, revised in 2020 to ensure fair treatment of their employees. Suppliers must ensure that the wages paid are fair or meet more than basic needs.

The purchasing processes are implemented through the following key stages:

- the assessment of new preferred (Group level) and major (BU level) suppliers;

- the analysis of risks and opportunities by purchasing category and by country, based on a risk matrix developed in partnership with EcoVadis. Three purchasing categories are considered high risk: engineering/turnkey installation, chemicals, and batteries;
- the implementation of an associated management plan taking into account the eligibility criteria of suppliers. These plans may include, for example, audits, specific contractual provisions to limit the risk, an ethics clause, etc.; a risk reduction plan is automatically implemented for suppliers with an EcoVadis score below 45/100;
- the measurement of the performance delivered by the suppliers and related improvement plans.

The proper implementation of these processes is verified via the INCOME internal control program (see Section 2.3). With 27 different controls, the INCOME PRO reference system covers all purchasing processes.

Lastly, the Purchasing management system is facilitated by a continuous training plan for the entire Purchasing sector. In 2020, around 750 purchasers took part in the "Ethics and supplier relations" training course through face-to-face sessions and videoconferencing.

3.9.2 Third-party assessment

In 2020, 100% of the partners in the Group's investment projects were subject to due diligence, including a systematic study of "vigilance" subjects.

Likewise, 180 major suppliers were subject to due diligence. Some assessments are supplemented by on-site audits. For example, the MESCAT BU carried out 48 audits of the site facilities for foreign workers (United Arab Emirates and Bahrain).

Lastly, the Group's new preferred and major suppliers were automatically assessed via due diligence before contracting took place. This rule applies to a panel of 1,600 suppliers representing about 20% of total expenditure.

Directly or indirectly, 100% of the Ethics Officers and purchasers have access to a specialist due diligence tool.

3.9.3 Alert mechanism and collection of alerts

The alert mechanism has been open to all employees, permanent or temporary, and to all external stakeholders, since January 2019. An external service provider forwards the anonymous report to ENGIE for processing (see

Section 3.8.4). In 2020, 201 alerts were received via the system, 50 of which concern subjects related to the duty of vigilance. They relate to:

Incidents of bullying and sexual harassment	Interpersonal relationships between employees	Incidents of discrimination	Questions related to the environment and the rights of communities
23	13	13	1

3.9.4 Steering, governance and follow-up of the deployment of the plan

3.9.4.1 Steering and follow-up at the highest corporate level

The Group has set up monitoring and global coordination at the highest level to meet the law's objectives in an effective way. The plan was approved by the Group's Executive Committee, which entrusted its management to the Ethics, Compliance & Privacy Department (ECPD), under the responsibility of the General Secretariat. A report on the effective implementation of the plan is presented annually to the EESDC of the Board of Directors.

A specific committee is responsible for the operational implementation of the plan. Its aim is to ensure that the plan is distributed and that information can be fed back easily. The members are:

Department	ECPD	CSR	Group Purchasing Department	Global Care	Internal control	Risk
BU	Africa	APAC	China	ENGIE Solutions	LATAM	MESCAT NORAM UK

In addition, each entity must ensure that the vigilance plan has been effectively rolled out within its scope. The monitoring of these actions by the entities is included in the annual compliance report (see Section 3.8.6).

3.9.4.2 Stakeholder relations

The plan and the progress made in its implementation are presented and regularly discussed with the employee representative bodies. It has been implemented via the existing committees at Group level, as well as the European Works Council, the EESDC, and the Board of Directors. The BUs and major entities were also asked to present the vigilance plan to their employee representative organizations.

In addition, societal risks are mapped at the level of industrial activities through a process of dialogue with stakeholders deployed in the Group's entities. This six-stage process (see Section 3.6.2) allows for the construction and follow-up of tailor-made action plans.