SUSTAINABILITY

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

December 2015
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

1. Contribute to/Ensure the development of energy solutions enabling clients to reach their own sustainability objectives

2. Contribute to/Ensure the responsible business conduct of ENGIE by controlling environmental and social risks

3. Contribute to/Ensure the development of responsible relationships with stakeholders in order to create shared value

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.

- 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**

<table>
<thead>
<tr>
<th>Decrease in CO₂ specific emissions vs 2012</th>
<th>2014</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-2%</td>
<td>-10% (2020)(1)</td>
</tr>
<tr>
<td>Selective development in renewables</td>
<td>+42%</td>
<td>+50% (2015)</td>
</tr>
<tr>
<td>- 2,435 MW COD in 2014 of which Europe ~400 MW</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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)

**Health & Safety**

- frequency rate improved continuously, 7% reduction vs. 2013

<table>
<thead>
<tr>
<th>2014</th>
<th>2015 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>&lt;4</td>
</tr>
</tbody>
</table>

**Biodiversity**

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

<table>
<thead>
<tr>
<th>2014</th>
<th>2015 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>72%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Diversity**

- % of women in managerial staff

<table>
<thead>
<tr>
<th>2014</th>
<th>2015 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>22%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Training**

- % of employees trained each year

<table>
<thead>
<tr>
<th>2014</th>
<th>2015 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>68%</td>
<td>&gt;66%</td>
</tr>
</tbody>
</table>

**Employee shareholding**

- % of Group’s capital held

<table>
<thead>
<tr>
<th>2014</th>
<th>2015 targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

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

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

Performance: A-
Disclosure: 100/100

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

  — 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 - 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

<table>
<thead>
<tr>
<th>Stakeholder dialogue</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Access to energy</td>
</tr>
<tr>
<td>• Responsible purchasing</td>
</tr>
<tr>
<td>• Biodiversity</td>
</tr>
<tr>
<td>• Regulatory compliance</td>
</tr>
<tr>
<td>• Staff diversity</td>
</tr>
<tr>
<td>• Human rights</td>
</tr>
<tr>
<td>• Risk management</td>
</tr>
<tr>
<td>• Taxation</td>
</tr>
<tr>
<td>• Air pollution</td>
</tr>
<tr>
<td>• Relations with political decision-makers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stakeholder dialogue</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sponsorship</td>
</tr>
<tr>
<td>• Other pollution (noise, landscape, odours, etc.)</td>
</tr>
</tbody>
</table>

#### RELEVANCE FOR THE GROUP

<table>
<thead>
<tr>
<th>Group energy consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Rules of procedure of the Board</td>
</tr>
<tr>
<td>• Water management</td>
</tr>
<tr>
<td>• Waste management</td>
</tr>
<tr>
<td>• Protection of personal data</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group energy consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Staff commitment</td>
</tr>
<tr>
<td>• Industrial partnerships</td>
</tr>
<tr>
<td>• Shareholder policy</td>
</tr>
</tbody>
</table>
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

**Environment policy**
Commitment of a Global Energy Player

- **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”

**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

**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)

**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**

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(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)

<table>
<thead>
<tr>
<th>100%</th>
<th>84% low CO₂ emissions</th>
<th>18% renewables&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>114.6 GW</td>
<td>17%</td>
<td>3%</td>
</tr>
<tr>
<td>9.7 GW</td>
<td>15%</td>
<td>7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% consolidation&lt;sup&gt;(2)&lt;/sup&gt;</th>
<th>80% low CO₂ emissions</th>
<th>18% renewables&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>81.8 GW installed</td>
<td>19%</td>
<td>4%</td>
</tr>
<tr>
<td>4.9 GW under construction</td>
<td>13%</td>
<td>1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net ownership&lt;sup&gt;(3)&lt;/sup&gt;</th>
<th>81% low CO₂ emissions</th>
<th>15% renewables&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>71.7 GW installed</td>
<td>16%</td>
<td>3%</td>
</tr>
<tr>
<td>4.1 GW under construction</td>
<td>15%</td>
<td>11%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Excluding pumped storage for hydro capacity; <sup>(2)</sup> % of consolidation for full consolidated and joint operations affiliates and % holding for equity consolidated companies; <sup>(3)</sup> ENGIE ownership
Renewable energy: ~18% of Group’s generation capacity
As of 6/30/2015

<table>
<thead>
<tr>
<th>AT 100%</th>
<th>% CONSOLIDATION</th>
<th>NET OWNERSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.1 GW installed</td>
<td>14.7 GW installed</td>
<td>10.8 GW installed</td>
</tr>
</tbody>
</table>

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

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

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

(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\(^{(4)}\)

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\(^{(1)}\) 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

<table>
<thead>
<tr>
<th>ANTICIPATE THE GROUP DEVELOPMENT</th>
<th>ATTRACT, RETAIN &amp; INCREASE EMPLOYEES’ SKILLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>2 major European-wide agreements</strong> signed in 2010 with European Unions on jobs and skills planning and H&amp;S (6-year action plan)</td>
<td>• <strong>Management Way:</strong> internal guidelines for the managers, to implement ENGIE values.</td>
</tr>
<tr>
<td></td>
<td>• <strong>Expert Policy:</strong> 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</td>
</tr>
<tr>
<td></td>
<td>• <strong>Training Policy:</strong> 68.1% in 2014, in line with the target of 2/3 of the staff following at least 1 training/year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CREATE LONG TERM &amp; SHARED VALUE</th>
<th>INNOVATE TO EVOLVE &amp; SPUR THE COLLECTIVE THINKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>Employee shareholding:</strong> 3.2%(1) <strong>2015 target:</strong> 3%</td>
<td>• <strong>180 Sharing Practice Communities</strong></td>
</tr>
<tr>
<td>• <strong>Social dialogue:</strong> Common Agreements with Unions representatives of ENGIE employees in Europe</td>
<td>• Development of several internal social networks</td>
</tr>
<tr>
<td>• <strong>Gender equality:</strong> 21.9% women at senior executives positions in 2014 (versus 13% in 2012). <strong>2015 target:</strong> 25% of women in managerial staff, 30% of recruitments, 35% of high potential, 1/3 senior managers nominations</td>
<td>• <strong>Yearly Innovation Trophy</strong> organized since 2009.</td>
</tr>
<tr>
<td>• <strong>Diversity Label</strong> awarded in 2012 by AFNOR(2)</td>
<td></td>
</tr>
<tr>
<td>• <strong>Strong participation in work/study insertion:</strong> 2.6 % of the global workforce (1)</td>
<td></td>
</tr>
</tbody>
</table>

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(1) end 2014 (2) French Association of Normalization
# Health & Safety

Achieving a high-level performance

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>ACHIEVEMENTS / OBJECTIVES</th>
</tr>
</thead>
</table>
| **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% o business managers’ variable remuneration linked to their health and safety performance |
## Governance policy: an active, diversified & balanced Board

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>ACHIEVEMENTS / OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing the size of the Board of Directors</td>
<td>• <strong>24 directors in 2008</strong> (following the merger of GDF and SUEZ) reduced to <strong>19 directors at the 2015 shareholders’ meeting</strong></td>
</tr>
<tr>
<td>A significant number of independent directors</td>
<td>• <strong>8 independent directors (53% of the Board)</strong></td>
</tr>
<tr>
<td>An international Board</td>
<td>• <strong>5 foreign directors</strong></td>
</tr>
<tr>
<td>A significant presence of women on the Board</td>
<td>• <strong>11 directors are women (63%)</strong>, above the average of the CAC 40 (30%) <strong>Ahead of French law and governance code requirements</strong></td>
</tr>
<tr>
<td>Fostering attendance at Board meetings</td>
<td>• Attendance at Board meetings in 2014: <strong>83%</strong></td>
</tr>
<tr>
<td>4 committees assist the Board, all chaired by an independent Director</td>
<td>• Audit - Strategy &amp; Investment - Nomination &amp; Compensation - Ethics, Environment &amp; Sustainable Development</td>
</tr>
<tr>
<td>Improving operating procedures of the Board</td>
<td>• Annual review of Board operating procedures under the supervision of an independent director</td>
</tr>
<tr>
<td>Efficiency of strategy and risk management</td>
<td>• 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</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>CHALLENGES</th>
<th>ACHIEVEMENTS</th>
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<tbody>
<tr>
<td><strong>Acting in Accordance with Laws et Regulations</strong></td>
<td><strong>Establishing a Culture of Integrity</strong></td>
</tr>
<tr>
<td>Implement Ethics</td>
<td>At the highest level of governance</td>
</tr>
<tr>
<td></td>
<td>And through the whole Group</td>
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<tr>
<td>&quot;Integrity Referential&quot;: ENGIE anti-fraud and corruption program</td>
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<tr>
<td>Managing Ethical Compliance Referential</td>
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<tr>
<td>Ethics, suppliers &amp; projects</td>
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</table>
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
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

**COCOLA 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 winner of the Corporate Responsibility & Sustainability Supplier category

“Electrabel has exceeded CCE’s (Coca-Cola Entreprises) 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

<table>
<thead>
<tr>
<th>Environment protection</th>
<th>Fight climate change, environmental management and biodiversity protection</th>
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<tbody>
<tr>
<td>Community involvement</td>
<td>Contribute to local development and to communities well-being</td>
</tr>
<tr>
<td>Ethics and business behavior</td>
<td>Promote ethical practices throughout the supply chain &amp; sustainable relationships with suppliers</td>
</tr>
<tr>
<td>Human resources</td>
<td>Ensure responsible relations and working conditions</td>
</tr>
<tr>
<td>Project Governance</td>
<td>Ensure internal ESG assessment and positive recommendation</td>
</tr>
</tbody>
</table>
ENGIE Rassembleurs d’Énergies

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

**→ GRANT / SUBSIDY**

ENGIE Foundation
A "Social energy" focus to offer funding under the form of subsidies to projects promoting energy access for the poorest populations

ENGIE Business Units sponsorship

**Highlights**
Support to IBEKA social entrepreneur developing micro hydro projects (Indonesia) on women empowerment program

**→ INVESTMENT**

ENGIE Rassembleurs d’Énergies impact investment fund
- Average invested amount: €500k
- 8 years average investment period
- Board presence

**Highlights**
- 7 new investments achieved in India, Mexico, Ghana, Tanzania, Morocco/Cameroon and Rwanda
- 700 000 beneficiaries at end 2015

**→ TECHNICAL ASSISTANCE**

• Employees
• Internal NGOs

**Highlights**
Continuing and enhancing the technical assistance to several NGOs
### ENGIE Rassembleurs d’Énergies Corporate impact Investment fund

Portfolio covering wide range of technologies

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<table>
<thead>
<tr>
<th>N°</th>
<th>Company</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Simpa Networks</td>
<td>India</td>
</tr>
<tr>
<td>2</td>
<td>GVV (solar lamp)</td>
<td>India</td>
</tr>
<tr>
<td>3</td>
<td>Rural Spark (solar lamp)</td>
<td>India</td>
</tr>
<tr>
<td>4</td>
<td>Ilumexico</td>
<td>Mexico</td>
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<tr>
<td>5</td>
<td>Fenix international</td>
<td>Uganda</td>
</tr>
<tr>
<td>6</td>
<td>PEG Ghana</td>
<td>Ghana</td>
</tr>
<tr>
<td>7</td>
<td>BBOXX</td>
<td>Pan Africa</td>
</tr>
</tbody>
</table>

### Solar Home Systems

- Simpa Networks, India
- GVV (solar lamp), India
- Rural Spark (solar lamp), India
- Ilumexico, Mexico
- Fenix international, Uganda
- PEG Ghana, Ghana
- BBOXX, Pan Africa

### Micro-mini grids

<table>
<thead>
<tr>
<th>N°</th>
<th>Company</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mera Gao Power</td>
<td>India</td>
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<tr>
<td>2</td>
<td>Ausar</td>
<td>Morocco</td>
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### Biogas

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<th>N°</th>
<th>Company</th>
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<tbody>
<tr>
<td>1</td>
<td>Biobolsa</td>
<td>Mexico</td>
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<tr>
<td>2</td>
<td>Simgas</td>
<td>Tanzania</td>
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### Energy efficiency in social housing

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<tr>
<th>N°</th>
<th>Company</th>
<th>Country</th>
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<tbody>
<tr>
<td>1</td>
<td>Les toits de l’espoir</td>
<td>France</td>
</tr>
<tr>
<td>2</td>
<td>Le Chenelet</td>
<td>France</td>
</tr>
<tr>
<td>3</td>
<td>Habitat et Humanisme</td>
<td>France</td>
</tr>
<tr>
<td>4</td>
<td>LivingStones</td>
<td>Belgium</td>
</tr>
<tr>
<td>5</td>
<td>ENGIE Rassembleurs d’Énergies</td>
<td>Portfolio covering wide range of technologies</td>
</tr>
</tbody>
</table>
Reinforcing open innovation & collaboration with startups

- **€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

- 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)

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

**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.
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.
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

<table>
<thead>
<tr>
<th>22 Physical and Biotic Programs</th>
<th>12 Socioeconomic Programs</th>
</tr>
</thead>
</table>

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

**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

+33 1 44 22 66 29
ir@engie.com


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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