Opening new opportunities

Our CSR ambition

June 2018
A NEW CSR POLICY TO ADDRESS BUSINESS TRENDS

**Placing the environment at the heart of our activities**
- Minimize our ecological footprint
- Promote a low carbon energy system
- Apply CSR criteria in all of our investment choices and their financing
- Help our customers to minimize their ecological footprint

**Giving meaning to our action**
- Commit to generating shared value with civil society
- Expand the scope of our CSR commitments to our suppliers
- Guarantee constant respect for fundamental rights

**Acting like a responsible community**
- Actively contribute to social debate
- Foster diverse talents and competencies
- Always act in line with our ethical principles
- Make everyone’s safety a priority

**Promoting a different way of consuming**
- Make residential, industrial customers and local authorities actors in the energy transition
- Promote access to energy for all
- Enhance sustainability awareness among our customers
WHAT IS CSR FOR ENGIE?

Long term business thinking

- Designing successful services & offers in line with the expectation of our clients
- Improving relationships with our stakeholders to deliver sustainable projects and reinforce our integration into the territories
- Mastering more efficiently risks (operational, environmental, regulatory, legal, reputation) including for supply chain
- Increasing staff engagement and attracting talents
- Improving processes and optimizing global costs
- Facilitating access to financing
ENGIE POSITIVE IMPACT

- **GHG emission ratio** associated with energy generation (1): -20%
- **Freshwater withdrawal ratio** associated with energy generation (1): -15%
- **Share of renewable energy** (2): 25%
- **Impact investment fund**: Rassembleurs d’Energies €50m
- **ENGIE New Ventures fund**: investing in startups €165m
- **Suppliers**: 110,000
- **External expenditure** (3): €20bn
- **People recruited** (4): ~23,800
- **Spending in emerging and digital technologies** (5): €1.5bn
- **People access to energy** (2): 20 millions
- **Projects supported by the ENGIE Foundation** (6): 280

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(1) By 2020, vs 2012 level
(2) By 2020
(3) In 2017
(4) In 2017, fixed-term or permanent contracts
(5) between 2016 and 2018
(6) since 2010
ENGIE CSR OBJECTIVES CONTRIBUTE TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

ENGIE CSR objectives support the Group’s ambition of energy transition leaderships and contribute to the global sustainable development priorities defined by the United Nations.

1. **No Poverty**

25%\(^{(1)}\) renewable energy in the generating capacity mix, new renewable projects, sustainable energy access for all (2.4 million beneficiaries of “Rassembleurs d’Energies” projects as of End 2017), 20 million\(^{(1)}\) beneficiaries of sustainable-energy access programs at the “Base of the Pyramid”

3. **Good Health and Well-being**

Objective of Health & Safety (internal accident frequency rate below 3\(^{(1)}\), “our live-saving rules” to reduce fatal accidents

4. **Gender Equality**

Objective of gender diversity (25%\(^{(1)}\) of woman in the workforce), 38.5% of woman appointed as Senior Executive in 2017

5. **Affordable and Clean Energy**

25%\(^{(1)}\) renewable energy in the generating capacity mix, new renewable projects, sustainable energy access for all (2.4 million beneficiaries of “Rassembleurs d’Energies” projects as of End 2017), 20 million\(^{(1)}\) beneficiaries of sustainable-energy access programs at the “Base of the Pyramid”

6. **Clean Water and Sanitation**

€1.5bn Expenditure in emerging & digital technologies between 2016 and 2018, €165m ENGIE New Ventures fund investing in startups

7. **Sustainable Cities and Communities**

Support our customers in the energy transition (B2C satisfaction rate above 85\(^{(1)}\)), develop Stakeholder Engagement (all industrial activities covered by a suitable dialogue\(^{(1)}\)), objective of 100% of target sites with an integrated environmental management plan drawn up in collaboration with their stakeholders\(^{(1)}\)

8. **Climate Action**

Cut CO\(_2\) emissions ratio for energy production by -20%\(^{(2)}\), exit from coal power generation (60% cut in coal power generation capacity as of End 2017, vs 2015)

9. **Life on Land**

Objective of Health & Safety (internal accident frequency rate below 3\(^{(1)}\), “our live-saving rules” to reduce fatal accidents

10. **Sustainable Consumption and Production**

Objective of gender diversity (25%\(^{(1)}\) of woman in the workforce), 38.5% of woman appointed as Senior Executive in 2017

11. **Engie CSR’s commitment to the French National Strategy on Biodiversity (SNB) from 2012, confirmed again in 2016**

12. **Life Below Water**

Member of the CEO water mandate from 2008, objective to reduce freshwater withdrawal ratio associated with energy generation by –15%\(^{(2)}\)

13. **Life on Land**

ENGIE’s commitment to the French National Strategy on Biodiversity (SNB) from 2012, confirmed again in 2016

\(\)\(^{(1)}\) By 2020
\(\)\(^{(2)}\) By 2020, vs 2012 level
ACCELERATING DECARBONIZATION

CO₂ emissions scope 1 in Mt

<table>
<thead>
<tr>
<th>Year</th>
<th>CO₂ Emissions (Mt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>149</td>
</tr>
<tr>
<td>2016</td>
<td>120</td>
</tr>
<tr>
<td>2017</td>
<td>89</td>
</tr>
<tr>
<td>2050</td>
<td>&lt;20</td>
</tr>
</tbody>
</table>

-40% reduction from 2012 to 2016
-85% reduction from 2012 to 2050

Strong reduction in CO₂ emissions

Ambitious carbon intensity reduction target: -20% by 2020 vs 2012

Largest corporate issuer of green bonds

Long term strategy compliant with 2°C scenario

<table>
<thead>
<tr>
<th>In GW</th>
<th>2015</th>
<th>To date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal capacity</td>
<td>15.1</td>
<td>6.1</td>
</tr>
</tbody>
</table>

(1) CO₂ emissions from electricity generation
(2) Scope 1
(3) CO₂ emissions ratio
MULTIPLE NEW COMMERCIAL OFFERS, AlIGNED WITH THE GROUP’S CSR AMBITION

**BtoC**

**France** - Green electricity offer with 1.2 Million clients as of end 2017, objective of 2 Million clients by the end of 2018

**Netherlands** - Option to chose the mix of renewable energy (wind, solar, hydro) within the power supply contract

**Brazil and USA** - Community Solar: access to solar production capacity through virtual co-ownership of a local solar plant

**BtoB**

**Europe** - Green PPA for the Giants customers of BU GEM

**USA** - Sustainability roadmap for B2B customers of ENGIE Insight

**BtoT**

**Brazil** - Road traffic management systems: integrated systems to manage traffic, reduce traffic jams, ease way for public transportation and emergency vehicles and improve air quality

**Worldwide** - Integration of renewable energy sources into mini-grids: mini-grid management solutions to integrate renewable energy sources and demand-side management tools
The Global Green Markets Incubator

- An independent nonprofit Association and Foundation dedicated to bringing together strategic partners in energy, technology, policy and finance to meet the challenge of our generation: to achieve the objectives of the Paris Agreement and Sustainable Development Goals.
- Terrawatt and its Community of 70+ partners identify and bring projects to market to build sustainable, equal and fair energy markets at an accelerated pace, with an initial focus on emerging countries and solar PV.
- Currently building a New Solar Market at speed and scale based on common regulations, standardized contracts and public guarantee entity-enabled by underlying technology of the Digital Platform.
- Founding Members:

Innovation for 100% Renewable Energy

Digital green markets require three new design principles:

- Foster Competition by connecting all market players and transparently flowing information to stimulate competition
- Unite Clean Energy Demand and make it solvent through an international common purchase framework and a mechanism of mutual guarantee
- Catalyze Private Investment by structuring attractive guaranteed investment products through aggregation and scrutinization of large-scale financial flows from green assets

Pilot Project

To test the design for the market at scale:

- 20+ Emerging Countries in Africa, Asia and South America
- $1bn Guarantee designed to de-risk projects, supported by public funds
- $10-15bn of market-grade private investments into solar energy in emerging countries
- One Digital Platform to support all transactions securely online
Hydrogen: a key pillar of the energy transition

Hydrogen technologies have the potential to create opportunities for sustainable economic growth

- Hydrogen could account for ~20% of total final energy consumed by 2050
- Hydrogen could contribute to 20% of CO2 emissions reduction targets by 2050
- Potential for hydrogen to power about 10 to 15 million cars and 500,000 trucks by 2030
- Many uses in other sectors: industry processes, building heating and power, power generation and storage

ENGIE is positioning on one of the most promising markets of the future

The group is accelerating the deployment of its strategy to lead the energy transition by creating a global entity in charge of developing its activities in the renewable hydrogen market.

- This entity is being structured
- The objective is to materialize a renewable hydrogen business in order to make ENGIE’s ambition of
  - 10% of renewable gas by 2025 ➤ 30% in 2030 ➤ 100% in 2050 come true
- The end game is to have ENGIE becoming a renewable hydrogen major
INVESTING IN NEW TERRITORIES

€165m ENGIE New Ventures

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

>1,200 startups reviewed by ENGIE New Ventures since its creation (2014)

ENGIE New Ventures is the winner of the 2018 Cleantech Group “Corporate Investor of the Year” award
2,200 propositions submitted by startups in response to 70 calls for projects

Call for projects to connect start-ups with innovative solutions that respond to the needs of businesses and customers

70 calls for projects have already been launched (France, Belgium, UK, Brazil, Chile…)

Some examples:
- Ideas for urban district renewal
- New technology for small size bio gas plants
- New application for Vertuo, COFELY, energy monitoring software

Call for Innovative Solutions for a Medium-Sized Smart City
by ENGIE
Allosant is looking to set up a smart city project that is adapted to its geographical, cultural and economic characteristics. In doing so, it wants to improve the quality of city services and to put […]

Innovative solutions for employee engagement
by Stronex
Sironex, one of ENGIE’s 24 business units, is looking for a digital solution that encourages employees to commit to the company, as part of its new enterprise project.

Innovative convergence solutions for urban energy networks
by ENGIE France Réseaux
ENGIE France Networks, a leader managing urban energy networks (heating, cooling, electricity) for local authorities, is constantly looking for innovative solutions to help us continuously improve […]

FIND BUSINESS SOLUTIONS: CALL FOR PROJECTS
BE PART OF THE ECO-SYSTEM

ENGIE member of the WORLD ALLIANCE for EFFICIENT SOLUTIONS

established by the Solar Impulse Foundation

assess and select 1000 clean and profitable business solutions to protect the environment

labelled Efficient Solutions to be presented to governments, businesses and institutions at COP 24 to encourage them to adopt more ambitious environmental targets and energy policies

Work with external incubators

who provide the premises, an ecosystem and coaching for both startups and our own project owners
ENGIE RASSEMBLEURS D’ENERGIES, GIIRS rated with platinum score and nominated among the "Best for the World 2017" funds by B Lab

Generated impact

- Over €21 m invested to date, of which €5m in 2017
- >2 400 000 beneficiaries of clean energy worldwide served by RDE enterprises
- >20,000 Group employees have invested in ENGIE Rassembleurs d’Energies FCPE
- >2,300 direct jobs

Progress report:
http://library.engie.com/uid_2351b0d7-7021-4398-a0d3-d185fd927370/beevirtua/beevirtua.html?#app=3d20&adf3-lang=fr&ccb3-pageId=0&9557-source=xmlConfinit.xml
ENGIE committed in 2016 to 6 ambitious CSR objectives to be achieved by 2020

- To support its strategic ambition and demonstrate its impacts on society
- 2017 results on track, the Group is fully committed to implement its sustainable growth strategy
- CSR governance designed to ensure commitment across the Group
- CSR performance reviews led by CSR Department with Business Units

<table>
<thead>
<tr>
<th>Objective</th>
<th>Key Performance Indicator</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>2020 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Supporting our customers in the energy transition</td>
<td>Satisfaction rate among our B2C customers</td>
<td>NA</td>
<td>81%</td>
<td>83%</td>
<td>85%</td>
</tr>
<tr>
<td>2) Renewable</td>
<td>Share of renewable energy in the electricity generation capacity</td>
<td>18.3%</td>
<td>19.5%</td>
<td>23.1%</td>
<td>25%</td>
</tr>
<tr>
<td>3) Greenhouse gas emissions</td>
<td>% reduction in ratio of CO₂ emissions to energy production compared with 2012</td>
<td>+0.6%</td>
<td>-11.3%</td>
<td>-18.1%</td>
<td>-20%</td>
</tr>
<tr>
<td>4) Stakeholder dialogue</td>
<td>% of industrial activities covered by a suitable dialogue and consultation mechanism</td>
<td>NA</td>
<td>20%</td>
<td>48%</td>
<td>100%</td>
</tr>
<tr>
<td>5) Gender diversity</td>
<td>% of women in the Group’s workforce</td>
<td>21.6%</td>
<td>21.9%</td>
<td>22.2%</td>
<td>25%</td>
</tr>
<tr>
<td>6) Health and safety</td>
<td>Internal frequency rate for occupational accidents</td>
<td>3.6</td>
<td>3.6</td>
<td>3.3</td>
<td>&lt; 3</td>
</tr>
</tbody>
</table>
ENGIE WELL-POSITIONED IN CSR RATINGS AND INDEXES

ENGIE listed in the main indexes

- DJSI World, DJSI Europe
- Euronext Vigeo Eiris World 120, Europe 120, Eurozone 120 and France 20
- CAC40 Governance

CERTIFICATIONS

- 82% of revenues covered by ISO 14001, EMAS\(^\text{(2)}\), other external EMS\(^\text{(3)}\) certifications and internal EMS (2017)

(1) Sector CDP (EDF, EON, RWE, ENEL, IBERDROLA, ENGIE)
(2) Eco Management & Audit Scheme
(3) Environmental Management Scheme
ACTIVE MANAGEMENT OF WATER RESOURCES

Methodology

• Identifying industrial sites located in extreme water-stressed areas (with Aqueduct tool)
• Assessing water footprint of ENGIE activities and its main industrial sites
• Confirming the level of water stress locally
• Implementation of local action plans in concertation with stakeholders to reduce water consumption, limit impacts on ecosystems or improve watershed management

Results

• ENGIE has drastically reduced the ratio of its freshwater withdrawal to electricity generation by -47% in 2017 in comparison with 2012.
• In 2013-2014, ENGIE assessed water footprint of sites of electricity generation
• In 2015, ENGIE carried out the assessment of water footprint of gas supply chain
• In 2016, the group has started the evaluation of water risks for ENGIE upstream suppliers
• In 2016 and 2017, ENGIE had a A- score to the CDP Water questionnaire
• ENGIE supports and integrates regional plans (Plan of hydraulic and ecological restoration of the Rhône – France ; Good water program – Salto Santiago, Brazil)

(1) % reduction in ratio of freshwater withdrawal to electricity generation in MWh compared with 2012
GREEN FINANCE TO SUPPORT ENGIE’S DEVELOPMENT IN RENEWABLE ENERGIES & ENERGY EFFICIENCY

Categories of eligible Green Projects\(^{(1)}\):

- **Renewable energy projects**: hydro, geothermal, wind, solar, biogas, biomass and any other renewable sources of energy
- **Energy efficiency projects**: heating & cooling network, co-generation, optimization of buildings or plant efficiency, systems for energy management (Smart Grids, Smart Metering)
- **Natural Resources Preservation projects**: water and/or waste management

Criteria set to select projects validated by Vigeo Eiris

Transversal Governance with the establishment of the Green Bond Committee

Regular reporting on projects financed with Green Bond proceeds, with impact indicators (GHG emissions avoided, renewable energy production, reduction of energy consumption, reduction of waste) validated by Deloitte

In 2017 ENGIE successfully issued 2 Green Bonds for €2.75bn

In January 2018 ENGIE placed its first Green Hybrid Bond of €1bn

Total amount of Green Bonds issued by ENGIE reaches €6.25bn

\(^{(1)}\) Eligible Green Projects include investments in projects, major acquisitions of companies and minority equity participations, and R&D aiming at developing new products and solutions
Green Bond: Focus on Some Eligible Projects

Example of eligible projects allocated to March 2017 issuance

<table>
<thead>
<tr>
<th>Renewable energy projects</th>
<th>Energy efficiency projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Onshore wind projects</strong> (Mexico, Brazil, Australia, UK, France)</td>
<td>Acquisition of a 40% stake in Tabreed making ENGIE worldwide leader of independent district cooling</td>
</tr>
</tbody>
</table>
| 2,050 MW | Tabreed has over 71 district cooling plants located throughout the Gulf Cooperation Council and delivers over 1 million refrigeration tons to key developments in the region  
ENGIE will support Tabreed’s growth by contributing to delivering massively and efficiently low-carbon energy. District energy networks are the fastest and most efficient ways to decarbonize dense areas and supply them with clean, renewable energy |
| **Solar projects** (USA, Brazil, France) | 50-year Comprehensive Energy Management Contract with The Ohio State University in the US |
| 320 MW | Operation & optimization of the university’s utility system to address its energy sustainability goals for its 485-building campus in Columbus with the objective to improve energy efficiency by 25% within 10 years  
Construction of a new Energy Advancement and Innovation Center for energy research, where faculty, students, alumni, entrepreneurs, industry experts, and ENGIE researchers can collaborate on next-generation technologies and services in areas such as smart energy systems, renewable energy, and green mobility |
PROGRESS ON GREEN BOND ALLOCATION

€2.5bn Green Bond issued in 2014 fully allocated

% FUNDS ALLOCATED BY GEOGRAPHICAL AREA

- Africa: 0.4%
- Central Europe: 4.0%
- Western Europe: 40.3%
- North America: 9.7%
- Latin America: 45.7%

% FUNDS ALLOCATED BY TECHNOLOGY

- Wind: 22.7%
- Solar: 14.8%
- Hydro: 36.3%
- Biomass: 9.6%
- Cooling network: 1.7%
- Energy Efficiency: 13.4%
- Geothermal: 1.4%

€2.5bn allocated at the end of 2016
48 projects funded from 2014 to 2016

€1.5bn Green Bond issued in March 2017 fully allocated *

% FUNDS ALLOCATED BY GEOGRAPHICAL AREA

- Africa: 1%
- Australia: 1%
- Western Europe: 32%
- Middle East: 45%
- North America: 13%
- Latin America: 9%

% FUNDS ALLOCATED BY TECHNOLOGY

- Wind: 20%
- Solar: 6%
- Energy Efficiency: 28%
- Biomass: 1%
- Cooling network: 45%
- Geothermal: 0%
- Hydro: 0%

A 7-year tranche of €700m & a 11-year tranche of €800m
€1.5bn allocated in 2017 on 28 projects

* provisional allocation before validation by auditors
ENGIE FIRST AMONG CAC40 COMPANIES TO PUBLISH AN INTEGRATED REPORT

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

2017 version based on an integrated thinking approach
- Connecting the CSR objectives of the Group and their contribution to long-term value creation, to take up the challenges of ENGIE and its stakeholders (materiality matrix) and to the United Nations Sustainable Development Goals

2018 new version to improve integrated information and transparency
- Update of the materiality matrix (through interviews, panels, on-line survey of stakeholders)
- More focus on value creation, ENGIE’s commitments and partnerships
- Disclosure including TCFD recommendations and calculation of avoided emissions
- More infographics, interviews
CONCLUSION

CSR is at the heart of ENGIE’s business model

Focus on decarbonization and connection to stakeholders

CSR embedded in the design of new offers and services to meet customers expectations

CSR ambition contributing to ENGIE’s new profile