



GDF SUEZ

GDF SUEZ and the GLOBAL COMPACT COMMUNICATION ON PROGRESS

Category «Global Compact Advanced»

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The Global Compact: GDF SUEZ renews its commitment

The Global Compact was launched in 2000 under the ægis of the United Nations. It asks companies and other organizations to support the United Nations goals and enact, within their sphere of influence, a set of ten principles in the areas of human rights, labour standards, the environment and anti-corruption.

The results of the Global Compact are clear: in 2012, it has nearly 10 000 members, including 8,000 companies in 140 countries. The Global Compact Local Networks make a crucial contribution to adapting the ten principles locally, and I firmly believe that they can play an important role in promoting green growth. Indeed, they are in a position not only to bolster development initiatives, but also to facilitate dialogue with the various stakeholders and form constructive partnerships based on mutual trust. The aim of the French Global Compact network, that I was chairing until may 2013, is to encourage French companies to embrace the principles of the Global Compact. More than 800 companies and organizations are members. The French network facilitates exchanges of best practices and organizes meetings with leaders in the field of sustainable development and corporate responsibility. It also helps small and medium-sized businesses to prepare their annual Global Compact report.

As a member of the Global Compact, GDF SUEZ, a major global industrial firm, is helping to promote the ten principles by developing its businesses (electricity, natural gas, energy services and environment) around a responsible-growth model. The GDF SUEZ Group's Sustainable Development policy, its principles of corporate governance, and its foremost charters all comply with the principles of the Global Compact

For a company like ours, efforts such as combating climate change, responding to energy needs, ensuring the security of supply and optimizing the use of resources are priorities. GDF SUEZ has signed the two Global Compact initiatives: Caring for Climate and the CEO Water Mandate. GDF SUEZ has developed its management of renewable energies while maximizing the energy efficiency of its production facilities. At the end of 2012, in the renewable energy sector, GDF SUEZ had a global cumulative capacity of more than 16 GW, including 12 GW from hydroelectricity, around 3,5 GW from wind power, nearly 1,000 MW from biomass and biogas and 90 MW in solar energy.

To provide access to essential services for the most vulnerable populations, GDF SUEZ has developed economically viable solutions tested in several countries with support from local governments, sponsors, social entrepreneurs and companies. This year, the Group also created an international social initiative entitled "Rassembleurs d'Énergies" Its aim is to support social entrepreneurs working to provide sustainable access to energy for poorer populations and reduce energy poverty in France and around the world.

GDF SUEZ is proud to be a member of the Global Compact and to integrate the ten principles into our industrial activities worldwide. I am delighted with the vitality and growing recognition of the Compact. It is a pleasure for me to renew the Group's commitment to incorporating the ten principles of the Global Compact into our strategy for sustainable and responsible growth.

Gérard Mestrallet

Chairman and CEO of GDF SUEZ



GDF SUEZ,

A responsible, global industrial company

Today, sustainable development is at the heart of every business line in the GDF SUEZ group: energy, energy services and environment.

We aim to develop around a responsible-growth model to take up the great energy and environmental challenges: responding to energy needs, ensuring the security of supply, combating climate change and optimizing the use of resources.

This responsible growth relies on promoting low-carbon economic models that create new jobs, support those most deprived and respect the environment and biodiversity. We must implement this model if we are to build trust in the ability of companies, and of society as a whole, to address the issues of the 21st century and meet the challenges of the current crisis.

By ratifying the 10 principles of the Global Compact in 2000, GDF SUEZ reconfirmed its position as a responsible company aware of social and environmental issues.

Since 2011, GDF SUEZ presents its Communication on progress report under the category of “Global compact advanced level” company by presenting actions following 24 required criteria.

This report illustrates how GDF SUEZ is complying with each of the principles of the Global Compact. It presents the best practices and various commitments the Group has made in order to remain a responsible worldwide industrial company.

A handwritten signature in black ink, appearing to read 'Chassagnette', written in a cursive style.

Anne Chassagnette

Sustainable Development Director GDF SUEZ

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1. GLOBAL COMPACT PRINCIPLES: examples of best practices

HUMAN RIGHTS

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2

Businesses should make sure that they are not complicit in human rights abuses.

GDF SUEZ is one of the global energy sector's role models, a leading group in its fields of activity, taking on the major challenges of the future: security of supply, combating climate change, sustainable development, and respect for people.

A commitment to human rights, through ethical commitment

The Group's commitment to human rights is shown in its ethical principles, "acting in accordance with laws and regulations", "establishing a culture of integrity", "behaving fairly and honestly", and "respecting others". The latter principle implies in particular "the respect for the rights of individuals, for their dignity in all circumstances and for their differences, as well as the respect for cultures" and "governs the [Group] policy on the respect for private life and diversity, the fight against discrimination, and the prevention and punishment of bullying and harassment" (extract from the Ethics Charter, p.11).

GDF SUEZ" action principles and ethical principles are rooted in international reference texts, in particular:

- the Universal Declaration of Human Rights and Additional Protocols,
- the standards of the International Labor Organization (ILO),
- the Guidelines for Multinational Enterprises, laid down by the Organization for Economic Co-Operation and Development (OECD),
- the United Nations Convention against Corruption,
- the ten principles of the Global Compact.

The Group "places particular emphasis in each of its activities on respect for the spirit and letter of the 1948 Universal Declaration of Human Rights" and "it is also particularly vigilant with regard to the sensitive situations to which it may be exposed" (extract from the "Ethics in Practice" Guidelines, p. 28-29).

The Group's Ethics Charter, adopted by the Board of Directors in 2009, and the accompanying ethical documents apply to all Group employees and entities. They can be accessed on the company website by all stakeholders both within the Group and outside of it, and are available in twenty one languages.

They define the ethical principles that all GDF SUEZ employees are expected to apply to their professional practices and conduct towards anyone with whom the Group has dealings. In particular, employees are “asked to consider the impact of their actions and decisions on people, and to ensure that people are not damaged either in their integrity or in their dignity through the actions of a Group entity or one of its employees” ; and suppliers “must follow the ethical principles [of the Group]” (Extract from the “Ethics in Practice” Guidelines, p.28).

GDF SUEZ maintains constant and proactive dialogue with its stakeholders and is committed to a consistent approach to managing relationships with stakeholders as well as many partnerships to maintain and continually improve exchanges with them.

The Extractive Industries Transparency Initiative (EITI)

EITI is a coalition founded in 2002. Its members are nations, companies, civil organizations, investors and international bodies. It aims to improve disclosure of revenue flows and payments in the oil and natural gas sectors by requiring companies to publish what they pay and governments to declare what they receive. As of now, more than 60 of the world's largest oil, gas and mining companies support EITI. The initiative has three objectives: to ensure transparency in payments and revenue flows generated by the extractive industries, to make this information available to civil society and the general public, and to encourage correct use of the wealth of natural resource as an engine for economic growth that contributes to sustainable development and poverty reduction.

GDF SUEZ has been an EITI member since July 2009 and, as such, published payment information on EITI member countries in which GDF SUEZ conducts exploration-production activities. EITI perfectly reflects the Group's objective of balancing human rights and transparency of activities. GDF SUEZ recognizes the importance of supporting improved governance in resource-rich countries through the publication of payments to governments from oil, gas and mining. In this respect, the Group:

- Publishes EITI principles on its website
- Financially contributes to EITI
- Shares contacts with multi-stakeholder groups in other countries and participates in working groups in countries where GDF SUEZ is present
- Reports annually to EITI for the following countries: Germany, UK, Netherlands, Azerbaijan, and Norway.

The “Entreprises pour les Droits de l’Homme” (EDH) Initiative

GDF SUEZ is one of eight founding member companies of the French association “Entreprises pour les droits de l’homme” (EDH) [Companies for Human Rights], and has held the Presidency since its formal establishment in 2009. Inspired by the BLIHR initiative launched in 2003, EDH member companies meet to improve respect for human rights and their incorporation within companies’ strategy, management and professional practices.

The association’s work is built on sharing best practices and seeking effective and pragmatic methods to achieve continuous improvement. The association also follows ongoing international debates and has contributed to the work of the United Nations (John Ruggie’s work).

The Bettercoal Initiative

GDF SUEZ is member of Bettercoal, a not for profit organization established by a group of major European utilities to promote the continuous improvement of corporate responsibility in coal mining. The vision of Bettercoal is a coal supply chain that protects the environment, respects the rights of people, and contributes positively to the livelihoods of workers and communities, and to the sustainability of producers.

Bettercoal is currently developing the Bettercoal Code, which aims to become a globally accepted standard for responsible practices in the coal supply chain and will form the basis for assessments of coal mining sites, including self-assessments and site assessments conducted by independent third party auditors qualified by Bettercoal.

A well-structured ethical approach

The commitment to ethical practices is led and managed at the highest corporate level by the Chairman & CEO and by the General Secretary, who is a member of the Group's Executive Council and is Group Ethics Officer. GDF SUEZ top executives have primary responsibility for the implementation of ethical practices. However, ethics and compliance-related responsibilities are defined at all levels of line management.

Within the General Secretary's office, the Ethics and Compliance Division oversees the achievement of the 1Group's ethics and compliance objectives. It drafts the basic documents and standard references in this area, and promotes their implementation by the business lines and support functions. It also organizes internal and external reporting on these matters.

It runs a global network of more than 175 ethics officers, who relay its missions within the entities. An intranet site devoted to managers and compliance officers provides access to communications tools for disseminating ethical rules: Charter and guide, reference documents, procedures, and educational presentations that foster the adoption of the principles.

High-level bodies in charge of monitoring ethical commitments

- The GDF SUEZ Ethics, Environment and Sustainable Development Committee: its role is to ensure compliance with the individual and collective values on which the Group bases its actions and rules of conduct that every employee must follow. It supervises the development and implementation of ethics and compliance systems within the Group and ensures that they have been subject to application and control procedures.
- The Ethics Officers' Steering Committee: it is made up of Ethics and Compliance Division managers and business line ethics officers for promoting and overseeing the achievement of Ethics Action Plans and for checking the operational feasibility of the measures proposed.
- The Compliance Committee: this committee is chaired by the Group Ethics Officer for promoting and overseeing the implementation of compliance procedures. It keeps abreast of ethical issues and ensures that appropriate measures are taken. The Compliance Committee reports to corporate governance bodies and to General Management on monitoring the GDF SUEZ ethics program.

Incorporating human rights into the management process

An annual compliance procedure and a dashboard of 14 indicators allows for monitoring the implementation of the Group's ethics policy within the entities. The ethics officers prepare a report on the progress in ethical organization made by their respective entities, submitting this, together with a compliance letter from the entity's manager, to the CEO & Chairman via the business line ethics officers. Based on these reports, the Group Ethics Officer prepares the GDF SUEZ annual compliance report in four topic areas: distribution and sponsorship by management of group ethics principles, incorporating ethics into management's cultural references, ethical risk management, and compliance management.

A "Human Rights Management" referential for the Group

A "Human Rights Management" referential is currently being drafted. Its aim is to specify GDF SUEZ commitments to human rights, describe the human rights management process, and provide guidance to managers and experts for understanding everyday human rights issues (workplace, project management, etc.). The repository is based on the UN Guiding Principles adopted in July 2011.

Human rights risk is specifically identified in country risk assessment and in ethical risks assessment, part of the Group's risk review. A presentation of these ethical risks is also given to the Board of Directors' Ethics, Environment and Sustainable Development Committee.

Human rights risks are incorporated in the Group's investment process: major capital investment projects (those presented in Commitments Committee) is analyzed in terms of ethical and sustainable development, including a specific human rights criterion.

The Group also incorporates human rights in its relationship with suppliers, exercising particular vigilance through its purchasing policy: integration of ethical guidelines in the procurement process, signing an act of "Corporate Social Responsibility" commitment by suppliers, an "ethics and sustainable development" clause on the general conditions of purchase, the launch of a Global Compact membership campaign with its 100 largest suppliers, etc. In addition, GDF SUEZ has implemented an ethics incident procedure deployed in the business lines and BUs in six areas, including "social responsibility and human rights".

Mapping human rights and corruption risks

A tool for mapping ethical, human rights and corruption risks has been designed to help entities identify and assess the risks related to their own specific activities and countries of deployment. It has been set up on a country-by-country basis for compiling external extra-financial risk-analysis data and internal data provided by operational units.

The tool is currently being tested within the Energy Europe Business Line and will be generalized for all GDF SUEZ Group Business Lines. By analyzing the mapping of each Business Line, the Group will be able to identify and manage human rights risks. The data will be updated annually.

Increasing employee awareness of human rights

- Setting up and distributing an operational guide for managers on the due diligence process upheld by the UN's July 2011 Guiding Principles. The guide, coordinated by the EDH association, presents the specific elements of the due diligence process in terms of human rights, and describes the steps to be followed to ensure effective deployment.

- A one-day training module for managers: since 2010, the EDH association has established a one-day training module for managers of member companies. It has a dual goal: to raise awareness of human rights issues and to systematically incorporate human rights components into management decision making. Three sessions took place in 2012, run by top-level speakers, academics, and recognized experts in the field.

Acting for local development

As an international Group, GDF SUEZ is a socially responsible company in all the countries where it operates. This commitment takes different forms and is adapted to local socioeconomic contexts to be as concrete and effective as possible. As a participant in long-term activities that provide essential services to populations (energy, water and waste services), GDF SUEZ is a major player in local sustainable development. It is involved in many diverse areas:

- the establishment of new infrastructure (natural gas, water)
- improvement of living conditions through access to services
- solidarity through aid to low-income households
- conservation of the environment
- jobs creation
- support for development of local economies
- support for community groups and general interest participants.

The Group has thus developed many actions, including several that are socially innovative. Its social commitment is also displayed in its response to calls for tenders. This approach is now mobilizing significant resources in terms of social engineering, both centrally and vis-à-vis the Group's operational entities.

Access to energy challenges

In 2012, 1,2 billion people lacked access to electricity. In Europe, 1 in 4 is facing fuel poverty. As a major energy group, GDF SUEZ is particularly concerned by these two challenges, that of ensuring sustainable access to energy for all through renewable energy and to fight against fuel poverty. GDF SUEZ believes that the role business can play in development and poverty reduction. From the experiments conducted for several years, the Group has used different methodologies to implement new social innovation projects. GDF SUEZ has used studies including project finance "Base of the Pyramid" (BOPs), for access to essential services and community in the field of energy. The Group has also taken his experience of partnerships between public and private sectors, and populations. These partnerships are a source of know-how and complementary to a similar vision on how to implement these objectives. Partnerships with NGOs, companies and international institutions are a key success factor for identifying and designing a project. GDF SUEZ has developed innovative models to support projects of energy access for the poor, as for example the initiative "GDF SUEZ Rassembleurs d'énergies".

Initiative "GDF SUEZ Rassembleurs d'énergies"

With "GDF SUEZ Rassembleurs d'énergies," GDF SUEZ intends to significantly strengthen its commitment to promoting energy access for the poorest populations and reducing energy poverty in France and around the world. To improve both "technical" and "financial" access to energy, GDF SUEZ-Rassembleurs d'Energies uses 3 complementary approaches: investment via a social investment fund; donations via the "Solidarity through Energy" branch of the GDF SUEZ Foundation, which was launched on 28 September 2010 for micro-projects enabling energy access; and finally skills sponsorships that put employees' technical knowledge and expertise to work supporting the projects of social entrepreneurs, NGOs and associations. In 2012, several prototype projects were launched (Mali, Vietnam, Peru, Bangladesh, etc.), and the goal for 2012 is to expand them using the new possibilities enabled by the social investment fund. The objectives is to support 50 projects by the end of 2020. These projects will pursue the dual objective of strong social and environmental impacts.

GDF SUEZ Observatory on water and energy scarcity

In December 2009, the Group established an in-house observatory on energy and water insecurity to study, measure and understand the mechanisms behind water and energy insecurity and take action in every country where GDF SUEZ is present. The observatory on energy and water insecurity strives to provide decision-makers with a simple, flexible tool to better understand the problem of insecurity, document the Group's practices in countries where it has retail customers and more effectively tailor its products and services to vulnerable customers. November 2012, an observatory of precariousness was created in Belgium Electrabel initiative, in collaboration with researchers from the Universities of Antwerp and Brussels.

Solidarity for low-income customers

In all areas where the Group serves private individuals, it is particularly focused on lowest-income populations. The GDF SUEZ solidarity policy focuses on three areas: respecting legal obligations in terms of assistance to customers in need, setting up complementary procedures and respecting ethical principles adopted by the Group. The Group is particularly responsible for access to energy and water for the poorest populations. In this context, it has developed economically viable solutions tested in several countries with support from sponsors, social entrepreneurs and companies. In all areas where the Group serves private individuals, it is particularly focused on the lowest-income populations. The GDF SUEZ solidarity policy focuses on three areas: respecting legal obligations in terms of assistance to customers in need, setting up complementary procedures and respecting ethical principles adopted by the Group.

Extension of the social solidarity rate

In France, between 2 and 5 million households are now in energy poverty. In March 2012, GDF SUEZ took part in implementing the new decree on the automation of procedures to offer a social tariff for electricity and natural gas to its most underprivileged customers. This decree enabled it to increase the number of customers benefiting from the Special Solidarity Rate (SSR) by more than 20%. At the end of October 2012, over 370,000 customers were on the SSR, representing a total amount of €25 million. As a specialist in energy efficiency solutions, the Group is a partner on the national "Habiter Mieux" (better living) program. Between 2011 and 2013, €22 million was allocated to help 300,000 homeowners in fuel poverty to make improvements in the energy performance of their homes. Meanwhile, the Partenaires de Médiation Solidarité (PMS), a network of solidarity mediation partners created by the Group, had over 50,000 customers in 2012, a large increase. PMS partners provide information, advice and solutions for better management of situations where people cannot pay their bills, in order to avoid their energy supply being cut off.

Constructive partnerships to reach the Millennium Development Goals

For the Group, sustainable development is critical in helping regions achieve socioeconomic development and helping our company achieve sustainable growth. A company like ours must confront many environmental, ethical, corporate and societal issues, which is why the Group was one of the first companies to launch projects aimed at meeting the Millennium Development Goals. The Group is a partner of many organizations working toward universal education and other social causes. It is present in the field to offer concrete solutions that create a sustainable environment for its customers and, every day, it takes many initiatives to support small business and local economies.

GDF SUEZ's three employee humanitarian associations

Providing access to essential services as growth drivers for the poorest populations is the overall mission of GDF SUEZ's three employee associations for humanitarian aid.

*CODEGAZ, founded in 1989 by GDF SUEZ employees as a non-profit association, has been state-approved since 2007. Since its creation, it has carried out more than 360 humanitarian projects in 20 different countries. It deploys an integrated development policy by helping disadvantaged populations in the fields of nutrition, access to water and sanitation, health care, childhood, teaching and training, energy and economic micro-development.

* The Energy Assistance associations have more than 1,000 members and donors. Since 2001, they have completed nearly 200 projects in some 30 countries. Around 320 projects have been examined and 32 are currently in progress. Projects for people without access to electricity – or who have extremely limited access – are carried out mainly in the fields of education and health care.

* Aquassistance, founded in 1994, has 750 members and runs more than 80 projects all over the world. In 2012, it set up, continued or completed numerous projects in the fields of water, sanitation and waste management: hydraulic projects in villages in Senegal, Haiti and Laos, renovation, technical assistance and training for disadvantaged populations. Aquassistance also has mobile water-treatment plants and a group of volunteer workers trained to provide emergency aid following catastrophes.

WORKING CONDITIONS – SOCIAL RELATIONSHIPS

PRINCIPLE 3

Companies should respect freedom of association and the right to collective bargaining.

GDF SUEZ ensures that privileged relationships are developed and maintained with all stakeholders on all social responsibility issues in compliance with the ISO 26000 standard, with the guarantee that it listens to and maintains a structured dialogue with every stakeholder. The latter are identified as closely as possible to the field, with discussions held upstream of projects and continued throughout project duration.

GDF SUEZ's representative bodies were born from a desire for quality dialogue and exemplary cooperation.

Social relationships centered on negotiation and cooperation

GDF SUEZ is committed to respecting freedom of association and recognizing the right to collective bargaining. Our commitments with regard to working rights are based on the respect for social dialogue and trade-union rights, the right to professional training, development, and the respect for human beings, including with regard to their physical integrity. Furthermore, the Group's management, its subsidiaries and employee representatives are able to hold discussions within the framework of representative bodies. Whether agreements are signed at worldwide level (Fundamental Rights, Social Dialogue, and Sustainable Development), European level (professional equality between women and men, forward planning of employment and skills, and basic Health & Safety principles), or in France (quality of life at work), negotiations with its partners are at the heart of GDF SUEZ's human resources and social relationships policy. The Group gives priority to cooperation and dialogue for the common interest of its economic growth and the wellbeing of its employees. That growth process, which has been underway for several years, is GDF SUEZ's sustainable growth driver.

In 2012 along with all trade union organizations, GDF SUEZ signed a European agreement on professional equality between women and men. Its aim is to promote equal opportunities and treatment in practice throughout all the Group's entities, in order to change management and trade union culture and to promote diversity. As was the case in 2011, monitoring committees were held in 2012 on the various agreements signed at worldwide, European and French levels, to measure the extent to which the agreements had been applied within the Group, and to bring out best practices.

GDF SUEZ supports the International Social Observatory (ISO) and its efforts on wellbeing at work, promoting human-capital policies and the practical implementation of CSR. In 2012, two seminars took place in Brazil and Chile, as well as a research session with ANACT (National Agency for Improvement in Working Conditions) and RDS (Realities of Social Dialogue).

Strategy & Skills

The vocation of the “Forward Planning of Employment and Skills” agreement [GPEC] signed by the Group is to reduce the gap between needs and outside resources. At the level of the individual, it gives employees the opportunity to play a real part in their own careers and to facilitate the setting up of a development plan. For instance, within France, five main missions were defined: to follow changes in businesses and skills, and their effect on employment in each region; to identify potential crossover points between businesses, to anticipate changes in businesses by making career paths secure; and to identify the training tracks related to changes in businesses. The fulfillment of those missions is ensured through the “Strategy & Skills” approach established in 2011, which is being deployed gradually.

To strengthen the deployment of the Strategy & Skills approach, the two concepts were taken up again in 2012 in the “Development for People, People for Development” guidelines, ensuring the consistency of the various HR policies and approaches so as to increase their effect on the Group’s performance and growth.

In 2012, rigorous and innovative HR orientations were developed with, and for, the Group’s operating partners, to widen the Group’s managerial culture, to involve employees in the results and longer-term strategic objectives, and to strengthen the high-quality social dialogue and optimal HR performance at the service of others: the deployment of the GDF SUEZ Management Way, chartered to 42,000 managers, supports the Group’s transformation: the new “Development for People” guidelines link up with cross-Group policies (Recruiting for Development, Mobility for Development, Management for People, Learning for Development, and Coaching & Mentoring for Development) and programs devoted to specific audiences (Development for Senior Executives, Leaders for Tomorrow, Development for Experts, and Development for Functional Lines).

Moreover, the Group’s 13 HR networks (seven in France), which bring together more than 200 HR managers, facilitate job grouping exchanges, coordinate the smooth deployment of Group HR policies, the GDF SUEZ Management Way and the social foundation project, and efficiently pass on issues relating to jobs and mobility, particularly through the Committee for Management and Planning of Jobs and Skills, thereby implementing the European Agreement of 2010 (80% of the Group’s workforce is covered by these European networks).

Health & Safety: an ongoing dialogue with social partners

Dialogue between employee representatives and trade union organizations in the fields of health and safety continued in 2012 at local level, Group level, and in the various businesses. The Health and Safety Steering Committee monitored the Group’s results, analyzed the causes of serious accidents and preventive measures put in place, and gave its opinion on proposed changes in the Group’s standards

health safety training

The efforts regarding training continued in 2012. 28.4% du total number of the hours of training having been dedicated to the Quality, to the Safety and to the Environment and 1 368 managers trained regarding management of the health and the safety within GDF Suez University

PRINCIPLE 4

Companies are requested to remove all forms of forced or compulsory labor.

PRINCIPLE 5

Companies are requested to effectively abolish child labor.

The Global Compact's principles are incorporated within the Group's main reference texts. As such, all failures to comply with the Global Compact, and particularly Principles 4 and 5 are prohibited. The Group has various reference documents, including: the Group Ethical Charter, the Purchasing Manual, the Ethics and Sustainable Development Clause, the Guide to Ethics and Relationships with Suppliers, and the Suppliers Act for Committing to Social Responsibility. The purchasing community is committed to being the ambassador of the Group's values with respect to Suppliers, and a key player in CSR (Corporate Social Responsibility).

In terms of non-energy-related purchasing, GDF SUEZ's policy must be reflected in the purchasing process and in the way purchasing officers carry out their daily activity, especially in terms of setting up a health, sustainable relationship with suppliers. It is one of the Group's aims to ensure commitment and vigilance through a responsible, sustainable purchasing policy, implemented in the Business Lines and BUs. A responsible Group action plan for purchasing was set up for 2010-2013. It contains joint goals to be attained. Their follow-up process must be part of a continuous improvement spiral.

A responsible purchasing approach

The Group Purchasing Policy sets out the principles governing the relationship with suppliers, while respecting the commitments of ethical behavior and social responsibility. The guidelines of its policies aim to:

- meet the requirements of quality and economic performance;
- professionalize staff and develop employee expertise: In terms of procurement, training campaigns in 2011 and 2012 helped to raise awareness among 86% of buyers from the Group Purchasing division. Internal customers were also invited to undertake ethical training. A "Responsible Purchasing" e-learning class will be launched in 2013 to provide training to all the Group's buyers worldwide;
- respect the Group's commitments: In terms of social responsibility, a supplier assessment tool was tested on five purchasing families. Fifty-two suppliers were assessed using the tool and the Group Purchasing division is studying its wider deployment via a future supplier portal;
- maintain balanced relations with Group suppliers: As part of the Diversity Label, purchasing initiated various actions to promote diversity: in France, creating a directory of companies in "appropriate" and "protected" sectors, and participating in the work of the French Association of Diversity Managers. As regards SMEs, the Group also committed to encouraging innovation by signing the "Innovative SMEs" charter in December 2012;
- manage efficiently the exchange of information using rationalized tools and processes: The following "responsible purchasing" indicators are defined and monitored:

- 53% of suppliers in the Top 100 were members of the Global Compact in 2011 (28% in 2009, 42% in 2010),
- 90% of active contracts from the Group Purchasing division (i.e., 738 contracts) contain sustainable development and ethical clauses.

Finally, as part of its continuous improvement process, GDF SUEZ launched a “responsible purchasing maturity” survey, which enables entities to assess themselves each year and monitor their progress. This continuous improvement and professionalization process is further enhanced as part of the Group Perform 2015 action plan.

In line with its sustainable growth commitments, GDF SUEZ adopted a responsible purchasing strategy aimed at promoting ethical management in the relationship with suppliers, and at encouraging them to comply with the UN’s Global Compact. The approach also involves the signing of a Corporate Social Responsibility commitment act that respects the Group’s values and commitments – especially in terms of its diversity and disability policy – and by developing privileged relationships with SMEs.

Assessment based on suppliers’ Social Responsibility (CSR)

GDF SUEZ has adopted ACESIA, a platform for assessing suppliers’ CSR performance. The tool developed by “AFNOR Solutions Achats” is based on the analysis of 25 environmental and 13 social indicators provided by suppliers. The data helps in particular to monitor suppliers’ regulatory compliance and to meet the Group’s requirements in terms of vigilance, especially for illegal labor, waste management and transportation, among others. Beyond the highlighting of best practices, ACESIA also promotes innovation, by encouraging suppliers to commit to a specific action plan that is automatically generated by the tool depending on the answers provided.

Training program for purchasers

To help you find out what the term “responsible procurement” means, to get to know more about GDF SUEZ’s approach in this area, and to determine the best way of contributing to the Group’s commitments, an online training program has been set up. It is aimed at all purchasing teams. In particular, the various modules provide meaning to sustainable development, corporate social responsibility (CSR), responsible purchasing, the Group’s actions, and the incorporation of CSR within each stage of the purchasing process, taking into account the definition of needs, the life-cycle approach, labels, etc. Lastly, the training program deals with issues related to disability and to relationships with the protected worker sector.

“Handy-Achat”, for useful, responsible purchasing

To provide an effective, sustainable response to the GDF SUEZ Group’s commitment to meet its goal of reaching the 6% requirement for employing disabled people in France by the end of 2015, all Group Business Lines in France, working with Group Purchasing and Group Information Systems, have developed an extranet site devoted to purchasing in the protected worker sectors (*): Handy-Achat. The tool enables entities and subsidiaries to act at field level in favor of employing disabled people within the framework of their responsible purchasing policy.

Ethics Guide for the Supplier Relationship

The guide “Ethics of Business Relationships: Governing Principles” is the benchmark reference guide, with seven action principles:

- Respecting laws, regulations, external standards, Group values, and in-house procedures,
- Dealing with suppliers with fairness, transparency and impartiality,
- Respecting, and ensuring respect for, joint commitments,
- Maintaining confidentiality regarding all information exchanged,
- Publicizing and respecting Group commitments in terms of ethics, sustainable development and social responsibility,
- Refraining from all conflicts of interest that may affect objectiveness and independence of judgment,
- Warning whenever there is a situation that infringes these rules.*

PRINCIPLE 6

Companies should eliminate any job discrimination or professional discrimination

Employee diversity within the Group is a must for any international group. For GDF SUEZ, fighting all forms of discrimination and promoting equal opportunities for all, are essential priorities for its human resources policy.

Having diversified working teams means being able to better meet customer needs. For that diversity to be effective, the Group reasserts the principle of equal opportunities in access to jobs. It is committed to fighting all types of discrimination in hiring, access to training, and promotion (professional equality between men and women, professional integration of disabled persons, diversity of origin, etc.). In particular, it means opening up the equality of access to the company, especially for those people who have had insufficient training.

The Diversity Label

In March 2012, GDF SUEZ was granted the AFNOR Diversity Label, which recognizes and promotes the actions committed to and achieved by GDF SUEZ for preventing discrimination, for equal opportunities, and for promoting diversity. As part of an approach for continuous improvement, the label represents a tool for change management and “business strength” for the Group. An outside counseling service was set up and rolled out for advising and informing, in a neutral, independent and professional way, all employees who feel they are victims of real or perceived discrimination. Based on the in-house mobilization of all stakeholders, GDS SUEZ intends to extend the Label from covering 42,000 employees at present to 60,000 new employees with a view to the intermediate audit planned for January 2014. Both in France and Belgium, sessions for creating awareness of Diversity were organized with Group managers. The label is the fruit of all those involved: the Diversity Committee chaired by Jérôme Tolot, member of the Executive Committee in charge of the Energy Services Business Line, the entire HR functional line, the 40 Diversity Officers within the entities, and social partners.

The Group’s Social Commitment: to act as a socially responsible, diverse, corporate citizen.

The Group has been implementing a global, voluntary and ambitious corporate social responsibility (CSR) policy for many years. The policy combats discrimination and promotes equal opportunities. A social foundation project was defined at the time of the extension of the global agreement on fundamental rights, social dialogue and sustainable development, which was signed on November 16, 2010 with several international trade union federations. The project is based on four commitments by the GDF SUEZ Group: to be a company committed to citizenship, solidarity and education, rooted in the regions. These commitments are demonstrated in the policies and actions implemented by GDF SUEZ in the area of corporate social responsibility:

- diversity within the Group,
- helping vulnerable people find work through professional integration programs, through sport, and through work placement programs.
- setting up socially responsible partnerships with the world of associations and with academics.

Promoting professional equality

In 2011, GDF SUEZ set itself four goals for 2015:

1. One third of newly appointed top executives will be a woman
2. 35% of high-potential managers (LFTs) will be a woman
3. 25% of female managerial staff
4. 30% of women recruited.

Alongside those commitments, the WIN (Women in Networking) network has nearly 900 members and offers regular dialogue and group reflection on professional challenges and Group strategy. The first Win's Day was held in July 2012. In 2011, 50 women from the LFT (Leaders for Tomorrow) program in France and Belgium benefitted from a year's mentoring by executives who agreed to launch this pilot program, and 60 women were integrated into the program for 2012. In 2012 also, GDF SUEZ University launched the Women's Leadership program, a new initiative set up within the framework of the gender equality policy. The program enables women managers and/or executives to develop their leadership skills by gaining confidence and being assertive.

Keeping seniors people at work

In 2012, the Group pursued initiatives related to the senior Employees Agreement for France signed in 2009 with the trade union federations, including setting up interviews for second-half career development. A booklet containing examples of good practice is now available on the Group intranet site. CSR Europe, which counts GDF SUEZ as a founder member, set up in 2012 a study on active ageing within the framework of the European Union's "2012, the European Year for Active Ageing and Solidarity between Generations". The study contains in particular a series of ideas and recommendations put forward by companies and European platforms that are active in the field of "seniors" with respect to the European Commission. Furthermore, GDF SUEZ is pursuing a joint reflection on the employment of young people and seniors, and the transmission of knowledge and skills within the enterprise particularly for employing young people and seniors. A working group that brings together the Group's business lines is looking at the various options that could make up the future "Generation Contract" in France.

Helping the disabled find work

Each of GDF SUEZ's business lines, subsidiaries and entities rolls out the Group's disability policy in France, taking account of specific operational and local considerations. Through collective bargaining agreements or agreements with Agefiph, these companies implement initiatives to encourage the recruitment, career development and training of people with disabilities and to raise awareness of disability issues. In 2009, the Group set up a Disabilities Group network in France to promote the sharing of positive experiences, skill-building within business initiatives for people with disabilities, synergies between entities and the implementation of joint actions. A twin network was set up for the Belgian subsidiaries in 2012. In that context, in 2012 Cofely Fabricom continued to grant work placements and to recruit in Brussels – IRSA – (five) technicians who have hearing disabilities, within the framework of a partnership with a technical college that specializes in those disabilities. In 2012, the Group established reporting systems for identifying in a more efficient way the amount of Disabled Employees' applications, and their impact on recruitment. GDF SUEZ has been a partner of the Belgian Paralympic Committee (BPC) since 2009. The goal of the partnership is to facilitate the professional integration of disabled athletes. In March 2013 the agreement with BPC was renewed for three years. On April 4, 2013 in the Paris region, the first "Handirecruit'day" recruitment forum – devoted to hiring disabled people – was held.

Supporting people into employment

GDF SUEZ has set up programs for helping disadvantaged people find employment and reintegrate professionally. For instance, “Permis Sport”, established by GDF SUEZ in France in 2009 along with the French Defense Ministry, local authorities and sports federations, is a professional reintegration program, over six months, for helping between 40 and 100 young people find work through a dedicated mobilization program based on sport and commitment to the local community as a preparation for obtaining a driving license. Since the program was set up, around 600 young people have obtained a job or a professional contract.

The Group is also continuing its policy and actions in favor of socio-professional integration, particularly using work placements for helping professional and social integration.

The Group’s aim has been to develop vocational training – by the end of 2012, 4,772 students had been welcomed into its various subsidiaries (4.4% of workforce in France). The goal is to reach 5% of the French workforce by 2015.

In France, the Group relies on local missions, job centers, and its partnership with “Mozaic RH” for hiring interns from socially and ethnically diverse backgrounds (e.g., 16 interns in the Paris region in 2012). In Belgium, Cofely Fabricom and Electrabel, working with official technical training centers, have set up pilot work placement schemes for people with technical profiles.

Social innovation in Peru and Chili

In 2012, GDF SUEZ set up an internal training program in Lima and Santiago for creating awareness among its local teams about the importance of building proactive, positive relationships with NGOs (non-governmental organizations) and CSOs (civil society organizations) as an essential success factor for local businesses. The program is aimed at employees working on projects in Latin America, including those in cross-business functions such as finance, legal, sustainable development and communications. Companies are aware of the need to incorporate those relationships into their decision-taking and risk-management procedures, so as to be better suited for dealing with local areas and to strengthen the acceptance levels of their projects. Other training sessions for social innovation will be held in Brazil in 2013.

Young people like Latin America

In 2012, GDF SUEZ started a campaign via social networks for hiring young engineers, for a two-year training program for operational facilities. The website received more than 76,000 visits and more than 3,000 applications, underlining the attractiveness of emerging countries for graduates.

Privileged relationships with social players, members of associations and academics

With its regional roots and its privileged relationships with social players that include local municipalities and associations, the Group is pursuing its innovative social initiatives in the area of integrating and helping into employment “vulnerable” sections of society who are distanced from the networks and structures that usually assist with training and long-term employment. With FACE (Foundation for Acting Against Exclusion) whose president is Gérard Mesrallet, the Group is taking part in several innovative projects in France and internationally. There are 35 local structures of FACE Clubs involving Group employees in France and elsewhere in the world. A structure created in Belgium in 2011 now has around 18 member companies and another was started in Rio de Janeiro in June 2012 at the time of the Rio+20 Summit Meeting organized by the United Nations.

An international commission was created within FACE with the goal of developing structures internationally. Exploratory missions for creating FACE Clubs are currently underway in Tunisia, Morocco and Quebec, through FACE’s “International Commission”. Furthermore, a number of Group employees have been put at the disposal of organizations and foundations to bring them the skills they need for becoming fully professional. This new form of innovative partnership aid is also part of the new partnership policy aimed at getting Group employees more actively involved in actions within society. This is done mainly within the framework of a skills-based sponsorship system that is a win-win situation for all stakeholders.

Health and security within the framework of the Group’s global agreement on Fundamental Rights, Social Dialogue and Sustainable Development

A company’s economic performance has to be considered in the light of its actions to ensure the health and safety of its employees and the security of its facilities. In this regard, GDF SUEZ applies a continuous improvement process with the aim of achieving excellence.

“Zero fatal accident” action plans are established through team meetings, relations with external partners and during managers’ visits. This forms part of the health and safety policy defined by GDF SUEZ at a global level, in agreement with the European social partners.

The 2010-2015 action plan, which formalizes the process, includes initiatives on consolidating management systems and specific levers in order to move towards a shared and proactive culture

In 2012, the objective of cutting the accident frequency rate to 7.9 was exceeded as it came to 7.6. Since 2008, the annual number of accidents with lost work time fell by 500, despite an almost 10% increase in the number of employees. Nevertheless, the Group regrets some 3,000 lost-time accidents per year. Efforts will be continued to achieve the objective of a rate below 6 by 2015. At the same time, the length of absences for medical reasons is decreasing. These encouraging results are the fruit of substantive actions conducted over many years.

INCOME

With prevention as the keyword for providing the necessary support in the design of facilities, their operation and maintenance, D3SM (the Health, Safety and Management System Division) and the Internal Control Division set up a control tool incorporated within the INCOME standard. I

n 2011, the standard was deployed in various “high-risk” units. This type of prevention tool serving operational teams helps instill a shared health-&-safety culture.

ENVIRONMENT

PRINCIPLE 7

Companies should apply precaution when faced with problems affecting the environment.

PRINCIPLE 8

Companies should undertake initiatives for promoting greater responsibility in terms of the environment.

The Group is facing huge challenges in this area, such as the fight against global warming, the protection of fossil-fuel and natural resources and the promotion of energy that respects the environment. To meet all our energy needs efficiently, GDF SUEZ must take into account several major issues and work to control the impact on the environment of the Group's activities and those of its customers. Because of the nature of its industrial activities, GDF SUEZ developed an adapted management system to limit its impact on the environment. By developing renewables and streamlining the energy efficiency of its production base, GDF SUEZ is contributing to the fight against climate change.

Controlling the impact of its activities on the environment is one of the Group's major goals.

In 2012, the entities that announced an environmental commitment policy or declaration accounted for 95.45% of relevant Group revenue in terms of environmental impact. These commitments usually lead to the implementation of Environmental Management Systems (EMS) with regards to economic conditions and interest of such a procedure. These EMS may then be externally certified, when justified. At December 31, 2012, 69.72% of relevant revenue was covered by certified EMS (ISO 14001 certifications, EMAS*, ISO 9001 version 2000 certifications with an environmental component, and local certifications).

A diversified production base with low CO₂ emissions

It is GDF SUEZ's aim to meet the challenge of global warming through its sustainable development policy. This goal can be illustrated in particular by the setting up of an environmental charter, which points out that respect for the environment and the fight against global warming are fully integrated within the Group's strategy, involving all its employees. The Group is aware of the impacts of its activities on the climate and strives to minimize them by using the best technologies to reduce emissions, by improving the energy efficiency of all its facilities, and by incorporating low-carbon and no-carbon sources into its energy mix. The Group has therefore made energy efficiency one of the key activities of its Energy Services business line. The Group's development strategy is also based on a balanced energy mix. GDF SUEZ actively participates in the work of civil society in this area, contributing its operating knowhow in negotiations at all levels.

*Eco Management and Audit Scheme: European regulation created by the European Commission for structuring voluntary eco-management approaches, using an EMS. All companies that are already ISO 14001 certified obtain an EMAS certificate if they publish an environmental declaration compliant with EMAS criteria.

This expertise is also available to the Group's customers through a range of commercial offerings, whether for participation in the carbon market, technical solutions, support or implementation of strategies and action plans to reduce greenhouse gas (GHG) emissions. In addition, the Group responds annually to the Carbon Disclosure Project questionnaire .

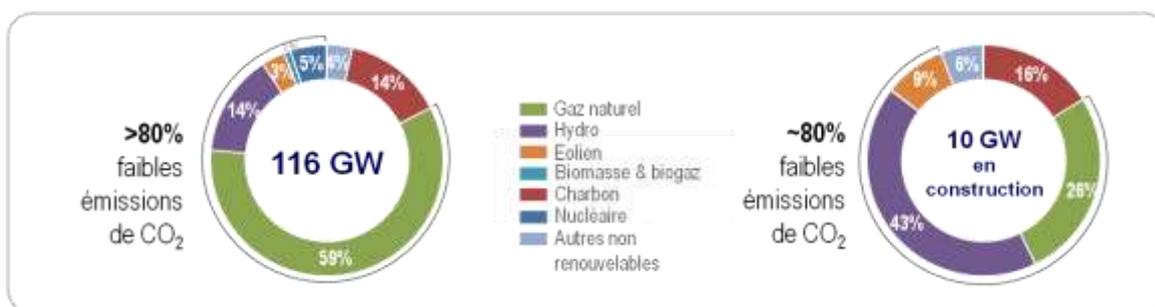
In 2012, the Group's 2012 GHG emissions (excluding tertiary emissions) totaled 154,231 million metric tons of CO2 equivalent. The Group is also aware that, despite efforts to reduce greenhouse gas emissions, a global increase in the frequency and intensity of temperatures and extreme weather events is inevitable. To fully prepare for the associated risks and to benefit from opportunities, GDF SUEZ launched a working group in 2012 aimed initially at identifying and sharing best practices already in place in some of its businesses, so as to tackle or take advantage of future climate changes. In its approach, the Group uses the method suggested by the UK Climate Impact Programme to analyze its vulnerability to climate change and to identify key actions to be implemented in order to make the best preparations for it. A summary has been made of the discussions on extreme weather events that have affected the company and/or which may possibly have an impact on the Group's business.

A challenge for the GDF SUEZ Group: a sustainable energy mix

Faced with issues of controlling the energy market and limiting greenhouse-gas emissions, GDF SUEZ chose to diversify its production base.

As the leading independent power producer in the world, GDF SUEZ has a production base that brings together hydropower, onshore and offshore wind power, solar, nuclear, geothermal, biomass and natural gas. This low-carbon-emission energy mix helps meet the wide variety of uses and needs of each of the Group's customers. Diversity and energy complementarity ensure continuous, sustainable energy supply.

DISTRIBUTION OF GDF SUEZ'S ENERGY MIX BY TECHNOLOGY TYPE (100% base at Dec. 31, 2012)



In particular, the strategy involves investing in renewable energy in all sectors, whether for power generation (hydropower, biomass and biogas, wind power and photovoltaic solar power) or for heating (biomass, solar power and geothermal power). At the end of 2012, GDF SUEZ had a total overall capacity of more than 16 GW, with about 12 GW in hydropower, 3.5 GW in wind power, more than 1,000 MW in the fields of biomass and biogas, and about 90 MW in solar power.

Every day, our construction sites and investment projects move a step further in our goal to increase installed capacity by 50% in 2015 compared with 2009. It is one of the Group's ten sustainable development goals, showing the importance given to developing clean energy that respects the environment. GDF SUEZ's position as leader in the renewable energy sector, especially in France, together with its numerous projects throughout the world, bears out that commitment.

Maintaining a balanced energy mix, the Group's strategic spearhead for the energy business, means strengthening its renewable energy capacity, for generating power or heat, and for mobility in the case of biogas.

A new sector for green energy

Producers of renewables in France will soon have new markets for their electricity. The GRHYD project, launched in November 2012 by a grouping of 12 partners led by GDF SUEZ, is aimed at transforming energy, produced from renewable sources outside of consumption periods, into hydrogen. The hydrogen is then exploited in the form of heat, or hot water, or fuel. During the two-year study phase, two demonstration projects were started in Dunkirk in the north of France. The first will involve the adaptation, on an industrial scale, of a bus station over to Hythane®, a fuel consisting of hydrogen and natural gas. A second project deals with the injection of hydrogen into the natural gas network for a neighborhood with 200 homes. The potential hydrogen market in France is estimated at between 5 and 40 billion euros per year over the next 15 years.

Heat from the earth available continuously

Indonesia, which on its own holds 40% of geothermal reserves, aims to develop geothermal energy for supplying the region of Sumatra, which has a high growth in electricity demand. GDF SUEZ is making its contribution by developing on the island three projects for a total capacity of 68 MW. The electricity has been presold for 30 years from when commercial exploitation begins.

The energy transition making the news headlines

In September 2012, the French government held an environmental conference that brought together a great many Group stakeholders – members of parliament, associations of elected officials, professional associations and non-governmental organizations. GDF SUEZ told them about its positions: dealing with buildings' energy performance as a priority, heading for a more diversified energy mix with less carbon emissions, establishing a fair, responsible energy pricing system, and supporting the technological solutions of the future and related industrial businesses.

Following the conference, the Government launched in December a national debate on the energy transition, which has been extended into 2013. The Institutional Relations Division was supported by its partnerships with national associations of elected officials, who took part in discussions in order to exchange views on those issues. In particular, GDF SUEZ spoke on the energy transition during the eighth annual congress of the Association of French Regions, which took place in Lyon in October 2012.

Controlling energy consumption

The establishment of responsible growth forces us to think hard about how we set up our production and consumption activities. Energy production and consumption are at the heart of social and environmental challenges, such as the increase in energy demand, the scarcity of resources, and the fight against pollution and global warming. GDF SUEZ, as a major energy group, has focused its activities on those challenges. This means that the Group has to provide the best solutions for continuously rationalizing the entire energy value chain: from production to supply and through to end users.

Energy efficiency and the control of energy consumption are therefore at the heart of the Group's strategy and its offers, which are implemented in a great deal of different activities, at several levels:

- Within the framework of the energy services that it provides, the Group designs, installs and operates the facilities of its customers (individual consumers, professionals, companies and local authorities) in order to give the service required while at the same time reducing energy consumption and greenhouse-gas emissions.
- As an energy supplier, the Group also takes action on its own production and energy supply facilities, as well as on its heritage.
- With regard to environmental services, energy efficiency is also part of the Group's sustainable development commitments.

GDF SUEZ sets out an extremely comprehensive policy of energy services offers within three Group business lines: Energy Services (BES), Energy Europe (BEE), and Energy International (BEI). The Energy Services business line in particular designs and implements energy and environmental efficiency services through multi-technical service offers, in the fields of engineering, installation and energy services. The other business lines also carry out energy savings actions for their customers, as for instance in France, where the Group performs a hundred thousand energy savings operations annually, based on standard actions defined by the regulatory system of Energy Savings Certificates.

For electricity production facilities, energy performance is directly linked to the profitability of the installation. It is therefore a major action focus for the head of every power plant.

Lastly, GDF SUEZ is committed to an approach for improving the energy efficiency of its tertiary services activities (through the signing at the end of 2009 of the WBCSD – *World Business Council for Sustainable Development – manifesto* for taking action in this field). To do that, the Group decided to establish a green property policy for its buildings, which will be deployed first of all in France and Belgium with, as one of its goals, a 40% energy consumption reduction by 2020.

WBCSD manifesto for building energy efficiency

GDF SUEZ takes an active part in WBCSD (World Business Council for Sustainable Development) workgroups. WBCSD is a network of 200 international companies committed to sustainable development. GDF SUEZ is particularly involved in the workgroup devoted to partnership topics for development, the access to energy, the climate, and building energy efficiency.

GDF SUEZ signed the Manifesto committing to taking action on the energy efficiency of its buildings in the tertiary sector within the framework of its WBCSD activities. Since then, its Property Division is committed to actions that will shortly bring about the publication of the Green Property Policy.

Involvement through certification

In 2012, GDF SUEZ received ISO 50001 energy management certification for its longstanding commitment to looking at ways of reducing energy consumption and rationalizing usage. More than 2,200 facilities and 9 million m² under management are already certified in France. More than 50 million m² should eventually be certified.

Alongside towns and cities

Towns and cities are also striving for energy efficiency in order to attract investors and households. GDF SUEZ provides an overall vision and an integrated approach for developing urban areas. It means modernizing or designing installations and infrastructures that improve the flow of energy, water, vehicles and people, together with monitoring tools, so as to allocate financial resources in the best possible way.

In Italy, the province of Alessandria launched a huge energy efficiency program with the Group, for 77 public buildings, including 32 schools. The goal is to reduce energy bills and CO₂ emissions by 20%. Real-time management of thermal power plants is achieved thanks to remote monitoring of facilities. In Spain, GDF SUEZ has made a commitment to the Torrejon de Velasco local authority for providing fully guaranteeing energy management and maintenance of thermal and electric installations, as well as lighting public buildings and public lighting facilities. The town will reduce its energy consumption by 50%.

In France, the Group signed a partnership with Dijon for streetcar lines, extending from design to maintenance, together with energy supply, introducing photovoltaic units and guaranteeing energy cost control. The contract was delivered on time and gives a gain of about 10 million euros compared to a system that was set up under public works control only.

In the north of Paris, the Saint Ouen Docks eco-district is one of the flagship projects for sustainable urban development in the Paris region. GDF SUEZ will provide the design, construction and operation of the heating network powered by renewable energy, including an original local solution consisting of hydrothermal production using the heat of the River Seine water. Over time, more than 800,000 m² of low-consumption buildings will be connected to the network.

Poland gets involved in energy recovery

The Polish subsidiary of SUEZ Environment has won a construction and operation contract for an energy recovery unit in Poznań, the fifth-largest city in Poland. The contract involves the building, funding and operation of a facility with an annual capacity of 210,000 metric tons, without having to turn to shareholders. The recovery plant is planned for delivery by 2016 on ground provided by the city of Poznań. The use of heat provided by waste incineration for urban heating is the norm in Northern Europe but not in Eastern Europe, or other countries such as Spain and the United Kingdom. And yet the European directive limiting waste landfills is giving rise to a great deal of calls for tender for energy recovery. The contract won by SUEZ Environnement is today the largest Public Private Partnership call for tender in Poland.

Sustainable solutions for major industrial customers (France)

GDF SUEZ Global Energy carried out a feasibility study for recovering the combustion gases from a galvanizing furnace at the Arcelor Mittal Atlantique Desvres facility in France.

Following expertise and measurements carried out on site, GDF SUEZ Global Energy experts recommended the installation of a recovery furnace using combustion gases for pre-heating treatment baths.

The industrial facility implemented the solution. Since then, it has made a 15% savings in energy consumption and reduced its CO₂ emissions by 2,600 metric tons per year, with a return on investment in less than two years.

Datacenter renovation and performance (Belgium)

The end of life of the Fortis BNP Paribas datacenter built in 1972 in Haren, Belgium, had been announced for 2015. The Tier 3 data center has a surface area of 5,500 m² and was renovated in 2008 by COFELY SERVICES, significantly improving the facility's overall performance. In spite of difficult working conditions, COFELY SERVICES was able to improve datacenter performance by around 20% thanks to cost-effective solutions (free-cooling, use of outside-temperature control equipment, pooling of server capacities, reduction in ventilation and humidity throughput, etc.).

Smartgrids challenges

Efforts for smart management of energy resources also involve streamlining the network and energy consumption.

Several years ago, GDF SUEZ started up projects and actions aimed at advancing research and discussion on smart grids. Those networks of the future will constitute an essential tool for the transition to more efficient energy systems. Over and above their ability to improve network stability and reliability, smart grids will considerably change the very nature of the energy offer and the relationship between energy suppliers and their customers.

Studying and developing smart grids

Smart metering is the first link in the smart network chain. In this field, Lyonnaise des Eaux is gradually equipping French homes with communicating water meters as concession contracts are being renewed.

Along with the French regulator, GrDF is studying the deployment of 11 million communicating gas meters. Furthermore, ONDEO SYSTEMS, a Group subsidiary, has built a high-performance solution for smart water and gas meters, which it is offering at European level. Lastly, the Group's business lines in charge of energy supply and services are developing together products based on smart technologies for improving their customers' energy efficiency.

The development of solutions adapted for smart grids involves building demonstrators for testing technologies, for studying the behavior of consumers and their acceptance of the proposed changes, and for developing business models that are suitable for those offers. Therefore, smart grids provide network management that is better suited to consumer behavior, through a decentralized electricity grid, a more dynamic balance between electricity generation and demand, and the development of sustainable solutions. GDF SUEZ is taking part in a major project in Belgium, LINEAR, and in one of the largest European projects for smart-grid demonstrators, GreenLys, which has just been started in Lyon and Grenoble. Lastly, in the USA and the UK, as well as in France, the Group has already launched aggregation offers for its industrial customers. It involves balancing their customers' load so as to reduce consumption peaks.

GreenLys (France)

The GreenLys project is a full-scale demonstrator (1,000 residential customers and 40 tertiary sector facilities in urban areas) for developing and testing the technological solutions that are necessary for implementing smart-grid features.

GDF SUEZ, with a consortium of industrial and research partners (ERDF, GEG, Schneider, Alstom and Grenoble-INP) as well as Grenoble and Lyon local authorities, answered a call for expression of interest (EOI) launched by ADEME [French Agency for Environment and Energy Management] concerning smart grids and smart metering. After more than a year's preparation, the GreenLys project received the approval of public authorities, through the favorable opinion of the French General Commissariat for Investment. Over the experimental phase of the project, from 2011 to 2014, GreenLys has several goals: to identify the technological and social barriers and quantify the sources of value related to the deployment of a smart electricity system; to put customers at the center of the smart grids concept and include them in active electricity demand management and production; and to build an overall vision that incorporates economic, industrial, environmental and social goals.

Combatting resources scarcity

GDF SUEZ has to meet various challenges, particularly the scarcity of natural resources, giving rise to the need for developing innovative, sustainable energy solutions.

There are inseparable links between **water and energy**. Water is necessary for energy generation and energy is needed for water production.

As a player involved in both the energy world and that of water treatment, GDF SUEZ takes an active part in discussions and actions in terms of water resource management.

Rationalizing water resource management is part of the Group's environment policy and remains one of its priority actions for the coming years.

Optimizing the use of water resources

To manage water resources more effectively, GDF SUEZ is working on the one hand for better knowledge of the water footprint of its energy and water activities and on the other hand it is aiming at setting up local action plans in regions where water is scarce or under stress. Some Group companies have already identified substantial water savings to be made on power plants. Furthermore, in its continuous efforts towards progress, alongside water-footprint works, GDF SUEZ is also improving its level of knowledge in terms of water consumption by adapting its reporting mechanisms.

To do that, the Group is using risk analysis tools such as the Global Water Tool of the World Business Council for Sustainable Development (WBCSD).

GDF SUEZ is also reflecting and taking action on the diversification of energy sources, especially on the use of water as a means of producing green energy. The energy can be produced, for instance, through the recovery of wastewater heat, the burning of dried sludge and biogas produced by sludge digestion. The Group is also examining better energy efficiency for its water infrastructures (e.g., wastewater treatment plants). Lastly, GDF SUEZ is taking part in several initiatives and works at international level, such as the water project of the World Business Council for Sustainable Development (WBCSD), works carried out by CEO Water Mandate, and those of the World Water Forum, last held in March 2012.

Self-sufficiency in water for the Mejillones LNG terminal in Chile

The Mejillones LNG terminal is located in the Atacama Desert in Chile, where there is no water available for its operation. As a result, the regasification plant was designed to be self-sufficient in terms of water production, through a process of water recovery through immersed heat exchangers.

Eco-responsible pricing in Dunkerque, France

After the “Contract for Water Quality”, an original business model based on value, SUEZ Environment, along with the Dunkirk Urban Community, set up the first eco-responsible water pricing system in France. It is an encouraging, innovative system, which helps reduce the consumption and bills of 84,000 homes and 27 municipalities in the urban area. In order to make its customers leaders in environmental performance, SUEZ Environment is putting its efforts into research and innovation, and is investing in new technologies.

Overcoming the scarcity of Saudi water resources

In November 2012, Degrémont won a contract from the Saudi Arabian National Water Company for producing drinking water from the brackish water of 14 groundwater sites around Riyadh. The facilities are aimed at supplying the region’s local populations and are part of the investments announced by local authorities for supporting the country’s strong demographic growth. The contract was won thanks to international cooperation and the additional skills of Degremont’s operational unit in the Middle East, as well as that of its Water and Power Technologies subsidiary, based in Salt Lake City, USA, which specializes in modular, containerized treatment units.

A sewage plant in Jordan that is self-sufficient in energy

For the first time in the Middle East, the contract signed by Samra Plant Company (SPC), created by SUEZ ENVIRONNEMENT, Infilco Degrémont Inc., The Morganti Group Inc., and the Jordanian government, represented by the Water and Irrigation ministry, is to design, fund and build the As Samra sewage plant and operate it for 22 years. The plant was designed to treat the wastewater of Greater Amman’s 2.2 million inhabitants and deploys technically advanced solutions both for water treatment and for sludge treatment. The plant is perfectly integrated within its environment and is almost fully energy-sufficient, thanks to the coupling of hydro turbines associated with gas motors supplied with biogas from sludge digestion. The system generates 95% of the power needed for the treatment and limits the share of electricity provided by the national grid to 5%.

The challenges of protecting biodiversity

GDF SUEZ is setting up systems for reducing the negative impact of its activities on biodiversity, especially the impact of its land footprint (underground pipelines, operational facilities, etc.).

Furthermore, the services provided by the wealth of biodiversity are also a resource for the Group, for instance, in the field of water. By treating wastewater and the waste produced by numerous towns and cities throughout the world, by using natural gas transportation pipelines as ecological corridors, the Group is helping to protect aquatic and terrestrial environments.

SNB's Commitment

The protection of biodiversity is today a major environmental concern. To deal with it, France launched a great deal of works, especially at the time of the "Grenelle de l'Environnement" plan and within the framework of the National Biodiversity Strategy (SNB). The Group is aware of the interactions of its businesses with respect to biodiversity and has been committed for several years to protecting it. In particular, the Group and its subsidiaries are involved in setting up a collective dialogue with stakeholders, in developing new skills, and in cooperating with local authorities and associations in order to reconcile their economic challenges and the protection of biodiversity.

The Group joined SNB in 2011. Its voluntary commitment project was submitted in July 2012 and SNB-certified by the Ministry. The project was carried out with the support of the French section of the International Union for Conservation of Nature, with the goal of deploying action plans by 2015 on all priority sites in Europe. It has three main actions:

- Increasing the knowledge of interactions between Group activities and ecosystems
- Continuing the setting up of action plans on priority and sensitive sites and giving priority to setting up voluntary approaches on all the Group's industrial facilities
- Promoting biodiversity in new project development.

To uphold its commitment on a daily basis, GDF SUEZ relies mainly on two partnerships: the French Committee for National Unity for Protecting Nature (UICN) and the French Federation for Nature and the Environment (FNE). UICN and FNE provide their skills at different levels for the Group's actions within the framework of the internal exchange network in this field, tool development, conferences and information sessions organized for Group employees and, in certain cases, for more targeted audiences such as facility managers and infrastructure project developers.

The UICN partnership is more directed to supporting strategic works and to the relationship with institutional and academic players, while the FNE partnership supports practical achievements and the relationship with NGOs and local associations.

Moreover, GDF SUEZ is involved in preparatory work on new regulations, such as the national guidelines "Éviter, Réduire, Compenser les atteintes à la biodiversité" [Avoid, Reduce, and Overcome Damage to Biodiversity].

Protecting biodiversity in distribution network management works

The understanding of issues related to biodiversity and the setting up of actions in favor of its protection in the Group's activities are shown in a practical way within GrDF, which is in charge of natural gas distribution in France.

In partnership with the French National History Museum and the Group's Research & Innovation Division, in 2011 GrDF set the foundations of a management methodology for protecting biodiversity during distribution network works. The goal is to adapt operating methods depending on the ecological sensitivity of the environment concerned, and on setting up as necessary specific operating methods or best practices. The first experimental stage took place in the pilot region of Nord-Pas-de-Calais-Picardie and a second in 2012, to finalize the methodology.

PRINCIPLE 9

Companies should give priority to setting up and distributing technologies that respect the environment.

Taking another look at our world in a vision of reasonable growth must reconcile two major challenges: meeting the growing demand for energy while limiting greenhouse-gas emissions, including CO₂. By developing energy efficiency services, GDF SUEZ is helping its customers to achieve their own sustainability goals. In this way, the Group helps companies improve their profitability, and local authorities and individual consumers to reduce their energy bills, in order to help build a virtuous, sustainable world by consuming less and in a better way.

The GDF SUEZ approach to sustainable urban development

When developing its activities, GDF SUEZ must face up to several social and environmental issues, such as demographic growth, climate change, and the requirement for greater energy efficiency. As an urban development player, our Group is making considerable effort to reflect on new ways of designing cities, so as to provide a range of solutions for sustainable urban development.

The values of sustainable cities are linked with its capacity for adaptation and transformation over time, its high quality of use and of life, the energy-saving aspects of its buildings, the fluidity of its networks, its safety, and sharing of resources. GDF SUEZ is focusing on establishing those values by reflecting on major urban projects right from their preparatory stages. GDF SUEZ's sustainable urban development approach is based on listening carefully and respectfully to the various stakeholders, to the balance sought for the area between human intervention and suitable technologies, to the transparency of information on environmental performance, and to the establishment of an offer adapted to the local context.

Urban Strategy Consulting

To guide its actions, GDF SUEZ surrounds itself with international, independent experts, within the Urban Strategy Council, which defined three priority focus areas at its first meeting in November 2012: governance and social issues; governance and institutions; and governance, culture and heritage.

Universeine: a future tertiary sector district in the center of Paris

GDF SUEZ and Vinci Immobilier got together to convert an industrial facility. In March 2013, GDF SUEZ, Vinci Immobilier and Caisse des Dépôts, through their joint subsidiary, Seine Ampère, signed a cooperation agreement for research into innovative solutions for sustainable planning for energy, rainwater and waste. To carry out the work, GDF SUEZ's Research and Innovation Division compared, through a Life-Cycle Analysis, the environmental impact of various heating and cooling production scenarios in the district. This multi-criteria environmental assessment method, whose expertise is provided by CRIGEN, is today a benchmark decision-support tool.

The study brings together: a prospective approach for taking into account the change of the energy mix over time, to be applied to the district from 2015 to 2035; a usage approach for better representing the requirements of electricity production source according to end use; and a sequenced approach for incorporating building construction phasing. Two planning scenarios that were defined jointly with Vinci Immobilier and Caisse des Dépôts were assessed. The results confirm the planning scenario choice recommended by Vinci Immobilier and Caisse des Dépôts in terms of environmental impact. GDF SUEZ showed its capacity for offering an integrated approach, while strengthening its position as a major player in sustainable urban planning.

GDF SUEZ has proposed numerous sustainable solutions for the city of tomorrow:

- pooling heating and cooling production resources, central boilers that are more efficient and less polluting, and that perform better.
- an electricity and heating supply from “clean” production systems: photovoltaic solar panels, thermal solar power, wind turbines on buildings, gas-fired and electric heat pumps, geothermal power, biomass, and energy recovery from air extracted from buildings,
- heat recovery from wastewater
- methanisation of household waste to provide a source of renewable energy for producing heat and electricity,
- pneumatic waste collection, where waste becomes invisible, avoiding air and noise pollution, and thus improving residents' quality of life,
- a secure network devoted to virtual flows (data, voice and image).

GDF SUEZ's innovation challenges

By focusing its strategy on research and innovation, GDF SUEZ is continuing its goal of providing high-performance, innovative solutions to individual consumers, local authorities, and businesses.

For GDF SUEZ, investing in research and innovation is an essential area of its development and an indisputable strength for preparing the future.

More than 1,100 researchers contribute to technological excellence in all the Group's activities. In 2012, expenditure on research and technological development amounted to €236 million.

Prospective corporate research programs fall under three strategic priorities: carbon-free energy production, smart energy management, and the environment and gas value chains of the future. The programs relating to technologies of the future are: cities and buildings of the future, smart energy and environment, renewable energy, offshore LNG and future gas chains, and CO² capture and storage (CSC).

Here are a few highlights from the 2012 programs:

- *cities and buildings of the future*: the commitment made by GDF SUEZ to EFFICACITY, an institute that undertakes research programs in the field of energy efficiency in cities; the signing of a Group partnership with the city of Barcelona to develop a "smart city"; the commitment by GDF SUEZ and SUEZ Environnement to the Minatec Ideas open innovation Lab led by the Office of Atomic and Alternative Energies (CEA) for the development of products and services using micro/nanotechnologies for cities;
- *smart energy & environment*: the setting up of a local manager for energy processes flexibility at an industrial site for rationalizing the customer's energy bill; connection of the first customers of the GreenLys project, the first full-scale smart-grid demonstrator in France; the launch of two projects for the streamlined management of micro-grids (at a university campus and an industrial zone) housing intermittent renewable generation and electric storage (flywheel batteries and electric vehicles);
- *renewable energy*: continued development, in partnership, of various pilot projects and demonstrators: biomass gasification (GAYA project), electricity generation via concentrated solar power (CSP – Fresnel) in Chile, generation of electricity from ocean currents (wave energy). Launch of the AlgaeBiomix demonstrator project using microalgae to purify wastewater and produce high-value-add compounds;
- *offshore LNG and future gas chains*: study of alternatives to fracking for shale gas, roadmap of possible partnerships (GTI, MIT, etc.); offshore LNG technical studies on transfer and vating, hydrodynamic study of interference between floating bodies;
- *capture, transport and storage of CO₂*: continuation of the ROAD project with E.ON, industrial-scale demonstrator in Rotterdam, completion of phase one of the 'France Nord' project (study of storage capacity in saline aquifers). GDF SUEZ is a partner in the new Octavius project to industrially test the DMX™ process for second generation post-combustion capture developed by IFPEN. Other major projects were created by businesses such as the Hazelwood capture project (Australia) and the project to inject CO₂ into the "K12B" depleted gas fields off the Dutch coast.

In 2012, innovation and value creation were still at the heart of GDF SUEZ's business culture with two major corporate events:

- the fourth edition of the Innovation Trophies: 624 entries were submitted, with 18 Grand Prizes, 2 special “cross-Group” Prizes, and 6 Value Creation Labels presented;
- organizing the first innovation convention with 250 participants from twelve countries. This day marked the launch of the “Innovation Practice Community” for the promotion of innovation and performance in the Group.

Finally, in 2012, the GDF SUEZ Research and Innovation department was a speaker at the 25th World Gas Conference organized by the International Gas Union in Kuala Lumpur, Malaysia. A publication on smart meters was the winner of the “IGU best practices award 2009-2012”, selected from 280 entries submitted.

SLEM (Smart Local Energy Management), through Demand Response and ENR integration

In 2010, GDF SUEZ started research programs aimed at developing an energy management support tool for industrial facilities. In 2011, Laborelec tested the first prototype in a wastewater treatment plant in Germany, giving an 8% reduction in energy bills. The principle of Demand Response (elimination of demand when market prices are the highest or when the network is congested) is applied in real time and incorporated within the company management system, enabling the planning of different industrial activities in the most efficient way. Today, SLEM has been tested on three other industrial sites.

ANTI- CORRUPTION

With regard to ethics, GDF SUEZ's goal is to act in accordance with its values and commitments, always and everywhere, observing all applicable laws and regulations in force.

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Fighting corruption is one of the Group's major commitments, reflected in its organization and modes of governance.

In 2012 the Group started work on publishing this specific Report on the 10th principle against corruption for the Global Compact, about 22 indicators, following the guidelines provided by UNGC and Transparency International.

N°	Actions	Basic Reporting Element	Desired Reporting Element
I	Commitment and Policy	B1-B2	D1-D5
II	Implementation	B3-B6	D6-D11
III	Monitoring	B7	D12-D15

This action is part of a large program of voluntary initiatives taken by the Group to contribute to improve Integrity, as "GDF SUEZ is committed to developing the highest standards of ethical practice and transparency" (cf. corporate web site) and supports multilateral international Initiatives to fight corruption.

"**Acting with Integrity**" is one of the 4 fundamental ethical principles guiding GDF SUEZ, according to the Group Ethics Charter, approved in 2009 by the Board of Directors, published in 20 languages and distributed to all employees.

GDF SUEZ, which employs over 200,000 people on five continents, understands the need for inviolable ethics rules, the respect for Integrity, and for adequate means of continuously raising the awareness of every employee.

The Group has developed references documents, distributed to all employees, and has implemented strong ethics organizational governance and a large worldwide network.

Documents on policies about Integrity and anti-corruption are on the intranet site, available to all Group entities. Most of them are also on the corporate website, for business partners.

Integrity as part of the Group's Ethics policy is driven and supervised at the highest corporate level, by the CEO & Chairman Gerard Mestrallet, the Executive Committee and by the General Secretary Alain Chaigneau, who is Group Ethics Officer and member of the Executive Committee and the Compliance Committee.

The Ethics, Environment and Sustainable Development Committee reporting to the Board of Directors is regularly consulted and informed about the development of ethics and compliance affecting the ethics policy.

The Compliance Committee, chaired by the Group Ethics Officer, with the participation of the Deputy General Secretary, the Heads of the Legal Division, and of the Audit and Risks Division, as well as the Ethics & Compliance Senior Vice President, drives and verifies the implementation of compliance procedures. It notes breaches of ethics and ensures that the appropriate measures have been taken. It reports to governance bodies and Executive Management on the application and overseeing of GDF SUEZ ethics mechanisms.

The Ethics and Compliance Division, which reports to the General Secretary, spearheads the ethics rules' development process for GDF SUEZ and oversees the incorporation of these rules into Group strategy, management and practices.

Each Business Line and Business Unit has appointed an ethics officer, selected from their executive committees. This international network of 175 ethics officers is supervised by the Ethics Steering Committee (managers from the Ethics & Compliance Division, and Business Lines' ethics officers). Our ethics network promotes the implementation of ethics policies in entities worldwide.

GDF SUEZ develops the resources to meet the highest ethical standards and support its ambition of reducing and managing risks of corruption within the Group, and raising business standards across the world with: commitment at a corporate level and for each employee; governance and "tone at the top"; its worldwide network of ethics officers; zero tolerance policy on corruption; actions for raising the awareness of all employees, compliance management; the development of tools to extend influence towards business partners; and the support of multilateral initiatives.

1.COMMITMENT AND POLICY

B1-Publicly stated commitments to work against corruption in all its forms, including bribery and extortion

GDF SUEZ asserts its culture of integrity and compliance by corporate communications with its commitment not to tolerate corrupt behavior by employees or business partners, and to work against corruption.

This commitment is publicly stated in declarations by the CEO & Chairman and the Board of Directors, ethics codes and external GDF SUEZ reports, and is published on the corporate Internet and intranet sites.

PUBLICLY STATED COMMITMENT AND DECLARATIONS

The commitment to work against corruption is also published in: the Ethics Charter; “Ethics in Practice” Guidelines; Business Codes of Conduct (particularly in the new “Business Consultants Policy” publication, validated by the Executive Committee in 2012, and in the new “Ethics of Business Relationships: Governing Principles” publication, validated by the Management Committee in 2013, (which were both implemented in 2013); the Integrity Referential summary; the Global Compact Communication on Progress and specific report about the 10th principle; “Global Agreement on fundamental rights, social dialogue and sustainable development”; the CEO & Chairman’s Letter on the UN Convention against Corruption; public declarations about integrity in the Sustainable Development Report of 2010 and 2011; and the annual Declaration to the Extractive Industries Transparency Initiative (EITI).

The Group’s Ethics Charter (p 9), translated into 20 languages and sent to all employees everywhere in the world, includes the following:

Instilling a culture of Integrity

“GDF SUEZ accepts no compromise in the matter of integrity, which must govern all its day-to-day business relationships and professional practices. This being the case, the Group attaches the greatest importance to the moral qualities of its employees.

We must all be aware of the fact that our reputation depends on our actions. It is therefore imperative that each of us should act in a morally correct manner in all circumstances and permanently foster a culture of integrity.

In practice, integrity demands that we should avoid any situation likely to create a conflict between our personal interests and those of the Group. Acting with integrity also means we always maintain our fundamental values, which helps to establish a climate of trust and acts as a shield against corrupt practices, which are a serious risk to the commercial survival of any business.”

The “Ethics in Practice” Guidelines (p 12) includes the following:

“GDF SUEZ adheres to the highest ethical standards. GDF SUEZ’s principles of action are rooted in international reference models, in particular:

- The Universal Declaration of Human Rights and Additional Protocols
- The standards of the International Labor Organization (ILO),
- The Guidelines for Multinational Enterprises laid down by the Organization for Economic Co-Operation and Development (OECD)
- The United Nations Convention against Corruption”.

The Global Agreement on fundamental rights, social dialogue and sustainable development

The Agreement, signed in 2011, applies to all GDF SUEZ entities worldwide. It includes the following ethics principle: *“the maintenance of a culture of integrity, trust and honesty, including a zero tolerance policy on fraud and corruption, inside the company as well as with others”.*

The “**Ethics of Business Relationships: Governing Principles**”, adopted by GDF SUEZ’s Management Committee on May 6, 2013 aims at:

- ensuring that business relationships with all external stakeholders (customers, public authorities, competitors, suppliers, commercial partners, and corporate patronage and sponsorship partners, etc.) are subject to high ethical standards;
- adapting our principles to make sure that they are compliant with applicable laws in the sensitive areas of business relationships, and to make them opposable, as, for instance, by preventing corruption in gift and hospitality practices;
- increasing our customer satisfaction and service quality, as well as ensuring relevant standards for the protection of local populations;
- protecting the Group’s reputation.

The Integrity Referential “Combating fraud and corruption” in a nutshell (published on internet)

“Integrity is a major challenge for GDF SUEZ Group, especially within the current situation of economic and financial crisis and increasing regulation. In this context, the Group’s Executive Committee has adopted a document called The Integrity Referential, with one goal: zero tolerance.”

Other corporate publicly stated commitments against corruption are published **on the GDF SUEZ website – CSR Expert:**

<http://www.gdfsuez.com/en/analysts/governance-and-ethics/ethics/promoting-ethical-behavior/>

<http://www.gdfsuez.com/en/analysts/governance-and-ethics/ethics/actions/>

VOLUNTARY INITIATIVES AND MEMBERSHIPS FOR WORKING AGAINST CORRUPTION

GDF SUEZ has chosen to support multilateral initiatives from international organizations to fight corruption. The Group believes that a **global framework** is needed in order to combat **global corruption**. In this respect, the Group’s initiatives and memberships are listed below:

- En 2009, GDF SUEZ’s CEO & Chairman Gerard Mestrallet, at the invitation of the International Chamber of Commerce, Transparency International, The United Nations Global Compact, and the World Economic Forum Partnering Against Corruption Initiative (PACI), signed a **Letter “ to support the United Nation Convention against Corruption (UNCAC)”**.
- GDF SUEZ, committed to the **United Nations Global Compact (UNGC)**, chose in 2011 to complete the specific report on the 10th principle against corruption (by reporting on 22 points of the advanced level); our CEO & Chairman is President of the French Network of the Global Compact.
- GDF SUEZ supports the OCDE Initiative against Corruption;
- GDF SUEZ is a member of:
 - **EITI (Extractive Industries Transparency Initiative)**: since 2009 through this membership, GDF SUEZ has chosen to commit itself every year to publishing payment information concerning certain countries where the Group has Exploration and Production activities.
 - **Transparency International, French section**, a non-profit organization that fights corruption.

B2- Commitment to be in compliance with all relevant law, including anti-corruption laws

“Acting in accordance with Laws and Regulations” is the first of the Group’s four fundamental ethics principles, published in the Ethics Charter (p 5).

According to this principle: *“as a general rule and in all circumstances, Group employees must observe international, federal, national, local regulations and ethical and professional codes of practice applicable to their activities. The same is true of unilateral decisions and other regulations issued by the Group”*.

This commitment is also publicly stated in declarations made by top company executives and in external annual reports, and is published on the corporate website.

For instance: *“Acting in accordance with laws and regulations, establishing a culture of integrity, behaving fairly and honestly, and respecting others”* cf. Gerard Mestrallet’s, declaration published in the Integrity Referential on the Group’s intranet site in November 2009.

Business partners and stakeholders can read on the Group’s Internet site: *“In keeping with its values and undertakings, GDF SUEZ seeks in all circumstances to act in obedience with the laws and regulations applicable in the countries where it operates. To achieve this objective, GDF SUEZ has established an ethics policy that at all times underpins the day-to-day strategic decisions, management and professional practices of the Group. It has also introduced the tools needed to measure compliance with this objective”*.

The GDF SUEZ Ethics & Compliance Division monitors relevant laws and regulations in the jurisdictions where the Group operates. It distributes them within the Group via the “Ethics and Compliance Newsletter”, regular meetings, training sessions, e-learning, Ethics Referential documents, and Internet and intranet sites.

Analysis concerning relevant laws is published and updated in the Integrity Referential: the French Law of November 13, 2007, the FCPA, Sarbanes Oxley and Dodd Frank Acts, and the Bribery Act.

The Head of the Legal Division is a member of the Compliance Committee; the Ethics & Compliance Division and the Compliance Department of the Legal Division work in close collaboration on legal and ethics issues.

Among its activities, the Legal Division is responsible for ensuring that the Group complies with legal requirements and for advising entities on how to comply with the relevant legal requirements.

D1- Publicly stated formal policy of zero tolerance of corruption

The Global Agreement on fundamental rights, social dialogue and sustainable development signed in 2011 applies to all GDF SUEZ entities worldwide. The ethics principles of the Agreement include: *“the maintenance of a culture of integrity, trust and honesty, including a zero tolerance policy on fraud and corruption, inside the company as well as with others”*.

In order to give employees and business partners a better understanding of the Group’s position against corruption as well as of procedures, the GDF SUEZ Ethics & Compliance Division published a specific anti-corruption program approved by the Executive Committee in 2010, **“The Integrity Referential”**.

This cornerstone document asserts the Group’s zero-tolerance policy goals on fraud and corruption. To achieve this target, two fundamental principles must be observed: any instance of fraud uncovered must be dealt with and no proven instance of fraud must go unpunished.

“The level of residual risk (acceptable, reasonable and manageable by the Group) stipulates a zero-tolerance rate in respect of fraud and corruption; the goal is to be achieved via an action plan, which is monitored by the Ethics, Environment and Sustainable Development Committee reporting to the Board of Directors.

The Integrity Referential concerns all entities of the Group in all countries where the Group is present.

It constitutes “the foundation of the Group’s anti-fraud and anti-corruption program. Its objective is to specify measures that GDF SUEZ has taken to encourage good practice in terms of integrity and, in particular, to prevent risks of fraud and corruption” (cf. Sustainable Development Report 2010).

It provides guidelines for:

- understanding the challenge posed by corporate integrity and the risks for the Group,
- detecting instances of fraud and corruption,
- becoming familiar with the relevant rules and regulations,
- managing the risk of fraud and corruption within the Group.

It is published on the Group’s intranet site, and distributed to the GDF SUEZ Ethics Officers’ network for implementation in entities worldwide. It has also been distributed to Executive Managers. Its summary is accessible on the corporate website for business partners and stakeholders.

The Group has also established Business Codes of conduct, which are published (or in the process of being published) on the website, presenting principles about Integrity in business relationships such as Ethics Guidelines in the relationship with suppliers, “Ethics of Business Relationships: Governing Principles”.

D2- Statement of support for international and regional legal frameworks

GDF SUEZ aligns itself with the global anti-corruption movement across industries and multilateral organizations, as well as with international and regional legal frameworks, to contribute to the promotion of level playing-fields within industries.

GDF SUEZ’s principles of action are rooted in the international reference models mentioned below, for which statements of support have been made.

GDF SUEZ respects, complies with and supports the following multilateral initiatives, and international and regional legal frameworks:

- The United Nations Convention against corruption, UNCAC (2003)
- The 1997 OECD “Convention on combating bribery of foreign public officials in international business transactions”, ratified in France in 2000
- The Guidelines for Multinational Enterprises laid down by the Organization for Economic Co-Operation and Development
- ICC (International Chamber of Commerce) Principles
- The Council of Europe’s Civil Law and Criminal law Conventions on corruption (1999)
- The French Law of November 13, 2007, the Bribery Act, the FCPA, Sarbane Oxley, Dodd Frank Act, etc.

D3- Carrying out risk assessment of potential areas of corruption

GDF SUEZ is aware that **Oil & Gas, Energy and Utilities sectors** are internationally considered as being at greater risk of exposure to corruption. Equally, companies of all sectors involved in public **procurement contracts** in some countries of the world are also considered as being in situation of greater risk.

To implement its ethics policy and anti-corruption policy, GDF SUEZ carries out **risk assessment** procedures through its ERM (Enterprise Risk Management) Process.

The Ethics & Compliance Division identifies, updates, and is responsible for managing the Group's ethics risks. The risk of Integrity linked to corruption and fraud is one of them.

This risk was identified in 2009 in the mapping of ethical risks carried out at the request of the Ethics, Environment and Sustainable Development Committee reporting to the Board of Directors and in the risk review conducted with various functional Divisions, Business Lines and Business Units.

A corporate **action plan within the Integrity Referential** to monitor and reduce this risk is driven by the E&C Division and monitored by the Ethics, Environment and Sustainable Development Committee reporting to the Board of Directors.

Potential areas of corruption are identified by joint actions carried out by Business Lines' Ethics Officers and Risk Officers, the Ethics & Compliance Division, and the Audit and Risk Management Division, to identify countries, business sectors, and the types of partners and situations where actions can be taken to measure, prevent and reduce the risk of corruption. Since 2011, corruption and human rights violations have been assessed to measure Country Risks for the Group.

D4 – Detailed policies for high risk areas of corruption

Some professional activities, relationships with specific business partners, business areas, and other situations can be conducive to the risk of corruption, such as: procurement and relationships with suppliers, business in the extractive industry, the use of intermediates, sponsorship/partnership deals, political funding, gifts, hospitality and travel.

These issues are all catalogued and the **policy is highlighted** in the "Ethics in Practice" Guidelines published on the corporate website and the intranet site.

Two new policies in line with the requirements of the US Federal Corrupt Practices Act and the UK Bribery Act were recently adopted. The first policy "The Business Consultants Policy" deals with Business Consultants and aims at monitoring the risk of corruption that can result from the use of business consultants. It was put into force on January 1, 2013. The second one, "Ethics for Business Relationship: Governing Principles", aims in particular at monitoring the same risk of corruption in the context of gifts and hospitality. It will be put into force on June 30, 2013 (this document will be published on GDF SUEZ website in July 2013).

Business areas within GDF SUEZ presenting a high degree of risk have been identified: **policies have been drawn up and specific initiatives** taken to monitor and reduce the risk of corruption: for instance, GDF SUEZ's participation in EITI (Extractive Industries Transparency Initiatives) since 2009.

Business Codes of Behavior are published (or will be published) on the Group intranet set.

The Ethics & Compliance Division implements with Business Lines a methodology (ethics risks mapping) to identify priorities in corruption (and human rights) risk management by multiple criteria such as: a corruption situation in a given country, a violation of human rights, sensitive manufacturing sectors, geographical regions, etc.

The compliance with the ethics policy is helped by internal control program checks (INCOME), making activities in certain sensitive areas more secure by preventing and detecting fraud and corruption.

D5 – Policy on anti-corruption regarding business partners

To prevent and reduce the risk of corruption, GDF SUEZ closely associates business partners with its values, particularly in view of encouraging the respect and promotion of its anti-corruption principles and its ethics values.

The Group's principal business partners are:

- B to B, B to C and public customers
- agents, consultants and other intermediates
- joint-venture and consortia partners
- subcontractors and other commercial partners
- suppliers

Potential high-risk business partners by industry or business activities are:

- suppliers in all fields
- intermediates in all fields
- some public-sector partners especially in the extractive and energy production industry, and the water industry

Consequently, GDF SUEZ associates its business partners, especially **suppliers, intermediates and public sector partners** to the application of anti-corruption principles.

According to the [Ethics Charter](#) (p 17) on the corporate intranet site: *"GDF SUEZ employees are required, insofar as it is necessary, to inform the people they deal with, particularly their suppliers, service providers and subcontractors, of the existence of the Group's Ethics Charter by, for instance, providing them with a copy of this document"*.

Relationship with suppliers

The Group's [Guide to Ethics in Supplier Relations](#) (translated into 16 languages, distributed to all Group purchasing entities and published on the corporate website) requires employees **to disseminate ethical principles and to screen suppliers** on ethical principles such as anti corruption and human rights (p 11):

- Ensure that the Group's commitments with regard to ethical standards, sustainable development and corporate responsibility are known and maintained.
- All purchasers must ensure that any potential supplier is familiar with the GDF SUEZ Group's Ethics Charter, which can be consulted on the Group's website.

Where appropriate, when selecting suppliers, purchasers must take into consideration the suppliers' track record in the context of its action to promote sustainable development and corporate social responsibility.

- Purchasers must impose contractual terms and conditions on suppliers selected, requiring them to observe all international regulations concerning Human rights and ethics.

- "Any supplier involved – either directly or via its subcontractors – in child labor, illegal or forced labor, corruption or discrimination must be excluded from any business relationship."

These principles are aimed at all those working with the Group's suppliers as well as with experts, purchasers, procurement partners, users, managers, and project leaders. These principles help to encourage suppliers and their subcontractors to implement anti-corruption commitments in their own companies.

Business Consultants

Principles are presented in the Guidelines documents "Ethics in Practice", "Ethics of Business Relationships: Governing Principles", and "Business Consultants Policy", the new policy for the selection of commercial consultants worldwide based on external assessment.

The "**Business Consultants Policy**", adopted by GDF SUEZ's Executive Committee on July 23, 2012 and put into force on January 1, 2013 has a three-fold purpose: (i) to submit all business consultants considered for appointment to a full due diligence process; (ii) to set remuneration standards by regions and therefore to strictly monitor the remunerations paid; and (iii) to ensure traceability of the entire selection process.

Public-sector partners

The principle of transparency concerning payments via the publication of data in the framework of EITI helps encourage business partners to implement anti-corruption commitments in this sector.

II. IMPLEMENTATION

B3-Translation of an anti-corruption commitment into actions

GDF SUEZ has identified corruption risks within the Group's operations, developed guidelines and detailed procedures, and appointed management and the organization to implement, monitor and improve actions.

All areas particularly conducive to fraud and corruption have been catalogued and illustrated in the "Ethics in Practice" Guidelines document, which provides key information needed to understand the topic, and issues relating to specific professional practices, whether associated with a particular business (buyer) or with cross-discipline activities (relationship with suppliers), or with sensitive fields such as the use of business consultants.

The **Integrity Action Plan 2010-2012** includes key actions implemented in this framework such as, for instance,

- strengthening the monitoring of ethics incidents
- mandatory training sessions for top executives, training sessions for managers, and all employees on Integrity
- certifications and auto-evaluation of entities, a new Business Consultants Policy, new Governing Principles of Business Relationships (including Gifts and Hospitality policy), etc.

Group Business Lines are required in 2013-2014 to establish implementation policies for "Gifts and Hospitality" based on governing principles presented by the new "Ethics of Business Relationships" code.

The Business Ethics & Compliance Division coordinates the Integrity Action plan, mainly with the support of entity managers and expert communities: ethics officers, legal advisers, and internal control, audit and risk teams.

The global network of 175 ethics officers has the mission to devise, implement, monitor and improve the program and the action plan worldwide, under the supervision of the Group Ethics Officer.

The aim of the **GDF SUEZ 2010-2013 Action Plan for Implementing Responsible Purchasing** is to translate policy and anti-corruption commitment towards suppliers in actions and targets to be achieved.

Internal Control and Audit help to make the fight against corruption more efficient, and all activities are monitored at the highest level in the Group.

B4- Support by the organization's leadership for anti-corruption

Leadership's messages and personal commitment and support on integrity are on Group's intranet site.

"We will not tolerate any breaches in Ethics", Gérard Mestrallet, GDF SUEZ Annual Ethics Conference, 2011.

- **"A sustainable company is an ethical company. For me, this is a core belief. It needs to be our focus for GDF SUEZ."** Gérard Mestrallet (intranet site)

- *"Acting in accordance with laws and regulations, establishing a culture of integrity, behaving fairly and honestly, and respecting others. These are the watchwords that apply **in all of our** professional actions and in the world as a whole."* Gérard Mestrallet, November 10, 2009 (The Integrity Referential, intranet).

- *"Integrity is one of the four fundamental principles guiding ethics within the GDF SUEZ Group. These ethical principles must underpin **the behavior of each and every one of us**, in all places and in all circumstances. They represent the mindset through which we express our adherence to GDF SUEZ. In other words, integrity is an integral part of the common culture that binds the Group's companies together"* (The Integrity Referential, intranet site).

B5- Communication and training on the anti-corruption commitment for all employees

All the documents and publications about Integrity (such as the referential, guidelines) are on the Group's intranet and extranet sites, available to every Group entity.

An Ethics Newsletter is published quarterly by the Ethics and Compliance Division with information on new guidelines and reference documents, relevant laws, best practices taken by entities regarding ethics, and the training schedule.

In compliance with the principles set forth in the US Federal Corrupt Practices Act and the UK Bribery Act, in 2011 GDF SUEZ set up a 3-hour intensive training program, "Understanding and anticipating the risk of fraud and corruption", to raise the awareness of its Senior Executives on issues of fraud, corruption and competition. This training program was made compulsory by GDF SUEZ's CEO & Chairman. To increase the awareness of employees in ethics, training sessions about "Business Ethics" are organized for all managers in English and

French (four hours); a specific session has been organized for new managers. E-learning training modules are available to all employees and managers in five languages on four topics:

- Ethical decision making,
- European Union competition rules,
- Best practices in public market
- Combating bribery in business.

B6- Internal checks and balances to ensure consistency with the anti-corruption commitment

GDF SUEZ decided to ensure consistency with the anti-corruption commitment in the sensitive field of business consultants. The inherent risk of using the services of a business consultant must be assessed by a mandatory due diligence, taking into account his/her reputation, technical, financial and commercial references, clean criminal record and professionalism.

Due diligence may also be applied in the field of business, supplier, and corporate patronage and sponsorship partnerships.

For daily professional life, 3 types of checks and checklists are published on the intranet site at the disposal of all employees:

- **Check for an ethical dilemma:**

to ascertain quickly whether you are facing an ethical dilemma, 7 *auto evaluation points* to assess the potential risk of fraud or corruption are published on the intranet site in the GDF SUEZ's Integrity Referential, such as, for instance: "What would my colleagues and managers think of this?"; "Would I like my friends and family to know about this type of practice?".

- **Red-flag check by management about the use of business consultants (source: Integrity Referential)**

In the interest of risk prevention, management must pay particular attention to seven red-flag alerts about choice criteria and the global environment for the professional relationship (e.g., an unjustified secrecy requirement by the consultant). They are published on the intranet site in the Group's Integrity Referential.

- **Check to prevent the risk of corruption and fraud**

Four principles are available on the corporate website in the "the Integrity Referential summary".

D6-Actions taken to encourage business partners to implement an anti-corruption commitment

GDF SUEZ business partners are: customers, joint-venture partners, suppliers, external commercial employees, external commercial partners, business consultants, partner companies in public initiatives, public officers, etc.

Special attention is paid to the relationship with suppliers and business consultants: policies, codes of conduct, action plans, and tools aimed at preventing incidents with these business partners.

a) Suppliers

In 2011, GDF SUEZ's CEO & Chairman Gerard Mestrallet sent a letter to high-priority suppliers to invite them **to join the Global Compact**. An internal report was made on the feed-back.

Entities are required to use an ethics clause in contracts with suppliers and subcontractors, which states that suppliers must proscribe any form of corruption whatsoever during the performance of the contract and undertake to ensure the respect and enforcement of rules by its principal subcontractors and/or suppliers.

For instance, GRTGaz – the Group company managing a natural gas transportation grid in France – has an ethical legal clause published on its website (point 15 of general contract conditions), which requests GRT Gaz's suppliers as well as their own subcontractors to comply with five ethics and sustainable development principles, of which one is about corruption.

The IT Corporate Purchasing Division also uses an ethics clause in its contracts with suppliers.

GDF SUEZ requires its commercial partners, subcontractors and suppliers to establish their own ethical, environmental and social rules, if they have not already done so, and to maintain practices that are compatible with the Group's values.

b) Business consultants

The Group decided to establish a policy and specific procedures on the business relationship with commercial consultants, including external due diligence, approved by the Group Executive Committee in 2012 for implementation in 2013.

D7- Management responsibility and accountability for implementation of the anti-corruption commitment or policy

GDF SUEZ identifies management as its priority target for implementing its anti-corruption program and as having prime responsibility for applying and communicating on ethics principles.

Tools for implementing this strategy include mandatory training sessions for senior managers about anti-corruption, and training sessions by GDF SUEZ University for newly appointed managers at all levels.

GDF SUEZ's annual Compliance Procedure, presented to the CEO & Chairman and carried out under the responsibility of the Group Ethics Officer, requires compliance and commitment letters from the top management of each Business Lines and Business Units.

D8- Human Resources procedures supporting the anti-corruption commitment or policy

Human Resources develop the ethics and anti-corruption policy in their policies and procedures:

-The Ethics Charter and "Ethics in Practice" Guidelines are given to new recruits;

- The Human Resources managers' behavior reference document "Management Way", as well as the reference document concerning "high potential employees", formally include two points concerning ethics and integrity as required behavior for managers:

- The ambition to act with integrity and
- The capacity to take equitable decisions.

Certain entities detail ethics criteria in:

- Recruitment announces (for instance the company SITA) and
- Annual career appraisals.

D9-Communications (whistle blowing) channels and follow-up mechanisms for reporting concerns or seeking advice

In GDF SUEZ, an Ethics Email System has been implemented for reporting ethics concerns or seeking advice on an individual basis.

This system is reserved for persons employed by the GDF SUEZ Group, whatever their employment status. Its use is strictly voluntary and cannot be made mandatory.

Information about the ethics email system is published on the corporate website and intranet site.

This email system was set up by the GDF SUEZ Group to enable its employees to give notice of problems that could seriously affect their work or their responsibilities. It is not a substitute for other existing reporting channels (with the hierarchy, personnel representatives, the auditors, a public authority, etc.) but complements them.

The Group Ethics Officer, assisted by the Senior Vice President in charge of Ethics and Compliance, is responsible for the ethics email system. Cases are analyzed for treatment by the Compliance Committee and statistics are available for this Committee.

D10-Internal accounting and auditing procedures related to anti-corruption

Cooperation between the Ethics and Compliance Department and the Audit and Risk Management Department ensures that specific items concerning corruption are included in the Group's audit program.

- Audits are carried out annually on those items.
- The Internal Control Department (INCOME procedure) helps to make activities in this sensitive field more secure.

D11-Participation in voluntary anti-corruption initiatives

GDF SUEZ decided to participate in four voluntary external initiatives fighting against corruption:

- **GDF SUEZ supports the Global Compact**

The Group aims to increase the quality of internal procedures and reporting practices.

The Group reports in 2012 to the Global Compact on the 10th principle against corruption on 22 indicators in the framework of COP, Communication on Progress). GDF SUEZ carries out initiatives for promoting the Global Compact with respect to its business partners.

- **GDF SUEZ is a member of EITI – Extractive Industries Transparency Initiative**

GDF SUEZ has been a member of EITI since 2009, recognizing the importance of supporting improved governance in resource-rich countries through the publication of payments to governments from oil, natural gas and mining. In this respect the Group:

- Publishes EITI principles on its website
- Financially contributes to EITI
- Shares contacts with multi-stakeholder groups in others countries and participates in working groups in countries where the Group is present
- Reports annually to EITI for the following countries: Germany, United Kingdom, Netherlands, Azerbaijan, Norway.

- **Participation in Transparency International (TI), French Section**

GDF SUEZ is a Company Member of the French section of Transparency International, the non-profit organization that is extremely active in the fight against corruption. GDF SUEZ agrees with TI values, its object of raising awareness and reducing apathy towards, and tolerance of, corruption, and devises and implements practical actions to address it.

Suez Environnement has built a partnership with TI about Integrity, with the implementation of an action plan since 2011.

Commitments of GDF SUEZ in relation to TI:

- not to participate in actions for corruption
- to fight corruption by participating in TI France's actions
- to implement actions for preventing corruption in the Group directly or through business partners
- to implement actions for identifying guilty partners and punishing them.

- **Participation in the Water Integrity Network (WIN) by Suez Environnement**

The Water Integrity Network was formed in 2006 to stimulate anti-corruption activities in the water sector worldwide. WIN is committed to accountability, **transparency, integrity, honesty**, mutual support and knowledge exchange among its members.

III. MONITORING

B7-Monitoring and Improvement processes

The Group's *monitoring and improvement process* for Ethics and Integrity is based on four focus areas:

- a) Guidance
- b) Risk management, audits and controls
- c) Annual Compliance Procedure
- d) Process dealing with incidents

- a) **Managerial guidance involving the Group's entire management chain**

The impetus behind GDF SUEZ's ethical commitment comes from the highest level of the Group: the Chairman, the Board of Directors, and the Executive Committee, who have chosen to provide the Group with appropriate structures.

Ethical policies are managed by the General Secretary, who is also the Group Ethics Officer.

Ethics and Compliance policy is overseen by the Ethics, Environment and Sustainable Development Committee, reporting to the Board of Directors.

GDF SUEZ Executives have prime responsibility for the implementation of ethical principles and practices.

Business line and Business Unit top managers have each named a Business Line ethics officer, chosen from their respective executive committees. Ethics and compliance-related responsibilities are defined at all levels of the management chain.

The **Ethics Officer' Steering Committee**, made up of Ethics & Compliance Division managers and Business Lines ethics officers promotes and oversees the achievement of Ethics Action Plans and confirms the operational feasibility of the measures proposed.

The **Compliance Committee**, chaired by the Group's Ethics Officer, with the participation of Heads of the Audit, Legal, and Ethics & Compliance Divisions, promotes and oversees implementation of compliance procedures and ensures that appropriate measures are taken.

The Committee reports for the GDF SUEZ Ethics policy and program to the CEO & Chairman, as well as to the Chairman of the Ethics, Environment and Sustainable Development Committee.

b) Risk, audit and control management

The Internal Control Department periodically assesses the implementation of Ethics Policy. Audits are also carried out. Areas are identified by the Ethics and Compliance, Legal, and Audit and Risks Divisions.

c) Annual Compliance Procedure

A detailed **Annual Compliance Procedure** for monitoring the deployment of the Group's ethics policy in the Business lines and entities has been established. Its description is given in detail in D12.

d) Process dealing with incidents

The number of ethics incidents is followed regularly by the Compliance Committee. A detailed description of procedures for dealing with incidents is given in D13.

D12-Annual Compliance Procedure

An annual Compliance Procedure allows for monitoring the implementation of the Group's ethics policy and programs within the entities. Integrity is an important issue of this procedure.

The Procedure is overseen by Gérard Mestrallet and is placed under the responsibility of the Business Line Heads, in cooperation with the ethics officers of the entities in which the procedure is followed.

It consists of an Ethics Officer Report stating the progress and the ethical organization of the entity concerned, together with a compliance letter from the manager of the entity. These documents are consolidated at the level

of each Business Line. The Group Ethic Officer draw up the annual compliance report sent to the Chief Executive Officer. It is presented to the Ethics, Environment and Sustainable Development Committee reporting to the Board of Directors. A dashboard with indicators is part of this monitoring system.

D13- Dealing with incidents

GDF SUEZ has developed a system for dealing with incidents, whose aim is to: put a stop to any fraudulent behavior, ascertain precisely what occurred and determine the ramifications, propose compensation for the damage caused, punish the individuals responsible, and suggest measures for improvement.

The detailed procedure for dealing with incidents, including remedial steps, is described in the Integrity Referential and in GDF SUEZ's decision statement on this document, which has been validated by the Executive Committee and published on the corporate intranet site.

A specific real-time procedure, INFORM'éthics, has been deployed in the Business Lines and Business units for reporting incidents in the Group's main areas of risk: accounting and financial integrity, conflicts of interest, social responsibility and human rights, business ethics, confidential information and protection of intangible property (p 80, Registration Document 2012).

INFORM'éthics includes: a declaration of incidents, the handling of reported incidents (such as sanctions and corrective actions), and continuous improvement processes (such as prevention plans).

The Compliance Committee chaired by the Group Ethics Officer drives and verifies the implementation of the compliance procedure. It notes breaches and ensures that the appropriate treatments have been applied. It reports to governance bodies and Executive Management on the application and the overseeing of GDF SUEZ ethics mechanisms.

Whom to contact

An individual who has knowledge of a corrupt or fraudulent act may contact people at various levels: the person directly concerned, work colleagues, managers, the ethics officer for the particular BU or Division, the legal officer of the BU or Division, the Business Line Ethics Officer; the Group's Ethics Officer (General Secretary) and the Ethics and Compliance Senior Vice President may be contacted directly via an ethics e-mail.

Incidents: detecting, analyzing, resolving, penalizing, reporting

The way of dealing with incidents is presented in point 2.4. "Dealing with cases of fraud and corruption" in the GDF SUEZ Decision, approved by Executive Committee.

Six actions have been identified:

- 1 . putting a stop to fraudulent behavior
- 2 . ascertaining precisely what occurred
- 3 . determining its ramifications
- 4 . deciding how best to remedy the damage caused
- 5 . punishing the individuals responsible
- 6 . suggesting measures for improvement.

D14-Public legal cases regarding corruption

To enhance credibility with its stakeholders, every year GDF SUEZ publishes “**The Registration Document**”, the corporate official document about activities, organizations and key facts.

Important pending or closed cases on the last 12 months with a significant impact on the Group are mentioned in that document.

D15-Use of independent external assurance of anti-corruption programs

The Ethics & Compliance Division and the Sustainable Development Division reply each year to assessments carried out by extra-financial ratings agencies, and work to implement anti-corruption programs.

Several of GDF SUEZ’s entities have conducted assessments in partnership with independent organizations, such as “Good Corporation” including fraud and corruption issues.

Contacts: françoise.guichard@gdfsuez.com; anna-dg.scheidecker@gdfsuez.com.

2. SUSTAINABLE DEVELOPMENT ACTION PLAN

The Group's sustainable development policy is implemented in the action plans of GDF SUEZ business lines and entities. Each entity designs and implements an action plan based on the three orientations of the Group's policy specifically adapted to each of its businesses.

The sustainable development management system is integrated in the Group's organization. Its objective is to carry the sustainable development approach within GDF SUEZ in order to contribute to the creation of aggregate value for the Group. It is based upon the Group's strategic planning processes and the operational processes of business lines combined with those of the functional divisions. The action plan has three components:

1. Innovating to build on and anticipate the evolution of the energy, water and waste markets

The energy, water and waste markets respond to major economic, social and environmental challenges, some of which have undergone significant changes. In order to anticipate market evolutions and their impacts on its activities, the GDF SUEZ Group responds to these circumstances by innovating to ensure its growth.

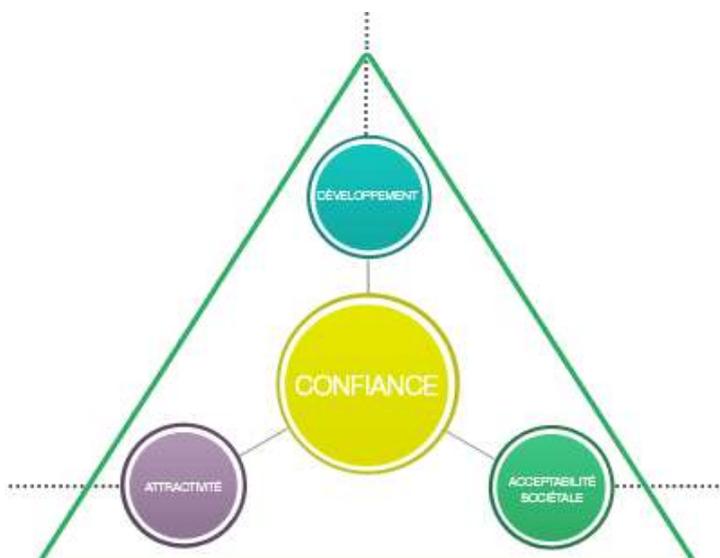
2. Guaranteeing continuing success and local acceptability of activities in the field

The local roots of the Group's industrial facilities are specific to each of its businesses (providing water, energy, sanitation) and essential to its continued prosperity. To ensure its long-term development, the Group must also fulfil the expectations of its stakeholders. GDF SUEZ conducts this policy at both the local and global levels of the Group for all social and environmental issues.

3. Developing the attractiveness, efficiency and social cohesiveness of GDF SUEZ

Developing human and intellectual capital is a major challenge for the Group. GDF SUEZ must be able to rely on its know-how and skills in the service of ecological growth.

As a complement to this, the values of sustainable development provide a powerful lever for cohesion and a common culture for the Group's employees.



SUSTAINABLE DEVELOPMENT ACTION PLAN

In 2012, the deployment of the Group sustainable development policy is accelerated. All entities in the world were asked to contribute to the implementation of this policy by emphasizing the social component: social inclusion, local jobs creation, training health and safety of employees, socioeconomical development and combating fuel and water poverty

Annual business line action plans

In the business lines, policy implementation includes the realisation and implementation of discrete sustainable development action plans. These vary by business activity and the characteristics of the business lines. The impact of certain policy issues will determine the extent to which these action plans will be developed within each business line. Policy implementation is subject to regular exchanges between the Sustainable Development Division and business line managers.

An annual evaluation is carried out for each business line. An overall analysis for the Group as a whole is presented to the Group Executive Committee and the Ethics, Environment and Sustainable Development committee of the Board of Directors, which then issue recommendations in terms of strategy and management of the Group's sustainable development programme.

Medium-term business plan

The group's medium-term business plan, which constitutes the planned strategic and financial programme over a period of several years includes a sustainable development dimension. The objective is to integrate new "sustainable" business opportunities within Group strategy, including constraints associated with non-financial risks, and to convert them into financial values. This leads to sustainable development being an integral part of strategy and incorporated in the company's balance sheet and income statement forecasts.

Scorecard

Pursuing targets at a Group level is measured using monitoring indicators, the most important of which are combined in the Group scorecard. This allows progress to be tracked from year to year.

The sustainable development scorecard:

- represents the Group's sustainable development ambition and policy;
- provides balanced coverage of:
 - the axes of sustainable development policy directions;
 - areas of sustainable development : quality, health, safety, environment, societal responsibility, human and social responsibility, etc.
- includes quantified data, validated by management and annotated by the operational entities concerned reporting them.

SUSTAINABLE DEVELOPMENT TARGETS OF THE GROUP

10 Group sustainable development objectives, quantified and dated, were established at the end of 2010 and validated by the Executive Committee at the start of 2011. These are part of the three sustainable development policy orientations.

<p>Renewable energy Target: Increase the installed capacity in renewable energy by 50% between 2009 and 2015.</p>
<p>Biodiversity Target: Implement a biodiversity action plan in each sensitive site in the European Union by 2015.</p>
<p>Health & Safety Target: Achieve a frequency rate (FR) of less than 6 in 2015.</p>
<p>Gender equality 4 Targets by 2015: - 1 in 3 executive management appointments will be a woman, - 25% female managerial staff members, - 30% female recruitment, - 35% female High Potentials.</p>
<p>Training Target: Maintain the level of two-thirds of employees benefiting from at least one training course per year.</p>
<p>Employee shareholders Target: Reach and maintain the level of 3% in corporate capital held by employee shareholders by 2015.</p>
<p>Investment SD criteria Target: Integrate the “investment SD criteria” in 90% of business development projects presented to the Commitments Committee by the end of 2012.</p>
<p>The total of 10 sustainable development targets means that GDF SUEZ is one of the world’s best performing groups in terms of corporate social responsibility management requirements..</p>

Sustainable development investment criterias

The sustainable development investment criteria are incorporated in the project analysis procedure. Since 2010, a ten-point evaluation of sustainable development criteria (including ethics, CO2 emissions, social impact, human resources, environmental ecosystem management, cooperation with stakeholders, health & safety, etc.) now features in the Commitments Committee’s review of any new investment proposal. This complementary analysis highlights the sustainable development risks and opportunities created for the Group by any new investment.

Assessing performances in sustainable development

The sustainable development dimension is assessed at all performance reviews at a pace adapted to each business line. These reviews are conducted at least once a year based on achieving sustainable action plans. Internal control and audit procedures ensure that various implementation aspects are incorporated into their program and analytical tools, in coordination with the Strategy and Sustainable Development Division.

Non-financial indicators

Sustainable development is seen as the combination of sustainable business and the management of non-financial risks. Sustainable business involves identifying environmental and social issues and transforming them into opportunities. Management of non-financial risks covers several areas, including the environment, local and international acceptability of activities, health, safety, human resources management and ethics.

The Group's non-financial performance is based on dated and quantified targets and an overall assessment organized around different resources (high level of governance, reporting, scorecard, performance reviews and non-financial indicators).

Non-financial performance is monitored at several levels of the Group. The Board of Directors' Ethics, Environment and Sustainable Development Committee has established an ambitious scope for sustainable development, covering the policies implemented, the outlook and the action plans (see Section 4 "Corporate governance").

The Group's General Management Committee and Executive Committee, coordinated by the Chairman and Chief Executive Officer, decide on matters of sustainable development policy. The role of the Group Sustainable Development Steering Committee is to prepare annual action plans, monitor their implementation, gather experiences across the various entities and encourage exchange on major sustainable development strategies (including the fight against climate change and corporate social responsibility). Lastly, the Sustainable Development Network disseminates the Group's policies and the good practices of the BUs.

The sustainable development scorecard measures the degree of implementation of the sustainable development policy. It contains indicators that ensure the balanced coverage of the three areas of the policy. Each year, the scorecard is presented to the Board of Directors' Ethics, Environment and Sustainable Development Committee and to the Executive Committee by the Sustainable Development Department, to provide a progress report on implementation of the policy and achievement of the Group's non-financial objectives.

The Group's corporate reporting, environmental reporting (see Section 3.3 "Environmental information") and social reporting, which are a statutory obligation under Article L-225-102-1 of the Commercial Code, form the basis of a published group of indicators that is verified by an independent third party. Each year, the Group aims for a "reasonable" level of assurance for a growing number of indicators. Using the ISO 26000 standard, the key principles of the OECD, the principles of the Global Compact and the Global Reporting Initiative as a basis, GDF SUEZ has formalized its sustainable development commitments, mainly through the publication of 10 dated and quantified objectives in 2011.

These objectives can be divided into the various themes within the policy's three main areas:

- renewable energy: increasing installed capacity in renewable by 50% between 2009 and 2015;
- biodiversity: implementing a biodiversity action plan in each sensitive site in the European Union by 2015
- health and safety: achieving an accident frequency rate (FR) of less than 6 in 2015;
- gender equality: four targets by 2015:
 - 1 in 3 senior managers appointed will be a woman,
 - 25% of women executives,
 - 30% of women in recruitments,
 - 35% of high-potential women;

- training: maintaining the level of employees receiving at least one training per year at two-thirds employee shareholders: achieving and maintaining a level of employee shareholding in the company's share capital of 3% by 2015;
- sustainable development investment criteria: incorporating sustainable development investment criteria into 90% of business development projects presented to the Commitments Committee by the end of 2012.

In 2012, following the analysis performed by non-financial rating agency Vigeo, GDF SUEZ was confirmed for the fifth consecutive year as a member of the ASPI Eurozone® (Advanced Sustainable Performance Indices). GDF SUEZ was given a C+ rating by Oekom in 2011.

The Group ranks third among 34 companies in the "Electric & Gas utilities Europe" sector according to Vigeo's latest assessment, and ranks first among the integrated energy companies in this category.

The non-financial rating agency emphasized the Group's very good performance in corporate social responsibility, assigning a "Good" rating with a higher score than for the previous assessment. GDF SUEZ registered a better performance on average in five of the six domains analyzed by Vigeo, and was in line with the sector average in the sixth.

The Group's response rate of 89% during the assessment process, which was the highest of the sample, shows the efforts being made in terms of transparency.

GDF SUEZ has also been on the following three indices since they were created in November 2012 and is categorized as:

- 5th on the "Vigeo France 20";
- 14th on the "Vigeo Europe 120";
- 16th on the "Vigeo World 120".

The Group is the leading integrated energy company on each of these three indices.

GDF SUEZ completes a Carbon Disclosure Project questionnaire every year. In 2012, GDF SUEZ achieved a score of 92 out of 100 for the quality component of its reporting (up 5 points) and a "B" score for the performance component (on a scale from A to E, "A" being the highest score).

The Group has published its 2012 Sustainable Development Report, which was rated "B+" by the Global Reporting Initiative (GRI).

3. GDF SUEZ partnerships and memberships in support of sustainable development

As an extension of its corporate environmental and social responsibility policy, GDF SUEZ shares its ideas and best practices, and supports actions by its partner organizations, both national and international.

GDF SUEZ plays a leading role in several national and international organizations that study the issue of corporate social responsibility and promote sharing best practices, emulation and developing shared positions.

MAIN PARTNERSHIPS AND MEMBERSHIPS OF THE GROUP IN THE FIELD OF SOCIAL RESPONSIBILITY

Name	Status	GDF SUEZ commitment
Global Compact	GDF SUEZ has been a member of the United Nations Global Compact since 2000 Gérard Mestrallet, CEO of GDF SUEZ, is the President of the French network of the Global Compact	The Group is committed to respecting the 10 principles of the Global Compact. GDF SUEZ publishes an annual Communication on Progress report presenting the actions undertaken as part of this commitment.
WBCSD (World Business Council for Sustainable Development)	Member	GDF SUEZ is co-chair of the “Access to energy “ and “Urban Infrastructure Initiative” working group. The Group participates in Focus Areas: Development, Energy & Climate, etc. GDF SUEZ has been an active member of the Energy Efficiency in Buildings project.
EITI (Extractive Industries Transparency Initiative)	Member	Each year, the Group is committed to publishing the payment information concerning member countries of the EITI in which it exercises Exploration & Production activities.
Observatoire Social International (OSI)	GDF SUEZ is founding member Muriel Morin (HR department) is président	With other major partners, the Group contributes to the laboratory of ideas and initiatives on major economic and social challenges faced by business and society, such as welfare to work and the universal right to health; issues of corporate governance, the development of human capital, the development of the role and tasks of managers, social finance in globalization
Fondation Agir pour l'Emploi (FAPE)	GDF SUEZ is founding member Muriel Morin is president	Under the aegis of the Fondation de France, GDF SUEZ supports FAPE among other projects submitted by persons in charge of internal sponsorship, solidarity, social responsibility, employees and retirees (FAPE resources come exclusively donations from employees and retirees topped 100% of their companies), and also considering draft external partners in relation the mission of FAPE.

Name	Status	GDF SUEZ commitment
FACE(fondation Agir contre l'exclusion)	GDF SUEZ is a founding member	The Fondation Agir Contre l'Exclusion (FACE) is a recognized non-profit association that was founded on February 20, 1994 to combat all forms of exclusion, discrimination and poverty. Its efforts focus on employment, education, energy consumption, health, housing, digital technology and citizenship by developing and testing local efforts for balanced regional development that benefits local residents. It promotes social commitments that strengthen the economic fiber of regional communities by encouraging and actively supporting the initiatives of companies. Through its network of local associations, known as the FACE Clubs, it now works with 4,000 companies, including major groups and small- and medium-sized businesses.
Entreprises pour les Droits de l'homme (EDH)	GDF SUEZ is a founding member	GDF SUEZ is one of the eight founding members of the association Entreprise pour les Droits de l'Homme (EDH), which it has chaired since its creation in 2009. EDH member companies work together to protect and integrate human rights into corporate strategies, management and business practices. EDH has set up a human rights training program for managers in order to increase awareness on human rights issues and ensure that human rights remain a central part of management decisions.
CSR Europe (Corporate Social Responsibility Europe)	GDF SUEZ is a founding member of CSR Europe	The Group sponsors the European "ENTREPRISE 2020" project alongside the European Commission. The Group chairs a working group on "New Business Models at the Base of the Pyramid" and on "employment for seniors". The Group participated in the creation of a CSR toolbox (BOP, diversity, health...).
ORSE (Observatoire sur la responsabilité sociétale des entreprises – a branch of CSR EUROPE France)	Member	The Group participates in: - the "Sustainable Purchasing" working group, - the working group producing the CSR Europe/ORSE Guide on proactive commitment between companies and stakeholders.
Business & Society	GDF SUEZ is a founding member of CSR Europe	The Group is leading several collaborative projects among organizations, especially dedicated to the promotion of technical professions, active ageing and business ethics.

Name	Status	GDF SUEZ commitment
Comité 21	Member of the Board of Directors	The Group participates in working groups on Agendas 21 and local authorities, sustainable marketing, sustainable development education.
FONDDRI (Foundation for Sustainable Development and International Relations)	Vice-Presidency held by Françoise Guichard, Director for Sustainable Development	The Group participates in areas including the "Climate" and "Biodiversity" clubs.
EUROGAS (European Gas Association)	President: J.F Cirelli Vice-Chairman, President of GDF SUEZ	The Group takes part in commissions and work on the industry's positioning.
MEDEF (Mouvement des Entreprises de France / Confederation of French Industries)	Member	The Group participates in a variety of commissions (including corporate social responsibility, non-financial performance, climate change, biodiversity, etc.).
AFEP (Association Française des Entreprises Privées / French Association of Private Corporations)	Gérard Mestrallet is a member of the Board of Directors	The Group participates in areas including the Sustainable Development Committee.
Emmaüs France	Partnership	The Group is committed to anti-exclusion measures by conducting various actions including energy audits, recovery/ recycling of material and property, donation of vehicles, etc.
UICN France (International Union for Conservation of Nature)	Partnership	Promotes incorporation of biodiversity conservation into the Group's activities.
Fondation pour la Recherche sur la Biodiversité (Biodiversity Research Foundation, FRB)	Member of the Strategy Committee	The Group finances of the flagship programme "Biodiversity modelling and development scenarios."

4. Reports and analyses: results of actions backed up by figures

The management of GDF SUEZ's sustainable development approach is based on a set of quantified information taken in particular from environmental, social and corporate social reports. They contribute to the continuous improvement of the Group's performance.

Progress and dialogue

By showing the progress in GDF SUEZ's extra-financial performance, the figures are the basis for dialogue with the Group's stakeholders, and more specifically with "Socially Responsible Investing" (SRI) investors and analysts.

Social reporting and result analysis

<https://www.gdfsuez.com/wp-content/uploads/2013/05/GDF-SUEZ-Social-reporting-2012.pdf>

Environmental reporting and result analysis

Download the Environmental reporting 2012 document

<https://www.gdfsuez.com/wp-content/uploads/2013/05/GDF-SUEZ-Environnemental-reporting-2012.pdf>

Corporate social reporting and result analysis

Download the corporate social reporting 2012 document

<https://www.gdfsuez.com/wp-content/uploads/2013/05/GDF-SUEZ-Corporate-social-reporting-2012.pdf>

ATTACHMENTS

ATTACHMENT 1-GDF SUEZ PROFILE

GDF SUEZ develops its businesses (electricity, natural gas, services) around a model based on responsible growth to take up today's major energy and environmental challenges: meeting energy needs, ensuring the security of supply, fighting against climate change and maximizing the use of resources.

The Group provides highly efficient and innovative solutions to individuals, cities and businesses by relying on diversified gas-supply sources, flexible and low-emission power generation as well as unique expertise in four key sectors: liquefied natural gas, energy efficiency services, independent power production and environmental services.

GDF SUEZ employs 219,300 people worldwide and achieved revenues of €97 billion in 2012. The Group is listed on the Paris, Brussels and Luxembourg stock exchanges and is represented in the main international indices: CAC 40, BEL 20, DJ Stoxx 50, DJ Euro Stoxx 50, Euronext 100, FTSE Eurotop 100, MSCI Europe, ASPI Eurozone and ECPI Ethical Index EMU.

Key Group figures

- 219,300 employees throughout the world
 - inc. 61,300 in electricity and gas,
 - 78,400 in energy services,
 - and 79,600 in environmental services.
- €97 billion in 2012 revenues.
- A presence in close to 70 countries.
- €7-8 billion of investment per year over 2013-2015.
- €11 billion in asset optimization over 2013-2014.
- 1,100 researchers and experts at 9 R&D centers.

Electricity

- No.1 independent power producer (IPP) in the world.
- No.1 producer of non-nuclear electricity in the world.
- No.1 independent power producer (IPP) in the Persian Gulf region, in Brazil and in Thailand.
- 116 GW of installed power-production capacity.
- 10 GW of capacity under construction.
- 50% increase in renewable energy capacity between 2009 and 2015.

Natural gas

- A supply portfolio of 1,208 TWh.
- No.2 buyer of natural gas in Europe.
- No.1 natural-gas transport and distribution networks in Europe.
- No.1 vendor of storage capacity in Europe.
- 344 exploration and/or production licenses in 16 countries.
- 836 mboe of proven and probable reserves.

LNG

- No.1 importer of LNG in Europe.
- No.3 importer of LNG in the world.
- No.2 operator of LNG terminals in Europe.
- A fleet of 17 LNG tankers inc. two regasification vessels.

Energy services

- No.1 supplier of energy and environmental efficiency services in the world.
- 1,300 sites throughout Europe.
- 180 district cooling and heating networks operated throughout the world.
- 48 public-private partnerships across Europe.

Environmental services

- No.2 supplier of environmental services in the world.
- 97 million individuals supplied with drinking water.
- 57 million individuals provided with waste services.
- 66 million individuals provided with sanitation services.

ATTACHMENT 2- PUBLICATION

<http://www.gdfsuez.com/groupe/publications/>

GDF SUEZ ACTIVITIES REPORT 2012



GDF SUEZ REGISTRATION DOCUMENT 2012



ATTACHMENT 3- GLOBAL COMPACT 10 PRINCIPLES



GLOBAL COMPACT - The 10 principles

Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

Labour standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

www.unglobalcompact.org

<http://www.pactemondial.org/>



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