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Reporting – Global Compact Principle 10

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ANTI-CORRUPTION

PRINCIPLE 10

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

Fighting corruption is one of the Group’s major commitments, reflected in its organization and modes of governance. ENGIE policy is based on the principle of maintaining a culture of integrity, trust and honesty, including a zero tolerance policy on fraud and corruption, both inside and outside the company when it deals with third parties.

In 2012 the Group started reporting on the 10th principle against corruption for the Global Compact which comprises about 22 indicators. The reporting is made in accordance with the guidelines provided by UNGC and Transparency International.

N°	Actions	Basic Reporting Element	Desired Reporting Element
1.	Commitment and policy	B1-B2	D1-D5
2.	Implementation	B3-B6	D6-D11
3.	Monitoring	B7	D12-D15

This action is part of a broader program of voluntary initiatives taken by the Group to contribute improving integrity, as ENGIE is committed to developing the highest standards of ethics and transparency and supports multilateral international initiatives to fight corruption.

“Behave honestly and promote a culture of integrity” is one of the 4 fundamental ethical principles guiding ENGIE, according to the Group [Ethics charter](#), updated in 2016, published in 20 languages and distributed to all Group employees.

ENGIE, which employs 153,090 people in 70 countries, understands the need for inviolable ethics rules, the respect for integrity, and for adequate means of continuously raising the awareness of every employee on ethics.

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Executive summary

ENGIE is implementing a program to fight against corruption, which incorporates best international standards: UK Bribery Act, US Foreign Corrupt Practices Act (FCPA), and French Sapin II law.

A commitment at the highest Group level

- *The Group's executives, particularly the Chairman, the CEO and the Executive Committee, drive and supervise ENGIE's ethics policy and ensure its effective implementation, in particular through the Compliance Committee.*
- *A strong zero tolerance approach to ethics is part of the ethical referentials and is regularly expressed by the CEO:*

"We have a very clear policy: zero tolerance, particularly regarding fraud and corruption, and complete commitment to compliance with ethical rules - those of the countries in which we operate and those we set for ourselves. Although our Group draws strength from its operational excellence, it is also recognised by all of its partners and customers for its very high level of reliability and responsibility. It is therefore down to each and every one of us to live up to the trust is placed on us, by making ethics an absolute priority every day."

Isabelle KOCHER, CEO, November 2016, introduction of ENGIE [Ethics charter](#).

- *The Group's external commitments are made with organisations like EITI, Global Compact, Transparency International France, and required of all our suppliers, service providers, subcontractors and partners.*

Risk assessment

- *An assessment of ethical risks that takes into account the specific characteristics of ENGIE's activities is integrated into the Group's risk analysis process (annual ERM process). The results are presented to the Group's Executive Committee and to the Ethics, Environment and Sustainable Development Committee of ENGIE Board of Directors.*

Establishing an anti-corruption compliance program

- *A dedicated organisation supervised by the Ethics, Environment and Sustainable Development Committee of ENGIE Board of Directors, has been established.*
- *Under the leadership of the Group General Secretary, who presides over the Compliance Committee, the Group Ethics & Compliance helps to integrate ethics into the Group's vision, strategy, management and practices. It proposes reference texts for ethics and compliance, supervises their implementation by the operational entities and the functional departments, leads training initiatives, receives reports on ethical incidents and contributes to the necessary control activities with the Group's other monitoring and control organisations. It heads up the Ethics & Compliance network, which consists over 250 persons.*
- *Responsibilities are defined at all levels of the managerial line.*
- *The Group's [Ethics charter](#) together with the [Practical guide to ethics](#) are the reference documents regarding ethics and compliance. They forbid bribery and corruption in all forms. They are distributed to all new employees who commit to respect the ethics principles. They are published on the Group's [virtual library](#), and available via the Group intranet and [internet](#) websites.*

- *Specific policies are implemented as part of the integrity referential relating to:*
 - *Business consultants*
 - *Gifts and hospitality*
 - *Prevention of conflicts of interests*
 - *Patronage and sponsorship*
 - *carrying out due diligence on stakeholders involved in investment projects and major contracts*
 - *the integration of an ethical, environmental and societal responsibility clause into contracts with the Group's suppliers, service providers, subcontractors and partners*
- *The Group has developed various codes of conduct in order to apply the commitments outlined in ENGIE's [Ethics charter](#) to each of its activities and professional practices, and especially regarding relations with suppliers and lobbying activities.*
- *Ethics is integrated into the annual appraisal process of management and employees.*
- *A whistle-blowing system (ethics@engie.com) is open to Group employees and to all external third parties (customers, suppliers, etc.).*
- *Managerial notification of ethics incidents is done via a dedicated IT tool' INFORM'ethics).*
- *Ethics incidents are subject to systematic processing and implementation of corrective and preventive measures.*

Communication, manager training and employee awareness

- *The Ethics & Compliance Convention (last meeting: April 2016) mobilizes the ethics & compliance officers and ethics correspondents network and Group managers. It provides an opportunity to reaffirm the Group's ethical commitments and to support entities in the implementation of policies, procedures and continuous improvement of ethics practices.*
- *The Group carries out a series of awareness-raising and training activities including: a mandatory awareness seminar about the risk of fraud and corruption for senior executives, for members of Business Unit's (BU's) general management committees and for members of the ethics & compliance network, and specific training for ethics & compliance officers, and for managers and the procurement line.*
- *Ethics awareness sessions via e-learning are accessible to all employees.*

Control system

- *A self-evaluation questionnaire dealing with key ethical themes has been implemented within the framework of Internal Control.*
- *The roll-out and implementation of the anti-bribery system within the Group's entities is followed up through an annual ethics compliance procedure.*
- *Audits are conducted across the field of ethics and compliance policies.*
- *In 2015 the Group anti-corruption system was awarded certification by Mazars, an accounting and auditing firm, and ADIT, a business intelligence firm*

1. Commitment and policy

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

ENGIE shares its culture of integrity and compliance with its commitment to bar any act of corruption (which is translated in a zero tolerance policy on fraud and corruption), in particular by corporate communications.

This commitment is publicly stated in statements made by the CEO and the Board of Directors. It is also illustrated by voluntary initiatives and memberships of the Group.

1. Publicly stated commitment and declarations

The culture of integrity, zero tolerance approach towards corruption and the Group's commitment to work against corruption are presented and detailed in ENGIE reference documents:

- The ENGIE's annual registration document
- The ENGIE's annual integrated report
- [Ethics charter](#) (updated in 2016)
- [Practical guide to ethics](#) (updated in 2016)
- The Global Agreement on fundamental rights, social dialogue and sustainable development signed with Trade Unions
- The Business Consultants Policy
- The "Ethics of Business Relationships: Governing Principles", with a section fully dedicated to principles to gifts and hospitality
- The Global Compact Communication on Progress and specific report about the 10th principle
- The CEO's Letter on the UN Convention against Corruption
- The [Code of conduct on lobbying](#)
- [The Code of conduct in supplier relations](#)

These documents are published on the ENGIE's [virtual library](#) and available via the Group's intranet and internet websites.

The distribution of the updated [Ethics charter](#) to all employees in December 2016 was an opportunity for Isabelle KOCHER, ENGIE's CEO, to reaffirm the Group's ethics commitments:

"We have a very clear policy: zero tolerance, particularly regarding fraud and corruption, and complete commitment to compliance with ethical rules - those of the countries in which we operate and those we set for ourselves. Although our Group draws strength from its operational excellence, it is also recognised by all of its partners and customers for its very high level of reliability and responsibility. It is therefore down to each and every one of us to live up to the trust that is placed on us, by making ethics an absolute priority every day."

Isabelle KOCHER, CEO, November 2016, introduction of ENGIE [Ethics charter](#)

ENGIE's [Ethics charter](#), translated into 20 languages and sent to all Group's employees, includes the section "**Behave honestly and promote a culture of integrity**" (page 4):

"Honesty and integrity must govern both business and interpersonal relationships, and everyday professional practices. It is essential for every individual to act in an upright manner in all circumstances, and promote a culture of honesty and integrity. Based on this principle, the Group attaches the utmost importance to exemplary behaviour from its employees. In choosing its partners, ENGIE is careful to maintain high requirements regarding honesty and respect for human rights. As a consequence, ENGIE

encourages reporting of ethical incidents, and no employee may be sanctioned neither for using a reporting measure for these incidents, selflessly and in good faith, nor for refusing to carry out an act which they believe goes against the Group's ethical principles."

The [Practical guide to ethics](#) includes the following (page 4):

"ENGIE upholds the highest ethical standards. ENGIE's principles of action are rooted in international benchmark texts, in particular:

- The Universal Declaration of Human Rights and Additional Protocols
- The conventions of the International Labor Organization (ILO), and the Guidelines of the Organization for Economic Co-Operation and Development (OECD) for multinational enterprises
- The United Nations Convention against Corruption."

The **Global Agreement on fundamental rights, social dialogue and sustainable development**, signed in 2011, applies to all the Group 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**" 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 enforceable
- 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 **Group Integrity Referential** is published on ENGIE's [internet website](#):

"Integrity is one of the four principles on which ENGIE has based its ethics and compliance policy."

All public elements on ENGIE's ethics and compliance commitments, and in particular in the fight against corruption, are available via its website at: <http://www.engie.com/en/group/ethics-compliance/>

2. Voluntary initiatives and memberships for working against corruption

ENGIE 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:

- In 2009, ENGIE, 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)**.
- ENGIE committed to the United Nations Global Compact (UNGC) since 2000, chose in 2011 to complete the **specific report on the 10th principle against corruption** (by reporting on 22 points); ENGIE's then President and Chief Executive officer Gérard Mestrallet chaired the French Network of the Global Compact between 2007 and 2013.
- ENGIE supports the OCDE initiative against corruption.
- ENGIE is a member of:
 - o **EITI (Extractive Industries Transparency Initiative)** since 2009.
 - o **Transparency International, French section**, a non-profit organization that fights corruption.

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

“Acting in accordance with laws and regulations” is the first of the Group’s 4 fundamental ethics principles, published in the [Ethics charter](#). According to this principle: “in all circumstances, all Group employees must observe international, federal, national, local regulations, as well as rules of professional ethics for their activities, and the Group’s ethics and compliance policies.” (page 4).

This commitment is regularly reiterated in public statements at the highest level of the Group’s management as well as in the company’s annual reports, published on the corporate website and the Group’s [virtual library](#).

Business partners and stakeholders can take note of the following statement on the Group’s [internet website](#): “In keeping with its values and commitments, ENGIE seeks in all circumstances to act in accordance with the laws and regulations in force in the countries where it operates. To achieve this goal, the Group established a code of conduct that underpins the day-to-day strategic decisions, management and professional practices of the Group.”

Since 2016, the Group Ethics & Compliance Department expanded its missions to legal counsel and control.

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 ENGIE 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 and outside the company (when dealing with third parties)”.

This position is clearly detailed in the [Practical guide to ethics](#): “ENGIE condemns all forms of influence peddling and corruption” (p.11). It is published on ENGIE’s [internet website](#): “A strong message of zero tolerance with respect to ethics – especially in the fight against fraud and corruption – runs throughout the Group’s ethics and compliance framework. This message is regularly communicated by the Chief Executive Officer and passed on by managers at all Group levels.”

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

This Integrity Referential is published on the Group’s intranet site, and distributed to the ENGIE Ethics & Compliance line for implementation in entities worldwide. It has also been distributed to Executive Managers. It is also presented on the corporate [internet website](#), in order to be consulted by business partners and stakeholders.

The Group has also established business guidelines presented on its website, describing principles about integrity in business relationships regarding especially business consultants, gifts and hospitality, the prevention of conflicts of interests, the patronage and sponsorship, carrying out due diligence on stakeholders involved in investment projects and major contracts, the integration of an ethical, environmental and societal responsibility clause into contracts with the Group’s suppliers, service providers, subcontractors and partners, lobbying activities and supplier relations.

D2-Statement of support for international and regional legal frameworks

ENGIE 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.

ENGIE’s principles of action are rooted in the international reference models mentioned below, for which

statements of support have been made.

ENGIE 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, the Sapin II French law etc.

D3-Carrying out risk assessment of potential areas of corruption

ENGIE is conscious 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, the Group carries out ethics risk assessment through its annual ERM (Enterprise Risk Management) Process, and before concluding contracts that fall under the scope of ENGIE's Commitment Committee and business consultants' contracts.

The process for assessing the corruption risk includes a methodology common to all Group entities, based on dedicated check-list.

The Group uses tools such as Maplecroft in order to evaluate the level of the risk of corruption in the countries in which it operates or wants to develop.

Since 2011, the level of corruption and non-respect of human rights in countries are integrated in the measurement of 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: selection process of and relationships with suppliers, business in the extractive industry, the use of business consultants, sponsorship/partnership deals, gifts and hospitality,

Presented on the Group's [internet](#) and intranet websites, the following policies, taking into account the best practices of the international framework such as the US Foreign Corrupt Practices Act ("FCPA"), the UK Bribery Act and the Sapin II French law, have been adopted:

- The Business Consultants policy deals with Business Consultants and aims at monitoring the risk of corruption linked to the use of business consultants. It came into force on January 1st, 2013.
- "Ethics for Business Relationship: Governing Principles" aims in particular at monitoring the risk of corruption in the context of gifts and hospitality. Gift and Hospitalities policies have been progressively implemented since January 2013 in all Group entities.
- The Group has put in place a policy on analysis of the ethical risk related to investment projects and major contracts adopted by the Group's Management Committee on March, 16th 2015. Within the policy on analysis of the ethical risk related to investment projects, stakeholders in its investment projects are subject to due diligence procedure. The intensity of the due diligence measures to be taken, varies with the level of the Group's exposure and the country in which the

project is to take place. The policy also requires a special analysis of the country when the project is to be carried out in a high-risk country where the Group is not yet present.

- Since 2016, ENGIE refuses to partake in any financing of political activity, including in countries where this is authorised and regulated by the law: “ENGIE refuses to partake in any financing of political activity, including in countries where this is authorised and regulated by the law” ([Practical guide to ethics](#), p.11). The Group’s refusal to engage in political activity financing is repeated in the Code of conduct on lobbying (page 2).
- The Group has from November 2016 a policy for the prevention of conflict of interests, which aims to eliminate any doubts concerning the impartiality of a decision taken by a Group employee or his or her potential lack of loyalty in taking a decision. This policy informs employees and guides them if facing such situation: it gives them examples of situations, and specifies the process for management and traceability in this matter.
- ENGIE has a Code of conduct on lobbying since March 2017. This code provides a framework for the Group’s lobbying activity by outlining commitments to promote ENGIE while continuing to favour the public interest. It aims to improve the transparency of lobbying activities and to confirm the Group’s integrity standards for these activities. It is applicable to all lobbyists working on behalf of the Group, including Group employees and representatives.

D5–Policy on anti-corruption regarding business partners

ENGIE raises awareness of its public and private partners so that the Group’s anti-corruption principles are known and respected.

According to the [Ethics charter](#) (page 7) on the Group [virtual library](#) and available via the corporate intranet and internet websites: “ENGIE’s employees (...) ensure that the ethical concerns of partners, suppliers, service providers and subcontractors are compatible with those of the Group, and bring ENGIE’s [Ethics charter](#) to their attention.”

1. Relationship with suppliers

The [Code of conduct in supplier relations](#), distributed to all Group entities, is published on the Group [virtual library](#) and available via the corporate website www.engie.com. It requires employees to disseminate ethical principles and to screen suppliers on ethical principles such as anti-corruption and human rights.

This code applies to all employees having business relationships with suppliers, service providers, subcontractors or partners. It has been distributed to all entities in July 2016.

Since 2014, an [ethics, environmental and societal responsibility clause](#), targeting the implementation of these ethics principles, is integrated in contracts with suppliers, and also in all contracts with service providers, subcontractors and partners since 2015.

2. Business Consultants

Principles presented in the [Practical guide to ethics](#), in the document “Ethics of Business Relationships: Governing Principles”, and in the business consultants policy, are applied wherever the Group operates.

The business consultants policy has 3 objectives:

1. to submit all business consultants considered for appointment to a full prior due diligence process
2. to strictly monitor the remunerations paid
3. to ensure traceability of the entire selection process and the adequacy between fees and

effective services.

3. Partners in investment projects and major contracts

The Group has developed a specific policy of analysis of the ethical risk related to investment projects and major contracts validated by the Group's Management Committee on March 16th, 2015, under which stakeholders in its investment projects are subject to a due diligence procedure adapted to the risk profile (entry into force on April 1st, 2015).

4. 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.

2. Implementation

B3-Translation of an anti-corruption commitment into actions

ENGIE has identified corruption risks within the Group's operations, developed detailed policies and procedures, appointed management and built an organization to implement, monitor and continuously improve on fight against corruption.

The areas particularly conducive to fraud and corruption are catalogued and illustrated in the [Practical guide to ethics](#), which provides key information needed to understand the topic, and issues relating to specific professional practices, whether associated with a particular business (for example: lobbyist) or with cross-discipline activities such as relationship with suppliers, or with sensitive fields such as the use of business consultants.

ENGIE is implementing a scheme to fight against corruption taking into account principles of the best international standards such as those of the UK Bribery Act, the US Foreign Corrupt Practices Act (FCPA) and the French Sapin II law.

1. Establishing an anti-corruption compliance program

A dedicated organisation supervised by the Ethics, Environment and Sustainable Development Committee of ENGIE Board of Directors, has been established.

Under the leadership of the Group General Secretary, who presides over the Compliance Committee, the Group Ethics & Compliance Department helps to integrate ethics into the Group's vision, strategy, management and practices. It proposes reference texts for ethics and compliance, supervises their implementation by the operational entities and the functional departments, leads training initiatives, receives reports on ethical incidents and contributes to the necessary control activities with the Group's other monitoring and control organizations. It conducts the Ethics & Compliance network, bringing together all the ethics and compliance officers and ethics correspondents from the Group's entities, i.e. more than 250 persons.

Responsibilities are defined at all levels of the managerial line. The Group's delegations of authority and engagement letters include a specific reference to ethical responsibilities.

The Group's [Ethics charter](#) and the [Practical guide to ethics](#), Group's ethics and compliance reference documents, forbid bribery and corruption in all forms. They are distributed to all new employees who commit to respect the ethics principles. They are published on the ENGIE [virtual library](#) and available via the Group's intranet and [internet](#) websites.

Specific policies as part of the [integrity referential](#) are implemented relating to:

- business consultants

- gifts and hospitality
- prevention of conflict of interests
- patronage and sponsorship
- carrying out due diligence on all partners involved in investment projects and major contracts
- the integration of an ethical, environmental and societal responsibility clause into contracts with the Group's suppliers, service providers, subcontractors and partners

The Group has developed various codes of conduct in order to apply the commitments outlined in ENGIE's Ethics charter to each of its activities and professional practices, and especially regarding relations with suppliers and lobbying activities (see [Code of conduct in supplier relations](#) and [Code of conduct on lobbying](#)).

Ethics is integrated into the annual appraisal process of management and employees.

A confidential whistle-blowing system (ethics@engie.com) is open to all Group employees and to all external third parts (customers, suppliers, etc.). The Group Ethics & Compliance Department ensures the monitoring, in particular when confidentiality is necessary or required.

Managerial notification of ethics incidents is done via a dedicated IT tool (INFORM'ethics).

Ethics incidents are subject to systematic processing and implementation of corrective and preventive measures.

2. Communication, manager training and employee awareness

The Ethics & Compliance Convention mobilizes the ethics and compliance network and Group top managers. It provides an opportunity to reaffirm the Group's ethical commitments and to support entities for the implementation of policies and procedures and the continuous improvement of the ethics practices.

The Group carries out a series of awareness-raising and training activities including a mandatory awareness-raising seminar about the risk of fraud and corruption for senior executives, for members of BU's general management committees and for members of the ethics and compliance network, specific training for ethics officers and the procurement line.

Ethics and compliance training is available for all Group employees via e-learning modules.

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

Leadership's messages and commitments, as well as support to collaborators' actions regarding integrity, are on the Group's intranet website.

The governance system involves the entire Group managerial chain. It is organised as follows:

- A dedicated organisation supervised by the Ethics, Environment and Sustainable Development Committee of ENGIE Board of Directors, has been established.
- Under the leadership of the Group General Secretary, who presides over the Compliance Committee, the Group Ethics & Compliance Department helps to integrate ethics into the Group's vision, strategy, management and practices. It proposes reference texts for ethics and compliance, supervises their implementation by the operational entities and the functional departments, leads training initiatives, receives reports on ethical incidents and contributes to the necessary control activities with the Group's other monitoring and control organizations. It conducts the Ethics & Compliance network, bringing together all the ethics and compliance officers and ethics correspondents from the Group's entities, i.e. more than 250 persons.
- Responsibilities are defined at all levels of the managerial line. The Group's delegations of

authority and engagement letters include a specific reference to ethical responsibilities.

- The Group managers are the first guarantors of the application of ethics. They must have the tools necessary to deploy the Group's ethics principles and detect any violation of these rules and establish a system to control the application of the ethics and compliance systems.
- Each year, the BU Managers submit a letter of compliance certifying their commitment to the application of the ethical and compliance system within their BU accompanied by a report prepared by the ethics and compliance officer, to the Group CEO.

ENGIE implemented a new organisation as of January 1st, 2016. This transformation was the opportunity to reaffirm ethics commitments, in particular regarding anti-corruption. The Ethics & Compliance Department has been strengthened, both regarding staffing and missions, and is now leading a authoritative line.

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 [virtual library](#) and available via the intranet and extranet websites, available to every Group entity.

In compliance with the principles set forth in the US Federal Corrupt Practices Act and the UK Bribery Act, ENGIE set up the following actions in terms of raising awareness and training for 15,000 attendees in 2016, amongst which:

- A specialized and mandatory training ("**Understanding and anticipating the risk of fraud and corruption**") launched in 2012 and designed for ENGIE senior executives. End of 2016, 82% of ENGIE's senior executives attended the seminar. Since 2016, this training is also mandatory for members of BU's general management committees and for members of the ethics and compliance network. It is strongly recommended to business developers.
- A training seminar on "**Business Ethics**" dedicated to managers has been launched in 2009. This seminar aims at discussing the various aspects of being ethical in the decision making process and the management of a company, monitoring and mitigating the risk of fraud and corruption. Since its creation, 1,230 managers attended it. Since 2017, this training has been made available to Ethics & Compliance officers at NewCorp, in BUs and in entities, so that they can provide it to those they consider as the most exposed, including to corruption and influence peddling risks, focusing on the most appropriate topics depending on the audience.
- The training seminar dedicated to the **purchasing line**, launched in 2014, has been updated in 2016. It discusses ethics issues (including fraud and corruption) in the supply and purchase chain, and is from now on mandatory for purchasers within the Purchasing line.
- **Seven e-learning training modules**, focusing on various ethics issues are accessible in 5 different languages to all employees. Some of these training are mandatory for the members of the ethics & compliance network. The trainings discuss the following topics:
 - o Module 1: "Respect ethics: a daily commitment and vigilance"
 - o Module 2: "Competition rules within the European Union"
 - o Module 3: "Being ethic in the context of public procurements"
 - o Module 4: "To prevent the risk of corruption" (this module specifically addresses issues of corruption)
 - o Module 5: "Ethics in Business Relationships" (this module specifically addresses issues of gift and hospitalities).
 - o Module 6: "Business and human rights" (launched in October 2016; French and English only)
 - o Module 7: "Prevention of conflicts of interests" (launched in June 2017)

Moreover, thematic webinars are regularly organised in the course of the year to support ethics and

compliance officers in the implementation of the Group ethics and compliance policies and procedures. These webinars are mandatory for the members of the ethics & compliance network.

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

The implementation of the various policies is evaluated through the internal control system and the audits in all Group's entities [see B7].

In 2015 the Group anti-corruption system was awarded certification by Mazars, an accounting and auditing firm, and ADIT, a business intelligence firm. Recommendations from this certification process, consistent with internal diagnosis, have been integrated into the Group Ethics & Compliance Department action plan.

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

ENGIE 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 are implemented.

All entities are required to use an ethics, environment and societal responsibility clause in contracts with suppliers, service providers, subcontractors and partners, which states that suppliers must proscribe any form of corruption whatsoever during the performance of the contract and undertake to ensure the respect and application of rules by their principal subcontractors and/or suppliers.

ENGIE 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, in particular regarding fight against corruption and respect of human rights.

Since 2012, the Group 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.

The Group has developed a specific policy on the analysis of the ethical risk related to investment projects and major contracts, under which all stakeholders in its investment projects are subject to a due diligence procedure adapted to the risk profile (entry into force on April 1, 2015).

The due diligence procedure is also applied to suppliers, corporate patronage and sponsorship partnerships and lobbying.

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

ENGIE identifies directors and managers as the primary promoters of the Group's [Ethics charter](#) and its everyday application towards employees and stakeholders (see [Ethics charter](#) and [Practical guide to ethics](#)).

Tools for implementing this strategy include training sessions about anti- corruption at Group and entities levels. A specific dedicated Group training is mandatory for senior executives, members of BU's general management committees, members of the ethics and compliance network, and strongly recommended

to business developers.

The Group's delegations of authority and engagement letters include a specific reference to ethical responsibilities.

Senior executives and managers are involved by including ethics in their annual appraisal process.

ENGIE's annual Compliance Procedure [see D12] requires compliance and commitment letters from the top management of each entity regarding their perimeter.

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

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

- The [Ethics charter](#) and the [Practical guide to ethics](#) are distributed to all new arrivals to Group entities, and since the end of 2014, the handing over of the reference documents is coupled with ensuring that employees are aware of these principles and are committed to following them.
- The Human Resources reference document on behaviour in the company ("Management Way") formally includes two points concerning ethics and integrity as required behaviour for managers:
 - o the ambition to act with integrity
 - o the capacity to make equitable decisions
- Since the end of 2014, the Group requires the inclusion of ethics in the annual appraisal process for senior executives to be extended to all Group employees. This involves on one hand ensuring that all employees are aware of the Group's ethical principles, and on the other hand, creating a compulsory discussion between employees and their managers on how ethical practices have been implemented in day-to-day business.
- The Group has updated its policy on the incorporation of ethics in HR processes in May 2017. This document reiterates and details the Group's ethics requirements for Human Resources processes: recruitment, welcoming newcomers, managing sensitive positions, training, annual employee appraisal, leaving a position, communicating about ways to seek recourse, sanctions. This policy applies to all Group employees involved in a HR process.

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

The e-mail ethics@engie.com is the whistle-blowing system at Group level. It allows Group employees and external third parts (customers, suppliers, etc.) to ask questions, express their doubts or report ethical violations in confidence. It is placed under the responsibility of the Group Ethics and Compliance Director. It is presented to external Group stakeholders on ENGIE's [corporate website](#), and to employees on Group intranet website.

What to do in case of presumed breaches of ethics rules is also presented in:

- The [Ethics charter](#): "As a consequence, ENGIE encourages reporting of ethical incidents, and no employee may be sanctioned neither for using a reporting measure for these incidents, selflessly and in good faith, nor for refusing to carry out an act which they believe goes against the Group's ethical principles." (page 4)
- The [Practical guide to ethics](#): "Reporting of ethics incidents helps to prevent and remedy breaches. It is encouraged by the Group, which provides the necessary procedures and ensures that no sanction of any kind can be brought by the Group against an employee who has, in good faith and selflessly, used a procedure to report ethical incidents." (page 5).
"Any employee or any Group who has been a victim or witness of unethical practices is invited to report to the managerial staff or ethics & compliance officer of the entity in

question, or to the Group Ethics & Compliance Director. ENGIE also has an email address for use by all its employees and stakeholders ethics@engie.com: they can use it to inform the Group if they suspect any breach of the ethics and compliance rules.” (page 14)

The principle of protection for whistleblowers is also set out in the [Practical Guide to Ethics](#) (page 14): “A person expressing in good faith and selflessly their ethical or compliance concerns cannot have any measures brought against them for expressing this concern. The identity of the whistleblower and the identity of those possibly implicated remain confidential, and breaking confidentiality may lead to sanctions. Any abusive use of the reporting mechanisms can, however, result in proceedings (e.g. defamation, etc.).”

Some Group entities developed similar tools at their level, in particular in the United-Kingdom, in the United States and in Brazil.

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

Ethics and compliance is included in the Group audit program, which includes specific items concerning corruption.

Internal Audits are carried out annually on implementation of ethics policies.

The Internal Control Department (INCOME procedure) participates in the implementation of the Group’s ethics and compliance policy by integrating mandatory points of control in the Group referential.

D11-Participation in voluntary anti-corruption initiatives

To fight against corruption and on a voluntary basis, ENGIE:

1. Supports the Global Compact

The Group aims at increasing the quality of internal procedures and reporting practices.

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

2. Participates in Transparency International, French Section

ENGIE is a company member of the French section of Transparency International (TI), the non-profit organization that is extremely active in the fight against corruption. ENGIE 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.

Commitments of ENGIE in relation to TI:

- decline bribery and corruption in all forms publicly and promote honest and transparent practices in all its activities
- Prevent corruption risk by adopting an anti-corruption program inspired by TI’s recommendations
- Take corrective measures in case of breach in the anti-corruption prevention system, to avoid repetition

3. Monitoring

B7-Monitoring and improvement processes

The Group's monitoring and improvement process for ethics and integrity is based on 4 focus areas:

1. Managerial guidance involving the Group's entire management chain

The governance system involves the entire Group's managerial chain. It is organised as follows:

- A dedicated organisation supervised by the Ethics, Environment and Sustainable Development Committee of ENGIE Board of Directors, has been established.
- Under the leadership of the Group General Secretary, who presides over the Compliance Committee, the Group Ethics & Compliance Department helps to integrate ethics into the Group's vision, strategy, management and practices. It proposes reference texts for ethics and compliance, supervises their implementation by the operational entities and the functional departments, leads training initiatives, receives reports on ethical incidents and contributes to the necessary control activities with the Group's other monitoring and control organisations. It conducts the Ethics & Compliance network, bringing together all the ethics and compliance officers and ethics correspondents from the Group's entities, i.e. more than 250 persons.
- Responsibilities are defined at all levels of the managerial line. The Group's delegations of authority and engagement letters include a specific reference to ethical responsibilities.
- The Group managers are the primary guarantors of the application of ethics. They must have the tools necessary to deploy the ethics and compliance policy, and detect any violation of these rules and establish a system to control the application of the ethics and compliance systems.
- Each year, the BU Managers submit a letter of compliance certifying their commitment to the application of the ethical and compliance system within their BU accompanied by a report prepared by the ethics and compliance officer, to the Group CEO.

2. Risk, audit and control management

Ethics risks are assessed annually by each BU, and integrated into the Group annual risk review (ERM process), since 2016 on the basis of a common analysis methodology. Be they considered as major or not for entities, the results of the analysis on corruption risks and respect of human rights must be reported by BUs to the Group.

The Audit and Risks Department, the Ethics & Compliance Department, the Risks service of the Legal Department and the Internal Control Department contribute to the regular assessment of the implementation of the ethics and compliance policy. Audits are also carried out. Areas are identified in coordination by these departments.

3. Annual compliance procedure

An annual compliance procedure for monitoring the application of the Group's ethics and compliance policy in the entities has been established [see D12].

4. Process dealing with incidents

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

D12-Annual Compliance Procedure

The compliance procedure allows to monitor the implementation of the Group's ethical policy in the entities: the ethics and compliance officers produce an annual report on the work and progress of their entity's ethics and compliance organisation, in applying ENGIE's rules and procedures as well as any

specific measures or actions taken by the entity itself.

This report, delivered to the upper level entity, is accompanied by a compliance letter from the entity manager certifying his/her commitment to the application of the ethics and compliance system within the organisation for which he/she is responsible.

Similarly, every BU manager will submit the annual letter of compliance to accompany the BU's report to the Group CEO.

On this basis, the Group Ethics & Compliance Director establishes the ENGIE annual compliance report, presented to the Executive Committee, then to the Committee for Ethics, Environment and Sustainable Development of ENGIE Board of Directors.

D13-Dealing with incidents

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

To this end, INFORM'ethics, the confidential internal managerial reporting IT tool for ethics incidents, contributes to the monitoring of incidents follow-up, the prevention of associated risks, the company's protection and is an integral part of the Group's operational governance.

The INFORM'ethics system responds to the principle of mandatory reporting of ethics incidents identified in each of the 6 areas defined by the Group: Accounting and Financial Integrity, Conflict of Interest, Social Responsibility and Human Rights, Business Ethics, Confidential Information, Protection of Intangible Property.

It is deployed in all the Business Units (BUs) and Group Functional Departments.

For each identified BU and entity, the reporting of incidents within INFORM'ethics falls to the general manager, the financial director, the chief legal officer, the director of human resources, the director of safety/security and the ethics and compliance officers. The entity, under the responsibility of the Business Unit, is responsible for handling the incident.

Besides the reporting of ethics incidents, INFORM'ethics enables preventive and corrective measures to be launched at the instigation of the Compliance Committee. It is part of a process of continuous improvement to enable the implementation of preventive measures in the Group.

D14-Public legal cases regarding corruption

The internal "Managing the ethical compliance" referential details the control procedures contributing to fight against corruption. It is a set of procedures designed to steer ethics practices using 4 guiding principles: managerial involvement and responsibility, which showcases exemplary actions; continuous improvement of practices; the search for synergies between functional and operational actors; and the perception of ethical compliance as a contribution to the Group's global performance.

It is published on the Group intranet website, and its principles are published on ENGIE's [corporate website](#).

D15-Use of independent external parties in view of assessing anti-corruption programs

In 2015 the Group's anti-corruption system was awarded certification by Mazars, an accounting and auditing firm, and ADIT, a business intelligence firm. Recommendations from this certification process, consistent with internal diagnosis, have been integrated into the Group Ethics & Compliance Department action plan.



The Ethics & Compliance Department and the Sustainable Development Department also reply each year to assessments carried out by extra-financial ratings agencies.

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