

# Ethics compliance referential

**Compliance is one of the 4 principles on which ENGIE has based its ethics and compliance policy.**

Ensuring ethics compliance allows to determine Group efficiency level in terms of ethics, by measuring results and performances improvement.

The ethics compliance referential serves as a framework for implementing the principle of “acting in accordance with laws and regulations”.

It outlines how the Group is organized to help implement the Group ethics and compliance program and to measure compliance. It gathers the Group's policies, procedures and activities to ensure the effective implementation of the Group's ethics and compliance policies and procedures.

## 1. Main parties involved in ethics compliance

ENGIE's ethical commitment is managed at the highest level of the Group, under the impetus of the Group's Board of Directors and general management.

### 1.1. The EESDC

The ENGIE Board of Directors, via its Ethics, Environment and Sustainable Development Committee (“EESDC”), oversees the ethics and compliance organization and monitors respect of the individual and collective values underlying the Group's action, and of the rules of conduct to be followed by every employee. It ensures that the Group has adequate means to apply these values and rules.

### 1.2. The management

The Group's senior executives, particularly the Chief Executive Officer and all other members of the Executive Committee, including the General Secretary, drive and oversee the ENGIE ethics and compliance policy and ensure that it is properly applied. They are the primary promoters of Group ethics and compliance principles and commitments. Their responsibilities in these fields are cascaded at all levels of the managerial line.

A strong message of zero tolerance with respect to ethics, and 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.

For Group CEO Isabelle Kocher: "Our policy is very clear: 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." (introduction of ENGIE [Ethics charter](#))

### 1.3. The Compliance Committee

The Compliance Committee supports ENGIE's ethics and compliance actions. Chaired by the Group's General Secretary, it is made up of the Group Audit and Risk Director, the Group Legal Director and the Group Ethics and Compliance Director.

The committee evaluates the handling of ethical incidents and monitors the process for updating the Group's Ethics & Compliance program.

### 1.4. The Group Ethics & Compliance Department

Within the General Secretariat, the Group Ethics & Compliance department manages the integration of ethics into the Group's strategy, management and practices. It proposes the policies and procedures in terms of ethics and compliance and drives their implementation by Business Units (BUs), Métiers and functional departments.

It provides managers and employees with the required tools: ethics training, documentation, reporting tools, solutions for raising alerts in case of potential ethics breaches, etc.

The Group Ethics & Compliance department monitors ethics incident declarations and their handling within the Group.

It centralizes the various elements in the Group's ethics risk analysis, manages the annual ethics compliance process and, in collaboration with the Audit and Internal Control Department, evaluates the effective implementation of the ethics and compliance policies defined by the Group.

### 1.5. The ethics and compliance network

Led by the Group's Ethics & Compliance department, the network comprises end of 2016 more than 250 people actively involved in the operational implementation of the Group's ethical commitments. It is composed of members of the Ethics & Compliance line, as well as ethics correspondents.

Members of the line include the BU ethics and compliance officers, their deputies and ethics and compliance officers from each entity. Most members also carry out other missions (legal, health & safety, HR, etc.). In Ethics & Compliance matters, they report to the line, so called authoritative. Line members are responsible for relaying the Group Ethics & Compliance department's missions throughout their BUs and entities.

The Ethics & Compliance network also relies on ethics correspondents, who relay the missions of the Group Ethics & Compliance department within Métiers and functional departments at ENGIE's headquarters.

Mobilizing all of these parties contributes to the Group's exemplary practices in ethics and compliance.

Responsibilities in ethics and compliance are exercised at all levels of the management line. Ethics and compliance officers and ethics correspondents at each level of the organization advise and support their manager who guarantees that Group ethics is applied.

## 2. Ethics risks analysis

The Group ensures to know precisely and in detail the ethics risks it may face, whether in its daily activities or as part of its development projects. These analyses allow the mapping of ethics risks, which is updated annually and presented to the Ethics, Environment and Sustainable Development Committee (EESDC) of ENGIE Board of Directors, as well as the establishment of specific action plans.

### 2.1. An ethics risks analysis integrated in the Group ERM process

The assessment of ethics risks, taking into account specificities of ENGIE activities, is included in the Group's annual risk analysis process (ERM).

Five Group ethics risks are identified for analysis within the ERM process: corruption, infringement on human rights, competition and/or embargo rules not taken into account, fraud, ethics steering insufficiency.

Group entities are subject to a mandatory annual analysis of their exposure to all these ethics risks. Two risks are considered as priorities for ENGIE: corruption risk and infringement on human rights risks. These 2 risks are subject of an evaluation methodology common to all Group entities, based on specific check-lists. These check-lists allow to evaluate all the components of the risk and thus to determine the probability of their occurrence and the level of impact. For the corruption risk and the infringement on human rights risks, all Group entities must compile their analyzes, be these risks major or not for the entity, in the Group ERM reporting tool.

The Group Ethics & Compliance Department consolidates BU's ethical risk analyzes and annually updates the Group's ethical risk mapping, including the elements to be deduced for inclusion in the Group's ethics and compliance action plan. These elements are reported annually to the Ethics, Environment and Sustainable Development Committee (EESDC) of ENGIE Board of Directors.

### 2.2. The analysis of ethics risks in projects

The Group's investment projects and major contracts are also subject to ethics risk analysis prior to any commitment decision.

The policy on the analysis of ethical risk related to investment projects and large contracts and the human rights referential, applicable to the whole Group, require entities respectively to analyze the corruption risk and the infringement on human rights risk for any new project. The entities must carry out the analysis of the ethical risks of the investment project or of the contract concerned in the context of setting up the file for a decision.

### 3. ENGIE reference texts

ENGIE's ethics and compliance action is based on 3 levels of reference texts:

1. **The Group Ethics charter**, which sets out the general framework within which each employee's professional behavior must fit, presents the ENGIE four fundamental ethics principles and describes the Group's ethics and compliance organization, and the **Practical guide to ethics**, which supports the implementation of ethics in everyday life by presenting concrete examples by theme. These two documents, available in 20 languages, are applicable to all Group employees and shared with external stakeholders.
2. **The referentials**, which unify the policies and procedures used by ENGIE for the concrete implementation and development of ethical culture within the Group: integrity referential, human rights referential and ethics compliance referential.
3. **The codes of conduct**, which set out the implications of the Group's ethical commitments for specific professional categories.

To date, the following policies and procedures (see [the architecture of ENGIE ethics and compliance reference documents](#), and summaries of the below policies and procedures on [ENGIE's website](#) and [Ethics & Compliance pages on the Group intranet](#)) are gathered in the ethics compliance referential:

- The Group whistleblowing system
- The INFORM'ethics process (tool for managerial reporting of ethics incidents)
- Mandatory ethics training
- The annual ethics compliance procedure
- The embargo policy
- The policy on incorporation of ethics into HR processes
- The policy on personal data protection
- The [policy] on the protection of confidentiality of inside information

For any information or details relating to these different themes, refer directly to the policies and procedures mentioned above, available via the [OneEthics SharePoint](#) and the [Ethics & Compliance pages](#) of the Group intranet. Policies and procedures not covered by specific documents available to all employees are presented below.

### 4. The Group whistleblowing system and the protection of whistleblowers

The Group considers that the reporting of ethics incidents contributes to the prevention and handling of breaches, especially regarding corruption and infringement on human rights.

Every employee, victim or witness of unethical practices, is invited to contact a manager (direct manager or any other manager, especially from the expert line of the question that arises, for example: human resources, legal, health and safety, etc.). It is especially recommended to contact the ethics and compliance officer of one's entity, who is available to employees and specially trained to help them and answer their questions on ethics and compliance issues.

The [ethics@engie.com](mailto:ethics@engie.com) e-mail address is one of the channels in the Group for reporting ethical incidents. It enables any employee, as well as anyone outside the Group (customer, supplier, etc.), to report presumed or observed breaches of ethics rules encountered in the context of his/her professional activity or his/her business relationships with the Group.

This whistleblowing system for ethics incidents is declared to the French National Commission for Information Technology and Liberties: data collected via the Group whistleblowing e-mail address are treated as specified in the provisions for the French law on personal data protection of January 6, 1978, with its subsequent amendments. All the necessary precautions are taken to ensure data remain secure, during the collection process as well as during the communication process or when they are filed.

The Group ensures that employees who are involved in enforcing this principle are not prejudiced. In line with the commitments taken by the Group in its [Ethics charter](#) and its [Practical guide to ethics](#), no sanctions of any kind can be taken against an employee who, in good faith and selflessly, uses any of the systems for reporting ethical incidents set up by the Group or the local entity, or refuses to perform an act that would be contrary to the Group's ethics principles.

The identity of the person submitting the report and of anyone accused of misconduct will be treated in a confidential way.

The ethics and compliance officers provide assistance and advice to any employee who consults them about ethics, and ensure compliance with the above rules and commitments.

## 5. Reporting (INFORM'ethics) and treatment of ethics incidents

The Group BUs, entities, Métiers and functional lines must report any suspected ethics incidents as soon as they come to their knowledge, whether they are allegations or proven incidents, and regardless of the monetary value concerned.

To do this, INFORM'ethics, which has been declared to the CNIL (the French National Data Protection Commission), is the Group managerial tool for reporting ethics incidents. It allows the reporting and handling of ethics incidents in six areas: accounting and financial integrity, conflict of interests, social responsibility and human rights, business ethics, confidential information, and the protection of intangible assets. Access to INFORM'ethics is subject to prior authorization. No whistleblower identity or identity of any potentially accused person is entered in the tool.

Each reported matter is reviewed and/or investigated. Every substantiated matter shall be adequately treated by an individual measure. For every substantiated matter it is assessed which measures are required to prevent repetition in the future.

The INFORM'ethics tool makes it possible to track the handling of each incident until it is closed. Thorough knowledge of ethics incidents and their handling helps to prevent ethics risks and implement corrective measures. Except for duly justified cases, the handling of ethics incidents is the responsibility of the concerned entity, i.e. its managers and managers in charge of the field(s) concerned by these incidents. The ENGIE compliance committee evaluates the handling of ethics incidents and monitors the process for updating the Group's Ethics & Compliance program.

This topic is reported on an annual basis to the Ethics, Environment and Sustainable Development Committee (EESDC) of ENGIE Board of Directors. The most significant incidents are also discussed by / presented to this committee.

Detailed information on the INFORM'ethics procedure is available to authorized persons on the dedicated website: <https://mc2.mygdfsuez.com/sites/informethics/Pages/home.aspx>.

## 6. Training and awareness

To contribute to the development of ENGIE culture of integrity, the Group conducts a series of awareness campaigns and training programs. This activity sets forth ENGIE ethics commitments, Group ethics and compliance policies and procedures, and the modalities of their operational implementation, in professional practices and business relationships.

This topic is reported on an annual basis to the Ethics, Environment and Sustainable Development Committee (EESDC) of ENGIE Board of Directors.

### 6.1. Group mandatory training and awareness sessions

The training and awareness sessions on ethics and compliance below are mandatory:

- Training seminar “Understanding and preventing the risk of fraud and corruption” is mandatory for senior executives and BUs’ Executive Committee members, and highly recommended for business developers.
- A specific training course is mandatory for all members of the ethics and compliance network. The details of the mandatory training sessions, awareness sessions, webconferences and webinars kept up to date are available to the members of the ethics and compliance line on [the space dedicated to ethics and compliance on e-campus](#).
- “Ethics and supplier relations” training is mandatory for purchasers from the Purchasing line.
- The e-learning awareness module “Respect ethics: a commitment and a daily attention” [on the space dedicated to ethics and compliance on e-campus](#) will be progressively mandatory for all Group employees.

### 6.2. Other Ethics & Compliance training and awareness sessions

The Group also provides training courses in competition law, training for data privacy officers and training in human rights.

E-learning modules are also available via the [e-campus](#) platform to all Group employees to make them aware of the Group’s ethics and compliance principles and practices, to help them integrate these principles in their daily professional practices and to give them the reflexes to have in the event of an ethics dilemma.

The BUs and entities are required to draw up an ethics and compliance training plan to meet the needs of the populations they have identified as being at risk.

## 7. Control system

The ethics and compliance efficiency is based on the ability to always adapt the practices of the entities and the Group in these areas to the level of the encountered risk, based on the assessment of the effective implementation of the ethics and compliance program and on the identification of situations which favor cases of non-application of this program.

The various topics listed below are reported on an annual basis to the Ethics, Environment and Sustainable Development Committee (EESDC) of ENGIE Board of Directors.

### 7.1. The annual compliance procedure and the ethics and compliance dashboard

The monitoring of the implementation of the Group's ethics and compliance policy is especially based on an annual compliance procedure and a dashboard of some 15 indicators (e.g. distribution of ethics documentation, training, implementation of ethics policies, etc.), certifying the ethics and compliance practices within the entities.

Every year, the compliance procedure assesses in detail the implementation of the ethics policy within the Group entities. At each organizational level, ethics and compliance officers have to produce an annual report on the work and progress accomplished by their entity in this area, as required by ENGIE rules and procedures and by any specific provisions or actions taken by the entity itself and the resulting action plans. This report is submitted to the relevant supervising entity and accompanied by a compliance letter from the manager certifying his or her commitment to the application of the ethics and compliance program within the organization for which he or she is responsible.

At NewCorp, the internal control certificate provided by each director (process managed by Internal Control Department) is considered as the functional lines and métiers annual compliance report. This process is complemented by input from ethics correspondents at NewCorp to the Group Ethics & Compliance Department, on quantitative data adapted to the activities and stakes of each department (indicators extracted from the annual compliance report). All of this information enables the Group to strengthen its control activities on the effective implementation of the ethics and compliance program at NewCorp.

The guidelines to prepare the compliance report are updated annually by the Group Ethics and Compliance Department.

All data gathered through the annual compliance procedure, combined with those extracted from ERM / ethics risk analysis process and the INFORM'ethics managerial reporting, enable the Group Ethics & Compliance Department to establish:

- The **Group consolidated annual compliance report**, which is presented to the Group Executive Committee and to the Ethics, Environment and Sustainable Development Committee (EESDC) of ENGIE Board of Directors.
- The **ENGIE ethics and compliance dashboard**, which aims to make available information on progress of the ethics and compliance actions in the Group. The dashboard currently contains around fifteen headings, for which quantitative or qualitative indicators and quantified objectives have been defined (number, percentage, periodicity, ratios, thresholds...). An annual monitoring of the ethics and compliance dashboard is presented to the Ethics, Environment and Sustainable Development Committee (EESDC) of ENGIE Board of Directors.

## 7.2. Internal control program INCOME, COR4 sub-process

Key controls aimed at detecting cases of potential non-application of Group ethics and compliance policies and procedures are incorporated into the INCOME internal control program, managed by the Internal Control Department, with a COR4 sub-process fully dedicated to ethics and compliance. The respect of ethics principles, including especially prevention of corruption, influence peddling and fraud risks, risk of violation of the embargo policy, risk of lack of protection of personal data and risk of infringement on human rights, is integrated into the INCOME internal control program. These controls are determined in coordination with the Group Ethics & Compliance department and the Internal Control Department. Their results are monitored together by the Audit Department and the Group Ethics & Compliance Department. All these controls aim at giving reasonable assurance that the Group is organized in a manner that achieves its ethics and compliance objectives. They facilitate the detection of causes that have made possible the occurrence of incidents and the identification of solutions to remedy them.

For details on the COR4 sub-process of INCOME program, refer to the referentials available on [Internal Control SharePoint](#).

## 7.3. Ethics and compliance audits

Internal and external audits are performed to assess the effective implementation of ethics and compliance policies and procedures and, where applicable, define areas of improvement. The Group's annual audit program includes audits on the implementation of the ethics and compliance program, either globally or on specific aspects. Audit findings and related recommendations are integrated in compliance management.

On a case-by-case basis, at the request of the Compliance Committee, the Audit department, in conjunction with Ethics & Compliance Department, conducts ethics audits and special enquiries to prevent or analyze ethics and compliance incidents or check the correct implementation of the INFORM'ethics reporting procedure and, more generally, the handling of ethics incidents.

When appropriate, the Group and its entities use the services of external law and audit firms.

## 7.4. External certification

In support of its continuous improvement policy, the Group has decided to have an external assessment of the design and the implementation of its anti-corruption program, through a certification process.

In 2015 the Group was awarded anti-corruption certification by Mazars, an accounting and auditing firm, and ADIT, a business intelligence firm. A new certification of the Group's anti-corruption program is planned for 2018.