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## Policy for the prevention of conflicts of interests

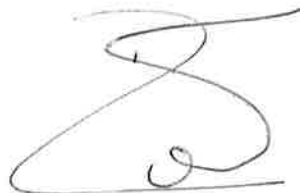
### Summary

Pursuant to its undertakings with respect to integrity, ENGIE has decided to institute a policy for the prevention of conflicts of interests.

This policy allows to ensure that situations that could cause difficulties on this matter are better identified by the employees and that they are analysed and handled wisely through an authentic ethics process, as close as possible to everyone's business activities.

This policy sets forth the rights and duties of all Group employees regarding the prevention of conflicts of interests.

Isabelle KOCHER  
CEO



**Transitory measure:** the ethics and compliance officer has to define, together with the management of the relevant entity, the procedures for collecting abstentions or waivers existing at the time of the entry into force of this policy. This must lead to the establishment of dedicated written information within the year of the entry into force of this policy.

This decision takes effect at the latest on 2017, January 1<sup>st</sup>.

Document(s) cancelled or amended: N.A.

Attachment(s): N.A.

Distribution: internal

Applicable within the limits of the laws and regulations that apply to regulated entities.

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### Introduction

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Conflicts of interests are, first and foremost, a matter of professional ethics. That being said, there are conflicts of interests and situations that a conflict of interests may give rise to that, in the absence of appropriate preventive or management efforts, may also be subject to criminal penalties (such as for influence peddling, illegal acquisitions of interest, favouritism, bribery, insider trading, breach of trust and misuse of corporate assets, etc.).

Furthermore, conflicts of interests also represent a risk to the Group's image or reputation, with all of the negative consequences that such a risk may entail.

Therefore the question goes beyond the individual ethics of each employee. Indeed, even though such situations initially arise out from a private interest, no one can deny that, if they should happen, they would inevitably impact the company as a whole.

### 1. Definitions

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- **Conflict of interests:** *"A conflict of interests arises in a situation in which a person employed by a public or private organisation has personal interests that could impact or appear to impact the manner in which that person performs the duties and responsibilities assigned to them by the organisation"* (Service central de prévention de la corruption – Central Corruption Prevention Office, or "SCPC" – 2004 Report)<sup>1</sup>.
- **Private interests** means the personal or professional interests of the employee.
- **Employees** means all persons working for ENGIE: corporate officers, employees (permanent and/or temporary workers), interim staff and interns.

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1. The SCPC is a French governmental office. For another example of the definition given in a common law context, cf. *Conflict of interests, a Guide for Charity Trustees - 2014*: "A conflict of interests is any situation in which a trustee's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the charity". <https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29/conflicts-of-interest-a-guide-for-charity-trustees#conflicts-of-interest---at-a-glance-summary-legal-requirement>

## 2. Object and scope of application

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### 2.1. Object

This policy, which emphasizes prevention, is intended:

- to avoid any doubt that may arise on the occasion of a decision or actions taken by an ENGIE employee with regard to that employee's impartiality and loyalty to the Group in carrying out their responsibilities,
- and, where applicable, when a conflict of interests has been found, to immediately draw appropriate conclusions from it to prevent any breach of integrity or, more generally, of the Group's ethics rules.

From that perspective, the policy has the goal of raising awareness of ENGIE's employees and supporting managers who may be faced with these situations.

It does not replace but supplements the specific conflict of interests provisions contained in other Group documents (see appendix 4).

### 2.2. Scope of application

This policy applies to all Group employees and employees of all companies or groups (partnerships, consortia, etc.) in which ENGIE participates or has representatives able to enforce compliance with the present policy.

## 3. Types of conflicts of interests

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Any situation that may cast reasonable doubt on the impartiality, independent judgement or loyalty expected of a Group employee falls within the scope of this policy.

The most common types of conflicts of interests are:

### 3.1. Contract with oneself

There is a contract with oneself where one party to a transaction has a personal interest in their counterparty.

**For example:**

- choosing a supplier in which one has a private interest<sup>2</sup>
- an employee serving as an elected municipal official who evaluates a call for tenders in which a Group entity has submitted a bid, or who grants the contract to the entity in question

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2. On this point, see the Code of conduct for the supplier relations: "Avoid any conflict of interests that may undermine objective and independent decision-making".



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### 3.2. Conflict of duties

There is a conflict of duties where an individual, an entity or a group of companies simultaneously holds two different positions or responsibilities that may conflict.

**For example:**

- two of the Group's subsidiaries participate in the same call for tenders<sup>3</sup>
- an employee is appointed to a management position within a joint venture and in connection with that position has occasion to make a decision that would be unfavourable to the parent company

### 3.3. Family or friendship interests

There is a family or friendship conflict of interests where an employee's family or friendship ties are liable to interfere in the performance of their professional duties.

**For example:**

- where a person (influential one or, for example, in charge of recruitment) seeks to hire a family member or friend for a position at their company

### 3.4. Gifts and hospitality<sup>4</sup>

An employee who accepts gifts and/or hospitality other than as commonly accepted and of low value from companies with which he/she has business relations, may create a conflict of interests.

**For example:**

- an employee who agrees to go to a VIP tennis match with a supplier

## 4. Identifying the conflict of interests

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Over the course of their careers, all employees may find themselves faced with situations in which their private interests or those of the individuals or entities with which they are affiliated or close conflict with the interests of the entity for which they work, and therefore with the interests of the Group as a whole.

A conflict of interests may take a wide variety of forms, at different stages of the employee's professional life, and may change depending on the circumstances.

It may concern:

- **a potential conflict:** there is not yet a conflict per se, since there is no objective contradiction, at the time of the analysis, between the employee's private interests and the way in which they perform their duties. Nevertheless, a change in the situation (appointment to a new position, promotion, transfer, or events occurring in their private life) could create such a conflict.
- **an apparent conflict:** there is doubt as to whether the manner in which the employee performs their duties might be connected to a personal interest of that employee. At that stage,

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3. A legal memorandum dated January 7, 2016 entitled "Potential Conflicts of Interests within the Group: *how to organize ourselves when two group entities are competing in the same auction*", recommends the position to adopt in the event of bids by two subsidiaries (cf <https://engie.sharepoint.com/sites/E017/en-us/Pages/conflicts-d-interets.aspx>).

4. On this point, see the Guide to Ethics in Supplier Relations: "*Avoid any conflict of interests which may undermine objective and independent decision-making*".



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there are assumptions or suspicions, and the intrusion of a private interest of the employee into their professional life is merely possible. An analysis of the situation must be conducted to remove all doubt as to whether there is actually a conflict.

- **a real conflict:** this is a situation in which the impartiality, independent judgement or loyalty of an employee to the Group cannot be fully ensured, due to a private interest of the employee that could influence them in the exercise of their professional duties within the Group entity for which they work.

In these situations, it is the responsibility of each employee with the help, when deemed appropriate, of their manager, ethics and compliance officer or general counsel, as needed, to concretely identify and objectively analyse the conflicts of interests that may arise.

In that regard, determining the existence of a conflict of interests requires everyone to examine conscientiously, objectively and impartially, whether the performance of their professional duties are compatible with their private interests.

Asking questions and exercising common sense are usually the best ways to avoid and prevent the occurrence of such conflicts of interests.

### Examples (among others) of questions to ask oneself:

- Is this action or situation contrary to the procedures defined by the Group?
- Can it possibly result in negative consequences for the Group?
- If I do not inform my manager or colleagues of this situation, am I in breach of my duty of loyalty? Could my professionalism or ethics be questioned?
- If the subject of these questions were known to the press and/or on social media, would that have a negative effect on me or on the Group?

If any of the answers to these questions is "yes", then it is highly likely that the employee has a conflict of interests, either apparent or real.

## 5. Managing conflicts of interest

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### 5.1. Positioning with regard to a stated conflict

There are two possible ways for employees to manage a conflict of interests: to recuse themselves or to obtain a waiver.

#### 5.1.1. Abstention

All employees refrain, immediately and as of right, from participating in tasks and duties assigned to them where carrying out such tasks and duties may cause them to be in conflict of interests.

They must notify their ethics and compliance officer<sup>5</sup> (see template in appendix 2) and inform their supervisor of the abstention. The employees need not justify their decision.

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5. Unless further specified in the remainder of this policy or its appendixes, the term "ethics and compliance officer" refers to the ethics and compliance officer of the entity for which the employee works. The ethics and compliance officer for NewCorp's employees is the Group Ethics & Compliance Director.





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The employees may, at their discretion:

- ask for advice, on a confidential basis, from their entity's ethics and compliance officer, as well as from the Group's Ethics & Compliance Department;
- inform their ethics and compliance officer, if they so desire, of the reasons for their decision;
- inform nobody of the reasons supporting the decision (for example, in order to preserve a particular fact about their private life).

The ethics and compliance officer must inform the general counsel and head of human resources of the entity for which the employee works of any notice of abstention that the compliance officer may have received from the employee.

### 5.1.2. Waiver

Any employee with a conflict of interests may also contact their supervisor to ask for a waiver (see template in appendix 2). The waiver permits the employee to continue carrying out the activity in question.

The supervisor must contact the ethics and compliance officer, and together they must decide whether or not to grant the waiver.

The ethics and compliance officer must inform the general counsel and head of human resources of the entity for which the employee works of the decision that is made.

The waiver must be:

- limited in time,
- specific: general waivers will not be granted,
- supported: demonstrating that the employee's situation does not prevent them from performing their duties (where applicable, subject to the conditions and restrictions defined in the waiver)
- and explicitly approved in writing (by email) by the ethics and compliance officer of the relevant entity and notified to the relevant head of human resources. The ethics and compliance officer must retain a copy of this document.

Where a waiver has been granted pursuant to Article 5.1.2. above, there is no conflict of interests within the meaning of the policy, within the limits of the waiver.

#### **For example:**

- a buyer who has revealed the existence of a conflict of interests with a counterparty and has obtained a waiver of course remains required to comply with the applicable Group purchasing policy

Whether the outcome is abstention or a waiver, if the conflict of interests is structural or relates to a significant portion of the employee's professional duties, the employee must contact the head of human resources of the entity for which they work in order to examine the situation and consider alternative duties.

### **5.2. Declaration of familiarity with the policy for the prevention of conflicts of interests**

At the time of hire at any time upon assuming new responsibilities or accepting delegation of authority or power of attorney or appointment as corporate officer, or following the integration of their employer in the Group, employees are asked to sign a declaration (see template in appendix 1) that they have familiarised themselves with the policy for the prevention of conflicts of interests and have received a copy of it.



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### **5.3. Implementation of the policy**

It is the responsibility of the ethics and compliance officer, in cooperation with the management and human resources department of the relevant entity, to define the procedures for collecting and archiving declarations of familiarity with the policy, abstention decisions and decisions of acceptance and/or refusal of waivers (see templates in appendixes 1 and 2).





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### Appendixes

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#### Appendix 1: Declaration of familiarity with the policy for the prevention of conflicts of interests

NB : these documents must be retained by the Human Resources Department of each relevant entity during the whole period defined by local law for this kind of documents.

I, the undersigned, ..... , employed as ..... , with the company .....

- Acknowledge that I have received a copy of the policy for the prevention of conflicts of interests
- Acknowledge that I have familiarized myself with the policy for the prevention of conflicts of interests
- Am aware of my right not to disclose the nature of a conflict of interests
- Am aware of my discretionary right to ask for advice, on a confidential basis, from my ethics and compliance officer or the general counsel of my company as to any risk of conflict of interests.

Done on ..... in .....

Signature



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### Appendix 2: Examples of notice of decision of abstention, request for waiver and notice for acceptance/refusal of waiver

NB: all the documents below must be retained up to two years after the end of the project/mission concerned by the conflict of interests.

#### NOTICE OF A DECISION OF ABSTENTION

*Example of notice of a decision of abstention to be notified by the employee to his/her ethics and compliance officer; then the employee notifies his/her supervisor.*

I, the undersigned, ..... , employed as..... , with the company..... , hereby inform you that I am exercising my discretionary right under the Group's policy for the prevention of conflicts of interests on (date) ..... by recusing myself from performing the following tasks :

..... for a period of .....

Done on ..... in .....

Signature

#### REQUEST FOR WAIVER

*Example of request for waiver to be notified by the employee to his/her supervisor; the supervisor then notifies the ethics and compliance officer of the entity.*

I, the undersigned, ..... , employed as..... , with the company ..... , hereby inform you that I am exercising my right to request a waiver under the Group's policy for the prevention of conflicts of interests on (date) ..... in order to perform the following tasks:

..... for a period of .....

Done on ..... in .....

Signature



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## NOTICE FOR ACCEPTANCE/REFUSAL OF WAIVER

*Example of notice of acceptance/refusal of waiver to be notified by the supervisor and the ethics and compliance officer of the entity to the employee requesting a waiver.*

We, the undersigned ..... , employed as ..... , with the company ..... , being your direct supervisor and ..... , ethics and compliance officer of ..... , advise you that we jointly decided, being authorised to do so under the Group policy for the prevention of conflicts of interests, to:

grant you the waiver you asked by your mail/email dated ..... , and this for the reason(s) and under the condition(s) given below:

- .....
- .....
- .....

refuse to grant you the waiver you asked for by your mail/email dated ..... , and this for the reason(s) given below:

- .....
- .....
- .....

Done on ..... in .....

Signature

Signature

### Appendix 3: Questions / Responses

The responses below should be considered merely indicative and are not in any way a substitute for a specific evaluation of each case, in light of the context and circumstances surrounding that case.

#### 1. Impact of personal sphere on professional sphere

##### 1.1. May I work on a bid that will be submitted to a tender committee on which my brother sits?

This is a situation in which there is an apparent conflict of interests, since your brother may not have (or may be suspected by others of not having) the necessary distance, objectivity or impartiality to fairly examine the bid. In this case, you must refrain from working on the matter.

In any event, you must speak to your ethics and compliance officer.

##### 1.2. What should I do if I hold 10% of the shares of a start-up that the Group wishes to acquire?

You should not participate in any way in the acquisition transaction in order to avoid any conflict of interests and any disclosure of information. You will be removed from the acquisition project.

In any event, it is preferable to speak to your ethics and compliance officer.

##### 1.3. I was very impressed by the quality of the work of one of the Group's suppliers. May I invest in his company?

Investing in a company that has contractual relations with the Group could constitute a conflict of interests if it would put you in a position to influence purchasing decisions, investment amounts, etc.

##### 1.4. My son owns a hotel. May a Group event be held there?

The hotel in question may be considered as a venue along with other candidates. In that case, you should refrain from participating in the choice of venue and from organising the event, in order not to find yourself in a situation of conflict of interests.

##### 1.5. May I agree to be a director of an ENGIE subsidiary and an employee of another subsidiary with regard to my responsibilities?

Holding positions as both a director and an employee of ENGIE does not in itself create a conflict of interests, subject to compliance with the conditions for exclusion relating to the personal or regulatory status applicable to the subsidiary (such as regulated subsidiaries). However, certain positions are incompatible with such responsibilities in light of legislative provisions.

In any event, you should speak to your compliance officer.

##### 1.6. May I give an internship to my neighbour's daughter?

A person who is given an internship must satisfy all of the objective conditions required for interning with ENGIE. If a potential conflict of interests arises in this case, it is



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recommended that the request for an internship be forwarded to another ENGIE department or entity over which you have no influence.

### 2. Impacts of the extension of an employee's professional life into their personal life

#### 2.1. I have been asked to work on a project that will directly concern my town. What should I do?

As in any situation where there is a possible conflict of interests, you must first determine whether your personal position could alter your objectivity and your independent judgement in working on the project and whether your personal position could give you the ability to influence the matter in any way.

The situation must therefore be carefully and objectively analysed in light of what your real or presumed influence could concretely be. Thus, you may not be in charge of the matter if, for example, you hold an elective office of any kind within the municipality or if you are close to a person holding such an office.

It is then your responsibility to recuse yourself and, in any event, to speak with your entity's ethics and compliance officer.

#### 2.2. In connection with negotiations underway with a commercial partner, I have occasion to speak with my best friend's husband, who is the commercial partner's representative. What should I do?

Your proximity to a person representing a counterparty of ENGIE's creates de facto a conflict of interests or at least an apparent one.

In order to avoid any risk of conflict of interests, it is generally preferable to avoid a situation in which a member of ENGIE makes decisions involving a counterparty represented by a relative or close friend.

In this case, you should recuse yourself on your own initiative, or at the very least speak to your entity's ethics and compliance officer to discuss the specific situation.



## Policy for the prevention of conflicts of interests

### Appendix 4: List of Group documents referring to conflict of interests to date

- Ethics charter
- Practical guide to ethics
- Framework for directors
- Code of conduct for Group financial officers
- Code of conduct in supplier relations
- Policy on gifts and hospitality
- Charter on the use of the company's IT and telecommunications resources
- Group strategic sourcing and supply Governance ENGIE 2016-004
- Group procurement policy
- ENGIE security principles: prevention of payment-method fraud, Group real estate policy and standards
- Etc.