

Key controls aimed at ensuring compliance with the Group's ethics and compliance reference texts are incorporated into the INCOME internal control program. This compliance procedure is part of a broader control procedure: a control of different policies is incorporated into each audit campaign, and there are annual internal control campaigns on the implementation level of ethical, embargo and data privacy policies.

Internal audits are performed to assess the effective implementation of the policies and of the GDPR compliance program and, where applicable, define areas for improvement.

The Group is also engaged in external audits of its ethics and compliance framework. In 2015, the Group was awarded anti-corruption certification by Mazars, an accounting and auditing firm, and by ADIT, a

business intelligence firm. In 2018, the Group obtained ISO 37001 certification for its anti-corruption management systems, which was renewed in 2019. This certification was delivered by ETHIC Intelligence, a certification agency specializing in the certification of corruption prevention programs which abides by the requirements of the ISO/IEC 17021-1 & 9 standard.

The certification audit was carried out at the ENGIE Group level and at several operating entities, a scope that covers all of the Group's activities, both geographically and in terms of the occupational sectors. In this context, in 2019, a certification control audit was carried out on all of these activities, also concerning new entities, and the Group's certification was confirmed.

## 3.9 Vigilance Plan

This section summarizes the ENGIE Group's Vigilance Plan and reports on its operational implementation <sup>(1)</sup>.

The vigilance plan covers all the measures established by ENGIE SA to prevent for its activities and those of its controlled subsidiaries (pursuant to Article L. 233-1 of the French Commercial Code), serious violations of human rights and fundamental freedoms, the health and safety of individuals and the environment according to its ethical and social responsibility commitments. The Group's adherence to international

standards on human rights, including the health and safety of persons and the environment is the minimum basis for commitments that the Group intends to apply wherever it operates.

The plan is based on the different processes to identify and prevent the Group's risks specific to each issue or scope of vigilance, and which have already been deployed over several years, and on a common alert system. Completely backed by the ethics organization, it benefits from steering, governance and dedicated monitoring.

### 3.9.1 Identification and management of the risks of serious harm to individuals and the environment

The Group exercises vigilance through different policies that cover all the issues described in the plan, and regular procedures to identify and assess risks, determine goals and follow-up processes and evaluate their effectiveness.

The 300 ethical due diligence procedures carried out in 2019 by ENGIE's safety department and the 92 due diligence procedures carried out by external providers all involve a study relating to breaches or suspected breaches of rules on human rights, health and safety and the environment.

#### Prevent and manage the risks related to human rights

The major risks of negative impacts on the human rights of any individual due to the Group's activities are related to the fundamental rights of workers (health and safety at work, freedom of association, non-discrimination, interdiction of forced labor and child labor, working hours, housing conditions for workers), the rights of local communities (consequences for health and living conditions of local communities, displacement and rehousing of populations), the security of employees and sites (practices of private and public security forces, safety of employees in at-risk countries) and the practices of partners and suppliers (as conditions of energy supply or practices of commercial partners in the projects).

The Group's human rights policy, adopted in 2014, specifies the Group's commitments and provides for regular processes to identify and manage risks so that each entity ensures compliance in their activities and commercial relations. In particular, every year, the entities must assess their activities with regard to their impact on human rights, via a dedicated questionnaire (ERM process), as well as any new business activity (dedicated questionnaire aimed at identifying the risk factors specific to the activity considered, relating to the country, the activity, the presence of vulnerable populations, the products/services used, and business relations). Business partners and suppliers are also subject to ethical due diligence procedures, explicitly including human rights. The monitoring of the application of these processes is incorporated into the ethics compliance report (quantitative indicators) and into the internal control system.

In 2019, six BUs were regarded as having strong related human rights risks, either because of their country of activity or their type of activity.

At the operational level, the specific risks identified are the subject of specific action plans (for examples of responses, please refer to the website dedicated to the Vigilance Plan). At the Group level, the risk identification tools were refined in 2019 to take its new activities into account. Face-to-face training on the Group's human rights approach was developed. A new e-learning module on human rights for all employees was launched.

(1) More detailed information on the Vigilance Plan and its implementation is available on the Group's website at: <https://engie.com/ethique-compliance/plan-vigilance>

The Purchasing reference system, which included an ethics and vigilance clause, was reinforced in 2019 through the updating of the Code of Conduct for relations with suppliers to incorporate the requirements of the conventions of the International Labor Organization on fundamental workers' rights. Emphasis was also placed on measures to combat discrimination against discrimination and harassment of anyone working within the Group, including the staff of its subcontractors.

### Prevent and manage the risks related to the health, safety and security of individuals

The health, safety and security risks mapping includes, on one side, the risks of damage to the health, safety and security of individuals working for the Group, employees, temporary workers and subcontractors and, on the other side, the risks related to the Group's industrial assets or those which the Group maintains and/or operates on behalf of customers, which could generate risks for individuals working for the Group or for residents living near these industrial assets.

Annual reviews are carried out on the identification of the risks arising from the Group's activities, their assessment and the follow-up of the treatment action plans. The ENGIE Group has developed control processes to ensure the implementation of actions and the achievement of objectives<sup>(1)</sup>. A comprehensive health and safety report is presented annually to the Executive Committee and the EESDC.

In 2019, actions aimed at reducing the accident frequency rate work were continued. A specific "No Life At Risk" program was deployed within the Group to strengthen the culture of safety among employees and subcontractors, and the commitment to implement the Group's basic rules intended to prevent serious or fatal accidents, particularly compliance with the Group's Life-Saving Rules, the identification and control of risks, the identification and treatment of situations and events with high potential severity, work shutdowns if safety conditions are not gathered met (see also, for further details, Section 3.4.6 "Health and safety policy").

These various provisions were supplemented in 2019 with:

- a communication campaign to strengthen the risk analysis of the activity just before starting it, in order to manage the risks more effectively (last minute risk assessment);
- a review of training of managers aimed at strengthening their leadership in health and safety: the training was supplemented in particular with various tools available to managers, employees, temporary workers and subcontractors to prevent serious and fatal accidents;
- the deployment of an e-learning system for anchoring rules in memory@.health-security-safety fundamentals for all company employees;

- the establishment of a rule dedicated on the promotion of a fair health and safety culture, intended to reinforce virtuous behavior, in particular proposals for technical or organizational changes, and to establish a system of sanctions proportionate to the severity of the discrepancies observed.

The Group has a policy to protect individuals from malicious acts, whether they are employees or subcontractors at the sites at which they normally work, or employees on a mission or expatriates. The prevention and protection measures are adopted on the basis of the criticality of the geographic region in which the individual is located. This criticality is continually assessed in collaboration with local authorities (see also Section 2.8 "Social and societal risks").

### Preventing and managing environmental and societal risks

The environmental risks identified by the Group are related to Water (scarcity of the resource and pollution in the event of discharge), Biodiversity (degradation of ecosystems), Air (emission of atmospheric pollutants), Soil (soil pollution) and Waste (pollution and waste treatment). These local environmental risks are identified annually at the sites level and allow a list of sites "at risk" to be established.

In addition to these local risks, ENGIE takes into account global risks, in particular the climatic risk. (Cf. Section 3.1). From a societal point of view, the risks analyzed are the impact of activities on local communities and their social consequences.

The Group's CSR Policy<sup>(2)</sup> guides the vigilance process with regard to environmental and social matters. Environmental and societal risks are analyzed periodically at every level of the company. CSR analysis criteria make it possible to identify risks, such as climate change, biodiversity, air, water, and soil and take them into account before starting projects. In collaboration with the local stakeholders, each industrial site identified as being "at risk" draws up an action plan that includes all of these environmental aspects. From a societal point of view, risks analyzed are the activities' impact on local communities and their social consequences. The Group's CSR policy aims to institute action plans at various levels to avoid, reduce, and if necessary, offset the environmental and societal impacts of the Group's activities. This policy is deployed in each BU, subsidiary, and site. Its implementation is monitored through goals and action plans that are reviewed every year. This review process enables us to make sure our obligations, with respect to environmental and societal vigilance, are properly satisfied.

In 2019, the monitoring of the implementation of the action plans at sites presenting a potential environmental risk was included in the environmental reporting. The BUs with industrial sites have all contributed. Approximately 20% of the sites are subject to action plans. Furthermore, 53% of industrial activities were covered by an appropriate mechanism for dialogue with stakeholders. And in collaboration with the departments responsible for major projects and training, the CSR Department trained business developers and project managers of 6 entities/business units to its methodology of dialogue with the stakeholders in their activities. In addition, the CSR Department supports the operational teams in their dialogue processes on a daily basis. For more information: <https://www.engie.com/analystes-rse/gouvernance/devoir-de-vigilance-des-risques-environnementaux-et-societaux/>

(1) Such as health and safety discussions held at each Executive Committee meeting, a reporting system of indicators dedicated to the health and safety of its employees and that of subcontractors working on its sites, and annual performance reviews with the Group's various BUs.

(2) For more details on this policy, see Section 3.2 "Societal responsibility".

### Prevent and manage risks related to energy supply

The social and environmental risks related to the Group's energy supply (coal, biomass, natural gas and LNG) have been identified as a specific issue of vigilance for the Group. They are managed directly by the Global Energy Management (GEM) BU, which has partially identified the risks specific to each of its activities (by energy source, by country, etc.) as well as the relevant players and the responses to address these risks, particularly through existing sector initiatives. A CSR strategy was formalized to meet these challenges, with specific action plans per energy source.

In 2019, within the GEM BU, the governance structure was strengthened in 2019 to ensure that the duty of vigilance is included in decision-making processes and the supply chain risk assessment approach was systematized. A new strategy focused on the social and environmental aspects was also developed.

### Prevent and manage the risks related to non-energy purchases

The Group procurement Governance, the document governing the management system, was revised in 2019 to strengthen the role of the Chief Procurement Officer of the BU, particularly with regard to ethics. On this basis, an analysis of ethical risks must be carried out in each BU, taking into account the occupational sectors, procurement categories and spend, organizations and projects. The rotation of the individuals in the Purchasing function engaged in the supplier relationship is encouraged.

Risk prevention also takes place through the implementation of three operational processes, "Manage the Purchase categories", "Buy & Supply" and "Manage the supplier panel", the management system of the non-energy purchases incorporates the requirements related to human rights, health and safety at work, ethics and the environment.

The prevention plan under the duty of vigilance is implemented through the Purchasing Process by following the following key steps:

- analysis of risks and opportunities by Purchasing category and by country (amended in 2019 with our partner EcoVadis);
- associated management plan (qualification and selection criteria for preferred suppliers, need for an audit, due diligence, supplier data accessible via the Procurement Information Center, etc.);
- incorporation of contract clauses on ethics, GDPR, etc.;
- measurement of the performance delivered by the suppliers and related improvement plans.

In addition, the partnership launched in late 2018 with an external provider (ECOVADIS) was extended in 2019 to assess the CSR impact of the Group's 250 preferred suppliers in four areas (Environment, Work and Human Rights, Ethics and Sustainable Purchasing). In June 2019, the CSR assessment of suppliers was extended to the Major Suppliers of the BUs to cover a panel of around 1,400 existing suppliers in nearly 70 countries and representing a significant portion of expenditure.

Alongside the assessment of the suppliers, the partner ECOVADIS created a risk map covering all of the Group's purchasing categories. This risk mapping confirmed that six purchasing categories were high risk, with all areas combined: engineering and turnkey installation, wind power, lighting, construction and civil engineering, industrial piping and steel structure, mechanical equipment and services. This risk matrix, together with a set of recommendations, enables selection criteria and means of limiting risks to be defined for new suppliers.

Lastly, as the assessment of the Group's new preferred suppliers is automatically implemented during the tender phase, the Group can carry out the pre-requisite full due diligence procedure before contract signature.

## 3.9.2 Alert mechanism and collection of alerts

In the context of the application of the Sapin 2 law and the law on the duty of vigilance, in 2018 the Group deployed a new alert system common to the entire Group and defined a new policy on whistleblowers. On January 1, 2019, information about this alert system was specifically communicated to all employees via a mailing, videoscribing and poster campaign, with particular visibility on the Group's website, and was presented to the employee representative bodies via the existing committees at Group level, such as the European Works Council.

This system<sup>(1)</sup> is open to all employees, both permanent and temporary, and to all its external stakeholders, and covers all the vigilance issues.

An alert can be issued, anonymously or not, via email (ethics@engie.com) or a free telephone call. It is received by an external service provider that transmits the report anonymously to ENGIE for processing.

In 2019, 183 alerts were received via the system, 96 of which concern subjects related to the duty of vigilance ("social responsibility and human rights category"). Most of these alerts concern allegations relating to the interpersonal relationships between employees or bullying.

(1) For more information on the system, please see: <https://www.engie.com/ethique-et-compliance/notre-approche/dispositif-alerte-2/>

### 3.9.3 Steering, governance and follow-up of deployment of the plan

#### Steering and follow-up at the highest corporate level

The Group has set up monitoring and global coordination at the highest level to ensure that it can meet the law's objectives in an effective and coordinated way. The Group's vigilance plan was validated by the Group's Executive Committee on January 22, 2018, which entrusted management to the Ethics, Compliance & Privacy department, under the responsibility of the General Secretary. A report on the effective implementation of the plan is presented annually to the EESDC of the Board of Directors. Coordination and deployment of the plan is monitored by a specific, groupwide committee<sup>(1)</sup> whose mission is to ensure an effective ENGIE SA process for the Group, to successfully disseminate the plan and to increase awareness among the entities, as well as to facilitate the feedback of information for the legal reporting requirement. In addition, each entity must ensure that the Vigilance Plan is known and properly rolled out at its level and within its direct and indirect subsidiaries. The monitoring of these actions by the entities is included in the annual compliance report.

#### Stakeholder relations

The plan and the progress made in its implementation are presented and regularly discussed with the employee representative bodies via the existing committees at Group level, such as the European Works Council, and moreover, the EESDC, and the Board of Directors. At the local level, the entities were also specifically asked to present the vigilance plan and the legal obligations to their employee representative organizations.

Such as health and safety discussions held at each Executive Committee meeting, a reporting system of indicators dedicated to the health and safety of its employees and that of the subcontractors working on its sites, and annual performance reviews with the Group's various BUs.

<sup>(1)</sup> The monitoring committee is composed of the four main sectors concerned by the operational implementation of the plan: the Ethics, Compliance and Privacy Department and the Corporate Social Responsibility Department, which co-chair the committee, the Global Care Department and the Sourcing Strategy and Purchasing Department; the Legal, Audit and Internal Control support functions; and the BUs considered to be the greatest risk in terms of vigilance: MESCAT BU, Asia-Pacific BU, Latin America BU, GEM BU and UK BU.