

## 4.5 Vigilance plan

This vigilance plan <sup>(1)</sup> summarizes all of the measures taken by ENGIE SA to prevent serious violations of human rights, fundamental freedoms, and the health and safety of people and the environment for the ENGIE group.

The Group adheres to international standards on human rights, including the health and safety of people and the environment, which it considers to be the fundamental minimum to comply with wherever it operates. It is committed, as a responsible economic operator, to act with utmost care, in all circumstances, with regard to the impact of its activities on individuals and the environment.

### 4.5.1 A Single Vigilance plan for the Entire Group

The Group's vigilance plan is based on the various policies the Group has been implementing for several years with respect to human rights, health and safety, and the environment.

Managed and monitored from the highest Group level (4.5.2), it is comprised of a map of major risks for the Group that covers the three areas requiring vigilance (4.5.3), the various risk management policies (4.5.4), and a whistleblowing system (4.5.5).

### 4.5.2 Group level Steering

The Group's vigilance plan was presented on 22 January 2018 to the Group's EXCOM, which assigned the plan's steering to the Ethics & Compliance Department, under the responsibility of the Secretary General and in close collaboration with the Corporate Social Responsibility, Health & Safety, and Strategic Sourcing and Supply

departments. A plan monitoring committee was set up, and a report on the plan's effective implementation was presented to the Board of Directors' Committee for Ethics, the Environment, and Sustainable Development.

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### 4.5.3 Mapping the Group's Major Risks Related to the Duty of Vigilance

The map of the Group's risks is based on a risk analysis related to its activities (direct or subcontracted) and the specifics of the geographical areas in which it operates, in accordance with existing policies in the area of health and safety, human rights, and the environment. The following issues were hence identified as constituting major Group risks:

- to protect the health and safety of the Group's employees and providers, and the people living near industrial assets operated by the Group;
- to respect the fundamental rights of workers, *i.e.*, the prohibition on forced labor and child labor, non-discrimination, and respect for the freedom of association and the collective-bargaining principle;
- not to harm the living conditions of the local communities living around sites;
- to ensure the safety of the Group's permanent and temporary employees and subcontractors in accordance with human rights;
- to respect human rights and the environment in conducting its energy procurement activities;
- to minimize the environmental impact of its activities.

### 4.5.4 Risk Management Policies:

The Group exercises vigilance by implementing four policies in particular. Each policy sets out procedures to periodically identify and assess risks, remedial measures and goals, and systems for monitoring and evaluating such measures' effectiveness.

- **The human rights policy** <sup>(2)</sup> details the Group's commitments, in particular in the area of workers' fundamental rights, the living conditions of local communities, and employee safety.

Group entities must ensure that such commitments are respected in their commercial relations by instituting procedures at the appropriate operational level to periodically identify and manage risks related to human rights (annual review of activities, assessment of new projects, due diligence regarding commercial partners, inclusion of human rights related criteria in the purchasing process) and, if applicable, effectively implement local grievance mechanisms.

(1) This vigilance plan complies with the provisions of French law no. 2017-399 of March 27, 2017 related to the duty of vigilance of parent companies and principals.

(2) For more information on this policy, see Section 4.4 Ethics and Compliance



## Corporate governance

### 4.5 Vigilance plan to prevent serious violations of human rights

The requirements of this human rights policy are fully incorporated into the Group's centralized ethics compliance process <sup>(1)</sup>. As a parent company, ENGIE SA makes sure this policy is effectively implemented. If necessary, it provides for control measures by means of internal control procedures backed up by both scheduled and unscheduled internal or external audits.

The health & safety policy <sup>(2)</sup> is set out in specific agreements with the employee representatives, in specific "Group Rules" on health & safety, and in five-year action plans setting goals to achieve and the main actions to be taken. The current plan covers 2016-2020. To supplement the system in the area of contractor and subcontractor health & safety, the Group has developed a dedicated approach that includes, in particular, a specific Group Rule and a subcontractors' observatory that evaluates and coordinates the implementation of dedicated actions in this area.

The Group Rules on health & safety are set at the operational level by the Business Units (BUs) and Group subsidiaries, and are supplemented by best practice guides specific to the risks inherent in each of the various businesses. There is an annual review of how well risks caused by the activities have been identified and assessed, and the action plans to deal with them have been followed. A specific analysis of significant events, incidents, accidents, and potentially very serious events provide lessons on how to avoid a recurrence. Actions to raise awareness, train, and share practices <sup>(3)</sup> have been developed at various Group levels to reinforce habits of paying attention and being vigilant.

The ENGIE Group has adopted control systems to ensure actions are implemented and goals are achieved, in particular through health & safety discussions at each EXCOM meeting, internal controls and audits of subsidiaries' and entities' health & safety management systems, annual performance reviews with the Group's various BUs, promoting health & safety, and sharing best practices. A comprehensive health & safety assessment is presented to the Board of Directors' EXCOM and Ethics, Environment, and Sustainable Development committees every year.

- The Group's CSR Policy <sup>(4)</sup> guides the environmental and social vigilance program. Environmental and social risks are analyzed periodically at every level of the company. CSR analysis criteria make it possible to identify risks and take them into account before starting projects.

The environmental risk analysis covers the following aspects in particular: climate change, biodiversity, air, water, and soil. 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. The social risks analyzed are the activities' impact on local communities, and the social consequences of closing any facilities.

- The Group's CSR policy aims to institute action plans at various levels to avoid, reduce, and if necessary, offset the environmental and social impacts of the Group's activities. This policy is deployed in each BU, subsidiary, and site. Its implementation is monitored through goals and actions plans that are reviewed every year. This review process enables us to make sure our obligations, with respect to environmental and social vigilance, are properly satisfied.
- The Purchasing Management System (excluding energy) <sup>(5)</sup> (Policy and Process) incorporates the requirements related to human rights, health and safety, ethics, and the environment. The prevention plan under the duty of vigilance results from the Purchasing Process by following the following key steps:
  - analysis of risks and opportunities by Purchasing category and by country (prioritization);
  - related mitigation plan (qualification and selection criteria concerning preferred suppliers, need for an audit, due diligence, etc.);
  - inclusion of contractual clauses (with a system of penalties for non-compliance with CSR);
  - measurement of the performance delivered by the suppliers and related improvement plans.

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#### 4.5.5 The System for Whistleblowing and Receiving Reports

The Group has enhanced its whistleblowing system and set a new whistleblower policy. <sup>(6)</sup> This system is open to everyone, and the procedure for collecting reports is handled by a trusted third party. It covers all of the ethics commitments set out in the Group's ethics

charter and makes it possible to report issues related to human rights, health & safety, and the environment, regardless of which stakeholder is involved.

(1) See Section 4.4.7 Control System.

(2) For more details about this policy, see Section 3.4.6 Health & Safety Policy.

(3) See the paragraph on raising awareness and sharing practices in Section 3.4.6.2.

(4) For more information on this policy, see Section 3.5 Environmental Information and 3.6 Societal Information.

(5) See Section 3.7.4 Purchasing, Suppliers.

(6) See Section 4.4.5 Whistleblowing and Reporting Ethics Incidents.