
Inventing the sustainable energy world of tomorrow

June 2017

ENGie

A hand holding a small globe. The globe is covered in green grass and features various elements: wind turbines, houses, trees, a city skyline, a palm tree, a cow, a bird, a fish, and a small pond with a waterfall. The background is a blue sky with clouds and a white airplane flying in the distance.A horizontal bar with a rainbow gradient, consisting of segments in green, yellow, blue, red, and purple.

Summary

1/ Context

Becoming low-carbon and connecting to stakeholders

2/ Integrated Performance

CSR at the heart of ENGIE's business model

3/ A new ambition

CSR ambition contributing to ENGIE's transformation



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1/ Context



A unique positioning to embrace the energy revolution

Low CO₂ power generation mix & strong positions in renewables

- 86% low CO₂ emissions, 20% renewables⁽¹⁾, #1 in solar & wind energy in France, present in many countries on every continent

ENGIE's strategy to gradually end its coal activities

- Stop all projects which had not yet been firmly committed
- In 2016, ENGIE announced the sale or closing of more than 50% of its coal capacity

Leading energy company supporting countries in their move towards the energy transition

- Without waiting for worldwide spread carbon prices, ENGIE uses a carbon price in its investment assessments

Developing the uses of natural gas to replace more carbon emitting energies and paving the way for green gas tomorrow

- Biogas, retail LNG

100,000 people dedicated to energy efficiency solutions

- Enabling customers to achieve their own sustainability objectives

Priority to lowest CO₂ options
CO₂ light activities⁽²⁾ will represent more than 90% of Group's Ebitda by 2018

(1) Data at 100%, as of end of 2016, excluding pumped storage for hydro capacity

(2) Low CO₂ power generation, gas infrastructures & LNG, downstream

Advocating for carbon pricing, a key lever towards decarbonization

Since 2013, ENGIE openly advocates for the generalization of carbon prices in the World

- To signal for low carbon investments while setting a level playing field for global companies
- One of the best ways to accelerate the transition

ENGIE is Member of the World Bank Carbon Pricing Leadership Coalition (IMF, WEF, IETA, UN Global Compact, CDP, ...) which committed to :

- x2 by 2020 the coverage of emissions by carbon pricing regulations (25%)
- And x2 again the coverage by 2030 (50%)

Mr Mestrallet nominated co-president of the French mission on carbon pricing, which made proposals to reinforce the carbon pricing signals

- Set a price corridor on the EU ETS at European level

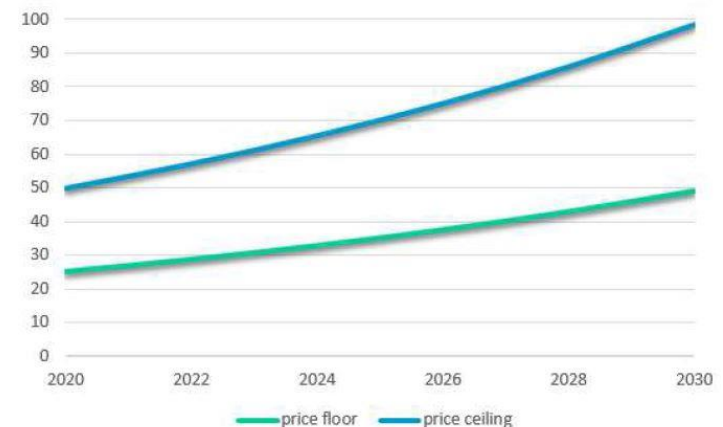


Figure 1: Trajectory of the soft price collar proposed by the commission

ENGIE Top Management Involvement in CSR

- **Terrawatt Initiative** : global non-profit organization, bringing together governments, investors, energy suppliers, NGOs and citizens to promote competitive solar power as a decisive tool to address power needs, sustainable development goals and climate change
- Launch of Foundation for social investment and human development (**Fondation pour l'investissement social et le développement humain, « FISO »**)
- **Foundation « Agir Contre l'Exclusion »** : in favor of social and civil commitment to fight against all forms of exclusion
- **Green Finance** : one of the pioneers in Green Bond issuance, support to the Paris Green Financial Center and Green Bond Principles
- **Carbon Price** : determination of an internal Carbon Price applied to our investments and support of worldwide market mechanism to promote a higher carbon price
- **Access to energy** : commercial offer development
- **Social network** : Twitter, LinkedIn
- **Definition of our ambition for 2020** with 6 CSR objectives and strong involvement of CSR within the Group
- **Integrated Thinking**

TERRAWATT Initiative: massive solar scale-up



The context of the 21st century Energy Revolution

- A massive expansion of electricity both geographically and in its usages, leading to a fast modernization, universalization and de-fossilization of our power systems
- The alliance of renewable energies, digital power management technologies, power storage and energy efficiency, to provide everyone everywhere with an energy service of quality, clean and much cheaper than today.
- Because it is universal, simple, scalable, flexible, clean and competitive, solar PV provides a simple and pragmatic solution to a very substantial part of our needs for low cost power.

The Terrawatt Initiative

- Engie, together with a group of energy, industry, technology and finance global leaders decided at COP 21 in Paris to launch, alongside the International Solar Alliance, the Terrawatt Initiative (TWI), the first private non-profit organization aiming at accelerating the cost reduction of solar PV generation, by tackling the structural barriers existing in the market, to unlock as fast as possible all its benefits for humanity.
- TWI is willing to (i) promote the deployment of 2.5 TW of solar PV in the 10 coming years, (ii) draw collectively a positive vision the society the Energy Revolution may lead to, (iii) propose a pathway and concrete steps to achieve it, and (iv) mobilize the world's public opinion through education, information and communication actions and to empower the citizens into the Energy Revolution.
- As a first step, TWI promotes concrete political, economic, legal and financial actions. With its global network and partners, TWI actively works on (i) leaner regulations, (ii) more efficient market practices, in particular standardized contractual documentation, and (iii) structural risk mitigation tools. It offers technical assistance to accompany key stakeholders in their implementation, including via cross-cultural capacity building programs and leadership sessions.



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2/ Integrated Performance

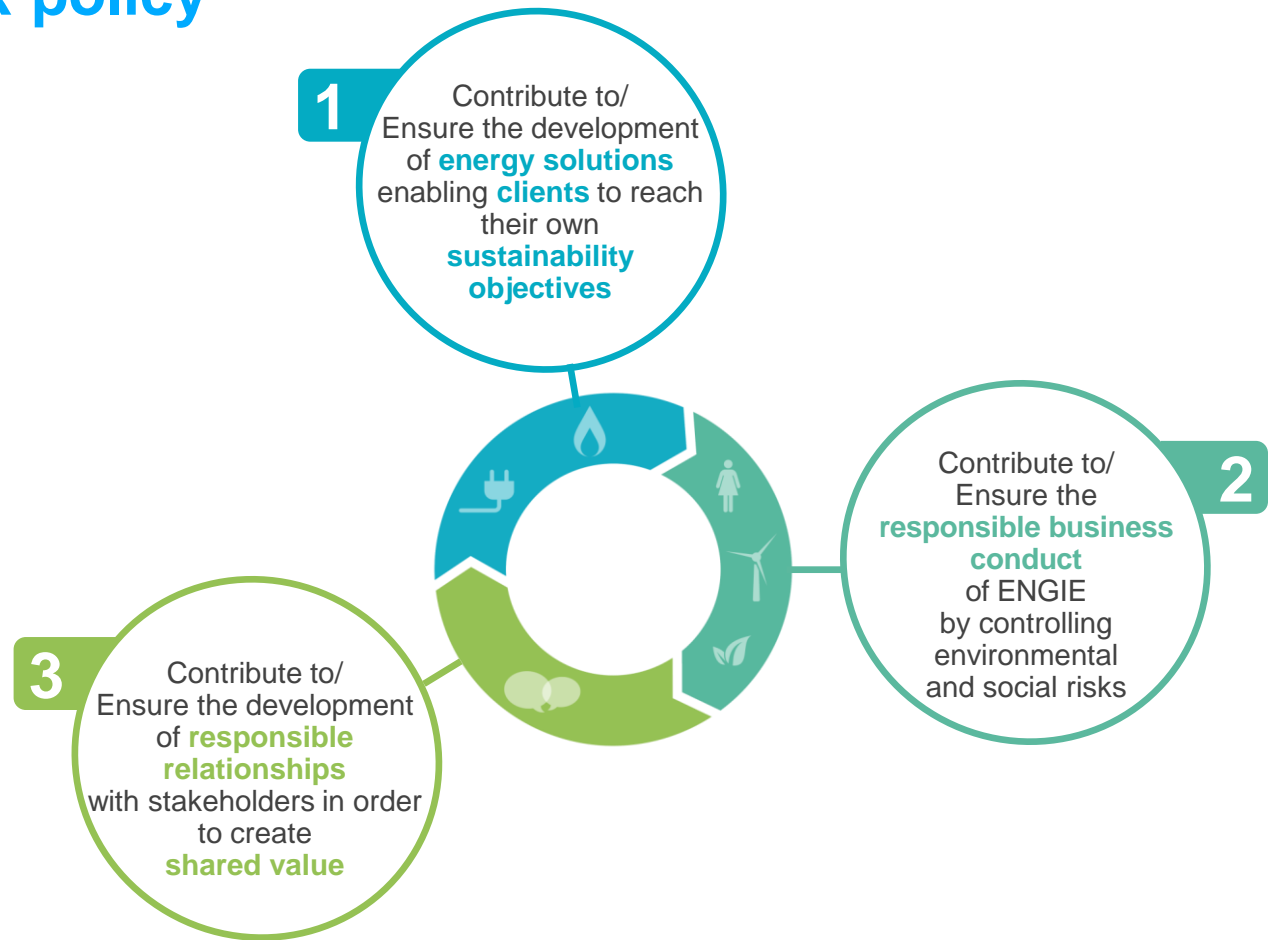


What is CSR for ENGIE?

Long term business thinking

- Designing successful services & offers in line with the expectation of our clients
- Improving relationships with our stakeholders to deliver sustainable projects and reinforce our integration into the territories
- Mastering more efficiently risks (operational, environmental, regulatory, legal, reputation) including for supply chain
- Increasing staff engagement and attracting talents
- Improving processes and optimizing global costs
- Facilitating access to financing

Ambitious CSR policy



An ambitious policy supported by strong commitment from top management

ENGIE well-positioned in ESR ratings and indexes



Total Score (2016)



- ENGIE **Industry Leader** of the Multi-Utilities and Water sector (MUW)
- Listed in the Dow Jones Sustainability Indexes *World & Europe*
- Awarded the “Gold Class Sustainability 2017 Award”



- CDP Climate Change : A list
- CDP Water : A- list



- Performance: 61/100
- Category robust
- Listed in the Euronext VigeoEiris indexes : *World 120, Europe 120, Eurozone 120 and France 20*

CERTIFICATIONS

- 81% of revenues covered by ISO 14001, EMAS⁽¹⁾, other external EMS⁽²⁾ certifications and internal EMS (2016)



ECOVDIS (2016)

- 73 / 100
- Advanced level

(1) Eco Management & Audit Scheme
(2) Environmental Management Scheme

Materiality matrix: a strong stakeholder dialogue process

OBJECTIVES

- Identify **priority** issues according to their **relevance both to ENGIE and its stakeholders**
- Cover environmental, social, societal, economic, financial and governance issues
- Fit in with ENGIE's approach to responsible performance
- **High convergence between the priorities for our stakeholders and those of the Group**

RELEVANCE FOR STAKEHOLDERS		<ul style="list-style-type: none"> •Stakeholder dialogue 	<ul style="list-style-type: none"> •Local acceptance •Business conduct •GHG emissions •Reputation •Health & safety •Facility safety
		<ul style="list-style-type: none"> •Access to energy •Responsible purchasing •Biodiversity •Regulatory compliance •Staff diversity •Human rights •Risk management •Taxation •Air pollution •Relations with political decision-makers 	<ul style="list-style-type: none"> •Adaptability of the business model •Management culture •Staff career & personal development •Social dialogue •Operational efficiency •Innovation •Balanced energy mix •Local recruitment •Customer/manager relations •Security of supply •Financial strength •Energy transition •Financial value creation
	<ul style="list-style-type: none"> •Sponsorship •Other pollution (noise, landscape, odours, etc.) 	<ul style="list-style-type: none"> •Group energy consumption •Rules of procedure of the Board •Water management •Waste management •Protection of personal data 	<ul style="list-style-type: none"> •Staff commitment •Industrial partnerships •Shareholder policy
RELEVANCE FOR THE GROUP			

ENGIE first among CAC40 companies to publish an Integrated Report

Objectives

- Provide a comprehensive understanding of the Group's **value creation on the short & long term**
- Make the company **more attractive** to investors, particularly SRIs,
- Allow large customers to **better understand ENGIE** and initiate **new partnerships**
- **Develop relations** with all Group stakeholders, among which NGOs

2016 improvements following a consultation of all the Group's stakeholders

- Report systematically structured around the **components of ENGIE's strategy**
- **More customer centricity**, with a specific focus on customer expectations
- Focus on **ENGIE's transformation plan and new organization**
- Better integration of financial and non-financial results and objectives to **explain the long term value creation process**
- **Anticipation of the reporting obligations** set out in Article 173 of the French Energy Transition Law for Green Growth: risks resulting from climate change, measures taken to reduce these risks and consequences of ENGIE's activities on climate change

2017 new version based on an integrated thinking approach

- **Connecting** the **CSR objectives of the Group** and their contribution to **long-term value creation**, to take up the challenges of ENGIE and its **stakeholders** (materiality matrix) and to the United Nations **Sustainable Development Goals**



Green finance to support ENGIE's ambitious development strategy in renewable energies and energy efficiency

- **Categories of eligible Green Projects⁽¹⁾:**
 - **Renewable energy projects:** hydro, geothermal, wind, solar, biogas, biomass and any other renewable sources of energy
 - **Energy efficiency projects:** heating & cooling network, co-generation, optimization of buildings or plant efficiency, systems for energy management (Smart Grids, Smart Metering)
 - **Natural Resources Preservation projects:** water and/or waste management
- **Criteria set to select projects developed & validated by Vigeo, external auditor to assess the compliance of Green Bond projects with criteria**
- **ENGIE intends to allocate the proceeds of the issuance within a 2-year period from the issue date**
- **Regular reporting on projects financed with Green Bond proceeds, with impact indicators**

Renewable energy projects

- per technology and per geographic zone
 - Installed capacity in MW
 - Annual GHG emissions avoided in tons of CO2 equivalent
 - Annual renewable energy production in MWh

Energy efficiency projects

- per geographic zone
 - Annual reduction of energy consumption in % and in MWh
 - Annual GHG emissions reduced in tons of CO2 equivalent

Natural Resources Preservation project

- per geographic zone
 - Annual reduction of natural resources consumption in Mt or
 - Annual reduction of waste in Mt

ENGIE successfully issues its second Green Bond of €1.5bn

(1) Eligible Green Projects include investments in projects, major acquisitions of companies and minority equity participations, and R&D aiming at developing new products and solutions



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3/ A new ambition



A strong ambition for 2020

ENGIE committed in 2016 to six new ambitious CSR objectives to be achieved by 2020, which aims at supporting its strategic ambition and demonstrating its impacts on society.

The 2016 CSR results indicate that the Group is on track and fully committed to implement its sustainable growth strategy

Objective	Key Performance Indicator	Effective value in 2015	Effective value in 2016	Target value in 2020
1) Supporting our customers in the energy transition	Satisfaction rate among our B2C customers	na	81%	85%
2) Renewables	Share of renewable energy in the generating capacity	18.3%	19.5%	25%
3) Greenhouse gas emissions	% reduction in ratio of CO ₂ emissions to energy production compared with 2012	+0.6%	-11.3%	-20%
4) Stakeholder dialogue	% of industrial activities covered by a suitable dialogue and consultation mechanism	na	20%	100%
5) Gender diversity	% of women in the Group's workforce	21.6%	21.9%	25%
6) Health and safety	Internal frequency rate for occupational accidents	3.6	3.6	< 3

Contribution of ENGIE CSR Objectives to United Nations SDGs



ENGIE CSR objectives support the Group's ambition of energy transition leaderships and contribute to the global sustainable development priorities defined by the United Nations:

- Goal 3 through CSR objective of Health and Safety (internal accident frequency rate below 3 by 2020), “our live-saving rules” to reduce fatal accidents
- Goal 5 through CSR objective of gender diversity (25% of woman in the workforce by 2020), 33% of woman appointed as Topex in 2016
- Goal 6 as member of the CEO water mandate from 2008
- Goal 7 through CSR objective on Renewable Capacities (25% of the energy mix by 2020), new renewable projects, sustainable energy access for all (1,2 M beneficiaries in 2016 of “Rassembleurs d’Energies” projects)
- Goal 11 and Goal 12 through CSR objective on supporting our customers in the energy transition (satisfaction rate above 85% by 2020) and CSR objective on Stakeholder Engagement (all industrial activities covered by a suitable dialogue)
- Goal 13 through CSR objective on CO₂ Reduction (-20% for energy production CO₂ ratio by 2020), new deals of closing/sells of coal assets in 2016 (Hazelwood, Polaniec,...)
- Goal 14 and 15 through ENGIE’s commitment to the French National strategy on Biodiversity (SNB) from 2012

Developing new commercial offers, aligned with the Group's CSR ambition: Green electricity supply in France

- Since October 2016, for new contracts, ENGIE exclusively sells green electricity at no additional cost to Households and small Business in France.
- Offers are covered by Guarantees of Origin from renewable energy producers.

Already 185 000 green electricity clients end of December 2016

Objective of 1 Million green electricity clients by the end of 2017



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* ENGIE purchases the equivalent of the amount of electricity consumed by the customer in Guarantees of Origin issued by renewable energy producers, for any new electricity contract subscribed by a particular customer, excluding the Happ'e electricity supply. A Guarantee of Origin certifies that electricity has been produced from a renewable energy source and injected into the electricity grid.

Impact investment fund *ENGIE Rassembleurs d'Energies*

18 investments on 4 continents in 6 different technologies

Rassembleurs d'Energies rated
Platinum – Label B
Corp by the Global
Impact Investing Rating
System



Clean cookstoves

N°	Company	Country
1	Green Bio Energy Waste to recovery biomass fuel and clean cookstoves	Uganda

Solar home systems

N°	Company	Country
1	Simpa Networks	India
2	Green Village Ventures	India
3	Rural Spark	India
4	Eres Renewable	Mexico
5	Fenix international	Uganda
6	PEG Ghana	Ghana
7	BBOXX	Rwanda

Micro-mini grids

N°	Company	Country
1	Mera Gao Power	India
2	Ausar	Morocco
3	CDS (micro utility)	Mauritania

Biogas

N°	Company	Country
1	Biobolsa	Mexico
2	SIMGAS	Tanzania

Biomass

N°	Company	Country
1	Estera	France

Energy efficiency

N°	Company	Country
1	Les toits de l'espoir	France
2	Le Chênelet	France
3	Habitat et Humanisme	France
4	LivingStones	Belgium

Impact investment fund *ENGIE Rassembleurs d'Energies*

Recent investments overview



- Waste to energy briquettes and clean cookstoves
- Created 2010, mainly active in Uganda
- *ENGIE Rassembleurs d'Energies* participated in 1 financing round as series A
- Objective: improve lives of 300,000 people and displace 270,000t CO₂ by 2020



- Mini utility promoting renewable energy
- Created in 1980, active in Mauritania
- *ENGIE Rassembleurs d'Energies* participated in 1 financing round
- 10,000 people served with water and power in rural Mauritania



- Solar Home System using Pay As You Go
- Created in 2010, mainly active in East Africa
- *ENGIE Rassembleurs d'Energies* participated in 2 financing rounds
- 350,000 people served to date



Conclusion: CSR Priorities

- Priority to lowest CO₂ options
- Further develop Stakeholder Engagement
- Access to Energy: 20 million beneficiaries by 2020

**CSR ambition contributing to
ENGIE's transformation**

APPENDICES



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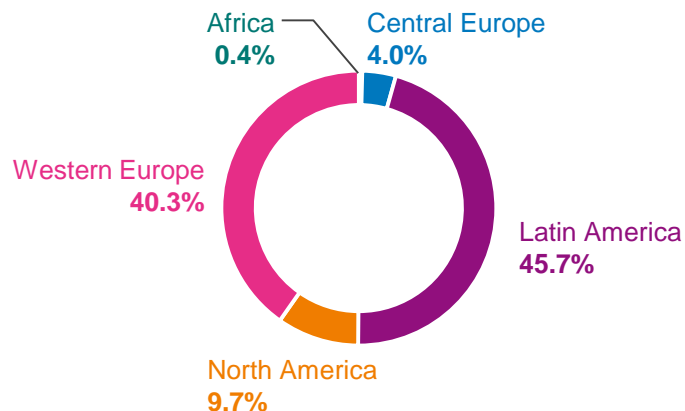
Full allocation of the 1st Green Bond

ENGIE's Green Bond launched in 2014

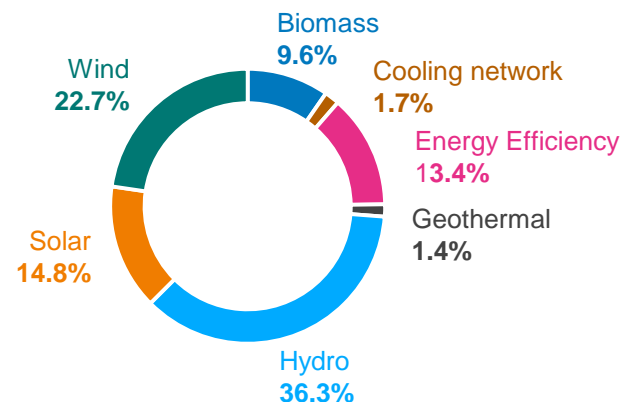
- A green bond for a total of €2,5 billion, in 2 tranches comprised of €1,2 billion for 6 years and €1,3 billion for 12 years
- 77 projects with an average size of €32 million.
- €2,5 billion allocated at end of 2016 on 48 projects

Projects funded by Green Bond from 2014 to 2016

% FUNDS ALLOCATED BY GEOGRAPHICAL AREA



% FUNDS ALLOCATED BY TECHNOLOGY



A LOW CO₂-EMISSION ENERGY MIX

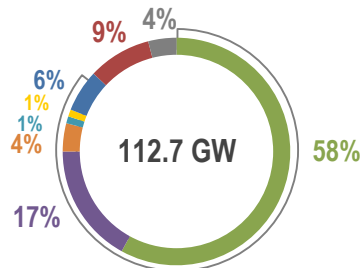
BREAKDOWN OF GENERATION CAPACITY BY TECHNOLOGY

AS OF 12/31/2016

Installed

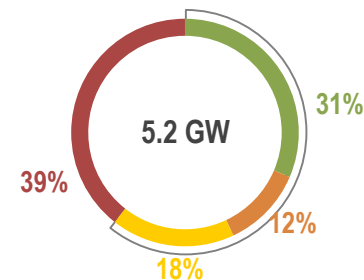
Under construction

At 100%

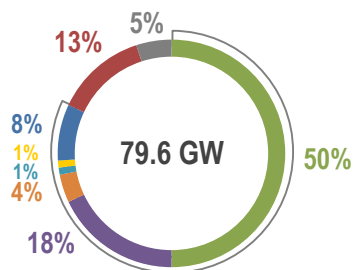


low CO₂ emissions

86% | 61%
renewables⁽¹⁾
20% | 29%

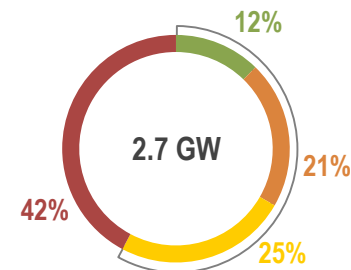


% consolidation⁽¹⁾

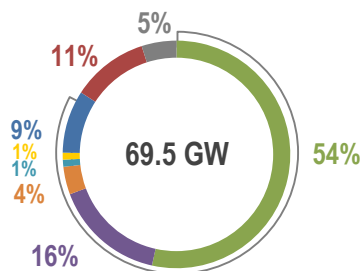


low CO₂ emissions

82% | 58%
renewables⁽¹⁾
20% | 45%

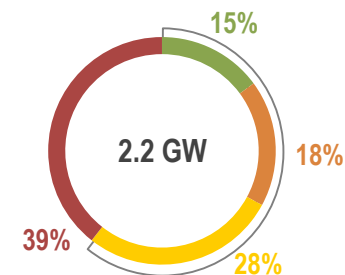


Net ownership⁽²⁾



low CO₂ emissions

84% | 61%
renewables⁽¹⁾
17% | 46%



(1) Excluding pumped storage for hydro capacity

(2) % of consolidation for full consolidated and joint operations affiliates and % holding for equity consolidated companies

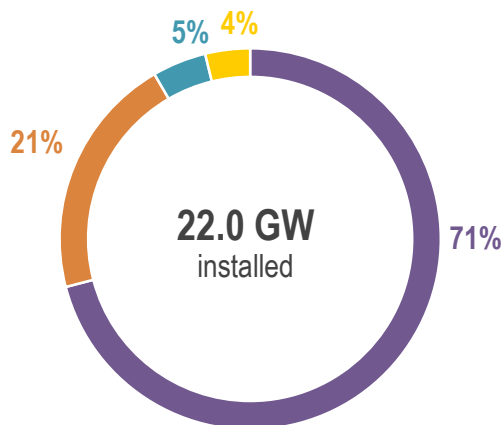
(3) ENGIE ownership

RENEWABLE ENERGY: ~ 20% OF GROUP'S GENERATION CAPACITY

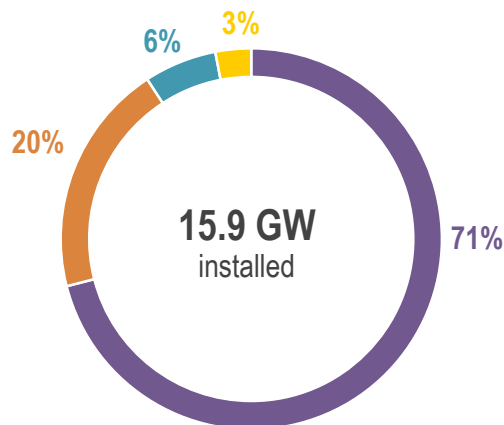
As of 12/31/2016

Hydro⁽¹⁾ Wind Biomass & biogas Solar

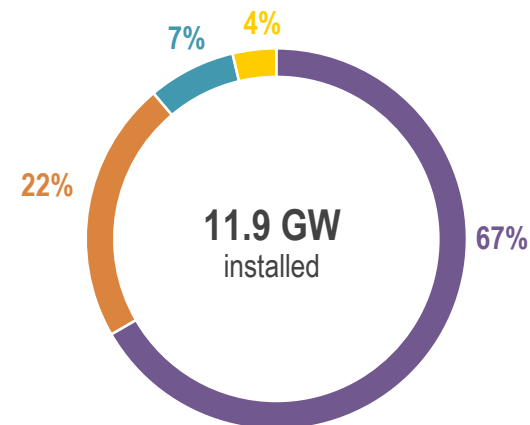
AT 100%



% CONSOLIDATION⁽²⁾



NET OWNERSHIP⁽³⁾



in MW	Hydro ⁽¹⁾	Wind	Biomass & biogas	Solar
EUROPE	4,031	3,170	750	550
NORTH AMERICA	-	659	130	25
LATIN AMERICA	11,389	247	99	66
MIDDLE EAST, TURKEY & AFRICA	-	392	-	21
ASIA	152	-	30	171
OCEANIA	48	85	-	3
TOTAL	15,621	4,553	1,008	836

in MW	Hydro ⁽¹⁾	Wind	Biomass & biogas	Solar
EUROPE	3,994	2,370	740	225
NORTH AMERICA	-	264	130	13
LATIN AMERICA	7,118	247	82	66
MIDDLE EAST, TURKEY & AFRICA	-	190	-	4
ASIA	152	-	30	171
OCEANIA	48	85	-	3
TOTAL	11,313	3,155	981	482

in MW	Hydro ⁽¹⁾	Wind	Biomass & biogas	Solar
EUROPE	2,452	1,928	684	187
NORTH AMERICA	-	264	123	13
LATIN AMERICA	5,352	185	57	61
MIDDLE EAST, TURKEY & AFRICA	-	190	-	4
ASIA	71	-	21	171
OCEANIA	48	72	-	3
TOTAL	7,922	2,638	885	439

(1) Excluding pumped storage

(2) % of consolidation for full and joint operations affiliates and % holding for equity consolidated companies

(3) ENGIE ownership

DISCLAIMER

Forward-Looking statements

This communication contains forward-looking information and statements. These statements include financial projections, synergies, cost-savings and estimates, statements regarding plans, objectives, savings, expectations and benefits from the transactions and expectations with respect to future operations, products and services, and statements regarding future performance. Although the management of ENGIE believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ENGIE securities are cautioned that forward-looking information and statements are not guarantees of future performances and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of ENGIE, that could cause actual results, developments, synergies, savings and benefits to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public filings made by ENGIE with the Autorité des Marchés Financiers (AMF), including those listed under “Facteurs de Risque” (Risk factors) section in the Document de Référence filed by ENGIE (ex GDF SUEZ) with the AMF on 24 March 2017 (under no: D.17-0220). Investors and holders of ENGIE securities should consider that the occurrence of some or all of these risks may have a material adverse effect on ENGIE.