



Responsible Business Report UK & Ireland



2018

Improving Lives through Better
Living and Working Environments

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Isabelle Kocher

Chief Executive Officer
ENGIE Group

We are delighted to have released our 2018 public accounts at the [ENGIE 2019 General Shareholders' Meeting](#) (17 May 2019). We have had another successful year with strong, stable growth.

ENGIE is at the forefront of the energy revolution. We want to be the global leader in the zero-carbon transition for all our stakeholders including investors, industries and local authorities to drive sustainable energy development and provide the right governance to support long-term sustainable value creation.

There is now a real urgency to reduce greenhouse gas emissions to mitigate climate change and ensure that future global warming remains far below 2 degrees. All stakeholders must collaborate and co-create innovative solutions to deliver on the 17 UN Sustainable Development Goals (SDGs) by 2030 and implement historic global agreements such as the COP21 Paris Accord of the United Nations Conference on Climate Change (UNCCC) signed in April 2016 and most recently COP24 to finalise the arrangements to implement the agreement by 2020.

We have successfully concluded our first Group strategic plan for transformational change and strategic repositioning 2016-2018 which has returned us to a path of positive organic growth of 5%. We are now embarking on our strategic plan and purpose 2019-2022 focusing on harmonious progress through integrated service provision to reduce carbon emissions for clients and create shared value.

The foundations for the strategic plan involved, along with a consideration of the global mega-trends and risks and opportunities, a vast in-house consultation process of our stakeholders called Imagine 2030 which aimed to liberate everyone's energy and creativity to provide a positive vision of the future.

ENGIE's vision is to be a global leader in the energy transition and to lead the zero-carbon transition; to go beyond energy and sell carbon as an integrated service to our clients. We provide three accelerators for continuous upgrade:

- Digital** to strengthen the technical component of our offerings
- Consulting** to help the 500 largest global companies to build their zero-carbon transition
- Financing** to leverage our impact on customers by setting up financial partnerships

The UK is one of our focus geographies and offers a diversified portfolio of energy generation and supply, facilities management and regeneration and is leading the way in these activities.



Nicola Lovett

Chief Executive Officer
ENGIE UK & Ireland

Welcome to our 2018 Responsible Business Report

The UK business has continued to perform strongly despite a challenging operating environment in our industry and we are continuing to deliver on our purpose of improving lives through better living and working environments.

We are facing an unprecedented challenge from climate change and as a business we are committed to play our part in achieving the UN's Sustainable Development Goals including Climate Action, Affordable and Clean Energy for all and Sustainable Cities and Communities.

ENGIE's leading position as a key driver in the global energy transformation through decarbonisation, decentralisation, digitalisation and energy efficiency is a source of pride for our business and demonstrates our commitment to supporting the transition to a low-carbon economy.

I want ENGIE to continue to be a thriving, sustainable business. We strive for a culture that is open, transparent and accountable. In 2018 we launched a Responsible Business Charter to demonstrate our commitment to the highest standards of governance and social, environmental, economic sustainability and to respond to the material concerns of our stakeholders. Uniquely an external independent Scrutiny Board will hold us to account. This report sets out how we are delivering against our Responsible Business Charter and we hope you enjoy reading it!



[Read ENGIE's 2019 Integrated Report](#)

Front cover main image: **Wind Turbines, France Renewable Energy BU**

From left to right: **Ffestiniog hydroelectric power station - Wales, A pollinator-friendly solar farm designed and managed by ENGIE**

2018 Highlights



52nd in global most sustainable corporations in 2018



£1 million of community investment

BITC Award Winner for Digital Innovation and finalist for Connected Places 2019

LinkedIn **Top 10** employer

1st Place winner in Sustainable FM Index 2018

An overview of our achievements from the past year, recognising our actions as a responsible business

169 mental health first aiders have been trained

142 staff attended the half day awareness training

Ecovadis accreditation: Gold - top score



Signed up to Buy Social Corporate Challenge of Social Enterprise UK



60 Innovation trophy submissions and UK Innovation Trophy Winner 2019 for Retirement Living



Awarded the Carbon Trust standard for carbon and waste



National Apprenticeship Services winner of Regional Macro Employer of the Year for London and South East 2018 and Highly Commended / Runner-Up for National Macro Employer of the Year 2018

Close to **£1 million** spent on training in 2018, 19,000 days and over 25,000 digital online hours.

RateMyApprenticeship Top 100 Employers, ranked 50th



AllAboutSchoolLeavers Top 100, ranked 37th



Responsible Business Tracker 2019 (Forerunner result)



Ffestiniog hydroelectric power station, Wales

Mapping to the Sustainable Development Goals (SDGs)

ENGIE has been a member of the UN Global Compact at Group since it was formed in 2000 and we align our operations and policies and procedures to the 10 principles which encompass human rights, labour, environment and anti-corruption

In addition, the more recent United Nations' Sustainable Development Goals (SDGs) provide a high-level global framework with specific objectives and targets to be achieved during 2015-2030 for businesses like ENGIE to work towards as well as country governments and other stakeholders. The SDGs have informed the long-term strategic directions of our global business and the decision making on our responsible business initiatives such as guiding our innovation.

In the UK we have evaluated our contribution to the SDGs based on our core business and strategy and believe that we contribute significantly to supporting the achievement of the following goals:



Understanding which issues are material to ENGIE in the UK

ENGIE actively participates in and contributes to external debate and policy formulation which also helps to shape our own strategy and business approach. Stakeholder engagement is of upmost importance to ENGIE in driving a collaborative approach to growth. Our Group business has set a goal of 100% of industrial sites to have a formal stakeholder engagement dialogue mechanism by 2020 which is aligned with the AA1000 standard. This has raised awareness of the vital importance of our communities and other stakeholders to the business and driven improvements. ENGIE UK reports annually on progress towards this target (see performance section at end of this report).

Materiality Assessment

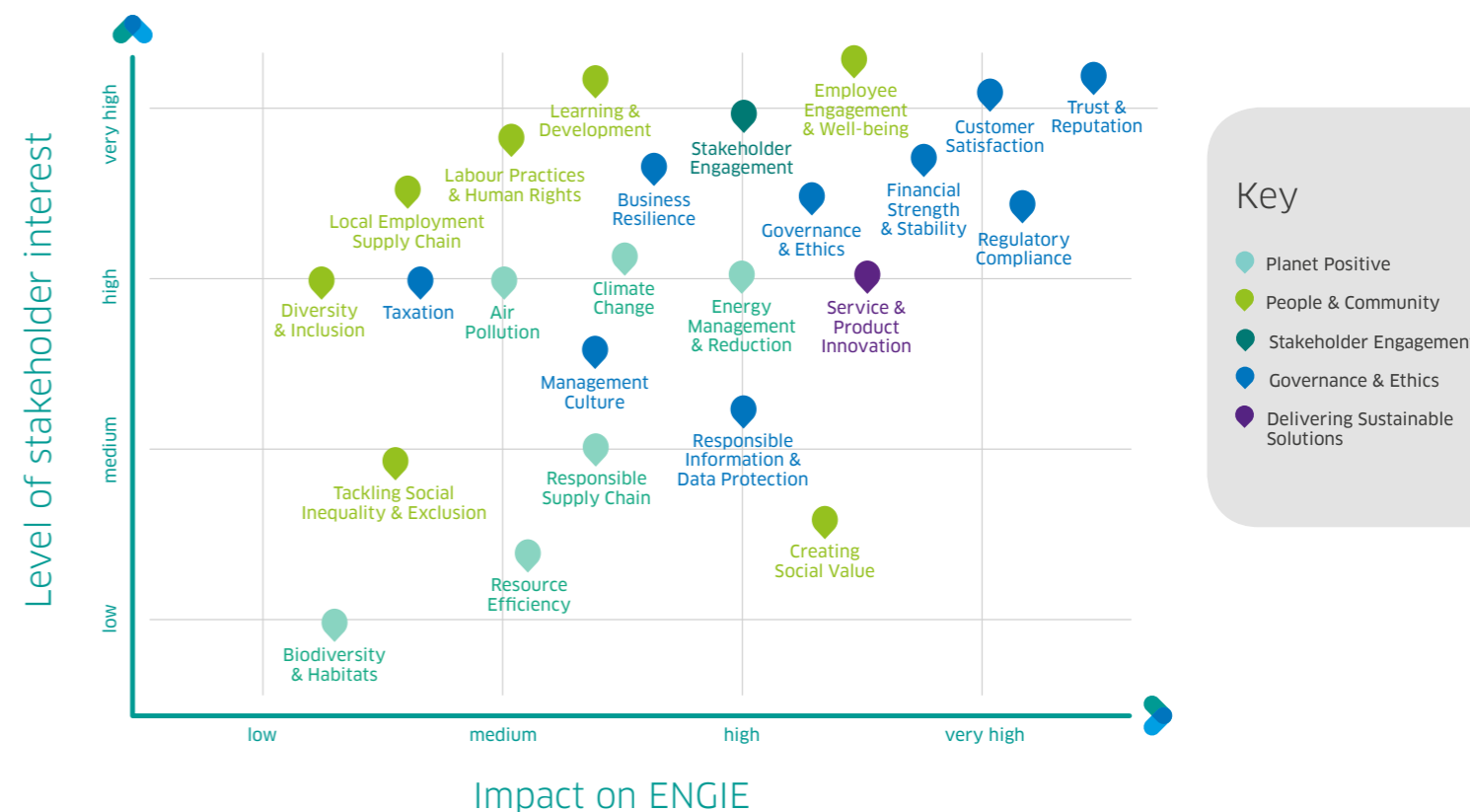
To shape our focus, inform our strategy and assess priority issues that are important for our sectors and our financial performance, we commissioned an independent review of our material issues to ensure that our objectives

continue to reflect those issues that are of greatest relevance to our varied stakeholders. In the UK we engaged with 400+ external and internal stakeholders including customers, suppliers, NGOs, government, media, consultancies, trade institutions, service bodies and academic institutions. Internal stakeholder assessments such as our annual employee engagement survey findings were also included.

The highest priority material issues for the UK business were trust and reputation, followed by regulatory compliance; customer satisfaction; governance and ethics; employee engagement and wellbeing; and service and product innovation. As a result of these findings and in response to the top material issue of trust and reputation ENGIE established a Responsible Business Charter including our non-financial priorities across environmental, social and governance issues. This is elaborated on in [pages 14-15](#).

ENGIE works closely with government, regulators and other external stakeholders. We have developed strong relationships with UK Government stakeholders such as Research and Innovation, Innovate UK relevant Catapults (specifically Connected Places, Digital, Energy Systems and Offshore renewable Energy) which provide access to key strategic decision makers and entrepreneurs and innovators.

We also engage with a range of university stakeholders including King's College London, Imperial College, Leeds, Newcastle, Chester and Brighton and the SETSquared enterprise partnership between the universities of Southampton, Bath, Bristol, Exeter and Surrey.



Key

- Planet Positive
- People & Community
- Stakeholder Engagement
- Governance & Ethics
- Delivering Sustainable Solutions



Stakeholder Engagement

Rugeley, Staffordshire

ENGIE has been piloting and incubating new approaches and building strategic relationships with key stakeholders including industry, strategic land owners, local authorities, regional bodies and national infrastructure agencies.

ENGIE is undertaking the role of master developer in Rugeley to create a “market shifting” vision of housing led sustainable and mixed-use development. By taking an outcome based approach and mapping against the UN Sustainable Development Goals and local and national policy objectives, ENGIE has been able to submit an outline planning application for a residential led mixed-use scheme of up to 2,300 new homes.

ENGIE is also working with strategic partners to deliver social, economic and environmental outcomes. The delivery plan is being optimised to enable the accelerated delivery of ‘place shaping’ fundamentals to set benchmark quality standards that can be replicated at scale elsewhere.

ENGIE has been working extensively with the West Midland Combined Authority (WMCA), the Local Enterprise Partnerships, the Country and District Authorities, Staffordshire Wildlife Trust, Severn Trent Water and local residents and business.

Business Risks and Opportunities

ENGIE identifies and manages both financial and non-financial risks across the business as part of its formal risk management process and procedure, and these are integral to our overarching Enterprise Risk Management process (ERM).

For our non-financial risks, we seek to identify and address the global mega-trends such as climate change and issues such as human rights. Environmental and societal responsibility play an integral part in the business strategy.

We identify environmental and societal issues and transform them into opportunities for the business.

We manage environmental, social and governance (ESG) risks associated with ENGIE’s activities that relate to local and international acceptability, health and safety, human resources management, ethics.

For long-term non-financial risks the overall business strategy is guided by external assessments such as the World Economic Forum in the WEF Global Risks Report 2019 which identify the significance both in terms of likelihood and impact of risks, especially climate related risks. Similarly, the EU predicts

in its European Outlook SOER 2015 worsening trends over 20+ years in key environmental areas such as climate change, pollution, waste management, deteriorating ecosystems and biodiversity loss.

Risk and opportunity management is owned at the highest level of the business. Our opportunity mapping feeds into our innovation process (see innovation section). The UK Board has a risk management committee which reviews UK risks and our mitigation measures and reports to Group, and ultimately feeds into the major financial and non-financial risks facing our global business.

Our risk management process is integrated across the business from strategic to contract and from division to function. Sector and non-financial risks are integrated into business continuity plans. The business has adopted ISO14001:2015, which includes risk assessment and stakeholder engagement as part of ENGIE’s corporate environmental management system. Contracts are required to produce contract-specific aspects and impacts registers which identify risks and opportunities and include mitigation measures. Any activities that are deemed significant post-mitigation must have further actions identified and implemented to manage the risk.

We review risks consistently although we apply different timeframes to review identified risks at different levels to ensure that our processes recognise the scale, evolution and effective management of those risks. Strategic risks are reviewed annually and division, sector and contract risks are reviewed

monthly. A detailed assessment is undertaken by the UK and Division Risk Committees.

The major risks identified in 2018 were:

- Health & safety
- Business and political environment
- Regulatory change
- Commercial and contract
- Project management
- IT and cyber-security
- Data privacy
- Market price

Key non-financial risks:

- Climate change
- Human rights including Modern Slavery

Innovation

ENGIE's ambition is to be a global leader in the energy transition and we have committed to investing €1.5 billion (£1 billion) in new businesses and digital technology. The new global ambition to Lead the Zero Carbon Transition as a Service will provide a focus for innovation opportunities.

In the UK ENGIE has several processes for identifying innovation opportunities. These include Group priorities, thematic priorities around digitalisation, our responsible business priorities aligned with the SDGs and our strategic focus areas (see Figure 1 below).

ENGIE has a dedicated innovation team focused on channelling internal and externally driven opportunities arising throughout the business and engaging with and forming strong entrepreneurial partnerships with stakeholders including those from industry, start-ups, think tanks, government, charity sector, academia, risk capital and customers.

Innovation is sponsored at the highest level in ENGIE. We have an Innovation Forum with senior representatives from each of our three divisions and central functions. These meetings are used to agree on the required areas of focus for innovation, targeting the problems we want and need to solve through innovation. We also showcase new technologies discovered, discuss pilots in process and share best practice. This is further supported by members of the central innovation and solutions team linked directly to colleagues within each of the divisions to better understand the specific needs of our three operating divisions.

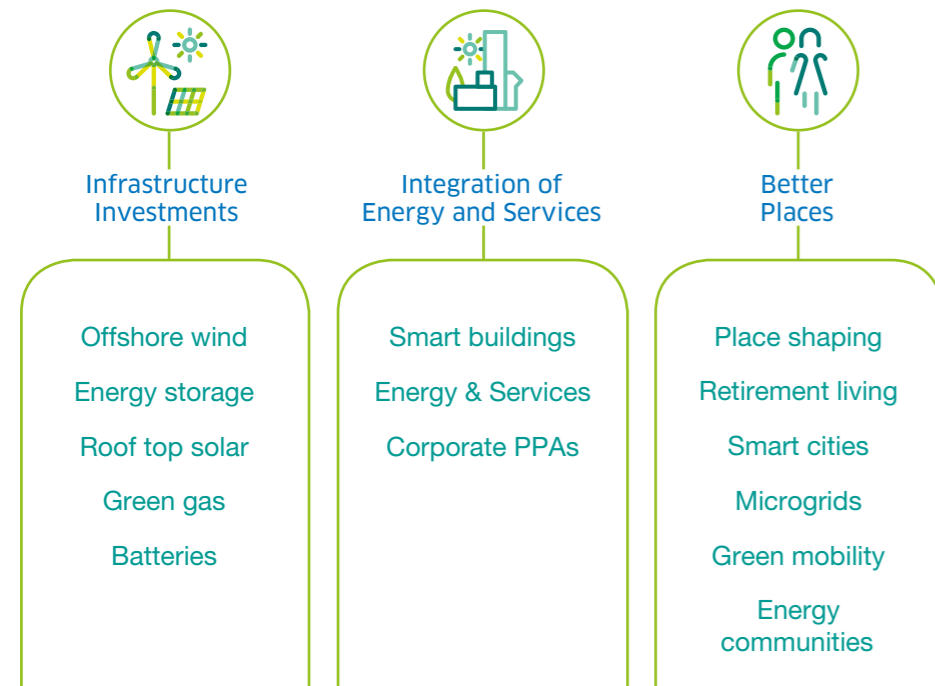


Figure 1: ENGIE UK & Ireland Strategic Focus Areas



Above: Innovation Showcase event in London

Below: ENGIE Innovation Champions at ENGIE Innovation Week



We are a founding member of Cambridge Clean Tech and continue to be actively engaged with this group. We have strong relationships with BEIS and relevant agencies such as Innovate UK and the Catapults (specifically Connected Places, Digital, Energy Systems and Offshore Renewable Energy), which provide access to key strategic decision makers and entrepreneurs and innovators.

Through our close working relationship with Innovate UK and ENGIE New Ventures (internal venture capital arm), we have now launched a Clean Growth Innovation Fund, which will support UK SMEs in the development of innovative new solutions and products that will support ENGIE and our customers in the transition to net-zero carbon.

We regularly run 'call for solutions'; with four completed in 2018.

We openly encourage applications from UK based small and medium enterprises and include social enterprises. This process provides the business access to ideas from innovators on how to solve specific societal and environmental challenges e.g. air pollution, green mobility, renewable technologies and energy efficiency. At Group level we put out an innovative call for digital solutions for ENGIE-Green to enable renewable energy projects by attracting inclusive and participative tools for citizen consultation and consensus.

We have developed flagship digitalisation products and services like digital online services for domestic customers and providing services to building residents and real estate managers using smart sensors (Smart-VUE) through our Smart Buildings acquisition.

We organise an annual innovation week in June which is highly successful, connecting entrepreneurs with different parts of the business and senior decision makers. We also take the opportunity to celebrate the best innovations developed by our staff and ask our employees to vote for their favourite innovation of the year. The winner in 2018 was Paula Broadbent with the Retirement Living project which is now a strategic project with two contracts secured.

ENGIE will continue to develop our service offering and develop new solutions and technologies to meet our customer demands, focussed on specific problem areas. Through innovation we will help our business and our clients' transition to more sustainable and circular business models which will further reduce the environmental impact through reducing energy use, physical resource use and waste reductions.

Snapshot



GreenSCIES which is supported by Innovate UK and involves ENGIE UK & Ireland working in a consortium with London South Bank University, TFL, London Borough of Islington, Grid Edge, E-Car Club and others, to develop a clean, integrated, multi-vector (heat, electricity & transport) system around London's tube assets.

INNOVATION STATS 2018

100+
Companies engaged

60
Innovation trophy submissions in UK

3
Innovation trophy finalists in UK

2
Industrialised ideas

3
Completed pilots

1
Innovation week showcase

1
UK Innovation Trophy Winner Retirement Living

1
UK employee idea in incubation
50% funded by ENGIE UK & Ireland and 50% by ENGIE Group

4
Calls for solutions completed:
Zero Carbon Homes, Heat from Waste-Water/Sewage, Smart Homes, and Gas Engine/ Combined Heat & Power



ENGIE Big Pitch

Call for Solutions - Smart Homes

Five companies were invited to take part in ENGIE's BIG Pitch, as part of ENGIE's global Innovation Week 2018, to present their solution to a panel of experts. The finalists were:

GridDuck (DuckDuck Ltd) Wireless energy flexibility solution, with dashboard, API, smart relays and sensors for energy consultants, facility managers and demand response aggregators.

Voltaware Monitor and track energy usage to appliance level, predict failures, and help your home and business become energy efficient.

NET2GRID Delivers residential energy customers an essential tool to save on their energy spend.

BeOn A self-consumption DIY model that allows people to assemble their own Photovoltaic systems and use all the energy they produce.

Minus7 Delivers low cost zero net carbon heating and hot water.

WINNING COMPANY 2018

NET2GRID consists of a small and smart device that connects with a customer's smart meter. It analyses both electricity and gas consumption through its intelligent software and gives customers insight on their energy spend at appliance level in a mobile app.

The functionality of this software includes:

Analysing power measurements

Identifying the appliances and appliance usage contributing to the overall consumption

What is happening with the company now?

- Successfully completing pairing process with ENGIE inherited SMETS1 smart meters
- Completing a 2-home pilot, with great feedback from participants
- Developing plans for a proposition in-house for mass deployment of smart meters

Introduction to ENGIE's Responsible Business Charter



2018 was a pivotal year for ENGIE UK & Ireland in many ways with greater scrutiny on the outsourcing sector and business generally.

In 2018 we finalised our corporate purpose of improving lives through better living and working environments, aligned our operations to the United Nations' Sustainable Development Goals, completed our materiality exercise to inform our decision making and strategy, and through our stakeholder engagement exercise we listened to stakeholder views and issues. Our materiality assessment revealed that trust and reputation in our business were of paramount importance to our stakeholders.

In response to our stakeholders, ENGIE established a public Responsible Business Charter which has been endorsed at global Board level, demonstrating our commitment to operate to the highest economic, social and environmental standards. The principles of the Charter will be applied across the business providing services to the public (and also the private) sectors within the ownership of ENGIE Services Holding UK Limited. In addition, proactively we set up a committee comprising independent individuals to objectively scrutinise ENGIE's performance as a responsible business. Hence we formed our

independent external Scrutiny Board in mid-2018 chaired by Lord Kerslake and comprising Sir Mike Rake, Joan MacNaughton, CB HonFEI, Lord Adebawale, Jane Ramsey and Baroness Drake CBE. The Scrutiny Board is supported and independently validated by the Centre for Public Scrutiny – a national centre of expertise on governance and scrutiny. The Scrutiny Board will evaluate our business and produce a report in the public domain. Scrutinising our governance in this way will reinforce our effective decision-making, reduce risk and improve outcomes. Our behaviours, culture and ways of working will be examined. As a responsible business we seek to integrate our safety, health, quality assurance and social and environmental sustainability.

We hope you enjoy reading about how we have been driving our Responsible Business approach through the business.

Jamie Quinn
Director of Responsible Business and SHEQ



The Scrutiny Board is supported and independently validated by the Centre for Public Scrutiny

“Our Charter, endorsed at global Board level, demonstrates our commitment to operate to the **highest economic, social and environmental standards**”

1. Fair Business Growth	2. Transparent & Accountable	3. Fair Employer	4. Supporting our Communities & Environment
<ul style="list-style-type: none"> 1. Responsible management of pensions 2. Fair payment of suppliers 3. Fair executive pay 	<ul style="list-style-type: none"> 4. Creation of Living Will 5. Customer satisfaction 6. Driving an ethical culture; exposing unethical conduct 7. Open to scrutiny 	<ul style="list-style-type: none"> 8. Equal opportunities for all 9. Committed to staff training 10. Safety and wellbeing 11. Employee voice and Trade Union relationships 12. Reducing gender pay gap 13. Promoting the Real Living Wage 	<ul style="list-style-type: none"> 14. Commitment to invest in our communities 15. Environmental leadership, innovation and improvement 16. Responsible procurement practices

Lord Kerslake, Chair of the ENGIE Scrutiny Board and Chair of CfPS, said:

“UK energy and service companies are facing ever more public scrutiny of their business, so it is extremely encouraging that ENGIE has acted proactively to strengthen their business practices.

CfPS is uniquely placed to oversee the independence of the Scrutiny Board and this model is one that should be seriously considered by other private sector organisations. **Transparency and public scrutiny are critical components of public trust.**”



Principle 1 Fair Business Growth

1. Responsible management of pensions
2. Fair payment of suppliers
3. Fair executive pay



ENGIE Employee, King's
Yard Energy Centre

The role of business is increasingly about providing social and environmental benefits as well as economic growth.

As a business ENGIE's overarching goal is to demonstrate growth through activities that are fair and unbiased in accordance with the law, through sound corporate governance and robust decision making using reasonable and equitable practices. Our aims include delivering a profit whilst benefiting society and the environment in order to build on our positive reputation and public trust in the business. The Commitments identified for this Principle cover management of pensions, payment of suppliers and fair Executive Pay.

Pension Commitments

ENGIE's commitment is to ensure that all UK pension commitments are honoured and that we manage effectively any pension deficit. In addition we are committed to maximise the knowledge of and active participation of employees in their pension schemes so that they obtain their preferred outcomes at retirement. We also ensure compliance with the New Fair Deal policy for public sector pensions.

Our aims include delivering a profit whilst benefiting society and the environment in order to build on our positive reputation and public trust in the business

Suppliers

ENGIE is committed to paying our suppliers fairly. We look to follow the Prompt Payment Code which is a commercial discipline which requires businesses to agree fair and reasonable payment terms with their suppliers and ensure suppliers' invoices are approved and paid within agreed terms.

Fair Executive Pay

ENGIE Executive total remuneration has been reviewed by the ENGIE Scrutiny Board and it was deemed to be fair, proportionate and timely in relation to corporate performance, in comparison with peers and in ratio with employees' pay and benefits. In the UK ENGIE will align its remuneration policy to the 2018 UK legislation.



Principle 2

Transparent & Accountable

4. Creation of a Living Will
5. Customer Satisfaction
6. Driving an ethical culture; exposing unethical conduct
7. Open to Scrutiny



ENGIE Employee at Sheffield University

ENGIE is committed to ethical leadership, honesty, transparency and accountability with all stakeholders including our employees, subcontractors, communities, the government and taxpayers who rely on the services we are contracted to provide.

Transparency is a tenet of good governance and means that business is open and willing to provide clear information to stakeholders regarding our performance. We want our stakeholders to have trust in us and confidence in our decision-making and management processes. Transparency with our suppliers means that we work closely with them to reduce the risk of Modern Slavery and human rights abuses in our business and supply chain.

Creation of a Living Will

As a key provider of outsourced services for the UK Government and other bodies, ENGIE wants to continue to play a role in restoring and rebuilding trust in the private sector. ENGIE has been working with the UK Government's outsourcing review to re-evaluate Government contracts with the private sector; to drive effective and sustainable procurement; to ensure Government commercial teams better understand the businesses with which they are contracting and any warning signs of potential financial failures.

As part of this process, ENGIE has volunteered to be one of five strategic suppliers to Government to work with the Cabinet Office to pilot and shape the first round of a Living Will process. Given our commitments under our Responsible Business Charter, and that we deliver significant services to the public sector as well as corporates, this transparency is essential to allow our customers in the public sector to have greater visibility of our operations

The process was iterative over several months from 2018 and allowed both ENGIE and the Cabinet Office to identify in some detail the core inter-dependencies which would need to be managed in the event of financial failure. We believe that this process will continue in the forthcoming months. We are also updating our Living Will as part of ENGIE's latest Strategic Supplier Annual Review.

The next steps during 2019 will be to incorporate these processes in to the broader annual reviews as a strategic supplier.

Customer Satisfaction

ENGIE recognises that excellent customer satisfaction leads to increased customer trust, loyalty and recommendation and enhances our reputation. Communication and engagement are fundamental to delivering a great Customer Experience. ENGIE has set a commitment and associated targets to deliver the highest standard of customer service.

ENGIE uses quarterly Net Promoter Score (NPS) surveys to measure customer advocacy. Customers are also asked what we need to do to improve their score or what we did to deserve their score depending on the rating given. All customer satisfaction targets are presented to leaders on a regular basis and the Scrutiny Board has reviewed our detailed evidence on this KPI. ENGIE is aiming to achieve an NPS of +15 and a satisfaction score of a minimum of 70% over the next 3 years. ENGIE's Shared Service Centre (SSC) in Newcastle holds the Institute of Customer Service "ServiceMark" which is the UK's most prestigious customer service accreditation.

"At the SSC we are passionate about Customer Service, which is fundamental to everything we do. It's fantastic to achieve an accreditation that demonstrates our commitment to driving continuous improvement and delivering exceptional customer experience."

Dave Hughes, SSC Director

Our Grant Thornton national switchboard, based at the Shared Service Centre is also leading the way. The team were awarded the Platinum standard overall in 2018 after 12 months of operation for their continued achievement of the Gold standard.

Customer Satisfaction

Enhancing our Customers' Experience of ENGIE

ENGIE is working hard to enhance the customer experience our clients have with ENGIE. We have identified four main areas of focus to deliver our customer service outcomes and enhance the customer experience:

1. Customer Insight

Understanding the levels of customer satisfaction we achieve across the business and acting upon this information together with seeking feedback from projects and tenders we win or lose.

2. Customer Connect

Equipping our teams/business to better understand our customers' needs and how our capabilities can serve those needs. This programme has been introduced across the UK business and we will continue to train and support our Account Managers in customer relationship skills and so they can understand their customer drivers and needs effectively.

3. Strategic Account Management

Building stronger partnerships with our most important customers who will be critical in delivering our growth.

4. Skills Training for our Front-Line Customer Teams

Helping them to appreciate the role they play as ambassadors for our business

The SSC began a journey to external ICS verification in 2017 to help us ensure we were delivering best practice and get an external view of the services we offer. This has proved to be of major importance in helping us to transform the customer experience.



ENGIE strives to achieve an enhanced customer experience journey by better understanding our customer's needs, equipping our people with the skills to recognise the benefits of great customer insight and service and seeking regular feedback and acting upon it. This shows customers that we want to work in partnership, which should continue to lead to increased client retention and business growth.

Case Study

Birmingham City Council

ENGIE won Contractor of the Year at the UK Housing Awards, scoring 99% customer satisfaction on our eight-year, £160m partnership scheme with Birmingham City Council. ENGIE was the highest-performing contractor in accordance with the Council's 15 KPIs and we have completed 96% of work on time and 'right first time'.

ENGIE was recognised for its collaborative and creative approach to housing repairs and maintenance of some 8,800 council owned properties.

The contract has provided value for money and high standards of service, along with an innovative Asset Management System.

The Awards showcase the best the housing sector has to offer. The project has also included local investment, providing apprenticeships, graduate internships and over 60 students have been given work placements under the scheme. Our teams also fundraised over £15,000, and committed to volunteering 200 days to support local causes.

John Jamieson, Head of Asset Management at Birmingham City Council, said: "ENGIE has worked with us to successfully value-engineer projects and has frequently offered new initiatives and opportunities to grow and develop what is already an outstanding partnership. We sought to take a holistic view of value, prioritising customers and promoting social initiatives. The team have responded positively in providing innovation and social value, delivering much more than the contract stipulations, offering a wide range of opportunities locally, and giving something back to our communities."



Driving an Ethical Culture; Exposing Unethical Conduct

In the UK, our materiality review from our stakeholder consultations found that trust and reputation were of paramount importance. We have included a commitment within our Responsible Business Charter to drive an ethical culture.

Ethics is at the heart of all our daily managerial, commercial and operational activities and is owned at the highest level of the business. Our ethical ambition is outlined in our Group Ethics Charter and the Practical Guide to Ethics, documents which form the foundation of all our ethics policies. Additionally, our four ethical principles are enshrined within the Ethics Charter:



Left: The ENGIE Ethics Charter and Practical Guide to Ethics

Below: ENGIE Security at Pinderfields Hospital



1. Act in accordance with laws and regulations

In every circumstance, Group employees and entities must observe international, federal, national and local law, as well as business ethics rules pertaining to their activities.

2. Behave honestly and promote a culture of integrity

Honesty and integrity must govern both business and interpersonal relationships, and everyday professional practices. Consequently, ENGIE encourages reporting of ethical incidents. No employee may be sanctioned for using a reporting measure for these incidents, selflessly, in good faith, and in accordance with the conditions set out by the law.

3. Be loyal

Commitments must be kept; communications are done in good faith, and with a spirit of providing sincere information.

4. Respect others

ENGIE attaches the utmost importance to tolerance, respect for the rights of persons, their dignity and their singularity, and to respecting different cultures.

Modern Slavery

ENGIE UK annually publishes a Modern Slavery Statement (available on our website) detailing the measures we have implemented to tackle modern slavery. The analysis of ethical risks forms part of our annual Group risk assessment process, and all staff are required to undergo mandatory training relating to ethics. Senior managers and those in certain functions such as procurement, business development or client facing roles receive additional tailored training on this topic.

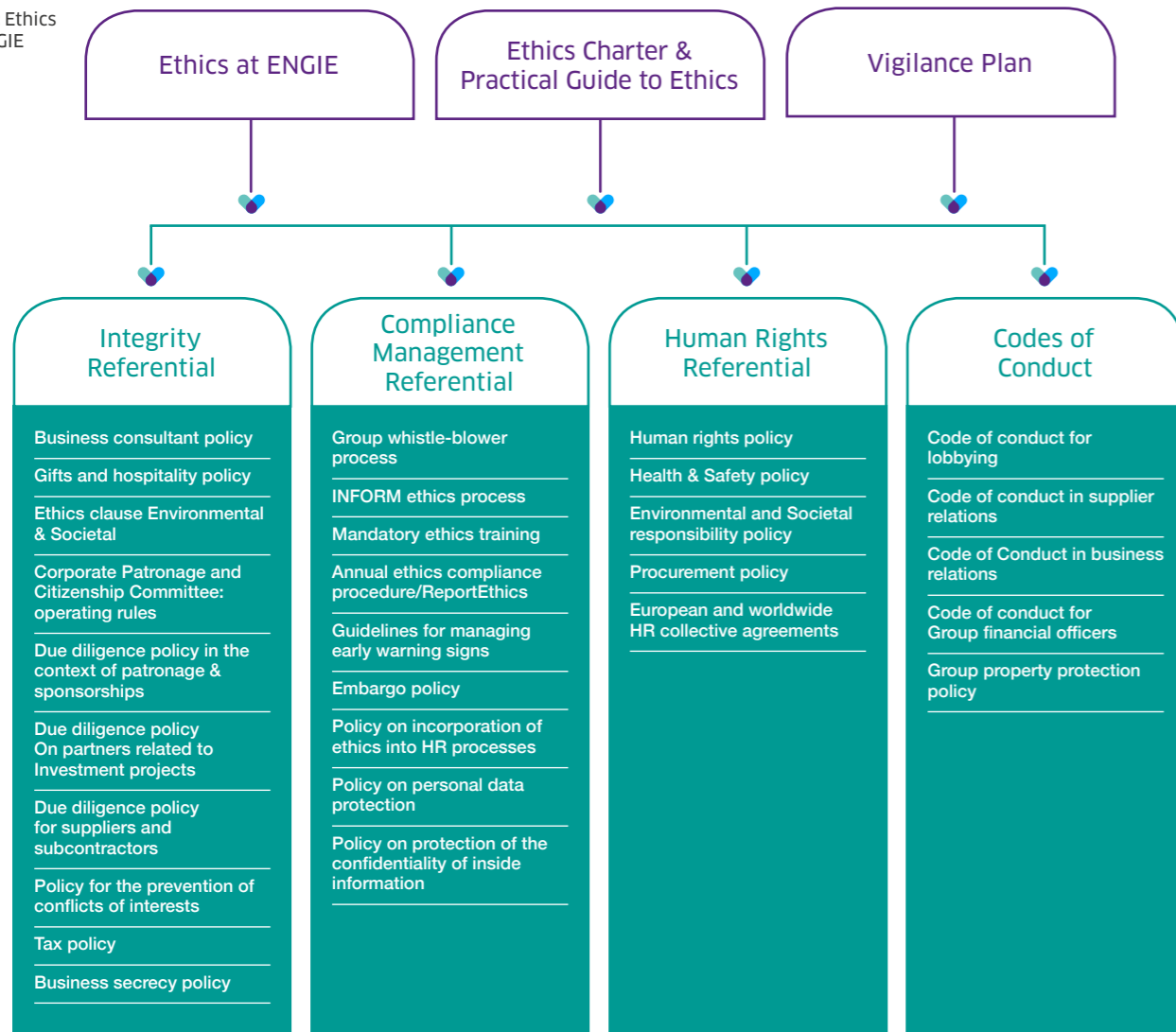


ENGIE Employees North Sighthill, Edinburgh

Exposing Unethical Culture

In 2018 the Group was awarded the ISO37001:2016 certification in respect of its anti-corruption management systems. ENGIE has a corporate ethics and compliance framework that guides its strategic decisions, management and professional practices. We have ethics procedures, codes of conduct and referentials, including on lobbying and supplier relations, and an internal and external audit process.

Right: Ethics at ENGIE



Open to Scrutiny

It is now recognised that how a business operates in terms of transparency, accountability and involvement matters when building trust of the public and clients. This is further reinforced when the business is responsible for providing public services, or if citizens perceive public money to be at risk.

Being open to scrutiny and giving others the tools to oversee and challenge aspects of how our business operates is an essential part of building trust. In 2018 ENGIE set up an independent Scrutiny Board to oversee the delivery of our new Responsible Business Charter (RB Charter) and to ensure that ENGIE is transparent and accountable. This is being supported and independently validated by the Centre for Public Scrutiny.

Effective scrutiny goes beyond systems and processes. It has the potential to create an environment of positive, mutual challenge providing insight, driving value and helping manage risk. Scrutiny contributes to our business by adding and driving value in the form of:

Transparency

Acquiring unfiltered feedback on the actions and behaviours of the business demonstrates ENGIE's openness to the public and clients.

Assurance

Directors, shareholders and stakeholders know that business activities are ethical and responsible and where they need to undertake action if they are not.

Feedback

Valuable insight is obtained to help shape policy, strategy and behaviours.

Reputation

ENGIE acquires representational and competitive advantage by leading the way in transparent governance.

Relationships

This demonstrates commitment to the communities in which our business operates and it shows that we care about what our stakeholders think about our business.



Jacqui McKinlay, Chief Executive of the Centre for Public Scrutiny, said:

"ENGIE is striving for excellence in governance and scrutiny."

By embedding its Responsible Business Charter throughout the entire organisation with a cascading series of shared targets to meet its Commitments, ENGIE can drive progress through clear ownership and accountability.

The independent Scrutiny Board, with our support, will be helping to review progress quarterly and it will produce an annual report in the public domain."

"ENGIE is striving for excellence in governance and scrutiny"

Principle 3 Fair Employer

- 8. Equal opportunities for all
- 9. Committed to staff training
- 10. Safety and Wellbeing
- 11. Employee voice and trade union recognition
- 12. Reducing gender pay gap
- 13. Promoting the Real Living Wage



ENGIE Employee at King's Yard

ENGIE is committed to having a diverse and inclusive organisation that provides opportunities for all our employees and communities. We have taken steps to support this vision through policy, process and a culture which increases accessibility and opportunity across the organisation.

Equal Opportunities for all

We are clear that a successful business like ENGIE relies not only on the diversity of our workforce, to represent the communities in which we operate, but also the diversity of thinking and innovation which will safeguard and help grow our business in the future.

We have established a diversity and inclusion panel co-chaired by two Executive Board members which addresses some of the key issues we face around diversity and inclusion. It prioritises our people, supply chain, social mobility, leadership, employee talent and metrics and measurement. ENGIE is focused on promoting equality within the workplace, to break down barriers to entering work for people from disadvantaged groups. We also seek to address skills shortages, build new talent pipelines and boost retention rates which can also result in higher productivity.

ENGIE is committed to providing equal opportunities in employment. We strive to ensure that the work environment is free from harassment and bullying and that everyone is treated with dignity and respect as per UN-SDG8.

In 2018 our achievements on diversity and inclusion (D&I) include:

Feedback from our independent Scrutiny Board

on our diversity and inclusion processes implemented and monitored across the business.

Established three year improvement targets for D&I.

Improving and re-launched our suite of family friendly policies, enhancing the terms of our maternity and paternity policies for managers and professional employees.

Developed a well-embedded culture of flexible working in environments where operational requirements permit.

Reviewed our talent and career development processes and implemented measures to build diversity across our workforce. This includes introducing steps to review the gender representation in our succession plans, talent pools and management development programmes where we consider that there is not an appropriate gender balance.

Improved our recruitment and selection processes to focus on attracting a diverse pool of candidates and we have reviewed our recruitment marketing to eliminate conscious or unconscious gender bias.

Commenced working with key external partners that are diversity focused.

Launched diversity and inclusion training for all our employees.

Published our second annual Gender Pay Gap report.

Revised and relaunched the supplier relationship management (SRM) programme with an enhanced focus on responsible business requirements including diversity.

ENGIE has committed to pledges to support our D&I agenda: Armed forces Covenant, Social Mobility Pledge, Care Leaver Covenant, Disability Confident Member and Buy Social commitment with Social Enterprise UK.



Committed to staff training

Businesses which succeed and thrive, especially in today's challenging economic conditions, are those which maximise the potential of their people. ENGIE has a real commitment to developing its people: it's what gives us the edge. We aim to build on our aspiration to create environments where everyone can achieve their potential.

We have an active policy for determining learning and development solutions aligned with our competency procedure, which evaluates current skills, knowledge and behaviours. This is achieved through testing, observation and feedback from

Training results in 2018

Training spend: £1,999,889

Training days: 18,811

Digital online hours: 25,110

others, and from segmenting training by essential and desirable training and how this fits into the business strategy and meets skills shortage. We support our people through our dedicated Learning and Development (L&D) team.

ENGIE has an annual work force planning and forward-looking skills diagnostic review titled The ENGIE Skills programme which was created against the background of the two-fold energy and digital revolutions emerging. The objective of the review is to better anticipate and manage our evolving jobs and skills and use this as a basis for our training, resourcing and talent development priorities.

To help maximise opportunities for learning across the business we offer employees various opportunities and online tools including the ENGIE Academy Portal and E-Learning and

ENGIE has a real commitment to developing its people: it's what gives us the edge

ENGIE University, Yammer, Innovation Awards, Excellence Awards, Young people's Network, Talent Pool Events along with certain programmes such as Unlocking Leadership which will have specific formal learning transfer objectives. The ENGIE Academy openly promotes social interaction and sharing of best practice through the Yammer platform. There are also associated groups representing training across the business. We have a Knowledge Management Forum and we have been specifically asked to present on our new academy and our portal at Group in the interests of sharing best practice. L&D also regularly presents at the National Employee Forum (NEF) to promote learning to the business and to understand local initiatives that it can promote and share.

ENGIE has recognised some priority skills areas needed to achieve its business strategy, including the following:

Energy with Services – growing skills through career path planning and talent development.

Front Line Skills – involving the attraction and retention of employees, proactive resourcing, terms and conditions, tenure and engagement. This is ENGIE's response to a tightening labour market. ENGIE is a Living Wage Employer.

Offshore wind and renewables project management and new build skills - to support various divisional strategic objectives.

Internal Training

We have expanded the number of external accreditation organisations

that ENGIE is now approved with for the delivery of our internal training courses. We have introduced a strategic partnership and skills licence agreement with QA for our soft skills, project management and leadership and management programmes.

The ENGIE Academy offers full visibility of the total training provision to employees including pricing, availability and visibility of Group wide learning opportunities from ENGIE University. This provides a level of transparency on training to the business which has not been present before. It also encourages 'societal learning' through the associated internal social media platform 'Yammer'. The creation of a learning community that can interact directly with members of the Academy team will greatly enhance the informal learning that occurs across the business.

ENGIE continues to expand and meet the current and future training needs of the business and in 2019-2020 we have the following planned:

- UK mandatory training matrix
- UK internal training delivery option
- UK Learning Management System
- Career pathway examples for key progression routes and departments in the business.



ENGIE ONLINE TRAINING

U.LEARN E-LEARNING PLATFORM

13,354
learning hours completed in 2017
(2.2 hours on average per learner)

9,423
learning hours completed in 2018
(2 hours on average per learner)

9,086
learning hours completed in 2019 YTD
(2.1 hours on average per learner)

ENGIE ACADEMY

94,981
Academy Portal visits (hits) 2019 YTD
Most popular areas (pages) 2019 YTD

1. ENGIE Essentials
2. Systems & Applications
3. Health & Safety

ENGIE UK ONLINE E-LEARNING PLATFORM

12,300
learning hours completed in 2017

12,617
learning hours completed in 2018

7,012
learning hours completed in 2019 YTD

SYSTEMS AND APPLICATIONS

3,461
users trained in 2017, customer SAT score **90%**

6,891
users trained in 2018, customer SAT score **87%**

2,540
users trained in 2019 YTD, customer SAT score **91%**

A Client Service
For our clients we can deliver training for their employees which has been endorsed by various external accreditations. This covers the topics of health and safety, environment and quality. We have successfully delivered training for employees for Wakefield City Council and Clarion Group.



ENGIE DELIVERS TRAINING

ENGIE CAN DELIVER TRAINING ENDORSED BY EXTERNAL ACCREDITATIONS FOR CLIENTS

Health and Safety

UKATA (United Kingdom Asbestos Training Association) CAT A training

CITB - SSP (Construction Industry Training Board, Site Safety Plus) courses

TETRA (Safety Ladder System)

Maybo (Conflict Resolution & Physical intervention training)

Mental Health First Aid England

Environment

IEMA (Institute of Environmental Management and Assessment)

Quality

QNUK - QCF (Qualifications Network United Kingdom - Qualification Credit Frameworks) - enables ENGIE to develop our own national recognised qualifications

Apprentices

The UK National Apprentice Levy was launched in May 2017 as part of the UK Government's plan to increase the quantity and quality of Apprenticeships, and to address the skills shortage across the UK. The Levy is a new tax which aims to fund three million new Apprenticeships by 2020. It came in to effect in May 2017 and impacts any Apprenticeships commencing after its introduction.

ENGIE's response has been to promote and advocate apprenticeships as a key development and engagement initiative across the business. The approach has been to both to increase the hiring of new apprentices but also to focus on existing staff. This has proved highly successful and has sent a very positive development message to colleagues. Apprenticeships have changed dramatically and are now as much about offering opportunities to upskill existing and perhaps more experienced employees as they are about providing training to those at the very beginning of their career and to new hires. Our training provision is currently under review as we are exploring moving to a self-delivery model for major courses.

ENGIE is committed to be a top 50 apprentice employer and to grow apprenticeships across all parts of the business. In 2018 ENGIE won the London Region National Apprenticeship Services (NAS) Macro Employer of the Year Award and we were Highly Commended/runner up at the National Awards.



Above: ENGIE UK Apprentice Awards 2018 at Café de Paris, London



ENGIE UK Apprentice Awards 2018

In September 2018, 160 people attended the ENGIE Annual Apprenticeship Awards.

There were 70 nominations for 10 categories of Apprentice Awards. The Manager of the Year award was won by Tracey Booth, and the Overall Apprentice of the Year Award was won by Charlie Headdock, a Trainee Quantity Surveyor.



Apprenticeships in 2018

65% of our apprentices progress to permanent employment (not including those who find employment in our supply chain).

297 Levy apprentices in the business from levels 2-7 (128 new hires since 2017 and 169 existing staff)

362% Increase in apprentice numbers since the Apprenticeship Levy launched in May 2017.

9 Qualifications supported, 64 partnership arrangements with training providers. Our youngest apprentice is age 16 years, and oldest apprentice is age 74 years.

Most common apprenticeships areas are: Business Administration, Electrician, Security, Plumbing and Heating, Team Leader.

APPRENTICESHIPS AT ENGIE

369 Active apprentices

46 Different qualifications supported

48% 25 and under

52% 26 and over

53 Training providers

37% New hires

63% Existing staff

189 Completions since 2014

76% Level 2-3

24% Level 4-7

21% Female apprentices

ENGIE is a Top 50 Apprentice Employer

In 2018 ENGIE demonstrated its strong track record in apprenticeships, with the following achievements and awards:

RateMyApprenticeship Top 100 Employers - Ranked 50th

AllAboutSchoolLeavers - Top 100 - ranked 37th

National Apprenticeship Services - Winner of Regional Macro Employer of the Year for London and South East 2018

National Apprenticeship Services - Highly Commended / Runner-Up for National Macro Employer of the Year 2018

Safety and Wellbeing

Safety

ENGIE wants to ensure that all employees can work in a way that does not compromise their own safety and wellbeing or that of others, and that everyone goes home safe at the end of every day. We want to drive a healthy safety culture to 'make safety personal' and develop a culture to encourage open-reporting and learning including from incidents and near-misses.

Safety and Wellbeing of workers remains of utmost importance to ENGIE UK. There is a societal expectation that no worker or member of the public should be harmed by work activities. ENGIE's clients and customers require us to demonstrate high standards of safety and wellbeing. Exemplary performance in this area is also vital to us for winning new business and retaining our existing business.

ENGIE UK has well developed arrangements in place to ensure the Safety and Wellbeing of our workforce and contractors. Our management system is certified to Occupational Health and Safety Standard OHSAS 18001 as well as ISO 9001:2015 (Quality) and 14001:2015 (Environment).

At the end of 2018 ENGIE developed a new Safety and Wellbeing leadership and culture improvement programme called 'No Life at Risk' (NLAR) which has been developed from the Group-wide initiative. This programme continues to be implemented and aims to reinforce our ongoing commitment to achieving high standards of Safety and Wellbeing within our business. The initiative underpins a positive health and safety culture for our employees, temporary workers and sub-contractors, and promotes safe behaviours throughout our business.



Wellbeing

Over the last 12 months ENGIE has achieved the following:

Dedicated internal training provision to deliver both Mental Health First Aid and Mental Health Awareness sessions. A total of 169 mental health first aiders have been trained and 142 staff have attended the half day awareness training to date.

A financial support provision offering financial education and guidance as well as salary loans was launched in recognition of the impact that financial health has on employee wellbeing.

Social health and wellbeing are promoted through the provision of 15 hours to all employees to carry out 15 hours of work within their community. Participation is actively encouraged.

Physical health and wellbeing are actively promoted through annual initiatives including the annual Step-Up Challenge, ENGIE's sponsorship of the SimplyHealth GREAT Run Series and an annual bike ride.

Various benefits offered to employees via the MyENGIE portal which include discounted gym passes and participation in the cycle-to-work scheme as well as healthcare cash plans, private medical support and eye care plans.

The annual Mental Health Awareness Week was promoted at corporate and local levels in partnership with Mind, one of ENGIE's nominated charity partners.



In addition to the corporate initiatives in place, numerous local initiatives take place across the business throughout the year including health checks and drugs and alcohol awareness and testing.

Employee Engagement

We want all our employees to feel that they are an important part of ENGIE and proud to work here, that they know the business objectives and behaviours and that their contribution is acknowledged and appreciated.

ENGIE has developed over 50 recognition agreements with several Trade Unions (TUs) including UNISON, GMB, PCS, Prospect, Unite and RMT. Regular dialogue occurs with National Officers of major Trade Unions to brief them on business strategy. Employee and Trade Union Representatives participated on the National and Local Employee Forums and on the Policy Consultation and Development Group. The Trade Union Membership landscape within ENGIE's UK business is very varied ranging from some heavily unionised contracts with recognition agreements in place to completely non-unionised environments.

Regular trade union meetings take place at local level. Trade union representatives from Prospect, GBM, Unite and UNISON also attend our National Employee Forum which meets three times each year. In 2018 two briefing sessions were held with National Officials and there was also an annual UNITE Briefing at Transport House. The ENGIE Policy Steering Group (PSG) is responsible for consulting on and developing policy and this includes Trade Union representatives.

The Employee Forum plays an integral role in improving two-way communication between management and employees, supporting management teams with local level problem solving and implementing new ideas and new ways of working.



Employee forums provide a real and valuable impact across the business by creating an informal and unique interaction between management and employees, thereby acting as a catalyst for continued progress and improvement. The Employee Forum has a direct input into policy and process including the implementation of the new ENGIE behaviours, Employee Value Proposition and Employee Engagement Survey questions.

The Employee Forum follows a three-tier structure, designed to be representative of as high a percentage headcount of the business as is practically possible, covering national, divisional and local. ENGIE UK is allocated six primary seats and six secondary seats on the ENGIE European Works Council (EWC). The National Employee Forum will elect representatives to these seats when vacancies become available; and employees elected to these seats abide by the EWC constitution.

In 2018 all forums were delivered successfully and with positive feedback.

Employee Engagement Survey

Every year the UK business takes part in the Group-wide Employee Engagement Survey (EES) which includes all employees. See also section on Equal Opportunities. The Divisional leadership teams put together action plans from

feedback given by employees. Last year, these included Employee Breakfast Meetings, newsletters and improving availability for development plans. The 2018 Engagement Survey achieved a participation rate of 68% which was the highest of any major ENGIE global business and an increase on the 58% achieved in 2017. The priority areas from the 2018 survey for us to focus on are;

Long term development opportunities for staff

Our employee brand demonstrating that we are a good place to work

Opportunities for personal development and growth

The outputs from the EES will be included in our priorities in 2019. The new company behaviours of bold, caring, demanding and open were launched in 2018 and will be further embedded.

Investors in People Accreditation

In 2018 ENGIE achieved Investors in People Accreditation for UK Wide (standard level).

There were no material findings however some recommendations suggested further embedding behaviours and performance management for frontline employees.



ENGIE EMPLOYEE SURVEY

2015
65% engagement score
57% response rate

2016
67% engagement score
63% response rate

2017
72% engagement score
58% response rate

2018
78% engagement score
68% response rate

In 2018 the overall employee engagement score from 10,052 UK employees was 78% which was an increase of 6% on 2017

Reducing Gender Pay Gap

ENGIE publishes its Gender Pay report annually. ENGIE's gender pay gap on 5 April 2018 showed the mean gender pay gap to be 27.4% and median gender pay gap to be 31.5%. The ENGIE UK gender pay gap does not indicate a problem with the lack of equal pay by gender when we compare like for like roles. Our front line workforce is split more or less evenly between the genders, however at a middle / senior management level the proportion of female staff is significantly less than the males. We would maintain that to some extent the ENGIE UK gender pay gap is explained by the sectors in which we work, where the number of female employees generally active in the employment market tends to be less than the males. Nevertheless, we are committed to encouraging and working towards a more even balance between the genders in the senior levels of our business and we are proactively seeking to increase the proportion of females in our internal talent pipeline and external resourcing activity, through positive action measures in order to achieve this. We would note that at a very senior level, 30% of our Executive Board is female.

The overall gap between male and female pay in ENGIE UK has decreased since ENGIE UK's 2017 gender pay report:

In 2017, the female hourly rate was 31.8% lower (mean) and 35.1% lower (median) than the male hourly rate

In 2018, the female hourly rate is 27.4% lower (mean) and 31.5% lower (median) than the male hourly rate



We also promote diversity in facilities management through 'Women in FM'



Talent Pipeline

We regularly review our talent and career development processes and have implemented measures to build diversity across our workforce. This includes steps to review the gender representation in our succession plans, talent pools and management development programmes – where we consider that there is not an appropriate gender balance we are reviewing and questioning this.

Recruitment and Selection

Our recruitment processes focus on attracting a diverse pool of candidates, we do this by ensuring that: (i) our recruitment marketing is specifically reviewed to eliminate gender bias; and (ii) by monitoring our selection processes to detect and eliminate any conscious or unconscious gender bias which may be present. We conduct diversity and inclusion training for all our employees (and provide this training to all new staff). This suite of training addresses all protected characteristics and includes specific examples around gender discrimination in selection processes.

Family Friendly Policies

We have a comprehensive set of family friendly policies. Our maternity and paternity policies for our management and professional population includes enhanced terms. We have a well embedded culture of flexible working in environments where operational requirements permit this. In environments where operational constraints do significantly impact on the facility to undertake flexible working, we will review applications sympathetically and make adjustments where possible.

Engagement

Each year we undertake a comprehensive employee engagement survey, in 2018 we were pleased to observe that our momentum of continuously improving annual feedback levels was maintained. Subsequent analysis of the feedback revealed that in most cases our female staff are actually providing more positive engagement feedback than our male staff (within an overall context of significantly improving feedback across genders).

Diversity and Inclusion Action Plan

ENGIE UK has continued to develop our diversity and inclusion action plan which is governed by our Diversity and Inclusion Panel (co-chaired by our Chief People Officer and Chief Finance Officer). The key focus of our plan is to target activities that aim to increase the number of women in management levels across the organisation. The business has greater visibility of diversity metrics across the business; including analysis within programmes such as talents pools, graduates and apprentices. Specific actions include working with specialist recruitment firms to target women and BAME categories, an expectation that women will be on any shortlist for senior management positions (reviewing and questioning when this is not the case), mentoring and role model activities.

Real Living Wage

The Real Living Wage is a level of pay offered on a contract which is more than the compulsory National Living Wage, the level set by the government. The Real Living Wage is promoted by the Living Wage Foundation and it has been independently calculated to estimate how much money a worker needs to be paid based on the actual cost of living in the UK. The Real Living Wage is the only rate calculated based on living costs of a full-time worker and their family.

ENGIE recognises that paying the Real Living Wage can help with retention of our talent by increasing the commitment and loyalty of our employees. Increasingly public sector and some other business contracts require clients to pay the Real Living Wage.

ENGIE is a recognised provider of the Real Living Wage, which is a scheme specifically for the services industry which obligates us to the following commitments:

Paying our staff the Living Wage at Head Office.

Submit a living wage bid alongside market rate bids

Promote the Living Wage with our customers

ENGIE has set itself the goal of promoting the Real Living Wage by providing 100% of our customers with a pricing option for the Real Living Wage as a part of new bid proposals. In 2019 we will continue to monitor the take up of the various pricing options and evaluate the success of the promotion of the Real Living Wage.

ENGIE has set the goal of providing 100% of our customers with a pricing option for the Real Living Wage as a part of new bid proposals



ENGIE Employees at QAH Portsmouth

Principle 4

Supporting our Communities & Environment

- 14. Commitment to invest in our communities
- 15. Environmental leadership, innovation and improvement
- 16. Responsible Procurement Practices

Commitment to invest in our Communities

At ENGIE we realise that investing in communities is a key means of improving trust in our business, but furthermore that we must move towards more collaborative models of investment, engaging with stakeholders transparently. We have developed and recently rolled out a new methodology for measuring social value that brings together two leading frameworks to give a comprehensive understanding of social value and identify opportunities for improvement. This measurement system and methodology is the first step of a longer-term strategy to ensure this is embedded throughout ENGIE.

Social Value

The Social Value Act, Civil Society Strategy and Industrial Strategy have all placed expectations on business to deliver better outcomes for communities by investing in communities in a strategic and impactful manner.

To invest strategically, ENGIE is committed to collaborative stakeholder engagement that places communities and residents at the heart of what we do. We want to achieve long-term sustainable change and build trust with our stakeholders and meet our purpose of improving lives through better living and working environments. We recognise that responsible business is a force for good in society, as acknowledged in the UK Government's Civil Society Strategy 2018. ENGIE has the potential to make a difference across a range of social issues through our investment in communities providing mutual benefits.

Place and Community

We believe that we have the capabilities, expertise and commitment to deliver better outcomes for residents and communities, thereby making better places. Our CEO is a member of the Place Leadership

Team of Business in the Community and ENGIE is working in collaboration with businesses across sectors to tackle the root causes of disadvantaged places, maximise impact and help communities thrive. The aim is to leverage value in those communities of greatest need and tackle systemic issues and the root causes of disadvantage. This could be mitigating local demographic challenges, understanding future skills shortages, improving diversity and inclusion or enhancing local digital skills. Delivering long term social value like this, to the regions in which we operate, is core to our values, the Responsible Business Charter and how we operate as a business.

Collaborating with our clients on Social Value

ENGIE sets targets for and captures social value across our contracts and clients, many of which are long-term contracts including some with a duration of over 20 years. Delivering social value is the essence of what we do especially on our public sector work such as with councils, hospitals or schools. We engage clients and communities to co-create social value delivery plans which are agile enough to flex as local issues and priorities change. We strive to ensure that we

address the long-term priority needs of communities, whilst meeting our client needs and ENGIE's core objectives. See the case study on [Wakefield, page 36-37](#). ENGIE is working to maximise the inclusion of local social enterprises and small/medium enterprises in our supply chain which are often the lifeblood of local communities (see Commitment #16 [Responsible Procurement Practices](#)).

Monitoring and Measuring Social Value

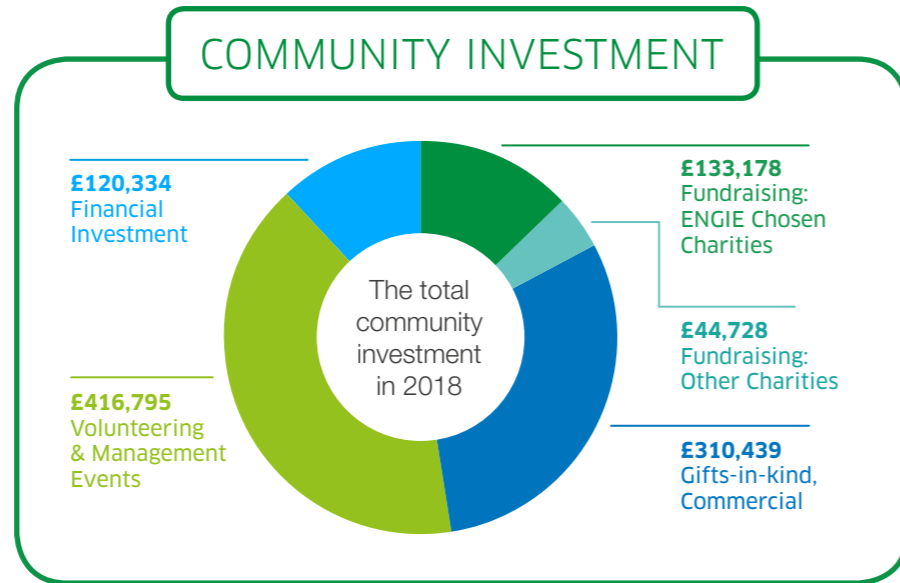
ENGIE has developed and rolled out a new methodology through an online platform to measure social value, that uniquely brings together two leading frameworks to give a comprehensive understanding of social value and identify opportunities for improvement. One framework (Social Value Portal's TOMs framework developed in conjunction with several local authorities) measures financial benefits for individuals, communities and government. The other framework (HACT's Social Value Bank) measures impacts on individual wellbeing. This measurement system and methodology is the first step of a longer-term strategy to ensure this approach is embedded throughout ENGIE.



July 2018: ENGIE Bike Ride from London to Paris to raise funds for ENGIE chosen charities: The Prince's Trust, MacMillan and Mind

Community Investment

Our total community investment in 2018 reached over £1million in value comprising direct fundraising, gifts-in-kind, volunteering and financial investment. ENGIE raised funds in 2018 for the three ENGIE chosen charities of The Prince's Trust, Mind and Macmillan Cancer Support. Fundraising highlights included our annual cycling event ENGIE Ride (£30k), a team entry into the Yorkshire Half Marathon (£14k), the Mind Skydive (£19k) and Macmillan World's Biggest Coffee Morning (£10k). In addition to these corporate events many of our employees led their own fundraising events which included a CEO Sleepout in Newcastle; a charity Golf Day; the Glevum Way Walk and the London Marathon.



Our total community investment in 2018 reached over £1million in value comprising direct fundraising, gifts-in-kind, volunteering and financial investment.

Case Study

Wakefield kids raise their Aspirations

ENGIE has been contracted to deliver services for Wakefield Council. The Council conducted a joint-needs' assessment, which identified the priority areas for focused action. After this ENGIE started work in response to these needs. We delivered social value activity in keeping with the local priority needs with an estimated £3 million in social value, which was provided to individuals and the community through our activities on the contract.

ENGIE and Wakefield Council helped Pinders Primary School to host to the launch of Primary Futures Wakefield Aspirations Week, which saw the Mayor of Wakefield and volunteers from a range of organisations, businesses and the emergency services come together to broaden the horizons of the children. The aim of the event was to encourage the children to look to the future, be aspirational and think about the career path they might take after leaving school.

The day had a strong focus on keeping safe with basic first aid provided by the ambulance service, fire safety by the fire brigade and personal safety by the police. The event also saw the launch of the latest book in the Coneheads series, which has been created by author Chris Madeley and supported by ENGIE to teach young people about the dangers of construction sites.

"The event was a huge success, and that's testament to the hard work of everyone involved. As well as picking up some important safety lessons, the children got the chance to find out about a whole host of potential career paths, and we hope that this inspires them to succeed in all that they do!"

Lee Firth,
Head of Learning, Development and Social Value Places & Communities



Employee volunteering

At ENGIE we encourage colleagues to volunteer in their communities for local projects and charities that matter to us and that are close to their hearts, as well as for our three chosen charities. We provide 15 hours of volunteering time per year for such activity and where possible evaluate how this time is used so we can deliver more social value. ENGIE provides various volunteering opportunities for employees, customers and suppliers in key areas such as:

- **Education opportunities and work experience** for young people
- **Employability skills** for communities to help understand the future skills shortage and equip workers with relevant skills such as in science, technical, engineering and maths (STEM) subjects, and focus on excluded groups (e.g. ex-homeless, ex-offenders, ex-service personnel, black and ethnic minority (BAME) groups etc.)
- **Environment preservation**

Career Ready

With the charity Career Ready, we connected disadvantaged young people to the world of work through A Capital Experience which offers a day for A-level students across the UK to visit London and experience working life in the capital. ENGIE supports Clean Air Day promoting air quality and tree planting involving volunteers and we ran a tree-planting day in Lambeth in 2018.

Case Study

ENGIE works in partnership with Leeds City Council to promote careers in the construction industry

ENGIE employees were invited to support the students at Forging Futures Campus by hosting a team building activity, the Tetrahedron Workshop. The students worked in teams and assigned a Site Manager and Quality Assurance member, to ensure the task was completed promptly and efficiently and to ensure the final build of the tetrahedron was sustainable.

This activity involved problem solving, teamwork, communication and raised the discussion of construction work and how the task at hand relates. This activity involved a group of 11 students.



Case Study

Planning for Social Impact

ENGIE's purpose is to improve lives through better living and working environments. We are committed to delivering social and environmental benefits through our developments.

To ensure we do this we reviewed local strategies such as council plans and Local Enterprise Partnership (LEP) strategies to determine the desired outcomes, developed into social objectives for the project which have then been tested with local authorities and residents, with consistent themes emerging including raising skill levels, higher quality jobs and improving health and wellbeing.

We are aligned with the UN Sustainable Development Goals as an overarching framework for development and identified priority Goals, based on the desired outcomes. For future developments this means we can develop a methodology to identify specific priorities under the umbrella of a single consistent framework.

Standard practice in social impact is to measure only outputs. To ensure we deliver the aspirational objectives set for the project we have included a set of outcome measures in the social impact framework. We will continue to work with local authorities and other stakeholders to ensure that the activities we undertake, and outputs delivered are achieving the overall outcomes identified, and that we have a toolkit to use across our place shaping programme.



Environmental leadership, Innovation and Improvement

1. Carbon
2. Green Mobility
3. Energy Efficiency
4. Waste Reduction and Resource Efficiency
5. Water
6. Biodiversity

ENGIE's ambition is to become world leader in the zero-carbon transition as a service and this is at the core of our value creation model.

ENGIE has received several external accreditations recognising our commitment to tackling climate change and reducing carbon emissions including an 'A' listing with CDP at Group, a Carbon Trust carbon certification in 2018 for the UK; and we participate on the Taskforce on Climate-related Financial Disclosures (TCFD).

We also provide integrated solutions for our clients (such as companies and local authorities) to help them manage their own zero-carbon transition (see section Energy Efficiency). We also seek to innovate and develop new business opportunities such as in green mobility and smart grids both for our own operations and as part of our integrated service offerings to our clients. We report on our Environment KPI 15 as part of our Responsible Business Charter reporting to our Scrutiny Board.

Carbon

Carbon reduction continues to be a prime focus area for our own business operations and for those of our clients. ENGIE has set its objectives, targets and KPIs for our low carbon reduction strategy in the public domain. By the end of 2019, we will be working towards identifying science-based targets (SBTs) in-keeping with the SDGs. ENGIE phased out of coal in the UK with the closure of our last power station at Rugeley in 2016 and during 2018 we have continued to develop our offshore wind capability which includes our investments in Moray East and Moray West, off Scotland. We also have solar generation capacity at Capel Grange.

Our carbon and environmental targets are driven across the business through stakeholder engagement including with NGOs, and formal internal reporting systems. We assess the carbon footprint of direct operations, internal operational plans and dedicated employees with responsibility for the carbon reduction

In 2018 we reduced our own carbon intensity with a reduction in scope 1 and scope 2 emissions of 40% against our 2012 baseline (tCO₂e/£m revenue)

strategy. In 2018 ENGIE achieved the Carbon Trust Standard which recognises our significant carbon reductions achieved to date as well as our underlying management processes.

In 2018 we reduced our own carbon intensity with a reduction in Scope 1 and Scope 2 emissions of 40% against our 2012 baseline (tCO₂e/£m revenue). This is due to initiatives we have taken across our offices, sites and corporate fleets. We have made significant reductions in travel with our company fleet and we are commencing our Electric Vehicle (EV) strategy. We have implemented ISO 50001 and ISO 9001 which has led to greater energy efficiency in our workplaces. We have successfully

reduced our Scope 3 carbon emissions from business travel tCO₂e/£m revenue with a reduction of 44% from our 2017 baseline. We were able to make travel reductions through our increased use of Skype and other remote meeting forums.

We have improved greatly our results against our 2012 baseline for the reduction in Scope 1 and Scope 2 carbon intensity ratio for emissions from our generation assets (kgCO₂e/MWh) primarily because of the closure of the former coal powered generation station at Rugeley in 2016 and divestment from other thermal assets.

Case Studies - Solar

Vauxhall Community Energy Scheme

Lambeth Council: Vauxhall Energy was proud to announce the launch of a community share offer in 2018, allowing Vauxhall residents to spearhead the renewables revolution.

Vauxhall Energy installed solar panels on five buildings of the Vauxhall Gardens estate, generating clean, green electricity and saving 24 tonnes of CO₂ every year, the equivalent of powering 17 homes. This scheme is run and managed by the community beneficiaries themselves.



ENGIE helps Cheshire East Council boost green commitment and save money

Cheshire East Council has been working with ENGIE to fit energy-saving solar panels to the roof of its waste transfer headquarters, as part of the authority's commitment to reduce carbon emissions to net zero by 2025.

The £220,000 investment at the council's environmental hub in Middlewich will be paid back in just over six and a half years.

Staff from across ENGIE divisions joined forces to design and install the 728 solar panels, which will reduce the running costs of the site by 15% - saving £33,000 a year from its energy bill (a total of 201,000kWh). The 229kW system will also slash emissions of CO₂ by 100 tonnes a year.

Electricity from the solar panels helps reduce costs of energy used to power the air filtration systems in the building, which is maintained under negative pressure with fast closed doors and activated carbon air filtration to ensure the highest environmental standards at the site.

The project was completed as part of ENGIE's strategic partnership with Cheshire East Council to provide maintenance and project services, as well as supporting their carbon reduction strategy.

Case Study - Wind

ENGIE's investment in two Scottish offshore wind farms reaffirms our commitment to our zero-carbon transition strategy

Following the successful acquisition in 2017 of a 23.3% stake in the 950MW Moray East offshore wind farm (off the coast of Scotland), 2018 was a key year towards delivering the project - and construction began in early 2019. The project achieved financial close in December 2018 when ENGIE and its partners signed financing agreements with a group of lenders for £2.6bn of project finance investment. ENGIE also signed a power purchase agreement (PPA) to buy 23.3% of the electricity produced by Moray East once it is operational, to supply green energy to ENGIE's domestic and commercial and public sector power customers. Moray East is expected to be operational by 2022 and will meet the equivalent annual electricity needs of around 950,000 UK households.

2018 saw ENGIE continue to grow its presence in the UK offshore wind sector with its acquisition of stake in the Moray West offshore wind farm project. The applications for the various development consents were submitted to the Scottish Government in the second half of 2018 following extensive stakeholder and local consultation.

In early 2019, ENGIE and EDPR signed a strategic agreement to create a 50/50 Joint Venture (JV) to create a leading global offshore wind player. This JV will include the Moray East and West projects.



Electric vehicles for ENGIE fleet and employees

ENGIE has committed to invest £600k to facilitate the charging infrastructure required to meet our own public target of 20% of our fleet to be electric by 2020 and zero diesel by 2025. The Clean Van Commitment is for zero tailpipe emissions by 2028.

20% of our fleet to be electric by 2020 and zero diesel by 2025

Increase employee EV ownership and engagement

ENGIE offers electric vehicles to our own employees to help them transition to sustainable mobility solutions through our internal salary sacrifice Green Car Scheme which will also help further reduce our Scope 3 emissions. There have been various promotions and incentives to encourage employee behaviour change including the provision of a private charge point, additional "trade ups" on company electric vehicles, rewarding employees through expenses and mileage policy. The 2018 employee engagement survey (10,000 + respondents) suggests that our workforce believe in our social and environmental commitments as outlined below:

ENGIE is a socially responsible company: 80% favourable response

I believe ENGIE is an environmentally responsible company: 84% favourable response

Green Mobility

Air Quality

As a global leader in the zero-carbon transition, ENGIE has committed to reducing carbon emissions and promoting the benefits of associated improvements in air quality. Air quality is an important area for ENGIE UK as it is connected to our core business and we deliver relevant services to public, private and domestic customers in the UK.

ENGIE collaborates with stakeholders including the start-up community, public sector, academia and well-respected environmental charities to share learning and insights. ENGIE has won a project in a consortium of public and private organisations to deliver a Smart Community Integrated Energy System (GreenSCIES) in partnership with Ecar Club, TFL, London Borough of Islington and others. In Newcastle we are collaborating with the North East Innovation Super-network to deliver an electric vehicle (EV) innovation accelerator. (See Innovation)

In 2018 ENGIE continued to partner with King's College, London on its air quality research programme and with Global Action Plan (GAP) to raise awareness about air quality and drive changes in consumer awareness and behaviour.

We are growing our business through new smart business models such as with green mobility markets and smart building solutions to help improve air quality, as well as help our clients reduce their carbon emissions and save money.

Electric Vehicles for clients

Globally ENGIE has committed to invest over €100 million up to 2020 in establishing Green Mobility solutions and we have acquired EV-Box, one of the world's leading electric vehicle charging services providers with over 50,000 charging stations in service which use renewable energy. We have also acquired ChargePoint Services in the UK. In 2018 ENGIE UK started to develop a network of EV chargers in the UK, supporting the take up of battery electric vehicles (BEVs) and



ENGIE Electric Vehicle

plug-in hybrid electric vehicles (PHEVs). ENGIE has commenced the installation of 88 rapid EV chargers for taxis and the public across West Yorkshire and will be rolling out fast chargers across PSA dealerships nationwide.

Clean Air Day

In 2018 ENGIE participated in Clean Air Day to educate the public, our clients, our employees and other stakeholders about air pollution, whilst encouraging other organisations to collaborate and participate. Our employees participated in conjunction with our clients and suppliers from local authorities (e.g. Wakefield, Tyneside) and schools, hospitals, and the wider community.



Clean Van Commitment

In 2018 ENGIE partnered with GAP to support the creation of the [Clean Van Commitment](#) and 32 signatories have now signed up to the Clean Van Commitment collectively, which amounts to a total of over 65,000 vans and a target of zero tailpipe emissions by 2028.

In 2018 ENGIE joined over 25 other leading companies at the first global Zero-Emissions Summit of the UK Government (OLEV) in London hosted by Jessie Norman MP which was introduced by the then UK Prime Minister Theresa May. ENGIE has set a target to have **20% of its fleet electric by the end of 2020 and zero diesel by 2025.**

Case Studies

King's College London Air Quality Study

ENGIE has been partnering with King's College London since 2016 to better understand air quality monitoring both internally and externally. ENGIE has collaborated on several air quality projects including:

The co-development of the ENGIE Air Quality app to provide information to staff and the public in London concerning air quality in the city, and to enable people to make informed decisions about walking and route planning.

Air quality monitoring of ENGIE drivers (within vehicles) as part of a study to understand air quality in professional driving occupations called: [DEMiSt: The driver Diesel Exposure Mitigation Study](#)

The study was funded by [IOSH](#).



Yorkshire Water wins Ultra-Go Low accreditation

ENGIE has been working in partnership with [Yorkshire Water](#) to [reduce our client's carbon emissions](#). Yorkshire Water is now using only electricity from renewable sources – supplied by ENGIE - to power its operational sites and its increasingly green van fleet. In 2018 the first 10 electric vans were purchased and Yorkshire Water will buy at least 40 more vans by 2020. This will help offset 140 tonnes of carbon emissions annually and generate cost savings of around £536,000 over the seven-year life span of the vehicles. The project has resulted in Yorkshire Water being the first in the water sector to be granted 'Go Ultra Low' accreditation.

"The success of our partnership with ENGIE has been founded on collaboration. Everyone has pulled together to make this new scheme work for the whole business. The expertise and resources offered by ENGIE have taken the pressure off our busy operational teams, enabling them to focus on their core activities while ENGIE focuses on identifying and implementing measures to significantly reduce our energy consumption and costs. With the size of our energy usage, this will help keep our customer bills as low as possible and ensure we are looking after the water environment for good."

James Gudgeon, Contracts Manager, Energy & Recycling, Yorkshire Water



Go Ultra Low



Yorkshire Water's Electric van fleet

Case Study



ENGIE and North East Lincolnshire Council have been promoting several key schemes to encourage local business, residents and parents to consider more sustainable and greener methods of travel

Business Travel Planning is a project running across the Borough to provide businesses with a full travel planning service, including an assessment of how employees commute, promotion of sustainable transport and support to reduce single occupancy car journeys.

Businesses put in place a travel plan which benefits staff through discounted, as well as funding of up to £5,000 to implement initiatives such as electric vehicle charging points, cycle parking facilities, or purchase of electric bikes.

Cleethorpes Cycle Hub

has opened to the public ahead of the busy tourist season, following a 15-month restoration project - managed by ENGIE on behalf of the council - of the former Victorian ticket office at the railway station.



The design was planned to show how the ticket office would have once looked, whilst also provide a modern workshop, office, kitchen and display area. Residents and visitors can now hire a range of cycles and equipment.

Walk to School Week is a national campaign which is led by Living Streets and was supported by ENGIE to encourage pupils and adults to unite for one week to promote and undertake walking to school. This was one of the many initiatives ENGIE delivered within local communities as part of the contract.

ENGIE worked with schools to register them and promote their participation, with local BBC News featuring one school and involved ENGIE employees. The walk to school provides a number of benefits for children including improved health and wellbeing.

Case Study

City of Coventry District Energy scheme improves local air quality

In this innovative scheme, ENGIE works with the Council to recover heat from an existing Energy from Waste (EfW) plant to heat key buildings in the City. This reduces primary fuel consumption within the City, which has a positive impact on local air quality and reduces carbon emissions and nitrogen oxide. The concession is for 25 years, which started in 2013 and extends to 2038. Key features of the scheme are:

A retrofit EfW scheme

EfW owned by Coventry and Solihull Waste Disposal Company

EfW incinerates c225,000 tonnes of municipal waste a year.

The heat from the incineration generates steam which is used to generate electricity, which is sold to the grid.

ENGIE procures heat from EfW that would otherwise have gone to waste.

Steam is converted into medium pressure and low pressure hot water.

Hot water is transported via the buried network, installed by ENGIE, into the city centre where it is sold to ENGIE customers.

Coventry's key buildings will benefit



Energy Efficiency

Energy Management and Carbon reduction as a service

ENGIE's ambition is to become the world leader in the zero-carbon transition as a service for corporates and local authorities, with the mission to drive faster growth, higher value, and a better impact for our customers, our employees and the world around us. We are certified to ISO50001 and ISO 9001 and provide energy management services for clients to help them certify to this standard.

Client solutions: we develop unique integrated solutions to support companies and local authorities in the zero-carbon transition. The ENGIE Smart Buildings Team is uniquely positioned, with expertise across energy efficiency, building services, data management and facilities management services.

ENGIE Assure is a product that guarantees at least a 5% cost reduction annually which is based on an agreed energy cost baseline, over a minimum 3-year term.

Our software platform, C3NTINEL®, collects and collates all interrelated data from energy meters, asset sensors, BMS systems, weather data and energy market pricing.

ENGIE has committed publicly to decarbonising our business and providing 100% renewable home energy

The clever part of the system employs machine learning to map normal conditions and analyses incoming data to identify anomalies. These anomalies flag up an issue, or emerging issue that a skilled energy or facilities manager can point back to a failing asset within a property.

ENGIE has an award-winning platform (Smart-VUE) and its applications, and our Smart Buildings team can provide an enhanced user experience for interacting with the building's hardware and software.

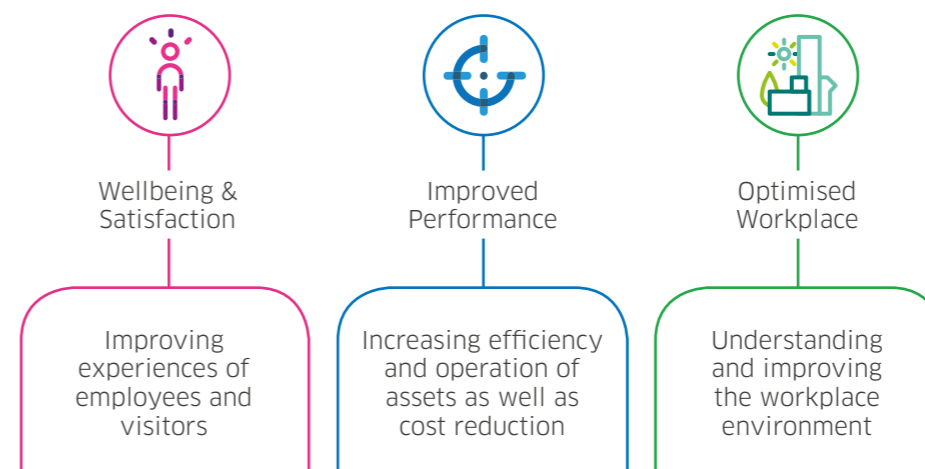
Our ambition is to be a global leader in reducing carbon emissions and improve air quality in alignment with SDG13 and SDG3.

C3NTINEL

ENGIE has invested in a smart analytics data platform C3ntinel which provides clients with varying levels of service according to their needs. Clients can choose from data viewing and self-management, to receiving an active managed service from ENGIE or a further enhanced service with reporting features.



C3NTINEL system, creating extra value for customers



Case Study

Queen Elizabeth Olympic Park (QEOP) Aquatics Centre: Smart Solutions and C3ntinel

Initially used for the purposes of energy monitoring and management, C3NTINEL has evolved into a platform which has the capability to be much more and is now known as our Smart Buildings Analytics Platform.

This helps ENGIE work with clients like the QEOP making decisions that are data driven as well as energy saving. Being hardware agnostic, C3NTINEL enables customers to view energy, building services and 'internet of things' (IOT) data on-demand in an easy-to-use interface.

ENGIE provides the data analysis, liaises with on-site staff, and provides the 'action/investigation', C3NTINEL provides the web-based collaborative platform from which all work is recorded and managed. Through a number of integration methods tailored to our client's requirements, we can pull back data into C3NTINEL, to better understand the context surrounding the data. This comprises for example; utility data (electricity, gas, oil, water, heat, etc.), BMS points (valve positions, air flow rates, etc.) and sensor data (temperature, humidity).

Aquatic Centre, Queen Elizabeth Olympic Park, London



Case Study

ENGIE assures energy savings for Grant Thornton

ENGIE's partnership with Grant Thornton is entering its tenth year. Over a six year period between 2011 and 2017 ENGIE helped Grant Thornton reduce energy consumption at its London head office by 35% in electricity and 70% in gas. Grant Thornton is the world's sixth largest professional network services company of independent accounting and consulting member firms. It provides assurance, tax and advisory services to privately held businesses, public interest entities, and public sector entities.

Following the energy savings delivered between 2011-2017 at Grant Thornton's Euston office, which was 40 years old, ENGIE's challenge was to implement energy savings at their new modern

flagship head office building in the City of London. ENGIE Assure delivers a guaranteed 5% saving on energy costs for the client against the agreed base year. At the end of the first year savings of 17% have been achieved.

Steven Hart, Head of Property at Grant Thornton, said:

"We are delighted to add these additional ENGIE services to our existing and long running total facilities management contract. We are looking forward to working with the wider ENGIE team and enjoying the benefits that they will deliver."



Waste Reduction and Resource Efficiency

ENGIE has made significant reductions in both total waste generated and waste sent to landfill, since our baseline that we set in 2012.

In 2018 we did record a significant increase in waste generated, which was predominantly soil waste arising from excavation in new build contracts. We will continue to address this during 2019. Our underlying performance in our target for the reduction of waste to landfill has remained positive, however this target has tracked the increase in waste overall rather than our treatment of the waste which would help us improve our resource efficiency and our circular economy credentials. We have adjusted this target accordingly in 2019 to monitor performance as a percentage of total waste and the new target will be the percentage (%) of waste reused and recycled. This will enable ENGIE to have a meaningful, quality target to enable us to focus on the upper echelon of the waste hierarchy.

ENGIE has a comprehensive waste programme in place across our value chain and we have created a Resource Efficiency Group to further explore our waste production and develop a targeted action plan. We will continue to focus on waste prevention and reduction looking at all stages of the design and delivery of our products and services. For the reuse and recycling stages of the waste hierarchy we work closely with our suppliers and contractors to increase efficiency and improve environmental metrics for waste recovery and safe and efficient disposal.

In our reviews with suppliers on waste we seek to ensure that products, components and materials are maintained at their highest usage and value throughout their lifecycle and contribute to a closed-loop economy. We also collaborate with suppliers, stakeholders and other organisations in our value chain to identify and address future resource risks and other circular economy opportunities, and the responsible sourcing of key commodities such as timber in our supply chain.



Recognising that a key part of waste reduction is changing behaviour and culture and raising awareness internally and externally amongst our stakeholders, such as waste contractors and client representatives, ENGIE became signatory to the Waste to Wealth Commitment. This was launched in November 2018 by HRH The Prince of Wales with the aim of increasing resource productivity and eliminating avoidable waste by 2030. We will be seeking to work collaboratively with other stakeholders to meet this goal.



Water

ENGIE continues to drive improvements in water use across the business. We monitor and manage our key targets of potable water use and freshwater abstraction for our own operations. In 2018 we set a new baseline target for potable water use because we developed our own metering and data management platform. Our target for freshwater abstraction reduced because of the closure of the Rugeley power station in 2016 and due to the partial shut-down of First Hydro pumped water facility for planned maintenance.

In 2018 ENGIE established a water working group which set out to tackle five areas for improvement:

Increased awareness across the organisation about water use and conservation

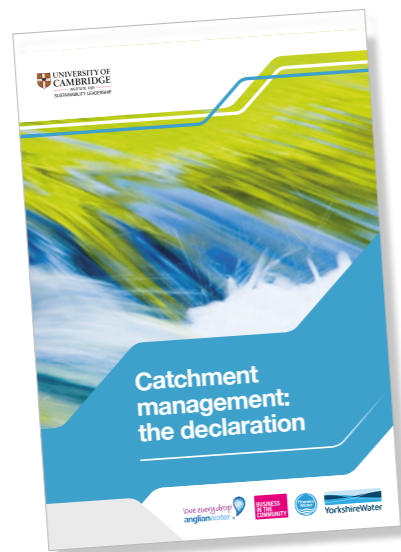
Water metering to identify leaks and reduce usage

Supplier engagement for further water reductions

Designing out water early on in the construction phase of our contracts

Stakeholder engagement for water use improvements as part of catchment partnerships.

The outputs of the working group will include a water awareness pack for our operations which will form part of our Environmental Management System (EMS). We will be promoting the introduction of widespread water meters across our own operations.



Recognising that stakeholder engagement on water is a key part of our work, in 2018 ENGIE signed up to the [Catchment Management Declaration](#) to respond to the UK's 25 Year Environment Plan and to help us collaborate further with other businesses, NGOs and other external stakeholders to enhance water catchment management. We will seek to reduce negative impacts on business operations from flooding and other incidences of extreme weather events associated with climate change and global warming. Our sites and contracts complete flood risk assessments as part of business continuity plans.

ENGIE also works with clients to assess, manage and reduce their own water usage and environmental impacts as part of the facilities management services that we provide. We work in partnership with our clients to help analyse their own water consumption patterns to identify and implement water efficiency measures and install water efficient technology where required, to help with ongoing management and water usage reductions.

Case Study

Whitman Laboratories

ENGIE has been working collaboratively with our client and other stakeholders including the local water company, on wastewater activities to improve the environmental impact of the business, which is located in a national park. ENGIE developed a solution which has:

- **Improved** water quality
- **Reduced** the site's environmental impact
- **Future proofed** the business
- **Produced significant savings** for the customer in Mogden charges



Biodiversity

ENGIE is committed to providing biodiversity enhancements across our operations as part of our Environmental Management System. All contracts complete a protected areas and species assessment as part of the operations' contract management plan, and where a protected or invasive species is identified a biodiversity action plan is completed.

ENGIE also works in partnership with our clients to ensure biodiversity is promoted on our client sites to help them meet their own biodiversity goals.

Case Study

EDF Energy, Plymouth

Bug hotels help insects and pollinator habitats thrive. A variety of habitats are planted to promote diversity of insects and bird life





Responsible Procurement Practices

ENGIE is committed to playing our part in improving the environment, economy and communities of which we are a part. Sustainable procurement is a key aspect of this strategy and is an integral part of our Responsible Business Charter. We are working towards the responsible procurement standard ISO 20400. We require our major suppliers to comply with our Responsible Business Charter by signing up to our bespoke Supplier Charter, and adhering to our codes of conduct and procedures for social, environmental and ethical sustainability.

At ENGIE our procurement is a strategic process to help us deliver our corporate responsible business objectives, to meet our purpose of improving lives through better living and working environments. A key priority for procurement is considering social and environmental aspects as well as economic improvements through our supply chain in order to promote sustainable development and further align ENGIE with the SDGs. ENGIE also seeks to provide inputs to UK Government and other business consortia and stakeholder consultations on various issues including responsible procurement practices.

During 2018 we continued to have three main objectives for our responsible procurement:

Reduce risk: Reduce financial impact on our business value from any inadequate supplier practices (e.g. local pollution); reduced economic cost of any sustainable procurement disruptions (e.g. supplier business interruption through non-compliance with environmental regulations).

Increase revenue and other benefits: Source additional opportunities and revenue (e.g. onboarding of social enterprises and SMEs to increase innovation and local outreach to the communities in which we work) and innovation of eco-friendly products and services (e.g. chemical free cleaning products), help increase social value in contracts or help us earn income from more efficient close-loop systems and recycling programmes

Reduce cost: Reduce consumption, reduce social and environmental compliance costs, and reduce associated energy costs.

STATS AND FACTS

c7500
active suppliers

48%
of spend with SMEs
(excluding the Regeneration part of the business)

Supplier training Workshops
delivered in partnership with the Supply Chain Sustainability School

Targeted SME Workshop
sign up to the buying social commitment

Case Study

Procurement at the Queen Elizabeth Olympic Park

In 2015, ENGIE's Procurement Team were engaged by our client at the Olympic Park to source an alternative wood fuel supplier for their onsite biomass boiler. Our client's existing solution no longer met required standards; plastic was found in the wood chip used in the biomass which caused problems with the boiler and the boiler maintenance downtime of two weeks was deemed too inefficient. ENGIE was able to implement a new, innovative supply chain process into our client's operations at the Olympic Park. The biomass supply chain process was overhauled from a linear process that no longer met the required standards of ENGIE or our client. This was transformed into a much more efficient and effective process by moving towards a closed-loop supply chain.

The Olympic Park has been transformed and below highlights the key benefits the innovative process has helped to realise:

- **Zero waste** to landfill
- **100%** virgin wood chip
- **Increased** boiler efficiency
- **LC Energy are BSL accredited**
- **Fly ash used as natural fertilizer:** Wood ash is perfect for amelioration of acidic soils due to its alkaline pH and 100% biological properties
- **Efficient use** of fleet and carbon management
- **Reduced boiler downtime**

The improved quality of the wood chip inputs has reduced the downtime of the biomass boiler from two weeks to one week per year. Furthermore, it has increased the average efficiency of the boiler from **77.96% to 81%.**



QE Olympic Park, Biomass Boiler

We regularly review our risks and opportunities in procurement with suppliers and implement actions to ensure adherence to legislation such as the Modern Slavery Act whilst also identifying potential opportunities. We participated as a key speaker at the Modern Slavery and Human Rights Summit.

In 2018 we signed up to the Buy Social Corporate Challenge of Social Enterprise UK which seeks to work collaboratively with other businesses to spend £1 billion with social enterprises either at Tier 1 or Tier 2 level over 5 years. At ENGIE we strive to ensure that small and medium enterprises (SMEs) and social enterprises have a full and fair opportunity to do business with us. We have commenced work on reviewing our current spend and identifying categories of spend to maximise opportunities with Social Enterprises.

ENGIE has attended "Meet the Buyer" events with SMEs on our contracts such as our Wakefield contract. ENGIE has also held a SME workshop to increase out capacity to respond to customers demands, and work together with the Supply Chain Sustainability School.

At ENGIE our procurement is a strategic process to help us deliver our corporate responsible business objectives

Performance Data 2018

SDGs	Delivering Sustainable Solutions	Baseline Year	2018 Target	2018 Progress	2019 Targets
	Number of innovations implemented in the UK business	2017	7	7	8
	External sustainability certifications/awards	2017	5	7	8

SDGs	People and Community	Baseline Year	2018 Target	2018 Progress	2019 Targets
	Board Directors with Responsible Business objectives	2017	100%	100%	100%
	Number of staff with Responsible Business objectives	2017	100%	100%	100%
	Share of industrial entities covered by an appropriate dialogue and consultation mechanism*	2017	50%	50%	75%
	Value of Community Investment	2017	Exceed 2017	1.03m	Exceed 2018
	Health and wellbeing campaigns run	2017	3	3	4
	Training days per employee	2017	1 day	1.15 days	1 day
	Increase number of apprenticeships across the business	2017	175	344	Exceed 2018
	New vacancies for jobs advertised through local networks and media	2017	90%	85.3%	Exceed 2018
	Maximise local employment	2017	Exceed 2017	61%	75%
	Senior leadership positions held by women	2017	20%	15%	23% (a)
	Workforce that is female*	2017	38%	35%	37%

Notes:

* Group targets as released in early 2018

(a) 2019 Target is for female Managers

SDGs	Environment	Baseline Year	2018 Target	2018 Progress	2018 Actual	2019 Targets
	Carbon Targets					
	Reduction in Scope 1 & 2 emissions (tCO ₂ e/£m revenue from office, sites and travel)	2012	-30%	-40%	3.7	45%
	Reduction in CO ₂ from business travel tCO ₂ e/£m revenue (Scope 3) (b)	2017	Reduction from 2017	-44%	0.81	-
	Reduction in indirect (Scope 3) emissions (tCO ₂ e/£m revenue from business travel, waste, water, transmission & distribution and well to tank) (c)	2018	-	-	3.90	5%
	Tonnes of in-life carbon emissions savings for Clients to date	2017	120,000	108,211	108,211	120,000
	Reduction in Scope 1 and Scope 2 carbon intensity ratio for generation assets (kgCO₂e/MWh)*	2012	-30%	-68%	158.32	70%
	Increase percentage of production portfolio containing renewable energy in MWh*	2012	5%	+3.8%	3.8	5%
	Increase Electric Vehicles within our Fleet (% Fleet)	2017	2%	+2%	61	13%
	Waste Targets					
	Reduction in tonnes of total waste generated/£m revenue	2012	-90%	-74%	50.01	-90%
	Reduction in tonnes of waste to landfill/£m revenue (b)	2012	-97%	-80%	11.57	-
	Proportion of total waste reused or recycled (%) (c)	2018	-	-	78.6%	80%
	Water Targets					
	Reduction in potable water use m ³ /£m revenue	2018	-	-	11.47	5%
	Reduction in freshwater abstraction (m ³) for electricity generation in MWh compared with 2012	2012	-5%	-64%	0.68	65%
	Biodiversity					
	Contract sites with ecological enhancement delivered (b)	2014	20%	6%	36	-
	Proportion of contracts with a biodiversity action plan (c)	2019	-	-	-	5%

Notes:

* Group targets as released in early 2018

(b) Target superseded by 2019, new target in row directly beneath

(c) New 2019 Target



Responsible Business Report UK & Ireland



Improving Lives through
Better Living and
Working Environments

BOLD CARING DEMANDING OPEN

Get involved! Find out more:



ResponsibleBusiness@engie.com



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ENGIE - UK & Ireland