



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

I am very happy and proud to confirm that EDF Luminus continues to support the ten principles of the Global Compact on human rights, labor, environment and anti-corruption. As already stated on November, 2013, in our initial letter of commitment, the Global Compact and its principles are part of the strategy, CSR policy and day-to-day operations of our company.

As stated in our Sustainability report for 2014, our new strategic plan, called "Power to Progress", is even more Sustainability-oriented that the previous one. We now affirm our desire to become the "number 1 energy partner", "**bringing progress and comfort to all our customers**", through our 5-star service, our innovative and sustainable solutions, EDF Group's global expertise and our strong local roots.

This strategy contributes to the new Sustainable Development goals pursued by the United Nations, especially goals 7 (""), 13 and 15. Regarding goal 7, we offer a large range of energy efficiency services, for residential customers and companies (energy audits, smart thermostats, boiler maintenance and installation). We also offer a large range of environment-friendly energy products (guaranteed "green" electricity contracts, CO<sub>2</sub>-compensated gas...) Regarding goal 13, we invested 86.3 million euro in 2014, in order to build additional windmills. Our portfolio was strengthened with 28 windfarms, making us the number 2 in onshore wind energy in Belgium and the number 1 builder. We also dedicated 19 million euros in all to renovate two of our hydro plants since 2013. Our thermal plants are regularly upgraded in order to increase their flexibility and/or output and minimize their impact on environment. Regarding goal 15, we comply with environmental and biodiversity-related regulations in order to reduce the potential impact of all our installations. We also launched new voluntary collaborative projects to improve biodiversity on 5 of our sites.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency. We therefore commit to report on progress annually, in line with the Global Compact COP policy.

This second COP includes:

- The current statement expressing continued support for the Global Compact and renewing our ongoing commitment to the initiative and its principles.
- A description of practical actions that the company has taken to implement the Global Compact principles in each of the four issue areas (human rights, labor, environment, anti-corruption).
- A measurement of outcomes. See below criteria 8, 12, 16 and 20. Also, our Sustainable Development report includes more than 30 indicators relating to Sustainability.



Grégoire Dallemagne  
CEO  
On behalf of LMAS sprl

# SECOND COMMUNICATION ON PROGRESS AND SELF-ASSESSMENT REGARDING THE 10 PRINCIPLES OF THE GLOBAL COMPACT November 2015

## GC Advanced COP Self-Assessment

Updated by the UN on 1 March 2013

### Our Communication on Progress is in the following format:

EDF Luminus COP is a stand-alone document, posted on the United Nations and EDF Luminus sites. The structure of this document follows the latest self-assessment format used by companies pursuing the Global Compact “advanced level”. Using this format will help readers understand that EDF Luminus is now complying with all the criteria needed to reach the “advanced level”. Accordingly, all our answers appear in green, whereas orange was used in the first COP submitted in November 2014, to highlight areas where progress was still needed.

This COP refers very often to the 2014 EDF Luminus Sustainable Development report or to other documents/texts already posted on EDF Luminus corporate website.

The 2014 report can be found here:

[http://edfluminus.edf.com/fichiers/fckeditor/Commun/EDFLuminus/LUMCRE0017-Rapport2015-UK\\_58454\\_web.pdf](http://edfluminus.edf.com/fichiers/fckeditor/Commun/EDFLuminus/LUMCRE0017-Rapport2015-UK_58454_web.pdf)

### What is the time period covered by your COP?

Except when otherwise mentioned, time period covers January 1, 2014 till December 31, 2014.

### Does your COP contain a statement by the CEO (or equivalent) expressing continued support for the Global Compact and renewing your company's ongoing commitment to the initiative and its principles?

Please find on page 1 of this COP our CEO's statement expressing continued support for the Global Compact.

### Does your COP contain a description of actions and policies related to the following issue areas?

Human Rights	Labour	Environment	Anti-Corruption
Yes	Yes	Yes	Yes

### Does your COP contain, if relevant, a description of policies and practices related to your company's operations in high-risk and/or conflict-affected areas?

No, since EDF Luminus is active in Belgium only, i.e. not in high-risk and/or conflict-affected areas.

### Does your COP include qualitative and/or quantitative measurement of outcomes illustrating the degree to which targets/performance indicators were met?

Yes, for instance, ambitious targets regarding the development of renewables were met in 2014 and highlighted on page 37 of the EDF Luminus Sustainable development report. Our report includes more than 30 indicators, with a three year's history, to explain the evolution of the ethical, economic, environmental, and social development of our business.

### How does your organization share its COP with stakeholders?

This second COP is easily accessible to all interested parties (e.g., via EDF Luminus website, Ethics page).

The first EDF Luminus COP was also mentioned in the Sustainability report for 2014, with a qr code to access it with smartphones (on page 16).

The 2013 Sustainability report of EDF Luminus mentioned our participation to the Global Compact as of November 2013 (see page 19 of the 2013 SD report). The SD reports are widely distributed to all key stakeholders (eg. employees, opinion leaders, media, consumers, local community).

### **How is the accuracy and completeness of information in your COP assessed by a credible third-party?**

*Note that assessment of the accuracy and completeness of information in your COP by a credible third-party became a requirement of COPs at the GC Advanced level as of 1 January, 2014. The Global Compact recognizes that there are various options in terms of external assessment. High-quality external assessment should ideally encompass qualitative and quantitative information and performance data in the COP, as well as an explanation of the management systems and processes that foster their credibility. A credible third party is defined as groups or individuals external to the reporting organization who are demonstrably competent in both the subject matter and assurance practices. For optional guidance on the assurance process, companies may refer to p. 41 of the [GRI Guidelines](#) (version G3.1).*

- Information is reviewed by multiple stakeholders (e.g., representatives of groups prioritized in stakeholder analysis)
- Information is reviewed by a panel of peers (e.g., members of the same industry, competitors, benchmarked leaders, others organized via Global Compact Local Network)
- Information is assured by independent assurers (e.g., accounting or consulting firm) using their own proprietary methodology
- Information is assured by independent assurers (e.g., accounting or consulting firm) against recognized assurance standard (e.g., ISAE3000, AA1000AS, other national or industry-specific standard)
- Other established or emerging best practices**
  - Most of the information contained in the COP is already published in the EDF Luminus Sustainable Development report, which is partly assessed by external parties.
  - Parts of this SD report are extracts of the Annual Report submitted to the National Bank of Belgium, which is certified by KPMG Company Auditors and Boes & Co Company Auditors. This is especially the case for graphs & figures published on pages 32, 33 & 35 of the 2014 SD report, ie most of the Finance chapter. It is also the case for the social balance sheets extracts published on pages 44 & 45, ie part of the HR chapter.
  - The GHG emissions inventory presented in the 2013 (p. 23) & 2014 (p. 21) reports has been realized by Climact, a recognized consulting firm, in accordance with the GHG Protocol international standard. Some of the emission figures published on page 41 of the report are audited and approved by external firms (VBBV for Flanders and Vincotte for Wallonia).
  - Within the framework of article 225 of the Grenelle II law of 12 July 2010 establishing new publication and verification obligations for French listed companies, the EDF statutory auditors verify the consolidated non-financial information presented in the EDF management report. This includes information originating from EDF Luminus, especially social and environmental figures, which are subject to periodic audits.
  - EDF Luminus is a certified Top Employer since 2013, an HR-oriented label which includes working conditions among its criteria and involves random audits on site.
  - Some of the data published in the 2014 SD report was controlled by students from the Antwerp Management school, a collaboration which came about via the Global Compact Network Belgian secretariat. Those students built their own materiality grid, based on GRI, Ecovadis and EDF Group materiality matrix, in order to focus on most material processes/figures. They especially checked data regarding market shares, the production of electricity, CO2 emissions, green contracts, taxes and contributions, etc. Their check of the 2013 and 2014 reports highlighted few mistakes, all minor (ie incorrect rounding of figures). Their work allowed us to include additional data in the Sustainability report, especially Employee satisfaction, which they considered key for Sustainability. They also allowed us to identify external sources to benchmark

our results – especially regarding the emissions of company cars.

The COP describes any action(s) that the company **plans to undertake by its next COP** to have the credibility of the information in its COP externally assessed, including goals, timelines, metrics, and responsible staff.

We will discuss such an action plan with the Global Compact office in Belgium. Another team of students from the Antwerp Management school could check additional data published in the 2015 SD report or the current COP in 2016.

### **The COP incorporates the following high standards of transparency and disclosure:**

- Applies the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines

This second COP does not fully comply with the Global Reporting Initiatives guidelines, nor does the Sustainability report for 2014 on which it is based.

However, EDF Luminus Sustainable development report contains more than 20 general and sector Standard Disclosures from the GRI4 Sustainability Reporting Guidelines (see page 2 of the 2014 report). In addition, a first step towards full compliance with GRI4 was achieved in 2014: the list of sustainable development challenges was established and published on page 17 of the 2014 SD report. Key stakeholders are being consulted to finalize the materiality grid by end of 2015.

Qualifies for Level B or higher of the GRI G3 or G3.1 application levels

Is 'in accordance - core' with GRI G4

Is 'in accordance - comprehensive' with GRI G4

- Provides information on the company's profile and context of operation

**i** Such as: Legal, group and ownership structure. Countries and scale of operation. Markets served (geographic/sector breakdown, types of customers/beneficiaries). Primary brands/products/services. Supply chain. Commitments to external initiatives.

Information on the company profile is available on pages 2, 4-5 (key figures) of our Sustainability report for 2014, which is available on line.

Markets served and types of offers are described on pages 26-31 of the Sustainable Development report. The value chain is detailed on page 15, and the context is described especially on pages 12, 13 & 14.

## Implementing the Ten Principles into Strategies & Operations

⊕ The term 'value chain', for purposes of this self-assessment, refers to an organization's business partners both upstream (including suppliers and subcontractors) and downstream (e.g. for transport of finished products).

### Criterion 1: The COP describes mainstreaming into corporate functions and business units

Indicate which of the following best practices are described in your COP:

- Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives

At EDF Luminus, the CSR policy is endorsed by the CEO himself and is advertised on all sites. The CSR department reports to the Deputy General Manager, in charge of Strategy & Innovation. The sustainability strategy is therefore reviewed regularly by the executive committee. Departments represented in the CSR Committee include Purchasing, Production, Marketing, Corporate Affairs, Human Resources, Internal Audit, etc.

Also, Sustainable Development is at the very heart of the company's strategy. Cf pages 10-11 of our Sustainable Development report.

- Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy
- Assign responsibility for corporate sustainability implementation to an individual or group within each business unit and subsidiary
- Design corporate sustainability strategy to leverage synergies between and among issue areas and to deal adequately with trade-offs
- Ensure that different corporate functions coordinate closely to maximize performance and avoid unintended negative impacts

### Criterion 2: The COP describes value chain implementation

Indicate which of the following best practices are described in your COP:

- Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts

We have identified each segment of the value chain, both upstream and downstream, and published it in our 2012, 2013 and 2014 Sustainable Development report (see 2014 update on page 15). The Audit and Risks Committee at Board level (see page 9 of the Sustainability Report) reviews each year the internal audit program, to make sure risks are evaluated, controlled or mitigated in a systematic and sustainable manner.

- Communicate policies and expectations to suppliers and other relevant business partners

Our General Purchasing Conditions are sent to suppliers and contractors at the start of each tender and for each contract. Our purchasing conditions include expectations regarding Safety and CSR among extra-financial criteria.

- Implement monitoring and assurance mechanisms (e.g. audits/screenings) for compliance within the company's sphere of influence
- Undertake awareness-raising, training and other types of capacity building with suppliers and other business partners (advantage).

## **Robust Human Rights Management Policies & Procedures**

⊕Criteria and best practices under human rights implementation have been modified to reflect the *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework* (the Guiding Principles), as well as the *Human Rights COP Reporting Guidance*. Best practices reflect specific reporting elements of the latter guidance, either Basic (numbers starting with BRE) or Advanced (numbers starting with ARE).

### **Criterion 3: The COP describes robust commitments, strategies or policies in the area of human rights**

Indicate which of the following best practices are described in your COP:

- Commitment to comply with all applicable laws and respect internationally recognized human rights, wherever the company operates (e.g., the Universal Declaration of Human Rights, Guiding Principles on Human Rights) (BRE1 + ARE1)
- The Guiding Principles suggest that this should include a commitment to treat the risk of causing or contributing to gross human rights abuses as a legal compliance issue wherever the company operates*

Respect of the law and of international standards is mentioned explicitly in EDF Luminus CSR policy, published in 2012 and 2013 Sustainable Development Reports and accessible by PR code in 2014 Sustainability report on page 16.

It is also mentioned in the EDF Group CSR agreement, which was endorsed by EDF Luminus in 2011. This agreement includes explicit reference to the Universal Declaration of Human Rights, ILO key conventions regarding forced labor, child labor, discrimination, collective bargaining (29, 87, 98, 100, 105, 111, 135, 138, 182).

- Integrated or stand-alone statement of policy expressing commitment to respect and support human rights approved at the most senior level of the company (BRE 1 + BRE5 + ARE 1 + ARE 5)

The EDF Luminus Code of Conduct includes a statement from the CEO which expresses support for human rights. It also refers to the UN Global Compact and the Universal Declaration of Human Rights. See <http://edfluminus.edf.com/developpement-durable/ethique-292351.html>

- Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services (BRE 1)
- Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties (BRE 1 + BRE 5 + ARE 1 + ARE 5)

The Code of Conduct of EDF Luminus is available both on the intranet, to all employees, and on the internet. See <http://edfluminus.edf.com/developpement-durable/ethique-292351.html>.

EDF Luminus General Purchasing conditions include a CSR clause which is quite detailed. This clause is mentioned on EDF Luminus web site: <http://edfluminus.edf.com/sustainability/sustainable-purchasing-296110.html>.

29.2. Social clause - According to its commitments on ethics, EDF Luminus has particularly obliged itself to respect the fundamental principles and rights stated in the United Nations Declaration of Human Rights, the European Union Charter of Fundamental Rights and the Conventions made under the International Labour Organization. In this context, EDF Luminus applies these principles –and, particularly, those relating to child labour and forced or obligatory labour– to its purchases.

The Contractor declares that he shall adhere to the fundamental principles and rights stated above. He shall respect and implement the industrial and human resources required to ensure their application, by his own personnel, his sub-contractors and his suppliers. He shall also undertake to provide proof of their layout to EDF Luminus at the latter's first request. EDF Luminus reserves the right to verify, through a competent and authorized organization, that the working conditions that are applied by the Contractor, his sub-contractors and his suppliers do not violate these principles.)

Those conditions are systematically communicated to potential or actual suppliers.

#### **Criterion 4: The COP describes effective *management systems* to integrate the human rights principles**

Indicate which of the following best practices are described in your COP:

- Process to ensure that internationally recognized human rights are respected
- On-going due diligence process that includes an assessment of actual and potential human rights impacts (BRE 2 + BRE 3 + ARE 2 + ARE 3)

A yearly risk assessment is done at EDF Luminus to help mitigate and control risks. A risk register is updated twice a year. In June 2015, this risk register was reviewed to check consistency with the updated Group risk register.

**i** The Guiding Principles suggest that the assessment:

- Include the risk of impacts the business enterprise may be involved in through its own activities, business relationships, and country and/or industry context
- Involve meaningful consultation with potentially affected groups and other relevant stakeholders to assess actual and potential impacts as well as risks
- Be ongoing and evolving, adapted to size and complexity
- Be included in risk management systems

The Guiding Principles also suggest that risks should not be limited to the risks to the company itself (material) but should also include risks to right-holders. Lastly the Guiding Principles suggest that findings from impact assessments should be integrated across relevant internal functions and processes.

- Internal awareness-raising and training on human rights for management and employees

In 2015, a new e-learning module was built to help employees understand desired behaviours regarding ethics and our Code of Conduct. This e-learning includes realistic situations where human rights are explained, especially regarding protection of customer data, nepotism, and rules to be applied when using social media.

- Operational-level grievance mechanisms for those potentially impacted by the company's activities (BRE 4 + ARE 4)

The Group Ethical alert system is accessible to all. CF <http://alerte-ethique.edf.com>.

- Allocation of responsibilities and accountability for addressing human rights impacts

Each manager is in charge of making sure human rights are respected and breaches addressed. The EDF Luminus Code of Conduct highlights the role of managers as the first alert level in case of irregularities. See: [http://edfluminus.edf.com/fichiers/fckeditor/Commun/EDFLuminus/pdf/CodeDeConduite\\_FR\\_20\\_01.pdf](http://edfluminus.edf.com/fichiers/fckeditor/Commun/EDFLuminus/pdf/CodeDeConduite_FR_20_01.pdf)). If necessary, the manager can ask for advice among HR, Legal and CSR colleagues. The Belgian law also makes it mandatory for companies to appoint "confidential counsellors" in order to prevent psychosocial incidents, especially discrimination or harassment. The appointment of those counsellors has to be approved by social partners and the number of cases reported to counsellors is part of the yearly Health & Safety report sent to Belgian authorities.

- Internal decision-making, budget and oversight for effective responses to human rights impacts
- Processes to provide for or cooperate in the remediation of adverse human rights impacts that the company has caused or contributed to (BRE 3+ BRE 4 + ARE3 + ARE 4)
- Process and programs in place to support human rights through: core business; strategic philanthropic/social investment; public policy engagement/advocacy; partnerships and/or other forms of collective action (BRE 6 + ARE 6)

#### **Criterion 5: The COP describes effective *monitoring and evaluation mechanisms* of human rights integration**

Indicate which of the following best practices are described in your COP:

- System to monitor the effectiveness of human rights policies and implementation with quantitative and qualitative metrics, including in the supply chain (BRE3 + ARE3)

**i** The Guiding Principles also suggest that such monitoring should be based on qualitative and quantitative indicators.

A mapping of all EDF Luminus suppliers in 2012 (2800) has been done in 2013 to identify critical suppliers from a CSR point of view.

- Monitoring drawn from internal and external feedback, including affected stakeholders

In 2014, as mentioned in the SD report on page 16, a dozen evaluations and 25 meetings took place.

- Leadership review of monitoring and improvement results
- Process to deal with incidents the company has caused or contributed to for internal and external stakeholders (BRE 4 + ARE 4)

- Grievance mechanisms that are legitimate, accessible, predictable, equitable, transparent, rights-compatible, a source of continuous learning, and based on engagement and dialogue (BRE4 + ARE4)

Alert system at EDF Luminus involves confidentiality counsellors (see page 47 of the 2014 SD report). The Group alert system also allows direct alert to the Group Ethical Committee. See direct internet link

- Outcomes of integration of the human rights principles

- i** - *Outcomes of due diligence process*

*Suggested GRI Indicators: HR2 Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken. HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.)*

**- External and formal reporting of operations or operating contexts that pose risks of severe human rights impacts.** The Guiding Principles suggest that communications should:

(a) Be of a form and frequency that reflect an enterprise's human rights impacts and that are accessible to its intended audiences;

(b) Provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human rights impact involved;

(c) In turn not pose risks to affected stakeholders, personnel or to legitimate requirements of commercial confidentiality.

**- Disclosure of main incidents involving the company.** The Global Compact Office acknowledges that providing such details may be counterproductive for various reasons related to the protection of human rights, and that confidentiality may, at times, be more effective in alleviating human rights abuses.

**- Outcomes of remediation processes of adverse human rights impacts** (Suggested GRI Indicator: HR11 Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.)

The EDF Luminus Sustainable Development report for 2014 mentions that no formal grievances relating to human rights have been recorded. See page 47.



## Robust Labor Management Policies & Procedures

### Criterion 6: The COP describes robust commitments, strategies or policies in the area of labor

Indicate which of the following best practices are described in your COP:

- Reference to principles of relevant international labor standards (ILO Conventions) and other normative international instruments in company policies

The EDF Luminus Code of Conduct (see p. 27) refers explicitly to ILO conventions and other normative international instruments.

The EDF Group CSR agreement, which applies to EDF Luminus since 2011, includes a reference to several ILO conventions. See article 1 (page 5) at:

[http://about-us.edf.com/fichiers/fckeditor/Commun/RH/Publications/Annee/2009/EDF\\_Accord\\_RSE09\\_va.pdf](http://about-us.edf.com/fichiers/fckeditor/Commun/RH/Publications/Annee/2009/EDF_Accord_RSE09_va.pdf).

Also, a reference to the Global Compact is made in our latest Sustainable Development report (page 16).

- While the 10 Global Compact principles are based on international conventions, organizations are encouraged to reference these documents explicitly to show detailed understanding of the Global Compact principles' underlying meaning.*

- Reflection on the relevance of the labor principles for the company

- The company should reflect on (1) significant labor-related social and economic impacts of the enterprise and (2) whether such impact could substantively influence the assessments and decisions of the organization's stakeholders.*

In Belgium, freedom to associate and negotiate is guaranteed by law. Collective bargaining is mandatory for some topics. Among them are company rules, restructuring, etc.

The EDF Group CSR Agreement (see clause 6 page 8 and 9) which applies to EDF Luminus deals with "anticipation and guidance in industrial restructuring processes". According to this clause, the aim of this clause is to apply the following principle: "Principle of dialogue between management and the trade unions and employee representatives, via information and dialogue on the economic stakes, the consequences of decisions and the proper adaptation of individual and collective guidance, as well as the monitoring of their application."

- Written company policy to obey national labor law, respect principles of the relevant international labor standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectorial, national).

See EDF Group CSR agreement mentioned above.

G4-11: All of EDF Luminus employees (100%) are covered by collective bargaining agreements, in compliance with Belgian law.

- Inclusion of reference to the principles contained in the relevant international labor standards in contracts with suppliers and other relevant business partners

EDF Luminus General Purchasing conditions include a CSR clause which is quite detailed:

24.2. Social clause - According to its commitments on ethics, EDF Luminus has particularly obliged itself to respect the fundamental principles and rights stated in the United Nations Declaration of Human Rights, the European Union Charter of Fundamental Rights and the Conventions made under the International Labour Organization. In this context, EDF Luminus applies these principles –and, particularly, those relating to child labour and forced or obligatory labour– to its purchases.

The Contractor declares that he shall adhere to the fundamental principles and rights stated above. He shall respect and implement the industrial and human resources required to ensure their application, by his own personnel, his sub-contractors and his suppliers. He shall also undertake to provide proof of their layout to EDF Luminus at the latter's first request. EDF Luminus reserves the right to verify, through a competent and authorized organization, that the working conditions that are applied by the Contractor, his sub-contractors and his suppliers do not violate these principles.)

- Specific commitments and Human Resources policies, in line with national development priorities or decent work priorities in the country of operation
  - Examples: Inclusion of vulnerable/discriminated groups in the workforce (e.g., women, disabled, migrant, HIV/AIDS,*

older/younger workers); equal pay for work of equal value; contribution to national strategies to eliminate child/forced labor, etc.

- Participation and leadership in wider efforts by employers' organizations (international and national levels) to jointly address challenges related to labor standards in the countries of operation, possibly in a tripartite approach (business – trade union – government).

- Structural engagement with a global union, possibly via a Global Framework Agreement  
The EDF Group CSR agreement has been signed by 3 global unions in 2009. See page 19 of the agreement. They are the following:
  - ICEM (International Confederation of Energy, Mining and General Workers Unions)
  - PSI (Public services International)
  - IFME (International Federation of Mining and Energy).

## Criterion 7: The COP describes effective *management systems* to integrate the labor principles

Indicate which of the following best practices are described in your COP:

- Risk and impact assessments in the area of labor

The Top Employer label obtained by EDF Luminus since 2013 includes a check and control process.

- Dialogue mechanism with trade unions to regularly discuss and review company progress in addressing labour standards

There is a dialogue mechanism with trade unions, which takes into account both Belgium regulation and company standards. For instance, unions are systematically involved in the discussions about job descriptions and classification. There is also a yearly negotiation for "time credit", ie the percentage of employees allowed to work part-time. In 2014, the agreement signed lays down a percentage of 8.5% of staff, instead of the 5% required by law (see page 47 of the Sustainability report). All of the EDF Luminus workforce is represented by elected employees who participate in collective bargaining.

- Allocation of responsibilities and accountability within the organization

As shown on pages 9 and 11 of our Sustainable Development report, the executive committee of EDF Luminus includes a Human Resources division. The job description, area of responsibility, objectives & results of the Corporate Director in charge of Human Resources are approved by the Board.

- Internal awareness-raising and training on the labour principles for management and employees
- Active engagement with suppliers to address labour-related challenges

- Grievance mechanisms, communication channels and other procedures (e.g., whistleblower mechanisms) available for workers to report concerns, make suggestions or seek advice, designed and operated in agreement with the representative organization of workers

EDF Luminus complies with the Belgian law which makes it mandatory to appoint confidential counsellors, in charge of preventing and managing psychosocial incidents. Their appointment must be approved by the social partners.

The company rules and Code of Conduct of EDF Luminus mention other whistleblower mechanisms relating to Health and Safety, harassment, discrimination, etc. which includes external medical advice.

## Criterion 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration

Indicate which of the following best practices are described in your COP:

- System to track and measure performance based on standardized performance metrics

The number of cases reported to counsellors is part of the yearly Health & Safety report sent to Belgian authorities. See page 47 of our 2014 Sustainable Development report.

- Dialogues with the representative organization of workers to regularly review progress made and jointly identify priorities for the future

Dialogue with unions takes place in several instances at EDF Luminus. Among them are monthly works councils and Health and Safety committees.

- Audits or other steps to monitor and improve the working conditions of companies in the supply chain, in line with principles of international labor standards

A mapping of all EDF Luminus suppliers in 2012 (2800) has been done in 2013 to identify critical suppliers from a CSR point of view. In 2015, 4 of these suppliers have been evaluated by Afnor. .

- Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices
- Outcomes of integration of the Labour principles
- To report main incidents involving the company, disclosure that your organization had no labour-related abuses in the past year satisfies this best practice where providing details may be counterproductive. Suggested GRI Indicators: LA4, HR4-7.*

## Robust Environmental Management Policies & Procedures

### Criterion 9: The COP describes robust commitments, strategies or policies in the area of environmental stewardship

Indicate which of the following best practices are described in your COP:

- Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)
  - i** While the 10 Global Compact principles are based on international conventions, organisations are encouraged to reference these documents explicitly to show detailed understanding of the Global Compact principles' underlying meaning.
- Reflection on the relevance of environmental stewardship for the company
  - i** In making that determination, the company should consider (1) if it has potentially significant environmental impacts and (2) whether such impact could substantively influence the assessments and decisions of the organisation's stakeholders.
- Written company policy on environmental stewardship**

EDF Luminus has implemented a Health, Safety & Environment policy (last update in 2011), an HSE management system and is ISO 14001 certified globally, ie for all its activities. The Health, Safety and Environment policy and the ISO 14001 certification are advertised on EDF Luminus internet site: <http://edfluminus.edf.com/developpement-durable/sante-securite-et-environnement-88507.html>

- Inclusion of minimum environmental standards in contracts with suppliers and other relevant business partners**

EDF Luminus general purchasing conditions include a specific clause regarding Environment. See below. This clause is also mentioned on EDF Luminus web site: <http://edfluminus.edf.com/sustainability/sustainable-purchasing-296110.html>

29.1. Environmental clause - To respond to sustainable development issues, EDF Luminus has set the target of controlling environmental impact and obtaining and maintaining NF EN ISO 14001 certification for all its activities (production, distribution, engineering, etc.).

Under its environmental policy, EDF Luminus has undertaken commitments, particularly for:

- saving non-renewable resources;
- preventing pollution and controlling greenhouse gas emissions;
- improving health and safety.

In particular, EDF Luminus is a stakeholder in this approach for continuous improvement by also seeking ISO 14001 certification for its main sites. EDF Luminus has therefore undertaken, in the process of contracting and execution of its contracts, to identify the key points regarding respect for the environment and in particular those relating to waste control and the use of chemical products. As a result, the Contractor shall be reminded, and shall pass this on to his Subcontractors and suppliers, that the execution of the Agreement must strictly comply with the applicable regulations in that respect.

As part of his duty as an advisor to EDF Luminus and to allow EDF Luminus to respect its commitments regarding ISO 14001 certification, the Contractor is also requested, in the context of execution of the Agreement, to send to EDF Luminus any relevant information regarding respect for the environment (existing commitments, planned action for progress, reduction or prevention of impacts obtained, etc.) and to warn it of any circumstance likely to have a significant impact on the environment.

The duty of advisor, like the obligations required of the Contractor pursuant to the present clause 24.1, shall be assessed with regard to and within the limits of the missions entrusted to him in accordance with his specific competences.

There is a scoring system in place for suppliers before they can participate to a tender, which includes qualitative criteria, such as safety incidents frequency rate.

- Specific commitments and goals for specified years**

EDF Luminus has a specific target each year for its investments in wind turbines. In 2014, six permit requests were deposited for a total of 20MW (see page 37 of the 2014 Sustainability report). Overall number of windmills in the EDF Luminus installed base included 85 windmills end of 2014 (180 MW). Some of those windmills are located on industrial areas and the electricity used by business partners,

which helps with minimizing the potential impact of windmills on biodiversity, thus speeding up the permitting process.

We also take into account EDF Group CSR commitments, which apply to EDF Luminus, regarding the publication of such numbers each year. See page 6 of <http://rapport-dd-2013.edf.com.edf-partage-web-02-natpub.edf.lbn.fr/resources/ParagPdf/99/en-US/PdfFile.pdf>

### **Criterion 10: The COP describes effective *management systems* to integrate the environmental principles**

*Indicate which of the following best practices are described in your COP:*

Environmental risk and impact assessments

EDF Luminus does integrate environmental risk evaluation in its Health, Safety & Environment risk analysis for all industrial sites. Risks are classified in 4 categories for all production sites. All risks above a certain threshold have to be reduced. Also, impact on environment has to be assessed prior to each new production asset building (as part of the permitting process).

Assessments of lifecycle impact of products, ensuring environmentally sound management policies

In 2013, EDF Luminus published its global carbon footprint for the first time. It was published again in 2014 (see pages 20-21 of the 2014 Sustainability report). This allows the company to prioritize actions to reduce the environmental impact of its activities. See page 22 of the EDF Luminus 2014 Sustainable Development report.

Allocation of responsibilities and accountability within the organisation

Allocation of responsibilities and accountability within the organization is part of the HSE management system. HSE and Production organizations are available to employees via the intranet.

Internal awareness-raising and training on environmental stewardship for management and employees

The Health, Safety & Environment department of EDF Luminus prepares weekly messages dedicated to Safety and Environment. These are highlighted each week on the intranet, and at the beginning of each meeting. Specific presentations are also prepared for specific topics and have to be shared every quarter during “toolbox meetings” which are mandatory and tracked.

Grievance mechanisms, communication channels and other procedures (e.g. whistleblower mechanisms) for reporting concerns or seeking advice regarding environmental impacts

The ethical alert system described above can also be used for environmental impacts.

## Criterion 11: The COP describes effective *monitoring and evaluation mechanisms* for environmental stewardship

Indicate which of the following best practices are described in your COP:

- System to track and measure performance based on standardized performance metrics

In May 2014, the Group ISO 14001 certification was renewed by the independent certification body, Afnor, for a three-year period. A new Group ISO 14001 certification was issued, including the existing global certificate of EDF Luminus.

Compliance checks are done regularly. Periodic environmental audits are performed by external companies. We also take measures to solve the detected non conformities.

- Leadership review of monitoring and improvement results

This is done at the level of the Executive Committee on a quarterly basis. Detailed review once a year.

- Process to deal with incidents

This is part of the management system.

We have a specific crisis management plan to manage environmental and other types of crises. This plan has two main components: an emergency plan (site specific, technical-oriented) and a crisis management plan (at company level).

- Audits or other steps to monitor and improve the environmental performance of companies in the supply chain

- Outcomes of integration of the environmental principles

- i** To report main incidents involving the company, disclosure that your organization had no environmental incidents in the past year satisfies this best practice. Suggested GRI Indicators: EN 1-3, 5-6, 8, 10, 13, 16, 18-20, 26-27.

There were no environmental incidents involving EDF Luminus in 2014. Environmental incidents have to be reported to the Belgian authorities. The environment management system of EDF Luminus includes a systematic analysis of incidents and a list of corrective actions to be implemented. GRI indicators published in the 2014 Sustainable Development report include G4-EN8, G4-EN15, G4-EN16, G4-EN17, G4-EN21 and G4-EN23 (see page 21, 41, 42, 43).

## **Robust Anti-Corruption Management Policies & Procedures**

**i** Criteria and best practices under Anti-Corruption implementation have been modified to reflect the Anti-Corruption Reporting Guidance. Best practices reflect specific reporting elements of the guidance, either Basic (numbers starting with B) or desired (numbers starting with D).

### **Criterion 12: The COP describes robust commitments, strategies or policies in the area of anti-corruption**

Indicate which of the following best practices are described in your COP:

- Publicly stated formal policy of zero-tolerance of corruption (D1)

EDF Luminus Code of Conduct includes:

- A clear statement by CEO regarding Ethics, values and respect for stakeholders
- The EDF Group Code of Ethics which includes a clear statement about “fight against fraud and corruption in all its forms”

The EDF Luminus Code of Conduct is accessible on our website: <http://edfluminus.edf.com/sustainability/ethics-295783.html>.

- Commitment to be in compliance with all relevant anti-corruption laws, including the implementation of procedures to know the law and monitor changes(B2)

We do monitor law evolution as part of the “business as usual” practices.

- Statement of support for international and regional legal frameworks, such as the UN Convention against Corruption (D2)

$\phi\gamma$   Detailed policies for high-risk areas of corruption (D4)

- Policy on anti-corruption regarding business partners (D5)

We do have anti-corruption rules regarding business partners, which are mentioned in EDF Luminus Code of Conduct. Suppliers can use a specific mailbox to report non-ethical conduct relating to current or future contracts, which is published on the corporate web site: [ethics@edfluminus.be](mailto:ethics@edfluminus.be)). Also, EDF Luminus has an anti-fraud plan with a specific alert system which warrants the anonymity of whistle blowers.

### **Criterion 13: The COP describes effective management systems to integrate the anti-corruption principle**

Indicate which of the following best practices are described in your COP:

- Support by the organization’s leadership for anti-corruption (B4)

See above our answer for Criterion 12.

- Carrying out risk assessment of potential areas of corruption (D3)

In 2013, a suppliers’ cartography was established, in order to identify suppliers with the highest risks (see SD report 2013 page 19). Four suppliers were evaluated by Afnor in 2015. No potential area of corruption was identified through these evaluations.

- Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employees (B5 + D8)

Human Resources procedures supporting anti-corruption policy include the company rules & Code of Conduct. Those documents are presented to all new employees.

Via the code of conduct and the new e-learning launched in September 2015, awareness is created around fraud. A whistle blowing mechanism has been implemented and communicated, providing guidance on what to do in case of suspicion of Fraud. The Fraud response plan stipulates that the "Fraud

response group" (a.o. with CEO, Head of Legal, Head of HR,...) has to take decisions regarding the investigation, disciplinary actions and recovery of loss.

Internal checks and balances to ensure consistency with the anti-corruption commitment (B6)  
An updated delegation of authorities' ("DOA") document has been established by the board of directors, distributed and published in 2015. The purchasing rules are embedded in the IT system and cannot be overruled. Purchasing orders that are issued without the involvement of Purchasing are blocked. DOAs are reviewed on a regular basis and in case there are changes these are communicated on the intranet and during info sessions (which are organized twice a year for newcomers). DOA trainings are given on a regular basis.

Actions taken to encourage business partners to implement anti-corruption commitments (D6)

Management responsibility and accountability for implementation of the anti-corruption commitment or policy (D7)  
Management is indeed accountable for implementing the anti-corruption policy. The fraud policy is accessible to all employees on the company's intranet.

Communications (whistleblowing) channels and follow-up mechanisms for reporting concerns or seeking advice (D9)  
There is an alert system to report concerns, both for employees and suppliers. It's been advertised each year since 2012. See EDF Luminus Code of Conduct on page 27 (the address is: [internal.audit@edfluminus.be](mailto:internal.audit@edfluminus.be)).

Internal accounting and auditing procedures related to anticorruption (D10)  
Internal controls occur regularly, performed by the Audit department. There is also an overall yearly risk assessment, which regularly includes fraud & corruption topics. Acquisitions, billing and purchasing are among the topics included in the 2015 audit plan.

#### **Criterion 14: The COP describes effective *monitoring and evaluation mechanisms* for the integration of anti-corruption**

*Indicate which of the following best practices are described in your COP:*

Leadership review of monitoring and improvement results (D12)  
An internal assessment of all alert systems is done each year.

Process to deal with incidents (D13)  
The anti-fraud plan includes a process to deal with incidents which is briefly described in EDF Luminus Code of conduct page 26. All incidents reported are investigated and generate corrective measures if needed.

Public legal cases regarding corruption (D14)  
There are no public legal cases regarding corruption registered at EDF Luminus in 2014 and none so far in 2015.

Use of independent external assurance of anti-corruption programmes (D15)  
Our external auditor KPMG Réviseurs d'entreprises includes internal control processes in the annual accounts certification process.

Outcomes of integration of the anti-corruption principle  
In 2014, the EDF Group set up a reporting system within its companies for serious breaches of the Code of Ethics. The number of serious breaches were published on page 269 of the 2014 Reference document. EDF Luminus had no incidents involving corruption to report.

**i** *Outcomes of assessments of potential corruption (D3) and mechanisms for seeking advice /reporting (D9). Procedures supporting anti-corruption policy. Disclosure that your organization had no incidents suffices where providing details is counterproductive. GRI indicators S02-4.*



## ***Taking Action in Support of Broader UN Goals and Issues***

### **Criterion 15: The COP describes core business contributions to UN goals and issues**

*Indicate which of the following best practices are described in your COP:*

- Align core business strategy with one or more relevant UN goals/issues  
EDF Luminus strategy takes into account the following millennium goals:
  - Goal 7: Affordable and clean energy -- See commitment to develop renewable energy on page 11 of the 2014 SD report.
  - Goal 11 : Sustainable cities and communities -- We aim to increase the number of partnerships with sustainable cities. Current actions already include energy monitoring, electric mobility, public lighting, etc. See pages 30-31 of our SD report for 2014.
  -
- Develop relevant products and services or design business models that contribute to UN goals/issues  
EDF Luminus products and services contribute to climate change mitigation and adaptation. See pages 26-31 of the 2014 Sustainable Development report about offers to B2C & B2B customers and sustainable cities (ie. paperless bills, guaranteed green electricity contracts, CO2 compensated gas contracts, smart thermostats, boiler maintenance, supply side management, energy performance contracts, energy monitoring, public lighting, electric vehicles, etc.).  
EDF Luminus also regularly increases its renewable energy capacity. 97 million euros were invested in renewable energy in 2014. Between 2015 and 2018, EDF Luminus plans to invest 600 million euros in all, most of it in windmills & energy services.
- Adopt and modify operating procedures to maximize contribution to UN goals/issues  
Goal 3: "Good Health" We aim for 0 accidents. At this point, given our good results, "It's not a dream, it's not a target, it's a choice".  
Goal 15: Life on Land. We have signed two voluntary partnerships to help us preserve/restore biodiversity on our sites. One with Beeodiversity, to preserve honey bees; one with Faune et Biotopes to create biodiversity-friendly areas on a pilot site. See page 22-23 of the 2014 SD report.

### **Criterion 16: The COP describes strategic social investments and philanthropy**

*Indicate which of the following best practices are described in your COP:*

- Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy  
The 2014 EDF Luminus sustainable report (see page 49) highlights some of the philanthropic contributions of the Company.
  - Coordinate efforts with other organizations and initiatives to amplify—and not negate or unnecessarily duplicate—the efforts of other contributors
  - Take responsibility for the intentional and unintentional effects of funding and have due regard for local customs, traditions, religions, and priorities of pertinent individuals and groups

### **Criterion 17: The COP describes advocacy and public policy engagement**

*Indicate which of the following best practices are described in your COP:*

- Publicly advocate the importance of action in relation to one or more UN goals/issues  
EDF Luminus – Second Communication on Progress / Global Compact of the United Nations - November 2015 – Page 17/20

The EDF Group participated to the Global Compact International Yearbook for 2015. The pages published highlighted the role of electricity to fight climate change.

- Commit company leaders to participate in key summits, conferences, and other important public policy interactions in relation to one or more UN goals/issues

In September 2015, EDF Luminus participated in the commitment initiative launched by The Shift in Belgium, in order to support the COP 21 summit in Paris end of November. See the online signed letter.

### **Criterion 18: The COP describes partnerships and collective action**

*Indicate which of the following best practices are described in your COP:*

- Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy

Partnerships with NGOs are described on pages 23, 25 and 49 of the Sustainable Development report for 2014.

- Join industry peers, UN entities and/or other stakeholders in initiatives contributing to solving common challenges and dilemmas at the global and/or local levels with an emphasis on initiatives extending the company's positive impact on its value chain

## Corporate Sustainability Governance and Leadership

### Criterion 19: The COP describes CEO commitment and leadership

Indicate which of the following best practices are described in your COP:

- CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact

The EDF Luminus Sustainable Development report for 2014 highlights the commitment of the company to the UN Global Compact. See page 16.

- CEO promotes initiatives to enhance sustainability of the company's sector and leads development of industry standards

- CEO leads executive management team in development of corporate sustainability strategy, defining goals and overseeing implementation

The 2014 SD report includes the text below, signed by EDF Luminus CEO:

"At the end of 2014, we prepared the launch of a renewed ambitious strategic plan, called Power to Progress, which aims at clearly, driving progress for the company, its customers, its employees, and society.

We now affirm our desire to become the **number 1 energy partner**, bringing progress and comfort to all our customers through our **5-star service, our innovative and sustainable solutions, EDF's global expertise and our strong local roots.**

We want to play a key role in the fight against global climate change, by using a production mix that respects the environment, and by developing energy efficiency solutions. Those solutions will help our customers to reduce their energy consumption and will contribute to supply security.

- Make sustainability criteria and UN Global Compact principles part of goals and incentive schemes for CEO and executive management team

Sustainability targets are part of the criteria used to define the bonus of the Executive Committee. Common targets include Safety, Employee engagement and Customer satisfaction.

### Criterion 20: The COP describes Board adoption and oversight

Indicate which of the following best practices are described in your COP:

- Board of Directors (or equivalent) assumes responsibility and oversight for long-term corporate sustainability strategy and performance

See Board statement on pages 8 of the 2014 Sustainable Development report.

- Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability.
- Board (or committee), where permissible, approves formal reporting on corporate sustainability (Communication on Progress)

## Criterion 21: The COP describes stakeholder engagement

Indicate which of the following best practices are described in your COP:

- Publicly recognize responsibility for the company's impacts on internal and external stakeholders
- The company's potential impacts on internal and external stakeholders are listed on page 17 of the 2014 Sustainability report.
- Define sustainability strategies, goals and policies in consultation with key stakeholders
  - Regular stakeholder consultations in the area of human rights, labour, environment and anti -corruption. List of stakeholder groups engaged by the organization. Develop process for identifying key stakeholders and report on outcomes of consultation.*
- Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance
- Establish channels to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect 'whistle-blowers'

The Sustainable Development report for 2014 describes several actions aimed at dialogue with stakeholders: CSR barometer on page 18; #noblackout hashtag, public meetings for windmill projects and events aimed at neighbours on page 19.

The Ethical Charter of the EDF Group includes a whistle-blower mechanism available to all stakeholders, internal and external.