1.1 PROFILE, ORGANIZATION AND STRATEGY OF THE GROUP

1.1.1 General presentation

GDF SUEZ is one of the world's leading industrial companies and a benchmark in the fields of gas, electricity and energy services.

It is active throughout the entire energy value chain, in electricity and natural gas, upstream to downstream in:

- purchasing, production and marketing of natural gas and electricity;
- transmission, storage, distribution, management and development of major gas infrastructures;
- energy services.

GDF SUEZ operates a well-balanced business model:

- through its presence in complementary business activities across the value chain;
- through its presence in regions exposed to different business and economic cycles, with a strong presence in emerging markets with greater prospects for growth, a position that was further strengthened in 2011 and 2012 with the integration of International Power. While the Group still intends to maintain its position as a key player in Europe and a leader of the energy transition, it is now a benchmark energy provider in the emerging world;
- through its presence allocated between activities that are exposed to market uncertainties and others that offer recurring revenues (infrastructures, services, PPA-type contracts(1), etc.);
- through a balanced energy mix with priority given to low- and zero-carbon energy sources.

Listed in Paris and Brussels, GDF SUEZ is represented in the major stock indices (see Section 5.1.1.1 "Share capital and voting rights").

The Group's fundamental values are drive, commitment, daring and cohesion.

1.1.2 History and evolution of the Company

GDF SUEZ is the result of the merger-absorption of SUEZ by Gaz de France, following the decision of the Combined General Shareholders' Meetings of Gaz de France and SUEZ of July 16, 2008. The merger took effect on July 22, 2008.

Initially incorporated in 1946 as an EPIC (French public industrial and commercial enterprise), it became a limited liability company with a 99-year term under Law 2004-803 of August 9, 2004 on the electricity and gas public service and electricity and gas companies (amending Law 46-628 of April 8, 1946) whose provisions were aimed at organizing the change in the Company's legal status. Unless the Company is dissolved earlier or its term is extended, it will cease trading on November 19, 2103.

On July 7, 2005, the Company publicly floated its shares on the stock market. The Company's shares, under its former name, Gaz de France, were first listed on July 7, 2005.

Law 2004-803 of August 9, 2004, as amended by Law 2006-1537 of December 7, 2006 governing the energy sector and Decree 2007-1784 of December 19, 2007 authorized the transfer of the Company from the public to the private sector. On July 22, 2008, the Company absorbed SUEZ in a merger which entailed transferring the majority of the company's share capital to the private sector. The new company took the name "GDF SUEZ".

SUEZ itself was the result of the merger in 1997 of Compagnie de Suez and Lyonnaise des Eaux. At the time, Compagnie de Suez - which had built and operated the Suez Canal until its nationalization by the Egyptian government in 1956 - was a holding company with diversified stakes in Belgium and France, particularly in the finance and energy sectors. Lyonnaise des Eaux was a diversified company in the management and treatment of water, waste, construction, communications and technical facility management. SUEZ became an international industrial and services group whose objective was to meet essential requirements in electricity, gas, energy and industry services, water and waste management.

The deregulation of European energy markets in the early 1990s promoted the international development of both Gaz de France and SUEZ, which progressively expanded their activities beyond their respective traditional markets, both in Europe and internationally.

The approval of the merger by the European Commission given on November 14, 2006 was conditional on the implementation of remedial action in certain areas. The principal remedies required for EC approval were duly carried out.

On February 3, 2011, the Company completed a merger with International Power. In 2012, GDF SUEZ confirmed its strategy as a global energy player, finalizing the purchase of shares held by the minority shareholders of International Power on June 29, 2012.

The shareholders' agreement for SUEZ Environnement Company expired on July 22, 2013 and was not renewed; the Group is therefore refocusing on its energy activities. The cooperation and shared functions agreement and the financing agreement between GDF SUEZ and SUEZ Environnement Company have also come to an end. GDF SUEZ now uses the equity method to consolidate SUEZ Environnement Company's activities in its financial statements, rather than full consolidation.

GDF SUEZ intends to maintain its role as a long-term strategic partner of SUEZ Environnement Company and as its majority shareholder. The guiding principles of the industrial and commercial agreements between GDF SUEZ and SUEZ Environnement Company were confirmed in January 2013, and form the basis of a framework agreement between the two companies, similar to what might have been concluded with third parties outside the Group.

(1) A PPA is an agreement between a purchaser (an entity in the public or private sector) and a power producer, with conditions for purchasing power produced over a long period to ensure regular revenue for the producer that will cover its investment costs.

They relate to reciprocal preference, under market conditions, in purchasing/sales, continuing cooperation in certain industrial activities, development of potential joint commercial offerings and cooperation in sustainable development, innovation and research and development.

As well as this framework agreement, SUEZ Environnement Company and GDF SUEZ signed temporary agreements in external purchasing and information technology. In purchasing, SUEZ Environnement Company aims to continue to benefit from GDF SUEZ's purchasing conditions until July 2015. A transition agreement has been put in place for information technology that allows SUEZ Environnement Company to continue to benefit, at its sole request, from certain IT applications shared with the Group until 2014.

Lastly, the two companies have signed an additional clause on the "SUEZ" brand license, which stipulates, inter alia, that "the two parties shall undertake not to implement any measure, action or provision likely to affect the Brand's validity, reputation or recognition, and to comply with, and ensure compliance with, the Ethics Charters that they have adopted, the regulations governing their application and the national and international benchmark legislation to which these charters refer".

GDF SUEZ has its head office at 1, Place Samuel de Champlain, 92400 Courbevoie, France. Its phone number is +33 (0) 1 44 22 00 00. GDF SUEZ is listed in the Paris Trades and Companies Register under reference number 542 107 651. Its NAF (French business sectors) code is 3523Z.

GDF SUEZ is a public limited liability company (société anonyme) with a Board of Directors subject to the laws and regulations governing public limited companies and any specific laws governing the Company, and to its bylaws.

The Company's 12-month fiscal year runs from January 1 to December 31 of each year.

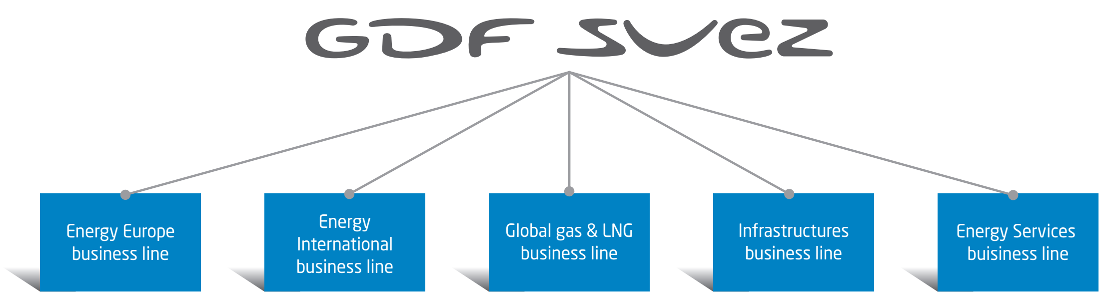
1.1.3 Organization

GDF SUEZ is organized at operational level into five business lines:

- the Energy Europe business line is in charge of electricity production, energy management, and electricity and natural gas sales (all segments) in continental Europe. It is also in charge of natural gas distribution and storage in part of Europe[1];
- the Energy International business line is organized into five geographical regions (Latin America; North America; the United Kingdom and Turkey; South Asia, the Middle East and Africa; and Asia-Pacific). It is active in electricity production and closely associated activities such as LNG regasification, gas distribution, seawater desalination and international retail sales outside continental Europe;
- the Global Gas & LNG business line is in charge of the exploration and production of gas and oil, and of the supply, transportation and sale of liquefied natural gas;
- the Infrastructures business line pools the activities of networks and infrastructures, mainly in France: transmission of natural gas, gasification of LNG, storage of natural gas and distribution of natural gas;
- the Energy Services business line offers its customers – industrial and tertiary companies and local authorities – sustainable energy and environmental efficiency solutions in engineering, installation and maintenance and energy services;

The Board of Directors, at its October 21, 2014 meeting, decided to appoint Isabelle Kocher as Director and Deputy CEO. This decision became effective on November 12, 2014. As Deputy CEO and Chief Operating Officer, Isabelle Kocher is in charge of accelerating the transformation of the Group and its development, in a fast changing world, in high-growth regions, as well as in Europe.

The GDF SUEZ Center (based both in Paris and Brussels), is responsible for guidance and control, and also provides expertise and service missions for its internal customers.



(1) In Hungary, Romania and Portugal.

The Company operates its own business; it has the organization of an integrated industrial group. At the end of 2014, the number of the Company's direct or indirect subsidiaries (controlling interest) was approximately 1,600. The Group's main consolidated companies are listed in Section 6.2 "Consolidated financial statements – Note 3 (List of main consolidated companies at December 31, 2014)". For a list of major subsidiaries and affiliates directly owned by the Company, see Section 6.4 "Parent Company financial statements – Note 23 (Subsidiaries and investments)".

The presentation of the Company's activities and the strategic economic assets of its main subsidiaries as well as their geographical location are presented in Section 1.3 "Description of business lines".

1.1.4 Strategic priorities

The markets in which the Group is expanding are currently undergoing profound change:

- increase in energy demand is concentrated in the fast growing economies: 93% of the increase in primary energy consumption between 2012 and 2040 will take place outside the OECD countries, according to the International Energy Agency [1] (IEA);
- natural gas is playing a more central role at global level: due to abundant resources as unconventional gas production develops (250 years of probable [1] reserves), strong growth in demand (+1.6% annually between 2012 and 2040 [1]) and an expanding outlook for new uses (retail LNG, etc.);
- in Europe (EU 28) the energy transition has begun in many countries: the contribution of renewable sources of energy (excluding hydropower) to the energy mix will increase from 14% to 35% between 2012 and 2040[1], and energy efficiency issues are developing;
- energy will be increasingly managed at local level, and even individually. "Consumer-players" are taking control of their consumption and sometimes even generating power.

The economic slowdown in Europe and energy efficiency policies have led to a fall in consumption which, in combination with continuing development of renewable energy and plentiful cheap coal, has generated surplus capacity and low electricity prices in the long term. This situation has caused a significant crisis in thermal power generation.

In view of this situation, the Group's two strategic priorities are:

1. to be the benchmark energy player in fast growing markets:

- by leveraging on strong positions in the independent power generation, and in LNG, and by strengthening these positions,
- by building integrated positions all along the gas value chain, including infrastructures,
- by developing energy services activities internationally;

2. to be leader in the energy transition in Europe:

- in renewable energies, thermal and electric, centralized and distributed,
- by offering energy efficiency services to its clients,
- by developing new businesses and expanding in digital.

In Europe, the Group has to adapt to the profound changes taking place in the energy sector and increase the priority it gives to its customer approach.

The Group's gas supply portfolio is undergoing an in-depth restructuring process that involves optimizing its diversification and renegotiating long-term contracts with its suppliers.

In power generation, the Group continues to optimize its fleet of thermal power plants in response to the crisis in thermal generation, and is campaigning for improvements in European regulations, mainly through the Magritte Group[2], which is calling for measures to preserve the energy future of Europe.

In renewable energy, the Group aims to pursue its development in certain countries, with priority given to the more mature technologies: hydropower, onshore wind power and biomass for electricity and heat. Partnerships are being sought for these projects.

In infrastructures activities, the aim is to adapt to the energy transition context:

- by adapting infrastructures to changes in demand and new uses (mobility, smart grids);
- by preparing infrastructure and commercial offerings for gas being a vector for renewable energy (biomethane, power to gas, etc.).

GDF SUEZ aims to strengthen its leadership in energy efficiency, as the benchmark energy partner of its customers, businesses, local authorities and individuals, emphasizing the technological content of its activities to provide the most suitable global energy services offering.

Internationally, GDF SUEZ aims to step up its development by positioning itself right across the value chain and expanding the range of businesses and regions.

GDF SUEZ aims to consolidate its current strong position in independent power generation. Its strategic priorities in this area are:

- strengthening its positions in countries where the Group is present;
- investing in new, attractive markets;
- developing opportunities in renewable energy;
- exploring and extending its activities throughout the electricity and gas value chain, including in decentralized generation and infrastructure.

(1) Source: IEA 2014 World Energy Outlook, New Policies scenario.

(2) The Magritte Group, of which GDF SUEZ is a founder member, is an initiative bringing together the CEOs of the 11 biggest energy groups in Europe (CEZ Group, Enel, Eni, E.ON, Fortum, Gas Natural Fenosa, GasTerra, GDF SUEZ, Iberdrola and RWE) to lobby heads of state and government.

In the gas chain, the Group aims to rely on its expertise to roll out its activities internationally, in an integrated way and with a focus on countries with rapidly growing gas markets:

- developing upstream gas activities to secure access to resources for the Group's downstream markets, including power generation;
- capturing development opportunities in infrastructures;
- using its know-how in downstream activities to respond to urbanization development in some countries.

The Group also aims to increase its international presence in energy services.

To implement this strategy, GDF SUEZ adapted its organization in 2014, by:

- creating a dedicated Generation Business Unit (BU) for thermal power generation (gas, biomass, coal) in Europe and a Renewable Energies BU within the Energy Europe business line;
- the project of uniting Cofely Services (Energy Services business line) and BtoB activities of Energy France (Energy Europe business line) in France, to build an integrated B2B energy offering;
- creating a dedicated entity for innovation and new businesses at Group level;
- creating a cross-functional Digital Project to strengthen all of the Group's entities in digital and adapt to new customer requirements;
- creating a China BU to develop a multi-activity offering that is consistent with the country's needs.

To become more agile and adapt to the trends in its environment, the Group has been implementing a far-reaching action plan since 2014 that places human beings at the heart of its transformation in three main areas:

- developing and advancing our employees (training, responsibilities, internal mobility);
- animating the Group and spreading its values;
- enhancing performance to serve our customers (innovation, managing complexity) and rolling out a new code of conduct for managers, the "GDF SUEZ Management Way".

On the financial front, the Group prioritizes maintaining a sound financial structure in the long term (aiming to retain an "A" credit rating), which will mainly be achieved through strict investment criteria. GDF SUEZ's financial objective is to offer its shareholders attractive returns while maintaining a solid financial structure and robust cash flow generation. GDF SUEZ focuses on growth to reinforce value creation, notably through a new dividend policy and a boost in development Capex program (see section 6.1.1.8 "Outlook").

Within GDF SUEZ, environmental and societal responsibility plays an integral part in drawing up business strategy, through the development of:

- sustainable business, which involves identifying environmental and societal issues and transforming them into opportunities for the Group's businesses;
- the management of non-financial risks, which involves managing the risks associated with GDF SUEZ's activities and facilities that relate to the environment, local and international acceptability, health and safety, human resources management, ethics and governance.

GDF SUEZ has formalized its sustainable development commitments, mainly through the publication of its policy in early 2014 and the following non-financial targets in 2011:

- a specific CO_2 reduction target of 10% for its entire global power and related heat generation fleet between 2012 and 2020.
- renewable energy: increasing installed capacity in renewables by 50% between 2009 and 2015;
- biodiversity: implementing a biodiversity action plan at each sensitive site in the European Union by 2015;
- health and safety: achieving an accident frequency rate (FR) of less than 4 in 2015;
- diversity: four targets by 2015:
  - 1 in 3 senior managers appointed will be a woman,
  - 25% of women executives,
  - 30% of women in recruitments,
  - 35% of high-potential women;
- training: maintaining a two-thirds level of employees receiving at least one training per year;
- employee shareholding: achieving and maintaining a level of employee shareholding in the company's share capital of 3% by 2015.

In May 2014, GDF SUEZ issued a green bond for a total amount of €2.5 billion. This bond loan will help to finance the Group's development in renewable energy and energy efficiency projects (see Section 5.1.6.5 "Green bond").

1.1.5 Improving performance

Perform 2015 was launched in 2012 to support the deployment of the Group's strategy and to improve its performance in a sustainable manner. At the end of 2013, the overall gross target of the program [(1)] was increased to €4.5 billion cumulatively over the 2012-2015 period. This was motivated by the acceleration in the Group's transformation and to deal with an on-going difficult economic environment in Europe.

The results of the Perform 2015 program in the 2014 financial statements reflect the intended acceleration of the program as announced in 2013.

In 2014, the Perform 2015 program had a gross positive impact of €0.9 billion on income essentially associated with defined actions in terms of operational efficiency and in particular, on the improvement of margins and OPEX optimization. The portion affecting recurring net income, Group share stood at €400 million. Furthermore, in 2014 the program enabled the generation of €400 million of additional cash especially through the use of lean management principles on maintenance CAPEX.

The year was marked by the widening of operational review methods, including Purchasing, to all the Group's conventional gas-turbine power plants in Europe, and the start of deployment of this methodology to plants outside Europe.

The Purchasing initiative was reinforced Group-wide by new governance and by the implementation of Category Management across all Business Lines.

The Shared Services project launched in 2013 covering France and Belgium has become a division in its own right. The objective of this new entity is to provide the Group with a solid, integrated base for support services thanks to the harmonization of organizations, processes and practices of transactional activities.

The optimization and simplification of working methods is being pursued as for example through a project dedicated to the optimization of demand in IT services, including the streamlining and standardization of IT infrastructure within the Group's operations in Europe.

1.1.6 Competitive positioning

Electricity generation and marketing, as well as gas marketing are business sectors that are broadly open to competition in Europe, while their regulation continues to vary by country, especially when it comes to prices for residential customers. Activities that constitute natural monopolies – such as the transmission and distribution of electricity and, to a large extent, of gas – are more tightly controlled by domestic regulators and European rules.

Elsewhere in the world, with few exceptions, private players often operate under long-term contracts issued on a tender basis.

GDF SUEZ is a European and world leader in electricity and natural gas.

- in Europe, GDF SUEZ is the No. 3 seller[(2)] of natural gas. In LNG, GDF SUEZ is a global player. It is the No. 1 importer in Europe and the No. 4 importer [(2)] in the world. It is also a major player in exploration-production (the only European energy company positioned in every upstream activity);
- the Group is the leading gas infrastructure operator in Europe. It has the No. 2 transmission network, is No. 1 in distribution, European No. 1 in storage capacity (in terms of useful storage) and the No. 2 operator/owner of LNG terminals. It also owns Turkey's No. 3 gas distributor;
- in electricity, the merger of GDF SUEZ and International Power created the world's leading independent power producer (IPP). The transaction also reinforces the Group's international standing as the No. 1 producer-developer in the Gulf States, the No. 1 IPP in Brazil and Thailand, No. 2 in Peru and No. 3 in Chile. The Group is the No. 6 producer[(2)] and the No. 6 supplier[(2)] in Europe.

This global and European leadership is fortified by the Group's deep Franco-Belgian roots:

- in France, GDF SUEZ is the historic leader of gas marketing and the No. 2 producer and supplier[(2)] of electricity. In renewable energy, GDF SUEZ is the No. 2 hydropower operator in France[(3)] and the leader in wind power;
- in Belgium, GDF SUEZ, through its subsidiary Electrabel, is the No. 1 producer and supplier of electricity[(4)] and the No. 1 supplier of natural gas[(4)].

The Group is also the European leader in B2B energy services: the Energy Services business line is ranked joint No. 1[(2)] in France, Belgium, the Netherlands and Italy, according to its various activities. GDF SUEZ also has strong positions in Germany, Switzerland, Austria, Spain and the UK in heating networks (where it is No. 1), as well as facility management since the acquisition of Balfour Beatty WorkPlace. Lastly, it has set up the initial bases for development in Central Europe, Asia, North America and Latin America.

(1) The term "gross" applies specifically to the component of the objective relating to operating costs, thus €2.6 billion for the program. A gross gain is by nature recurring, from which implementation costs are deducted but prior to inflation, other costs and taxes.

(2) Source: GDF SUEZ internal analyses of 2013 data.

(3) Source: RTE, 2013.

(4) Source: CREG, 2013 data.

1.2 KEY FIGURES

1.2.1 Group Financial Data

In millions of euros	2010	2011	2012	2013 reported	2013 restated[(a)]	2013 restated[(a)] pro forma[(b)]	2014
1. Revenues	**84,478**	**90,673**	**97,038**	**89,300**	**87,898**	**79,985**	**74,686**
of which generated outside France	52,976	59,517	61,124	54,331	52,944	47,947	46,852
2. Income							
• EBITDA [(a)]	15,086	16,525	17,026	14,775	14,223	13,017	12,138
• Current operating income	8,795	8,978	9,520	7,828	N/A	N/A	N/A
• Current operating income after share in net income of entites accounted for using the equity method	N/A	N/A	N/A	N/A	8,254	7,665	7,161
• Net income, Group share[(c)]	4,616	4,003	1,544	(9,289)	(9,198)	(9,646)	2,440
• Net recurring income, Group share[(c)(d)]	N/A	3,455	3,825	3,440	3,449	3,449	3,125
3. Cash flows							
Cash flow from operating activities	12,332	13,838	13,607	12,024	11,980	11,333	8,751
of which cash generated from operations before financial income and income tax	14,736	16,117	16,612	14,313	14,129	13,125	11,776
Cash flow from investment	(7,783)	(7,905)	(8,451)	(5,611)	(5,103)	(4,368)	(3,939)
Cash flow from (used in) activities financing	(3,683)	(2,496)	(8,322)	(6,982)	(7,027)	(7,041)	(4,973)
4. Balance sheet							
Shareholders' equity[(c)(e)]	**62,114**	**62,930**	**59,834**	**47,955**	**47,971**	**47,971**	**49,257**
Total equity[(c)(e)]	70,627	80,270	71,303	53,490	53,659	53,659	55,959
Net debt	33,039	37,601	43,914	29,840	28,800	28,800	27,511
Net debt / EBITDA	2.19	2.28	2.58	2.02	2.02	2.21	2.27
Total assets[(c)(e)]	184,430	213,410	205,448	159,611	155,932	155,932	165,305
5. Per-share data (in euros)							
• Average outstanding shares[(f)]	2,187,521,489	2,221,040,910	2,271,233,422	2,359,111,490	2,359,111,490	2,359,111,490	2,366,768,979
• Number of shares period-end	2,250,295,757	2,252,636,208	2,412,824,089	2,412,824,089	2,412,824,089	2,412,824,089	2,435,285,011
• Earnings per share[(c)(f)]	2.11	1.80	0.68	(3.94)	(3,90)	(4.09)	1.00
• Net recurring income Group share, per share [(c)(f)]	N/A	1.56	1.68	1.46	1.46	1.46	1.32
• Dividend paid[(g)]	1.50	1.50	1.50	1.50	1.50	1.50	1.00
6. Total average workforce	**236,116**	**240,303**	**236,156**	**223,012**	**223,012**	**223,012**	**236,185**
• Fully consolidated entities	213,987	218,905	219,253	178,577	178,870	139,134	150,589
• Proportionately consolidated entities	16,943	17,610	12,477	3,431	3,138	3,138	769
• Entities consolidated by the equity method	5,186	3,788	4,426	41,004	41,004	80,740	84,827

(a) December 31, 2013 data restated to reflect the retrospective application of consolidation standards. The calculation method for the EBITDA has been changed since December 31, 2014. 2013 EBITDA was calculated for comparison (see Note 2 of Section 6.2 "Consolidated financial statements").

(b) Restated to present SUEZ Environnement as if it were consolidated by the equity method as of January 1, 2013 (see Section 6.1.1.6 "Pro forma financial information").

(c) December 31, 2012 data restated to reflect the retrospective application of IAS 19R (see Note 1.1 of Section 6.2 "Consolidated financial statements" of the 2013 Registration Document).

(d) Financial indicator used by the Group in its consolidated financial statements since December 31, 2012 (see Note 8 of Section 6.2 "Consolidated financial statements" of the 2013 Registration Document). 2011 data were calculated for comparison.

(e) December 31, 2010 data restated (see Note 1.2 in Section 6.2 "Consolidated financial statements" of the 2011 Registration Document).

(f) Earnings per share are calculated based on the average number of shares outstanding, net of treasury shares. Previous years' figures are not restated in case of payment of dividend in shares.

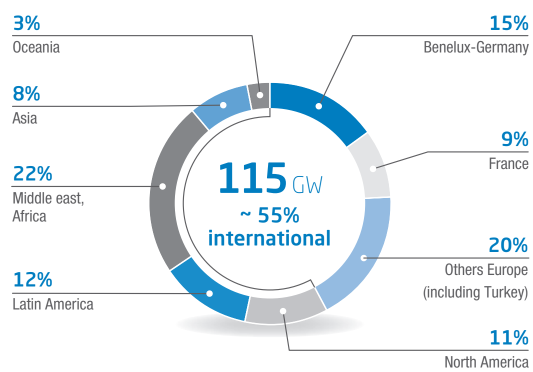
(g) 2014 Dividend: proposed dividend, including an interim dividend of €0.50 paid in October 2014.

1.2.2 Operational Indicators

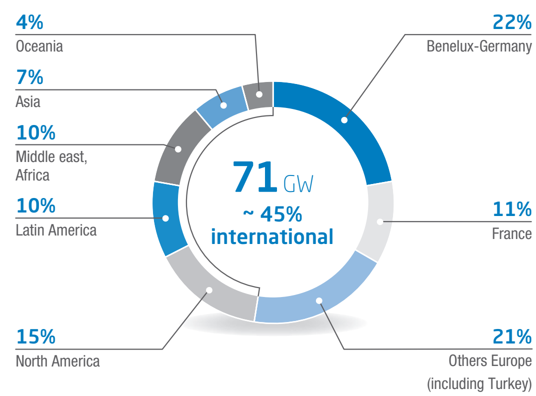
1.2.2.1 Electricity production

GDF SUEZ owns and develops a flexible and efficient generation fleet in its key markets: Europe, Latin America, the Middle East, Asia-Pacific and North America. The Group's installed capacity as of December 31, 2014 on a 100% basis was 115 GW(1) or 71 GW on a net ownership basis(2).

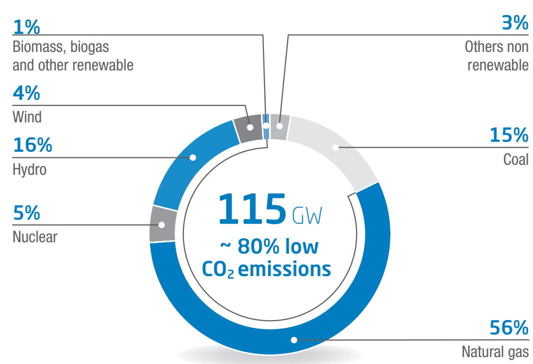
BREAKDOWN OF GENERATION CAPACITY BY REGION (AT 100%)



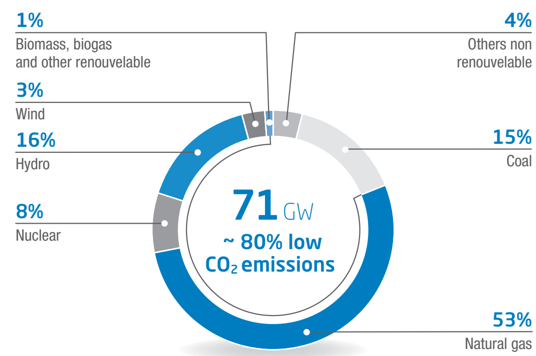
BREAKDOWN OF GENERATION CAPACITY BY REGION (NET OWNERSHIP)



BREAKDOWN OF GENERATION CAPACITY BY FUEL (AT 100%)



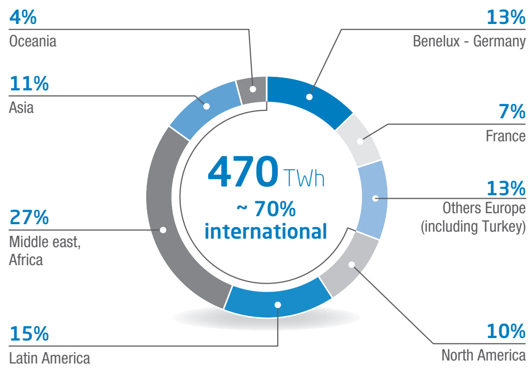
BREAKDOWN OF GENERATION CAPACITY BY FUEL (NET OWNERSHIP)



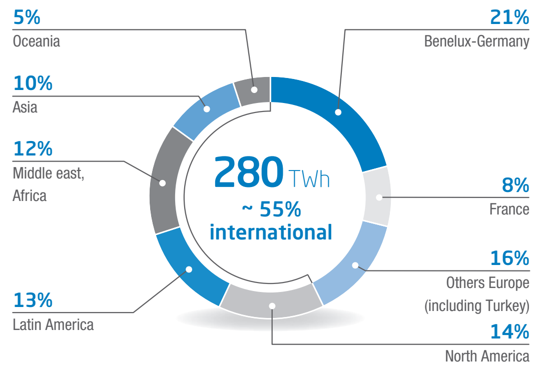
(1) The 100% calculation includes the total capacity of all facilities of GDF SUEZ irrespective of the actual percentage stake of the ownership and the method of consolidation, except for drawing rights which are included in the total if the Group owns them and deducted if they are granted to third parties.

(2) The net ownership basis calculation uses figures for capacities at their net percentage of the ownership of GDF SUEZ in all companies.

POWER GENERATION BY REGION (AT 100%)

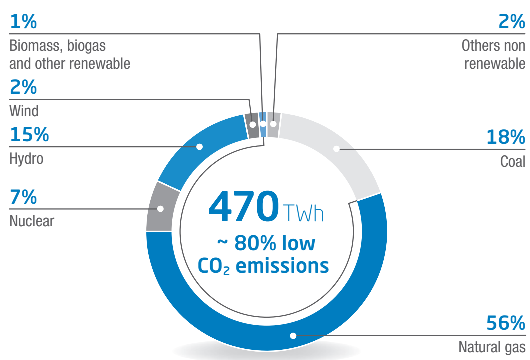


POWER GENERATION BY REGION (NET OWNERSHIP)

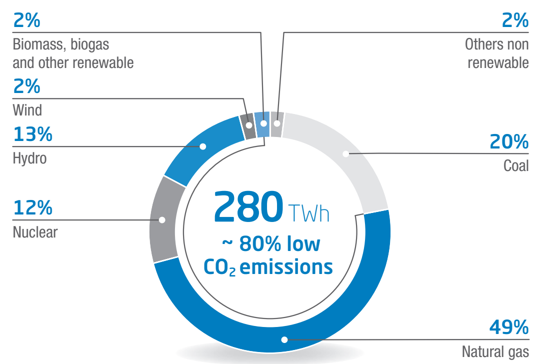


In 2014, the Group produced 470 TWh on a 100% basis, 280 TWh on a net ownership basis.

POWER GENERATION BY FUEL (AT 100%)



POWER GENERATION BY FUEL (NET OWNERSHIP)



The combined power of Group projects under construction at December 31, 2014 was 10.5 GW on a 100% basis, with 36% of this from natural gas, and 30% from renewable energy sources.

In an adverse market environment in Europe, the Group continues to rationalize its asset portfolio. With a significant share of its electrical capacity issued from renewable sources, the Group's power generation fleet has a low carbon footprint, with an average 331 kg of CO_2-eq./MWh recorded for Europe in 2013, within the 328 kg of CO_2-eq/MWh European average estimated by PricewaterhouseCoopers (PwC) over 2013.

Worldwide, emissions from the Group's generation fleet evaluated in 2013 were 425 kg of CO_2-eq/MWh.

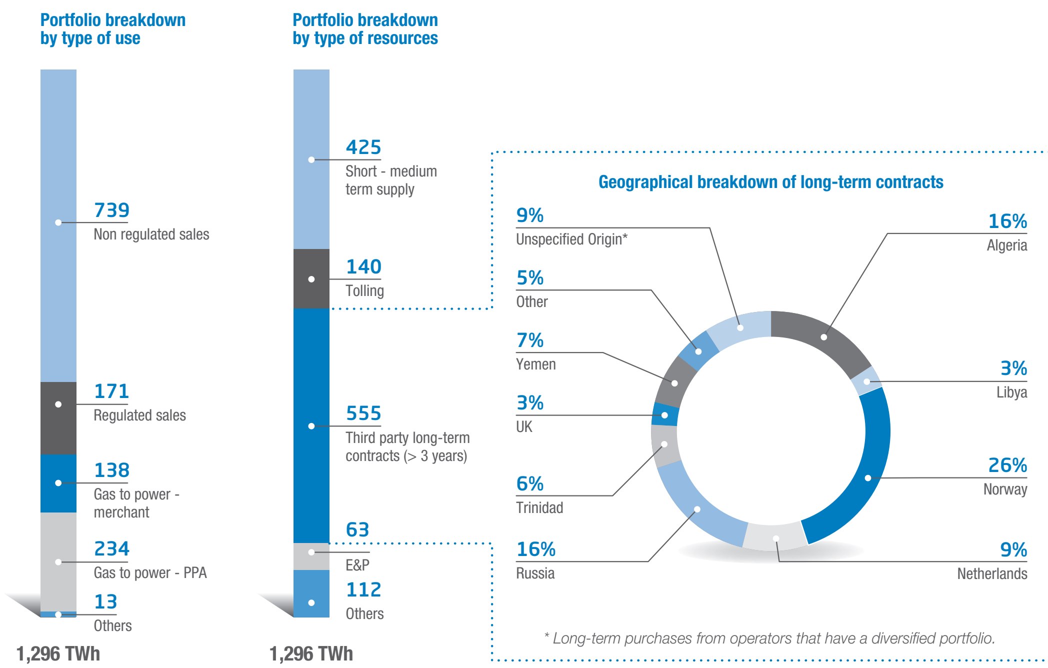
1.2.2.2 Natural gas portfolio

Most of the Group's natural gas is supplied via one of the most diversified portfolios of long-term contracts in Europe, sourced from more than 10 countries. These contracts give GDF SUEZ the necessary visibility to ensure its development and secure its supplies. GDF SUEZ is also one of the biggest spot market players in Europe. It can therefore rationalize its supply costs by adjusting its purchasing to match its needs.

The GDF SUEZ portfolio, which represents approximately 1,296 TWh (calculated at group share[(1)], or about 120 billion m^3, is among the most diversified in the world. LNG represents about 15% of the portfolio, increased to a 30% share on the long-term contracts portfolio.

(1) The group share calculation includes the capacities at their percentage of consolidation for full and proportionally consolidated affiliates and at their percentage of holding for companies accounted for using the equity method.

BREAKDOWN OF PORTFOLIO (GROUP SHARE)



1.2.3 Extra-financial indicators

The Group's non-financial performance is based on dated and quantified targets (see Section 1.1.4. "Strategic priorities") and an overall assessment organized around different resources (high level of governance, reporting, scorecard, performance reviews and non-financial indicators).

That monitoring is done at several levels of the Group. The Board of Directors' Ethics, Environment and Sustainable Development Committee (see Section 4. Corporate governance) defines the scope of the policies undertaken, outlooks and action plans in the area of corporate societal responsibility. The Group's Management Committee (see Section 4. Corporate governance) makes key decisions in this area. The role of the Group's Environmental and Societal Responsibility Executive Committee [1] is to prepare annual action plans, monitor their implementation, gather experiences across the various entities and encourage exchange on major strategies (including the fight against climate change and corporate social responsibility).

An extra-financial scorecard made up of key indicators covering the three bases of Societal and Environmental Responsibility is presented to the Group's Management Committee for approval and future direction, then to the Ethics, Environment and Sustainable Development Committee to provide a progress report on implementation of the policy and achievement of the Group's extra-financial objectives.

In 2014, GDF SUEZ shows results perfectly consistent with the objectives and their schedule, in particular for the reduction in specific CO_2 emissions (see Section 3.3.4.1. "Climate change"), the doubling of installed capacity in renewable energy (vs. 2009) and the frequency rate (see Section 3.2.6 "Health and Safety Policy"). Some targets are already reached, like the Employee Training level and the goal regarding employee shareholders *(see Section 3.2.5."Employee shareholding").*

In its investment projects, the Group incorporates ten extra-financial criteria relating to ethics, CO_2 emissions, social impact, human resources, environmental management of ecosystems, cooperation with stakeholders, local purchasing, and health and safety. Furthermore, the Group takes a CO_2 cost into account for its investments.

The Group's social reporting *(see Section 3.2 "Social information")*, environmental reporting *(see Section 3.3 "Environmental information")* and societal reporting *(see Section 3.4 "Corporate societal commitments")*, form the basis of a published Group of indicators that are verified by an independent third party.

(1) Made up of the business lines' Environmental and Societal Responsibility managers, representatives of the Environmental and Societal Responsibility Division and representatives from the functional departments (Human Resources, Health and Safety and Management Systems, Ethics and Compliance, Research and Innovation, Purchasing and Group Sales & Marketing).

In 2014, GDF SUEZ was given a C+ rating by Oekom and is listed in the ranking of the Vigeo rating agency. The Group remains stable in these ratings in comparison with previous evaluations in 2012. In addition, GDF SUEZ is listed on the four indices: Euronext Vigeo World 120, Euronext Vigeo Eurozone 120, Euronext Vigeo Europe 120, Euronext Vigeo France 20.

GDF SUEZ completes a Carbon Disclosure Project (CDP) questionnaire every year. In 2014, GDF SUEZ achieved a score of 95 out of 100 for the quality and transparency component of its reporting and an A- score for the performance component (an improvement on 2013). The Group remains in the CDP France Climate Disclosure Leadership Index.

1.3 DESCRIPTION OF BUSINESS LINES

1.3.1 Energy Europe business line

1.3.1.1 Role

The Energy Europe business line is responsible for the Group's energy activities in continental Europe[1]. Electricity and natural gas are its core business with activities in generation, energy management, trading, and marketing and sales. GDF SUEZ Energy Europe's generation portfolio is made up of 39.7 GW of capacity in operation with a further 0.36 GW under construction. With an industrial presence in 12 countries[2] and a commercial presence in 14 countries[3] GDF SUEZ Energy Europe has 21.6 million contracts with customers, including industry, the tertiary sector (commercial & public undertakings) and residential energy users.

1.3.1.2 Strategy

The Energy Europe business line is active in an environment of structural market evolution and a deteriorated economic and regulatory situation in most countries. The main strategic priorities of Energy Europe business line can be summarized as follows:

- maximize the value of existing activities by improving performance in all *Métiers* and actively managing the portfolio, by accelerating the restructuring of the thermal power fleet, renegotiating gas procurement contracts, repositioning commercial offerings, and improving operating and maintenance costs of renewable assets;
- develop new activities, particularly in the context of the energy transition, pursuing growth in renewable energy and services, and developing new opportunities through innovation;
- participate in establishing a new market design for energy in Europe, especially in the context of the *Magritte* initiative.

1.3.1.3 Organization

The Energy Europe business line has industrial operations in the following countries: France, Belgium, Luxembourg, Germany, Netherlands, Poland, Hungary, Romania, Italy, Greece, Spain and Portugal. It also has commercial activities without an industrial presence in Austria and Czech Republic.

To accelerate the Group's transformation, several projects were launched on January 1, 2014, leading to the establishment of four Business Units (BUs), each corresponding to a *Métier*.

Role of the Métiers

The Energy Management Trading (EMT) *Métier* is primarily responsible for the optimization of the GDF SUEZ Group's assets in continental Europe. The role of EMT is to ensure competitive sourcing while optimizing value creation within a consistent risk framework. EMT's teams negotiate natural gas procurement contracts, optimize assets, and provide sales entities with natural gas and electricity as well as energy price risk management services. The teams manage one of the largest and most diversified energy portfolios in Europe, including electricity, natural gas, coal, oil products, biomass, CO_2, and environmental products. EMT manages the business line's portfolio on a day-to-day basis, serving all GDF SUEZ activities, customers, and external counterparties, particularly through its trading activities and presence in Europe's key energy marketplaces, as well as in Singapore. The *Métier* also covers gas and power supply and associated services for national and pan-European large industrial customers through the GDF SUEZ Global Energy brand (*Giant accounts*).

(1) Commercial activities without industrial presence in Austria and Czech Republic.

(2) Excluding infrastructures part of the Infrastructure business line.

(3) Excluding Slovakia (minority stake in Pozagas) and Sweden (Gothia Vind 11 AB and Gothia Vind 14 AB project companies, acquired in 2014, owning rights in onshore wind projects for 30 MW and 24 MW respectively).

- The Generation *Métier* directs all the business line's nuclear and thermal power assets (including biomass), developing and maintaining power plants and coordinating the local generation teams. Among its priorities, Generation continuously reviews the asset portfolio in conjunction with Energy Management Trading, to tailor it to market conditions (optimization, closures, mothballing etc.). The *Métier* is also responsible for improving the performance of power plants, particularly by optimizing their efficiency, flexibility and availability, as well as reducing operating costs. In addition, the *Métier* is required to monitor projects under construction and provide support for business development. Thanks to its structure by technological stream (coal, gas, nuclear), the *Métier* contributes to maximizing synergies between countries, pooling processes and sharing know-how and expertise.
- Renewable Energies (RES) *Métier* directs all the business line's renewable energy[1] assets and projects (principally hydroelectricity, onshore and offshore wind, solar, and new onshore and offshore energies). As such it is responsible for their development, construction, operation and maintenance. Among its priorities, the Renewable Energies *Métier* seeks to increase the profitability of its installed capacity in accordance with the Group's ambitions in energy transition. The European coverage of RES helps it control costs for development and acquisition, procurement, and operation and maintenance, by combining shared expertise and local integration in the countries in which it operates.
- The Marketing & Sales (M&S) *Métier* principally covers the supply of gas and electricity and associated services to residential, business, corporate, and local authority customers[2]. M&S is also responsible for gas storage and distribution infrastructure activities, primarily in Hungary and Romania. In conjunction with the operating entities in individual countries, the M&S *Métier* is responsible for commercial and customer activities, commercial strategy and the associated marketing activities. It prepares new European offers and their deployment, and drives forward innovative projects. The *Métier* also seeks to optimize the value of the customer portfolio.

1.3.1.4 Key figures

In millions of euros	**2014**	**2013[1]**	**Total change** *(in %)*
Revenues	35,158	42,713	-17.7%
EBITDA [2]	2,020	2,877	-29.8%

(1) Comparative data at December 31, 2013 restated for the first-time application of accounting consolidation standards (see Note 2 in Section 6.2) and to present SUEZ Environnement as if it were consolidated by the equity method as of January 1, 2013 (see Section 6.1.1.6).
(2) The calculation method for the EBITDA has been changed (see Note 2 in Section 6.2)

Electricity capacity by fuel *(in MW)* **– data at 100%**	**CWE***	**Rest of Europe**
Coal	2,964	2,528
Natural gas	7,989	9,609
Hydroelectric power plants	5,131	173
Wind	1,771	1,248
Other renewable energy sources	443	364
Other non-renewable energy sources	1,520	-
Nuclear (including drawing rights)	5,946	-
TOTAL	**25,763**	**13,922**

Electricity capacity by country *(in MW)* **– data at 100%**	**Installed capacity**	**Capacity under construction**
Central Western Europe[1]	25,763	330
Rest of Europe	13,922	34
TOTAL	**39,684**	**364**

(1) Central Western Europe (CWE) : Germany, Belgium, France, Luxembourg, The Netherlands.

(1) Excluding biomass, operated by the Generation Métier.
(2) Excluding large industrial customers, transferred to the EMT Métier on July 1, 2014, and the B2B France activities, transferred to the Energy Services business line on January 1, 2015.

Electricity generation *(in TWh)* **– data at 100%**	**CWE**[1]	**Rest of Europe**
Coal	10.8	9.6
Natural gas	21.1	17.0
Hydroelectric power plants	18.2	0.7
Wind	3.1	2.8
Other renewable energy sources	1.2	2.2
Other non-renewable energy sources	4.3	1.8
Nuclear (including drawing rights)	32.2	-
TOTAL	**91.1**	**34.1**

Sales to end customers *(in TWh)* **– accounting consolidation method**	**Electricity**	**Gas**
France[2]	17.9	162.2
Belgium[2][3]	25.5	32.3
Rest of Europe[2]	21.9	67.7
Global Energy	32.2	95.0
TOTAL	**97.5**	**357.2**

Number of contracts *(in thousands)* **– data at 100%**	**Electricity**	**Gas**	**Services**
France	2,360	8,990	1,441
Belgium[3]	2,755	1,403	80
Rest of Europe	581	3,373	645
TOTAL	**5,696**	**13,766**	**2,166**

Breakdown of gas supply portfolio for the Business Line[4] *(in TWh)*	
Long-term contracts with third parties	363
Purchases from the LNG BU	50
Purchases from the Exploration-Production BU	3
Short term purchases	240
TOTAL	**657**

Figures at December 31, 2014.
(1) Central Western Europe (CWE): Germany, Belgium, France, Luxembourg, Netherlands.
(2) Excluding Key Account industrial companies (Global Energy)
(3) Including Luxembourg
(4) Excluding GDF SUEZ Trading.

1.3.1.5 2014 highlights

- In Energy Management Trading and Generation
  - In 2014, GDF SUEZ mothballed the following power plants for the summer or for the whole year: Awirs 4 (95 MW, Belgium), Combigolfe and Montoir-de-Bretagne (435 MW and 435 MW, France) and Twinerg (376 MW, Luxembourg). It also sold its stake in the Dunamenti plant (1,041 MW, Hungary).
- In Generation:
  - March: signing of the agreement governing the extended lifetime of the Tihange 1 nuclear power plant to 2025.
  - March: as a precautionary measure, temporary stoppages of the Doel 3 and Tihange 2 nuclear power plants, pending additional tests. The Belgian Federal Agency for Nuclear Control will decide on authorization for the plants to restart after Electrabel submits the requisite file. Outage period has been extended until July 1, 2015.
  - June: Toshiba acquires a 60% stake and GDF SUEZ keeps a 40% stake in NuGeneration Ltd (NuGen), company set up to develop a new nuclear power plant using three Westinghouse AP1000 reactors on the West Cumbria coast of North West England.
  - August: the steam turbine of the Doel 4 plant was significantly damaged and automatically stopped in response to an oil leak in the non-nuclear part of the plant following a deliberate act. The plant was restarted in December 2014, two weeks ahead of schedule.
  - December: decision taken by Belgian federal government to extend the lifetime of Doel 1 and Doel 2 by ten years. Discussions between Electrabel and the government are ongoing in order to reach an overall agreement on the economic rationale of the necessary investments, notably taking into account the nuclear contribution with regard to the tax burden on all operational activities in Belgium. Until an agreement is reached, the Doel 1 nuclear power plant was disconnected from the grid on February 15, 2015, after 40 years of operation, in accordance with the law of 2013.
  - The coal-fired power plant in Rotterdam (731 MW) has taken up commercial operation at the end of January 2015. The

coal-fired plant in Wilhelmshaven (731 MW) was connected to the grid and commissioning tests are finalized.

- In Renewable Energies:
  - April: GDF SUEZ wins 10 photovoltaic projects in France
  - May: GDF SUEZ and its partners EDP Renewables, Neoen Marine and AREVA are awarded the areas of Tréport and the islands of Yeu and Noirmoutier in the second offshore wind tender in France.
  - In 2014, GDF SUEZ increased its renewable capacity by 396 MW.
- In Marketing & Sales:
  - May: GDF SUEZ DolceVita crosses the threshold of 2 million B2C electricity customers
  - July: GDF SUEZ becomes the main shareholder in CONGAZ, a gas procurement and distribution company in Romania serving 63,000 customers.
  - October: launch of a new brand dedicated to small businesses in France, GDF SUEZ PRO.

1.3.1.6 Description of activities

1.3.1.6.1 Central Western Europe

Central Energy Management Trading (Central EMT)

Energy Management Trading (EMT) is designed to structure the portfolio of assets (physical and contractual), negotiate the corresponding contracts, optimize the management of these assets, and provide support to the Group's commercial operations in Europe.

The EMT *Métier* is structured around four activities: Portfolio & Risk Management (PRM), Optimization & Prompt (O&P), Origination & Sales Support (OSS), and Trading. Some of these activities are carried out by GDF SUEZ Trading (GST) and GDF SUEZ Energy Management Trading (GSEMT).

EMT mainly operates for the Energy Europe business line and also acts for other Group business lines, chiefly in exploration and production, LNG, and coal supply.

Portfolio and Risk Management (PRM)

The business line manages several assets throughout Europe: power plants, virtual power plants, gas and electricity sourcing or supply contracts, transmission capacity, storage rights, regasification capacity, etc.

PRM develops an integrated, multi-year policy for these assets and defines strategies to reduce the price risks associated with them. This policy is then implemented by the Optimization and Prompt teams. PRM helps to optimize the portfolio's risk/reward profile and to ensure the profitability of the assets.

Optimization and Prompt (O&P)

Within the scope of the Business Line's risk policy, O&P optimizes the gas and electricity portfolios over different time horizons, using a wide variety of models. Exposure to price and volume risks is gradually reduced until physical delivery, by systematic transfer to Trading, while ensuring sufficient capacity to handle fluctuations in production, supply and consumption.

GDF Suez has the legal obligation, as with all natural gas suppliers, to supply all its French customers without a contingency clause: to be able to provide physical delivery in the event of severe weather conditions that statistically occur no more than twice a century – known as “2% risk”.

O&P identifies flexibility in the portfolio in order to structure it as options and market products to be transferred to Trading.

O&P also manages all logistics (transmission and storage capacity, etc.) until physical delivery of energy to the various operators.

Origination and Sales Support (OSS)

OSS is responsible for the energy supply to the commercial entities of Marketing & Sales, commercial relations with counterparties (excluding market counterparties), mainly gas suppliers, and the sale of electricity and gas to large industrial customers (Giant account).

Long-term gas contracts

OSS purchases natural gas under long-term contracts from the main suppliers in Europe. The aim of the supply strategy is to ensure the competitiveness of the portfolio and security of supply to the Group's customers, mainly through geographical diversification of resources and constant adaptation of the portfolio to the market situation.

In line with market practice, long-term procurement contracts contain volume clauses: minimum volumes to be taken in a period (take-or-pay), transfer of withdrawals to a later period (make-up), or deduction of volumes withdrawn against a prior period (carry forward).

The contracts contain clauses that enable periodic revision of price according to changes in the market, either on a regular basis or by way of exception. The parties are then required to negotiate in good faith and may, in the event of disagreement, revert to arbitration.

In 2014, EMT continued to renegotiate contracts with its main suppliers to adapt these contracts to new market conditions. As of December 31, 2014, over 50% of the long-term contract portfolio volumes in Europe were indexed based on references to the price of gas sold on marketplaces.

Global Energy

Global Energy is the Energy Europe's entity in charge of sales of gas, electricity and associated services to national and pan-European large industrial customers. Global Energy develops full supply offers (commodity, flexibility, balancing and delivery), market products (blocks delivered to the hub or financial products), price consultancy and risk management solutions, under the GDF SUEZ Global Energy brand. This entity, created on July 1, 2014 from the merger of teams from Energy Management Trading and Marketing & Sales, established a new commercial strategy and has since launched a transformation and performance plan.

Own commercial activity with market counterparties

OSS is also developing its own commercial activity for customers active on the wholesale market (e.g. other energy groups, major consumers directly active in the markets, banks, etc.).

Trading

Trading provides the business line with access to all energy markets: electricity and gas, oil and petroleum products, coal, biomass, CO_2 emissions, and foreign currency markets.

Trading helps to optimize assets by managing positions from O&P in the markets, and supports the commercial operations of OSS. Trading also develops proprietary trading operations within lower risk limits.

Lastly, Trading is in charge of international trading activities, as well as of the physical procurement of coal and biomass for the power plants of GDF SUEZ Energy Europe and a portion of those of the Energy International business line.

GDF SUEZ Trading (GST) and GDF SUEZ Energy Management Trading (GSEMT)

The market activities of O&P, OSS and Trading are carried out by GDF SUEZ Trading, a subsidiary with "investment services provider" status, in which capacity it is supervised by the banking and financial authorities and by GDF SUEZ Energy Management Trading.

These two structures are wholly owned by the Group. EMT's activities have a dedicated and specialized risk control system, with teams responsible for defining risk assessment procedures, proposing credit and market limits, monitoring risk assessment tools, and monitoring market risks on a daily basis.

The system is incorporated in GDF SUEZ's governance through an EMT Risk Committee (EMTRC) comprising senior managers of GDF SUEZ Trading and representatives of the Group and the business line. EMTRC monitors all risks to which EMT is exposed.

Market risks (commodity prices, FOREX rates and interest rate risks) and physical risks (asset failure risks) are monitored based on VaR (value at risk) and stress test models.

Regarding credit risks, lines of credit are allocated counterparty by counterparty. These risks are reduced through the use of various tools: netting agreements and margin calls, obtaining on-demand guarantees, parent company guarantees, and transaction clearing.

Operational risks are managed by a specialized team that ensures systematic improvement in internal procedures.

Liquidity risk is assessed by stress tests.

General Management and EMTRC are automatically notified if a limit is overrun.

The efficiency of the risk control framework is regularly tested in audits.

The risk control framework for market activities is part of this system and meets all the regulatory requirements.

France

The Energy Europe business line has a firm base in France where it operates a large portfolio of activities: power generation from thermal plants and renewables, sales of natural gas and electricity, as well as household energy services.

The Generation *Métier* operates four combined-cycle gas plants in France. Three units (Montoir-de-Bretagne, Combigolfe and Cycofos) have been under summer or annual mothballing since April 2013.

The Renewable Energies *Métier* is responsible for the Group's development in this domain. In 2014, GDF SUEZ increased its capacity in France by 154 MW, comprising 89 MW from onshore wind farms, 7 MW from hydroelectricity, and 58 MW from photovoltaic solar. In December 2013, GDF SUEZ signed a strategic partnership agreement with Crédit Agricole Assurances, which acquired a 50% stake in Futures Energies Investissement Holding (FEIH) through its subsidiary, Predica. The transaction will combine FEIH's wind asset development goals and optimization of its financial structure. Following an invitation to tender for photovoltaic solar issued in 2013, GDF SUEZ was awarded a contract for 10 new projects in April 2014. In marine renewable energy, the Group filed plans for the two zones included in the second offshore wind power tender (Dieppe – Le Tréport and Noirmoutier – Ile d'Yeu), with EDPR, Neoen Marine and AREVA as turbine provider, and won the contract in May 2014. GDF SUEZ is also positioned in tidal energy and its Raz Blanchard project won in December 2014 the call for expressions of interest in "Pilot Tidal Energy Farms" from the ADEME (*Agence de l'Environnement et de la Maîtrise de l'Energie* – French agency for the environment and the control of energy), with its partner Alstom.

The Marketing & Sales Métier ensures that GDF SUEZ remains the leading seller of natural gas in France (162.2 TWh[1] sold in 2014), despite intense competition, particularly on the B2B segment. On the French electricity market, the Group maintained its advantage over other alternative suppliers (17.9 TWh[1] sold in 2014) and expanded even faster in 2014, particularly among B2C customers (2.2 million customers at the end of 2014). GDF SUEZ also holds positions across the home energy efficiency value chain: energy audits, advice, financing of works, design, and installation and maintenance of equipment (leader in maintenance, with 1.4 million contracts). The Group is meeting the needs of residential customers and consolidating its leading position in energy efficiency, especially through its GDF SUEZ Dolce Vita range of offers and the development of solutions driven by the B2C services division (primarily through Savelys). GDF SUEZ is also meeting the emerging requirements of its B2B customers with new offers (biomethane and LNG delivered by tank truck).

Regulatory framework

Regulation of administrative tariffs

Fifty-six percent of GDF SUEZ's total gas sales are priced on the basis of tariffs established by the government through various laws, decrees and regulatory decisions.

Sale price of natural gas

GDF SUEZ sells natural gas on the basis of two pricing systems: regulated tariffs and negotiated prices for customers who have opted out of regulated tariffs in favor of market offers from energy suppliers.

Administrative tariffs

There are two types of administrative tariffs:

- public distribution tariffs for customers who consume less than 5 GWh per year and are connected to the distribution network (7.6 million customers[2]; 112.3 TWh sold in 2014);
- subscription rates for customers who consume more than 5 GWh per year and are connected either to the distribution network or directly to the transmission network (227 customers[3]; 2.2 TWh sold in 2014).

Elimination of administrative tariffs for business customers

Article 11a of the Consumer Rights bill provides for the gradual extinction of administrative tariffs for natural gas sales to non-residential customers, according to a staggered schedule running from December 31, 2013 to December 31, 2015. By this deadline, apart from individuals, only small co-owned properties (using less than 150 MWh per year) and small businesses (using less than 30 MWh per year) can continue to benefit from administrative tariffs. In mid-December, this extinction measure involved approximately 119,000 customers (30 TWh).

Rate-setting procedure

Rates are set in France under the Energy Act and the decree of December 18, 2009, as amended on May 16, 2013, related to administrative tariffs for natural gas sales. These provisions state that prices must cover corresponding costs. The regulator (*Commission de Régulation de l'Energie* – CRE) audits supply and non-supply costs for GDF SUEZ every year, and makes recommendations for rate changes accordingly. On July 1 each year, the government publishes an order setting out the formula representing the changes in supply costs and the rate levels. Since July 1, 2014, the pricing formula includes a market indexation of 60%, the remainder being pegged to oil product indices and to the euro-dollar exchange rate.

In the interval between any two governmental orders, GDF SUEZ, after advice from the CRE, can pass on changes in supply costs resulting from the application of the pricing formula. If there is an exceptional rise in oil or natural gas products, the government may issue an order, after advice from the CRE, temporarily setting rates that are lower than the costs of GDF SUEZ for a period of no more than one year.

Following the French Council of State cancellation in 2012 and 2013 of the price freezes decided by the government in 2011 and 2012, GDF SUEZ is currently issuing retroactive invoices. These have been staggered to limit their impact on customers. The partial freeze in the 2011 administrative tariffs led to a price gap between consumers (residential use and non-residential use). The gap was denounced in several appeals by the French association of retail energy operators (Association Nationale des Opérateurs Détaillants en Énergie – ANODE) which the Council of State upheld in 2013. The government is now implementing the Council of State's ruling, which will have a limited effect on GDF SUEZ, as the repayments of overcharged amounts will be balanced out by GDF SUEZ's invoicing of undercharged amounts.

Since the start of 2014 (12 monthly changes), administrative tariffs and public distribution rates have decreased by 1.8%. Administrative tariff subscription rates (four quarterly changes) fell by 1.5%.

Belgium-Luxembourg

In Belgium, GDF SUEZ's wholly owned subsidiary Electrabel is the leading player in the power sector.

At year-end 2014, the Generation *Métier* operated a capacity exceeding 9,462 MW, including 4,134 MW in nuclear power units (including drawing rights), and 3,231 MW in natural gas-fired thermal power plants.

(1) *Excluding large industrial customers.*

(2) *Average on a yearly basis.*

On March 25, 2014, GDF SUEZ decided, as a precautionary measure and in accordance with its culture of high nuclear safety, to temporary outage the Doel 3 and Tihange 2 nuclear plants. This decision was made in the wake of tests carried out under the action plan linked to the restart of the two reactors in June 2013. Electrabel submitted the initial results of the analyses of the tests conducted over several months to the Belgian Federal Agency for Nuclear Control, which has asked Electrabel to supplement its file with additional information, and introduced a number of suggestions. Once the entire file has been submitted and analyzed, the Agency will decide on authorization for the restart. Outage period has been extended until July 1, 2015.

On August 5, 2014, the Doel 4 nuclear power plant went into automatic shutdown, in a completely safe manner and in line with planned procedures, in response to an oil leak in the steam turbine in the non-nuclear part of the plant, resulting from a deliberate act. The Doel 4 plant was safely restarted on December 19, 2014, two weeks ahead of schedule.

The 95 MW Awirs 4 plant was mothballed for the summer between April and September 2014. In Luxembourg, the Group operates the Twinerg 376 MW gas power plant at Esch-sur-Alzette, which had been mothballed between April and September 2014.

The Renewable Energies *Métier* is now directing an onshore wind capacity of 175 MW. In addition, six new projects in Flanders, representing a total installed capacity of 40 MW, were initiated in the fourth quarter of 2014. These projects are due to be commissioned by the end of 2015. The Mermaid consortium, in which Electrabel has a 35% stake, completed the transfer to Northwester 2 of just under half the concession granted to build an offshore farm of 450-490 MW off the Belgian coast. The transaction reduces both the operational and financial risks associated with the project. The project's development is underway and applications are in-process for various permits.

The Marketing & Sales *Métier* has a large portfolio of business customers (industrial and tertiary sectors), mainly for the supply of electricity and natural gas, with volumes sold in 2014 of 13.5 TWh and 12.1 TWh[(1)] respectively, as well as energy services. The market share in B2B has stabilized since 2013 thanks to price repositioning and a new sales and marketing approach, although competition remained very aggressive. Marketing & Sales is also active in the retail market, with approximately 2.7 million electricity contracts and 1.4 million natural gas contracts. Customer loss decreased substantially in this market from 2013 onwards, thanks to a range of practical initiatives, such as price repositioning for all customers, marketing and media campaigns, and performance actions. Lastly, Marketing & Sales is developing an innovative range of products and services aimed at all customer segments.

In 2014, Electrabel and the public partners in Flanders signed and executed an agreement to end their collaboration in the mixed distribution system operators (DSOs) and Electrabel Customer Solutions (ECS); Electrabel thus sold its stake in the DSOs to the public partners and bought the public partners' shares in ECS.

In Wallonia, a memorandum of understanding was signed to enable exit of ECS capital by the public partners, effective from December 31, 2014. This agreement also provides for the possibility of Electrabel's early withdrawal from Ores Assets[(2)] on December 31, 2016, originally planned for the end of 2019, according to initially agreed valuation principles. A finalization agreement is due to be drafted before April 1, 2015.

Regulatory framework

After three months of negotiation, the new Belgian federal government was sworn in on October 11, 2014.

Nuclear power generation

GDF SUEZ, EDF, and the Belgian government signed an agreement in March 2014 governing the extension of the lifetime of the Tihange 1 nuclear plant: the investment program to safely continue operating this plant through 2025 is being implemented. A sharing mechanism applicable as of October 2015 has also been signed with the Belgian federal government and EDF, in substitution of fixed nuclear contribution.

To ensure a secure supply, the federal government decided at the end of 2014 to extend the term of operation of the Doel 1 and Doel 2 nuclear plants by 10 years. Negotiations began in January 2015 between Electrabel and the Belgian federal government on the conditions required for the investments necessary to prolong the plant's operating lifetime, especially the necessity for a detailed and stable economic and legal framework, notably taking into account the issue of the nuclear contribution with regard to the tax burden on operational activities in Belgium. Until an agreement is reached, the Doel 1 nuclear power plant was disconnected from the grid on February 15, 2015 in accordance with the law of December 18, 2013 which specified its closure after 40 years of operation.

For 2014, Electrabel was liable for a nuclear contribution of €407 million[(3)].

The various legal actions pursued in Belgium against the nuclear contribution are still pending to date (see detail in Note 28.1.10 of Section 6.2 "Consolidated financial statements").

In September 2014, Electrabel filed a lawsuit to the European Commission claiming that the nuclear contribution from 2008 to 2013 constituted illegal state aid from the Belgian state to the electricity producers not subject to these contributions. The lawsuit, which was extended to include 2014 nuclear contributions, is currently under review by the EC.

(1) Excluding large industrial customers.

(2) Ores Assets is an electricity and natural gas distributor created from the merger of eight Wallonian intercommunales mixtes (utilities owned by private and public stakeholders).

(3) Net contribution being €397 million.

Thermal power generation

The government also intends to study the establishment of capacity remuneration mechanisms, although the exact scope and implementation details are not known at this stage. At the end of December 2014, the regulator (*Commission de Régulation de l'Électricité et du Gaz – CREG*) was charged to make a recommendation to ensure the survival of the existing gas-fired plants.

End market

An energy standard will be instituted, the aim being to ensure that the different components in the energy price are not higher in Belgium than its neighboring countries in order to safeguard companies' competitive position and consumer purchasing power. As the price comparison methodology has not yet been set, it is not possible at this stage to accurately position Belgian prices against the prices applied in its neighboring countries. Price regulation, with a safety net, will also be extended by one year, renewable three times.

Germany

The Energy Europe business line operates in Germany through the subsidiary GDF SUEZ Energie Deutschland AG.

The Generation *Métier* currently operates 2,653 MW of thermal capacity in Germany, of which 822 MW comes from the Farge and Zolling power plants (mainly coal), 602.5 MW from nuclear drawing rights and 451 MW from cogeneration plants owned and operated by municipal utilities (Energieversorgung Gera GmbH and Kraftwerke Gera GmbH, EnergieSaarlLorLux AG, WSW Energie & Wasser AG, GASAG Berliner Gaswerke AG). The new supercritical 731 MW coal-fired plant at Wilhelmshaven, in which GDF SUEZ has a 57% stake, was connected to the grid for the first time in 2014. Commissioning tests are presently finalized. Due to the challenging context for conventional generation, political discussions on a major revision of the institutional framework are ongoing.

The Renewable Energies *Métier* is studying investment possibilities in onshore wind with the Group's municipal partners. At the end of 2014, it operated installed onshore wind capacity of 196 MW and hydroelectric pumping facilities of 132 MW.

The Marketing & Sales *Métier* operates on most customer segments. B2B sales increased to 11.8 TWh of electricity and 5 TWh of natural gas. The Group is also active in the sale and distribution of electricity, gas and heat to residential and small business customers, with a total of over 0.1 million electricity customers and nearly 0.1 million gas customers[1] through its cooperation with municipal utilities.

Netherlands

GDF SUEZ is a leading player in the Dutch energy market through its subsidiary GDF SUEZ Energie Nederland.

At year-end 2014 the Generation *Métier* operated an installed capacity of 4,394 MW, comprised of several gas-fired power plants, a coal/biomass plant, and gas turbines. The new supercritical coal-fired plant in Rotterdam, with a capacity of 731 MW, connected to the grid since 2014, has taken up commercial operation as of 29 January 2015. Due to difficult market conditions, GDF SUEZ Energie Nederland's position in centralized generation is under heavy pressure, leading to the dismantling of Flevo (119 MW) and a strong focus on operational efficiency at the other power plants. In 2013, the government and participants of the Social and Economic Council (SER) reached an energy agreement on "sustainable growth". The agreement also provides for the closure of several coal-fired plants (including Nijmegen, wholly owned by the Group) by January 1, 2016. In addition, it provides for the coal tax to be abolished for the remaining coal units by January 1, 2016.

GDF SUEZ is expanding in renewable energies and decentralized generation solutions for residential customers. At the end of 2014, the Renewable Energies *Métier* operated 56 MW of onshore wind (the regulatory framework sets MW targets for each region).

The Marketing & Sales *Métier* is also active on the Dutch market. Through Electrabel, it supplies gas and power to more than 0.5 million retail customers. In the B2B segment, GDF SUEZ is a major supplier with 6 TWh of electricity and 6 TWh of gas sold.

1.3.1.6.2 Eastern and Southern Europe

Poland

The Energy Europe business line is present in Poland via its subsidiary GDF SUEZ Energia Polska, which is mainly active in power generation.

At year-end 2014, the Generation *Métier* operated 1,700 MW, comprising coal-fired capacity in Polaniec of 1,510 MW and capacity of 190 MW for the Green Unit biomass facility, which is one of the largest biomass units in the world. GDF SUEZ Energia Polska is currently renovating seven generation units, with the aim of increasing their capacity and efficiency, as well as to ensure they comply with the European Industrial Emissions Directive. Units 1, 2 and 7 were modernized in 2013 and units 3 and 6 in 2014.

The Renewable Energies *Métier* has 102 MW of installed onshore wind power, spread over the sites of Jar Moltowo, Wartkowo, and Pagow. The renewable energy regulatory environment is set to change significantly. Current government proposals include the introduction of a 15 year feed-in tariff granted through an auction system (joint auctions for all technologies with a maximum price per technology). Existing assets will be separated from new assets and will have a choice to stay within current green certificates (GC) system or participate in dedicated auctions. Co-firing will continue to utilize the GC system with support reduced by 50%.

The Marketing & Sales *Métier* focuses on the sale of electricity to B2B customers (0.4 TWh sold in 2014).

(1) *Including equity-accounted entities.*

Hungary

The Energy Europe business line operates in Hungary through the subsidiaries GDF SUEZ Energy Hungary and Egáz-Dégáz Földgázelosztó (100% subsidiary via EIH, wholly owned by GDF SUEZ).

In June 2014, GDF SUEZ sold its interest in the Dunamenti plant (1,041 MW), so the Group is no longer active in power generation in Hungary.

GDF SUEZ Energy Hungary also sells natural gas to B2B and B2C customers and electricity to B2B customers. Egáz-Dégáz is the natural gas distributor which, as of 2014, operates a 23,133 km long distribution network and distributes 12.6 TWh of natural gas to 772,790 customers. Regulation is a key concern in Hungary. End user tariffs have been reduced, by law, by 20%. The regulated rate of return of Distribution System Operators has been cut to zero (for households) and several costs are not recognized in the tariff. The Hungarian government is also planning to establish a not-for-profit centralized services provider for the supply of gas, electricity and water, and for waste treatment.

Romania

The Energy Europe business line is present in Romania via its subsidiary GDF SUEZ Energy Romania SA (GSER), which is responsible for the sale and distribution of natural gas and expanding its activities in power.

Since the end of 2013, the Renewable Energies *Métier* has managed two wind farms, for installed capacity of 98 MW. These farms are located in Gemenele (Braila region) and Baleni (Galati region). The regulatory framework deteriorated over the year, having a negative impact on the profitability of wind assets.

The core activity consists of supplying gas to 1.5 million customers located mostly in the southern part of the country. GSER also supplies electricity to about 1,600 industrial and commercial customers. Its subsidiary Distrigaz Sud Retele operates a 18,423 km long distribution network. In July 2014, GSER finalized the purchase of CONGAZ, the third-largest gas distributor and supplier in Romania. CONGAZ supplies gas to 62,835 customers and operates a 921 km long distribution network. GDF SUEZ Energy Romania is also active in the energy services sector serving 645,000 customers through its affiliate Distrigaz Confort, with a focus on maintenance of internal installations. Energy Europe is also present in natural gas storage, mainly through its subsidiary Depomures, which has a total working capacity of 300 million cubic meters.

Romania is in the midst of deregulating electricity and gas prices. The gas price for the industrial (B2B) sector was deregulated in January 2015. For the residential segment (B2C), the price should be fully deregulated by July 1, 2021. GSER continues to encourage the authorities for an optimum transition to a deregulated gas market and a rebalance of their support mechanism for renewable energies.

Austria

GDF SUEZ is active in the Austrian natural gas market through its commercial subsidiary GDF SUEZ Gasvertrieb, which sells gas to large industrial consumers, other business customers, and resellers. GDF SUEZ Gasvertrieb also provides balancing services to various market participants. The gas volumes sold amount to 2.4 TWh.

Czech Republic

GDF SUEZ is present in the Czech natural gas market through its commercial subsidiary GDF SUEZ Prodej plynu, which focuses on selling gas to large industrial users and other business customers. The gas volumes sold amount to 1.9 TWh.

Italy-Greece

Energy Europe operates in power generation and energy sales in Italy through GDF SUEZ Energia Italia S.p.A.

The Generation Métier directly operates 1,526 MW in Italy (through majority stakes in thermal assets) and holds a 50% stake in Tirenno Power S.p.A, which manages 3,276 MW. Energy Europe also holds 1,100 MW of drawing rights. In 2014, the Group's stake in the 532-MW ISAB Energy plant was sold. Vado Ligure units 3 and 4, coal-fired and owned by Tirreno Power, were shut down in March by order of the court of Savona. The Italian Environment Minister subsequently suspended authorization to operate these units. Proposals to restart them under an accelerated authorization procedure are still under discussion between Tirreno Power and the authorities. Due to the challenging context for conventional generation, political discussions on a major revision of the institutional framework are ongoing.

The Renewable Energies *Métier* also manages 157.5 MW of wind assets and 5.3 MW of photovoltaic assets. In addition, the Group manages 74.5 MW of hydraulic facilities through Tirreno Power.

The Marketing & Sales *Métier* sells gas and electricity to different market segments, (residential and business), for a total of one million contracts, of which 0.1 million are dual offers (electricity and gas).

In Greece, Energy Europe is mainly present through two joint ventures with GEK TERNA (Greek private company) in Heron I and II, for a total capacity of 570 MW. The business line is also active in the B2B electricity market.

Spain

In Spain, Energy Europe is active in power generation, energy management, and sales (power, gas & bidding services for third parties).

The Generation *Métier* has an installed net capacity in Spain of 1,973 MW with two natural gas combined-cycle power plants: Castelnou Energia (774 MW) and GDF SUEZ Energia Cartagena (1,199 MW). The energy of both power plants is sold on the wholesale market. Since 2014, Energy Europe has operated hydroelectric (65.1 MW) and solar (1.2 MW) assets, transferred from Energy International.

Marketing & Sales activity is focused on the industrial market with 3.4 TWh sold in gas and 2.8 TWh in electricity.

The main difficulty facing the Spanish electricity system is the tariff deficit. Measures have been taken in recent years to eliminate it.

Portugal

Energy Europe's activities in Portugal are mainly focused on power generation and natural gas distribution.

The Generation *Métier* has an installed thermal power capacity of 2,406 MW, of which 1,830 MW comes from combined-cycle plants and 576 MW from a coal-fired plant.

The Renewable Energies *Métier* also manages 942 MW from renewable assets (mainly wind) through interests in companies such as Lusovento Holding B.V. and Generg SGPS.

Additionally to power generation, Energy Europe has natural gas distribution activities through a 25.4% stake in Portgás, which markets and distributes natural gas and propane in a concession in Northern Portugal.

1.3.2 Energy International business line

1.3.2.1 Role

The GDF SUEZ Energy International business line is responsible for the Group's energy activities outside Europe[1]. The business line is currently present in 27 countries across five regions worldwide. Together with power generation, it is also active in closely linked businesses including downstream LNG, gas distribution, water desalination and energy retail. The business line has a strong presence in its markets with 73.9 GW[2] in operation and a significant programme of 10.1 GW[3] of projects under construction as at December 31, 2014.

1.3.2.2 Strategy

Generating value for the long-term is central to the business model. To achieve this, GDF SUEZ Energy International uses a portfolio management approach, which involves maintaining a balanced portfolio in terms of geographical spread, business activity, generation fuels, technologies and contract types. This approach provides access to multiple opportunities, whilst mitigating risks through diversification.

The four main strategic priorities of the business line are:

- Pursue growth in fast growing markets: Strengthen positions in existing markets and be considered a local player. Capture opportunities in attractive new markets with a mix of technologies, including new opportunities along the energy value chain. Develop renewable sources of energy where economically viable.
- Optimize the value of the portfolio: Pursue a more integrated business model with a "system-play" approach[4]. Target synergies that will allow cost reductions and achieve scale effects in operations. Relocation of capital in projects that offer superior returns.
- Optimize assets: Deliver successfully the construction program and achieve operational optimization, always ensuring a safe working environment for all employees.
- Explore opportunities for business diversification: Capture growth in new markets and new activities along the energy value chain. Identify and enter new business opportunities in related business, including decentralized generation and full solutions for clients.

1.3.2.3 Organizational structure

The Energy International business line has five key regions: Latin America, North America, UK-Turkey, South Asia, Middle East & Africa (SAMEA) and Asia-Pacific. The business line headquarters are based in London and Brussels, with respective regional headquarters in Santiago, Houston, London, Dubai and Bangkok.

Each region is headed by a Chief Executive Officer (CEO) who is responsible for the financial performance and operational activities in the region, and proposes strategic orientations and new development actions.

The business line follows a matrix organization structure, which provides the regional teams with both the flexibility and the responsibility to run and develop their businesses, while the functional support teams ensure direction and consistency, and help optimize synergies across the regions and the Group.

(1) *Except the activities in the UK-Turkey region.*

(2) *GW and MW always stand for the maximum net technical capacity of the power plants, which corresponds to the gross power less auto consumption. Installed capacity corresponds to 100% of the total capacity of all interests held by GDF SUEZ irrespective of the actual percentage stake of the holding.*

(3) *Projects under construction include the projects not yet under construction but for which the company is contractually bound to build or acquire.*

(4) *A system-play approach is an approach which seeks to create industrial synergies alongside our investments in power generation through investing in closely linked businesses, such as LNG terminals, gas distribution and energy retail (largely for commercial and industrial customers).*

The regions interact with the business line headquarters through six functional support departments: Strategy & Communications, Finance, Business Development Oversight, Legal, HR and responsibilities of the Chief Operating Officer (Operations, Markets & Sales and IT). The functional support managers and their teams provide supervision, guidance, common methodologies and procedures, suggestions for improvements, as well as knowledge and experience gathered from across the organization to the regional teams.

1.3.2.4 Key figures

Millions of euros	2014	2013[1]	Total change *(%)*
Revenues	13,977	14,393	-2.9%
EBITDA [2]	3,716	4,029	-7.8%

(1) Comparative data at December 31, 2013 restated for the first-time application of accounting consolidation standards (see Note 2 in Section 6.2) and to present SUEZ Environnement as if it were consolidated by the equity method as of January 1, 2013 (see Section 6.1.1.6).
(2) The calculation mehtod for the EBITDA has been changed (see Note 2 in Section 6.2).

Note [1]	Latin America	North America	UK-Turkey	South Asia, Middle East & Africa	Asia-Pacific
Capacity in operation *(GW)*	14.2	13.1	8.2	26.4	12.0
Capacity under construction *(GW)*	3.3	0.1	0.0	6.8	0.0
Electricity production *(TWh)*	68.9	48.7	24.2	134.6	65.1
Electricity sales *(TWh)*	56.2	64.9	30.1	8.7	42.8
Gas sales *(TWh)*	9.5	31.6	35.2	0	3.7

(1) All information as of December 31, 2014. Installed capacity is consolidated at 100%; sales figures are consolidated according to accounting rules.

1.3.2.5 2014 Highlights

February

- North America – GDF SUEZ announced the commissioning of 109 MW of new renewable capacity in Canada, comprising the 99 MW Cape Scott wind farm and the 10 MW Beckwith solar installation.
- Latin America – Tractebel Energia acquired a 65.5 MW (electricity and steam) sugar cane bagasse cogeneration plant in the State of Sao Paulo, Southeast of Brazil. The plant will have its installed capacity increased to 80.5 MW after the retrofit.

March

- Latin America – GDF SUEZ concluded the sale of a 50% stake to Marubeni of the GNL del Plata project, currently under construction in Uruguay.
- UK-Turkey – GDF SUEZ acquired 100% of West Coast Energy, a wind developer based in Mold, North Wales. West Coast Energy has become the principal renewable development business of GDF SUEZ in the UK.

April

- Latin America – Tractebel Energia commissioned the Trairi Wind Complex (115 MW) and initiated the construction of the Santa Monica Wind Complex (97 MW), located in the State of Ceara (Northeast of Brazil), near the existing Trairi complex.
- SAMEA – Uch II 381 MW power plant in Pakistan achieved commercial operation. Located in Pakistan's south-western province of Baluchistan, Uch II is an extension of the existing 551 MW Uch I plant.

May

- Latin America – GDF SUEZ announced the inauguration of the on-shore storage tank for the GNL Mejillones LNG regasification terminal in Chile.
- SAMEA – GDF SUEZ launched the Initial Public Offerings (IPOs) of Al Batinah Power (Sohar 2) and Al Suwadi Power (Barka 3) plants in Oman.

June

- Asia-Pacific - GDF SUEZ signed a Concession Agreement for a 415 MW power plant in Mongolia.

July

- SAMEA – GDF SUEZ signed the 25-year Power and Water Purchase Agreement for the Mirfa Independent Water and Power Project in Abu Dhabi (UAE).

August

- North America –Construction began on the 291 km *Ramones Phase II South* pipeline in Mexico, which is a joint venture between GDF SUEZ and PEMEX and will have the capacity to deliver 1.4 billion cubic feet of natural gas per day.
- Latin America – GDF SUEZ signed an agreement to sell its assets in Panama and Costa Rica to Celsia, a Colombian company. The sale was finalized in December.

September

- SAMEA – GDF SUEZ and its partners Nareva Holding (Morocco) and Mitsui (Japan) announced the achievement of financial closing and start of construction for the Safi 2x693 MW ultra-supercritical coal-fired power project in Morocco.

October

- SAMEA – Financial closing achieved for the Mirfa Independent Water and Power Project in Abu Dhabi (UAE).

November

- Latin America – Tractebel Energia won Power Purchase Agreements for 3 projects (535 MW) in Brazil's New Energy Auction.

December

- SAMEA – GDF SUEZ and its partner Nareva Holding (Morocco) announced the start of full commercial operation for the 301 MW Tarfaya wind farm in Morocco. Tarfaya is the largest wind farm built on the African continent to date.
- Latin America - GDF SUEZ has been successful in the energy auction in Chile. The Group will lead the construction of the 375 MW IEM thermal power plant and an associated port, as well as a transmission line (TEN) that will connect the SIC (central electricity system) and the SING (northern electricity system).

1.3.2.6 Regional overview

1.3.2.6.1 GDF SUEZ Energy Latin America

GDF SUEZ Energy Latin America (GSELA) manages the Group's gas and electricity activities in Latin America. GSELA is organized into five countries: Brazil, Chile, Peru, Uruguay and Argentina. It manages 14,180 MW of capacity in operation and 3,267 MW of capacity under construction. In December 2014, the assets in Central America were sold.

Brazil

In Brazil, GSELA's existing power assets and the development of selected small and medium sized power plants are managed by Tractebel Energia (TBLE), the country's largest independent electricity producer (approximately 7% of Brazil's installed capacity), which is 68.7% owned by GDF SUEZ. TBLE shares are traded on the Brazilian stock exchange. The company operates a total installed capacity of 8,666 MW.

Energia Sustentável do Brasil (ESBR) holds the concession contract to build, own and operate the 3,750 MW Jirau hydropower project. ESBR is owned by GSELA (40%), Mitsui (20%[1], Eletrosul (20%) and Chesf (20%). 30-year Power Purchase Agreements (PPAs) have been signed with distribution companies for the off-take of 73% of the project's 2,185 MW assured energy production. The remaining assured energy will be sold to the shareholders GSELA, Eletrosul and CHESF[2]. At the end of 2014, the project had started commercial operation of the 22nd unit, bringing the total installed capacity connected to the national grid to 1,650 MW. In line with the prevailing business model, GDF SUEZ stake in Jirau will be transferred to Tractebel Energia when main development risks have been mitigated.

On the regulatory side, the most important recent measures were the release of the Provisory Measure 579 in October 2012 (turned into law 12.783/13), the Resolution CNPE 03 in March 2013 and the Resolution 1832 in November 2014:

- law 12.783/13 introduced new rules for the renewal of hydropower projects and transmission line concessions which expired from 2013. This new regulation has two main elements: concession extensions and reduction of energy sector charges. It addresses only concessions granted before February 13, 1995; therefore, it does not materially impact TBLE and ESBR;
- the Resolution CNPE-03 established changes in the methodology of spot price calculation and on the sharing of the costs linked to thermoelectric dispatch outside of the merit order, thereby allocating a portion of these costs to generators and traders, while previously these costs were born by end consumers only. This new methodology, which has been deployed since September 2013, is more conservative than the previous one regarding the need for dispatching thermal power plants (with the consequence of increasing the 'spot' price). During the transition period from April to September 2013, the additional costs associated with dispatching thermal power plant were applied to all agents (including generators). The Association of Independent Generators filed an injunction to cancel the obligation for its members (independent generators) to support these additional costs during the transition period;
- the approval of Resolution 1832 established a new cap (BRL/MWh 388.48) and floor (BRL/MWh 30.26) for energy spot price (PLD) in 2015. Until 2014, cap price adopted was BRL/MWh 822.83.

After the below average hydrology of 2013, 2014 was again marked by poor rainfalls during the wet season (December-April). This poor hydrology resulted in reduction of water reservoir levels, especially in the Southeast where most of the demand is located. Based on data from the National System Operator (ONS), 2014 was the 9th driest year in 83 years of measurement, with an energy inflow of 81.7% of the long term average. Combined with the new methodology introduced by CNPE-03, this situation led to an unprecedented thermal dispatch to supply the increasing demand. This resulted in very high spot prices along the year, reaching in some months the level of the regulatory cap.

(1) Closing of the sale of 20% stake to Mitsui took place in January 2014.

(2) GDF SUEZ will keep 60% stake of the free assured energy of Jirau HPP, while CHESF and Eletrosul will keep 20% stake each.

Peru

In Peru, GSELA owns 61.73% of EnerSur, which has an installed capacity of 1,784 MW and a market share of around 16% in terms of energy production. EnerSur shares are traded on the Lima stock exchange.

Conversion of the 538 MW ChilcaUno thermoelectric power station to a combined cycle plant with capacity of 805 MW was completed in 2012 and the Cold Reserve thermoelectric plant located in Ilo (south of Peru) of 564 MW was completed in 2013. Construction of a new 110 MW HPP at Quitaracsa is underway. EnerSur also won a bid in December 2013 to build and operate a 500 MW thermal plant in Ilo (Nodo Energetico).

GSELA also has natural gas transmission activities in Peru, with an 8.1% stake in TGP (Transportadora de Gas del Perú), which transports natural gas and associated liquids.

Regulations are based on unbundling of generation, transmission and distribution activities. These activities have been partially privatized. As a result, all new investments in generation are undertaken by the private sector. Around a third of Peru's generation is still controlled by state-owned company Electroperú.

In July 2014, the tender regarding the construction and operation of a new gas pipeline linking the area of domestic production (Camisea) to the Southern part of Peru was awarded to the consortium constituted by Odebrecht and Enagas. This will allow GSELA to convert Nodo Energetico to gas.

Chile

E-CL is the leading company in electricity generation in Northern Chile, with an installed capacity of 1,999 MW. GSELA owns 52.76% of E-CL. E-CL's subsidiary Electroandina operates a port in Tocopilla and its gas transportation subsidiary Gasoducto NorAndino owns a gas pipeline of approximately 1,000 km between Chile and Argentina.

GSELA also holds a 63% stake in the Mejillones LNG regasification terminal (GNLM). The commercial operation started in June 2010, using first a 162,400 m^3 (gross capacity) floating storage unit. Since March 2014, it is replaced by an onshore LNG storage tank, with a net capacity of 175,000 m^3.

Since April 2011, Solgas (previously Distrinor – 100% GSELA) has been selling natural gas sourced through GNLM to industrial clients and power plants located in the north of Chile.

In Chile's Central Electricity Grid, through the wholly owned company Eólica Monte Redondo, the Group's two main assets are the Monte Redondo 48 MW wind farm, and 34.4 MW Laja hydropower plant currently under construction.

Important new laws have recently been approved:

- "20/25 Law": to increase the participation of non-conventional generating sources, up to 20% by 2025;
- "Concessions and Easements Law": to solve issues related to the negotiation of easements and concessions of transmission lines; and
- the "SIC-SING interconnection" law to enable the government to auction infrastructure.

In March 2014, the government of Mrs. Michelle Bachelet took office for a 4-year term. The energy policy and main guidelines of the new government were communicated through the "Energy Agenda". In this agenda, the government provides a lot of support to the proposed interconnection between both electrical systems SING and SIC, and to the use of natural gas, promoting the idea of a third LNG terminal.

In September 2014, a tax reform was enacted in Chile, ruling a CO_2 tax of 5 USD/ton to be paid by all the generators generation units with a capacity greater than 50 MW. The CO_2 tax will start to be charged in 2017, with first payment in the following year. However, for E-CL the impact shall be limited, as most of its Power Purchase Agreements allow for the pass-through of such cost to its industrial clients.

In December 2014, E-CL was awarded, in a public tender among generation companies, the contract to supply electricity to distribution companies in the SIC: 2,016 GWh in 2018 and 5,040 GWh per year between 2019-2032.

Such a successful outcome for E-CL will trigger different investments of approximately US$1.8 billion over the following four years, including a 600-km long transmission line project to connect its power generation units in Mejillones (SING system) with the SIC system. This line would become the interconnection between the SIC and the SING systems (Central and Northern grids). The Chilean government, who enacted a law early in 2014 to be able to auction such interconnection, is currently analyzing the different alternatives.

Central America

In August, GDF SUEZ announced the sale of all its power generation assets (500 MW) in Central America (i.e. Panama and Costa Rica) to Celsia for a total enterprise value of US$840 million. The handover between GDF SUEZ and Celsia took place in December 2014.

Uruguay

GSELA made its entry into the Uruguayan market in October 2013 when the Company signed a 15-year Build, Own, Operate and Transfer (BOOT) contract with Gas Sayago SA to provide LNG storage and regasification services in the country. Located close to Montevideo, the offshore terminal, GNL del Plata, will comprise a Floating Storage and Regasification Unit (FSRU) and a jetty, protected by a 1.5 km breakwater. The entire capacity of the terminal, which will be capable of receiving LNG carriers up to 218,000 m^3, will be reserved by the offtaker Gas Sayago. The project is currently under construction.

The LNG terminal will have a long-term storage capacity of 263,000 m^3 and regasification capacity of 10 Msm^3/day, expandable to 15 Msm^3/day. Tractebel Engineering acts as owner engineer during the construction phase.

In March, GDF SUEZ concluded the sale of a 50% stake in GNL del Plata to Marubeni. Following this transaction, Marubeni became a 50/50 partner in the project.

Argentina

In Argentina, GSELA holds a 64.2% interest in Litoral Gas SA, a gas distribution company which has a market share of 12% in terms of volume delivered in the region of Santa Fé and in the Northeast of the province of Buenos Aires. In addition, it holds a 46.7% interest in Energy Consulting Services (ECS), an electricity and gas sales and consultancy company. GSELA also holds an interest in Gasoducto Norandino, a gas transmission company with a pipeline of approximately 1,000 km between Argentina and Chile, which is 100% owned by E-CL.

The government suspended the application of the pre-existing regulatory framework through the declaration of a state of economic emergency in 2002. This implied a tariff freeze and a reduction of tariffs in dollar terms due to local currency devaluation. Since then, very few tariff adjustments have been implemented in the energy sector.

1.3.2.6.2 GDF SUEZ Energy North America

GDF SUEZ Energy North America (GSENA) manages the Group's electricity and gas activities in the United States, Canada, Puerto Rico and Mexico. GSENA operations are organized into five business segments: US power generation, US retail, US natural gas/LNG, Mexico and Canada. A central portfolio management group optimizes the interface between each business segment. The business employs 2,300 people.

GSENA has an ownership interest in 13,056 MW of electric power and cogeneration capacity. Of this capacity, close to 1,000 MW are powered by renewable sources.

GSENA's US natural gas/LNG business includes a LNG receiving facility and a gas sales business in New England. In the US, the company also markets power to commercial and industrial customers in 11 States plus the District of Columbia, to small commercial customers in 6 States, and to residential customers in Pennsylvania. In Mexico, the company operates natural gas Local Distribution Companies (LDCs), gas transmission pipelines and power plants. The business in Canada is composed primarily of utility-scale wind and solar facilities.

United States

North American operations are headquartered in Houston, Texas, and the US business employs over 1,500 people. GSENA owns and operates the Everett terminal just North of Boston, Massachusetts, which has the capacity to deliver approximately 700 million cubic feet of natural gas per day to the New England market. GSENA leases over 10.6 billion cubic feet (Bcf) of natural gas storage. The US activities have 11,479 MW of capacity in operation.

GSENA markets to large commercial and industrial customers under the GDF SUEZ brand and to small commercial and residential customers under the *Think Energy* retail brand. The retail business serves approximately 60,000 customer meters with an estimated peak load of nearly 10,000 MW.

In 2014, GSENA achieved the following milestones:

- 1) *Think Energy* entered the residential market in Pennsylvania;
- 2) GSENA entered into a 1.0 Bcf of LNG purchase agreement with Gaz Métro LNG to meet peak 2014-2015 winter demand in New England.

GSENA's business interests in the US are governed by Federal and State regulations. Interstate wholesale electricity and natural gas markets in the US are regulated by the Federal Energy Regulatory Commission (FERC). Since 1992, the FERC has issued successive regulatory orders to remove barriers to competition in wholesale electricity markets. Over 60% of electricity consumed is delivered through one of the ten Independent System Operators (ISOs) or Regional Transmission Organizations (RTOs) that were created to facilitate electricity competition.

The US Environmental Protection Agency proposed a greenhouse gas emissions rule, requiring States to reduce emissions by as much as 40% by 2030. A final revised rule is expected in 2015.

Retail electricity and natural gas sales to customers are regulated in the US by each of the 50 States' public utility commissions.

Puerto Rico

The activities in Puerto Rico include a 35% stake in the 507 MW EcoEléctrica gas-fired plant and in the EcoEléctrica LNG terminal.

Mexico

In Mexico, GSENA operates six LDCs that serve more than 400,000 customers through a 6,500 km network and two gas transmission companies operating over 900 km of pipelines. GSENA also manages three steam-electricity cogeneration plants with a total installed capacity of 279 MW. Output from these power plants is sold under long-term contracts to industrial clients.

In August, GDF SUEZ, together with its partner PEMEX, announced the start of construction on the Ramones Phase II South pipeline (Ramones II South), a segment of the Ramones natural gas pipeline system, which is one of the largest energy infrastructure projects in Mexico's history, extending from the Texas border to central Mexico.

Commissioning is underway on the 80 km Mayakan Extension gas pipeline project, which is now fully physically interconnected with the Mexican pipeline network. Full commercial operations are anticipated to begin in Q1 2015.

Regulation of the electricity and natural gas markets is the remit of the *Comision Reguladora de Energia* (Energy Regulatory Commission), which is also charged with encouraging investment and promoting competition in electricity and natural gas markets. Sweeping Energy Reforms voted in 2013 are now being implemented. GDF SUEZ and PEMEX signed a Memorandum of Understanding and Cooperation in April 2014 to develop natural gas and other energy projects in Mexico.

Canada

GSENA's Canadian operations include utility-scale wind and solar generation totaling 791 MW. The renewable portfolio operates within a joint venture set up in 2012 between Mitsui & Co and a consortium led by Fiera Axium Infrastructure Inc., each holding a 30% interest. GDF SUEZ, the largest shareholder with a 40% interest, continues to operate and maintain these assets. The company also owns and operates a 112 MW natural gas-fired power plant in Ontario.

In Canada, energy policy is the jurisdiction of Provincial Governments. Energy markets across Canada tend towards vertically integrated utilities and/or various government owned corporations (with the exception of Alberta). Government-run procurements are a common contracting method and result in long-term PPAs for generation facilities. Currently, Ontario is running a procurement process for new large renewable facilities with results expected late 2015.

1.3.2.6.3 GDF SUEZ Energy UK-Turkey

GDF SUEZ Energy UK-Turkey operates in the UK and Turkey. The business has a diverse portfolio of 8,228 MW of operational generation assets, including conventional coal, oil and gas-fired plants, pumped storage and renewables. In addition, it owns a retail business, gas distribution business and a trading function.

United Kingdom

GDF SUEZ Energy UK-Turkey is one of the major electricity generators in the UK with a merchant generation fleet of operational assets with a total capacity of 6,985 MW.

Together with Mitsui (25%), GDF SUEZ (75%) operates power plants at Rugeley (coal), Saltend (gas), Deeside (gas), First Hydro (pumped storage) and Indian Queens (light fuel oil) as well as the trading business. In 2014, GDF SUEZ Energy UK-Turkey agreed to sell its 10% stake in the Eggborough power station (coal). The demolition of our 100%-owned Teesside (gas) plant, which was decommissioned in 2013, is ongoing. GDF SUEZ Energy UK-Turkey also holds 50% ownerships of seven wind farms (Barlockhart, Blantyre, Carsington, Craigengelt, Crimp, Flimby, Sober) as well as a small pipeline of wind projects at various stages of development.

The region has a trading business which trades UK power, UK gas, EU carbon, and coal to manage the commodity price exposures associated with its generation assets and retail market position. GDF SUEZ Energy UK is the region's retail business, based in Leeds, with around 11,000 industrial and commercial sites taking electricity and/or gas. In addition to supplying energy, GDF SUEZ Energy UK offers demand-side services and is a growing provider of export contracts and Power Purchase Agreements (PPAs). The region also has a 30% ownership interest in OPUS, an electricity and gas supplier to over 200,000 customers in the SME (small and medium sized businesses) sector.

The UK energy market is a fully liberalized merchant market under regulatory supervision from Ofgem. The UK Government's energy policy is focused on encouraging low carbon generation, ensuring security of supply, and consumer affordability. Fundamental to the Government's aims is delivery of Electricity Market Reform (EMR) which centres around two new instruments: Contract for Difference Feed in Tariffs (CfD FiTs) to incentivize deployment of low carbon technologies, and a Capacity Mechanism to ensure system security. An Energy Bill providing the framework for these instruments became an Act of Parliament in December 2013. The overall process continued in 2014 with secondary legislation that addresses the two instruments, followed by the award of the first CfD Contracts, and the first capacity auction, in which GDF SUEZ secured contracts for 3.2 GW of capacity for the delivery year 2018/19. The UK electricity market will gradually be transformed over the coming years as low carbon technologies are increasingly deployed under these incentives, coal generation is closed and gas fired generation is increasingly used to provide essential support to the system.

Turkey

With a total generating capacity of 1,243 MW, GDF SUEZ Energy UK-Turkey has a presence in two generation assets in Turkey through its 95% stake in the 763 MW Baymina Enerji, a combined cycle gas turbine (CCGT) power station, and a 33.3% stake in 480 MW Uni-Mar Marmara, a combined cycle gas turbine (CCGT) power plant. Power generated is sold to TETAS, the national electricity offtaker, under long-term PPAs. The region also owns 90% of Turkey's third largest natural gas distributor, IZGAZ, which distributes and markets natural gas to residential, commercial and industrial customers in the Kocaeli region. Furthermore, GDF SUEZ Energy UK-Turkey has also been developing its power trading and origination activities as well as its retail business in the country.

In cooperation with its Japanese partners Mitsubishi Heavy Industries (MHI) and Itochu, GDF SUEZ has launched a feasibility study for a nuclear power station to be built near the city of Sinop, based on the ATMEA1 technology developed by MHI and Areva (around 4.5 GW). The intergovernmental agreement between the Turkish and Japanese governments and the agreement between the project operators and the Turkish government have been approved by the respective authorities and should be ratified by the Turkish parliament in 2015.

Historically Turkey has been a PPA market with a single buyer. However, the Turkish power market is currently going through a process of liberalization with the aim of becoming a fully merchant market. Merchant market trading has been gradually introduced with daily settlements on the Balancing and Settlements Market commencing at the end of 2010.

Continental Europe

All the assets in Continental Europe that were up to end 2013 part of GDF SUEZ Energy UK-Turkey region (at the time named "UK-Europe") have now been transferred to the GDF SUEZ Energy Europe business line after the reorganisation of the UK-Turkey region in 2014.

1.3.2.6.4 GDF SUEZ Energy South Asia, Middle East & Africa (SAMEA)

Middle East

In the Gulf Cooperation Council (GCC) countries, GDF SUEZ Energy SAMEA acts as an asset developer, owner and operator, selling the electricity and water it produces directly to government-owned utilities under long-term P(W)PAs (Power (and Water) Purchase Agreements). It is the leading private power and water developer in the region with total generation capacity of 24,943 MW and 1,053 MIGD (5.5 million m^3) water/day of desalination capacity in operation and under construction. It is common in the Middle East IP(W)P (Independent Power (and Water) Producer) business model for projects to be part owned by the host governments/offtakers alongside partners. The region conducts the operations of all of the plants that it owns, often through an arms-length Operations & Maintenance (O&M) contract.

The regulatory frameworks in the different countries of the GCC are similar, with competitive tenders launched by the power authorities calling for private power producers to bid for concessions to build, own and operate plants. The output is then sold by the private producer to a public utility under long-term contracts, the terms of which are stipulated at the tender stage.

GDF SUEZ Energy SAMEA has ownership interests in the following natural gas-fired power and water producing plants in the GCC:

- Saudia Arabia: Marafiq, Riyadh PP11, Tihama;
- Bahrain: Al Dur, Al Ezzel, Al Hidd;
- Qatar: Ras Laffan B, Ras Laffan C;
- UAE: Fujairah F2, Al Taweelah A1, Shuweihat S1, Shuweihat S2, Umm Al Nar, Mirfa;
- Oman: Al Kamil, Al Rusail, Barka 2, Barka 3, Sohar 1, Sohar 2;
- Kuwait: Az Zour North.

The SAMEA region currently has circa 3,632 MW power capacity and 107 MIGD (725,000 m^3/day) water capacity under construction in the GCC, in Saudi Arabia (extension of Tihama), Kuwait (Az Zour North IWPP) and the UAE (Mirfa IWPP).

Sohar 2 and Barka 3 IPPs in Oman launched their Initial Public Offering in May 2014, culminating with their successful listing on the Muscat Securities Market in June 2014. The founding shareholders sold these shares to the public to comply with their respective obligations in the Project Founders Agreements signed with government owned Electricity Holding Company (EHC) in 2010. GDF SUEZ is the largest shareholder in both companies with circa 30% of the share capital of both companies after the IPOs.

GDF SUEZ holds a 20% equity interest in the Mirfa project with the remaining 80% held by Abu Dhabi Water and Electricity Authority (ADWEA). Mirfa IWPP will have a total power capacity of 1,600 MW and a seawater desalination capacity of 52.5 MIGD (238,665 m^3/day). Commercial operation of the project is expected to start on a phased basis between 2016 and 2017. A fully-owned subsidiary of GDF SUEZ will be responsible for the Operations & Maintenance of the power plant.

South Asia

In Pakistan, in the south-western province of Baluchistan, GDF SUEZ Energy SAMEA holds 100% in Uch I, a 551 MW gas-fired facility. The 381 MW gas-fired unit Uch II (100% ownership), an extension to Uch I, started commercial operation in April 2014. The electricity generated from Uch II is sold through a 25-year Power Purchase Agreement with the National Transmission and Despatch Company, a state-owned utility.

All power generated by IPPs in Pakistan is sold under long-term PPAs to distribution companies. The end consumer market is not liberalized. Around 50% of generation capacity is held by private IPPs, while the remainder is held by state-owned entities.

In India, GDF SUEZ has a 86.61% equity share in the Meenakshi thermal project in Andhra Pradesh, which comprises 269 MW of operational capacity and 638 MW under construction. In May 2014, GDF SUEZ inaugurated its new office in New Delhi, from which it will continue to develop further opportunities for GDF SUEZ Energy International.

The power sector in India is liberalized, with various offtake arrangements (long-term PPAs, short-term bilateral contracts and spot trading) all possible.

Africa

The region started construction of three independent power projects in 2013 with a total production capacity of 1.4 GW: in Morocco, the 301 MW Tarfaya wind farm, in South Africa, the 1,012 MW open-cycle turbine power plants (peakers) and the 94 MW West Coast 1 wind farm. Tarfaya reached full commercial operation in December 2014.

The Safi 2x693 MW project in Morocco started construction in October 2014 after achieving financial close, bringing GDF SUEZ's total construction portfolio on the African continent to 2,492 MW. Following completion of the plant, expected in 2018, the electricity produced will be sold to the *Office National de l'Electricité et de l'Eau Potable* (ONEE) under a 30-year Power Purchase Agreement.

GDF SUEZ also concluded a project development agreement with Exxaro for a 600 MW coal-fired power plant in Limpopo province.

In terms of regulation, a single buyer model, whereby output is sold by the private producer to a public utility under long-term contracts, has been adopted in Morocco and South Africa.

1.3.2.6.5 GDF SUEZ Energy Asia-Pacific

GDF SUEZ Energy Asia-Pacific has strongholds in Australia, Indonesia, Singapore and Thailand. Its businesses in Asia-Pacific include the construction and operation of power plants, natural gas distribution systems and retail activities.

Australia

The Australian business is focused on a diverse portfolio of generation assets operating in the National Electricity Market (NEM) that serves 90% of the Australian population and demand, resident in the eastern states. The portfolio also includes a co-generation asset in the separate South Western Integrated System (SWIS) market that serves Western Australia. It also has a retail business called “Simply Energy” in the NEM, serving electricity and gas accounts in the domestic, small to medium enterprise and large commercial and industrial customer segments.

GDF SUEZ Australian Energy is an important participant in the NEM. It predominantly produces wholesale electricity and is focused on delivery of value through optimal participation of its assets in the relevant Australian electricity, gas and renewable energy markets, exploration of potential synergies with other GDF SUEZ businesses in Australia, and opportunistic growth of its generation and retail portfolios, including renewables. In 2013, Mitsui acquired from GDF SUEZ Australian Energy a 28% stake in all its assets (except Loy Yang B and Kwinana – where Mitsui already owned 30%). The portfolio of GDF SUEZ Australian Energy:

- generating assets in South Australia: 921 MW;
- generating assets in Victoria: 2,507 MW;
- generating assets in Western Australia: 123 MW;
- retail customers Simply Energy: over 500,000.

Australian energy markets have been progressively liberalized since the mid-1990s, when the first wholesale electricity market was introduced in Victoria. The level of private and state-owned energy infrastructure varies between states. Under the Competition Principles Agreement, between state and federal governments, publicly owned businesses in competitive markets are treated in a manner intended to ensure competitive neutrality between public and private energy businesses. New South Wales has started to privatize its generation assets.

The NEM is a deregulated merchant wholesale market serving the interconnected eastern states of Australia, in operation since 1998. It is a near real-time, energy-only, gross pool, spot market with no capacity payments. Up to 48 GW of installed generation capacity is dispatched on a five-minute basis over five states.

Gas markets exist in each of the eastern states except Tasmania, and are less developed than the electricity market.

The Wholesale Electricity Market (WEM) for the SWIS commenced operation in September 2006. The WEM operates in the south-west region of Western Australia, the location of most of that state’s population (estimated at just over 2 million). The SWIS has a summer peak demand of approximately 4,000 MW. The WEM market structure is a net bilateral structure and has separate capacity and energy mechanisms.

The (former) Australian Government’s “Clean Energy Future” greenhouse gas emissions reduction scheme commenced in July 2012, committing it to a medium-term national target of reducing emissions significantly. In September 2013, a new government was elected and has repealed Carbon Legislation in July 2014.

Indonesia

GDF SUEZ Energy Asia-Pacific holds a 40.5% stake in Paiton 3 & 7/8, with a total of 2,035 MW coal-fired capacity, located on the island of Java. A PPA is in place for both Paiton 7/8 and Paiton 3 up to 2042.

In cooperation with PT Supreme Energy, the business is also developing three geothermal projects in Sumatra (Muara Laboh, Rantau Dedap and Rajabasa).

State owned incumbent PLN has the monopoly on transmission and distribution systems. Since the mid-1990s IPPs have been allowed to operate in Indonesia and they now operate 16% of the existing generating capacity. The end-user market is not liberalized.

In December 2009, the “Crash 2 program” for 10,000 MW of new generation capacity was launched. This program stipulated that 50% of this new capacity is to come from IPPs and 50% from PLN, and that 5,340 MW of the new capacity will come from renewable resources. In 2014, the new Jokowi administration has set a target to develop 35,000 MW of new generating capacity by 2019 out of which 15,000 MW will be developed by PLN and 20,000 MW will be built by IPPs.

Thailand & Laos

The Glow Group, in which GDF SUEZ Energy Asia-Pacific holds a majority interest (69.1%), is listed on the Stock Exchange of Thailand. It is a major participant in the Thai energy market with a combined installed capacity in Thailand and Laos of 3,195 MW. The Glow Group generates and supplies electricity to the Electricity Generating Authority of Thailand (EGAT) under Thailand’s SPP (Small Power Producer) and IPP (Independent Power Producer) programs, in addition to supplying electricity, steam, industrial water and services to large industrial customers principally located in the Map Ta Phut industrial Estate, Rayong Province.

GDF SUEZ Energy Asia-Pacific also owns a 40% stake in PTT NGD, a distributor of natural gas to industrial customers in the Bangkok region.

State-owned EGAT is the main entity in the electricity sector. Until liberalization of the sector, EGAT generated around 95% of Thailand's power. It now accounts for about 50% of generation capacity while the rest is accounted for by the non-government sector comprising IPPs, SPPs and imports from Laos and Malaysia. IPPs in Thailand sell the energy that they produce to EGAT under long-term contracts, the terms of which are stipulated at the IPP tender stage. In industrial parks private generation companies can sell electricity to local customers.

Singapore

GDF SUEZ Energy Asia-Pacific holds a 30% stake in Senoko Energy, one of the three largest power generators in Singapore, with an approximate 25% market share. Senoko Energy owns and operates a unique portfolio of power generation assets with a combined capacity of 3,201 MW.

In 2001, the electricity generation and retail markets were separated from the natural monopoly existing in the electricity transmission market. The National Electricity Market of Singapore (NEMS) was established in 2003: generation companies compete to sell electricity every 30 minutes, while electricity retailers buy electricity from the NEMS and offer packages to sell electricity to eligible consumers. In 2004, in order to promote efficiency and competition in the electricity market, vesting contracts were introduced whereby generation companies are committed to sell a specified amount of electricity at a specified price.

1.3.3 Global Gas & LNG business line

1.3.3.1 Role

The Global Gas & LNG business line manages the Group's upstream gas and & LNG activities. Its roles are defined as follows:

- the business line embodies and manages the Group's overall ambitions in the field of natural gas and LNG, and as such plays a coordinating role in the gas value chain within the Group;
- it develops activities in the field of engineering and services related to the containment required for LNG transportation and storage;
- it operates exploration as well as production (gas and oil) assets and LNG commercial and physical assets. As such, it contributes to supplying the Group in terms of natural gas and LNG. Furthermore, it manages the Group's operational and commercial expertise in upstream gas activities.

1.3.3.2 Strategy

The Global Gas & LNG business line plays a major role in the Group's strategy of gas chain integration. Its main objectives are therefore:

- to put the upstream gas businesses in a position to support supply of the Group's existing and potential downstream markets, including power generation;
- to manage and consolidate the Group's positions in exploration and production in Europe, to reinforce development on new markets and to increase its reserves;
- to develop, secure, diversify and ensure the competitiveness of the Group's LNG supply portfolio in order to meet its customers' needs;
- to consolidate GDF SUEZ's international leadership in LNG by leveraging the Group's expertise in every segment of the LNG value chain;
- to optimize the value of its assets.

1.3.3.3 Organization

The Global Gas and LNG business line is structured in three entities: GDF SUEZ Exploration & Production (E&P), GDF SUEZ LNG and GTT.

1.3.3.4 Key figures

In millions of euros	2014	2013(1)	Gross change *(in %)*
Business line revenues	9,551	8,404	+13.6%
Revenue contribution to Group	6,883	5,644	+22.0%
EBITDA (2)	**2,225**	**2,028**	**+9.7%**

(1) Comparative data as at December 31, 2013, restated to reflect the entry into application of the standards on consolidation (see Note 2 in Section 6.2), and to present SUEZ Environnement as if it were consolidated at equity as of January 1, 2013 (see Section 6.1.1.6).

(2) The calculation method for the EBITDA has been changed (see Note 2 in Section 6.2).

Key figures 2014:

- hydrocarbon production sold: 55.5 Mboe;
- reserves as of December 31, 2014: 758.8 Mboe.

1.3.3.5 2014 highlights

January

- GDF SUEZ E&P UK started production from the Juliet gas field in the southern part of the North Sea.
- Development of the Jangkrik project in Indonesia was approved by the all the partners.

February

- Cameron LNG received from the Department of Energy conditional authorization to export LNG to countries that do not have free trade agreements with the United States ("non-FTA countries").
- GTT launched its IPO on the Euronext Paris regulated market, with 41.84% of its share capital floated. The price of the shares was set at €46, giving a market capitalization of around €1.7 billion. The offering was very popular among both French and international institutional investors as well as retail investors in France.
- GDF SUEZ E&P Nederland launched production at the Q13a-A platform (Amstel field) on the Dutch continental shelf.

March

- An agreement was signed in Taipei between GDF SUEZ and Taiwan's CPC Corporation for the sale of 800,000 metric tons of LNG a year for 20 years.
- GTT received its first order for an icebreaking tanker to enable LNG to be transported across the Arctic Ocean. The tanker will be built at the Daewoo Shipbuilding & Marine Engineering shipyard. More orders for icebreaking tankers followed during the year.

April

GDF SUEZ carried out its first transshipment operation at the terminal in Montoir-de-Bretagne on a cargo of 165,000 m^3 between the Grace Dahlia and Grace Barleria vessels.

- Cameron LNG project: Publication of the final environmental impact study by the US Federal Energy Regulatory Commission.
- Statoil and GDF SUEZ E&P Norge started production from the Gudrun gas field in the Norwegian part of the North Sea.

May

- First LNG cargo delivered by BW GDF SUEZ Boston to the Bahia Blanca regasification terminal in Argentina.
- An agreement was signed in Paris between GDF SUEZ and Tohoku of Japan for the sale of 270,000 metric tons of LNG a year for 20 years.
- GDF SUEZ E&P UK installed the Alpha well-head platform at the Cygnus gas field in the southern part of the North Sea.
- GDF SUEZ E&P International signed concession contracts for six exploration blocks in the Recôncavo Basin in Brazil.

June

- The US Federal Energy Regulatory Commission granted final authorization for construction and operation on the Cameron LNG project.
- A global framework agreement for the development of LNG bunkering was signed with NYK and Mitsubishi.

August

- GDF SUEZ and its partners in the Cameron LNG project made the Final Investment Decision (FID).
- GDF SUEZ E&P International signed an agreement with ENI to acquire 20% of the Arguni exploration license in Indonesia.

September

- GTT technology was chosen by Samsung Heavy Industries (SHI) for the first high-capacity ethane tankers. An Asian group ordered six ships, four of which are scheduled for delivery by the end of 2016, with the remaining two arriving in 2017. These new "multi-gas" ships will be designed to transport ethane, as well as other types of gas in liquid form, such as propane, butane and propylene.

October

- The foundation stone was laid for the Cameron LNG liquefaction terminal project.
- GDF SUEZ E&P UK and BP announced the discovery of Marconi in the central North Sea.

December

- GDF SUEZ E&P International sold its ENERCI company in Ivory Coast to its partners on the CI-27 block.

1.3.3.6 Description of activities

1.3.3.6.1 GDF SUEZ E&P

Role

Development of natural gas and hydrocarbons' production of GDF SUEZ is a key activity in the Group's integration throughout the gas value chain. It supports the Group's international growth, particularly in high-growth regions, and gives access to a portfolio of diversified, balanced and profitable reserves.

Principal key indicators

Europe and North Africa are still the core areas of the Group's exploration and production business. However, the Group has been stepping up its international expansion, particularly in Indonesia, Malaysia and Brazil.

As of December 31, 2014, the Group published the following results:

- operations in 17 countries;
- 346 exploration and/or production licenses held (of which 56% are operated by the Group);
- proven and probable (2P) reserves of 758.8 million barrels oil equivalent (Mboe), of which 75% is natural gas and 25% liquid hydrocarbons;
- production of 55.5 Mboe, of which 67% is natural gas and 33% liquid hydrocarbons.

Activities of GDF SUEZ E&P

Legal framework of the Exploration & Production activities

The Group conducts its exploration and production activities through its subsidiary GDF SUEZ E&P International SA, in which it holds a 70% stake (with the remaining 30% held indirectly by the China Investment Corporation), and the company's subsidiaries (fully owned), which together constitute the GDF SUEZ E&P Business Unit, within the framework of licenses, concessions or production-sharing contracts drawn up with the public authorities or national companies of the countries involved. Under current partnership contracts, one of the parties is generally designated as operator, meaning that it is responsible for conducting daily operations, with the other parties' approval required for important matters such as the adoption of a development plan, major investments, and budgets. Only companies approved by local public authorities can be selected as operators.

Proven and probable (2P) reserves

In 2014, 18 exploration wells were drilled, 10 of which were successful. The resources thus proven will contribute to reserves in the future.

The tables below show all of the Group's proven and probable (2P) reserves (including developed and undeveloped reserves[1] and their geographical distribution.

DEVELOPMENT OF THE GROUP'S RESERVES[2]

Mboe	2014 Natural gas	2014 Liquid hydro-carbons	2014 Total	2013 Natural gas	2013 Liquid hydro-carbons	2013 Total	2012 Natural gas	2012 Liquid hydro-carbons	2012 Total
Reserves as of December 31, N-1	609.9	188.9	798.8	642.6	192.9	835.5	583.9	204.8	788.8
Revision + discoveries	25.9	14.7	40.5	2.9	12.3	15.2	95.7	6.9	102.6
Assets bought and sold	-27.0	1.9	-25.0	0.0	0.0	0.0	-0.2	-0.8	-1.0
Production sales	-37.2	-18.3	-55.5	-35.6	-16.4	-51.9	-36.9	-18.0	-54.9
Reserves as of December 31	571.6	187.2	758.8	609.9	188.9	798.8	642.6	192.9	835.5

CHANGES IN THE GROUP'S RESERVES BY COUNTRY

Mboe	2014 Natural gas	2014 Liquid hydro-carbons	2014 Total	2013 Natural gas	2013 Liquid hydro-carbons	2013 Total	2012 Natural gas	2012 Liquid hydro-carbons	2012 Total
Germany	30.6	64.5	95.1	41.9	63.5	105.4	51.7	61.1	112.8
Norway	206.6	107.4	314.0	203.8	108.0	311.8	209.6	111.7	321.2
United Kingdom	46.6	1.0	47.6	56.3	1.2	57.4	59.5	1.8	61.3
Netherlands	75.1	6.4	81.4	76.5	6.7	83.2	85.1	7.2	92.3
Other[1]	212.8	8.0	220.7	231.4	9.6	241.1	236.7	11.2	247.9
TOTAL	**571.6**	**187.2**	**758.8**	**609.9**	**188.9**	**798.8**	**642.6**	**192.9**	**835.5**
Change	-6%	-1%	-5%						

(1) "Other" covers Algeria, Ivory Coast, the Gulf of Mexico, Egypt and Indonesia.

(1) Developed reserves are those that can be produced from existing facilities. Undeveloped reserves are those needing new wells, new facilities or significant additional investments, starting from existing facilities, such as a compression unit.

(2) As amounts are rounded by the database, there may be insignificant variances between line-items and totals.

As of December 31, 2014, GDF SUEZ's 2P reserves of liquid hydrocarbons and natural gas ("entitlement"[1]) were 758.8 Mboe, compared with 799 Mboe in 2013. Gas accounts for 75% of these reserves, which represent a volume of 572 Mboe, or 91 billion cubic meters.

For those fields that are operated under a production-sharing contract, the "tax barrels" reserves have been recognized in accordance with the Society of Petroleum Engineers (SPE) rules for recognizing 2P reserves. These "tax barrels" reserves correspond to the taxes paid on behalf of GDF SUEZ E&P by its partners, the national oil companies, to the authorities of the respective countries.

The Group's share in 2P reserves for the fields in which it is a partner (working interest reserves[2]) was 922 Mboe at the end of 2014 compared to 962 Mboe at the end of 2013.

Each year, a proportion of approximately one-third of the reserves is evaluated independently by a specialist consulting firm (DeGolyer and MacNaughton this year).

To estimate its 2P reserves, the Group uses the "SPE PRMS" classification, based on the common definitions of the SPE and the World Petroleum Congress (WPC).

The 2P reserves replacement ratio for a given period is defined as the ratio of additions of 2P reserves for the period (discoveries, net acquisitions and revisions of reserves) to production for the period. The 2P reserves replacement ratio for GDF SUEZ E&P was 144% over the 2010-2012 period, 90% over the 2011-2013 period, and 82% over the 2012-2014 period.

Production

During the fiscal year ended on December 31, 2014, the gas and liquid hydrocarbons production sold by GDF SUEZ E&P was 55.5 Mboe.

The table below sets out GDF SUEZ E&P's production, including the share from companies consolidated by the equity method, by country.

CHANGE IN GROUP PRODUCTION BY COUNTRY - NATURAL GAS AND LIQUID HYDROCARBONS

	2014			2013			2012		
Mboe	Natural gas	Liquid hydro-carbons	Total	Natural gas	Liquid hydro-carbons	Total	Natural gas	Liquid hydro-carbons	Total
Germany	4.2	2.8	7.0	4.8	3.1	7.9	5.4	3.3	8.7
Norway	14.5	13.3	27.7	12.0	12.3	24.3	11.7	13.6	25.4
United Kingdom	3.3	0.2	3.4	1.7	0.1	1.7	1.6	0.1	1.7
Netherlands	13.7	1.7	15.3	15.5	0.5	16.0	16.3	0.4	16.7
Other[(1)]	1.6	0.4	2.0	1.6	0.4	2.0	1.8	0.6	2.4
TOTAL	**37.2**	**18.3**	**55.5**	**35.6**	**16.4**	**51.9**	**36.9**	**18.0**	**54.9**

(1) "Other" covers the Ivory Coast, the Gulf of Mexico and Egypt.

France

The Head Office of the exploration & production activity directs and controls the operational activities of the affiliates and New Assets. The Group holds an exploration license in France.

Activity in affiliates

Germany (GDF SUEZ E&P Deutschland)

As of December 31, 2014, the Group owned a stake in 54 oil and natural gas fields in Germany, including 49 in production, with 2P reserves of 95 Mboe at December 31, 2014 (including approximately 32% in the form of natural gas).

Norway (GDF SUEZ E&P Norge)

GDF SUEZ E&P Norge owns a stake in 16 oil and natural gas fields off the coast of Norway, including 8 in production, its share of which was 314 Mboe of 2P reserves as of December 31, 2014 (including approximately 66% in the form of natural gas).

In 2014, the F-West wells were successfully drilled.

United Kingdom (GDF SUEZ E&P UK)

At the end of 2014, the Group held stakes in 25 fields in the UK North Sea, of which 10 were in production. As of December 31, 2014, the share of 2P reserves held by the Group in these fields represented 48 Mboe (98% of which was in the form of natural gas).

In the United Kingdom, the Group drilled 3 exploration wells with proven hydrocarbons in 2014 and took part in exploration projects for unconventional gas.

(1) Unless otherwise specified, the references made to 2P reserves and production must be understood as GDF SUEZ E&P's stake in these reserves and production (net of all license charges taken in kind by third parties in the form of crude oil or natural gas (entitlement)). These references include the total of these net 2P oil, gas and other hydrocarbon reserves estimated as being extractable for the remaining duration of the licenses, concessions and production-sharing agreements. GDF SUEZ holds 70% of interest in EPI which it consolidates by the full consolidation method.

(2) Under a production-sharing agreement, part of the hydrocarbons produced is returned directly in kind to the Government. These volumes are not recognized as 2P reserves and are therefore less than the reserves calculated on the basis of the percentage interests held (working interest reserves).

The Netherlands (GDF SUEZ E&P Nederland)

The Group has stakes in 55 fields in the Dutch exclusive economic zone, of which 45 are in production. As of December 31, 2014, the share of 2P reserves held by the Group in these fields represented 81 Mboe (92% of which was in the form of natural gas).

In 2014, two exploration wells discovered additional volumes.

Egypt (GDF SUEZ Exploration Egypt)

The Group holds stakes in 4 concessions in Egypt, 2 of which are in production. The Group operates 2 concessions in exploration. In 2014, 2 exploration wells found hydrocarbons.

Australia (GDF SUEZ Bonaparte)

GDF SUEZ, as operator (60%), and Australian company Santos (40%) announced in June that with regard to the Bonaparte LNG project alternative solutions to floating liquefaction would be studied for the development of the Petrel, Tern and Frigate gas fields.

Other countries

The Jangkrik project in Indonesia entered into execution in February. Subsequently, the key contracts (EPC contracts – engineering, procurement, construction – and a drilling rig contract) were signed in the first quarter. GDF SUEZ has also acquired 20% of the Arguni exploration license (under finalisation). GDF SUEZ E&P International decided to withdraw from Block 7, its last asset in Mauritania, and from its 2 licenses in Greenland (Blocks 5 and 8 in Baffin Bay). And from its last license in Gulf of Mexico (USA). These withdrawals were in progress on Decembrer 31, 2014.

The Ivory Coast assets, including the Foxtrot field, were also sold in 2014.

In Algeria, all EPC (engineering, procurement, construction) contracts for the Touat project were signed. In 2014, 11 production wells were drilled.

In total, excluding Europe and withdrawals In progress, the Group holds stakes in 27 licenses, in Algeria, Australia, Azerbaijan, Brazil, Egypt, Indonesia, Libya, Malaysia and Qatar. As of December 31, 2014, the share of 2P reserves held by the Group in these licenses represented 221 Mboe, some 96% of which was in the form of gas.

Gas marketing

GDF SUEZ E&P produced a total of 63 TWh of natural gas in 2014. Around one-quarter is marketed through other Group entities (GDF SUEZ Gas Supplies, GDF SUEZ LNG, and GDF SUEZ Trading).

Sales to other Group entities also come in the form of long-term contracts at arm's length conditions, similar to third-party supply contracts.

The remaining production is sold directly to third parties, mostly under long-term contracts (e.g. in the Netherlands or Germany), or annual contracts obtained after government tenders (e.g. gas from Norway).

1.3.3.6.2 GDF SUEZ LNG

Role

- Developing and diversifying the LNG supply portfolio (LNG production and purchase contracts with producers).
- Supplying GDF SUEZ's various entities and customers with LNG, through the management of supply and vessel chartering contracts.
- Increasing the value of the portfolio of LNG purchase and sale contracts through physical and financial optimization of the contracts and the tanker fleet.

The Group's positions in LNG

- A portfolio of 16.4 million metric tons per year of long-term supply contracts from six countries.
- Regasification capacity in six countries.
- A fleet of 14 ships [1] including two LNG regasification vessels.

Description of the LNG activities in the Group

GDF SUEZ's recognized expertise over the entire LNG value chain, from production to imports and marketing, including LNG terminal operation and maritime shipping, enables it to take advantage of the strong growth of the LNG market.

LNG gives the Group access to new natural gas resources and helps it diversify and secure its supply. It also enables the Group to develop new markets and to rationalize management of its gas supply portfolio. The LNG business is being developed in coordination with the Group's upstream (exploration & production) and downstream activities (natural gas supply and power production).

LNG supply and positions in liquefaction

GDF SUEZ buys LNG under long-term (15-20 years) and medium-term (1-5 years) supply contracts. The Group also purchases spot LNG cargoes. The Group's contractual annual long-term commitments are as follows (as of December 31, 2014):

(1) At the end of December 2014.

	Annual LT commitment[4]		
	In millions metric tons of LNG per annum (Mtpa)	*TWh equivalent*	**GDF SUEZ's stake in liquefaction plants**
Algeria (DES[1] for a portion of volumes)	6.8	102	-
Egypt	3.7	55	5% of Idku train 1
Nigeria (DES contract[1])	0.4	6	-
Norway (12% stake connected to the Snøhvit deposit)	0.5	7	12% of the Melkøya plant
Trinidad and Tobago[2]	2.0	30	-
Yemen	2.6	39	-
Shell (LT agreement from 2014 – DES[1] contract)	0.4	6	-
TOTAL (2014)	**16.4**	**245**	
United States	4[3]	60	16.6% of the Cameron LNG plant (Louisiana)

(1) Delivered ex-ship. The vendor unloads LNG cargos directly at the customer's regasification terminal.
(2) The contract with Trinidad and Tobago is handled contractually by GDF SUEZ Energy North America.
(3) LNG production will start in 2018.
(4) Contractual nominal quantities.

To strengthen its diversification and security of supply, GDF SUEZ LNG is also involved in the development of liquefaction plant projects:

- a liquefaction plant in the United States: in May 2013, GDF SUEZ signed an agreement to create a joint venture with Sempra Energy, Mitsubishi and Mitsui to develop, finance and build the natural gas liquefaction plant of Cameron LNG at the Cameron LNG terminal in Louisiana. This agreement will give GDF SUEZ access to an annual liquefaction capacity of 4 million metric tons from 2018. The foundation stone for the project was laid in October 2014;
- a liquefaction plant in Cameroon: the project, in cooperation with Société Nationale des Hydrocarbures, comprises construction of a liquefaction plant with a maximum annual capacity of 3.5 million metric tons, located near Kribi and supplied by a national transmission network connecting it with Cameroon's offshore natural gas fields;
- the Group announced in June 2014 that the Bonaparte LNG project in Australia (60% owned by GDF SUEZ and 40% by Santos) would not proceed to the advanced engineering phase this year as previously planned. A study of alternatives to floating liquefaction for the recovery of reserves was undertaken in order to maximize the value of these reserves.

LNG destination and positions in regasification terminals

In 2014, LNG deliveries were made mainly in Europe and Asia, as well as in North and South America.

The Group has access to regasification capacity in six countries: France, the United Kingdom, Belgium, the United States, Chile and Puerto Rico.

In India in April 2012, GDF SUEZ was selected as a strategic partner of the Andhra Pradesh Gas Distribution Corporation (APGDC) for the development of a floating import LNG terminal. With a capacity of 3.5 Mtpa, the terminal will be located on the east coast of India. GDF SUEZ would have a stake in the terminal with access to regasification capacity. Shell joined this project in July 2014.

GDF SUEZ LNG is also positioned in the Asian LNG markets undergoing high growth, with the signing of several sale contracts, including:

Long-term gas contracts:

- a contract for the sale of 0.8 million metric tons of LNG a year to the Taiwanese company CPC from 2018 for a period of 20 years, provided by the Cameron LNG liquefaction plant;
- a contract for the sale of 0.3 million metric tons of LNG a year to the Japanese company Tohoku Electric Power from 2018 for a period of 20 years, provided by the Cameron LNG liquefaction plant;

medium-term contracts:

- a contract for the sale of 1.6 million metric tons of LNG to the South Korean company Kogas between 2013 and 2014;
- a contract for the sale of 2.6 million metric tons of LNG to the Chinese company CNOOC between 2013 and 2016;
- a contract for the sale of 2.5 million metric tons of LNG to the Malaysian company Petronas between 2012 and 2014;
- a contract for the sale of 0.8 million metric tons of LNG to the Indian company GAIL between 2013 and 2014;
- a contract for the sale of 0.8 million metric tons of LNG to the Japanese company Tohoku Electric Power between 2014 and 2017; and
- an agreement for the sale of 1.2 million metric tons of LNG to the Japanese company Chubu Electric between 2015 and 2017.

Maritime transport

GDF SUEZ uses a fleet of LNG vessels that it adapts in size to meet its long-term commitments and its one-time opportunities. The chartering terms vary from a few days to 20 years or more. At the end of 2014, the GDF SUEZ fleet included 14 LNG carriers:

- 3 ships owned by the Group: Matthew (126,540 m^3), Provalys (154,500 m^3), GDF SUEZ Global Energy (74,130 m^3);
- 2 ships of which the Group is a co-owner: Gaselys (154,500 m^3, owned by the NYK Group and GDF SUEZ) and BW GDF SUEZ Boston (owned by the BW Gas Group and GDF SUEZ); and
- 9 other ships chartered from other shipping companies.

In maritime transport, GDF SUEZ also has an 80% stake in shipping management company GAZOCEAN (the other 20% stake is held by Japanese shipping company NYK), and a 40% stake in Gaztransport & Technigaz (GTT).

1.3.3.6.3 GTT (Gaztransport & Technigaz)

Role

GTT is the world leader in the design of cryogenic membrane containment systems used in the shipping industry for LNG transportation. GTT has more than 50 years of experience in its field.

GTT operates in five sectors: LNG carriers, FLNG (floating production, storage and unloading units for LNG), FSRU (floating storage and regasification units for LNG), land storage tanks and solutions for LNG use as fuel.

GTT aims to:

- provide the LNG industry with containment systems designed by the company that enable the safe and reliable bulk transportation and storage of LNG;
- provide engineering, consultancy, training, maintenance assistance and execution of technical studies at every stage of the LNG chain; and
- adapt its technologies to promote new outlets for LNG, including by helping to develop LNG as a fuel for ships, and the transportation of LNG by sea or river in small or mid-sized vessels.

Principal key indicators

As at December 31, 2014:

- the order backlog contains more than 100 orders (LNG tankers, ethane tankers, FLNG(1), FSRU(2), land storage tanks);
- GTT is the leader in its sector, representing more than 80% of global orders for LNG tankers, and the only three FLNG orders over 50,000 m^3, between 2008 and December 30, 2014;
- GTT employs more than 380 staff, two-thirds of whom are engineers.

Activities

GTT has developed tried and tested technologies over the past 50 years. It is the only company that markets “membrane” containment technologies for ships with general approval for application on vessels. Applied to LNG tankers, these technologies allow for LNG to be transported in bulk in the ship, as the hull is protected by thermal insulation that maintains the LNG at cryogenic temperature (-162°Celsius at atmospheric pressure). As the LNG is contained by a thin metal lining, this double membrane complies with regulatory requirements.

GTT’s two main technologies whose implementation is comprehensively controlled, Mark III and NO 96, are well-known for their excellence and reliability. They are protected by patents. These technologies, and developments in them, are mainly used on tankers for LNG transportation. Meanwhile, thanks to long-term investments in research and development relating to its traditional technologies, GTT has developed new applications, particularly for floating units (FSRU and FLNG), and land storage tanks.

GTT’s customers can access its technologies by implementing licensing agreements that provide them with protected rights to the technologies as well as the know-how of GTT, which supports its customers throughout their construction projects.

GTT also provides its customers with engineering services irrespective of whether they enter into a licensing agreement.

Lastly, GTT provides ad hoc services that include training, maintenance assistance, certification assistance and execution of technical studies.

GTT’s technologies have long been accepted and endorsed by the classification companies in the maritime domain.

The company, which has been ISO-9001-certified since December 2010, is now focused on fine-tuning its quality management system so that it can continue consistently meet the quality standards required by its customers supporting growth.

Nearly all of the Company’s customers are in Asia (mainly China and South Korea).

(1) Floating LNG production, storage and unloading units.

(2) Floating LNG storage and regasification units.

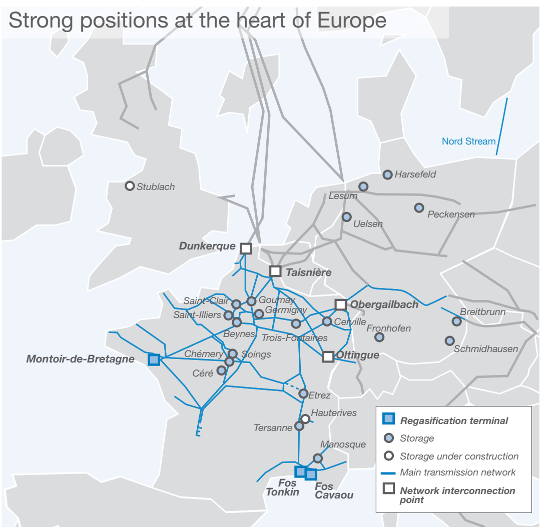
1.3.4 Infrastructures business line

1.3.4.1 Role

The Infrastructures business line combines in a coherent body the Group's gas infrastructures in France, through four specialized subsidiaries in transmission, storage, LNG terminals and distribution activities. To achieve overall optimization, a number of foreign infrastructure management subsidiaries (in Germany and the UK) also report to it.

The combined positions of these subsidiaries and stakes make the GDF SUEZ Group the leading European player in the gas infrastructures sector.

Its business model guarantees it stable, recurring revenues and cash flow that contribute effectively to the financial stability of the GDF SUEZ Group.



1.3.4.2 Strategy

The Infrastructures business line and its subsidiaries aim to promote the development of their long-term activities by strengthening the position of natural gas in the French energy mix, and by seeking new sources of growth in France and internationally.

Their strategic reflections also aim to adapt the offer from subsidiaries in the short-term, given the situation marked by restrictions, uncertainty and opportunities.

Finally, they seek to combine day-to-day professional excellence (safety of property and persons and continuity of customer supply) and economic efficiency.

1.3.4.3 Organization

The organization of activities within the Infrastructures business line is based on four independent subsidiaries which are all incorporated as French *sociétés anonymes*. In France, each of them operates, markets and develops facilities directly under their own responsibility: Storengy for its storage sites, Elengy for its LNG terminals at Montoir-de-Bretagne and Fos Tonkin, GrDF for its distribution network, and GRTgaz for its transmission network (pipelines and in-line compression stations).

In addition, three of them carry the Group's investment stakes in Europe:

- GDF SUEZ storage subsidiaries in Germany and the UK are attached to Storengy;
- Megal and GRTgaz Deutschland in Germany are attached to GRTgaz;
- Elengy, the majority shareholder of Société du Terminal Méthanier de Fos Cavaou (Fosmax LNG), operates the terminal.

In accordance with the Energy Code, GRTgaz owns the assets necessary to accomplish its missions. The commercial and financial agreements and service provision contracts between GRTgaz and GDF SUEZ or its subsidiaries are strictly regulated (cf. Articles L. 111-17 and L. 111-18 of the Energy Code). Some are subject to prior authorization from the Energy Regulatory Commission (CRE). In particular, provision of services by the "vertically integrated undertaking" to GRTgaz (cf. article L. 111-10 of the Energy Code) must be strictly necessary to GRTgaz's activity for the purpose of ensuring the gas system's balance, security and safety.

1.3.4.4 Key figures

In millions of euros	2014	2013[(1)]	Total change *(in %)*
Business line revenues	6,812	6,775	+0.5%
Revenue contribution to Group	2,994	2,557	+17.1%
EBITDA [(2)]	3,274	3,334	-1.8%

(1) Comparative data at December 31, 2013 have been restated due to the application of the consolidation standards and to the presentation changes in the income statement (see Note 2 of Section 6.2 "consolidated financial statements") and to present SUEZ Environnement as if it had been accounted for using the equity method as of January 1, 2013 (see Section 6.1.1.6 "Pro forma financial statements including the SUEZ Environnement Company group as an associate").

(2) The calculation method for the EBITDA has been changed (see Note 2 in Section 6.2 "Comptes consolidés").

1.3.4.5 2014 highlights

- January: GRTgaz sets up its first monitoring and alert system for market operators to safeguard the network's operation (winter 2013/2014).
- February: in France, GRTgaz signed a first connection agreement to inject renewable gas (biomethane) into the gas transmission network from 2015 at Chagny (Saône-et-Loire).
- April: outside France, GDF SUEZ won a contract to manage the construction of the "Los Ramones Sur" gas pipeline in central Mexico (300 km, DN 1050), and a compression station with five metering units. GRTgaz Mexico, a wholly-owned subsidiary of GRTgaz Développement, is an engineering services provider.
- May: in order to harmonize wholesale prices between Southern France and Northern Europe and create a single gas wholesale market in France by 2018, the CRE published its investment plans, confirming the Val de Saône (200 km between Étrez in the department of Ain and Voisines in Haute-Marne) and Gascogne-Midi projects.
- May: Elengy brought into service mobile evaporation compressors at the Montoir-de-Bretagne terminal, saving 300 GWh of flaring until they turned off on November 30.
- June: Storengy filed its first research permit application for low-temperature geothermal sites.
- July: Fosmax LNG offered an improved methane tanker loading service with a flow of 4,000 m^3/h, subscribed twice by the end of 2014.
- August: As part of the European Network of Transmission System Operators for Gas (ENTSOG) and Gas Infrastructure Europe (GIE), GRTgaz contributed to the achivement oft stress tests for the European Commission by simulating a Russian supply crisis, limited or no to the Ukraine supply lines.
- September:
  - Storengy UK launched the marketing of part of its storage capacity on the Stublach site.
  - Widespread deployment of the Gazpar project, a smart metering system, on all concessions serviced by GrDF, was approved by a decision of the Ecology, Sustainable Development & Energy Minister and the Economy, Industry & Digital Data Minister.
- October: Work to extend the Peckensen site was completed when the last cavern came into service.

1.3.4.6 Description of activities

A specific legislative and regulatory environment

GDF SUEZ remains a vertically integrated group but its organization concerning gas infrastructure management activities has been strongly impacted by the implementation of successive European Directives regarding the organization of the domestic energy market and the laws transposing them. The infrastructure activities have all been affiliated.

In 2011, in its transposition of the "internal market" Directive 2009/73/EC, known as the "Thrid Gas Directive", France opted for the ITO system[1] management of the transmission network (GRTgaz). This system sets out the autonomy and independence rules with which GRTgaz must comply in respect of GDF SUEZ while recognizing the entitlement of GDF SUEZ to perform economic and management supervision. In 2012, the CRE certified the compliance of GRTgaz with these provisions. In 2013, after a thorough analysis of the law in France (especially the Energy Code) transposing the Thrid Gas Directive, the European Commission made some comments on its compliance with the Directive. These comments are currently under review by the French authorities.

The legal framework within which the activities of the Infrastructures business line is carried out includes the General Local Authorities Code which specifies the scheme applying specifically to concession-based distribution networks, the Energy Code which reviewed and updated a substantial part of the other legislative provisions relating to natural gas, and the Environment Code which specifically determines the rules on the construction and operation of transmission infrastructures.

The Energy Code imposes public service obligations on GDF SUEZ and its subsidiaries, especially natural gas infrastructure managers. It provides for the French State to sign public service contracts with GDF SUEZ, GRTgaz and GrDF to ensure the implementation of public service delegations, especially those managed by its infrastructure subsidiaries. Discussions between the public authorities, GDF SUEZ, GrDF and GRTgaz are currently being finalized. The French State publishes an indicative multiyear plan describing foreseeable changes in demand for natural gas, how this demand is met and investments scheduled to this end.

The CRE ensures the proper functioning of the market to the benefit of consumers and ensures compliance by infrastructure managers with their obligations: access to infrastructures, non-discrimination, respect for the confidential nature of commercially sensitive information (CSI). Managers of the transmission and distribution networks must draft a Code of Conduct approved by the CRE. An independent compliance manager, reporting to the CRE, monitors its implementation.

The CRE sets the regulatory framework (rate of return for assets, tariff indexation mechanism, measures to encourage certain types of investment, etc.) and the corresponding infrastructure access tariffs.

1.3.4.6.1 Underground natural gas storage

The GDF SUEZ Group is the leader in underground storage in Europe, with a storage capacity of around 13 Gm^3.

(1) Independent Transmission Operator.

France

As of December 31, 2014, Storengy was operating in France:

- 14 underground storage facilities (including 13 wholly-owned). Nine of these storage facilities are in aquifers (total useful storage volume 9 billion m^3), four are in salt caverns (total useful storage volume 1 billion m^3), and one is in a depleted field (useful storage volume 80 million m^3); three of these sites have been mothballed (corresponding to a total useful volume of 800 million m^3) and the development of a fourth site has been suspended;
- 51 compressors with a total power of 219 MW, needed to withdraw and inject natural gas;
- surface facilities required to process the gas withdrawn, before injection into the transmission network.

Legislative and regulatory environment in France

Underground storage facilities fall under the Mining Code and are operated pursuant to a concession granted by the French State following a public inquiry and competitive tenders. GDF SUEZ holds mining rights that it farms out[(1)] to its subsidiary, Storengy, which operates them and thus holds the corresponding authorizations.

According to the Third Gas Directive, access to storage is organized according to a system known as "negotiated access". Storage prices are set by Storengy, in a transparent, non-discriminatory manner. The Energy Code and the decree of August 21, 2006 set the access conditions for storage facilities. This decree specifically sets out the conditions for granting and assigning storage capacity access rights and their distribution, and requires the authorized supplier or agent to maintain sufficient stores in order that, on October 31 of every year, they have enough natural gas to supply their customers from November 1 to March 31. An annual decree sets out the storage rights in question and related obligations. This decree was revised on March 12, 2014 because the existing regulatory framework was no longer adequate, due to changes in the operation of the gas market, to ensure that suppliers have sufficient storage capacity to ensure continuity of supply during periods of extreme cold.

Pricing conditions vary according to the technical capacity of the reservoirs, the basic storage service and the type of additional operating services selected.

Germany

Storengy Deutschland GmbH, a wholly-owned subsidiary of Storengy, is one of the leaders on the German underground gas storage market, with over 8% market share by volume. The company owns and operates six storage sites for a working capacity of nearly 1.7 billion m^3 (three salt sites: Harsefeld, Lesum and Peckensen; and three depleted sites: Fronhofen, Schmidhausen and Uelsen[(2)]. It also holds a 19.7% stake in the Breitbrunn depleted site (992 million m^3 in total).

United Kingdom

Storengy UK Ltd, a wholly-owned subsidiary of Storengy, is dedicated to the construction and marketing of storage capacities in saline cavities at Stublach, in Cheshire. The planned storage capacity at the site is 400 million m^3 of useful volume, divided into 20 cavities. The UK's Office of the Gas and Electricity Market (OFGEM) granted it a third-party access exemption for the entire project.

Storage strategy

Storengy must adapt to market conditions brought about by gas overcapacity currently noted in Europe:

- optimizing and enhancing its business in its traditional markets;
- identifying new sources of growth in emerging markets, using its expertise, particularly in terms of geosciences and the management of health and safety risks;
- investing in new markets like geothermal, since Storengy has specific expertise in underground and drilling.

In the longer term, it intends to diversify its business by operating in niche markets (storage in lined mined caverns coated to make them pressure tight) and by contributing to the implementation of new energy transition solutions (compressed air storage, hydrogen, synthetic methane and biomethane).

1.3.4.6.2 LNG terminal activities

LNG terminals are port facilities that allow liquid natural gas (LNG) to be received and regasified. New services have been added since 2012: reloading and transshipment of LNG tankers and LNG truck loading (road transported LNG).

Elengy is the second-largest European LNG terminal operator (source: GIIGNL), with three LNG terminals in France. The facilities operated by Elengy have a total regasification capacity[(3)] of 21.25 billion m^3 (Gm^3) of gas per annum to December 31, 2014.

Fos Tonkin Terminal

Brought into service in 1972, Fos Tonkin is located on the Mediterranean coast and receives LNG primarily from Algeria. Its regasification capacity stands at 3 billion m^3 per year. Its jetty can accommodate ships carrying up to 75,000 m^3 of LNG and its three tanks have a total capacity of 150,000 m^3.

(1) Farming out: in mining law, the name given to an agreement by which the holder of the operating rights (Government or concessionaire) leases the mine to a third party in return for a royalty.

(2) Reitbrook's storage has been transferred to another Group entity, GDF SUEZ E&P Deutschland GmbH, which intends to resume oil production at the site.

(3) Quantity of natural gas, expressed as a volume of gas in a gaseous state, that the terminal is capable of receiving over a given period as LNG and routing to the adjacent transmission network as a gaseous gas.

Montoir-de-Bretagne terminal

Montoir-de-Bretagne, which was brought into service in 1980, is located on the Atlantic coast and receives LNG from various sources. It has a regasification capacity of 10 billion m^3 per year, two jetties that can accommodate ships transporting up to around 260,000 m^3 of LNG (Q-MAX) and three tanks with a total capacity of 360,000 m^3. Renovation of the terminal was completed in 2013, allowing it to be operated at its current capacity until 2035.

Fos Cavaou Terminal

The Fos Cavaou terminal was brought into commercial service in 2010. It has a regasification capacity of 8.25 Gm^3 per year, a jetty that can accommodate Q-MAX-size tankers, and three tanks with a total capacity of 330,000 m^3. The terminal is owned by a dedicated subsidiary, FosmaxLNG, in which Elengy has a 72.5% stake, while Total Gaz Electricité Holding France SAS holds a 27.5% stake. It is operated by Elengy.

Legal and regulatory environment specific to regasification activities in France

An LNG terminal is a facility subject to classification for environmental protection purposes (Seveso facilities) and, therefore, its operation is subject to a specific authorization by the prefecture. These authorizations (Montoir-de-Bretagne and Fos Tonkin) were transferred to Elengy by Prefectural Decree in 2008. The Prefectural Decree authorizing the full operation of the Fos Cavaou LNG terminal was signed on February 14, 2012.

Access to LNG terminals: principles and tariffs

Regulated tariffs for access to LNG terminals applicable since April 1, 2013 were adopted following the CRE ruling of December 13, 2012 and adjusted mid-period by the CRE ruling of December 17, 2014. They are scheduled to apply until March 31, 2017.

The tariff package consists of five terms depending (i) on the number of unload operations, (ii) quantities unloaded, (iii) use of regasification capacity, (iv) gas-in-kind and (v) seasonal adjustment. The mid-period adjustment led to a 4.2% cut in the average unit tariff at Montoir, a 3.8% cut at Cavaou and a 25.1% increase at Tonkin. The RAB for Elengy and FosMax combined stood at €1,168 million at January 1, 2015 with an actual rate of return of 8.5%, before corporate income tax.

The LNG terminal activities strategy

Elengy's strategy is centered on the following key points:

- to optimize operation methods for each of the three sites in order to get best value from them regardless of their utilization rate;
- to create and implement new services at the terminals, similarly to what is being done in terms of reloading, transshipment between LNG tankers and the loading of tanker trucks;
- to search for growth opportunities internationally by highlighting the skills of asset manager and operator developed over the past 50 years.

1.3.4.6.3 Distribution activities in France

The main activity of the distribution business in France is to deliver the gas sold by the suppliers to the end customers. It operates within the general framework set out in Section 1.3.4.1 but has specific features related to its nature as a local utility.

Legislative and regulatory environment specific to these activities

The Concession system

Each municipality where a gas supply is available grants a concession to an authorized distributor to operate the public service of gas distribution on its territory. Concessions are entered into or renewed based on standard specifications established jointly by the French national federation of concession-granting and state-controlled municipalities (FNCCR) and GrDF. Concession-granting bodies exercise control to ensure the proper execution of the obligations resulting from these specifications.

Distribution structures belong to the municipalities even when they are built and financed by the distributor, who has an exclusive right to use them.

The Energy Code recognizes the entitlement of exclusive concession rights to historic concession-holders, i.e. GrDF and 22 local distribution companies (ELD), to exclusive service areas. As holders of a "distribution monopoly", they are the sole operators with whom municipalities may renew the concession. The grounds for terminating a concession contract early are strictly controlled (listed limitatively) as is the date the concession can be terminated (cannot be in the first half of the contracted term). Termination also requires two years' notice and the concession-granting authority must pay compensation to the concessionaire for early termination.

Apart from the exclusive service areas of GrDF and the local distribution companies, the Energy Code allows all municipalities not supplied with natural gas to entrust their public gas distribution to the operator of their choice.

The joint department specific to GrDF and ERDF

The Energy Code assigns a joint department, primarily responsible for construction, worksite project management, network operations and maintenance, and metering operations.

GrDF and ERDF are linked by an agreement defining their relationship within the Joint Department, the services it provides, and the distribution of the resulting costs. This agreement, signed for an indefinite period, may be terminated at any time, subject to 18 months' notice, during which period the parties undertake to renegotiate an agreement.

GrDF activities

As of December 31, 2014, the French natural gas distribution network operated by GrDF was the leading network of this type in Europe due to its length (196,940 km)(1). It has some 10.9 million delivery points(2) in 9,529 municipalities served (of which 8,955 based on exclusive rights assigned to GrDF), representing approximately 77% of the French population.

With 260 TWh of natural gas delivered in 2014, GrDF represented 95% of the French market for network gas distribution.

(1) Source: Internal benchmark from public data for 2014.

(2) As of December 31, 2014, 2,001,968 customers supplied in this way used an alternative gas supplier.

The average residual term of its concession contracts, weighted by volumes distributed, was 13.25 years at December 31, 2014.

Access to the gas distribution network: principles and tariffs

The new GrDF gas distribution tariff (the “ATRD 4”) came into force on July 1, 2012[(1)] for a period of four years. It applies to the GrDF exclusive service area. The structure of this tariff is consistent with the previous tariff (compensation on asset base and consideration of operating expenses). A Charges and Revenue Regularization Account (CRRA) offsets the difference between projected and actual income and expenses, specifically for the income relating to the volume of gas transported.

The regulated asset base (RAB) includes all distribution activity assets such as pipelines and connections, pressure regulation stations, meters and other technical and IT-related equipment, depreciated on a straight-line method to determine the annual capital expenses. Pipelines and connections, which represent 92% of the assets in the RAB are depreciated over 45 years. The RAB stood at €14,314 million, subject to CRE validation, at January 1, 2014 with an actual rate of return of 6%, before corporate income tax.

The tariff structure will change on July 1 each year according to a percentage variation equal to “inflation +0.2%” (excluding the effect of the CRRA), based on productivity of 1.3% per annum on net operating expenses. On July 1, 2014, the tariff increased by 2.94%, including the effect of the CRRA. In addition, periodic updates to the catalogue and the price of services (suppliers, customers and biomethane producers) are now subject to rulings by the CRE.

Lastly, a specific regulatory framework for the Gazpar smart meters project was defined in the CRE ruling of July 17, 2014. It is based on the allocation of a remuneration premium of 200 basis points on the metering assets brought into service during the industrial deployment phase (2017-2022), accompanied by a capped global mechanism to encourage compliance with all the project’s aspects, i.e.

- biennial monitoring of compliance with the provisional timetable for the project’s deployment, with penalties for delays;
- annual monitoring of the unit cost of the meters;
- annual monitoring of the system’s performance;
- annual monitoring of the investment expenditure on the IS and smart meter chain.

GrDF strategy

The GrDF strategy is centered on the following key points:

- to develop the historical gas business, with an emphasis on the promotion of gas in its various markets. In particular, GrDF wants to invest in research and development and industrial partnerships to support innovative residential solutions, such as renewable energy/gas and hybrids (gas/electricity). It will also support implementation of the new “Thermal Regulations” for new residential buildings;
- to create or support innovation, as was the case with biomethane injection and smart meters, to improve the image of gas and open the business to new activities;
- to expand internationally, which may initially take the form of service delivery;
- to strengthen its image and revenues, in connection with the development of incentive-based regulation by reinforcing industrial safety and implementing a performance plan.

1.3.4.6.4 Transmission activities

Around 75% of GRTgaz is owned by GDF SUEZ, with 25% owned by Société d’Infrastructures Gazières (SIG), a consortium bringing together CNP Assurances, CDC Infrastructures and Caisse des Dépôts.

GRTgaz develops, operates and maintains a transmission network, manages the natural gas flows that flow through it, and markets network access services to gas suppliers. It also manages an interest in the Megal Germany transmission network.

The facilities

GRTgaz wholly owns one of the longest high-pressure natural gas transmission networks in Europe[(2)], representing 32,153 km, in France, at December 31, 2014: the main network (8,110 km) sends natural gas from entry points (LNG terminals, interconnection points with international pipeline networks) to the regional network. The regional network (24,042 km) then directs it towards some 4,500 delivery points serving industrial customers and distribution networks. GRTgaz operates 26 compression stations.

During 2014, GRTgaz sent 51 billion m^3 of gas across the French network (583 TWh).

In addition, GRTgaz has investments in the Megal transmission network in Germany (1,167 km), representing a cumulative length[(3)] of 429 km.

Legal and regulatory framework for gas transmission in France

This activity takes place within a general framework (defined in section 1.3.4.5.) aimed at ensuring the independence of the network manager.

The Energy Code states that the construction and operation of natural gas transmission pipelines must be authorized by a competent administrative body, the conditions for which are set by Articles L. 555-7 *et seq*. and Articles R. 555-2 *et seq*. of the Environment Code. Authorizations are registered and non-transferable. Entities that obtain natural gas transmission authorizations must comply with the terms and conditions of the authorizations.

(1) CRE ruling of February 28, 2012.

(2) Source: Internal benchmark from public data for 2010.

(3) Cumulative length of the network: length in kilometers of the pipes for the network in question multiplied by the percentage stake held by GDF SUEZ.

Access to the gas transmission network: principles and tariffs

Pursuant to its ruling on the pricing decision of December 13, 2012 the CRE defined the methodology and set the tariffs known as "ATRT 5" destined to apply from April 1, 2013 for a period of four years. The tariff structure is updated on April 1 each year. Each year, it is drawn up to cover the income authorized by the CRE, according to observed inflation data and the best available forecasts of capacity subscriptions for the year in question.

The blueprint for net operating expenses includes a productivity objective. An incentive for cost control in investment programs is introduced, along with a revision clause after two years enabling adjustment of the blueprint for net operating expenses for 2015 and 2016, under certain conditions.

At April 1, 2014, the transmission tariff saw an average increase of 3.9%. The rate of return applied to the regulated asset base (RAB) is 6.5% (real, pre-tax). An increase of 3% is retained for investments already made, creating additional capacity on the main network. In terms of new investment, the allocation of this increase is restricted to the Val de Saône projects and decentralized odorization of natural gas.

The CRE ruling on December 17, 2014 led to an average increase of 2.5% in the GRTgaz tariff at April 1, 2015.

The RAB 2014 for the transmission network stands at €7,309 million (subject to validation by the CRE).

Transmission Europe

Megal GmbH & Co. KG ("Megal"), owned 49%(1) by GRTgaz Deutschland (a wholly-owned subsidiary of GRTgaz), and 51% by Open Grid Europe, has a pipeline network connecting the Czech and Austrian borders with the French border. Megal has granted rights to use its assets to GRTgaz Deutschland and to Open Grid Europe, which separately manage the transmission service purchased by the shippers on their part of the network. GRTgaz Deutschland GmbH markets approximately 58% of the capacity of the Megal network.

Transmission business strategy

The GRTgaz strategy aims to ensure its development in the long term both in France and internationally by:

- contributing to better integration of the European markets by making the necessary investments, such as the gas pipelines "Hauts de France 2" (now in service) and "Arc de Dierrey" (under construction), and by proposing innovative services with neighboring operators (Storengy, Elengy) as GRTgaz has done with JTS (*Joint Transport Storage*) and "gas flows" (2) which was meant to improve the North-South link;
- contributing to the development of renewable gas by encouraging the injection of biomethane into the transmission network and promoting research on maximizing the benefit of surplus renewable energy (power to gas);
- continuing to grow internationally, in countries where gas consumption is growing fast, in close collaboration with other Group entities.

1.3.5 Energy Services business line

1.3.5.1 Role

Environmental and energy efficiency is a European priority in the fight against global warming and one of the major aims in sustainable development policies for companies and local authorities worldwide.

It is one of the major elements in the energy transition, and is the core business of GDF SUEZ Energy Services. More-efficient energy use means obtaining optimal service that reduces both the overall energy bill as well as its environmental impact.

European leader in energy services, the Energy Services business line offers, via the Cofely brand, environmental and energy-efficient solutions to its industrial, tertiary, local authorities, public administration, and infrastructure customers through services which are:

- multi-technical (e.g. electrical, thermal or HVAC engineering and system integration);
- multi-service (engineering, installation, maintenance, operation and facilities management);
- multi-energy (e.g. renewable energy sources and gas); and
- multi-country.

They cover the entire technical services value chain from design, installation and maintenance of equipment to the management of energy and utilities, multi-maintenance technical and long-term facilities management. GDF SUEZ Energy Services supports its customers throughout the life cycle of their facilities and their sites, allowing them to get the most out of their assets, manage their costs more efficiently, improve their energy efficiency, and focus on their core activity. It develops local energy generation plants that include an increasing range of renewable energy sources, such as biomass, geothermal and solar energy. In addition, it is capable – in terms of technical expertise, project management, contract relations, and geographical networking – to meet the challenges that numerous industrial and service sector customers face:

(1) *In 2013, GRTgaz sold its shares in Austrian carrier BOG and increased its stake in MEGAL from 44% to 49%.*

(2) *GRTgaz is a gas store and transmits it to the Fos terminal when the network transmission and terminal storage capacity allows.*

- the need to refocus on core activities and outsource the search for integrated multi-technical and multi-service solutions, in both the private and public sectors;
- the need to implement energy-efficient solutions;
- modernization of public institutions: health care establishments, university campuses, military or penitentiary sites, etc.;
- the need to pay increasing attention to mobility and safety with, consequently, a major need to upgrade rail, road, and urban transport infrastructures;
- new forms of contracts that allow performance-based indexing or the sharing of savings made.

1.3.5.2 Strategy

GDF SUEZ Energy Services has the following strategic priorities:

- to consolidate its position as the European leader of B2B energy efficiency solutions providers by emphasizing on the sales momentum and developing innovative products and services;
- to expand its international presence in targeted geographical regions through organic growth as well as acquisitions;
- to strengthen the technological content of its activities and develop innovation;
- to reinforce synergies with the Group's other business lines;
- to continue to improve its profitability by optimizing processes, mobilizing internal synergies, and developing cross-functional products and services.

1.3.5.3 Organization

Business organization by country

The business line is composed of six activities: Engineering, France Facilities Systems & Maintenance, France Services, Networks, Benelux, and International.

Each activity is managed by a single manager responsible for its results and reports directly to the business line's General Management. The business line's management is deliberately decentralized to ensure that decisions are made as close to operations as possible. Commercial and technical cooperation between the GDF SUEZ Energy Services entities and other GDF SUEZ entities is encouraged in order to achieve optimum efficiency in terms of sharing technical and commercial expertise and costs.

The GDF SUEZ Energy Services offer covers the entire multi-technical services value chain:

- design engineering;
- electrical, mechanical and HVAC engineering; system integration; large projects; industrial maintenance;
- multi-technical management (e.g. electrical, thermal and HVAC engineering and system integration);
- on-site management of energy networks and utilities as well as urban networks including mobility and public lighting;
- facilities management.

1.3.5.4 Key figures

In millions of euros	**2014**	**2013**[1]	**Total change** *(in %)*
Business line revenues	15,673	14,678	+6.8%
EBITDA [2]	1,127	1,041	+8.2%

(1) Comparative data as at December 31, 2013, restated to reflect the entry into application of the standards on consolidation (see Note 2 in Section 6.2 "Consolidated financial statements"), and to present SUEZ Environnement as if it were consolidated at equity as of January 1, 2013 (see Section 6.1.1.6 "Pro forma financial statements including the SUEZ Environnement Company group as an associate").

(2) The calculation method for the EBITDA has been changed (see Note 2 in Section 6.2 "Consolidated financial statements").

The business line is present in almost 40 countries, most of them in Europe, where it is active on some 1,300 sites.

1.3.5.5 2014 highlights

- January: in France, Cofely Axima and Cofely Services signed a contract with the Urban Community of Cergy Pontoise for overall management of energy and fluids for two ice rinks at the Aren'Ice sports complex.
- February: in France, Cofely Réseaux signed a contract with the cities of Rosny-sous-Bois and Noisy-le-Sec for the construction and operation of new geothermal heating network for a period of 30 years.
- March: in Algeria, Cofely Ineo is taking part in the construction of the first tramway line in Sidi Bel-Abbes.
- April: in Germany, Cofely acquired services company H.G.S., which specializes in cogeneration plants.
- May: in Singapore, Cofely acquired SMP Pte Ltd, which specializes in data center solutions for business.
- May: in the United States, Cofely acquired Ecova (a subsidiary of Avista Corp.), which specializes in smart management and operation of invoicing data and customer consumption.
- June: in France, Cofely Services signed a contract with the city of Pont-à-Mousson to build and operate an urban heating network mainly fuelled by biogas.
- June: in the United Kingdom, Cofely signed a multi-site and multi-technical management contract with Telereal Trillium, a leader in wealth management.
- June: in the United Arab Emirates, Cofely Besix Mannai Facility Management was created (share of 49% in Mannai Corporation).

- July: in the United Kingdom, Cofely purchased the portfolio of FM contracts from Lend Lease Facility Management (LLFM).
- July: in Italy, Cofely won a five-year facilities management contract for 245 sites owned by Vodafone Italia, the leading mobile phone company.
- September: in France, Cofely Ineo designed and installed the first Smart Grid tested to scale in a Toulouse industrial park to connect facilities that consume energy with those that generate it and those that store it.
- September: in France, Cofely and Euroméditerranée launched the first French marine geothermal plant, in Marseille.
- September: in France, Cofely Services and "LIN 2000", the agricultural cooperative for flax fiber extraction, inaugurated the new biomass boiler fuelled by flax shives (flax residues from grinding stems) in Grandvilliers in the Oise.
- November: in France, the Airbus contract was renewed.
- November: in Singapore, Keppel FMO, a facilities management subsidiary of Keppel Infrastructure Holdings Pte Ltd, was acquired.
- December: in Germany, Tractebel Engineering acquired Lahmeyer, one of the biggest engineering companies specializing in energy and hydro infrastructure.

1.3.5.6 Description of activities

Engineering (Engineering Division)

Tractebel Engineering is one of the leading engineering firms in Europe. Operating in 20 countries, it provides engineering and consulting solutions to public and private-sector clients in the electricity, nuclear, gas, industry, and infrastructures sectors. Tractebel Engineering offers a range of innovative and long-term solutions throughout the life cycle of its customers' facilities: feasibility studies, basic engineering, assistance with project management, assistance with operations and maintenance, and dismantling.

Systems, Facilities and Maintenance (France SIM, Benelux and International Divisions)

Through its specialized subsidiaries, such as Cofely Axima, Cofely Endel, Cofely Ineo and Cofely Fabricom, GDF SUEZ Energy Services provides its customers with multi-technical services to extend the working life and improve the reliability and energy efficiency of their facilities. GDF SUEZ Energy Services operates in the tertiary, industrial, transport and local authority sectors and provides innovative solutions for:

- electrical engineering and communication and information systems;
- HVAC engineering and refrigeration;
- mechanical engineering and industrial maintenance.

Energy services (FSE, Networks, Benelux and International Divisions)

Cofely develops services dedicated to energy and environmental efficiency for customers in the tertiary and industrial sectors and helps local authorities with sustainable urban development. Cofely offers solutions for:

- improving the energy efficiency and limiting the environmental impact of buildings (technical management-maintenance, energy efficiency agreements, etc.);
- generation, operation and distribution of local and renewable energy sources (cogeneration -plants, industrial utilities, heating and cooling networks, street lighting, etc.);
- integration of services (facilities management, multi-site management, public-private partnerships, etc.).

Electricity generation and distribution (International Division)

GDF SUEZ Energy Services, with its subsidiary SMEG, distributes electricity and gas in Monaco, and produces and sells electricity in the Pacific region with its subsidiaries EEC (New Caledonia), EDT (French Polynesia), EEWF (Wallis and Futuna) and Unelco (Vanuatu) as a partner in the development of these territories.

Main markets

GDF SUEZ Energy Services is active in four main markets:

- industry, which accounts for about 35% of its business. The business line's major industry customers are the oil industry, the paper industry, chemicals, power generation, steel making and food processing;
- private services, accounting for some 25% of its business, mainly in offices and business centers, shopping malls, data centers and the private residential market;
- public services, which accounts for 28%. The business line has a strong presence in multiple occupancy buildings, public administration, hospitals, university campuses, etc.;
- the infrastructures segment, for the remainder of its activity. The business line carries out installation and maintenance work for the electricity and gas networks, ports and airports and street lighting networks, etc.

1.3.5.7 Regulatory framework

The main regulatory changes impacting GDF SUEZ Energy Services at European and national levels are:

- broader and more stringent environmental standards regarding, in particular, greenhouse gas reduction targets and the development of renewable energy sources;
- the introduction of improvement targets in energy efficiency, mainly through the development of energy-performance contracts in the public and private sectors;

In 2014, these changes were reflected Europe-wide by the 2030 Energy and Climate Package and in France by the National Assembly's adoption of the Energy Transition Towards Green Growth bill. They represent a development opportunity for the business line. In fact, they encourage customers to seek the services of specialists in heating, electricity, mechanics and the environment who are capable of designing, developing and managing their facilities under optimum technical and financial conditions. With its unique blend of complementary activities and expertise, GDF SUEZ Energy Services is ideally placed to satisfy these growing demands.

1.4 REAL ESTATE, PLANT AND EQUIPMENT

The Group owns or leases a significant number of real estate properties, facilities, and plants around the world. Many Group activities involve operating very large plants that the Group only partially owns.

As of December 31, 2014, the Group operated electricity power plants, natural gas terminals and storage facilities in over 40 countries.

The tables below show the main facilities currently in operation, either wholly or partially owned by the Group. Leased properties are covered in Notes 22 and 23 of Section 6.2, "Consolidated Financial Statements".

POWER PLANTS (CAPACITY > 400 MW AND 100% CONSOLIDATED, EXCL. UNITS UNDER CONSTRUCTION)

Country	Site/plant	Total capacity (1) *(MW)*	Type of plant
Germany	Wilhelmshaven	731	Coal
	Zolling	538	Coal-, biomass-, fuel oil-fired
Saudi Arabia	Marafiq	2,744	Natural gas
	Riyadh PP11	1,729	Natural gas
Australia	Hazelwood	1,553	Lignite
	Loy Yang	953	Lignite
	Pelican Point	479	Natural gas
Bahrain	Al Dur	1,234	Natural gas
	Al Ezzel	954	Natural gas
	Al Hidd	929	Natural gas
Belgium	Amercœur	451	Natural gas
	Coo	1,164	Pumping station
	Doel	2,911	Nuclear
	Drogenbos	538	Natural gas
	Herdersbrug	480	Natural gas
	Tihange	3,016	Nuclear
Brazil	Cana Brava	450	Hydroelectric
	Estreito	1,087	Hydroelectric
	Jirau	1,650	Hydroelectric
	Ita	1,450	Hydroelectric
	Jorge Lacerda	773	Coal
	Machadinho	1,140	Hydroelectric
	Salto Osòrio	1,078	Hydroelectric
	Salto Santiago	1,420	Hydroelectric
Chile	Mejillones	869	Coal-fired and natural gas
	Tocopilla	963	Natural gas, coal- and fuel oil-fired
United Arab Emirates	Fujairah F2	2,000	Natural gas
	Shuweihat 1	1,500	Natural gas
	Shuweihat 2	1,510	Natural gas
	Taweelah	1,592	Natural gas
	Umm Al Nar	2,240	Natural gas
Spain	Cartagena	1,199	Natural gas
	Castelnou	774	Natural gas
United States	Astoria 1	575	Natural gas
	Astoria 2	575	Natural gas
	Armstrong	620	Natural gas
	Bellingham	527	Natural gas
	Blackstone	478	Natural gas
	Coleto Creek	635	Coal
	Hays	893	Natural gas
	Midlothian	1,394	Natural gas

(1) Capacity of assets in which GDF SUEZ holds a stake, all of which are taken into account irrespective of the real ownership percentage.

Country	Site/plant	Total capacity [1] *(MW)*	Type of plant
	Northfield Mountain	1,146	Pumping station
	Troy	609	Natural gas
	Wise County Power	746	Natural gas
France	CombiGolfe	435	Natural gas
	CyCoFos	490	Natural gas and steelworks gas-fired
	DK6 (Dunkirk)	788	Natural gas and steelworks gas-fired
	Génissiat	423	Hydroelectric
	Montoir-de-Bretagne	435	Natural gas
Greece	Viotia	570	Natural gas
Indonesia	Paiton	1,220	Coal
	Paiton 3	815	Coal
Italy	Torre Valdaliga	1,442	Natural gas
	Vado Ligure	1,373	Natural gas and coal-fired
Oman	Al-Rusail	665	Natural gas
	Barka 2	678	Natural gas
	Barka 3	744	Natural gas
	Sohar	585	Natural gas
	Sohar 2	744	Natural gas
Pakistan	Uch 1	551	Natural gas
Netherlands	Eems	1,927	Natural gas
	Flevo	877	Natural gas
	Rotterdam	731	Coal
	Gelderland	592	Coal- and biomass-fired
Peru	Chilca	805	Natural gas
	ILO 2	564	Fuel-oil fired
Poland	Polaniec	1,700	Coal-, biogas- and biomass-fired
Puerto Rico	Ecoelectrica	507	Natural gas
Portugal	Elecgas	840	Natural gas
	Pego	576	Coal
	Turbogas	990	Natural gas
Qatar	Ras Laffan B	1,025	Natural gas
	Ras Laffan C	2,730	Natural gas
United Kingdom	Deeside	515	Natural gas
	Eggborough	1,960	Coal
	First Hydro	2,088	Hydraulic pumping station
	Rugeley	1,026	Coal
	Saltend	1,197	Natural gas
Singapore	Senoko	3,201	Natural gas and fuel oil-fired
Thailand	Gheco One	660	Coal
	Glow IPP	713	Natural gas
Turkey	Ankara Boo	763	Natural gas
	Marmara	480	Natural gas

(1) Capacity of assets in which GDF SUEZ holds a stake, all of which are taken into account irrespective of the real ownership percentage.

UNDERGROUND NATURAL GAS STORAGE (> 550 MM3 OF TOTAL USEFUL STORAGE VOLUME[1])

Country	Country	Gross useful volume (Mm^3)[1]
France	Gournay-sur-Aronde (Oise)	1,310
France	Germigny-sous-Coulombs (Seine-et-Marne)	880
France	Saint-Illiers-la-Ville (Yvelines)	690
France	Chémery (Loir-et-Cher)	3,710
France	Céré-la-Ronde (Indre-et-Loire)	570
France	Etrez (Ain)	640
Germany	Uelsen	840
Slovakia	Pozagas	650

(1) Useful storage volume held by GDF SUEZ, all of which is taken into account irrespective of the real ownership percentage.

LNG TERMINALS

Country	Country	Total capacity[1]
France	Montoir-de-Bretagne	10 Gm^3(n) *per annum*
France	Tonkin (Fos-sur-Mer)	5.5 Gm^3(n) *per annum*
France	Cavaou (Fos-sur-Mer)	8.25 Gm^3(n) *per annum*
United States	Everett	6.3 Gm^3(n) *per annum*
United States	Neptune	3.5 Gm^3(n) *per annum*
Chile	Mejillones	1.7 Gm^3(n) *per annum*
Puerto Rico	Penuelas	0.8 Gm^3(n) *per annum*

(1) Capacity of assets held by GDF SUEZ, all of which are taken into account irrespective of the real ownership percentage.

1.5 INNOVATION, RESEARCH AND TECHNOLOGIES POLICY

1.5.1 Innovation

To be leader in the energy transition in Europe, the Group relies on innovation to meet its customers' new requirements.

GDF SUEZ created a new entity in February 2014 called "Innovation, Marketing and New Business", intended to support changes on mature energy markets and the convergence between energy services and information technologies. Its aim is to position the Group at the forefront of these changes by developing additional growth vectors and new ways of doing business within the Group. Three priority sectors have been identified by the Group:

- Energy management, aggregation, decentralized generation, and energy storage,
- Cities, regions and mobility,
- Energy efficiency and home comfort.

New tools and processes have been deployed to foster entrepreneurial creativity and to ensure that innovation promotes the Group's long-term commercial development. A social network for innovation, "innov@GDFSUEZ", was launched in mid-2014 for Group employees. This internal tool is intended to boost the innovation dynamic in the Group and promote innovation among employees. At December 31, 2014, innov@GDFSUEZ had over 6,000 members. On average, five new product or business ideas are submitted each week.

In addition, an incubation process for employee projects has been created. At December 31, 2014, five teams of Group employees were developing their projects in external incubators created from partnerships with organizations such as Paris Région Lab (France), Le Village (France), and WSL (Belgium).

This process enriches existing initiatives such as the Trophées de l'Innovation ("Innovation Awards"), an in-house competition held each year for innovative projects submitted by Group employees. In 2014, the sixth annual Innovation Awards attracted over 500 submissions.

To strengthen its links with the innovation eco-system in the regions where it operates, the Group partners with major innovation-themed events and has launched several calls for projects to startups. GDF SUEZ has also launched a number of public initiatives: a "Hackathon" on customer relations in June 2014, an "innovation mornings" cycle in October 2014, and an "Innovation Day" in Lille in November 2014.

A GDF SUEZ New Ventures investment fund with a €100 million endowment was launched in May 2014 to back innovative startups. This fund was designed to take minority stakes in developing startups linked to the Group's activities by offering them dual leverage: financial leverage through investment and operational leverage with the Group's subsidiaries.

At December 31, 2014 one program had been adopted, Powerdale (Belgium), and four others were in process.

The Group is conducting cross-cutting projects to foster the emergence of new products based on digital technologies such as Cit'Ease, a collaborative urban management tool, and Terr'Innove, a regional energy management system.

1.5.2 Research and Technologies

The Group's expertise is enriched by a dynamic research and development policy supported by an international network of research centers and partnerships with globally-recognized organizations. More than 900 researchers contribute to technological excellence in all the Group's activities. In 2014, expenditure on research and technological development amounted to €189 million.

GDF SUEZ conducts researches to manage and bring to maturity tomorrow's technologies, which will make all the difference in setting apart the offers and activities of its businesses. Research is also carried out to improve operational performance. Prospective corporate research programs fall under the following priorities: low-carbon energy, energy distribution and storage, smart energy management, and new gas value chains.

In 2014, the Research & Technologies department expanded internationally with the setting up of a laboratory in Chile and another in Singapore. At the beginning of 2015, a third has been established in the Middle East. It is also creating new centers of expertise within its laboratories, the first of which is a new center of expertise for batteries. Others being studied, concern important and varied subjects such as digital, 3D printing and drones.

In 2014 the Research & Technologies Department won a number of awards. At the International Gas Union Research Conference (IGRC), it won the *Dan Dolenc Award* for best communications during the conference on a research activity for the *Valenthin* project on recovering heat from low-temperature sources. The R&T Department also won the multi-energy judges' special award at the Paris *Smart Grid* colloquium for the collaborative GRHYD hydrogen energy storage demonstrator project (manufacture and distribution of hydrogen produced from a renewable power source).

Highlights from the 2014 corporate programs:

- Cities and buildings of the future: finalization of *Cit'Ease,* the interactive city dashboard (first demonstrator in Mulhouse), and *Citizen,* the interface where citizens can learn about their city as well as report problems (first demonstrator in Croix); creation with a partner of a 3D simulator for the sustainable city (case study: the city of Astana in Kazakhstan); launch of the development project on innovative digital services that promote energy efficiency, campus eco-management with the University of

Nanyang in Singapore; and the installation of the first natural gas fuel cells for the single-family home in France, as part of a European collaborative project (Ene.field).

- Smart energy and environment: research on the value of various smart technologies in the energy field (flexibility aggregation, electricity storage, data analysis); inauguration in Toulouse of the first smart electricity network tested at an industrial park in France and fuelled by a mix of distributed renewable energy sources using batteries and flywheels for energy storage; launch of collaborative projects on the development of management platforms and analysis of data from energy infrastructures and their customers (big data projects).
- Renewable energies: start of construction of a dry biomass gasification demonstrator called *Gaya* near Lyon; partnership with Alstom for the development of tidal projects and submission of a pilot tidal farm project with ADEME for the Raz Blanchard (Manche) site, which was accepted.
- Offshore LNG and future gas chains: ongoing evaluation of alternative invoicing technologies; ongoing international collaboration in R&D (e.g. *Gas Technology Institute, Energy & Geoscience Institute* of the University of Utah); offshore LNG technical studies on the transfer and behavior of LNG in floating tanks.
- Carbon capture, transportation and storage (CCS): advanced technological monitoring of the three links in the chain (capture, transportation and storage).

Research and Innovation activities directed by the Research and Technologies Department are carried out in the Group's specialist research laboratories:

- CRIGEN (*Centre de Recherche et Innovation Gaz et Energies Nouvelles*) is the operational expertise research center dedicated to the gas, new energies, and emerging technologies businesses. Located in the Paris region, in 2014 it had 360 employees, seven test centers, one scientific computing center, and customers in over 30 countries around the world. It also runs the Group's new laboratory in Singapore. CRIGEN focuses strongly on innovation, both through R&D work and expertise, and through its work methods.

Some key achievements in 2014:

  - LNG: optimization of the "CII" natural gas liquefaction process for small-scale liquefaction, the competitive advantages of which have been demonstrated at a production facility in China; completion of numerous scale and safety studies for the LNG chain internationally.
  - Nanotechnology: experimentation for communicating pipelines, equipped with "RFID tag" units developed by CRIGEN and RYB, to improve the locating of distribution networks and traceability of operations. GrDF considers the large-scale deployment of this process after trials of several hundreds of tag units.
  - Inspection of the gas distribution network: studies related to the deployment of drones to conduct safer, quicker and cheaper inspections of gas pipelines.
  - Crigen Innovation Days: Open Innovation operation with Group entities which enabled around ten patents to be filed in 2014.

- Laborelec, attached to the Energy Europe business line, is the GDF SUEZ Group's research and competence center in electricity technology, located near Brussels, Belgium. It also has branch offices in the Netherlands and Germany and is running the Group's new laboratories in the Middle East and Chile. Laborelec had a staff of 237 in 2014. Its skills and activities cover the generation, transmission, distribution, storage and end use of energy. Its expertise focuses on reducing the environmental impact, improving availability, maintenance, and energy systems of the future.

Some key achievements in 2014:

  - Design and development of new technical and software solutions: a stress calculator for steam turbines to improve flexibility and startup times; a mobile phasor measurement unit (PMU) integrated with a network status controller; new demand-side smart management algorithms, optimization of energy storage and smart planning for electric vehicle charging stations.
  - CO_2 feedstock: Participation in the KIC-Climate EnCO_2re program to enlarge the program for CO_2 re-use as feedstock in chemical processes.
  - Pilot projects for Demand-Side Management: Participation in several projects including KOEMPEL, rolled out in an industrial park in the south of Holland for implementation in *smart grids.*
  - Development of the latest version of the Laborelec Vibration Monitoring System for turbo machines, to make the tool more compact and facilitate its installation.

- Cylergie, the research center incorporating the Cofely Services Economic Interest Group (EIG) and other entities of the Energy Services business line, is based in Lyon. Its expertise is used for energy services activities. Its research priorities are: heating and cooling networks, renewable energy and thermal storage, energy efficiency, comfort and indoor air quality, health risk management and controlling the environmental impact of our facilities.

Some key achievements in 2014: system to optimize air treatment at swimming pools, with patent filed; system to measure the efficiency of a biomass boiler by analysis of exhaust gases, with patent filed; predictive controller for a heat storage unit to optimize the Renewable Energy coverage ratio on a heat network.

- COFELY INEO, which is under the Energy Services business line, is based in France and structures its R&D and innovation activity around the ideas of systems and "systems of systems" that bring together the company's expertise in energy, communication networks and information systems.

Some key achievements in 2014: Continuation of Smart ZAE, SESAM GRID and Smart Campus projects, and development of Cit'Ease, the dashboard offer for cities, based on the technology of the Open-Control© multi-technical platform, jointly between Cofely Ineo, GDF SUEZ and SUEZ Environnement.

- Tractebel Engineering, part of the Energy Services business line, is present in 22 countries in Europe, Latin America, Asia, the Middle East and Africa and implements projects in more than 100 countries worldwide. Its R&D activity covers the following domains: sustainable energy, nuclear energy, hydropower as well as electricity distribution and transmission networks.

Some key achievements in 2014: Development of software to enable virtual tours of technical installations or facilities that are difficult to access; automation systems for probability studies of the risk of fire or flood for nuclear plants; and systems for analysis of floods and the environmental impact of dredging work.

- The International Exploration & Production BU, attached to the Global Gas & LNG business line, carries out R&D for the Group in geosciences for the Group's exploration & production and underground storage.

- The Gaztransport & Technigaz (GTT) BU, attached to the Global Gas & LNG business line, focuses its R&D activity on two main areas: improving the performance of its technologies, especially in thermal efficiency, and diversifying with a product and services offering with a high technology content (e.g. modeling tools for managing *boil-off* in LNG tanks).
- In the nuclear field, various R&D activities are undertaken in the following fields: surface or geological storage of nuclear waste, final shutdown and dismantling of nuclear facilities, performance improvement of existing plants and safe extension of their lifespan, optimizing fuel use, societal impacts of nuclear energy and the International Thermonuclear Experimental Reactor (ITER), etc.

2

RISK FACTORS

The material risks to which the Group is exposed, based on its own assessment, are described below. Other risks not mentioned or unknown to date could also affect the Group. If these risks were to occur, they could have a significant negative impact on the Group's operations, financial position and earnings, image and outlook, and/or on the GDF SUEZ share price.

2.1 RISK MANAGEMENT PROCESS

2.1.1 Enterprise risk management policy

The Group has adopted a policy of Enterprise Risk Management (ERM), whose principles are consistent with professional standards (including ISO 31000, Federation of European Risk Management Associations). The policy sets out GDF SUEZ's ambition to "better manage its risks in order to ensure its performance".

The Group's Enterprise Risk Management policy applies throughout the Group, including all business processes and controlled entities, while observing the rules of governance that apply to each entity.

This policy promotes risk-taking at a reasonable level from a legal perspective, and which is acceptable to generally held opinion and economically viable. It stipulates that all managers are risk managers. The Management Committees of the Group's entities are the main bodies that determine the actions to be taken to manage risk, except where an ad hoc risk committee has been created, such as for market risk.

To achieve this aim, the Group has appointed the Executive Committee member, Director of Audit and Risk Management as Chief Risk Officer, to oversee risk management activities. The Chief Risk Officer's role is to ensure that the Group has adequate competence in all areas for effective risk management. Risk analysis and coordination of action plans are performed in collaboration with all the Group's support functions.

Each year, the Group's ERM process begins with a risk review by the General Management Committee: each priority risk identified is coordinated by a member of the Executive Committee. The ERM campaign is then launched across the Group, setting out guidelines for risk management throughout the year. Finally, the Audit Committee examines the risk review and issues an opinion on the effectiveness of the risk management system, before reporting to the Board of Directors (see Section 4.1.5, "Standing Committees of the Board of Directors").

Knowledge of risks resulting from feedback from operating entities, business lines and support functions is supplemented by interviews with directors, analysis of publications by external observers and review of major events.

2.1.2 Crisis management

GDF SUEZ may have to face crisis situations. The Group has defined a crisis management and communication policy, which sets out general operating principles and the roles of the various participants, and it has set up a dedicated organization.

The Group is thus equipped with a warning, analysis and decision-making system that determines how and at what strategic level to handle the crisis (site, BU, business line or Corporate).

The efficiency of the system and the way that it is structured (emergency plans, business continuity plans, etc.) are regularly assessed using internal controls and appropriate training exercises.

2.1.3 Risk and insurance coverage

The GDF SUEZ Insurance Department is responsible for preparing, establishing and managing insurance programs in the areas of Group asset protection (against property damage and losses in earnings), personal protection, third-party claims (civil liability) and automobile insurance and prevention.

For each of these areas:

- the amounts insured depend on the financial risks resulting from potential claim scenarios and coverage conditions offered by the market (available capacities and tariff conditions);
- the optimization of the financing of low or moderate-level hazard risks is based largely on self-insurance plans, either directly through deductibles and retentions, or indirectly through the use of the Group's reinsurance company, whose commitments, on a cumulative basis, represent a maximum estimated loss of approximately 0.2% of the Group's 2014 revenues.

However, the Group could, in certain cases, be required to pay out sizeable compensation that the current insurance program does not cover or could incur very high costs that its insurance policies do not reimburse or reimburse inadequately. Although the Group has excellent insurance coverage, specifically with regard to civil liability and environmental risks, it could be liable beyond the maximum insured amount or for events not covered (primarily due to the common insurance exclusions).

2.1.3.1 Civil liability

A Directors & Officers civil liability program covers the representatives of GDF SUEZ, its subsidiaries and Group representatives within its equity holdings.

A general civil liability program (including for environmental damage) has been taken out for all the Group's business lines in a total amount of €800 million, all damages combined. This program operates either at the first euro of liability or in excess of the underlying coverage taken out by some regions in the Energy International business line (usually with cover of $50 million).

2.1.3.2 Nuclear civil liability

As an operator of nuclear power plants in Doel and Tihange (Belgium), Electrabel's civil liability is governed by the Paris and Brussels Conventions. These established a unique system that departs from ordinary law to ensure that victims receive compensation and to encourage solidarity among signatory countries.

This liability falls exclusively on the operator of the facility where the nuclear accident occurs. In exchange for this strictly objective liability, the amount of compensation is capped per accident and by a 10-year statute of limitations. The signatory states to the conventions also created a mechanism that provides additional compensation beyond this maximum amount.

The nuclear civil liability insurance program taken out by Electrabel was adapted with effect from January 1, 2012 to comply with the Belgian national law requiring the operator to provide financial guaranties or to take out civil liability insurance up to €1.2 billion.

2.1.3.3 Property damage

The Group's business lines have property insurance covering the facilities that they own, lease or manage on behalf of third parties, with the exception of transmission and distribution network pipelines in France. The main programs provide cover based either on new replacement value or on contractual limits per loss event. In the latter case, the limits are set on the basis of major scenarios in accordance with insurance market rules and available offers (cost and capacity).

Insurance covering business interruption and additional operating costs is taken out based on each risk analysis and in consideration of existing risk mitigation plans.

Construction projects are covered by "Erection All Risks" programs taken out by the owner or operator, project manager or prime contractor.

Exploration-production activity, which is carried out primarily off-shore, is covered by a specific insurance program tailored to this sector's risks and in accordance with its practices.

2.1.3.4 Marine liability

An insurance contract covers LNG transportation by LNG vessel, limited to €50 million per shipment.

Marine insurance contracts cover liability as ship owner (limited to $6 billion, except for war risk limited to $500 million and pollution risk limited to $1 billion) or as charterer (limited to $750 million). Damage to ships is covered up to their agreed value.

2.1.3.5 Employee protection programs

The operating entities develop programs covering employees against the risk of accidents and medical expenses, in accordance with legislation in effect and pursuant to company agreements.

2.2 RISKS RELATED TO THE EXTERNAL ENVIRONMENT

The Group is sensitive to the structural and economic risk factors that affect the energy sector. These risks are all analyzed and measured as part of strategic planning processes that allow the Group to anticipate and prepare for changes in the external environment. The Group's research and innovation policy also helps to deal with strategic developments (see Section 1.5.1 "Innovation").

2.2.1 Economic environment

2.2.1.1 Structure of demand

A slowdown in economic activity could have a knock-on effect of reduced demand for energy and related services from our customers, affecting the Group's business volumes and margins.

In Europe, there is a structural decline in demand for gas and electricity, associated, among other things, with improvements in energy performance (new and existing buildings, networks, industrial processes), regulations, and more conscious use of energy by consumers.

In non-OCDE countries, energy demand is growing, but is sensitive to the level of economic growth in these countries.

In view of these risks, monitoring mechanisms have been set up and business models adjusted. The Group's geographic and sectoral diversity provides a means of mitigation. In addition, the Group has a range of energy services that it offers to industrial, business and residential customers, both inside and outside Europe, to meet the specific requirements of the energy transition.

2.2.1.2 Structure of supply

Lack of growth in Europe and the competitiveness of coal have created an overcapacity for the Group in its fleet of thermal plants. Stagnating natural gas demand could also result in overcapacity in the European gas infrastructures.

Policies aiming at reducing CO_2 emissions, renewable energy support systems and other regulatory and tax systems, increase the complexity of the competitive balance among different forms of energy and can firstly compromise the profitability of existing assets, and secondly create uncertainty over relevant technology choices for the future (including gas, renewables, nuclear and coal).

In the short term, the Group is rationalizing its generation fleet. The Group closed or mothballed several generation units in 2014 (see 1.3.1.5 "2014 Highlights"). In the medium-term, the Group intends to propose a new energy market model in Europe, specifically as part of the Magritte initiative[1]. In the longer term, a technology watch enables the Group to develop strategic scenarios that anticipate changes in the energy mix.

2.2.1.3 Competitive environment

In its different businesses, the Group competes with major international players and emerging players in the private and public sectors.

Deregulation of electricity and gas markets, both in Europe and the United States, opened the door to new competitors and reinforced market price volatility. Competitive pressure has a significant negative effect on the selling prices, margins and market share of the Group's companies. The sustained economic slowdown in Europe is further exacerbating this risk.

The emergence of smart energy technologies impacts the gas and electricity value chain, with new competitors from information technology, telecommunications and equipment manufacturers.

The Group is rationalizing its operations and processes to adapt its cost structure, enhance its integrated position on the value chain, and develop offers tailored to changes in its environment.

2.2.1.4 Business model

The energy sector is changing rapidly: in technologies (solar and wind power and electricity storage), in customer requirements, due to new competitors and due to increased digitization in the sector. In response to these changes, the Group has implemented a structure dedicated to innovation and new activities with representatives in the business lines, so that its customers can be provided with tailored solutions.

Concerns associated with climate change and the improved competitiveness of renewable energy sources have had an effect on the Group's traditional activities. The Group's strategy is focused on developing renewable energy sources and developing services specifically for the energy transition.

2.2.2 Regulatory and political environment

The legal and regulatory landscape for the Group's businesses is changing in terms of both environmental and social issues and due to energy sector regulation.

2.2.2.1 Environmental and societal laws

The Group's businesses are subject to a host of laws and regulations that address environmental protection, promote energy systems with zero or low greenhouse gas emissions, reduce energy consumption, protect health and develop safety standards. All these measures could have a significant impact on the Group:

- European climate change and energy policy to the 2030 horizon is aimed at promoting energy efficiency, reducing CO_2 emissions, and increasing the contribution of renewable energy sources to the energy mix;
- French law on the energy transition and the associated texts address these topics, as well as the mechanisms financing the fight against fuel poverty, and the promotion of energy efficiency. The mechanisms in place to support renewable energy sources are expected to develop to enable greater market exposure, in accordance with the European guidelines, while competitive bidding will be introduced for hydro concessions, with greater involvement by public-private companies;
- changes in regulations on CO_2 quotas affect the market price of CO_2 in Europe, and have consequences for the relative competition between natural gas and coal power generation; increasing numbers of countries are adopting such regulations;
- the revision of the policy document referring to the best available techniques for large combustion facilities could lead to substantial changes at some European sites;
- the EU Directive on energy efficiency adopted in late 2012 has to be transposed into the various Member State laws and entails, in France, for example, a doubling of the Energy Savings Certificates (ESC) obligation in the third period (2015-2017), which could have an impact on the Group's margins in France;

Changing or tightening regulations could entail additional investment or operating costs for the Group.

The Group is rationalizing its generation fleet and its project portfolio so that it can take advantage of opportunities, and is working to limit all of these risks, principally as part of a proactive environmental and social protection policy (see Section 3.3, "Environmental information").

(1) *See 1.1.4 Strategic priorities.*

2.2.2.2 Sector regulations

In some Member States and at European level, and in a number of countries, including the United States, Australia and Brazil, public measures have been implemented in the energy sector through regulation and the extension of regulatory powers in the area of competition. They can occur by the "overtaxation" of the profits made by energy companies (particularly nuclear production in Belgium), the withdrawal of funds established for the dismantling of nuclear power plants, by changes to the market operating rules and supply security, by the regulator's intervention in the deregulated sector to encourage the development of competition or else by the desire to hand back control of utilities to local authorities. National budget deficits and high levels of indebtedness contribute to increase this risk.

Some draft regulatory developments may alter the risk profile of the Group and impact its earnings and its business model:

- on February 25, 2015, the European Commission published the key elements of its "Energy Union" policy. Some developments are positive, such as the formalization of an energy and climate framework for 2030 based on a stronger carbon market, and the redesign of the electricity market model. Others might have a negative impact on the Group's activities, such as a centralized gas purchasing body, supervision of intergovernmental agreements, security of gas supply, and the reworking of the Third Energy Package;
- the implementation of common rules for the European internal electricity and gas market, as well as technical application measures (electricity and gas network codes, currently in development) are intended to complete the creation of a real internal energy market. These changes may require the technical adjustment of our operations;
- in February 2013, the European Commission adopted a Council Directive proposal to levy a tax on financial transactions whose entry into force is scheduled early 2016. The implementing provisions, specifically the criteria for the inclusion of businesses in the financial institution category, have yet to be agreed by the Member States participating in enhanced cooperation;
- the guidelines on state aid for energy and the environment, published in the Official Journal of the European Union on June 28, 2014, have now come into effect. The effects on the Group's business will mainly relate to national support mechanisms for renewable energy sources (to gradually integrate them into the market) and energy efficiency, infrastructure financing, environmental tax exemptions and fee waivers on the financing of renewables (preferential rates for industrial partners), and capacity payment mechanisms;
- in Brazil, the Group is exposed to regulatory changes on electricity markets. For example, in the event of drought the government could announce restrictions on water usage for power generation;
- in the United States, the development of electricity market regulation (primarily in Texas) could lead to uncertainty in terms of the Group earnings in this region.

Through concerted action as part of the initiative commonly known as "Magritte", which brings together the CEOs of the European energy companies, and through its direct presence in EU and Member State institutions, the Group tries to anticipate any legislation likely to affect the Group, and formulates proposals for decision-makers. It is hard to predict all regulatory changes in each country, but the Group partially limits this risk through diversification, by conducting its business in multiple countries. However, some regulatory developments offer new market opportunities for the Group's activities.

In addition, other risks are discussed in Section 1, through the description of the legislative and regulatory framework in which the different entities operate.

2.2.2.3 Controlled, administered or regulated tariffs

In France, a portion of the Group's sales are made in the context of administered tariffs. French laws and rules, European regulation and decisions by regulators (in particular, the French Energy Regulation Commission (CRE) for decisions on tariffs for access to certain infrastructures) may affect the Group's sales, profits or profitability, in the event of the partial impact of procurement, infrastructure and commercial costs on natural gas selling prices or the partial impact of costs on gas infrastructure access tariffs or electricity sales from renewable energy.

Also, in France the opening of the electricity market to suppliers other than the traditional operator, in addition to the opening for very large customers, is still limited and could be jeopardized by the emergence of price reduction arising from regulated tariffs that replace and compete with commercial offers.

Price control mechanisms also exist in other countries, specifically Belgium, Hungary, Italy, Romania, Brazil and Mexico, for energy generation, distribution and sales.

2.2.2.4 Societal acceptability

To engage in its activities, the Group must hold various permits and authorizations. Dealing with the regulatory authorities concerned to obtain or renew these can be a long and costly process. In addition, the Group may face opposition from the local population or associations during the installation or operation of certain equipment, or in relation to public energy price protests.

The Group therefore implements widespread consultation upstream of its projects, forges partnerships with civil society and ensures the positive economic impact of its activities, in line with community expectations (see Section 3.4 “Societal information”).

2.2.2.5 Country risk

Due to the diversity of its locations, the Group is exposed to country risk (sovereign default, convertibility, expropriation, etc.). The Group is present in countries such as Brazil, Chile, Thailand, Indonesia, Mexico, India and Peru, which are undergoing mixed economic and political developments. A significant share of gas supplies and exploration-production business comes from countries such as Russia, Algeria, Yemen, Libya and Egypt.

These countries are associated with political, economic, regulatory and financial risks. In addition, the Group might be unable to defend its rights before the local courts in some countries in the event of a dispute with the government or other local public entities.

The diversity of the Group’s locations results in some mitigation of country risk: 85% of revenues are generated in Europe and North America, 10% in Asia, the Middle East and the Pacific and 5% in South America. The Group also manages these risks within partnerships or contractual negotiations adapted to each location. It chooses its locations by applying a formal investment procedure that appraises risk. The inclusion of international arbitration clauses in contracts is applied as widely as possible. Regular monitoring of economic and non-economic indicators relating to corruption, human development, and inequality is done in each country to assess the Group’s exposure to country risk.

2.2.3 Impact of Climate

Significant climate changes (mainly in temperature, but also in terms of water availability[1] and wind) from one year to the next can cause substantial fluctuations in the electricity and gas supply-demand balance. These factors, which combine price and volume impacts, have a direct effect on the Group’s income.

Beyond these annual changes, there has been a warming of the average climate, although periods of extreme cold are possible in Europe. Regulations require suppliers to provide storage capacities according to their customer portfolio; if supplier bookings are not adequate, it could lead to strong pressure on the supply/demand balance for gas in Europe, including France.

Although the Group cannot protect itself against fluctuations in demand, it is able to modulate its gas purchases and rationalize its electricity production, which enables it to adapt its production and supply costs (see Section 2.3.1 “Purchases and sales”).

In the longer term, the Group is looking at ways of combining sustainable development and managing the impact of climate change on its business.

2.2.4 Reputational risk

The Group is exposed to reputational risk, both directly and indirectly, especially when the Group’s values, its operational excellence or its legitimacy as a utility are called into question.

The flagship brand “GDF SUEZ” (name and logotype) is registered in over one hundred countries. As a vital part of the Group’s intangible corporate assets, the brand is constantly monitored to protect it against any fraudulent use that could harm the Group’s image.

Through its policies, organization, procedures and governance, the Group endeavors to prevent operational risks (see Section 2.3, “Operating risks”) and smear campaigns that could affect its reputation.

(1) Availability of water resources for a dam or waterway, dependent on rainfall.

2.3 OPERATING RISKS

2.3.1 Purchases and sales

2.3.1.1 Purchase and sale of natural gas

The Group has established a portfolio composed in part of long-term, take-or-pay contracts (see Section 1.3.1.6.1, "Central Western Europe").

In case of major gas supply interruption (for example, due to an interruption of Russian deliveries or an interruption of transit in Ukraine), the replacement cost for gas, including transportation, could be higher and affect the Group's margins. To control this risk, the Group has a number of tools for flexibility and modulation (flexibility in long-term contracts, storage and regasification capacity, and purchasing in the marketplaces) as well as a diversified portfolio.

Prices of long-term purchase contracts (partially indexed to the price indices of oil products) may be decorrelated from selling prices or prices in the gas markets: this spread might have a significant impact on the Group's results. Long-term contracts include price adjustment clauses, so that the economic balance between producer and buyer can be altered. The Group's buy/sell margin may therefore change according to price adjustments in LNG or gaseous gas contracts.

Negotiations in recent years have led to the integration of market indices in long-term contracts and/or to the reduction of the difference between the contract price and market price. They have also led to an increased frequency in price revisions.

2.3.1.2 Purchase and sale of electricity

The Group is an electricity producer in Europe, the United States and Australia, where the profitability of its assets is linked mainly to prices in electricity markets. The economic climate or decisions by some states regarding the electricity sector may lead to volatility in electricity prices, which may have an impact on Group earnings.

The Group may also have to buy power to supply its customers, for example to cover any non-availability of its fleet. These purchases are rationalized but could generate extra supply costs.

The Group monitors changes in its risk exposure and makes decisions accordingly (see Section 2.5.1, "Commodities market risk").

2.3.1.3 Operational risks related to the purchase and sale of energy

The main risks related to regulated sales are outlined in Sections 2.2.2.2 "Sector regulations" and 2.2.2.3 "Controlled, administered or regulated rates".

In its portfolio optimization activities for physical assets (power plants, long-term contracts, etc.) and customers, as well as in managing the associated financial positions, the Group is exposed to operating risks such as fraud, execution error, and process and system failure. Operations are monitored via appropriate processes, and risks are taken into account as part of the Group's internal control program, "INCOME". In addition, a specific system for increased monitoring of operating risks has been set up in the Group's various business lines.

2.3.1.4 Purchase risks and supply chain risks (excluding energy)

The performance of the Purchasing and Procurement function and its ability to manage the associated risks affect all of the Group's activities. Management of purchasing and supplier risks is monitored at Group level specifically, external risks that are regarded as having the biggest impact, such as the failure of a major supplier, or the dependence of a Group entity on a critical supplier, or vice versa.

The implementation of purchasing management by category, i.e. by homogenous supplier market, has strengthened processes for selecting and qualifying suppliers, and has enabled their performance to be monitored, thereby limiting the impact of these risks on the Group's activities. Similarly, for new projects, risk management covers specific purchase and supplier/subcontractor risks (see Section 2.3.2.2 "Risks related to development and major projects").

2.3.2 Management of assets and development

2.3.2.1 Optimization of the asset and investment portfolio

External expansion, notably by means of acquisitions, could lead the Group to issue equity securities, or to borrow. Acquisitions present risks related to integration difficulties and failure to achieve expected benefits and synergies. Risks related to the valuation of assets or liabilities or non-achievement of expected results could arise at the end of the acquisition process, resulting in provisions for asset impairment. The Group also sells assets for which it may retain certain liability guarantees.

The acquisition processes implemented by the Group, particularly during due diligences, aim to assess to the greatest possible extent the uncertainties related to these risks in such cases. The resulting appraisal depends on the quality of the information transmitted to the Group and is limited by the judicial and regulatory framework applicable under local corporate law.

2.3.2.2 Risks related to development and major projects

The Group bases its growth on various major industrial construction projects, such as gas and electricity plants and dams, where it usually acts as owner and/or operator. The profitability of these assets – whose service life is several decades – depends greatly on cost control and construction times, the operational performance of the industrial asset, external phenomena (e.g. natural disasters and strike actions), regulatory and fiscal changes and changes in the competitive environment and markets over the long term, which could reduce the profitability of certain assets or result in lost revenues or asset impairment.

The implementation of contract management arrangements allows for better control of some of these risks, including through the use of indemnification mechanisms, in respect of our customers and off takers, as well as our suppliers and subcontractors.

The Group is also responsible for the facility design and construction phases of some projects. Although these projects are always subject to in-depth studies and the Group has acknowledged expertise, construction deadlines may not always be met resulting in penalties, construction costs may be higher than anticipated, the facilities' performance may not comply with the specifications and subsequent accidents may trigger the Group's civil liability, professional indemnity or criminal liability. This could have a negative impact on the Group's image, financial situation, or earnings.

The Group has strengthened operational monitoring and oversight of projects and is monitoring the portfolio of projects at Group level, which provides the warnings needed to launch corrective action.

2.3.2.3 Risk linked to nuclear development

The Group actively pursues its projects in the development, construction and operation of nuclear power plants. The Group has teamed up with Toshiba Westinghouse (AP1000 technology) in the United Kingdom, and is also a member of a consortium formed with Japanese groups Mitsubishi Heavy Industries and Itochu (ATMEA1 technology) in Turkey.

It should be noted that these projects are currently still in the pre-development stage, and that the Group's financial exposure is therefore not material.

The Group has established governance principles for development, construction, operation and decommissioning based on its experience as a nuclear power plant operator. It is also active in employee recruitment, training and retention, both for facilities in operation, service entities and Group projects.

2.3.2.4 Risks relating to partnerships and minority investments

Partnerships and acquisitions of minority interests are one of the ways in which the Group can share the economic and financial risks inherent to some projects, by limiting its capital employed and allowing it to adapt more appropriately to the specific context of local markets (see Note 4 to Section 6.2 "Consolidated Financial Statements"). As much as possible, the Group protects itself against the risks resulting from joint control or lack of control (such as a lack of information or an impact on the Group's reputation) with the signing of shareholders' agreements on governance and information reporting, and with the role of the director representing the Group.

However, changes to the project, the economic situation, the partner's strategy or even the local political and economic environment may, in some cases, lead to the failure of a partnership or changes in its control or governance, a change of control or a partnership's governance, or to a disinvestment.

These situations may lead the Group to develop contractual arrangements for deadlock resolution or, in the event of conflict with the partner(s), to seek a solution before the relevant courts or arbitration bodies.

2.3.3 Legal risks

The Group faces legal risks in all of its businesses and in global markets. The risks arising from the legal and regulatory framework, from operations, from partnerships and from contracts signed with customers and suppliers are mentioned in the respective subsections of this Chapter 2.

In the course of its operations, the Group is engaged in a certain number of legal disputes and arbitration procedures, and is also subject to investigations and procedures. The main investigations and procedures are described in Note 28 of Section 6.2, "Consolidated Financial Statements". With the exception of these procedures, and to the Company's knowledge, no other governmental, legal or arbitration procedure (including a suspended or threatened procedure[1] exists that is likely to have, or has had, material impact on the financial position or profitability of the Company and/or Group in the past 12 months.

2.3.4 Ethical risks

Any breach of the ethical principles of the Group could expose it to ethical and legal risks (see Note 28 of Section 6.2, "Consolidated Financial Statements"). Ethics policies are developed to avoid, as far as possible, the occurrence of such risks. The Ethics and Compliance Division promotes their implementation within the Group, through the managerial line and the network of Compliance Officers (see Section 3.1, "Ethics and compliance"). The ethical risks identified are analyzed and action plans are implemented.

2.3.5 Risks related to human resources

2.3.5.1 Expertise

Developments in the Group's activities (the impact of digitization, for example), as well as its international growth, requires new know-how and the mobility of certain employees. In addition, demographic aging affects specific technical sectors. An active policy of mobility between entities and between activities, combined with policies for professionalization, for the development of support functions, for the recognition of experts, and for attractiveness, through remuneration measures and incentives tailored for the environment, is also implemented (see Section 3.2.1, "Human resources development policies"). The Group is also working towards the launch of a professional observatory, to increase its capacity for anticipating and taking action in respect of changes in its activities.

2.3.5.2 Social dialogue

The Group must become more agile in order to adapt to its changing markets, particularly with regards to increased competition and evolution of its activities. In this context, consultation and negotiation play their part in governing social relations.

GDF SUEZ is respectful of all representational bodies. In Europe, GDF SUEZ dialogues with the two staff representative bodies, the European Works Council and the French Group Works Council, to support the transformations in progress (see Section 3.2.3, "Social relations"). This framework means that social partners are involved at the earliest possible moment in the strategic and industrial objectives pursued by GDF SUEZ.

As part of its development strategy outside Europe, the Group regularly holds discussions with Global Union federations.

2.3.5.3 Quality of life in the workplace and managerial behaviors

The implementing of appropriate terms of engagement, the motivation of its employees and the prevention of psychosocial risks are part of the Group's core strategy.

The Group invests in the promotion of behavior that helps in the development of staff, relying in particular on the deployment of the "GDF SUEZ Management Way" (see Section 3.2 "Social information"). Particular attention is also paid to the managerial chain to provide assistance in its role in change management.

Processes are deployed at the most appropriate level: being attentive to employees (call numbers, barometer surveys, etc.), quality of life in the workplace programs, information on career development, development of expertise and internal mobility.

(1) *This term means investigations or controls that have begun.*

2.3.6 Risks related to health and safety and protection of Group assets

2.3.6.1 Health and safety at work

The Group is committed to eradicating fatal accidents and reducing occupational accidents and illnesses. The Group policy outlining the principles of this approach was agreed with the union federations at European level and subsequently worldwide, and an action plan was drawn up for 2010-2015 (see Section 3.2.6, "Health and safety policy").

Addressing the risk of death at the workplace is part of the overall system for controlling the risk of industrial accidents. However, a specific plan for the sustainable mitigation of fatal accidents was launched in 2012. It relies specifically on nine "lifesaving rules" to prevent the reoccurrence of past fatal accidents.

2.3.6.2 Employee safety

The international scope of the Group means it may be exposed to a number of health and safety risks, the threat of which warrants a specific organization entrusted to the Safety Department which has established a country watch. As such, the Group is required to continuously assess the risks of terrorism, armed conflicts and confrontation with criminal organizations. Geographic areas are subject to classification according to specific prevention and protection measures. To accomplish this mission, the Group relies on State services as well as specialized providers. Should a specific situation occur, the crisis unit can be mobilized to provide exceptional resources, for instance in the event of an evacuation.

2.3.6.3 Protection of tangible and intangible Group assets

The Group's sites and industrial or tertiary facilities, which make up its tangible Group assets, may be exposed to malicious acts. Information, whether digital, physical or even verbal in form, constitutes the Group's intangible assets and may also be exposed to the same malicious acts.

To combat this type of risk, the Group implements a policy for the protection of tangible and intangible Group assets, covering technical (including IT), legal, managerial and organizational areas. Sensitive sites where tangible corporate assets are located are subject to protective measures tailored to the local situation and revised according to the actual threat status. The Group is continuing to act to protect its intangible Group assets, in order to prevent any internal or external action aimed at capturing and using sensitive information and to deal with any incidents or accidents detected. The Information Security Committee, chaired by the Secretary General, coordinates and controls all actions by the Group aimed at protecting its intangible assets.

2.3.7 Risks related to information systems

The introduction of new technologies (e.g. Cloud Computing, Bring Your Own Device), the evolution of industrial control systems and the development of new uses (e.g. social networking) expose the Group to new threats. Cyber-attacks and hacking attempts are increasingly targeted and carried out by specialists, and can target the company along with its customers or partners. More generally, system failure could result in information losses or leaks, delays and extra costs that could be detrimental to the Group's strategy or image.

In response, the Group has set up prevention and security measures for its information systems and data that are tailored to the risks identified. In connection with the Group's internal control policy and its security policy, these organizational, functional, technical and legal security measures are subject to annual checks.

2.4 INDUSTRIAL RISKS

The areas of activity in which the Group operates entail major industrial risks capable of causing harm to persons and property, and exposing it to claims for civil, criminal and environmental liability. These risks may concern facilities belonging to the Group or managed by the Group on behalf of third parties (industrial clients or local authorities). The industrial safety of the facilities that the Group operates is one of its major concerns. The handling of these risks is subject to in-depth monitoring and specific targeted investments, audits of the facilities in question are performed regularly.

2.4.1 Industrial facilities and Seveso sites

The Group operates and builds systems for gas transmission, distribution and storage systems, exploration-production facilities, LNG tankers, regasification facilities, LPG stations, electrical power plants, hydro facilities, as well as certain services provided in an industrial environment. Some of these facilities are high-threshold Seveso sites (or considered as such by the Group).

Risks can stem, for example, from operating incidents, design flaws or from external events beyond the Group's control (including third-party actions and natural disasters). Industrial accidents can cause injuries, loss of life or major property and/or environmental damage, as well as activity interruptions and operating losses.

The Group carries out its industrial activities in compliance with a framework of safety regulations, including the "Seveso II" European Directive[(1)]". These industrial risks are controlled by implementing a safety management system at each site based on the principle of continuous improvement, which is intended to reduce the level of residual risk by responding to the highest risks on a priority basis. Moreover, the risk of industrial accidents is part of the Group's internal control program. The Group conducts periodic inspections and audit and control missions to ensure that these measures are effectively implemented.

A specific action plan for the protection of industrial control systems, linked to industrial processes, is being implemented. It aims to prevent the risk of activity interruption or accidents due to cyber-attacks.

For the most part, these risks are covered by insurance policies. In the event of a major claim, these policies could prove insufficient to cover all damages incurred, lost revenues, civil liabilities and increased expenses (see Section 2.1.3 "Risk and insurance coverage").

2.4.2 Environmental pollution

Facilities that the Group owns or manages on behalf of third parties may entail risks of damage to the natural environment (air, water, soil, the habitat and biodiversity), and may pose health risks to consumers, neighboring residents, employees and subcontractors. These health and environmental risks are governed by strict national and international regulations. Non-compliance with these environmental standards or a process failure can have a significant negative impact on the Group's image, its business, financial situation, earnings and outlook, and lead to the engagement of its liability as a legal entity. Any amounts set aside, insured or guaranteed, may be insufficient. Complaints and convictions relating to the environment are given in Section 3.3.4.9, "Active prevention of environmental risks".

Health and environmental risks are regularly monitored by the Group, by external auditors and by governmental authorities, both for operational sites and closed facilities, such as former gas plants.

2.4.3 Nuclear power plants in Belgium

The Group owns and operates seven nuclear reactors of the pressurized water type at two nuclear electricity production sites at Doel and Tihange in Belgium. Although, since the commissioning of the first reactor in 1974, these sites have been without any major nuclear safety incidents that could have resulted in danger to employees, subcontractors, the general population or the environment. They could present civil liability risks for the Group, specifically in the event of a nuclear accident or the discharging of large quantities of radioactive material into the environment.

All persons working at Group nuclear power plants have appropriate qualifications, in particular control room operators. During operations, compliance with safety rules and conditions at the facilities are subject to inspection by the Belgian Federal Agency for Nuclear Control (AFCN), assisted by Bel-V, its technical support subsidiary. In addition, both nuclear sites are OHSAS 18001, ISO 14001 and EMAS-certified.

Following the nuclear accident at the Fukushima plant in Japan in March 2011, stress tests were carried out on European nuclear plants at the request of the European Council. The AFCN confirmed in its report of November 8, 2011 that the safety level was adequate. Its final report, published at the end of 2011, requested that some safety measures be strengthened to take account of more severe natural disasters.

In 2012, flaw indications in the vessel walls of the Doel 3 and Tihange 2 reactors were detected. The remaining vessels, of a different manufacturing, are also under inspection and those already inspected showed no flaw indication. After analyzing the supporting reports, the AFCN ruled in favor of restarting Doel 3 and Tihange 2, but requested a program of additional tests. The two units were restarted in early June of 2013. They were voluntarily stopped at the end of March 2014, after results from the additional tests did not deliver the expected results. In November 2014, a board of experts convened by the AFCN made requests and additional recommendations. Electrabel is continuing studies to present a safety file to the nuclear regulators. The AFCN will then decide whether to authorize the restarting of Doel 3 and Tihange 2. The unavailability has been extended to July 1, 2015; beyond that, any delay in the restart will impact the Group's 2015 targets. Note 13.3.1 of Section 6.2, "Consolidated Financial Statements" provides some measurement of the impairment of the nuclear assets under different scenarios of a permanent shutdown of the reactors.

(1) Directive 96/82/EC ("Seveso II") as amended by EC Regulation 1882/2003 and Directive 2003/105/EC.

The Government formed in October 2014 agreed to an extension of the operating life of Doel 1 and Doel 2 beyond 40 years. The economic and financial conditions of such extension are still under discussion. It was also decided to extend the operating life of Tihange 1 for 10 years beyond 2015 (see Section 1.3.1 "Energy Europe").

The operation of nuclear power plants is regulated in part by radioactive waste authorizations. The Group therefore reduces its discharges of radioactive liquid and gaseous effluents to the possible extent, while controlling the volume of low and medium radioactive waste. In Belgium, all nuclear waste management is the responsibility of the National Agency for Radioactive Waste and Enriched Fissile Material (ONDRAF). In 2013, barrels of medium radioactive waste from the Doel plant, stored at Belgoprocess, were subject to additional checks related to the discovery of a gel-like substance on the surface of the barrels. However, this issue has no effect on the safety of the environment or the health of the population. Studies are in progress in liaison with ONDRAF. The phenomenon was not detected at the Tihange plant, where a different encasement process is used, one that does not contain aggregates.

In addition, spent nuclear fuel is stored at power production sites pending a political decision on the fuel cycle downstream process. Costs associated with the management of spent fuel and the dismantling of facilities are included in the costs of electricity production from nuclear sources and are the subject of provisions. The assumptions and sensitivities regarding the assessment of these amounts are outlined in Note 19.2 of Section 6.2, "Consolidated financial statements".

2.4.4 Exploration-Production of hydrocarbons

The exploration and production of hydrocarbons are activities subject to significant risks such as geological hazards and risks of major industrial accidents (oil spill, fire, explosion, loss of well control, etc.).

Geological hazards are related to difficulties in investigating subsoil, the physical characteristics of oil or gas fields and those of hydrocarbons. In fact, estimates of discovered reserves must be large enough and have a positive economic analysis in order for said reserves to be exploited. During production, reserves may turn out to be lower than expected and this may adversely affect the economics of their use.

In order to reduce the impact of these risks, the Group:

- conducts its activities by sharing risks as part of consortia in which it may be an operator or simply a partner. As far as possible, the Group teams up with companies that are known for their expertise, rules and high level of commitment to safety and accident prevention;
- carries out its operations under the rules of a safety management system (see also Section 2.4.1) based on the ISO 14001 and OHSAS 18001 international standards, and takes into account best practices in the E&P industry, particularly those of the International Association of Oil and Gas Producers (OGP);
- has its hydrocarbon reserves regularly assessed by an independent third party;
- insures its facilities against structural damages, loss of production and civil liability lawsuits, including pollution, in accordance with industry practice.

2.5 FINANCIAL RISKS

2.5.1 Commodities market risk

The Group is principally exposed to two types of commodity market risk: price risks related directly to fluctuating market prices and volume risks (weather-related and/or dependent on economic activity). The Group is exposed to these risks, particularly in relation to gas, electricity, coal, oil and oil products, other fuels, CO_2 and other green products (see 6.1.1.8 « Outlook »).

With the exception of trading activities, market risks are assessed by means of their impact on EBITDA. Accordingly, the main risk indicators for managing the energy portfolios include sensitivity to unit price changes, the EBITDA at Risk, portfolio hedging ratios and stress tests based on predefined unfavorable scenarios. For trading activities, and in accordance with market standards, risk indicators include sensitivities, Value at Risk (VaR) and stress tests (see Note 17.1.1 in Section 6.2 "Consolidated financial statements").

The Group has implemented a specific governance process to control market and counterparty risks based on (i) the general principle of separation of risk management and operational activities, (ii) a Group-level Energy Market Risks Committee (EMRC) that is responsible for validating the business lines' risk policies and monitoring consolidated exposure, (iii) following a market and counterparty risk mandate, and (iv) a specific risk control unit coordinated by the Finance Department.

Most of its electricity production activity outside Europe and the United States is secured by long-term PPAs, often with local authorities, in which variations in operating expenses, in particular fuels, are transferred as "pass-throughs" into electricity sale prices. This greatly limits exposure to price fluctuation risks, even if the transfer is imperfect in some contracts.

The Group also uses derivatives to offer hedging instruments to its clients and to hedge its own positions.

2.5.2 Counterparty risk

Due to its financial and operational activities, the Group is exposed to the risk of default by its counterparties (customers, suppliers, partners, intermediaries, banks).

The impact of this may be felt in terms of payment (non-payment for services or deliveries made), delivery (non-delivery of supplies or services) or assets (loss of financial investments).

These risks are managed via framework agreements that use standard mechanisms such as third-party guarantees, netting agreements and margin calls or by the use of dedicated hedging instruments. Operational activities may also involve prepayments or suitable recovery procedures (especially for retail customers).

2.5.3 Currency risk

The Group is exposed to foreign exchange risks defined as the impact on the balance sheet and the income statement of exchange rate fluctuations as it performs its operational and financial activities. These are broken down into (i) a transactional risk related to current operations, (ii) a specific transactional risk related to investment, merger-acquisition or disposal projects, (iii) a translational risk related to assets outside the eurozone, and (iv) a risk related to consolidation in euros of the subsidiaries' accounts where the functional currency is other than the euro. This risk is concentrated in dollar-denominated equity investments (in the United States and on assets considered on a dollarized basis), as well as equity investments located primarily in Brazil, Australia and the UK.

For an analysis of foreign exchange risk sensitivity, see Note 17.1.3.2 of Section 6.2, "Consolidated financial statements".

As part of the Group's foreign exchange risk policy, recurring transactional risk is subject to systematic hedging in cases where this risk is material and almost certain to materialize. During the examination of investment projects, the specific transactional risk is subject to a case-by-case hedging strategy. Finally, translational risk is covered by partial hedging strategies subject to a reasonable hedging cost and sufficient market liquidity related to the risk of currency depreciation.

2.5.4 Interest rate risk

The Group's objective is to control its financing cost by limiting the impact of interest rate changes on its income statement and, with this in view, to create a balanced distribution among the various reference rates over the medium-term. The Group's policy is therefore to diversify the net debt reference rates among fixed, variable and protected variable ("capped variable") rates. The distribution may change around the balance point according to the market situation.

The breakdown by type of interest rates of the outstanding financial debt and sensitivity analysis for interest rate risks are available in Note 17.1.4.1 and Note 17.1.4.2, respectively, of Section 6.2, "Consolidated financial statements."

In order to manage the interest rate structure for its net debt, the Group uses hedging instruments, particularly rate swaps and options. Managed centrally, rate positions are reviewed periodically and when any new financing is raised. This management is subject to a risk mandate: any substantial change in the rate structure requires prior approval from the Finance Department.

2.5.5 Liquidity risk

In its everyday operations, the Group is exposed to the risk of a lack of liquidity necessary to meet its contractual obligations. WCR (Working Capital Requirement) consists both of elements resulting from transactions (customers, stock, suppliers) and margin calls linked to certain derivatives.

Liquidity is based on the regular renewal of various financing tools available to the Group such as credit lines, bond financing or other financing tools, to ensure their availability and their adequacy in relation to financing requirements. These facilities are pre-agreed and appropriate for the scale of its operations and for the timing of contractual debt repayments. Note 16.2.1 in Section 6.2 "Consolidated financial statements" explains the distribution of the various forms of financing used. The Group's financing policy is based on:

- centralizing external financing;
- diversifying sources of financing between the banking market and the capital markets;
- achieving a balanced debt repayment profile.

GDF SUEZ pools the majority of the cash flow requirements and surpluses of the Group's subsidiaries, as well as most of their medium- and long-term external financing requirements. Financing vehicles (long-term and short-term) provide centralization, as do the Group's dedicated cash-pooling vehicles in France, Belgium and Luxembourg.

2.5.6 Impairment risk

Assumptions and estimates are made to calculate the recoverable value of goodwill and tangible and intangible fixed assets, with particular reference to market outlook, which is more sensitive for certain operations. These assumptions and estimates are needed to assess cash flows and the discount rate to apply. Any change in these assumptions could have a significant effect on the amount of the recoverable value and could lead to changes in the impairment to be recognized (see Note 1.3.1.2 in Section 6.2, "Consolidated financial statements").

2.5.7 Equity risk

As of December 31, 2014, the Group holds a number of non-consolidated interests in listed companies (see Note 16.1.1 in Section 6.2, "Consolidated financial statements"), the value of which fluctuates on the basis of trends in the world stock markets and/or the position of the relevant companies.

A decline of 10% in the stock market price of these listed securities would have a negative impact of about -€141 million on the Group's overall income. The Group estimates that impairment indicators for listed securities occur when the value of any such security falls substantially or remains below its historical cost for an extended period.

The Group's portfolio of listed and unlisted stocks is managed under a specific investment policy and is subject to regular reporting to Executive Management.

In addition, the Group holds interests in listed companies consolidated using the equity method, including SUEZ Environnement (see Note 4 to Section 6.2, "Consolidated financial statements"), for which a significant or extended fall in the price below the value on the balance sheet is an indication of impairment.

2.5.8 Tax risk

Rule tightening by States seeking financial resources cannot be ruled out. Changes in tax regulation or case law relating to the application of tax rules may have an impact on the Group's earnings (see Note 28.1 of Section 6.2, "Consolidated financial statements").

2.5.9 Pension funding risk

A significant portion of the Group pensions commitments and the assets associated with these plans are concentrated in France and Belgium. Other defined-benefit pension plans are mainly located in Europe, Brazil and Australia.

In recent years the Group has terminated a number of defined-benefit plans and replaced them with defined-contribution plans. The defined-benefit plans still in operation notably include, in France, the special electricity and gas industry (EGI) plan, which is a legal statutory plan.

Note 20 of Section 6.2 "Consolidated financial statements" details the items evaluated and recognized.

The calculation of commitments is estimated with actuarial methods using methods, assumptions and models to assess liabilities or determine asset allocations and associated risks that could have a significant impact on hedging levels and financing requirements.

In France, commitments within the scope of the special EGI statutory plan are estimated using actuarial assumptions and rules respectively governing benefits paid out by plans operating under ordinary law and amounts that remain the Group's responsibility. These assumptions and rules may be subject to changes that increase the Group's commitments and therefore require an increase in the relevant provisions.

Substantial commitments exist in the form of other post-employment benefits and other long-term benefits, in addition to pension liabilities. These mainly comprise energy-related benefits provided to retired employees within the scope of EGI.

Hedging levels and financing requirements for the Group's pension plans vary according to the performance of financial markets and asset allocations, as well as interest and inflation rates and changes in the applicable legal and regulatory framework.

For some plans outside the scope of the EGI, GDF SUEZ may be required to fully or partly finance any difference between the market value of these assets and the hedging levels projected for these plans, or any insufficiency in the return on the assets in respect of the guaranteed minimum average rates.

3

SOCIAL AND ENVIRONMENTAL INFORMATION, CORPORATE SOCIAL COMMITMENTS

3.1 ETHICS AND COMPLIANCE

3.1.1 Ethics policy

GDF SUEZ's ethics policy aims to develop an ethics culture and practice based on:

- the Ethics Charter[1], which sets the general framework for the professional behavior of every employee. It specifies four fundamental principles: acting in accordance with laws and regulations; establishing a culture of integrity; behaving fairly and honesty; and respecting others. It also describes the ethics governance system;
- the "Ethics in Practice" guidelines,[1] which specify the implementation procedures for ethics in business situations on a daily basis;
- the integrity referential, which describes the way the Group is structured to manage the risks to which any breach of integrity exposes it, and sets out the action plan for the prevention of fraud and corruption: the implementation of the business consultants' policy and the governing principles for business relationships, particularly for gifts and invitations, tailored to each business line;
- the Managing Ethical Compliance Referential, which specifies the organization and the processes deployed to achieve effective ethical measures;
- a Human Rights Referential[1] which explains the Group's commitments to human rights and provides project and activity-level risk analysis tools.

3.1.2 Organization and structures

The senior executives of GDF SUEZ, particularly the Chairman and Chief Executive Officer and the General Secretary, member of the Executive Committee and the Group Ethics Officer, promote and oversee the ethics policy and ensure that it is properly applied.

The ethics and compliance organization is overseen by the Board of Directors. The Ethics, Environment and Sustainable Development Committee, which reports to the Board, assists it with subjects relating to governance, ethics and compliance.

The Ethics Officer Steering Committee (EOSC) and the Compliance Committee (CC), both chaired by the Group Ethics Officer, initiate and implement ethical action plans and compliance procedures in the business lines and take the necessary monitoring measures.

Within the General Secretariat, the Ethics and Compliance Division (ECD) draws up ethics action plans and compliance procedures and monitors achievement of targets. It supports the EOSC and CC in performing their duties. It drafts the ethics documents and referentials and promotes their implementation within the Group. The ECD coordinates a decentralized network of more than 150 ethics officers within the subsidiaries, BUs, business lines and operating divisions and works closely with all the concerned departments, including Risk Management, Internal Control, Internal Audit, Human Resources and Legal.

3.1.3 Compliance

Ethical compliance management involves:

- defining responsibilities at every level of the management line;
- monitoring and implementing the Group's ethics policy using an annual compliance procedure and a dashboard of 15 indicators, including the distribution of ethics documentation, training and the setting up of ethics policies. The resulting annual compliance report is presented to the Management Committee and the Ethics, Environment and Sustainable Development Committee of the Board of Directors;
- supporting and raising the awareness of employees through training modules: e-learning (competition, corruption, business relationships etc.), business ethics, and human rights;
- mandatory training for senior executives on the risk of fraud and corruption;
- training and specific information for ethics officers through the annual convention and web conferences;
- the inclusion of ethics in the annual appraisal process for senior executives;
- reporting failures via a whistle-blowing and a reporting tool, INFORM'ethics, deployed in the business lines and BUs for notifying incidents in the following six domains: accounting and financial integrity, conflicts of interest, social responsibility and human rights, business ethics, confidential information and protection of intangible property. These systems have been declared to the CNIL (the French National Data Protection Commission);
- handling of ethics incidents by Group entities;
- taking into account non-financial criteria, including the prevention of corruption and respect for human rights, in the assessment of evaluating major Group projects;
- publishing ethics and compliance documents on the Group intranet website, and distributing the charter and guidelines, translated into 20 languages, to all employees;
- annual analysis of ethical risks, carried out as part of the Group's risk review;

(1) These documents are available on www.gdfsuez.com.

- incorporating compliance with ethics principles, particularly the prevention of the risk of fraud, within the INCOME internal control program;
- internal and external audits to assess the implementation of policies and, where applicable, define actions for improvement.

3.2 SOCIAL INFORMATION

The GDF SUEZ Group is a large and committed employer. The aim of its Human Resources function is to contribute to the Group's transformation in four key areas: anticipating and preparing for the future; playing a major role alongside managers; increasing the contribution of individuals and employee groups; and making the HR function stronger, more attractive and more effective. All HR actions are closely focused on two cross-cutting aspects: the obligation to be committed to the health and safety of everyone, and the desire to mark our actions and conduct with a social imprint.

At the end of 2013, an engagement survey conducted among 33,000 Group managers helped identify major strengths: a consistent managerial culture, pride of belonging, strong commitment and leadership qualities. However, it also highlighted areas for progress in the development of managerial skills, performance recognition and development of attractive cross-functional career paths. In 2014, a structured action plan of 10 initiatives to support managers in the Group's transformation was launched. The first results are already visible: Adaptation of GDF SUEZ Management Way to the current context, support for its deployment with a guide called "Putting Management Way Into Practice" and a self-assessment tool; focus on the "People Leadership" aspect of Management Way, with a dedicated e-learning module on the development of employees identified as future managers; the launch of a full-scale mentoring program (960 mentor-mentee teams in 2014) to help managers put Management Way into practice; and Group guidelines on financial and non-financial recognition.

3

3.2.1 Human resources development policies

The aim of these policies is to attract, retain and develop all the Group's employees, who constitute its human capital and are, as such, a major strategic asset. These can be found under the generic heading of: "People for Development, Development for People": a development policy for all.

The personal development of employees is a key performance and development lever for the Group. It requires the cross-functional and shared knowledge of employees at every level of the organization (manager and HR manager). The Group also focuses on in-house talent in preparing for the future, building the skills of tomorrow, encouraging mobility and thus enhancing individual employability. The new "Development for People" guidelines bring together the various HR policies and approaches to amplify their effects on Group performance and development.

3.2.1.1 "Recruiting for Development"

Recruitment is a major aspect of the Group's development and transformation.

Spearheading the external recruitment strategy (which is intended to make GDF SUEZ a benchmark employer), the Employer Brand simultaneously embodies the Group's values and all its policies of integration and HR diversity.

In 2014, the Group made responsible innovation a powerful lever to attract the talent it needs to support its development, especially for priority targets like engineers, young and experienced technicians, women and candidates with international experience.

Many actions are thus being deployed in France, Belgium and across the world to make the employer promise tangible. For example:

- the Studyka Challenge: 500 students of 50 nationalities had three months to present an innovative project promoting the Group's corporate social responsibility. Indian students won first prize;
- the deployment of a comprehensive digital ecosystem, utilizing complementary channels, to optimize the candidate relationship and promote interactivity: web, Facebook, Twitter, YouTube, Instagram, Pinterest, LinkedIn, Viadeo and a careers app;
- around 50 forums, all targeted to the recruitment needs of the BUs and subsidiaries.

3.2.1.2 "Mobility for Development"

With around 5,500 transfers carried out in 2014, GDF SUEZ's mobility policy aims to reconcile the needs of both the business and employees, by:

- encouraging attraction, commitment and retention of employees;
- optimizing the match between internal expertise and the needs of the business units;
- enhancing cultural integration, cooperation and promoting diversity;
- contributing to developing employability;
- encouraging knowledge sharing and innovation development.

Five principles were established in 2014 to increase mobility at functional and geographical level:

- a fluid internal employment market;
- avoiding talent-ownership conducts thanks to transparency and HR rules of good conducts;
- priority to Group employees;
- right to confidentiality;
- disclosure and security of intercompany transfers.

Tools have been devised to promote mobility. Since April 2014, employees have been able to see internal job offers and apply for them from a website accessible to everyone, including those who do not have access to the Intranet at their place of work. A "mobility console" has also been developed to promote dialogue between HR departments.

3.2.1.3 "Learning for Development"

In 2014, the Group confirmed the importance given to employee training and employability with a learning policy. The Group implements several training channels for all its employees:

- GDF SUEZ University for 30,000 executives, high-potential managerial staff and managers: GDF SUEZ University extended its offering in 2014, supporting the Group's geographical expansion by hosting nearly 6,800 participants from 42 countries for 160 learning sessions;
- in France, the "SynerFORM" tool facilitates the most cost-effective access to external training programs in various fields (general skills, office/IT, health & safety and languages). Some 7,800 employees took part in 992 sessions in 2014 (which is twice as many employees as in 2013);
- e-learning is available to all Group employees online via the "e-campus" platform;
- consistent leadership of the Group's learning channel enables best practices to be exchanged and new apprenticeship methods developed in the Group.

3.2.1.4 Targeted development policies

"Senior Executives"/"Experts"/"Coaching and Mentoring"/"Development Centers"

To offer appropriate career development tools to senior managers, experts and managers, GDF SUEZ deploys targeted policies through:

- steadily increasing use of coaching and mentoring;
- personalized career development support for senior managers;
- development of "Experts", aiming to promote them and enhance their progress, rewarding them with Human Capital trophies;
- development of the Project Management functional line;
- deployment of "Development Centers", development and personal awareness tools.

It is worth noting that, at the end of 2014, there were 616 senior managers, 16.9% of whom were women (compared with 13.2% at the end of 2012). 33% of new managers appointed since the beginning of the year are women.

"Development for Functional Lines"

The functional lines wanted to set up an HR initiative for the challenges of skills development. The Group Human Resources Department (HRD) helps the management of each functional line and its HR coordinator to set up practical initiatives, such as mapping key positions and organizing key-manager appraisals.

This approach, which was initiated by the Finance functional line, has been in place for two years in the Legal, Purchasing, Health & Safety, Communications, Information Systems, Audit and Human Resources functional lines.

"Leaders for Tomorrow" ("LFT")

The aim of the LFT program is to anticipate the needs of the Group by attracting, retaining and training staff with management potential.

Of 33,000 managers, including 600 senior executives, 2,400 LFTs can potentially be regarded as managers of the future, 27.6% of whom are women. This pool produces 80% of new managers on average.

Cross-functional communities and HR innovators

The HRD has also encouraged the inclusion of HR projects in submissions to the Group Innovation Trophies. These projects were included in the HR Innovations Yearbook for 2014, illustrating HR's ambition.

The Group's 13 HR networks (7 in France), which bring together more than 200 HR managers, facilitate job grouping exchanges, coordinate the smooth deployment of Group HR policies, the GDF SUEZ Management Way and the social foundation project, and efficiently pass on issues relating to jobs and mobility, particularly through the Committee for Management and Planning of Jobs and Skills, thereby implementing the European Agreement of 2010.

3.2.2 Social commitment: building a company committed to corporate citizenship, diversity and solidarity(1)

The Group has been implementing a global, voluntary and ambitious corporate social responsibility (CSR) policy for many years. The policy combats discrimination and promotes equal opportunities.

A social foundation project was defined at the time of the extension of the global agreement on fundamental rights, social dialogue and sustainable development, which was signed on November 16, 2010 with several international trade union federations. The project is based on four commitments by the GDF SUEZ Group: to be a company committed to corporate citizenship, solidarity and education, rooted in the regions.

These commitments are demonstrated in the policies and actions implemented by GDF SUEZ in the area of corporate social responsibility.

The Diversity Label

Audited in January 2014 for the second time since 2012 by the French standards body (Association française de normalisation – Afnor), in May 2014 GDF SUEZ obtained confirmation of the Diversity Label recognizing and proving the worth of the actions it has embarked on and carried out in terms of preventing discrimination, equal opportunities and promotion of diversity. This label now covers all the Group's production and services activities in France.

GDF SUEZ SA and the Energy Services business line had already obtained this label in 2012.

(1) For a full description of the Group's Corporate Social Responsibility policy, also see Section 3.4 – "Corporate Societal Commitments".

GDF SUEZ also pursued efforts to raise diversity awareness among managers, in the HR functional line and among employees. When the diversity label was awarded, an information campaign was launched about all the Group's production and services activities.

GDF SUEZ has been a partner to the Management and Diversity Chair at Paris-Dauphine University since 2009. The Chair's activities are based around three main objectives: "developing research", "teaching, training and raising awareness about diversity issues" and "circulating and divulging the associated knowledge".

Professional and gender equality

On April 9, 2013, the Group signed a framework agreement with the Minister for Women's Rights to support SMEs in the regions to develop professional gender equality. In 2014, contacts were established with SMEs in the French southwest. Similar issues were identified, so-called male jobs were made more appealing to women and so-called female jobs more attractive to men. A guide for SMEs was published and a copy was sent to the chief executive of CGPME in Toulouse. A new partnership with an architectural firm in Toulouse is expected to start in early 2015.

As a reminder, the aim of the European agreement on professional equality between women and men, signed in June 2012 (see Section 3.2.3), is to promote equal opportunities and treatment in practice throughout all the Group's entities, in order to change management and trade union culture and to promote diversity. The agreement takes account of the targets set by GDF SUEZ for 2015, i.e.:

- one-third of newly appointed executives will be women;
- 35% of high-potential managers (LFTs) will be women;
- 25% of women in managerial staff;
- 30% of new hires will be women.

The WIN (Women in Networking) network has more than 1,200 members and offers regular dialogue and group reflection on professional challenges and Group strategy. The network is now active in five countries.

In order to improve women's access to technical and engineering professions, the Group became a partner of "*Elles bougent*" ('Women on the move') in January 2014; and a network of Group mentors is working for professional gender equality.

The Group has also defined a parenting policy aimed at helping reconcile work life with family life. Since 2011 when the T Babies daycare center at GDF SUEZ head office was opened, the Group has made childcare facilities available at various business lines and BUs throughout the network. At the end of 2014, around 200 spots for daycare in the Paris area and provincial regions of France were reserved for children of GDF SUEZ "parent-employees".

Young employees, seniors and intergenerational policy

In September 2013, GDF SUEZ and two trade union federations signed a "Generation Contract" agreement. Under this agreement, the Group has undertaken to recruit 8,000 young people under 35 years of age on permanent contracts in France by 2015, including 3,000 under 25 years of age. It also aims to achieve a 5% proportion of trainees within the total workforce, and to recruit 50% of these at the end of their training. The Group has publicized its aim of maintaining senior employees in work with a target of 13% of over 55's in the total workforce by the end of 2015. Special attention has been paid to increasing the levels of training for employees over the age of 50 in order to promote the transfer of know-how and skills by managing the end-of-career phase and encouraging training among the youngest employees. The agreement creates a new system for over-55s preparing for retirement, who will train the youngest employees.

Since 2006, GDF SUEZ has supported talented students from disadvantaged backgrounds through sponsorship and grants. More than 50 Group employees have volunteered to be involved in this process and over 100 young people have been supported so far (college leaving age or earlier). Sponsorship strengthens links with the educational world and contributes to the Group's policy of equal opportunities.

Employees with disabilities

In France, each of GDF SUEZ's business lines, subsidiaries and entities rolls out the Group's disability policy, taking account of its specific operational and local considerations. Currently, 11 collective agreements approved by "Direccte" (Direction Régionale des Entreprises, de la Concurrence, de la Consommation, du Travail et de l'Emploi) cover almost 95% of the Group's workforce in France. The business lines and subsidiaries conduct actions to encourage the hiring, career development and training of people with disabilities and to raise awareness of disability issues. In 2009, the Group set up a Disabilities Group network in France to promote the sharing of positive experiences, skill-building within business initiatives for people with disabilities, synergies between entities and the implementation of joint actions. In 2012, the Group set up an ongoing reporting process for the consolidation of all mandatory reporting (Déclaration Obligatoire d'Emploi de Travailleurs Handicapés – DOETH). At the end of 2013, the Group posted an employment rate in France of workers with a disability of 4.04%, placing it above average for the private sector where the rate is around 3%.

Two key actions were initiated in 2013 and continued in 2014. One concerns the direct recruitment of candidates with a disability to Group job offers, called "Handi Recrut'Heures GDF SUEZ". Following the first recruitment day held in 2013 when shortlisted candidates with a disability met with GDF SUEZ recruitment officers, three more days were held between April and May 2014 – two in Paris and one in Lyon. At each half-day, 17 permanent jobs were offered on a work/study basis and the recruitment rate was over 50%. At the end of 2013, the Group reported that it employed a total of 2,381 full-time equivalent (FTE) employees at its entities across France.

The other key action initiated by the Group's disability network in France concerns purchasing from the sheltered and adapted employment sectors. Since 2011, this action has been identified as a vital part of the Group's employment record and by the end of 2015, it is envisaged that it will account for the 6% mandatory rate. At the end of 2012, a three-year action plan called "Handy-Achat" was established with the objective of promoting the Group's responsible purchasing policy as widely as possible and raising the awareness of every in-house buyer. Since the beginning of 2013, the Group's HR and Purchasing Departments have been working on an extranet site dedicated to purchasing from the sheltered and adapted sectors, and each Group entity has defined an internal promotion campaign on the ground to promote this resource as well as generally raising the awareness of in-house staff. This initiative has already paid off as between 2012 and 2013, the volume of purchases from ESAT (Établissement de Services et d'aide par le travail) and sheltered organizations increased by over 23% to €10 million. This corresponds to the indirect employment of 369 FTE people with a disability.

In March 2013, GDF SUEZ renewed its partnership agreement with the Belgian Paralympic Committee for three years. The partnership aims to increase the employability of, and help into employment of young athletes with physical disabilities at the Belgian subsidiaries in the GDF SUEZ Group, enabling them to work to adjusted hours and under adapted conditions while pursuing top-level athletic careers (e.g. the Paralympic Games and World Championships). The partnership agreement was signed by the Ministers of Sport, the Secretary of State for Disabled People, the sporting leagues and the GDF SUEZ Group.

In June 2014, a partnership was signed in Belgium with "Handisport Francophone" to boost the professional integration of young people playing 5-a-side soccer.

Integration and support in finding employment

The Group has signed a "businesses and communities" charter with the French Ministry for Urban Affairs regarding the employability of young people at a national and regional level. The Group's chairman also sent the French President 150 proposals to promote the employment of young people and the entrepreneurial spirit.

Similarly, the Group is actively participating in several innovative projects aimed at using sport as a lever and platform for social and professional inclusion Approximately 100 young people from disadvantaged communities were guided into the workforce and apprenticeships upon completion of the 2013-2014 program.

Since 2013, FAPE GDF SUEZ (*Fondation Agir Pour l'Emploi* in the GDF SUEZ Group), under the auspices of the Fondation de France, has enabled the Group to strengthen its commitment to social and professional integration for people in severe difficulty or in a situation of exclusion. The Foundation's resources come mainly from donations by employees and retired staff of the Group with a 100% matching contribution from their company. Thanks to the generosity *of* the donors, €400,000 have been raised since 2013 to support 28 projects presented by the integration agencies.

3.2.3 Social relations

3.2.3.1 Employee representation in the Group

The representative bodies are places for consultation and collaboration between management and employee representatives.

The European Works Council (EWC)

The EWC at GDF SUEZ was established under the agreement of May 6, 2009, which was signed by all the European social partners, and amended on July 23, 2013 to take account of the deconsolidation of SUEZ Environnement.

With 40 members representing the Group's 125,899 employees throughout Europe, its purpose is to develop and strengthen European social dialogue, ensure balanced representation between the Group's countries and main business activities, and develop social dialogue within these activities. A secretariat with 13 members representing eight countries meets once every two months.

In 2014, the EWC held five full-plenary meetings, the EWC secretariat held 6 meetings and the working groups held ten business or subject-based meetings.

French Group Works Council

An agreement signed on June 2, 2009 also launched the French Group Works Council. This body represents more than 74,000 employees in France. Two meetings were held in 2014.

3.2.3.2 Collective bargaining agreements

At a global level, on May 13, 2014, an agreement on health and safety reaffirmed the Group's ambition with regard to the European agreement signed in 2010.

In Europe, negotiations on the quality of life at work led to an agreement on November 27, 2014 on improving the quality of life at work, proposing a method to analyze the situation and draw up progress plans according to each company's needs and environment.

In France, an agreement on the generation contract was signed in 2013 and is effective for 2013, 2014 and 2015, to promote access to employment for young people, maintaining seniors in employment and transferring skills between the generations. Accordingly, in the period from January 2013 to the end of June 2014, the generation contract has already enabled the recruitment of nearly 3,900 young people on permanent contracts in France, the reception and training of work-study recruits amounting to around 4.4% of the workforce, the recruitment of over 50s to permanent contracts in France to around 6.7% and maintenance of over-55s in employment, representing around 12.9% of the workforce in France.

In 2014, as in previous years, the application of different agreements was followed by committees in charge of capitalizing on the associated good practices.

3.2.3.3 Involvement in the International Social Observatory

GDF SUEZ supports the International Social Observatory (ISO) and its efforts on well-being at work, promoting human capital policies and managers. In 2014, the ISO organized 10 public meetings on a range of topics (development and human capital, management and cooperation, CSR and the social contract, transformation of life at work etc.) and a symposium in Chile on social accessibility for major projects. It also established a delegation in China.

3.2.4 Employee savings plans

3.2.4.1 Group Employee Savings Plan Policy

These plans are available to employees of companies that are fully consolidated or whose share capital is majority-owned, directly or indirectly, by GDF SUEZ SA.

Savings plans

In France: since the end of 2009, GDF SUEZ Group employees in France[1] (1 have had access to a Group Savings Plan (PEG), which includes the employee shareholding funds as well as a large range of diversified savings options.

Outside France: measures have also been put in place in other countries to allow employees to save, under terms adapted to local laws.

Retirement savings plans

In France: Since 2010, all Group employees in France may, at their own pace, build fund for retirement by paying into the GDF SUEZ Group Collective Retirement Plan (*Plan d'Épargne pour la Retraite Collectif* – PERCO).

Outside France: In other countries products exist allowing employees to supplement their pensions by making voluntary contributions on favorable terms.

Solidarity funds

In France: The GDF SUEZ "*Rassembleurs d'Énergies Flexible*" Solidarity Fund has supplemented the range of Group Savings Plan and Retirement Savings Plan investment products since the beginning of 2012 and enables employees to take part in a social initiative in tune with their businesses.

3.2.4.2 Profit-sharing and Incentive plans

Due to the existence of separate legal companies, a common collective profit-sharing and incentive plan is not possible for the Group.

GDF SUEZ SA and all the trade union organizations representing its employees signed a new incentive agreement on June 24, 2014 for the 2014-2016 period. The amount paid out in 2014 for 2013 came to €21.2 million. The employee profit-sharing agreement for GDF SUEZ SA was signed on June 26, 2009. Application of the statutory profit-sharing formula for 2013 resulted in no payment being made to employees in 2014.

3.2.5 Employee shareholding

GDF SUEZ continues to operate its proactive employee shareholding policy in order to involve all employees in the Group's development and increase the employees' stake in the capital of GDF SUEZ. In 2014, this policy took the form of a capital increase reserved for employees in France and internationally[2] pursuant to 1^{5t}h and 1^{6t}h resolutions of the Combined Ordinary and Extraordinary General Shareholders' Meeting of April 28, 2014. Employees were able to subscribe to the capital increase reserved for them within the GDF SUEZ Group Savings Plan (PEG) and International Group Savings Plan (PEGI) through the "Link 2014" employee shareholding plan. As in 2010, they were offered two investment options: a "classic" investment plan, exposed to changes in the GDF Suez share price and a plan combining leverage, capital protection and a minimum return. Employees were offered a 20% discount on the share price. Under the classic plan, they also received a matching contribution in the form of bonus shares, under the following procedure: for the first 10 shares subscribed, 1 bonus share per share subscribed, and for the next 40 shares subscribed, 1 bonus share for 4 shares subscribed, or a matching contribution of up to 20 bonus shares per 50 shares subscribed. For legal and tax reasons the allocation of additional bonus shares was carried out in different ways in France and outside of France:

- in France, in accordance with Article L. 3332-21 of the French Employment Code and as authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting of April 28, 2014 in its 15th resolution, shares were allocated free of consideration by GDF SUEZ instead of the matching contribution, in accordance with the terms of the Group Employee Savings Plan as amended on June 24, 2014;
- outside France, employees received rights to the allocation of bonus shares, the number of which was determined according to the number of shares subscribed under the classic formula on the same terms as in France. These rights to the allocation of bonus shares were granted pursuant to the provisions of Articles L. 225-197-1 et seq. of the Commercial Code and the authorization given by the Combined Shareholders' Meeting on April 28, 2014 in its 20th resolution. The Board of Directors determined the conditions and adopted the rules for the bonus share plan on July 30, 2014.

The employee offering led to a capital increase of €329.7 million on December 11, 2014 (22.46 million new shares subscribed by over 32,000 employees in 32 countries). In total, at the end of 2014, employees had received approximately 21 million bonus shares since the first plan in 2007. Of this total, 7.4 million shares in the vesting period of the respective plans representing a 0.30% stake in GDF SUEZ.

(1) *Companies that are fully consolidated (apart from GRTgaz) and companies whose share capital is majority-owned, directly or indirectly, by GDF SUEZ SA.*

(2) *These plans are available to employees of GDF SUEZ SA and to employees of companies (apart from GRTgaz) in 32 countries that are fully consolidated or whose share capital is majority-owned, directly or indirectly, by GDF SUEZ SA.*

At the end of 2014, employees held 3.18% of the share capital (including 2.62% held through employer-sponsored mutual funds). Pursuant to Article L. 225-100-3 of the French Commercial Code, the Supervisory Boards of these employer-sponsored mutual funds exercise the voting rights attached to the securities registered among their assets and decide, if necessary, whether to contribute these securities to public tender or exchange offers.

The Supervisory Boards of the employee sponsored mutual funds comprise shareholder representatives; at least half of them are company representatives designated under the procedures set out in the funds' rules. Although the Supervisory Board is composed in an equitable way, its chairman, who must be chosen from the shareholder representatives, holds the casting vote.

ORS 2015

The sale of 75 million GDF SUEZ shares by the French government to the private sector on June 24, 2014 entailed a government obligation to offer shares to employees and former employees of GDF SUEZ and its subsidiaries in which the issuer holds, directly or indirectly, the majority of the equity, pursuant to the provisions of Article 11 of Law No. 86-912 of August 6, 1986 on the terms of privatizations, and Article 26 of Law No. 2004-803 of August 9, 2004 on public electricity and gas utilities and electric and gas companies.

The operation, called "ORS 2015", the terms of which were defined by the Minister for the Economy, Industry and Digital Affairs on December 23, 2014, has been implemented in nine countries and comprises two formulae, both exposed to fluctuations in the GDF SUEZ share:

- a formula under the Group Employee Savings Plan (internationally the International Group Employee Savings Plan): this formula comes with a matching contribution of twice the amount of bonus shares as those offered under the Link 2014 Classic formula: for the first 20 shares subscribed, one bonus share per share subscribed, and for the next 80 shares subscribed, 1 bonus share for 4 shares subscribed, or a matching contribution of up to 40 bonus shares per 100 shares subscribed (shares locked in for a period of 5 years). For legal and tax reasons, the allocation of additional bonus shares was carried out in different ways in France and outside of France: Outside France, the shares are allocated by GDF SUEZ under a bonus share plan approved by the Board of Directors on December 10, 2014 pursuant to the authorization given by the Combined General Shareholders' Meeting of April 28, 2014 in its 21st resolution;
- a formula outside the savings plan: the proposed GDF SUEZ shares being held directly in a bearer account (non-transferability of shares for a period of 2 years). This formula does not include a matching contribution.

The purchase period for ORS 2015 ran from December 30, 2014 to January 20, 2015 and the purchase price was set at €19.53 per share. The shares' settlement and delivery date was February 27, 2015. A total of 13,235,294 GDF SUEZ shares were offered and 1,360,000 shares were subscribed by more than 22,000 subscribers (It should be noted that GDF SUEZ will not receive any income from the sale of shares under the ORS 2015, as all the gross proceeds from the sale will be paid to the government, the selling shareholder).

3.2.6 Health and safety policy

3.2.6.1 Performance

After several years of continuous progress, performance in terms of accidents to Group employees has continued to improve:

- accidents at work:
  - frequency rate of 4.1, below the defined target (FR < 4.4 by end of 2014) and down 49% from 2008 (from 8 to 4.1) and down 7% from 2013,
  - mortality rate of 0.9 (versus 2 in 2008 and 0 in 2013),
  - severity rate of 0.20 down by 39% compared to 2008 (from 0.33 to 0.20) and by 9% compared to 2013;
- commuting accidents with a frequency index of 3.1 in 2014 (down from 5 in 2010 and 4 in 2013).

In the field of occupational health, the number of hours of absenteeism for medical reason by employee a year is stable (63h) and the number of new cases of professional diseases increases from 133 in 2013 to 150 in 2014.

The number of work-related accidents among external providers and temporary staff improved; 5 fatalities in 2014 compared with 11 in 2013.

3.2.6.2 Targets and progress

The progress targets for the period 2010-2015 have been set. They relate to reducing occupational accidents as follows: (i) an accident frequency rate of less than 4 in 2015 and (ii) eradicating fatal accidents with a causal link to the Group's activities.

The Health and Safety Action Plan for 2010-2015 was completed in 2012 with a specific plan to eradicate fatal accidents. Its deployment was continued in 2014.

These areas of progress and their impact on the Group's occupational and industrial health and safety performance are monitored by the Board of Directors, the Ethics, Environment and Sustainable Development Committee, the Executive Committee and the Health and Safety Steering Committee (which includes employee representatives). They are reported via a quarterly email from the Chairman and Chief Executive Officer to senior management, via various means within the Health & Safety and HR functional lines and on the Group intranet.

The management mechanism

The key principles of the Group's health and safety policy are set out in Group agreements signed by the Chairman and Chief Executive, employee representatives and trade unions around the world (European agreement on occupational health and safety signed in Paris on February 23, 2010 and a global agreement on occupational health and safety signed on May 13, 2014 in Santiago, Chile).

The Group's Health and Safety Regulations set out the minimum requirements at a global level for all entities. The repository is supplemented by the "life-saving rules [1]

In 2014, managers were provided with a guide that reiterates the main managerial levers from the perspective of practical actions to improve managerial practices (team meetings, engagement, visits on the ground, recognition etc.). These are essential for compliance with the Lifesaving Rules and thus contribute to transforming the Group's overall health and safety culture.

In line with the ERM process, the level of control of health and safety risks was evaluated by line managers and by the Group Health and Safety Department. The INCOME mechanism provides a framework for the internal audits carried out by the line managers on the control of industrial risks.

The deployment of these principles and health and safety requirements is verified by means of internal audits and controls performed by the Group Health and Safety Department. Around 30 checks were carried out in 2014 with a particular focus on sub-contracting, the quality of managerial safety visits and the application of the Lifesaving Rules. These checks showed that the Managerial Safety Visits approach had become the norm and represents an important lever for progress in reducing accidents.

In addition to these measures, the Group places great emphasis on benchmarks and feedback as vectors for improving performance.

Management reviews performed by the health and safety department at all levels (central office, business lines, BUs) evaluate the results and set targets to improve the effectiveness of the management system. Specifically, these reviews are intended to assess the effectiveness of initiatives implemented as part of the plan to eliminate fatal accidents and to develop action plans to achieve its targets.

Finally, at least 10% of the performance-related pay of line managers and the health and safety functional line is based on their performance and commitment to improving occupational health and safety.

Training

Training efforts continued in 2014: 28.5% of the total number of training hours delivered were devoted to quality, safety and the environment, and nearly 1,100 managers had Group training in health and safety leadership at GDF SUEZ University.

Raising awareness and sharing practices

Reflex, the in-house health and safety magazine (168,000 copies published in eight languages), which describes good habits and attitudes to be adopted in everyday life, is one of a number of mechanisms used to strengthen the health and safety culture of each Group employee.

These are backed up by the Group's health and safety intranet and two websites giving everyone access to a library of documents encouraging the sharing of solutions and field experiences:

- the "zero fatal accidents" action plan website;
- the AGORA website containing managerial guides and practices based on internal and external benchmarks.

The Group promotes the work of experts in networks to share practical solutions, through the intranet, expert clubs and professional communities of practices, the quarterly newsletter, *Prevention News*, and the marketplace during annual internal health and safety functional line conventions.

Launched in April at the world occupational health and safety day, and promoted at the European health and safety week, the Group's 2014 health and safety annual awareness campaign focused on prevention of musculo-skeletal disorders ("MSD"). A series of presentations, conferences and workshops were held to enable employees to think about their work space, learn about good handling methods and put into practice advice and stretching exercises.

3.2.6.3 Dialogue with social partners

In 2014, dialogue with employee representatives and trade unions, backed by a Group collective agreement on fundamental health and safety principles, continued at the local level, the Group level, and in each activity. The Health and Safety Steering Committee monitored the Group's results, analyzed the causes of serious accidents and the preventive measures put in place, and gave its opinion on proposed changes in the Group's standards. Monitoring committees for the various collective agreements signed at the Group level in France met in 2014 to review the implementation of these commitments.

Two new Group collective agreements were signed in 2014. They reflect the determination to continue making progress and strengthen the health and safety commitments made over a number of years at the European level:

- the global health and safety agreement signed in May 2014 by the Chairman and Chief Executive Officer and the World Federation of Trade Unions;
- an agreement on improving the quality of life at work, signed in November 2014 by the Chairman and Chief Executive Officer and the European Federation of Trade Unions (see Section 3.2.3.2).

(1) These are practical rules which, had they been followed, could have avoided some of the fatalities in the Group in recent years.

3.2.7 Social data

	Grenelle 2 Law	GRI	Energy Europe 2014	Energy Europe 2013	Energy Europe 2012	Energy International business line 2014	Energy International business line 2013	Energy International business line 2012
Employment								
TOTAL WORKFORCE ■■	**1.A**	**LA1**	**24,811**	**26,015**	**27,194**	**10,416**	**10,756**	**10,806**
Workforce by geographic region ■■	**1.A**	**LA1**						
France	1.A	LA1	11,179	11,521	12,038			
Belgium	1.A	LA1	5,884	6,416	6,797	65	59	
Other European Union	1.A	LA1	7,748	8,078	8,359	961	1,020	1,117
Other European countries	1.A	LA1						
Total Europe	1.A	LA1	24,811	26,015	27,194	1,026	1,079	1,117
North America	1.A	LA1				2,110	2,122	2,239
South America	1.A	LA1				3,048	3,321	3,327
Asia-Middle-East-Oceania	1.A	LA1				4,232	4,234	4,123
Africa	1.A	LA1						
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Breakdown of workforce by SPC	**1.A**	**LA1**						
Managerial staff ■■	1.A	LA1	6,306	6,580	6,803	2,880	2,689	2,097
Non-managers ■■	1.A	LA1	18,505	19,435	20,391	7,536	8,067	8,709
% Managerial staff	1.A		25.4%	25.3%	25.0%	27.6%	25.0%	19.4%
% Non-managerial staff	1.A		74.6%	74.7%	75.0%	72.4%	75.0%	80.6%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Breakdown of workforce by type of contract	**1.A**	**LA1**						
Permanent ■■	1.A	LA1	94.2%	94.1%	94.1%	97.8%	97.9%	97.3%
Others ■■	1.A	LA1	5.8%	5.9%	5.9%	2.2%	2.1%	2.7%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Age pyramid of permanent employees ■■	**1.A**	**LA1**						
Under 25 years old	1.A	LA1	1.6%	2.1%	2.7%	2.8%	3.2%	3.8%
25-29 yrs old	1.A	LA1	8.8%	10.4%	12.1%	11.8%	11.6%	11.5%
30-34 yrs old	1.A	LA1	16.3%	16.6%	16.4%	15.1%	15.2%	15.9%
35-39 yrs old	1.A	LA1	16.3%	15.8%	15.5%	15.9%	15.8%	16.0%
40-44 yrs old	1.A	LA1	15.7%	16.0%	16.0%	15.1%	15.2%	15.2%
45-49 yrs old	1.A	LA1	15.3%	14.4%	13.4%	13.9%	13.6%	13.6%
50-54 yrs old	1.A	LA1	12.9%	12.8%	12.9%	11.5%	11.3%	10.9%
55-59 yrs old	1.A	LA1	10.1%	9.8%	9.3%	8.6%	8.6%	8.2%
60-64 yrs old	1.A	LA1	2.9%	2.1%	1.8%	4.1%	4.4%	4.2%
65 and +	1.A	LA1	0.1%	0.1%	0.1%	1.1%	1.1%	0.9%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Female workforce ■■	**1.F**	**LA13**	**7,797**	**8,189**	**8,489**	**1,786**	**1,799**	**1,857**
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Diversity and equal opportunity								
Proportion of women in workforce ■■	**1.F**	**LA13**	**31.4%**	**31.5%**	**31.2%**	**17.1%**	**16.7%**	**17.2%**
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Proportion of women in management ■■	**1.F**	**LA13**	**28.6%**	**28.7%**	**27.9%**	**20.4%**	**18.5%**	**18.5%**
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Proportion of Apprenticeship workforce	1.F	LA1	2.0%	1.8%	1.8%	0.4%	0.3%	0.4%

■■ *Reasonable assurance for financial year (FY) 2014.*

(1) *The GDF SUEZ Group includes the six business lines as well as Corporate.*
(2) *Scope: see 3.2.7.2. Note on methodology.*

Global Gas & LNG			Infrastructure			Energy Services			Environment	GDF SUEZ Group[1]			
2014	2013	2012	2014	2013	2012	2014	2013	2012	2012	2014	2013	2012 recal-culated without BE	2012
2,458	**1,993**	**1,828**	**17,187**	**17,660**	**18,132**	**94,671**	**87,528**	**78,394**	**79,549**	**152,882**	**147,199**	**139,781**	**219,330**
917	512	478	16,968	17,439	17,912	42,550	42,251	41,900	34,067	74,156	74,214	74,955	109,022
						10,482	10,577	10,664	2,093	17,193	17,798	18,250	20,343
1,229	1,175	1,132	219	221	220	32,091	27,799	18,829	27,794	42,259	38,303	29,668	57,462
273	256	200				2,758	2,845	2,756	87	3,031	3,101	2,956	3,043
2,419	1,943	1,810	17,187	17,660	18,132	87,881	83,472	74,149	64,041	136,639	133,416	125,829	189,870
						1,963	493	548	3,367	4,073	2,615	2,787	6,154
						2,383	1,265	1,329	268	5,431	4,586	4,656	4,924
9	26	18				2,365	2,222	2,293	5,612	6,630	6,482	6,434	12,046
30	24	,				79	76	75	6,261	109	100	75	6,336
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1,108	808	746	3,894	3,875	3,885	17,585	16,624	14,940	11,261	34,274	32,970	30,978	42,239
1,350	1,185	1,082	13,293	13,785	14,247	77,086	70,904	63,454	68,288	118,608	114,229	108,803	177,091
45.1%	40.5%	40.8%	22.7%	21.9%	21.4%	18.6%	19.0%	19.1%	14.2%	22.4%	22.4%	22.2%	19.3%
54.9%	59.5%	59.2%	77.3%	78.1%	78.6%	81.4%	81.0%	80.9%	85.8%	77.6%	77.6%	77.8%	80.7%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
94.1%	95.3%	95.3%	94.9%	94.8%	94.2%	92.9%	92.9%	92.8%	92.9%	93.7%	93.9%	93.7%	93.4%
5.9%	4.7%	4.7%	5.1%	5.2%	5.9%	7.1%	7.1%	7.2%	7.1%	6.3%	6.1%	6.3%	6.6%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.20%	100.00%	100.00%	93.60%	93.60%	100.00%	100.00%
1.0%	0.6%	0.5%	4.7%	5.1%	5.4%	4.3%	4.2%	4.5%	2.8%	3.6%	3.7%	4.0%	3.6%
8.0%	6.1%	6.7%	11.8%	11.6%	11.2%	10.7%	11.0%	11.3%	8.8%	10.4%	10.8%	11.3%	10.4%
15.7%	13.6%	13.9%	12.9%	12.7%	12.0%	13.2%	13.7%	13.8%	12.7%	13.9%	14.3%	14.2%	13.7%
15.8%	15.4%	14.4%	12.9%	12.2%	12.5%	12.5%	12.6%	12.5%	14.2%	13.5%	13.5%	13.4%	13.7%
14.5%	14.6%	14.8%	13.7%	13.3%	12.8%	13.2%	14.1%	14.6%	16.4%	13.9%	14.5%	14.7%	15.3%
12.4%	13.4%	13.8%	12.9%	12.9%	13.5%	15.0%	15.4%	15.4%	16.7%	14.7%	14.6%	14.6%	15.3%
11.8%	13.5%	14.4%	18.6%	20.6%	22.1%	13.9%	13.6%	13.3%	14.3%	14.1%	14.3%	14.3%	14.3%
13.5%	15.7%	16.1%	11.2%	10.4%	9.6%	11.4%	11.1%	10.9%	10.1%	11.1%	10.7%	10.3%	10.3%
7.0%	7.0%	5.4%	1.4%	1.2%	0.9%	4.8%	3.9%	3.5%	3.4%	4.1%	3.3%	2.9%	3.1%
0.2%	0.2%	0.2%	0.0%	0.0%	0.0%	1.0%	0.4%	0.3%	0.6%	0.7%	0.3%	0.3%	0.4%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.20%	100.00%	100.00%	100.00%	93.60%	100.00%	100.00%
633	**527**	**484**	**4,079**	**4,099**	**4,200**	**17,268**	**13,796**	**9,793**	**15,691**	**33,044**	**29,826**	**26,306**	**41,997**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
25.8%	**26.4%**	**26.5%**	**23.7%**	**23.2%**	**23.2%**	**18.2%**	**15.8%**	**12.5%**	**19.7%**	**21.6%**	**20.3%**	**18.8%**	**19.2%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
24.3%	**25.5%**	**26.1%**	**29.6%**	**28.4%**	**28.3%**	**15.8%**	**16.3%**	**14.9%**	**27.1%**	**21.9%**	**21.9%**	**21.5%**	**23.0%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
1.8%	1.8%	1.9%	5.0%	5.1%	5.6%	2.6%	3.1%	3.0%	1.6%	2.6%	2.9%	2.9%	2.5%

3

			Energy Europe			Energy International business line		
	Grenelle 2 Law	GRI	2014	2013	2012	2014	2013	2012
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Proportion of disabled employees	1.F		1.5%	1.4%	1.2%	0.5%	0.5%	0.4%
Employees under 25 as a% of permanent hires	1.F		14.0%	18.6%	20.0%	15.2%	19.5%	17.3%
Employees over 50 as a% of permanent hires	1.F		6.5%	7.0%	5.1%	8.4%	6.8%	8.1%
Staff and job movement								
No. of permanent hires *(at constant structure)*	1.A	LA2	788	741	1,269	729	899	1,167
No. of temporary hires *(at constant structure)*	1.A	LA2	1,924	1,738	1,081	197	250	261
No. of hires *(at constant structure)*	1.A	LA2	10.8%	9.5%	8.9%	9.0%	10.6%	13.4%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
No. of permanent hires *(at constant structure)*	1.A	LA2	29.1%	29.9%	54.0%	78.7%	78.2%	81.7%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
No. of lay-offs *(at constant structure)*	1.A		419	340	nd	94	199	nd
% reporting			100.00%	1		100.00%	1	
Turnover *(at constant structure)*	1.A	LA2	4.9%	4.3%	5.6%	6.1%	6.7%	8.7%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Voluntary turnover *(at constant structure)*	1.A	LA2	2.2%	2.1%	2.5%	4.9%	4.8%	6.1%
% reporting			100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Career development								
Proportion of workforce trained ■■	1.E	LA10	73.8%	79.5%	84.5%	79.5%	75.7%	80.4%
% reporting			99.46%	100.00%	100.00%	91.87%	98.82%	100.00%
Proportion of women in trained workforce	1.E	LA10	30.8%	31.0%	31.2%	15.6%	14.9%	16.7%
% reporting			99.46%	100.00%	100.00%	91.87%	98.82%	100.00%
Proportion of managers and non-managers in trained workforce:	1.E	LA10						
Managerial staff	1.E	LA10	26.4%	25.5%	25.8%	22.9%	16.3%	17.2%
Non-managers	1.E	LA10	73.6%	74.6%	74.2%	77.1%	83.7%	82.8%
% reporting			99.46%	100.00%	100.00%	91.87%	98.82%	100.00%
Total no. of training hours	1.E	LA10	649,530	818,958	911,598	321,486	342,711	401,376
% reporting			99.46%	100.00%	100.00%	90.60%	98.82%	100.00%
Hours of training by topic	1.E	LA10						
Business techniques			46.3%	56.4%	48.0%	48.0%	43.7%	46.4%
Quality, safety & environment			21.7%	17.7%	12.8%	30.4%	24.0%	28.4%
Languages			6.9%	6.9%	7.9%	7.1%	15.8%	9.0%
Management and personnel development			13.4%	nd	nd	8.6%	nd	nd
Others			11.7%	19.0%	31.3%	5.9%	16.5%	16.2%
% reporting			99.46%	100.00%	100.00%	90.60%	98.82%	100.00%
No. of training hours per person trained	1.E	LA10	35	39	40	42	42	46
% reporting			99.46%	100.00%	100.00%	90.60%	98.82%	100.00%
No. of training hours per woman trained	1.F	LA10	28	36	32	30	37	31
% reporting			99.46%	100.00%	100.00%	90.60%	98.82%	100.00%
Training expenses per hour of training *(euros)*	1.E	LA10	22	27	29	38	23	21

■■ *Reasonale assurance for financial year (FY) 2014.*

(1) The GDF SUEZ Group includes the six business lines as well as Corporate.
(2) Scope: see 3.2.7.2. Note on methodology.

Global Gas & LNG			Infrastructure			Energy Services			Environment	GDF SUEZ Group[1]			
2014	2013	2012	2014	2013	2012	2014	2013	2012	2012	2014	2013	2012 recalculated without BE	2012
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.22%	100.00%	100.00%	100.00%	93.60%	100.00%	100.00%
1.4%	**1.8%**	**1.6%**	**3.3%**	**3.0%**	**3.0%**	**2.1%**	**2.4%**	**2.3%**	**1.8%**	**2.0%**	**2.1%**	**2.0%**	**1.9%**
5.9%	**3.7%**	**7.0%**	**29.8%**	**35.4%**	**32.8%**	**19.6%**	**22.7%**	**21.9%**	**14.6%**	**19.1%**	**22.4%**	**22.0%**	**19.2%**
11.1%	**15.2%**	**11.7%**	**4.6%**	**3.1%**	**3.2%**	**11.6%**	**8.6%**	**9.8%**	**11.5%**	**10.3%**	**7.9%**	**8.3%**	**9.5%**
153	**217**	**171**	**718**	**710**	**1,221**	**6,828**	**5,796**	**7,154**	**6,698**	**9,347**	**8,423**	**11,096**	**17,794**
54	**44**	**49**	**584**	**484**	**728**	**5,201**	**4,791**	**4,988**	**8,081**	**8,090**	**7,365**	**7,232**	**15,313**
10.1%	**13.4%**	**12.1%**	**7.5%**	**6.7%**	**10.9%**	**13.7%**	**13.6%**	**15.7%**	**18.7%**	**11.9%**	**11.4%**	**13.3%**	**15.3%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
73.9%	**83.1%**	**77.7%**	**55.1%**	**59.5%**	**62.7%**	**56.8%**	**54.7%**	**58.9%**	**45.3%**	**53.6%**	**53.4%**	**60.5%**	**53.7%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
11	**8**	**nd**	**4**	**21**	**nd**	**2 235**	**1 978**	**nd**	**nd**	**2 770**	**2550**	**nd**	**nd**
100.00%	1		100.00%	1		100.00%	100.00%			100.00%	1		
2.9%	**4.0%**	**3.2%**	**1.9%**	**1.5%**	**1.7%**	**7.3%**	**6.7%**	**7.0%**	**6.5%**	**6.0%**	**5.5%**	**6.0%**	**6.2%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2.3%	**3.4%**	**3.0%**	**1.8%**	**1.3%**	**1.5%**	**3.8%**	**3.5%**	**3.8%**	**3.4%**	**3.3%**	**3.0%**	**3.4%**	**3.4%**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
71.6%	**76.0%**	**75.3%**	**70.1%**	**70.9%**	**73.7%**	**64.8%**	**63.7%**	**61.5%**	**68.4%**	**68.1%**	**68.5%**	**69.1%**	**68.8%**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	99.14%	100.00%	90.07%	99.50%	99.52%	99.69%
26.7%	**24.4%**	**26.8%**	**20.3%**	**19.7%**	**18.9%**	**10.0%**	**9.5%**	**9.5%**	**20.4%**	**17.0%**	**17.0%**	**17.6%**	**18.6%**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	99.14%	100.00%	90.07%	99.50%	99.52%	99.69%
42.8%	40.0%	42.7%	20.8%	20.4%	19.1%	19.2%	18.8%	19.0%	15.1%	22.7%	21.6%	21.9%	19.4%
57.2%	60.0%	57.3%	79.2%	79.6%	80.9%	80.8%	81.2%	81.1%	84.9%	77.3%	78.4%	78.1%	80.6%
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	99.14%	100.00%	90.07%	99.50%	99.52%	99.69%
67,155	**66,468**	**64,848**	**465,768**	**471,333**	**514,439**	**1,445,310**	**1,317,964**	**1,344,538**	**1,329,305**	**2,997,908**	**3,071,401**	**3,285,594**	**4,614,899**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	98.31%	100.00%	89.98%	99.50%	99.05%	99.40%
36.1%	48.5%	45.3%	46.3%	53.1%	49.9%	46.0%	48.9%	49.5%	27.2%	45.8%	50.5%	49.1%	42.8%
31.8%	28.0%	31.4%	19.9%	23.7%	24.2%	34.6%	34.6%	33.1%	36.8%	28.5%	26.6%	25.0%	28.4%
10.3%	8.9%	11.8%	3.0%	2.8%	2.7%	3.8%	3.1%	3.8%	7.8%	5.1%	5.9%	5.6%	6.2%
13.5%	nd	nd	20.9%			7.5%	nd	nd	nd	11.3%	nd	nd	nd
8.4%	14.6%	11.6%	9.9%	20.4%	23.2%	8.0%	13.4%	13.6%	28.3%	9.3%	17.0%	20.3%	22.6%
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	98.31%	100.00%	89.98%	99.50%	99.05%	99.40%
46	**45**	**48**	**38**	**37**	**39**	**28**	**26**	**28**	**24**	**32**	**32**	**34**	**31**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	98.31%	100.00%	89.98%	99.50%	99.05%	99.40%
39	**46**	**43**	**38**	**30**	**33**	**24**	**22**	**25**	**24**	**29**	**31**	**30**	**28**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	85.33%	99.28%	98.31%	100.00%	89.98%	99.50%	99.05%	99.40%
58	67	66	60	65	61	30	26	28	22	NS	NS		NS

			Energy Europe			Energy International business line		
	Grenelle 2 Law	GRI	2014	2013	2012	2014	2013	2012
% reporting			99.46%	100.00%	100.00%	89.79%	97.82%	100.00%
Training expenses per person trained *(euros)*	**1.E**	**LA10**	**779**	**1,076**	**1,134**	**1,622**	**976**	**959**
% reporting			99.46%	100.00%	100.00%	89.79%	97.82%	100.00%
Working conditions								
Days of absence per person	**1.B**	**LA7**	**15**	**15**	**15**	**6**	**6**	**6**
% reporting			99.62%	100.00%	100.00%	100.00%	100.00%	100.00%
Overtime	**1.B**	**LA7**	**1.2%**	**1.5%**	**1.6%**	**7.2%**	**7.0%**	**7.4%**
% reporting			99.62%	100.00%	100.00%	100.00%	100.00%	100.00%
Safety at work(2)								
No. of fatal accidents *(employees)*			1	0	0	0	0	0
	1.A	LA1						
Frequency rate			2.5	3.9	4.8	0.7	0.8	0.8
Severity rate (French benchmark)			0.11	0.18	0.24	0.03	0.02	0.03
Severity rate (ILO benchmark)			0.06	0.11	0.13	0.03	0.02	0.02
% reporting			100%	100%	100%	100%	100%	100%
Number of new cases of occupational illness			11	17		0	6	
Compensation	**1.A**							
Average salary of manual workers, clerical staff and technicians compared with national minimum wage in 2014		**Legal annual minimum wage in 2014 in €**	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**
France		17,345	1.51	1.49	1.52			
Belgium		18,022						
Spain		9,034	4.41	4.36	4.63		4.09	4.13
Netherlands		17,827	2.62	2.82	2.64			
United Kingdom		15,013				2.06	2.18	2.30
Luxembourg		23,052						
Romania		2,281	4.26	5.15	4.76			
Poland		4,853	3.53	3.53	4.01			
Czech Republic		3,719						
Hungary		4,100	2.57	3.04	3.46			
Slovakia		4,224						
Portugal		6,790					5.81	5.56
Greece		8,205						
Slovenia		9,470						
Turkey		4,341				4.83	4.73	5.32
United States		10,935				7.62	6.78	6.79
% reporting			98.52%	98.49%	98.53%	21.72%	21.76%	22.93%

■■ *Reasonable assurance for financial year (FY) 2014.*

(1) The GDF SUEZ Group includes the six business lines as well as Corporate.
(2) Scope: see 3.2.7.2. Note on methodology.

Global Gas & LNG			Infrastructure			Energy Services			Environment	GDF SUEZ Group[(1)]			
2014	**2013**	**2012**	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**	**2012**	**2014**	**2013**	**2012 recalculated without BE**	**2012**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	78.69%	98.61%	99.14%	100.00%				
2,686	**3,013**	**3,143**	**2,292**	**2,427**	**2,370**	**842**	**701**	**788**	**537**	**NS**	**NS**		**NS**
84.47%	100.00%	100.00%	100.00%	100.00%	100.00%	78.69%	98.61%	99.14%	100.00%				
11	**10**	**11**	**17**	**15**	**14**	**11**	**11**	**11**	**12**	**NS**	**NS**		**NS**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.37%	99.60%	100.00%				
1.5%	**1.7%**	**1.6%**	**2.4%**	**2.3%**	**2.5%**	**2.7%**	**2.5%**	**2.8%**	**4.3%**	**NS**	**NS**		**NS**
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.37%	99.60%	100.00%				
0	0	0	0	0	0	1	0	0	5	2	0	0	5
1.5	0.6	0.7	3.0	3.3	3.0	5.2	5.5	5.7	13.3	4.1	4.4	4.6	7.6
0.03	0.01	0.01	0.11	0.11	0.09	0.27	0.27	0.34	0.60	0.20	0.21	0.25	0.37
0.02	0.01	0.01	0.07	0.08	0.08	0.18	0.17	0.16	0.39	0.13	0.13	0.13	0.22
100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
0	0	0	1	1	5	138	109	59	42	150	133	64	106
2014	**2013**	**2012**	**2014**	**2013**	**2012**	**2014**	**2013**	**2012**	**2012**	**2014**	**2013**		**2012**
			1.62	1.65	1.70	1.47	1.45	1.47	1.60	NS	NS		NS
						2.05	1.95	2.00	1.51				
						2.99	3.03	3.06	2.87				
4.61	3.84	3.71				1.82	1.90	1.88	2.09				
			2.36	2.19	2.01	1.18	2.53	2.73	2.07				
						1.72	1.72	1.79	1.48				
						3.56	4.19	3.52	4.61				
						2.35	3.54	3.76	2.18				
						3.51	3.80	3.80	2.21				
						3.07	2.73	3.13					
						2.28	2.31	2.30	2.16				
						2.89	2.66	2.63	1.94				
						1.98	2.23	2.12					
									3.28				
									2.52				
						2.49			4.31				
45.52%	45.71%	49.52%	100.00%	100.00%	98.80%	80.49%	82.07%	81.74%	77.30%				

3.2.7.1 Note on methodology of social indicators

1 Tool

The social indicators are derived from Group social reporting (GSR). They are set out in a shared Group referential (which can be viewed on request).

The collection, processing and reporting of data entered by the local legal entities, subsidiaries of the GDF SUEZ Group, is carried out in Magnitude financial consolidation application, in accordance with the IFRS financial scope.

The indicators published in this report relate to fully consolidated companies, whose capital and management are under the control of GDF SUEZ.

The social indicators are completely integrated, regardless of the percentage of the company's capital owned.

2 Scope of reporting

A reporting percentage is attached to each indicator, according to the workforce covered. Some missing or inconsistent data are omitted from the report.

Two sizeable entities that were recently acquired were excluded from the scope of reporting of indicators relating to training and compensation, as GDF SUEZ's reporting methods are being rolled out progressively.

3 Consolidation methods

The indicators for this report are consolidated using clearly defined procedures and criteria.

Structural data, employee turnover, working conditions, training and safety data were consolidated by aggregation.

4 Internal control

The social data are successively consolidated and controlled by each operational entity and by each business line, before reaching the Group HRD level.

5 Grenelle 2 Law

Social information pursuant to Article R. 225-105 of the French Commercial Code can be found in chapters 3.1 and 3.2, and a correspondence table showing the sections of this Registration Document is provided in Appendix B. The table of indicators also refers to the information required by the implementation decree.

6 Additional information on some indicators

a) Employment

The GDF SUEZ Group data include data from the six business lines and Corporate data (including 3,339, 3,247 and 3,427 employees in 2014, 2013 and 2012 respectively).

As of July 2013, the Environment business line was no longer included within the scope of consolidation as a fully consolidated entity; its workforce was 79,421 and it had contributed to 7,022 hires and 1,665 employee transfers in the first half of 2013, i.e. a total for the Group with BE of 22,810 hires and 7,134 transfers in 2013.

The 2012 data were recalculated without the Environment business line for comparison purposes.

- The geographical areas correspond to those integrated under the scope IFRS. Although the companies in the Global Gas & LNG business line are located in Africa, they are considered part of Europe.
- Administrative employees are recognized under "senior technicians and supervisors".
- The French concept of cadres (managerial staff) is sometimes difficult to understand in other countries. This can lead to a slight underestimation of the number of managerial staff because some entities may take only their senior management into account.

b) Staff changes

All indicators in this section are calculated on a constant structure basis, i.e. the fully consolidated reporting entities included in the scope of consolidation at 12/31/N-1 and at 12/31/N.

The lay-offs indicator does not include contractual terminations.

c) Diversity and equal opportunity

The declared percentage of people with disabilities provides the best possible information on the inclusion of people with disabilities into GDF SUEZ companies. We do not consider it relevant to provide a scope definition for this indicator, since some entities are unable to gather information due to local regulatory restrictions.

d) Career development

The training indicators provided in this document do not take e-learning into account.

When all data cannot be provided within the timelines, the most recent are provided as well as a forecast of the missing data for year-end.

e) Organization of working time

The working hours of personnel within the Group companies are organized within the legal framework for working time, which varies from country to country.

Days of absence per person are calculated according to the Group convention of eight hours of work per day.

f) Compensation

Group policy is to offer compensation to all that is personalized, fair and competitive on the market, and which reflects the performance and level of responsibility of each person:

- The compensation indicator is the ratio of the gross average salary in the "manual workers, clerical staff and technicians" category as a proportion of the national legal minimum wage. This ratio enables assessment of the relative average national salaries of full-time manual workers, clerical staff and technicians.
- The average gross salary is obtained by dividing the annual gross salary by the average monthly full-time equivalent (FTE) workforce.
- The restitution rate mainly depends on the existence and availability of a legal minimum wage. Overall, it is close to 80%. Note that this ratio is not calculated for Belgium at BEE, which has not declared any manual workers, clerical staff and technicians. Legal minimum wage data for 2013 are provided by Eurostat.

Changes in payroll costs are also provided in Chapter 6.2 Note 7.2.

3.2.7.2 Note on methodology of health and safety indicators

Scope

Only the fully consolidated entities are covered by the analyses in this document.

Methods for checking and consolidating indicators

After being collected, the quantitative health and safety data in this report were checked and consolidated according to clearly defined procedures and criteria.

For the Infrastructure business line, in consolidating the data for the GrDF distribution BU, which operates jointly with ErDF, only the "natural gas" part of hours worked is taken into account.

The practices of public authorities and regulations on communicating incidences of occupational illness within companies vary according to the country concerned (for example Belgium, where only some of this information is available). This gives rise to differences in the way such data are computed by the Group's entities. The effort to raise awareness among Group's entities was reinforced since 2013 to standardize the published data.

3.3 ENVIRONMENTAL INFORMATION

GDF SUEZ faces the main environmental challenges: climate change, the quality and availability of natural resources – air, water, soil and energy, and the protection of biodiversity and ecosystems. Although GDF SUEZ's activities may generate improvements in environmental quality, they also have an impact on ecosystems and natural resources which the Group seeks to measure and reduce within a process of environmental management of its activities.

GDF SUEZ's challenges and ambitions in this area are reflected in the Group's environmental policy (page 16 http://www.gdfsuez.com/analystes-rse/politique) and in the performance indicators deployed across all its activities. A corporate team, in charge of analysis and coordination, is specifically dedicated to environmental responsibility and reports to the Director of Environment. The team has environmental coordinators at each business line who oversee environmental reporting, lead their own networks of coordinators, organize actions, and supplement corporate expertise with their knowledge of operations.

In addition, the Environmental and Social Responsibility Department produces an annual report, which it sends to the Management Committee and presents to the Board of Directors' Ethics, Environment and Sustainable Development Committee. This report is supplemented by business lines' own reports and letters of environmental compliance, as well as the results of environmental audits ordered by the Management Committee.

This framework provides a relevant assessment of the Group's environmental performance and helps to identify areas of improvement for the development of action plans, where needed.

3.3.1 Legal and regulatory framework

The Group actively monitors regulatory developments (set out in Chapter 2, "Risk Factors"), stating its positions while they are being prepared and applying the new rules as soon as they are published.

In particular, the Group has been calling for the harmonization of international regulations and greater integration between the various environmental and energy policies.

3.3.2 The environmental management system[1]

At the end of 2014, the entities that had published an environmental commitment policy or declaration accounted for 98.04% of relevant Group revenue[2] in terms of environmental impact. These commitments usually lead to the implementation of Environmental Management Systems (EMS) with regards to economic conditions and interest of such a procedure. These EMS may then be externally certified, when justified. At December 31, 2014, 71.1% of relevant revenue was covered by certified EMS (ISO 14001 certifications, EMAS registrations, ISO 9001 version 2000 certifications with an environmental component, and local certifications).

PERCENTAGE OF RELEVANT REVENUE COVERED

Indicator title	Scope covered in 2014 *(% relevant revenue)*	GDF SUEZ 2014	GDF SUEZ 2013
By an EMAS certification ■■	99.74%	11.8%	14.6%
By an ISO 14001 certification (non-EMAS) ■■	98.71%	55.1%	52.7%
By other external EMS certifications	99.69%	4.2%	2.9%
TOTAL EXTERNAL CERTIFICATIONS		**71.1%**	**70.2%**
By an internal certification (but not by a certified EMS)	99.68%	12.9%	14.1%
TOTAL INTERNAL AND EXTERNAL EMS		**84.2%**	**84.3%**

■■ *Verified by the Auditors with "reasonable" assurance for 2014.*

When the implementation of a certified or registered management system is not economically justified, entities are encouraged to define an internal management system ensuring concern for the environment in carrying out their activities. Thus, some Group entities have deemed it more advisable to devise their own management system standard, adapting it to their activities and recognizing it internally. To supplement its Environmental Management Systems (EMS), GDF SUEZ uses a dynamic self-assessment system to evaluate the maturity of environmental assessment processes, which allows operating sites to easily identify areas for improvement and evaluate the adequacy of their EMS for local circumstances and to assess their relative progress. This system also enables them to monitor their progress and make comparative analyses with other Group sites, whether or not they are in the same field of activity.

It should be noted that the implementation of internal and external EMS is accompanied by education and training sessions related to the environmental issues that the targeted employees encounter in their activities.

(1) *Section 3.5 "Report of the Statutory Auditor, Designated as an Independent Third-Party Entity, on the Review of Environmental, Social and Societal Information Published in the Management Report" and Section 3.6 "Reasonable Assurance Report on a Selection of Social and Environmental Information".*

(2) *Relevant revenue: excluding revenue generated by activities not considered relevant in terms of environmental impact (such as tertiary, trading and sales activities, etc.).*

3.3.3 Environmental responsibility, performance control and measurement systems

To monitor the implementation of its environmental policy, to control environmental risks and to encourage the communication of its environmental performance to stakeholders, GDF SUEZ has developed a specific reporting system that goes beyond the requirements of the French law, based on work conducted within international bodies such as the Global Reporting Initiative (GRI) and the World Business Council for Sustainable Development (WBCSD).

Environmental reporting is closely tied to operational performance reporting, thus becoming a management tool. The Group's Executive Management transmits this goal of making environmental concerns an integral part of management responsibilities. Auditors trained in the Business Units and corporate auditors perform environmental audits to ensure that environmental regulations are observed in the field and to evaluate major environmental risks.

A system of letters for environmental compliance ensures operational management involvement: by committing management to provide qualitative information that is consistent with the standards of reference, controlled, verified and approved.

Methodological elements of the 2014 environmental reporting

GDF SUEZ conducts its environmental reporting using a dedicated tool that allows data to be reported following a defined methodology. This tool, called CERIS, is an environmental reporting IT solution used to manage the network of environmental correspondents and coordinators; to handle the management and documentation of the scope of environmental reporting; to manage data entry, monitoring and consolidation of indicators; and to provide the documentation necessary for producing and collecting data (reporting procedures and instructions).

CERIS is deployed in each of the business lines and thus covers the entire GDF SUEZ organization.

The legal entities included in the reporting scope are those whose operations are relevant in terms of environmental impact and that are consolidated fully or proportionately under the rules of financial consolidation (IFRS). Legal entities solely engaged in energy trading, financial activities or engineering are excluded. The selected entities report on the performance and impacts of the industrial facilities over which they have technical operational control, including facilities operated on behalf of third parties. Legal entities consolidated at equity are excluded.

Thus, in accordance with the rules of financial consolidation, 100% of the impact data collected is consolidated when the entities are fully consolidated. For entities proportionately consolidated, the environmental impact data are consolidated in proportion to the Group's consolidation rate provided that it has 100% technical operational control or that as a minimum this is shared with other shareholders.

The scope is determined on June 30 of the fiscal year. For disposals after that date, the entity is expected to complete the environmental questionnaire with the data available on the last day of the month prior to the disposal. Acquisitions made after June 30 are not taken into account, unless the business line has requested an exception, and provided that the data are available.

To calculate environmental management indicators such as the "part of relevant revenue covered by an environmental certification, an environmental crisis management plan, etc.", the relevant revenue is estimated for each legal entity. To obtain the relevant revenue, operations regarded as not "relevant in terms of environmental impact" (e.g. trading, finance and engineering) are stripped out of the consolidated revenue figure of each legal entity.

The procedures of environmental data reporting encompass general procedures defined as standard guidelines to be implemented at the appropriate levels of the reporting process. Procedures and guidelines are rolled out Group-wide via a network of duly mandated contacts and coordinators. These procedures and guidelines at Group and business line level describe in detail the environmental data collection, control, consolidation, validation and transmission phases at different levels of the organization, as well as the rules for defining the scope of consolidation. They include technical documents that provide methodological guidelines for the calculating of some specific indicators. Depending on its activities, each entity is assigned a profile that determines the indicators to answer. The list of the entities included in the environmental reporting scope is approved by each business line.

The definitions of the indicators used to measure the environmental performance of Group businesses have been revised based on comments made by the statutory auditors. They also take into account the comments by line managers represented in dedicated work groups. All the documentation is available from the Group upon request (Environmental and Societal Responsibility Division).

The following points should be noted with regard to the data published in this report:

1. the reliability of the scope of environmental reporting is a GDF SUEZ priority and it evolves in an international context of business disposals and acquisitions. Before every reporting campaign, the financial scope for consolidation is compared against the information fed back by the business line's environmental managers in order to check which industrial entities contributing to CERIS report to which financial entities;

2. for fiscal year 2014, to ensure delivery of all data required within the stipulated deadlines, estimation methods were defined for data that would not have been available in the 12 months of the calendar year;

3. GDF SUEZ has been a signatory to the CEO Water Mandate since 2007, thus indicating its commitment to preserving water resources. In order to improve the Group's water management, the indicators relating to water were adjusted and brought into line with the GRI indicators in 2011. GDF SUEZ is thus able to respond more fully to external questionnaires: SAM, CDP Water Disclosure and CEO Water Mandate, etc. These indicators fall into four categories: Withdrawal, Discharge, Consumption and Recycling/Reuse. In 2014, clarifications were made to improve comprehension of these indicators;

4. as it is concerned about what becomes of the waste generated by its activities, the GDF SUEZ Group has indicators on its waste recovery. These are based on definitions of waste and recovery established by local regulations. To avoid erroneous data about stocks, only the tonnages taken away and weighed on site are reported as disposed of. The tonnages that must be reported are wet or dry, depending on the way they are disposed of: if the waste disposed of was wet, the reported tonnages are wet and the converse for dry waste. As an exception, if the waste is definitively stored on site, the associated dry tonnages must also be reported as disposed of, in which case, the waste will not be recycled. For example, this situation applies to the Hazelwood and Loyang B plants in Australia;

5. CO_2 emissions from the combustion of fossil fuels were calculated based on the most recent emission factors published by the IPCC (4th Assessment Report – 2007). The global warming potential (GWP) compares the warming capacity of the various greenhouse gases to CO_2. The GWP used to convert the Group's greenhouse gas (GHG) emissions to CO_2 equivalent are the latest GWP published by the IPCC (5th Assessment Report – 2014), considered on a 100-year scale;

6. the Biodiversity indicators used to monitor changes in the Group's objectives (see section 3.3.4.8) are based on the notion of "priority site". A priority site is one that presents a potential risk for biodiversity due to the nature of its activities. It is located in or near a protected area, and has no separation (natural or artificial break) between it and the protected area. Subject to appropriate justification, a site that does not meet these objective criteria still has the option to declare itself a priority site;

7. specific GHG emissions from energy generation in $kgCO_2$ eq/MWh are calculated for the three business lines where this is a main activity: the Energy Services business line, the Energy International business line and the Energy Europe business line;

8. data related to LNG vessels' activity, including impacts and consumption, have been incorporated as operating sites and are therefore reported as such. The vessels included in the calculations are those in which GDF SUEZ has majority ownership, or those operated by a subsidiary in which GDF SUEZ has a majority stake, as well as long-term chartered vessels (> 1 year). This gives a list of 13 ships: Grace Cosmos, BW GDF SUEZ Everett, BW GDF SUEZ Boston, Matthew, Provalys, GDF SUEZ Global Energy, Gaselys, BW GDF SUEZ Paris, GDF SUEZ Neptune (SRV), GDF SUEZ Point Fortin, Grace Acacia, Grace Barleria, and BW GDF SUEZ Brussels. Any ISO 14001 certification of vessels is also taken into account;

9. for the sake of consistency, the factor for converting thermal energy produced (GWhth) into electric power (GWhe) is set at 0.44 for all Group businesses and at 0.25 for incinerators;

10. significant environmental impacts resulting from subcontractors during services performed at one of the Group's facilities must be included in the Group's impacts except when a specific contractual clause provides that a subcontractor is liable for impacts generated at the site while providing the service. Data provided by subcontractors is not subject to systematic internal verification before being included in Group data and is the responsibility of the subcontractors alone. Regulations and legal obligations related to the environment may differ from one country to another, and certain data may thus be sometimes more difficult to gather (e.g. water consumption in the United Kingdom).

3.3.4 Group actions

3.3.4.1 Climate change

By developing a low carbon energy mix and through its energy efficiency activities the Group has put energy transition and the fight against climate change at the heart of its strategic focus. It actively participates in the work of civil society in this area, contributing its operating know-how in negotiations at all levels. This expertise is also available to the Group's customers through a range of commercial offerings, whether for participation in the carbon market, technical solutions, support or implementation of strategies and action plans to reduce greenhouse gases (GHG) emissions. In addition, the Group responds annually to the Carbon Disclosure Project questionnaire.

In 2014, the Group's GHG emissions (Scope 1 excluding tertiary emissions) totaled 131 million tons of CO_2 equivalent[1].

GDF SUEZ has set itself the target of a 10% reduction in its specific CO_2 equivalent emissions between 2012 and 2020. Compared to 443,1 g CO_2 eq/kWh in 2012, the emission rate at the end of 2014 was 434,2 g CO_2 eq/kWh.

Indicator title	**Scope covered in 2014** *(% relevant revenue)*	**GDF SUEZ 2014**	**GDF SUEZ 2013**
Total direct GHG emissions - scope 1 ■■	96.89%	131,154,736 t CO_2 eq.	141,984,778 t CO_2 eq.
GHG emissions per business unit – energy generation		434.2 kg CO_2 eq./MWheq	425.1 kg CO_2 eq./MWheq
GHG emissions per business unit – gas exploration, production		5.7 kg CO_2 eq./MWheq	4.9 kg CO_2 eq./MWheq
GHG emissions per business unit – gas storage		1.3 kg CO_2 eq./MWheq	1.0 kg CO_2 eq./MWheq
GHG emissions per business unit – gas transmission (excluding LNG fleet)		0.9 kg CO_2 eq./MWheq	0.8 kg CO_2 eq./MWheq
GHG emissions per business unit – LNG terminals		3.2 kg CO_2 eq./MWheq	1.9 kg CO_2 eq./MWheq
GHG emissions per business unit – gas distribution		2.45 kg CO_2 eq./MWheq	3.8 kg CO_2 eq./MWheq
GHG emissions per business unit – gas transportation by boat		10.8 kg CO_2 eq./MWheq	9.4 kg CO_2 eq./MWheq

■■ *Verified by the Auditors with "reasonable" assurance for 2014.*

GDF SUEZ has set up a working group to better assess the main risks related to climate change (increase in extreme events, availability of water resources, etc.) and distributes an internal newsletter on adaptation to climate change in order to share information and best practices. The Group is holding discussions on how it can implement the latest scientific advances, in particular through the European project "Extreme Events for Energy Providers".

In 2014, the Group conducted an initial evaluation of the impact of climate change (floods and drought) using Aqueduct software to supplement its work on water stress (see Section 3.3.4.5 Water).

(1) The scope used for environmental reporting is specific (it includes facilities where GDF SUEZ has technical operational control) and thus differs from the scope used, for example, when assessing the power generation fleet.

3.3.4.2 Renewable energy

Maintaining a balanced energy mix means increasing the Group's capacities in renewable energy, whether for generating electricity and heat, and in the case of biogas for transportation.

In 2014, renewable energy accounted for roughly 15.9 GW of installed electric equivalent, representing 19.3% of the Group's total installed capacity.

Indicator title	Scope covered in 2014 *(% relevant revenue)*	GDF SUEZ 2014	GDF SUEZ 2013
Renewable– Net installed power (electric and thermal) ■■	98.99%	15,875 MWeq	15,818 MWeq
Share of renewable resources in installed capacity	98.99%	19.7%	18.3%
Renewable – Electricity and heat produced ■■	98.96%	72,036 GWheq	71,394 GWheq
Energy produced – share of large hydropower		81.7%	82.2%
Energy produced – share of small hydropower		2.0%	2.4%
Energy produced – share of wind		6.5%	6.4%
Energy produced – share of geothermal		0.073%	0.077%
Energy produced – share of solar		0.173%	0.079%
Energy produced – share of biomass and biogas		9.5%	8.7%

■■ *Verified by the Auditors with "reasonable" assurance for 2014.*
These capacities correspond to the scope of the environmental reporting specified in Section 3.3.3 (excluding equity-accounted and non-controlled facilities).

3.3.4.3 Energy efficiency

Three of GDF SUEZ's business lines offer a very wide range of services: Energy Services, Energy Europe and Energy International. In particular, Energy Services designs and implements energy efficiency and environmental solutions through multi-technical offerings in engineering, installation and energy services. The other business lines also implement energy saving measures for their customers (e.g. in France with the regulatory framework for Energy Savings Certificates).

For electricity generating facilities, energy performance is directly connected to the site's efficiency which influences its profitability. It is therefore a key action area for every power plant manager. Measures taken to improve power generation facilities have helped optimize energy efficiency and hence consumption of raw materials.

Finally, in 2013 by signing the charter for energy efficiency of commercial buildings, GDF SUEZ reaffirmed its ongoing commitment to controlling the energy consumption of buildings. Indeed, the Group has set up a green building policy to improve the environmental performance of its commercial real estate, a policy whose first phase has been deployed in France and Belgium, with the objective, among others, of reducing its energy consumption by 40% by 2020.

Indicator title	Scope covered in 2014 *(% relevant revenue)*	GDF SUEZ 2014	GDF SUEZ 2013
Primary energy consumption – total (excluding own consumption) ■■	97.37%	468 866,8 GWh	509,353 GWh
Share of coal/lignite		42.2%	39.7%
Share of natural gas		49.4%	53.1%
Share of fuel oil (heavy and light)		1.3%	1.6%
Share of biomass and biogas		4.3%	3.6%
Share of other fuels		2.3%	2.0%
Proportion of fuel in transport		0.4%	NA
Electricity and thermal energy consumption (excluding own consumption) ■■	99.53%	12,105 GWheeq	12,761 GWheeq
Energy efficiency of fossil fuel plants (including biomass) ■■	98.78%	41.34%	42.36%

■■ *Verified by the Auditors with "reasonable" assurance for 2014.*

3.3.4.4 Nuclear energy

Maintaining a very high level of safety at the seven nuclear reactors operated by GDF SUEZ is a key priority for the Group. GDF SUEZ also attaches great importance to limiting the environmental impact of these facilities (e.g. waste).

The downstream portion of the nuclear fuel cycle represents all operations related to this fuel after its use in a nuclear reactor. The costs for this portion are and will be covered by total financial provisions of €4.496 billion at the end of 2014. Documentary evidence produced by the company Synatom every three years is submitted to the Commission des Provisions Nucléaires for approval. The costs of dismantling nuclear power plants after their closure have also been provisioned pursuant to current regulatory obligations. At the end of 2014, the provisions recognized amounted to €2.681 billion.

Indicator title	Scope covered in 2014 *(% relevant revenue)*	GDF SUEZ 2014	GDF SUEZ 2013
Radioactive gas emissions			
Rare gases	100%	37.79 TBq	34.61 TBq
Iodines	100%	0.05 GBq	0.03 GBq
Aerosols	100%	0.34 GBq	0.30 GBq
Radioactive nuclear waste (weak and average activity)	100%	161.4 m^3	218.7 m^3
Radioactive liquid wastes			
Beta and Gamma emitters	100%	8.65 GBq	13.66 GBq
Tritium	100%	76.67 TBq	80.42 TBq

3.3.4.5 Water

As a committed player in water management, GDF SUEZ is taking part in the current debate over corporate risk disclosure and water stewardship, alongside organizations such as the World Business Council for Sustainable Development and the CEO Water Mandate of the UN Global Compact. In 2014, the Group made an initial assessment of water stress for “energy” activity facilities to supplement the results obtained in 2014 using the Aqueduct program developed by the World Resources Institute. The indicators reported relate to water withdrawal and consumption for industrial processes.

Indicator title	Scope covered in 2014 *(% relevant revenue)*	GDF SUEZ 2014	GDF SUEZ 2013
Industrial water			
Total withdrawal – Fresh water	99.81%	88.2 Mm^3	114.7 Mm^3
Total withdrawal – Non-fresh water	99.77%	19,1 Mm^3	36.9 Mm^3
Total consumption (1)	99.58%	13.8 Mm^3	23.5 Mm^3
Cooling and heating water			
Total withdrawal – Fresh water	99.96%	5,684.1 Mm^3	6,435.6 Mm^3
Total withdrawal – Non-fresh water	100%	8 462,1 Mm^3	9,085.8 Mm^3
Total consumption	99.9%	121,7 Mm^3	132.6 Mm^3

(1) Reduction mainly due to changes of method at 3 entities.

3.3.4.6 Waste

Indicator title	Scope covered in 2014 (% relevant revenue)	GDF SUEZ 2014	GDF SUEZ 2013
Total quantity of non-hazardous waste and by-products discharged (including sludge)	99.69%	5,447,783 t	5,369,769 t
Fly ash, refioms	100%	3,230,240 t	3,249,849 t
Ash, bottom ash	100%	1,500,588 t	1,218,882 t
Desulfurization by-products	100%	381,892 t	369,227 t
Sludge	99.85%	47,171 t	24,562 t
Driftwood	100%	8,606 t	NA
Total quantity of non-hazardous waste and by-products discharged (including sludge)	99.49%	4,861,623 t	4,625,118 t
Drilling waste	100%	20,977 t	NA
Total quantity of hazardous waste and by-products discharged (including sludge and excluding radioactive waste) ■■	99.10%	417,954 t	410,766 t
Total quantity of hazardous waste and by-products recovered (including sludge and excluding radioactive waste) ■■	99.12%	56,914 t	26,490 t

■■ *Verified by the Auditors with “reasonable” assurance for 2014.*

Accordingly, in January 2014, GDF SUEZ took the recommendations of an internal audit on waste management and incorporated them into its environmental policy. Its chief aim was to reduce the quantities of waste it produces and to increase its rate of waste recovery.

These efforts have led to higher recovery rates for both non-hazardous waste (89.2% in 2014, up from 86.1% in 2013) and hazardous waste (13.6% in 2014, up from 6.4% in 2013). The Group's industrial sites in France and abroad actively solicit local waste recovery solutions, even though some of these channels remain dependent on market opportunities governed by the laws of supply and demand.

3.3.4.7 Atmospheric pollutants

GDF SUEZ uses a wide range of techniques to further reduce its emissions: reduction at the source using a tailored energy package; filters or water injection to reduce particle emissions; installation of low-NOx burners or urea injection (secondary treatment) to control nitrogen oxides; and choosing fuels with very low sulfur content to reduce sulfur dioxide emissions.

Indicator title	Scope covered in 2014 (% relevant revenue)	GDF SUEZ 2014	GDF SUEZ 2013
NOx emissions	100%	149,401 t	155,354 t
SO_2 emissions	99.57%	246,448 t	278,601 t
Particulate matter emissions	97.28%	14,672 t	12,947 t

3.3.4.8 Management of biodiversity

In order to contribute to the fight against the global erosion of biodiversity, remedy its impact under the three prongs of “prevent, reduce, offset” and continue to benefit from eco-systemic services, the Group has been committed since 2010 to integrating biodiversity into its various business lines. This commitment has resulted in particular in:

setting an objective for 2015 to assign a targeted biodiversity action plan to each priority site in Europe; “Targeted” action plans taken into account in this objective are those where there is evidence that they are favorable to species/habitats that are protected or impacted by our activities. Site priority is assessed based on the type of activities and the distance from protected natural areas;

a voluntary initiative officially recognized at the end of 2012 by the French ministry for the environment under the National Strategy for Biodiversity.

In its approach to biodiversity, the Group relies on its partnerships: the French Committee of the International Union for the Conservation of Nature (IUCN France) and France Nature Environnement (FNE). In 2014, the Group delivered a progress report on its long-term objective with the support of IUCN to put its contribution to the French National Biodiversity Strategy into perspective. Between 2013 and 2014, the proportion of sites deemed to be priority and having a targeted action plan increased from 35.6% to 72.4% at European level. In addition, the Group has put in place an internal network of exchanges on biodiversity and is developing internal tools to facilitate understanding of the topic and objectives by as wide an audience as possible. The differentiated management of green spaces, introduction of native plants, schemes to enable migrating fish to pass through hydraulic structures, and the reduction of the impact of wind turbines on birds and bats are examples of measures taken for the protection of biodiversity.

3.3.4.9 Active prevention of environmental risks

The management of industrial and environmental risks has two components: risk prevention and crisis management.

Indicator title	2014 data	2013 data
Environmental analyses	83.1% relevant revenue	83.01% relevant revenue
Environmental risk prevention plan	85.1% relevant revenue	86.45% relevant revenue
Environmental crises management plan	86.3% relevant revenue	86.40% relevant revenue

There were 478 claims and one award for environmental or public health damages, with total compensation amounting to €27,900. While this is very low considering the Group's size and the industrial nature of its activities, the Group actively monitors these data and implements actions to reduce them further. Furthermore, GDF SUEZ have financial provisions of €43 million for risks associated with litigations linked to environment. In 2014, environmental expenses (capital expenditure and recurring operating expenses related to environmental protection) totalled €1,008 million.

Indicator title	Scope covered in 2014 *(% relevant revenue)*	2014 data	2013 data
Environment-related claims	99.72%	478	66
Environment-related fines	99.68%	1	8
Amount of compensation *(thousands of euros)*	99.72%	27.9	127
Environmental expenses *(thousands of euros)*	96.64%	1,008,105	1,153,062

3.3.4.10 Nuisance

Any industrial activity is a source of noise. In order to reduce its impact, Group entities conduct regular soundproofing work (acoustic cladding, noise barriers, containment, and so on). In more recent projects, reducing this potential form of nuisance is directly integrated into the design.

For the most part, Group activities do not generate olfactory nuisance. However, as natural gas is odorized for safety reasons, some people may occasionally feel inconvenienced by the smell.

For its EnR projects, in particular onshore wind and solar PV, GDF SUEZ conducts impact studies and proposes support measures to prevent, reduce or offset any noise or visual impact. Examples of such actions include defining and implementing turbine restrictions (stoppage or reduced power at key times and/or under certain wind conditions), conducting specific actions with builders to reduce the sound power of machines, seeking better harmonization with the landscape during the design and, after construction, initiating planting and vegetation schemes on sites or for neighbors if there is an obvious visual impact. By way of illustration, in France, GDF SUEZ has partnered with the "Respect" project launched as part of the offshore wind project at the city of Tréport and the islands of Yeu and Noirmoutier. This project, in partnership with Quiet Oceans, the University of Le Havre, the Langevin Institute, and the Pelagis Observatory, is designed to improve understanding of the biological impact related to the noise footprint of projects and reduce them by developing appropriate technologies.

3.3.4.11 Land use

Protection of soil and groundwater is an integral part of the Group's environmental policy. The environmental consequences of soil pollution can be significant, as can be the costs of subsequent remedial measures. It is therefore important to prevent this risk and to hedge it with financial provisions. These amounted to €2.150 billion in 2014 and concerned sites rehabilitation, non nuclear installations dismantling and scheduled programs for eliminating products.

At Electrabel in Belgium, a soil survey was carried out at several power plant sites and soil pollution was identified. Risks were assessed in conjunction with the appropriate environmental authorities and a remediation project is implemented wherever necessary.

GDF SUEZ owns a number of former gasworks. These sites may be affected by oil, heavy metals and other volatile substances that can adversely affect health. As a result, they must be repaired before reuse. In 1996, a 10-year plan was agreed via a memorandum between Gaz de France and the French State for the rehabilitation of these sites. As from 2007, all sites are compatible with their use from a health perspective. Today, when these former sites are sold, GDF SUEZ is committed to ensuring that the buyer's project is compatible with the environmental and industrial liabilities of the site and that the risk to the environment and residents is effectively managed.

At all its sites, the Group monitors the soil and underground water, in accordance with its operating permits, in order to prevent pollution.

The fragmentation of natural habitats, a consequence of land use, represents the biggest threat to biodiversity and is at the root of the great majority of land-use conflicts. Gas pipelines account for the largest amount of land use by GDF SUEZ. As these gas routes are buried underground, they do not fragment natural habitats. Consequently, land use is not a key issue for the Group's activities.

3.4 SOCIETAL INFORMATION

The responsible growth model developed by GDF SUEZ is based on professional dialogue with all stakeholders to encourage co-construction and shared value creation.

3.4.1 Socioeconomic development in local communities

For GDF SUEZ, adapting its offerings to meeting its customers' requirements and learning about them make innovation and partnerships a central part of its local activities. These aims mean that dialogue is the main foundation of the Group's approach, emphasizing the importance of a professional attitude on the part of GDF SUEZ's teams, who have a good knowledge of stakeholders and a proactive, regular dialogue with them.

Internationally, in agreement with local authorities, the Group is committed in the same way, as part of a professional and participatory approach, to developing social programs linked to its industrial projects and resulting from consultation.

GDF SUEZ supports small and medium-sized enterprises (SME) and start-ups through various programs implemented in local communities. The Group also supports social entrepreneurship via the GDF SUEZ Rassembleurs d'Énergies initiative. This innovative initiative was launched in 2011 to bring together and strengthen the Group's actions to encourage access to energy and basic services in the countries where it currently operates or plans to operate in the future. The GDF SUEZ Rassembleurs d'Énergies initiative is based on three pillars: donations, technical assistance and investment.

Since its creation, social investment fund *GDF SUEZ Rassembleurs d'Énergies* has made ten investments in France and abroad, for a total amount of €4.1 million. In 2014 alone, the company invested €3.0 million, in France *(Les Toits de l'Espoir)*, Belgium (LivingStones), Italy (SO LO Energia), India (Green Village Ventures, Simpa Networks) and Uganda (Fenix).

To encourage the exchange of good internal practices in these areas, the Group has established a best practices community with regard to societal acceptability, which brings together the Group's leading practitioners. Its aim is to create a toolbox containing all the methods that might be used throughout a project, from design to assessment, and to make these available throughout the entire Group.

3.4.2 Stakeholder dialogue and partnerships

GDF SUEZ maintains a continuous, proactive dialogue with all its stakeholders concerning its industrial activities. Ensuring the company's sustainability and creating shared value, this culture where listening and dialogue are paramount is also extended thanks to sustainable partnerships tackling social and environmental issues.

From 2015, this system will be enhanced by a dedicated mechanism for consultation and dialogue with a group of stakeholders representing the various areas of concern for the Company. It will be coordinated by an independent institution specializing in corporate-stakeholder relations.

Internationally, GDF SUEZ has been a member of the United Nations Global Compact since 2001. Gérard Mestrallet chaired the French Global Compact network for three years (2010-2013). To share best practices in sustainable development, GDF SUEZ is a member of a number of networks and associations, including the World Business Council for Sustainable Development (WBCSD), and chairs, alongside ABB, Eskom and Schneider Electric, the working group on "low-carbon electrification in isolated areas".

In France, GDF SUEZ has concluded structural partnerships to support its environmental efforts. Of note in this respect is its partnership with France Nature Environnement, which brings together 3,000 environmental protection associations that, since 2010, have supported the Group in its efforts to protect biodiversity.

To combat energy poverty, GDF SUEZ is a partner of Emmaüs France. A third framework agreement has been signed covering the 2013-2015 period to support Emmaüs in its actions to combat energy poverty.

3.4.3 Community philanthropy, solidarity and combating energy poverty

In all geographical regions where GDF SUEZ operates, initiatives promoting community philanthropy, solidarity and combating energy poverty are implemented by the GDF SUEZ Corporate Foundation or Group entities, in connection with local authorities, local associations, internal NGOs (Codegaz and Energy Assistance) or the Group's corporate functional departments. Since its creation in 2010, the GDF SUEZ Foundation has supported 32 projects as part of its "Energy Solidarity" program, which is expected to help some 114,000 people in the longer term. GDF SUEZ has launched several initiatives promoting solidarity and combating energy poverty.

In 2014, GDF SUEZ helped more than 824,000 customers receive the *Tarif Spécial de Solidarité* (special solidarity rate), representing an increase in volume of nearly 50% on 2013. In addition, and pursuant to the decree of November 15, 2013, GDF SUEZ's customers can now benefit from the *Tarif de Première Nécessité* (basic needs rate) for electricity without changing supplier. This decree also stipulates the extension of the number of recipients of social rates, taking baseline taxable income as the threshold for eligibility. GDF SUEZ supported the public authorities, so that, as at the end of 2014, more than 981,000 customers were eligible for these special rates (824,000 for special solidarity rate and 157,000 for the basic needs rate), for a total annual contribution of more than €57 million.

The Group also participates in the in *Fonds de Solidarité* Solidarity Housing Fund (SHF), providing €6 million per year, in line with the Public Service Agreement. In 2014, more than 93,500 customers of the Group were benefiting from these council subsidies.

Since 2011, the Group has been acting alongside the public authorities as a partner in the national "Live Better" program. Under the new agreement signed in December 2014, GDF SUEZ has renewed its commitment to the program, and will pay out €53 million in the period 2014-2017 to renovate 185,000 homes.

GDF SUEZ has created a network of mediation partners with over 360 customer assistance centers throughout the country at the end of 2014. Mediators at these associations, who are trained by GDF SUEZ, talk to customers facing payment difficulties, help them to understand their bills, give them advice on their energy spending, and can help them to set up structured payment plans or direct them towards social services to apply for assistance. In 2014, these partners responded to more than 66,000 requests from GDF SUEZ's customers.

GDF SUEZ has set up a dedicated structure for its customers in vulnerable situations or those facing payment difficulties. Thirty-five GDF SUEZ Energy Solidarity partners are in touch with local communities, departments and associations and 170 GDF SUEZ solidarity advisers are also dedicated to processing requests from social workers.

The ISIGAZ *(Information Sécurité Intérieure GAZ)* program, which informs and raises awareness among disadvantaged customers about their domestic natural gas facilities and energy savings, covered 24,000 homes in some 20 French towns in 2014. Since the launch of ISIGAZ in 2006, 260,000 families in around 100 towns have received this advice.

In 2009, GDF SUEZ set up an international observatory for energy and water insecurity to enable the exchange of best practices between its subsidiaries. The next observatory conference will take place in 2015.

3.4.4 Purchases, subcontracting and suppliers

The Group's Purchasing organization has defined four ambitious objectives that contribute to the Group's development and reputation, over and above negotiations on price:

- to be a recognized contributor to the Group's operational performance;
- to uphold the Group's values in respect of its suppliers and to be a key player in its CSR approach;
- to be a model for cross-functional initiatives within the Group;
- to drive career development.

The Group's Purchasing and Procurement Policy defines the objectives and principles that govern how the Purchasing and Procurement organization carries out its activities in interacting with the line management internally and with the suppliers and subcontractors' market, in connection with its responsibilities, which are outlined below:

- ensure that external supplies meet the requirements for quality and economic performance;
- uphold commitments and maintain balanced relations with suppliers;
- effectively manage the exchange of information using optimized tools and processes. The implementation of PYRAMID, the Group's Procurement solution, continued in 2014;
- professionalize staff and develop the expertise of the employees in the Procurement network. The purchasing and procurement training program, the "Procurement Passport", was launched in January 2014. It aims to provide information about the challenges that the Group faces and its strategy, and to give participants a clearer understanding of the role played by Purchasing in the Group's necessary transformation. It raises awareness among all actors in the Procurement network about the purchasing policy, methods and processes, so that they can perform their duties more effectively. The program is delivered in two ways: a two-day physical seminar, and the online training program, the "Procurement Passport", accessed via the Group's online training platform;
- implement purchasing portfolio management by category in order to develop the cross-functional nature of strategies within the Group; 34 Category Managers were appointed in 2014 and PYRAMID, the Group's purchasing solution, was a concrete step in this implementation;
- ensure that all agreements with suppliers are the subject of a written document (that includes mandatory ethical, environmental and social responsibility clauses) negotiated in advance and signed between the parties by the approved buyer, pursuant to the authorizations in force.

3.5 REPORT OF ONE OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD-PARTY, ON THE CONSOLIDATED ENVIRONMENTAL, SOCIAL AND SOCIETAL INFORMATION PUBLISHED IN THE MANAGEMENT REPORT

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditor of GDF SUEZ, and appointed as independent third-party, for whom the certification request has been approved by the French National Accreditation Body (COFRAC) under the number 3-1048[(1)], we hereby present you with our report on the social, environmental and societal information prepared for the year ended December 31st, 2014 presented in the management report (hereinafter the “CSR Information”), pursuant to Article L.225-102-1 of the French Commercial Code (Code de commerce).

Responsibility of the company

The Board of Directors is responsible for preparing a management report including CSR Information in accordance with the provisions of Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting protocols and guidelines used by GDF SUEZ la société, (hereafter the “Reporting Guidelines”), which are available for consultation at the headquarters of the company at the strategy and sustainability division (environment and climate services), at the Human Resources division and the health and safety and management systems and for which a summary is presented in the management report in part "Methodological elements of the 2014 environmental reporting", "Note on methodology of social indicators" et "Note on methodology of health and safety indicators".

Independence and quality control

Our independence is defined by regulatory texts, the profession’s Code of Ethics as well as by the provisions set forth in Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional auditing standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is:

- to attest that the required CSR Information is presented in the management report or, in the event of omission, is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness of CSR information);
- to express limited assurance on the fact that, taken as a whole, CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Guidelines (Formed opinion on the fair presentation of CSR Information).

Our work was carried out by a team of twelve people between October 2014 and February 2015. To assist us in conducting our work, we referred to our corporate responsibility experts.

We conducted the following procedures in accordance with professional auditing standards applicable in France, with the order of May 13, 2013 determining the methodology according to which the independent third party entity conducts its assignment and, concerning the formed opinion on the fair presentation of CSR Information, with the international standard ISAE 3000[(2)].

Attestation of completeness of CSR Information

Based on interviews with management, we familiarized ourselves with the Group’s sustainable development strategy, with regard to the social and environmental impacts of the company's business and its societal commitments and, where appropriate, any resulting actions or programs.

We compared the CSR Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code.

In the event of omission of certain consolidated information, we verified that explanations were provided in accordance with the third paragraph of the Article R. 225-105 of the French Commercial Code.

We verified that the CSR Information covered the consolidated scope, i.e., the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limitations presented in the methodological notes on methods of chapter 3.2 and 3.3 of the management report.

Based on these procedures and considering the limitations mentioned above, we attest that the required CSR Information is presented in the management report.

Formed opinion on the fair presentation of CSR Information

Nature and scope of procedures

We conducted around fifty interviews with the people responsible for preparing the CSR Information in the departments in charge of

(1) which scope is available on www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

data collection process and, when appropriate, those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Reporting Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into consideration, when relevant, the sector's best practices;
- verify that a data-collection, compilation, processing and control procedure has been implemented to ensure the completeness and consistency of the CSR Information and review the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of the tests and controls according to the nature and significance of the CSR Information with regard to the company's characteristics, the social and environmental challenges of its activities, its sustainable development strategies and the sector's best practices.

Concerning the CSR Information that we have considered to be most important[(1)]:

- for the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the data consolidation, and we verified their consistency with the other information presented in the management report;
- for a representative sample of entities that we have selected[(2)] according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we held interviews to verify the correct application of the procedures and performed substantive tests using sampling techniques, consisting in verifying the calculations made and reconciling the data with supporting evidence. The selected sample represented 16% of the headcount and between 22% and 79% of the environmental quantitative information.

Regarding the other consolidated CSR Information, we have assessed its consistency in relation to our understanding of the Group.

Lastly, we assessed the relevance of the explanations relating to, where necessary, the total or partial omission of certain information.

We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgment enable us to express limited assurance; a higher level of assurance would have required more in-depth verifications. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the CSR Information cannot be totally eliminated.

(1) *Social and health and safety information: Total workforce, Total workforce - Workforce by geographic region, Total workforce - Breakdown of workforce by SPC, Age pyramid of permanent employees, Female workforce, Proportion of women in workforce, Proportion of women in management, Proportion of Apprenticeship workforce, Breakdown of workforce by type of contract – Permanent, Breakdown of workforce by type of contract – Other, No. of permanent hires (at constant structure), No. of temporary hires (at constant structure), Rate of hires, Rate of permanent hires, No. of lay-offs (at constant structure), Turnover (at constant structure), Voluntary turnover (at constant structure), Employees under 25 as a % of permanent hires, Employees over 50 as a % of permanent hires, Average salary of manual workers, clerical staff and technicians compared with national minimum wage, Days of absence per person, Total no. of training hours, Proportion of workforce trained, No. of training hours per person trained, Proportion of disabled employees a % of permanent hires, Frequency rate, Severity rate (French benchmark), Severity rate (ILO benchmark), Number of new cases of occupational illness, No. of fatal accidents (employees), number of work-related accidents among external providers and temporary staff,*
Societal information: Purchases, subcontracting and suppliers
Environmental information: Percentage of relevant revenue covered by an EMAS certification, Percentage of relevant revenue covered by an ISO14001 (non-EMAS) certification, NOx emissions, SO2 emissions, Particulate matter emissions, Cooling and heating water - Total consumption, Industrial water - Total consumption, Primary energy consumption – total (excluding own consumption), Electricity and thermal energy consumption (excluding own consumption), Energy efficiency of fossil fuel plants (including biomass), Renewable – Net installed power (electric and thermal), Renewable – Electricity and heat produced, Total quantity of non-hazardous waste and by-products discharged (including sludge), Total quantity of non-hazardous waste and by-products discharged (including sludge), Total quantity of hazardous waste and by-products discharged (including sludge), Total quantity of hazardous waste and by-products discharged (including sludge and excluding radioactive waste), Total quantity of hazardous waste and by-products recovered (including sludge and excluding radioactive waste), Proportion of sites deemed to be priority and having a targeted action plan, Total direct GHG emissions - scope 1.

(2) *Social and health and safety information: BEI : Suez Energy North America ; BES : Axima Concept, INEO SA, Cofely Services S.A (Belgique).*
Environmental information: BEI : Estreito, ITASA, Machadinho, Salto Osório, Salto Santiago, Jorge Lacerda, ANP Coleto Creek, Wise County Power Company, Rugeley Power Station (B Site), Saltend Cogeneration Company Limited, FHH (Guernsey) Ltd, GHECO1 (USD), Glow ENERGY Phase 1&2, Glow ENERGY Phase 5, Glow SPP 2+3 CHP, Hazelwood Power Partnership, Pelican Point Power Limited, Loy Yang B consolidated ; BEE : Electrabel, Tihange, Saint-Ghislain, GDF SUEZ Kraftwerk Farge GmbH, KW Zolling Conventional, Biomasseheizkraftwerk Zolling GmbH, GDF Suez Energie Nederland N.V. (Electrabel Nederland), Rotterdam, GDF Suez Energia Polska SA.
BEE : Electrabel SA (BU, site Tihange et site Saint-Ghislain) ; Electrabel Nederland (BU et site Rotterdam) ; GDF SUEZ Kraftwerk Farge GmbH ; KW Zolling Conventional ; Biomasseheizkraftwerk Zolling GmbH ; ROSIGNANO ENERGIA SPA (ROSEN) ; ROSELECTRA ; GDF SUEZ ENERGIA POLSKA SA. BEI : Hazelwood Power Partnership ; Pelican Point Power Limited ; Loy Yang B consolidated ; Destilaria Andrade ; Estreito ; ITASA ; Machadinho ; Salto Osório ; Salto Santiago ; Jorge Lacerda ; Chilca ; ILO 1 ; ILO 2 ; GHECO1 (USD) ; Glow Energy CFB3 ; Glow ENERGY Phase 1&2 ; Glow ENERGY Phase 5 ; Glow SPP 2+3 CHP ; GLOW IPP COMPANY LTD (USD) ; Deeside Power Limited ; Rugeley Power Station (B Site) ; Saltend Cogeneration Company Limited ; Dinorwig ; Ffestiniog ; ANP Bellingham ; ANP Coleto Creek ; Wise County Power Company .

Qualification expressed

Findings were identified in the case of the indicator «Electricity consumption (excluding auto-consumption) » especially because of the incompleteness of the reporting made by power generation units.

Conclusion

Based on our work, and subject to the above-mentioned qualification, we did not identify any material anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented fairly, in accordance with the Reporting Guidelines.

Neuilly-sur-Seine, le March 3rd 2015
French original signed by one of the statutory auditors,

Véronique Laurent
Partner