



Sustainable Development at EDF Luminus

GRI4 Report

2013-2015

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Photo Credits: Frederik Vael p. 1 | Arnaud Ghys p. 6 (ATS) | Arnaud Fraikin p. 6, 41 (Andenne) | Olivier Pirard p. 7, 19 | Olivier Anbergen, I love light sprl, p. 8, 11, 31, 35, 39, 41 | Louis David, p. 20 | EDF Luminus, p. 26, 27, 28, , 32, 55, 59 | ES Services Énergétiques S.A., p. 28 | MF Plissart, p. 28 | Tondelier, p. 29 | Elie Dechany p. 32 (Seraing) | Michael Dasnois p. 48 | Beodiversity p. 49 | Faune et Biotopes p. 49

Cover: A "zen" moment atop EDF Luminus' 100th wind turbine, in Kluzendok, Ghent.

Declaration rules

As a Belgian company producing and supplying gas and electricity, EDF Luminus is required to comply with all laws and regulations established by the federal, regional and local legislators, and regulatory bodies, such as CREG, VREG, CWaPE and Brugel.

EDF Luminus S.A. is also required to file its annual report, as well as a management report, with the National Bank of Belgium, in compliance with the Belgian Company Code. Under the requirements laid out in the Code, EDF Luminus has opted for the exemption from sub-consolidation. The subsidiaries of EDF Luminus are thus not consolidated in this report.

As a subsidiary of the EDF Group, which is listed on the Paris stock exchange, EDF Luminus is subjected to certain obligations imposed by the Autorité des Marchés Financiers (AMF – Financial Markets Authority), with particular regard to access to information. An electronic version of this report is therefore available to all at www.edfluminus.be.

Period covered by the report

Unless otherwise indicated, the items included in this Sustainable Development Report relate to the period January 1, 2015, to December 31, 2015.

Measuring instruments used for the report

Our aim is to honestly represent the challenges and performance levels of the company, to communicate our actions clearly, honestly and in a balanced way, and to remain objective and accessible in our declarations.

Some of the data included in this report has been verified by external parties:

- The annual accounts of EDF Luminus are certified by KPMG Company Auditors and Boes & Co Company Auditors, and submitted to the National Bank of Belgium
- The GHG emissions inventory presented in this report has been realized by Climact, in accordance with the GHG Protocol international standard.
- The stakeholder consultation was carried out with the support of Cap Conseil, in compliance with the GRI4 guidelines on reporting methods
- Several documents used for reporting to the Belgian authorities were used to present results, notably in environmental and social matters

The French and Dutch versions of the Sustainable Development report were printed using vegetable based inks on 100% recycled paper. This paper was awarded a number of environmental certificates: ISO 90001, ISO14001, NAPM and the EU ecological label. The CO₂ emitted during the printing of this report was offset via the purchase of emission certificates within the framework of the forest protection project in the "Kasigau Wildlife Corridor" (in Kenya). The project was set up to protect the existing dry forest and savannah over an area of almost 170,000 hectares. Each year, this project offsets the equivalent of 1,000,000 tonnes of CO₂ and provides work for more than 200 local inhabitants, giving them the opportunity to build themselves a sustainable future.

A GRI4* report

EDF Luminus published its first Sustainable Development Report in June 2013, to report on its results for the year 2012. The objective was threefold:

- Respond to the expectations of key audiences: public authorities, customers, associations and social and commercial partners, who want more transparency from energy sector players
- Unify the actions of employees around the five axes of the CSR policy defined in June 2012: ethics, customer satisfaction, profits, the environment and human resources
- Comply with the commitments of the EDF Group in terms of stakeholder information.

Over three years, our regular participation in the competition for best Belgian Sustainability Report and the feedback provided by the jury have helped us to improve on the initial report** - to the point that the jury considered the 2014 report to be "remarkable".

Nevertheless, as of 2014 the EDF Luminus Executive Committee wished to set out on the path to compliance with the GRI4 standard in terms of sustainability reporting. The goal is clear: to further improve relevance and credibility.

The GRI4 standard is very demanding, as:

- The topics to be included in the report must be discussed in a formalised consultation with the company's stakeholders, in a formal manner, described in the report (see pages 14-16).
- For each subject, the issues must be explained ("why" this topic is included), as well as the processes implemented within the company in order to manage this topic satisfactorily. Furthermore, the key indicators for tracking the evolution of the results, ideally over three years, must be identified.
- Whenever possible and relevant, the company must benchmark itself to others in the sector (see pages 22 and 55).

Compliance with the GRI4 standard has had some noticeable impact, detailed on page 16, – in particular in the addition of two new topics. But we were able to retain almost all of the indicators published on previous years. The address csr@edfluminus.be is still available for any comments, questions or improvement suggestions. Happy reading!

Pascale-Marie Barriquand
Senior Advisor, Corporate Social Responsibility, EDF Luminus

*Global Reporting Initiative – fourth version
**developed with the support of Business & Society

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The leader in onshore wind energy

The wind energy park almost doubled

On 31 December 2014, the installed capacity of EDF Luminus' wind park reached **254 MW**, with a total of **144** wind turbines, equalling **16.2%** of the wind energy capacity of Belgium (onshore).

The renewable share of the installed generation base reached **16.4%**. The CO₂-free share amounted to **37.8%**.

In 2015, EDF Luminus power plants generated 4141 GWh, of which **15.4%** was renewable energy. Wind energy on its own accounted for **10.0%** of the total production. The share of electricity generated without producing CO₂ amounted to **53.6%**.

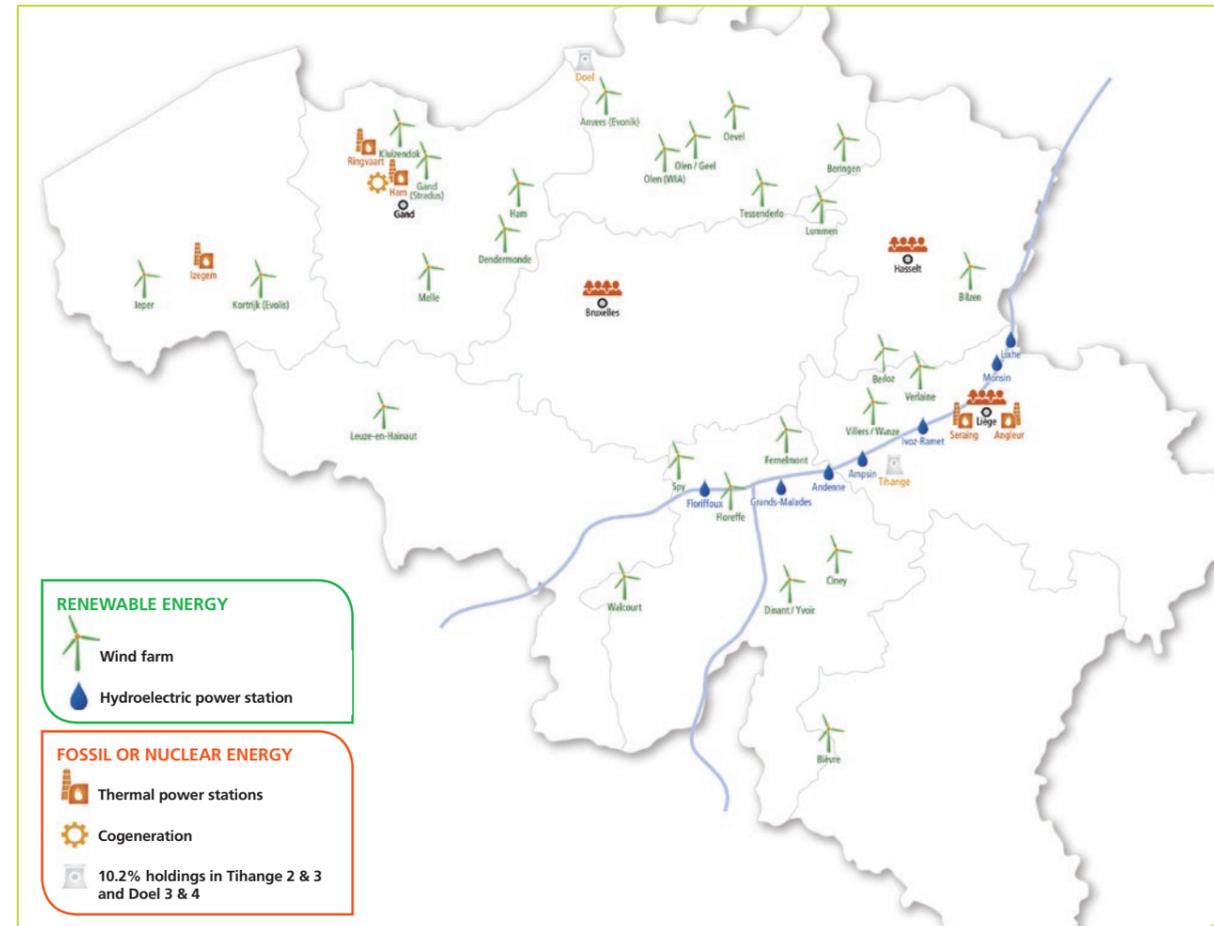
An energy mix that supports supply security

With an installed capacity of **1,954 MW** in Flanders and Wallonia at the end of 2015, EDF Luminus accounts for approximately **10%** of the electricity generation capacity available on the Belgian market.

The EDF Luminus park includes several natural gas-fuelled thermal plants, both combined cycle and open cycle. In 2015, these provided 46.4% of the electricity produced by EDF Luminus.

EDF Luminus also owns 10.2% of four Belgian nuclear power plants: Tihange 2 and 3 and Doel 3 and 4. This qualifies EDF Luminus as a nuclear "producer", without being an operator, as the only company authorised by Belgian law to operate these installations is Electrabel SA.

This map of EDF Luminus assets does not feature the drawing rights on the Chooz B power plant (100MW). The Seraing power plant is no longer available for the market since it was selected as strategic reserve (from November 1st through March 31st, over 3 years, starting with the winter of 2014). The Angleur 3 and Izegem power plants were no longer available as of November 1st, 2015, since they were part of the strategic reserve for the winter of 2015.



Nearly 100 000 additional customers

Stable revenues, higher operating profits

In 2015, the turnover for EDF Luminus was **3.22** billion euro.

Operating profit was **38.3** million euro

Net loss from depreciation of thermal assets

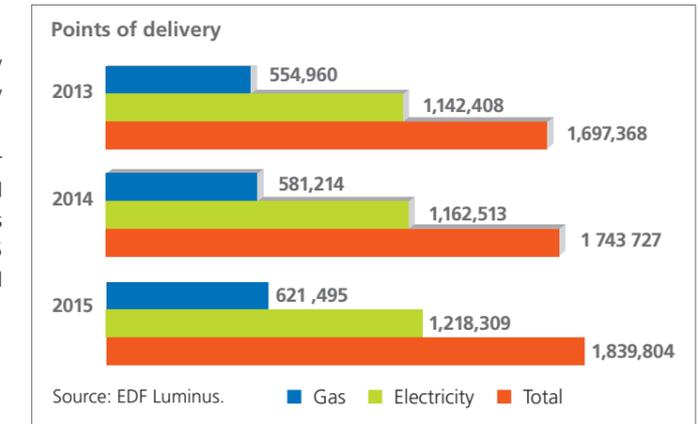
The net result is negative: - **83** million euro, due to a 117-million-euro depreciation in the value of thermal assets. Excluding corporate taxes, the total amount of taxes and contributions paid by EDF Luminus was **31.3** million euro.

BEGAAP Standard.

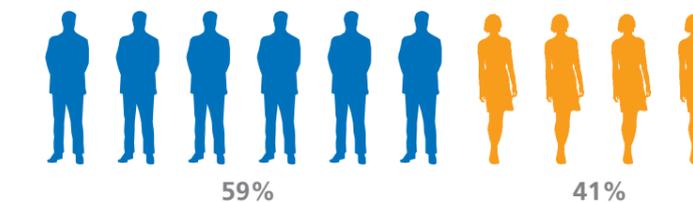
1.8 million customers

The number of access points provided by EDF Luminus grew by 4.8% for electricity and by 6.9% for gas.

The company trades on the Belgian market under the "Luminus" brand. It supplies electricity and gas to more than **1.8** million private and business customers. This amounts to 25 TWh sold in 2015 and a market share of **20%** in electricity and **18%** in gas, on the distribution grid.



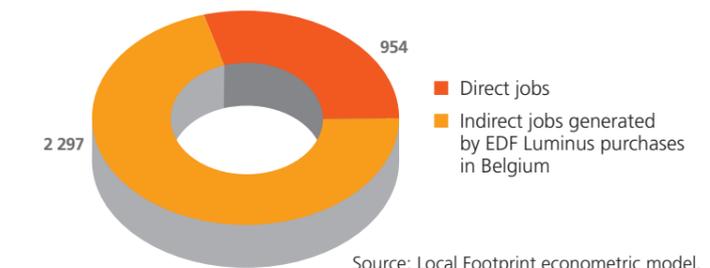
41% of women employees, an unusual rate in the energy sector



Source: EDF Luminus.

EDF Luminus S.A. has 954 employees, 41% of whom are women. Nine different nationalities are represented.

Direct and indirect jobs



Source: Local Footprint econometric model.

The number of jobs generated by EDF Luminus S.A. purchases, including the purchase of energy, reached 3251 in 2015.

Responsible key events that make a real difference



CSR performance: "gold" rating from Ecovadis

At the start of 2015 | Ecovadis awarded EDF Luminus a "gold" rating for its performance in corporate social responsibility. The overall score of EDF Luminus was 62/100, much higher than the average score (41.5/100) for the 20,000 companies evaluated each year by Ecovadis.

The Ecovadis evaluation included a series of recommendations for identifying priority actions to further improve this performance.

Since this evaluation, EDF Luminus has published, in particular:

- The number of hours spent on safety training
- The list of sites involved in the inventory/actions for protecting biodiversity
- An inventory of soil studies carried out around the thermal sites.

ATS, a major acquisition in 2015: 600 people working in energy efficiency services

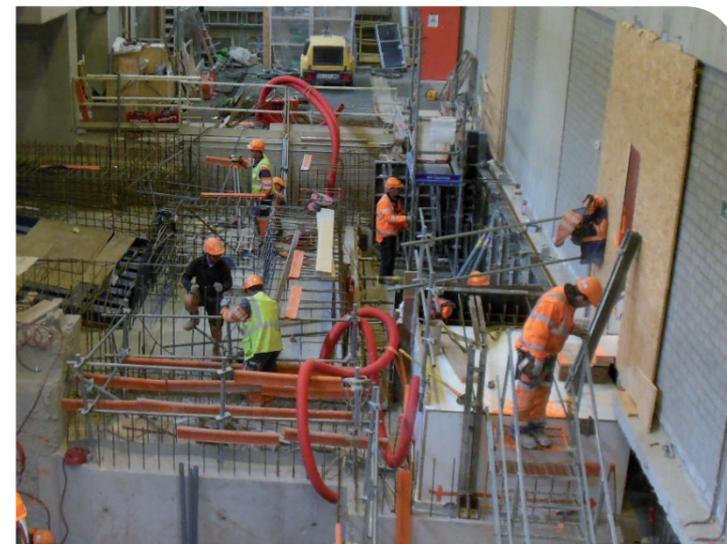


May 2015 | EDF Luminus and ATS finalised their agreement, under which EDF Luminus acquired a majority stake in ATS' capital. Based in Flanders, ATS employs 600 people and has a turnover of more than 100 million euro. The goal of this acquisition is to make EDF Luminus a major player in energy efficiency services, capable of proposing an entire range of technical energy efficiency solutions to industrial and tertiary customers, as well as the public sectors.

Signing the agreement. On the left, Grégoire Dallemagne, CEO of EDF Luminus; on the right, René Schepens, CEO of ATS.

Completion of the Andenne hydroelectric plant renovation

December 2015 | At the end of a 17-month project of works, two turbines at the Andenne plant were replaced by engines with double settings. This change enables the river flow to be managed closer to natural conditions. The plant renovation represented a total investment of 9 million euro.



The renovation worksite at the Andenne hydroelectric plant, end September 2015. In the foreground, the pit for the first turbine. In the middle ground, the civil engineering work being carried out on the second turbine. In the background, the third turbine, which was not replaced, can be seen.



Delivery of the new turbine housings



Video of the Andenne renovation

United Nations Sustainable Development Goals: four priority topics

EDF Luminus was one of the first members of The Shift to publish its commitments regarding the 17 United Nations Sustainable Development Goals (SDG), published in September 2015.

Beyond obtaining an advanced status for the Global Compact (see page 19), these commitments cover four objectives:



The goal of EDF Luminus remains zero accidents. In view of the excellent results achieved at the end of 2015 (see below and page 52), this ambition, says the Health, Safety and Environment director, "is neither a dream nor a target: it's a choice".



From 2015 to 2018, EDF Luminus intends to invest 600 million euro, primarily in renewable energy and in energy efficiency services. The development of the (onshore) wind park remains a priority (see opposite and page 40).



EDF Luminus has already signed several partnerships with cities working to reduce their ecological footprint (see pages 28-29). The services proposed involve energy efficiency, electric mobility, improvement of public lighting, etc.



EDF Luminus has signed The Shift commitment letter promoting climate action – and continues to take action as a company to measure and reduce its own carbon footprint (see pages 39 to 46).

Number 1 in onshore wind energy

From being the first builder of wind turbines in 2014, in 2015 EDF Luminus became the leading producer of onshore wind electricity in Belgium. In one year, its total wind energy capacity rose from 180 MW to 254 MW, an increase of 41%. Sixteen wind turbines were built and another 13 acquired.

Nearly 180 million euro were invested in wind energy over two years.

Not a single accident resulting in work stoppage for EDF Luminus S.A.

The goal pursued for several years was achieved in 2015: no accident resulting in lost time was reported amongst EDF Luminus employees. A systematic analysis of accidents and near-accidents, investments in training, detailed reporting, a bonus for most employees including a Safety criterion: this result reflects a deep improvement in safety practices, recognised by OHSAS 18001 certification in June 2013.

Erecting a wind turbine requires very qualified personnel and careful attention to the safety rules. Here, a wind turbine is being built in the Tessengerlo wind farm.



Innovation and adaptation: the keys to a sustainable future



Paul De fauw

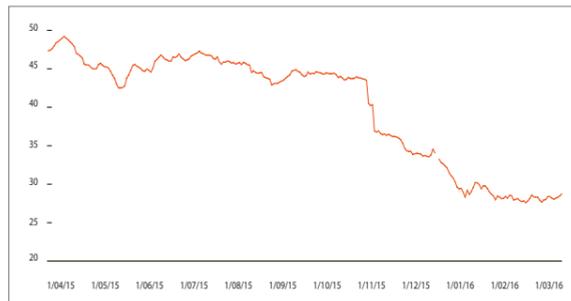
Three questions for the Chairman of the Board of Directors

How would you sum up 2015?

EDF Luminus is rapidly transforming to become the number 1 energy partner for its customers. We have invested strongly in the development of renewable energy sources and in the offer of innovative energy efficiency services. Our operational results are rising, but the deterioration of market conditions caused us to register an important, and exceptional, reduction in the value of our thermal plants.

For several years, the European energy sector has faced an unprecedented crisis, and EDF Luminus has not been immune, even if the transformation programme launched in 2011 has softened the impact. The prices of electricity on the Belgian wholesale markets fell considerably these past years, to about 40 euro/MWh. In the first quarter of 2016, this price dropped below the 30 euro/MWh mark, significantly impacting the profitability of our thermal plants and net results. Nonetheless, these plants remain essential for compensating the intermittent nature of renewable energy sources and we are calling for the market to evolve towards remuneration for the installed capacity of the owners/operators of the plants, so that the country's supply security can be guaranteed at a reasonable cost.

The wholesale price across one year on the Belgian market, from 1 April 2015 to 31 March 2016.



Source: ICE Index.

At the same time, downstream, customers do not see

the impact of the lower electricity prices - on the contrary, because their bills include the public service obligations, transportation and distribution costs, and taxes, which are increasing. This contributes to a very high "churn" rate (change of supplier) in Belgium - one of the highest in Europe. This also impacts the margins of EDF Luminus, and of all suppliers, who bear the costs of non-payment on almost the entire invoice.

In the mean time, energy represents an increasingly smaller part of the total invoice (barely 25 to 33% for an individual customer, and 40 to 50% for an industrial customer).

Within this difficult context, the increased market share of EDF Luminus is extremely satisfying, especially as operating income is also growing - a performance on which we can congratulate ourselves.

How would you describe the Board commitment in terms of sustainable development?

Sustainable development is at the heart of the strategic plan of EDF Luminus. In 2015, we invested a record amount of 180 million euro, primarily in renewable energy sources and energy efficiency services. This enabled EDF Luminus to become the leader in onshore wind farms in Belgium, with an installed capacity of 254 MW. Investing in energy services is another way to help customers improve energy efficiency, which enables them to reduce both their ecological footprint and their invoice.

Here, the acquisition of the company ATS in 2015 represents a decisive step in the transformation of EDF Luminus.

This strategic plan enjoys the support of all of the shareholders. A new cooperation agreement was signed in October 2015 between the French and Belgian shareholders.

The local anchoring of EDF Luminus and the expertise of the EDF Group are major strengths, and a source of motivation for the company.

"178.6 million euros: this is the total amount invested by EDF Luminus in 2015"

What does the future hold for EDF Luminus?

Our current development will continue, within the framework of the strategic plan, in 2016 and beyond. The goal is to continue to invest in energy efficiency services and low carbon energy sources. This is how EDF Luminus will achieve its ambition to become the number one energy partner for its customers.

Changes in the Board of Directors

At the end of December 2015, following a new agreement signed by the shareholders, the Board of Directors was made up of 13 directors:

- 6 proposed by the Belgian shareholders;
- 7 proposed by the EDF Group.

It is chaired by Paul De fauw.

Composition of the Board of Directors on 31 December 2015:

Directors representing the Belgian shareholders

- Defada bvba, represented by Paul De fauw
- Dominique Drion
- André Gilles
- Ome sprl, represented by Jacques Vandebosch
- Tom Balthazar
- Stéphane Moreau

Directors representing EDF

- Stephen Hargreaves, Corporate Strategy Director
- Magali Viandier, Senior Vice President, Accounting, Tax & Group Reporting
- François Driesen, General Counsel, Head of internal Risk & Control - International Division
- Antoine Cahuzac, Group Senior Executive Vice President Renewable Energies
- Nicole Verdier Naves, Senior Vice President, Senior Executive, Managers Training and International Mobility
- Simone Rossi, Group Senior Executive Vice President International Division
- Laurent Catenos, Vice President, Governance, Public Affairs & Coordination - Europe Division

13 Board meetings in 2015

The Board of Directors defines the policy and general strategy of the company and oversees the operational management. It delegates the day-to-day management to the Executive Committee. It met 13 times in 2015.

The exceptionally high number of meetings of the Board of Directors in 2015 was partly due to the preparation for the initial public offering (which was halted by the Board on October 26, 2015), as well as the accelerated development in onshore wind farms and energy services.

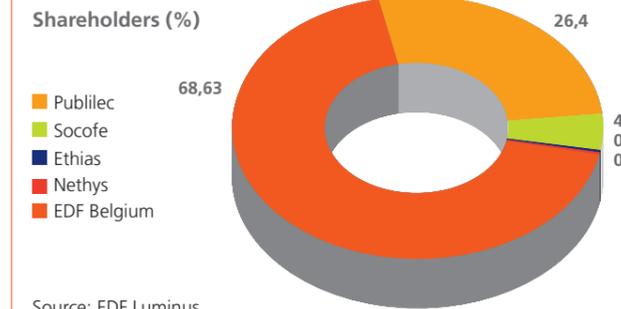
12 meetings of specialised committees

To exercise its statutory tasks, the Board of Directors has three specialized committees, whose members are directors selected by the Board. Each committee meets at least twice a year and whenever the interests of the company so require.

Those committees are the following:

- The **Strategic Committee** evaluates the company's strategic plan (e.g. investment or acquisition projects) and gives advice on key orientations. It met 5 times in 2015.
- The **Audit and Risks Committee** oversees the reliability of financial information provided to shareholders and gives recommendations on the accounting policy, accounts assessment, budget management and the quality of internal control. It also gives recommendations on the policy to adopt with regard to major financial or operational risks. It met 4 times in 2015.
- The **Nomination and Remuneration Committee** examines the company's remuneration policy and monitors, in particular, the appointment, performance and remuneration of the members of the Executive Committee. It met 3 times in 2015.

Four Belgian shareholders hold 31.4% of the capital



Source: EDF Luminus.

Renewed partnership agreement with shareholders

On 26 October 2015, the shareholders of EDF Luminus - Publilec, Socofe, Ethias and Nethys and the EDF Group - signed an amendment to the shareholders' agreement, extending this agreement; it involves the following reorganisation of the shareholder structure:

- Four Belgian shareholders remain: Publilec (26.4%), Socofe (4.7%), Ethias (0.2%) and Nethys (0.1%) will, via the shareholders' agreement, benefit from a liquidity mechanism that will enable them to exit the capital of EDF Luminus as of the end of 2018.
- EDF Group acquires the 6.33% stake of Publilium and VEH in EDF Luminus, increasing EDF Belgium's stake to 68.63%.

This evolution of the EDF Luminus shareholder structure allows the company to keep its local anchoring, thanks to a modification of the agreement between EDF and its Belgian joint shareholders.

Power to Progress



Grégoire Dallemagne

The word of the Chief Executive Officer

As a responsible company, we strive to reduce the ecological footprint of our activities, and to help our customers to reduce their own.

In 2015, EDF Luminus invested a record 180 million euro, principally in renewable energy sources and energy services. This represents a remarkable financial effort, but also

the success of an entire team, benefitting the environment and the wellbeing of our fellow citizens.

Our teams worked very hard to make us the leader in onshore wind energy, with 254MW installed*, and we can rely on a well-filled project portfolio to continue our growth. We have also continued to invest in our hydroelectric plants, and continue to help our customers develop their renewable energy production: the wind farms in Tessengerlo, Beringen and Oevel were built in partnership* with other companies. And our Dauvister subsidiary has built the largest solar installations in Wallonia, such as at AB InBev in Jupille.

*The equivalent of the annual consumption of more than 140,000 families

**in industrial zones

Innovative energy efficiency solutions for companies

We offer our customers solutions to reduce not only their energy consumption and their ecological footprint, but also their invoice. In this way, we are helping our industrial customers to ensure their competitiveness, and our residential customers to retain their purchasing power.

In May 2015, we acquired a majority share in the company ATS. From now on, EDF Luminus and ATS will work together to optimise lighting and heating/air conditioning systems, to reduce the consumption of industrial processes, install safe high-tension cabinets, etc.

For residential customers, we rely on the network of our partner RAMI, and our subsidiaries Dauvister and Leenen, to offer high performance heating systems. In September 2015, we launched our “boiler installation” offer, which is already a success. In one year, our energy services sales have increased 40%.

A leader in flexibility, for network balance and supply security

In the face of the challenges of network balance and supply security, we have several strengths.

We compensate our customers for the flexibility, upwards or downwards, of their electricity consumption or production. This also enables them to contribute to the country's supply security.

Our own production park is another strength, even if we had to reduce the book value of our thermal power plants to zero at the end of 2015, in view of the evolution of the market prices and the uncertainty over their future. Last year, these plants were often

used to contribute to network balance and were able to partially compensate for the unavailability of several nuclear power plants that are now back up and running. The consequence of this depreciation is a negative net result. But I do not want this decision to overshadow our improvements in operational results.

A growing market share

The increased market share of Luminus in the residential sector shows how our offers increasingly meet the expectations of our customers. Our service quality has been recognised with the 5-Star Label for three years. We have invested in the digitalisation of our offer, which enables us to handle a third of our customer contacts online.

Improvements in operating income, accident rates and motivation

All of these evolutions have contributed to the growth of our operating income. This is a result for which I want to thank every employee, whose dynamism and engagement for change again grew in 2015. In September 2015, the annual survey showed an engagement rate of 79%, five points higher than in 2014.

In addition to this score, well above the average for Belgian companies, 2015 was also the year that saw us achieve, together, a goal we had pursued for several years: for the first time, no accidents resulting in a work stoppage were reported. This result is particularly commendable for the production staff, who reached, on 31 December 2015, 532 accident-free days. We will use this strength to help us improve the results of our subsidiaries in the area of health and safety.

Continue the transformation with our subsidiaries

In 2016, EDF Luminus will continue to pursue its transformation to becoming the number one energy partner, offering progress and comfort to all its customers. We are proud to be able to rely on a high-functioning team and a strong balance sheet, in order to continue investing to ensure our future in an energy environment that is undergoing tremendous change.

The Executive Committee of EDF Luminus: a united team



The Executive Committee of EDF Luminus on 1 April 2016:

From left to right, third row:
Peter Billiau, Chief Information Officer
Jürgen Dennersmann, Corporate Director, Optimisation & B2B
Grégoire Dallemagne, Chief Executive Officer
Frank Schoonacker, Director Corporate Affairs

Second row:
Henri Buenen, Chief Commercial Officer
Katleen Daems, Corporate Director, Human Resources
Agnès Butterlin, Chief Financial Officer
Véronique Vansteelandt, General Counsel

First row:
Frederik Snoeck, Corporate Director Production
Anne Grandjean, Communication Director
Pierre de Firmas, Chief Strategy & Business Development Officer

The subsidiaries of EDF Luminus help the company to make progress upstream and downstream along the value chain, to better meet the expectations of its customers.

At the end of 2015, the EDF Luminus Group had 1,500 employees, including 700 in its subsidiaries. More than half of the Group's employees work in the development of renewable energy sources or energy services.

	Staff	Turnover	Activity
	600 employees	More than 100 million	Energy services for companies
	87 employees	8 million euro	Green heating systems
EDF EN Services Belgium	5 employees	0.52 million euro	Wind farm maintenance
	11 employees	Around 1.7 million euro	Installation of high performance heating systems
	12 employees	2.3 million euro	Planning of 50 000 maintenance interventions per year

A value chain under severe constraints

Since it first published a Sustainable Development Report in 2012, EDF Luminus has identified the activities under its direct control and those that come within its sphere of influence, as recommended by ISO 26000. This exercise demonstrates that many external factors are outside the control of the company, both upstream (wholesale electricity and gas prices, the price of CO₂) and downstream (external costs to be included in the invoice). For several years, the external constraints on producers as well as on suppliers of gas and electricity have been continuously increasing.

Increased risks upstream

The strong development of renewable energy, in which EDF Luminus is playing a role, requires, in parallel, flexible and reliable thermal production capacity that can compensate for intermittency and provide back-up in the event of a total lack of wind or sun. The installed base of EDF Luminus, the second Belgian producer, has these capacities.

However, the wholesale prices, impacted by the low price of foreign coal and lignite, as well as the excess supply during sunny and windy periods, no longer cover the direct, fixed costs of the natural gas-fuelled plants. Fundamentally, the low price for coal and of CO₂ tends to disadvantage the EDF Luminus gas turbines, to the profit of the coal-fired power plants in the Netherlands and Germany.

Coverage of the costs for the Belgian plants, by providing ancillary services or through the mechanisms of the strategic reserve, is uncertain, as it is subject to calls for tender by the grid operator, based on evolving regulatory provisions. The future of natural gas powered units is not guaranteed, which in turn affects the security of supply and can contribute to greater price volatility on the wholesale markets.

On the other hand, excessive photovoltaic or wind energy production can result in a localised imbalance that can provoke an increase in frequency, and thus the possible shutdown of certain thermal plants, or even a black-out.

Increasing external costs and regulatory constraints

Downstream of the value chain, external constraints are increasing with regularity. A study carried out by Accenture for the FEBEG (Fédération Belge des entreprises Electriques et Gazière/ Federatie van de Belgische Elektriciteits- en Gas Bedrijven) showed that:

- Based on the information available in September 2015, electricity invoices will increase, excluding energy consumption, by 15% for customers in Wallonia by 2017, while customers in Flanders will see invoices increase* by 37%.
- The number of changes in the regulatory framework grew from 12 in 2012 to 18 in 2014, in ever-shorter time periods, resulting in additional costs at the charge of the customers.
- The non-recoverable part of the energy invoice in the event of non-payment rose in 2015 to 50% in the Brussels Capital region, to 58% in Wallonia and to 65% in Flanders.

- The aggregate loss due to non-payment for the five largest suppliers (Electrabel, EDF Luminus, ENI, Essent and Eneco) was 74 million euro in 2014.

Extending the range of services beyond supply

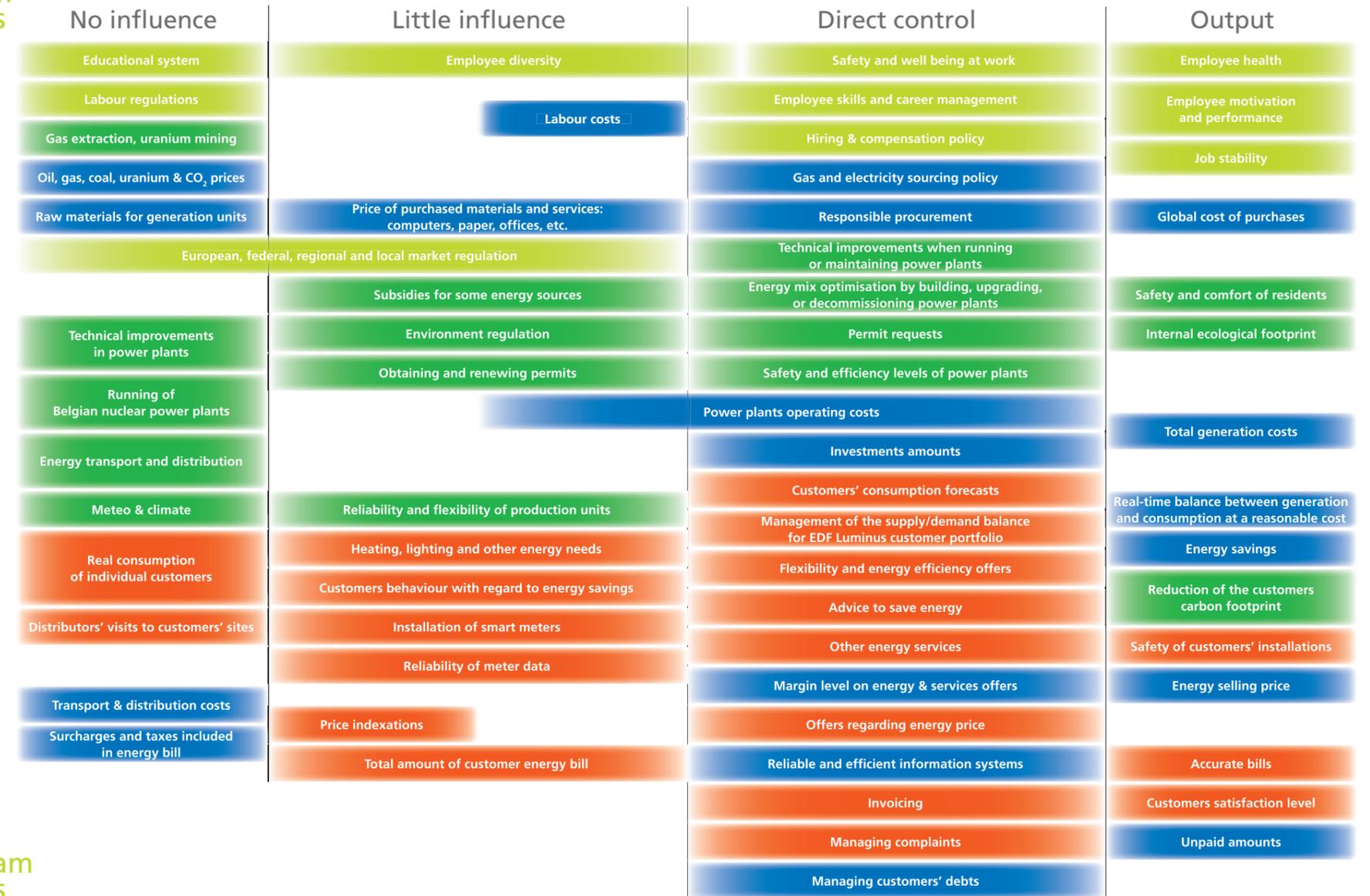
For several years, EDF Luminus has offered its customers energy services that enable them to measure, manage, reduce or adjust their consumption based on their needs or the market opportunities. The services offered (see pages 24 to 32) contribute to the reduction of a customer's carbon footprint, a reduction of their consumption, and thus their invoices, or an increase in the security of their electrical installations. The value chain below must thus evolve, in conjunction with the integration of subsidiaries within the EDF Luminus group.

The following diagram presents the EDF Luminus value chain, as a producer of electricity on the one hand, and as a supplier of energy and energy services on the other. Certain elements of the chain are under the direct control of the company. EDF Luminus can thus describe its practice and results in those domains. Other elements impact activity, while EDF Luminus is not always able to have a noticeable influence on these factors.

Upstream activities



Downstream activities



*Certain portions of the invoice have risen strongly: since summer 2015, the distribution costs have impacted the corporate taxes paid by the distribution grid managers; these were again readjusted at the end of the year; the VAT was set at 21% starting 1 September 2015. This situation has deepened with the measures applied in Flanders starting 1 January 2016 (elimination of free kilowatt hours) and 1 March 2016 (Flemish energy fund).

Wide range of opinions

An in-depth analysis of all of the results, including the qualitative interviews, shows that the various stakeholder categories can have opinions that vary widely - and that are sometimes even opposite:

- Service quality is seen as very important by residential customers, but less so by experts and public authorities.
- Development of renewable energy sources is a priority for all categories, but less so for private customers.
- The focus of the experts and academic community is on environmental topics.
- Some NGOs place major importance on topics that are lower priorities for other categories, such as industrial waste.
- Public authorities have very specific concerns: supply continuity and the overall balance of supply and demand concern them much more than for the average stakeholder.

The key topics⁴ and concerns raised by the most represented stakeholders are:

EMPLOYEES EDF LUMINUS	B2C CUSTOMERS	EXPERTS	GOVERNMENTS
Health & Safety	Service quality	Renewable energies	Security of supply
Renewable energies	Price of energy	Natural resources & biodiversity	Short/long-term optimization
Energy efficiency	Energy efficiency	Carbon footprint	Renewable energies

The colours in this table correspond to the chapters of the Sustainable Development Report: bright orange for the Customers chapter, dark green for the Environment chapter, light green for the Human Resources chapter.

Another recommendation that emerged from the individual interviews concerns the specific role of the company in terms of supply/demand balance and supply security, which is poorly understood. Specifically, supply continuity, which is not within the scope of the supplier but rather that of the grid operator, is seen as more important than supply/demand balance. Whereas this balance is within the scope of EDF Luminus, at least at the level of its market share.

⁴ G4-27: Report key topics and concerns that have been raised through stakeholder engagement.

Decisions taken to draw up a GRI4 report

For the past three years, EDF Luminus has published a Sustainable Development Report, the contents of which are based on an internal analysis, on the basis of informal consultations with stakeholders. Publishing a GRI4 report requires formalised consultation and the identification of the most material topics according to the stakeholders, which must be the subject of a "Disclosures on Management Approach" (DMA).

The formalised approach begun in 2014 has enabled:

- the identification of unsatisfied expectations on a single topic: preservation of biodiversity
- the recognition of divergent opinions between the various stakeholders
- the detection of the lack of understanding of the role played by producers-suppliers in terms of network balance.

This has led the company to create a list of topics that goes beyond the simple application of the matrix published on page 15.

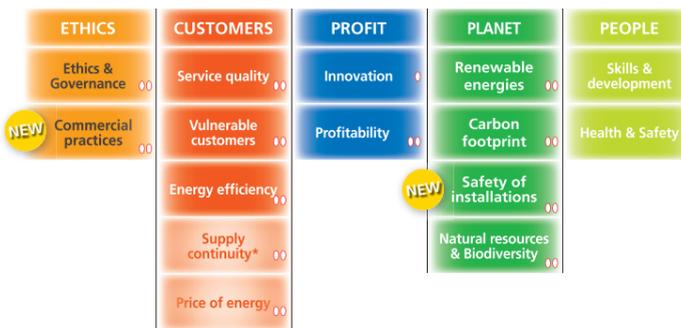
This list of topics requiring the drafting of a Disclosure on Management Approach (DMA) includes, in addition to the 13 key topics shown on the matrix:

- The price of energy, which is considered to be very important by residential customers
- The profitability of the company, a major theme that was not proposed to the stakeholders for comment.

NEW This DMA list has involved the integration of new content, across two new pages, on two challenges identified but not heretofore detailed: commercial practices (page 21) and safety of the industrial installations (page 38).

The biodiversity topic, indicated as more important by stakeholders than by EDF Luminus, has been developed: the 2015 report includes information on both mandatory and voluntary actions, as well as a list of sites that have been the subject of a biodiversity survey and/or where compensatory measures have been implemented (see page 49).

15 "disclosures on management approach"



◊ G4-20 Aspect is material within the organisation.
◊◊ G4-21 Aspect is material within and outside of the organisation.
* Aspect is material within the organisation, but is very dependent on the external context

Certain topics that are a lower priority for the materiality matrix have not been eliminated, but have not been the subject of a formal DMA, in particular:

- Employment, which is important for employee motivation and for the representatives of the labour unions
- Employee diversity, which remains a focal point and a source of innovation.

NEW In terms of layout, the 2015 report aims to better highlight the innovations of the year, by labelling them explicitly as such.

Customers and neighbours: key audiences

The evolution of the expectations and the dialogue with certain key categories of stakeholders has been tracked, throughout the year 2015, in several ways.

Customer expectations: priorities remain stable over time

Since 2012, EDF Luminus has put in place a quantitative barometer to prioritise customers' most important social issues. This quarterly barometer, based on a sample of 2,000 customers, is one of the factors considered when adjusting the action plan for social responsibility and commercial communication.

While changes from quarter to quarter can be significant, the evolution of the barometer over three years shows that customers' key expectations remain relatively stable.

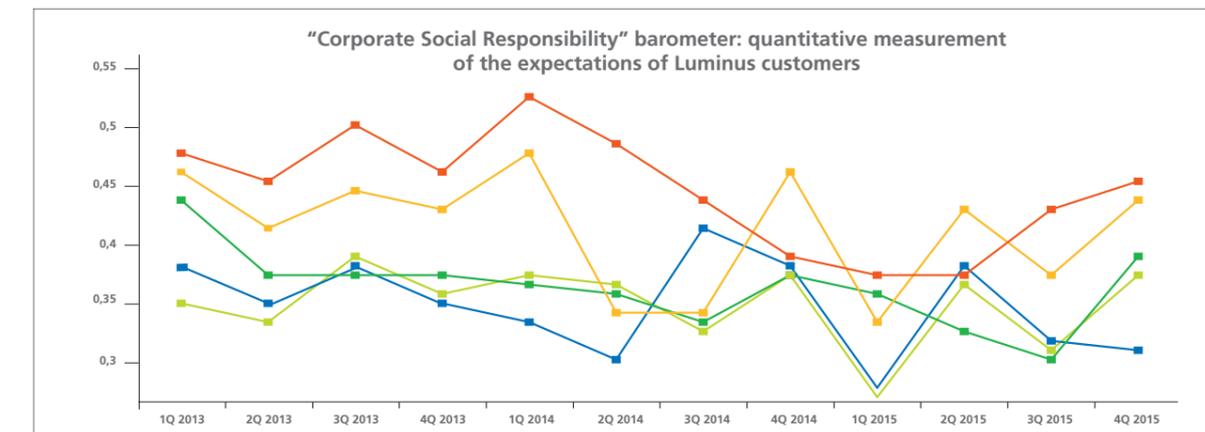
Customer focus remains the pivotal concern, even though this topic loses its top spot in two quarters. The "honest and responsible" way of doing business is the second main topic.

Customers place less importance on three other themes: encouraging "energy savings", demonstrating "stability" and showing concern for "vulnerable customers".

The graph below shows the quarterly evolution, over three years, of five of the twelve measured items.

Several hypotheses are proposed to customers to evaluate their expectations. Those are correlated with the general satisfaction of customers, to establish links between the different variables. "The company must take the following action to satisfy me:

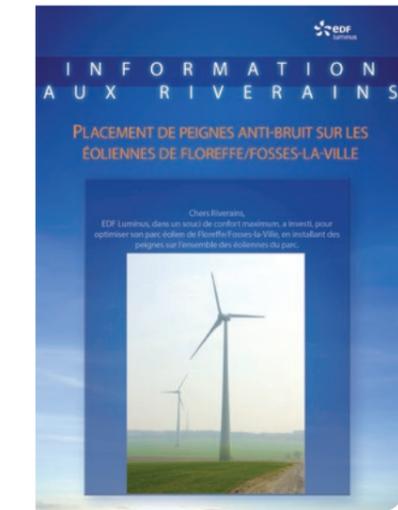
- ◆ focus on customers first
- ✱ operate honestly and responsibly
- encourage energy savings
- ▲ demonstrate its stability and provide security
- ◇ show concern for vulnerable customers"



Floreffe wind farm: informing neighbours

In October 2015, neighbours of the Floreffe/Fosse la ville wind farm were informed by post about work carried out over the summer on the seven wind turbines in the farm, in order to reduce the noise generated by the turbines.

NEW Noise-reducing combs were attached to the blades of all of the wind turbines. These devices were inspired by bird wings; they modify the turbulence generated on the trailing edge of the blade, and move the radiation of the noise from lower frequencies to midrange frequencies, drastically reducing the overall noise generated by the wind turbine.



ETHICS AND GOVERNANCE

WHY?

The energy policy choices of a country are strategic: they have an influence on the energy independence of the country, the competitiveness of the companies, the buying power of consumers, the environment, the wellbeing and health of the people, etc. These choices create legal, social technical and environmental obligations, for energy producers and suppliers. Compliance with the laws and regulations is thus a specific focus, within the company and for its suppliers.

Outside the regulatory framework, the company's social responsibility requires permanent dialogue with all stakeholders. If the company is to remain a credible interlocutor with all audiences, it must report on its ethical, financial, business, environmental and social results.

Ethical behaviour on a daily basis

EDF Luminus published a Code of Conduct for its employees in 2009, reminding them of the rules to follow for internal and external interactions. Respect for others, confidential data protection, reporting of hazardous situations and more are covered in the eight chapters of the Code. It is available on the EDF Luminus website.



Code of Conduct in French



Code of Conduct in Dutch



In 2012, the code was supplemented by the CSR policy, which lists specific commitments in five areas, including ethics and good governance. EDF Luminus is of course committed to respecting Belgian and international laws, but also to boost interaction with stakeholders (see pages 14 to 17), and to report on the evolution of its financial, environmental and social results. Since 2012, EDF Luminus has published four "sustainable development" reports, including the present report.

Online CSR policy



In 2013, The EDF Group introduced a group-wide Code of Ethics, to be followed by all of its controlled subsidiaries. See <http://ethique.edf.com>

An alert mechanism, accessible to both staff and the public enables the reporting and handling of failures to comply with the Code.

No alert was registered by the Group's Ethics Committee in 2015, from either EDF Luminus or from Belgium.



Creation of an "ethics" e-learning module

NEW

In 2015, a cross-functional team (Human Resources, Legal, Internal Audit, CSR and communication) was established to create an e-learning module that would enable each staff member to integrate the principal concepts of the Code of Conduct in their daily behaviour. Protection of personal data, suspicion of fraud, conflicts of interest, nepotism, use of social media, etc... there are many sensitive situations, and errors yield immediate results – just as in the "real world".

At the end of 2015, 186 people - 20% of the total staff - had voluntarily completed the e-learning module. According to Stefan Cludts, Director Risk & Audit, who discovered the e-learning module after his 2016 appointment, "this e-learning module is very informative. The situations are hyper-realistic and the theoretical issues very useful, whether regarding our own Code or even Belgian law ..."

NEW

United Nations Global Compact: "advanced" level attained

After joining the United National Global Compact in 2013, and submitting its first "Communication on Progress" in November 2014, EDF Luminus reached a new stage in 2015, attaining "advanced" status.



To reach this level, an external verification of all or part of the published information must be carried out, on the basis of "established or emerging best practices". In agreement with the Belgian Global Compact network, EDF Luminus worked with the CSR (Corporate Social Responsibility) of the Antwerp Management School.

In May-June 2015, three students participating in the Masters of Global Management program of the Antwerp Management School built their own materiality grid and identified the most important themes, crossing their perspectives with those of Ecovadis, the Global

Compact, etc. They then carried out, within EDF Luminus, a verification of the most important information: energy mix, CO₂ emissions, taxes and contributions, payment plans granted to customers, etc.

Their work resulted in several improvements to the 2014 Sustainable Development report: inclusion of indicators regarding staff motivation, data enabling the comparison of the emissions of company vehicles to the Belgian average, and external sources for taxes and contributions.



Karel, Ghent



Qian, China



Ramya, India

They built their own materiality grid and carried out verifications of the most important indicators.



A cooperative to engage people in renewable energy development

NEW

On 18 December 2015: EDF Luminus created the cooperative company EDF Luminus Wind Together, which was approved by the National Cooperation Council on January 1st, 2016.

This cooperative (S.C.R.L./ C.V.B.A.) enables each Belgian citizen or resident to acquire shares in existing and future wind energy projects, even with a limited budget. The purpose of the cooperative is to involve citizens more closely in the development and then the operation of on-shore wind farms. In the first step, two existing wind farms were selected:

- a 2 MW wind farm in Tessenderlo, in the province of Limburg, for 52.60%, commissioned in 2015.
- and 2.5 MW wind farm in Berloz, in the north-east of Liege, for 42%, commissioned in January 2016.

The sale of shares was launched on 8 March 2016, for a total of 2 million euro. A contract has been concluded with asbl/ vzw Hefboom for the management of the cooperative company.



Construction of Tessenderlo wind farm begins.



We Love Your Project: encouraging volunteer work

The goal of the We Love Your Project program, first launched in 2011 during the European Year of Volunteering, is to encourage employee volunteerism within the associations of their choice. In 2015, five projects received financial support.

Each file is analysed by a jury based on a strict criteria grid: involvement of staff in the association, innovation, long-term impact, etc. Several prizes are given, to reward candidates and support the activities of the associations.

Five winning associations

The 2015 program offered its share of surprises for the jury, as four of the five candidate projects involved India. The jury thus decided to innovate, and to welcome a new member with a lifetime experience in India and humanitarian aid: Jochim Lourduswamy, Administrative and financial coordinator of the not-for-profit Via Don Bosco. He assisted the jury to better evaluate the local interest of the various projects.

In total, the Indian projects received one gold award, two silver awards and a bronze award.

The project of François Firket, for We Serve the City, an asbl/vzw that recruits volunteers and organises their activities to help other associations, received the employee award. The jury also gave him the gold award, as François Firket had already organised a "solidarity" team building at the foyer Selah, near Sainte Catherine square in Brussels, for his own department.



- 1 The jury of the 2015 program of We Love Your Project welcomed distinguished guest Jochim Lourduswamy of asbl/vzw Via Don Bosco, to evaluate four projects relating to India.
- 2 Gold award and employee award for François Firket, centre, who is deeply involved in the association We Serve the City, and engaged his Legal department colleagues in its activities.
- 3 Erwin Daelman (HSE) also received a gold award, as President of the association Padhai, which has been active in southern India since 2008. Jochim Lourduswamy found the activities of Padhai to be very well done, involving the beneficiaries in the choices that directly concern them, which contributes to their long-term autonomy.
- 4 Eliane Corbeel received a double silver award, for the Kushi Charitable Society and the Ganga Prem Hospice: the jury also rewarded Elain's courage in presenting two projects, and thereby risking not receiving the employee award.

INDICATORS

NEW Reporting on ethical incidents

Since 2014, reporting for the EDF Group has included a document specifically for declaring any significant ethics incidents. In 2015, no such incident was declared.

In 2014, two incidents were reported: a case of fraud detected by a supplier and a work stoppage linked to a psychosocial incident. The first incident resulted in a complaint to the local police, and an improvement of internal processes. To avoid a repetition of the second incident, an analysis was requested from an external prevention advisor and presented to the Committee on Risk Prevention and Protection at Work. A specific action plan was put in place.

Responsible purchasing: an audit and four evaluations

Since 2012, the general purchasing terms of EDF Luminus have included clauses relating to social responsibility, respect for human rights and the environment, and work conditions. Suppliers that wish to report a violation of rules of law, related to ongoing or upcoming contracts, can use the email address ethics@edfluminus.be.

In 2015, an audit of the purchasing process enabled the measurement of the progress achieved since the last such audit, in 2012. The purpose of the audit was in particular to verify the efficiency of the monitoring systems, as well as the reporting procedures.

The 2015 audit was judged to be satisfactory. Since 2012, the Purchasing to Pay process has been largely automated and the controls strengthened. Improvement opportunities relate to, for example, the implementation of a database to better manage contracts.

Furthermore, evaluations were carried out on four major suppliers, using the Group EDF platform. No issues were found for any of the four suppliers to provide any reason to cease our collaboration. For three of the four suppliers, a few attention points were identified and will be followed up during 2016.

COMMERCIAL PRACTICES

WHY?

In a highly regulated market such as energy, great vigilance must be exercised regarding commercial practices. These are important from the standpoint of compliance with the law (consumer protection in particular); they also impact customer satisfaction, in the short- and long-term, as well as the company's image.

Dishonest practices can result in complaints* to the administration (FPS Economy), regulators or federal ombudsman.

*The number of complaints received is one of the criteria taken into consideration by certain regional regulators when evaluating the level of quality of the provider's services.

Very protective rules

Belgian legislation includes many rules regulating the commercial practices of the gas and electricity suppliers.

At the end of 2013, EDF Luminus signed an agreement protecting "the consumer in the free market for electricity and gas", published under the aegis of the federal government. This voluntary signing makes the agreement binding for EDF Luminus.

EDF Luminus also signed the charter of "good practices for internet sites for the comparison of electricity and gas prices for residential consumers and SMEs", published by the CREG on 8 July 2013. EDF Luminus thus conforms with the obligations imposed by the federal regulator on energy suppliers regarding publicising the various rates.

Very strict rules for all salespeople

EDF Luminus works with several Belgian companies, to best utilise the various sales techniques available, whether door-to-door, by telephone or in public spaces. The sub-contracted companies undergo yearly certification and are responsible for the actions of their staff members.

Regarding door-to-door sales, EDF Luminus created a specific Code of Conduct that all salespeople must sign before they begin. This code includes the legal Belgian obligations as well as rules specific to EDF Luminus. Each salesperson may sell only Luminus products. They follow a training and are required to pass a yearly exam, which confers certification. The training provided enables the salespeople to study the situation of each customer and to propose solutions that will enable them to save energy (installation of a smart thermometer, a new boiler, etc.)

To further improve practices, EDF Luminus cooperates closely with the various administrations (FPS Economy) and the federal government.

INDICATORS

NEW EDF Luminus measures customer satisfaction at different moments, combining several methods/indicators. To evaluate the sales process, customer satisfaction is measured in particular with the NPS* score, which is very often used in the services sector.



Source: EDF Luminus.

In 2015, the NPS score for the "New customers" process was +22 (reaching +29 in the last quarter), which demonstrated strong improvement.

* An "NPS" (Net Promoter Score) is calculated as the difference between Promoters and Detractors. It is a very demanding indicator that enables the evaluation of both customer satisfaction and retention. The score is calculated every month on a representative sample of 3,000 customers.

SERVICE QUALITY

WHY?

The service quality provided by an energy supplier is a key selection criterion for most customers, both private and professional. Getting a quick response for a relocation, an invoice problem, a temporary difficulty to pay, etc. can make all the difference.

This is why EDF Luminus has implemented the resources and processes necessary to maintain an excellent level of service. Residential customer satisfaction is also one of the parameters regularly evaluated by the regional regulators.

New improvements

The organisation implemented by EDF Luminus has several levels, depending on the type of service the customer wants.

- The Luminus website was designed to enable customers to very easily find the information they want on their supply and services contracts, their consumption, their invoice, the steps to take if they are moving, etc. Most of the operations can be handled directly on the site.
- All of the departments involving customer service (call centres, invoicing, etc.) have a mission to provide a quick and complete response to the customer. Companies benefit from an individual, a personalised contact.

INDICATORS

EDF Luminus measures customer satisfaction in a number of ways. This allows us to understand the reasons for any dissatisfaction and any changes in expectations.

Measuring customer satisfaction in the week following contact with the EDF Luminus customer service department allows a precise follow-up of performance. For the B2C segment, average satisfaction remained high (8.1/10: the same as in 2014). The NPS "Contact" score rose from +23 in 2014 to +31 in 2015. On the B2B market, the score was also stable, at 7.8. The NPS "Contact" score rose from +9 to +14.

Residential customer satisfaction is also measured six months after a contact in order to check whether the short-term results have remained the same. In 2015, another increase occurred, with a result of 7.8/10.

Level of customer satisfaction within six months after contact with Customer Service Department



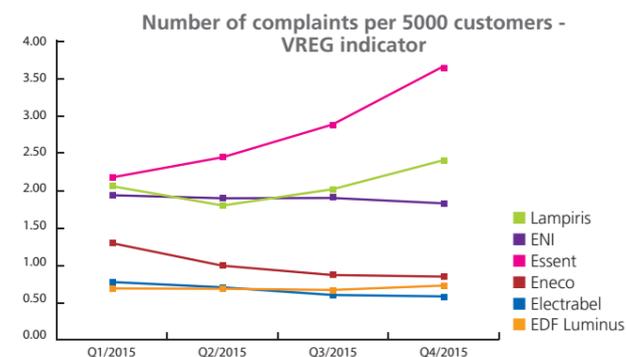
Source: EDF Luminus.

* An "NPS" (Net Promoter Score) is calculated as the difference between Promoters and Detractors. This very demanding indicator is calculated on the same sample group as the "average satisfaction", using more targeted questions.

5-star label: EDF Luminus again among the top 3

In the event of a dispute with an energy supplier, any client can file a complaint with the regional regulators or with the federal energy ombudsman. The complaints are registered under the name of the energy supplier or distributor concerned.

The graph below, using data published by the Flemish regulator, shows that Luminus remains one of the energy suppliers with the lowest complaint rates.



The VREG indicator classifies the energy suppliers into five groups, based on the number of admissible complaints sent to the Flemish regulator and to the federal mediation service for energy, in relation to the number of customers. The ranking is published on the Internet and changes every quarter. Level 5 corresponds to a maximum of three complaints received for every 5,000 customers.

It should be noted that the number of complaints registered in Wallonia and in the Brussels region is similar and that, as a result, EDF Luminus could have an equivalent label, were this type of certification available.

VULNERABLE CUSTOMERS

WHY?

Some customers may find themselves in situations in which they experience a temporary, or a more structural, difficulty to make their payments. This can result in non-payments*, which represent a risk for the customers (over-indebtedness) as well as for the energy suppliers (solvency). EDF Luminus is bound by the external regulations** implemented by the public authorities to avoid cut-offs linked to non-payment and to limit indebtedness.

*In addition to the cost of the energy consumed, energy invoices include the transport/distribution costs, and the taxes and public service obligations. These additional costs are usually proportional to consumption, which can increase the customer's invoice, especially in poorly insulated buildings.

**All of the regions have implemented mechanisms for moderating energy consumption, either budget meters or capacity limiters.

Mitigating the effects of poverty

The company's processes must simultaneously: 1) conform to the laws and regulations 2) avoid customer over-indebtedness 3) protect the solvency of EDF Luminus, especially considering that the energy suppliers bear the cost of all non-payments.

EDF Luminus adopted specific commitments in 2012 to avoid worsening the situation of vulnerable customers. The internal processes were modified so that:

- customers are contacted proactively when their annual bill is much higher than expected;
- customers at risk of being cut off are given priority;
- contact between customers and social welfare centres is promoted.

The commercial teams continuously re-examine the process for handling outstanding invoices, to identify any possible improvements. Proactively making direct contact can avoid a distracted customer, or one facing a temporary payment difficulty, from being notified of a "drop" (transfer of the customer's account to a grid operator, in Flanders), or from being put on notice of the installation of a budget meter or capacity limiter (in Wallonia and Brussels-Capital). This direct contact also enables customers to be offered tools to follow their energy budget, especially the €-Monitor.

INDICATORS

When a customer is in a temporary difficulty, customer services can propose payment plans. For this commercial gesture, the situation of the customers is studied by the customer service department, which strives to offer the most realistic payment plans possible, so they can be completed without further incident.

In 2015, the number of payment plans offered to customers remained stable. The €-Monitor application, which enables customers to adjust their monthly payments, contributed to this result.

Payment plans granted on a voluntary basis



Number of payment plans granted in 2014 for bills outstanding for more than 30 days, not including collective debt settlement schemes. Source: EDF Luminus.

EDF Luminus contributes to the platform to fight against fuel poverty

The Fuel Poverty platform, launched by the King Baudouin Foundation on November 24, 2015, brings together all the social players and stakeholders impacted by this topic. This includes:

- energy sector companies: producers, suppliers and distributors,
- representatives of civil society (unions, NGOs, etc.),
- Public Social Assistance Centres and city and municipality unions,
- Representatives of consumers, property owners and tenants,
- Academic experts, in particular from the University of Antwerp and the Free University of Brussels.

The platform's Expert Committee defined several priority actions to carry out in 2016 and 2017, including the first step of improving the energy performance of social housing and the simplification of energy invoices.

EDF Luminus participates in the financing of the funds as a member of FEBEG (la Fédération des électriciens et gaziers belges/ Federatie van de Belgische Elektriciteits- en Gas Bedrijven).

EFFICIENT ENERGY USE

WHY?

Considering the environmental impact of energy production, efficient energy use is an important challenge, both environmentally and commercially.

Offering a range of services that make it possible for users to better understand their consumption components, then to save energy by changing behaviours or, even better, by modifying equipment, represents an opportunity, both in terms of revenue generated and company reputation.

In addition to the energy efficiency benefits, offering alternative energies also allows customers to reduce their carbon footprint.

Energy economy and efficiency for residential customers

EDF Luminus strives to offer residential customers a large range of offers and tools to help them reduce the environmental impact of their energy consumption:

- Ecofix and Ecoflex products, guarantee 100% green electricity or CO₂ compensated gas*;
- The Netatmo smart thermostat, sold since 2014, enables remote management, with complete transparency, of gas or fuel-oil boilers;
- The €-Monitor application, available for free through the My Luminus app/web, enables users to track their real consumption and adjust their monthly payments to avoid any bad surprises in the annual correction;
- Maintenance contracts for boilers, which enable the optimisation of energy consumption; as well as pro-active contact to arrange the maintenance appointment, and to spread the payment over the year.

*Customers who choose the Ecofix or Ecoflex options reduce their carbon footprint in two ways: the electricity is guaranteed from a renewable source and the emissions linked to gas combustion are compensated by the purchase of carbon credits. In 2015, these products enabled EDF Luminus to compensate 14.9% of its indirect emissions, linked to gas combustion.



The publicity campaign launched in September 2015 to promote the installation of condensing boilers.

Two new offers: boilers and solar panels



In 2015, two new offers were launched under the Luminus brand to help customers reduce their carbon footprint: **installation of solar panels** and **condensing boilers**

Installation of solar panels on suitable roofs enables residential customers to self-produce a part of their energy consumption.

Luminus offers customers located in Wallonia a technical assistance system, in the event of any problems with already-installed panels. The Solar Panels hotline is available 24/7.

In September, to help customers to directly reduce their energy consumption, EDF Luminus launched its “condensing boiler installation” offer. A modern condensing boiler uses the latent heat of the gas combustion, which reduces gas consumption. It is also equipped with a modulating burner, which can save up to 25% of energy, thus reducing CO₂ emissions. The boiler model selected offers an excellent quality/price ratio, with a return on investment of less than five years. With the Rami Services and Dauvister networks for certified installers, the customers benefit from 24-hour support.

INDICATORS

Regarding rational use of energy, there are few relevant indicators. Customers’ real usage depends not only on the equipment provided, but also on daily behaviour and energy needs, which can evolve (composition of family, health, climate, etc.)

Furthermore, EDF Luminus does not wish to publish sales figures for the various services offered, as this is commercially sensitive information.

The overall sales figure for services sold to customers can, however, be provided. With more than 125,000 contracts signed by the end of 2015, the sale of energy services (sale and installation of smart thermostats, installation and maintenance of boilers, urgent repairs) is growing strongly.

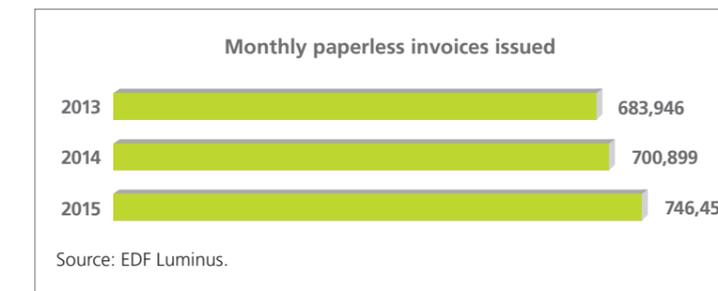
Electronic invoices: more than a symbol

To reduce the use of paper and the costs of invoicing, EDF Luminus encourages its customers to use electronic billing and to pay by direct debit.

It should be noted that online rates that are available online only, such as Click and Essential, exclude the use of paper for invoices.

60% of monthly invoices are paperless

At the end of 2015, 60% of monthly invoices were issued in a paperless way. Maintaining this result requires continuous efforts towards customers, especially as the market share of EDF Luminus increases. In 2015, more than 75,000 new residential customers were invited to choose electronic billing.



Box: A new look for invoices, that better meets customer expectations

The “New Invoice Layout” project ended in May 2015, with all Luminus customers receiving the new invoices. The result of long-term and cross-functional efforts, the goal of this project was to make invoices more clear and understandable – “an ambitious goal, considering the many compulsory statements (around 100!) on an energy bill,” explains Jan Bariter, project leader. Customers were consulted in order to define the most important information to include on the first page. Since the completion of the project, the number of calls regarding invoices has dropped by 5%.

Helping companies to optimise their consumption or reduce their carbon footprint

EDF Luminus offers various services for companies looking to reduce their consumption or their carbon footprint.

- **1** Energy Performance Contracts aim to reduce energy consumption in a sustainable and profitable way. The implementation of this type of contract begins with an evaluation of the energy performance of the buildings. The resources that can reduce consumption are identified and quantified, both in terms of cost and of expected savings, which must be guaranteed for the long-term.
- **2** The renovation of lighting for offices, warehouses, etc., in order to improve the comfort and safety of staff, while reducing costs. The integrated formula includes financing for the works.
- **3** The installation of solar panels or the purchase of surplus energy produced by the existing panels decreases certain components of the carbon footprint of customers, and of EDF Luminus.
- **4** The promotion of electrical mobility, through the installation of rapid charging stations on carefully selected sites, also supports the reduction of emissions generated by transportation resources. This service can enable a company to reduce its "fuel consumption" component in its carbon footprint (scope 1).
- **5** EDF Luminus also gives companies the possibility to choose a supply contract accompanied by a guarantee of origin. Those can be of different types: 100% green, Belgian or foreign energy; or electricity produced by cogeneration installations. These offers are available to large companies, public administrations, hospitals and educational establishments. The guarantees of origin specify the type of energy, as well as the production site for each MWh produced. They can be taken into account in the carbon footprint calculation (scope 2 calculated based on the market).
- **6** The acquisition of electricity surpluses produced by "green" installations (biogas, hydraulic, wind, cogeneration, etc.) enables EDF Luminus to cover its quota requirements in green certificates and to reduce the carbon footprint of its own purchases. This service enables companies to reduce the "own energy consumption" component (scope 2) of their carbon footprint.

More than 3,800 solar panels on the Jupiler factory roof

At the end of 2015, Dauvister, an EDF Luminus subsidiary specialised in the installation of sustainable electrical equipment, installed 3,844 panels on the roof of the AB InBev Jupille factory, for a "peak" installed power of 1 MW. The roof of the factory (10,000 m²) was renovated before the installation of the photovoltaic panels. All of the energy production is used by the factory, which enables AB InBev to reduce its carbon footprint.



1 The factory roof was renovated before the installation of the photovoltaic panels.

Stimulating sustainable mobility in Hasselt

In August 2015, four rapid recharging stations for electric vehicles were installed by ATS on the Corda Campus, in Hasselt. The purpose of these stations is to stimulate sustainable mobility on a site where more than 2,500 people work for 85 companies, including 400 EDF Luminus employees. In 2015, the recharging service was offered free of charge for all users, to enable them to familiarise themselves with the new service.



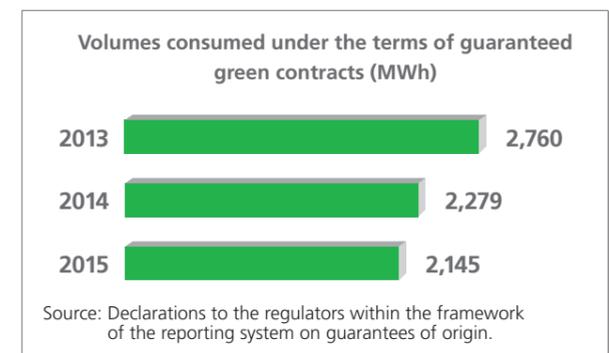
In February 2015, EDF Luminus, with the support of the EDF Group, submitted an application for a European project for developing rapid recharge infrastructures along the Belgian highways, with the support of the federal, Walloon and Flemish governments. This file was approved by INEA in November 2015.

2 The stations have a priority feed from the solar panels located on the Corda 5 building. Eight electric vehicles can be charged simultaneously.

INDICATORS

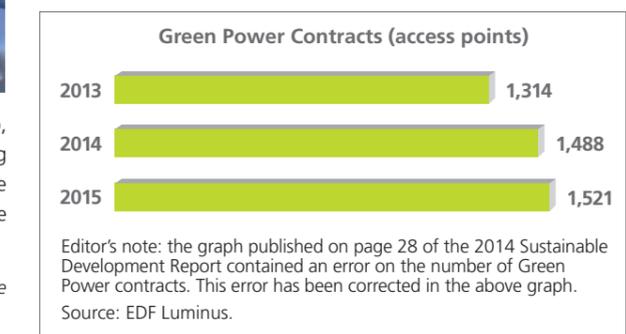
Contracts accompanied by a guarantee of origin from "renewable" sources

A new decrease in the volume of electricity sold under the "guarantee of renewable sources" label can be observed in 2015. Overall, since 2011, when the regulatory framework became less favourable for tax exemptions, a decline of -48%, or almost half, has been observed.

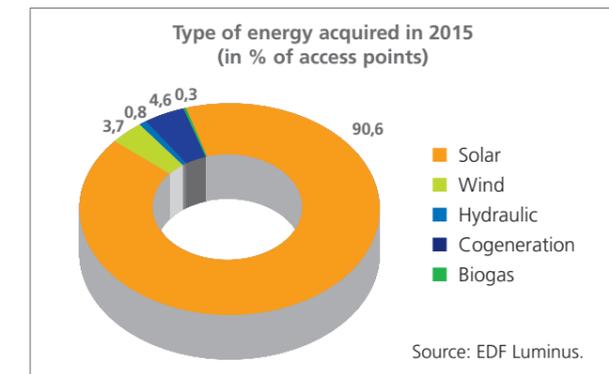


Buy back of "green" electricity produced by companies

The number of customers with a "Green Power" contract continues to rise, resulting in a reduction in the carbon footprint of EDF Luminus. (scope 3).



Photovoltaic production represents the great majority of the energy acquired via "Green Power" contracts. The cogeneration share is increasing, which gives EDF Luminus a more flexible energy supply, useful for optimising supply/demand in real time (see page 31).



Energy Performance Contracts

In 2015, EDF Luminus submitted several Energy Performance Contract offers. The offer for 33 buildings of the Foyer Anderlechtsois was pre-selected. The project involves the complete renovation of several boilers, the installation of solar panels and cogeneration units, as well as a long-term maintenance contract.

Energy efficiency and sustainable cities

Offering innovative solutions for cities that wish to reduce their carbon footprint or their energy expenses has been one of the strategic axes implemented by EDF Luminus for several years. Since 2012, several partnership agreements have been signed with cities, municipalities and provinces.

Genk: first step towards optimisation of public lighting

Within the context of its lighting plan, the city of Genk requested, under the three-year partnership agreement signed on July 7, 2014 between EDF Group, EDF Luminus and the city, a complete technical appraisal of its public lighting network. The goal of the study was to prevent lighting deficiencies and excesses, in order to increase the safety and comfort of residents and to achieve energy consumption savings.

A photometric study of street lighting was carried out in Genk in May 2015, along 30 kilometres of road, based on the test conducted by EDF Luminus in Liege. The analysis was complemented with an aerial survey in May 2016.



1 Surveying using a mobile vehicle enables all luminous fluxes to be considered and the data collected during the aerial survey to be calibrated.



Hasselt public library: decrease in gas consumption

The contract signed at the end of 2014 by the city of Hasselt cleared the way for the installation of a new controller for the heating, ventilation and air conditioning systems. This was installed by ATS and commissioned on 1 July 2015. The results will be tracked for a year. As of 30 November 2015, gas consumption had dropped sharply, in line with the goal of -30%.

2 Heating pumps connected to the new controller installed by ATS in the Kuringen public library, in Hasselt.

Energy efficiency in Mons and Liège

As part of the agreement signed with the Fondation Mons 2015, energy consumption analysis systems were installed in three buildings of the Manège in Mons, in September 2015.

In Liege, the Haute Ecole Provinciale d'Ingénieurs extended its 2014 contract for tracking energy consumption.



3 The Manège theatre in Mons is equipped with energy counters that allow continuous tracking of the various sources of energy usage in the building, and to analyse them.



Electric mobility in the Province of Liege

In 2015, a new campaign to test electric vehicles took place in the Province of Liège. Through the end of November, 21 municipalities tested one of two electric vehicles provided by EDF Luminus. Most of the municipalities were favourably impressed by the performance of the tested vehicles.

In total, the electric vehicles mobilised for the 2014-2015 test campaigns ran for 12,789 kilometres: the equivalent of 1,122 kg of CO₂ averted, compared to a diesel car consuming an average of 5l/100km.

4 The Renault Kangoo ZE ran for 3,619 km, to enable the public works services of 16 municipalities to test the commercial vehicles for a minimum of 7 days each.

Extension of the urban heating network in Ghent



On December 15, 2015, SA Tondelier Développement and EDF Luminus signed an agreement to connect 530 future homes to the urban heating network fed by the Ghent/Ham power plant. This project is part of the cooperation agreement signed at the end of 2014 with the city of Ghent to develop concrete and innovative projects in the field of energy efficiency.

The new Tondelier neighbourhood (above) will be built thanks to a public-private partnership based on a very strict design brief, enabling the limitation of its CO₂ emissions.

The largest urban heating network in Belgium is primarily fed by two new cogeneration engines, installed in 2014. With their improved performance, these engines enable a CO₂ emission reduction of more than 35% compared to traditional gas heating. Precise monitoring of consumption will enable its optimisation, thanks to the installation of smart meters.

The construction of the connector between the existing network and the future, 4.4 km-long, local distribution network, which will supply heat to private consumers, was begun in 2015.

WHY?

Supply continuity has been identified by some stakeholders as a priority topic to address in the Sustainable Development Report of EDF Luminus. An unexpected interruption in the supply of gas or electricity could have direct consequences on the health and wellbeing of individuals, on the security of industrial installations, on the continuity of public services, and even on the country's economic performance.

This page addresses this theme, with the following limitations:

- Only the high-voltage transmission grid operators and the distribution grid operators are responsible for the continuity of the energy supply to the end-user.
- Only the high-voltage transmission grid operator is responsible for the overall balance of the network.
- The various governments are responsible for the regulatory context, especially subsidy policies provided for renewable energy and license granting procedures, which directly influence the decisions taken by electricity producers.

Contributing to the country's supply security

The contribution, direct or indirect, of EDF Luminus to supply continuity includes several aspects.

Vis-a-vis Elia

the high-voltage transmission grid operator:

- A "**balance management**" function, handled in real time, up to the volumes used by its customers.

As a supplier, EDF Luminus must inject, continuously and in real time, at any transmission or distribution point, a quantity of energy equal to that used by its customers. Any unbalance results in a cost, which can be very high, in particular if the available capacity is not enough to produce the energy required by the networks. Essentially, a supply failure, cumulated with others, could have an impact on the overall balance of the system.

Providing the balance management function at all times, while limiting risks as much as possible, requires 1) accurate estimates of customers' consumption in the short, middle and long-term 2) evaluating or measuring the fluctuations in the production from renewable sources 3) activating customer flexibility with customers and/or adjusting in real time the production of the most flexible installations (combined cycles already running, open cycles ready to be started, cogeneration, etc.) to compensate for the uncertainties of the renewable production and the fluctuations in demand.

- A contribution to network balance through the **provision of ancillary services**, also in real time or in the very short-term: primary reserve, automatically initiated in under 30 seconds; secondary reserve, automatically initiated, whether upwards or downwards, in less than 15 minutes; tertiary reserve, activated manually; black start service activated in the event of a blackout.

EDF Luminus, as a producer, contributes to the production/consumption balance provided by the high-voltage transmission grid operator, within the context of the periodic invitations to tender for the various ancillary services, using its own production units. It can also provide tertiary reserves, thanks to the flexibility contracts signed with certain customers.

- A **guarantee to provide strategic reserve capacity**, in the event of a shortage between the months of November and March, to avoid load shedding situations in all or part of the Belgian network.

NB: In previous reports, this topic was addressed in the first pages of the report, which described the overall functioning of the market and the conditions necessary for the balance of the system.

Vis-à-vis customers:

- A **flexibility** offer that enables industrial and tertiary clients that have flexible capacity (greenhouses heated by cogeneration, for example) or energy stocking capacity (freezers) to adapt their production/consumption depending on the market price.
- An offer to **renovate/replace outdated high-tension cabinets**, which represent a risk for the customer's electricity feed (see next page).

NEW

19 November 2015: The trading platform for self-producers offered by EDF Luminus since 2014 won the ICT Project of the Year award from Data News magazine, in the large organisation category. The jury particularly appreciated:

- a) the technological innovation and its impact on the business
- b) the smooth collaboration between industry experts (B2B) and the information technology department (IT)
- c) the use of the Agile methodology that enables the continuous adjustment of the project and its rapid progress.

VGT, producer of peppers and ... flexibility?



The VGT (Verenigde Groentetuinders) cooperative in Rijkevorsel (Province of Antwerp) is the largest producer of peppers in Belgium. Three cogeneration plants, one with a total capacity of 5.2 MW, feed 15 hectares of greenhouses with heating and electricity. An enormous reservoir of warm water, located alongside the greenhouses, enables the cooperative to store heat.

Unused electricity is sold to EDF Luminus. VGT can take advantage of this electricity on several markets, through the trading platform offered by EDF Luminus. Furthermore, a Lumibox installed at VGT enables EDF Luminus to automatically initiate the cogeneration in order to offer the energy on the markets or in the event of an electricity supply problem in the country.

1 A cogeneration engine at VGT. 2 A warm water reservoir at VGT (7 million litres).

High-tension cabinets: ensuring compliance with the law and securing the electricity supply

EDF Luminus can help its customers achieve compliance with the Royal Decree of 2012, according to which all high-tension cabinets must undergo a risk analysis.

The decree specifies that cabinets that fail to meet the requirements must be renovated or replaced before the end of 2016, as they represent a risk to the safety of employees as well as to the reliability of the electrical supply.

The service offered by EDF Luminus includes assistance in documenting the risk analysis as well as concrete recommendations for the measures to be taken to become compliant. A financial solution is included in the technical offer, to minimise the impact of the operation on the balance sheets of the client company. In 2015, EDF Luminus was able to provide its first offers to its customers, developed with its subsidiary ATS.



1 A high-tension cabinet was installed by ATS at Dena, the European leader for the production of functional and flavouring binders for the agro-food industry, in September 2015. An audit carried out in December 2014 enabled the detection of several compliance failures. Thanks to the expertise of ATS and the effective cooperation with all of the industry experts operating on the site, the installation was carried out rapidly - in a single day - to minimise the downtime of the electric installations.

1 Installation of a new cabinet designed and manufactured by ATS at Dena, in Eupen 2 A brand-new cabinet. 3 Dryers were installed to maintain the two combined cycle gas and steam turbines of Seraing in good condition while out of service, from March to October.

INDICATORS

EDF Luminus does not wish to publicise figures relating to the provision of ancillary service to the high-voltage transmission grid operator, as such publicising could distort competition/calls for tender.

However, certain information may be released to enable the measurement of performances and the contribution of the company to the supply security:

- The combined cycle at Seraing and the two open cycles at Ham are available to Elia within the context of the black start contracts (initiation of the unit without external electrical sources). A black start test was organised on 12 September 2015 at Seraing. It was validated by Elia.
- All of the start-up tests for the units included in the strategic reserve (Seraing, Angleur 3, Izegem) realised in 2015 have been successful.
- During periods of stress on the network, in the months of September and October 2015, the open cycle plants of EDF Luminus (Angleur 4 and Ghent Ham) contributed to the supply security of the country. Therefore, the number of start-ups for the Ghent Ham open cycles was two times higher than the yearly average during those two months.



ENERGY PRICES

WHY?

The price of energy is only a small part of the overall invoice paid by the end consumer. However, this price presents a major criterion of customers for selecting between different offers. Furthermore, the price of energy on the wholesale markets directly impacts the margins for the production activities.

This page addresses the topic "energy prices" (considered to be important by certain stakeholders), with the understanding that this covers several different prices:

- The buy/sell prices for gas and electricity on the wholesale markets
- The cost of energy consumed, invoiced to the end-customer based on the rate that customer has chosen
- The total amount of the gas or electricity bill, which includes many other costs.

Continuous efforts to achieve reductions

Many external factors

For an energy supplier, being able to offer competitive prices requires 1) a liquid wholesale market 2) a country that has a reliable and flexible production capacity that is sufficient to cover the usage points 3) sales/invoicing systems that are simple and efficient 4) low internal and external costs.

Not all of these points are under the direct or exclusive control of EDF Luminus.

Specifically:

- Wholesale prices evolve based on European and global energy markets, especially the gas market
- The number of plants fed with natural gas in operation is decreasing due to the lack of profitability (at EDF Luminus and elsewhere)
- Invoicing systems must integrate the information provided by the grid operators, and (sometimes retroactive) changes in regulations, which vary depending on the region, thereby increasing administrative costs
- Internal and external costs depend in large part on the local economic and regulatory context.

EDF Luminus wishes nonetheless to offer competitive prices, while positioning itself as a solution-providing partner with an irreproachable service quality. EDF Luminus is thus able to help its customers to reduce their consumption (installation of condensing boilers, smart thermostats, etc.), produce locally (by installing photovoltaic panels) and make use of production surpluses of companies during price peaks, which can reduce their invoices. Energy performance contracts can also be studied.

Furthermore, EDF Luminus aims to permanently reduce its own costs. The automation of certain operations and the development of interactions using the internet are some of the steps that can contribute to this.

INDICATORS

For what is priced as a "commodity", EDF Luminus strives to offer competitive rates. The growth in market share of EDF Luminus (see page 5) can be an indicator of this competitiveness. Price comparison sites show that some of the rates offered by Luminus to residential customers are among the lowest. EDF Luminus nonetheless wishes to offer more services at the best price.

The price offers for companies are, of course, confidential, as they are made within the context of an invitation to tender.

Regarding the overall price invoiced to the customer, certain figures can be mentioned. According to an Accenture study commissioned by FEBEG (la Fédération des électriciens et gaziers belges/ Federatie van de Belgische Elektriciteits- en Gas Bedrijven), the Belgian market is not optimised in terms of "system" costs. Specifically, the administrative cost per meter is 29.1 euro in Belgium: It's 21% more expensive than in the Netherlands, 44% more than in the United Kingdom, 45% more than in Germany and 58% more expensive than in France. "This extra cost is in large measure due to the need to adapt IT systems to the almost constant regulatory changes. On average, we have to adapt our IT systems once a month," comments Marc Van den Bosch, Director General of FEBEG. "Limiting and regrouping the modifications would be a source of savings for everyone. »

INNOVATION

WHY?

Faced with a decrease in consumption and the deterioration of margins in the company's traditional business lines, EDF Luminus has updated its strategy. "Becoming the number one energy partner" for its customers is the ambition of EDF Luminus.

Innovation is one of the keys to a company's development, especially in a sector in which the customers' expectations are significantly changing. Technological evolutions are permanent, at all levels: energy sources that are less harmful to the environment; more economical infrastructures; digital tools that make it possible to better measure, control and reduce consumption, etc.

Investments supporting transformation

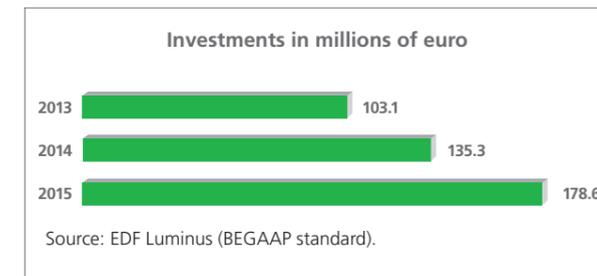
To implement its strategy, EDF Luminus has invested in new business lines that will enable it to propose a broader range of energy supply-related services to customers (see Customers chapter, pages 24 to 32). In terms of electricity production, wind power already represents an important growth opportunity for EDF Luminus.

INDICATORS

Continuously increasing investments

In 2015, EDF Luminus invested 178.6 million euro, of which 95 million was earmarked for wind energy (an increase of 10% compared to 2014; wind energy represents more than half of the 2015 investments).

The total amount of investment allocated for renewable energy sources, including the renovation of Andenne, was 99.4 million euro, compared to 94.9 million euro in 2014 (+4%).



These investments have enabled, in particular:

- The commissioning of 16 wind turbines, on the Tessenderlo, Beringen, Oevel, Berloz 2, Kluizendok 2 and Olen sites.
- The acquisition of ATS, a company specialising in electric solutions for industrial and tertiary customers, in May 2015.

In December 2015, EDF Luminus also purchased shares in the company Leenen, which specialises in offering energy services for individuals and professional customers.

NEW Tax advantages for innovation

Its 2015 Research & Development initiatives garnered EDF Luminus a payroll tax reduction of 0.8 million euro. The deduction of a part of the investments made in 2015 represents a future tax benefit of more than 1 million euro. The tax benefit for 2015 investments in renewable energy sources is estimated to be 2.4 million euro.

FINANCIAL RESULTS

WHY?

The profitability of the company's activities is the foundation of its development, enabling the compensation of shareholders and investment in the future of the company and its employees. The operating profit must in particular finance maintenance and renovation of the production tools and the development of new activities.



Stable turnover

INDICATORS

Turnover

EDF Luminus strives to maintain the profitability of its activities. This requires cost optimisation for its traditional businesses (thermal production, supply of energy). The evolution of the market prices and the increasing regulatory constraints impact the profitability of these activities. Investments are therefore being made in sectors that are less sensitive to market price evolution, such as energy services and renewable energy.

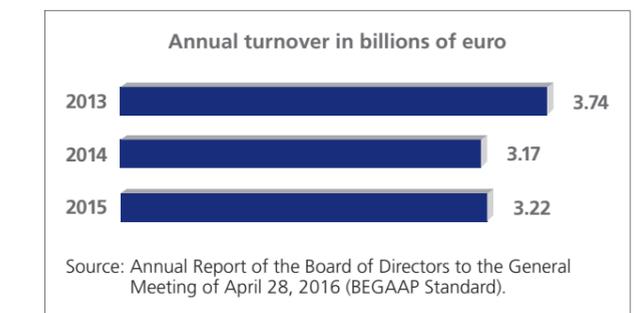
Turnover for 2015 was 3,226 million euro (3,170 million euro in 2014), a very slight increase (1.8%).

Behind this apparent stability, there are some significant fluctuations:

- An increase in distribution costs billed to customers (+114 million euro)
- An increase in ancillary services provided by the thermal plants, due to the unavailability of some Belgian nuclear power plants (+16 million euro)
- A decrease in purchasing and resale transactions for the balancing of positions (-73 million euro), without significant impact on the gross margin
- and finally, the increase in gas volumes sold had no impact due to the decrease in gas prices on the wholesale markets.



In 2015, the Ringvaart plant ran for more than 6,000 hours, primarily to provide ancillary services to the transmission grid operator (R1 and R2).



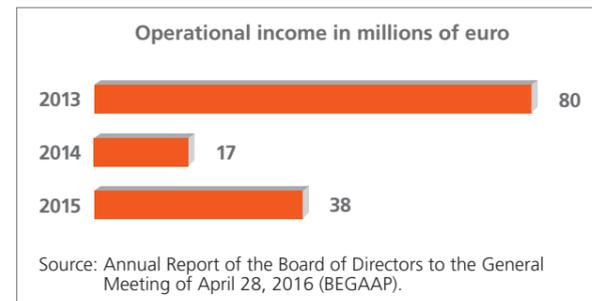
An increase in operational income, a negative net profit

Operational income rises

The operational result for 2015 reached 39.3 million euro: a result that is growing, but that still remains well below 2013 levels, due to the shutdown of several nuclear power plants during 2014 and 2015. The unavailability of the reactors in which EDF Luminus holds a 10.2% share represented a loss of revenue, while the non-fuel operational costs remain stable.

The reported growth in 2015 compared to the operating profit for 2014 (17.2 million euro) is linked to:

- the increase in ancillary services provided by the thermal plants, due to their high availability;
- the growth in the contribution of the renewable energy farms, which enabled a reduction in the cost of supplying electricity;
- a reversal of provisions for multiannual maintenance for certain thermal plants, due to changes in the maintenance strategy for these sites.

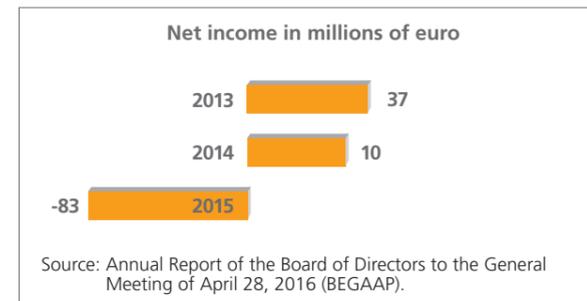


Net income impacted by depreciation on thermal assets

In 2015, net income was -83 M, due to a significant depreciation in the value of natural-gas fuelled thermal production units.

In 2015, the EDF Luminus thermal plants still active functioned essentially to fulfil the contracts for ancillary services or to provide "strategic reserve" capacity. As the financial outlook of these plants is becoming increasingly limited, an exceptional amortisation was carried out based on the projected cash flows. This resulted in a total depreciation of the value of these assets, for an amount of 117 million euro.

Excluding these exceptional elements, the net profit benefitted from the growth in operational income.



Financing of the current and future costs of nuclear plants

As the owner of 10.2% of four Belgian nuclear power plants, EDF Luminus contributed to the operational and maintenance costs of these plants, as well as to the current investments, proportionate to its shareholding. These costs are billed by the operator and include a "management fees" component.

The company also contributes to the provisions managed by Synatom, with regard to both the plant dismantling and the management of spent fuel. Every three years, Synatom provides the Nuclear Provisions Commission with the methodology for the constitution of provisions, i.e. the "underlying strategic approach, the development and implementation programmes, an estimate of the funding required and the completion and payment schedules". The last forecast was made in 2013. The tri-annual revision of dismantling costs should thus occur at the end of 2016.

Sound fundamentals

A balance sheet that remains healthy

On 31 December 2015, the balance sheet total stood at 1,742 million euro, down 122 million euro compared to 2014.

The negative net profit impacted shareholder equity, which was 742.9 million euro, of which 490.8 million euro was capital.

Positive cash flow

The net cash position was 239.8 million euro (compared to 376.1 million euro in 2014), which enables the company to carry out its investments in onshore wind farms and energy services, and to compensate its shareholders.

The principle factors that have had an impact on the cash flow include:

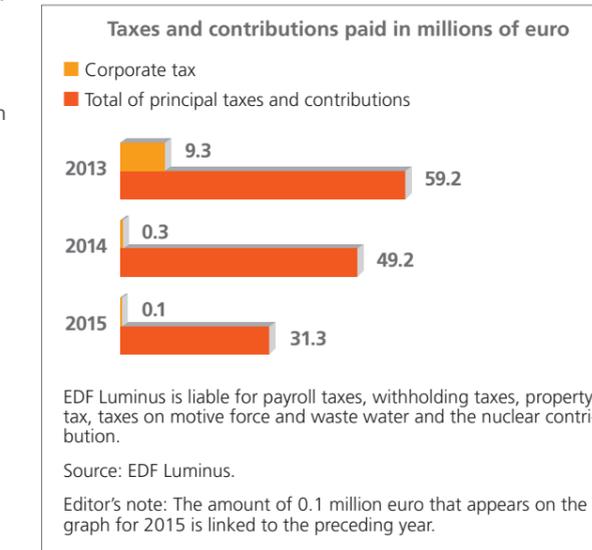
- the large investment programme
- the cash flow generated by the operational activities
- the programme for optimising working capital launched in 2014 and continued in 2015.

Source: Annual accounts filed with the National Bank of Belgium

Lower taxes and contributions

EDF Luminus did not pay corporate taxes for the year 2015 due to the net loss recorded.

The total amount of principal taxes and contributions paid by EDF Luminus, excluding corporate taxes, was 31.1 million euro. This amount is 36% lower than in the year 2014, primarily due to the nuclear tax, which dropped by more than 50% compared to 2014. The total amount of this tax was set at 200 million euro in 2015, taking into consideration the shutdown of certain plants and the decreasing prices on the wholesale markets.



Dividend distribution of 35 million euros

The General Meeting of 28 April 2016 approved the following proposals:

- withholding of 78.6 million euros on the available reserves;
 - distribution of a dividend of 35 million euros, based on the profit carried over from the preceding year.
- The balance of earnings to carry forward is 0 euro at the end of 2015.

Source: Annual Report of the Board of Directors to the General Meeting of April 28, 2016.

SAFETY OF INSTALLATIONS

WHY?

Producing and supplying energy is a key activity, both from an economic and social point of view. Maintaining the integrity and proper functioning of the industrial as well as the administrative sites of EDF Luminus is thus a necessity. An industrial accident (a gas pipe rupture, for example) could have significant consequences on the health of employees, neighbours and the environment.

NB: EDF Luminus owns 10.2% of four Belgian nuclear power plants, but has no responsibility, direct or indirect, in their operation (see royal decrees of December 19, 2000).

Managing industrial risk

The goal of EDF Luminus is to avoid any serious damage, whether to people or to the environment.

Every new site therefore undergoes a systematic industrial risk analysis: during the design phase, when it is put in operation, subsequently every five years, and whenever any modifications are made on all or parts of the installation. The evolution of risks must be controlled, both in terms of the installation itself and the operational/maintenance processes.

Residual risks are classified based on their potential consequences and their likelihood to occur, integrating in particular:

- the information provided by the builder
- the analysis of incidents or near-incidents observed in situ, for the entire industry.

Monthly reporting takes place on the progress of the actions implemented to reduce the risks. The reporting method used helps to secure OHSAS 18001 certification.

Preventative actions relating to the risk of falling ice

When certain wind, temperature and humidity conditions are combined, the blades of the running wind turbines can become covered in snow or ice. To avoid danger for the surrounding area, it is necessary to:

- identify and delineate the risk zones (an industrial site parking area, for example)
- install devices that detect the formation of ice
- stop the wind turbine as soon as this becomes necessary.

INDICATORS

EDF Luminus is required to report any incidents impacting its installations to the public authorities. Any incident that could potentially cause damage, even minor, to the environment must be reported.

Until today (31 December 2015), no serious incident has been reported by EDF Luminus.

Three incidents were reported to the authorities between 2013 and 2015:

- In October 2013, the nitrogen oxide emissions level of a gas-fuelled combined cycle (Ringvaart) exceeded the authorised limits, due to a handling error in the restart process after a shutdown for maintenance.
- On 20 May 2014, the nitrogen oxide emissions level was exceeded at the Seraing plant for around 25 minutes. An excessive carbon monoxide emissions level was also observed for three minutes.
- In September 2015, biodegradable oil (less than 1m³) was discharged into the Meuse, due to a failure to detect a pipe leak in a lubrication system for one of the turbines in the Ampsin hydropower plant.

On some sites, the risk of falling ice is signalled by dynamic indicator panels.



RENEWABLE ENERGY

WHY?

Despite the difficulty of predicting their performance far in advance (around 48 hours for wind and photovoltaic sources), judicious development of renewable energy offers a resource in the fight against global warming, which is caused in part by greenhouse gas emissions from the energy sector, at the global level. Coal* in fact remains today the least expensive resource, rarely used by power plants that are in a technical capacity to limit their most polluting emissions.

EDF Luminus maintains, renovates and develops its renewable energy production capacity in order to protect the environment, but also for financial reasons. Specifically:

- onshore wind energy is the technology closest to economic maturity
- today's hydroelectric plants offer a fairly predictable renewable energy supply
- the installation of solar panels can help customers to reduce their carbon footprint.

*EDF Luminus does not operate coal-fuelled plants, only natural gas fuelled thermal plants.

195 million euro invested in renewable energy over two years

The maintenance and development of renewable energy production capacity requires continuous effort.

EDF Luminus is renovating its park of hydroelectric plants in order to extend their working life (see page 41). To expand its wind energy park, EDF Luminus strives to continuously identify new sites appropriate for building wind turbines.

Constructing a wind farm: a process that takes at least 5 years

The average period for the development of a wind farm is at least five years, from the initial exploration phase until it is put into service. However, this period has become longer over recent years, mainly due to appeals having become systematic.

- **Phase 1** Initial studies and preparation of permit applications: this phase includes the feasibility study, the purchase of the land, environmental studies, as well as the preparations for the electrical connections and the permit application..
- **Phase 2** Procedure for the issue of a permit: this phase lasts at least eleven months and is devoted to procedures at the regional or provincial administrative levels. It may be extended in the event of an appeal to the Minister or the Council of State.
- **Phase 3** Technical and legal studies conducted after obtaining the permits. An invitation to tender must be made to allow an investment decision.
- **Phase 4** Actual construction, i.e. the time from the decision to invest to commercial operation, requires at least eleven months.

Four new wind turbines on the Kluizendok site

The first wind farm in Kluizendok, a 100-hectare site in the port of Ghent, was put into service in 2005. EDF Luminus built, in collaboration with the Ghent port authorities and Ecopower (with a 20% share, EDF Luminus holding the other 80% of the project), a wind farm with 11 2MW wind turbines, producing the equivalent of the electricity consumption of 10,000 families.

In view of the development opportunities offered by the Kluizendok site and its excellent wind orientation, the decision was taken in 2011 to complement this farm with four new wind turbines, with an individual power of 3.4 MW. This extension brought the installed capacity of Kluizendok up to 30 MW.

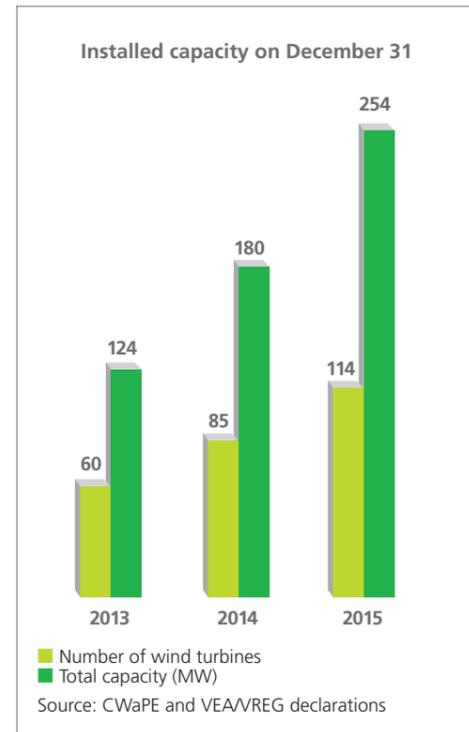


The Kluizendok 2 farm was built in 2015. The four new wind turbines represent an annual production of 46,200,000 kWh, the equivalent of the electricity consumption of 13,200 families.

Wind park: +41%; wind park output: +52%

A wind park that has doubled in power: more than 180 million euro in investments over two years

In 2015, the amount of investments for developing the wind park of EDF Luminus increased by 10%, following the earlier doubling of investments between 2013 and 2014.



The leader in onshore wind energy, with 114 wind turbines and 254 MW

In 2015, EDF Luminus saw its total installed wind energy capacity rise from 180 MW to 254 MW, an increase of 41%, from:

- The building of wind farms in Tessenderlo, Beringen, Oevel, Berloz 2, Kluizendok 2 and Olen, representing a total of 16 turbines built (46 MW);
- The acquisition of the Leiedal (4 wind turbines for 8 MW) and Leuze (9 wind turbines for a total of 20 MW) wind farms.

In all, 29 wind turbines were added to the EDF Luminus wind park in 2015, which counted 114 turbines in service at the end of the year.

Ten new permit applications

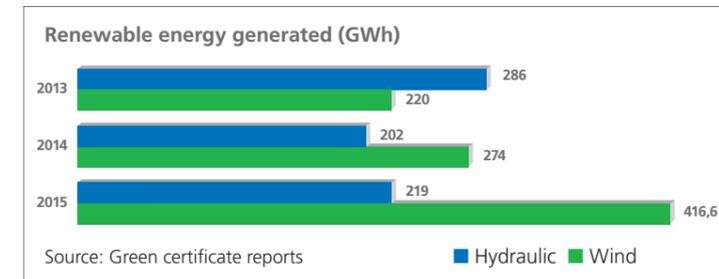
In 2015, permit applications were submitted in Wetteren, Lierneux, Emines, Nives, Couvin, Geel-Laakdal, Munsterbilzen, Courcelles, Beervelde and Dessel, representing a total power capacity of 84 MW.

The Board of Directors approved proposed investments for Rieme Noord and Ciney 2, for a total of five wind turbines.

Renewable output: strong growth in wind energy

In 2015, wind energy output grew strongly (+52%), due to the increase in the number of wind turbines running.

Hydraulic energy production rose slightly (+8.3%), with the Lixhe plant running throughout the entire year, after its 2013-2014 renovation. Output remained below that of 2013 due to the shutdown of the Andennes hydroelectric plant for renovation, for the whole of 2015.



Andenne hydroelectric plant: renovation complete after 17 months of work

The programme to extend the working life of EDF Luminus' hydroelectric plants continued in 2015, with the completion of the renovation works for the Andenne plant. This 17-month project represented a total investment of 9 million euro.



The goal of the works was to replace two of the three turbines with two new, more efficient 2MW engines with double settings, and to renovate the electrical facilities. The new turbines have the advantage of being able to function when the flow of the Meuse is below 70 m³/s, up to as low as 15 m³/s, which enables the river flow to be managed closer to natural conditions.

Work began in August 2014, with the dismantling of the existing machines (see page 39 of the 2014 report). The first kilowatt-hours were produced on December 15. Unfortunately, the test phase had to be delayed by a month due to a design flaw in a medium high voltage circuit breaker.

The plant was put into service on January 15, 2016.



2 Arrival of new distributors on site, in July 2015.



3 The exit duct of one of the new turbines. The metal bars were installed inside the duct to prevent distortions from the concreting, they were removed after the concrete set.

CARBON FOOTPRINT

WHY?

The production of greenhouse gases contributes to climate change, which has visible- and often detrimental- effects on ecosystems and populations, including those of Belgium. As a responsible company, EDF Luminus decided five years ago to measure its own overall carbon footprint, in order to identify the principal components and thereby better target reduction efforts, whether driven by the company or its customers, or by public policy.

It's another way for EDF Luminus to act as the number 1 energy partner in Belgium.

Measuring the overall carbon footprint to prioritise actions

EDF Luminus has been measuring its carbon footprint since 2011, using the GHG (Greenhouse Gas) protocol. This is the most widely recognised method internationally for carbon accounting.

It defines three different, very precise "scopes" to enable each company to separate: emissions directly linked to its activities (scope 1), emissions generated by the energy acquired externally for internal usage (scope 2), and emissions generated both upstream and downstream by suppliers (of goods and services or of fuels), self-producers or customers (scope 3).

Some sources of emissions are under the direct control of the company, such as electricity usage in buildings the company owns.

Others are under the partial control of the company, such as the efficiency of the thermal production units and their operating regime (few or many restarts, at full or partial charge, etc.). The level of associated emissions depends on the choices made by EDF Luminus during renovations of the production park, but also, even especially, on the evolution of the technologies implemented by the builders. In general, increased yield goes hand-in-hand with reduced emissions.

Actual emissions depend on the evolution of consumption and the company's market share, but also on each country's energy policies, and on the wholesale markets' "merit order", which favours the least costly production units, after the renewable sources, which have a (legal) priority dispatch. For its own energy mix, EDF Luminus strives to reduce the carbon footprint of its production park, by progressively closing the plants that pollute more and by developing onshore wind farms.

Finally, in the case of EDF Luminus, a large part of the footprint (consumption of natural gas or electricity by end-customers) is not under the direct control of the company. Contributing to the reduction of customer consumption, or limiting its environmental

impact, is consequently a priority for EDF Luminus (see solutions developed in the Customers chapter, pages 24 to 29).

Evolution of the EDF Luminus installed generation base

In 2015, the EDF Luminus production park experienced several major changes:

- The Monsin open cycle thermal plant (70 MW) was shut down on April 1st;
- The steam part of the combined cycles of the Angleur 3 plant was shut down for good on April 1st, representing a power loss of 67 MW;
- The gas turbines at Angleur 3 (two times 25 MW) and at Izegem (22 MW) were put into the strategic reserve as of November 2015, which means they are no longer accessible by the market; the same is true for the gas combined cycles of Seraing, placed in the strategic reserve since November 2014;
- The temporary shutdown (mothballing), starting 31 October 2016, of the combined cycles at Ham (55 MW) was communicated to the authorities in July 2015;
- The wind park grew 41% in installed power (up to 254 MW), with 114 wind turbines in service at the end of 2015.

These evolutions contributed to a decrease in the carbon footprint from the company's generation of electricity (see scope 1).

The GHG standard

EDF Luminus complies with the GHG (Greenhouse Gas) standard for collecting data and calculating the overall footprint. This methodology was developed at the initiative of the WRI (World Resource Institute) and the WBCSD (World Business Council for Sustainable Development) in consultation with companies, NGOs and governments.

The standard covers the six principal greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrogen oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF₆). The data are presented in tonnes of CO₂-equivalent (tCO₂e), with the other gases converted in accordance with their global warming potential.

The GHG Protocol classifies greenhouse gas emissions in three categories:

- scope 1, which groups direct emissions generated by the company's activity (emissions from power plants fired by natural gas; heating of buildings with in-house heating systems; emissions from company vehicles, etc.);
- scope 2, which includes emissions generated by the energy acquired externally for internal usage - i.e. in the case of EDF Luminus, only the electricity used in some of its own buildings;
- scope 3, which groups together the indirect emissions generated upstream and downstream: emissions related to the supply of fuel to the power plants (extraction, transport, etc.) or to the purchase of electricity and gas resold to end-customers.

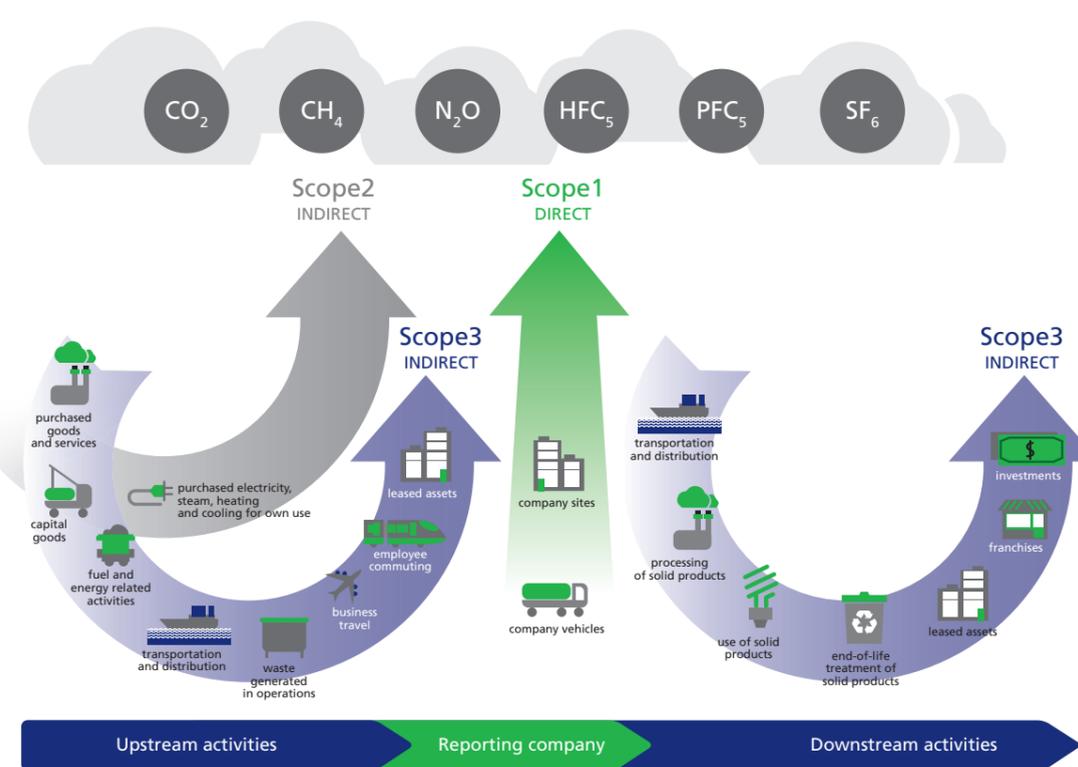
Note on methodologies

Each year, EDF Luminus refines the calculation of its carbon footprint, to comply with the most recent GHG reporting principles. When the calculation methods are modified, they are also modified for the previous years, in order to maintain a comparative base between the three years.

Compared to the figures included in the 2014 report:

- **Scope 1** increased slightly (less than 1%) following the inclusion of CH₄ and N₂O emissions from the thermal plants.
- **Scope 2** is calculated in two ways, in compliance with the new GHG Protocol Scope 2 standard: either market-based (emission factor corresponds to the electricity supply

Overview of the GHG Protocol emissions scopes



contracts for the various sites of the company) or location-based (overall emission factor of electricity injected into the Belgian network, regardless of contracts or producer).

■ **Scope 3** rose following three changes:

- Scope 3 now includes emissions linked to infrastructure and equipment, using the depreciation charges for the year concerned. This represents 78 kilotons of CO₂ equivalent in 2015, or 1.3% of the total footprint.
- The emissions linked to the electricity acquired from other producers are recorded based on the average emissions of the Belgian park, for the sake of simplicity and of coherence with

the EDF Group methodology, regardless of the source of the electricity (wind, solar, nuclear, cogeneration, incineration, etc.). The gap between the two methods is small: a reduction of 0.4% in 2015, and increase of 1.3% in 2014.

(c) The emissions linked to the upstream market for electricity purchased (fuel, transportation, distribution) are now included in the category "electricity acquired for resale". This modification resulted in an increase of 18% in the emissions linked to the electricity acquired, which equals 5% of the total footprint.

Detail of emissions by scope

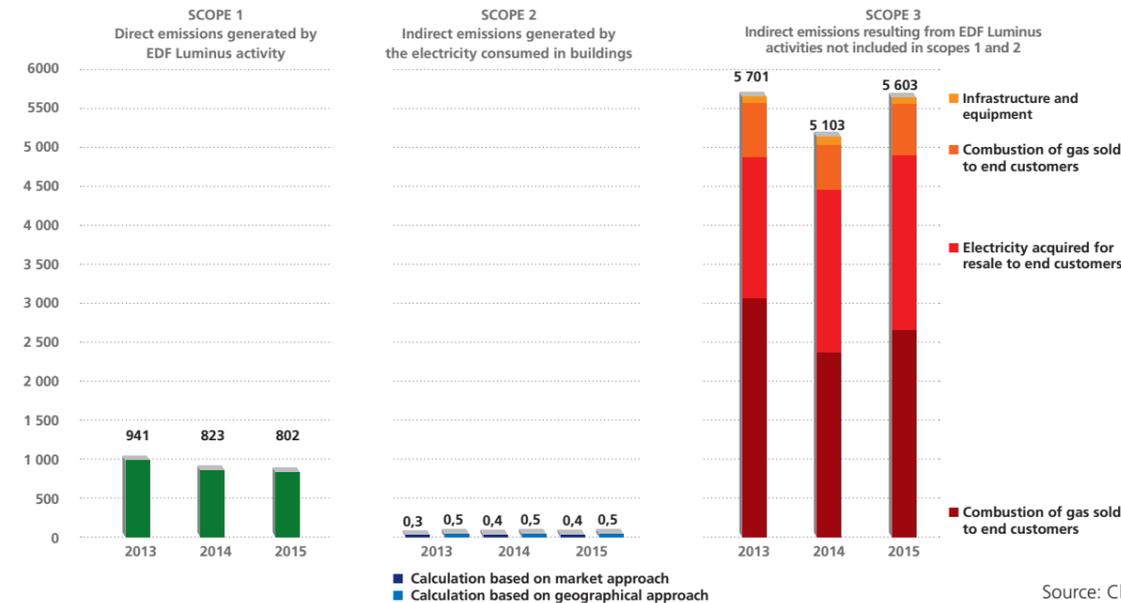
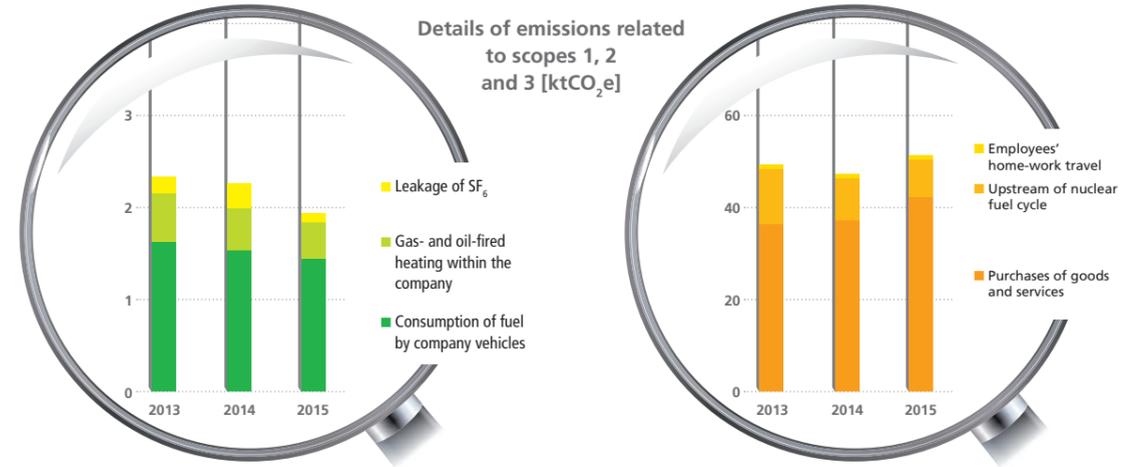
Carbon footprint rises with customers' gas consumption

The balance of all emissions generated by EDF Luminus activities in Belgium amounted to 6,405 kilotons of CO₂-equivalent in 2015, an increase of 8% compared to 2014 (after reprocessing of the 2014 data).

47% of the indirect emissions of EDF Luminus came from the combustion of natural gas sold to customers (see scope 3). This figure rose in 2015 due to the less mild winter compared to 2014.

Lower carbon footprint linked to electricity production

- Scope 1 emissions fell (-2.5%) due to the slight decrease in thermal production and the decrease in fuel consumption by company cars.
- Scope 2 rose (+10%), primarily due to a more concentrated occupation of the EDF Luminus headquarters throughout the year 2015.
- Scope 3 increased by 10% in 2015, due to the increase in gas volumes sold to end-customers (+12.4), as well as to the increase in emissions linked to purchases of electricity (+7%).



Source: Climact.

Increase in renewable energy output (+33%)

Output from **thermal plants** remained rather high in 2015 (-3% compared to 2014), due to:

- The non-operation of three nuclear reactors (Doel 1, Tihange 2 et Doel 3) for most of the year, and the shutdown of Tihange 1 in the summer of 2015 to carry out works to prolong the working life of the unit;
- The successes recorded by EDF Luminus during the monthly auctions organised by Elia for primary and secondary reserves;
- The base load operation, throughout the year, of two new cogeneration engines (2.7 MWe each) connected to the Ghent (Ham) distribution network in October 2014.

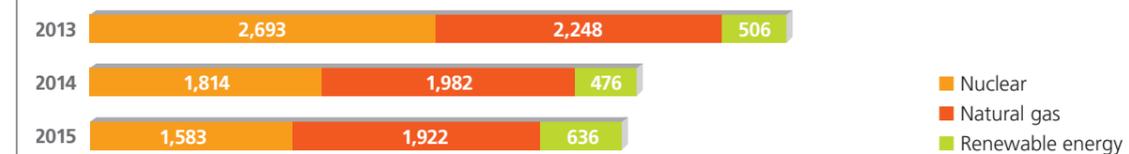
Renewable energy output grew strongly (+33%), due in particular to the large increase in wind energy-sourced electricity (+52%).

Electricity produced by **nuclear plants** dropped (-13%), in large part due to:

- The non-operation of the Doel 3 and Tihange 2 plants throughout almost the entire year. Doel 3 restarted on December 21, and Tihange 2 on December 14. These two plants only operated for three months out of 12 in 2014.
- The shutdown for maintenance of Tihange 3 for almost 50 days, in order to replace the cover for the reactor vessel.

In total, output from renewable sources reached 15.4% of the total. The thermal share (natural gas fuelled plants) was 46.4%, while nuclear output represented 38.2% of the total.

Net electricity production, excluding heat (GWh)



Source: EDF Luminus. In accordance with the recommendations of the GHG Protocol, this graph and those that follow include the figures corresponding to the share of EDF Luminus in Belgian nuclear generation (10.2% of four power plants). These figures do not include production associated with drawing rights on Chooz B (100 MW).

Reducing other types of emissions

While low compared to total emissions, voluntary policies are aimed at reducing the direct emissions from buildings and car fleets.

Car fleet emissions drop again

The decision taken by the Executive Committee to lower the maximum emission rate of company vehicles by 4g/km each year, from 2012 onwards, is having an effect. In 2015, the average emissions dropped to 117g/km, a decrease of 4% compared to the previous year.

It should be noted that the average emissions for new company vehicles registered in Belgium in 2015 was 115g/km (source: FEBIAC) while the average emissions of EDF Luminus vehicles registered in 2015 was only 110 g/km.

Average CO₂ emissions for the vehicle fleet (g/km)



Source: EDF Luminus.

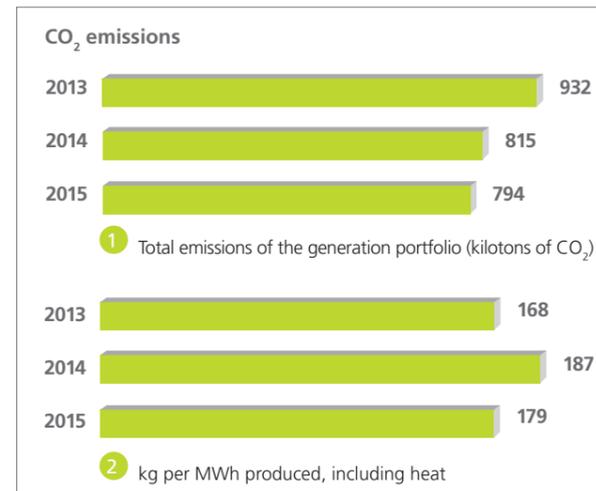
Atmospheric emissions from the production park

Emissions from EDF Luminus' thermal plants (especially CO₂ and nitrogen oxide (NO_x)) must be reported annually to the authorities. Any overrun of the thresholds must be immediately signalled, and corrective actions taken. These declarations are audited internally and verified yearly by an organisation accredited for CO₂.

CO₂ emissions down

CO₂ emissions from EDF Luminus' thermal plants fell slightly (-2.3%), comparable to the drop in the company's thermal power generation (-3%).

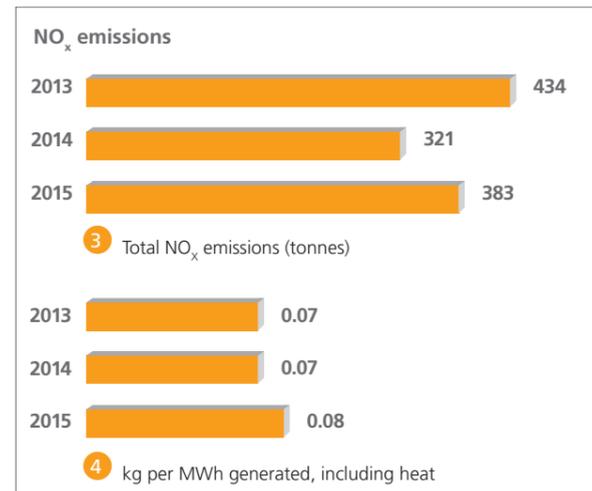
Emissions per kilowatt-hours produced also fell (-4.3%), due to the increase in the wind energy output (+52%).



Nitrogen oxide emissions rose

EDF Luminus' nitrogen oxide (NO_x) emissions rose by 19% in 2015, due to the multiple restarts experienced by several thermal plants, especially the Ham plant. The gas-fuelled combined cycle as well as the open cycles were under high demand for ancillary services to Elia to maintain the network balance.

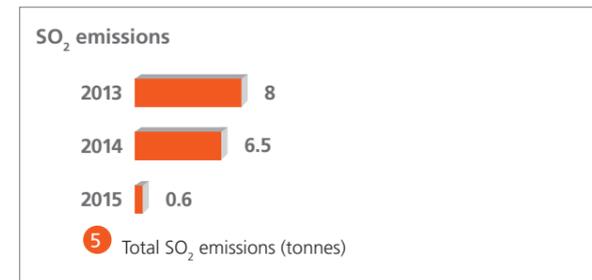
On the other hand, emissions per megawatt-hour produced remained very low (0.08 kg per MWh).



No more sulphur dioxide emitted by the EDF Luminus park on a daily basis

In 2015, sulphur dioxide (SO₂) emissions from the EDF Luminus production park, which had already dropped below the reporting threshold for several years, almost completely disappeared. They fell by 91% compared to 2014, with a total of 0.6 tonnes emitted.

This result can be ascribed to the evolution of the EDF Luminus production park: all of the plants are now fed exclusively by natural gas. Fuel is only used to restart diesel engines during black-start tests carried out at Seraing and Ham.



Sources:
1. Environmental reports. Figures audited and validated by the VBBV (Flanders) and Vincotte (Wallonia).
2-4. EDF Luminus.
3-5. Environmental reports.

NATURAL RESOURCES AND BIODIVERSITY

WHY?

The choice of energy mix for a producer of electricity and supplier of gas and electricity can have direct and indirect impact on natural resources, soil, water and biodiversity. Specifically, the construction and exploitation of production facilities -whether for thermal or renewable energy - uses raw materials (for EDF Luminus, this is primarily natural gas) and various materials (concrete, steel and complex alloys). The environment can also be affected by the production facilities themselves (for example, pollution risk from thermal plants, risk to avifauna and chiroptera from wind turbines, risk to fish from hydraulic plants).

Preserving water resources

Thermal plants must be cooled using air condensers or cooling towers, or by circulating cold water pumped near the plant, from a waterway or sea. This water must be treated before being injected into the pipes.

The used water must be returned in accordance with strict conditions regarding chemical composition and temperature. All of the liquid waste from the EDF Luminus plants is continually sampled and/or tested to ensure that the limits imposed by the environmental permits are always adhered to.

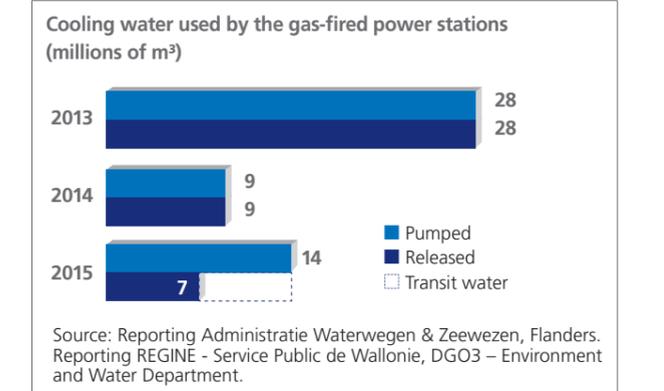


When a plant, such as the facility in Seraing, is placed in the "strategic reserve" from November to March, or preserved from April to August, some cooling circuits must rest under water. Some of the intake water from upstream only passes through the pipes, without being heated or treated, as the plant has been shut down. In agreement with the authorities, this volume of transiting water is not included in the declared released water.

INDICATORS

In 2015 and 2014, the volumes of water used by certain production units remained well below the volumes observed when those plants were in operation all year long (before 2011).

The difference observed in 2015 between the pumped water and the released water relates to the undeclared volume of water that only passes through the pipes of the preserved plants before being released (indicated in the graph by the dotted line).



Source: Reporting Administratie Waterwegen & Zeewezen, Flanders. Reporting REGINE - Service Public de Wallonie, DGO3 - Environment and Water Department.

Water conservation modifications at Angleur and Ham

In 2015, EDF Luminus installed new variable-displacement water pumps to feed the demineralisation units of the two TG4 units with the exact volume of water required, enabling a reduction in water consumption.

In the Ham (Ghent) plant, a new system was installed to reduce water usage and boiler corrosion. Using ammonia instead of Trisodium phosphate to maintain the pH at the levels required for a closed circuit reduces water consumption, salt deposits and CO₂ emissions.

Solid waste: an increase in waste collected from the Meuse (+33%)

The industrial activities of EDF Luminus generate various types of solid waste.



Every year, EDF Luminus collects hundreds of tonnes of waste from the Meuse, to maintain the flow upstream of the hydroelectric plants. The company bears the costs of collecting, sorting and recycling this waste. The volume of waste collected from the river varies from one year to another, depending on the river flow and possible flooding.

The volume of waste produced directly by EDF Luminus depends on the extent of the programmed maintenance (routine maintenance, major maintenance, renovation, etc.). Some of this waste can be sorted, recycled or recovered.

In 2015, the volume of non-hazardous industrial waste was nearly stable (+4.5%).

Hazardous waste volumes rose, due to specific maintenance operations scheduled in 2015:

- Disposal of heavy fuel from the Ham site (179 tonnes, not recycled) following the replacement of the heavy fuel oil burners (see page 40 of the 2014 report);
- Cleaning of the basin and pools of the Seraing plant cooling tower (119 tonnes, partially recycled).

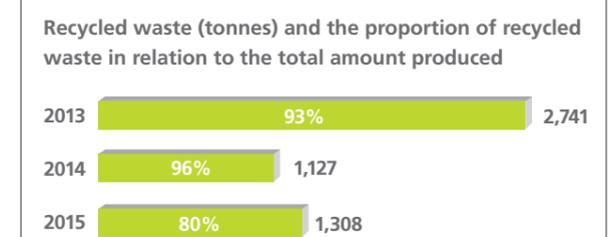


Source: Reporting REGINE - Service Public de Wallonie, DGO3 - Soil and Waste Department. Reporting to OVAM, Openbare Vlaamse Afvalstoffenmaatschappij.

Recycled waste

In 2012, EDF Luminus introduced a policy aimed at reducing the volume of waste sent to landfills. All of the waste extracted from the Meuse is sorted and recycled.

In 2015, the recycled waste tonnage rose (+16%), due to the increased volume of waste collected from the Meuse. On the other hand, the proportion of recycled waste to total waste fell, owing to the increase in unrecycled hazardous waste volumes (see opposite).



Source: Reporting REGINE - Service Public de Wallonie, DGO3 - Soil and Waste Department. Reporting to OVAM, Openbare Vlaamse Afvalstoffenmaatschappij.

1 The volume of waste collected from the Meuse upstream of the hydroelectric plants rose sharply in 2015 (+228 tonnes, or +33%) due to significant flooding. All of this waste was sorted and recycled, at a cost of around 120,000 euro in 2015.

Biodiversity: legal obligations and voluntary actions

Preserving biodiversity is both a requirement and a challenge, because of the potential impact of its activities on the environment.

Any project that might affect the ecological balance must undergo an environmental impact study beforehand. Similar studies are carried out when a permit is renewed.

In Wallonia in particular, regulations require the implementation of compensatory measures when a wind power project may affect biodiversity in a way that cannot be adequately mitigated. The measures adopted by the regional government must be in place before construction begins.

It should be noted that the regulations regarding certain hydroelectric plants now include provisions (studies of the mortality rate for fish populations, construction of structures that enable migration) that can impact the future profitability of these plants. EDF Luminus therefore aims to carry out these studies in close collaboration with the concerned authorities, at the Belgian and European levels.

Above and beyond these required actions, EDF Luminus wishes to contribute to protecting biodiversity whenever possible. These efforts can be seen in particular at:

- the Ringvaart and Seraing sites (late mowing zones),
- the Angleur site (dedicated biodiversity spaces),
- the four sites hosting bee colonies (Floriffoux, Grands Malades, Seraing et Ringvaart).

Protecting bees and harvesting honey

The partnership with Beeodiversity, providing four appropriate spaces on EDF Luminus sites to assist in the fight against honeybee mortality in Belgium, continued.

In the summer of 2015, 12 bee colonies produced their first harvests: over a thousand pots of honey. Most of the pots were distributed to employees in September.



The two colonies of the Ringvaart plant were amongst the most productive.

Angleur: useful lessons for Lixhe

The redevelopment programme for areas surrounding the Angleur plant, launched in 2014, has been successful.

The collaboration with association Faune et Biotopes enabled identification of the most effective actions to take to promote biodiversity, while reducing the maintenance costs of the green areas. The gourmet hedge that was planted on the site played a role, as did the seeding of melliferous species.

Similar actions will be implemented on the Lixhe site in 2016, as part of the creation of new green areas after the plant's renovation.

Compensatory measures in Ciney

In 2015, specific measures were implemented for the construction of the Ciney 2 wind farm (3.2 MW farm), foreseen for 2016. These included planting 2.2 hectares with nourishing cover crops and establishing 0.6 hectares of grassy headlands, in partnership with the association Faune et Biotopes.

The purpose of these arrangements is to increase both tranquillity and food supply for local avifauna.



During a visit on November 27, Faune et Biotopes verified that the sowing had taken place in the grassy strip that bisects the plot, as well as in the strip that partially encircles it.

INDICATORS

In 2015, EDF Luminus published an inventory of sites on which mandatory or voluntary measures had been taken to protect or restore biodiversity. This inventory covered all of the electricity production sites (wind, thermal and hydroelectric). It can be found online.

Mandatory measures



Voluntary measures



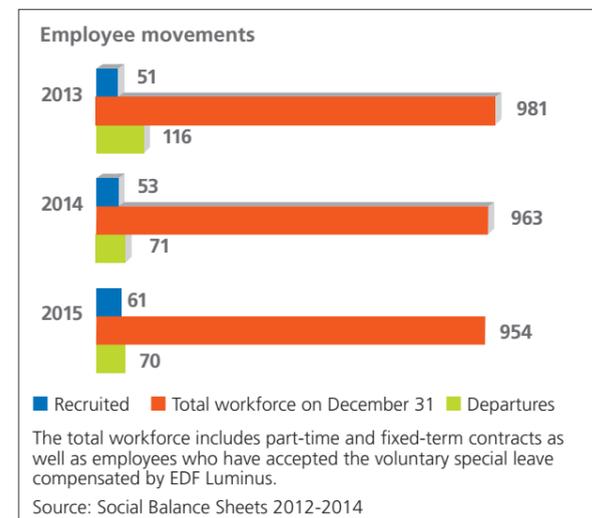
A list of the audits carried out to identify polluted soil is also online. This list shows that no clean-up measures were necessary on December 31, 2015.



HUMAN RESOURCES

Employment: stable workforce

The EDF workforce remained stable, as did departures. Hiring rose by 15%, due to investments in new services, information systems and wind power projects.

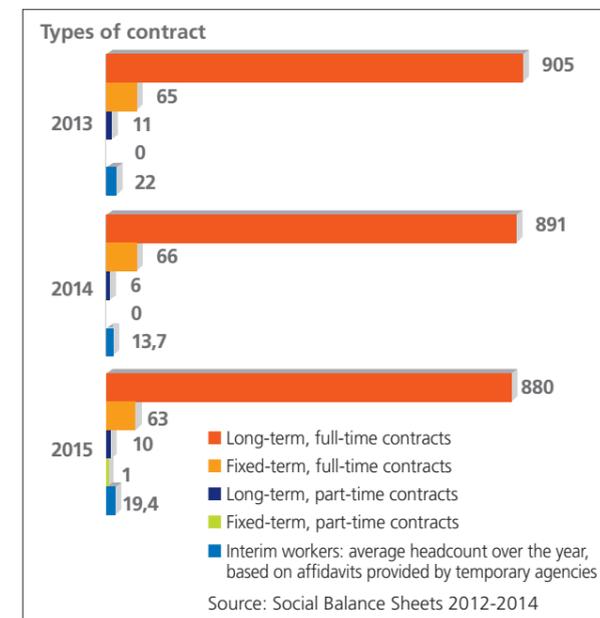


A top employer that fosters internal mobility

A large majority of permanent contracts

The number of fixed-term contracts remained low (1.1% of the total workforce).

The number of people hired on temporary contracts rose, as a result of efforts to reinforce the sales teams, which have been facing a very active market, for the residential and professional customer segments.



Internal promotion: a priority and a reality

At EDF Luminus, most vacant posts are published on the company intranet for two weeks before being advertised externally. The line manager of an employee selected for a vacant post cannot oppose the transfer. Only the transitional periods, up to a maximum of three months, can be discussed.

This policy contributes to a high level of internal promotions. In 2015, 57% of published posts were filled internally. 67 people thus changed post and developed their perspectives.

International opportunities

As a subsidiary of an international leader in the energy field, EDF Luminus is able to offer its employees career opportunities outside of Belgium. In 2015, five EDF Luminus managers were on mission outside of the country, as expatriates within the EDF Group, in France, the United Kingdom and Thailand.

DEVELOPMENT OF SKILLS

WHY?

Continuous development of skills is absolutely necessary in a fast-evolving sector, regarding electricity generation technologies and customer services. In order to maintain its competitiveness, the company must simultaneously maintain skills in its traditional businesses (especially in terms of safety and customer relationships) and develop new skills in the company's new businesses. This requires identifying key posts/profiles, attracting new talent and retaining the best performing people.

EDF Luminus, a Top Employer, evolving fast!

Throughout the world, the Top Employers Institute certifies the excellence of the working conditions offered by employers to their employees. The certification program takes into consideration very precise criteria before awarding candidate-companies with the Top Employer label.

In particular, the following topics are researched

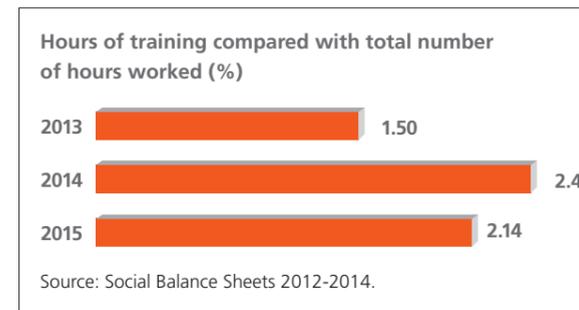
- Talent Management Strategy
- Workforce Planning
- On-boarding
- Learning & Development
- Performance Management
- Career & Succession Management
- Compensation & Benefits
- Corporate Culture

Evolving training methods

Training efforts at EDF Luminus remained stable in 2015, with an average of 3.72 days of training per employee. 98.1% of employees followed at least one training session during the year (not including employees on voluntary special leave or employees with long-term illness).

The percentage of informal-type training sessions rose strongly, increasing from 10% of hours in 2014 to 30% of hours in 2015. Coaching for individuals and teams in particular increased, within the framework of the company's strategic project.

More than 1000 hours were spent in "toolbox" meetings on workplace safety, half of which were absorbed by production staff. More formal training sessions on safety involved 356 participants, for a total of 2,766.38 hours. The reduction in hours (-11%) and increase in number of participants (+48%) is linked to the implementation, in 2015, of a safety training program via an e-learning module for new hires. This module is less costly in hours than academic-type training sessions.



Based on these evaluations, 54 Belgian companies were certified Top Employer in 2015.

Once again, EDF Luminus received its certification and again increased its overall score. This is mostly due to the onboarding process which has been completely revised and enriched with new tools. For example, the Talmundo application has been implemented to facilitate interaction with future colleagues. A specific community was created on the internal social network to facilitate exchanges between new hires and their godfather/mother (mentor).

WHY?

Professional activities present both a health asset and a risk. Professional risks that impact the health and safety of employees vary depending on the functions exercised. These are not the same in an industrial, administrative or commercial environment. Reducing the risks associated with the workplace environment or individual behaviour is a priority, to maintain the safety and the health of employees. In addition, workplace wellbeing directly influences employee motivation, performance and ability to innovate.

Zero accidents resulting in lost time: Goal achieved

A complete management system of health, safety and the environment has been in place at EDF Luminus since 2010.

Risk analyses have been carried out for all of the worksites and most of the professional situations. The causes of each accident or near-accident are analysed in detail to progressively eliminate the material causes and to limit the cultural causes (ignorance of rules, negligence, etc.)

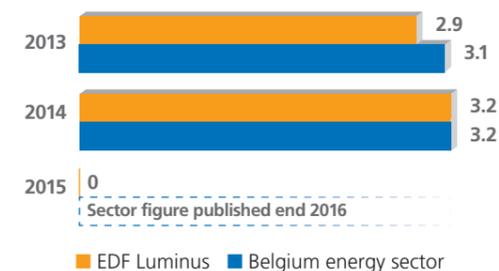
EDF Luminus S.A. has been certified ISO 14001 and OSHAS 18001 since June 2013. This certification is based on the continuous improvement and systematic reporting of a number of indicators.

Philip Volckaert, Health, Safety & Environment Manager, explains: "The role of management is key to improving safety performance. At EDF Luminus, the frequency rate for accidents resulting in work stoppage is taken into account in the bonus calculation for the Executive Committee and for some managers. The safety results are the first agenda topic for every meeting of the Board of Directors. In other words, the example comes from above. Everyone feels encouraged to do whatever is necessary to avoid accidents."

INDICATORS

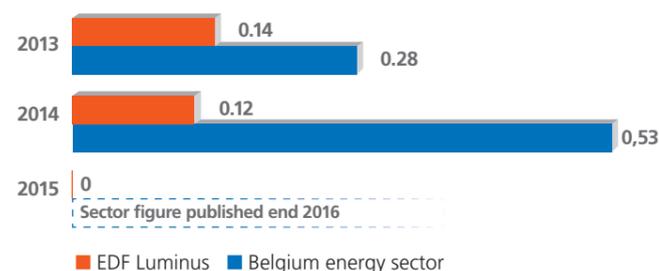
Frequency rate of accidents resulting in lost time

The frequency rate represents the number of accidents leading to incapacity per million hours worked.



Overall severity rate

The overall severity rate is the number of working days 'lost' due to workplace accidents per 1,000 hours worked.



In 2015, EDF Luminus had no accidents resulting in incapacity to work (involving work stoppage of more than one day) amongst its internal employees. The frequency rate is thus 0, compared to 3.2 in 2014, with a severity rate of 0 compared to 0.12 in 2014.

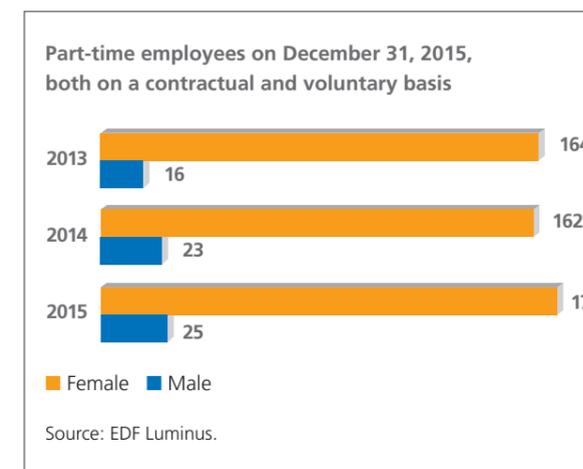
Amongst sub-contractors, three accidents with incapacity to work were reported, for a frequency rate of 4.7. One accident, which resulted in a work stoppage of two and a half days, was reported at the wind power sub-contractor, during an intervention on the Berloz site. The second accident (fractured ankle) occurred on the renovation worksite of the Andenne plant, during removal work. An analysis of the causes was immediately carried out by Bouygues, in collaboration with EDF Luminus, and corrective actions implemented. The third accident occurred in December, during an inspection of the Monsin hydroelectric plant.

Quality of life and wellbeing at work

More than 20% of personnel work part-time

In 2015, the percentage of employees working part time reached 20.5%, of which 12.7% were men.

Since 1 December 2011, EDF Luminus has encouraged part-time work beyond the legal provisions. The agreement on time credit signed in 2014 and extended in 2015 allows for a percentage of 8.5% of staff (rather than the 5% required by the law). Within the framework of this agreement on time credit, workers who care for a disabled child or a seriously ill member of the household or family are given priority. Other priority staff include single-parent households, or those with one or more children under 12 years, as well as staff aged 50 and over.



Employee engagement increases

Employee motivation is one of the human resources indicators monitored very closely by the company's Executive Committee, and is measured every year.

In September 2015, the results of the yearly internal survey carried out by an external entity showed an increase in engagement of five points, compared to 2014, and of eight points compared to 2013. The resulting employee engagement score of 79% was much higher than the average for Belgium. This improvement is the result of continuous efforts to better explain the company's strategy and to mobilise the employees around the implemented changes.

More frequent use of confidentiality counsellors

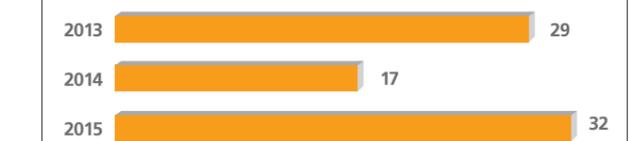
Confidentiality counsellors, whose appointment must be approved by the social partners, play an important preventive and curative role. They can be called upon by simple request, by employees as well as managers, in case of psychosocial difficulties. In April 2014, the Belgian regulation extended the scope of intervention by the confidentiality counsellors: in addition to workplace harassment and violence, stress is now also a motive to ask for their advice.

Two reminders were sent out during 2015 regarding the list of confidentiality counsellors and the procedure to follow to contact them, through the weekly Health/Safety/Environment message sent to all employees.

The increase in the number of alerts can be attributed to organisational changes implemented in some businesses/departments, as well as to shifts in the energy sector, which more frequently impact experienced employees who are used to a more stable situation. No formal complaint was made to the competent authorities during the past three years.

For Katleen Daems, Corporate Director, Human Resources, "These results, along with a contextual analysis, have contributed to the creation of a dedicated post for the prevention of psychosocial risks with the Health, Security, Environment department as of April 1st, 2016. To keep motivation moving forward, each person must feel respected."

Cases reported to confidential counsellors



Source: Annual report of the internal prevention and protection at work department.

Diversity: #all together to succeed, as a team

For EDF Luminus, diversity in the workplace is an enriching factor that encourages innovation and adaptation to the needs of our customers. Our collective success, “all together”, is even one of the company’s three fundamental values, along with “customer first” and “entrepreneurship”.

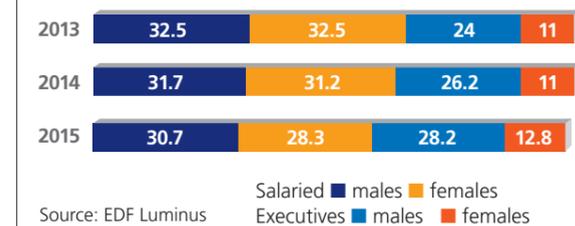
The internal Code of Conduct reflects the provisions of the law of 10 May 2007, which forbids discrimination on the basis of age, sexual orientation, marital status, birth, wealth, religious or philosophical beliefs, political or trade-union membership, language, current or future health status, disability, physical or genetic characteristics or social origin. Various indicators are being followed-up in order to better adapt, if necessary, certain actions to the concerned audience.

Breakdown of employees by gender

Women make up 41% of EDF Luminus employees, an unusually high ratio in the energy sector. The slight drop in the number of women can be attributed to organisational changes implemented in the support departments (Human Resources, Finance, etc.), spread over several sites before 2014. Women make up 31% of management.

Since 2012, EDF Luminus has brought together the women in the highest positions in the company once per year to identify their specific needs, as leaders and managers. The 2015 event offered an opportunity to strengthen the importance of networking, from the point of view of daily performance as well as professional evolution.

Breakdown of personnel by gender (%)



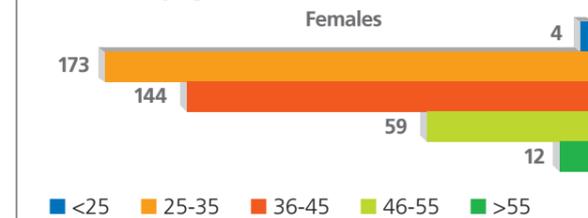
Action plan for employees above the age of 45

The royal decree of 28 October 2012 requires companies to put in place a specific action plan for employees above the age of 45. These plans must be presented to the staff representatives.

In 2015, workshops were organised to develop an action plan with 20 staff members above the age of 45. The plan was presented to the Board of Directors in June 2015. It is now being implemented.

The evolution of employees by age (see the sustainable development report 2014, page 4) showed a decrease in women employees in the 25-35 category (-12%), but a slight increase in the 36-45 and 46-55 categories. The 25-35 category also decreased for men (-14%), but rose in the 36-45 (+13%) and >55 (+6%) categories. In addition

Breakdown by age



Disabled employees

EDF Luminus employs two people whose disabilities require an adaptation of the working environment, one of whom was hired in 2015. Outside of recognised disabilities, individual measures have been put in place for each person who experiences specific difficulties (desk configuration, type of vehicle, etc.)

Nine nationalities

Nine nationalities were represented within the company as of 31 December 2015. The percentage of Belgian employees remained the same: 96%. French and Italian employees each represented a bit more than 1% of total workforce.

to the natural evolution of the employees, these variations can be attributed to the elevated rate of internal promotion, as well as to the diversification of EDF Luminus, and the search for experienced profiles in the information technology services and energy services in particular.



Thanks to the sporting efforts of 458 participants, three electric bicycles were donated to the Belgian Heart League on 19 October 2015, in the presence of the Lanzarote jury and the five finalists. The continued efforts of the volunteers after the close of the programme resulted in the donation of a fourth bicycle in November. From left to right: Bart Van Proeyen, Grégoire Dallemagne, Patrick Demoucelle, Freddy Van de Casseye, Maxime Sohet, Bert Kempenaers, Manon Thiry, Natha Donati, Evi Van Acker.

Sport and solidarity: championing Run for Parkinson's and the Heart League

« Daily exercise is key for physical and mental health”: this could be a leitmotiv for 2015. Several programs were launched or continued, encouraging employees to participate in sport. The efforts benefitted several associations.

The Globetrotters programme, which had already attracted 425 members in 2014, encourages them to move more and to take part in multiple sport activities. Participants can register their activities – for whichever sport they engage in- on the Globetrotters platform. The hours are added up and converted to kilometres depending on the sport. In 2015, these were used to feed a fund to donate bicycles to the Belgian Heart League: one bicycle was donated for each time five Brussels-to-Rio distances were reached (reflecting the five Olympic rings).



A highly skilled jury: Freddy Van de Casseye, President and General Manager of the Belgian Heart League; Patrick Demoucelle, creator of a fund for financing scientific research on Parkinson's disease; and Evi Van Acker, sailing champion.

Two colleagues win a trip to Lanzarote

An internal contest was also organised, in partnership with the Belgian Olympic and Interfederal Committee, to enable two colleagues to participate in the Autumn training for Belgian athletes. To win the prize, a minimum of three colleagues had to fill in an application file highlighting the exceptional efforts of another colleague in the domain of health or sport.

During the several weeks of the internal promotional campaign, the organising committee received 14 eligible application files. A first preselection based on objective criteria was conducted by the jury, to reduce the field to five candidates. In the second phase, after consultation, the jury members decided to award the laurels to two people who continue to accomplish sporting feats and who are additionally real examples for their colleagues. Natacha Donati (Retail) and Bart Van Proeyen (Marketing) left on November 11, to join the Belgian athletes for four days in Lanzarote.



The Globetrotters programme enabled employees to participate in several sport events: Wings for life, Stadsloop de Gentenaar, 20 km de Bruxelles/door Brussel, Run to Rio, ATS Run, Liège 10K, Dwars door Hasselt and Acerta Brussels Ekiden.

For the 20 km de Bruxelles/door Brussel, the Run for Parkinson's foundation mobilised around 20 participants.

On December 5, the IT team cooked 200 “poffertjes” (small pancakes) to boost the sale of Red Noses to their colleagues in Brussels, in order to support fundraising for young people at risk for mental health problems.



Global Reporting Initiative (GRI4) Content Index

This report has been prepared in accordance with the GRI4 Sustainability Reporting Guidelines, and meets all the requirements relating to the core option.

GENERAL STANDARD DISCLOSURES

Title	Page(s)	EA*
STRATEGY AND ANALYSIS		
G4-1 CEO statement regarding Sustainability	8	No
ORGANIZATION PROFILE		
G4-3 Name of the organization	EDF Luminus S.A.	No
G4-4 Primary brands, products & services	Gas, electricity, energy services	No
G4-5 Location of headquarters	60	No
G4-6 Countries where the company is established	Belgium	No
G4-7 Nature or ownership and legal form	9	No
G4-8 Markets served	5	No
G4-9 Total number of employees, sites, net sales, Total capitalization broken down in terms of debt and equity Quantity of products or services provided	4, 5 and 50 4 and 37 5	No Yes No
G4-10 Employment by contract type and gender	50	Yes
G4-11 Percentage of employees covered by collective bargaining agreements	100%	No
G4-12 Supply chain description	13	No
G4-13 Significant changes in the reporting period	9 and 13	No
G4-14 Precautionary approach: how it is addressed by the organization	38 and 52	No
G4-15 Charters or principles and other initiatives endorsed by the organization	18, 21 and 52	No
G4-16 Key memberships	Cogen Vlaanderen, Edora, FEBEG, ODE, The Shift, UWV, VKW Limburg, Voka	No
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17 Entities included in financial statements	2	No
G4-18 Process for defining report contents	14-16	No
G4-19 Material aspects identified during the content defining process	15	No
G4-20 Boundaries: materiality inside the organization	16	No
G4-21 Boundaries: materiality outside the organization	16	No
G4-22 Restatements of information provided in previous reports	27	No
G4-23 Significant changes in the scope and boundaries	No significant changes	No

Title	Page(s)	EA*
STAKEHOLDER ENGAGEMENT		
G4-24 List of stakeholder groups engaged by the organisation	14	No
G4-25 Basis for identification and selection of stakeholders	14	No
G4-26 Stakeholders' engagement process by type	14	No
G4-27 Key topics and concerns raised by stakeholders	15-16	No
REPORT PROFILE		
G4-28 Reporting period	2015	No
G4-29 Date of most recent previous report	2014	No
G4-30 Reporting cycle	annual	No
G4-31 Contact point for questions	csr@edfluminus.be	No
G4-32 Option chosen for reporting	Core	No
G4-33 Policy for external assurance	2	No
GOVERNANCE		
G4-34 Governance structure and committees	9	No
G4-38 Detailed composition of highest governance body	9	No
ETHICS AND INTEGRITY		
G4-56 Values, principals, standards and norms of behaviors such as codes of conduct or ethical charters	18	No
G4-58 Internal and external mechanisms for reporting concerns about unethical or unlawful behavior	18	No
SECTOR SUPPLEMENT		
EU2 Net energy output, broken down by primary energy source and regulatory regime	45	No

*EA = External assurance

SPECIFIC STANDARD DISCLOSURES

Material aspects	DMA and indicators	Page(s)	O	EA*
ETHICS				
G4-DMA	ETHICS AND GOVERNANCE	18	No	No
***	Number of employees who followed the ethical e-learning	18	No	No
***	Inventory of ethical incidents reported to EDF	20	No	No
***	Complaints addressed by the EDF Group Ethics Committee	18	No	No
G4-DMA	COMMERCIAL PRACTICES & SALES TECHNIQUES	20	No	No
***	Net Promoter score for "new customers"	21	No	No
SUSTAINABLE PURCHASING				
***	Number of suppliers evaluated/audited	20	No	No
***	Suppliers contracts with CSR clauses	20 (100%)	No	No
PROFIT				
G4-DMA	INNOVATION	34	No	No
***	B2C & B2B offers	24-29	No	No
***	Tax reductions for Research & Development activities	34	No	No
G4-DMA	PROFITABILITY	35	No	No
G4-EC1	Net result	36	No	No
G4-EC1	Dividends, taxes and contributions	37	No	No

***Additional non-GRI disclosure

Material aspects	DMA and indicators	Page(s)	NP	EA*
CUSTOMERS				
G4-DMA	SERVICE QUALITY	22	No	No
G4-PR5	Results of customer satisfaction surveys	22	No	No
G4-DMA	VULNERABLE CUSTOMERS	23	No	No
***	Payment plans granted on a voluntary basis	23	No	No
G4-DMA	RATIONAL USE OF ENERGY	24	No	No
***	Energy services sold	60	No	No
***	Partnerships with cities	28	No	No
***	Monthly paperless bills sent out	25	No	No
G4-DMA	CONTINUITY OF SERVICES	30	No	No
***	Quantity of MW available in strategic reserve	32	No	No
***	Black-start tests and successful startups	32	No	No
G4-DMA	PRICE OF ENERGY	33	No	No
***	Not available (information beyond EDF Luminus control)	33	Yes	No

O = Omissions *EA = External assurance

Comparison of the publications of Belgian suppliers: conclusions from three AMS students

Material aspects	DMA and indicators	Page(s)	O	EA*
PLANET				
G4-DMA	SAFETY OF INSTALLATIONS	38	No	No
***	Number of environmental incidents per year	38	No	No
G4-DMA	DEVELOPMENT OF RENEWABLE ENERGY	39	No	No
***	Wind turbines: installed capacity	40	No	No
OG2	Total amount invested in renewable energy	34 and 40	No	No
OG3	Total amount of renewable energy generated by source	40	No	No
G4-DMA	CARBON FOOTPRINT	42	No	No
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	44	No	No
G4-EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	44	No	No
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	44	No	No
G4-EN19	Reduction of greenhouse gas (GHG) emissions	26-29 and 45	No	No
G4-EN21	NO _x , SO ₂ and other significant air emissions	46	No	No
G4-EN30	Car fleet emissions	45	No	No
G4-DMA	NATURAL RESOURCES & BIODIVERSITY	47	No	No
G4-EN8	Total water withdrawal by source in thermal power plants	47	No	No
GR-EN12	Significant impacts of activities on biodiversity	47	No	No
G4-EN13	Protected or restored habitats, mandatory measures	49	No	No
G4-EN23	Total weight of waste by type and disposal method	48	No	No
OG4	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored	49	No	No
***	Soil pollution - inventory	49	No	No

Material aspects	DMA and indicators	Page(s)	O	EA*
PEOPLE				
G4-DMA	SKILLS DEVELOPMENT	51	No	No
G4-LA9	Average hours of training per year per employee	51	No	No
G4-DMA	HEALTH & SAFETY	52	No	No
G4-LA6	Severity rate	52	No	No
G4-LA6	Frequency rate	52	No	No
***	Training hours related to safety	51	No	No
DIVERSITY AND EQUAL OPPORTUNITIES				
G4-LA12	Breakdown of employees per gender	54	No	No
G4-LA12	% of women in executive positions	54	No	No
G4-LA12	Nationalities	54	No	No
G4-LA12	Breakdown by age	54	No	No
JOB STABILITY & MOBILITY				
***	Type of contracts	50	No	No
***	Advertized vacancies filled internally	50	No	No

***Additional non-GRI disclosure

O = Omissions

*EA = External assurance

As part of their Masters in Global Management studies, three students from the Antwerp Management School carried out their end-of-course internships at EDF Luminus.



Christelle Conti (Philippines), Ilyas Cagar (Netherlands) and Laura Valkiers (Belgium), on the day they defended their dissertation at the Antwerp Management School.



Here is a summary of the findings of Laura Valkiers, Christelle Conti and Ilyas Cagar:

"As a first step, we inventoried the information published by the competitors of EDF Luminus, although unfortunately, there was little available. Only Electrabel had published an activity report (See Facts and figures 2014) with several graphs and key figures. However, the evolution of these indicators from one year to another was rarely mentioned, whereas EDF Luminus publishes most of its information over three years. Furthermore, for several years EDF Luminus has published a much higher number of indicators, consistent with its commitments in its social responsibility policy.

We found very little information on the Belgian subsidiaries of the ENI, Eneco and Essent/RWE groups. These large groups publish annual reports, and sometimes sustainable development reports, but

The main objective of their mission was to establish comparisons between the information published by the different players in the Belgian energy market, in order to comply with the "comparability" quality criteria of the GRI4 standard. This means that the information communicated to stakeholders should allow them to analyse the performance of the organisation over time and to compare it with that of other organisations.

comparing these with a player the size of EDF Luminus does not make much sense.

We did not find any indicators for Lampiris, other than the number of customers and employees.

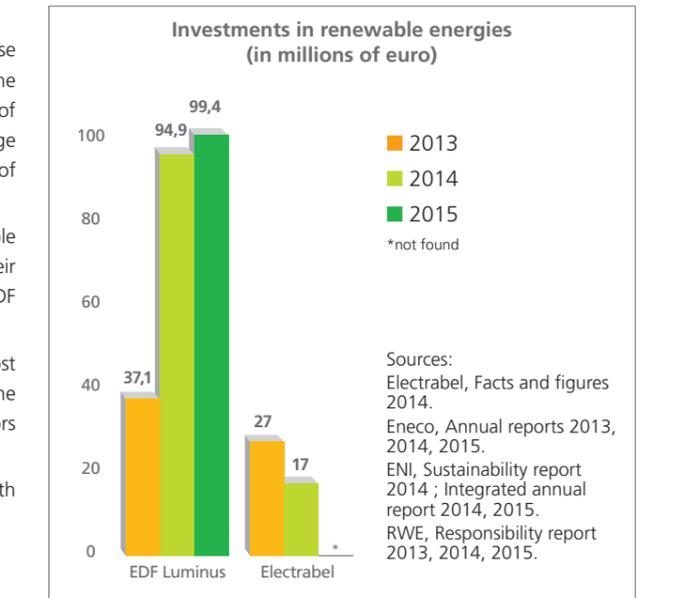
Even an indicator as basic as the number of wind turbines built or managed is not available for every provider, while the materiality grid published by EDF Luminus in the 2015 report shows that the development of alternative energy sources is the most important topic for stakeholders.

The limited information published at the initiative* of the companies nonetheless enables us to note that:

- the comparison in terms of service quality is very delicate, because the indicators selected vary from one company to another; the indicator published by the Flemish regulator on the number of complaints received is thus considerably more valuable (see page 24 of the 2014 Sustainable Development report, and page 22 of the 2015 report).
- two players publish the amount of their investments in renewable energy (see graph below), and two publish the number of their wind turbines: Eneco (78 or 85 in 2016 – see website) and EDF Luminus (114 at the end of 2015).
- for the large groups, accident frequency is one of the most frequently included social indicators, but the scope of the published information is not always clear (are sub-contractors included or not?).
- the proportion of female employees is also often mentioned, with a sector average of around 25%.

- EDF Luminus is the only company in the Belgian energy sector to publish a sustainable development report, and the only one to publish its global carbon footprint.

We also discovered that EDF Luminus' policy and strategy to promote sustainable development is not well known to the general public. It is unfortunate that the steps taken by EDF Luminus in terms of information to stakeholders have not been better promoted, and that they have little impact in the choice of provider. In particular, it seems to us that the Luminus brand still has a low profile for topics linked to sustainable development."



*analysing the annual accounts and management reports accessible on the site of the National bank of Belgium was not within the scope of our mission.

Key figures that enlighten our everyday life

