

Annex: Society and Environment Report (Article L. 225-102-1 of the French Commercial Code – Grenelle II Law of July 12, 2010)

1. Stakeholder Engagement and Materiality

1.1. TECHNIP'S SUSTAINABILITY APPROACH

1.1.1. Context

GRI G4-56

Technip aims to deliver high quality installations and services and to perform within the deadlines and budgets negotiated with its clients. Furthermore, its leading global position in project management, engineering and construction for the oil and gas industry, as well as the large technological portfolio that it is able to offer its clients, exposes Technip to technological, strategic and reputational risks, which are particularly affected by the context and the environment in which the Company operates and by applicable laws and regulations in force. Consequently, the balanced management of risks and opportunities of a financial, industrial, environmental, geopolitical and business nature is a key element of the social, economic and operational development and performance of the Group.

In this context, the Group wishes to go further and progressively integrate more social and environmental indicators in how it runs and takes business decisions in line with its Sustainable Development Policy.

Technip's vision is to create long-term added value and to foster profitable and sustainable growth pursuant to the Group's values (*Doing the right thing, Trusting the team, Encouraging a fair return for all and Building the future*). The Group has used the Global Reporting Initiative (GRI) G4 guidelines as a tangible step towards its commitment to report on stakeholder engagement and on what really matters. This report also complies with Article L. 225-102-1 of the French Commercial Code related to the reporting of social, environmental and societal information and establishes a link with the 10 principles of the United Nations Global Compact.

1.1.2. Technip's Sustainability Approach and Governance

a. Approach

In a business environment which is increasingly competitive, the Group has grown significantly over the last few years. Moreover, its clients' Projects face an ever-increasing complexity. To continue to deliver profitable and sustainable projects, the Group therefore maintains its strategic framework focused on the following: (i) profitability and diversification in its project portfolio, (ii) investment in key assets and proprietary technology, (iii) strengthening its execution capabilities with increased vertical integration and (iv) being closer to its clients through national content.

Technip's focus is on demonstrating its execution capability, delivering its Projects safely and reliably and continuing to grow profitably. It involves a particular attention to risk and crisis management, quality, safety and security, including asset integrity and emergency preparedness as well as the continuous development of people's know-how and expertise.

Technip is a global company present in numerous countries, working in multiple contexts and with diversified partners, where sustainable development aspects are being ever more deeply integrated into daily activities and will continue throughout the years to come.

Technip's sustainable development initiatives are related to social, economic and environmental aspects. When it comes to social actions, the priority is the safety and development of people. Regarding economic actions, particular emphasis is given to the projects' national content. For the environment, reduction of greenhouse gas emissions, management of hazardous substances and prevention of accidental pollution are the central focus.

Embedding sustainable development into every aspect of what the Group does and building trust with its stakeholders is the basis of Technip's approach to create long-term added value and foster growth.

b. Strong corporate governance

The Group's governance and integrity is based on a strong structure, as detailed in Sections 14 and 16 of this Reference Document.

In 2014, Technip continued the process of integrating sustainability fully into its organizational structure. At local level, there are already several entities having formal CSR and sustainability structures and procedures such as the following:

- Angola (Social Responsibility Plan);
- Ghana (Sustainable Development Committee);
- Brazil (CSR Procedure);
- Asia Pacific Region (Sustainable Development Network);
- India (CSR Policy to be issued in 2015); and
- UK (Social Responsibility and Sustainability in the Supply Chain Procedure to be issued in 2015).

At corporate level, the Group has set up its Sustainable Development Policy which was issued in December 2014. This policy focuses on the following key priorities:

- building a sustainable future;
- developing talents;
- protecting people and the environment; and
- encouraging local development.

The Sustainable Development Department relies on two Committees at Group level:

- the Sustainable Development Board, which sets the strategic policy with regards to sustainable development and monitors progress. This board is chaired by the Chairman and Chief Executive Officer and its members are the Group Head of Sustainable Development, the Chief Communication Officer, an Executive Project Director, two members of the Executive Committee, the Group Head of Human Resources and the Chief Operating Officer Onshore/Offshore; and
- the Sustainable Development Committee, which implements the strategy defined by the Sustainable Development Board. This Committee is chaired by the Group Head of Sustainable Development and its members are key contributors from Quality, HSE, Human Resources, Operations, Legal and Communications.

Technip's Board of Directors, upon the recommendation of its Ethics and Governance Committee, is putting forward one of its independent Directors, Alexandra Bech Gjørøv, to enhance the visibility of sustainable development and improve the integration of its stakes at the highest level of the Group. Furthermore, the extract of the minutes of the Board meetings dedicated to sustainable development will be made public. This will come into effect in 2015.

Technip is committed to act and measure its sustainable development performance in all its activities through relevant indicators, supported by procedures and guidelines which are under construction.

To this end, the Group Sustainable Development Department is developing principles and tools, initiates actions for continuous improvement and reports to the Group Sustainable Development Committee.

Within each Region of the Group, a regional Sustainable Development Coordinator ensures the implementation of the sustainable development strategy in all the entities within their sphere of influence. The regional coordinators, together with the Group Sustainable Development team, constitute Technip's Sustainable Development Network.



c. Integrated approach to risks

Technip's objective is to build and deliver safe and robust solutions to its clients, free of incident and unnecessary maintenance during the service life specified by each client. To achieve this objective, Technip applies an integrated approach to risks which is described in Section 4 of this Reference Document and in Section 4.2.2 of Annex C of this Reference Document. Technip has identified the potential risks which could have a material adverse effect on the Group, its business activity, financial position, performance and growth.

In addition, Technip's absolute commitment to the health and safety of its people is a core value that is regularly highlighted by the Chairman and Chief Executive Officer of Technip. Technip's business is risk driven and managing risks is Technip's business. This is the basis of its Quartz program:

- Passion for Quality;
- Understanding its challenges;
- Analysis for improvement;
- Reliability of its products and assets; and
- Target driven & Zero defect culture.

Quartz is translated for manufacturing assets into the BEST program: Better & Safer Together.

Section 4.8.2 of this Reference Document and Section 3.9 of this Annex E describe the crisis and business continuity management set up within the Group. Each year, all of the main entities of the Group and the main projects have to set up and run at least one crisis and business continuity plan. In 2014, no major security issues were reported.

Crisis management actions performed in 2014 included 74 exercises implying the mobilization of dedicated Crisis Management teams to resolve incidents based on different scenarios, the exercises being handled from offices or sites. Within these 74 exercises, 14 were held on projects, 9 on vessels, 15 on flexible/umbilical's plants and 36 to test entities and regional Crisis Management teams. These exercises involved all Regions of the Group, Technip Corporate, the manufacturing units Flexi France, Angoflex (Angola), Asiaflex (Malaysia), Flexibras (Brazil), Mobile and Carlyss spoolbases (United States).

To reduce the risk for Technip and its clients, Technip performs a risk rating (a comparative measure of impact) on its equipment and materials. The risk rating is a combination of severity and probability as calculated below:

- Severity measures the impact/consequences of a risk in terms of: health, safety and environment during commissioning, start-up and operation, cost of the equipment or material itself and related installation asset, schedule of the project and performance during operation of the facilities.
- The probability of occurrence of a risk is evaluated according to definitions given in a Probability Matrix. This is to be done for each particular phase of the project that is under Technip's control:
 - design;
 - manufacturing and testing; and
 - installation, obviously important for Offshore/Subsea Projects, but which also applies for Onshore during the construction phase.

1.1.3. Stakeholder Selection and Materiality Assessment

GRI G4-16, G4-19, G4-24, G4-25 and G4-26

a. Stakeholder mapping

Technip acknowledges the variety of its external stakeholders and their diversified interests. It also acknowledges that not all of them represent the same level of importance with regards to the operations and priorities of the Group. Consequently, public entities (governments and government departments, public agencies and organizations, local authorities and intergovernmental organizations), Civil Society Organizations, compliance bodies and ratings agencies all form part of an ecosystem linked to Technip with varying degrees of proximity. The relationship between the Group and its external stakeholders is one of dialog, compliance and mutual understanding.

■ CLIENTS

Technip is committed to creating added-value for clients by providing high-quality services and delivering high-performance installations that integrate requisite national content, taking into account the context of the country or of the area where Technip performs its operations. Section 2 of Annex E of this Reference Document describes how Technip is meeting its client requirements and expectations.

As of December 31, 2014, the Group's list of clients includes international oil companies, such as BP, Chevron, ConocoPhillips, ExxonMobil, Shell and Total, and a large number of national companies, such as CNOOC, PDVSA, Pemex, Petrobras, Petronas, Qatar Petroleum, Saudi Aramco, Sonatrach and Statoil as well as large independent companies such as Anadarko and Tullow Oil.

Section 11.3 of this Group's Reference Document for the year ended December 31, 2014 details the technological partnerships with some clients. The following is a list of some of Technip's long-term partnerships:

- TOTAL: licensing alliance in styrene monomer and polystyrene (GPPS/HIPS) technologies;
- Shell: 15-year frame agreement on FLNG and heads of agreement to enhance collaboration on the design, engineering, procurement, construction and installation of future innovative FLNG facilities;
- BP: 10-year Spar platform master agreement in the Gulf of Mexico. Exclusive partnership since 2000 for PTA plants (extended in 2013);
- ExxonMobil Chemical: equal Joint Venture partner in Badger Licensing LLC, offering phenolics and styrenics technologies;
- Qatargas: 20 years of successful collaboration;
- Sasol: basic engineering and FEED alliance for GTL facilities;
- Several frame agreements in the North Sea with BG Group, BP, Shell and Statoil;
- Statoil: frame agreement for engineering studies in Brazil.

■ INVESTORS: TRANSPARENCY AND RELIABILITY

The function of the Investor Relations Department is to support the financial community in better understanding Technip's strategy, financials and differentiating technology and assets to better assess its valuation. It is also very important to provide the management and the Board of Directors with relevant financial information, as well as the perceptions that investors have of Technip and the oil and gas sector where the Group belongs.

All press releases, presentations, audio webcasts and transcripts are freely available on Technip's website (www.technip.com) on the Investors section of the website: <http://investors-en.technip.com>. Throughout the year Technip met with over 1,000 investors, either individually or as a group at conferences and during roadshows in many cities around the world. Numerous visits, *i.e.*, "reverse roadshows", were hosted at Technip's offices: Paris (France), Houston (United States) and Oslo (Norway), which gave investors the opportunity to meet with Management and technical experts. Also, in 2014, more than 30 analysts covered Technip, publishing regular equity research reports on the Company as well as on the oil services sector and interacted with the Investor Relations team on a continuous basis.

Over the past few years, Technip has been highly ranked by the investment community for its Investor Relations efforts. In March 2014, Technip's CEO was awarded the Oil Services sector's number one CEO in the All-Europe Executive Team by the *Institutional Investor's*⁽¹⁾ annual survey of portfolio managers and equity professionals worldwide. Technip's CFO was ranked first CFO by the buy-side and the Company received top honours for the best Investor Relations' program with its Senior Vice president Investor Relations awarded first Investor Relations professional. Accordingly, Technip was ranked as the third most honoured company in Europe across all sectors.

In June 2014, Technip was once again awarded by Extel, with participation from over 12,000 investors, as having the third best Investor Relations in France and as number one for the entire European Oil Services sector for CEO, CFO, top corporates for Investor Relations and IR Professionals.

In January 2015, Technip received the Bronze Medal in RobecoSAM's Yearbook, confirming the Group's status as one of the sustainability leaders in its industry, which is reflected by its inclusion in the Dow Jones Sustainability Indices (DJSI) since 2001. Moreover, Technip is part of the Euronext_Vigeo_Eurozone 120 list. In 2015, as Technip wishes to improve its status, the Group plans to introduce a process that will incorporate extra-financial data more effectively into its annual reports, as part of achieving even greater transparency and clarity. In addition, in 2014, Technip received the Top Employer Europe certification by the Top Employers Institute (formerly known as the CRF Institute), underlining the high quality of its human resources policies. To achieve Top Employer Europe status, companies must comply with a set of criteria in at least five European countries. Technip does so in nine countries. The care taken by Technip of its people is clearly recognized on the other side of the Atlantic, since the Group was Top Employer 2014 in Brazil and Canada categorized it among the 100 best employers of the country.

Technip's management and experts play an active role in meeting with the investment community. Within the investment community, Technip has the reputation of always being available to communicate and to be transparent. This is greatly appreciated, as reflected in the honours.

■ SHAREHOLDERS: SHARING THE BENEFITS OF GROWTH

Technip encourages a fair return for all of its stakeholders and therefore takes care to share the benefits of its growth with them. On this basis, Technip's Board of Directors proposed that the Annual General Meeting (AGM) of shareholders to be held on April 23, 2015 approve the setting of the dividend at €2 per share with a shareholder's option for the payment in new common shares benefiting from a discount of 10%, i.e., an 8% increase over 2013.

In 2014, Technip continued to promote an active and ongoing dialog with its individual shareholders by launching several initiatives and communication tools throughout the year, such as a newsletter to shareholders and a webzine dedicated to the AGM, to name only a few. This webzine, accessible via www.assembleegenerale.technip.com or on the Technip corporate website, enable Technip's shareholders to access at a glance the documents and videos showcased during the AGM. Technip also enlarges the offer of its Shareholders' Club, launched in 2013, to strengthen its relationship with new initiatives and site visits to enhance their knowledge of Technip's operations.

Through this Club, several events were organized throughout the year with the objective of sharing the values and vision of Technip with its shareholders:

- In January 2014, a technological conference dedicated to Ethylene was hosted at Technip's corporate headquarters and was very well received by the shareholders.
- In May 2014, Technip's individual shareholders were welcomed at the Technip Innovation and Technology center in Rueil-Malmaison (France) and also, in October 2014, at Flexi France, Technip's flexible pipe manufacturing plant in Le Trait (France).
- On October 24, members of the Club were invited to the first financial training of Technip's Shareholders' Club in Paris. The theme of this training was: "The exchange rates of the French Stock-Exchange in 2013 and its consequences in 2014".

The Group had the opportunity to meet current and potential shareholders during two individual shareholder meetings held in Lyon (June) and Paris (December). Additionally, on November 21 and 22, 2014, Technip participated in the Actionaria Exhibition⁽²⁾ in Paris. Nearly 1,000 visitors, many of them already shareholders of Technip, came to meet the Group's teams. At the "Agora des Présidents" held on the afternoon of November 21, the VP Group Controller gave a live interview, which was attended by more than 200 individuals. This was an opportunity for her to pass on key messages including Technip's strategy for profitable and sustainable growth.

2014's highlights:

- Throughout the year, Technip performed nearly 10 events for individual shareholders and met approximately 1,500 of them.
- Individual shareholders of Technip had the opportunity to meet nearly 20 managers of Technip from different operations, entities and departments.
- Technip's Shareholders' Club, which was launched in 2013, already counts hundreds of registered shareholders.

(1) *Institutional Investor* is among the world's foremost financial publications for a global audience of finance and investment decision makers. It produces a host of proprietary research and rankings that serve as the industry-standard benchmarks for professionals and executive teams. The 2014 All-Europe Executive Team is based on the votes of 832 portfolio managers and analysts from buy-side investment firms and 1,238 analysts from sell-side firms.

(2) Actionaria is the main exhibition in France dedicated to the individual shareholders of listed companies.

■ SUPPLIERS AND CONTRACTORS: SUSTAINABILITY IN THE SUPPLY CHAIN

As a world leader in project management, engineering and construction for the energy industry, Technip's supply chain is paramount to deliver successful Projects. Section 5 of this Annex E illustrates the integrated approach and the close working relationship set up by the Group to increase sustainability in its supply chain.

Section 11.3 of this Group's Reference Document, for the year ended December 31, 2014 details the technological partnerships with some key technology providers. Some of Technip's long-term partnerships:

- Air Products: cooperation agreement for more than 20 years to supply hydrogen to the global refining industry;
- Asahi-Kasei: non-exclusive worldwide partnership in Chlor-Alkali, for their membrane cell process technology;
- Axens/IFP/TOTAL: a 30-year business relationship for fluidized catalytic cracking;
- BASF: engineering partner umbrella service contract for chemical and petrochemical projects;
- Sinopec: high olefins catalytic cracking technologies since 1992;
- INEOS & SABTEC: partnership since 1963, 115 Polyolefin units engineered; and
- SABIC-IP: partnership for its emulsion and mass ABS technologies for license.

■ HUMAN RESOURCES

Technip is fully committed to all of its stakeholders including its employees, contracted staff and other stakeholders (sub-contractors, vendors, clients, etc.) whom are central to Technip's strategic development. An entire section of this Annex (Section 3) is dedicated to Human Resources.

■ LOCAL COMMUNITIES: NATIONAL CONTENT AND LONG-TERM RELATIONSHIPS

The Group is committed to promote partnerships that strive to improve employability, self-sufficiency and development at both local and national levels. Section 5 of Annex E illustrates how Technip's actions have contributed to increase local capabilities during 2014. In addition, Technip seeks to build long-term positive relationships with the communities living near its operations, which is the focus of Section 6 of this Annex E.

■ PROFESSIONAL ASSOCIATIONS

As a key player in the Oil & Gas sector, Technip is a member of the GEP AFTP (Association of companies and professionals in the Oil & Gas sector). This allows Technip to be involved in a dynamic network, to promote its technological excellence and to share information and experiences on various subjects including sustainability. Technip is involved in a working group dedicated to Local Content and participates to the different events and seminars organized by the GEP AFTP. Technip is also a member of AFEP (Association of French Private Companies) which represents over 100 of the largest companies operating in France. AFEP takes part in public discussions, aiming to find pragmatic solutions that will encourage the development of a competitive French and European economy. AFEP is particularly involved in sustainability topics such as human rights regulations and CSR.

To maintain its role as a leader in technological innovation, Technip is engaged through a partnership with IFP Énergies nouvelles (IFPEN). IFPEN is a public-sector research and training center in charge of providing solutions to take up challenges society faces in terms of energy and climate. In November 2014, Technip renewed its partnership and entered into a five-year framework partnership agreement with IFPEN in the Offshore oil production sector. This partnership aims to develop technologies on flexible and rigid pipes as well as umbilicals and is the continuation of more than 40 years of close collaboration between Technip and IFPEN, since the invention of the flexible pipe.

b. General communication with stakeholders

GRI G4-24, G4-25, G4-26, G4-27 and G4-37

Throughout the year, Technip interacts with its stakeholders internally and externally through different channels. Internally, Technip enhances cohesion and social exchange by organizing events across all the entities such as: One Technip Day (an initiative for the global Technip family to virtually come together on the same day), Project Managers Days (where managers and the top management share their experiences and establish a dialog), worldwide events and campaigns such as the Quality month and the introduction of the Quartz program in 2014, or the World environmental day. Additionally the Group has its own internal channel to transfer information such as *Technip in Motion* – a weekly newsletter; *Horizons* magazine – on Technip strategies, projects and people; and the *Tomorrow* magazine, a technical review released twice a year.

Technip is active in the media to engage with external stakeholders and the public, with more than 50 interviews of the top Management and 80 press releases in 2014. To strengthen its link with the public, the Group communicates through social media (more than 30,000 Facebook fans and more than 275,000 followers on LinkedIn in 2014), its website and synthetic reports such as Technip at a Glance or the Activity and Sustainable Development Report. With 38 selected tradeshows worldwide and 60 marketing brochures. Technip is proactively engaging with its business stakeholders.

c. Materiality assessment

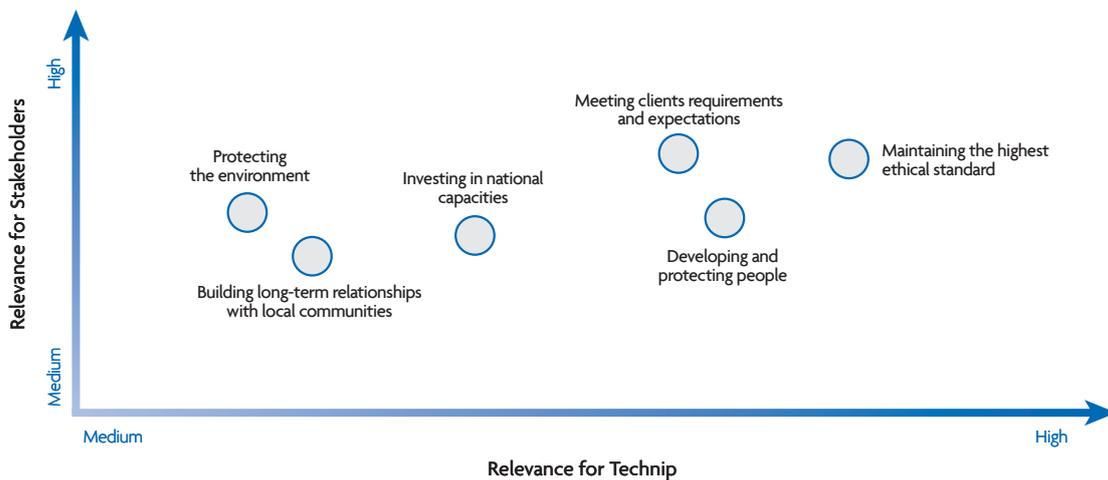
GRI G4-18 and G4-27

In 2014, BSD Consulting (independent global sustainability consultancy) was appointed by Technip to perform independent interviews to Technip's stakeholders and undertake a materiality test following both GRI G4⁽¹⁾ and IPIECA (International Petroleum

Industry Environmental Conservation Association) guidance and obtain their perception of Technip's business and organization. A preliminary list of material aspects was prepared by BSD Consulting and used during stakeholders' interviews. The selection process of Technip's stakeholders was defined to cover a maximum of transverse functions, relationships and business knowledge. Internal stakeholders were selected among the Board of Directors, country managers, chief operating officers and executive project Directors across Technip's entities worldwide. The external stakeholders were represented by major clients and suppliers, non-governmental organizations, local community leaders and industry associations.

The stakeholders were asked to rate the relevance of each of the material aspects presented in the preliminary list, from 1 (being less relevant) to 4 (being very relevant). The aspects considered to be material for Technip are those where the rating is superior to 3 for both internal and external stakeholders. These are presented in six categories and 26 aspects as a matrix and a table below.

Materiality matrix



(1) Technip prepared this Report following the Global Reporting Initiative (GRI) guideline G4 and respects the principles of stakeholder inclusiveness, sustainability context, materiality and completeness. The report has been prepared in accordance with the "Core" option of GRI G4. The "Oil & Gas" sector specific guidance from GRI G4 has been assessed at an early stage of the reporting process and considered not relevant to Technip's activities.

GRI G4-19

Material Category	Material Aspects	Reference
Maintaining the highest ethical standard	Corporate Governance and Integrity	Annex E, Sections 1.1.2 and 1.2.1
	Anti-corruption, Compliance with Laws and Regulations	Annex E, Section 1.2
	Responsible Marketing & Sales	
	Fair and Long-term Business Relations	
Meeting clients requirements & expectations	Risk and Crisis Management	Annex E, Section 1.1.2
	Client Satisfaction	Annex E, Section 2
	Product Safety	
	Innovative Technology	
Developing & protecting people	General Conditions of Employment, Employee Development, Diversity & Equal Opportunity	Annex E, Section 3
	Safe & Healthful Workplace, Security Practices, Asset integrity and Emergency	
Protecting the environment	Energy Use, Greenhouse Gas (GHG) Emissions, Air Pollutants Emissions, Hazardous Substances, Solid Waste, Water and Wastewater, Biodiversity & Ecosystems	Annex E, Section 4
Investing in national capabilities	Sustainability in the Supply Chain, Human Rights, Local Content	Annex E, Section 5
Building long-term relationships with local communities	Indigenous & Local Communities Rights	Annex E, Section 6

d. Material aspects boundaries

GRI G4-20 and G4-21

The material aspects defined by Technip's stakeholders have impacts within and/or outside of the Group. As such, to determine the boundaries of each material aspect, Technip developed the methodology described below:

1. The material aspects were plotted against the main Technip stakeholder groups.
2. Technip's definitions of aspect boundaries are as follows:
 - *within i.e.*, when it is impacted or has an impact on Technip's employees, offices, fleet and industrial assets and/or construction sites; and
 - *outside i.e.*, when it is impacted or has an impact on Technip's clients, subcontractors, suppliers, investors/shareholders, local communities, NGOs and government authorities.
3. The Sustainable Development team members proceeded to independently rating the material aspects against the relevant boundaries.
4. Aspects boundaries were defined as relevant (*i.e.*, within and/or outside) when at least 80% of the team members were in full agreement.
5. In October 2014, the approach and results were discussed and approved during a workshop with BSD Consulting.

The boundaries for Technip's material aspects are set out in Section 7 of this Annex E.

1.1.4. Key Performance Indicators Identification

In 2014, for each material aspect identified, Technip has been progressively identifying the management approach to be able to collect and monitor relevant Key Performance Indicators (KPIs).

Throughout 2014, based on GRI G4 indicators and the existing indicators at Technip, several workshops were held with internal stakeholders to create a list of relevant KPIs. During summer 2014, this list was presented during a workshop to the top Management to involve internal stakeholders and obtain the most pertinent indicators. The participants were separated into groups of diverse profiles to discuss pragmatically about the material aspects and their complexity. The aim was to start identifying one or more KPIs to evaluate the aspects, but also to define relevant indicators for Technip. This workshop was the second step of the identification process which continued with the cooperation of key departments to obtain a list of final relevant KPIs.

Some material aspects are at an early stage of implementation from the sustainability perspective: human rights and sustainable development in the supply chain, responsible marketing and sales, innovative technology, fair and long-term business relations, asset integrity and preparedness, sustainability in the supply chain and product safety. For this reason, some key performance data and information identified in 2014 are new and data collection is timely to be implemented. Therefore, for this reporting year, only consolidated KPIs were presented. Additionally, for security and confidential reasons only disclosure management approaches (DMA) are reported regarding compliance with laws, regulations and security practices.

The main KPIs identified in 2014 are listed below:

Material Category	Principal Key Performance Indicators in 2014	Reference
Maintaining the Highest Ethical Standards	To be defined in 2015	Annex E, Section 1
Meeting Clients' Requirements & Expectations	8.0/10: average grade of client satisfaction survey	Annex E, Section 2
	8.2/10: post-delivery performance according to the client satisfaction survey	
Developing & Protecting People	19% of women in managing positions	Annex E, Section 3
	0.19 Total Recordable Case Frequency (TRCF)	
Protecting the Environment	3.58 kg of waste produced per man-hour	Annex E, Section 4
	2.5 kg equivalent CO ₂ produced per man-hour	
	9.98 litres of water consumed per man-hour	
Investing in National Capabilities	83.9% of staff in management positions are nationals	Annex E, Section 5
	40% of the overall Procurement expenditure is certified to be sourced in the same country of purchase	
Building Long-term Relationships with Local Communities	€1,435,978.84 is the total amount of donations made by Technip entities	Annex E, Section 6

All KPIs linked to material aspects for 2014 are listed in Section 7 of this Annex E.

1.1.5. Monitoring and Review Process

GRI-G4-26 and G4-33

Data and information are monitored and reviewed on a monthly basis by Technip through recognized data management softwares (Synergy and Enablon) and a network of local and regional coordinators. These data are consolidated at Group level every year. Technip's Consolidated Environmental, Labor and Social Information are annually certified by Statutory Auditors appointed as independent third-party entities, to comply with the French law Grenelle II (Article L. 225-102-1 of the French Commercial Code).

The Group's Executive Committee aims to progressively implement best practices within Technip's activities. For this reason, this year, the Statutory Auditors were appointed to audit the totality of this Annex E including GRI G4 and, therefore, extending the scope on a voluntary basis. The report of the Statutory Auditors, appointed as Independent Third-Party Entities, on the Review of Consolidated Environmental, Labor and Social Information can be found in Annex F of this Reference Document.

In 2017, the Group is expecting to renew its materiality assessment through an independent third party. It will allow Technip to implement new actions regarding stakeholders' needs, objectives and expectations.

1.1.6. Definitions and Scope

a. Definitions

Anti-corruption: Corruption risks, transparency of payments to governments, cases of and actions against bribery, fraud, extortion, collusion, conflict of interest, money laundering, whistle-blower structures, training on these matters to employees.

Asset integrity & emergency preparedness: Process safety, prevention of major incidents (spills, combustions, fires), emergency plans for local communities (risk communication, preparation, crisis management).

Biodiversity & ecosystem: Protection of ecosystems and endangered species affected by operations, accidental effluents to soil or water, deforestation, protection of land, soil erosion, coastal erosion and rainforest destruction.

Client: Technip's client.

Client satisfaction: Client loyalty, post-delivery incident management, customer complaint management, dispute resolution, management of issues at facilities delivered to clients, once performance guarantees are over.

Compliance with laws & regulations: Legal and regulatory compliance, avoidance of complicity, compliance with governmental initiatives.

Construction yard: specialized in Spar hull and mooring systems, drilling rig conversions, Offshore construction services and heavy industrial products.

Contracted workforce: Contract staff (workers employed via temping agencies ("agency personnel")) or contractors working under contracts for services, except those working on construction sites. This personnel is not recognized as employees under national laws or practices.

Corporate governance & integrity: Codes of conduct/compliance/anti-corruption, conflict of interests, governance structure, project management, nomination process of management and governing bodies, gender participation on governance bodies, remuneration policy, knowledge of economic, environmental and social topics, mechanisms for ensuring ethical and lawful behavior or reporting concerns about unethical or unlawful behavior (e.g., helplines, advice lines and whistleblowing mechanism).

Diversity & equal opportunity: Diversity in the workforce, women in management positions, gender equality, equal pay for women and men, fair treatment, non-discrimination on grounds of age, ethnic origin, gender, sexual orientation, religion, political opinion, or social origin, employee equity and integration of people with disabilities.

Emissions: Greenhouse Gas: Emissions from fossil fuel combustion (suppliers, own operations, clients), venting and flaring, energy consumption and type of energy source, reduction of emissions, offsetting emissions.

Emissions: Other air pollutants: nitrogen oxide (NOx), sulphur oxide (SOx), volatile organic compounds (VOCs), fine dust emissions, ozone-depleting substances (ODSs).

Employee: Individual on payroll with a permanent (permanent employee) or a fixed-term contract (temporary employee) with one of the Group companies.

Employee development: Employee training and development, performance evaluations, development planning, promotion of skills, employment of apprentices and interns, internal mobility and mentoring.

Energy use: Electricity & fuels for vessels and plants, energy-efficient vessels, energy-efficient plants (construction, machines), energy savings (energy reduction year on year), renewable energy use, energy in offices.

Entity: Legal entity or branch offices where Technip is present, whatever the operations.

Expatriate: For an entity, expatriates are staff on payroll assigned abroad under an expatriation or a secondment contract and covered by the Group's International Mobility Policy.

Fair & long-term business relations: Contracts, fair pricing & negotiations, fair contractual practices, long-term business partnerships, long-term planning, monopoly practices, abuse of market position, cartels, anti-competitive mergers, price-fixing and other collusive actions which prevent competition.

General conditions of employment: Working conditions and labor right, hours of work, rest periods, holidays, competitive wages and benefits, profit participation, social protection (employment injury, illness, parenthood, old age, disability, medical care) and sustainability of pension.

GRI: Global Reporting Initiative. The GRI is a non-profit organization that produces one of the world's most prevalent standards for sustainability reporting.

Hazardous substances: Use of hazardous substances (e.g., acids and heavy metals) in production process, hazardous waste management.

Human rights: Child labor, forced and compulsory labor, human trafficking, involuntary resettlements, land grabbing (e.g., from poor communities without consultation/compensation), conditions of migrant workers, due diligence of activities and purchased products.

Indigenous & local communities' rights: Rights of indigenous populations and local communities. Applicable in the contexts of land use, cultural heritage preservation and social welfare.

Innovative technology: Research in sustainable technology, development of innovative products & solutions with improved footprint, extension of product & service portfolio towards more sustainable solutions; increased relevance of renewables, bio-based and eco-friendly solutions and eco-design.

Inpatriate: For an entity, inpatriates are inbound assignees sent by another entity of the Group under either an expatriate or a secondment contract and covered by the Group's International Mobility Policy.

KPI: Key Performance Indicator.

Local content: Contribution to self-sustaining development of communities, local (national) workforce, local procurement and supplier development, local capacity building/education (employability) and adverse indirect impacts (e.g., inflation, immigration).

Material aspect: Material aspects are those that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders. To determine if an Aspect is material, qualitative analysis, quantitative assessment and discussion are needed.

Personnel classification: It is defined for the different Group entities or operations under Technip's management or operational control.

- **Offices:** All office facilities throughout the Group.
- **Construction sites:** All construction sites.
- **Fleet and industrial sites** including:
 - **Fleet:** Subsea pipelay vessels and Subsea construction vessels;
 - **Manufacturing plant:** manufacture of flexible pipes and umbilicals;
 - **Spoolbase:** rigid pipe spoolbase facilities.

Product safety: Durability & reliability, spill detection and prevention technology, end user and local communities' health & safety. Quality and safety control of infrastructures and products provided to clients for the duration specified by clients.

Project: Technip's project including all phases (engineering, procurement, installation, construction, pre-commissioning, commissioning and start-up).

Responsible marketing & sale: Transparency in communication (e.g., online communication, brochures, reports) in particular on environmental and safety issues, factual and unbiased information.

Risk & crisis management: Risk avoidance and mitigation, "Cope" (business continuity), incident management, financial impacts of social and environmental risks (e.g., climate change and natural hazards).

Safe & healthful workplace: Health and safety of employees, accident prevention, health checks, information for travelers, case management following a long period of absence, ergonomic work area, pressure at work, joint labour-management health and safety committees, harassment or emotional abuse/mobbing and burn-out.

Security practices: Approach to the Voluntary Principles on Security and Human Rights, risk assessments and mitigation, relationships with public or private security providers and communication to employees regarding security.

Solid waste: Waste generated, e.g., in the production process and operational activities, waste disposal, recycling programs in manufacturing operations, recycling programs in offices.

Subcontractor: Includes subcontractor engaged to perform work on a Project.

Supplier: Same as vendor.

Sustainability in the supply chain: Awareness for sustainability issues in the supply chain, implementation of binding standards (e.g., International Labor Organization (ILO) core labor/human rights standards) throughout the supply chain, supply chain monitoring/audits, supplier code of conduct, supply chain dependencies, supplier compliance, social and environmental risk prevention in supply chain, procurement from politically unstable

regions, responsible sourcing in controversial raw material/ conflict minerals supply chain, effective grievance mechanism, due diligence, energy use in supply chain, GHG emissions in supply chain, supplier compliance, GHG emissions, ILO/human rights and audits of suppliers.

Total workforce: Includes the employees and contracted workforce (contract staff and contractors, except those working on construction sites).

Vendor: Manufacturer or supplier of equipment or material.

Water & wastewater: Water consumption, water scarcity, water saving in recycling and re-use process, produced water and wastewater treatment.

b. Scope

		Offices	Fleet and industrial sites	Construction sites
Payroll/ Employees	Permanent contract	HSE ⁽¹⁾ /HR ⁽²⁾ /Security	HSE/HR/Security	HSE/HR/Security
	Temporary contract (fixed term)	HSE/HR/Security	HSE/HR/Security	HSE/HR/Security
Non Payroll/ Contracted	Contracted workforce	HSE/HR/Security	HSE/HR/Security	HSE/HR/Security
	Site contractors	(N/A)	(N/A)	HSE/Security
Other stakeholders	Subcontractors	HSE/Security	HSE/Security	HSE/Security ⁽³⁾
	Vendors	HSE/Security	HSE/Security	HSE/Security ⁽³⁾
	Clients	HSE/Security	HSE/Security	HSE/Security ⁽³⁾
	Third party	HSE/Security	HSE/Security	HSE/Security ⁽³⁾

(1) Health-Safety-Environment.

(2) Human Resources.

(3) HSE/Security under the cover of Technip for subcontractors, vendors, Clients and third parties if specified in the contractual agreements.

1.2. MAINTAINING THE HIGHEST ETHICAL STANDARDS

Ethics Charter

As an international company, Technip must conduct business ethically and in strict compliance with the law. Ethical behavior is expected by employees, demanded by clients and is the basis for shareholders' trust. For Technip, it is the only acceptable way of doing business.



A clear strategy and strong ongoing commitment

Technip is dedicated to conducting business across the world according to the highest standards of honesty, fairness and integrity and endeavours to respect the principles set out in the United Nations Global Compact. Therefore, everyone in the Group, as well as Technip's business partners and supply chain, are expected to conduct their activities in an ethical and lawful manner on a day-to-day basis. To ensure that employees are sufficiently aware and trained with fully accessible tools to appropriately manage compliance risks, the Group has developed a comprehensive program that focuses on three main priorities:

1. compliance with the laws and regulations of the countries in which Technip operates;
2. due diligence on business partners globally, to ensure that they operate in strict compliance with laws and regulations at both international and national levels; and
3. workforce training to foster ethical behavior and raise awareness and knowledge of legal and company requirements.

To ensure that the compliance program is understood and effectively applied by all employees, Technip regularly communicates in respect of the existing tools to implement ethics and compliance throughout the Group and has established a comprehensive training program. The training program covers the following topics:

- anti-corruption compliance;
- antitrust regulations and competition law at corporate and regional levels; and
- export control regulations with a particular focus on the rules of export control and embargoes led by, among others, the European Union and the United States.

Depending on the topic being presented, the type of employees involved varies from different types of positions from operational to corporate staff. Moreover, Technip involves business partners in these trainings such as commercial consultants, joint ventures/consortia, custom agents and freight forwarders.

Compliance organization

The compliance program is supported by a dedicated structure that stretches from the Board of Directors to every level of the Group.

Created in December 2008, the first pillar of the compliance structure of Technip is the Ethics and Governance Committee. It comprises members of the Board of Directors and assists the Board in promoting ethical and governance best practices. One of its main tasks is to monitor the adherence to ethical principles within the Group and debate any matter that the Board of Directors (or Chairman) submits for consideration. The Ethics and Governance Committee meets at least twice a year. It produces an annual report evaluating operating policies and proposing functional improvements.

The second pillar is the Ethics and Compliance Committee, composed of 11 senior managers from across the Group appointed by the Chairman and CEO. The Committee directly reports to the Chairman and CEO and ensures that the Group's Ethics Charter and all internal regulations derived therefrom are properly adhered to. The Ethics and Compliance Committee makes proposals to the Chairman and CEO and the Board of Directors concerning ethics and compliance. It also prepares reports on data collected

from the managers of the Regions on how the Ethics Charter is being applied. Three working groups have been set up, each of them being assigned specific responsibilities. The Committee meets twice a year in general meetings and every two-months in working groups.

The Group Chief Compliance Officer (GCCO) is in charge of applying and enforcing the Ethics Charter and all applicable anti-corruption policies, procedures and implements and monitors Technip's Ethics and Compliance program across the Group. The GCCO directly reports to the Group General Counsel and to the Board of Directors through the Ethics and Governance Committee. In the event of an issue involving the Chairman and CEO or any of direct reports, such issue is directly reported to the Chairman of the Ethics and Governance Committee. To ensure total independence, the GCCO is not affiliated with any profit center and holds no other role within the Group.

For everyday operations in the Regions and business units and the implementation of Technip's anti-corruption and compliance policies, the GCCO relies on Regional Compliance Officers.

1.2.1. Preventing Corruption

GRI G4-SO4

Covering all business operations

To govern its business operations, Technip has implemented several ethics-related operational standards translating its general principles into concrete operating procedures. These policies are continually enhanced and revised when necessary. They apply to all of the Group's operations worldwide.

The Doing Business Abroad – Anti-Corruption Policy provides a clear and comprehensive Group-wide framework to help employees operate with honesty and integrity. The policy sets out the rules governing sensitive relationships, by explaining the various international anti-corruption laws and the risks that a violation of such laws poses. The policy also establishes the Company's policy of conducting business in strict accordance with the law and details the procedures in force to assist employees in managing corruption-related risks.

The Group pays particular attention to any indicators that could cast doubt on the honesty and integrity of third parties involved in Technip's business. Technip's due diligence procedures for commercial consultants, joint ventures/consortia, customs agents and freight forwarders as well as subcontractors, enable Technip to assess and manage corruption risks while conducting business globally.

The Gifts & Hospitality Policy serves to assist employees in ensuring that gifts and hospitality, whether given or received as part of a usual courtesy of business, are not and cannot be considered as bribes. Similarly, a due diligence and compliance procedure is to be completed for every social donations and charitable contributions.

In 2014, the Group continued with its large-scale initiative by developing Technip's first Code of Conduct which is expected to be finalized in 2015. It will then be made available through various communication and training channels worldwide and will serve as guidance to employees and a resource for stakeholders to better understand the role and importance of compliance within Technip.

Ensuring alerts are raised

A whistleblowing process enables Technip's employees to report to the Ethics and Compliance Committee or the Group General Counsel if they feel that there has been a violation of Technip's policies and procedures in the areas of accounting, finance or corruption. The alert can be raised internally through an intranet webpage, or via an external third party service provider which offers employees to confidentially report any potential violation through the use of a dedicated website, phone, email or mail 24/7 and in their own language to someone independent of the Group.

Training the workforce and leadership

In 2014, Technip continued with the regular training organized by Regional Compliance Officers supported by the Ethics and Compliance Committee and continued to improve its training program by developing a new e-learning offering to be launched in 2015, with the aim of ensuring that specifically identified employees within the Group are appropriately acquainted on anti-corruption compliance on a regular basis.

1.2.2. Promoting Fair and Long-Term Relations

The first objective stated in the Ethics Charter consists in offering success opportunities to suppliers, partners and subcontractors in a spirit of fair competition and mutual rewarding collaboration with Technip. Thus, in 2014, the Group continued training specifically identified employees on antitrust regulations and competition law at Corporate and Regional levels.

A new procedure is under finalization and is expected to be published in 2015.

1.2.3. Complying with Export Control Regulations

Technip complies with all applicable laws and regulations where it operates, including in respect of export control regulations.

In 2014, an e-learning program was developed and launched to train specifically identified employees on export control regulations with a particular focus on the rules of export control and embargoes led by the European Union and the United States.

1.3. 2015 OBJECTIVES

GRI G4-27

During the interviews performed by BSD Consulting in 2014, a number of topics were raised by Technip's stakeholders about their key expectations towards the Group's management of sustainable development. As such, Technip's external stakeholders stated that the Group has to be more visible in the implementation of KPIs associated with the material issues highlighted during their interviews. Whereas, the internal stakeholders expressed that the Group has to integrate deeper sustainable development at the heart of the business and then to fill the existing gaps between the Group's vision and ground operations.

In light of the above, Technip's objectives in 2015 are as follows:

- to engage with its top 20 suppliers and subcontractors to ensure their organizations are also improving in terms of sustainability;
- to move ahead on Technip Reference Catalogue of Sustainable and Innovative Solutions and promote a deeper dialog with key customers, to make more visible in particular Technip's approach to anticipate the impact of climate change on the infrastructures delivered;
- to produce a sustainable development procedure in 2015 to help integrate sustainability further into its project tendering and execution;
- to strengthen the Group's monitoring processes identifying relevant performance indicators for projects and entities and tracking the development of Technip's sustainable development approach within the Group;
- to enhance the awareness among the Group to create a culture of sustainable development.

Technip's commitment to sustainable development and to its stakeholders is to act as a catalyst for a responsible and long-term growth.

Sustainable development is a journey, not a destination. As the Group matures the goal is to embed and inspire positive energy inside and outside the organization.

2. Meeting Client Requirements and Expectations

GRI G4 PR5

2.1. MAINTAINING A HIGH LEVEL OF OPERATIONAL EFFICIENCY

Technip is committed to creating added-value for clients by providing high-quality services and delivering high-performance installations which integrate adequate national content, taking into account the context of the country or region where the Group operates.

In terms of construction, Technip has a unique expertise in the management of simultaneous mega-projects. Acute methods and processes are required to deliver projects which meet clients' requirements and expectations and respect the highest standards in safety and quality. These competencies in designing and managing construction activities are shared across all of Technip's operating centers (e.g., Paris, Rome, Abu Dhabi and Kuala Lumpur) to ensure the best knowledge possible of the local construction market and are deployed through Technip's site teams on every project. Construction at Technip includes a dedicated global division in Abu Dhabi. This division aims to increase Technip's supervisory resources, to develop construction methodologies and processes as well as to foster long-term construction partnerships, providing Technip with an additional edge in construction activities.

Technip focuses on quality with the aim of improving client satisfaction and competitiveness, reflecting the Group's commitment to its clients. Technip's main entities are ISO 9001 certified. Technip has developed the Quartz program aiming to educate, inform and motivate its employees and stakeholders and sustain a culture of excellence and continuous improvement in business performance.

High level of operational efficiency requires a strong integrated approach to risks, as detailed in Paragraph C of Section 1.1.2 of this Annex E.

As part of its ongoing efforts to increase competitiveness, the Group has paid increased attention to costs and deadlines. Since the adoption of the Lean operating principles and the Six Sigma quality improvement program in 2010, approximately 300 Lean-Six Sigma people have been trained to assist others with the use of these systems (about 240 in 2013). Similarly, approximately 200 quality-related projects, also named Business Excellence Improvement Projects, were launched in all sectors and, as of the date of this report, approximately 140 are completed. Examples of Business Excellence Improvement Projects are provided below:

- Engineering: Develop a Value Engineering process;
- Procurement: Set up supplier qualification for failure mode analysis;
- Construction & Installation: Reduce welding rejection rate;
- Manufacturing: Reduce non-conformity report in extruder machines;
- Support service: Improve the recruitment process; and
- Vessels: Set up a Condition Monitoring (CM) strategy: enable problem components to be repaired before they fail.

Regarding client satisfaction, the following key indicators are used as the basis for surveys: health, safety and environment (HSE), project execution, relationship with clients, project documentation, schedule compliance, cost compliance, adequacy of resources, commercial management and post-delivery performance.

Throughout some of Technip's Projects, survey questionnaires are used to allow a clearer understanding of client expectations and to identify areas for improvement. In 2014, 179 surveys were conducted on 130 projects across Technip's operating Regions and business segments. The results reflect a level of client satisfaction slightly higher than that for 2013: the overall rating is 8 over 10. Moreover, according to clients, Technip differentiates itself especially on project management and execution, relationship with clients, post-delivery performance, quality and HSE. For Post Delivery Performance, the ranking is 8.2 over 10.

2.2. PRODUCT SAFETY

In terms of product safety, Technip's industry market is heavily regulated to ensure that the solutions delivered to its clients do not harm anyone or damage the environment.

Below are examples of EU regulations that Technip must comply with:

- directive No. 2001/95/EC, for general product safety;
- directive No. 97/23/EC and 2014/68/EU, for pressure equipment;
- directive No. 98/37/EC and 2006/42/EC, for machinery;
- regulation No. 305/2011, for construction products;
- directive No. 94/9/EC, for equipment and protective systems intended for use in potentially explosive atmospheres; and
- directive No. 1907/2006/EC (REACH), for the registration, evaluation, authorization and restriction of chemicals.

In over 50 years of existence and presence in the oil and gas engineering industry Technip has developed its technical know-how, organization, work methods and the awareness necessary to successfully address health, safety and environment (HSE) at all stages of projects execution and products manufacturing. This is reinforced by strict vigilance to critically review everything the Group does in order to further improve the HSE performance of the facilities and products designed.

Technip believes that all accidents are preventable. Therefore, the objective is to bring its customers further on the journey to zero accident.

a. Within Technip's projects

■ HAZARD MANAGEMENT AS AN INTEGRAL PART OF THE DESIGN PROCESS

The Group endeavours to systematize a risk assessment based approach to manage hazards associated with Project's operation and anticipate the safety requirements as early as possible during the design stage, in particular through:

- plot plan development (inherently safe design by layout optimization);
- ignition sources control;
- requirement of fire and blast protection in the facility; and
- safeguarding measures (prevention, control and mitigation).

Technip intends to maximize the inherent safety of the overall design by minimizing the likelihood of occurrence and subsequent consequences of major accidents such as fire, explosion, cryogenic and/or toxic events in all facilities designed. The processes include providing philosophies, specifications and recommendations to be implemented in the design to achieve a risk reduction to ALARP (As Low As Reasonably Practicable).

The HSE Design philosophy implementation is ensured by starting from systematic multi-disciplinary reviews and workshops performed at regular intervals of the Project such as plot plan reviews, Hazard Identification (HAZID) reviews, Hazard and Operability (HAZOP) reviews, ALARP demonstrations and Safety Integrity Level (SIL) reviews. In addition, a probabilistic Quantitative Risk Assessment (QRA) is performed, which allows demonstrating acceptability of risks from plant operation against client or regulatory risk acceptance criteria and allows defining the risk-based design accidental loads and additional risk reduction measures on design stage. The accidental loads are defined during the design stage for safety critical elements such as platform decks, primary structures, equipment containing hazardous substances and Emergency Shut Down Valves (ESDV) by modelling effects of toxic or flammable gas dispersion, fires and explosions. Those risks found unacceptable according to client or regulatory criteria are minimized to acceptable levels, by implementation of risk reduction measures following the ALARP approach.

In parallel, Technip develops safety engineering activities like for design of fire and gas detection and active and passive fire-fighting systems.

■ SAFE PLOT PLAN DEVELOPMENT

Technip has extensive experience in designing facilities and equipment to meet the safety, operability, maintainability and constructability requirements of laws and standards, client specifications and good operating practices, among others in terms of layout and separation distances taking into account hazards inherent to the operations, natural hazards, construction constraints and safe means of egress requirements for personnel evacuation.

■ ENVIRONMENTAL AND HEALTH PROTECTION IN DESIGN

Technip endeavours to ensure that installations are designed in compliance with environmental and health regulations and standards applicable to the project as well as to minimize their impacts and risks managed through the ALARP principle. As such, applicable regulation, client standards and other applicable performance standards are first analyzed to identify the requirements to implement into the design of Technip projects.

Multi-disciplinary Environmental Aspects Identification (ENVID) reviews are performed to identify, evaluate and propose mitigation measures on project's general and specific environmental aspects during the design stages. The environmental studies cover inventories of gaseous emissions, liquid effluents, solid wastes and noisy equipment. Multi-disciplinary Health Risk Assessment (HRA) reviews are performed to verify that the design is acceptable regarding occupational health and to propose mitigation measures where potential health effects are detected.

Greenhouse gas emissions and energy efficiency analyses are used to define Best Available Techniques (BAT) to be implemented in project design. Environmental and Health Aspects Register (EHAR) can be developed and updated throughout the Project life-cycle.

Finally, Technip performs noise, water and atmospheric dispersion and waste management studies to assess the environmental impacts in parallel to the Environmental Impact Assessment (EIA) developed by Technip Clients and define mitigation requirements to be implemented during project design and operation. The environmental monitoring requirements can also be specified in terms of emissions and ambient air quality during Project operation.

b. Within Technip's manufacturing activities

In the Subsea sector where Technip has manufacturing activities, the API (American Petroleum Institute) construction codes are strictly applied to flexible pipe design and rely on product performance. API codes are used as a reference within the oil and gas industry worldwide. Technip frequently uses the following API Codes:

- API 16A: the industry Specification for Drilling Equipment;
- API 6A: the oil industry Specification for Wellheads and Christmas Tree Equipment;
- API 16C: recommended guidelines for inquiry and purchase of Choke and Kill Systems Equipment. A kill system, also known as an emergency stop or e-stop, is a safety mechanism used to shut off a device in an emergency situation if the normal shutdown does not succeed. These systems are commonly used in Subsea industry; and
- API 17J: industry specification for unbonded flexible pipes. This standard is regularly updated to reflect state of the art design methodologies and account for learnings from operations and extension of usage domains (ultra-deep water & high pressure).

Due to API 16A and API 6A, end connectors assembled on flexible pipes are designed according to a product specification level and a performance requirement. Product specification levels are quality class requirements based on rated working pressure and type of fluid. Performance requirements are based on the service conditions, as specified by the purchaser. Product safety levels and product requirements are key data taken into account for a safe design. A qualification phase is intended to demonstrate the level of performance achievement.

Taking into account the API 16C, choke and kill products are tested up to their highest limits to establish the relationship between failure mode and safe usage factors.

Finally, to ensure overall product conformance, the API 17J is applied to define the technical requirements for safe, dimensionally and functionally interchangeable flexible pipes that are designed and manufactured pursuant to uniform standards and criteria. Minimum requirements are specified for the design, material selection, manufacture, testing, marking and packaging of flexible pipes, with reference to existing codes and standards where applicable.

All Technip products design methodologies and manufacturing processes are continuously monitored by third party inspection bodies and validated through Type Approval Certificates. These certificates are provided after Technip's products pass the relevant performance qualification tests. These bodies certify that sufficient safety margins are taken in line with the API standards but also integrating latest knowledge from manufacturing, testing and field experience. In addition, all assets are independently certified according to quality, health, safety, environment and security standards. Management systems and product performance are closely linked through certain requirements: design control, risk analysis, continuous improvement process and customer feedback.

Risk analysis like failure mode effect and consequence analysis are typical methods used in Technip's R&D and industrial processes qualification steps. Type approvals do not only consider the design and the product, but also how the product is manufactured and controlled. For a more robust approach, high quality standards are shared between all Technip units based on cross audit fertilization. This best practice approach applies also for Technip's infrastructures and for its key partners. Key partners' products and services are qualified according to international codes and standards requirements and best practices before being included in the Technip Type Approval scheme. Key partners are also invited to cascade Technip's requirements and philosophy to their own partners. Supply Stars, an award process to recognize Technip's best partners by category, is in place on an annual basis.

In construction, a flexible pipe, which is a composite structure made of several metallic and plastic layers, is a robust solution to confine a spill in the pipe annulus and to detect the spill before it potentially damages the environment. Technip's R&D programs are oriented toward reliability and durability objectives; for example, its annulus continuous monitoring and the morphopipe projects.

Technip know-how is not only dedicated to designing and manufacturing flexible pipes, but also to demonstrating robustness through the entire life-cycle.

One of Technip's latest innovations: an autonomous system to inspect risers in service and monitor the residual shelf life according to real operating conditions.

2.3. ASSET INTEGRITY AND EMERGENCY PREPAREDNESS

Making robust products is not enough. Therefore, Technip constantly cascades its Quartz and BEST programs requirements to its assets. The Group is engaged into a continuous improvement process and its objective is to develop and maintain the highest resilience to its assets and apply business continuity best practices following the ISO 22301 standard. The management of Technip's manufacturing assets is prepared to quickly react to all kinds of events that may impact Technip's business throughout its value chain.

Technip's QHSES (Quality, Health, Safety, Environment and Security) management systems focus on business continuity practices and asset integrity requirements and are cascaded at all levels. In these processes, insurance companies, clients, partners and civil authorities are generally associated.

Technip's prevention approach includes periodic inspections and continuous monitoring of critical installations. In addition, efforts are made to enhance safe and robust designs based on experience and analysis of lessons learned. The feedback is shared with partners to reinforce a common resilience level.

The Group's Emergency Response teams organize tests on regular basis. The exercises are performed according to realistic scenarios that generally involve civil authorities and aim to mutualise the training events. For example, in Flexi France, local firemen and policemen have been associated to four exercises performed in 2014. In these events, Technip staff had the opportunity to measure its emergency response performance and validate procedures and equipment used in crisis situations.

For additional information, please refer to Section 4.8.2 ("Crisis and Business Continuity Management") of the Group's Reference Document for the year ended December 31, 2014 and Section 3.9 of this Annex E.

2.4. SUSTAINABILITY: A KEY DRIVER FOR INNOVATION

2.4.1. Disseminating a Unique Leading-Edge Approach

GRI G4-26

Current and predicted effects of climate change, the increasing demand for energy and social equity in emerging countries, the booming prospects for green and sharing economy, are making energy companies and even the most reluctant governments move forward towards new strategies of development that incorporate sustainable criteria.

In this evolving context, Technip has interpreted its role as an engineer and a technology provider by elaborating a new model that combines sustainability with innovation and generates long-term progress for all its stakeholders.

To promote this new distinctive approach based on four pillars (the triple bottom line of Environmental-Economic-Social Sustainability + Innovation) the Sustainability and Innovation (S&I) division, within Technip's Group Sustainable Development department, has carried out specific actions, as per the S&I Strategy and Roadmap, including, but not limited to, the following.

a. Raising internal awareness and competencies

In June 2014, a seminar and training on Leadership in Energy and Environmental Design (LEED) was organized. Under this initiative, more than 70 engineers were trained from different departments on LEED protocol and certification system and were able to engage with partners, associations and institutions on eco-design. As a result of the interest raised by the seminar, additional training sessions on LEED (including tutorials, simulations and exercises to prepare Technip's resources to take LEED accreditation) were carried out at regional level. Other trainings are scheduled for 2015, including a dedicated webinar on eco-design criteria and how to apply them to structural engineering.

In line with the priority of boosting sustainable and innovative solutions, specific focus has been given to the Life-Cycle Assessment (LCA) methodology, which was successfully applied in assessing the impacts on health and environment during the complete life-cycle (design, construction, operation and decommissioning) of two Projects and compare quantitatively various design solutions and technologies. This resulted in the application of Best Available Technologies (BAT) and International Finance Corporation (IFC) performance standards of the World Bank, also in countries with less demanding regulations. To increase the diffusion of LCA and promote the advantages of this approach, both internally and externally, dedicated communication materials and videos were also prepared.

In addition, meetings and presentations to Group and Regional managers were held, with specific reference to, among others, Group HSE and Quality, Group Global Engineering, Group Global Procurement, Group Global Construction, Group Internal and External Communications.

b. Raising external awareness and collaborations

Technip organized meetings and presentations with Clients and Top Suppliers to make them aware of Technip's combined approach to sustainability and innovation and to mutually agree on common initiatives on key topics, including climate change and energy efficiency.

As part of its membership in the World Ocean Council, Technip is participating to the working groups on underwater noise modelling and Arctic protection. Moreover, through its membership in the Kyoto Club, Technip is promoting an open dialogue with institutions and non-profit organizations (such as the Green Building Council, European Climate Foundation and Third Generation Environmentalism) on green schools and low-carbon economy.

Specifically on eco-innovation and bio-based industries, Technip recently joined as an expert group member the workgroup on eco-innovation of the Italian Sustainable Development Foundation and has been interacting with European Union representatives and international leaders on bio-based industries.

Moreover, Technip entered into a key collaboration with the internationally recognized marine research institute CNR-Insean to develop and test sustainable and innovative solutions to increase Technip's competitiveness in Offshore installations.

c. Progressing on Technip's Reference Catalog of Sustainable & Innovative Solutions

Technip has distinctive references in sustainable and innovative solutions included in its technological portfolio or designed and applied in projects. As part of its strategy to make these references more visible, both internally and externally, Technip has decided to create a Reference Catalogue of Sustainable and Innovative Solutions (S&I Catalogue).

The year 2014 has been dedicated to increasing the internal awareness of the process, in creating procedures and templates for the contributors and in engaging Technip's departments and resources.

Significant efforts were expended on the involvement of centers of excellence for technological innovations and expertise (Technip Stone and Webster Onshore Process Technologies, Subsea Innovation and Technology Center, Expert Network, Chief Technology Officers, Patents and Intellectual Property Department) that are and will be the top contributors for the S&I Catalogue.

As a result, an activity of data collection and document preparation was carried out for some proprietary technologies and specific solutions awarded by Jacques Franquelin's internal award or developed by Group experts (such as Electrically Trace Heated Pipe-in-Pipe Technology, flexible risers with integrated structural monitoring (Morphopipe), sustainable and innovative solutions for soil improvement and pile testing, innovative emission monitoring and predictive system, effective modular solutions for electrical substations, human factor engineering solutions and ergonomics).

The Group's Intellectual Property Department has initiated, on the technological side, a dedicated screening to identify the sustainability benefits related to Technip's patents and innovations, also in view of defining representative key performance indicators. The results on this internal survey will be released in 2015.

To step-up the generation of sustainable and innovative solutions to be added to the S&I Catalogue, Technip has defined a special recognition award as part of the internal Best Technical Publication Award, which allowed, in 2014, to reward a publication on sustainable solutions to reduce flaring and increase conversion of associated gases from Offshore oil fields.

d. Engaging with stakeholders for a sustainable and innovative future

Technip has initiated a proactive exchange of ideas with its key clients and partners to identify priorities in sustainable development strategies and plan for future joint initiatives. In particular, alliances and long-term relationships with key clients and partners have already created value for sustainability.

As part of its alliance with BP on Purified Terephthalic Acid (PTA) technology, Technip is building the new PTA 3 plant in Zhuhai, China, implementing solutions that significantly increase the site's environmental performances. In fact, compared with conventional PTA units, the Zhuhai plant will achieve 75% lower water discharge, 65% lower greenhouse gas emissions and 95% lower solid-waste generation.

In addition, Technip has renewed its cooperation agreement on research and innovation with IFP Énergies nouvelles (IFPEN) for five years, with the scope of finding solutions that could meet the challenge of ultra-deep water developments while protecting the environment. Special focus will be given to asset integrity and anti-H₂S solutions to avoid accidental releases due to high pressures and higher corrosion risks related to deep water conditions.

Another successful example of stakeholder engagement for building sustainable and innovative solutions is represented by Large Scale Vortex Burner, a new technology jointly developed by Technip and Air Products, which ensures ultra-low NO_x emissions, higher efficiency and improved reliability for a wide range of furnaces, along with additional benefits in Technip's ethylene and hydrogen process technologies.

2.4.2. Incrementing Technological Innovation

Sustainability is playing a greater role in product or service differentiation and is becoming an increasingly important driver for innovation. Introducing new design constraints and performance targets, sustainability allows to generate enhancements and disruptive innovations, which open new business opportunities and game-changing solutions never imagined before.

Embedding sustainability in Technip's work process is resulting in a higher attention to reduce energy consumptions, improve efficiency, increase safety and minimize impact on the environment.

Technip's determination in stimulating sustainability-driven innovations has produced significant developments in Onshore, Offshore and Subsea proprietary technologies, including, among others:

- the improvements of energy efficiency in ethylene process technology, which delivered a lower cost of ownership to its clients with reduced environmental impact. This involves a number of programs such as compressor-less refrigeration system and swirl flow tubes;
- the novel approach in the solids' separation technologies used in Technip's fluid catalytic cracking portfolio, which allowed to reach the goal of reducing particulate emissions;
- the adoption of double-walled self-containment tanks as minimum safety and sustainability requirement for light hydrocarbons, such as LNG and ethylene, in all of Technip's Projects worldwide;
- the development of proprietary Large Scale Vortex (LSV) burners for the furnaces used in Technip's steam methane reforming and ethylene cracking technologies, to ensure ultra-low NOx concentrations and exceptional environmental performances compared to the international regulations;
- the specially formulated plastic material, developed to be extruded as a sheath layer, that has the scope of neutralizing the H₂S diffusing from the pipe bore before it reaches the flexible annulus and comes into contact with the steel wires;
- the electrically trace heated pipe-in-pipe (ETH-PIP), Technip's revolutionary solution for flow assurance which implies lower power generator at the topside, lower power consumption and allows possible replacement of methanol chemical injection in the long-term, yielding higher environmental performances and further Subsea operational savings; and
- the Morphopipe program that enables the insertion, within the flexible riser critical fatigue area, of advanced sensors providing live data for fatigue monitoring and prevention of failures, with an evident benefit in terms of asset integrity and environmental protection.

Furthermore, in 2014, Technip extended its internal network for technological collective intelligence, named Agora and already in place for R&D Centers, to Technip's Expert Network to facilitate the generation of technological innovations across the Group as well as sharing ideas and expertise. After a period of roll-out and testing, the system will be enlarged to include the contributions of all Technip's resources.

2.4.3. New Investments to Meet New Energy and Sustainability Challenges

Consistent with the approach of pursuing innovation, sustainability and competitiveness, Technip makes continuous investments to expand or create new manufacturing plants in line with the highest quality, health, safety and environment standards.

The new state-of-the-art Flexibras plant in Açu (Brazil) was built to manufacture highly technological flexible pipes, able to ensure longer service life (for up to 30 years), sour service application, resistance to high pressures and ultra-deep water and harsh environments. During the design phase, an environmental expert team thoroughly reviewed the processes and systems to implement eco-design and sustainable solutions that go beyond compliance with legislations and reach the goal of saving natural resources, while protecting people and the environment.

The site has a modern effluent treatment plant: a water treatment plant to ensure the quality of groundwater extracted, groove containment for oil and oil-water separation, ventilation system and natural lighting in the production sheds, rainwater collection for toilet flushing, solar hot water systems, collection-segregation and waste management facilities.

The upgrade and expansion of the Flexi France facility in Le Trait, France, which will be subject to an energy efficiency audit in 2015 to identify possible enhancements of current high-level environmental practices or new sustainable design solutions, is going in the same direction.

With reference to Technip's Vessels, several measures for energy and fuel saving, marine operations' optimization and emissions' monitoring and control were put in place.

The implementation of specific shipboard energy efficiency management plans, allowed to identify and apply a wide range of energy efficiency and CO₂ emissions reduction methods, including but not limited to, improved voyage planning, speed and power optimizations, engine monitoring, hull and propulsion system maintenance, optimized ship handling and enhanced combustion efficiency.

2.4.4. Strengthening Leadership on Biofuels, Green Chemistry and Carbon Capture

In 2014, Technip strengthened its leadership in the second generation of biofuels and in sustainable chemistry, as well as in carbon capture and storage; all sectors where the energy market is investing to respond to the challenge of reducing emissions and using bio-based feedstock, which are not competing with the food chain.

Further to the delivery by Technip of the two largest renewable diesel plants in the world (800,000 tons/year each) built in Singapore and Rotterdam for Neste Oil, in 2014's fourth quarter, Technip entered into an alliance agreement with Biochemtex to provide engineering, procurement and construction services for second-generation bio-ethanol projects.

Biochemtex is the one and only engineering firm entitled to build cellulosic ethanol plants powered by Proesa™, that allows it to produce second-generation biofuels using non-edible biomass, such as rice straw and sugarcane bagasse.

In addition, Technip was awarded an EPC contract by Cargill for a biomass ethanol production unit in Germany.

This consolidates, once again, Technip's leadership in the bio-based industry and enables Technip to be well positioned in the Projects of green chemistry and conversion of existing plants in bio-refineries, which are more socially and environmentally sustainable, since they use non-edible raw material of vegetable origin and are more integrated into the local agricultural and economic context.

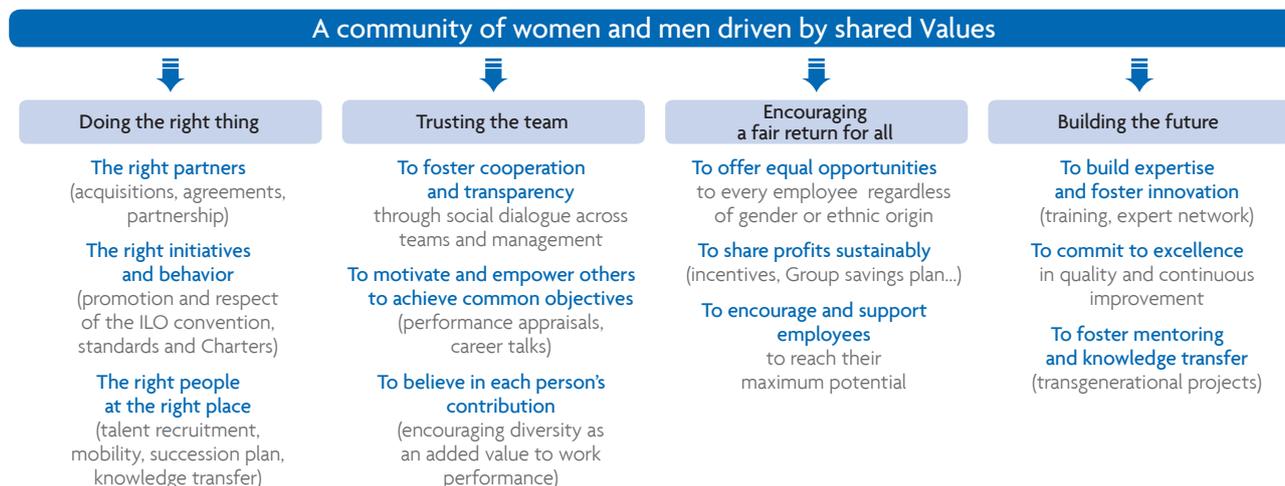
Another example of Technip's successful performance in cutting-edge processes is the partnership with Cansolv (wholly-owned by Shell) that is developing a new carbon capture technology that allows to remove up to 90% of the CO₂ in the flue gas, simultaneously lowering SO₂ and NO₂ emissions. This technology was chosen by Shell/SSE for the Carbon Capture and Storage Peterhead project, for which Technip is performing a front-end engineering study (FEED), awarded in March 2014, after having successfully completed the pre-FEED stage.

3. Human Resources

Human Resources are at the heart Technip's development strategy: people are Technip's wealth and strength. Technip's priority is to continuously develop its employees' skills and know-how

and to provide them with equal opportunities, regardless of the country where they work or their background, to deliver the highest level of Project execution performance.

Human Resources uphold each of the Group's four core values, as follows:



Technip's employees are driven by and uphold these four core values on a daily basis. These values are the foundation of the "One Technip" principle, which stands for shared vision, mission and values. This principle establishes a sense of community and provides a seamless relationship across frontiers and internal boundaries. Technip believes that combining these strengths will empower employees to consider themselves as being part of a single and unique entity, regardless of their geographic and cultural differences.

Technip is committed to its employees and its employee objectives and guidelines are recorded in Technip's Social Charter. This Charter applies to all of the Group's entities that are responsible for tailoring it to local features and legislations.



Furthermore, a Group policy has been set up to ensure that all Human Resources processes are implemented within all of Technip's entities.

For the coming years, three major objectives were defined as follows:

- align HR departments and head offices with common processes and objectives;
- provide effective support to management and operations; and
- develop talents, regardless of their origin or nationality.

The network of regional and local HR managers ensures that the Group's policy requirements and processes are implemented within all entities within their scope.

3.1. REPORTING SCOPE

3.1.1. Reporting Scope for Entities

The reporting scope is based on the financial and legal consolidation scope. This includes entities belonging to the Group as of December 31, 2014, including entities that were acquired or newly consolidated in 2014 (current scope).

For consistency purposes and to facilitate the comparison between two consecutive years, the reporting carried out on training and absenteeism does not take into account data collected from entities recently acquired or entities that have not been consolidated within the Group throughout the entire year (In 2014, the entities that were not consolidated represented 1%).

As of December 31, 2014, 84 legal entities had inputted their data through the Group's reporting tool.

3.1.2. Reporting Scope for Personnel

The scope covers personnel on payroll on permanent contracts (French "CDI" contracts) or fixed term contracts (French "CDD" contracts), except for the information set out in Section 3.2.1.b. to this Annex E of the 2014 Reference Document, which covers the total workforce. Trainees and apprentices are excluded from this scope.

Total workforce includes employees and contracted workforce (contract staff and contractors, except those working on construction sites).

The contracted workforce refers to the workforce which is not on the payroll of a Group entity and includes the following:

- individuals working in offices from time to time, when there is a spike in workload, such as agency personnel; and
- contractors working on vessels and industrial sites throughout the Group (manufacturing plants, spoolbases and the construction yard).

Subcontractors working on construction sites are not reported due to, on the one hand, the significant fluctuation in numbers during the rolling out of Projects and, on the other, their significant presence on large Projects.

Each table sets out the percentage of personnel covered by the reporting scope.

3.1.3. Consolidation Methodology

The indicators cover 100% of the entities for every topic, with the exception of Training and Absenteeism, which cover 99% of total headcount (excluding entities not present during the entire year).

Indicators are calculated on the basis of the Group's scope as of December 31, 2014. Sections relating to Arrivals and Departures, Absenteeism and Training cover the year 2014, in accordance to the scope of entities, as defined in Section 3.1.1 to this Annex E of the 2014 Reference Document.

3.1.4. Reporting Tool

Since 2006, a web solution has been implemented Group-wide to collect and consolidate quantitative and qualitative data in the realm of Human Resources.

3.1.5. Controls

External verification

The external verification process is assured by independent third party auditors as required by French Grenelle II law.

3.2. WORKFORCE

3.2.1. Changes and Organization

a. Main changes

In 2014, Technip carried out the following transactions involving Human Resources:

- sale of Technip TPS, an entity specialized in engineering and construction for the industry, to be in line with its strategy focusing on Energy, its core business;
- divestment with the sale of its majority share in Seamec Limited, India's leading provider of diving support vessel based diving services globally. This transaction enabled Technip, as part of its strategy, to concentrate on its core competencies involving deepest subsea complex, deepwater oil and gas developments;
- acquisition of Zimmer® polymer technology business, part of Air Liquide Global E&C Solutions in Germany. This new business will diversify and strengthen Technip's portfolio of downstream technologies in its Onshore activity;
- acquisition of a majority stake in Inocean, a strategic cooperation to further develop offshore floater engineering services for the Norwegian continental shelf and other offshore markets worldwide; and
- decision of cease the activity Offshore Renewables in the United Kingdom, following completion of all current Projects, to be in line with Technip's aim to strengthen its leadership in the oil and gas industry.

b. Breakdown of total workforce per contract

Breakdown of total workforce by contract	December 31,		
	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾
Employees on payroll	32,367	32,243	30,241
Permanent employees	28,862	28,593	26,279
Temporary employees (fixed-term)	3,505	3,650	3,962
Contracted workforce	5,930	6,588	6,267
Contracted workers at industrial sites and fleet	1,778	2,537	2,749
Other contracted workforce	4,152	4,051	3,518
TOTAL WORKFORCE	38,297	38,831	36,508

(1) Coverage rate: 100% of employees on payroll and contracted workforce.

At year end 2014, the total workforce decreased by 1.4% compared to year-end 2013, with a stability of permanent employees (+269 persons) and a decrease of contracted workforce (-658 persons), particularly for contracted workers at industrial sites. The following variations were observed:

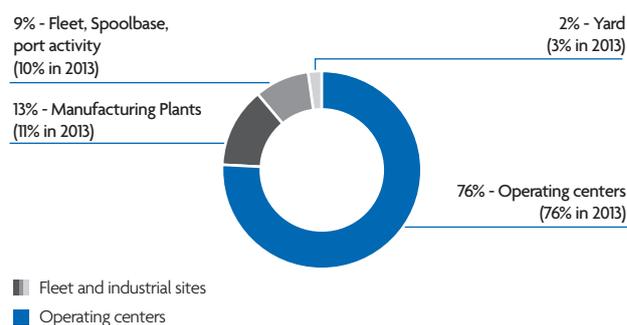
- an increase of permanent employees in Brazil, with the development of the Açú plant;
- an increase of permanent employees and contracted workforce in France, where Projects needed additional workforce;
- a decrease of permanent employees and contracted workforce in:
 - Finland, at Pori construction site, where the impact of the decrease in activity, which began in 2013, continued in 2014. Visibility on 2015 remains uncertain;
 - Asia Pacific, the United States and Mexico, due to restructuring in 2014, with the aim to adjust workforce to Projects in a tight market;
- a decrease of contracted workers at industrial sites, due to the divestment in Seamec Limited in India.

In 2014, temporary employees represented 11% of the employees on payroll, a steady percentage compared to that of 2013.

In 2014, the average number of contracted workers was 6,381.

■ HEADCOUNT STRUCTURE (AS OF DECEMBER 31, 2014)

Operations (100% of employees on payroll and contracted workforce)

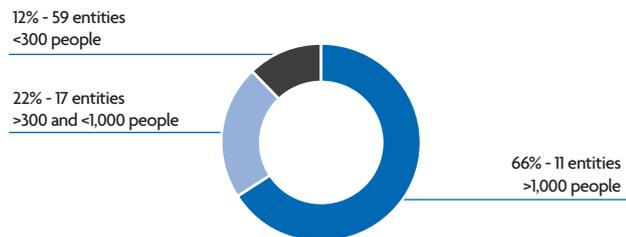


The chart above illustrates the diversity of operations and of total workforce Group-wide.

On the one hand, the operating centers include subsidiaries and construction sites where Technip operates. On the other, the fleet and industrial sites cover marine employees in the vessels, manufacturing plants with blue-collar employees, spoolbases and the Group's ship-yard at Pori (Finland) employing skilled personnel specialized in Offshore construction.

The "Manufacturing plant" part is increasing with the development of the plant of Açú (Brazil) while the "Yard" part is decreasing due to the low level of activity of the construction yard in Pori (Finland).

Size of entities (100% of employees on payroll and contracted workforce)



The breakdown of Technip entities demonstrates that two-thirds of employees are grouped in only 11 centers, which means that HR processes and tools can be rapidly put in place in the Group's principal centers to cover a majority of employees. Conversely, it takes more time to cover the rest of the entities as two-thirds of the Group's entities (59 of 84) have less than 300 employees.

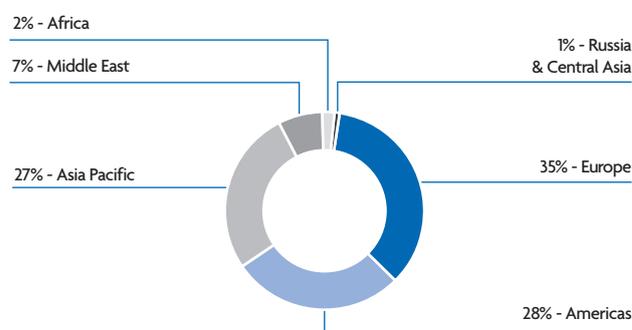
The two largest entities after France are based in the United States and India.

c. Breakdown of employees on the payroll according to geographic zone, age and gender (100% of employees on payroll)

Breakdown of employees by geographic zone	December 31,		
	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾
Europe	11,331	11,239	10,551
Americas	8,941	8,924	9,054
Asia Pacific	8,662	8,690	7,827
Middle East	2,354	2,427	2,011
Africa	791	737	555
Russia & Central Asia	288	226	243
TOTAL EMPLOYEES ON PAYROLL	32,367	32,243	30,241

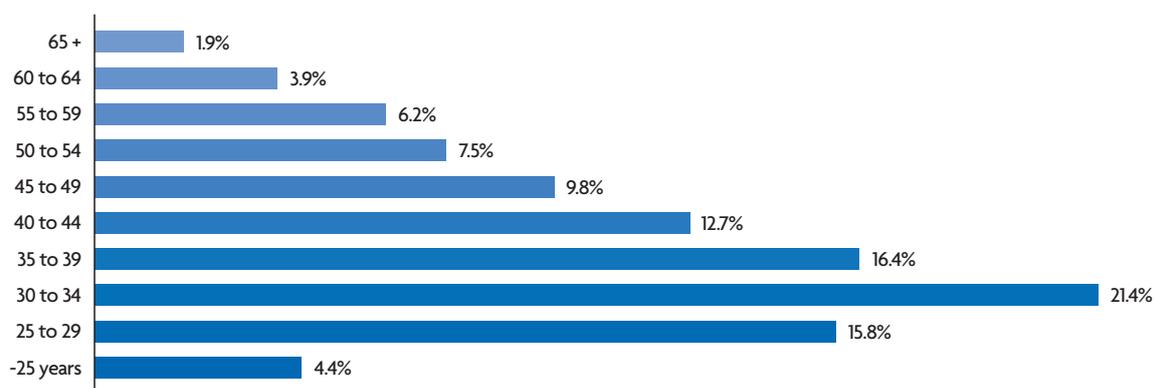
(1) Coverage rate: 100% of employees on payroll.

Employees per geographic zone



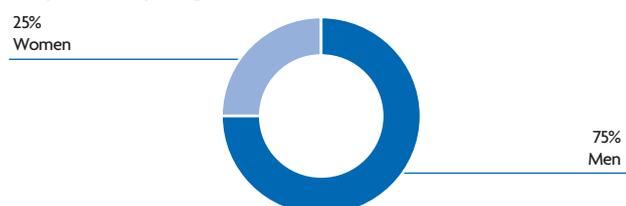
Compared to 2013, each geographic zone was quite stable, with a variation not exceeding +/-0.2 percentage point.

Age pyramid in 2014 (by range in %)



In 2014, since half of the recruitments were experienced profiles, employees aged between 35-50 years old increased by 1.4 percentage point, compared to 2013.

Employees per gender



Compared to 2013, the percentage of women employees was stable.

In 2015, Technip will continue to face the challenge of attracting, retaining and promoting female into the oil and gas engineering sector, which is seen as being male-dominated. See Section 3.4.1 to this Annex E of the 2014 Reference Document for more details on Diversity initiatives.

d. Organization of working hours

Working time	December 31,		
	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾
Number of full-time employees	31,747	31,637	29,666
Number of part-time employees	620	606	575
Number of employees working in shifts	2,908	2,972	3,400
Overtime hours (France and main headquarters)	1,115,298	1,310,954	1,421,931

(1) Coverage rate: 100% of employees on payroll except overtime hours (coverage rate: 51%).

The proportion of part-time employees remained stable at 2% of the employees on the payroll.

The Group's smaller entities record their time manually. Consolidation of overtime hours is therefore limited to main headquarters. Between 2013 and 2014, the decrease in overtime was essentially based in Asia Pacific due to a decrease in workload and Projects.

3.2.2. Employment

a. Hires and departures

Payroll employees: hires & departures	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾
Hires	6,240	7,055	7,651
Permanent employees	3,852	4,611	5,027
Temporary employees (fixed-term)	2,388	2,444	2,624
Departures	6,085	5,595	4,295
Permanent employees	3,993	2,964	2,772
Temporary employees (fixed-term)	2,092	2,631	1,523
Renewal rate of permanent positions ⁽²⁾	0.96	1.56	1.81

(1) Coverage rate: 100% of employees on payroll for entities present in the Group as of December 31, 2014.

(2) Start/termination of permanent positions.

The variation in the renewal rate is mainly due to the impact caused by departures (+765 employees) and hires (-715 employees) due to downsizing and restructuring activities in Asia Pacific, USA and a slowdown in activities at the Pori construction site.

b. Recruitments

Breakdown of hires per age group – payroll employees	2014 ⁽¹⁾
< 30 years old	35%
≥ 30 to < 50 years old	52%
≥ 50 years old	13%

(1) Coverage rate: 100% of employees on payroll for entities present in the Group as of December 31, 2014.

Breakdown of hires per gender – payroll employees	2014 ⁽¹⁾
Women	20%
Men	80%

(1) Coverage rate: 100% of employees on payroll for entities present in the Group as of December 31, 2014.

Technip continues to invest in recruitment for all of the positions offered by the Group, with a strong focus on Project management, as well as experienced technical competencies. Furthermore, Technip continues to focus on the future of its workforce by hiring and developing young graduates. This strategy promotes a greater diversity of abilities and fosters enhanced career management and progression.

In 2014, a third of the recruitments were of employees below the age of 30; among which, 679 were recent graduates (for whom Technip was their first employer) which represented 11% of total recruitments. Half of the recruitments are experienced employees.

An online recruitment tool, which forms part of the HRWeb solution, is used by the Group's entities, to publish all vacancies to employees on the Internal Job Portal. This same tool is connected to Technip's Career Pages on www.technip.com, allowing recruiters to push offers to external candidates where necessary. In 2014, more than 370,000 applications were received, which approximately represents a 28% increase.

■ ACCOMPANYING GROWTH WITH RECRUITMENT

The size and complexity of some Projects cause challenges for Technip's Human Resources.

The majority of the Group's entities face difficulties in recruiting experienced engineers, due to the scarcity of these profiles within the labor market.

To address this issue and to promote growth, in addition to the Job Portal tool for recruitment, the Group had to implement the following solutions:

Use of social media

Technip increased its presence on social media by developing its dedicated careers page on LinkedIn to target new talents. Technip's Corporate page has more than 280,000 followers, of whom 95% are not Technip employees. 24 Technip recruiters hold a license to use LinkedIn and all of them have received dedicated training.

In 2014, Technip created a "careers" tab on its Facebook page. At the end of the year the corporate page counted more than 30,000 fans.

News are regularly published on LinkedIn and Facebook to advertise upcoming recruitment events, such as career fairs and to promote Technip HR strategy and priorities.

Twitter is now also used for attraction and recruitment purposes by sharing one job opportunity per week.

Use of employee referrals

Employee Referral programs are in place in several Group entities (i.e., India, Malaysia, Norway, The Netherlands and the United Kingdom), using Technip's employees and their network to recommend candidates for positions and rewarding them once a recommended candidate has been hired.

Careers fairs and school partnerships

At local level (for example in Abu Dhabi, France and the United States), many partnerships were set up with various universities to inform students about Technip's operations. In 2014, job fairs were organized within universities in North America, Asia and Europe.

Outside of the university world, world forums such as OTC (Offshore Technology Conference), are organized in the United States and give Technip the opportunity to introduce the Group and attract new candidates.

In France, Technip Group has developed a specific partnership with the IFP School which is part of IFP Energies nouvelles. In addition to the local apprentices selected by Technip France, a few students are sponsored to come to France to undergo a combination of academic training within IFP School and placements in Technip entities in France or another European country to provide students with the opportunity to see firsthand the application of theory to a live project environment. Upon successful completion of the program and based on business needs, the students are given the opportunity to join Technip upon their graduation. In 2013-2014, five students were sponsored by Technip.

Throughout 2014, on average, Technip employed 353 interns and 399 apprentices.

“TOP Employer” label

Since 2011, many of the Group’s entities have been certified as a “TOP Employer”. In 2014, 19 entities were awarded this certification, among which eight are in Europe (Germany, Belgium, Spain, France, Italy, Norway, the Netherlands and the United Kingdom), three in Latin America (Brazil, Colombia and Venezuela), seven in Asia Pacific (Australia, China, Indonesia, Malaysia, Singapore, Thailand and Vietnam) and the United States. Furthermore, two continents were declared TOP Employer: Asia Pacific and Europe. Entities and Continents are certified by the Top Employers Institute to reward them for their excellence in Human Resources practices according to five criteria: Primary benefits, Secondary Benefits & Working conditions, Training & Development, Career Development and Management Culture. Data checks and interviews are part of the independent audit process.

■ STRATEGIC WORKFORCE PLANNING

Strategic Workforce Planning is a systematic process for understanding the workforce required to implement future business strategy, by identifying and addressing the gaps between the current and future workforce resources and needs. The main aim is to limit and mitigate risks related to labor shortage for key positions and the need for the ability to staff-up and staff-down in a responsive and nimble manner.

In 2013, a pilot initiative was launched on Workforce Planning, to bring awareness and change mindsets from a reactive to a proactive approach. This initiative was sponsored by the Offshore Senior Management and executed by the local and regional Management of the entities involved, with the cooperation of Human Resources (at Corporate, Regional and Local level).

In 2013, the pilot initiative covered 11 positions, based on criticality, for the Offshore business. In 2014, this was further increased with another 20 positions, covering both Onshore and Onshore/Offshore positions (multi-activity resources).

The results have shown that there is a real business need for a more systematic approach on Strategic Workforce Planning within Technip. Hence, as part of HR 2017, the new Human Resources three-year plan that will begin in 2015, this will be one of the key initiatives.

This initiative will focus on three main elements:

- know Technip’s workforce: aimed at creating a better understanding of our existing workforce using an integrated and systematic approach on workforce analytics;
- anticipate workforce gaps: aimed at developing and implementing a methodology that can forecast the demand and supply requirements of Technip’s future workforce; and
- shape Technip’s workforce: aimed at finding a balance, to ensure that Technip employs the right people, at the right place, at the right time and for an appropriate cost.

c. Departures

Reasons for departures (permanent employees)	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾
Voluntary reasons for leaving (resignations, retirements)	2,284	1,997	2,008
Lay-off/redundancy/dismissal	1,308	597	440
Transfers between entities	195	174	135
Other reasons	206	196	189
TOTAL	3,993	2,964	2,772

(1) Coverage rate: 100% of permanent employees on payroll for entities present in the Group as of December 31, 2014.

In 2014, the increase in lay-offs/redundancy/dismissal is mainly the result of downsizing and restructuring procedures, decreased activity at the Pori construction site in Finland and the impact resulting from the cease of the Offshore Renewables activity in the United Kingdom.

In 2014, the global turnover of permanent employees (14.2%) increased by 3.5 percentage points, mainly due to reorganizations that occurred during the year, such as the sale of Technip TPS, the divestment in Seamec and restructuring in Asia Pacific, the United States and Mexico. The global turnover is the ratio obtained from aggregate departures on average permanent employees in 2014.

In 2014, the resignation rate increased by 0.7 percentage point, especially in Asia Pacific. In others countries, notwithstanding the challenging context, all the measures implemented to retain talents, continued to contribute to limiting resignations, in particular in India, which remains a challenging environment.

Parental leaves

Parental leaves	2014 ⁽¹⁾
Number of employees who were still employed at year-end among employees who returned to work after parental leave, which ended during the previous year (in %)	96%

(1) Coverage rate: 82% of Group entities.

As of December 31, 2014, 96% of the women and men who returned to work in 2013 pursuant to parental leave are still employed at year-end 2014.

3.3. EMPLOYEES' DEVELOPMENT: TALENTS AT THE CENTER OF TECHNIP'S STRATEGY

Recognizing and appreciating talents for them to develop

People lie at the heart of Technip, thus Talent Management is at the core of the Group's Human Resources strategy. Recruiting, developing and retaining talents are the main challenges for the Group's future and relevant HR processes and practices were implemented to meet these challenges.

In terms of talent, Technip faces intense competition, especially in relation to experienced engineers and in several specific expert disciplines.

Hence it is not only important to attract this talent to join Technip, the question of how to engage and retain such talent is even more important. One of the most important elements in engaging and retaining talent is to keep challenging and developing them. This is particularly important as one of Technip's objectives is for the majority of its top managers to be recruited internally. With these concepts in mind, Technip's Leadership teams and the Human Resources department spend time and energy on an ongoing basis to develop Talent Management practices.

Within the framework of "Human Resources without borders", a program that was part of the three-year strategic plan launched in 2009, Technip has implemented a wide range of Talent Management processes, which are performed on an annual basis. Some of these processes are managed as a campaign and others are performed throughout the year. Starting 2015, a new program, HR 2017, the new Human Resources three-year plan, will be launched. It follows three main objectives: (i) preparing for future challenges with initiatives such as workforce planning, competency mapping, deeper succession planning and renewed employer branding; (ii) reinforcing the approach to learning and career development, by strengthening Technip University and improving and extending its programs; and (iii) increasing the focus on work conditions and examining related policies across the world.

All these processes are supported by an HR information system that is accessible to all employees, managers and the Human Resources department, each having access to different levels of information. By having all information available in a system, it is possible to conduct analysis from a Corporate perspective, to share and steer (where necessary) to ensure a correct and consistent application of the tools throughout the entities of the Group. In addition and to support this same aim, Technip has created support documentation for each of the processes that explains the guidelines and objectives and provides continuous training to all stakeholders involved in these processes.

3.3.1. Developing and Keeping Talent

a. People development

■ CAREER TALKS

A Career Talk is a structured discussion between an employee and Human Resources in which the employee can seek further guidance on his/her career, determine objectives for the next steps and define how to get there. A Career Talk can be requested by an employee or can be initiated at the request of a Talent Manager. The other aim is for the Talent Managers to really get to know their key employees, to be able to fully support them throughout their career.

All of the results of a Career Talk are uploaded to the HR information system, such that this information can be used during the other Talent Management processes. In 2014, the Talent Managers performed and captured over 1,500 Career Talks in the HR information system. In 2014, HR met 1,517 employees.

■ INTERNAL JOB PORTAL AND INDIVIDUAL PROFILE

Technip has an internal Job Portal on which all vacancies are posted and where employees worldwide can review and apply easily through the HR information system. Employees may subscribe to job alerts that advise them of open positions within their area of interest. When an employee applies, the application will make use of the Individual Profile completed by the employee.

The Individual Profile is an internal resume in which employees may indicate, among others, their current and previous work experience, education, language skills. This Individual Profile is available to Human Resources for other Talent Management processes, such as the People Review and Career Talks, as it gives background information and an overview of the Career Aspirations (short and long-term), including the employee's mobility aspirations.

In 2014, 3,459 internal applications were recorded.

■ PERFORMANCE APPRAISAL

In 2014, a global performance appraisal process ran for the fifth consecutive year.

Annual performance reviews are performed through a global HR information system that can be accessed by all Technip employees having access to the intranet, either from work or from home. For those who cannot access the intranet (*i.e.*, workers in plants, the ship-yard or spoolbases), an offline process is available, however, the end-rating and the form are processed into the system to ensure that the data is captured and the analysis can be carried out.

The annual performance appraisal campaign is open from November to February of the following year, to all eligible employees fulfilling defined criteria in relation to length of service (more than six months within the Group) and employee status (active status). The performance appraisal form not only includes a review of the performance of the past year's objectives and the setting of next year's objectives, it also includes the following: (i) the evaluation of behavior related to the Group's four Values, (ii) the Learning & Development needs of an individual and (iii) the Career Aspirations, both short and long-term.

In general, the performance appraisal is an opportunity for both manager and employee to have an open and constructive conversation, to reflect on the past year and to discuss the employee's future development path.

The 2014 performance appraisal campaign, closed by the end of February, 2015, covers 26,175 eligible employees. As of the date of this Reference Document, 97.5% of eligible employees had completed their annual appraisal, which represents an increase compared to previous years and reflects a strong employees' involvement in this process.

The review of all these various Sections provides a full overview of an individual's performance and career aspirations. All information is input into the system and can be used during other Talent Management processes.

b. Promoting mobility

Technip continues to promote international mobility as a career development tool and as a way to build "One Technip" with an international and multi-local culture, in addition to its traditional goal of meeting business needs.

Since 2011, a fair and consistent Group International assignment policy has been in place.

Three guiding principles describe mobility within the Group:

- geographic mobility (a move from one country to another);
- functional mobility (a move from one activity or job position or function to another); and
- cross-segment mobility (a move from one segment to another: Subsea, Onshore/Offshore).

After three years of application, a complete review of the Group's Mobility policy and of its impacts was conducted to ensure the adequacy of its conditions. A review was carried out to clarify and optimize mobility conditions, in line with external practices and economic environment. It revealed that consistency had greatly improved and that Group policies had significantly contributed to the "One Technip" objective.

While Technip's expatriate population is similar to the Group's overall population in terms of average age and seniority, the following difference was noted: it counts proportionally twice as much high-performers and high-potentials, which is consistent with using expatriation as a career accelerator. However, gender diversity remains a challenge, as the expatriate population only counts 15% of women.

Mobility flows have globally increased in the past years, in parallel to workforce growth. Various challenges remain, especially transferring further knowledge during expatriation to reduce some Regions' dependence on skills and competencies that are available in others.

Breakdown of expatriates by home office	December 31,		
	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾
Europe	831	785	698
Asia Pacific	332	392	342
Middle East	239	172	177
South America	106	110	78
North America	89	66	72
Russia & Central Asia	9	3	1
Africa	2	2	1
TOTAL	1,608	1,530	1,369

(1) Coverage rate: 100% of employees on payroll.

The aggregate number of expatriates increased by 5%, mainly in Middle East (+39%) and North America (+35%). This increase is justified by the shortage of experts in the different geographic zones, which in turn has induced entities to call upon resources from the Group's entities in other countries.

60 nationalities are represented among the expatriates, which reflects the multi-cultural nature of the Group and 52% of entities assign one or more expatriates to other Group entities or sites.

As shown in the table below, the proportion of expatriates and inpatriates in each geographic zone is rather well balanced, except in Europe where more individuals are sent abroad than are received as inpatriates. This reflects the voluntary mix of cultures and know-how required to meet business needs and to foster career development within the Group.

Breakdown of expatriates and inpatriates by home office	December 31, 2014 ⁽¹⁾	
	Expatriates ⁽²⁾	Inpatriates ⁽³⁾
Europe	51.7%	42.2%
Asia Pacific	20.6%	25.4%
Middle East	14.9%	12.8%
South America	6.6%	7.1%
North America	5.5%	7.8%
Russia & Central Asia	0.6%	0.2%
Africa	0.1%	4.5%

(1) Coverage rate: 100% of employees on payroll.

(2) Expatriates: For an entity, expatriates are staff on payroll assigned abroad under an expatriation or a secondment contract and covered by the Group's International Mobility policy.

(3) Inpatriates: For an entity, inpatriates are in bound assignees sent by another entity of the Group under either an expatriate or secondment contract and also covered by the Group's International Mobility Policy.

5.0% of the employees on the payroll have been expatriated to various countries across the world.

Approximately two-thirds of these employees have been assigned for the completion of a Project (either in offices or on construction sites).

The remaining third are assigned to supporting operations, such as procurement, finance, information technology, legal and human resources departments. Since 2009, this “in-structure” mobility has increased steadily (+88%). This confirms the Group’s commitment to the development of talents and ensures the succession of certain key positions that require a broad experience of the Group’s jobs and functions.

The Group’s Mobility Process is also supported by the Internal Job Portal, as previously indicated.

c. Encouraging training

One of the main pillars to employee development is the corporate university. Technip University is a cross-regional organization dedicated to developing and nurturing knowledge and talent.

Its strategy is to develop employability in three key areas: Project Management; Leadership and Technical. The University’s talent development programs are tailored to the talent management strategy and embedded in supporting processes. The University supports the delivery of transversal learning programs, for example on quality or risk management.

A Technip University Network, represented throughout Technip’s Regions, manages the delivery of corporate programs to employees across the Regions and shares best practices. Skill-building for particular product lines is conducted by training organizations in Technip entities. Responsibility for training contractors and subcontractors rests with the entities.

Learning and development activities usually fall into the following categories: learning from experience, learning from others and learning from training.

Summary of Technip University’s Three Leadership Programs

Program	From Experience	From Others	From Training
Project	On-the-Job activities Do-it-Yourself Development Manual	Knowledge Transfer	Classes
Technical	Project Assignments	Expert Forums	Classes e-Learning
Managerial	Assessments Development Plans Action Learning Projects	Peer coaching Interactions with <i>senior</i> executives	Classes Webinars

■ PROJECT LEADER DEVELOPMENT PROGRAM

Technip is an engineering company and is facing new extraordinary challenges as its business is stepping to new territories, technical challenges in two segments and higher expectation from its clients. Its important assets are its field-tested expertise and its human capital. Project Management population is the cornerstone of Projects execution excellence.

“Meet challenges” is one of the targets set by HR 2017, the new Human Resources three-year plan. To reach such target, priority is to reinforce Project management competencies and improve Project execution. In 2014, Technip organized regional Project Management (PM) days, pursuant to those held in September 2013. In those two to three days events, Project managers gathered together to share regional strategy and important messages from top management, to discuss, among others, strategies for improving management skills, ensuring QSHE success in Project execution, controlling Project risks, improving efficiency and reducing cost. In addition to presentations from Top Management, workshops and fairs, Fellow Executive Project Directors and Senior Project Management shared and transferred their experience in Project execution.

All members of Technip’s Project management job family are invited to participate in the Project Leader development program. The program is based on a competency framework for Project managers. Employees assess their competencies and select activities that will close the gaps between their current level of competence and the standard set.

Learning from Experience: Through the company’s intranet, the University provides a “Project Management Development Planner”, a reference catalog of on-the-job developmental activities for each competency in the framework. The University recommends develop-in-place assignments that employees can undertake while in their current position.

Learning from Others: To meet the Group’s growth targets, the University is charged with accelerating the development of some employees. To do this, Technip University sponsors a knowledge transfer project to shorten the learning cycle. Project management experts help the next generation of Project Directors to build skills by using customized skill development plans. Once the skills in one knowledge area have been acquired, employees move on to another expert and a new knowledge area. This process ensures the aspiring Project manager has the foundation required to take on assignments with a larger scope.

Learning from Training: The program makes available training that can lead to international Project management certification.

■ TECHNICAL LEADER DEVELOPMENT PROGRAM

Technip wants its employees to get promoted to technical leadership positions.

Learning from Experience: Technical specialists are assigned to work on Projects where they can build technical skills on-the-job.

Learning from Others: In conjunction with Technip’s College of Experts, the university facilitates expert forums where know-how is shared among participants.

Learning from Training: All employees are invited to take technical training courses, most of which are offered by Technip's entities around the world. The focus of these courses is to teach employees about the Group's products and services and empower them to develop their technical skills.

■ MANAGERIAL LEADER DEVELOPMENT PROGRAM

For those employees whose career aspirations include taking on general management positions at Technip, the University oversees a development program based on the company's leadership traits. The qualities that Technip requires from its future leaders are clearly defined and summarized by the six Technip leadership traits: (i) being enterprising; (ii) driving profitable execution; (iii) being a role model in respect of HSE, compliance and diversity; (iv) leading people courageously and effectively; (v) making strategy happen; and (vi) fostering cross-border collaboration. These leadership traits, along with the Group's core values, are the foundation of the Technip University's Managerial Leadership Development Program.

Learning from Experience: A series of assessments that examine what a future leader has learned on the job are undertaken and the results form the basis of development plans. Future leaders participate in a cross-regional action-learning project on a specific business challenge.

Learning from Others: Future leaders benefit from peer-coaching and their interactions with the executive sponsor of their action-learning project.

Learning from Training: Since 2005, a flagship leadership event which provides skill-building has been held annually. Participants also attend webinars.

■ GROUP LEARNING MANAGEMENT SYSTEM

In 2014, the Group launched a learning management system in its HRWeb system. E-learning in a range of technical and functional topics is available to staff on payroll and contracted personnel according to need. Learning evaluation and certification may be completed online. Learning activity completed on the Group LMS is held on the employee's personal record.

The Group LMS is in pilot phase with Technip University and two participating entities. The purpose of the LMS is to provide a global tool for the selection, approval, management and recording of training activities.

Training of employees on payroll	2014 ⁽¹⁾	2013 ⁽³⁾	2012
TRAINING HOURS BY GENDER ⁽²⁾	901,808	801,392	863,714
Women ⁽²⁾	218,213	194,921	N/A
Men ⁽²⁾	683,595	606,471	N/A
TRAINING HOURS BY TOPIC	973,449	874,472	863,714
Technical training	297,080	301,162	226,864
Non-technical training (including management, cross disciplines, IT and certification)	309,557	216,895	294,770
Project management training	28,051	22,990	N/A
Health, Safety, Security (including "Pulse" training)	210,508	234,769	204,092
Languages	77,168	76,397	101,223
Human rights, ethics and Technip values awareness training	29,525	22,259	36,765
Others	21,560	N/A	N/A
NUMBER OF EMPLOYEES ON PAYROLL WHO BENEFITED FROM AT LEAST ONE TRAINING DURING THE YEAR	25,678	25,153	23,402
Women	6,509	6,622	5,635
Men	19,169	18,531	17,767

(1) Coverage rate: 99% of employees on payroll.

(2) Excluding "Pulse" hours.

(3) Adjustments made with reference to the 2013 Reference Document.

In 2014, the number of training hours increased by 11.3% (i.e., +98,977 training hours) compared to 2013. Training was more focused on non-technical training including management, cross disciplines (e.g., finance, communication skills and intercultural behavior), IT and certification.

In 2014, the number of women trained slightly decreased, but the annual average of training hours per female staff employee increased by 14% (i.e., 34 training hours per year) which is close to the annual average per male staff employee (i.e., 36 training hours).

Technip University delivered 6,918 hours of classroom training. Compared to 2013, the decrease by 1,500 hours is due to the new calculation of the classroom training hours, which does not take into account the time spent during lunch and break times, considering this is not part of the "classroom learning event".

In 2014, a total of 4,630 e-learning hours were issued by Corporate. In 2014, new e-learning, such as Malaria awareness and Global Quality program, contributed to an increase in these hours.

In 2014, an average of 80% of the employees attended training sessions (compared to 79% in 2013).

3.3.2. Talent Management: Organization and Processes

■ TALENT MANAGEMENT NETWORK

In 2014, Technip continued to strengthen the Talent Management Network (initiated in 2010) with monthly Development Committee meetings with all the Regional Talent Managers. During these meetings, Talent Management related topics were discussed, best practices were shared, potential fits between individuals and positions were reviewed and follow-up actions agreed.

The dedicated Talent Management tool (“Mercato”), developed in 2013, continued to be used to post and review business critical vacancies and available key people by the Talent Management Network to ensure efficient and effective follow-up.

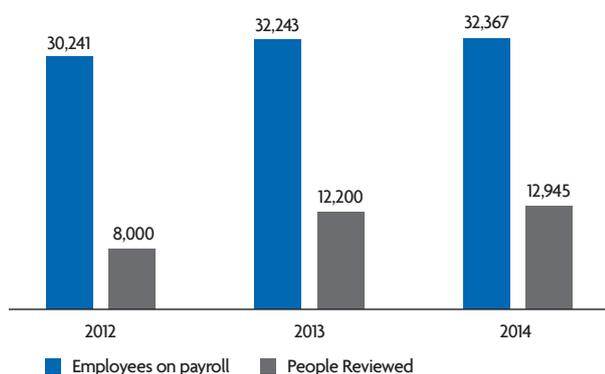
These actions were taken to further improve, stimulate and increase internal mobility and thus Talent development within the Group.

■ PEOPLE REVIEWS

Between April and July of each year, Leadership teams from all entities, Regions or Corporate conduct People Reviews. In coordination with the Human Resources department, these teams evaluate the potential, performance and career opportunities for each management team member, high performer and key employee. This process allows the Leadership teams to identify and track talents who may become future Technip leaders. It provides a better understanding of the current potential of these talents, with a focus on their short and long-term development.

It draws attention on the business issues identified in the Strategic Plans of each segment, region and entity of the Group and highlights their requirements in terms of talent management. This People Review process is forward-looking in its approach and it provides a clear overview of the Group’s High Potentials, their development and their potential next positions.

In 2014, Technip conducted a large People Review campaign within the Group, covering almost 40% of the employees on payroll, *i.e.*, 12,945 people reviews.



Reviews have shown that the Group’s pool of senior executives is stable, as well as increasingly international, with most key positions held by non-French managers. The organization has proven capable of revealing talent within the Group, with more than

two-thirds of key positions filled by internal promotions. This policy has also strengthened the use of career talks, adopting a complementary approach to existing annual assessments, with a greater focus on personal development.

In 2013, more than 2,730 staff members were promoted, *i.e.*, 9.5% of the permanent employees.

■ SUCCESSION PLANNING

Succession planning is a review and an inventory of skills that enables Technip to secure succession for these key and critical positions for the future.

In 2014, a strong focus was made on the succession planning for key senior positions across the Group and the identification of reservoirs of talents for five core positions (senior executive management, operations management, business development, executive Project management and country managers).

The results of the People Review process are strongly linked to the succession planning for key positions.

This review and inventory of skills, combined with the diversity of the Group’s businesses, its population and presence in 48 countries, allows Technip to offer their employees opportunities for professional development as well as customized careers and to secure the succession for these key and critical positions for the future.

■ JOB CLASSIFICATION

When it comes to managing careers, a Group like Technip needs a common language to ensure the best level of fairness and transparency in Talent management. The Group’s job classification does just that – it helps proposing meaningful career paths, whatever the employee’s department or location.

2014 was a turning point for the job classification project, a project that started as part of the “HR without Borders” program. In 2013, Technip had rich and positive discussions with the social partners (trade unions and works councils) and received a renewed approval from Technip’s senior executives for such a project. In 2014, extensive consistency checks were performed, support material for the roll-out of employees, managers and HR was finalized and such roll-out has started and will end in 2015. The communication roll-out is scheduled through the following three waves:

- communication to the Group’s top management was successfully completed;
- communication to all managers is ongoing; and
- communication to all employees is scheduled to be further completed in 2015.

This approach allows each wave to ensure consistency across all of the Group’s entities.

■ RETENTION

Losing an employee is always a failure. The Talent Management practices contribute to employee retention by improving employee engagement. For example, as described earlier, Technip considers that career talks are an opportunity for discussions in relation to career development and a right for all of its employees.

In 2014, Technip continued to offer long-term employee incentive plans consisting mainly of cash plans designed to develop loyalty and improve retention.

Additionally, HR information system alert module (implemented in 2010) helps anticipate the risk of attrition in the Group as well as taking all measures needed to retain employees within the Group. This alert module is primarily focused on individuals in critical positions, the Expert community and Technip's high potentials for whom a departure from the Group would affect the business. The identification of critical positions is an annual process in which the entities reassess the identified critical positions (e.g., difficult to recruit for) of previous years and update where needed.

In 2014, 249 alerts were raised and, in 43% of these cases, the employee was encouraged to continue his/her career at Technip.

Another retention measure is to retain talents hired under fixed term contracts: in 2014, 573 fixed-term contracts were converted into permanent contracts, demonstrating the continuous Group's willingness to retain talents.

3.4. DIVERSITY AND EQUAL OPPORTUNITY

3.4.1. Promoting Diversity

Gender diversity as a strategic business priority

Gender Diversity is an integral part of Technip corporate culture. In 2014, initiatives aiming to offer female employees a genuine possibility to realize their full potential demonstrate Technip's commitment. Gender Diversity is a strategic business priority for the following reasons:

- Technip's future success is dependent on Technip's ability to attract and retain skilled and talent. Tapping into the widest talent pool that includes an increasing number of qualified and competent women across the world is a real business strategy.
- A wealth of research shows that companies with the best performance, increasing Return on Equity (ROE) ratios and shareholder value are companies with the most gender diverse teams at the executive level (source: McKinsey & Company 2010 Study of the Amazone Euro Fund Database).
- Technip's stakeholders – including governments, investors, clients and current and potential employees – are increasingly focusing on gender composition at all levels of the company as a key indicator, both from a business and moral perspective.

This priority is value-driven at the foundation and adheres with three of Technip's four core values: doing the right thing; a fair return for all; and building the future.

Management of this strategic business priority

This strategy was implemented through a plan approved year-end 2013 and implemented at the end of 2013 with actions beginning in 2014.

■ GOVERNANCE, ORGANIZATION AND RESOURCES

- The Chairman and CEO set out his personal conviction and commitment – internally and externally – to making Gender Diversity one of Technip's strategic business priorities going forward.
- The Board includes five women out of 12 members which illustrates the Group's commitment to gender diversity at the highest level.
- In 2013, the position of Vice-President Group Gender Diversity was created to reflect this commitment and start the process.
- A Governance Structure was put in place with a Gender Diversity Steering Committee and an Advisory Committee.
- The Steering Committee – which meets quarterly, to decide and take actions – is made up of the following:
 - two members from Technip's Executive Committee (the Group Human Resources Director and the President North Sea Canada Region);
 - the Group SVP Business and Technology Offshore;
 - the Director Marine Asset Operations (Subsea, Brazil);
 - the SVP and Group Chief Compliance Officer; and
 - the VP Group Gender Diversity.
- The Advisory Committee, which provides ideas and direction, is made up of representatives from all Regions and different levels of the organization.
- In 2014, two regional Women's Networks were developed and promoted:
 - **WITH** (Women Initiatives for Technip): a network dedicated to diversity in Technip France. The network is organized into workgroups around four key topics on diversity: how to engage men in the promotion of women; how to encourage women to be self-initiating in developing their careers; how to animate the network; how to benefit from external initiatives and networks;
 - **STRIVE** (Supporting Technip to Reach Its Vision for Equality): an employee member group, initiated in Technip Oceania. It is led by a nine-person committee to increase diversity and foster equality through five focus area groups: (i) Accreditations and Affiliations; (ii) Events and Networking; (iii) Procedures and Benefits; (iv) Mentoring; and (v) Training and Development. In February 2014, its launching event was held in Perth where commitment to certain local actions was shared. This initiative won the Jacques Franquelin Award, an annual Group event, for the category "Encouraging a fair return for all". The return on investment will see empowered, engaged and trusting teams, which in turn ultimately results in overall business, increased innovation, improved problem-solving and decision-making by the business, being a differentiator to competitors, improving reputation among customers, accessing a wider range of talent and retention of employees.

■ STRATEGY AND ACTION PLAN

A strategy and action plan for 2014 was endorsed by the Steering Committee with three main aspects: awareness raising, communication and measurement and tracking. The Action Plan for 2015 – based on the same strategy – was endorsed by the Steering Committee and will build on the actions taken during 2014.

■ AWARENESS RAISING

- A target setting to carry out Gender Intelligence workshops with the Regional Executive Committees of all Regions in Technip was completed by July 2014. The purpose of these workshops was to create a common understanding of the importance of this topic, to create a shared language around Gender Diversity and to identify the critical levers to becoming a Gender Intelligent organization. A total of 104 senior leaders in the organization participated in these workshops.
- Embedding Gender Intelligence in all recruitment processes and practices was identified as one of the critical levers for a Gender Intelligent organization and the Action Plan for 2015 will include training for those involved in the recruitment process to ensure that they apply this awareness to sourcing, interviewing and selection.
- In 2014, an initial 'Train the Trainer' workshop took place to bring capability and knowledge in house to cascade the Gender Intelligence workshops to the next level of managers. A cascade plan was initiated in three geographic zones (North America, Asia Pacific and the Middle East) in 2014 and will be extended to all Regions in 2015, following a further 'Train the Trainer' session. In 2014, the cascade to the next level of managers included 325 participants.

■ COMMUNICATION

During 2014, an internal and external communication plan was put in place and implemented to make visible and reinforce Technip's commitment to Gender Diversity, as follows:

- A Global visual identity was created for all internal and external actions and communication materials on Gender Diversity – "Gender Diversity at Technip".
- The July 2014 edition of "horizons" – the internal Technip magazine – focused on Gender Diversity featuring the overall strategy, action plan, internal women role models, gender diversity partners and key actions to date.
- In June 2014, Technip was a sponsor of the Global Summit of Women in Paris.
- On September 29, Technip held its first global Gender Diversity Forum in Paris attended by Technip leaders, Presidents and representatives from all Regions and external guests, including two of Technip's clients and partners on gender diversity

actions. The purpose of the forum was to share what had already been implemented in the Regions, to help create a common understanding and gender-inclusive language and to create a vision for the future of Gender Diversity at Technip. The Forum was also the opportunity to celebrate some of the excellent achievements of women at Technip.

■ EVALUATION: MEASUREMENT AND TRACKING

To evaluate the effectiveness of Technip's approach to Gender Diversity, the following actions were taken as part of the strategy:

- During 2014, Technip implemented Phase 1 of an assessment and certification process with an external global business standard for gender equality (EDGE – Economic Dividends for Gender Equality). Three countries participated – Brazil, France and Italy. The process involved collecting gender related data, completing a policies and practices questionnaire and an employee survey. As a result, Technip obtained certification (through independent external auditors) against this global standard and action plans were put in place to track future progress. In 2015, Phase 2 of this initiative will be launched to include Abu Dhabi, North America, Australia, Malaysia and the United Kingdom.
- In relation to the retention of female talent, the EDGE standard is: "60% of women in junior management should progress to top management". Technip aims to achieve this standard by year-end 2016 for countries Phase 1 (Brazil, France and Italy).

During 2014, an internal analysis of gender related data was carried out, where with the following KPIs were measured:

Breakdown according to gender	December 31,		
	2014 ⁽¹⁾	2013 ⁽¹⁾	2012 ⁽¹⁾
Managers ⁽²⁾	3,710	3,747	3,337
Women	19%	19%	18%
Men	81%	81%	82%
Non Managers	24,723	26,108	24,061
Women	29%	27%	27%
Men	71%	73%	73%
Blue Collar employees ⁽³⁾	3,934	2,388	2,843
Women	4%	7%	5%
Men	96%	93%	95%
TOTAL	32,367	32,243	30,241
Women	25%	25%	24%
Men	75%	75%	76%

(1) Coverage rate: 100% of employees on payroll.

(2) Employees who appraise subordinates in accordance with the "Human Resources Without Borders" program.

(3) Employees who perform physical work. Support services such as drivers, security guards and other service staff are included. A blue collar employee with a management role, as defined above, will be qualified as a "Manager".

Breakdown by geographic zone	December 31, 2014 ⁽¹⁾	
	Women	Men
Africa	149	642
Asia Pacific	2,143	6,519
Europe	3,113	8,218
Russia, Central Asia	131	157
Middle East	297	2,057
North America	1,003	2,735
South America	1,139	4,064
TOTAL	7,975	24,392

(1) Coverage rate: 100% of employees on payroll.

In 2014, the percentage of women increased in the Middle East (+1.9 percentage point), North America (+1.3 percentage point) and Europe (+0.6 percentage point).

3.4.2. Promoting Cultural and Ethnic Diversity

The Group focuses on its broad cultural and ethnic diversity, which it constantly promotes and develops throughout its entities through the internationalization of its teams, multicultural programs and international mobility.

In 2014, 118 different nationalities were represented in the Group (compared to 114 in 2013 and 109 in 2012). The most represented nationalities in the Group were French, Indian and Brazilian.

Four of the Group's entities have employees representing at least 40 different nationalities (in the United Arab Emirates, the United States, France and Norway).

3.4.3. Equal Opportunity

a. Providing employment to people with disabilities

Technip continued to support initiatives in favor of people with disabilities. Compared to 2013, the number of employees with disabilities has risen from 0.8% to 0.9%. The registration of disabled people varies according to local legislation and relies upon voluntary declarations, which may result in a lower number of disabled people being recorded.

In 2014, 281 people were recorded as disabled in the Group. Disabled workers represent 0.9% of employees Group-wide on payroll and in particular:

- 5% in Italy where the Technip entity complies with legal obligations, due to last years initiatives;
- 4% in Germany;
- 3% in Belgium;
- 3% in Brazil, where, in 2014, the number of disabled workers increased by 12% and represents the highest number of disabled employees in the Group (104 persons). Brazil aims to achieve local legislation in this field; and
- 2% in France.

For maximum efficiency, the Group targets its efforts locally.

For example, in 2013, after the end of the two-year agreement with AGEFIPH, Technip France entered into, in the same year, a three-year agreement with trade unions in relation to the employment of persons with disabilities.

In 2014, the second year of the roll-out of the agreement, the main actions undertaken in this entity were as follows:

- Four disabled permanent employees and a trainee were recruited. Five employees may be retained in their current positions as the offices have been adapted to accommodate their disability;
- Partnerships with the sheltered sector, service providers that employ exclusively disabled persons were strengthened due to the involvement of various company roles and in particular a dedicated buyer for relations with service providers and suppliers from the sheltered sector;
- Awareness campaigns directed at all employees have been implemented through internal communication tools and through seminars. Employees showed increasing interest by not only attending the meeting, but also through active participating;
- Technip has participated in 13 specialized "job dating events" and forums to bring together Technip's recruiters and disabled job applicants;
- Training sessions in relation to best practices have been organized by "Mission Handicap" and run by ADAPT (Association for the social and professional integration of the disabled). These sessions will continue in the future, since they facilitate and personalize the integration process, both for the employee starting in the Company and the Department who welcomes him/her;
- Such initiatives for employees' awareness were appreciated by the staff. Hence, three of them took the opportunity to be officially recognized as disabled by the company. This recognition allowed them to benefit from various technical devices to reduce the impact caused by their disability.

b. Retaining senior employees to ensure knowledge transfer

Intergenerational Human Resources management is at the heart of social responsibility: it is crucial to ensure the development of junior employees as well as to value and capitalize on the knowledge and expertise of senior employees. Their combined experience and knowledge is a priceless asset that the Group cannot afford to lose.

For several years now, the goal has been to create pathways of knowledge transfer. 6% of Technip's workforce is over the age of 60. The Group will continue its efforts in this area.

Moreover, in 2014, the number of employees hired over the age of 50 represented 819 employees, i.e., 13% of total hires.

In 2013, Technip entered into a Group-wide framework agreement with a personnel agency. The objective was that the agency would provide expert Offshore resources to the Group for various purposes such as training, special missions and relations with partners. The resources are generally retirees from the Group available for Offshore purposes and represent a pool of 40-50 experienced individuals.

Moreover, in 2013, the Sustainable Development Department initiated a relationship with several Technip retirees to give them the opportunity to be involved in social initiatives in favour of education of local communities where Technip operates (knowledge transfer in particular).

3.5. COMPENSATION AND BENEFITS

3.5.1. Salary Policy

Compensation within the Group is managed at Regional level.

Group and entities offer motivating compensation packages to attract and retain talent. International salary surveys, in relation to specific professions and sectors, are performed annually and are used to ensure that the Group maintains a favourable position compared to the market.

The Group's grading system will help in designing and offering state-of-the-art remuneration policies in most of the countries where Technip operates. The roll-out of the job classification system begun in 2014 and will end in 2015. Global annual salary surveys continue to be held annually. Technip continues to offer long and short-term incentives based on performance driven plans (with individual and collective targets). Managers have a vested interest in the success of its businesses/segments and the Group as a whole.

Initiatives are put in place to avoid a salary gap between men and women within the same professional category (if any) and to analyze the positioning of specific job families (the Project Management job family for example) compared to the internal and external market. Studies and actions conducted within Technip's entities in the field of professional equality, particularly in relation to pay, promotion to positions of greater responsibility and the distribution of individual performance levels.

3.5.2. Compensation, Change in Compensation and Social Security Costs

a. Compensation and change in compensation

The Group's payroll expenses increased from €1,654.8 million in 2013, to €1,769.8 million in 2014. The Group's social security costs increased from €308.5 million in 2013, to €315.4 million in 2014.

All of the Group's entities have declared that employees on payroll are paid above the applicable minimum guaranteed wage in the country where they operate.

b. Employee incentive and profit-sharing schemes

Pursuant to applicable law, French companies within the Group with at least 50 employees and that generate sufficient profits must distribute a profit-sharing amount on the Company's result to their employees. For financial year 2014, the total profit-sharing amount to be paid in France was estimated at €6.2 million. Each company negotiates and enters into a profit-sharing agreement. The profit-sharing amounts distributed can be transferred to the Group Savings Plan ("*Plan d'Épargne de Groupe*", or "PEG") or the Group Pension Savings Plan ("*Plan d'Épargne pour la Retraite Collectif*", or "PERCO").

Profit sharing In thousands of Euro	December 31		
	2014	2013	2012
Amounts allocated to incentive profit sharing (France, Spain, Italy)	21,990	15,449	19,715
Amounts allocated to mandatory profit sharing (France)	6,280	5,253	16,875

■ INCENTIVE PROFIT SHARING

For financial year 2014, several of the Group's French companies had an incentive profit-sharing agreement in place: Technip, Technip Corporate Services, Technip France, Flexi France, Seal Engineering, Cybernétix and Technip Normandie. Calculation methods vary for each company according to their business. The amounts distributed can be paid directly to the employee or transferred to the Group Savings Plan (PEG) or the Group Pension Savings Plan (PERCO).

Employees from the Italian and Spanish companies, Technip Iberia and Technip Italy, also benefit from a similar profit-sharing mechanism.

For financial year 2014, the total amount of incentive profit-sharing paid in the Group's subsidiaries was approximately €21.9 million.

■ GROUP SAVINGS PLAN – EMPLOYEE SHARE OWNERSHIP

The Group Savings Plan (PEG) was implemented in 2003. It was amended several times with the last amendment being made as of March 9, 2012.

Its purpose is to enable employees to build, with the help of their Company, a collective portfolio of marketable securities and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings. As of December 31, 2014, the total amount invested in the PEG amounted to €147.6 million, including €60 million in the form of employee shareholding.

At any time during the year, members may invest into the PEG and can choose between the various Company mutual funds ("*Fonds Communs de Placement d'Entreprise*", or "FCPE"), whose portfolios are invested in shares, bonds or monetary instruments pursuant to a management strategy to achieve a specific investment goal. One of these funds is fully invested in Technip's listed shares thereby allowing employees to be associated with the Group's development.

Other FCPEs created within the PEG are dedicated to share capital increases reserved for employees, including employees of foreign companies that have joined the PEG. The PEG provides a common framework for all Group companies that have joined in terms of the payments that can be made, the means by which Company profits can be shared, investment options and general operating regulations.

■ GROUP PENSION SAVINGS PLAN

In 2006, the Group Pension Savings Plan (PERCO) was implemented. It was revised pursuant to an agreement dated as of February 10, 2011. It is open to employees of the French companies of the Group that have joined the PERCO.

Its purpose is to enable employees to build, with the help of their Company, pension savings and to benefit, where applicable, from social security and tax benefits applicable to this form of collective savings. As of December 31, 2014, the total amount invested in the PERCO was €34.6 million.

It comprises various Company mutual funds ("FCPE") whose portfolios are invested in shares, bonds or monetary instruments depending on the management strategy chosen by each employee.

3.6. SOCIAL RELATIONS

3.6.1. Strengthening social dialogue

Technip has developed a culture which is based on the values of trust, mutual respect and dialog. In order to turn this culture into a competitive advantage for Technip, the Group's HR policy provides a frame of reference regarding information of personnel, relations with trade unions and other employee representatives and transparent discussions with employees.

Information of personnel

Due to Technip's information system, all employees receive the same level of information at the same time. For example, all external press releases are immediately shared with personnel by email.

The Group's "horizons" magazine is distributed every quarter to all employees in three languages (English, French and Portuguese). Each issue of the magazine has 24 pages containing substantive articles and photo quality prints. The magazine features reports on the Group's strategy, promotes the work and achievements carried out by Technip's different operations and geographic regions and reinforces the "One Technip" collegiate culture.

The fortnightly "Technip in motion" e-newsletter, launched in April 2008 and published in three languages, provides a snapshot of the Group's Projects and achievements throughout the world.

The Group's intranet site contains all relevant information in one place about standards, procedures and Technip operations. The Group's intranet site is supplemented by local intranet sites for most of the Group's entities, in addition to specialized intranet sites which deal with subjects such as HSE (Health, Safety and Environment) and Human Resources. As part of its knowledge management initiative, Technip uses a collaborative intranet site which makes it possible for communities of technical experts to share best practice, know-how and key documents. Instant messaging and teleconferencing are available to facilitate discussions.

Labor relations and collective agreements

Collective or individual labor relations are ruled by the local applicable law, collective agreements, the Golden Book (Technip Group Management Principles and Responsibilities) and the GOPS (Group Operating Principles and Standards) issued at Group level. All entities must comply with the Group's internal rules, which are available on the Technip intranet site.

In 2014, 40 collective bargaining agreements were entered into in respect of 14 entities. 174 agreements were in force within 24 entities. The agreements cover the following topics:

Topics included in the 174 agreements	% vs. total topics
Working conditions	24%
Remunerations	23%
Health and Safety	20%
Equal opportunity	19%
Training	14%

The percentage of employees in the Group who are governed by mandatory collective agreements varies according to country. In the countries that have entered into ILO convention No. 98 ⁽¹⁾, 58% of the employees benefit from collective agreements.

Company agreements in France

Technip entities in France have works councils, employee representatives as well as Health and safety committees. In 2014, 235 meetings took place which can be broken down by the following:

Breakdown of meetings by their nature	2014
Works councils	88
Employee representatives	83
Health and safety committee	64
TOTAL	235

As a result of these meetings, 21 entity-wide agreements were entered into in 2014. These agreements covered matters such as annual negotiations on wages, teleworking and work schedules.

European Works Council (EWC)

The EWC set up in 2005 includes 14 employee representatives in respect of 10 European countries and meets twice a year. In 2014, the meetings discussed and organized specific workshops on the Group's international mobility policy and the transfer of knowledge within the Group. The EWC has an intranet site which has been available to employees in represented countries since 2008.

Consultations/Negotiations with trade unions about changes to the organization's structure

In France, several reorganization projects have been put into action in respect of Technip's various legal entities in 2014.

On April 30, 2014, Technip sold its subsidiary Technip TPS, which had a headcount of 96 to WSP Group, a Canadian Group. After three consultation meetings, the Work Council unanimously approved this sale.

Flexi France purchased land surrounding the Le Trait plant from Cometra. In parallel, on January 1, 2014, all 28 former employees of Cometra joined Flexi France's payroll.

In France, following consultation with the Works Council and Committee for Hygiene, Safety and Working conditions, some re-organization steps took place. These steps did not result in the reduction of the headcount in respect of some entities. On June 1, 2014, five employees working for Technip Corporate Services' accounting department were transferred to Technip France. On October 1, 2014, four employees working in Finance and Planning Departments moved from Technip France to Technip Corporate Services.

In Lyon, 180 employees were able to move into a second building. Consultations were held in 2013 regarding this project.

(1) In countries that have entered into ILO convention No. 98: Right to Organize and Collective Bargaining Convention.

In the **Subsea segment**, from July 1, 2014, Cybernétix and Cyxplus operate under the Technology Center of Rueil.

A restructuring plan started in 2013 in respect of **Technip Offshore Finland** and also covered the year 2014. At the end of the year, 160 employees were temporarily laid-off. Visibility as to what will happen in 2015 is still uncertain.

Technip Offshore Wind, is specialized in Offshore Renewables activity in the United Kingdom and employed 200 persons in early 2014. As a result of the unfavorable market for this type of operation and the non-profitable nature of Technip Offshore Wind, Technip decided to stop this operation. During mid-2014, a collective consultation took place regarding the proposal to close down the operation after completion of its current commitments. In parallel, 20 employees were able to be transferred to other entities within the Group.

Encouraging transparent discussions with employees

Following the release of Technip's annual results in February 2014, an online chat was organized to enable Technip employees to speak directly to Thierry Pilenko, Chairman and CEO and Julian Waldron, Group Chief Financial Officer. For one hour, the two Group leaders answered questions. Their responses were published in English, French and Portuguese.

This initiative which started in 2012 and was repeated in 2013 and in 2014 has raised sustained interest across Technip: 4,300 employees connected to and followed the online discussion and over 320 questions were raised during this online event.

A transcript containing questions and answers from the online discussion was made available to all employees after the event and was published in three languages. This allowed employees who were unable to attend the online discussion to access the transcript afterwards. More than 4,500 employees accessed and read the transcript.

Initiatives of this type are designed to promote direct and interactive communication between employees and the management team. They give employees the opportunity to ask their questions directly, as well as to gain insight into the Group's 2014 performance and its forecasts and priorities for 2015. It is also a great opportunity for teams to better understand the Group's strategy, to seek clarifications and to allow employees to express their ideas and concerns. Overall, it is a good way to get people talking internally, as required by the "One Technip" approach.

The **Jacques Franquelin Award** is an annual Group event, which has taken place since 2000 and is intended to encourage and reward those who, by fully living and applying the Group's values, contribute to the company's dynamism and development across all fields. The Award symbolizes the spirit of competition and diversity within Technip. It also enables Technip, as an international and growing company, to have a single recognition scheme which motivates people to implement initiatives and contribute to the One Technip spirit.

Twenty five prizes are available every year. Since 2000, a total of 2,325 entries have been submitted and 284 awards have been given out.

Four years ago, Technip conducted its first internal survey about the Technip brand. From the information collected, Technip renewed its brand identity which is now based on its vision, mission and four Values.

In 2014, the survey was reconducted internally to measure Technip's progress, in particular, regarding how Technip expresses itself through its stakeholders and how the company is perceived by employees. Entitled "2014 Technip Brand Identity survey", it offered employees the opportunity to share their views on the state of our brand. 6,230 employees participated in the survey, which represented a response rate close to 20%. The employees highlighted positive improvements made since the 2010 survey in their answers and specifically expressed their understanding of and commitment to the Group Values.

3.7. HEALTH: RISK PREVENTION AND ENCOURAGING WELLBEING

The health of Technip's employees and persons affected by its operations is a core value and absolute commitment for Technip. As the Group operates in different countries with specific environmental conditions, operations and regulations as well as exposure to work-related health hazards, it is essential to have a health management system in place to safeguard employees' health.

Since the end of 2011, the health strategy has been based on a Health Management Plan, a formal document which defines Technip's standards and required occupational health practices to improve the health prevention and promotion of health at work. The implementation of the Health Management Plan started in 2012. Guidelines (GL) and tools in respect of the HSE requirements have been published to support the management of HSE and HR. The GL currently available cover subjects such as medical management on construction sites and vessels, Health Risk Assessment, a medical emergency response plan and first-aid training and fitness to work abroad.

Standards and guidelines are continually reviewed to make sure they remain appropriate in promoting regular improvements.

At Group level, a medical doctor and medical officer coordinate health management. They also work with the Regional medical, HR and HSE global networks across the Group.

The medical department manages medical information on the Technip Group intranet site. This site provides health alerts, news, country-specific information, information on diseases and information on prevention which are regularly published and updated. It also provides information relating to specific health events: the Technip world health day and WHO (World Health Organization) international days such as for diabetes and HIV.

In specific cases, the medical department can produce e-learning training, such as on malaria awareness. This e-learning training is available to everyone and is specifically targeted at travelers, expatriates and those living in endemic areas.

2015 objectives

- Pursue the long term strategy for Health Management in the Group's business operations;
- Further improve the implementation and follow-up of health risk assessments on all sites across the Group;
- Start the health surveillance process where necessary, following health risk assessments; and
- Improve the quality of the reporting of the health performance indicators described in the Group's processes.

Group-wide health management plan implemented

Evaluating workplace health risks, including psychological factors, has been at the center of the Group's occupational health strategy. It is essential to properly identify all health risks relating to conditions at the workplace regardless of the nature of the work (e.g., environmental asbestos exposure on a construction site or muscular-skeletal disorders in the office) to implement the best preventive measures.

The GL, released in 2012, helped a number of sites to set up their health risk assessment (HRA) in 2013 and 2014 by providing them with tools to do so. Other sites will continue to implement the GL in 2015.

The principle of the HRA is based on different steps: the first step is to identify the health hazards in each workplace and to assess their potential impact on health and the second step is to identify groups of employees exposed to such risk. The third step consists of an action plan to implement all types of mitigation and prevention steps, in addition to the assessment of the level of residual risks (Technip risk Matrix, which is part of the risk management of the company). Step 4 consists of risk monitoring and controls. Each HRA will be updated annually (step 5). Every Technip site (including offices, construction sites, yards, factories and vessels) must work on their local HRA.

All information, including the findings, is reported in the Health Risk Assessment table (or equivalent document). This is to ensure that employees can benefit from the best risk-based health surveillance, in accordance with international recommendations and national regulations.

The purpose of health surveillance is to ensure that (i) all individuals who work under Technip's HSE responsibility (including contractors and subcontractors where necessary) are not being harmed by the work they carry out, nor by the environment in which they work and (ii) to monitor the first symptoms of occupational illness as early as possible in order to avoid continuing exposure and prevent serious occupational illness from occurring at a later stage.

At year-end 2013, some Key Performance Indicators (KPI) in relation to Health Risk Assessment were established to assess the work at Regional level. Reporting of the KPI has started in 2014 and will continue to be carried out with the objective of analyzing the results in 2015.

Protecting travelers and expatriates

Preventive healthcare starts with accurate information and regular training. Detailed leaflets on destination countries and specific diseases are available to travelers and expatriates on Technip Group's intranet site. The medical section of the site provides all employees with health information in relation to travel (country pages and disease prevention pages).

Specific information on anti-malarial prevention and other health risks is provided for Projects which are carried out in areas prone to epidemics.

Health alerts are issued where necessary. In 2014, 15 of such alerts were issued, providing information and advice on prevention.

In 2014, the outbreak of the Ebola virus has been an important issue for the company. Although Technip has no entity in the three main affected countries (Sierra-Leone, Guinea and Liberia), employees have raised many questions related to Ebola and the risk of the disease throughout the world. Information was posted on the medical intranet site and alerts and updates have been regularly published. Action plans and prevention plans, including induction programs, were provided to the entities, fleets and Projects working in Sub-Saharan Africa.

Improving medical care at sea and onshore

The Group Medical department continued to evaluate local medical resources and their ability to handle emergency situations. In 2014, medical surveys were conducted in Algeria, Angola, Myanmar, China, Ghana, Indonesia and Philippines. The purpose of the survey was to provide Projects and entities with an overview of medical care available around the site and to identify the most reliable local medical facilities to include in the Medical Emergency Response Plan (MERP). These surveys also provide information which can be used for medical management plans for new Projects.

In case of serious injury, the medical department assesses the medical care chain from the location of the incident until discharge from the hospital used. This provides an opportunity to upgrade the medical equipment of the site clinic and/or adjust the MERP if necessary.

Putting wellbeing in the spotlight

For the 2014 Technip World Health Day, all entities organized an awareness campaign about insect-borne diseases using posters, information leaflets also available on Technip's medical intranet site and through workshops. All employees were informed of this event a few days before through the internal newsletter "*Technip in motion*". Many entities invited healthcare experts to talk about the importance of preventing insect bites in order to avoid several infectious diseases, including Malaria and dengue fever.

Health awareness campaigns and healthcare activities, such as free flu injections, campaigns on preventing smoking and diabetes and campaigns promoting breast-feeding have been implemented across the Regions. Several entities, including Technip's headquarters, worked on a prevention program of psychosocial risks at work.

In October 2013, a global academic survey was launched by the Group's HR department on the wellbeing of employees working in a global environment. The purpose of the survey was to study the professional experience and wellbeing of global employees and to identify factors leading to the success of employee wellbeing. The results were released at the end of 2014 and suggestions for improving the effectiveness of global work and mobility experiences will be discussed with HR management in 2015.

In parallel, a new global academic survey on wellbeing at work will be launched in 2015. The purpose of this survey will be to provide an opportunity for assessing wellbeing in the various countries of work, to highlight ways of improving wellbeing and to provide a benchmark between the entities.

3.7.1. Absenteeism (excluding acquisitions)

Absenteeism rate ⁽¹⁾	2014 ⁽²⁾	2013	2012
Occupational illness	0.03%	0.01%	0.01%
Occupational injury	0.04%	0.04%	0.03%
Non-occupational illness/injury	1.79%	1.83%	1.75%
TOTAL (ILLNESS/INJURY)	1.86%	1.88%	1.79%

(1) Absenteeism excluding reasons other than illness or injury.

(2) Coverage rate: 99% of employees on payroll.

Absenteeism information only covers personnel who are on payroll. More thorough information including contracted workforce is to be found in Section 3.8 "Safety" to this Annex E of the 2014 Reference Document.

The calculation of the absenteeism rate is based on working days lost. Working days are used as a measure of economic impact.

Working days lost are also calculated in safety indicators, based on calendar days as a measure of the severity of the accident. The data cannot therefore be compared between the HR scope and Safety scope.

In 2014, the rate of absenteeism was quite stable in comparison to the rate in 2013, despite a slight increase in absenteeism resulting from occupational illness:

- 52 cases of occupational illness have been reported in the Group, such as ear infections in divers, muscular-skeletal disorders and work-related stress. In 2012, the definition of occupational illness was reviewed to clarify the understanding of this indicator and to harmonize reporting in the Group. This is independent to the reporting carried out to meet national regulations. This indicator is better reported since 2012;
- in 2014, 185 injuries were reported covering a total of 2,848 working days lost. This year, the figures have been better declared due to the clarification made in the definition of the calculation of absenteeism and a better understanding of this indicator by the entities from year to year.

15,728 medical examinations were completed, 4,418 of which were pre-employment "fitness to work" examinations for newly hired employees.

Medical examination requirements vary depending on the country. Following a period of sick leave, 791 employees had a medical evaluation. Pre-expatriation medical evaluations and follow-ups are carried out for the duration of the expatriate's assignment in the Group.

Present in 48 countries, employees travel and work in areas with different health profiles. A good knowledge of local health risks allows Technip to provide its personnel with the right information.

3.8. SAFETY

Protecting individuals at all times

Health and Safety as well as the protection of the Environment are core values and an absolute commitment for Technip and a priority in the Oil & Gas industry. For several years and by carrying out numerous initiatives across its operations, Technip has relentlessly focused on improving employees', contracted staff and suppliers' working conditions across the Group in terms of health, safety and protection of the environment.

Objectives for 2015

In 2015, Technip will continue to focus on the challenges and related objectives that are addressed in the three-year roadmap.

These objectives include but are not limited to:

- the further improvement and development of performance standards to manage Technip's Key Risk Conditions across the Group in all operations and to continue to focus on the prevention of serious incidents;
- continuing to implement the Pulse HSE Leadership Program and further increase the visible leadership shown by management on HSE in the field or on-site through visits and HSE tours;
- the further implementation of Technip Behavior-Based Safety Programs across the Group; and
- placing a strong focus on contracted staff management.

Prevention of serious injuries

In 2014, Technip continued to implement measures to reduce serious injuries and fatalities and successfully implemented five group-wide performance standards for Working at Height, Lifting and Rigging, Entry into Confined Spaces, Excavations and Trenching and Roads and Travel Management, to further harmonize the management of the main high risk activities. Technip's 12 Safety Actions complement the technical performance standards and provide Technip's workforce and contractors with practical mitigation measures and guidance to further minimize their remaining risk exposure related to work involving those activities.

Despite all efforts already made, three subcontractors suffered fatal injuries in 2014. As a result of these fatalities, Technip has decided to further reinforce its actions in this particular field in 2015. Doing the right thing is a core value for Technip and HSE means ensuring that no-one's life is put at risk in the workplace.

In order to ensure that the highest priority and management support is given to minimize the causes of incidents that have the potential to lead to serious injuries or fatalities, the Technip Group Top Management started to review all cases within 10 days from their occurrence and ensures the necessary support for investigation and the implementation of mitigation measures to avoid reoccurrence.

The Pulse Leadership Program

The Technip Pulse program aims to develop a positive and proactive HSE culture, with a focus on leadership and communication. It is tailored to improve awareness of Health, Safety and Environment challenges as well as the human, material and financial costs of accidents.

Since 2008, more than 42,000 Technip employees and contracted staff have attended Pulse sessions, ranging from senior managers and managers/supervisors to the general workforce and engineers.

The implementation of the Pulse Leadership Program plays a major role in improving HSE performance. The target set in 2013 was to ensure that 75% of Technip's population will be covered by this program by the end of 2015. Due to the ongoing efforts made, Technip is confident to meet or exceed this target by year-end 2015. In addition to this, Technip will continue to involve its clients, suppliers and subcontractors, as well as everyone working on Technip Projects.

Behavior-Based Safety (BBS)

Technip believes that it is everyone's responsibility to ensure a high level of safety on worksites. For this reason, the Group has implemented the Pulse Leadership Program over the past few years and bespoke Behavior-Based Safety (BBS) programs in Technip's main Regions and their Projects, assets and Manufacturing Units. Those Behavior based programs supplement the Pulse program by using a bottom-up approach that reinforces safe and discourages unsafe behaviors in the workplace. This program uses a peer to peer approach which applies research-based techniques to identify and remove the causes of unsafe behaviors. In 2014, Technip conducted a full analysis of all BBS Systems and defined a common framework to further harmonize and improve approaches throughout the Group's activities. In 2015, Technip will continue to focus on implementing and improving the BBS programs for plants and assets under involvement of Technip's subcontractors. To this end, Technip will ensure that:

- all individuals within the Technip organization regard safety as a value and not just a priority;
- individuals take responsibility for the Safety of their colleagues in addition to themselves; and

- all levels of employees are willing and able to act on their sense of responsibility and can go beyond their call of duty.

Coverage

Technip's basic principle to determine which indicators and hours are recorded and reported, for HSE purposes is (i) whether Technip owns or manages the site in question and (ii) whether Technip is responsible for managing the work.

The data provided in this section covers the following:

- all Technip employees and all contracted staff working at Technip premises including offices, factories, construction sites, yards, vessels and directly managed temporary sites;
- all contracted staff, subcontractors and Clients working at Technip owned and managed premises;
- all contracted staff and subcontractors working at their own premises or sites where Technip is providing management and/or direct supervision of the work;
- all hours and incidents in a Joint Venture (JV), where Technip is the JV leader or where management of the Project is equally divided and responsibility for HSE outcomes is equally shared and/or Technip is responsible for the HSE management of the overall work; and
- in respect of JVs where Technip is not the leader nor responsible for overall HSE management, only hours and incidents in respect of the elements for which Technip is responsible.

Technip's safety performance

In 2014, a total of 202 million man-hours were worked at the Group's facilities and Project sites worldwide. The total recordable case frequency rate (TRCF), which measures the recordable incidents per 200,000 hours worked, significantly decreased from 0.26 in 2013 to 0.19 in 2014.

The improvement of the TRCF as well as the strong improvement of the Serious Incident and Fatality Frequency (SIFF) from 0.14 to 0.12 demonstrates that Technip has continued to improve the Systems and Processes in addition to the HSE culture.

Technip's safety performance	2014	2013	2012
Total Recordable Case Frequency (TRCF) ⁽¹⁾	0.19	0.26	0.24
Lost Time Injury Frequency (LTIF) ⁽¹⁾	0.06	0.08	0.05
Leadership & Management Walkthrough Frequency ⁽¹⁾	8.84	7.8	8.84
Fatal Accident Frequency ⁽¹⁾	0.003	0.002	0.000
Serious Incident and Fatality Frequency (SIFF) ⁽²⁾	0.12	0.14	0.15
Lost Workday Severity Rate ⁽³⁾	3.64	3.63	2.43

(1) The frequencies are calculated by every 200,000 hours worked. Incidents as defined by OSHA standards are considered. The cut-off date is 12.31.2014. Data from 2013 has been updated with the latest available data.

(2) Calculation basis, coverage and cut-off date as per (1). Serious Incident and Fatality Cases covers any incident that leads or had the potential to lead to serious Injury or fatality including Near Miss Incidents.

(3) Calculation basis, coverage and cut-off date as per (1). For the calculation of Lost Workday Severity Rate subsequent days including weekends and holidays up to a maximum of 180 days are considered.

3.9. SECURITY

3.9.1. Security: Ensuring the Security of Employees and Operations Across the World

Due to the current international context and the potentially high risk areas in which Technip's Clients operate, Technip has concentrated on Security for several years.

Technip's Security Division maintains its focus on delivering harmonized and efficient security conditions for all Technip staff and operations. Technip Security permanently monitors the security measures which are implemented within local and regional entities.

The aim of the Corporate Security Division is to provide transparent information on the risks and security measures in order to obtain the support of all Technip staff.

In this context, the Security Charter highlights the objectives and the ways in which the Group ensures that Technip achieves one of its core values: the security of people and assets and the protection of information.



To ensure that Technip staff feel safe wherever they work, Technip's Security network monitors all security issues affecting their working conditions and environments regardless of whether they are traveling, working in offices, on construction sites or onboard vessels operated or chartered by the company.

Technip Security network's permanent and main priority is to anticipate and manage potential security threats in order to protect Technip's staff, assets and know-how and to ensure the secure and timely delivery to Technip's Clients, Projects and operations.

The effectiveness of this strategy is backed by Technip's strong Security culture at every level of its operations.

Finally, this strategy is based on the transparency and quality control of processes by the Group Security Auditor.

Reporting scope

The security framework covers all Technip's entities including Projects and fleet in a uniform and continuous manner.

Prevention and protection measures implemented by the Group are extended to all of Technip's employees.

Common work agreements are set up for joint ventures, however, responsibility for security management is only given to entities or individuals who are Technip Security Certified to ensure the quality of our processes.

All Group entities and vessels identified by the Group Legal Division and in organization notes have a security correspondent and/or a security team working in conjunction with the Group Security Department at Corporate level in order to implement its guidelines.

Major Projects and those located in level 3 risk countries (according to Technip's internal ranking) have an organization dedicated to Security. Depending on the provisions set out within the contracts, subcontractors may be covered by security measures set up by Technip.

As the Yamal LNG Project is major for the Group, Technip Security has set up an innovative 360 degrees feature: the Joint Operating Center (JOC). The JOC is a single point of inquiry which centralizes all security-related information and incident management efforts of the Project's various entities, sites and vessels. The JOC has the capacity to mobilize Security, HSE, Medical and Communication teams in the case of an emergency or crisis. This system enables proper communication and coordination efforts to avoid "silos effects".

One Security for "One Technip"

With the increased number of Technip staff and operations around the world and the extended Fleet, Technip Security's challenge for 2014 was to provide the highest level of security within all Technip entities.

The Teams have focused on the uniform implementation of robust Technip Security processes to provide the best solutions when it comes to traveler security, Project "security design", IT security, maritime security and incident management.

During the last two years, Technip has consolidated the best practices and has continued to innovate to enable Technip Projects to be well integrated locally and continue to operate in the most volatile countries.

Technip is fully independent in its security assessments and decision making process in order to keep its assessments and decisions as accurate and objective as possible. Technip Security is independent from the Business Unit and reports directly to the Chairman. Based on a 4-level country risk ranking, dedicated security measures to be implemented have been defined depending on security threats in each country:

- level 1 countries: low security risk, travelers to maintain normal vigilance;
- level 2 countries: medium security risk, increased vigilance and security measures adjusted to the threats are to be implemented. All travel is to be notified and approved (for specific cases) by Technip security teams;
- level 3 countries: high security risk, security recommendations and specific security measures to be implemented. All travel is to be notified and approved by the security teams prior to departure; and
- level 4 countries: extreme security risk, no movement/no operations in the country.

In 2014, more than 1,850 business trips in level 3 countries have been taken into account by Technip Security.

Adapted communication and tools

Dedicated tools and resources are available to keep Technip people informed, in a fully transparent manner, about security issues wherever they live, travel or operate:

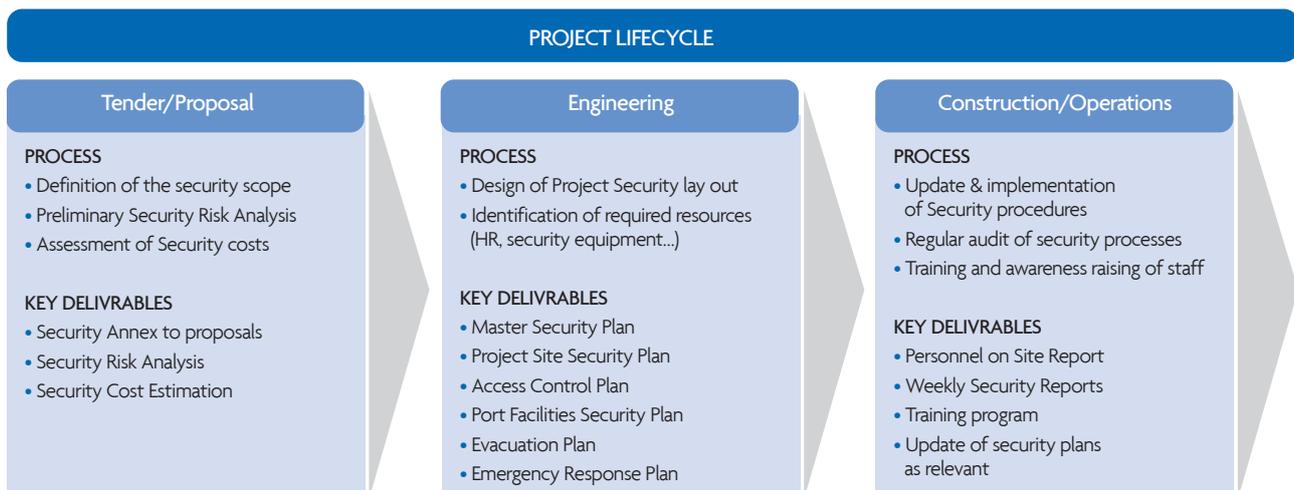
- traveler Handbooks are available for all countries in which Technip operates and are provided to staff prior to any mission;
- a specific handbook dedicated to safety and confidentiality regarding data protection (provided during awareness sessions and available on the intranet) has been updated to focus on new threats and *modus operandi* and reinforces Technip's know-how protection;

- security alerts are issued by Technip Security Division and posted on the Security intranet page to inform travelers in real time of security context changes occurring worldwide;
- the whereabouts of all personnel in transit are monitored through integrated system software, the Technip Security Database (internal software). It enables employees to be informed and supported in case of incidents; and
- regular security training and inductions are organized to raise staff awareness and provide them with security advice on specific security matters, such as travel security, information protection, Project security. Different modules are proposed according to the needs of Technip employees and their environment: including, among others, the safety of employees in sensitive countries, cultural awareness, awareness relating to computer security and the protection of data, as well as protection against external fraud, security on Projects.

Tools adapted to specific operations have been developed:

- the TSNT (*Technip Security Navy Tracking*) which allows the monitoring of the position of Technip's fleet vessels and an alert where needed, in particular when vessels enter a piracy-prone area;
- the Crisis Management and Business Continuity tool, TICA (*Technip Incident and Continuity Application*) is both a database centralizing all emergency and continuity plans and a virtual crisis management center designed to ease communication and interaction between the response teams across the Group; and
- the TSMS (*Technip Security Management System*): the Corporate Security Teams across the world support Technip Projects in the design and implementation of tailored and cost efficient security systems from Project tender phase to commissioning. This system defines the processes to be implemented and the key deliverables expected at each Project phase. This is a fundamental principle of the quality approach that applies to Security.

Technip Security Management System – TSMS



In 2014, Technip has developed its expertise in respect of four key security areas:

- IT security;
- maritime security;
- incident management; and
- external fraud management.

Security starts with information protection

Dedicated sessions for Technip staff are organized to raise awareness on confidentiality and information protection.

For key Projects, a dedicated team can be nominated to ensure permanent data protection. Such an approach has been initiated in 2014 to deal with threats related to new technologies and to better serve the interests of clients by protecting sensitive data.

Finally, the permanent internal independent audit process remains operational throughout the company to test the IT systems on a permanent basis. In addition, dedicated alerts and awareness messages are released when needed to reduce the risk of new potential threats.

Maritime security: a major topic within Technip Security Operations

Following the development of the Group's operations, its operation zones have extended worldwide with some Projects and a fleet is located in Regions with maritime and piracy threats. This is the case for Projects located in the Gulf of Guinea where piracy incidents have increased.

In 2014, maritime security procedures continued to be developed across the marine centers and adjusted to the Group's growth in order to protect crews and ensure the smooth execution of operations.

The coordinated maritime security organization, in particular with the implementation of the TSNT, has enabled Technip to maintain its capacity to deal with the threats and to implement measures to prevent incidents.

To protect vessels travelling across piracy hotspots, the Group Security reinforces vessels by setting up barbed wire over the freeboard or on the main deck, welding steel plates to critical access points, adding lookouts during the transit and conducting

lock-down drills. Depending on the threat assessment, an armed security team on board or an escort boat ensures the protection of the vessel and the crew during the transit.

Incident management

In 2014, major efforts in terms of incident management preparedness were placed on the update of the Technip Incident Management System.

Within the Group, incident management includes several key approaches: Emergency Response, Crisis Management & Communication and Business Continuity. To support this approach, Technip has developed a network of trained responders across the company that includes but is not limited to Managers on Duty, Emergency Response Teams, Crisis Management Teams and Business Continuity Committees. A training program which includes periodic live crisis exercises ensures that Technip will have the relevant capability to respond should an incident occur.

Technip implements a three-level incident management system. At each level, dedicated response teams, processes and facilities have been set up. According to the severity and the type of incident, relevant teams will be mobilized to bring the incident under control as soon as possible.

Due to training and awareness sessions, TICA is now used widely within Technip.

External fraud management

As external fraud attempts have increased over the last two years, Technip's first response was to create a joint Group Treasury and Security "Task Force" to report suspicious events and to provide immediate action.

Technip has implemented preventives measures to protect the reputation of the Group and its interests.

The Money Fraud Team have also set up awareness sessions which are dedicated to Technip employees.

Finally, an External Fraud Network has been implemented in each Region where Technip operates to better respond to the situation on the ground and to act as a relay for the Corporate. This network is made up of trained correspondents who are in direct and permanent contact with the coordinators of the "Task Force".

4. Protecting the Environment

Environmental responsibility is one of Technip's core values. The Group's overall objectives are firstly to strive to minimize the impact of its operations on the environment as well as any risks such operations may generate on the natural environment and other stakeholders; and secondly, to continue to work to avoid causing any environmental incidents. Management's commitment to these objectives is critical to success in achieving these goals.

The execution of Technip's Projects is divided into three main phases: Engineering, Procurement (equipment purchased worldwide to thousands of suppliers) and Construction / Installation / Commissioning and Start-up (on the request of clients) either Onshore, Offshore or Subsea. Technip's Projects have a variable duration and can last from a few months to a few years. In respect of its Subsea business activities, Technip uses industrial assets and operates a fleet of vessels specialized in installing pipelines and subsea construction.

Despite operating in a complex field, Technip is committed to simultaneously manage its environmental aspects with success while effectively measuring its environmental performance, thereby assuring that it prevents and significantly reduces its impacts on the environment in accordance with the ISO 14001 requirements, international standards and Technip's own internal standards.

In 2014, Technip made significant progress by carrying out a study identifying the main material aspects in accordance with GRI (Global Reporting Initiative) G4 standard, thereby increasing its commitment in terms of Sustainable Development. External stakeholders agreed that 'Protecting the environment' was a material category and that the following principle environmental areas were material for Technip: energy use, greenhouse gas emissions, the emissions of air pollutants, hazardous substances, solid waste, water and waste water, biodiversity and ecosystems.

All these aspects are covered in detail in the sections that follow, through both quantitative indicators (called Environmental Key Performance Indicators (EKPI)) and qualitative information.

For more information on the Stakeholder Engagement and Materiality, please refer to Section 1 of this annex.

For more information on definitions, please refer to Section 1.1.6 of this annex.

4.1. GROUP ENVIRONMENTAL POLICY

4.1.1. Group HSE Policy

For more information on the Group's Health and Safety Policy, please refer to Sections 3.7 and 3.8 of this Annex of the Group's Reference Document for the year ended December 31, 2014.

The section of the Group's HSE Policy that specifically addresses the environment sets out Technip's absolute commitment to minimizing any adverse effects on the environment that may be caused by its business operations.

In practice, this commitment translates into a number of requirements, such as promoting a responsible use of resources; quantifying and controlling any emissions into the air, soil and water; a safe and sensible management of waste; a thorough approach with respect to environmental risks and their management; and an innovative approach in respect of environmental challenges.

Targets assigned to subsidiaries outside France

Responsibility for Technip's HSE Policy is delegated to and implemented by the subsidiaries, regardless of their legal status. The environmental objectives are reflected in Technip's Group Environmental Charter and in the Group's Quality, Health, Safety and Environment (QHSE) Three Year Plan.

4.1.2. Environmental Charter

The Group's Environmental Charter (the latest version of which is dated July 2012) defines Technip's general objectives in terms of environmental responsibility, in addition to the corresponding guidelines.

The Environmental Charter also applies to all of Technip's entities, regardless of their legal status.



4.1.3. Responsibility and Organization

Environmental management is, as for Health and Safety, the responsibility of everyone at Technip. The implementation of the environmental policy depends upon management's commitment, the accountability of every entity, an ongoing dialogue with key stakeholders and a chain of responsibility that extends to the workforce of the entire Group.

In 2008, an Environmental Working Group (EWG), was formed, reporting to the Vice-President, Group Health, Safety and Environment. This working group coordinates with a network of

around 20 environmental specialists from all of the Group's Regions and business units. The EWG sets up conference calls every month with all EWG members and organizes technical working groups twice a year including experts from each operation. It also puts together programs at Group level focusing on environmental performance indicators which allow for environmental improvements to be reported, awareness campaigns, carbon emission reporting and eco-design. The management of these programs is delegated at regional and local levels. In addition, the Group's entities develop and conduct environmental initiatives and programs adapted to the local environment and workforce.

All entities and Projects within the Group are managed by dedicated HSE Managers and Directors, with a team of HSE engineers and supervisors responsible for the application of the HSE rules in their respective areas (for example, an engineering centre, a manufacturing plant, a vessel, a yard, a construction site or a Project) and to ensure that these requirements are well implemented.

During the design phase of Projects, one or several environmental engineers are responsible for ensuring the Project's compliance with all applicable standards and regulations. During the construction phase of major Projects, an environmental supervisor is assigned to manage all of the site's environmental aspects, in coordination with the client and the different subcontractors.

4.1.4. Legal and Regulatory Compliance

Technip is committed to operating in full compliance with applicable environmental regulations, laws and international codes and standards in force in the countries in which it operates. Applicable regulations and client demands are identified at the bidding stage to ensure they are met, properly monitored and observed during the execution of the Project.

Technip operates in countries which have increasingly stringent and constantly changing regulations in respect of environmental protection and the operation of industrial sites. For example, the European Union's directives on the environment, which have been almost completely transposed into national legislation, are among the most demanding legal and regulatory frameworks in the world. The French Environmental Code is also very stringent, in particular in relation to the "Seveso" threshold designated to industrial sites which pose potentially high environmental risks. These regulations are related to, amongst other things, the environmental liability of corporations, the prevention of pollution and spills and the management of hazardous substances and waste.

Technip is committed to operating in full compliance with all of these rules, whenever they apply to its facilities and/or operations.

For Projects financed by the International Finance Corporation (IFC), Environment, Health and Safety guidelines ('EHS Guidelines') of the World Bank Group may be applied. These guidelines are technical reference documents containing general and industry-specific examples of Good International Industry Practice (GIIP). Where regulations of the host country differ from the levels and measures set out in the EHS Guidelines, Projects are usually required to apply whichever is more stringent. This was, for example, the case for a recent Project in Malaysia.

Since 2003, Technip also observed the ten principles of the United Nations Global Compact (UNGCC) and discloses its initiatives in this respect.

For more information, please refer to Sections 4.4 and 4.8 of the Group's Reference Document for the year ended December 31, 2014.

4.1.5. Environmental Certification

Technip maintains a policy of implementing environmental certification ISO 14001 for all of its entities. To meet this commitment, Technip is implementing a robust environmental management framework and is steadily reducing its impact on the environment.

As of December 31, 2014, 41 Group legal entities (approximately 68% of the main legal entities) were ISO 14001 certified, including six of the seven regional headquarters. For all these entities, the environmental management system was fully verified and certified by an independent third party. 11 other entities were working towards this certification.

This certification not only ensures that the environmental impact of each entity's operations is identified, assessed and mitigated, but also demonstrates management's commitment to continuously improving of Technip's environmental performance, to preventing pollution and assess the Group's compliance with environmental regulations.

4.1.6. Risk Management

a. Identification of risk

Please refer to Section 4.4 of the Group's Reference Document for the year ended December 31, 2014.

b. Management of risk

Please refer to Section 4.8 of the Group's Reference Document for the year ended December 31, 2014.

c. Provisions and indemnities

In respect of provisions, indemnities and guarantees paid during the financial year ended December 31, 2014 resulting from a court decision on environmental issues which ordered for the pay-out of damages, the situation is as follows:

- Technip did not make any specific provisions for environmental risks as provisions for environmental risks are made at Project level;
- Technip was not subject to any court decisions on environmental issues.

4.1.7. The Group's Environmental Objectives

Every three years, Technip establishes a plan to reinforce its environmental performance by setting specific strategic goals. As part of the Group's Quality, Health, Safety and Environment (QHSE) Three Year Plan covering 2014-2016, the Group has established three main environmental objectives:

- **improvement** of the Group's environmental performance by implementing proactive environmental management, stewardship of Technip entities, operations and activities and by promoting and communicating environmental measures and responsibilities;

- **prevention** of environmental impacts and risks of activities through an ongoing process of risk identification and assessment, through the implementation of preventative and mitigation measures that reduce those risks identified as well as their potential consequences;
- **reduction** of the use of energy and resources and waste generation by the implementation of specific programs to identify, measure and promote a reduction in waste generation, energy and resource consumption across Technip's operations and activities.

A number of entities across the Group have defined their own environmental targets. At Group level, improvement initiatives have been implemented and, in 2015, a working group of environmental experts will propose targets figures.

Each year, the above environmental goals are captured in specific annual Group Quality, Health, Safety and Environmental (QHSE) objectives and are then shared with all Regions and entities.

In 2014, Technip carried out a review of its environmental objectives for the purpose of continuous improvement and several new initiatives have been implemented at Group and regional levels as set out below.

Group's Objectives	Group's Activities in 2014	Other Regional Initiatives in 2014
IMPROVEMENT Proactive environmental management	<ul style="list-style-type: none"> ■ Improvement of environmental reporting processes by carrying out regular Group and regional checks; a new reporting tool has been launched on a shared platform ■ World Environment Day in June, involving all of Technip's entities and active promotion by Technip's President and COO; the activity was registered by the United Nations Environment Program (UNEP) ■ Regular exchanges with Regions on the Group's main environmental aspects ■ Launch of a Best Practices in Environment initiative for manufacturing plants, to be shared across the whole Technip Group 	<ul style="list-style-type: none"> ■ Energy Saving Day in December observed in all of Technip's offices ■ Several entities took part in the Earth Day in April ■ A Green Office Rating System promoted in Region B ■ Improvement of a waste management program in Middle East offices
PREVENTION Reducing the impact on the environment and managing risk	<ul style="list-style-type: none"> ■ EKPI reports and trend analysis shared within the Group, Regions and entities to set up strategies for reducing environmental footprint ■ Use of feedback from audits carried out by Third Parties to improve the system (i.e. Grenelle II audit outcomes) ■ Identifying accidents causing damage to the environment and emergency intervention exercises carried out during Group's QHSE workshop ■ Review of method identifying and classifying environmental incidents 	<ul style="list-style-type: none"> ■ Internal audits carried out at regional level to extend the Group's Environmental Management Standard at all operating levels ■ Risk registers made available for all Regions, including mitigation plans ■ Improvement of environmental training and emergency response training for major manufacturing and construction sites
REDUCTION Reduction in use of energy and resources and in quantity of waste generated	<ul style="list-style-type: none"> ■ Technip is committed to not using certain banned chemical products, demonstrated by the Group issuing guidelines which have been in use since Q2 2014 ■ Group waste reduction initiative started with new indicators on the final treatment of waste 	<ul style="list-style-type: none"> ■ Reduction targets set by Flexi France for emissions of volatile organic compounds (VOCs) and consumption of water ■ Reduction targets set in Brazil for water and electricity consumption ■ Reduction targets set in Rome for paper use ■ Awareness and compliance to environmental friendly behaviors set in Rome for saving energy and managing waste

In accordance with the Group's objectives, regional and local activities are carried out for all entities and operations of the Group as detailed above. Examples of initiatives and actions implemented in the Regions in 2014 have been briefly summarized and

further information on the environmental initiatives continued or launched in 2014 by the entities and Projects are set out in the following paragraphs of this Section 4.

In 2015, the three main environmental objectives of the Group, as part of the Group's QHSE Three-Year Plan for 2015-2017, remain the same, with the following specific objectives:

Group's Objectives	2015-2017 Plan	Specific Activities
IMPROVEMENT Proactive environmental management	Implementing a proactive strategy to reduce greenhouse gas (GHG) emissions in Technip's permanent sites	<ul style="list-style-type: none"> ■ Rationalize and set GHG emissions strategies for reducing direct and indirect contributions to GHG emissions ■ Formalize environment best practices across the Group in order to reduce GHG emissions ■ Promote a system to monitor changes to HSE regulations (at Group, regional and local level)
PREVENTION Reducing the impact on the environment and managing risk	Strengthen Technip's ability to prevent and reduce its impact on the environment	<ul style="list-style-type: none"> ■ Carry out studies on the environmental impact of activities (e.g., Environmental Impact Identification (ENVID), Hazard Identification (HAZID))
REDUCTION Reduction in use of energy and resources and in quantity of waste generated	Optimize Technip's system for managing waste and natural resources	<ul style="list-style-type: none"> ■ Define specific regional targets for the use of natural resources and the generation of waste

4.2. MANAGEMENT OF ENVIRONMENTAL ASPECTS

4.2.1. Reporting Methodology

In accordance with the Group's requirements, Technip's entities and operations must register their environmental data in a centralized database from which all quantified data presented in this Section 4 is taken. For the sake of clarity and transparency, the reporting methodology, data collection system and consolidation process are explained in detail in this section.

In 2012, the Group's Guidelines on environmental reporting were developed to assist Operating Centres with the definition and process of reporting and were revised at the end of 2013 to include feedback from users and from external audits. In 2014, the revised Group Guidelines were fully implemented throughout the Group.

a. Scope for reporting

■ SCOPE

The diversity of Technip's business operations and location of its sites gives rise to a wide range of reporting sites, divided into four main categories for ease of comprehension: construction sites, industrial sites (manufacturing plants, spool bases and construction yards), fleets (vessels) and offices (see definitions in Section 1.1.6 of Annex E of the Group's Reference Document for the year ended December 31, 2014).

This division provides a better fit with each category's specific requirements. For example, electricity consumption reporting is not applicable to vessels and they will instead report on ballast water volumes.

In the report, for some indicators, data related to industrial sites, fleet and offices are consolidated since these three categories represent Technip's permanent sites (owned or leased) while the construction sites are related to Projects and thus are usually only temporary sites and are not owned by Technip.

The environmental reporting scope of this Reference Document covers all existing entities consolidated in the Group, whether Technip owns or manages the entity and if Technip is responsible for managing the work. This excludes companies acquired during 2014 (e.g. Zimmer® Polymer Technologies) which will be included in the 2015 report.

As for Safety reporting, the environmental scope covers both Technip employees and contracted personnel in all of the Group's various operations. All work-related data is reported. For more details about the rules on the inclusion of Joint Ventures and other types of companies in the HSE reporting, please refer to Section 3.8 of Annex E of the Group's Reference Document for the year ended December 31, 2014.

The reporting of Technip's environmental data is in line with the Group's HSE reporting and in accordance with the Group's standard on Classification and Reporting of HSE Incidents (GOPS-11009). If Technip owns and manages the entity, or is legally responsible for its work-related operations, then the environmental data is recorded and reported to the Group Synergi system.

■ LIMITS

Small construction sites and Projects where Technip has a consultancy or supervisory role only, without direct responsibility or control, are excluded from the Group's reporting scope. Another portion of new operating entities, new Projects and sites have not yet been included in the environmental reporting scope. The difference is around 51 million man-hours worked or 24%.

Construction camps are considered as non-work related operations. Therefore, environmental data for construction camps is not included in this report. Nevertheless, since 2014, construction camp data is recorded in the Group's Synergi system using a specific number. Dedicated EKPIs are also selected, recorded and monitored at local level to ensure continuous improvement.

These definitions are set out in the Group's Guidelines on environmental reporting, which have been revised in 2013 and are in line with HSE Group's principles and standards.

■ COVERAGE

Coverage in terms of number of sites

In 2014, 177 sites participated in the environmental reporting in accordance with Technip's reporting requirements, as shown below:

Number of Reporting Sites Contributing to EKPIs	2014	Construction sites	Industrial sites	Vessels	Offices	2013	2012
Total Number	177	52	22	49	54	173	113

The total number of Group entities and sites contributing to environmental reporting has increased by around 61% since 2012, as the reporting system matures and a greater number of

■ PERIOD

The reporting period is the calendar year (from January 1 to December 31).

In 2013 and 2014, figures for environmental indicators provided in this section have been extracted from the Group reporting tool for the period from January 1, to November 30 and data for December has been estimated based on the previous 11 months for consistency, as some sites have not yet consolidated all December-related data.

In 2012, the data came from the Group reporting tool for January 1 to December 31.

individuals at Group, Region and site levels are involved in this monitoring process.

Coverage in terms of percentage of operations (or Man-hours worked)

In 2014, the environmental coverage in terms of EKPI Man-hours worked decreased in comparison with 2013, as shown in the following table:

Man-hours Worked for Reporting Sites Contributing to Ekpis	2014	Construction sites	Industrial sites	Vessels	Offices	2013	2012
EKpi Man-hours Worked ⁽¹⁾ (in millions)	154.3	56%	9%	5%	30%	158.4	110.6
HSe Man-hours Worked ⁽²⁾ (in millions)	205.3	-	-	-	-	182.4	172.4

(1) Or Man-hours Worked in sites which contributed to EKPIs reporting.

(2) Or total Man-hours Worked.

In 2014, the number of reporting sites for EKPI increased by about 3% while the EKPI Man-hours worked decreased by 3% in comparison with 2013 as discussed below.

Despite some big construction Projects stopping their activities in the middle/end of 2013, a number of entities, with a small impact on Man-hours worked, started their reporting in 2014, with particular reference to vessels and minor construction sites, which increased their participation in reporting by about 32% and 15% respectively.

The application rates (based on the number of EKPI Man-hours worked) of environmental indicators varies from 62% (NOx and SOx emissions) to 99% (water consumption for all entities). This means, for example, that 62% of NOx and SOx emissions quantity (indicator applicable to construction sites, industrial sites and vessels) has been recorded in the reporting system among the entities having contributed to EKPI's reporting and which were supposed to record this indicator.

It should be noted that the applicability of each of these indicators varies depending on operations, local context, contractual or client requirements and local regulations. For example, ballast waters only apply to vessel operations.

b. Data collection and consolidation system

■ DATA COLLECTION – REPORTING TOOL

Environmental reporting is of fundamental importance for the correct definition of environmental performances and objectives implementation at local, regional and Group level. Technip has therefore implemented an environmental data collection system based on a list of 35 basic environmental indicators and a further 16 aggregated indicators covering all main environmental themes (e.g., energy consumption, water consumption, waste generation and CO₂ emissions). In 2014, six new indicators have been added regarding waste disposal methods: hazardous and non-hazardous waste sent either to incineration, landfill or recycling.

Environmental data is collected through Technip's HSE reporting system, Synergi, a global integrated software solution. This tool helps manage the improvement process and assists with monitoring of the Group's performance in accordance with its health, safety and environmental standards.

Environmental data is submitted through Synergi as Environmental Key Performance Indicators (EKPI). Each of the Group's reporting entities is required to consolidate and record its environmental data performance in Synergi on a monthly basis. This data reflects the environmental performance of entities involved in the office, construction, manufacture and fleet operations.

In 2014, a new graphic interface has been developed at Group level to facilitate data analysis and internal reporting. It also makes environmental data easier for users to access.

In 2015, a focus will be done on recently acquired entities in order to improve their level of alignment with the Group's reporting requirements.

■ CONSOLIDATION METHODOLOGY AND INTERNAL CONTROL

The consolidation is done at different levels of the organization, fully in line with the overall HSE responsibility matrix.

The HSE line management is responsible for the monitoring, measurement and reporting of EKPIs, fully in line with the Group's HSE strategy. HSE Managers are supported and advised by the different HSE functions.

It is the responsibility of the Regional HSE Manager to ensure that data from all sites and entities in the Region is collected, analyzed and reported in Synergi in a timely and accurate manner, in accordance with the requirements of the Group's Guidelines.

In addition, the regional Environmental Leads periodically check the regional EKPIs under their direct responsibility to ensure consistency of data and compliance with the Group's Guidelines. They identify trends, concerns and areas for improvement and set-up their objectives and plan a course of action accordingly.

Data is finally reviewed and checked by the Group's HSE department.

In 2015, a focus will be done on recently acquired entities in order to improve their level of alignment with the Group's reporting requirements.

c. External controls

The external verification process is assured by independent third party auditors as required by French Grenelle 2 law. Audits are conducted in accordance with ISAE 3000 (International Standard on Assurance Engagements).

4.2.2. Energy Consumption and Air Emissions

a. Energy consumption

GRI G4-EN3, G4-EN5, G4-EN6

■ ENERGY CONSUMPTION WITHIN TECHNIP'S PERMANENT SITES

The overall energy consumption by Technip's permanent sites decreased by about 41% in 2014 compared to 2013, with main contribution related to industrial sites (manufacturing plants and spool bases).

Direct and indirect energy consumption for permanent sites (MWh)	2014			2013			2012		
	Natural gas and LPG ⁽¹⁾	Fuel (Fuel-oil, Diesel, Gasoline) ⁽²⁾	Electricity	Natural gas and LPG ⁽¹⁾	Fuel (Fuel-oil, Diesel, Gasoline) ⁽²⁾	Electricity	Natural gas and LPG ⁽¹⁾	Fuel (Fuel-oil, Diesel, Gasoline) ⁽²⁾	Electricity
Industrial sites	9,321	57,381	52,554	9,606	109,591	60,310	11,086	30,998	58,016
Offices	6,699	6,271	65,016	6,140	12,120	60,462	5,382	6,069	65,478
Fleet	0	798,413	0	-	1,453,611	-	-	1,260,951	-
TOTAL ⁽⁶⁾	16,020 ⁽³⁾	862,065 ⁽⁴⁾	117,570 ⁽⁵⁾	15,746	1,575,322	120,772	16,468	1,298,018	123,494

(1) LPG consumption has been added since 2012.

(2) Data related to Gasoline consumption has been added under the Fuel column since 2012.

(3) Coverage rate is equal to 16% for Natural Gas and 19% for LPG, in terms of Man-hours worked, these products are being used in very few reporting entities.

(4) Coverage rate for Fuel is equal to 84% in terms of Man-hours worked.

(5) Coverage rate is equal to 84% in terms of Man-hours worked.

(6) For 2014, the total energy consumption is around 1 million MWh or 3.75 million GJ in comparison to 1.71 million MWh or 6.48 million GJ in 2013.

For industrial sites and offices, fuel use remained stable (an increase of 2%) in terms of natural gas and liquefied petroleum gas (LPG).

Fuel use (diesel and gasoline) in offices has also increased, linked to heating, therefore having a minor impact on the overall fuel consumption in Technip's permanent sites, where the dominant sector is represented by the fleet.

In 2014, as a result of specific reduction initiatives, the consumption of fuel by the fleet (diesel, gasoline, fuel oil) decreased by about 45%.

A slight decrease in electric energy use of about 3% has been reported at Group level, mainly related to industrial site operations and to offices for heating, conditioning and office activities.

ENERGY CONSUMPTION ON CONSTRUCTION SITES

Construction sites have been separated from Technip's permanent sites since they are usually only temporary sites, not owned by Technip but managed by Technip during the construction phase. They are subject to important variations from one year to another, depending on the number and type of Projects on-going and type of construction activities (early site works, civil works, construction, pre-commissioning, commissioning, start-up).

Direct and indirect energy consumption for temporary sites (operations on Projects) (MWh)	2014			2013			2012		
	Natural gas and LPG	Fuel (Fuel-oil, Diesel, Gasoline)	Electricity	Natural gas and LPG	Fuel (Fuel-oil, Diesel, Gasoline)	Electricity	Natural gas and LPG	Fuel (Fuel-oil, Diesel, Gasoline)	Electricity
Construction sites ⁽⁴⁾	82,138 ⁽¹⁾	301,069 ⁽²⁾	16,859 ⁽³⁾	11,264	267,027	1,626	2,605	422,725	4,227

(1) Coverage rate is equal to 16% for Natural Gas and 19% for LPG, in terms of Man-hours worked, these products being used in very few reporting entities.

(2) Coverage rate for Fuels is equal to 84% in terms of Man-hours worked.

(3) Coverage rate is equal to 84% in terms of Man-hours worked.

(4) For 2014, the total energy consumption is 383,207 MWh or 1.54 million GJ in comparison to 279,917 MWh or 1.06 million GJ in 2013.

In respect of energy consumption relating to Project operations, fuel consumption in construction sites increased by approximately 13% in respect of 2013 and electricity consumption also significantly increased, due to a shift in commissioning activities in major Technip construction sites, such as Projects in Mexico and Bulgaria.

An significant increase in natural gas and liquefied petroleum gas (LPG) consumption has been noted for construction sites, which is primarily related to the construction operations of a Technip Project in North Africa.

ENERGY INTENSITY

Technip's energy intensity factors are calculated using both direct and indirect energy consumption as a numerator and the total EKPI Man-hours worked (correspond to sites which contributed to EKPIs reporting) as a denominator. Man-hours worked are acknowledged as the more relevant information in representing the Group's overall activity.

	2014	2013 ⁽¹⁾	2012 ⁽¹⁾
Total Energy Intensity (kWh/man-hours Worked)	9.05	12.57	16.88

(1) In 2013, major changes were made to the reporting methodology and scope, including the Man-hours used to calculate performance indicators. As a consequence, Man-hours were also recalculated for 2012 which explains the differences since the 2012 Activity and Sustainable Development Report.

In 2014, energy intensity per category is as follows:

2014	Construction sites	Industrial sites	Fleet	Offices
Total Energy Intensity (kWh/man-hours worked)	4.69	8.20	98.04	1.69

Vessels have the highest energy intensity factor across Technip's operations as they consume large quantities of fuel when they travel from one country to another and when they operate offshore for the subsea installation of rigid or flexible pipes on Projects.

REDUCTION IN ENERGY CONSUMPTION

In 2014, Technip continued to pursue energy efficient, conservation and energy saving measures to reduce its energy consumption on all its sites.

Total energy consumption decreased by 31% in terms of absolute consumption (reduction of around 613,000 MWh or 2.26 million GJ) and by 29% for the intensity factor (total energy consumption/man-hours worked) in 2014 compared to 2013.

Fuel saving initiatives are currently being developed by T-MOS (Technip Marine Operations Services) based in Aberdeen for all the vessels under their management. The objective is to reduce the fleet's fuel consumption and thus overall vessel emissions during the following years. A multi-faceted plan has been developed and submitted to T-MOS management before being presented to Technip's major clients in 2015. This global program should have an impact on the Group's overall fuel consumption since vessels are the main contributors in terms of diesel consumption across the Group.

Several of the main offices have environmental or energy certificates according to either national regulations or international standards, these offices consist of: one building close to Paris-La Défense (France), two buildings in Houston (USA), one building in Aberdeen (UK) for a total of around 3,800 people. The design of these buildings takes into consideration the use of natural light and ventilation, thermal insulation to reduce heating and cooling costs.

In other offices, measures such as installing timers for lighting and air-conditioning or the use of LED lamps are commonly adopted best practices. In Paris-La Défense (France) (around 3,000 people), the building is equipped with an Energy Manager® system. This tool manages the building remotely and optimizes the heating, air conditioning and lighting systems. In this tower, around 25% of energy has been saved since the system was installed in 2009.

b. Greenhouse Gas (GHG) emissions

GRI G4-EN15, G4-EN16, G4-EN18, G4-EN19

The 20th session of the Conference of the Parties to the United Nations (UN) Framework Convention on Climate Change was held in Lima on December 1 to 4, 2014 (COP20). The Conference was a key step towards reaching a universal climate agreement in Paris in December 2015 (COP21). In 2015, the objective is to achieve, for the first time in over 20 years of UN negotiations, a new legally binding and universal treaty to be implemented in respect of the climate, by all nations of the world, following the expiry of the Kyoto Protocol in 2020. The challenge is to cut greenhouse gas emissions and reduce the impact of global warming to prevent the global temperature increase to 2 degrees Celsius above pre-industrial levels.

It should be noted that the United Nations Environmental Programme (UNEP) 2014 Emissions Gap Report shows that greenhouse gas (GHG) emissions have continued to increase in 2013.

In this context, Technip, as an engineering contractor in the energy sector, recognizes the challenge of fighting climate change, not only by striving to control and reduce its own emissions, but also by providing highly performing, environmentally-friendly and innovative solutions and designs to its clients, to help them meet their needs in terms of energy efficiency.

Since 2006, Technip reports its carbon emissions (Scope 1, Scope 2 and partial Scope 3) to the Carbon Disclosure Project (CDP); published data is available online on the CDP website. Technip's score for the climate change questionnaire improved from 66C in 2011 (2010 data) to 71C in 2013 (2012 data) and 85C in 2014 (2013 data). The number represents the disclosure score (rating from 0 to 100) while the letter represents the performance score (increasing scale from E to A).

■ DIRECT AND INDIRECT GHG EMISSIONS (SCOPES 1 AND 2)

The table below shows the aggregated volume of direct GHG emissions (in metric tons CO₂ equivalents) generated by Technip's operations (Scope 1 emissions). However, it should be noted that Technip is not subject to any greenhouse gas emission regulatory quotas.

Technip also quantifies its indirect emissions, which are emissions that result from the electricity consumption at all its sites (Scope 2 emissions).

Total Greenhouse Gas Emissions (Scopes 1 and 2) In metric tons CO ₂ equivalent	2014		2013		2012	
	Direct Emissions	Indirect Emissions	Direct Emissions	Indirect Emissions	Direct Emissions	Indirect Emissions
Construction sites	98,692	6,248	73,082	885	111,462	2,521
Industrial sites	17,224	14,966	31,225	14,831	10,547	15,388
Fleet	213,682	0	388,395	-	335,590	-
Offices	3,012	32,404	4,399	26,387	2,653	27,244
Total Emissions	332,610⁽¹⁾	53,618⁽¹⁾	497,101	42,103	460,252	45,153
TOTAL EMISSIONS	386,228		539,204		505,405	

(1) Coverage rate is equal to 84% in terms of Man-hours worked.

Direct emissions result from fossil fuels or energy (natural gas, LPG, diesel, gasoline) used directly by Technip's activities and operations, often due to internal electric energy production at sites. Major contributors to direct emissions are vessels (64%) and construction sites (30%).

For example, construction sites located remotely from any local electricity grids often generate their own electricity through diesel-fuelled generators. This type of equipment is only used for the duration of the construction activities before the plant is built and generates electric power through steam turbines or other types of sources.

Indirect emissions result from the direct consumption of electricity from the relevant local grid as part of Technip's operations. The volume of CO₂ generated from electricity will vary from country to country depending upon the fuel source used to produce electricity. Major contributors to indirect emissions are offices (60%) and industrial sites (28%).

In 2014, Technip experienced an overall reduction of 28% in CO₂ emissions (Scope 1 + Scope 2) compared to 2013, mainly related to the reduction in direct emissions by vessels and industrial sites linked to the important reductions in their fuel consumptions and to activity reduction of the Seamec fleet due to its divestment in 2014.

■ GHG EMISSIONS INTENSITY

Technip GHG emissions intensity factors are calculated using both direct and indirect emissions (Scope 1 and Scope 2 emissions) as a numerator and the EKPI Man-hours worked (corresponding to sites which contributed to EKPIs reporting) as a denominator. Man-hours worked have been acknowledged as the more relevant information to represent the Group's overall activity.

	2014	2013 ⁽¹⁾	2012 ⁽¹⁾
Total GHG Emissions Intensity (kg eq. CO ₂ /man-hours worked)	2.50	3.40	4.57

(1) In 2013, major changes were made to the reporting methodology and scope, including the Man-hours used to calculate performance indicators. As a consequence, Man-hours were also recalculated for 2012 which explains the differences since the 2012 Activity and Sustainable Development Report.

In 2014, GHG emissions intensity per category is as follows:

2014	Construction sites	Industrial sites	Fleet	Offices
Total GHG Emissions Intensity (kg eq. CO ₂ /man-hours worked)	1.23	2.21	26.24	0.77

Vessels have the highest GHG emissions intensity factor across Technip's operations as they consume large quantities of fuel when they travel from one country to another and when they operate offshore for the subsea installation of rigid or flexible pipes on Projects.

■ REDUCTION OF GHG EMISSIONS

Total GHG emissions decreased by 27.4% for emissions (a reduction of around 146,000 tons of CO₂ eq.) and by 26% for the intensity factor (total GHG emissions/man-hours worked) in 2014 compared to 2013.

Technip's fleet vessels are by far its main source of direct GHG emissions. Taking this into account, Technip implements specific Ship Energy Efficiency plans that are designed to provide measures for the efficient use of main and auxiliary machinery, safe and more efficient fuels and reduce the level of emissions in accordance with international maritime requirements.

For local operating entities, Technip promotes energy saving measures and the use of renewable energies, such as solar panels for power generation or heating water and electricity supplied by certified renewable sources.

Technip's offices in Rome are partly supplied by a green electricity network whose provider delivers Renewable Energy Certificates (RECs); this "green" energy accounted for approximately 63% of the total internal energy use in the Rome offices in 2014 and 74% in 2013.

Since the end of 2013, Technip in Paris has rented new offices close to Paris-La Défense in a brand new building that is now fully occupied by Technip's workforce (around 900 people). This building has

■ EMISSIONS OF NO_x AND SO_x

In 2014, NO_x and SO_x emissions from the Group's normal operations have started to be estimated by sites (construction sites, industrial sites and vessels). The results per category are as follows:

2014	Total	Construction sites	Industrial sites	Fleet	Offices
Total Emissions of NO _x (tons)	15,273 ⁽¹⁾	10,915	15	4,343	Not applicable
Total Emissions of SO _x (tons)	1,458 ⁽¹⁾	922	1	535	Not applicable

(1) Coverage rate is equal to 62% in terms of Man-hours worked.

a triple environmental certification: HQE[®] (High Environmental Quality), LEED (Leadership in Energy & Environmental Design) "Gold" level and BREEAM (Building Research Establishment Environmental Assessment Method) 'Very Good' level, in addition to a BBC label (French label meaning Low Consumption Building). Technip made the choice to use "green" energy: all the electricity consumed in the building (around 2,500 MWh in 2014) is supplied by certified hydroelectric sources located in France, which means zero carbon emission.

Almost all offices and sites within the Group are now equipped with efficient communication means (such as video-conference calls or teleconference systems) allowing to reduce business travel and Technip's GHG emissions (Scope 3).

In addition, Technip has further expanded its expertise and capability in the development, acquisition and implementation of renewable sources of energy, such as biofuels. For more information, please refer to Section 2.4 of Annex E of the Group's Reference Document for the year ended December 31, 2014.

c. Other air pollutants emissions

GRI G4-EN20, G4-EN21

■ EMISSIONS OF OZONE DEPLETING SUBSTANCES (ODS)

In 2014, two incidents resulted in the emission of ozone depleting substances (ODS). They related to gas spills from a cooling machine in a flexible manufacturing plant owned by Technip. As a consequence, 74 litres of gas were released into the atmosphere. The two incidents were classed as minor as per Technip's environmental incidents reporting rules.

Estimation methods are different depending on the activity:

- For construction sites and industrial sites, exhaust emission factors come from the U.S. Environmental Protection Agency's (EPA) models developed for mobile sources and in particular, the Engine and Vehicle Emission Study ("NEVES"); they cover all diesel-fuelled engines and spark ignition engines and are based on fuel consumption and engine power.
- For T-MOS (Technip Marine Operations Services) vessels, air emission figures as stated by the IMCA (International Marine Contractors Association) guidance, which is the Industry standard, are used to estimate NOx and SOx emissions. For other vessels, factors given by the air pollutant emission inventory guidebook from European Environmental Agency (EEA) and European Monitoring and Evaluation Programme (EMEP) are under testing.

In terms of SOx emissions, Technip's fleet operates in an environmentally sound and responsible manner. All T-MOS managed vessels are currently compliant with the applicable sulphur content thresholds in air emissions. Vessels will also be compliant with the new IMO (International Maritime Organization) regulations on low sulphur emissions in Emission Control Areas (ECAs, defined as per IMO's Special Areas under MARPOL Annex VI 'Regulations for the Prevention on Air Pollution from Ships'), coming into force from January 2015, since most of the vessels already use 0.1% sulphur content fuel at present. In 2015, sulphur content will be checked onboard to ensure 0.1% fuel is actually delivered by suppliers as stated on the fuel delivery note. The biggest problem that is anticipated in 2015 will be the availability of low sulphur fuel from suppliers, since suppliers are predicting a possible global shortage is predicted due to high demand from January 2015 onwards.

4.2.3. Water and Waste Management

GRI G4-EN8, G4-EN22, G4-EN23, G4-EN25

a. Water consumption

Technip's business operations and locations give rise to a wide range of resource consumption requirements, such as the requirements for water (including drinking water, industrial water used for hydraulic tests and dust suppression, cleaning) and the implementation of local initiatives for water treatment and water reuse or recycling. As a consequence, water consumption fluctuates depending on a particular site's operations, production cycle or construction phase.

	2014	2013	2012 ⁽¹⁾
Total Water Consumption (m ³)	1,539,844 ⁽²⁾	1,418,924	1,977,630

(1) The 2012 data included water consumption for a big construction camp in the Middle East.

(2) Coverage rate is equal to 99% in terms of Man-hours worked.

Since 2012, the overall reported water consumption has decreased by nearly 22%. However, compared to 2013, water consumption has increased by nearly 9%. These fluctuations are in line with the operations performed worldwide, especially on main construction sites (e.g. in Mexico, Algeria, Saudi Arabia), as well as on main manufacturing plants and yards (e.g. in Indonesia, USA, France).

On construction sites, water is usually extracted from local water schemes, rivers or bores and is treated onsite. Depending on the country and type of Project, large volumes of water may be used for dust suppression on roads or hydro-testing of tanks, pipelines

and piping, accounting for about the 23% of water consumed at Group level. To save large quantities of desalinated water, the water required to carry out the hydro-testing of tanks is usually reused in several tanks. If approved by clients, treated sewage water can also be used for such tests.

Manufacturing sites and subcontractor yards record environmental data in Technip's Synergi system if they are Technip's responsibility contractually. Sites for which Technip is not responsible record their environmental performance in their own systems.

In 2014, the distribution of total water consumption per activity is as follows:

2014	Construction sites	Industrial sites	Fleet	Offices
Water Consumption (m ³) (% of the Total)	352,419 (23%)	576,422 (37%)	138,828 (9%)	472,175 (31%)

The two main areas consuming water in 2014 are industrial sites, followed by offices. In 2014, reductions in water consumption were achieved at construction sites by about 42% due to the reduced need for water for construction activities during pre-commissioning or commissioning phases of Projects; and on vessels by 20%.

Technip is well aware of the need to conserve water and strives to reduce water consumption by monitoring consumption and reusing and recycling water at wastewater facilities where practical and possible.

In 2014, all the sectors mentioned dedicated specific initiatives to reducing their water consumption as described below.

Offices organized different awareness campaigns on water usage and conservation practices around the year. Improvement measures were implemented in 2014, such as, in office premises in Delhi (around 1,100 people), all water taps have been replaced by automatic water taps fitted with sensors to reduce water wastage by 2%. A rain water harvesting system has also been installed: collected water is reused to irrigate green spaces around the office building.

Different practices are in place to reduce water consumption for flexible pipes manufacturing plants. For example, in Flexibras (Vitória, Brazil), the water used for hydrostatic tests is recycled over 10 years, with quality control (chlorine) before each test.

In Flexi France (Le Trait, France), a full program for detecting spills on the underground potable water sewer network was launched in 2014. By analyzing water consumption indicators, important losses were identified. By means of electro-acoustic measures, damaged parts of the network were identified and necessary repairs were carried out. Water consumption savings reached a monthly reduction of 50%, leading to an immediate reduction of 11% in water consumption 2014.

In terms of geographic breakdown, the water consumption is divided as set out below. These figures exclude water consumed by the fleet since vessels do not report environmental data based on their geographic location.

2014	Water Consumption (m ³) ⁽¹⁾
Africa	53,735
Asia excluding Middle East (including India and Russia)	485,103
Europe	226,736
Middle East	137,578
North America	374,960
Oceania	9,949
South America	112,122

(1) Excluding fleet.

Total Wastewater (m ³)	2014	2013	2012
Construction sites	308,684	296,807	434,806
Industrial sites	108,995	60,558	64,530
Fleet	165,688	217,119	109,958 ⁽¹⁾
Offices	372,795	233,972	136,541
TOTAL	956,162 ⁽²⁾	808,456	745,835

(1) In 2012, vessels ballast water was reported separately and accounted for 77,973 m³, which amounts to a total of 187,931 m³ for the fleet.

(2) Coverage rate is equal to 81% in terms of Man-hours worked.

Since 2013, the methodology has changed slightly for both domestic and industrial wastewater. As a result of this, more wastewater has been reported in 2013 and 2014 as domestic from sites and offices as a more detailed estimation method has been made available which was not used in reporting for previous years. For offices, if measured data are not available, domestic

In 2015, Technip plans to assess the water footprint of its operations which are located in areas sensitive to economic and physical water scarcity. The aim is to identify where Technip can improve its management of water consumption and implement best practices for the benefit of employees, local communities and the environment.

b. Liquid effluents

Wastewater treatment at onshore facilities, such as plants, ship-yards or offices, is treated by the local or regional sewerage system, or by purpose-built onsite treatment systems. For example, Technip operates several wastewater treatment units in a number of sites and yards. Discharges from these units are regularly monitored and audited in accordance with local licenses and regulatory approvals.

Offshore, Technip's vessels are fitted with MARPOL (International Convention for the Prevention of Pollution from Ships) compliant sewage treatment systems. Where the vessel cannot treat specific wastewater, the wastewater is transferred using sludge or holding tanks for onshore treatment. Water treatment is conducted at various construction sites and plants, through purpose-built sewage treatment systems and also on vessels by onboard treatment systems.

Since 2012, wastewater has been divided into ballast (vessels only), industrial and domestic with the following outcomes:

- industrial wastewater is primarily treated onsite; and
- domestic wastewater treatment is usually held off-site in external wastewater treatment plants.

In 2014, the total quantity of wastewater managed by Technip, including ballast water, was 956,162 m³, of which 8% was ballast water, 16% industrial wastewater and 76% domestic wastewater.

In 2014, Technip increased its generation of wastewater by 18% compared to 2013 mainly due to offices (59%) and plants (80%) releases because of a better alignment with Group's reporting requirements.

effluents can be considered equal to 90% of water consumption. For industrial and ballast waters, data come from site measurements. In 2014, construction sites have seen an increased quantity of industrial wastewater (including dust suppression water and hydrotesting water).

The below table shows the breakdown of each type of wastewater reported for each of Technip's operational sectors in 2014:

2014 Total Wastewater (%)	Domestic Wastewater	Industrial Wastewater	Ballast Water
Construction sites	60%	40%	0%
Industrial sites	78%	22%	0%
Fleet	54%	2%	44%
Offices	100%	0%	0%
TOTAL	76%	16%	8%

On Subsea Projects, optimization studies have been performed in 2014 by Subsea Installation and HSE teams based in Paris to reduce the impact of subsea operations on the marine environment. As part of pre-commissioning activities, rigid and flexible pipes must occasionally be flooded in order to be properly installed on the sea bed due to specific installation constraints. In such cases, seawater used to flood the pipes is treated with chemicals (such as biocide, oxygen scavenger, corrosion inhibitor and dye) to avoid corrosion inside the pipes. After installation, pipes are flushed and the mixture of seawater and chemicals is discharged to the sea. In 2014, detailed studies and corrosion tests have been carried out in a French laboratory with the aim of reducing the concentration of chemicals used to protect the pipes. The results showed that in some cases, concentrations could be reduced by a factor of 3 which would prevent large quantities of chemicals

from being discharged to the sea. In 2015, the corrosion tests will be extended to other types of piping materials and chemicals products before being actually implemented on Subsea Projects with the approval of the clients.

c. Waste

Waste generated by Technip's operations are managed by each site in accordance with the applicable local and international regulations, applying best practices and taking into account existing waste management facilities in the country.

In 2014, Technip experienced an increase in waste generation from previous years primarily due to non-hazardous waste production in one specific construction site, while hazardous waste production remained more or less stable.

Total weight of Waste, by type (tons)	2014	2013	2012
Non-hazardous waste	547,105 ⁽¹⁾	156,558	86,195
Hazardous waste	5,938 ⁽²⁾	5,881	6,761

(1) Coverage rate is equal to 93% in terms of Man-hours worked.

(2) Coverage rate is equal to 78% in terms of Man-hours worked.

In 2014, the distribution of waste by type of operation is as follows:

2014 Total weight of Waste, by type (tons)	Construction sites	Industrial sites	Vessels	Offices
Non-hazardous waste	481,448 ⁽¹⁾	36,956	25,192	3,509
Hazardous waste	442	3,160	1,831	506

(1) Of which about 80% is represented by clean soil excavated from construction sites and dedicated to future environmental restoration and backfilling.

As far as construction sites are concerned, the largest portion of non-hazardous waste generated was made of soil, rock, concrete and scrap metal. One major construction site in Mexico has generated large quantities of non-hazardous waste since large quantities (around 349,000 tons) of clean soil were excavated and

will be reused on site for backfilling and for environmental restoration project on a dedicated landfill site; this Project contributed to 70% of the total non-hazardous waste quantity generated by the Group's operations.

In 2014, six new indicators on waste disposal were added to the Group's reporting requirements, with the following results:

2014 Total weight of Waste, by type of disposal (%)	Sent to Landfill	Sent to Recycling	Sent to Incineration
Non-hazardous waste ⁽¹⁾	3%	76%	0%
Hazardous waste ⁽²⁾	13%	36%	0%

(1) Coverage rate is equal to 79% of produced non-hazardous waste.

(2) Coverage rate is equal to 59% of produced hazardous waste.

As the new requirements were implemented in August 2014, these results are to be considered as partial (coverage is between 59% and 79%) but these new indicators will continued to be followed

for further analysis. In 2014, recycling was the primary method of disposal for both hazardous and non-hazardous waste.

Actions were taken on Projects to reduce waste generation.

For example, people working in hot and tropical conditions may potentially suffer from heat stress if they do not keep properly hydrated. To counter this threat, offshore teams are encouraged to regularly drink water and remain hydrated. This requirement will often present additional logistic supply issues, leading to the generation of large volumes of plastic water bottles and challenges for waste management. To address this challenge, on a recent offshore campaign, the Deep Orient construction vessel installed water coolers and distributed reusable thermo flasks to over 90 crew members. For a relatively minimal outlay and effort, this initiative saved an estimated \$20,000 in cost, handling and disposal of plastic bottles. More importantly, this initiative had a significant effect in reducing the number of plastic bottles used and thus the quantities of waste to be handled and brought ashore for treatment. Crew members signed up to this initiative that clearly demonstrated environmental benefits

During the FEED phase of Projects, waste management units are designed in order to better manage all waste generated during the operation of the plant. A good example was on a refinery Project in a country where waste management facilities are not yet well developed. An Integrated Waste Management Centre was designed by the HSE Design team based in Paris. This centre will be used by the owner during operations, with the purpose being to:

- control, weigh and record all waste streams;
- clean contaminated drums in pyrolysis furnaces for further re-use on site;
- pre-treat and recondition waste e.g. convert food waste into compost; press and pack plastic, paper and cardboard for use by local communities;
- ensure the safe temporary storage of waste which will be recycled off site;
- where no other solution is possible: incinerate waste on site.

This innovative approach complies with the environmental best practices and is adapted to the local context. It leads to minimizing the amount of waste disposed in landfills and increases employment opportunities for local communities.

4.2.4. Accidental Pollution

GRI G4-EN24

a. Prevention of environmental incidents

■ SITE AND OFFSHORE ENVIRONMENTAL MANAGEMENT

The Group's requirements, in terms of incident prevention and management, are defined in the Performance Standards and are translated into Project, Offshore or site specific-procedures for Technip managed Projects, vessels and sites. Prevention is the key to the successful management of incidents. Studies and measures such as site planning and environmental risk assessments, as well as behavior based safety systems, audits and inspections, management walkthrough, training and awareness aim to prevent incidents from occurring. The reporting of hazards, incidents and

near-misses on all sites and vessels increases the level of HSE awareness on site and identifies preventative or corrective steps to reduce the risk of further incidents.

Technip aims to achieve zero spills or releases. All operations involving Technip and its sub-contractors will require some level of hazard or risk identification to determine the most effective and most appropriate preventative measures.

At site, vessel or Project level, specific site induction, training and awareness are delivered to the entire workforce, including contracted personnel and sub-contractors.

When an environmental incident does occur, this is reported to the HSE department to ensure that the causes are clearly identified and actions are implemented for effective closure. Incidents are reviewed by regional HSE managers; in some Regions, an Incident Review Committee will meet to review the most serious incidents, investigate findings and recommend actions, to identify any organizational failings and to communicate and share lessons learned with all Regions and the Group.

■ MANAGEMENT OF HAZARDOUS SUBSTANCES

In 2014, new guidelines on "Banned Chemicals" were issued at Group level. These guidelines provide information on hazardous substances that are considered banned for purchase or use within the Technip Group owing to their potential to harm human health and their toxicity to the environment. These guidelines which conform to international protocols on harmful substances, can also raise awareness on the processes to be considered when procuring harmful chemicals and substances. These guidelines are applicable to all Technip sites and must also meet local regulatory requirements.

At site, vessel or Project level, the management of hazardous substances is described in detail in the Project or site-specific HSE Management Plans or specific procedures. These documents will describe the procurement, handling, use, storage and disposal of hazardous substances specific to the site or vessel.

For example, lubricants and chemicals will be stored in dedicated storage facilities at Technip's manufacturing plants. Such facilities will be segregated and secured and fitted with spill prevention equipment, bounding or traps, as well as spill kits.

In the subsea or offshore environment, hazardous substances used when carrying out offshore activities are assessed in accordance with their toxicity to the marine environment. Only chemicals such as biocides or oxygen scavengers that are rated as silver or gold in accordance with Offshore Chemical Notification Scheme are permitted for use and discharge.

b. Technip's rules on reporting environmental incidents

Within Technip, all HSE incidents must be reported. Technip requires any accidental spills or releases into the environment to be recorded in Technip's HSE statistics, regardless of volume. In addition, Technip is able to identify potential environmental consequences for other HSE incidents that have occurred.

Technip classifies environmental incidents into three distinct types:

- major environmental incidents: where a significant impact on the environment is caused outside the site's boundaries, lasting more than one month or when intervention by a third party is required to manage and control the impact or where there is a breach of environmental license conditions, regulations or contractual requirements that results in a fine or prosecution;
- minor reportable environmental incidents: where the impact is minor and reversible, lasting up to one month and is controlled by the worksite; the incident may be of any type, size or volume, but must be reported to authorities in accordance with any work approval or license conditions and regulations but does not result in a fine or prosecution; and
- minor non-reportable environmental incidents: these are reported internally to Technip and/or clients but do not need to be reported to local authorities.

In 2014, this classification was reviewed and has been widely modified to align with safety incident classification. The new rules have been defined in the Group's standards which will be fully implemented in 2015.

c. Number and volume of significant spills

With continued efforts to raise environmental awareness and improve the reporting of incidents, as well as increased levels of mandatory reporting, there has been an increase in the number of environmental incidents reported in 2014 in comparison to 2013 levels.

In 2014, a total of 170 environmental incidents were reported across Technip's construction sites, industrial sites and vessels. Overall, this figure represents a slight (2%) increase in comparison to 2013 and a 58% increase in comparison with 2012 data. The recording of minor reportable environmental incidents increased by 91% in 2014. This reflects the increased requirement for mandatory reporting to local authorities, particularly in respect of North Sea operations. No significant or major environmental incidents were identified in 2014.

Distribution of accidental releases	2014					Volume of spills (litres)	2013		2012	
	Total Number of incidents ⁽¹⁾				Volume of spills (litres)		Total Number of incidents	Volume of spills (litres)	Total Number of incidents	Volume of spills (litres)
	Minor Non-reportable	Minor Reportable	Major	Total						
Construction sites	31	7	0	38	2,874 ⁽²⁾	58	4,620 ⁽⁴⁾	31	1,321	
Industrial sites	26	5	0	31	32,290 ⁽³⁾ ⁽⁴⁾	31	5,482 ⁽³⁾	41	1,276	
Vessels	46	55	0	101	2,228 ⁽⁵⁾	77 ⁽²⁾	3,588	36	1,223	
Offices	0	0	0	0	0	1	150	0	0	
TOTAL	103	67	0	170	37,392	167	13,840	108	3,820	

(1) According to Technip Environmental Incident Classification.

(2) Of which 2,000 litres related to two oil spill incidents

(3) Of which 29,000 litres related to the discharge of cooling water during maintenance.

(4) Of which 3,000 litres related to the spill of fuel oil in a manufacturing yard.

(5) Of which 800 litres related to an oil (lubricating) spill in a vessel.

With the rise in the number of environmental incidents, the volume of substances reported to have been released into the environment has also increased from 13,840 litres in 2013 to 37,392 litres in 2014 of which 29,000 litres related to a cooling water discharge event which did not contain hazardous substances.

Spills or releases accounted for 96% of all environmental incidents reported. Of these spills, 94% consisted of oils (e.g., hydraulic oil), fuels (e.g., diesel and gasoline) and chemicals and 6% were spills or discharge incidents relating to contaminated or waste water releases.

In terms of the 4% of environmental incidents that were not spills, these incidents consisted of incorrect waste disposal, noise and gas emissions.

Of the 170 incidents recorded, 39% of the environmental incidents were classified as "minor reportable" incidents and involved small accidental spillages or discharges of hydraulic oil, diesel, chemicals, sewage or contaminated water, with a regulatory requirement to report to the government authorities. The remaining incidents were "minor, non-reportable spills".

The construction site and plant spills were all contained, remediated and disposed of in accordance with regulatory requirements and waste measures. The operational cost of remediation of these spills has been included in environmental expenses as a waste or operational management cost and is not considered as a decontamination cost.

The majority of offshore or vessel spills that consisted of relatively low volumes of hydraulic oils or fuels were contained wherever practical or lost to sea. Incidents involving losses to the sea were reported in accordance with local regulatory requirements. A large volume of the subsea or offshore incidents were spills or discharges from Remote Operated Vehicles (ROV) during operation.

The overall increase in the number of recorded environmental incidents since 2012 can be attributed to a number of factors:

- an increase in the number of fleet vessels operating under Technip's control;
- greater regulatory and client requirements for the mandatory reporting of incidents; and
- an increase in overall awareness and culture in reporting environmental incidents across the Technip Group.

In 2014, Technip measured the Total Environmental Incident Frequency Rate (per 200,000 man-hours worked) to be 0.17 (in comparison to 0.15 in 2013) and the Reportable Environmental Incident Frequency Report (per 200,000 man-hours worked) to be 0.07 (in comparison to 0.03 in 2013).

d. Mitigation of environmental incidents

All environmental incidents which occur and are within Technip's scope of responsibility are to be reported in accordance with the rules applicable for the whole Group. Incidents are investigated to determine the immediate, underlying and root causes. By identifying the causes of incidents, measures can be identified and put into place to reduce the likelihood of environmental incidents recurring.

The common immediate and underlying causes for environmental incidents across the Group are inadequate refuelling or hazard substance handling procedures, inadequate training or competence of key persons, inadequate maintenance or inspection of equipment and poor hazard awareness.

Efforts have been made across Technip to increase the level of awareness of environment aspects and the reporting of environmental issues. Greater emphasis is placed upon the identification of environmental hazards and risks and the prevention of incidents. Once the environmental risk is identified, specific measures can be put in place such as containment bounding or barriers, additional spill or pollution response kits, drainage oil interceptors, as well as training, awareness and procedural measures, including by sub-contractors.

For example, in Flexi France's manufacturing plant (Le Trait, France) different measures have been put in place to minimize the risks of pollution outside the plant if an accidental spillage happens. Fifteen easily identifiable and ready to use spill kits have been placed close to high-risk areas (such as the chemical storage and handling areas), including visual explanations on how to use the kits and what to do in case of a spill. In addition, a colour code has been adopted to differentiate easily between the water networks. The objective of these measures is to react as quickly and as best as possible to contain the pollution and avoid (or minimize) the water, soil or underground pollution.

For Projects, a spills and pollution control methodology was developed in 2013 and 2014 by the HSE-design team in Paris to prevent any risk of surface water pollution due to polluted storm water discharge during a refinery's operation. The study consists of the characterization of the storm water first flush composition to avoid any rainfall network contamination by pollutant spills. This study was performed during the FEED phase of a Project located in a sensitive area where Dugong mammals are present. It anticipates future regulatory requirements on fresh and marine water quality and will be proposed on future Projects. This initiative won an internal prize in 2014 in the "Building the future" category.

4.2.5. Biodiversity and Ecosystems

GRI G4-EN11, G4-EN12

Technip is committed to carrying out its operations in an environmentally responsible manner. This commitment includes the protection of biodiversity and ecosystems in the areas in which it carries out operations.

Biodiversity at Technip's sites may include existing vegetation, wetlands or waterways adjacent to plants, yards and facilities, as well as any fauna or protected species.

As an engineering and services company, Technip advises and helps its clients to carry out their Projects and investments in a sustainable way; on Projects, construction and installation methods which are more respectful of the local fauna and flora may be proposed to Technip's partners and clients.

Technip can use a number of processes and measures to assess its operations and ensure the protection of biodiversity. These measures include risk analysis and environmental impact assessment method (ENVID) in order to identify and manage the potential environmental impacts of the proposal at every stage of the Project, the development of environmental management plans and control procedures, as well as the monitoring of the environmental impact of its plants, yards and sites.

Inspections and studies are carried out on Projects as part of the Environmental Impact Assessment (EIA) to identify biodiversity and put in place controls such as stormwater runoff protection, physical barriers to vegetation and the monitoring of fauna. It is normally the client's responsibility to seek regulatory environmental approvals and select Project locations in accordance with environmental standards and regulations. Technip provides clients with environmental consulting services to assist in the selection, concept, assessment and planning of their Projects.

In 2014, typical biodiversity protection measures that were implemented in Technip construction sites, plants and yards included dust suppression, storm water and wastewater management, erosion control, the management of remnant habitats and the reduction of noise pollution.

For example, the Etileno XXI Project in Mexico committed to preserving the local environment's biodiversity by promoting and organizing a series of initiatives including the Reforestation Program "*Cultivando el Mañana*". This program, organized by the Client Braskem and JV (Technip, Odebrecht, ICA Fluor) and involving Etileno XXI personnel and local communities continued in 2014. The rescue and relocation of flora and fauna is another activity carried out by the HSE Department, aimed at the protection and preservation of local species, which are relocated in authorized areas such as Ecological Reserve "Jaguaorundy", "Resirene Pond" and Project Ecological Reserve.

Offshore, measures are taken to ensure Technip operations do not impact upon the marine environment wherever practical. Measures may include the selection of eco-friendly chemicals for pre-commissioning discharges and reporting the presence of marine mammals such as whales and dolphins to regulatory authorities.

In offices, many initiatives in favour of the protection of biodiversity were carried out in 2014 as part of World Environment Day to increase employee awareness. For example, tree planting ceremonies were organized at the Chennai Operating Centre (India), on construction sites (Mexico) and on Batam yard (Malaysia) and plant saplings were distributed to all personnel in Technip Spain as well as in Mumbai and Delhi Operating Centres (India) to encourage people to have green plants at the office or at home. Talks on the role of photosynthesis, the importance of forest conservation and the benefits of forest conservation for local ecosystems and global warming were organized with specialists and NGO's.

In 2013, new offices near Paris-La Défense (around 900 people) opened in a new building which has several high level environmental certifications. The building is equipped with innovative green roofs and patios and insect houses. In 2014, the owner developed observation protocols. A first observation showed that the ecosystem was rich with many species of local plants, molluscs, insects and birds. In 2015, three inventories of fauna and flora should be carried out, as well as interviews involving tenants and employees on their perception of green areas and biodiversity at their workplace. Other examples of initiatives developed by the Group's offices and manufacturing plants are given in Section 4.3.2 of this Annex E, under the "Communication Events" and "Environmental Education Programs" sub-sections.

Any damage to biodiversity is reported through Technip's HSE reporting system. In 2014, no incident or complaint regarding biodiversity and ecosystems was reported by Technip entities or operations.

4.2.6. Other Aspects

a. Consumption of raw materials

Raw materials used for Technip's operations are mainly provided by suppliers on Projects, such as metal used for pipes or wood used for packaging.

Since 2012, the consumption of paper is as follows and shows a significant decrease by nearly 27% in 2014 compared to 2013:

	2014	2013	2012
Total Paper Consumption (tons)	773 ⁽¹⁾	1,056	898

(1) Coverage rate is equal to 62% in terms of Man-hours worked.

It shows a significant decrease by nearly 27% in 2014 compared to 2013.

In 2014, the distribution of the total paper consumption per activity is as follows:

2014	Construction sites	Industrial sites	Fleet	Offices
Paper Consumption (tons) (% of the Total)	146 (19%)	40 (5%)	Not applicable	586 (76%)

Technip regularly requests that suppliers provide raw materials in accordance with contractual requirements, including stringent HSE requirements.

Raw materials are reused on sites or vessels where practical, such as the reuse of wood and packaging materials, or the recycling of materials such as scrap metal and electrical cables. Waste materials are segregated where practical to improve reuse and recycling measures.

On some Projects, Technip has added specific requirements to the Project packaging procedures sent to all suppliers: they are requested to use wood treated by heat processes and not treated by chemicals (as per international standards on phytosanitary measures). The aim is to give wood waste to local communities who will reuse it for construction, heating and cooking purposes. During the construction phase of the Projects, thousands of tons of wood are brought on site while in some regions, this natural resource is scarce. In addition, the segregation and management of wood waste on site requires manpower which can be hired locally.

For more information on Technip's procurement practices, please refer to section 5.1 of Annex E on Sustainability in the Supply Chain.

In the offices, the main raw materials used are limited to paper products. Good practices to reduce the use of paper have been adopted for several years by almost all entities within the Group as part of the Green Office program launched in 2010. Commonly adopted practices to reduce paper usage are:

- using secure printing as the printer's default setting to avoid unnecessary printing;
- set-up of double-sided printing by default on all computers;
- educating employees about their paper consumption (e.g. displaying actual consumption of paper per floor or per person);
- more documents sent in electronic formats (time sheets, travel requests, expenses claims, invoices, magazines, newsletters, etc.);
- extensive communication on best practices.

The use of recycled paper, paper from certified forests and eco-labelled printers are also usual practices in offices (France, Spain, UK, Rome, etc.).

All sectors have reduced their global paper consumption. The biggest decrease (by 29%) was achieved in Technip's offices where the reduction measures and good practices in place over several years as part as the Group's Green Office Program are now producing very good results.

b. Noise

A large portion of the Group's operational sites and manufacturing plants are located in heavy industrial environments and offshore. The impact of noise from these facilities is measured and monitored in accordance with regulatory and occupational health standards.

On construction sites, the impact of noise on the immediate area is assessed as part of hazard identification analysis and regulatory requirements and steps are put in place such as placing restrictions on operations, e.g., construction and testing of pipes and controls may include the reduction or stopping work in the evenings and weekends.

Noise assessments are also conducted on vessels, plants and yards to identify high noise areas and to reduce the potential impact of noise emissions on the workforce.

In 2014, no noise incidents or complaints were reported by Technip entities or operations.

Detailed studies on noise are often conducted on Projects during the engineering phase. The task of the acoustic team is to assess the noise footprint and features of plant designs and its impact on adjacent plants and environment and to design specific noise reduction measures or equipment.

In Technip Paris, a team of several acoustic engineers with experience in architectural, environmental and industrial Projects are part of the HSE-Design department. They provide Noise and Vibration engineering services and solutions to major Onshore, Offshore and FLNG (Floating Liquefied Natural Gas) Projects for the leading oil and gas, petrochemical and mining companies.

In 2014, they developed two kinds of detailed noise studies in respect of Offshore Projects:

- Structure borne noise: The acoustic energy, generated from a vibrating source, transmitted into the structure of an offshore platform, travelling through solid structures, is released as airborne noise at different locations within the platform. This phenomenon is commonly called structure borne noise. As noise and vibration regulations are more and more stringent on Offshore Projects, Client standards are increasingly becoming HSE oriented. The contribution to structure borne noise is taken into account for all sensitive buildings on the platform (e.g. control room, laboratory, living quarters). In respect of the Martin Linge and Hejre Projects which are two platforms to be located in the North Sea, specific studies have been carried out to demonstrate that this problem cannot be neglected and recommendations for structure and equipment design must be considered.

- Intelligibility: The Public Address and General Alarm (PA/GA) system is designed to broadcast voice messages and audio alarm signals using an electro-acoustic system. It is necessary for the comfort and the health of workers to ensure there is a good communication system in place between operators and to ensure that warning signals and emergency messages are clearly audible. In respect of the North Sea Projects (Martin Linge and Hejre) and the application of the NORSOK standards (developed by the Norwegian petroleum industry), messages shall be also intelligible. As a result, additional studies have been carried out with the calculation of a new indicator called STIPA (Sound Transmission Index for Public Address) to ensure that broadcast Emergency Verbal Announcements are intelligible in all parts of the installation where personnel could be present during normal operations.

c. Odours

In 2014, no incident or complaint in respect of olfactory pollution was reported by Technip entities or operations.

d. Soil

Technip has a very limited influence on the choice of the location of client operations or facilities. Technip does, however, have the opportunity to influence the size, shape and orientation of the facility to limit the impact on the biological, physical and social environment where practical. In addition, wherever practical, Technip's construction techniques are chosen to reduce impact on the environment and to prevent any excessive impact, through reviews of the design layout, construction planning and risk assessment, regulatory compliance and operational monitoring.

Past examples include situating a plant to limit the incursion into native vegetation or the redesign and stabilization of the plant's slopes to reduce erosion due to heavy rains. Proposed solutions may have a positive impact on the required quantity of construction materials, energy requirements and polluting emissions from the works. They may also reduce cost, on-site working time and site-related risks.

During the earliest phase of construction activities when the site is being prepared for construction, soil is usually cut and excavated from site, which may represent huge quantities of clean soil. It is often temporarily stored either inside or outside of the site's boundaries and reused wherever practical on the construction site in the form of backfilling, fill for levelling, retaining walls, screening from neighbouring operations or sent to dedicated landfills for environmental restoration projects.

Soil contaminated due to spills or accidental discharges from Technip's construction or operational activities was reported as per Technip Group's standards and remedied as most appropriate, in accordance with local regulatory requirements.

4.2.7. Financing Impact Reduction

Expenses related to reducing the Group's environmental impact

The Group's expenditure on environmental protection, improvements and pollution prevention measures is principally related to managing and reducing noise and vibration, waste (storage, transport, treatment and disposal), discharges and effluents (both domestic and industrial) as well as on soil remediation practices and environmental monitoring at sites, plants and in offices.

These expenses may also include environmental consultancy fees, the use of specialized contractors, waste removal and the testing of liquid effluent discharge.

The cost of developing technical measures related to energy efficiency or wastewater treatment is also included.

In relation to the new flexible pipes manufacturing plant in Açu, Brazil, which started its operations in 2014, environmental

expenses primarily consisted of waste management, consulting environmental experts and the organization of workshops and field visits for students and teachers from local schools, as part of the Environmental Education Program (please refer to section 4.3.2 of this annex for more details).

In respect of vessels, most expenses are from waste management. All Technip vessels operate under the International Maritime Organization (IMO) and MARPOL standards (International Convention for the Prevention of Pollution from Ships), with requirements in relation to compliance and certification in respect of atmospheric emissions and liquid discharges. Related expenses are also included.

In offices, expenses include costs related to communication and awareness events such as the World Environment Day (including conferences featuring external specialists, the distribution of plants and promotion items) and also related to water and energy consumption reduction measures such as the replacement of halogen lamps with LED lamps.

Annual expenses related to environmental protection as reported by the sites (in thousands of Euros)	2014	2013	2012	2011
Total environmental expenditure	3,001	2,481	2,773	2,251
Decontamination costs	0	0	0	0
Number of fines & compensation payments	0	0	0	0
Amount of fines & compensation payments	0	0	0	0

4.3. ENVIRONMENTAL BEST PRACTICES

4.3.1. Sharing Best Practices

One of the objectives of Technip's sustainable development strategy is to identify all environmental best practices within the Group, with the aim of sharing them across the entire Group.

This exercise started in 2013 with manufacturing plants where internal site reviews were carried out. A similar type of review will be performed in 2016 on Technip's fleet.

This section provides examples of best practices to give an overview of the diversity of actions and initiatives to protect the environment that have been developed and implemented in 2014 within the Group, either at Group level or at entity and site level.

An environmental best practice is a practice which can be technical or educational in nature and which significantly reduces one or several impacts on the environment.

a. Projects

■ ENGINEERING

In some of Technip's operating centres, engineers work full time on environment and health studies carried out during the engineering phases of Projects, either conceptual, FEED (Front End Engineering and Design) or detailed design.

For example, in Technip Paris, a team of around 20 environment and health specialists form part of the HSE-Design department which has around 70 people on its payroll, with additional contracted staff when necessary. The team's objective is to ensure that installations designed by Technip comply with all applicable environmental and health requirements and to minimize the identified impacts of the Projects.

The team carries out numerous types of studies such as air emission modelling, marine dispersion, spillage and pollution control, waste management and studies on acoustics and vibrations.

Since 2012, they have developed a Life Cycle Environmental and Health Assessment (LCA) methodology. This study quantifies the environmental and health impact of a facility and the potential to reduce such impact when implementing the Best Available Techniques (BAT). The associated cost of using such technology is also estimated in order to obtain a complete cost-benefits study. As the first steps in 2012 and 2013 were encouraging, the approach was applied to two innovative Projects in 2014: a deep offshore subsea processing conceptual study and a FLNG (Floating Liquefied Natural Gas) pre-FEED Project. Optimized design solutions were proposed to clients. While giving an overview of the health and environmental impact of each Project, the eco-design study is an innovative design tool which promotes environmental friendly processes. It improves the Group's range of services on offer and anticipates client concerns, primarily in the energy sector. In 2015, it will be further developed and promoted both internally and to clients.

■ PROCUREMENT

For several years, calls for bids, procurement procedures and purchase orders have evolved and include more HSE (health, safety and environment) and sustainable development (SD) requirements. These aspects are taken into account in respect of current contractors as well as when selecting a new contractor or a new supplier.

In some of the main offices, such as Paris-La Défense, an assessment against HSE and Sustainable Development criteria is performed for critical services contractors. This is done on an annual basis by a specialized company. The objective is to identify areas for improvement and increase each contractor's performance. For example, cleaning products used in offices and

sanitary spaces have been replaced with environmental-labelled products; the company in charge of the maintenance of green areas in offices has trained its personnel and has taken measures to reduce the consumption of water and its use of phytosanitary products.

Another initiative relating to the environment has been developed for Subsea Projects. The objective is to select sub-contractors and suppliers which adequately manage the health, safety and environmental aspects of their respective activities. During the selection phase (bid stage), the environmental element is included in a tailor-made questionnaire in order to assess the sub-contractor's and/or supplier's ability to meet Technip's environmental standards and requirements. This questionnaire has been created by the HSE-Management team based in Paris and is currently implemented on two major Subsea Projects and several supply Projects. The aim is to implement this new system for each new contract managed by the Paris office. The number of items related to the environment depends on the HSE level of the sub-contractor's or supplier's activities and/or the equipment to be manufactured for the Project. The sub-contractors and suppliers are then assessed on their level of compliance including environmental criteria and performances which is then taken into account, amongst, other aspects into the final selection.

For more information on Technip's procurement practices, please refer to section 5.1 of Annex E on Sustainability in the Supply Chain.

■ SUBSEA INSTALLATION

As part of Subsea Projects, subsea installation teams have proposed an innovative design of cable ties since these plastic pieces are generally left in the sea after the installation of subsea cables. The replacement of the plastic pieces with bio-degradable tie wraps was considered. This would avoid discarding plastic in the oceans and would help to protect marine wildlife. This innovative product, already widely used by the aeronautic industry, was purchased in 2014 in order to be tested on one of Technip's main Subsea Projects in Angola. Preliminary results showed that the product's mechanical characteristics were acceptable. The product should be used in real subsea conditions in 2015.

In 2014, HSE (Health, Safety and Environment) inspections on third party vessels contracted on Subsea Projects have been reinforced and now include more environmental aspects. Vessel operators are contractually requested by Technip to comply with applicable environmental regulations and to promote best environmental practices. This is implemented by Technip's HSE team from since the bidding phase of the Project and is monitored throughout the operation phases. During HSE inspections, a thorough check is carried out on ballast water management, acceptable lubricants and chemicals, NO_x and SO_x emission controls, oil pollution emergency plans, etc. This approach will help contractors to improve their compliance with environmental standards.

b. Technip's permanent sites

■ INDUSTRIAL SITES

An increasing number of environmentally friendly practices and procedures have developed over several years in Technip's manufacturing sites, with the objective of improving the Group's performance in terms of reducing atmospheric emissions, treating liquid effluents and optimizing the use of natural resources.

In 2013, the identification of best practices within the Group for the environment started with the manufacturing plants where internal site reviews were performed. Specialists from other plants reviewed three of the Group's manufacturing plants: Flexibras in Vitória (Brazil), Asiaflex in Tanjung Langsat (Malaysia) – two out of the three flexible pipes manufacturing plants – and Technip Umbilicals Ltd in Newcastle (UK), one of the four umbilical production facilities.

In 2014, a similar field review was carried out by an environmental specialist from Flexibras, a Brazilian subsidiary of the Group, in respect of Flexi France's flexible pipes manufacturing plant based in Le Trait (France).

These reviews allowed Technip to identify and collect about 50 best practices in respect of the environment. Field visit reports have been shared via the Group's environmental network, helping to disseminate the best practices with other entities and factories. The next step will be the launch of a sharing platform which is under development and should be operational in 2015. The objective is to make the sharing platform open to all Technip personnel so that the practices can be used in different contexts, such as for construction sites. Associated guidelines defining the governance rules of using this platform will also be issued in 2015.

One of the main events of 2014, was the start-up of a new flexible pipes manufacturing plant located in Brazil (Açu, Brazil): the operation started in March (with around 370 employees) and construction ended in October (necessitating around 750 workers). The new plant has been designed to be the most modern plant in the Group and to also have the best environmental performance. During the engineering phase, a team of several environmental experts participated in the Project. They ensured that the plant would be fully compliant with applicable legislation and designed systems to minimize its environmental impact. For example, the site is well equipped to collect and treat wastewater, to reduce the use of natural resources and to properly manage waste generated on the site. All these systems demonstrate Technip's commitment to protecting the environment as well as promoting sustainability and innovation in respect of its Projects and investments, including eco-design and environmental efficiency from the earliest stage. The plant should be able to obtain the ISO 14001 certification in 2015. The year of 2014 was dedicated to creating new guidelines and procedures and to training the workforce on subjects including waste management and environmental emergencies, etc.

In 2013, at Technip's Flexi France plant located in Le Trait (France), the HSE team performed a detailed environmental analysis to identify the most significant environmental impacts of the plant's operations and the ways to reduce such impacts. In 2014, the results were communicated to all relevant staff on site by using stickers and posters which were displayed in working areas. Stickers show the five main environmental impacts to remind staff that their activities can have a significant impact on the environment.

These efforts were rewarded since Flexi France's clients have demonstrated a high level of interest in the environmental initiatives conducted on site and have financed activities such as the distribution of 1,000 eco-boxes to all personnel during the 2014 World Environment Day.

■ FLEET OF VESSELS

In 2013 and 2014, the Technip Marine Operations Services (T-MOS) vessel fleet reinforced its Environmental Management System (EMS). The revised EMS includes mandatory updates to international regulations such as Annexes V and VI of MARPOL that came into effect in January 2013, with the aim of reducing carbon emissions from vessel activities worldwide. Ship Energy Efficiency Management Plans (SEEMP) have been developed for each vessel and outline the various fuel saving measures that can be employed in order to reduce its emissions.

T-MOS' EMS also includes new procedures such as a waste management plan on each vessel which outlines procedures for recycling, sorting and disposing of waste in accordance with the various applicable legislations. In 2014, training sessions were delivered to the crew by the Vessel Chief Officer.

As a result of the introduction of a more demanding Vessel General Permit introduced in December 2013 in the United States, T-MOS adapted its procedures accordingly. Amongst the most notable changes, the Vessel General Permit placed requirements on vessel operators to replace all oils coming into contact with the sea with Environmentally Acceptable Lubricants.

In 2014, T-MOS's environmental advisor issued regular Internal Environmental Notices on different topics of importance, outlining new requirements or lessons learnt and how they apply to operations. A copy of these notices shall be displayed on the vessels' notice boards in order to inform all personnel onboard. The subjects previously described in this section have been addressed and communicated to T-MOS vessels through this type of notification.

In October 2014, T-MOS launched new Environmental Reports for all T-MOS managed vessels. These reports consolidate each vessel's environmental performances. They also summarize the SEEMP operations performed during the month, such as reduced transit speed or single engine used in port and present associated fuel and exhaust gas emissions savings.

4.3.2. Increasing Awareness and Training

a. HSE training

In 2014, HSE training continued to focus on the development of leadership and communication with the support of the internally-developed Pulse program, in addition to specific HSE aspects.

	2014	2013	2012	2011
Number of HSE training hours (Total workforce and sub-contractors) ⁽¹⁾	814,214	709,897 ⁽²⁾	421,019	180,922

(1) Number of hours on site.

(2) For 2013, hours have significantly reduced since the 2013 Reference Document due to a change in data made by a construction site.

The table above provides Technip's total number of HSE training Man-hours, including on environmental awareness. This HSE training consists of HSE induction for newcomers, HSE briefings and the Pulse training program. Some sessions are dedicated to environmental topics such as waste management, hazardous material management, spill control procedures and environmental briefings delivered to all relevant personnel; specific sessions are usually delivered to construction sub-contractors depending on their operations (civil works, commissioning, etc.).

Training sessions are conducted for all personnel, whether employees or contracted workforce, in Technip offices, construction sites, plants and vessels and may also be provided at external facilities.

Specific environment training modules have been developed for certain entities, such as a Project in Coatzacoalcos (Mexico), in the Flexibras manufacturing plant in Vitoria (Brazil) and in Flexi France in Le Trait (France) where programs focusing on oil spill management and emergency plans were delivered to the personnel.

■ PULSE PROGRAM

Launched in 2008, the Pulse program aims at improving the Group's Health, Safety and Environment climate by raising awareness and encouraging employees to be proactive based on leadership and communication. At the end of each session, program participants commit to personally engaging with HSE initiatives. In 2014, approximately 3,900 people followed the "Pulse for the Office" module (which equates to around 6,100 people in total from the module's launch in 2013). The module includes an exercise in which participants are asked to discuss what is currently being done in their entity and what further actions could be taken to improve Technip's environmental performance. In addition, over 3,300 engineers and design personnel followed the "Pulse for Engineers" module in 2014, which encourages participants to consider the impact that their design decisions will have on the environmental performance during the entire lifecycle of the facilities and processes that they design.

For more information on the Pulse program, please refer to Section 3.8 of this Annex E.

b. Communication events

Technip continues to reinforce environmental awareness and to encourage responsible behavior. Both are essential elements in order to improve the Group's environmental performance, in particular by organizing global communication campaigns.

■ WORLD ENVIRONMENT DAY

World Environment Day (WED) is the most important event, which takes place on the 5th of June every year across the Group. This initiative is sponsored by the United Nations Environment Programme (UNEP) and has been observed by Technip since 2008 in most of its main offices and sites.

In 2014, Technip's environment day focused on the topics of climate change, energy use and carbon emissions, inspired by the UNEP slogan "Raise your voice, not the sea level". This theme provided an opportunity to emphasize to Technip's whole workforce the importance of environmentally sustainable practices, not only in daily operations, but also in conceptual and design activities. The awareness of environmental issues on a daily basis, both at work and at home, encourages the workforce to take proactive measures towards sustainable development and resource consumption.

In 2014, this event was observed widely across the Group and sponsored by the President and COO. Not less than 35 entities and Projects in 22 countries participated, organizing numerous activities involving the entire workforce, including contracted staff and sub-contractors. A presentation prepared at Group level and personalized by sites was delivered to the personnel. Entities and Projects organized many local initiatives focusing on their significant environmental aspects and issues.

Technip's offices in China offered science activities in order to provide employees and their children with information about the environment.

Two major construction sites, in Algeria and in Mexico, organized site cleaning campaigns involving the whole workforce, sub-contractors and clients. In respect of the Algiers Refinery, stands were set-up to provide information by way of posters and videos on waste segregation and recycling where more than 1,200 people participated.

In Malaysia, Asiaflex contributed to the World Environment Day celebration by holding tool box talks on the topic of the year and organized a beach clean-up in their adopted fishing village, Perigi Acheh. Asiaflex had more than 20 volunteers from families of Asiaflex employees to help in this effort. By the end of the event, the volunteers collected more than 26 bags of waste from the beach.

In Brazil, in São João Da Barra, an environmental fair was organized, promoted by the Municipal Education Department in partnership with Municipal Environment Department and Technip. The event, open to local schools and the community, involved the presentation of the works carried out by the students on local ecosystems.

This annual event which is now well observed across Technip is a great opportunity to engage with the workforce at all levels and encourage people to take proactive mitigation measures in favour of the environment both at work and at home.

■ ENERGY DAY

In 2011, an annual "Energy Saving Day" was launched in order to make Technip's workforce aware of good behaviors and positive actions for reducing energy consumption in offices, construction sites, manufacturing plants and vessels. Innovation and use of energy-efficient technologies still need to be increased. Technip also needs to engage more with its business partners to change behaviors in the workplace and at home in order to achieve lasting energy savings. These significant savings can only be achieved through effective engagement and communication. To meet these challenges, Technip has decided to observe a Group-wide "Energy Saving Day" every year in December.

On December 10, 2014, offices in Paris-La Défense (France) organized a conference on the Energy Manager® system which has been installed in the offices since 2009 and the reduction the system has achieved in terms of electricity consumption. This conference provided an opportunity to identify best practices for saving energy in offices, as well as for Projects. Similar events were also organized in Kuala Lumpur (Malaysia) and by other entities with the aim of improving employees' understanding of their electricity consumption and achieving a noticeable reduction in usage by encouraging people to save energy.

c. Environmental education programs

Several environmental educational programs have been developed throughout the Group, which have drawn the attention of Technip employees, schools and the local population to environmental problems, whilst at the same time developing Technip's social actions.

Technip is very active in this area in Brazil. The actions implemented by Technip's flexible pipes manufacturing plant located in Vitória (Brazil) are still on-going. The plant, located close to the local community of Ilha do Principe, offers new social and environmental programs organized every year with the contribution of Technip's HSE and Social Management teams with help from voluntary staff.

In 2014, the teams continued to strengthen communication and education skills in partnership with local organizations and neighbouring schools: teachers were provided training on subjects such as sustainable consumption or environmental management whilst students had the chance to participate in photography and music workshops, combining school topics with social and environmental elements.

Since 2012, the team also facilitated the development of a self-sustainable business run by women in the Ilha do Principe community who recycle waste generated by the Vitória plant (such as wooden spools and pallets, ceramics and plastics) and transformed them into handbags, tables, armchairs and other objects which they sell through the cooperative. In 2014, the cooperative continued its activities and generated a source of income for four women and their families and succeeded in recycling approximately 2% of the plant's waste. This is a long-term initiative which Technip will continue to support in the coming years in order to increase the number of people benefitting from the scheme. In 2014, the initiative also won an internal Jacques Franquelin award in the "Encouraging a fair return for all" category.

In addition, with the start-up in March 2014 of a new flexible pipes manufacturing plant located in Açú (Brazil), Technip developed new environmental education programs with students and teachers from local schools to inform and encourage them to protect local ecosystems and natural wildlife (mangroves,

sandbanks, local flora, turtles, etc.). 48 students from eight public schools and 26 teachers attended workshops and field classes with specialists. Feedback was very positive and environmental topics will be included in the lessons plan of teachers for 2015.

5. Investing in National Capabilities

Technip is present in 48 countries and has industrial production assets and a large fleet of vessels on five continents. The Group's mission is to deliver safe and successful energy projects to its clients around the world, by running profitable, ecological, rational and ethically-sound projects. Locally, Technip has to manage and rely on effective supply chains while building national capacities and capabilities, to be able to deliver state-of-the-art and competitive projects. In terms of local impacts, Technip's philosophy is to maximize national procurement and employment and to promote partnerships that focus on enhancing skills and boosting national employment. The Group faces two real challenges in terms of its local impact:

- develop multi-stakeholder and long-term action plans to improve social, environmental and economic performance in the regions hosting its permanent operations sites; and
- improve and formalize stakeholder engagement plans in project bidding, design and execution to foster sustainable growth for the stakeholders in all sites where the Group has non-permanent operations.

This Section illustrates how Technip manages its supply chain, contributes to increase capabilities and sustains socio-economic progress at local level through the establishment of multi-stakeholder partnerships. Investing in national capabilities is part of Technip's Sustainable Development Policy.

5.1. SUSTAINABILITY IN THE SUPPLY CHAIN

Technip is a world leader in project management, engineering and construction for the energy sector. The Group never operates alone in delivering its projects and both suppliers (goods and equipment) and subcontractors (services) are vital and critical partners, required for the delivery of successful projects. An integrated approach and a close working relationship are necessary in producing the benefits everyone expects.

5.1.1. Internal Structure to Manage Supply Chain Challenges

The Global Procurement Organization has the mission to:

- develop Technip's knowledge of the markets for raw materials, equipment and subcontracting that are important for its business and more generally offer and implement a global procurement strategy improving competitiveness;

- establish and run an efficient procurement information collection and communication process, within the Global Procurement network itself and within Technip's organization, beyond the network;
- represent the Group toward Technip's top suppliers and manage the relationships at corporate level to develop a long-term partnership and negotiate the Group's frame agreements with Technip's suppliers;
- participate in the bidding process of top suppliers;
- gather and report information critical to Technip's operations;
- define and maintain the procurement rules and procedures applicable to the Group;
- develop and ensure the updating of the Group's Procurement tools and databases; and
- own and update the e-procurement tool open to Technip's suppliers.

The Global Procurement network is organized in matrix-mode with regional and local procurement offices and personnel spread among the various Technip entities worldwide.

5.1.2. Supply Chain Operating Principles and Procedures

To deliver safe and successful energy Projects, Technip has to maintain a strict attention to be able to anticipate whether it is faced with the biggest challenge or the smallest detail.

In line with its mission and values, Technip has developed several Group Operating Principles/Standards (GOPS), Group Instructions and Guidelines in the fields of human resources, communications, quality, HSE, security, finance and control, legal and compliance, project management and execution, IT, technologies, engineering, procurement and construction. The requirements stated in GOPS and Group Instructions are mandatory across the Group and provide the overriding framework within which the regional entities conduct their operational autonomy. To facilitate compliance with the GOPS, corporate teams publish specific Group guidelines that are recommended for support purposes but are not mandatory.

The supply chain is cardinal in Technip's mission and is managed through several GOPS and related guidelines. The emphasis is to maximize sustainability and minimize risk.

The key formal steps undertaken by Technip in the management of its supply chain are as follows:

- **Step 1:** The process begins with Technip's mandatory application of its GOPS Qualification and Performance Assessment of Suppliers. To be qualified for a project, a new supplier must be satisfactorily evaluated, in accordance with Technip's local procedures. Demonstrating the following criteria contributes to the assessment of the human rights risks: commitment and potential to meet Technip principles in terms of health, safety, environment, business ethics and social accountability.
- **Step 2:** Technip's General Terms and Conditions (GT&C), used by the Procurement teams, include a provision regarding Technip's commitments, values and charters, the purpose of which is to mirror the Group's requirements in this respect. The supplier therefore must comply with the Group's corresponding requirements. These general purchase conditions define and govern the principles of performance of the Purchase Order (PO) and form an integral part of the contract entered into with suppliers. Through the acceptance of the PO, the supplier irrevocably withdraws from its own general sales conditions. Technip supports the Global Compact initiative, hosted by the United Nations. The supplier shall perform the PO in full compliance with Technip's commitments, values and charters.
- **Step 3:** Supplier Performance Assessment at Project level (included in GOPS "Qualification and Performance Assessment of Suppliers"). Within Technip, the operating unit will prepare a supplier performance assessment after the execution of a PO. Deliverables of this assessment will be a feedback report and a supplier and criticality rating. The supplier will be evaluated, in particular, on the following criteria that contribute to the assessment of the human rights performances: HSE addressing issues, such as company culture and HSE performance.
- **Step 4:** GOPS Risk Management. During the project's entire lifecycle, Technip's risk management process shall be periodically conducted. The level of severity of a risk will be determined by assessing the impact on several criteria, among which the following that address human rights issues: HSE, society, impacts on nearby communities (protests/demonstrations), internal security (labor unrest, sabotage and intrusion) and security management systems (*i.e.*, guarding, patrolling, emergency response and notification).
- **Step 5:** GOPS Joint Notification Procedure of Major or High Potential HSE, Security & Medical Incidents. Major incident will be reported to be able to take immediate action. Some incidents are related to human rights: (i) single or multiple fatalities; (ii) kidnapping and/or murder; (iii) riot, strike with violence against the staff; (iv) civil unrest; (v) major vessel emergency (*e.g.*, piracy, collision, trapped or lost diving bell); or (vi) major environmental incident.

The following are detailed features of the different GOPS and Guidelines that Technip applies throughout the organization for the management of its supply chain.

a. General principles applicable to Technip's procurement policy

This GOPS sets out the governance principles included in Technip's Procurement Policy and ensures that:

- procurement activities are performed in compliance with the Group Values and Policies;

- authority roles and responsibilities are established with suppliers;
- the procedure leading to the purchase of goods and services from suppliers is set. Such procedure is to be conducted on a competitive basis;
- the approval and qualification system of goods and services required for the Projects and for the operation of Technip's entities is defined;
- the implementation of standard GT&C and approval by the Group Legal Division and Particular Terms and Conditions is tailored to the context of each Project;
- the implementation of project procurement execution plans is set at early stage, after the purchase order, to identify specific risks related with, but not limited to, logistics, sourcing constraints and local content requirements; and
- performance appraisals and close-out reports are reported.

b. Qualification and performance assessment of suppliers

This GOPS is to be used by all entities across the organization in the qualification and assessment of performance with all new suppliers and covers the procurement of equipment and associated services, either for projects or for internal use.

To be qualified, a new supplier must be evaluated in accordance with local procedures that cover, as a minimum, the following criteria:

- formal commitment to and compliance with, Technip's principles in terms of health, safety, environment, business ethics and social accountability;
- technical and manufacturing capability to meet the requirements of the work scope;
- demonstration that workload is acceptable vis-à-vis current backlog and manufacturing capacity;
- demonstration experience in management of sub-suppliers, subcontract, expediting and inspection;
- capability to comply with Technip's documentation control and exchange of information; and
- demonstration quality accountability in line with recognized standards such as ISO 9001.

Once new suppliers have been screened using the above criteria, they are then ranked pursuant to the "Criticality Rating", ranging from "not critical" to "highly critical" and one or all of the following actions are triggered:

- review supplier pre-qualification data;
- verify compliance to tender technical information;
- perform surveys or audits focusing in areas of concern identified; and
- perform survey or audits based on qualification criteria.

During surveys and audits, detailed reports are issued to trace the details and topics, including actions to be implemented and ensured by suppliers in contractual documents at the purchasing stage.

Finally, reference is made to GOPS, such as Suppliers' Quality Control Surveillance, that sets rules for monitoring and assessing performance during purchase order execution.

c. Suppliers' quality control surveillance

This GOPS defines the level of inspection for materials and equipment to be purchased by all Technip entities. Inspection levels are a function of the Criticality Rating of the material or equipment and the supplier rating or the supplier qualification result. There are four levels of inspection ranging from verifying quality control records to full monitoring and inspection of supplier activities, from tendering to delivery of equipment purchased.

All personnel involved in the procurement process, from material requisitioning up to delivery (Project Management, Engineering, Procurement, Inspection and Quality functions primarily), have to adhere to this GOPS with an emphasis in the involvement of permanent members of the Inspection network during key inspection activities.

d. Supplier audits and surveys

The objective of this guideline is to define the scope and content of the different audits and surveys required for supplier qualification. It also makes recommendations for the optimization of inspection reviews and project audits during the purchase order execution process. This guideline also improves the selection of suppliers across the Group, ensures that audits and surveys are conducted with a common understanding of the technical risk using Failure Modes, Effects and Criticality Analysis (FMECA) methodology and that reports are shared consistently and effectively across the organization.

In terms of sustainability, this guideline provides instructions during audits and surveys related with:

- safety conditions;
- product quality;
- social responsibility including compliance with local labor laws and in particular for sub-contracted labor;
- health & hygiene; and
- environmental matters including supplier impact on society and local communities.

Different countries will have different standards and laws and, thus, different perceptions and practices on the subject. Therefore, this guideline provides recommendation as to benchmarking suppliers within a given country and to use this information as leverage, to bring minimum acceptable standards.

This guideline associates the template Supplier Sustainable Development Checklist that is to be completed by new potential suppliers at a very early stage of purchase order. It will be applicable in 2015.

Technip Italy, one of the most advanced entities of the Group in this respect, involved, in 2014, 46 suppliers and construction contractors in its CSR Evaluation Process, undertaken during bidding and execution phases of different projects. Five of these companies were audited in terms of social responsibility.

e. Subcontracting general principles

This GOPS sets the general principles of governance for subcontracting activities, including specific rules to be applied, from the establishment of a subcontract plan to the award of a subcontract. The general principles are applicable to all entities and joint ventures:

- compliance with Technip's Values, Charters and Policies which may enforce an obligation to implement certain rules within the subcontractors' organizations and in particular regarding anti-corruption practices;
- establishes authority roles and responsibilities with subcontractors; and
- sets the process leading to the purchase of services or works from subcontractors to be conducted on a competitive basis.

Based on compliance questionnaires duly filled in by potential subcontractors, due diligence is conducted where there are any "Red Flags" that serve as a warning sign that there is an increased risk of potential improper behavior on the part of the subcontractor.

Should a Red Flag be identified at pre-qualification stages, then the subcontractor shall not be entered for any project until such Red Flag is removed.

f. Contracted site personnel management standards

This GOPS applies to all entities and sets a common approach regarding the management of construction sites staffing when site personnel is required in onshore and offshore projects. The principles of site staffing are as follows:

- site vacant positions shall first be offered to Technip's permanent staff;
- if no permanent staff is available, priority shall be given to contracted site personnel with a preference for long-term involvement and development; and
- if no contracted site personnel can be made available, then recourse to staffing agencies shall be considered. Specific GOPS are then applicable.

For highly skilled contracted personnel, there is a Long-term Site Staff Management procedure seeking to develop long run relationships encompassing as a minimum career talks, appraisal reviews and compensation package negotiation. These measures are effective to retain high performers, increase commitment and loyalty to deliver successful projects.

5.1.3. Supplier Selection and Capacitation

Since 2006, references to Technip's Values and the United Nations (UN) Global Compact have been included in the Group's general purchasing terms and conditions. In 2014, specific questions relating to sustainable development were included in the supplier pre-qualification questionnaire, completion of which is a condition for inclusion in Technip's procurement database, which will become effective in 2015. These questions are also included in specific questionnaires sent to suppliers. In 2015, Technip plans to increase its interactions and open dialogue on social and environmental matters with its top suppliers.

Technip is constantly enhancing the range of ethics and safety training programs offered to its partners. These programs are delivered on all construction jobsites to ensure that every project contributor understands and implements Technip's Values. In every operational entity and head office, specific structures are in place to ensure that training programs meet the highest possible standards.

The HSE aspects of these training courses are based on the components of Technip's recognized Pulse HSE program. The aim is to promote leadership and communication on HSE matters in which employees and business partners behave positively and proactively. In 2014, approximately 3,500 persons were trained for the module Pulse for the Workforce, corresponding to approximately 28,000 training hours. Approximately 71% of these training programs were provided to subcontractors on project sites and represent an increase of 55% compared to 2013.

Ethics training for subcontractors consists of an induction program and an introduction to Technip's Ethics Charter. In 2014, the construction sites in Bulgaria and Mexico included ethics and CSR trainings as the induction of employees and sub-contractor personnel. This program provides a common foundation on which there are opportunities to build as the project progresses.

5.1.4. Top Suppliers' Management and Subcontractor Accountability

In 2013 and 2014, Technip started to strengthen its relationships with its top 20 suppliers, who represent approximately a third of Technip's procurement activity worldwide. The aim is to value an active collaboration to build on trust, rather than developing a purely transactional relationship, taking into account short and long-term strategic directions in relation to the following topics:

- improve competitiveness and develop frame agreements;
- increase project and supplier satisfaction;
- promote teamwork to increase engineering and construction optimization and cost-efficiency including man-hour savings, rework minimization and de-packaging strategies;
- reduce risks in terms of, among others, quality, schedule and claims; and
- increase availability of goods and services in case of an overloaded environment and maximize supplier responsiveness.

The Global Procurement organization launched a satisfaction survey with its top suppliers to rate Technip in relation to its business behavior, effectiveness, communication and provide recommendations for improvement.

Specific questions were also asked in relation to the clarity and completeness of material requisitions related with engineering optimization, procurement practices, quality, environment, health and safety. The information requested was welcomed by the suppliers and identified as an opportunity to enhance a long-term and sustainable business relationships.

From the results of the surveys, the top suppliers consider Technip as a leading EPC Contractor with technology differentiators within the energy sector. However, several axes of improvement

were identified in relation to: (i) the Procurement organization in some Regions, (ii) increase early implication of suppliers, (iii) pay attention to bidding phase over costs due to technical design and (iv) set up post-execution meetings to formalize feedback.

In 2015, Technip's top 20 suppliers will be asked to participate in actions leading to the assessment and improvement of value-creation in business performance, environmental protection and social welfare. The following specific topics will be developed and are expected to be materialized throughout the supply chain:

- human resources data such as: conditions of employment, health and safety at the workplace, diversity, respect of human rights and labor related standards;
- environmental data associated with supplies of goods and equipment procured by Technip (CO₂ and other greenhouse gases, energy and water consumption, wastewater and solid waste and environmental incidents such as accidental spills); and
- life-cycle data of supplies procured by Technip.

To increase the awareness of the challenges listed in the sections above, the Sustainable Development Department will advise its Sustainable Development Board about the social responsibility risk exposure in relation to subcontractors. It will seek to consolidate and expand its network of supervisors in the regions where the risks are high to manage more effectively at local level the relationships with subcontractors through more comprehensive surveys and audits.

5.2. PROTECTING HUMAN RIGHTS

Fighting corruption and protecting human rights are paramount in Technip's commitment to ethical behavior. Since 2003, the Group is a signatory to the UN Global Compact on human rights, working standards, environmental standards and anti-corruption. Technip endeavors to ensure compliance with domestic and international human rights regulations and principles: UN Guiding Principles on Business and Human Rights, the 1948 Universal Declaration of Human Rights and the International Labor Organization's (ILO) Fundamental Conventions regarding the eradication of discrimination and forced labor, the abolition of child labor, the protection of rights at work, the creation of decent employment opportunities, the enhancement of social protection and the enforcement of dialogue on work-related issues. Technip respects the equal opportunities and professional equality of men and women.

5.2.1. The Structures in Place at the Group Level

At the end of 2013, Technip strengthened its central ethical vigilance structure by creating two new positions, both of which are linked to human rights: the position of Human Rights Coordinator in the Group Sustainable Development team and the position of Diversity Manager in the Human Resources Department. One of the reasons for creating these two new positions was to give the Group a more detailed understanding of the various cultures within the Group and to minimize any disparity in working conditions between men and women (see Section 3.4 of this Annex).

Moreover, Technip's workforce is supported through the following key features:

- preventing health risks and encouraging wellness (see Section 3.7 of this Annex);
- protecting individuals at all times (see Section 3.8 of this Annex); and
- security of employees and operations worldwide (see Section 3.9 of this Annex).

5.2.2. Managing Human Rights Risks in the Supply Chain

The activities performed by Technip under the scope of human rights in its supply chain are mostly considered through ethics and compliance, as well as from a health, safety, security and environmental perspective. In 2014, transverse collaboration between the Corporate departments, Human Resources, Procurement, HSE and Legal strengthened a cross-functional approach.

Current situation

On its construction sites, in its offices, in its fabrication sites and onboard its vessels, Technip's priority is always to protect the physical well-being of anyone placed under its responsibility (*i.e.*, employees, contracted and supplier workforce). To achieve this, Technip applies a strict health, safety and environmental protection (HSE) Policy in conjunction with an uncompromising strategy of security adapted to a constantly changing international context (see Section 3.8 of this Annex).

The human rights aspects arising from the conclusions and recommendations of HSE inspections undertaken in 2013 and 2014, in its industrial sites and offices, have continued to be adopted as a guide to future improvements. Based on the conclusions of these inspections, Technip conducted communication campaigns to raise awareness of human rights and the principles of the conventions to which the Group adheres (*e.g.*, Global Compact and ILO).

To mitigate any discrepancy between international standards and local legislation, the Group has begun strengthening its procurement procedures through a range of different measures that have been applied since 2014. In this context, a clause was added to the Group's GT&C informing suppliers that Technip supports the United Nations Global Compact. This clause states that "the Supplier must comply with local regulations and legislation concerning labor law and fair working conditions, forced labor or child labor". Additionally, since 2013, the pre-qualification procedures for suppliers have included questionnaires specific to sustainable development issues: Technip is committed to strengthening these aspects of those procedures that relate to the respect for and protection of, human rights.

Human rights are embedded into Technip's processes through the application of relevant Group Charters, Policies and GOPS and associated Guidelines. Please refer to Technip's charters (Ethics, Social, Security, Environment, Quality, Health and Safety Charters), policies (Sustainable Development, Risk, Quality, Health Safety and Environment) and Code of Conduct (currently in progress and expected to be published in 2015).

Improvement Action Plan

Within the scope of its 3-year Sustainable Development Plan, Technip is currently setting-up a strategy to strengthen awareness for sustainability issues in the supply chain, such as: (i) conditions of migrant workers, (ii) due diligence of activities and purchased products, (iii) supply chain monitoring/audits towards human rights issues, (iv) supplier code of conduct, social and environmental risk prevention, (v) effective grievance mechanisms, (vi) energy use and (vii) greenhouse gas emissions in the supply chain. The Group has identified the following areas requiring top priority for action:

- With respect to its clients, Technip's management intends to engage as often as necessary with its counterparts to develop joint approaches and action plans to minimize human rights related risks. It is capital for Technip, as a contractor of oil and gas companies, to engage with its clients to jointly agree on actions addressing human rights issues in the supply chain. In 2014, Technip started this action with two major clients.
- With respect to its suppliers and construction subcontractors, Technip intends to engage and establish a dialog with them to understand and develop specific actions to manage human rights related risks. Without wishing to delegate its own responsibilities in this context, Technip's clients very often share this responsibility and the Group intends to develop a top down plan, in both medium and long terms, to protect more effectively the rights of employees and workers throughout the supply chain. In 2014, Technip started this action with two major suppliers. In 2015, Technip's top suppliers representing the most important turnover will be addressed.
- With the aim of ensuring an efficient and effective protection of human rights, Technip plans on seeking support from recognized organizations such as the Danish Institute for Human Rights and being assessed in the future to measure its progress. This will be the opportunity for Technip to engage with peers and competitors to address a global issue. In this context, Technip will start formalizing its application of the UN Guiding Principles on Business and Human Rights.
- With the aim of ensuring an efficient and effective protection of human rights, Technip plans to introduce a Group Human Rights Charter, the terms of which will aim to follow OECD guidelines. This new declaration, which Technip's suppliers and subcontractors will have to comply with, will add to the existing six charters and four policies that publicly state and promote the Group's core Values and Principles.

5.2.3. Initiatives Implemented at Local Level

Human rights, being a very broad and sensitive matter, cannot be handled across all countries in the same manner. The following paragraphs illustrate some of Technip's best practices that are applied among the countries where it operates. These best practices represent valuable and inspirational examples which the Group may apply whenever appropriate and feasible.

a. Measures that structure and regulate practices

The Angolan employment legislation includes measures and penalties to prevent forced labor practices. All of Technip's employees working in Angola have an employment contract and a list of tasks that reflect their individual level of training and abilities.

In China, Technip pays particular attention to the prevention of forced labor. Any change of job or responsibilities is detailed in a transfer form or letter of amendment, issued and signed by the Company and signed by the relevant employee.

Technip's entity in Colombia is involved in the "Aquí estoy y actúo" initiative, which provides companies with a dedicated system designed to ensure an effective collaboration between companies committed to preventing child labor. The Colombian entity is an active participant in the voluntary multipartite initiative Guides Colombia led by the "Ideas para la Paz" foundation, created to ensure that Company Projects respect human rights.

In Brazil, Technip has prepared an internal document on Corporate Social Responsibility ("*Procedimento de Responsabilidade Social Corporativa*") in which it has identified its stakeholders and set out its Values and Principles based on those adopted by the Group. This policy document defines the guidelines for all initiatives to protect human rights in general and those of children in particular. In Brazil, Technip places great emphasis on equal opportunities for everyone, in accordance with local legal obligations. As a result, 36 young people have gained their first work-experience. In the Brazilian labor market, Technip's disability inclusion policy leads the way on this issue. This policy acts as a guide to supporting already recruited disabled people and encourages further recruitment.

b. Employee satisfaction measurement

In 2014, the Group launched a global survey to assess employee adherence and understanding of Group mission, vision and values and identify key differentiation with Technip competitors. This survey revealed that:

- 96% of the employees would recommend Technip as an employer; and
- 85% of the employees have already recommended Technip as an employer.

This survey allowed the Group to collect local perceptions of Technip's employees across all entities worldwide.

Since 1919, India, a founding member of the ILO, has been an active participant in the organization and remains a permanent member of its governing body. Technip India applies the principles of non-discrimination on the basis of religious belief, ethnicity, caste, social category and place of birth/residence. In 2014, an employee satisfaction survey revealed that 77.4% of its employees were happy with their work/life balance.

In Qatar, Technip has introduced welfare committees to improve living conditions for workers and personnel in its jobsite camps.

Since 2003, in Italy, Technip has been receiving the Social Accountability 8000 (SA 8000) relating to social responsibility. On construction sites, such as Saudi Arabia, where unions are not formally authorized, Technip encourages the appointment of workers' representatives and the implementation of a grievance procedure to collect and address all workers' complaints. A special committee is appointed and meets regularly to solve these issues. These provisions and initiatives involve subcontractors: the social responsibility management system applies to the organizational structures and work done by subcontractors on construction sites. The subcontractors must comply with the health and safety requirements set out in Point 3 of the SA 8000 certification procedure, which requires them to perform emergency exercise simulations, conduct risk evaluations on the work performed and provide training and awareness programs on a range of CSR topics.

c. Regular inspections

Aware of the discrepancy between international human rights standards and local legislation, Neptune Maritime, an entity based in Nigeria, has its own internal policy enforcing compliance with international standards in general and ILO conventions in particular. The entity's recruitment policy is therefore non-discriminatory in terms of ethnicity, belief, gender, age, disability, religious faith or social status. The entity is regularly inspected by the relevant public bodies, including the Federal Ministry of Labor and Productivity.

In 2015, Technip will continue to strengthen all of its human rights compliance procedures at every level of its business, in the same way that it will continue to strengthen HSE and security measures. The Group has identified two priority areas for action:

- With respect to its clients, Technip intends to engage even more often with individuals responsible for sustainable development issues within client organizations to develop a joint approach on their shared exposure to human right-related risks.
- On some construction sites in high-risk locations where Technip is both a subcontractor and a contractor, it is essential for Technip to involve all parties and in particular its supply chain, who are potentially responsible for ensuring the respect of human rights. Without wishing to delegate its own responsibilities in this context, Technip's clients very often share this responsibility and the Group wants to work with them to establish a partnership vision to protect the rights of employees and other project workers more effectively.

The abovementioned specific human rights actions throughout the value chain will be strengthened with the Human Rights Charter (to be published in 2015). In March 2012, UNICEF, the UN Global Compact and the NGO Save the Children published their Guiding Principles on the Rights of the Child. Technip sees its contribution to eliminating child labor as a priority, especially in the context of responsible supply chain management, given the precarious or non-existent national regulatory frameworks in some of the countries where its suppliers operate. In 2014, the Group's Human Rights Charter will: (i) put special emphasis on protecting children's rights to restate its commitment to the ILO conventions on the effective abolition of child labor pursuant to Article R. 225-105-1.-II of the French Commercial Code (*Code de commerce*) and (ii) wholeheartedly participate in the movement initiated by UNICEF to draw greater attention to child protection issues worldwide.

5.3. DEVELOPING LOCAL ECONOMIES

GRI G4 EC8

National content constitutes one of the six pillars of Technip's strategy that is reinforced in practice by the Sustainable Development Policy. The diversity of socioeconomic needs and expectations in the different locations where Technip operates makes it impossible to systematize any national content strategy. However, the Group encourages and sponsors every entity and project team to develop local initiatives in accordance with national legislation, contractual obligations and best practice.

Whenever feasible, Technip wishes to apply five principles in its national content actions, as follows:

- adapt actions taking into account local, regional and national needs, expectations and capacities across stakeholder groups instead of trying to import success stories from other contexts;
- set realistic objectives and achievable targets with relevant performance indicators in the short, medium and long-term with government authorities, business partners and members of the civil society;
- promote and participate in public/private partnerships fostering collaborative development and focusing on training, knowledge and technology transfer;
- adapt the strategy to changes (environment, politics, society and economy) and make progress in agreement with all the stakeholders, particularly with national governments, local communities and business partners; and
- demonstrate that national content is an opportunity rather than a cost with adapted procurement policies as well as incentives and expectations from investors.

In 2014, Technip responded to the rapid pace of change in international contexts by appointing a National Content and Local Communities Coordinator at Group level to promote and harmonize the integration of local content parameters into Group activities. New business opportunities in Africa are formally integrating local content development plans in tenders with associated budgets and national personnel to address the following:

- define strategy for stakeholder engagement and communication and grievance mechanisms;
- formalize national recruitment, training and transfer of knowledge to local personnel;
- contract and procure with national companies;
- develop national small and medium size enterprises;
- initiate partnerships with national universities and governmental education and professional institutions;
- promote environmental protection and cultural heritage preservation;
- enhance health and education levels for local communities; and
- monitor social, economic and environmental performance throughout project execution and beyond.

To create long-term added value for the benefit of local populations and establish a durable presence, the process of developing specific national content plans for each project is not a constraint. Rather, it strengthens the collaboration with Technip's clients, suppliers and subcontractors and represents an opportunity to contribute to the development of the concerned country.

5.3.1. Raising National Employability within Technip

GRI G4-EC6

As of the date of this report, the Group operates in 48 countries with production assets, engineering centers, procurement and construction activities in five continents. This global presence enables Technip to undertake projects with high levels of national content. In 2014, 80.5% of Technip employees on payroll were nationals and 83.9% of staff in management positions were nationals.

Country	December 31, 2014 ⁽¹⁾		December 31, 2013 ⁽¹⁾	
	% of local staff/ staff on payroll	% of local staff/ staff on payroll + inpatriates ⁽²⁾	% of local staff/ staff on payroll	% of local staff/ staff on payroll + inpatriates ⁽²⁾
Brazil	98.3%	96.9%	98.7%	98.0%
France	94.0%	89.9%	94.6%	91.1%
India	99.8%	98.1%	100.0%	99.4%
Italy	97.9%	94.5%	97.9%	93.7%
Malaysia	85.4%	82.0%	85.2%	80.7%
United Arab Emirates	0.1%	0.1%	0.1%	0.1%
United Kingdom	83.8%	82.9%	87.2%	85.9%
United States	73.5%	72.2%	75.2%	73.1%
GROUP ⁽³⁾	80.5%	78.4%	81.5%	79.3%

(1) 2013 coverage rate: 70.8% of total employees on payroll. 2014 coverage: 72.4%.

(2) New indicator that takes into account the impact of inpatriates locally.

(3) 2013 coverage rate: 100% of total employees on payroll. 2014 coverage: 100%.

Technip believes that National Content goes far beyond the obligation of compliance with local regulations. At a time when countries are formalizing their own local content requirements, the Group has anticipated this fundamental requirement in many countries.

5.3.2. Growing National Talents in all Regions

Technip's Human Resources Policy seeks to draw on local talent nurseries and help every person expand on her/his full potential. This is one of the goals of the Global Leadership Program launched in 2013. The 2014 and 2015 program consists of 41 participants from 12 different nationalities representing North America, South America, Europe and Asia Pacific and representing a wide geographic distribution across the Group.

The purpose of the program is to build leadership skills for now and the future. The Group's aim is to develop regional leaders who can:

- share their vision and purpose;
- work collaboratively across borders;
- foster team diversity;
- demonstrate an understanding of the business and are effective with senior management; and
- have insight into their leadership strengths and areas for development and are motivated to improve.

Technip is also preparing the future generations with the Project Management Knowledge Transfer that consists in involving experienced mentors with project engineers and junior project managers to develop their skills in the workplace. Launched in 2012, the program is delivered locally according to need. In December 2014, there were 112 participants representing 23 nationalities.

An intergenerational approach to knowledge transfer

As part of Technip's commitment to foster skill transfer and improve employability of local people in emerging countries, the Group has launched the opportunity to involve Technip retirees. The process started in 2013 during the annual meeting of Technip retirees in France where the philosophy and approach were presented. The first concrete action took place in Ghana in 2014. In Ghana, GTES (Ghana National Petroleum Corporation – Technip Engineering Services) organized a 12-day workshop on the fundamentals of subsea engineering for final year students of the Regional Maritime University (RMU). A total of 30 participants comprising students, lecturers and engineers from GTES were taken through the basics of oil exploration to field decommissioning after which they were given certificates. The workshop was successfully facilitated by a Technip retiree with 36 years of

experience. From 2015 onwards, this intergenerational initiative will be promoted and will progressively involve Technip retirees located in other countries where Technip operates.

Another initiative emerged in 2013: Technip's involvement in seminars and working groups focusing on national content issues. This gives Technip the opportunity to discuss with a broad range of stakeholders to identify the most relevant methods of responding to the increasing need for local content in operating countries. In 2015, the primary goals for Technip will be to continually increase and monitor the national content of its projects and its international subsidiaries, in accordance with the increasing requirements of local legislation and best practices.

In terms of employability, Technip will seek to:

- train trainers, not only employees, but also Group retirees with the ability to transfer Technip expertise;
- train local people so that they can work on Technip projects through a collaborative scheme to be set up with Technip University, which will provide an educational forum whose aim will be to improve the Group's performance; and
- reinforce the early-stage transfer of knowledge and training, not only to improve local employability, but also to add an educational value to the presence of Technip in emerging countries through constructive involvement in schools, universities and partnerships with governmental institutions.

5.3.3. Sustaining the Local Economic Ecosystems

GRI G4-EC9

Technip never operates alone in delivering its projects and suppliers are vital partners to deliver successful results. An integrated approach and a close working relationship are necessary in producing the benefits everyone expects. As part of the improvement of the procurement practices, Technip continuously strives to consolidate its supply sources and geographic origins, while maintaining the highest quality standards and availability of strategic equipment and raw materials. In 2014, 40% (corresponding to approximately €1.95 billion) of the overall procurement expenditure consolidated through Spend Map (Global Procurement Tool) was certified to be sourced in the same country of purchase. This reflects the Group's commitment to contributing to the national economies where it operates.

Country	% of spending certified to be sourced in the same country of purchase	
	2014 ⁽¹⁾	2013 ⁽¹⁾
Australia	83%	54%
Brazil	56%	98%
China	20%	46%
France	14%	13%
Germany	78%	65%
India	66%	38%
Italy	25%	29%
Malaysia	27%	24%
Norway	67%	97%
United Arab Emirates	24%	40%
United Kingdom	61%	70%
United States	65%	67%

(1) 2013 coverage rate: 95% of overall Procurement spent for all business segments. 2014 coverage: 96%.

5.3.4. National Content Best Practices

On every continent, Technip has production assets and construction sites with an extensive network of suppliers and subcontractors. This global presence enables Technip to undertake projects with a high level of national content and, in return, develop a strong link between the economies of the host countries and growth. The following are national content best practices.

Ghana: developing national capabilities

In Ghana, an emerging country in the oil and gas market, Technip decided to invest locally by opening a sales office in 2009, followed, in 2012, by the registration of GTES, the Ghanaian engineering center under a joint venture framework between GNPC and Technip. Working in partnership with other operating centers of the Group, 2013 saw the Ghanaian entity successfully deliver the Project Jubilee 2, the second phase of the first world-class offshore field developed in Ghana since 2010. The success of completed projects led to GTES winning its fourth and biggest EPCI contract (Project TEN), to be completed in 2016.

In this context, two Memorandum of Understanding were signed with RMU and Kwame Nkrumah University of Science & Technology (KNUST). The objectives have been to support offshore and Technip's fleet operations as well as developing engineering capabilities through lectures, internships and the foundation of a business incubator for the creation of small and medium size enterprises. In the context of project TEN, a 95-month plan has been set to send Ghanaian engineers to reinforce their technical and managing skills at Technip's offices overseas throughout 2014 and 2015.

In 2014, GTES employs 29 Ghanaians on local contract and six inpatriates. This means that at least 85% of the staff in Ghana is Ghanaian. This figure is in significant anticipation vis-à-vis the Ghanaian law on local content, setting a key goal of 90% of Ghanaian nationals to be employed in international companies operating in the country before 2023.

Angola: maximizing local content

Technip has been working in Angola for over 40 years, through a combination of strong local presence and heavy involvement of its international entities.

Since early 2000, Technip has invested in a unique combination of ventures in Angola, Angoflex, the only umbilical plant in Africa and the only permanent spoolbase in Africa and Technip Angola, the first and largest project management and engineering office in Angola. The key of Technip's strategy is the maximization of high-end Angolan content, not only in terms of employment and investments, but also in terms of know-how transfer and training programs to contribute actively to the economic and social growth of Angola.

In 2014, the two entities employed 387 employees on payroll with an Angolan content of 99.7%. This figure has been significantly increasing over the past years with the implementation of projects bringing state-of-the-art technologies and unmatched Angolan content such as CLOV for Total, Block 15/06 West Hub for ENI, GirRi 1 and 2 for Total, Frame Agreement for the two Floating Production Storage and Offloading units of Block 18 and 31 for BP, GLA Front End Engineering Design (FEED) for Chevron and Punja FEED for Sonangol P&P. In 2014, the award by Total to Technip of the Kaombo project, the largest subsea project ever awarded, will further contribute in the coming years to Technip's sustainable footprint in Angola.

Mozambique: building a sustainable future

As part of Mozambique's recently discovered offshore gas fields and new business opportunities where Technip is currently participating, in September 2014, three major partnerships were formalized through a Memorandum of Understanding:

- the national oil company ENH (Empresa Nacional de Hidrocarbonetos) to promote training and transfer of Subsea technology;
- ENH and UEM (University Eduardo Mondlane, faculty of engineering) for education and training of future Mozambican engineers in gas projects; and
- ENH Logistics (Subsidiary of ENH) for the creation of an engineering center in joint venture with Technip.

Technip has also contributed to UEM by donating engineering books for the benefit of Mozambican students. The Group intends to become a key player in the sustainable development of Mozambique.

Tanzania: developing University capabilities

In December 2014, Technip signed a Memorandum of Understanding with the University of Dar es Salaam (UDSM) with the aim of promoting the education and training of students and research in the field of energy projects to the benefit of Tanzanian students. In the medium-long term, this will be a source of recruitment for Technip and the Tanzanian Oil and Gas Industry. The cooperation will be elaborated around the following potential concrete actions:

- development of new curriculum programs fostering collaboration with other universities;
- support laboratory, library and IT with equipment, software and Oil and Gas literature;
- initiate opportunities for UDSM students' internships abroad;
- provide scholarships for Tanzanian students;
- provide seminars and lectures in Oil and Gas to UDSM students; and
- support UDSM final year students and postgraduate students to initiate a professional career in the energy sector.

The Group has contributed to UDSM by donating engineering books for the benefit Tanzanian students during signing of the Memorandum of Understanding.

Congo: training trainers

Congo has experienced solid economic growth and has always had a bright future in oil. However, Congo must invest in infrastructures and in the future generation to acquire a hand-skilled workforce. Standards in the oil & gas business are becoming more demanding and the educative system in Congo needs to be adapted to market requirements. This is a key challenge to employment and development.

In 2013, Technip decided to invest locally by opening a new branch. The Subsea project Moho Nord leads long-term agreements with local NGOs, partners and Congolese authorities that benefit local communities. Considering the key role that training plays in local development, the project is conducting a series of initiatives to train Congolese students and engineers.

Moho Nord and the Congolese Technology Institute ISTAC entered into a partnership to train local students on different activities including HSE, quality, production, planning and operations. Two final-year ISTAC engineers are conducting an “industrial project” supervised by Technip’s Logistics team. This hands-on training takes place at Technip’s fabrication yard, especially erected in Pointe Noire for the Moho Nord project.

Furthermore, a Congolese engineer was offered a 15-month on-the-job training as an “Installation engineer” with the Technip team in Paris, with the aim of returning to Congo to sign up for offshore operations which is planned to start in 2015.

Technip is also actively participating to the “Train the Trainers” program initiated by Total E&P Congo on the Moho Nord project. The objective is to help Congolese Universities expand their internal teaching competencies in the oil & gas business. Several training modules are offered to a pool of university teachers – modules defined to cover the execution of a major oil and gas project (from design to construction and offshore work). At the end of each module the participants are provided with a set of training materials and documentation to help them teach future Congolese engineers. The target is to train 15 teachers over three years.

The transfer of skills is essential for young Congolese engineers to acquire a sustained background and allow them to be hired by national and international local companies. By prioritizing local recruitment, Moho Nord plays a key role in local employment.

Malaysia: boosting national skills

Malaysia has experienced a very rapid economic growth with negative migration rates during the last years. This situation translates into high skilled Malaysians working abroad and international companies forced to hire in-patriates in top positions. To

counteract these trends, Technip Malaysia has been developing specific programs combining theory training, onsite learning and formal certification to piping and structural engineering addressed exclusively to young Malaysian professionals. These initiatives have been coordinated through partnerships with the governmental agencies SHRDC (Selangor Human Resources Development Centre) and TalentCorp. In addition, Memoranda of Understanding have been signed with four different Malaysian universities. Since 2006, as a result of these initiatives, 114 engineers have been trained and certified and 90 have been hired by Technip in piping disciplines. Since 2012, a total of 15 engineers have been trained, certified and hired by Technip in structural disciplines. Finally, since 2009, 383 Malaysian employees have seconded through overseas assignments within Technip’s Group.

Colombia: building the offshore future

As part of anticipating Colombia’s Offshore new opportunities, Technip has developed a long-term agreement with the University of los Andes (one of the top engineering schools in South America) to create the basic know-how of the offshore oil and gas industry in the country. With the help of its clients Anadarko and Shell, Technip has been sending experts from Houston to teach specific lectures on exploration, drilling, Subsea engineering, Offshore facilities, Offshore HSE Awareness and maintenance and operations of Offshore facilities. In 2014, the course had 14 modules totalling 112 hours. Since 2012, 103 students have participated and Tipiel (Technip in Colombia) has trained 45 of its engineers. Technip USA, Inc. has sent 14 of its experts to support the effort. In 2015, Ecopetrol (Colombia’s national oil company) will join the effort and the program will increase its number of modules to 17, totalling 136 hours. In 2016, Technip is planning to start a specialization in Offshore Engineering and Management with this university.

6. Building Long-Term Relationships with Local Communities

DMA GRI G4-SO1, G4-SO2 and G4-HR8

Technip makes every effort and endeavors to respect local cultures and to maintain an open and transparent dialog with the communities that host its Projects to seek social, economic and environmental benefits, as a mutual priority. Technip encourages its operating centers and project teams to develop their own initiatives to support local welfare in compliance with applicable national legislations while maintaining the highest levels of ethics and compliance. In 2014, the Sustainable Development Policy was issued to formalize Technip’s engagement toward all aspects of social responsibility and to include the development of long-term initiatives in favor of local communities hosting or living near the sites where the Group operates worldwide.

In addition, since the creation in 2012 of the Sustainable Development Department at Corporate level, best practice identification and promotion has been enhanced by liaising and facilitating initiatives with local communities within all of Technip’s entities worldwide. Every year since 2006, each Technip entity formally reports its initiatives supporting local communities to the Group’s Human Resources Department and best practices are shared through different communication channels including the internal newsletter “*Technip in Motion*” and, since January 2014, through both the intranet and the Group’s internet sites.

In 2014, Technip responded to local communities' needs and expectations in different ways:

- various types of donations including, among others, to orphanages, cancer research and charities, social and sporting events and generally involving staff volunteers. In 2014, the total amount of donations by Technip's entities (excluding Corporate) exceeded €1,430,000;
- emergency aid or localized humanitarian help, in particular through Technip Relief & Development Fund and employee-based solidarity initiatives, were timely conveyed towards the communities suffering from natural disasters in coordination with inter-governmental organizations, such as the Red Cross and the Red Crescent; and
- long-term development initiatives focusing on children's health and education, adult employment and environmental protection with strong ties to schools, universities and public institutions. In 2015, Technip intends to pursue its efforts in formalizing, empowering and initiating a series of actions that meet local needs and expectations. Emphasis is to be placed on integrating social, environmental and economic self-sustainability.

6.1. A CLOSE AND SUSTAINED RELATIONSHIP

Working with local communities starts by understanding the overall situation of the country, region and villages where Technip has the potential to exercise a positive influence on social, environmental and economic self-sustainability. The intrinsic goal and motivation of every initiative towards local communities is to empower them to work gradually towards the implementation of concrete long-term actions.

Technip considers local communities as essential stakeholders with interests, needs and expectations that differ from the Group's entities or projects. From the experiences shared by some of the Group's most advanced entities maintaining relationships with local communities, Technip obtains the support from local communities that is vital to the success of every project of the Group.

These entities (see below for examples) have established that the first step is to identify who these stakeholders are and how to build trust with them. This also requires an understanding of the particular organization and culture to be able to establish a transparent dialog with the community leaders, at the heart of the communities and assess the value of tangible initiatives or projects. Local authorities and government institutions, as well as local NGOs or intergovernmental organizations, as applicable, may be invited to participate through collaborative discussions, however, in most cases, seeking the approval and attention of the communities' leader is usually the first step of any process. In the years to come, Technip intends to strive to foster this approach in as many projects as possible.

As mentioned above, Technip focuses its support to local communities on children. Building a sustainable future starts with caring for the wellbeing, health and education of young populations.

As for national content, it is impossible to adopt a systematic and "one-size-fits-all" approach to local communities, as each context, even within a country, may vary. A comprehensive list of

detailed initiatives is available on Technip's website (www.technip.com) for several countries where Technip operates. Section 6.3 of this current Annex E shows the best practices with local communities that have been identified across the Group.

6.2. TECHNIP'S RELIEF AND DEVELOPMENT FUND

Established at the end of 2011 to reinforce the Group's corporate social responsibility, the Technip Relief and Development Fund is part of Technip's strategy to strengthen its local presence in countries in which it operates. This endowment fund, whose financial resources are provided by the Group, has two main objectives:

- Support non-profit projects for the benefit of local communities in countries where Technip has a permanent foothold, especially those needing significant improvement in health or education. For this particular objective, Technip's employees are encouraged to submit initiatives in which they are involved. Once their projects have been confirmed as being eligible in terms of compliance (GOPS Social Donations and Charitable Contributions), these projects receive financial funding;
- Support emergency missions and natural disaster relief in case of natural disaster, after approval by the Fund's Board of Directors.

The Board comprises the Group Human Resources Director and Chairman of the Fund, the Corporate Doctor, the Group HSE Director and the Head of Sustainable Development. Its mission is to review and approve petitions submitted to it.

In the event of a disaster, all employees can donate through the Fund, which works in partnership with the International Red Cross/Red Crescent through the intermediary of the French Red Cross. In such cases, the Group matches all employees' donations.

In 2014, the Fund was used for the following projects:

- Angola: provide support for vaccination campaigns and medical prevention in Moxico, literacy classes in Mota and Bengala (under a compliance survey) and support to Samu Social International (Luanda);
- Mozambique: donate engineering books for the University Eduardo Mondlane in Maputo; and
- Tanzania: donate engineering books for the University of Dar es Salaam.

In addition, the Technip Relief and Development Fund decided to support the Ready Fund (the French Red Cross disaster preparedness and response fund), a financial reserve that can provide immediate support to ensure a fast and efficient response to natural or man-caused disasters and to promote preparedness in lessening the impact of predictable crisis. The Fund is funded by corporate donations and sponsorship, including Technip's. As a comprehensive response tool, it allows the French Red Cross to intervene before, during and after crises, whether these are exposed to the media spotlight or remain silent. Since 2012, Technip's donation has been fixed to €50,000 per year. In 2014, the Fund supported the following actions:

- Vietnam: increase capacities of vulnerable ethnic minority communities and local actors to prepare for disasters and reduce risks through a gender-sensitive, participatory and replicable approach;

- Central African Republic: improve sanitary conditions for refugees;
- Philippines: housing reconstruction after typhoon Haiyan;
- Bosnia and Herzegovina: assistance to flood disasters; and
- Guinea-Conakry: support against the spread of the Ebola virus.

Finally, since 2012, the Group has established a three-party agreement allowing Technip's Corporate Doctor to be available, for up to three weeks per year, to provide medical care alongside the Red Cross teams in the event of natural disasters. In 2014, Technip's Corporate Doctor was sent for a 3-week evaluation mission in Gueckedou (Guinea-Conakry), the Ebola virus disease epicentre. The mission included coordination and assessments with local authorities and training Guinean Red-Cross volunteers in Ebola sensitization for population, housing disinfection, appropriate treatment for infected bodies and safe burials.

6.3. BEST PRACTICES WITH LOCAL COMMUNITIES

The following sections are examples of best practices having positive impacts upon local communities.

6.3.1. Colombia: Empowering Women to Counteract Violence

In 1996, a group of women founded the organization "Merquemos Juntos" with the aim of promoting community development as an alternate solution to the armed conflict in Barrancabermeja, host of the major Oil and Gas projects in Colombia. In that difficult environment, a group of women, heads of households, resolved to gather and create several community businesses including a grocery store, a food processing plant and a collective restaurant. This was made possible through micro-credit lending to community members. The role of Tipiel (Technip's entity in Colombia) was essential as it contributed to the following:

- strengthening the micro-credit fund to expand the coverage and increase the number of beneficiaries;
- expanding the institutional support of the initiative through legal advice and back-up;
- advising on marketing processes; and
- providing consulting engineering for the construction and revamping of the production unit.

After 19 years of continuous efforts, *Merquemos Juntos* became a corporate reality and a tangible example of self-sustainability in Colombia. In 2014, according to the latest available data presented at a Global Compact forum, *Merquemos Juntos* has 10 employees, 2,209 persons have benefited from the initiatives and 1,634 projects were essentially monitored by women of the community. Ecopetrol, Colombia's major oil company, Technip's main client in this country, awarded Tipiel with the 2012 Contractors Excellence Awards contest for its performance in social responsibility.

6.3.2. Brazil: Technip's Program Juventude

This program aims at preparing young members of a local low-income community for university admission tests. The process is partly financed through tax paid by Technip that is used by the governmental education agency SENAC (*Serviço Nacional de Aprendizagem Comercial*) to provide teachers and learning material. Technip provides facilities (classrooms) and school supplies. The program comprises several modules on topics such as ethics, citizenship, environment, safety and entrepreneurship, Portuguese and mathematics. In addition, Technip volunteers participate by providing vocational training in manufacturing of flexible pipes and general engineering. Finally, several universities participate by granting scholarships to those successful candidates. In 2013, five students successfully completed the program and were offered scholarships from three universities. At the end of 2014, a new session began and results will be known in 2015.

6.3.3. Angola: Assistance to Street Children

In 1992, Arnaldo Janssen Center/CACAJ (*Centro de Acolhimento de Crianças Arnaldo Janssen*) was established and has a total capacity of 120 children. End of 2011, this center was granted the status of a private non-profit organization, which allowed it to become more stable and viable, both institutionally and financially. The center offers basic medical care and social welfare. It also houses classrooms and vocational training workshops (electricity, welding, computer and other handicraft activities). The center accommodates street children, regardless of their social or center religious profile. CACAJ is implementing the following services for its beneficiaries in the center, to proceed to their familial or social reinsertion:

- mobile team to support street children and provide sheltering;
- psychosocial and medical support; and
- administrative and legal support to increase opportunities for social insertion.

In 2014, Technip Angola decided to incorporate the assistance it provided to CACAJ into its strategy for sustainable development and has been supplying 60 storage lockers, personal computers and medicine, in line with the identified needs. Following this primary initiative, Technip is now working closely and in trust to bring further support to CACAJ and help the street children of Luanda with their reinsertion.

6.3.4. Spain: Supporting Disabled People

Since 2006, Technip in Spain has been collaborating actively with several official organizations that mainly employ disabled personnel to provide, among others, cleaning services, office furniture, personal protection equipment and garden services. This scheme is part of an agreement set by the government authority for companies that have difficulties in meeting the minimum percentage of disabled employees on total payroll. In nine years of cooperation, Technip has built a relation of trust and developed a significant business partnership. In 2014, the amount spent for services was more than twice the legal obligation, *i.e.*, €215,000. This initiative, together with other voluntary actions, highlights Technip's commitment to social responsibility in the long run.

6.3.5. Malaysia: Empowering the Seletar Indigenous Community

Technip in Malaysia has helped the Seletar Indigenous people build a self-sustaining community. With the development of an eco-tourism business and the eco-guide training of 15 people, Technip has given them the key to preserve their cultural heritage and to protect the ecosystem, while achieving economic self-sufficiency.

7. Content Index

GRI G4-20, G4-21 and G4-32



In blue: Aspects related to Technip commitment to the ten principles of the UN Global Compact.

GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Section/Page	External Assurance (**)
STRATEGY AND ANALYSIS		
G4-1	Activity and Sustainable Development report: Thierry Pilenko's interview and Colette Casimir interview pages 22 to 25	-
ORGANIZATIONAL PROFILE		
G4-3	Section 5.1.1 page 31	✓
G4-4	Section 6 pages 37 to 53	✓
G4-5	Section 5.1.4 page 31	✓
G4-6	http://www.technip.com/en/about-us/technip-worldwide/main-locations-country	✓
G4-7	Section 8.1 pages 56 to 61	✓
G4-8	Section 3.1 pages 7, 8 and Section 6.1 pages 38 to 42	✓
G4-9	Section 3.2 pages 8 to 10, Section 8.1 pages 56 to 61, Section 10 pages 74 to 76 and 17.1.1 pages 111 to 113	-
G4-10	Annex E, Section 3.2 pages 271 to 274 and 3.5.1 page 283	✓
G4-11	Annex E, Section 3.6 pages 284 to 285	✓
G4-12	Section 6.5 page 52 and Annex E, Section 5.1 pages 313 to 316	✓
G4-13	Section 6.1.2 page 42, Section 8.1 pages 56 to 61 and Section 20.1. Note 2 page 146	✓
G4-14	Section 4 pages 11 to 30, Annex E, Sections 3.7, 3.8, 3.9 pages 285 to 291	✓
G4-15	Section 4.8 pages 25 to 30, Annex E Section 1.2 pages 261 and 262, Section 3.9 pages 289 to 291 and Section 4.1.2 page 292	-
G4-16	Annex E, Section 1.1.3. pages 254 to 258	✓
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	Section 8.1 page 56	✓
G4-18	Annex E, Section 1.1.3.c page 257	✓
G4-19	Annex E, Section 1.1.3.c page 258	✓
G4-20	Annex E Section 1.1.3.d page 258 and Section 7 (Specific Standard Disclosures Table) page 327	✓
G4-21	Annex E Section 1.1.3.d page 258 and Section 7 (Specific Standard Disclosures Table) page 327	✓
G4-22	No restatement of information	✓
G4-23	No significant changes	✓
STAKEHOLDER ENGAGEMENT		
G4-24	Annex E, Section 1.1.3.a page 254	✓
G4-25	Annex E, Section 1.1.3.a page 254	✓
G4-26	Annex E, Section 1.1.3.a page 254, Section 1.1.5 page 259 and Section 2.4.1 page 266	✓
G4-27	Annex E, Section 1.1.3.b page 256 and Section 1.3 page 263	✓
REPORT PROFILE		
G4-28	January 1, 2014 to December 31, 2014	✓
G4-29	December 31, 2013	✓
G4-30	Annual	✓
G4-31	Colette Casimir	✓
G4-32	Annex E, Section 7 pages 326 to 328 and Annex F pages 329 to 331	✓
G4-33	Annex E, Section 1.1.5 page 259 and Annex F pages 329 to 331	✓
GOVERNANCE		
G4-34	Section 14 pages 84 to 91 and Section 16 pages 102 to 110, Annex C pages 232 to 248 and Annex E, Section 1.1.2 pages 252 to 254	✓
ETHICS & INTEGRITY		
G4-56	Annex E, Section 1.1.1 page 252, Section 1.1.2 pages 252 to 254 and 1.2 pages 261 to 263	✓

(**) The statement of external assurance is located in Annexe F, Section 1 page 330.

SPECIFIC STANDARD DISCLOSURES

Material Aspects	Indicators, Disclosure on Management Approach (DMA)	Coverage	Boundary Within Technip	Boundary Outside Technip	External Assurance (**)
CATEGORY: ENVIRONMENTAL					
Energy use	G4-DMA: Annex E, Section 4.2.2 pages 297 to 301	Fully	Offices, Fleet, Industrial sites, Construction sites	Suppliers	✓
	G4-EN3: Annex E, Section 4.2.2.a pages 297 to 299	Fully			✓
	G4-EN5: Annex E, Section 4.2.2.a pages 297 to 299	Fully			✓
	G4-EN6: Annex E, Section 4.2.2.a pages 297 to 299	Partly			✓
Emissions: Greenhouse Gas (GHG)	G4-DMA: Annex E, Section 4.2.2.b pages 299 to 300	Fully	Offices, Fleet, Industrial sites, Construction sites	Clients, Suppliers	✓
	G4-EN15: Annex E, Section 4.2.2.b pages 299 to 300	Fully			✓
	G4-EN16: Annex E, Section 4.2.2.b pages 299 to 300	Fully			✓
	G4-EN18: Annex E, Section 4.2.2.b pages 299 to 300	Fully			✓
Emissions: other air pollutants	G4-EN19: Annex E, Section 4.2.2.b pages 299 to 300	Partly	Fleet, Industrial sites, Construction sites	Clients, Suppliers	✓
	G4-DMA: Annex E, Section 4.2.2.c pages 300 to 301	Fully			-
	G4-EN20: Annex E, Section 4.2.2.c pages 300 to 301	Fully			✓
Biodiversity and ecosystems	G4-EN21: Annex E, Section 4.2.2.c pages 300 to 301	Partly	Fleet, Industrial sites, Construction sites	Clients, Suppliers	✓
	G4-DMA: Annex E, Section 4.2.5 pages 306 to 307	Fully			-
	G4-EN11: Annex E, Section 4.2.5 pages 306 to 307	Partly			-
Hazardous substances (*)	G4-EN12: Annex E, Section 4.2.5 pages 306 to 307	Partly	Fleet, Industrial sites, Construction sites	Clients, Suppliers	✓
	DMA: Annex E, Section 4.2.4 pages 304 to 306	Fully			✓
Water & wastewater (*)	G4-EN24: Annex E, Section 4.2.4 pages 304 to 306	Fully	Offices, Fleet, Industrial sites, Construction sites	Clients, Suppliers	✓
	DMA: Annex E, Sections 4.2.3a and b pages 301 to 303	Fully			✓
	G4-EN8: Annex, E Section 4.2.3.a pages 301 to 302	Partly			✓
Solid waste (*)	G4-EN22: Annex E, Section 4.2.3.b pages 302 to 303	Fully	Offices, Fleet, Industrial sites, Construction sites	Clients, Suppliers	✓
	DMA: Annex E, Section 4.2.3.c pages 303 to 304	Fully			✓
	G4-EN23: Annex E, Section 4.2.3.c pages 303 to 304	Fully			✓
G4-EN25: Annex E, Section 4.2.3.c pages 303 to 304	Partly	✓			
CATEGORY: SOCIAL					
Labor practices and decent work					
General conditions of employment	G4-DMA: Annex E, Section 3.2.2 pages 273 to 274	Fully	Employees		-
	G4-LA1: Annex E, Section 3.2.2.a page 273	Fully			✓
	G4-LA3: Annex E, Section 3.2.2.b pages 273 to 274	Partly			✓
Diversity and equal opportunity	G4-DMA: Annex E, Section 3.4 pages 280 to 283	Fully	Employees		-
	G4-LA12 Annex E, Section 3.4 pages 280 to 283	Partly			✓
Safe and healthful workplace (*)	DMA: Annex E, Sections 3.7 and 3.8 pages 285 to 288	Fully	Employees	Contracted workforce	-
	G4-LA6 Annex E, Sections 3.7 and 3.8 pages 285 to 288	Partly			✓
	G4-LA8 Annex E, Section 3.6 pages 284 and 285	Fully			✓
Employee development (*)	DMA: Annex E, Section 3.3 pages 275 to 280	Fully	Employees		-
	G4-LA9: Annex E, Section 3.3.2 pages 279 to 280	Fully			✓
	G4-LA11: Annex E, Section 3.3.1 pages 275 to 278	Fully			✓
Human rights					
Human rights	G4-DMA: Annex E, Section 5.2 pages 316 to 318	Partly	Employees	Contracted workforce, Local communities, Clients, Suppliers, Sub-contractors, NGOs	✓
Indigenous and local communities rights	G4-DMA: Annex E, Section 6 pages 322 to 325	Partly		Local communities, NGOs	-

(*) Aspect identified as material by Technip stakeholders but not reported by GRI G4 guidance.

(**) The statement of external assurance is located in Annexe F, Section 1 page 330.

Material Aspects	Indicators, Disclosure on Management Approach (DMA)	Coverage	Boundary Within Technip	Boundary Outside Technip	External Assurance (**)
Society					
Anti-corruption	G4-DMA: Annex E, Section 1.2.1 pages 262 and 263	Fully	Employees	Contracted workforce, Clients, Suppliers, Sub-contractors, Investors, Shareholders, Authorities	✓
	G4-SO4: Annex E, Section 1.2.1 pages 262 and 263	Partly			-
Local content (*)	DMA: Annex E, Section 5 pages 313 to 322	Fully		Local communities, Clients, NGOs	✓
	G4-EC6: Annex E, Section 5.1 pages 313 to 316	Fully			-
	G4-EC8: Annex E, Section 5 pages 313 to 322	Partly			✓
	G4-EC9: Annex E, Section 5.1 pages 313 to 316	Fully			-
Sustainability in the supply chain (*)	DMA: Annex E, Section 5.1 pages 313 to 316	Fully		Clients, Suppliers, Sub-contractors	✓
Risk & crisis management (*)	DMA: Section 4 pages 11 to 30 and Annex E, Sections 1.1.2 pages 253 and 254	Partly		Local communities, Clients, Investors, Shareholders	-
	G4-SO4: Annex E, Section 1.2.1 pages 262 and 263	Partly			-
Asset integrity and emergency preparedness (*)	DMA: Annex E, Section 2.3 page 266	Partly	Fleet, Industrial sites, Construction sites	Local communities, Clients, Sub-contractors	✓
Responsible marketing & sales (*)	DMA: Annex E, Section 1.2.3 page 263	Fully		Clients, Suppliers	-
Product responsibility					
Compliance with laws & regulations	G4-DMA: Annex E, Section 1.2 pages 261 to 263	Fully		Clients, Suppliers, Investors, Shareholders, Authorities	-
Security practices (*)	DMA: Annex E, Section 3.9 pages 289 to 291	Partly	Employees, Offices, Fleet, Industrial sites, Construction sites	Contracted workforce, Local communities, Clients, Suppliers, Sub-contractors	-
Product safety (*)	DMA: Annex E, Section 2.2 pages 264 to 266	Fully		Local communities, Clients, Suppliers	-
Innovative technology (*)	DMA: Annex E, Section 2.4 pages 266 to 269	Fully		Clients, Suppliers	-
CATEGORY: ECONOMIC					
Fair and long-term business relations (*)	DMA: Annex E, Section 1.2.2 page 263	Fully		Clients, Suppliers	-
Corporate governance and integrity (*)	DMA: Annex E, Section 1.1.2 pages 252 to 254	Fully		Clients, Investors, Shareholders, Authorities	-
	G4-38: Section 14 pages 84 to 91	Fully			-
Client satisfaction (*)	DMA: Annex E, Section 2 pages 263 to 269	Fully		Clients	✓
	G4-PR5: Annex E, Section 2.1 pages 263 to 264	Fully			✓

(*) Aspect identified as material by Technip stakeholders but not reported by GRI G4 guidance.

(**) The statement of external assurance is located in Annexe F, Section 1 page 330.