# ENGIE EUROPEAN WORKS COUNCIL

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## The ENGIE Group is preparing its largest restructuring project since the Gaz de France and Suez merger

On 23 June 2021, ENGIE Group's European Works Council unanimously voted against the Group's proposed reorganisation and the creation of the "Bright" holding company, which will affect more than 75,000 employees globally (80% of whom are in Europe). The phased roll out of the project to change its global organisation has not allowed staff representatives to grasp the totality of the impacts of the global reorganisation project, nor its social consequences on the permanence of activities and jobs. The "Bright" holding company will consolidate most multi-service subsidiaries globally, which will then be sold to a currently unknown buyer.

**The new divestment plan, presented by ENGIE as an "industrial project", is, above all, a financial one.**

This project is yet another change in the Group's strategy, the umpteenth since the Gaz de France and Suez merger in 2008. This comes after ten years punctuated by the Group's unrestrained acquisitions in the energy markets as they opened up, and development across multiple countries, with the Group then refocusing on Service activities, aiming to become the leader of the energy transition worldwide. **For the staff representatives, ENGIE is a Group that moves forward in zigzag steps, causing strong disruptions of the workforce every time.** The Group pursues its policy of selling off companies to finance its investments and its dividend, again hoping that the investments ahead would be more profitable than the items that it was selling. The employees remaining in ENGIE are naturally expressing concern about the uncertainty that weighs on the Group's future: with the sale of Bright, the Group's turnover could be lowered by €13 billion, and by 2023 it will have sold nearly €27 billion worth of assets in 5 or 6 years, with no clear prospect of any recovery so far. Does this not then mean that the new €9 to €10 billion divestment plan announced by General Management on 18 May would ultimately serve to make ends meet for ENGIE?

**The sale of Bright is not inevitable**

The previous strategic plan carried out since 2016 showed that selling assets was no guarantee of recovery and development. Yet, the same reasoning is being pursued: selling off assets in order to invest and pay the dividend. For the staff representatives on the European Works Council there is another possible approach: keeping Bright within ENGIE. In fact, BRIGHT is not losing money, is producing cash, is not "diverting" investments to the detriment of renewable energy, and will benefit from recovery and the prospects for growth ahead. This would allow the Group to maintain the complementarity of its activities with a unique and complete service to offer as part of the energy transition.

**Anticipating the social consequences of the planned split between Bright and ENGIE**

Financial interests must not outweigh social interests. Moreover, the European Works Council, in anticipation of a possible sale, has made strong and ambitious demands for social commitments. At this stage, ENGIE is announcing unilateral social commitments to which the future buyer would be committed. Even if this initiative is a step in the right direction, it is not on par with the scale of the project.
The members of the European Works Council have submitted a document aimed at candidates for buying Bright stating a range of questions on what would constitute a socially responsible investment. This document includes a set of demands for social commitments aimed at reducing the risks for the future of employees, and having the future buyer adopt said demands. The goal is to reach a three-party agreement between the social partners, Bright and the future buyer, before the sale process is concluded.

**Each stakeholder plays a decisive role. When choosing the buyer(s), ENGIE Group's Board of Directors will have to consider the social project to the same extent as the transaction, which will likely be the largest stock market transaction in 2021-2022.**

PARIS, 29 June 2021