



Flagging memo

Engie SA

Annual general meeting: 26 April 2023

Resolution on modification of the articles of association on the company's climate strategy

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Proposals are flagged by Climate Action 100+ initiative for signatories to take into consideration during proxy season. Please note that the below information is provided by and accredited to the investor who is publicly predeclaring their voting intention and rationale to other Climate Action 100+ signatories, for routine votes as well as management or shareholder resolutions.

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Organisation requesting a 'flag' on a resolution

- As lead investors of the Engie Climate Action 100+ engagement, MN (on behalf of clients PMT and PME) supports the flagging of the resolution as outlined below.
- Any Co-filers/co-flaggers, or other supporting investors:
 - o APG
 - o CANDRIAM
 - o DEGROOF PETERCAM ASSET MANAGEMENT
 - o ECOFI
 - o MESSIEURS HOTTINGUER & CIE -GESTION PROVEE
 - o LA BANQUE POSTALE ASSET MANAGEMENT and TOCQUEVILLE FINANCE
 - o LA FINANCIERE DE L'ECHIQUIER
 - o MANDARINE GESTION
 - o IRCANTEC
 - o MEESCHAERT ASSET MANAGEMENT
 - o OFI INVEST ASSET MANAGEMENT
 - o MIROVA US
 - o PGGM
 - o SYCOMORE ASSET MANAGEMENT
- Link to Resolution published on ENGIE website: [2- Joint submission of a draft resolution by several shareholders.pdf \(engie.com\)](#)
- Link to press release by Forum pour L'Investissement Responsable: [Communique-de-presse-ENGIE-english-2.pdf \(frenchsif.org\)](#)
- Link to public statement by MN: [European investors request the filling of a resolution at ENGIE's upcoming general meeting | MN](#)

Resolution text

Amendment to Articles 21 and 24 of the Bylaws on the climate strategy.

The general meeting, voting under the quorum and majority conditions required for extraordinary general meetings, after having taken note of the information contained in the explanatory memorandum accompanying this draft resolution, and the report of the board of directors, resolves to amend *the Article 21 - Powers of the General Meetings of Shareholders – Officers of the Meetings – Agenda and the Article 24 - Financial year* of the articles of association as follows:

I.- Article 21 - Powers of the General Meetings of Shareholders – Officers of the Meetings – Agenda is completed by a fifth and sixth paragraph that read:

“Every three general meeting of shareholders, the board of directors can decide to submit to a consultative vote of the shareholders a resolution on the company’s climate strategy referred to in article 24. Should the company make significant changes to such climate strategy within this period, this vote can be submitted, based on a board of directors’ decision, to the next closest general meeting of shareholders after these changes.

“At each general meeting of shareholders, the board of directors can decide to submit to a consultative vote of the shareholders a resolution on the progress report of the company’s climate strategy implementation referred to in article 24.”

II.- Article 24 – Financial year is completed by two other paragraphs that read:

“At the close of each financial year, the board of directors can decide to publish the following reports:

1. A company’s climate strategy consistent with the purpose of the company referred to in article 2 – Purpose (“raison d’être”), enabling the shareholders to assess it against a climate scenario limiting global warming to 1.5°C above pre-industrial levels, with low or no overshoot and with limited use of negative emission technologies (also called carbon dioxide removal).

2. A progress report of the above-mentioned company's climate strategy implementation over the past financial year."

III.- The title of Article 24 - Financial year is modified as follows:

"Article 24 - Financial year - Climate strategy"

Summary of why resolution is being flagged

- MN will vote in favour of the *Resolution on modification of the articles of association on the company's climate strategy* filed by a group of sixteen investors, asking ENGIE to provide sufficient information to assess the company's current strategy with a 1.5 degrees scenario across scopes 1, 2 and 3, and to commit to a regular advisory Say on Climate vote.
- The purpose of this resolution is to strengthen shareholder dialogue and improve the quality of sustainability information disclosed by ENGIE, particularly with regard to their transition strategy and their implementation.
- Investors currently lack significant pieces of information to enable an evaluation of ENGIE's projected climate plans against a 1.5 degrees pathway with low or no overshoot. In addition, we would like to have an advisory Say on Climate vote on the company's climate strategy every three years, and an annual advisory vote on its implementation, to enable a regular and comprehensive dialogue between shareholders and the company. The resolution contributes to both objectives.

Conclusion

MN (on behalf of PMT and PME) will vote in favour of this resolution put forward by a coalition of sixteen investors asking ENGIE to provide sufficient information to assess the company's current strategy with a 1.5 degrees scenario across scopes 1, 2 and 3, and to commit to a regular advisory Say on Climate vote. The proposed modification will contribute to strengthened shareholder dialogue and quality of disclosure in relation to the company's climate strategy and progress. This will enable investors to assess alignment of the climate plans with the objectives of the Paris Agreement of the companies they invest in, and thereby enable them to deploy their climate commitments and manage climate risk exposure.