



VOTING REPORT

YEAR 2020

Pursuant to Chapter 3 of the provisions of the UCITS code of conduct and individualised management subject to a mandate, and the provisions of the AMF General Regulation, we hereby report on how we carried out our voting rights on behalf our clients, including detailed statistics on the votes we cast in 2020.

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BNP PARIBAS
ASSET MANAGEMENT

L'asset manager
d'un monde
qui change

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1. GOVERNANCE AND VOTING PRINCIPLES

BNP Paribas Asset Management (“BNPP AM”) believes that promoting best corporate governance practices is an essential part of its ownership responsibilities. Corporate governance refers to the system by which a corporation is directed and controlled. It relates to the functioning of the managing board, supervision and control mechanisms, their interrelationships and their relations with stakeholders. Good corporate governance creates the framework ensuring that a corporation is managed in the long-term interest of shareholders. Therefore BNPP AM expects all corporations in which we invest to comply with the highest corporate governance standards.

Voting at annual general meetings is a key component of the ongoing engagement with companies in which we invest on behalf of our clients and forms an integral part of BNPP AM’s investment process. We are committed to ensuring¹ consistent exercise of voting rights associated with shares held in Undertakings for the Collective Investment of Transferable Securities (UCITS), Alternative Investment Funds (AIF), foreign investment funds and investment mandates, where proxy voting has been delegated to us.

Our “*Governance and voting policy*” explains what we expect of public companies and how we carry out our ownership responsibilities.

The policy outlines our key governance and voting principles, describes our proxy voting process, and sets guidelines that highlight, for each item, best practices and issues that may trigger an “oppose” or “abstain” vote.

We cast our votes on the basis of each company's specific circumstances.

This document is available on our website www.bnpparibas-am.com/en/sustainability/as-an-investor/

Moreover, all of our votes are published by issuer and by resolution on our website².

¹ Taking into account technical and legal aspects.

² Details of our vote available here: <https://vds.issgovernance.com/vds/#/MTc3MQ==/>

2. MAIN AMENDMENTS TO OUR VOTING POLICY IN 2020

Our policy and guidelines are reviewed annually in order to reflect the evolution of corporate governance codes and market practices, in terms of engagement as well as voting policy.

The main amendments to our policy for 2020 were:

- Reinforcement of our commitment on gender board diversity: Application of a minimum of 30% female representation threshold in 2020 for North America, Europe, Australia and New Zealand. As such, in 2020 BNPP AM voted against all male board members if a board did not have at least 20% female members. If the female representation lies between 20% and 30%, under certain conditions we could support male directors (e.g. in cases of a commitment of the company to reach the 30% threshold in the short-term, or significant increase with regard to last year...).
- Introduction of rules regarding term of mandate for directors: In 2020, BNPP AM voted against any director elected for a term lasting more than 4 years irrespective of their status (independent or non-independent). We are not against directors staying for more than 4 years, but just request that directors' renewal be submitted to a shareholder vote more frequently (maximum every 4 years).
- Introduction of a tenure rule regarding auditors: In 2020 BNPP AM voted against the election of auditors when their tenure exceeds 24 years in order to encourage a higher rotation of auditors.

3. VOTING SCOPE FOR 2020

In 2020, we voted on a scope broader than UCITS³ with mandates, representing almost 59 billion euros of assets under management.

Our voting scope is comprised of companies for which aggregated holding positions meet at least one of the three following conditions:

- They represent 90% of the accrued total of our stock positions;
- They make up 0.1% or more of the company market capitalisation; or
- Ad-hoc demand.

This voting scope represents nearly 51.5%⁴ of meetings contained in all of our UCITS.

Our selection process for the shares for which we exercise voting rights aims to concentrate our efforts on positions that are widely held across our assets under management, and to participate in shareholder meetings of companies in which our collective investment schemes hold a significant portion of the capital.

³ Undertakings for Collective Investment

⁴ 1 870 general meetings voted out of 3 629 possible

4. VOTING STATISTICS FOR 2020

4.1 GEOGRAPHIC BREAKDOWN

Within our voting scope, we voted at **1 870 general meetings**, primarily in Europe and North America which represented almost 75% of our votes.

	Number of meetings voted	Geographic breakdown
Europe	923	49.4%
North America	476	25.5%
Japan	130	7.0%
Others	341	18.2%
Total	1 870	100 %

4.2 VOTING RESULTS

Out of 1 870 general meetings:

- At 362 general meetings, we voted in favour of all items
- At 1 508 general meetings (**80.6%**), we voted against or abstained on at least one item.

Of 24 400 resolutions voted, 23 646 resolutions were submitted by companies and 754 by shareholders.

Among the resolutions submitted by companies (excluding shareholder proposals):

- We voted in favour of 67.7% of management resolutions (16 009 resolutions)
- We voted in opposition to 32.3% of management proposals (we abstained on 835 items and voted against 6 802 items).

Our rate of opposition to management proposals increased from 27.8% in 2019 to 32.3% in 2020. This sharp increase in our opposition rate was primarily due to our voting policy changes on board diversity.

The higher opposition rate in North America was primarily driven by compensation issues and board election.

Geographic zone	Total	Europe	North America	Japan	Others
Management Resolutions voted	23 646	14 057	5 135	1 563	2 891
Vote for	16 009	10 590	2 464	1 003	1 952
Vote against	6 802	3 006	2 587	474	735
Vote abstain	835	461	84	86	204
Total Opposition Rate (abstain or against)	32.3%	24.7%	52.0%	35.8%	32.5%

5. AGAINST AND ABSTAIN VOTES BY RESOLUTION TYPE

5.1 MANAGEMENT PROPOSALS

The table below outlines percentages of votes “against” or “abstain” per category.

	Resolutions voted	Vote for	Vote against or abstain	Percentage of opposition
Executive compensation	2 846	1 181	1 665	58.5%
Financial operations	2 436	1 413	1 023	42.0%
Board election	11 670	7 462	4 208	36.1%
Other resolutions⁵	6 694	5 953	741	11.1%
Total	23 646	16 009	7 637	32.3%

Our opposition, excluding shareholder proposals which are analysed below - is mainly concentrated on 3 topics: executive compensation, financial operations and board elections.

⁵ Approval of accounts, appointment and remuneration of auditors, mergers and acquisitions, anti-takeover measures ...

5.1.1 EXECUTIVE COMPENSATION

Our opposition to executive compensation plans (e.g. stock-options, restricted stock plans, severance payments and “say on pay” proposals) falls into the following general categories:

- A lack of transparency on the compensation policy (volume, weight, nature of the performance criteria, targets, etc.);
- The compensation practices are not in line with stakeholders’ interests, with excessive or disproportionate amounts relative to the company’s performance;
- A “pay for failure” approach is in place, with non-challenging performance criteria; and/or
- Compensation is not oriented toward the long-term.

5.1.2. FINANCIAL OPERATIONS

We oppose management proposals regarding financial operations, which generally request a share capital increase, for the following reasons:

- The global volume is considered too significant (authorisations exceed 50% of the share capital); or
- It is a share capital authorisation without pre-emptive rights and without a specific object that leads to an excessive dilution for current shareholders (more than 5% of share capital or 20% with a specific purpose).

We also vote systematically against all anti-takeover devices.

5.1.3 BOARD ELECTION

Our votes in opposition to individual directors generally indicate our belief that there is weak corporate governance and an issue regarding the balance of power. Most votes against directors fall into the following categories:

- A non-independent director with insufficient overall board independence
- A non-independent director serving on key committee in North America
- Directors with poor attendance;
- Non-compliance with our rules on gender diversity;
- Directors’ term of mandate exceeding 4 years.

5.2 SHAREHOLDER PROPOSALS

5.2.1 SHAREHOLDER PROPOSALS VOTED

Shareholder proposals are usually opposed by management. Therefore, a vote in favour of the proposal is a vote against management's recommendation. We have voted in favour of shareholder proposals when they were in line with the long-term interests of the company and requested action that was warranted given the practices of the company. However, we abstained when the proposal was not appropriate for the company or if the request was already applied in practice.

Our rate of support for shareholders' proposals decreased compared to 2019 (62.9% in 2020 vs. 74.1% in 2019) due to technical reasons (shareholder slates in Italy are counted as against votes in 2020 by our provider while it was not counted last year and the occurrence of more proxy-contests with many items proposed).

We still demonstrated very strong support for social proposals (86% of support) and for environmental and climate change proposals (94.1%, an increase with regard to last year's 90.5% support). See details in Appendix 3.

	Resolutions voted	Vote against	Vote abstain	Vote for	Percentage of vote for
Shareholder proposals (Global)	754	191	89	474	62.9%

5.2.2 FILING SHAREHOLDER PROPOSALS

In 2020, we continued our leadership on the topic of corporate climate lobbying, encouraging companies to align their lobbying efforts with the goals of the Paris Agreement. We served as lead filer on four shareholder proposals to ExxonMobil, Chevron, Delta Airlines and United Airlines, seeking a report on their efforts to align their lobbying with the "well below 2 degrees" goal of the Paris Agreement.

Our proposal at Chevron received a historic 53% vote, and after extensive engagement, the company produced a report at the end of the year, including a discussion of how they work within trade associations to influence their climate positions. Our proposals at Delta Airlines and United Airlines received 46% and 31% support, respectively. Our proposal at ExxonMobil was omitted at the Securities & Exchange Commission.

We resubmitted this proposal to Delta Airlines and to ExxonMobil for 2021. At the end of the year, ExxonMobil enhanced its lobbying disclosures in response to our engagement. The three largest US oil and gas companies have now produced some form of report on how their direct and indirect lobbying (through trade associations) aligns with the goals of the Paris Agreement, due to our active engagement. Although these reports may not meet the standard of recent reports from the European oil majors, these reports represent promising first steps toward greater transparency on this critical issue.

6. COMPANY DIALOGUE

6.1 DIALOGUE WITH ISSUERS

Engagement with issuers aims at enhancing the long-term value of our shareholdings and at fostering corporate governance best practices, social responsibility and environmental stewardship.

During proxy season, we engage in dialogue with companies either on our own initiative or at the request of the issuer, and we generally concentrate on our largest holdings.

The goal of these engagements is:

- To communicate our voting policy to promote good corporate governance and to prepare for the next general meeting of the issuer;
- To obtain additional information on individual voting proposals; and
- To express our concerns about specific resolutions that contradict our voting policy.

During the 2020 proxy season, we had 255 interactions with 140 companies related to voting issues, an increase compared to 2019 (201 interactions with 123 companies). For more details, see Appendix 2.

6.2 EVALUATION OF OUR DIALOGUES

We consider a voting related engagement to be successful if:

- The company withdraws the proposal we are opposing; or
- We change our vote in favour of the proposal after a modification of the resolution from the issuer, or where we obtain additional information.

In 2020, we had 39 successful engagements (27.7% of the engagements), a slight decrease over our 31.2% success rate in 2019.

However, a potential modification of our voting decision is not the only criterion for success: Some companies modify their practices the following year and are not necessary counted in the successful engagement statistics.

In addition to these engagements linked to the proxy season, we also maintain a programme of long-term dialogue with issuers all year round, focused on a wide variety of environmental, social and governance themes. We report on these each year in our annual sustainability report.

6.3 THE COMMITMENT OF ACCESS TO INDEPENDENT DIRECTORS

One of the most important roles of the board of directors is to supervise the management team. The board should be composed of a majority of independent directors who should also be present in specific committees such as audit, compensation or nomination.

We believe the Chair of the board should be independent. However, in the absence of an independent chair, companies should consider appointing a lead independent director in order to ensure the necessary checks and balances are in place. To serve as an effective counterweight, this director must have specific powers, including the ability to speak directly to investors.

Shareholder access to the board of directors is a well-established practice in some countries such as the United Kingdom. This good governance practice has spread throughout continental Europe and the governance codes of Germany and France, for example, explicitly recommend it.

Providing shareholders with the opportunity to meet board directors is consistent with their duty to be accountable to the shareholders who appointed them. For us, access to board members provides a chance to raise concerns over different subjects when needed.

Because it is good practice, we are engaging with companies to promote and expand the opportunity for shareholders to interact with independent directors.

In 2020, we had a direct engagement with an independent director in 35 companies (for detail, see the list in Appendix 2).

6.4 ENGAGEMENT CAMPAIGN ON BOARD DIVERSITY

Since 2019, BNPP AM's voting policy has contained an explicit provision on gender diversity, whereby we oppose all male director candidates if there are no women on the investee company's board worldwide. For Europe, North America, Australia and New Zealand, beginning in 2020, we reinforced our voting policy for a minimum threshold of 30% of women on the board, and the fact that we will vote against all male members if board is not at least 20% female.

Under certain conditions, we could support boards that have a ratio between 20% and 30% of women, for example, if the company has made significant improvements in recent years, or if it commits to reaching 30% within two years.

We analyse such companies to check if they respect these conditions, and engaged with some of them by establishing a target list. We engaged with companies which were not in line with our new policy and where we had important exposure.

- Our target list was composed of 23 companies (12 in Europe and 11 in North America) held in our active portfolios, which we contacted explaining our new voting policy and asking for an engagement.
- Out of 23 companies, we conducted a deeper engagement with 14 companies (61%) with calls and exchanges of emails. We had a 30% success rate, with seven companies adopting changes in line with our voting policy. For example, **Segro Reit Plc**, **BT Group Plc** (United Kingdom), **Logitech International** (Switzerland) and **Comcast** (USA) were not respecting our threshold in 2019 but reached more than 30% of female director for their annual general meeting in 2020, and we supported their board election.

Positive Outcome	7	30%	We managed to achieve positive outcome with improvement of the gender diversity and a vote in favour of board elections
Pending Outcome	3	13%	We are still having pending cases where we had some positive feedback but we continue the engagement in 2021
Negative Outcome	13	57%	We had a negative outcome and opposed to board election either due to lack of improvement on diversity, but also to others reasons (e.g. lack of independence)

We will continue to engage companies regarding their gender diversity, as we believe that more diverse boards contribute to better decision-making and oversight to ensure that companies deliver long-term sustainable value.

6.5 ENGAGEMENT CAMPAIGN LINK TO COVID-19 SITUATION

Circumstances in 2020 have meant that the majority of Annual General Meetings around the world were held behind closed doors without the physical presence of shareholders. Companies have adapted the way in which shareholders can best exercise their rights: Some used digital solutions only with no live interaction with shareholders (virtual meeting), while others accepted more interactions during the general meeting (by accepting written or live questions).

Following major changes enabled by emergency legislation in many jurisdictions in the midst of COVID-19 pandemic, we have worked with issuers, regulators and shareholders to ensure shareholder meetings could go ahead in 2020 with basic “ground rules” to protect fundamental shareholder rights. We also played an active role to develop with the ICGN a viewpoint on “The Future of Annual General Meetings”⁶ to provide insight and guidance on what annual general meetings might look like in future.

Despite the change to the way in which general meetings were conducted, there has been no change to the way in which BNPP AM, as an active shareholder, has analysed, voted and engaged in AGMs this year.

BNPP AM believes that companies should employ responsible capital allocation - even more so in light of the Covid-19 pandemic - that does not compromise long-term corporate strategy and takes account of the social imbalances resulting from the crisis. We recommended that companies explicitly disclose how the impact of the pandemic was taken into account and was affecting their capital allocation decisions, their business strategies, their sustainability plans, their employees and their broader stakeholders.

We voted against dividend proposals if dividends were deemed irresponsible: in 2020, we opposed 8.7% of dividend proposals (compared to 2.7% in 2019).

⁶ https://www.icgn.org/sites/default/files/ICGN%20Viewpoint%20future%20AGMs_0.pdf

6.6 EXAMPLES OF ENGAGEMENT SUCCESS

6.6.1 BOARD COMPOSITION

The Board of Directors plays a critical oversight role to ensure that companies deliver long-term sustainable value, and therefore is a key priority of our engagement strategy. A sufficient counter-balancing structure, with separation of roles of chair and CEO and a sufficient level of independence at the board allows for effective oversight of management.

BNPP AM's voting policy aims for the separation of roles of chair and CEO. We do not support combined roles unless the company makes a formal engagement on splitting those roles in the short-term (within a maximum of 2 years). While in some jurisdictions, the splitting of these functions is already market practice, in others it remains a critical point and constitutes an important part of our engagement activity.

This was notably the case with the French company **Capgemini**, which decided to split those roles in line with our engagement request. Paul Hermelin, who had been the Chair/CEO of the company since 2012, became a non-executive chair and Aiman Ezzat was appointed as the CEO. This separation of roles was implemented as part of the succession plan which was scheduled and organized over several years and was discussed during our engagement. As Hermelin could not be considered independent due to his previous functions, the company has also appointed a lead independent director with major competencies allowing a guarantee of good governance (chairing the governance committee and leading an annual assessment of the board, chairing executive sessions, exchanging directly with shareholders...). These steps clearly represent an improvement in the company's governance.

6.6.2 EXECUTIVE COMPENSATION

As highlighted in our voting results, executive compensation is one of the fields where BNPP AM registers a high level of opposition. It is thus also an important subject of continuous dialogue with issuers.

Disclosure on executive remuneration is key in order to be able to further assess stringency of performance criteria used in variable remuneration. Thus, more extensive communication on the different components of remuneration, the nature of the criteria, including weighting, target-setting and vesting schedules are often discussed with companies in order to increase further transparency.

Excessive **severance payments** can trigger opposition for BNPP AM. According to BNPP AM's voting policy, the maximum amount of any potential severance package should be limited to maximum two years of executive remuneration, excluding long-term awards. The potential maximum amount of the severance package was over this limit at the German company **Deutsche Boerse**. We spoke with the company and discussed potential improvement on the remuneration policy as we voted against their proposal in 2019. The company decided to remove the problematic provision to be in line with our policy. In addition, the company further improved its remuneration policy by strengthening stringency of both short-term and long-term performance criteria. As a consequence of these improvements, BNPP AM supported the company's reviewed remuneration policy in 2020.

Unlike the previous year, Belgian company **Ontex** disclosed in 2020 the exact weight, targets and achievement rates of performance conditions applied to the short-term bonus which allows better assessment of the remuneration of executives. It also implemented a formal cap for long-term incentives thus limiting any potential excessive grants. Although the company introduced performance criteria to its long-term incentive, it only covers 33% of the plan. In light of this, we decided to vote against, as the company still has room for improvement through the elimination of any grants without performance criteria.

Integration of ESG (environmental, social and corporate governance) criteria into assessment of executive remuneration

As a responsible investor focused on sustainability, BNPP AM is encouraging issuers to include ESG criteria as part of the assessment of executives' remuneration. While the integration of ESG criteria into the short-term bonus is becoming more common, it is still rare to see it within long-term incentives. We have raised questions regarding the role of ESG criteria in executive compensation plans, particularly where we believe the target is unclear or insufficiently challenging. We want to see boards incentivize CEOs to achieve meaningful sustainability goals, but we still see vaguely defined sustainability targets.

The following companies decided to include ESG-related criteria into executive remuneration in 2020 following our previous dialogue with them on this subject:

- Integration of ESG criteria into the short-term bonus: **Airbus SE, Air Liquide**;
- Integration of ESG criteria into long-term incentives: **Alstom, Siemens AG, Total SE, Unicredit**.

6.6.3 FINANCIAL AUTHORISATIONS

The voting policy of BNPP AM on financial authorization provides for specific limits acceptable for capital increases in order to minimize dilution of existing shareholders.

We engaged with the Spanish company **Applus Services** about a project of capital increases to be proposed at the AGM and presented our expectations. At the 2020 AGM, the company was planning to present capital increases with and without pre-emptive rights. All resolutions were potentially against our policy because when combined they could be above our global limit of 50% applied to all capital increases.

The company acknowledged our specific requirements, indicated a global cap at 50% in line with our policy. This clarification allowed us to support one of the capital increase proposal (with pre-emptive rights and issuance of convertible debts, item 9). We will continue to dialogue with the company as we have voted against the other capital increase that was considered too dilutive (general authorization without pre-emptive rights, item 8).

6.7 PROMOTION OF ENVIRONMENTAL AND SOCIAL DISCLOSURE

BNPP AM believes that promoting good corporate governance standards and encouraging businesses to improve social and environmental practices is an essential part of its ownership responsibilities. Good environmental, social and governance (ESG) practices provide an excellent framework to ensure that a company is managed in the best long-term interest of stakeholders.

In accordance with our voting policy, we have opposed on resolutions concerning the approval of financial statements or discharge or board election where:

- The company had not provided sufficient information on environmental and social issues, or on its CO2 emissions, or does not communicate nor does it want to constructively engage in relation to its business strategy to mitigate and adapt to climate change

- The company is deemed to be at risk of breaching one or more principles of the UN Global Compact.⁷

In 2020, we opposed 451 resolutions at 66 companies for these reasons, a substantial increase compared to 2019 (61 resolutions at 16 companies).

6.8 OTHER ASPECTS OF SHAREHOLDER ENGAGEMENT

Other actions are complementary to our dialogue with issuers to improve practices:

- We are actively engaged in investor networks focused on establishing strong corporate governance across markets. At the International Corporate Governance Network (ICGN), our Global Head of Stewardship is a member of the board, as well as member of the “Shareholder rights” and “GNIA” (Global Network of Investor Associations) committees. We are also an active member of Climate Action 100+.
- In Europe, our Global Head of Stewardship chairs the "Corporate Governance" Committee of the French Asset Management Association (AFG), is a member of the “Oversight committee” of the Best Practice Principles (BPP) and of the “Grand prix jury of the general meetings” in France. We also participate in the investment committee of Eumedion and the Institutional Investors Group on Climate Change (IIGCC) resolution sub group.
- In the United States, we are member of the Council of Institutional Investors (CII), our Global Head of Stewardship chairs the International Corporate Governance Committee and our Head of Stewardship for the Americas is a member of CII’s Corporate Governance Advisory Council, and is a member of the Harvard Institutional Investor Forum Advisory Council, and a steering committee member of the Investor Alliance for Human Rights.
- In the Asia Pacific region, we are members of the Asian Corporate Governance Association (ACGA), and are members of the ACGA’s working groups for Japan and China.

⁷ The 10 principles of the United Nations Global Compact are available at: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

6.9 FOCUS – SOLIDARITY INVESTMENTS

Through its solidarity funds, mainly distributed in the framework of employee saving schemes, BNP Paribas Asset Management invests and supports structures with a strong social impact in France. At the end of 2020, 29 non-profit organisations, companies and microfinance funds had been supported, for a total amount of € 148 million.

[Link to the solidarity brochure](#)

We are committed to fully support our partners in our solidarity funds. Our support includes the following actions:

- Being active shareholders: We invest through equity positions in 13 of our partners. As shareholders, we vote each year at general meetings. Resolutions are analysed and a discussion with the company is carried out if necessary, and we have been elected to serve as members of 4 supervisory boards.
- Overseeing and monitoring investees: part of our role includes overseeing and monitoring closely the social businesses we invest in. We meet at least once a year face-to-face with management and make an on-site visit every two years. During our annual review, financial, governance and social issues are discussed in-detail. In 2020, we carried out close monitoring from March onwards to analyse the impact of the health and economic crisis on our partner structures and provide them with the best possible support.
- Reporting and transparency: we publish a report on social performance twice a year which includes social businesses' performance against a list of customised indicators as well as a complete list of solidarity partners.

[Link to the social performance report](#)

Key figures for 2020

- AGMs voted on: 13
- Of which by remote or physical presence: 10
- Member of the Supervisory Board: 4
- Meetings with management: 28

APPENDIX 1. STATISTICS OF THE MANAGEMENT COMPANY BNPP AM FRANCE

1. GEOGRAPHIC BREAKDOWN

Within the Management Company BNPP-AM France, we voted at **745⁸ general meetings** with votes mainly in Europe and North America, representing slightly more than 90% of our overall possible votes.

	Number of meetings voted	Geographic breakdown
Europe	533	71,5%
North America	138	18,5%
Japan	51	6,9%
Others	23	3,1%
Total	745	100 %

2. VOTING RESULTS

Within our voting scope, out of 745 general meetings voted,

- We voted in favour of all items at 126 general meetings; and
- At 619 general meetings (i.e. **83.1%**) we voted against or abstained on at least one item.

Of 11 236 resolutions voted, 10 817 resolutions were submitted by companies and 419 by shareholders:

- We supported 71.1% of the resolutions; and
- We opposed 28.9% of the resolutions (abstained on 3.0% of the resolutions and voted against 25.9%).

3. OTHER POINTS

Cases where the portfolio management company considered that it could not comply with the principles set out in its "voting policy" document

We have identified no conflicts with the principles of our voting policy.

Conflicts of interest that the portfolio management company has been required to handle when exercising the voting rights attached to securities held by the AIFs that it manages.

We have identified no conflict of interest during this financial year.

⁸ 745 general meetings voted out of 1 060

APPENDIX 2. LIST OF ENGAGEMENTS IN 2020 RELATED TO VOTING

Corporate	Country	Corporate	Country	Corporate	Country
Accor	France	Enel	Italy	Novartis	Switzerland
ACS	Spain	Enel Russia	Russia	Ontex	Belgium
Aéroport de Paris SA	France	Engie	France	Orange	France
ageas SA/NV	The Netherlands	Eni	Italy	Pepsico	USA
Air Liquide	France	Entegris Inc	USA	Pernod Ricard	France
Airbus SE	The Netherlands	E-On	Germany	Peugeot SA	France
Alstom	France	EssilorLuxottica	France	Prudential	United Kingdom
AMG Advanced	The Netherlands	Faurecia	France	Prysmian Spa	Italy
Aon Plc	United Kingdom	FinecoBank S.p.A	Italy	Publicis Groupe	France
Apollo Hospitals Enterprise Limited	India	First Solar Inc	USA	Reckitt Benckiser Group Plc	United Kingdom
Applus Services	Spain	Fiserv	USA	Red Electrica	Spain
ArcelorMittal SA	Luxembourg	Fnac Darty	France	Renault	France
Arkema	France	Gran Tiera Energy	Canada	Repsol	Spain
Assicurazioni Generali SpA	Italy	Great Wall Motor Company	China	Rexel	France
Atos SE	France	Groupe Bruxelles Lambert	Belgium	Royal Ahold Delhaize NV	Netherlands
Avio SpA	Italy	Hamborner REIT	Germany	Royal Philips	The Netherlands
Axa	France	HCA Healthcare	USA	RWE	Germany
Banca Generali SpA	Italy	Henkel KGaA	Germany	Sabre	USA
Banco Santander	Spain	Hermes International	France	Safran	France
Banque Cantonale Vaudoise	Switzerland	Hibernia REIT	Ireland	Sanofi	France
Barrick Gold	Canada	Iberdrola	Spain	Schneider Electric SE	France
Bayer	Germany	ID Logistics Group	France	Scor SE	France
BBVA	Spain	Immobiliaria Colonial	Spain	Segro REIT Plc	United Kingdom
Beifimmo	Belgium	Ingenico	France	Shurgard Self Storage	Luxembourg
Bigben Interactive SA	France	Irish Continental Group	Ireland	Siemens	Germany
BioGaia AB	Sweden	Irish Residential Properties REIT Plc	Ireland	Smurfit Kappa Group Plc	United Kingdom
BNP Paribas	France	Jazz Pharmaceuticals plc	Ireland	Société Générale	France
Bouygues	France	Kering SA	France	Sodexo	France
Britvic plc	United Kingdom	Klepierre	France	Solvay	Belgium
BT Group Plc	United Kingdom	Korian	France	Sopra Steria Group	France
CapGemini	France	Lagardère	France	SPIE SA	France
Carrefour	France	LAR Espana	Spain	STMicroelectronics NV	Netherlands
Comcast	USA	Legrand	France	Suez	France
Michelin	France	Leonardo	Italy	Swiss Re	Switzerland
Compagnie de Saint Gobain	France	Linde Plc	United Kingdom	Teleperformance	France
Compagnie Plastic Omnium	France	Logitech International SA	Switzerland	Thales SA	France
Covivio	France	L'Oréal	France	Total SE	France
Crédit Agricole	France	Lundin Petroleum AB	Sweden	Unibail-Rodamco-Westfield	Netherlands
CRH PLC	Ireland	LVMH	France	Unicredit	Italy
Danone	France	Masmovil Ibercom SA	Spain	Valeo	France
Dassault Systemes	France	Medtronic Plc	United Kingdom	Veolia Environnement	France
Delta Airlines	USA	Mercialys	France	Vinci	France
Deutsche Boerse AG	Germany	Merlin Properties	Spain	Virbac	France
Deutsche Lufthansa	Germany	Nacon SASU	France	Vivendi	France
Deutsche Post AG	Germany	Nestle SA	Switzerland	Wolters Kluwer	The Netherlands
Edenred	France	New Relic	USA	Worldline	France
Eiffage	France	Nexans	France		

Companies with board access

APPENDIX 3: ENVIRONMENTAL SHAREHOLDER PROPOSALS

As a responsible investor, we believe that Environmental, Social and Governance (ESG) issues may impact the value and reputation of entities in which we invest. We believe that exceeding 1.5°C of global warming above pre-industrial levels will seriously affect humanity and the global economy. This, in turn, will affect the value of investments in the long run. Therefore, companies should provide full disclosure on their carbon emission (scope 1, 2 and 3, when appropriate), and their commitment to combat climate change and align with the aims of the Paris Agreement.

In 2020, BNPP AM voted on 34 environmental and climate change shareholders proposals, among which **we have supported the following 32 proposals (94.1%)**:

Company name	Country	Meeting Date	Proposal Summary	BNPP AM Vote Rationale
Tyson Foods, Inc.	USA	06/02/2020	<u>Report on Deforestation Impacts in Company's Supply Chain</u>	Shareholders would benefit from additional information on how the company is managing its supply chain's impact on deforestation.
Bank of Montreal	Canada	31/03/2020	<u>Assess Bank's Lending History and Financing Criteria Regarding Fossil Fuel Loans and Public Statements Regarding Sustainability and Climate Change</u>	Additional disclosure regarding the banks financing criteria and nature of loans could be positive. This resolution is in line with BNPP AM's climate change policy, geared to helping tackle climate change.
Rockwool International A/S	Denmark	01/04/2020	<u>Assess Environmental and Community Impacts from Siting of Manufacturing Facilities and Use of Water</u>	Shareholders would benefit from additional disclosure about the company's policies and practices regarding facility siting and water use as well as provide a better understanding of the company's management of risks.
The Toronto-Dominion Bank	Canada	02/04/2020	<u>Request to Adopt Targets for Reducing Greenhouse Gas Emissions</u>	This resolution is in line with BNPP AM's climate change policy, geared to helping tackle climate change by introducing targets to reduce carbon footprint.
Fortum Oyj	Finland	23/04/2020	<u>Include Paris Agreement 1.5-degree Celsius Target in Articles of Association</u>	This resolution is in line with BNPP AM's climate change policy, geared to helping tackle climate change by aligning the business strategy with a 1.5° world.
Phillips 66	USA	06/05/2020	<u>Report on Risks of Gulf Coast Petrochemical Investments</u>	Shareholders would benefit from additional information about how the company is assessing and managing risks related to its petrochemical operations in areas prone to severe storms, flooding, and sea level rise.
T. Rowe Price Group, Inc.	USA	12/05/2020	<u>Report on and Assess Proxy Voting Policies in Relation to Climate Change Position</u>	Incorporation of climate change consideration in voting policies is in line with BNPP AM's approach, geared to helping tackle climate change.
Union Pacific Corporation	USA	14/05/2020	<u>Report on Climate Change</u>	This resolution is in line with BNPP AM's climate change policy, by providing extensive disclosure on climate change.

Company name	Country	Meeting Date	Proposal Summary	BNPP AM Vote Rationale
United Parcel Service, Inc.	USA	14/05/2020	<u>Report on Climate Change</u>	This resolution is in line with BNPP AM's climate change policy, by providing extensive disclosure on climate change.
YUM! Brands, Inc.	USA	14/05/2020	<u>Report on Supply Chain Impact on Deforestation</u>	Shareholders would benefit from additional information on how the company is managing its supply chain's impact on deforestation.
JPMorgan Chase & Co.	USA	19/05/2020	<u>Report on Reputational Risk Related to Canadian Oil Sands, Oil Sands Pipeline Companies and Arctic Oil and Gas Exploration and Production</u>	Shareholders would benefit from additional information about the company's policies and practices to respond to rising reputational risks and questions about its role in society related to those issues.
JPMorgan Chase & Co.	USA	19/05/2020	<u>Report on Climate Change</u>	This resolution is in line with BNPP AM's climate change policy, by providing extensive disclosure on climate change.
Enphase Energy, Inc.	USA	20/05/2020	<u>Report on Sustainability</u>	Additional information on the company's sustainability policies and practices would allow investors to better assess the company's management of related risks and opportunities.
United Airlines Holdings, Inc.	USA	20/05/2020	<u>Report on Global Warming-Related Lobbying Activities</u>	This resolution was submitted by BNPP AM as filer, encouraging the company to align its lobbying efforts with the goals of the Paris Agreement.
Amazon.com, Inc.	USA	27/05/2020	<u>Report on Management of Food Waste</u>	A report on the company's efforts to reduce food waste would allow shareholders to assess the effectiveness of the company's food waste programs, as well as provide a better understanding of the company's food waste reduction strategy.
Amazon.com, Inc.	USA	27/05/2020	<u>Report on Reducing Environmental and Health Harms to Communities of Color</u>	A report on the company's efforts to reduce environmental and health harms would allow investors to better assess the effectiveness of the company's efforts to evaluate the environmental and social impacts of its activities.
Chevron Corporation	USA	27/05/2020	<u>Report on Climate Lobbying Aligned with Paris Agreement Goals</u>	This resolution was submitted by BNPP AM as filer, encouraging the company to align its lobbying efforts with the goals of the Paris Agreement.
ExxonMobil Corporation	USA	27/05/2020	<u>Report on Risks of Petrochemical Operations in Flood Prone Areas</u>	Shareholders would benefit from the requested report by providing them with additional information on related public health risks and enable them to better assess the company's management of related risks.
Walmart Inc.	USA	03/06/2020	<u>Report on Impacts of Single-Use Plastic Bags</u>	Additional information could be provided about how the company will meet its sustainability commitments while continuing to distribute single-use plastic shopping bags, as well as the environmental impacts and company's management of related risks.

Resolution submitted by BNPP AM

Company name	Country	Meeting Date	Proposal Summary	BNPP AM Vote Rationale
Restaurant Brands International Inc.	Canada	10/06/2020	<u>Report on Comprehensive Policy on Plastic Pollution and Sustainable Packaging</u>	Shareholders would benefit from additional information regarding the company's recyclable packaging commitments and management of related risks.
Delta Air Lines, Inc.	USA	18/06/2020	<u>Report on Climate Lobbying</u>	This resolution was submitted by BNPP AM as filer, encouraging companies to align their lobbying efforts with the goals of the Paris Agreement.
Chubu Electric Power Co., Inc.	Japan	25/06/2020	<u>Amend Articles to Ban Procurement of Electricity Generated with Coal-Fired Power</u>	This resolution is in line with BNPP AM's coal policy, geared to helping tackle climate change by alignment the strategy with a 1.5° world.
Mizuho Financial Group, Inc.	Japan	25/06/2020	<u>Amend Articles to Disclose Plan to Align Investments with Goals of Paris Agreement</u>	This resolution is in line with BNPP AM's climate change policy, geared to helping tackle climate change by alignment the strategy with a 1.5° world.
The Kansai Electric Power Co., Inc.	Japan	25/06/2020	<u>Amend Articles to Add Provision that Utility will Operate to Realize Energy Safety and Sustainability</u>	Shareholders will benefit from clear specification of business purposes as relates to the Company's mission, safety and sustainability.
The Kansai Electric Power Co., Inc.	Japan	25/06/2020	<u>Amend Articles to Add Provisions Concerning Management Based on CSR</u>	This resolution is in line with BNPP AM's coal policy, geared to helping tackle climate change by withdrawal from coal-fired power generation.
The Kroger Co.	USA	25/06/2020	<u>Assess Environmental Impact of Non-Recyclable Packaging</u>	Shareholders would benefit from additional information regarding the company's recyclable packaging commitments and management of related risks.
Tokyo Electric Power Co. Holdings, Inc.	Japan	25/06/2020	<u>Amend Articles to Withdraw from Coal Fired Power Generation</u>	This resolution is in line with BNPP AM's coal policy, geared to helping tackle climate change by alignment of strategy with a 1.5° world.
AGL Energy Limited	Australia	07/10/2020	<u>Approve Coal Closure Dates</u>	This resolution is in line with BNPP AM's coal policy, geared to helping tackle climate change by alignment of strategy with a 1.5° world.
The Procter & Gamble Company	USA	13/10/2020	<u>Report on Efforts to Eliminate Deforestation</u>	Shareholders would benefit from additional information on the company's strategy to manage its supply chain's impact on deforestation.
Origin Energy Limited	Australia	20/10/2020	<u>Approve Energy Policy Lobbying to Boost Economic Development in response to COVID-19 restrictions</u>	This resolution is in line with BNPP AM's climate change policy, encouraging companies to align their lobbying efforts with the goals of the Paris Agreement.
Australia & New Zealand Banking Group Limited	Australia	16/12/2020	<u>Approve Transition Planning Disclosure</u>	This resolution is in line with BNPP AM's climate change policy by aligning the strategy with goals of the Paris Agreement.
National Australia Bank Limited	Australia	18/12/2020	<u>Approve Transition Planning Disclosure</u>	This resolution is in line with BNPP AM's climate change policy by aligning the strategy with goals of the Paris Agreement.

Resolution submitted by BNPP AM

We have abstained on only two proposals for two companies with whom we have positive dialogue linked to climate change and that have announced significant climate commitments as a result of Climate Action 100+ (CA100+) engagements.

Company name	Country	Meeting Date	Proposal Summary
Total SE	France	29/05/2020	<u><i>Instruct Company to Set and Publish Targets for Greenhouse Gas (GHG) Emissions Aligned with the Goal of the Paris Climate Agreement and Amend Article 19 of Bylaws Accordingly</i></u>
Royal Dutch Shell Plc	United Kingdom	19/05/2020	<u><i>Request Shell to Set and Publish Targets for Greenhouse Gas (GHG) Emissions</i></u>

BNPP AM's vote rationale on Total

Following two years of intensive dialogue with Total, the company has taken a major step towards net zero emissions by 2050 or sooner. Total's announcements are more concrete than most of its peers: While it has not explicitly committed to net zero (scope 3) worldwide, it has announced a 60% or more reduction by 2050. Total had one of the highest absolute investments in low carbon electricity in 2020, and it will increase its allocation to low carbon electricity to 20% before 2030. It has committed for its oil and gas capex allocation to be assessed for consistency with the goals of the Paris Agreement, which guarantees a significant transformation of its business. In addition, Total is committed to revising its targets at least every 5 years – in order to evolve in tandem with policy changes and market and technological developments – as well as to actively advocate for policies that support delivery of net zero emissions.

While we welcome targets on absolute emissions as the resolution filed requests, we believe that we need to provide the company with appropriate flexibility on how it expects to align its activity with the aims of the Paris Agreement. Due to Total's tangible commitments and positive response to investors' recent demands, BNPP AM voted abstain on the proposal.

BNPP AM's vote rationale on Royal Dutch Shell

Before its AGM, Shell announced its ambition to become a net-zero emissions energy business by 2050 (covering Scopes 1, 2 and 3). The company also tightened its emission reduction target to 65% by 2050, with an interim target of 30% by 2035. This is a significant step forward, which helps shareholders understand how the Company is working to align itself with the Paris Climate Agreement.

We welcomed the company's announcement and responsiveness to CA100+ request. Despite the announcement, Follow This coalition decided to maintain the resolution.

The Company's climate strategy is considered at this time to be a sufficient and appropriate response to the matters raised in the resolution. Therefore and while sharing the overall spirit of the resolution filed by Follow This, BNPP AM voted abstain to recognize Shell's responsiveness to the underlying concerns around climate change, as the company had made substantial progress on climate as demonstrated by its recent announcement.