



VOTING REPORT 2023

This report sets out how we applied our voting policy and exercised our voting rights on behalf our clients in 2023, including detailed statistics on the votes we cast.

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*BNP Paribas Asset Management is the source for all data in this document as at end December unless otherwise specified.
The issuers mentioned in this report are mentioned for information purposes only and should not be considered as an investment recommendation.*



BNP PARIBAS
ASSET MANAGEMENT

The sustainable
investor for a
changing world

1. GOVERNANCE AND VOTING PRINCIPLES

BNP Paribas Asset Management (BNPP AM) believes that promoting the best corporate governance practices is one of our essential duties as a responsible investor. 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 that ensures 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 (AGMs) is a key component of our ongoing engagement with companies in which we invest on behalf of our clients and forms an integral part of our investment process. We are committed to ensuring¹ that we consistently exercise the 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 deliver our ownership responsibilities. The policy outlines our key governance and voting principles, describes our proxy voting process, and sets out guidelines that highlight, for each ballot item, best practices and issues that may trigger an 'oppose' or 'abstain' vote. We cast our votes according to each company's specific circumstances.

This document is available on our website <https://www.bnpparibas-am.com/en/sustainability-documents/>. Moreover, we publish our votes, by issuer and by resolution, on our website.²

2. MAIN AMENDMENT TO OUR VOTING POLICY FOR 2023

Each year, we review our Governance & Voting Policy to adapt it to current market practices and remaining challenges in the fields of corporate governance, and environmental and social responsibility. Our [2023 Governance and Voting Policy](#) again strengthens and reinforces our expectations in these areas, specifically by:

Raising the gender diversity thresholds for boards of directors to:

- 35% in mature countries, i.e., for Europe, North America, Australia, New Zealand and South Africa, with exceptions possible in cases where the proportion of women is between 20-35%.
- 20% threshold in emerging countries, i.e., for all other markets with exceptions possible in cases where the proportion of women is between 10-20%.

Introducing an ethnic diversity expectation for North America, UK and Ireland:

- Voting against incumbent directors who are members of the nomination committee if the board has no apparent racially or ethnically diverse composition (based on ISS' definition) for North America, UK and Ireland.

¹ Taking into account technical and legal aspects.

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

Introducing a new board opposition rule where companies have dual-class shares:

- Voting against incumbent nomination and/or governance committee members (or the Board chair in absence of such committees) at companies with a dual-class share system with differential voting rights (including preference shares with no voting rights system).
- Setting an exception rule for new IPOs with a sunset clause within 5 years after their IPO.

3. VOTING SCOPE FOR 2023

Each year, we monitor the total votable shares of the portfolios we manage and assess the percentage of votes exercised during the year in alignment with our Governance and Voting Policy. Selection of the shares for which we exercise voting rights aims to concentrate our efforts on **positions that are widely held** across our portfolios, and to participate in shareholder meetings of companies in which our collective investment schemes hold a significant portion of the capital.

Our voting scope comprises 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.

In 2023, our scope was broader than UCITS³ with mandates, representing around €68 billion of assets under management. This represented nearly 52%⁴ of all meetings held by companies in all of our UCITS with mandates and 79% of ballots voted.⁵

4. VOTING STATISTICS FOR 2023

4.1 GEOGRAPHIC BREAKDOWN

During 2023, we voted at **1,931 general meetings**, primarily in Europe, reflecting the geographic distribution of our assets under management.

Geographic breakdown of our votes

Year	Meetings voted	Europe	North America	APAC	Others
2023	1,931	898	540	414	79
		47%	28%	21%	4%
2022	1,976	908	526	432	110
		46%	27%	22%	6%
2021	2,098	974	554	467	103
		46%	26%	22%	5%

³ Undertakings for Collective Investment

⁴ Full voting scope represented 1,931 general meetings voted out of 3,677 possible in 2023

⁵ 18,156 ballots voted, out of 22,927 votable ballots

4.2 VOTING RESULTS

Of the total of 1,931 general meetings:

- At 261 (14%) we voted in favour of all items (vs. 16% in 2022)
- At 1,670 (86%) we voted against or abstained on at least one item (vs. 84% in 2022)

Of 25,998 resolutions voted, 25,115 resolutions were submitted by companies and 873 by shareholders.

Among the resolutions submitted by companies (i.e., excluding shareholder proposals):

- We voted in favour of 64% of management resolutions (15,932 resolutions)
- We opposed 36% of management proposals (we abstained on 905 items and voted against 7,884 items).

Over the past three years, we have maintained a high opposition rate. This is because we set high expectations in all areas and because we review every item on every agenda and make our own voting decisions – a rare practice among large asset managers. This year the percentage of votes against management was 36%, 3 percentage point higher than in 2022 and 2021.

Geographic zone	Total	Europe	North America	APAC	Others
Management Resolutions Voted on	25115	14420	6317	3587	791
Voted for	15932	10565	2885	2058	424
Voted against	8278	3311	3396	1374	197
Abstained	905	544	36	155	170
Total Opposition Rate (abstained or against) - 2023	36%	27%	54%	43%	46%
Total Opposition Rate (abstained or against) - 2022	33%	23%	52%	38%	53%
Total Opposition Rate (abstained or against) - 2021	33%	24%	50%	42%	45%

4.3 VOTES AGAINST AND ABSTENSIONS, BY RESOLUTION TYPE

MANAGEMENT PROPOSALS

The table below outlines percentages of votes against or on which we abstained by category.

	Total	Board elections	Executive pay	Financial Operations	Routine Business and other ⁶	Shareholder proposals
Total voted	25988	12621	3924	2431	6139	873
Voted for	16509	7343	1943	1459	5187	577
Voted against	8476	4878	1695	842	863	198
Abstained	1003	400	286	130	89	98
Total Opposition Rate (abstained or against) - 2023	36%	42%	50%	40%	16%	34%
Total Opposition Rate (abstain or against) - 2022	33%	36%	61%	38%	13%	28%
Total Opposition Rate (abstain or against) - 2021	33%	37%	60%	39%	12%	30%

Our opposition principally related to three key topics (excluding shareholder proposals that are analysed below): executive compensation, financial operations and board elections.

EXECUTIVE COMPENSATION (50% OF OPPOSITION VS. 61% IN 2022)

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.);
- Compensation practices were not in line with stakeholders’ interests, with excessive or disproportionate amounts relative to the company’s performance;
- Absence or weak Environmental, Social and Governance (ESG) performance criteria, not clearly linked to the company’s sustainability strategy;
- A “pay for failure” approach based on insufficiently challenging performance criteria; and/or
- Compensation not oriented towards rewarding good long-term performance.

FINANCIAL OPERATIONS (40% OPPOSITION VS. 38% IN 2022)

We opposed management proposals related to financial operations, which generally request a share capital increase, for the following reasons:

- The global volume was considered too significant (i.e. where authorisations exceeded 50% of the share capital); or
- A share capital authorisation was proposed without pre-emptive rights and without a specific objective (more than 5% of share capital or 20% with a specific purpose) which leads to excessive dilution for current shareholders.

We also voted systematically against all anti-takeover devices.

⁶ Approval of accounts, appointment and remuneration of auditors, mergers and acquisitions, anti-takeover measures, etc.

BOARD ELECTIONS (42% OPPOSITION VS. 36% IN 2022)

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

- A non-independent director with insufficient overall board independence;
- Non-compliance with our expectations on gender diversity;
- Directors with poor attendance or term of mandate exceeding four years.

4.4 SHAREHOLDER PROPOSALS**SHAREHOLDER PROPOSALS WE VOTED ON**

Shareholder proposals on ESG issues are becoming increasingly common. In 2023, 873 shareholder proposals were proposed worldwide; this was down from 990 in 2022, and up from 826 in 2021 and 754 in 2020. Because these resolutions are proposed by groups of institutional shareholders with a strong commitment to drive better company performance on particular issues, or by stakeholders like NGOs that work with investors, they are usually opposed by management. Therefore, a vote in favour of the proposal is a vote against management's recommendation.

Our principle is to vote in favour of shareholder proposals when they are in line with the long-term interests of the company and the action requested is warranted given the prevailing practices of the company. However, we abstain when we believe the proposal not to be appropriate to the company's specific circumstances or if the request being made is already happening in practice.

Our rate of support for shareholders' proposals decreased but remained quite high in 2023: 66% vs. 72% in 2022.

Specifically, we again demonstrated very strong support for social proposals (94% in 2023 vs 99% in 2022) and for environmental related proposals (85% in 2023, vs 90% in 2022)⁷.

	Resolutions voted on	Voted against	Abstained	Voted for
Shareholder proposals (Global)	873	198(23%)	98(11%)	577(66%)

FILING SHAREHOLDER PROPOSALS

In 2023, we continued our leadership on the topic of shareholder proposals. We submitted ten shareholder proposals: 8 proposals in Italy on Corporate Governance and two proposals in Americas on environmental topics.

Italy: Proposals with Assogestioni: Objectives: The slate voting mechanism in Italy to elect directors and statutory auditors of listed Italian companies, selected, and proposed by shareholders, including institutional investors. Assogestioni proposed on most of Italian companies a list of only independent directors (e.g. 3 seats usually) to be elected, and there is another list proposed usually by the first shareholders: Most of votes happened every 3 years, and Assogestioni used a head-hunters and independent selection process to choose candidates.

⁷ Social and environmental related proposals based on BNPP AM classification.

Activity: We filed shareholder proposals with Assogestioni list in Italy with the “Voto di lista” system. In total, we participated of the filing with 8 companies to elect independent directors: Autogrill; Brunellocucinelli; Finecobank; Terna; Poste Italiane; Eni Spa; Enel Spa and Mediobanca

Outcome: All 8 companies got directors elected from the Assogestioni list which allowed to reinforce governance and independence level at those companies.

US: Environmental proposals:

Although we have celebrated an increasing number of majority votes on shareholder proposals in the U.S. that raise sustainability issues, majority votes are rare. The purpose of submitting a proposal is not to win the vote, but to effect a change in corporate practice. Negotiated withdrawals of shareholder proposals can be more meaningful than strong vote results because they are based on dialogue and an effort to reach agreement that is acceptable to both sides. Sometimes it can take years of proposals resubmissions before a company is willing to come to the table and negotiate. We co-filed at two companies' AGMs this year.

Paris-aligned Climate Lobbying: UPS

Context: We are working to encourage companies to align their direct and indirect climate lobbying activities (i.e., those conducted by their industry associations) with the temperature goals of the Paris Agreement. Specially, we ask companies to produce annual reports on these efforts, consistent with the Global Standard on Responsible Climate Lobbying, which we helped to launch.

Activity: In 2022, we co-filed a shareholder proposal at the AGM of United Parcel Service (UPS) with Mercy Investment Services, requesting that the company publish its first climate lobbying report. This advisory resolution received a 33% vote at the company's 2022 AGM. As discussions with the company did not appear to be making progress during the remainder of the year, we resubmitted the proposal for the 2023 proxy season. We had further discussions with the company in early January; the tone of the conversation was far more constructive.

Outcome: In late January, we reached agreement with UPS to publish its first climate lobbying report, no later than the second quarter of 2024. In exchange, we withdrew the shareholder proposal and, due to the timing, agreed not to resubmit the proposal for next year.

Archer Daniels Midland (ADM): Eliminating Native Vegetation Conversion from Global Supply Chains

Context: Non-forest biomes, such as the Brazilian Cerrado, are critical ecosystems that harbour substantial biodiversity as well as providing key ecosystem services, including water yield and carbon sequestration. In recent years, the Cerrado, which receives less legal protection than the Amazon, has seen substantial conversion for agriculture. Archer Daniels Midland (ADM) is a systemically important commodity trader and, in our view, lagged its peers in its approach to native vegetation conversion (NVC).

Objective: Our goal is to convince ADM to expand its deforestation commitment to include a time-bound commitment to eliminate native vegetation conversion (NVC) from its global supply chains. Our request is consistent with a joint message conveyed at COP27 by the United Kingdom and United States, highlighting the critical importance of NVC commitments.

Activity: In the fourth quarter of 2022, we submitted a shareholder proposal to the company, seeking an independently verified commitment to eliminate NVC from ADM's supply chains by 2025. We ultimately withdrew that proposal in exchange for an agreement by ADM to publish - with the assistance of one or more credible independent third parties - a report assessing the feasibility of amending ADM's no deforestation commitment for its highest risk South American supply chains (corn and soy) to be NVC-free by 2025. In addition, the company agreed to adopt a time-bound commitment no later than six months after

publication of the report, based on the results of the feasibility assessment. ADM also agreed to consult with the investors during this process.

During the fourth quarter, ADM updated its [Policy to Protect Forests, Biodiversity and Communities](#) to commit to eliminating NVC or the repurposing of wild land for crops such as soy and corn, from its supply chains for ‘high risk areas’ by 2025 for direct suppliers and by 2027 for indirect suppliers. The policy defines the Brazilian Amazon, Cerrado and Pantanal biomes as well as the Paraguayan and Argentinian Chaco as ‘high-risk’ areas for native vegetation conversion. The policy establishes a 2025 cut-off date for NVC in these areas for all suppliers, meaning that land conversion beyond 2025 will not be permitted. The 2027 date for indirect suppliers provides the company with the additional time they believe is needed to confirm compliance with their policy.

We met with ADM executives to discuss their feasibility study and to receive further details on these new commitments. Although we would strongly prefer to see a 2025 compliance or ‘target’ date for ADM’s indirect suppliers, we do appreciate the rigor with which the company plans to pursue verification that indirect suppliers are conversion-free and the fact that these new commitments have been made ahead of schedule. In addition, when companies set cut-off dates in the future, there is a risk that they may be incentivizing further conversion up to that deadline. We stressed to the company the critical importance of taking all available steps to prevent increased conversion until the 2025 cut-off date, as well as working to encourage rehabilitation and restoration of degraded land. Nevertheless, we believe these new commitments represent important progress. We look forward to the publication of ADM’s feasibility report, which paved the way for these important commitments.

Outcome: ADM adopted new commitments in response to our shareholder proposal and will soon be publishing the feasibility study that led to the adoption of these commitments. Although we sought a commitment to eliminate NVC from ADM’s supply chains by 2025, and ADM will not be able to ensure that its indirect suppliers are compliant until 2027, we are pleased with ADM’s responsiveness and hope these new commitments will have systemic impact on key biomes throughout Latin America.

5. COMPANY DIALOGUE

5.1 DIALOGUE WITH ISSUERS

Our engagement with issuers is intended to enhance the long-term value of our shareholdings and to foster corporate governance best practice, social responsibility, and environmental stewardship.

During the 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 prepare for the next general meeting of the issuer in order for companies to align their resolutions to our voting policy;
- To obtain additional information on individual voting proposals; and
- To express our concerns about specific resolutions that contradict our voting policy.

5.2 EVALUATION OF OUR DIALOGUES

We consider a voting-related engagement to be successful if the company withdraws the proposal we are opposing, or if we change our vote in favour of the proposal after a modification of the resolution from the issuer, or where we obtain additional information and/or the company agrees to our request.

During the 2023 proxy season, we had 169 interactions with 91 companies related only to voting issues, compared to 210 interactions with 106 companies in 2022. Of these engagements, 31 were successful (34%), where our engagement does not lead to the company making the changes we request, and does not indicate it will consider them, we escalate our concerns by voting against selected items on the agenda, in line with our voting policy.

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.

5.3 ENGAGEMENT CAMPAIGN ON BOARD DIVERSITY

One set of expectations in our voting policy is that Boards have sufficient independence and gender diversity. Extensive evidence shows that companies with more diverse boards and/or management teams generate more sustainable value creation over the long term. Our goal is for 40% of all Board members to be women by 2025 in all markets. We set out our expectations on gender diversity in our 2023 voting policy: for Europe, North America, Australia, South Africa and New Zealand, we expected a minimum of 35% female board membership, and in Latin America, Asia, Middle East and Africa (ex. South Africa) our threshold was 20%. (Under certain conditions, we will support boards with a ratio just below this, for example, if the company has made significant improvements in recent years or commits to reaching our thresholds within two years.) In 2023, as in previous years, to advance our goal, we identified **38 companies** (13 in Europe, 11 in North America and 14 in APAC) held in our active equity portfolios to engage with because their board diversity was not in line with our expectations.

Outcome	Number	%	Details
Positive	11	29%	The company reached our gender diversity threshold and, as a result, we voted in favour of board elections when other considerations did not apply, in line with our voting policy.
Partial	8	21%	We were able to apply our exceptions in line with our voting policy, but the company has not yet reached our gender diversity threshold (exceptions include relative improvement, commitment to reach 40% in 2025, etc.).
Negative	19	50%	We opposed the election of all male directors, due to a lack of improvement on gender diversity (in addition to other possible reasons, e.g., lack of independence).

Example of a vote linked to our engagement on gender diversity

Vonovia SE: We engaged with the company in March 2023, as the Supervisory board's female representation had stood at 33% for a few years while the minimum threshold of our voting policy for Germany is now 35%. As such, we raised the concern that we would no longer be able to support male director elections at the 2023 AGM should the gender diversity ratio remain the same. The company was responsive and confirmed that board elections would aim to reach 50% male to female ratio at the 2023 AGM. We were thus able to vote in favour of most board (re)elections – which were all adopted by shareholders. We are satisfied that Vonovia SE's Supervisory board has now reached gender parity.

5.4 EXAMPLES OF ENGAGEMENT

Engagement related to voting on environmental and social topics issues

Case study 1: Poor health and safety practices and related governance at Norfolk Southern Corporation

Context: On February 3, 2023, a Norfolk Southern train carrying hazardous materials derailed in Ohio, resulting in substantial harm to the local community and environment. The Environmental Protection Agency (EPA) and Department of Justice (DoJ) filed a civil complaint against the company, alleging a violation of the Clean Water Act. Local community members and business owners, as well as the state of Ohio, also filed lawsuits. According to media coverage, the company's accident rate jumped 80% between 2013 and 2022, with 27% more accidents, significantly worse than the industry average. Further, the company has been accused of cutting workers, lengthening trains and lobbying against safety measures to drive shareholder value. The National Transportation Safety board is investigating the company's safety culture. Post-accident, the CEO pledged US\$6.5 million to help those affected by the chemical spill but refused to back away from the company's plan to spend US\$7.5 billion on share buybacks.

Vote: We chose to vote against all members of the Board to signal our serious concern that safety issues do not appear to be receiving sufficient attention. The intention to proceed with the buyback plan during this high-profile disaster – an accident that may have been prevented had the appropriate safety measures been taken – underscored the need to send a strong signal to a board that does not appear to be putting our best interests first. However, investors overwhelmingly re-elected the Norfolk Southern board.

Further engagement: We continue to monitor the company's performance and the related lawsuits during 2024.

Case study 2: Weakened deforestation commitments at Procter & Gamble (P&G)

Context: In May 2023, P&G updated its Forest Commodities Policy, removing a commitment to end forest 'degradation' – practices that significantly impair a forests' ability to continue to produce various ecosystem services, without converting the forest to non-forest uses (deforestation). The commitment on degradation had been in P&G's policy since 2021, following a majority vote on a shareholder proposal submitted by Green Century Asset Management.

Activity: We submitted questions during P&G's ESG Virtual Conference call about the removal of 'degradation' from the company policy and the implications for its supply chain. The company responded that degradation was removed to avoid confusion over multiple definitions of 'degradation', but nothing had changed in practice. This was the only time during the briefing that this issue was mentioned and may be the only public explanation – or acknowledgment - the company has provided for the change. Following the ESG briefing, we had two calls with P&G executives to discuss the change in policy and get a better understanding of P&G's oversight of the harvesting of pulp from the Canadian Boreal for its premium tissue products, including Charmin toilet paper. Prior to our first call, we submitted a lengthy set of questions, to which P&G provided a partial written response. Our discussion covered certification schemes, Canadian forestry policy, the impact of the EU Deforestation Regulation, woodland caribou protection, the protection of "intact forest landscapes" (IFLs), and P&G's efforts to replace virgin fibre with more sustainable alternatives.

Vote: Members of the P&G founding family initiated a 'Vote No' campaign, asking investors to vote against the CEO and certain directors at the company's upcoming annual general meeting, due to the company's change in policy and concerns that the company was not taking sufficient action to address deforestation and forest degradation. In response, we requested a call with the targeted directors, but our request was denied. As we remain unconvinced that P&G is effectively managing this critical risk, we chose to vote against all incumbent directors and will write to the company to explain our rationale.

Further engagement: We continue to evaluate P&G's disclosures and responses to our questions and will be working to develop a clear strategy to encourage improvements to the company's approach to deforestation.

Engagement to improve governance and inform our votes.

Case study 1: Welcome trend of European companies splitting CEO and Chair

Context: We maintain a regular dialogue with companies and have long sought a split in the role of CEO and Chair as we believe it is in shareholders' best interests for these roles to be split. One of the board's most critical functions is to oversee management, including the CEO. When the Board is chaired by the CEO, we believe this critical role can be severely impaired.

Activity: We have raised with Air Liquide, Schneider Electric and Alstom many times in recent years our view that they should split the Chair / CEO role, including during 2023.

Outcomes: We were pleased that all three companies split these roles in 2023. This move brings these companies into line with good governance practice and our position and request. We continue the engagement with companies in order to keep the role split over the long term, especially for companies with former CEO becoming Chair.

Case study 2: Stellantis improves remuneration package structure

Context: We believe that executive compensation plans should be aligned with the long-term performance of the company, discourage irresponsible risk-taking, strengthen employee loyalty, take into consideration their impact on inequality and foster inclusive growth. As we did not believe that the Say-on-Pay proposals put forward by Stellantis management at the 2022 AGM reflected these principles, we voted against them, as did many other shareholders. The proposal was rejected.

Activity: We continued to engage with the company after the 2022 AGM and into 2023 to improve its compensation policy. We had three meetings dedicated to remuneration issues in the run up to the 2023 AGM with Investor Relations, Corporate Counsel, and a member of the Executive Committee.

Outcomes: We achieved some but not all of our objectives. In line with our requests, the revised remuneration policy put to the 2023 AGM removed the time-based long-term plan and provided for equity awards to be fully performance based. The 2023 grant no longer allows below-median total shareholder return vesting. The company also provided more transparency ex-ante and ex-post about the performance criteria and the exceptional bonus. As the new remuneration policy was better than the previous one, we voted for it. However, the company did not change the exceptional awards granted and distributed time-based long-term plan awards in 2022. We therefore did not vote in support of the two items relating to the remuneration reports. By improving its remuneration policy, the Board should have better incentivised the executives to deliver both good sustainability outcomes and financial results. We will continue to engage with Stellantis on other aspects of its remuneration practices that do not align with our expectations.

Case study 3: Total Energies SA removes differential voting rights

Context: A key tenet of good governance is respect of the 'one-share, one vote' principle. This ensures equal treatment of all shareholders by aligning control via voting rights with economic interest and, therefore, investment risk. We have long enshrined the expectation of 'one-share, one-vote' in our voting policy and engage with companies where this is not the case.

Activity: The objective of this engagement was to convince the company to remove the differential voting rights structure in its by-laws. (The company allowed tenure voting rights, which in practice were only applicable to limited number of investors

that have registered shares and not to institutional investors). Members of the Stewardship and ESG research teams have engaged with Total on corporate governance issues for over more than 10 years. We regularly raised our concerns about the lack of a one-share, one vote structure (among other governance and climate topics.)

Outcomes: We strongly welcomed the move by Total Energies' management of proposing at the 2023 AGM to remove the differential voting rights by amending the bylaws. We voted in favour of the proposed amendment as we consider it positive to shareholders' interest. The amendment was approved by the AGM. Engagement will continue in the future, on other features of governance that needs improvement.

Case study 4: Securing good end of tenure CEO remuneration at Société Générale SA

Context: A key item on the agenda of 2023 AGM was the announcement of the CEO transition as of May 2023, with the nomination of Mr. Kruppa to replace Mr Oudéa. Being CEO of the bank since 2008 and having duly announced his departure during the 2022 AGM, Mr. Oudéa was to be considered to be a 'good leaver'.

Activity: We held an engagement meeting with the Chair of the Board of directors from in January 2023 to discuss various corporate governance matters. A follow-up meeting was held in February to discuss the remuneration terms and highlight our concerns with regards to Mr. Oudéa's proposed termination package, specifically that it his variable remuneration for the time spent as CEO should be pro-rated. We also made some proposals to strengthen the structure of the bonus and the weighting and nature of the ESG metrics.

Outcome: Following our exchanges, the Chair of the Board issued a letter in May stating that the company had considered our views and would pro-rate the CEO's long-term incentive plans for 2019, 2020 and 2021 according to the time spent in position. It also stated that Mr. Oudéa would not be awarded any long-term incentives for 2022 and 2023. In addition, the company decided to change the structure of the bonus to increase the portion tied to financial criteria (from 60% to 65%) and increase the share of ESG criteria in the LTIP (from 20% to 33%), replacing the criterion on ESG ratings performance by a more operational performance target on the climate alignment of lending portfolios, as we had suggested. These decisions allowed us to support the Remuneration Policy – which was approved at 78.7% by shareholders.

Case study 5: Improving ESG metrics in remuneration packages at Danone SA

Context: In order to achieve strategic commitments on sustainability issues, it is critical that companies embed appropriate metrics within their remuneration policies to incentivise and reward their delivery.

Activity: We engaged with Danone SA ahead of its AGM to discuss certain items on the agenda. We had particular concerns relating to the ESG criteria proposed for the long-term incentive plan. The company proposed to continue to use only its scores on the CDP Climate Change, Water and Forests programmes. We reiterated our view, expressed many times previously, that this approach does not properly relate to, nor capture, the CSR objectives and strategy of the company, nor its priorities. Moreover, as Danone has long been given a high ranking by CDP, these criteria are not challenging. We articulated our view that the company should replace the CDP ratings with internally set objectives that are more closely linked to its sustainability goals.

Outcome: The company decided to amend its remuneration policy and long-term plan criteria. It agreed to replace the CDP criteria with three indicators linked to health (with reduction target for sugar in products intended for children), climate (reduction of GHG emissions across its entire value chain, i.e., scopes 1, 2 and 3) and social (employee engagement level vs. an external benchmark). We strongly welcome this positive change, in line with our request.

5.5 PROMOTION OF ENVIRONMENTAL AND SOCIAL DISCLOSURE

Where companies do not meet our expectations in relation to various environmental and social expectations, as set out in our voting policy, we oppose management resolutions on the approval of financial statements, discharge of the board, or (re-) election of directors (depending on the market). **In 2023, we opposed 1,521 resolutions at 271 companies for these reasons** (71% related to our climate-related expectations, 17% related to our [Responsible Business Conduct policy](#), 6% related to our biodiversity-related expectations and 6% linked to low ESG scores) – a substantial increase compared to 2022 (1,391 resolutions at 248 companies).

ESG topic	No. of resolutions	% of total ⁸	No. of companies' meetings	% of companies' meetings
Responsible Business Conduct policy	264	17%	32	12%
Climate-related expectations	1080	71%	200	74%
Biodiversity-related expectations	91	6%	27	10%
Low ESG score	86	6%	12	4%
Total	1,521		271	

5.6 DRIVING GOOD GOVERNANCE PRACTICE AROUND THE WORLD

We take part in a wide range of organisations to advance good governance practice around the world:

- We are active in several 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, Chair the Audit and Risks Committee, and is as well member of the 'Human Capital' and 'GNIA' (Global Network of Investor Associations) committees. We are also actively involved with a range of UN PRI-organized corporate engagement and public policy workstreams, an active member of Climate Action 100+, and a Global Network Initiative board member.
- 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) in France. We also participate in the investment committee of Eumedion.
- In the United States, we are a member of Ceres and the Council of Institutional Investors (CII).
- In the Asia Pacific region, we are a member of the Asian Corporate Governance Association (ACGA) and of the ACGA's working groups for Japan and China.

5.7. FOCUS ON SOLIDARITY INVESTMENTS

Through our solidarity funds, mainly distributed in the framework of employee saving schemes, BNP Paribas AM invests in and supports structures with a strong social impact in France. At the end of 2023, we supported 30 non-profit organisations, companies and microfinance funds through the investment of EUR€174 million.

[Link to the social performance report⁹](#)

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

⁸ Figures may not sum to 100% due to rounding errors.

⁹ BNPP AM voting policy mentioned above does not apply to solidarity investments

- Being active shareholders: We invest through equity positions in 19 of our partners. As shareholders, we vote each year at general meetings. Resolutions are analysed and a discussion with the company is held if necessary, and we have been elected to serve as members of six supervisory boards.
- Overseeing and monitoring investees: Part of our role includes overseeing and monitoring closely the social businesses in which we invest. 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 2023, we continue to closely monitor and analyse the impact of the health and economic crisis on our partner structures and provided them with the best possible support.
- Reporting and transparency: We publish a report on social performance once 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 SDG brochure](#)

Key figures for 2023

- AGMs voted on: 19
- Of which by remote or physical presence: 6
- Member of the Supervisory Board: 6

APPENDIX 1. STATISTICS RELATED TO THE MANAGEMENT COMPANY BNPP AM EUROPE

1. GEOGRAPHIC BREAKDOWN

In relation to the activities of Management Company BNPP-AM Europe, we voted at **820 general meetings**¹⁰, mainly in Europe and North America, representing slightly more than 90% of all possible votes.

	Number of meetings voted	Geographic breakdown
Europe	586	71%
North America	182	22%
APAC	49	6%
Others	3	0%
Total	820	100 %

2. VOTING RESULTS

Within our voting scope, out of 820 general meetings voted,

- We voted in favour of all items at 98 general meetings; and
- At 722 general meetings (i.e., 88%), we voted against or abstained on at least one item.

Of 12,872 resolutions voted, 12,325 resolutions were submitted by companies and 547 by shareholders:

- We voted in line with the management proposals at 68% of the resolutions; and
- We voted against the management proposals at 32% of the resolutions.

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 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 identified no conflicts of interest during this financial year.

¹⁰ 820 general meetings voted out of 1,080

APPENDIX 2: PROPOSALS ON ENVIRONMENTAL AND SOCIAL ISSUES

We consider environmentally and socially focused proposals at AGMs to be 'significant votes'. We therefore describe our rationale for each of these votes¹¹, in line with the Shareholder Rights Directive II. As a responsible investor, we believe that ESG issues may impact the value and reputation of entities in which we invest.

1. PROPOSALS SUBMITTED BY SHAREHOLDERS

1.1 PROPOSALS SUPPORTED BY BNPP AM

ENVIRONMENTAL PROPOSALS

In 2023, BNPP AM voted on 131 environment and climate-related proposals¹², including 109 proposed by shareholders and 22 submitted by management. Of these, **we supported the following 93 shareholder proposals (85%)**:

ENERGY TRANSITION

CLIMATE-RELATED LOBBYING

Resolution approved

* Resolution supported by management

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Toyota Motor Corp.	Japan	14-Jun-23	4	Amend Articles to Report on Corporate Climate Lobbying Aligned with Paris Agreement	15.1%

BNPP AM's Rationale:

We support resolutions that align with our commitments and expectations of companies on climate change. The information/action requested aligns with the Investor Expectations on Corporate Climate Lobbying, which we co-developed in 2018. This includes ensuring that direct and indirect lobbying efforts support the goals of the Paris Agreement. We and other investors will benefit from the requested information/action because it enables us to better assess the company's climate and ESG performance, and to make associated investment decisions.

APPROVE, ADOPT OR REPORT ON CLIMATE TRANSITION PLAN (SAY ON CLIMATE VOTE) AND/OR ASSOCIATED SCENARIOS, ANALYSIS OF IMPACTS

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Canadian Imperial Bank of Commerce	Canada	04-Apr-23	5	SP 2: Advisory Vote on Environmental Policies	16.8%
The Bank of Nova Scotia	Canada	04-Apr-23	4	SP 1: Advisory Vote on Environmental Policies	17.5%
Royal Bank of Canada	Canada	05-Apr-23	G	SP 7: Advisory Vote on Environmental Policies	18.8%
Santos Limited	Australia	06-Apr-23	6b	Approve Capital Protection	18.2%
Bank of Montreal	Canada	18-Apr-23	A	SP 1: Advisory Vote on Environmental Policies	16.1%
The Toronto-Dominion Bank	Canada	20-Apr-23	6	SP 3: Advisory Vote on Environmental Policies	21.4%

¹¹ Environmental and social related proposals based on BNPP AM classification.

¹² Based on BNPP AM classification.

National Bank of Canada	Canada	21-Apr-23	4	SP 1: Advisory Vote on Environmental Policies	19.8%
Woodside Energy Group Ltd.	Australia	28-Apr-23	6b	Approve Contingent Resolution - Capital Protection	N/A
General Electric Company	USA	03-May-23	8	Issue Audited Report on Impact of IEA Net-Zero Emissions by 2050 Scenario	9.9%
Berkshire Hathaway Inc.	USA	06-May-23	5	Report on Audit Committee's Oversight on Climate Risks and Disclosures	17.9%
iA Financial Corporation Inc.	Canada	10-May-23	6	SP 3: Advisory Vote on Environmental Policies	22.5%
Cheniere Energy, Inc.	USA	11-May-23	5	Report on Stranded Carbon Asset Risk	N/A
BlackRock, Inc.	USA	24-May-23	6	Report on Ability to Engineer Decarbonization in the Real Economy	9.5%
Chevron Corporation	USA	31-May-23	9	Report on Social Impact From Plant Closure or Energy Transition	18.6%
Exxon Mobil Corporation	USA	31-May-23	16	Report on Social Impact From Plant Closure or Energy Transition	16.6%
Netflix, Inc.	USA	01-Jun-23	7	Report on Climate Risk in Retirement Plan Options	8.4%
Mitsubishi Corp.	Japan	23-Jun-23	5	Amend Articles to Disclose Greenhouse Gas Emission Reduction Targets Aligned with Goals of Paris Agreement	19.8%
Mitsubishi Corp.	Japan	23-Jun-23	6	Amend Articles to Disclose Evaluation concerning Consistency between Capital Expenditures and Net Zero Greenhouse Gas Emissions by 2050 Commitment	12.4%
National Australia Bank Limited	Australia	15-Dec-23	5b	Approve Transition Plan Assessments	N/A

BNPP AM's Rationale

We support resolutions that align with our commitments and expectations of companies on climate change. The information/action requested aligns because it requests a high GHG emission company to develop and submit to a vote their transition plans and/or reports charting their progress in implementing those plans, and to provide sufficient detail about the scenarios and assumptions used, and on the analysis of their impacts on climate change. We and other investors will benefit from the requested information/action because it enables us to better assess the company's delivery of emissions reductions in line with the Paris agreement and to make associated investment decisions.

FOSSIL FUEL/PARIS-ALIGNED FINANCING, CAPITAL ALIGNMENT/RISK OF STRANDED ASSETS

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Swedbank AB	Sweden	30-Mar-23	26	Stop Financing Fossil Companies That Expand Extraction and Lack Robust Fossil Phase-Out Plans in Line with 1.5 Degrees	N/A
Skandinaviska Enskilda Banken AB	Sweden	04-Apr-23	24	Stop Financing Fossil Companies that Expand Extraction and Lack Robust Fossil Phase-Out Plans in Line with 1.5 Degrees	N/A
Bank of America Corporation	USA	25-Apr-23	10	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	7.0%
Citigroup Inc.	USA	25-Apr-23	9	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	9.9%
The Goldman Sachs Group, Inc.	USA	26-Apr-23	9	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	6.8%
JPMorgan Chase & Co.	USA	16-May-23	6	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	8.1%
The Hartford Financial Services Group, Inc.	USA	17-May-23	4	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	8.7%
Morgan Stanley	USA	19-May-23	6	Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development	4.8%
The Travelers Companies, Inc.	USA	24-May-23	7	Adopt Time-Bound Policy to Phase Out Underwriting for New Fossil Fuel Exploration and Development	8.7%

Mizuho Financial Group, Inc.	Japan	23-Jun-23	2	Amend Articles to Disclose Transition Plan to Align Lending and Investment Portfolios with Goals of Paris Agreement	19.0%
Mitsubishi UFJ Financial Group, Inc.	Japan	29-Jun-23	3	Amend Articles to Disclose Transition Plan to Align Lending and Investment Portfolios with Goals of Paris Agreement	17.3%
Sumitomo Mitsui Financial Group, Inc.	Japan	29-Jun-23	3	Amend Articles to Disclose Transition Plan to Align Lending and Investment Portfolios with Goals of Paris Agreement	20.7%

BNPP AM's Rationale

We support resolutions that align with our commitments and expectations of companies on climate change. The information /action requested does so because it requests a high GHG emission company to align its financing and capital expenditures with the Paris goals and address any stranded asset risks and/or decommission of fossil-fuel based assets. We and other investors will benefit from the requested information/action because it enables us to better assess the company's delivery of emissions reductions in line with the Paris agreement and to make associated investment decisions.

GHG EMISSIONS DISCLOSURE OR TARGET SETTING

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Metro Inc.	Canada	24-Jan-23	5	SP 1: Adopt Near and Long-Term Science-Based Greenhouse Gas Emissions Reduction Targets	28.5%
The Bank of Nova Scotia	Canada	04-Apr-23	5	SP 2: Report on Client Net-Zero Transition Plans in Relation to Bank's 2030 Emissions Reduction and Net-Zero Goals	25.0%
Royal Bank of Canada	Canada	05-Apr-23	D	SP 4: Report on 2030 Absolute Greenhouse Gas Reduction Goals	17.2%
The Toronto-Dominion Bank	Canada	20-Apr-23	9	SP 6: Disclose Transition Plan Towards 2030 Emission Reduction Goals	23.5%
CenterPoint Energy, Inc.	USA	21-Apr-23	5	Disclose Scope 3 Emissions and Setting Scope 3 Emission Targets	18.2%
Bank of America Corporation	USA	25-Apr-23	8	Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting	11.5%
Bank of America Corporation	USA	25-Apr-23	9	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	28.5%
The Goldman Sachs Group, Inc.	USA	26-Apr-23	10	Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting	12.5%
The Goldman Sachs Group, Inc.	USA	26-Apr-23	11	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	29.7%
BP Plc	United Kingdom	27-Apr-23	25	Approve Shareholder Resolution on Climate Change Targets	16.7%
Public Storage	USA	02-May-23	5	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	34.7%
Enbridge Inc.	Canada	03-May-23	6	SP 2: Disclose the Company's Scope 3 Emissions	24.4%
United Parcel Service, Inc.	USA	04-May-23	6	Adopt Independently Verified Science-Based Greenhouse Gas Emissions Reduction Targets in Line with the Paris Climate Agreement	19.8%
Berkshire Hathaway Inc.	USA	06-May-23	6	Report If and How Company Will Measure, Disclose and Reduce GHG Emissions	22.7%
Valero Energy Corporation	USA	09-May-23	5	Report on Climate Transition Plan and GHG Emissions Reduction Targets	31.8%
Martin Marietta Materials, Inc.	USA	11-May-23	5	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	32.8%
Westlake Corporation	USA	11-May-23	7	Strengthen 2030 GHG Reduction Targets and Adopt Long-Term Targets Aligned with Net Zero	11.6%
JPMorgan Chase & Co.	USA	16-May-23	9	Report on Climate Transition Plan Describing Efforts to Align Financing Activities with GHG Targets	34.8%
JPMorgan Chase & Co.	USA	16-May-23	12	Disclose 2030 Absolute GHG Reduction Targets Associated with Lending and Underwriting	12.4%
Chubb Limited	Switzerland	17-May-23	14	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	28.9%
Quest Diagnostics Incorporated	USA	17-May-23	6	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	47.7%
Shell Plc	United Kingdom	23-May-23	26	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	20.2%

Targa Resources Corp.	USA	23-May-23	5	Report on Efforts to Reduce Methane Emission Venting and Flaring in Supply Chain	40.5%
The Travelers Companies, Inc.	USA	24-May-23	6	Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting	14.5%
The Mosaic Company	USA	25-May-23	7	Report on Efforts to Reduce GHG Emissions in Alignment with Paris Agreement Goal	29.8%
TotalEnergies SE	France	26-May-23	A	Align Targets for Indirect Scope 3 Emissions with the Paris Climate Agreement (Advisory)	30.4%
Chevron Corporation	USA	31-May-23	6	Adopt Medium-Term Scope 3 GHG Reduction Target	9.6%
Chevron Corporation	USA	31-May-23	7	Recalculate GHG Emissions Baseline to Exclude Emissions from Material Divestitures	18.3%
Exxon Mobil Corporation	USA	31-May-23	8	Report on Methane Emission Disclosure Reliability	36.4%
Exxon Mobil Corporation	USA	31-May-23	9	Adopt Medium-Term Scope 3 GHG Reduction Target	10.5%
Exxon Mobil Corporation	USA	31-May-23	11	Recalculate GHG Emissions Baseline to Exclude Emissions from Material Divestitures	18.4%
Comcast Corporation	USA	07-Jun-23	9	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	9.8%
Dollarama Inc.	Canada	07-Jun-23	6	SP 3: Adopt Net Zero Targets in Alignment with the Paris Agreement	25.9%
CoStar Group, Inc.	USA	08-Jun-23	5	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	27.5%
Constellation Brands, Inc.	USA	18-Jul-23	5	Disclose GHG Emissions Reductions Targets	31.0%
Darden Restaurants, Inc.	USA	20-Sep-23	5	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	23.5%
Cintas Corporation	USA	24-Oct-23	6	Adopt Near and Long-Term Science-Based GHG Emissions Reduction Targets Aligned with Paris Agreement Goal	24.3%

BNPP AM's Rationale

We support resolutions that align with our commitments and expectations of companies on climate change. The information /action requested aligns by asking the company to set GHG emissions reduction targets in line with the goals of the Paris agreement. We and other investors will benefit from the requested information/action because it enables us to better assess the company's delivery of emissions reductions in line with the Paris agreement and its ESG performance, and to make associated investment decisions.

PHYSICAL RISK EXPOSURE

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Berkshire Hathaway Inc.	USA	06-May-23	4	Report on Physical and Transitional Climate-Related Risks and Opportunities	26.6%

BNPP AM's Rationale

We support resolutions that align with our commitments and expectations of companies on climate change. The information /action requested aligns by requesting that the company measure and address the risks and opportunities generated by climate change. We and other investors will benefit from the requested information/action because it enables us to better assess the company's climate and ESG performance and to make associated investment decisions.

JUST TRANSITION

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
BorgWarner Inc.	USA	26-Apr-23	7	Report on Just Transition	32.0%

Marathon Petroleum Corporation	USA	26-Apr-23	9	Report on Just Transition	16.0%
United Parcel Service, Inc.	USA	04-May-23	8	Report on Just Transition	23.6%
Amazon.com, Inc.	USA	24-May-23	10	Report on Impact of Climate Change Strategy Consistent With Just Transition Guidelines	27.0%
FedEx Corporation	USA	21-Sep-23	6	Report on Just Transition	29.7%

BNPP AM's Rationale

We support resolutions that align with our commitments and expectations of companies on equality, and in relation to climate change. The information/action requested aligns with our commitments and expectations of companies to deliver a 'just transition'. We and other investors will benefit from the requested information/action because it enables us to better assess the company's ESG performance and to make associated investment decisions.

OTHER - CLIMATE CHANGE

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
ENGIE SA	France	26-Apr-23	B	Amend Articles 21 and 24 of Bylaws Re: Climate Strategy	24.4%
Marathon Petroleum Corporation	USA	26-Apr-23	10	Report on Asset Retirement Obligation	22.6%
H&M Hennes & Mauritz AB	Sweden	04-May-23	17	Request Board to Initiate Plan for Launching Clothing with Fairtrade Label	N/A
Equinor ASA	Norway	10-May-23	9	Identify and Manage Climate-Related Risks and Possibilities, and Integrate Them into Company's Strategy	3.6%
Exxon Mobil Corporation	USA	31-May-23	12	Report on Asset Retirement Obligations Under IEA NZE Scenario	16.0%

BNPP AM's Rationale

We support resolutions that align with our commitments and expectations of companies on climate change. The information /action requested aligns with our commitments and expectations of companies to address their climate-related impacts and risks. We and other investors will benefit from the requested information/action because it enables us to better assess the company's climate and ESG performance, and to make associated investment decisions.

HEALTHY ECOSYSTEMS

PLASTIC

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Dow Inc.	USA	13-Apr-23	5	Commission Audited Report on Reduced Plastics Demand	30.2%
Phillips 66	USA	10-May-23	5	Publish Audited Report on Impacts of a Significant Reduction in Virgin Plastic Demand	11.6%
Westlake Corporation	USA	11-May-23	8	Report on Reducing Plastic Pollution of the Oceans	9.5%
Yum! Brands, Inc.	USA	18-May-23	5	Report on Efforts to Reduce Plastic Use	36.4%
Restaurant Brands International Inc.	Canada	23-May-23	8	Report on Efforts to Reduce Plastic Use	36.8%
Amazon.com, Inc.	USA	24-May-23	22	Report on Efforts to Reduce Plastic Use	31.8%
Exxon Mobil Corporation	USA	31-May-23	13	Commission Audited Report on Reduced Plastics Demand	25.3%
The Kroger Co.	USA	22-Jun-23	7	Report on Efforts to Reduce Plastic Use	31.8%
Constellation Brands, Inc.	USA	18-Jul-23	6	Report on Support for a Circular Economy for Packaging	25.1%

BNPP AM's Rationale

We support resolutions that align with our commitments and expectations of companies on environmental sustainability. BNPP AM has a long-standing commitment on reducing Plastic Pollution, having endorsed the New Plastics Economy Global Commitment, the EPR Statement for packaging Extended Producer Responsibility and the revised business statement calling for a Global Treaty on Plastic Pollution. Plastic pollution is a global problem and generates significant negative impacts on our environment, society and economies. Our support for these requests for additional information on plastic pollution and how companies intend to reduce their contributions to this global problem aligns with our commitments to tackle climate change and biodiversity loss. We and other investors will benefit from the requested information/action because it enables us to better assess the company's ESG performance and to make associated investment decisions.

WATER

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
The Kraft Heinz Company	USA	04-May-23	5	Report on Supply Chain Water Risk Exposure	7.8%

BNPP AM's Rationale

We support resolutions that align with our commitments and expectations of companies on environmental sustainability. The information/action requested is aligned because it asks the company to report on key environmental and/or social risks and/or impacts. We and other investors will benefit from the requested information/action because it enables us to better assess the company's ESG performance and to make associated investment decisions.

ENVIRONMENTAL AND COMMUNITY IMPACT

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Honeywell International Inc.	USA	19-May-23	6	Issue Environmental Justice Report	12.8%
Exxon Mobil Corporation	USA	31-May-23	10	Issue a Report on Worst-Case Impacts of Oil Spills from Operations Offshore of Guyana	13.3%
General Motors Company	USA	20-Jun-23	7	Report on Setting Sustainable Sourcing Targets	14.3%

BNPP AM's Rationale

We support resolutions that align with our commitments and expectations of companies on environmental sustainability and impact on communities. We and other investors will benefit from the requested information/action because it enables us to better assess the company's ESG performance and to make associated investment decisions.

SOCIAL PROPOSALS

EQUALITY

In 2022, BNPP AM voted on 113 social proposals¹³, all proposed by shareholders. Of these, **we supported the following 106 proposals (94%)**. In this section, we provide a commentary on our rationale for supporting them. In a later section, we explain why we abstained or voted against others.

GENDER, EQUALITY AND LABOR ISSUES

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
CGI Inc.	Canada	01-Feb-23	6	Report on Racial Disparities and Equity Issues	15.9%
A. O. Smith Corporation	USA	11-Apr-23	5	Report on Whether Company Policies Reinforce Racism in Company Culture	9.0%
Adobe Inc.	USA	20-Apr-23	6	Report on Hiring of Persons with Arrest or Incarceration Records	17.0%
International Business Machines Corporation	USA	25-Apr-23	8	Report on Efforts to Prevent Harassment and Discrimination in the Workplace	33.1%
Eli Lilly and Company	USA	01-May-23	12	Report on Effectiveness of Diversity, Equity and Inclusion Efforts and Metrics	27.1%
Expeditors International of Washington, Inc.	USA	02-May-23	6	Report on Effectiveness of Diversity Equity and Inclusion Efforts and Metrics	57.3%
Capital One Financial Corporation	USA	04-May-23	9	Disclose Board Skills and Diversity Matrix	44.1%
H&M Hennes & Mauritz AB	Sweden	04-May-23	18	Request Company to Negotiate with Unions and Suppliers to Establish and Manage (i) Wage Assurance Account, (ii) Severance Claims Account, and (iii) Administration and Enforcement Account	N/A
United Parcel Service, Inc.	USA	04-May-23	11	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	24.5%
Berkshire Hathaway Inc.	USA	06-May-23	7	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	20.8%
Danaher Corporation	USA	09-May-23	6	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	15.9%
Las Vegas Sands Corp.	USA	11-May-23	5	Disclose Board Skills and Diversity Matrix	18.4%
NextEra Energy, Inc.	USA	18-May-23	5	Disclose Board Skills and Diversity Matrix	48.9%
IDEX Corporation	USA	25-May-23	5	Report on Hiring of Persons with Arrest or Incarceration Records	18.2%
Pinterest, Inc.	USA	25-May-23	4	Report on Prevention of Workplace Harassment and Discrimination	5.5%
Digital Realty Trust, Inc.	USA	08-Jun-23	5	Report on Risks Associated with Use of Concealment Clauses	N/A
Digital Realty Trust, Inc.	USA	08-Jun-23	6	Report on Whether Company Policies Reinforce Racism in Company Culture	12.8%
Block, Inc.	USA	13-Jun-23	4	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	14.8%
Caesars Entertainment, Inc.	USA	13-Jun-23	6	Disclose Board Skills and Diversity Matrix	19.0%
Etsy, Inc.	USA	14-Jun-23	5	Commission Independent Review of Effectiveness of Efforts to Prevent Harassment and Discrimination	11.0%
Cintas Corporation	USA	24-Oct-23	5	Report on Effectiveness of Diversity, Equity, and Inclusion Efforts	27.7%

BNPP AM's Rationale

BNPP AM is committed to advance diversity, equality and inclusion. BNPP AM uses its proxy voting policy and votes to improve equality, through wage equality, professional promotion, training, skills development and other issues. It also supports efforts to promote diversity among professional roles and improve the representations of women on Boards, to realise shared governance. BNPP AM is also committed to addressing human rights in the supply chain and the rights of local communities and indigenous peoples. We and other investors will benefit from the requested information/action because it enables us to better assess the company's ESG performance and to make associated investment decisions.

¹³ Based on BNPP AM classification.

HUMAN RIGHTS IN THE SUPPLY CHAIN AND AMONG LOCAL COMMUNITIES AND INDIGENOUS PEOPLE

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Metro Inc.	Canada	24-Jan-23	6	SP 2: Report on Actual and Potential Human Rights Impacts on Migrant Workers	28.6%
Carlsberg A/S	Denmark	13-Mar-23	5.D	Report on Efforts and Risks Related to Human Rights	2.78%
Starbucks Corporation	USA	23-Mar-23	8	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights	52.0%
A.P. Moller-Maersk A/S	Denmark	28-Mar-23	10.6	Report on Efforts and Risks Related to Human Rights	N/A
A.P. Moller-Maersk A/S	Denmark	28-Mar-23	10.9	Revoke Section 10 of the Danish International Shipping Registry Act in order to Comply with the ILO Core Conventions	N/A
Royal Bank of Canada	Canada	05-Apr-23	B	Revise the Bank's Human Rights Position Statement	26.7%
Royal Bank of Canada	Canada	05-Apr-23	C	Publish a Third-Party Racial Equity Audit	42.2%
Bank of Montreal	Canada	18-Apr-23	C	Publish a Third-Party Racial Equity Audit	37.2%
The Toronto-Dominion Bank	Canada	20-Apr-23	4	Disclose Assessment on Human Rights Risk in Connection with Clients Owning Canadian Multi-Family Rental REITs in Canada	16.9%
Bank of America Corporation	USA	25-Apr-23	11	Commission Third Party Racial Equity Audit	15.2%
Citigroup Inc.	USA	25-Apr-23	8	Report on Respecting Indigenous Peoples' Rights	31.1%
The Coca-Cola Company	USA	25-Apr-23	5	Report on Third-Party Civil Rights Audit	16.5%
The Goldman Sachs Group, Inc.	USA	26-Apr-23	8	Oversee and Report a Racial Equity Audit	11.5%
Equifax Inc.	USA	04-May-23	6	Oversee and Report a Racial Equity Audit	30.8%
Gildan Activewear Inc.	Canada	04-May-23	7	Review Human Capital Management KPIs and SPTs Addressing Human Rights in its Supply Chain, and Improving Employee Safety and Reducing Workplace Risks and Include One Such KPI/SPT in its Next Sustainability Linked Credit Facility in 2027	11.1%
Valero Energy Corporation	USA	09-May-23	6	Oversee and Report a Racial Equity Audit	11.7%
American Water Works Company, Inc.	USA	10-May-23	5	Oversee and Report a Racial Equity Audit	39.1%
The Hershey Company	USA	16-May-23	5	Report on Human Rights Impacts of Living Wage & Income Position Statement	3.6%
Chubb Limited	Switzerland	17-May-23	15	Report on Human Rights Risk Assessment	16.5%
Mondelez International, Inc.	USA	17-May-23	7	Report on Targets to Eradicate Child Labor in Cocoa Supply Chain	19.9%
AT&T Inc.	USA	18-May-23	6	Commission Third Party Racial Equity Audit	21.5%
CVS Health Corporation	USA	18-May-23	8	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights	25.9%
Amazon.com, Inc.	USA	24-May-23	7	Report on Customer Due Diligence	33.9%
Amazon.com, Inc.	USA	24-May-23	16	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining	34.6%
Amazon.com, Inc.	USA	24-May-23	23	Commission Third Party Study and Report on Risks Associated with Use of Rekognition	37.2%
The Travelers Companies, Inc.	USA	24-May-23	8	Oversee and Report on a Third-Party Racial Equity Audit	34.9%
Chipotle Mexican Grill, Inc.	USA	25-May-23	6	Adopt Policy to Not Interfere with Freedom of Association Rights	33.1%
Mohawk Industries, Inc.	USA	25-May-23	5	Oversee and Report a Racial Equity Audit	20.7%
Chevron Corporation	USA	31-May-23	10	Oversee and Report a Racial Equity Audit	9.8%
Meta Platforms, Inc.	USA	31-May-23	5	Report on Human Rights Impact Assessment of Targeted Advertising	17.0%
Walmart Inc.	USA	31-May-23	6	Report on Human Rights Due Diligence	5.7%
Walmart Inc.	USA	31-May-23	7	Commission Third Party Racial Equity Audit	18.1%
Netflix, Inc.	USA	01-Jun-23	8	Adopt and Disclose a Freedom of Association and Collective Bargaining Policy	35.1%
Alphabet Inc.	USA	02-Jun-23	10	Report on Risks of Doing Business in Countries with Significant Human Rights Concerns	13.0%
Alphabet Inc.	USA	02-Jun-23	11	Publish Independent Human Rights Impact Assessment of Targeted Advertising Technology	17.8%
UnitedHealth Group Incorporated	USA	05-Jun-23	5	Report on Third-Party Racial Equity Audit	20.2%

The TJX Companies, Inc.	USA	06-Jun-23	5	Report on Third-Party Assessment of Human Rights Due Diligence in Supply Chain	25.7%
The TJX Companies, Inc.	USA	06-Jun-23	6	Report on Risk from Supplier Misclassification of Supplier's Employees	31.8%
Comcast Corporation	USA	07-Jun-23	7	Oversee and Report on a Racial Equity Audit	10.8%
Dollarama Inc.	Canada	07-Jun-23	4	Report on Emissions and Gender Target and its Overall Significance on the Company's ESG Strategy	18.6%
Delta Air Lines, Inc.	USA	15-Jun-23	6	Adopt and Disclose a Freedom of Association and Collective Bargaining Policy	32.4%
Activision Blizzard, Inc.	USA	21-Jun-23	6	Adopt Policy on Freedom of Association and Collective Bargaining	33.9%
Rivian Automotive, Inc.	USA	21-Jun-23	4	Adopt a Comprehensive Human Rights Policy	13.0%
NIKE, Inc.	USA	12-Sep-23	6	Report on Effectiveness of Supply Chain Management on Equity Goals and Human Rights Commitments	12.0%

BNPP AM's Rationale

BNPP AM has committed to respect and promote human rights. We consider the potential human rights impact of the activities carried out by the companies we invest in and encourage companies to set up the necessary policies and procedures to avoid these serious impacts. We and other investors will benefit from the requested information/action because it enables us to better assess the company's ESG performance and to make associated investment decisions.

REMUNERATION-RELATED PROPOSALS

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Apple Inc.	USA	10-Mar-23	8	Report on Median Gender/Racial Pay Gap	33.8%
The Goldman Sachs Group, Inc.	USA	26-Apr-23	12	Report on Median Gender/Racial Pay Gap	30.1%
Intuitive Surgical, Inc.	USA	27-Apr-23	5	Report on Gender/Racial Pay Gap	34.8%
Kellogg Company	USA	28-Apr-23	6	Report on Median Gender/Racial Pay Gap	23.8%
United Parcel Service, Inc.	USA	04-May-23	7	Report on Integrating GHG Emissions Reductions Targets into Executive Compensation	17.7%
Cummins Inc.	USA	09-May-23	18	Disclose Plan to Link Executive Compensation to GHG Emissions Reduction Goals	15.1%
Centene Corporation	USA	10-May-23	6	Report on Maternal Morbidity Reduction Metrics in Executive Compensation	12.4%
Marriott International, Inc.	USA	12-May-23	7	Report on Gender/Racial Pay Gap	N/A
DexCom, Inc.	USA	18-May-23	5	Report on Median Gender/Racial Pay Gap	35.9%
The Charles Schwab Corporation	USA	18-May-23	5	Report on Gender/Racial Pay Gap	24.4%
Amazon.com, Inc.	USA	24-May-23	13	Report on Median and Adjusted Gender/Racial Pay Gaps	29.0%
Meta Platforms, Inc.	USA	31-May-23	12	Report on Executive Pay Calibration to Externalized Costs	7.2%
The Kroger Co.	USA	22-Jun-23	8	Report on Gender/Racial Pay Gap	51.9%
NIKE, Inc.	USA	12-Sep-23	5	Report on Median Gender/Racial Pay Gap	29.6%
Oracle Corporation	USA	15-Nov-23	6	Report on Median and Adjusted Gender/Racial Pay Gaps	31.4%
Amazon.com, Inc.	USA	24-May-23	17	Consider Pay Disparity Between Executives and Other Employees	6.5%
Walmart Inc.	USA	31-May-23	5	Consider Pay Disparity Between CEO and Other Employees	4.3%

BNPP AM's Rationale

BNPP AM supports proposals designed to ensure greater pay equity across race and gender. We and other investors will benefit from the requested information/action because it enables us to better assess the company's ESG performance and to make associated investment decisions.

1.2 PROPOSALS WE VOTED AGAINST

We voted against four environmental proposal and only one social proposal¹⁴.

Environmental proposals

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Starbucks Corporation	USA	23-Mar-23	5	Report on Plant-Based Milk Pricing	5.3%
FedEx Corporation	USA	21-Sep-23	8	Report on Climate Risk in Retirement Plan Options	7.5%
Campbell Soup Company	USA	29-Nov-23	6	Report on Climate Risk in Retirement Plan Options	7.9%
Microsoft Corporation	USA	07-Dec-23	9	Report on Climate Risk in Retirement Plan Options	8.9%

Social proposal

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Yara International ASA	Norway	12-Jun-23	13	Initiate Special Investigation to Determine if Violations of the Working Environment Act Took Place at Company's Contractor	6.1%

BNPP AM's Rationale

Starbucks: We voted against the proposal at Starbucks because we believe the company already provides sufficient disclosure to address the issue.

FedEx, Campbell Soup, Microsoft: We voted against the proposals seeking a report on climate-risk in retirement plan options because we do not believe it is appropriate to ask a company's board of directors to seek to influence the decisions of the independent fiduciaries that are tasked with protecting the value of plan participants' investments.

Yara International: We voted against because based on the available information, it is not possible to measure the truthfulness and the extent of the allegation raised by the shareholder. Therefore, the company seems to have responded in an appropriate and sufficient manner to the issue raised in the proposal.

1.3 PROPOSALS ON WHICH WE ABSTAINED

We abstained on eight environmental proposals and on only one social proposal.

Environmental proposals

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Royal Bank of Canada	Canada	05-Apr-23	E	Adopt a Policy for a Time-Bound Phaseout of the Bank's Lending and Underwriting for Projects and Companies Engaging in Fossil Fuel Exploration	6.8%
Equinor ASA	Norway	10-May-23	8	Ban Use of Fiberglass Rotor Blades in All New Wind Farms, Commit to Buy into Existing Hydropower Projects, and Conduct Research on Other Energy Sources Such as Thorium	0.2%
Equinor ASA	Norway	10-May-23	10	Stop All Exploration and Drilling by 2025 and Provide Financial and Technical Assistance For Repair and Development of Ukraine's Energy Infrastructure	0.3%
Equinor ASA	Norway	10-May-23	12	End All Plans for Activities in Barents Sea, Adjust Up Investment in Renewables/Low Carbon Solution to 50 Percent by 2025, Implement CCS for Melkoya, and Invest in Rebuilding of Ukraine	0.4%

¹⁴ Based on BNPP AM classification.

Equinor ASA	Norway	10-May-23	13	Stop All Exploration and Test Drilling for Oil & Gas, Become a Leading Producer of Renewable Energy, Stop Plans for Electrification of Melkoya, and Present a Plan Enabling Norway to Become Net-Zero By 2050	0.4%
Equinor ASA	Norway	10-May-23	14	Include Global Warming in Company's Further Strategy, Stop All Exploration For More Oil & Gas, Phase Out All Production and Sale of Oil & Gas, Multiply Investment in Renewable Energy and CCS, and Become Climate-Friendly Company	0.4%
Sun Life Financial Inc.	Canada	11-May-23	A	Produce a Report Documenting the Health Impacts and Potential Insurance Implications of its Investments in Fossil Fuels on its Current and Future Client Base	13.8%
Amazon.com, Inc.	USA	24-May-23	6	Report on Climate Risk in Retirement Plan Options	6.7%
Exxon Mobil Corporation	USA	31-May-23	7	Report on Carbon Capture and Storage	5.2%
Exxon Mobil Corporation	USA	31-May-23	14	Report on Potential Costs of Environmental Litigation	9.1%
Comcast Corporation	USA	07-Jun-23	8	Report on Climate Risk in Retirement Plan Options	6.2%
Westpac Banking Corp.	Australia	14-Dec-23	6b	Approve Transition Plan Assessments	N/A

Social proposal

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	% of votes For
Ford Motor Company	USA	11-May-23	7	Report on Reliance on Child Labor in Supply Chain	6.3%
Walmart Inc.	USA	31-May-23	8	Report on Racial and Gender Layoff Diversity	1.5%

BNPP AM's rationales:

Royal Bank of Canada: Although we support the underlying intent of accelerating the Bank's actions on climate, we found the proposal to be too prescriptive as it would implicitly require a time-based phase out of business with most, if not all, fossil fuel producers, as all/most such companies continue to engage in exploration and production. The proposal also fails to distinguish between fossil fuels.

Equinor ASA: We abstained on the four shareholder proposals that we considered too prescriptive.

Sun Life Financial: Although we support the overall goal of the proposal, we agree with management that "the proposal does not reference any existing framework for the requested disclosure, nor does it seek information that investors could easily compare to equivalent information from other organizations. Rather, the proposal asks Sun Life to speculate and report on a complex, bespoke and possibly unanswerable question – i.e., whether and how specific future emissions from companies in which Sun Life invests will result in specific health impacts to Clients that will result in insurance claims now and in the future." The analysis requested would be very difficult to perform and it is unclear how it would result in more ambitious climate action by the insurer.

Amazon.com, Comcast Corporation: We do not believe it is appropriate to ask a company's board of directors to seek to influence the decisions of the independent fiduciaries that are tasked with protecting the value of plan participants' investments. The proposal presents a clear conflict of interest.

Exxon Mobil Corporation:

- **Carbon Capture and Storage:** We felt the Proposal's request was reasonable, but the proponent is a well-known climate denier and anti-sustainability activist. We abstained as we felt that a vote for the proposal would empower an activist seeking to convince Exxon to ignore climate change to negotiate with the company.
- **Environmental Litigation Costs:** We agree that Exxon may be understating its potential liability, but do not see how this proposal could be adequately implemented given the extreme difficulty of predicting the outcomes of these lawsuits. Pursuing a complaint with the SEC might be a more effective route than a shareholder proposal.

Westpac Banking: We voted abstain given requested disclosure made in newly released climate action plan as well as board response to proposal.

Ford Motor Company: The proposal appeared to be designed to challenge Ford's commitment to EVs, rather than address child labor. The proposal links to a website maintained by a long-term climate denier and proponent of misleading information.

Walmart Inc.: This proposal was an anti-ESG proposal, designed to challenge the company's DE&I efforts, and the company appears to have appropriate policies and practices to give the board visibility to the company's workforce statistics.

2. PROPOSALS SUBMITTED BY COMPANIES: SAY-ON-CLIMATE PROPOSALS

Say-on-Climate proposals are resolutions at the agenda of companies' general meetings, submitted by companies. Their aim is to give shareholders the possibility to vote on the company's climate policy and ensure a continuous dialogue on environmental and climate-related issues.

BNPP AM developed assessment criteria¹⁵ to guide its voting decisions as part of its [Governance and Voting policy](#). While it had almost doubled over 2021-2022, the number of climate-related management proposals plunged in 2023. We voted on 22 Say-on-Climate proposals that fell within our voting scope in 2023 vs. 40 the previous year, reflecting a global downtrend. As outlined in our latest [research paper](#), "Say-on-Climate voting: Losing steam – or set for a rebound?"¹⁶, this decline may be due to numerous factors, including the irregular frequency of Say-on-Climate votes (a majority of companies still offer one-off votes) underpinned by an overall lack of common standards and regulation.

Concomitantly, BNPP AM saw its opposition rate decrease slightly, from 79% in 2022 to 55% in 2023. In addition to remaining largely concentrated in Europe (82%), half of these votes concerned a bulk of companies that already submitted a Say-on-Climate in the previous years. We paid a particular attention to the way we voted on those, with the objective to maintain our critical approach and keep pushing for more ambitious plans, which translated into a 64% opposition rate. Overall, the climate plans we voted in 2023 looked better than the previous year, although key improvements are still expected. Our abstention rate typically increased linked to companies transitioning toward – yet not already achieving – more comprehensive plans. As an example, we abstained in some cases where, despite positive features, companies did not align their GHG emissions reduction targets with a 1.5°C scenario.

The level of support gained by companies at their respective AGM ranged from just over 53% at Credit Suisse Group AG to 99% at EDP-Energias de Portugal SA.

¹⁵ We assess each proposal qualitatively to determine its level of ambition, the climate strategy's alignment with the objective to achieve net-zero GHG emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degree Celsius, the current climate trajectory of the company, and its performance against comparable peers.

¹⁶ September 2023, ViewPoint ([Homepage](#) | [Viewpoint \(bnpparibas-am.com\)](#)).

2.1 ZOOM ON VOTES FOR

We voted in favour of only **10 Say-on-Climate proposals in 2023** because they met the expectations of our voting policy:

- Disclosure of relevant GHG emissions linked to its activities (scopes 1, 2, and 3 as appropriate) in absolute terms;
- Ambition to achieve net-zero GHG emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5-degree Celsius;
- Short and medium targets to achieve net-zero GHG emissions by 2050 or sooner that address, by priority, the most relevant scope of emissions;
- Task Force on Climate-Related Financial Disclosures (TCFD) aligned reporting;
- Better relative performance and climate trajectory than comparable peers.

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	Dissent level
EDP-Energias de Portugal SA	Portugal	12-Apr-23	1.3	Approve 2030 Climate Change Commitment	0.27%
Icade SA	France	21-Apr-23	16	Approve Company's Climate and Biodiversity Transition Plan	1.7%
Canadian National Railway Company	Canada	25-Apr-23	4	Management Advisory Vote on Climate Change	3.5%
Aviva Plc	United Kingdom	04-May-23	3	Approve Climate-Related Financial Disclosure	2.9%
Schneider Electric SE	France	04-May-23	17	Approve Company's Climate Transition Plan	2.3%
Legal & General Group Plc	United Kingdom	18-May-23	3	Approve Climate Transition Plan	2.3%
TotalEnergies SE	France	26-May-23	14	Approve the Company's Sustainable Development and Energy Transition Plan	11.2%
Acciona SA	Spain	19-Jun-23	5	Approve 2022 Sustainability Report and 2025 Sustainability Plan	0.4%
Orica Ltd.	Australia	13-Dec-23	5	Approve Advisory Vote on Climate Action Report	7.9%
Westpac Banking Corp.	Australia	14-Dec-23	5	Approve Westpac Climate Change Position Statement and Action Plan	7.7%

Examples of BNPP AM rationales:

Icade SA (Real Estate): The company's climate transition plan aligned with the expectations of our voting policy and particularly stood out from industry peers. As an example, the company has adopted GHG emissions reduction targets that are certified by SBTi under a 1.5-degree Celsius scenario for 2030 and 2050 on all scopes, including Scope 2, while leading peers had only set such targets by 2030 or did not yet align 2050 targets with a 1.5-degree Celsius trajectory.

Schneider Electric SE (Utilities): The company's climate action plan presented all features expected as part of our voting policy. The company has adopted a Net Zero ambition by 2050 that covers all its activities and aligns with a 1.5-degree Celsius scenario, it discloses its GHG emissions on all scopes, and it has set itself absolute GHG emissions reduction targets by 2030 and 2050 on all scopes, certified by SBTi under a 1.5-degree Celsius scenario.

TotalEnergies SE (Energy): The company has adopted a Net Zero ambition by 2050 covering Scope 3 emissions, discloses its GHG emissions on all scopes, as well as intermediary targets in absolute terms. It continued to raise the ambition of its climate action plan since last year vote by reinforcing existing targets, including Scope 3 reduction target for oil products by 2030, and by adopting a global Scope 3 reduction target by 2025. It also improved its climate trajectory in terms of the carbon intensity of its products sold. There is still some way to go to achieve the objective of carbon neutrality by 2050, especially by adopting more ambitious Scope 3 reduction targets, but overall, the company remains in advance to its sector peers.

2.2 ZOOM ON ABSTAIN VOTES

We abstained on climate-related management proposals at **7 companies**.

The Say-on-Climate proposals on which we decided to abstain generally included some of the key positive features in the above list (see the section 2.1 Zoom on votes for) while lacking others. Abstaining on such proposals is a way for BNPP AM to acknowledge that the company's climate plan is going in the right direction while pointing at the key features that it is still missing to be fully credible. This choice was also guided by the consideration of relative performance against peers, in terms of climate trajectory but also additional factors deemed material for the business (e.g., development of renewable energy capacities in the Utilities sectors) or public announcements made by the company regarding upcoming improvements to its climate plan, including the adoption of new GHG emissions reduction targets.

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	Dissent level
Aena S.M.E. SA	Spain	20-Apr-23	11	Advisory Vote on Company's 2022 Updated Report on Climate Action Plan	4.5%
Covivio SA	France	20-Apr-23	22	Approve Company's Climate Transition Plan (Advisory)	5.8%
Holcim Ltd.	Switzerland	04-May-23	8	Approve Climate Report	1.3%
Klepierre SA	France	11-May-23	30	Approve Company's Climate Transition Plan (Advisory)	4.8%
Amundi SA	France	12-May-23	20	Approve Report on Progress of Company's Climate Transition Plan (Advisory)	1.7%
Shell Plc	United Kingdom	23-May-23	25	Approve the Shell Energy Transition Progress	20.0%
SSE Plc	United Kingdom	20-Jul-23	17	Approve Net Zero Transition Report	2.4%

Examples of BNPP AM rationale:

Covivio SA (Real Estate): We did not vote in favour, considering the company had not committed to reaching Net Zero by 2050 on all scopes of emissions and its Scope 3 trajectory was aligned with a 'Well Below 2°C' scenario by 2030 and silent beyond. However, we voted abstain as the company's climate transition plan presented otherwise positive features that placed the company ahead of most of its industry peers. For instance, its scopes 1 and 2 GHG emissions reduction targets by 2030 are certified by SBTi under a 1.5-degree Celsius scenario.

Shell Plc (Energy): We did not vote in favour, considering the company has still not set itself a dedicated Scope 3 GHG emissions reduction target in absolute terms. Indeed, the company has set a Net Carbon Intensity target by 2030 embedding all scopes but does not isolate Scope 3 and does not aim at absolute emissions reduction. However, we abstain as the company's trajectory placed it ahead of most European peers.

2.3 ZOOM ON VOTES AGAINST

We voted against climate-related management proposals at **5 companies**.

In 2023, our votes against concerned climate plans lacking essential features, as listed in our voting policy. As an example, such plans did not rely on a corporate commitment to achieve net-zero GHG emissions by 2050 or sooner, or when it did, this ambition did not cover all GHG emissions directly or indirectly generated by its activities. In some cases, climate plans lacked intermediary reduction targets, expressed in absolute terms, covering all scopes of emissions and different time horizons. As last year, we were particularly attentive to climate plans lacking Scope 3 GHG emissions disclosure and/or reduction targets at companies operating in at-risk sectors for climate and/or where scope 3 represent the larger source of GHG emissions.

Company Name	Country	Meeting Date	Proposal Number	Proposal Text	Dissent level
Credit Suisse Group AG	Switzerland	04-Apr-23	6	Approve Climate Strategy Report	15.3%
Ferrovial SA	Spain	12-Apr-23	12	Reporting on Climate Transition Plan	7.5%
Vallourec SA	France	25-May-23	11	Approve Company's Climate Transition Plan	5.8%
Carrefour SA	France	26-May-23	24	Approve Opinion on Quantification of the Company's Various Scope 3 Action Levers	6.7%
Canadian Pacific Kansas City Limited	Canada	15-Jun-23	3	Management Advisory Vote on Climate Change	16.3%

Examples of BNPP AM rationales:

Canadian Pacific Kansas City Limited (Industrials): Consistent with our votes in the previous years, we sanctioned the lack of improvement brought by the company on its climate strategy. In particular, the company's Net Zero ambition does not cover all activities or refer to 1.5-degree scenario, 2030 reduction targets are bundled and thus not available on a specific scope basis, and only expressed in intensity.

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