

## PRESS RELEASE

## BNP Paribas Asset Management focuses on climate and board diversity during 2021 AGM season

As the 2021 Annual General Meeting ('AGM') season draws to a close, BNP Paribas Asset Management ('BNPP AM') takes stock of how it voted and analyses the major governance trends.

During the first half of 2021, BNPP AM voted at 1,684 AGMs, of which 48% were in Europe, 28% in North America and the remainder mainly in Asia. As an active shareholder, BNPP AM opposed 34% of resolutions, a rate that has been rising for several years – up from 32% in 2020, 28% in 2019 and 22% in 2018. This significant level of opposition is explained by a rigorous [voting policy](#) that incorporates specific requirements on corporate climate lobbying, board diversity and executive remuneration.

- **BNPP AM supported 90% of climate-related shareholder resolutions (94% in 2020) and tabled two resolutions on climate lobbying**

BNPP AM continued its leadership within corporate climate lobbying, encouraging companies to align their efforts with the goals of the Paris Agreement. BNPP AM actively supports those companies engaged in transitioning to a 1.5°C trajectory and initiated the filing of resolutions with two companies, requesting detailed reports on how their direct and indirect lobbying activities (i.e. through professional associations) align with the goals of the Paris Agreement. BNPP AM's resolutions attracted record support at the AGMs of Exxon Mobil and Delta Airlines, gaining 64% and 63% approval respectively, marking an historic turning point and paving the way for heightened global awareness among investors and companies.

BNPP AM also voted against 911 resolutions at 150 companies (compared with 451 resolutions at 66 companies in 2020) relating to board elections, discharge or approval of the accounts due to environmental or social considerations. The majority of these (700 resolutions) were rejected specifically for climate reasons, in cases where companies are not properly reporting on their carbon footprint or do not communicate or want to constructively engage to mitigate and adapt to climate change.

BNPP AM additionally voted on 16 say-on-climate resolutions proposed by companies, a new type of proposal this year to vote on corporate climate action strategy, with 75% support.

- **BNPP AM rejected 37% of resolutions relating to director elections (36% in 2020), half of which were specifically for diversity reasons**

Since 2019, BNPP AM's voting policy has included an explicit provision to promote increased female board representation. Since 2020, BNPP AM has required a minimum of 30% of board members to be women in Europe, North America, Australia and New Zealand, and systematically votes against all male directors if the level is below 20%. This year, BNPP AM further strengthened its board diversity requirements by setting a threshold of 15% women for Asian and Latin American countries, while from 2025, BNPP AM plans to apply a threshold of 40% globally.

- **BNPP AM also focused its dissent on executive compensation issues, with 61% of opposition, slightly up on 2020 (59%)**



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Through voting and engagement, investors such as BNPP AM have additional leverage to encourage companies to integrate ESG criteria into their executive remuneration policy and align it with the company's long term prospects. The transparency of the remuneration policy, its alignment with company performance and the challenging nature of remuneration criteria are key elements of BNPP AM's voting policy.

**Michael Herskovich, Global Head of Stewardship at BNPP AM, comments:**

*"This year, the growth in climate-related resolutions filed by shareholders, very often gaining majority supported, as well as the emerging phenomenon of 'Say on Climate' strategies, marked a major turning point, and should impact the agendas of AGMs for years to come. We have shown strong support - 75% - for the resolutions submitted by companies on their climate ambitions and we welcome the progress made by those companies that show long term commitment to the energy transition."*

- ENDS -

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**About BNP Paribas Asset Management**

BNP Paribas Asset Management is the asset management arm of BNP Paribas, one of the world's foremost financial institutions, and offers high value-added solutions to individual savers, companies, and institutional investors. It has a broad range of skills in four investment divisions: Equities, Fixed Income, Private Debt & Real Assets, and Multi-Asset, Quantitative and Solutions (MAQS). Sustainability is at the heart of BNP Paribas Asset Management's strategy and investment decision-making process, making an active contribution to energy transition, environmental protection and the promotion of equality and inclusive growth. Its aim is to achieve long-term sustainable investment returns for its clients. BNP Paribas Asset Management has assets under management of EUR 474 billion\* (as at 31 March 2021), with more than 500 investment professionals and around 500 client servicing specialists, serving individual, corporate and institutional clients in 71 countries.

\* EUR 609 billion of assets under management and advisory as of 31 March 2021

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