
Annual report on voting rights exercised in 2021

March 2022



ASSET
MANAGEMENT



TOCQUEVILLE
Finance

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INTRODUCTION

INTRODUCTION

- **Equity holders also own voting rights for resolutions submitted to annual general shareholders' meeting (GM).**
- **GMs are an important opportunity for dialogue between the company and its shareholders**
 - The company presents its financial statements and the main changes undertaken during the year, as well as medium and long term strategy, etc.
 - For shareholders, the GM represents an opportunity to voice their opinion regarding the previous year and concerning important choices faced by the company. Shareholders may also question the management, or submit a resolution to the agenda.
- **La Banque Postale Asset Management (LBP AM) and its subsidiary Tocqueville Finance consider that voting at GMs constitutes an important engagement in the investment management process, and exercise their voting rights according to principles set in their [Voting Policy](#).**
- **This document outlines the exercising of voting rights by LBP AM and Tocqueville Finance at GMs held from 1st January - 31st December 2021.**
- LBP AM exercises voting rights at general meetings on behalf of funds managed directly by Tocqueville Finance, whether open-ended or dedicated funds, when the client has entrusted the management company with the exercise of voting rights. Tocqueville Finance agrees that the votes will be exercised by LBP AM according to the principles defined by LBP AM/TFSA voting policy.

INTRODUCTION

Open-ended funds (LBPAM and Tocqueville Finance) for which LBPAM/TFSA cast votes in 2021

ACTYS 1	LBPAM ISR ACTIONS AMERIQUE	LBPAM ISR CONVERTIBLES EUROPE
ACTYS 3	LBPAM ACTIONS DIVIDENDES EURO	LBPAM ISR CONVERTIBLES OPPORTUNITES
FEDERIS ISR ACTIONS US	LBPAM ACTIONS ISR EUROMONDE	LBPAM ISR STRATEGIE PEA 1
FEDERIS ISR EURO	TOCQUEVILLE SILVER AGE ISR	LBPAM ISR STRATEGIE PEA 2
FEDERIS ISR FRANCE	LBPAM DIVERSIFIE FOCUS OBLIG 3-5	LBPAM 3 MOIS
FEDERIS PRO ACTIONS ISR EURO	LBPAM ISR ABSOLUTE RETURN CONVERTIBLES	LBPAM RESPONSABLE ACTIONS EURO
IMMO DIVERSIFICATION ISR	LBPAM ISR ACTIONS ASIE	LBPAM ISR GLOBAL CLIMATE CHANGE
LBP ETHICEURO 100 AVRIL 2023	LBPAM ISR ACTIONS CROISSANCE CHINE	LBPAM SRI HUMAN RIGHTS
LBP ETHICEURO 100 AVRIL 2024	LBPAM ISR ACTIONS DIVERSIFIE	LBPAM VOIE LACTEE
LBP ETHICEURO 100 JANVIER 2023	LBPAM ISR ACTIONS EMERGENTS	TOCQUEVILLE 30 ISR
LBP ETHICEURO 100 JANVIER 2024	LBPAM ISR ACTIONS ENVIRONNEMENT	TOCQUEVILLE CROISSANCE EURO ISR
LBP ETHICEURO 100 JUILLET 2023	LBPAM ISR ACTIONS EURO	TOCQUEVILLE DIVIDENDE ISR
LBP ETHICEURO 100 NOVEMBRE 2023	LBPAM ISR ACTIONS EURO FOCUS EMERGENT	TOCQUEVILLE MID CAP EURO ISR
LBP ETHICEURO 90	LBPAM ISR ACTIONS EURO LARGE CAP	TOCQUEVILLE FINANCE ISR
LBP ETHICEURO 90 AVRIL 2023	LBPAM ISR ACTIONS EURO MIDCAP	TOCQUEVILLE GLOBAL TECH ISR
LBP ETHICEURO 90 AVRIL 2024	LBPAM ISR ACTIONS EURO MIN VOL	TOCQUEVILLE MEGATRENDS ISR
LBP ETHICEURO 90 JANVIER 2023	LBPAM ISR ACTIONS EUROPE 50	TOCQUEVILLE FRANCE ISR
LBP ETHICEURO 90 JUILLET 2023	LBPAM ISR ACTIONS EUROPE MONDE	TOCQUEVILLE OLYMPE PATRIMOINE
LBP ETHICEURO 90 JUILLET 2024	LBPAM ISR ACTIONS EX-EURO	TOCQUEVILLE PME
LBP ETHICEURO 90 NOVEMBRE 2023	LBPAM ISR ACTIONS FOCUS EURO	TOCQUEVILLE TECHNOLOGY ISR
LBP EUROCAP 90 AOUT 2022	LBPAM ISR ACTIONS FOCUS FRANCE	TOCQUEVILLE SMALL CAP EURO ISR
LBP EUROCAP PEA 90 JANVIER 2022	LBPAM ISR ACTIONS JAPON	TOCQUEVILLE VALUE EUROPE ISR
LBP EUROCAP PEA 90 MAI 2022	LBPAM ISR ACTIONS SMALL CAP EURO	TOCQUEVILLE VIE GENERATION
LBP EUROCAP PEA 90 MARS 2022	LBPAM ISR ACTIONS MONDE	TONI ACTIONS ISR 100
LBP EUROCAP PEA 90 NOVEMBRE 2021	LBPAM ISR ACTIONS OPTI EURO	TONI ACTIONS 65
LBP INDEX EURO PEA 90 JUIN 2021	LBPAM ISR ACTIONS USA 500	VIVACCIO ISR ACTIONS
LBP INDEX EURO PEA 90 SEPTEMBRE 2021	LBPAM ISR ACTIONS VALUE EURO	
LBPAM ISR ACTIONS 80	LBPAM ISR AVENIR EURO	



**2021
HIGHLIGHTS**

1

2021 HIGHLIGHTS

Topics that drove the 2021 general meeting voting season

- **Emergence of "say-on-climate" resolutions:** a relatively small but growing number of companies, responding to shareholder concerns, have submitted a consultative vote on their energy, climate or more generally ecological transition plans.
- As part of the implementation of the **Shareholder Rights Directive 2 (SRD II)**, there has been a slight improvement in the transparency of information relating to remuneration.
- In France, the consideration of **gender parity** on boards of directors has been extended to **management bodies**. Adopted in December 2021, **the Rixain law** establishes new obligations for companies in terms of balanced distribution of men and women.
- In the context of the health crisis caused by covid-19, how can **the dialogue between managers and shareholders be kept alive when the General Meeting is virtual ?**



VOTING SCOPE

2

VOTING SCOPE

Voting scope defined in 2021

■ Funds covered by exercising voting rights

- LBP AM/TFSA exercises the voting rights for funds (FCPs and SICAVs) for which they have identified an interest in implementing a shareholder policy.
- Furthermore, on demand from our clients at LBPAM or Tocqueville Finance, we may exercise voting rights on behalf of mandates & dedicated funds.
- In 2021, 94 portfolios were concerned. The list is included in the introduction to this document.

■ In its “Voting Policy 2021”, document LBP AM/TFSA undertook to exercise voting rights for companies, regardless of their region :

- **As a function of the absolute amount invested in companies, ensuring that at least 95% of our total equity AUM casts votes [1] ,**
- **Also for companies in which the aggregate capital stake held by LBP AM and Tocqueville Finance represents at least 0.25% [1] .**

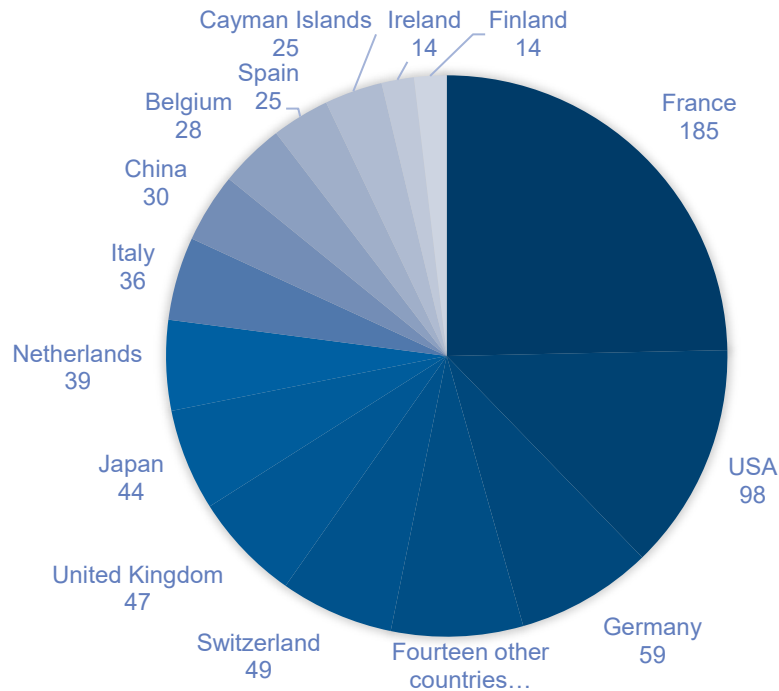
[1] For practical reasons and to take transactions into account, holdings are calculated at the start of each month.

VOTING SCOPE

Effective voting scope

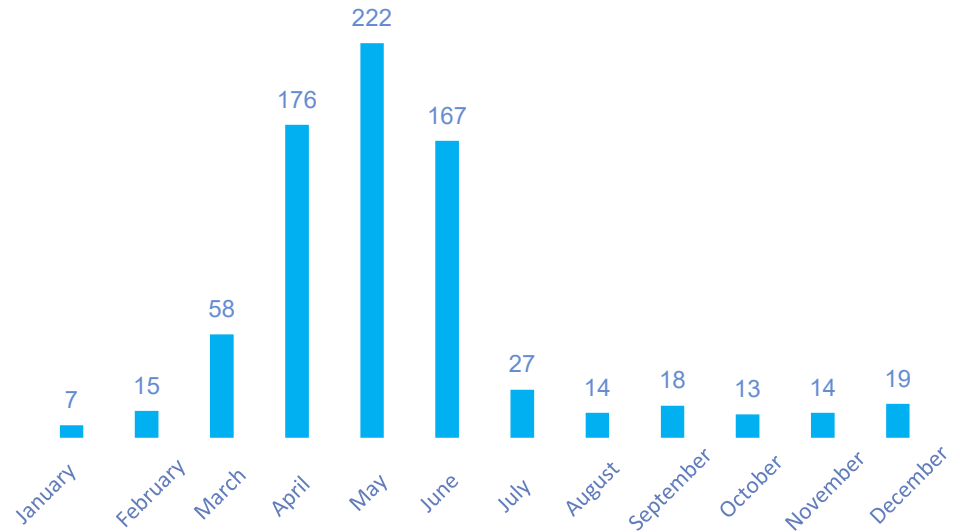
■ LBP AM/TFSA exercised its voting rights at **750** GMs, organized by **632** companies.

Breakdown of GM voted by country



→ LBPAM/TFSA exercised voting rights for its funds in 28 different countries

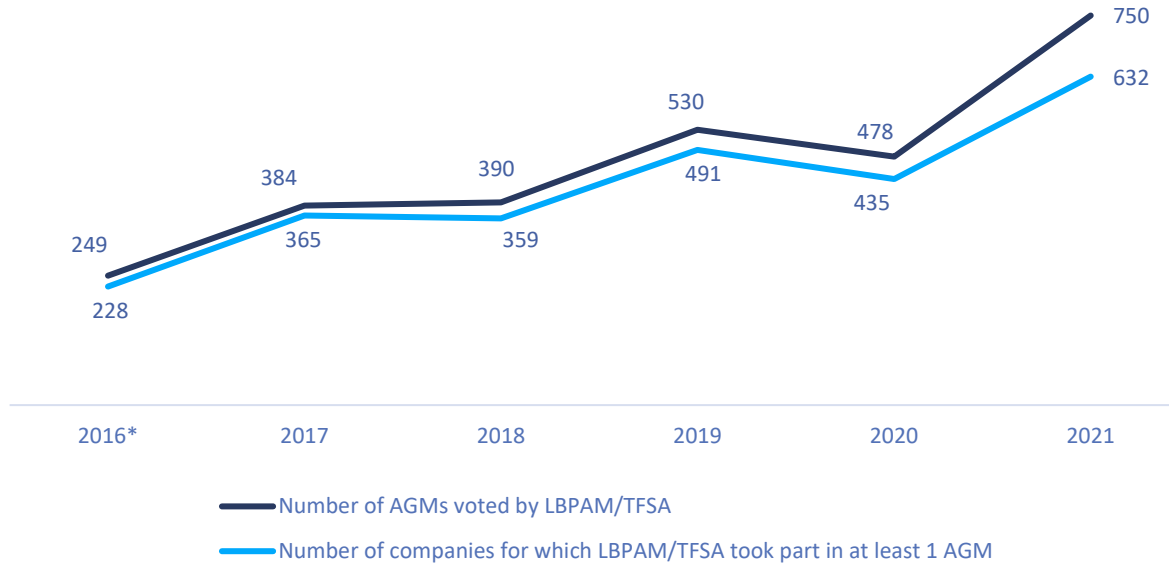
Breakdown of GM voted by country



→ The majority of GMs are held in the spring. Indeed, in France, companies must hold their GM at the latest 6 months after the closing of the accounts - generally at the end of the calendar

VOTING SCOPE

LBP AM/TFSA participation at GMs



- LBP AM/TFSA gradually increase its participation in GMs
- The slight downturn in 2020 is due to new process testing which allowed a subsequent increase (robotic process automation and automatic voting by our service provider ISS)

[*] Chart data for 2016 does not include Fédérés Gestion d'Actifs, which merged with LB PAM during the year

VOTING SCOPE

Voting scope representativity

- Based on the positions held in the 94 portfolios concerned by voting at year-end 2021, companies for which LBP AM/TFSA voted in at least one GM in 2021 represented :
 - **92%** of fund equity AuM
 - **37%** of companies held in funds (ratio of companies in which LB PAM exercised its voting rights vs total companies held with voting rights).
- The ratios varied by region and were **higher for investments in French companies** : LBP AM/TFSA voted at the GMs of **76% of French companies**, representing over **98% of AUM** invested in France.
- Although we consider that this represents a relatively high level of AuM, in-line with our analytical capacity and LBP AM/TFSA's dialogue with companies. But this level is intended to increase progressively.



VOTING REVIEW

3

VOTING REVIEW

11 549

**Resolutions voted by
LBP AM/TFSA en 2021**

(vs 8 141 en 2020)

28,2%

**Votes against or
abstention**

(vs 29,7% en 2020)

Voting data

- At the 750 GMs voted, 11 549 resolutions were voted (an average of 15 resolutions per GM)
- LBP AM/TFSA cast 3 260 votes against companies* – i.e. 28.2% of total
- LBP AM/TFSA abstained 15 times, due to potential conflicts of interests.

* *Votes against companies include :*

- *Voting AGAINT resolutions proposed by the company,*
- *Voting FOR shareholder resolution unauthorized by the company*

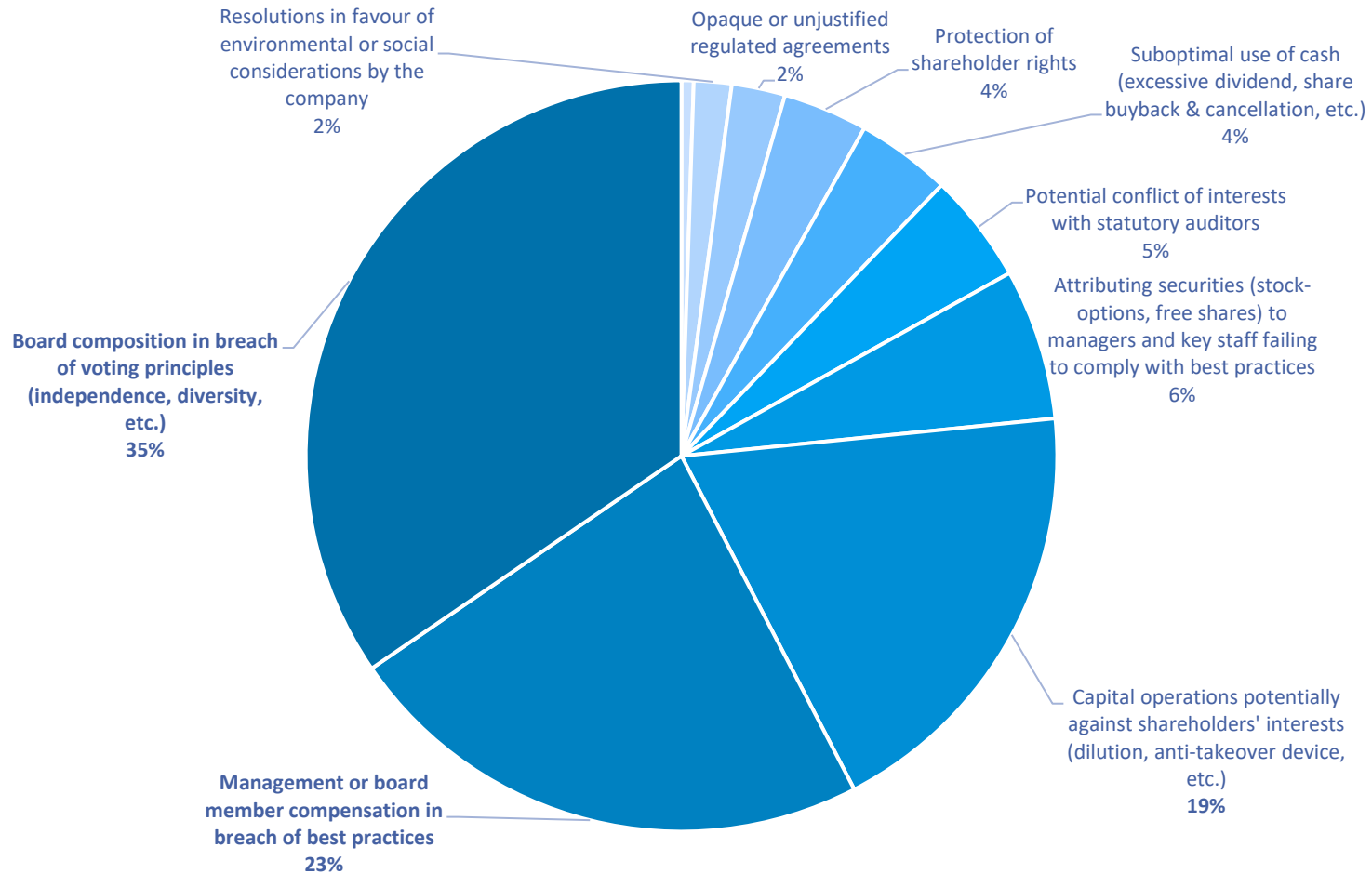
VOTING REVIEW

Voting breakdown by resolution category

Resolution category	Resolutions put to the vote	Votes for the company	Votes against the company	Abstentions	% of votes against and abstentions	% in 2020
Approval of financial statements & dividend	1 735	1 670	63	2	3,6%	6,1%
Changes to the capital structure (excluding long-term profit-sharing schemes)	1 761	1 142	619	0	35,1%	37,4%
Executive & supervisory board appointments	3 700	2 536	1 127	37	30,4%	36,7%
Management remuneration	1 692	938	751	3	44,4%	41,4%
Long term profit-sharing schemes (scrip issues, stock-options, employee savings schemes)	532	320	212	0	39,8%	35,2%
Modification of company by-laws	531	478	53	0	9,9%	9,9%
Regulated agreements	251	176	75	0	29,9%	35,3%
Statutory auditors	566	407	154	5	27,2%	28,3%
Other	781	575	206	0	26,4%	26,5%
	11 549	8 242	3 260	47	28,2%	29,7%

VOTING REVIEW

Main reasons for voting against companies



VOTING REVIEW

Analysis of votes in disagreement with the companies

- The most contested resolutions by LBP AM/TFSA were those concerning the **remuneration of executive directors** (44.4% of votes against) and the **authorizations for capital transactions** (35.1% of votes against). The main reasons for opposition are :
 - Concerning remuneration: lack of moderation (higher than the threshold defined by LBPAM/TFSA), insufficient level of transparency, lack of requirement on performance criteria, long-term remuneration plans considered short term (performance periods of less than 3 years).
 - Concerning authorizations for capital transactions: LBP AM/TFSA is opposed to non-specific authorizations for capital increases reserved for a category of investors, which is considered bad practice given that this format of capital increase does not allow all shareholders to participate in the operation. The authorizations for capital transactions that can be used during a public offer period are also an important reason for contestation, LBP AM/TFSA being unfavorable to the existence of "anti-takeover" devices.

VOTING REVIEW

Focus on shareholder resolutions (1/2)

- Minority shareholder resolutions are resolutions which have not been proposed by the company hosting its GM..
 - These resolution can be submitted by shareholders, or by employee representatives in the case of French companies.
 - Submitting resolutions is a means of leveraging engagement which is important for promoting constructive debate and improving company practices. These resolutions do not always receive company approval however, as they are sometimes considered hostile or in the interests of activists.

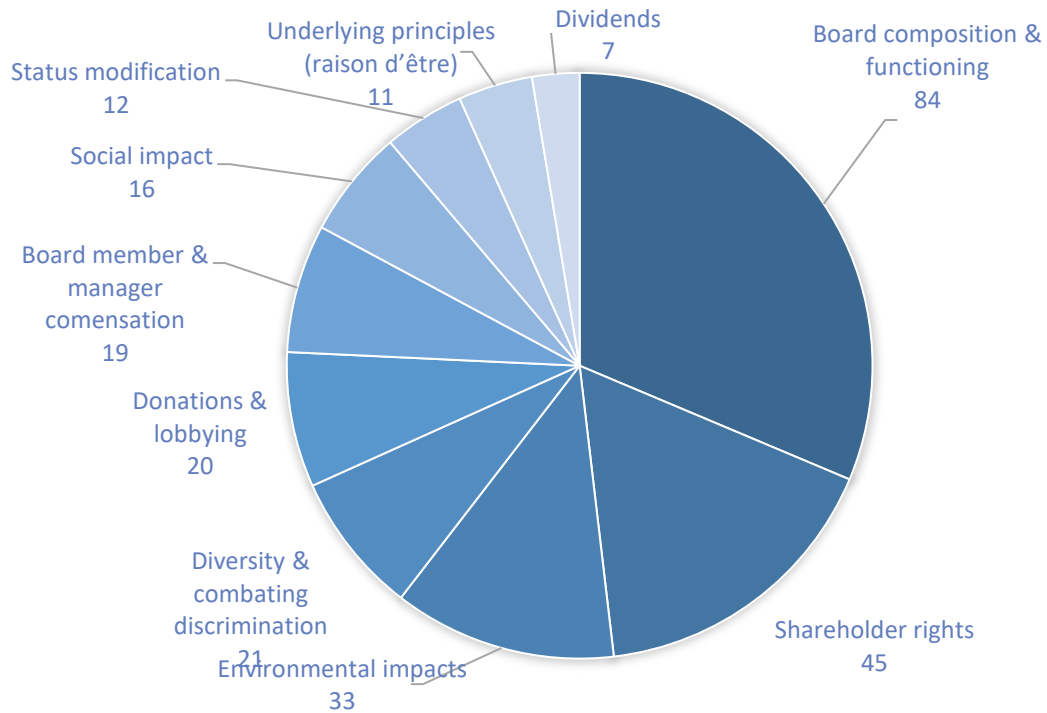
- Although rare, particularly in Europe, these types of resolutions are becoming increasingly frequent and reflect a higher level of shareholder engagement in corporate governance.
 - **During the 2021 voting season, 268 minority resolutions were submitted at 102 GMs out of the 750 in which LBP AM/TFSA participated, representing almost 2.3% of the total.**
 - The resolutions covered a variety of topics: board member elections, shareholder rights, environmental & social issues, employee shareholding, etc. See following page for details

- **LBP AM/TFSA support minority resolutions which are :**
 - **in-line with our voting policy principles,**
 - **realistic, proportionate and specific**

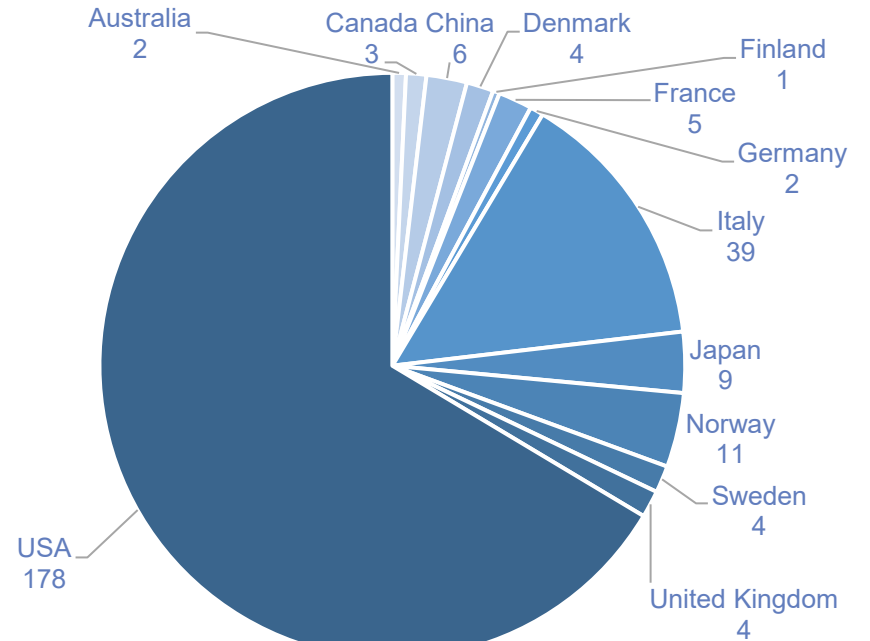
VOTING REVIEW

Focus on shareholder resolutions (2/2)

Breakdown by theme



Breakdown by country



VOTING REVIEW

Focus on environmental & social resolutions (1/2)

- Environmental & social resolutions still remain relatively rare. In 2021, LBP AM/TFSA detected **116 resolutions** of this type
- These resolutions may be proposed by companies or by shareholders (shareholders resolutions).

Resolutions theme	Resolutions proposed by companies	Shareholder resolutions	Total
Board composition & functioning on ESG issues		4	4
Environmental impact (climate, biodiversity, etc.)	16	29	45
Social impact (human rights, local communities, etc.)		32	32
Corporate company purpose (US-specific resolutions)		11	11
Rapport RSE	22		22
Inclusion of ESG criteria in executive compensation		2	2
Total	38	78	116

- LBP AM/TFSA supported 101 resolutions promoting or encouraging environmental & social progress among companies.

VOTING REVIEW

Focus on environmental & social resolutions (2/2)

■ Emergence of climate resolutions filed by management

By 2020, a number of European companies had been targeted by shareholders requesting a vote on their climate strategy. In 2021, a relatively small but growing number of companies have responded to shareholder concerns and submitted a consultative vote on their environmental objectives and climate transition plans. In France, these so-called "say-on-climate" votes were presented at the general meetings of **Vinci**, **Total** and **Atos**.

■ Examples of resolutions supported by LBP AM/TFSA

- **Energy transition** : in 2021, shareholders or NGOs submitted resolutions inciting oil & gas companies to align their business activities with the Paris climate agreement by accelerating decarbonization. Resolutions proposed less investments in oil & gas and more in renewable energies at several GMS, including **Chevron** and **Exxon Mobil** in the US and **Equinor**, **Royal Dutch Shell** and **BP** in Europe
- **CSR report approval**: Spanish regulations incite companies to include non-financial reports along with financial reports for shareholder approval. This provides an opportunity for shareholders to either express their support or their reserves regarding companies' CSR strategies. In 2021, LBP AM/TFSA approved the CSR reports of **Aena** and **Ferrovial**.
- **Sexual harassment**: investors submitted a similar resolution at the GMs of several US companies (e.g., **Comcast Corporation** and **Microsoft Corporation**), calling on companies to issue reports on the effectiveness of their sexual harassment policies. These resolutions encourage companies to have strong sexual harassment prevention policies in place, which LBP AM/TFSA support.

**DIALOGUE WITH
ISSUERS**

4

DIALOGUE WITH ISSUERS

Shareholder dialogue

- The exercise of voting rights is an opportunity for LBP AM/TFSA to engage in a dialogue with the companies in which LBP AM/TFSA invests on behalf of the managed funds
 - LBP AM/TFSA does not particularly seek to influence company management policy

- The objectives are as follows:
 - **Justify our opposition, in order to encourage companies to comply with best governance practices.**
 - **Improve resolution analysis, by giving companies the possibility to provided further information.**

- Our actions in 2021 :
 - LBP AM/TFSA held meetings (generally by conference call) with **24 companies** ahead of their GMs to discuss resolutions in advance
 - LBP AM/TFSA informed these companies of our voting intentions prior to the GM - requested either by the companies seeking to improve their knowledge of their shareholders, or suggested by LBP AM/TFSA regarding a specific point on the agenda. In compliance with our voting policy, companies are only informed once initial intentions are recorded in the IT system

**CASES IN WHICH LBP AM/TFSA FELT IT
COULD NOT COMPLY WITH THE
PRINCIPLES SET OUT IN ITS VOTING
POLICY**

5

CASES IN WHICH LBP AM/TFSA FELT IT COULD NOT COMPLY WITH THE PRINCIPLES SET OUT IN ITS VOTING POLICY

- LBP AM/TFSA have not identified any cases where we consider that we were unable to respect LBP AM/TFSA voting policy principles

**EXERCISING
VOTING RIGHTS**

6

EXERCISING VOTING RIGHTS

Exercising voting rights

■ Analyzing resolutions

- Voting is coordinated by the LBP AM « SRI Solutions » team reporting to the CIO
- The SRI team draws on LBP AM and Tocqueville Finance equity fund managers and the fundamental and sustainable research team at LBP AM to analyze priority resolutions and ahead of certain GMs
- The SRI team may request the opinion of the LBP AM CCO and Chief Legal Officer if required
- LBP AM/TFSA also use specialist governance consultants to analyze resolutions : Institutional Shareholder Services (ISS) and Proxinvest. For French companies, we also consult guidelines issued by the AFG French asset management association before voting

■ Casting votes

- LBP AM/TFSA exercised its voting rights via different channels :
 - By correspondence through custodians or companies;
 - Via an outsourced intermediary specialist service provider platform casting votes at GMs via custodians



**CONFLICTS OF
INTEREST**

7

CONFLICTS OF INTEREST

- LBP AM/TFSA implement measures to prevent potential conflicts of interest in exercising voting rights which are presented in the « voting policy » document
- In compliance with these measures, LBP AM/TFSA abstained from voting for 15 resolutions in 2021 concerning the nomination of executive board members at listed companies considered as sensitive
- Entities considered as sensitive : AEGON, CAISSE DES DEPOTS, CNP ASSURANCES, MALAKOF-HUMANIS, end the LA POSTE group / LA BANQUE POSTALE / LA BANQUE POSTALE ASSET MANAGEMENT



APPENDIX

APPENDIX

Access to voting details for unit holders / shareholders

- In order to ensure transparency for all our stakeholders, details of the votes cast for each open-ended fund for which LBP AM/TFSA votes are made available online 7 days after each General Meeting at [this address](#) and via the "Sustainable Investment" page of our website.

- In addition, details of votes are available on request for clients of La Banque Postale Asset Management and Tocqueville Finance, insofar as the customer can prove that he/she holds shares in a LBP AM/TFSA which are included in the voting rights scope (see list in the introduction to this document). Access shall be granted only to votes for resolutions relating to the particular fund held

- Requests can be sent by post or email to the following address:
 - La Banque Postale Asset Management
34 rue de la Fédération
75737 PARIS CEDEX 15
 - solutionsisr@labanquepostale-am.fr
 - On the LBP AM/ website using the form available in the "Contact us" tab