



Voting Report 2023

Trust
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Amundi

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Overview of Amundi Voting Policy

Amundi regards the considered exercise of investor voting rights to be a central aspect of our role as a responsible investor. Our Voting Policy reflects our holistic analysis of all long-term issues that may influence long term value creation, including material Environmental, Social and Governance (ESG) issues. Amundi shoulders its responsibility as an investor by voting at Annual General Meetings (AGM) according to its global Voting Policy. This policy is reviewed annually and publicly available¹.

Good governance practices are critical to protecting the interests of minority shareholders. The exercise of voting rights at AGMs is key to expressing an opinion on a company's main orientations.

The regulatory, cultural or economic environment in which a company operates can be decisive for some of its choices, notably in societal areas. Amundi has defined a universal common basis for its Voting Policy based on the fundamental governance principles and shareholder rights it expects to see applied and respected globally. Amundi exercises its stewardship responsibility on behalf of its clients on all five continents. That said, implementation of the Voting Policy is adapted to each of these local contexts. Our decisions are always made with a view to defending the interests of our clients by supporting the creation of sustainable long-term value. To do that, Amundi considers each company's context in a pragmatic manner to make sure its voting decisions are effective.

Amundi's voting strategy relies on an integrated approach to companies. Assessment of a company necessarily calls for examining issues of social responsibility and sustainable development, such as matters of governance. Only an overall understanding of the company that goes beyond purely financial aspects to integrate all risks and opportunities, in particular those related to ESG criteria, allows an assessment of a firm's intrinsic value and long-term economic performance.

1. Available at: [2024 Voting Policy](#)

01 The key elements of the Amundi Voting Policy

Our Voting Policy presents our expectations from our investees and covers the different topics that shareholders need to opine on during general meetings, such as:

- Operational Items

These address the core functioning of the company over a fiscal year and allow to communicate on the company's performance, its progress, and future direction. They are essential to investors as they help them gain a comprehensive understanding of the state of the company. Operational items may vary from the approval of the company's annual financial reports, its allocation of income, amendments of bylaws, appointment of auditors, as well as approval of auditors' compensation. A dividend policy should balance shareholders' need for remuneration in cash with the need to preserve the financial strength of the company, as well as the long-term interests of employees, paving the way for future earnings growth.

- Board of Directors

The Board is the body that sits at the forefront of a company's decision making, providing strategic guidance and supervision of the management. While the Board is accountable to the company and its shareholders, it must also acknowledge the company's impact on other stakeholders. A Board brings in collective expertise that ensures that companies' activities align with shareholders' interest, while complying with regulatory requirements and high corporate governance, environmental and social standards. Amundi considers that Boards should be balanced with regards to their independence, diversity, attendance of meetings, or members' roles in other organizations.

- Compensation

Compensation plans are designed with a primary focus on attracting and retaining company executives. Depending on the market, shareholders typically vote on the compensation of executives and also on general compensation policies. Amundi considers that these plans need to be balanced to align with companies' goals, regulatory requirements, market best practices, as well as shareholder value. Executive

remuneration also needs to be "reasonable" and "acceptable" from a societal point of view as well as economically justified. Finally, the variable part of an executive pay package should integrate performance criteria related to the ESG strategy or a climate-related KPI for companies from sectors highly exposed to climate change.

- Capital Structure

Amundi addresses capital structure proposals as an opportunity for investors to help companies minimizing their cost of capital while maximizing shareholder value. These authorizations are essential to a company's business success and require a deep understanding of the financial performance of the organization, as well as its specific circumstances. Capital structure proposals may include issuing new equity, debt operations and restructuring, mergers and acquisitions, or share buyback programs.

- Environmental and Social Issues

Corporates should consider environmental and climate issues in their strategy to avoid long-term risks and to ensure stability of our economy. We believe that the adoption of climate strategies by companies is a critical factor for investment of which shareholders should be fully informed. The long-term success of the environmental and energy transition depends on our collective ability to preserve social cohesion and impacts, achieved in particular through controls of the wage balance within the framework of remuneration policies, employee involvement in companies' governance and employee share ownership. Social cohesion also relies on the protection of human rights by companies inside their operations and through their supply chain. Amundi considers support on a case-by-case basis shareholder resolutions on these issues, notably the ones that strive to implement better reporting and transparency on companies' environmental, social and climate-related strategy. In addition, Amundi may decide to oppose the discharge of the Board or vote against some Board member re-elections at a selection of companies with lagging ESG practices.

02 The scope of the Voting Policy - Exercising our voting rights

The exercise of voting rights at shareholder meetings is part of the responsible investment strategy and allows us to encourage investee companies to transition towards a sustainable, inclusive low carbon business model. Our goal is to vote all our holdings in every fund that has delegated the voting rights to Amundi.

In 2023, the voting scope consisted of 7,814 votable meetings of 10,444 companies². Amundi voted on all holdings for which it was economically viable to do so, which amounted to 99% of the total of votable assets under the responsibility of Amundi (representing 10,357 voted meetings of 7,751 companies compared to 10,208 voted meetings of 7,554 companies in 2022)³. The full voting statistics for the 2023 proxy season are provided in section 2023 Amundi Voting statistics of this report.

**10,357 voted meetings
of 7,751 companies**

Exercising voting rights is typically limited to equity holdings; Amundi seeks to vote all the equity positions for which it controls the voting rights (see 2024 Voting Policy for further information). The Voting Policy therefore applies to all Amundi managed funds for which a delegation to vote was received. Likewise, voting rights are exercised for the entirety of the shares held at the time of the AGM, unless otherwise instructed by the client or when the required period during which trading is blocked by the market or custodian risks an adverse impact on our clients because it hinders the portfolio manager's trading discretion. Exceptionally, we may not be able to ensure effective voting for some or all of the shares held.

When the management of an equity portfolio is entrusted to an external manager, the said manager may exercise the associated voting rights, as provided in the delegation contract. Clients with segregated mandates may require us to apply their own voting policies or may decide to retain the voting authority.

We believe that the transparency of our voting activity is key: our Voting Policy is publicly available on our website as well as our voting record, 30 days after the meeting.

2. The General Meetings of funds are not included in the statistics provided in this report.

3. Please note that voting rights are exercised for securities held in the portfolio at the time of the meeting. Security lent at the record date may not be voted. The decision to recall the shares are made on a case-by-case basis.



Amundi's Voting Process

01 The Amundi Voting & Corporate Governance Team

Amundi has centralized the exercise of voting rights within the Voting & Corporate Governance team that exercises voting rights on behalf of its subsidiaries, funds and all clients that have delegated voting authority. For 2023, the Amundi Voting & Corporate Governance team consisted of eight specialists who analyzed resolutions and organized the ongoing dialogue Amundi seeks to conduct with companies before and after AGMs with the aim of:

- Being a responsible investor through the exercise of voting rights on behalf of clients, following a clear and publicly available Voting Policy, that encourages strong governance and accountability, of Boards and management teams, on environmental and social issues;
- Encouraging adoption of best practices for governance through ongoing dialogue with Companies prior to and after AGMs, by highlighting key elements of our Voting Policy and, when possible, by alerting the issuer of our intention of voting against a resolution, and explaining the rationale for our decision. The positions we express in our votes should not surprise companies;

- Taking the opportunity to raise awareness among Board members of the challenges and opportunities that transition towards a sustainable, inclusive, low carbon economy could pose to companies' long-term business success, the necessity for them to handle it at Board level and be accountable to their stakeholders, and primarily their investors.

The work conducted by the Voting & Corporate Governance team is integral to the Amundi global engagement effort and is based on the Voting Policy.

02 How Amundi uses proxy advisors

Amundi's voting decisions are made in accordance with our Voting Policy. In this endeavor, Amundi's Voting & Corporate Governance team utilizes services from various external providers. More specifically, Amundi uses an electronic platform provided by ISS - ProxyExchange - to monitor its voting positions and to send its voting instructions. Analysis from ISS, Glass Lewis, and Proxinvest are available to identify problematic resolutions more efficiently in forthcoming AGMs, while Amundi retains complete autonomy vis-à-vis their recommendations. ISS also provides customised voting recommendations based on Amundi's Voting Policy. Such an approach enables the Voting & Corporate Governance team to make informed voting decisions, taking into account different viewpoints, the dialogue the team undertakes with companies, as well as the knowledge of internal experts, including the ESG team. All the votes are instructed via the voting platform ProxyExchange, in accordance with Amundi's Voting Policy and with certain custom voting policies established for specific client mandates.

03 Policy on security lending

Voting rights are exercised for securities held in the portfolio at the time of the meeting. To exercise these rights, when Amundi undertakes securities lending, the securities lent may be recalled, subject to local laws, technical constraints, and the interest of the meeting. The decision to recall the shares will be based on a qualitative appraisal, taking into account the nature of the proposal, the magnitude of Amundi's voting power, and/or the potential consequences of the vote. For SRI labelled funds, shares are systematically recalled for all issuers several days before the AGM's record date in order to maintain the right to vote at the Meeting.

04 Conflict of interest transparency

In the exercise of voting rights held by its Undertakings for collective investment (UCIs), Amundi may encounter situations that raise potential conflicts of interest.

Measures to prevent and manage this risk have therefore been put in place. The first preventive measure is the establishment and publication of the Voting Policy, approved by the management bodies of the group's asset management companies.

The second measure consists of submitting to the Voting Committee, for validation prior to the AGM, the voting proposals for resolutions relating to a pre-established list of listed companies that are sensitive because of their links with Amundi.

These sensitive listed companies for which a potential "conflict of interest" has been pre-identified, are defined as follows:

- Issuers controlling Amundi or owned by Amundi,
- Issuers that are Amundi Partners,
- Issuers with which Amundi shares an Executive Officer/Director.
- Issuers that are among the most significant clients of Amundi.

In addition to these previously identified issuers, the Voting & Corporate Governance team also submits to the Voting Committee any meeting for which a potential conflict of interest has been identified during the analysis of resolutions.



Case study 1: Voting when there is a risk of conflict of Interest

Region: Europe

Sector: Banks

Context

During 2023, the Voting Committee was asked to confirm a proposed voting decision on behalf of Amundi's clients at a financial company that is a distributor of Amundi's products.

Amundi Actions

When analyzing the agenda of the 2023 AGM, we were concerned by the resolution regarding executive remuneration. In particular the transparency was considered insufficient as the Company had not disclosed the targets or the performance achievement levels. In addition, the variable remuneration did not include any relevant ESG criteria. For these reasons, the Voting & Corporate Governance team recommended a vote against the remuneration report. The Voting Committee confirmed this decision to vote against, notwithstanding the existence of the conflict of interest.

05 Definition of significant votes

Amundi identifies as significant votes:

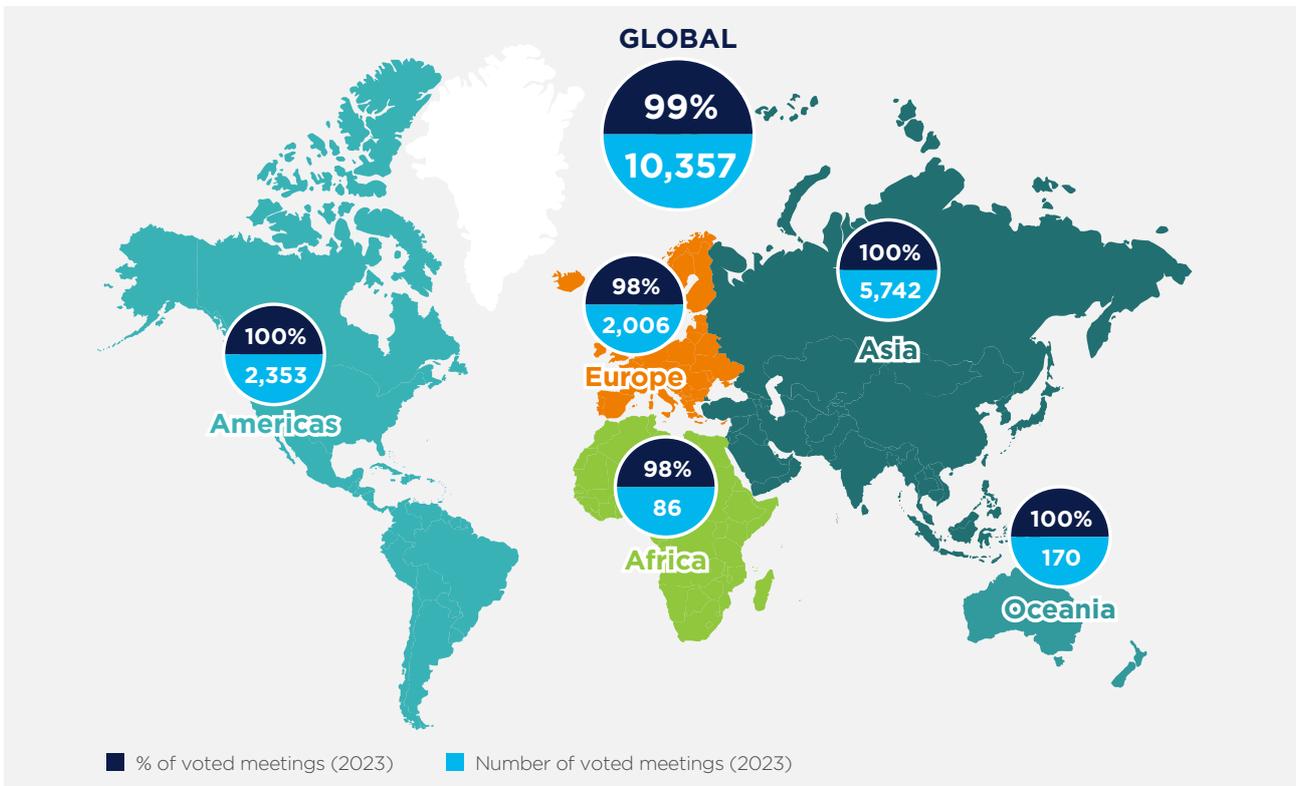
- Shareholder proposals related to sustainability topics (environment, climate, labour rights, human rights, etc.);
- "Say on Climate" proposals.

In compliance with the EU Shareholder Rights Directive II, Amundi must provide explanations on these votes. The complete list of significant votes and the voting decisions' rationales is presented in a separate appendix of this report.



2023 Voting Campaign Highlights

01 Regional View



Source: Amundi Asset Management

Companies' management typically expresses its opinion via recommendation on how shareholders should vote on individual agenda items. Amundi's opposition rate to management recommendations stands at 24% of all the votes⁴ (vs 21% in 2022).

4. It does not include the proposals for which the Board did not make a voting recommendation.

02 Increased Focus on Board Accountability

While compensation remains one of the main areas of opposition for Amundi, in 2023, *Board structure* was the area where our level of opposition to management was the highest: the number of votes against has increased significantly, as a result of Amundi's high scrutiny on Board accountability.

Indeed, Boards possess strategic authority and their decisions affect the future of their companies, both in the short and long-term. While Boards are accountable collectively and individually to the company and its shareholders, they must also take into account the company's impact on other stakeholders, and in particular: employees, creditors, customers and suppliers.

Amundi, therefore, continued this year to hold Boards accountable by targeting individual Directors for the consequences of their decisions and mismanagement of issues devolving to them, notably environmental and social oversight responsibilities.

For companies excluded from our active investment universe under Amundi's Global Responsible Investment Policy, and for a selection of companies that failed to act responsibly on topics that constitute systemic risks (e.g. climate-related risks, biodiversity loss or social cohesion) or adopted a poor climate strategy while operating in sectors for which transition is critical to the alignment with the Paris agreement, Amundi held accountable the Board and the management for the lack of sufficient action on these material sustainability issues, by voting against the discharge as well as the re-election of the Chairman and of some Directors.

Amundi recorded 1,240 votes against discharge and Director elections due to ESG controversies and lagging practices at the 2023 AGMs, which represented 8% of all our votes against management for this type of proposals.

03 Shareholder proposals

In our experience, supporting and filing shareholder proposals are an effective engagement technique to drive change in companies when dialogue has not been successful and/or divestment is not an option⁵.

All shareholder proposals on environmental and social topics are carefully analysed by a member of the Voting & Corporate Governance team, with the help of Amundi ESG Research analysts. These are voted on a case-by-case basis as they are often specific to companies, taking into account factors such as the nature of the proposal, who the proponents are, their arguments and their purpose, as well as an assessment of the following points:

- The potential impact on the company and its shareholders;
- The potential impact on sustainability factors;
- Sector's best practices or transition scenario;
- The objectives of the proponent;
- Whether the shareholder proposal is not overly prescriptive and based on recognized scientific research.

These proposals may advocate for climate change mitigation, reporting and disclosure, responsible sourcing, sound corporate governance practices, or social practices. Amundi looks favourably on shareholder resolutions which the underlying objective is aligned with our environmental and social general principles or with internationally recognized standards. In 2023, Amundi backed 77% (vs 76% in 2022) of the E&S shareholder proposals submitted to a vote.

5. Source: [Are Corporate Boards Responding to Successful Shareholder ESG Proposals ? PRI, 2023](#)

Amundi's leadership externally recognised

Beginning of 2024, **ShareAction** has ranked Amundi in the top 3 performers (+7 places vs. 2023) among 69 of the largest asset managers in the world in terms of voting performance relative to the 257 environment and social-related shareholder resolutions studied in their "[Voting Matters 2023](#)" report. According to the report, European asset managers, including Amundi, continue to lead the way and outperform other global asset managers in the voting of shareholder resolutions.

Likewise, in the **MajorityAction's** most recent "[Climate in the Boardroom](#)" report, Amundi stood out during the 2023 proxy season, for its leadership in using proxy voting to hold the Directors of companies vital to the net zero transition, accountable for their climate actions. Amundi was one of the only two asset managers who had opposed Board elections at all of the US companies with lagging climate strategies selected in the report.

Also, the **Committee on Workers' Capital** released the report "[Voting for Labour Rights](#)" on the assessment of how asset managers have defended labour rights in 2023. They compiled 13 key proxy votes held at companies' AGMs and related to labour rights and analyzed how ten of the world's largest asset managers voted on these resolutions. Amundi was also ranked in the top 3.

04 Adequation of 2023 votes with the Voting Policy

All the voting decisions are based on and follow Amundi's policy, which allows a pragmatic and case-by-case approach to take into account the context of each company. There were no circumstances under which we deviated from our policy in 2023.



Focus on our Governance-Related Voting Actions

01 Key trends and highlights

On the governance front, 2023 proxy season was marked by the following key trends:

Virtual AGM

In terms of meeting format, the 2023 proxy season was once again a mix of in-person, fully virtual and hybrid meetings. While many companies returned to an in-person or hybrid format, this has not been the case everywhere. In Germanic countries, regulators have been setting the framework for virtual-only AGMs, in order to replace the temporary provisions introduced in response to the pandemic, that were due to expire. Corresponding bylaws amendments were on ballot in 2023, especially in Germany, followed by Switzerland and Austria. While there has been a pushback from

some investors, including Amundi, who believe that shareholder rights and access to Directors should be preserved, the average level of dissent for such proposed amendments was limited (14% in Switzerland and 10% in Germany). In Italy as well many listed companies used the extension of the emergency legislation until July 2023 to prevent shareholders from attending general meetings.

Financial structure

In the United Kingdom, following the update of the Pre-emption group guidelines in November 2022 that increased the limit from 5% to 10% for an authority without pre-emptive rights, a number of resolutions related to capital

authorisations failed during 2023 proxy season (13 resolutions). Several companies explained this level of opposition by strategic shareholders not wanting to incur further dilution.

Governance-related shareholder proposal & Proxy Fights

We distinguish two categories of governance shareholder proposals: routine and non-routine business, the latter involving more complex decisions that may have long-term ramifications for the company or its shareholders. In China and Italy, routine shareholder proposals in the context of slate elections, are regularly submitted by shareholders. The routine proposals represent two-third of the governance-related proposals. With regard to non-routine proposals, the most frequently submitted proposals in 2023 were related to Director elections, in particular in North America and Japan markets. In the USA, this season saw a significant increase in the number of proposals calling for an independent board Chair (46% of all governance-related shareholder proposals in 2023 vs 18% in 2022) or targeting individual directors (11% of all governance-related shareholder proposals in 2023 vs 7% in 2022). Several remuneration-related demands were also put forward by shareholders.

While Japanese companies are typically seen as less receptive to demands from shareholders, shareholder proposals in Japan gained more traction this year, asset managers getting more inclined to back activists as regulators and policy-makers are calling for better governance⁶.

A number of proxy fights took place this year in Japan with some of the dissident resolutions receiving significant support:

- At Toyo Construction Co., Ltd, seven out of nine dissident candidates to the Board and the statutory auditor nominee were approved at the AGM.
- At Seven & i Holdings Co, it is worth noting that the dissident's proposals, although rejected, received significant support (between 26% and 34%).

02 Key outcomes of the Amundi Campaign

Combined Chairman & Chief Executive Officer (CEO)

Concentration of power through combined Chair & CEO roles led to votes against the election of Directors holding such position (accounting for 2% of our votes against Board structure-related items vs 3% in 2022), as we believe that excessive concentration of power may hamper the Board's ability to exercise the oversight responsibility. In cases where this separation of powers does not exist, the creation of a position of Lead independent Director (LID), with distinct functions and specific powers, is expected to counterbalance the Chair & CEO's combined powers. The separation of the two roles has now become the market practice in developed

markets. Even in the United States, combined CEO-Chair roles now represent much less than half of Chair roles across all indices: at 44% of S&P 500 firms the current CEO also serves as Chair⁷. In France as well, the trend towards the dissociation of functions is continuing with only 29% of CAC 40 Boards having combined roles⁸. Amundi opposed to the election of 352 Chair & CEOs, of which 195 in the USA.

Amundi favors the separation of the roles of Chairman and CEO, as evidenced by our decision not to support 352 re-election of Chair & CEOs.

6. Source: [Shareholder Proposals Gain Traction in Japan as Activism Thrives, Reuters, 2023.](#)

7. Source: [The Conference Board - Press release - Board Leadership and Structure, December 2023.](#)

8. Source: [Rapport du Haut Comité de Gouvernement d'Entreprise, Novembre 2023.](#)



Case study 2: Colruyt Group NV - Combined Chair & CEO

Region: Europe

Sector: Food and staples retailing

Context

Since 2021, Amundi has been engaging with Colruyt Group, a Belgian retailer in the food and staples sector, regarding the combination of Chair and CEO positions with no Lead Independent Director (LID). Moreover, the Audit Committee composition does not align with Amundi's guidelines in terms of independence.

Amundi Actions

After the analysis of the 2022 meeting's agenda, we informed the Company that Amundi prefers the functions of Chair and CEO to be separate and that given the absence of a LID, we intended to vote against the election of Jozef Colruyt as Director.

Amundi also mentioned that we expect the Board to have a diverse set of members with a sufficient number of independent Board members and that the Board committees should also be composed of a majority of independent members and be free of executives.

Engagement Outcome & Issuer Momentum

In 2022, Amundi voted against the election of the Chair & CEO, which passed with 9% dissent as well as against the re-election of non-independent Board members of the Audit Committee, the level of the independence being only 33%.

The Company announced in 2023 the appointment of a new CEO while the former CEO remained as Chair of the Board.

Regarding the independence level of the Audit Committee, we engaged with the Company to reiterate our concerns as the level of independence remained below our threshold in 2023.

Next steps

While the separation of the roles of Chair and CEO is a positive step, Amundi will continue to engage with the Company to improve the independence level of the Board that is still not in line with Amundi's policy.

Virtual AGM

Amundi supports the use of new technology to improve shareholder communication and deems webcasting the AGM beneficial. However, the virtual-only format may hinder active and meaningful engagement with shareholders and the full exercise of shareholders rights, with the potential for Boards to avoid uncomfortable questions. We believe that a corporate governance regime must safeguard and facilitate the exercise of shareholders' rights, ensuring fair treatment of all shareholders, including minority and foreign shareholders. Our own experience of trying to ask questions at AGMs has evidenced that it is still quite complex to use shareholder

rights virtually. Therefore, Amundi opposed the amendments of articles of associations providing the possibility to hold virtual-only shareholder meetings on a permanent basis, unless the exceptional circumstances under which a virtual-only meeting would be held (e.g. health crisis) were made clear in the proposed amendment.

Amundi opposed most of these proposals as we voted against 87% of items⁹.

9. Based on a sample of more than 300 resolutions proposing amendments in relation to virtual-only AGMs.

Board and governance oversight

Particular emphasis was placed on Board accountability and responsiveness during 2023 proxy season. Board accountability has emerged as the second most prevalent reason behind our votes against Board elections and discharge of the Board or management (35% of all votes against management for Board structure related items). This coincides with the rise in the number of companies that we classified as ESG underachievers and a more stringent policy on governance-related concerns, such as continued inadequate pay practices, excessive non-audit fees, lack of diversity and insufficient response to shareholder dissent.

When it comes to ESG underachievers, depending on the severity of the concerns, we may oppose to the discharge and re-election of one or more Directors. This approach empowers Amundi to escalate the matter should improvements be deemed insufficient, leading to a vote against subsequent re-elections. Amundi usually votes against Directors with a minimum tenure of 2 years as new Directors should not be held accountable for past decisions.



Case study 3: Adobe Inc. - Board accountability with regard to compensation practices

Region: North America

Sector: Software and service

Context

Amundi has voted against the remuneration of Adobe, a USA software company, since 2021, due to the lack of ESG KPIs in the executive remuneration.

Amundi Actions

For the last three years, Amundi has informed the Company of our intention to vote against the remuneration report due to the lack of relevant ESG performance criteria. While ESG KPIs appeared to be included in the individual performance assessment, the remuneration report did not provide sufficient information for shareholders to be able to assess the links between remuneration, performance and performance objectives.

We also mentioned to the Company that we would vote against the re-election of the four members of the Remuneration Committee, as Amundi considers that the Remuneration Committee should be held accountable for the inadequate structure of the variable part of the remuneration.

We reiterated our expectations in terms of level of disclosure as well as in terms of measurability of the ESG KPIs. While the Company had not replied to any of our voting alerts the previous years, it explained in 2023, that the goals used are measurable and that additional details would be provided ahead of the AGM. Having received no additional information, we informed the Company that we stood by our votes. The remuneration report was adopted (88% support on average since 2021).

Engagement Outcome & Issuer Momentum

After the AGM, the Company requested an off-season engagement meeting, during which the more details on the ESG KPIs were provided. We emphasized on the need for more disclosure on the KPIs as well as on our policy with regard to Board accountability. The Company appreciated Amundi's feedback and committed to pass the information on to the Remuneration Committee.

Next steps

We will continue to monitor the improvement of the remuneration report and vote against the remuneration report and members of the remuneration committee on re-election, if no improvement is achieved.

Amundi believes the time availability of Board members to be a key prerequisite of a well-functioning Board. Overboarding and meeting attendance are persistent challenges in many markets. Individual Board members may compromise their effectiveness by serving on too many Boards. The role of a Board member has become more complex and time-consuming, as Boards need to handle new compliance issues and emerging topics including climate or biodiversity risks in a

very complex global environment. We remain particularly vigilant about the necessary availability of key functions, given the growing importance and the workload these entail. As a result, we opposed 5% of re-elections due to concerns related to overboarding. Maintaining Board attendance is equally crucial to good governance: Board members are expected to stay engaged, informed and to be present to contribute to important decisions.



Case study 4: Nokia Oyj - Overboarding

Region: Europe

Sector: Technology hardware and equipment

Context

Amundi regularly engages with Nokia Oyj, a Finnish communications equipment company. One of the main topics of discussion was the bundled Director elections submitted to shareholders' vote, which often included several overboarded nominees. This Company's practice of bundling proposals to elect Directors had led Amundi to vote against the entire slate, though only a few Directors were failing to comply with our guidelines in terms of number of mandates.

Amundi Actions

Ahead of the 2023 AGM, Amundi informed the Company that we would not support the election of a Director considered overboarded. This Director was a non-executive Director that also held two mandates outside Nokia Oyj, one of which as Chair of the Audit Committee and the second as an executive officer. Amundi recommends that executive Directors do not hold more than two other directorships outside their group, and that non-executive Directors hold a maximum of four directorships. In addition, taking into account the heavy workload and growing importance of the executive and Chair functions (especially Board and audit committee Chairmanships), we recommend the number of mandates acceptable for a Director holding one of these functions be further reduced.

The Directors' elections were presented as separate voting items enabling Amundi to target and vote against the Director who was considered as overboarded as per our Voting Policy.

Engagement Outcome & Issuer Momentum

Nokia Oyj responded promptly to our alert by explaining that this Director had committed to step down from her executive position in one of the companies, which brought the number of her mandates to a total of three going forward.

We therefore reconsidered our negative vote and supported her election.

Next steps

Amundi constantly monitors issues such as overboarding and strives to improve the information flow with investees.

Independence

Amundi expects Boards to have a diverse set of members with an adequate number of independent Board members so that they operate with independence of thought and can challenge management. We opposed 11% of all Director elections due to independence concerns, notably in the context of long tenure or independence definition not aligned with Amundi's classification of Directors. This remained a prevalent concern in Japan and France, accounting for 61% and 60% of votes against Board elections, respectively.

Sanctioning long tenure is all the more important, given our aim to ensure sufficient Board refreshment: we believe it is critical for the Board to have some turnover in order to introduce new Directors with a different skillset and a fresh perspective.

Case study 5: Grupo Financiero Banorte SAB de CV – Board independence

Region: Emerging markets

Sector: Financials – Bank

Context

Amundi recently voted against several Board elections due to independence concerns or overboarding issues at the AGM of Grupo Financiero Banorte, a Mexican diversified financial group.

Amundi Actions

One of the Company's Directors, an academic sitting on four committees, has served on the Banorte Board for the last 13 years.

In April we alerted the Company about our vote against several nominees. We also pointed out that non-executive Directors serving on the Board for more than 12 years, although considered independent by the Company, would be reclassified as non-independent by Amundi. The Company still had a comfortable Board independence level of 57% after the above reclassification but not at the Nomination Committee level (43% of independence).

The Company argued that, given his skillset and experience as well as his involvement and attendance, the Director fully complied with his duties and obligations. Nevertheless, we clearly explained why we did not support the candidacy of this Director and the other non-independent members of the Nomination Committee, in line with Amundi Voting Policy.

Engagement Outcome & Issuer Momentum

Although shareholders reelected this Director at the AGM, the Company confirmed during our engagement call in September 2023 they would start searching for a new candidate in order to avoid future unfavorable votes due to longer tenure.

Next steps

Amundi will monitor the level of independence of the Board Committees at the 2024 AGM and will take action if this level remains below our guidelines.



Skills matrix

We place high value on diverse skillsets within the boardroom. Advocating for ESG expertise reflects our commitment to ensure adaptability to the evolving corporate landscape

With regard to Directors' profiles, we consider it essential to have detailed information on each nominee before the vote at the Meeting (curriculum vitae, skills brought to the Board that justify the choice of this candidate, current mandates). Therefore, in our discussion with companies, we sought to ensure that Boards possessed the right skillset, by enquiring them

about the process of creating the skills matrix and of assessing Board members' skills. In our view, it is key that Boards have the appropriate skill and expertise to generate effective challenge and objective decision-making in alignment with a company' purpose and long-term strategy coherent with a sustainable low carbon economy. During our engagements with companies, some of the best practices we identified during 2023 regarding the skill matrix were:

- The separation of ESG skills in separate environmental/climate and social pillars;
- The development of robust methodologies to create the Board skill matrix, e.g., limiting the number of skills a Board member can select to focus on core skills and defining clear requirements and definitions for each skill.

Engagement- Board competency: focus on the airline industry

Context

We consider that Board quality and competency are essential components of the efficient governance of companies and contribute to the long-term performance of the companies in which we invest on behalf of our clients. Board members should also have the capacity to understand how climate change might impact the company and its business model.

Rationale for Engagement

Airlines need to step up their efforts to decarbonize their activities. The industry accounts for 2.8% of the global carbon emissions and the IATA projects air passengers

volume to double from 4.4 billion in 2016 to 8.8 billion in 2037¹⁰. CO₂ emissions are set to triple by 2050 in a business-as-usual scenario. To face these headwinds, companies need strong and quality leadership. They also need the right expertise. We consider that these are essential components of the efficient governance of companies. The quality of the Board cannot be gauged solely by its proportion of independent Directors. We also consider that the quality of Boards of airline companies is often overlooked and that due to the specificities of the industry (international nature, changes in marketing and in customer behavior, highly emitting sector) these Boards require specific expertise.

Experience/skills/characteristics	Rationale
Knowledge of environmental issues	<ul style="list-style-type: none"> → Aviation accounts for 2.8% of GHG emissions globally and strongly needs to decarbonize → Expertise in environmental issues is clearly an asset
Labour relations	<ul style="list-style-type: none"> → Different labour laws can make labour relations complex → Industry marked by strikes (and flight compensation)
Marketing/consumer	<ul style="list-style-type: none"> → B2C industry; marketing expertise is a plus → Data management and digital marketing with changing distribution channels
Government relations	<ul style="list-style-type: none"> → The industry is still politically sensitive and efficient government relations can help
Finance	<ul style="list-style-type: none"> → Capital intensive industry
Geographical diversity	<ul style="list-style-type: none"> → The airline business is an international business and Directors with non-domestic/international experience are a valuable asset to airline Boards

10. Source: [20 Year Passenger Forecast](#), IATA, October 2018

Amundi Actions

Engagement selection

We selected companies of the global airline industry. The pool has included 49 airline companies since we began these engagements.

Engagement objectives

There were three broad aims for our engagement: We want to better understand the way companies envision the issue of Board quality and establish best practice.

- Improve overall Board composition;
- Encourage companies to better report on the quality of their Boards by disclosing a “policy” or a “matrix” on Board quality; and
- Improve disclosure on training and training needs.

Next Steps and Amundi Perspective of Engagement

Reporting on governance is not a new or recent feature of company disclosure. Nonetheless, since the beginning of our campaign we have seen some improvements both in terms of disclosure (with for instance the disclosure of a Board competencies matrix which enables investors to gauge the quality of the Board) and actual Board composition (with one company pledging to increase its gender diversity) as the sample in the table below shows (in 2023 we have kept engaging with these companies to make sure our recommendations are acted on).

	Start of Engagement	Status as at end 2022	Evolution at end 2022	Status at end 2023	Evolution at end 2023
Company A	<ul style="list-style-type: none"> • Adequate set of Board competencies • Lack of labour relations experience • No competency matrix 	<ul style="list-style-type: none"> • The company has published a matrix on Board competencies • Relevant labour relations expertise still lacking in our view 	↑	<ul style="list-style-type: none"> • Relevant labour relations expertise still lacking in our view 	→
Company B	<ul style="list-style-type: none"> • Relevant industry experience • Lack of digital marketing experience • Lack of relevant ESG experience 	<ul style="list-style-type: none"> • Two new Board members with digital marketing experience as part of Board refreshments. These arrivals also broadened geographical experience • The company said it will look to improve its ESG Board expertise in the future 	↑	<ul style="list-style-type: none"> • Relevant ESG expertise still lacking in our view 	→
Company C	<ul style="list-style-type: none"> • Company disclosed a detailed Board competency matrix • Company was one of the few to provide information on Board competencies “shortcomings” • Poor geographical and gender diversity 	<ul style="list-style-type: none"> • Poor geographical and gender diversity 	→	<ul style="list-style-type: none"> • No change in geographical diversity but proportion of the female representation on the Board increasing (to 22%) 	↑
Company D	<ul style="list-style-type: none"> • Relevant industry experience • Board members trained on ESG issues • Lack of Board member with labour relations experience • Insufficient Board gender diversity • No competency matrix 	<ul style="list-style-type: none"> • The company’s goal is to increase its Board gender diversity to reach 33% in 2026. • No progress made on other asks 	→	<ul style="list-style-type: none"> • The company has published a matrix on Board competencies • Board gender diversity rising to 36% 	↑

Going forward, we will continue to push for respondent companies to improve the competency mix of their Boards bearing in mind our “tailored” asks. We will reiterate our demands to non-responding companies.



Case study 6: Anonymized company – Engagement on Board expertise

Region: Emerging markets

Sector: Transportation

Context

At the beginning of our engagement in 2021, the Company's Board had relevant industry experience and consumer experience (particularly in large multinational food and beverages companies). The Company acknowledged its lack of adequate expertise in digital marketing and e-commerce. Additionally, the Company informed us that all Board members have direct exposure to ESG as part of their other commercial engagements and non-for-profit duties, which we did not consider clear enough and/or relevant.

Amundi Actions

We initiated the engagement because we considered that the Board lacked digital experience. The airline sector is a business-to-consumers industry and digital experience/digital marketing are valuable assets on a Board. We also considered that the Board could appoint a Director with strong ESG credentials. We have engaged with this Company at least once a year since 2021. In 2023, our focus was on the Board's environmental expertise.

Key objectives for our engagement were as follows

- The nomination of an independent non-executive Director with previous digital experience.
- The nomination of an independent non-executive Director with previous ESG experience.
- Additional reporting from the issuer on Board competencies through a matrix on current Board qualifications.

Engagement Outcome & Issuer Momentum

The airline company has clearly improved the quality and the expertise on its Board with the appointment of two Directors with relevant and extensive digital experience in 2022. During 2023 a new female independent Director was appointed, who "oversees sustainability in another publicly traded company".

Next steps

We will continue to engage with the Company to make sure that the Board keeps on strengthening its ESG expertise and more particularly its knowledge on environmental issues and that it offers proper ESG training to Board members.

Financial structure

We favor a sustainable and responsible dividend. We seek a balance between immediate returns and strategic investments that secure long-term growth and stability.

We strongly believe that a dividend policy should balance shareholders' need for remuneration in cash with the need to preserve the financial strength of the company as well as the long-term interests of employees to pave the way for future earnings growth and investments in the

environmental transition. With many companies showing a stronger performance in 2023 as the economy recovered from the COVID-19 crisis, our opposition to dividend payment abated during the year. The percentage of votes against dividend-related proposals has shown a major decline, dropping from 15% in 2021, due to the Covid crisis, to 7% in both 2023 and 2022. When it comes to capital authorisation, we opposed approximately to 21% (vs 20% in 2022). For most cases, a vote against was cast when authorisations exceeded our established limit of 50% of share capital or when authorisations without pre-emption rights did not align with our limits of 10% of share capital, which could lead to excessive dilution for current shareholders.

Case study 7: CEZ – Excessive dividend distribution



Region: Europe

Sector: Utilities

Context

Amundi engaged with CEZ, an electricity utility company based in the Czech Republic, regarding their dividend policy. Amundi is in favor of a sustainable and responsible dividend: we take particular care to ensure that a dividend distribution policy does not hamper the investment capacity of a company, does not weaken its financial solidity, nor does it lead to a sharing of added value unfavorable to employees.

Amundi Actions

On June 9, 2023 we alerted CEZ about our negative voting decision regarding the allocation of income proposal. CEZ emailed us back with a request to detail our position. Amundi explained that we consider that a continuously high dividend distribution ratio raises concerns about capital reinvestment as well as the growth potential of the Company.

Engagement Outcome & Issuer Momentum

CEZ initiated an engagement with Amundi in September 2023, aiming to further understand the rationale behind our decision to cast a negative vote at the last AGM. Typically, CEZ's dividend distribution targets 60-80% of the adjusted net income. However, in the past few years, the Company has distributed exceptional dividends following the sale of assets in Bulgaria and Romania, leading to a substantial increase of its income distribution levels.

Amundi considers that maintaining high levels of dividend payout may compromise the Company's ability to sustain its future opportunities, as well as its commitment to renewable energy expansion. We expect the company to consider reinvesting proceeds to accelerate its transition to renewable energies, given its current commitment to phasing out coal-powered generation only by 2038.

Next steps

Amundi will continue in the coming years to engage with the Company and closely monitor its dividend distribution policy and practices.

Change of listing and place of incorporation

Throughout the 2023 proxy season, Amundi engaged with several companies intending to depart from the London Stock Exchange (LSE) and to get a listing on the New York Stock Exchange (NYSE) in pursuit of higher valuations and deeper pools of capital, given the significant contribution of the USA economy to the revenues of some of these companies. In 2023, only 56 companies have applied to list on the LSE's main market, marking a notable decrease to the annual average of 112 companies annually between 2018 and 2022¹¹.

Amundi examines on a case-by-case basis proposals regarding a change to a Company's place of incorporation or a transfer of listing to a different stock exchange, taking into account the robustness of the rationale provided by the company, as well as the impact on minority shareholder rights, including the regulatory environment applicable to invested clients.



Case study 8: Aegon N.V. – Protection of the minority shareholder / Change of place of incorporation

Region: Europe

Sector: Insurance

Context

Aegon N.V. is a company that provides insurance, pensions, retirement, and asset management services worldwide. During the summer 2023, Aegon's IR contacted Amundi to discuss the Company's change of domiciliation to Bermuda and its impact on the governance and minority shareholders.

Amundi Actions

Amundi organized a meeting with the Chair of the Board to better understand the reasons for this operation and analyze the impact of such a change. Aegon is a company recognized for its good governance practices, we therefore emphasized that this should not lead to a reduction of the minority shareholders' rights and that we expect the Company to keep applying best practices in terms of governance.

Engagement Outcome & Issuer Momentum

During the call, we discussed the future Board composition (independence, combination of the CEO and Chair position, gender diversity, discharge of the Board). We also challenged the Company on remuneration practices, mainly on the quantum and the peer group. The rights of current shareholders in relation to issuances of capital and the dividend distributions were also discussed.

In September, the Company submitted to its shareholder the cross-border conversion with the amendment of articles of association linked to this operation. In response to the concerns expressed by some investors, including Amundi, the Company made additional changes a few days before the AGM to strengthen shareholder rights, mainly regarding the emission of capital and the dividend. Thanks to the great responsiveness of the Board, Amundi eventually decided to vote in favor of the operation, which has been approved at 99%.

Next steps

Since the vote, Amundi has continued its dialogue with the Company, focusing on the update of the new remuneration policy.

¹¹. Data from the Financial Conduct Authority

Proxy fights

Activism campaigns are increasingly occurring outside of the U.S, notably in Europe and Asia, that both experienced record levels of new campaigns in 2023. For the third consecutive year, the total Board seats won by activists continued to rise, reflecting the successful campaigns that took place in Europe and Asia¹².

Amundi analyses proxy fights on a case-by-case basis: our approach consists in engaging with **1** the dissident to discuss the counterproposals filed with regard to Board elections and **2** the company to review its responses to the dissident's arguments, ahead of the AGM. Amundi will take into account different factors, such as the validity of the concerns identified by the dissident, the qualifications of the candidates proposed, and what is the best option to deliver sustainable value creation.

Case study 9: Brenntag SE – Proxy fight



Region: Europe

Sector: Capital goods

Context

While proxy fights remain quite rare in Europe, Brenntag, a German company in the Trading & Distributors sector faced the challenge of activist investors, questioning the Company's strategy, past-performance and governance and calling for a breakup of the Company.

Amundi Actions

The dissident filed a counter-proposal against two re-elections of the Supervisory Board, putting forward two competing profiles to replace those whose terms expire in 2023. Such shareholder proposals are specific to Germany and mainly consist of rejecting the management proposals in order to be able to submit shareholder nominees.

In the event of contested Board elections, Amundi applies a case-by-case approach, discussing with both parties and also taking into account the views of portfolio managers on the Company's current strategy.

Engagement Outcome & Issuer Momentum

After an in-depth discussion with the Company and the activist, Amundi determined that some Board refreshment could be viewed favorably and decided to vote against one of the Board members re-elections, opening the possibility for shareholders to vote on the counter-motion to elect dissident's candidate.

Ultimately, both candidates backed by the Company secured their positions, preventing activist-backed candidates from being presented to a vote. However, this outcome was accompanied by significant dissents of 37% and 38% for these candidates.

In December 2023, the management presented at their Capital Markets Day a plan to split the business in two entities: Brenntag Essentials and Brenntag Specialties, thus accepting one of the main requests from the activists.

Next steps

Amundi will continue monitoring the functioning and composition of the Company's Supervisory Board as well as the orderly split of the two businesses that should comply with the best governance practices.

12. Source : [Annual Review of Shareholder Activism, Lazard 2023](#).

Governance-related shareholder proposals

In 2023, 48% of all shareholder proposals were related to governance topics including Board structure proposals. Amundi's support for governance-related shareholder proposals remained somewhat consistent with the previous season: 62% support in 2023 vs 68% in 2022. Our support level will vary from one year to the other as the voting decisions are based on case-by-case review of each company's

governance practices. Moreover, many of the routine shareholder proposals in China are filed by controlling shareholders that are backed by the management of the Company. In 2023 there were 639 of these proposals in China, representing close to half (48%) of the overall Board structure shareholder proposals Amundi voted on during 2023.

Notable votes – governance proposals

By voting at the AGM, Amundi and the other co-shareholders have the opportunity to send a message to the Board regarding the company's strategy, ESG practices and reporting quality. It is therefore critical for companies to follow the dissent level (i.e. all vote against management recommendation including abstention) recorded at the meeting to understand investor concerns and react accordingly. A level of opposition of 20% or more is generally considered significant by the market and requiring some response from the Board. This practice will help to avoid the rejection of a proposal at future AGMs which can be disruptive for the management and its reputation.

In 2023, based on the voting results available at the time of this report, Amundi noted the following results on governance-related proposals¹³:

- 2,052 management items opposed by Amundi received a dissent level equal or above 20%,
 - of which 122 management items were rejected by shareholders.
- 155 shareholder proposals recorded a support level equal or above 20%¹⁴,
 - of which 48 shareholder proposals received majority support.

**122 governance-related
management proposals
opposed by Amundi rejected by
shareholders**

13. Based on data provided by ISS.

14. Only contested non-routine shareholder proposals were included in the calculation.

Table 1: **Notable Proposals Related to Governance Topics**

Name of the company	Country	Sector	Proponent	Resolution	Rationale	Amundi Vote	Results at the AGM
Koninklijke Philips NV	Netherlands	Health Care Equipment & Services	Management	Approve Discharge of Management Board (bundled)	Concerns regarding the former CEO performance	Against	76.4% of dissent - rejected
Remgro Ltd	South Africa	Financial Services	Management	Re-elect Peter Mageza as Member of the Audit and Risk Committee	Lack of independence	Against	52.7% of dissent - rejected
La Française de l'Energie	France	Energy	Management	Approve Issuance of Equity or Equity-Linked Securities without Preemptive Rights	Risk of excessive dilution	Against	40.8% of dissent - rejected
Orion Oyj	Finland	Pharmaceuticals	Management	Allow Shareholder Meetings to be Held in Virtual-Only Format	Diminution of shareholder rights	Against	Rejected (voting results not disclosed)
Fujitec Co., Ltd.	Japan	Capital Goods	Management	Elect Director Kaifu, Michi	Concerns regarding the independence of the candidate - proxy fight	Against	54.9% of dissent - rejected
Duke Energy Corporation	USA	Utilities	Shareholder	Adopt Simple Majority Vote	Improve shareholder rights	For	73.4% of support - passed
Ford Motor Company	USA	Automobiles	Shareholder	Approve Recapitalization Plan for all Stock to Have One-vote per Share	Improve shareholder rights	For	35.9% support - rejected

Focus on our Climate- and Environmental-Related Voting Actions

Amundi's Voting Policy emphasizes the need for companies and Boards to come to grasp with the environmental and climate challenges they face, and to ensure that they are appropriately positioned to handle the transition towards a sustainable, inclusive and low carbon economy.

01 Key trends and highlights

The management of climate risks by companies and their transition strategy remained a key topic of the 2023 proxy season, with fewer "Say on Climate" but more shareholder proposals.

Say on Climate proposals

A "Say on Climate" is a proposal, filed by the management or a shareholder, offering a consultative vote to shareholders on the climate strategy of a company and its ex-post implementation. After a rise of the number of Say on Climate proposals over the last two years, 2023 proxy season witnessed for the first time a decrease: only 28 Say on Climate resolutions were submitted to a consultative shareholder vote, compared to 48 in 2022. Interestingly, these proposals recorded slightly higher support in 2023 (91% vs 89% in 2022). Companies filing these proposals had the opportunity to learn from the experience of others and should have had a better understanding of investor expectations.

In the USA, for the third consecutive year, no companies submitted a Say on Climate. This can be partly attributed to the lack of support for such practices from USA investors and a rising level of dissenting votes from shareholders in 2022. Some companies also claim they

are waiting for a common framework before submitting a Say on Climate. Say on Climate is keeping momentum in France, remaining one of the markets with the most proposals submitted to a vote (9 proposals), alongside the United Kingdom (6 proposals). Outside of Europe, Australia recorded the highest number of Say on Climate proposals during the 2023 proxy season, involving 3 companies. It is also important to note that few companies submitted an ex-post vote on their progress and implementation of their strategy.

Climate shareholder proposals

The number of shareholder climate proposals requesting regular vote on climate strategy, more ambitious climate commitments (e.g. Greenhouse gases (GHG) emissions reduction targets), enhanced disclosures or specific climate actions, increased yet again in 2023. These were by far most widespread in the USA (132 proposals), followed by Canada (24) and Japan (22).

During the voting season in the USA and Canada, from January to June 2023, although Amundi observed a 33% increase in the number of environmental and social shareholders proposals in the meetings voted (287 in 2022 vs. 382 in 2023), the average shareholder support has decreased significantly from 29% in 2022 to 21% in 2023. A detailed analysis, however, reveals a more nuanced reality: there was an upturn in the number of environmental proposals receiving a support rate between 20% and 50% compared to 2022 (76 in 2023 vs 62 in 2022).

Several factors can explain this significant decline in the support rate¹⁵:

- A record number of E&S proposals filed¹⁶, described by some shareholders as overly prescriptive and less likely to create long-term value¹⁷;
- A politicization of ESG investment in the American public debate, prompting some investors to adopt a more conservative approach;
- The development of “anti-ESG” proposals¹⁸;
- A large number of proposals already been filed in 2022 and having received generally fewer votes this year;
- The lower support rate from some proxy voting advisors on E&S shareholder proposals;
- Lower emphasis on environmental or social issues by some shareholders given the macroeconomic and geopolitical climate, particularly considering the Ukrainian war and its consequences for energy supply²⁰.

Traditionally in Japan, climate change-related shareholder proposals have been directed towards energy conversion sector, which is responsible for the largest amount of energy-related CO₂ emissions in the country. Investors have begun targeting other sectors in Japan. For instance, a shareholder proposal was submitted by a European institutional investor at the 2023 annual meeting of Toyota Motor Corporation, calling for an annual report on its lobbying activities. This proposal aimed to scrutinize the Company’s climate lobbying activities related to climate change.

02 Key outcomes of the Amundi Campaign

Say on Climate proposals

There is currently no standard requiring a vote on companies’ climate strategy or dictating how often it should be voted on. However, Amundi encourages issuers to hold an advisory vote at the AGM on the company’s climate strategy and approach regarding climate risks and opportunities (ex-ante vote) at least every three years, or sooner in case of significant change. Additionally, Amundi advocates for an annual vote on the ex-post implementation of this strategy. Given the strategic nature of this topic, we believe it is essential to use the AGM for such purposes as it provides a time of privileged dialogue between all shareholders and companies. More and more companies address their climate strategy during the presentation to shareholders at the AGM. Unfortunately, non-domestic and institutional investors rarely have the opportunity to attend these meetings.

Recognizing the specific nature of climate transition plans, Amundi adopted a structured approach to the analysis of such proposals, with assessment framework specific to each sector. Amundi voted on over 28 “Say on Climate” proposals, of which we supported 11 (39%), which marks a slight increase compared to last year’s level of support (38%). All companies concerned by a negative vote were apprised of the reasons and informed on Amundi’s expectations as regards improvements to their strategy.

**A tailored expertise :
28 Say on Climate Proposals
analyzed with a sector-specific,
structured approach.**

15. Source: [In Focus: Shareholder Proposals in the 2023 U.S. Proxy Season, ISS governance, July 2023.](#)

16. This is partly due to a change in the SEC’s approach, which facilitated the filing of shareholders resolutions.

17. Source : [Vanguard’s backing for green and social proposals falls to 2%, FT, August 2023.](#)

18. Source : [BlackRock’s support for climate and social resolutions falls sharply, FT, August 2023.](#)

19. Source: [Highlights from the 2023 Proxy Season](#) The Conference Board recorded in 2023 a 39% increase in the number of proposals identified as ‘anti-ESG’ compared to 2022: Highlights from the 2023 Proxy Season

20. Source : [Investor Support of E & S Proposals, Harvard Law School Forum on Corporate Governance, July 2023.](#)



Case study 10: Shell Plc – Say On Climate

Region: Europe

Sector: Energy

Context

Amundi adopts a structured and systematic approach to assessing Say on Climate proposals while taking into account sectors specificities. This approach focuses on companies' disclosure of climate-related information and their strategy for transitioning towards net zero emissions, with the overarching long-term goal to support the Paris Agreement's objective of maintaining the global temperature rise to well-below 2°C and pursuing efforts to limit the temperature increase to 1.5°. Key aspects considered include the Company's:

- Climate Governance;
- Level of contribution/alignment of decarbonisation objectives;
- Decarbonisation strategy;
- Financial means in support of the climate plan; and
- Management incentivization on execution of the climate plan.

Amundi Actions

Despite acknowledging Shell's annual submission of a Say on Climate proposal to a consultative shareholder vote since 2021, Amundi voted, for the second consecutive year, against the resolution seeking approval for the Company's *Energy Transition Progress Update*. The climate strategy has not evolved since the previous year, and Amundi deems it not aligned with the Paris Agreement. Shell's ambition appears insufficient to be considered "aligned" with well-below 2°C climate mitigation objectives

While recognizing Shell's progress in emissions reduction achieved on its operations, without using carbon offsets so far, Amundi maintains significant reservations about the Company's climate strategy. Concerns stem from a lack of clarity on expected contributions to the development of low-carbon energy solutions, specifically renewable power capacities. Unlike European peers, Shell does not provide guidance on renewable power capacity development by 2030. Additionally, the heavy reliance on offsets to achieve 2030 scope 1+2 emission reduction and limited transparency on the current and planned investments in new hydrocarbon fields, and low-carbon energy solutions raise further concerns.

These factors fall short of Amundi's requirements for validating energy transition plans through Say-on-Climite resolutions, where ambitions are assessed against the IEA SDS well-below 2°C scenario.

Engagement Outcome & Issuer Momentum

Amundi informed Shell of our negative vote on the Say on Climate. Furthermore, we supported the shareholder proposal filed by Follow This, urging Shell to align its existing 2030 reduction target covering GHG emissions of the use of its energy products (Scope 3) with the goal of the Paris Climate Agreement. We believe that additional information on meeting Paris Agreement goals would be useful to shareholders to assess potential risks and enhance their understanding on how the Company is managing its transition. This proposal received significant investor support at 20% while the management proposal faced 20% shareholder dissent this year again.

Despite engaging with the Company on various topics during the year, such as scope 3, shareholder pressure, energy transition, low carbon solutions, natural capital preservation and human rights, certain aspects of Shell's climate strategy remain unclear. The Company's hesitation to address these concerns impacts Amundi's support for their Say on Climate resolution.

Next steps

Amundi will closely monitor future developments in Shell's climate strategy and look for ways to escalate our concerns.

Environmental accountability of the Board

Amundi considers that the Board should be held accountable of environmental mismanagement or lack of oversight within company, as well as for environmental controversies associated with its business activities. In its approach to Board accountability, outlined in the section *Voting Campaigns Highlights 2023* of this report, Amundi actively maintains a dedicated watchlist of companies it deems to be lagging in terms of climate performance as well as on their management of their impact on biodiversity. These companies are closely monitor in accordance with our Voting Policy, enabling the escalation of our concerns to be

expressed at the AGM. As such, Amundi voted against the re-election of 1,032 Directors across 180 distinct companies spanning all sectors, due to environmental concerns such as impact on deforestation, shortcomings in their coal policies, inadequate disclosure, or insufficiency in their carbon reduction targets. In the Energy and Utilities sectors specifically, Amundi opposed the re-election of 690 re-elections of Directors (out of 2,809) at 115 Energy & Utilities companies (out of 417 companies) due to concerns about their sustainability strategy.

Table 2: **Selected examples of companies - environmental underachievers**

Name of the company	Country	Sector	Environmental controversy	Items targeted - Amundi Vote	Results at the AGM
The Procter & Gamble Company	USA	Consumer Staples	Concerns related to the deforestation and plastic pollution reduction and to objectives lagging behind its peers	Against the Chair of the Audit Committee	12.3% of dissent for the Chair of the Audit Committee
Prudential plc	United Kingdom	Financials	Concerns on the lack of commitment to phase out coal in line with the Paris Agreement	Against the Chair of the Board	2.3% of dissent for the Chair
China Construction Bank	China	Financials	Concerns on the lack of commitment to phase out coal in line with the Paris Agreement	Against a member of the Audit Committee	5.1% of dissent for this member of the Audit Committee
The Coca-Cola Company	USA	Consumer Staples	Concerns related to the performance on the topic of plastic and packaging as evidenced by the 2022 Brand Audit, a participatory science initiative that involves counting and documenting the brands found on plastic waste to help identify the corporations responsible for plastic pollution	Against the Chair & CEO of the Company and other members up for re-election	7.6% of dissent for the Chair & CEO
The Hong Kong and China Gas Company Limited	Hong Kong	Utilities	Concerns on the lack of alignment with Amundi's policy to phase out of thermal coal	Against the Chair, the CEO and another Board member up for re-election	21.4 % of votes dissent for the Chair 3.9% and 19.8% of dissent for the CEO and third the director targeted, respectively
ORLEN SA	Poland	Energy	Concerns on the lack of alignment with Amundi's policy to phase out of thermal coal. Major world greenhouse gases emitter that does not have set objectives to reduce its emissions	Against Discharge of all Management Board Members and Supervisory Board Members	Between 1 and 4.6% of dissent for all targeted members
Tokio Marine Holdings, Inc.	Japan	Financials	Concerns on the lack of commitment to phase out coal in line with the Paris Agreement	Against re-election of Board Representatives	Between 5.4% and 17.1% of dissent for all targeted members



Case study 11: Kinder Morgan, Inc. – Environmental underachievers

Region: North America

Sector: Energy

Context

Kinder Morgan, is part of the largest energy infrastructure companies that operates in North America and has been identified as one of the world's largest corporate greenhouse gas emitters by the Climate Action 100+ investor coalition. The Company is considered by Amundi to have a lagging climate strategy.

Amundi Actions

Amundi considers that the adoption of a robust climate strategy by a company is a critical factor for investment of which shareholders should be fully informed. Based on the internal analysis of the ESG research team, Amundi voted against all the members of the Board, including the Chair of the Board and the Chair of the Environmental, Health and Safety (EHS) committee. Amundi also opposed the remuneration due to the lack of clear and disclosed Climate KPI. According to Amundi's Voting Policy, for companies from sectors highly exposed to climate, a climate-related criterion must be included amongst the variable remuneration metrics.

Engagement Outcome & Issuer Momentum

In total, more than 29% of the shareholders voted against the Chair of the Environmental, Health and Safety (EHS) committee, approximately 8% against both the Chair of the Board and the Chair of the Remuneration committee. Since the AGM, we have already discussed twice with the Company to explain the reason why we voted against the different members of the Board.

Next steps

In the future, Amundi will continue to engage with the Company to encourage them to improve their climate strategy and will not hesitate to escalate if no action is taken by the Company.

Climate and environmental shareholder proposals

This 2023 proxy season, environmental and climate topics constituted 9% of all shareholder proposals voted by Amundi. Amundi supported 79% of these proposals, reflecting a slight increase compared to 2022.

On climate-related matters specifically, Amundi backed 88% (vs 87% in 2022) of the shareholder proposals, reaffirming our belief that such resolutions serve as an effective mechanism to push for positive change and improved transparency on issuers' energy transition paths.

We actively endorse climate related shareholder proposals, fostering positive change and enhancing transparency. In 2023, we have supported 88% of these resolutions.

Biodiversity-related proposals have also emerged. There has been a growing trend of proposals focusing on the preservation of living beings and their ecosystems. In particular, by supporting shareholders' proposals calling for greater disclosure on plastic pollution and efforts to reduce it, Amundi has committed, through its Voting Policy, to limiting the adverse impact of companies on their environment.

For instance, Restaurant Brands International and Yum! Brands Inc., two firms holding fast food companies around the world, faced shareholder proposals urging them to outline strategies for reducing plastic usage to effectively mitigate their contribution to ocean plastics pollution. These proposals, supported by Amundi, received the support from 37% and 36% of shareholders, respectively.

Notable votes - Environmental & climate proposals

During the 2023 proxy season, based on the voting results available, Amundi noted the following results on climate and environmental-related shareholder proposals²¹:

- 3 management items that Amundi opposed received a dissent level equal or above 20%,
→ of which none failed.

- 95 shareholder proposals received a support level equal or above 20%,
→ of which only one received majority support, at the AGM of Coterra Energy.

Table 3: Notable Proposals Related to Environmental and Climate Topics

Name of the company	Country	Sector	Proponent	Resolutions	Rationale	Amundi Vote	Results at the AGM
Credit Suisse Group AG	Switzerland	Bank	Management	Approve Climate Strategy Report	Lagging climate strategy	Against	46.9% of dissent - passed
Shell Plc	UK	Energy	Management	Approve the Shell Energy Transition Progress	Lagging climate strategy	Against	20% of dissent - passed
Coterra Energy Inc.	USA	Energy	Shareholder	Report on Reliability of Methane Emission Disclosures	Improve reporting on Climate Strategy	For	76.3% of support - passed
Exxon Mobil Corporation	USA	Energy	Shareholder	Report on Methane Emission Disclosure Reliability	Improve reporting on Climate Strategy	For	36.4% of support - rejected

21. Based on data provided by ISS.

Focus on our Social-Related Voting Actions

Amundi believes that long-term value creation and sustainable return generation go beyond short-term financial performance. This conviction has led us to integrate in our investment philosophy and practices major sustainability factors, including the social cohesion and the protection of human rights. Social perceptions of a company's practices contribute to its development and profitability for its shareholders. This philosophy is also integrated into our voting approach.

01 Key trends and highlights

As highlighted in this section, Amundi continued through our voting actions in 2023 to maintain a strong focus on social considerations, focusing on topics such as diversity of the Board or the senior management, or the protection of labour

Diversity

Diversity has become a key social topic in the last years.

The gender balance of Boards in Europe keeps improving, but a lack of women in leadership positions persists. In France, the "Rixain Act" enacted in Dec. 2021 introduced a quota stipulating that at least 30% of executives and members of management bodies must be from the underrepresented gender by 2026 and 40% by 2029.

Japan has recently implemented new updates in its policies, in line with the Basic Economic and Fiscal Policy Guidelines, *Honebuto no hoshin*. This comes after a series of amendments to the Companies Act, as well as the Corporate Governance Code in 2021. The new set of policies are designed to address gender disparities in the country by introducing a 30% threshold for female representation of prime

rights. The importance we attach to these factors is also reflected in our vision of a socially acceptable executive remuneration, that is deemed reasonable and fair.

market listed companies' Boards by 2030, in addition to an intermediate objective of at least one female Board member by 2025. The Tokyo Stock Exchange Listing rules are expected to integrate these objectives²².

While in the United Kingdom (UK), the FCA (Financial Conduct Authority) listing rules, updated in November 2022, now require listed companies to include a statement in their annual financial report setting out on a "comply-or-explain" basis whether they have met specific Board diversity targets: 40% of women on the Board; one senior Board positions staffed by a woman (e.g. CEO; Senior Independent Director; CFO etc); one Board member from a minority ethnic background.

Board diversity have overall improved in the last years, including in emerging markets (see our gender diversity engagement).

22. Source: [Revisions to Listing Rules in Relation to the Intensive Policy for Gender Equality and the Empowerment of Women 2023 and the Desired Investment Unit Level. Tokyo stock Exchange, 2023.](#)

Executive compensation

Executive remuneration remained under scrutiny in 2023, “say on pay” proposals being one of the primary sources of dissent votes, with a noticeable decline in support observed in both in Europe and North America²³. Several resolutions faced failure or strong opposition, often due to insufficient mitigation of windfall effects or the use of discretionary powers by the Board to amend performance targets in reaction of the

COVID-19 pandemic or the Russo-Ukrainian War. Concurrently, general compensation increases were noted even in an environment with rising cost-of-living challenges. Severance packages faced opposition in various European countries including France, Netherlands, Germanic countries and Italy. The absence of sufficient disclosure continued to be a major factor for opposition.

Social shareholder proposals

The number of social shareholder proposals keeps rising globally, from 152 in 2022 to 167 in 2023 for social, health and human rights proposals (excluding compensation-related proposals). The focus primary was on racial equity and equity pay of employees in the USA, alongside emerging topics such as reproductive healthcare, with a specific emphasis on data privacy.

Nevertheless, the number of proposals addressing wider social themes that received support exceeding 20%, has slightly decreased in comparison to 2022 (70 in 2023 vs 76 in 2022). Those surpassing this symbolic threshold encompassed matters related to diversity and inclusion policies as well as proposal related to executive pay.

02 Key outcomes of the Amundi Campaign

Diversity

In our view, increasing diversity in the boardroom, through gender diversity, but also diversity in terms of professional backgrounds and skillsets has been proven to deliver a more challenging culture that is likely to enhance long-term value: debates are appropriately informed from a range of unique perspectives in the boardroom, thereby avoiding the risk of “group think”.

Amundi is particularly attentive to the feminization of Boards, even in countries not subject to any regulatory obligation. While improvements have been observed in many

countries in 2023, we voted against 2,392 Directors’ elections at 1,716 companies because of insufficient gender diversity, with the USA being the primary market to fall short of our 33% threshold in terms of gender diversity at Board level²⁴.

As a member of the 30% Club, the global campaign to take action to increase gender diversity at board and senior management levels, Amundi continues to engage with companies on the topic to foster better diversity policies.

23. Source: [Average shareholder opposition to Director elections rises across Europe - Georgeson, September 2023](#).

24. We expect a minimum of 33% female Directors in developed markets outside of Asia, with the exception of countries where local regulations impose a stricter threshold.



Case study 12: Antofagasta Plc – Board gender diversity

Region: Europe

Sector: Materials

Context

Amundi is particularly attentive to the feminization of Boards, including in countries not subject to any regulatory obligation. It is now recognized as a good practice internationally for Boards to be composed of a minimum of 33% women Directors.

Amundi Actions

At the 2022 AGM of the UK listed Chilean multinational mining company, Antofagasta Plc, Amundi voted against the election of Jean-Paul Luksic, the Chair of the Board and Nomination Committee, who was held accountable for the Board's lack of gender diversity: as of May 2022, only 30% of Board seats were occupied by women.

Engagement Outcome & Issuer Momentum

In response to our voting intentions alert, the Company made clear its commitment to improve the gender balance on the Board and mentioned systematically including female candidates on their short-lists. This commitment was reflected in the appointment to the Board of Heather Lawrence in 2023, as an independent Director, which led the share of women on the Board to reach 36%, surpassing Amundi's expectations, but falling short of the 40% recommended by the FCA Listing rules. Nevertheless, the Company has stated in its latest annual report that they *"are actively searching for another female Director to join our Board and aim to meet the UK's new targets on gender diversity, while also continuing to build a pipeline of female talent across the organisation"*. Amundi has therefore supported all Board elections at the Company's 2023 AGM.

This improvement in terms of Board gender diversity is all the more noteworthy, as it signals a genuine step forward compared to November 2019, when Antofagasta was ranked as one of the worst companies in the FTSE 100 on diversity in the Hampton-Alexander Review.

Next steps

In 2024, Amundi will continue to closely follow developments in this aspect: Antofagasta Plc, being a FTSE 100 Company, is required to disclose on a "comply or explain basis" whether it meets the 40% gender diversity target in the annual report.

Gender diversity engagement

Context

Amundi is pushing companies to adopt effective strategies and become more gender diverse and inclusive organisations. In particular, we have been focusing on Board composition in order to encourage the appointment of more diverse Board members. As Amundi's engagement approach is intended to be deployed globally, discussions with companies on this topic can be complex in some markets where the focus has shifted from gender to ethnic diversity in recent

years, especially in the United States. While we recognise the importance of looking at different facets of diversity, we believe companies should not stop their efforts to improve gender diversity. The inclusion of minorities should also not be an excuse to appoint fewer women. In Asian markets, it is still necessary to explain why diversity is a material issue for investors. However, more investors are pushing a similar message which is leading to progress on the matter.

Amundi Actions

Engagement Objectives

Amundi expects companies to take steps to ensure that each gender represents a minimum of 33 percent of the Board for developed markets. As a member of the 30% Club Investor Group France, Japan and Germany, Amundi also aims to increase the representation of women in Executive management teams to reach at least 30%. In Asian markets, the nature of the dialogue differs, as this is still an emerging topic. Taking into account this market difference, we are asking for at least one woman to sit on the Board in this region.

Engagement Selection

The Corporate Governance team has systematically discussed with companies regarding gender diversity whenever a concern was identified across all geographies. Given the lack of progress of some companies on this issue, Amundi decided to escalate the matter and to initiate a proactive dedicated engagement on the topic. To define the scope, we have identified issuers for which we have exercised our voting rights on the first semester of 2022 and for which we have voted against some Directors'

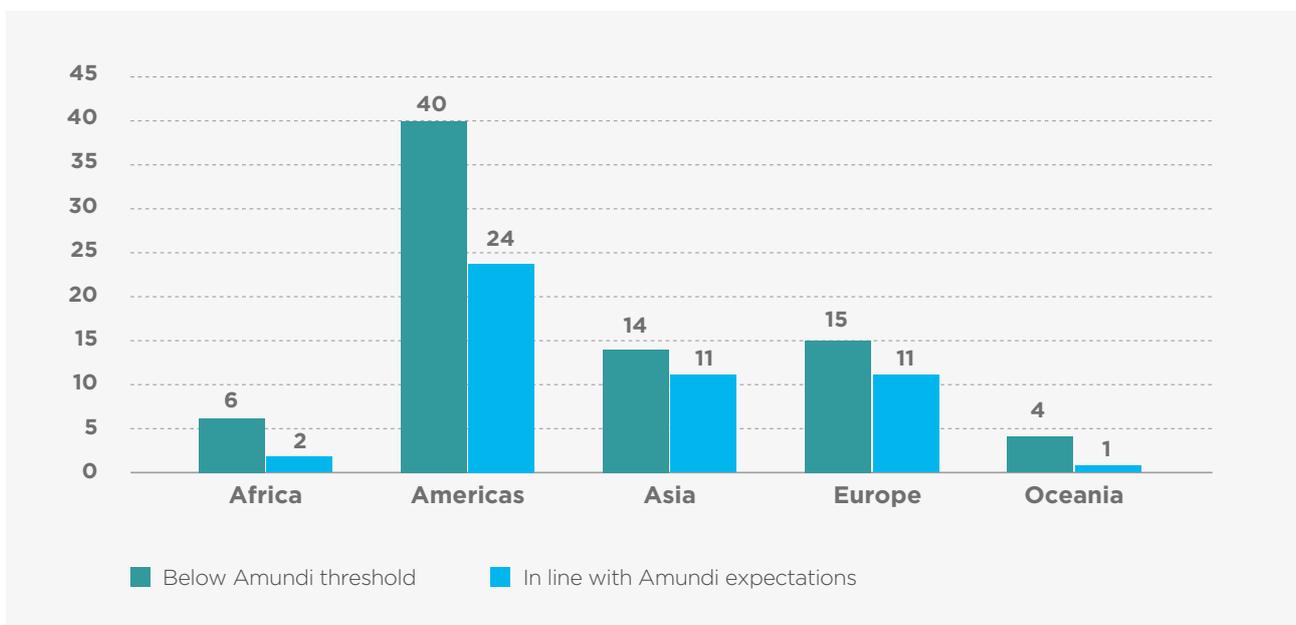
re-election due to lack of gender diversity (33% of women for developed markets and at least one woman for Asian and emerging markets). Amongst this initial group, we have decided to focus on the Amundi's top holdings per region. Thus, during Fall 2022, Amundi sent 128 letters to Board Chairs, across all markets and sectors, to ask them to improve women representation and to warn them of potential dissent votes from Amundi at their 2023 AGM.

Engagement Outcome & Issuer Momentum

As of December 31st, 2023, Amundi is pleased to note that 38% of the targeted companies have already increased the number of women at Board's level and are now aligned with Amundi's expectations. Main progress is observed in Asia and Europe where respectively now 44% and 42% of the targeted companies are in line with Amundi policy in terms of gender diversity.

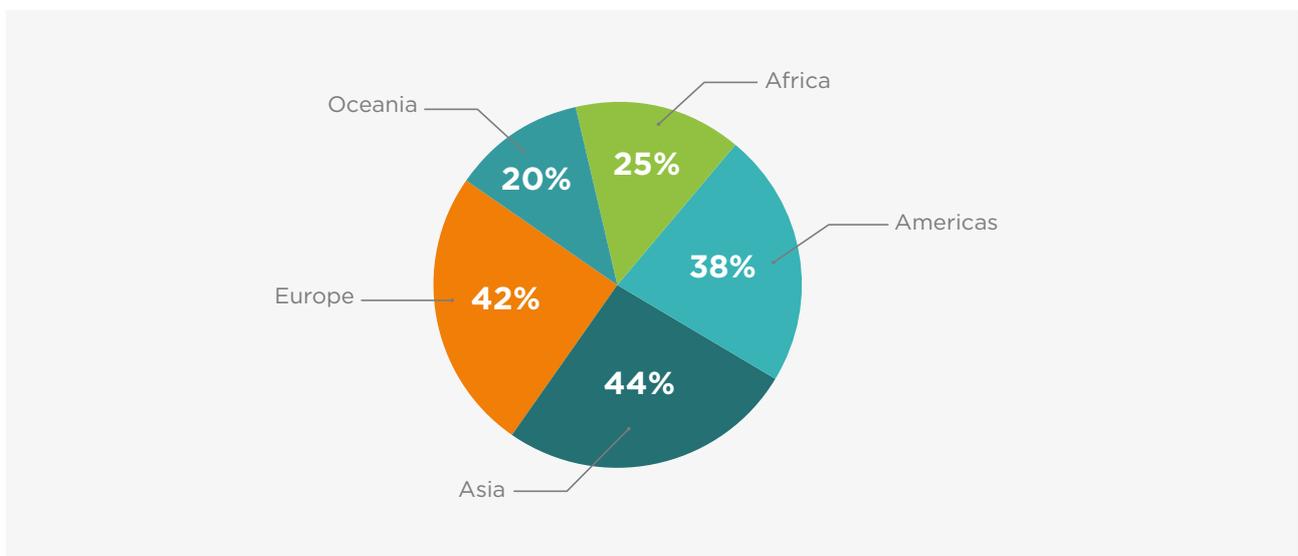
Successful engagement initiatives: 38% of the companies targeted in our diversity engagement campaign have increased their female representation in the Board.

Graph 1: Results as of December 2023 by Geographical Breakdown of Targeted Companies



Source: Amundi Asset Management

Graph 2: **Percentage of companies in line with Amundi policy per geographical breakdown**



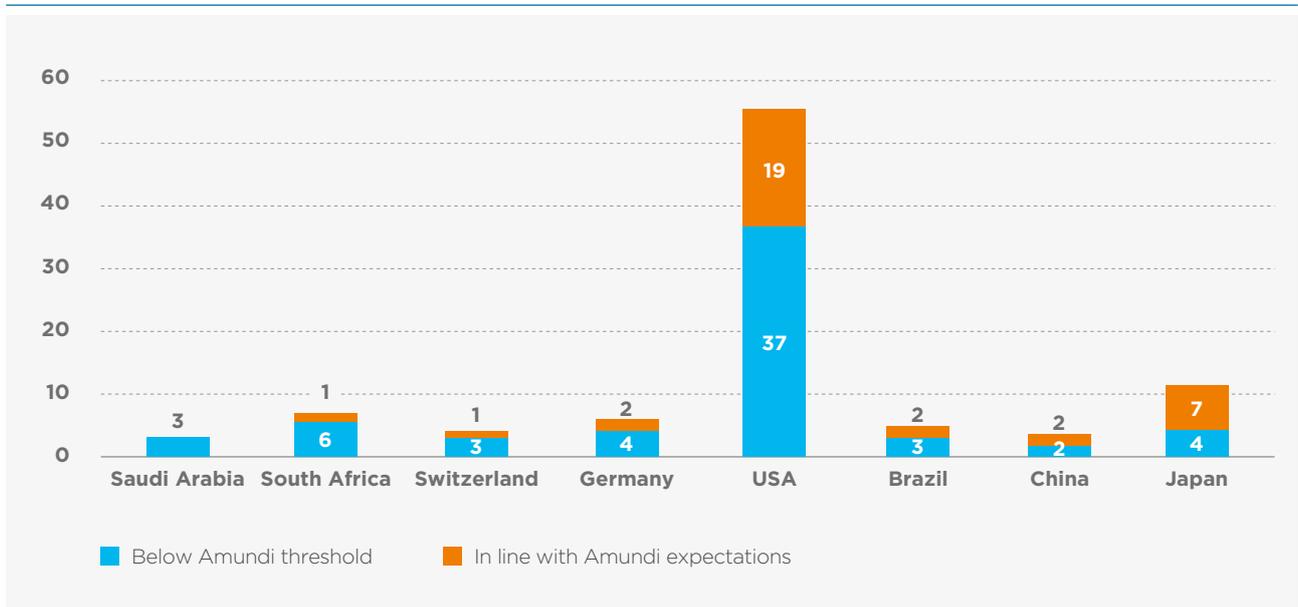
Source: Amundi Asset Management

For the remaining targeted companies, 37% have providing supplementary information or have defined a strategy or taking a commitment to improve their level of gender diversity. However, 63% still lack genuine interest in the topic.

When assessing more precisely for the main countries targeted in terms of number of engaged companies, Amundi is pleased to note that Japanese and Emerging countries companies (Brazil and China) have made substantial progress (see chart).

However, there have been limited improvements in Switzerland and Germany, while in South Africa and Saudi Arabia, results are quite disappointing. Finally, USA companies (that composed almost the half of the targeted companies) need to persist in their efforts.

Graph 3: **Engagement results as of December 2023 by country breakdown of targeted companies**



Source: Amundi Asset Management

Macro Sector	Assessment at start (year 1)	Past Recommendations (Year of current engagement -1)	Status in 2023	Change
Company A Sector: Pharmaceuticals Country: USA	Low rate of female representation at the Board level (25%)	Increase female representation at the Board level to 33%	<ul style="list-style-type: none"> Company acknowledged issue and committed to improve the diversity of the Board Company appointed a woman as new independent Board member during the 2023 AGM 	↑
Company B Sector: Utilities Country: Germany	Low rate of female representation at the Board level (25%)	Increase female representation at the Board level to 33%	<ul style="list-style-type: none"> Company acknowledged issue and committed to improve the diversity of the Board in 2024 Amundi will continue to follow the topic with Company 	→
Company C Sector: Pharmaceuticals Country: Hong Kong	No female representation at the Board level at the 2022 AGM	Appoint at least one female director	<ul style="list-style-type: none"> Company informed us that they did recognize the importance of Board diversity under the current social and business environment Company informed Amundi that one of the key initiatives in 2022 would be to identify and appoint a female member No progress noticed in 2023 (still no women at the Board) 	→
Company D Sector: Telecom Country: USA	Low rate of female representation at the Board level (20%)	Increase female representation at the Board level to 33%	<ul style="list-style-type: none"> Company informed Amundi they look at diversity not only from a gender point of view, but took into account all kind of diversity (profiles, skills, ethnicity) No progress noticed in 2023 (still 20%) and no commitment done by the Company 	→

Next steps

Amundi will continue to monitor the progress made by these companies as part of the Proxy Voting process. In line with Amundi's Voting Policy, we will vote against some Directors' re-elections if the gender diversity has still not reached our expectations.

Executive compensation

Compensation remains a major reason of opposition for Amundi (with 37% of votes against management on compensation-related proposals). The main causes of Amundi's opposition to compensation resolutions were:

- Excessive remuneration (19% of all votes against compensation items in 2023);
- Lack of ESG criteria or climate criteria for relevant sectors (43% of all votes against);
- Lack of transparency (28% of all votes against);
- Structural issues (43% of all votes against).

Amundi continues to monitor the quantum of executive remuneration and voted against all pay packages deemed excessive when compared to local peers, taking into account potential reputational and social risks. In addition to assessing the alignment between pay and performance, Amundi compares the granted remuneration with other similar companies in terms of market capitalization, peer group, and geographical region.

A company's remuneration policy should be aligned with its strategy. Thus, it should include clearly defined performance criteria, including ESG key performance indicators (KPIs) as well as Climate KPIs aligned with the strategy of alignment with the Paris Agreement, especially for issuers in sectors with a high impact on climate. In 2023, we identified 1,691 companies that had not integrated internal and quantifiable ESG performance metrics into their executive compensation. Similar to 2022, the United States remained the market where Amundi expressed the highest level of opposition to remuneration due to lack of ESG or climate criteria.

Amundi also voted against executive remuneration-related proposals at 100 Energy & Utilities companies due to the absence of climate-related performance criteria in their senior management variable compensation schemes. It is our conviction that executive teams should be incentivised to achieve carbon emissions reduction goals.



Case study 13: A.P. Moller-Maersk – Climate criteria in executive remuneration

Region: Europe

Sector: Transportation

Context

Amundi has been voting for three consecutive years against resolutions relating to executive remuneration at the AGM of A.P. Moller-Maersk, a Danish transport company, due to the lack of ESG and climate indicators in the incentive plans variable.

Amundi Actions

Amundi informed the Company that in 2023 we would vote against not only the remuneration report but also the remuneration policy given the absence of climate KPIs in the Executive's remuneration. Furthermore, given the fact that Amundi considers the remuneration committee should be held accountable for the Company's inadequate pay practices, we also mentioned our intention to vote against the re-election of the two members of the Remuneration Committee.

Engagement Outcome & Issuer Momentum

The Company responded to our voting intention alert by explaining that, although there are currently no clear ESG KPI in remuneration, the assessment of the long-term incentive plan's (LTI) performance is based on a review of the implementation of the sustainability strategy.

Amundi expects to see in the report and the remuneration policy clearly defined performance criteria including ESG, and climate KPIs when relevant, which must be aligned with the Company's strategy and presented with rigorous and quantitative targets.

The Company took note of our response and committed to share our feedback to the Remuneration Committee. Both the remuneration report and remuneration policy have been adopted (results are not published).

Next steps

We suggested a meeting to the Company which, however, did not respond to our proposal.

Amundi will continue to monitor the evolution of the remuneration report. If no improvement is noted, we will continue to vote against the remuneration report and the re-election of remuneration committee members.

With regard to remuneration structure, Amundi expects companies to provide a robust explanation for any exceptional payment, emphasizing compliance with the company's remuneration policy. One-off awards linked to transactions should generally be avoided. If such awards were granted, Amundi will look closely at the rationale provided, the performance criteria attached, and the length of the performance period, to ensure alignment with the long-term value creation for shareholders.

In case of an executive departure (retirement or resignation), Amundi will be vigilant regarding the distribution of any exceptional payment that could be construed as a "disguised" severance.



Case study 14: Solvay SA– one-off payment

Region: Europe

Sector: Materials

Context

Few days after the announcement of the demerger of Solvay SA, a Belgian company specialized in chemicals, the Board also made public the payment of an exceptional cash bonus of EUR 12 million to Ilham Kadri, the CEO of Solvay, for the “exceptional performance”. Although Amundi recognized the strong performance of the CEO, we noted that she already received a bonus of EUR 3.5 million in October 2023 in connection with the demerger; we also pointed out that this “new” bonus was not subject to the successful completion of the demerger as a condition nor to other performance conditions attached to the outcome of this operation.

Amundi Actions

In light of our concerns with this bonus, we decided to organize a call with the Company to discuss it. During the call, the CFO of Solvay SA mentioned the various advantages of splitting the Company into two separate entities, Solvay (essential chemicals) and Syensqo (specialty chemicals). He also underlined the tremendous work accomplished by the CEO over the past few years to bring this operation to a successful conclusion for the Company and the shareholders.

Engagement Outcome & Issuer Momentum

While Amundi agreed on this point, we criticized the fact that no performance criteria was attached to the special bonus. We also questioned the size of this bonus in relation to market practices in this region. Considering that the bonus was not aligned with the long-term interests of the shareholders, we asked the Company to reinstate this bonus within the remuneration policy with linked performance criteria. As the Company did not amend it, Amundi voted against the bonus (but in favor of the demerger). While the demerger received 99% of shareholders’ support, the bonus was widely contested with only 66% of votes in favor.

Next steps

Amundi will closely monitor the remuneration policy at both entities in 2024.

Social accountability of the Board

Amundi’s ESG research team actively monitors and evaluates companies’ social footprint through a systematic approach that is designed to identify underperforming organizations in terms of social metrics. By understanding where a company stands in terms of its social performance, we have the opportunity to tailor our engagement efforts and strategy, as our objective remains supporting our investee companies transition towards a sustainable, inclusive low carbon economy.

As a result, Amundi opposed the re-election of 241 Directors across 69 companies due to concerns about their social practices, including on topics such as health and safety, collective bargaining, living wage, or gender pay gap.

Table 4: **Selected examples of companies – social underachievers**

Name of the company	Country	Sector	Social controversy	Items targeted - Amundi Vote	Results at the AGM
Walmart	USA	Consumer Staples	Permanent controversies on Human rights (violation of several UN Global Compact Principles) as the Company has been persistently involved in human rights supply chain issues such as forced labour, low wages, excessive long hours, child labour and worker health and safety concerns-more frequent compared to its industry peers and discrimination	Against several Board members	From 1% to 4.3% of dissent for Board members
CK Hutchison Holdings Ltd	Hong Kong	Capital Goods	Company was identified as having a high level of fatalities	Against the Chair of the Audit Committee.	4.1% of dissent for the Chair of the Audit Committee
Grupo Mexico, S.A.B. de C.V.	Mexico	Materials	Flagged for severe social controversies and company did not respond to requests for engagement dialogue	Against discharge of Board Against bundled re-elections	Not disclosed. Resolutions passed.
Coloplast A/S	Denmark	Health Care Equipment & Services	Low gender diversity in executive leadership compared to overall workforce	Abstain on the Chair of the Board	7.7% of votes <i>abstain</i> the Chair of the Board
Alphabet	USA	Communication services	Company has failed to respond to Amundi's engagement requests and also regularly faces lawsuits and controversies related to market conduct and data privacy	Against the Chair of the Board	15.9% of dissent for the Chair of the Board

Social shareholder proposals

With regard to social shareholder proposals, Amundi supported:

- 83% of all shareholders proposal related to social, health and human rights, which demonstrates a slight uptick in comparison to last year (vs 81% in 2022).
- 67% of all shareholders proposal related to remuneration (vs 72% in 2022).

Notable votes – social proposals

During the 2023 proxy season, based on the voting results available, Amundi noted the following results on social-related shareholder proposals (including proposals on executive remuneration)²⁵:

- 870 management items opposed by Amundi received a dissent level equal or above 20%,
→ of which 108 proposals failed.

While, most of the shareholder proposals submitted on social, health and human rights concerns were filed in the USA, we noted a slight emergence in Europe: Amundi voted on only 2 of these in 2022 vs. 7 in 2023.

- 88 shareholder proposals supported by Amundi recorded a support level equal or above 20%,
→ of which 6 shareholder proposals received majority support.

25. Based on data provided by ISS

Table 5: Notable Proposals Related to Social Topics

Name of the company	Country	Sector	Proponent	Resolutions	Rationale	Amundi Vote	Results at the AGM
K+S AG	Germany	Materials	Management	Approve Remuneration Report	Excessive compensation	Against	64.4% of dissent - rejected
Canon, Inc.	Japan	Technology Hardware & Equipment	Management	Elect Director Mitarai, Fujio	Lack of gender diversity - Board level	Against	49.4% of dissent - passed
Starbucks	USA	Consumer Services	Shareholder	Commission Third Party Assessment on Company's Commitment to Freedom of Association and Collective Bargaining Rights	Protection of labour rights	For	52% of support - passed
Metro Inc	Canada	Consumer Discretionary Distribution & Retail	Shareholder	Report on Actual and Potential Human Rights Impacts on Migrant Workers	Protection of labour rights and human rights	For	28.8% of support - rejected
Wells Fargo & Company	USA	Banks	Shareholder	Report on Prevention of Workplace Harassment and Discrimination	Protection of labour rights and human rights	For	57.3% of support - passed
Kyushu Electric Power Co.	Japan	Utilities	Shareholder	Increase Disclosure of Executive Compensation	Increase transparency on remuneration	For	28.1% of support - rejected

Engaging on Governance Items

Voting and engagement are pivotal components of Amundi's Global Responsible Investment Policy serving as powerful tools for driving positive change and are integral to our role as stewards of capital. Through active engagement, we initiate direct dialogues with companies and the market, fostering transparency, accountability and enhancing practices.

Amundi's engagement efforts on governance themes can take various forms such as:

- *Direct discussions with issuers*, allowing to communicate our expectations during pre-AGM as well as off-season engagements sessions during which we seek to foster stronger governance practices that strengthen sustainable development.
- *Voting intentions alerts*, are sent to companies ahead of the AGM, providing a clear rationale for our votes, and offering companies an opportunity to share their perspectives.
- *Collaboration with fellow investors* and participation to corporate governance events, allowing us to share our views and expectations with various market participants.
- *Questions asked at General Meetings*.
- *Answers to Public Consultations*, to ensure new regulations protect shareholder rights.

01 Filing shareholder resolutions

Our commitment to proactive stewardship is demonstrated in our engagement strategy, where we view filing shareholder proposals as a powerful mechanism to advocate for responsible practices. Depending of the situation, we might escalate our efforts by filing proposals to amplify our impact.

Amundi continued its engagement efforts this year by submitting two proposals as co-filer at the AGM of the Japanese Utilities company Electric Power Development Co. (known as J-Power) related to GHG reduction targets and their link with executive compensation. Furthermore, we have taken further steps by filing for the first time a shareholder proposal in the U.S for Martin Marietta as the lead filer, seeking additional disclosure around GHG reduction targets aligned with the Paris Agreement.

Shareholder proposals can also serve as an effective mean to expose companies to emerging issues, such as antimicrobial resistance (AMR), considered one of the most important health threats to date. Accordingly, Amundi co-filed proposals for Tyson Foods, Hormel Foods, and McDonalds urging them to comply with WHO guidelines on antimicrobial use across their supply chains, emphasizing the importance of considering their impact on community and societal wellbeing.

Amundi has also co-filed proposals for Amazon addressing concerns related to working conditions and transparency in tax practices, in order to understand whether the company is contributing responsibly to society.

Name of the company	Country	Sector	Resolutions	Amundi lead/ Name of the lead	Theme	Results at the AGM
J-Power- Electric Power Development Co., Ltd.	Japan	Utilities	Amend Articles to Disclose Business Plan through 2050 Aligned with Goals of Paris Agreement	Co-filer	GHG reduction targets	FOR: 21.2%
J-Power- Electric Power Development Co., Ltd.	Japan	Utilities	Amend Articles to Disclose How Executive Compensation Policy Contributes to Achievement of Greenhouse Gas Emission Reduction Target	Co-filer	Executive Remuneration	FOR: 15.0%
Martin Marietta Materials Inc.	USA	Construction Materials	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	Lead filer	GHG reduction targets	FOR: 32.8%
Tyson Foods, Inc.	USA	Food Products	Comply with World Health Organization Guidelines on Antimicrobial Use Throughout Supply Chains	Co-filer	Public Health	FOR: 4.6%
Hormel Foods Corporation	USA	Food Products	Comply with World Health Organization Guidelines on Antimicrobial Use Throughout Supply Chains	Co-filer	Public Health	FOR: 5.9%
McDonald's Corporation	USA	Consumer Services	Comply with World Health Organization Guidelines on Antimicrobial Use Throughout Supply Chains	Co-filer	Public Health	FOR: 18.4%
Amazon.com Inc	USA	Retailing	Commission a Third-Party Audit on Working Conditions	Co-filer	Working conditions	FOR: 35.2%
Amazon.com Inc	USA	Retailing	Publish a Tax Transparency Report	Co-filer	Tax transparency	FOR: 17.6%



Case study 15: Martin Marietta Materials, Inc- Environmental shareholder proposal filed by Amundi

Region: North America

Sector: Materials

Context

Since 2020, Amundi has been leading a collaborative engagement supported by other investor members of the CA 100+ coalition with Martin Marietta Materials, a construction materials company based and operating in the United States. The Company has been identified as a climate underachiever in the CA 100+ Net Zero Company Benchmark. At that time, the Company failed to release critical climate-related information and disclosed carbon emissions reduction targets that cover only part of its activities and material scopes. The Company presented limited climate ambitions overall, which Amundi considered unaligned with the Paris Agreement. Despite our engagements with the Company in 2021 and 2022, multiple critical elements of its climate strategy were still considered inadequate.

Amundi Actions

While the Company demonstrated some efforts on a few issues, notably on the extension of its net zero commitment to scope 1 (as opposed to scope 2 only before), no agreement was found on those four critical ones:

- Raise the ambition of interim targets on direct cement greenhouse gas emissions intensity
- Avoid the use of offsets to achieve scope 2 interim target
- Seek for an external validation of its targets (e.g., Science Based Targets initiative - SBTi)
- Report main greenhouse gas emissions drivers

In this context, in 2023 Amundi decided to file a shareholder proposal at the Company AGM. The proposal called the Company to set proper interim greenhouse gas emissions reduction targets, in line with the Paris Agreement, and backed by a robust decarbonization strategy.

Our resolution received the support of the two major proxy advisors (ISS and GlassLewis) and reached a 32.8% approval rate at the annual general meeting. A significant support given the particular context of ESG pushback in the USA.

Engagement Outcome & Issuer Momentum

During the summer, we received an invitation from Martin Marietta Materials for a meeting. In September, we discussed with the management about the substantial progress the Company made within the last months; it notably:

- Started to report to CDP (2023 edition);
- Signed in September 2023 the commitment letter that requires the Company to develop and submit science-based targets (covering all scopes 1&2 emissions + scope 3 deemed material by the SBTi) for 1.5°C validation to the SBTi within the two next years;
- Converted around 90% of the cement production into Portland Limestone Cement, a type of cement with lower clinker content (it can be reduced from 90-95% to 80-85%).

We welcomed those significant improvements positively as this will allow investors to assess and provide more accurate, fact-based recommendations to the Company on its climate strategy.

Next steps

There is still room for progress and we will continue engaging with the Company, but we value the achievements made by the Company in 2023 and consider significant positive outcomes from our engagement.

Case study 16: Amazon.com, Inc – Social shareholder proposal filed by Amundi



Region: North America

Sector: Consumer discretionary distribution & retail

Context

The AGMs of Amazon.com (Amazon), the USA online retailer, has clearly illustrated how Amundi's voting decisions are informed by a comprehensive analysis of companies' performance on environmental and social aspects, as well as good governance considerations. Historically, the Company has faced multiple controversies, including, most notably, obstruction of employee's rights to freedom of association and collective bargaining, regular reports of health and safety risks and incidents and persistent product safety issues. It has also demonstrated weaknesses in environmental and tax responsibility practices, as well as in executive remuneration strategy, raising our concerns about ESG performance which informed our voting decisions. Amundi has engaged with Amazon extensively on these subjects for many years, and most substantially since 2019, with little impactful evolution.

In 2022, Amundi voted against Amazon's Say on Pay due to executive compensation levels being deemed as excessive and the absence of relevant ESG metrics in executive remuneration. We also voted against the renewal of the Audit Committee Chair due to controversies related to working conditions, and supported several shareholders proposals related to the Company's environmental and social conduct.

Amundi Actions

After the 2022 AGM, Amundi was considering additional potential opportunities for further escalation of our engagement due to the continued lack of evolution, including filing shareholder proposals. We engaged with the Company during the 2022 AGM to explain our votes. We then had two other meetings in 2023 before the Company's AGM, as well as additional engagements with Amazon throughout the year, in which we reiterated our key expectations on ESG matters to the Company, including compensation, Board independence, responses to environmental and social controversies and suggested improvements to policies and practices on related matters.

Engagement Outcome & Issuer Momentum

Despite the several engagements with the Company, no fruitful progress was noticed. Ahead from the 2023 AGM, we therefore decided to co-file two shareholder proposals:

- A proposal on working conditions, requesting to commission an independent audit. The resolution received 36% support from the shareholders.
- A proposal on tax transparency, requesting to publish a report. The resolution received support from 18% of the Company's shareholders. Tax practices and disclosure concerns are amongst our key engagement topics for the Company.

Further, due to our concerns related to the social controversies and the lack of momentum to change policies and practices around key topics that have continued to be discussed in annual engagements (including employee safety & working conditions, freedom of association and collective bargaining, and tax practices), we voted against all Directors and Executives with a tenure of over two years (1 to 29% dissent).

Although the two proposals we co-filed did not receive sufficient support to pass, we saw some developments at the Company on the matter of tax responsibility in 2023.

Next steps

In 2024, we will continue to follow up on these topics, notably responses to controversies and our social and environmental engagement asks. We will also assess additional opportunities for escalation on matters where the Company continues to demonstrate limited progress, particularly workers' rights to freedom of association, collective bargaining and health and safety.

02 Assessing practices and progress via regular dialogues

Direct discussions with issuers may also happen in a more targeted way, through themed dialogues. In such cases, the Amundi ESG research team closely monitors the progress

made by these companies on specific themes. If companies do not take sufficient action to address the identified concerns, voting may be used as an escalation measure.

Engaging with Financials on ethics controversies

Context

Rationale for Engagement Campaign

Controversies are an important topic for Amundi, as their reputational and financial impact could have a detrimental effect on an issuer's valuation as well as on society. The financial sector specifically is exposed to a high level of controversies, notably compared to other sectors. The most often recurring controversies in the sector concern business ethics and anti-competitive practices. The root cause for most of these issues turns out to be a failure in internal controls, and thus governance related. Amundi closely monitors the financial sector for its involvement in these controversies, among others through its engagement activity.

Amundi Actions

Engagement Selection

During 2023 we engaged with 11 financials on ethics-related controversies. These issuers were selected based on their ongoing or legacy involvement in severe ethics-related issues.

Engagement Objectives

There were two broad aims for our engagement:

1. Increase awareness of importance of (absence of) controversies for Amundi as controversies are factored into our issuer view as well as into investment and voting decisions
2. Encourage companies to improve practices (i.e. root cause analysis, corrective actions / remediation, etc.) and provide transparency in terms of reporting on the issues.

Engagement Outcome & Issuer Momentum

Controversies can be a difficult and sensitive topic to engage on, particularly when still active, as most companies are reluctant to discuss in detail ongoing regulatory or legal matters. Hence, our engagement on ethics-related controversies focuses on encouraging the issuer to provide transparency in the following areas:

- Factors that led to the issue occurring (i.e. root cause analysis)
- Remediation action taken (i.e. new procedures and processes, client compensation, etc.)
- Outcome of the action (i.e. what worked / what did not work)

Amundi believes that transparency in the areas above is important as it allows stakeholders to understand what corrective actions have been taken by the company to ensure that similar issues will not occur in the future.

Our engagement produced the following observations:

- Most financials would not comment on specific controversies.
- An institution that would comment on a specific controversy was keen to stress that many of the deficiencies were self-identified.
- Several institutions did provide good disclosures on remediation plans for specific controversies and discussed how these plans are proceeding.
- One institution pointed out that controversies can take time to work through and stressed the different approach of its current management versus the previous one. This institution gave the example that, on the controversy news coming out, it had the process paused so that it could be reviewed to see if any adjustments needed to be made. The company pointed out that this was a different approach than would have been taken by previous management.
- One financial commented that some of the controversies still being discussed today date from the financial crisis and that it was hard to define why these should still be under consideration.
- Another company said that many controversies are now legacy issues, explaining the measures it has taken and processes it has put in place to manage controversy risk.

On the topic of transparency, we observed the following best practice: one of the banks said to consistently report on the development of its controversy, striving for an as robust as possible disclosure, in the light of ongoing legal and regulatory matters.

Positively, several financials acknowledged and said they would take into consideration our feedback around the need for balanced reporting on controversies. In other words, transparency on factors that led to the issue, remediation action taken and outcome of the action.

Company	Assessment at start of engagement	Recommendations
Company A Region: Europe	Involvement in a wide range of controversies	Reassess the risk 'envelop' given from top management down to lower levels
Company B Region: Europe	Set up a new corporate governance & reporting structure for the merged entity	Have uniform risk policies across the wider group
Company C Region: Asia	Involved in a large ethics controversy & several customer-related controversies	Provide transparency on factors that led to the issues and on remediation actions
Company D Region: North America	Remains subject to capital add-on by regulator in relation to past ethics controversies	Balanced reporting on controversies so stakeholders can understand what measures have been taken to prevent similar issues in future

Next Steps and Amundi Perspective of Engagement

In general, the financial institutions engaged were receptive to discussing the topic. All were open to our feedback on the need for better transparency in disclosures around controversies. Amundi believes that improving transparency on the reporting around controversies is important as it enables stakeholders to form their own views of the issues. However, generally speaking, the financial sector as a whole does have room for improvement in terms of transparency around

ethics-related controversies. We will continue to engage on ethics-related controversies in 2024, expanding the number of companies we discuss this topic with. As already done in the past, Amundi will use voting as an escalation measure if we see that a financial company is either consistently involved in new ethics-related controversies or has not taken enough action to address issues that have led to legacy controversies.

High dissent engagement

Context

As long-term investor, Amundi is attentive to how portfolio companies engage with and respond to their shareholders. Indeed, Board responsiveness is expected in particular when significant dissent has been recorded at the shareholder meeting. Amundi considers that a 20% vote against management proposals or a 20% of support for shareholders proposals is the threshold above which we expect companies to take action to understand the reasons of this opposition and to disclose a response.

Amundi Actions

Engagement Objectives

In 2023, Amundi launched a dedicated engagement on a sample of companies to assess the Board responsiveness to previous shareholder votes and to encourage companies to disclose and explain what feedback they received, and demonstrate a reasonable level of responsiveness in addressing the concerns of these shareholders.

Engagement Selection

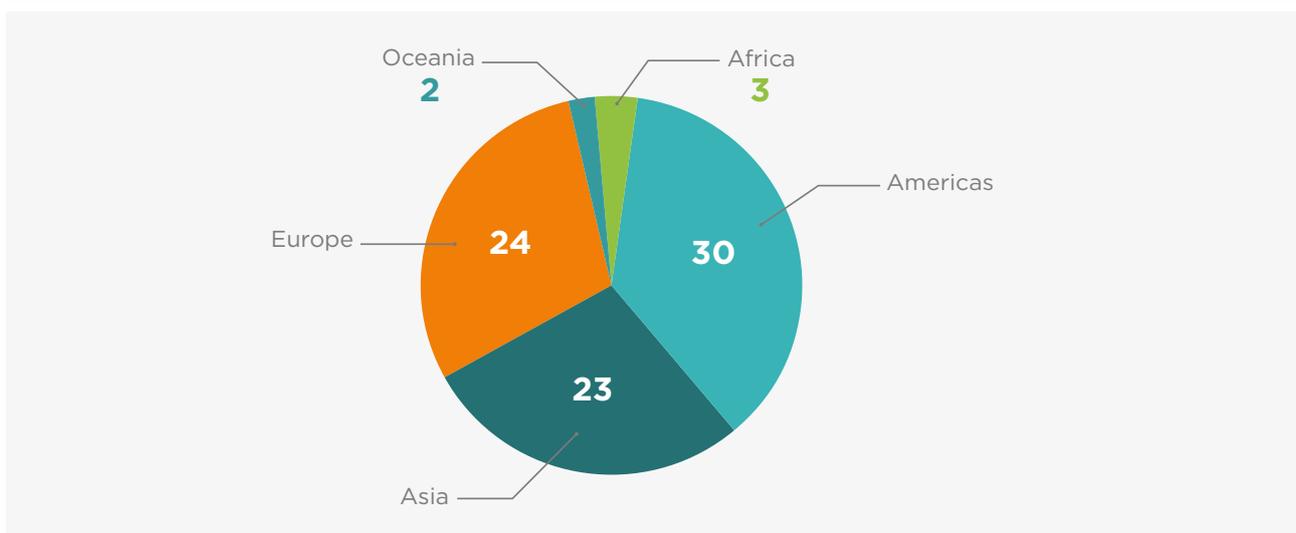
During our day-to-day dialogue with the companies, the Voting & Corporate Governance team has systematically discussed with

companies regarding the Board responsiveness following dissent expressed by investors at their last AGM.

At the beginning of 2023, Amundi decided to escalate the matter and to initiate proactive dedicated engagements. To define the scope of these engagements, we have identified issuers for which we have exercised our voting rights in 2022 and for which we have voted against management recommendations on three type of resolutions: ① Directors' re-election, ② Executive compensation and ③ shareholder proposals. We have then selected only resolutions that received more than 20% dissent (10% if the company is controlled).

Thus, in February 2023, Amundi sent 82 letters to Board Chairs, across all markets and sectors, to ask them to engage with its shareholders before the next AGM and to disclose the specific concerns voiced by dissenting shareholders and the actions taken by the Board in response to these votes. In case the Board exhibited a poor level of communication and responsiveness to shareholders, Amundi exercised its voting rights at the 2023 AGM by not supporting the re-election of some Board members.

Graph 4: **Geographical breakdown of targeted companies**



Source: Amundi Asset Management

Engagement Outcome & Issuer Momentum

Positive outcome of our high dissent campaign : Among the targeted companies 23% have been notably responsive, ranging from those showing real interest and defining improvement strategies to those actively making positive changes

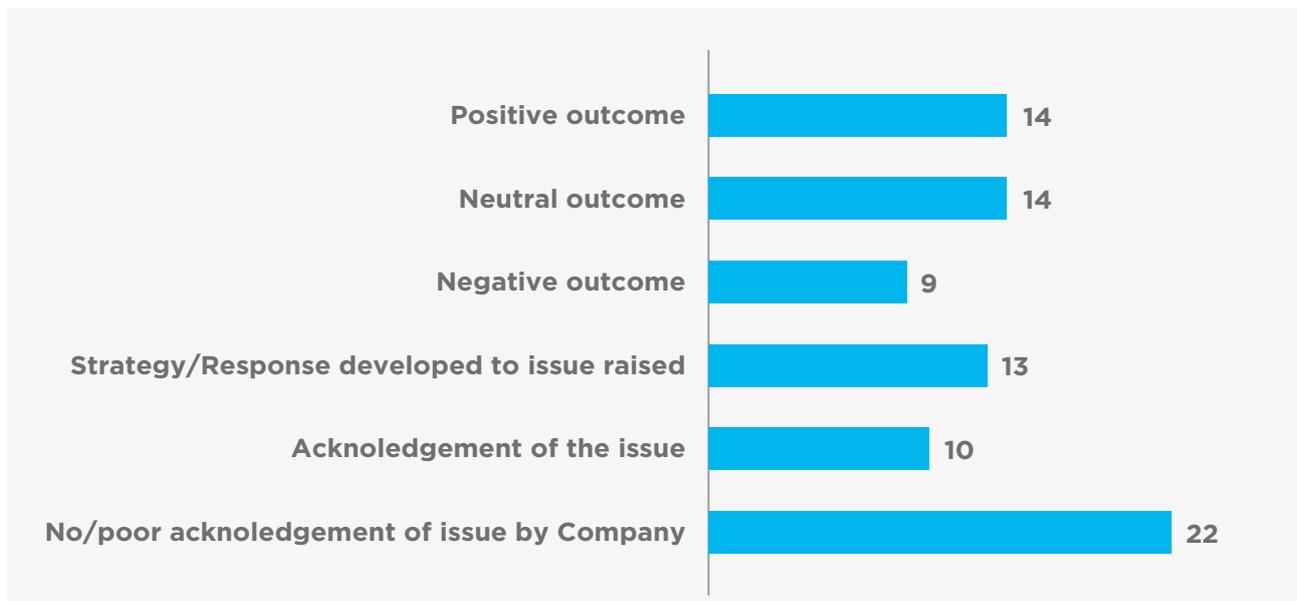
As of December 31st 2023, 50% of the targeted companies have been responsive to our engagements with three degrees of implication (from the lower to higher):

- 17% have only communicated on the investors' feedbacks but with no specific actions put in place

- 16% showed a real interest with some already defining a strategy or taking a commitment to improve the issue(s) raised
- 7% have gone further and made positive changes in response to shareholders concerns.

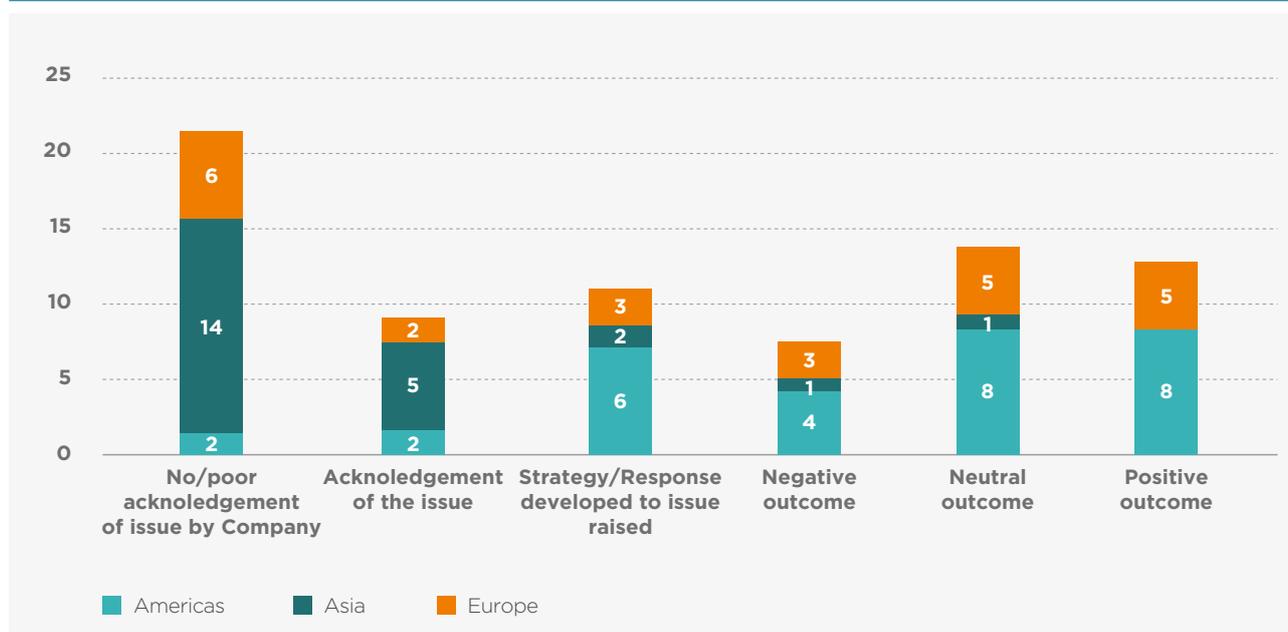
However, the results of the campaign evidence that the most Boards are still insufficiently responsive to investors as 38% of the companies neither acknowledged receipt of our letter nor disclosed any feedback in their reports and no positive changes were implemented. Lastly 12% only acknowledged receipt of our letter and the issue. To note that Asian companies were less receptive to the issue (14 out of the 23 did not acknowledge the issue and only two have defined a strategy to respond).

Graph 5: **Companies responsiveness assessment (as of December 2023)**



Source: Amundi Asset Management

Graph 6: **Companies responsiveness assessment with a focus on the three main geographical zone targeted (standing for 94%) (as of December 2023)**



Source: Amundi Asset Management

Macro Sector	Assessment at start of engagement (year 1)	Past Recommendations (Year of current engagement -1)	Status in 2023	Change
Company A Sector: Telecommunication Country: Europe	Dissent on the Remuneration report (47%)	<ul style="list-style-type: none"> Excessive compensation, lack of ESG criteria Concerns on the one-off awards granted and the severance terms 	<ul style="list-style-type: none"> Company engaged with us Compensation remains excessive but the Board has been responsive by removing the possibility to grant one-off awards and the claw back period is extended from 24 to 36 months <p>We voted for the remuneration policy but against the remuneration report (7% dissent in 2023 for both resolutions).</p>	↑
Company B Sector: Utilities Country: Australia	Dissent on the approval of the Climate Transition Plan (21%)	<p>We encouraged the Company to enhance its plan in particular on:</p> <ul style="list-style-type: none"> Defining targets on scope 3 emissions for all operations Aligning the absolute operational emissions reduction targets with 1.5° objectives Disclosing further information about incentives and Climate/ESG KPIs 	<ul style="list-style-type: none"> Company asked to engage following the reception of the letter Company acknowledged our suggestions and appeared to be willing to move in the right direction on some topics, but it still lags behind on a number of important topics No vote on the Climate plan at the 2023 AGM but we voted against the remuneration report for the lack of disclosure on the ESG KPIs (26% dissent) and remuneration committee members (4-6% dissent) 	→
Company C Sector: Financial Country: USA	Dissent on: <ul style="list-style-type: none"> Election of one Board member (21%) Compensation report (77%) 	<ul style="list-style-type: none"> Overboarding for one Director Excessive compensation, lack of ESG criteria, concerns on the remuneration structure 	<ul style="list-style-type: none"> No reaction from the Company to our letter The compensation committee demonstrated only a limited degree of responsiveness to shareholder concerns We voted against the remuneration report (68% dissent in 2023) and the remuneration committee members (from 27% to 45% dissent in 2023) 	↓

Next steps

Amundi will continue these engagements by selecting new issuers that faced significant dissent during the 2023 proxy season campaign. We will escalate the matter if Board responsiveness is not sufficient by expressing our discontent through the exercise of our voting rights against some Directors' re-elections.



Case study 17: Symrise – High dissent engagement on executive remuneration

Region: Europe

Sector: Materials

Context

Since 2021, Amundi has been engaging with a Swiss company in the chemicals industry concerning executive remuneration.

Amundi Actions

Various concerns were raised, including one-off discretionary payments to multiple executives, insufficient disclosure and absence of a long-term component in the remuneration structure. Amundi thus voted against the 2022 remuneration report and alerted the Company.

Besides, within the framework of its “High Dissent engagements”, Amundi communicated its expectations that the Board should provide a detailed explanation on the actions taken, considering the substantial dissent from shareholders (47%).

Engagement Outcome & Issuer Momentum

At the 2023 AGM, Symrise provided a comprehensive comparison of the feedback received at the previous year’s AGM and the implementation of new measures during 2022. The Company also disclosed overall ex-post disclosure of the defined targets and actual achievement of each performance criterion. Furthermore, the Board decided to eliminate the grant of additional or guaranteed payments for resignations and extended the long-term incentive.

Due to these significant improvements, Amundi was able to support the remuneration report which received 90% support from shareholders. The Company not only has addressed the main issues, but also received praised from Amundi for the inclusion of the ESG KPI into the LTI.

Next steps

Amundi intends to continue engaging with the Company for further improvements and will not hesitate to flag any new potential issues that may rise.



Case study 18: Woodside – High dissent engagement on Say on Climate & executive remuneration

Region: Developed Asia

Sector: Energy

Context

In 2022 Amundi voted against an Australian petroleum exploration and production company's Say on Climate proposal (supported by 49% of the shareholders). We notified the Company, Woodside Energy, of our vote and we encouraged the Company to bolster its Net-Zero ambition, suggesting measures such as limiting their recourse to carbon offsets to achieve CO2 reduction goals, exploring profitable options for low-carbon solutions, and implementing deep emission abatements aligned with 1.5°C scenarios, etc.

Amundi Actions

After the 2022 AGM, Amundi decided to engage with the Company and included it in the high dissent engagements. We sent a letter to the Chair of the Board, asking to disclose an explanation for the dissent and to demonstrate a reasonable level of responsiveness in addressing shareholders' concerns regarding the Say On Climate proposal.

Engagement Outcome & Issuer Momentum

The company did not reply to our letter and to our engagement proposal. At the 2023 AGM, we received the Company materials (proxy statement, annual report, climate report). However, given our concerns related to climate report and the lack of responsiveness, we voted against the Board members of the Audit Committee with a tenure of more than a year (only one eligible member on a ballot this year – 13% dissent).

Additionally, we supported a shareholder proposal requesting the Company to disclose information, demonstrating how its capital allocation to oil and gas assets will align with a Net-Zero scenario. This proposal was eventually withdrawn.

Finally, we voted against the remuneration report, primarily due to the insufficient level of disclosure on the individuals KPIs part of the short term's performance criteria and that included notably the ESG KPIs. The remuneration report was adopted but received a higher level of dissent (21% dissent vs 4%-5% over the last two years).

We emailed the Company to explain our votes against the management at the AGM, but we did not receive any comments from the Company.

Next steps

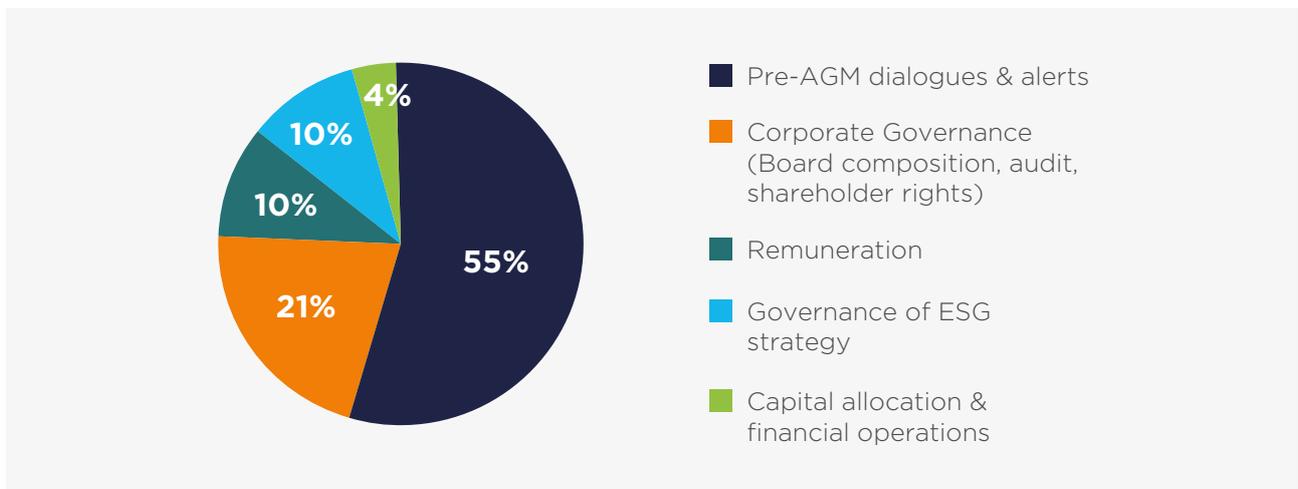
We will monitor the improvement in the remuneration report and in the Company Climate strategy. Besides, the Company will be included again our 2024 high dissent engagements due to the dissent received on the remuneration report.

03 2023 engagement statistics

In 2023, under Amundi’s commitment to a Strong Governance for Sustainable Development, Amundi engaged on the range of governance topics with 1,543 companies. While the voting alerts and pre-AGM dialogues represent more than half of these engagements, Amundi holds dialogues with companies and

Board members all year long to strengthen governance practices, including the protection of shareholder rights, the implementation of effective audit and internal control mechanisms, as well as the setting of well-structured executive remuneration packages.

Graph 7: **Distribution of governance-related engagements based on number of engagements**



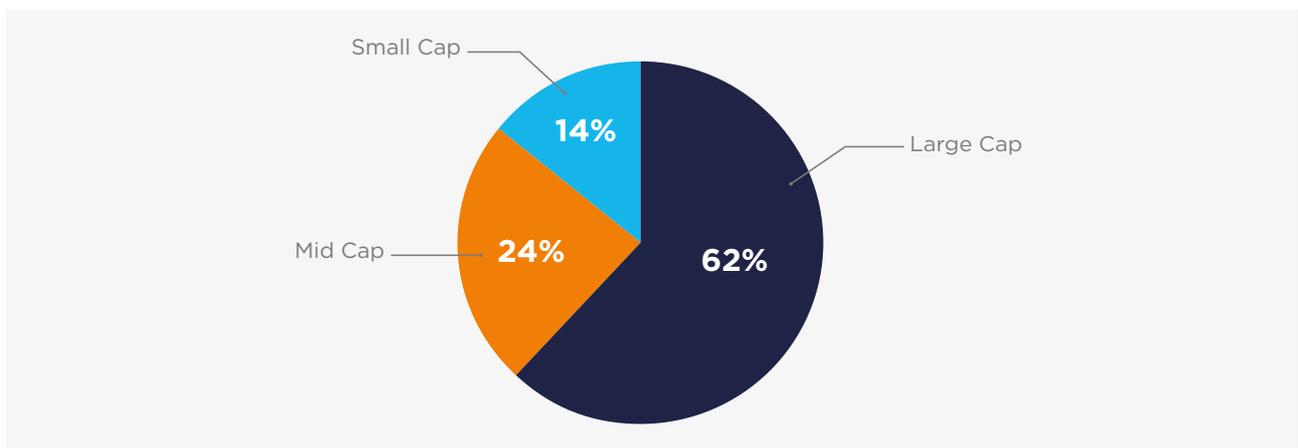
Source: Amundi Asset Management

On a pre-defined “qualitative universe”, which considers the financial materiality of votes at the fund level and aggregated, as well as meetings deemed significant due to the inclusion of specific proposals (such as shareholder proposals on environmental and social topics), the Voting team will systematically alert companies of our voting intentions. This approach ensures that we engage with a diverse array of companies,

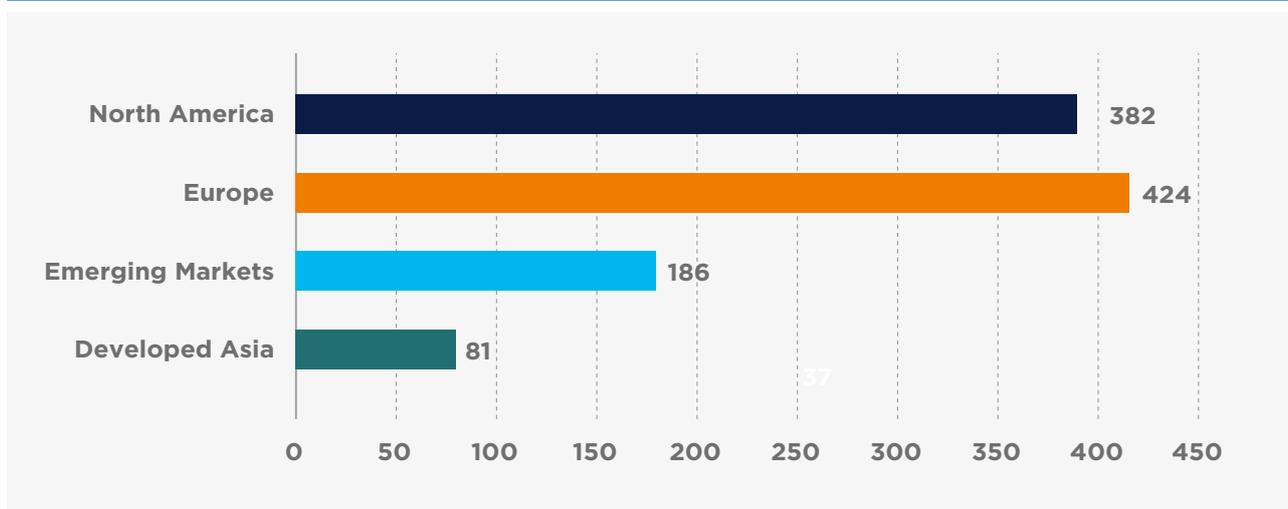
rather than exclusively concentrating on those with a large capitalization, in order to protect the interest of all our clients.

In 2023, Amundi sent voting alerts to 1,073 issuers, which led to exchanges with 196 of these companies.

Graph 8: **Distribution of voting intentions alert based on market capitalization**



Source: Amundi Asset Management

Graph 9: **Geographical distribution of voting intentions alerts**

Source: Amundi Asset Management

04 Questions at AGMs as a mode of escalation

If the action plan of an issuer appears weak, Amundi employs a "Toolbox" approach to engagement escalation, aiming to incentivize positive change in issuers. Amundi may enact a mode of escalation that includes (in no particular order), negative overrides in one or several criteria of the ESG score, questions at AGMs, filing a shareholder proposal, votes

against management, public statements, ESG score caps and ultimately exclusion if the matter is critical. Asking questions at AGMs may help to receive an answer from a Company unresponsive to engagements. It can also be used to attract attention from co-shareholders on a specific issue.

Case study 19: Nvidia Corporation – Board diversity-related question

Region: North America

Sector: Semiconductors & Semiconductor Equipment

Context

At the end of 2022, Amundi had sent letters to some Board Chairs of companies whose Board lacked diversity.

Amundi Actions

During the 2023 proxy season, Amundi decided to escalate the issue and used its right, as shareholder, to raise questions at the AGM of several companies that still lacked of diversity and did not respond to our letter. At the 2023 AGM of Nvidia, a company that provides graphics, computer and networking solutions, the number of female Directors was still below our requirements, with no changes since 2021, despite our letter. Consequently, Amundi decided to escalate and raised a question on Board diversity at the AGM.

Engagement Outcome & Issuer Momentum

The Board replied that they continue to seek highly qualified women and individual from under-represented groups and that they expect Board diversity to improve by the 2024 meeting.

Next steps

While we welcomed this announcement, we will continue to monitor the diversity of Nvidia's Board and vote accordingly next year.



Case study 20: Home Depot - ESG KPI-related question

Region: North America

Sector: Consumer discretionary distribution & retail

Context

Home Depot is an US based home improvement retailer. The company is highly exposed to many issues including in the supply chain, deforestation (as they sell wood products), as well as working conditions and employee welfare with their direct employees. Given the range of environmental and social issues the Company faces, we believe the inclusion of ESG-related performance criteria in the remuneration of the top management to be even more important. This would help to ensure executives are incentivized to adequately manage these risks and implement the sustainability strategy.

Amundi Actions

We started actively engaging with Home Depot in 2022 on the key topics described above both collectively with other institutions and individually. Regarding ESG linked KPIs in executive pay, the company still had not made any progress on that as of May 2023 in advance of their annual AGM.

Amundi decided to escalate the issue by asking a question at the 2023 AGM regarding this topic. Home Depot had a public reply to our question saying “our executive compensation program focuses on pay per performance, which is inherently in all shareholders’ interests. And in addition, our core values, including taking care of associates, are embedded in our performance management processes. Our leadership development and compensation committee of the Board assesses the structure of our compensation program at least annually and considers whether to include additional criteria in any incentive structures we develop. We appreciate your input and will communicate it to the committee”. Amundi finds the inclusion of clear and quantitative ESG KPIs to be an essential step to help drive change and accelerate momentum on their ESG strategy overall (including the key topics we engage on) so we expect the Committee to review their practices.

In addition to asking the question during the meeting, we alerted the Company we would oppose again the *Ratification of Named Executive Officers’ Compensation* (supported by 95% of shareholders) as well as vote against the re-election of remuneration committee members (received more than 95% support).

Engagement Outcome & Issuer Momentum

The Company replied to our alert stating the topic of ESG KPIs had been discussed internally but they wanted to make sure that they had solid metrics that made sense and that have a real impact in the context of compensation. We do not find this argument convincing as we believe companies, especially large ones, have had many years to develop sustainability strategies, including rigorous KPIs.

Next steps

We will continue to follow up on this topic with the Company going forward in 2024.

05 Collaborative engagement campaign with CAC 40 companies

As last year, Amundi has continued to work with a group of investors to conduct an engagement campaign with CAC 40 companies by asking a series of written questions on ESG themes ahead of their AGMs. Companies are legally required to respond either orally during the AGM or by publishing the responses on their website.

This campaign aims to assess the quality of the Company's dialogue with shareholders and to assess their practices on a range of Corporate Social Responsibility (CSR) topics such as climate, biodiversity, taxation, social practices, compensation, employee savings, etc. The objectives are to: ① point out to these large companies the issues that are important to responsible investors, ② to assess the degree of transparency of the companies on these ESG-related topics and ③ to measure the level of maturity of the responses.

While the topics covered over the years remain generally similar, in order to monitor the progress of these companies, the questions become more granular. This year, 10 questions were raised among which:

- Three were related to the **Environment** pillar (alignment with the Paris agreement, biodiversity, circularity)
- Four were related to **Social** issues (ESG criteria, share buyback conditions, living wage, employee saving funds)
- Three were related to the **Governance** pillar (fiscal responsibility, lobbying charter, social partners).

Since 2022, Amundi's Voting team has been involved in the review of the questions related to the ESG criteria in the compensation. In 2023, the questions focused on:

- The alignment of the E&S performance criteria chosen in the remuneration policies with the material E&S issues that the Company is facing;
- The role of the Board in ensuring the achievement of E&S objectives and reassessing the targets stringency when the achievement rates are high; and

- The inclusion of E&S criteria in the remuneration of employees.

In addition, a specific question was raised for companies whose the proportion of E&S criteria in the long-term incentive plans was less than 20% in 2022 to assess if these companies intend to increase this proportion.

The analysis highlighted those E&S criteria are more and more included in the executive compensation policies (ten companies increased the proportion of E&S criteria). However, the majority of the companies (7 out of 12) for which the weight of the E&S metrics represented less than 20%, were still reluctant to increase the weight.

Besides, the materiality of the E&S criteria chosen is not always obvious as the level of information provided was limited, not allowing to have a clear understanding of how the companies' strategic ESG issues impact the executive compensation. Moreover, generic or very limited information was provided regarding how Boards reassess the stringency of targets when they are fully achieved.

Finally, the integration of ESG criteria in the employee remuneration policy is still unclear as the general level of transparency on employee remuneration is below than the one for executives (in a context where no similar law is in place for employees as CSDR is for executives).

06 Thought leadership and public policy advocacy

Amundi contributes to moving responsible investment and corporate governance forward through participation in such initiatives as regulatory consultations and sharing of our views and expectations at events and conferences. Public policy advocacy can be a powerful stewardship tool by sharing best practices and ensuring local and international governance standards protect minority shareholder rights and enhance corporate governance standards.

CII Spring Conference – Washington

Amundi was invited to participate to a panel regarding the regulation of proxy advisors during the 2023 Spring Conference of CII (Council of Institutional Investors) in Washington. This conference is the largest corporate governance event in North America, regularly gathering over 500 representatives of investors, issuers and service providers. The panel, which also included a representative of the European Securities and Markets Authority (ESMA), discussed about the self-monitoring of proxy advisors carried out by the Best Practices Principles Oversight Committee (BPPOC). We used this opportunity to highlight that Amundi does not call for more regulation of proxy advisors as we believe the existing Code of conduct and its oversight by the BPPOC are sufficient and complementary to the monitoring work that Amundi is undertaking.

Morrow Sodali and Emisores Españoles - Madrid

In October, Amundi participated as a panellist in an event that Morrow Sodali organized in collaboration with “Emisores Españoles” in Madrid. The panel debriefed the 2023 proxy season, and discussed the new trends in corporate governance and proxy voting for the coming years (Board composition, remuneration-related proposals, say on climate, engagement, new regulatory environment). Amundi took this opportunity to reinforce the importance of Board access for investors. We also explained our policy on Board accountability and our expectations regarding the level of responsiveness to high dissent. Finally, we shared our expectations regarding executive pay, as it remained for Amundi the main reason for opposition in the Spanish market during the 2023 proxy season.

Georgeson – European Conference on Economy, ESG, and Climate Change - Madrid

Amundi was invited to participate in a panel ESG Stewardship, Escalation and the AGM in October 2023 in Madrid. This panel took place as part of the “European Conference on Economy, ESG and Climate Change” organized

by Georgeson (proxy solicitor), IE University and “Club de Excelencia en Sostenibilidad”, bringing together approximately 200 representatives of investors, issuers and service providers. The panel, which also included ESG and stewardship representatives of other asset managers discussed how specific sustainability issues are raised in voting at AGMs and factored into engagement and escalation. We used this opportunity to highlight Amundi’s vision and approach to ESG integration in our voting activity, in particular through the support from shareholder proposals and holding Board members accountable for lagging ESG practices.

Consultation on the European Listing Act Project

The European Commission launched a consultation regarding its Listing Act project, which aims at simplifying listing requirements, in order to make public capital markets in the EU more attractive. One of the proposals that has attracted significant criticism from investor groups concern the possibility for small and medium enterprises (SMEs) to offer multiple voting rights to their shareholders when they list on a stock exchange. The proposal is particularly concerning for multiple reasons:

- The dilution of the voting power of minority shareholders, often institutional investors and asset managers, seems to conflict with the objective of the European Commission to strengthen investor stewardship;
- The project introduces limited safeguards, such as sunset clauses, and each Member State would be free to introduce these safeguards or not, thus creating a risk of “race to the bottom” between the different States;
- There is, to our knowledge, no conclusive evidence that multiple voting shares are an efficient mechanism to attract SMEs.

Amundi shared this message with the regulators through different organizations that we are a member of, including AFG in France, ICGN and EFAMA.

Evolution of the Voting Policy for 2024

Our global Voting Policy is reviewed at least annually, taking into account regulatory amendments, market developments and internationally accepted best practices. Learning from the 2023 proxy season, we have updated our Voting Policy with the following key elements that we will continue focusing on in 2024:

Table 6: **Selected updates – Amundi Voting Policy 2024**

Theme	Policy update and rationale
ESG/Climate criteria in executive compensation	Amundi strengthened expectations in terms of ESG and Climate criteria: the minimum expected weight of ESG criteria (including climate criteria, depending on the sector) is 10% of variable remuneration (ST and LTI)
Independent Directors	The criteria to assess the independence of Board members were included in the policy
Exceptional & Severance payment	We added more granularity to our expectations with regard to recruitment packages, one-off awards and executive departure package
Gender diversity - Japan	Amundi increased the minimum threshold for gender diversity: from one woman to two women in order to bring the expected diversity in Japan more into line with Amundi's policy applied across all markets (33% women)
Audit committee independence	Amundi increased the minimum threshold for audit committee independence from 50% to 66%.
Appointment of auditors	The maximum auditors' mandate is now set at 24 years in our policy, to ensure some rotation of auditors
Environmental & social issues	We added more granularity to our expectations with regard to say on climate, social cohesion, Board responsibility and shareholder proposals

2023 Amundi Voting statistics

01 Voting statistics for 2023 - A Global View

Voting statistics	2020	2021	2022	2023
Number of companies voted	3,397	4,008	7,554	7,751
Number of meetings voted	4,240	7,309	10,208	10,357
Meetings voted with at least one vote "Against Management"	71%	64%	69%	69%
Number of items voted	49,960	77,631	107,297	109,972
Number of items voted "Against Management" (*)	20%	20%	21%	24%
Votes "Against Management"	2020	2021	2022	2023
Number of items voted "Against Management"	10,032	15,303	22,550	26,459
Proportion of votes "Against" / category				
Board structure	19%	20%	24%	29%
Compensation	31%	45%	38%	37%
Financial Structure	28%	21%	20%	21%
Dividends (*)			7%	7%
Shareholder proposals (**)	49%	32%	35%	38%
Other	11%	8%	8%	9%
Vote in favour of Shareholder proposals	2020	2021	2022	2023
Number of Shareholder proposals	1,346	2,261	2,730	2,862
% of votes in favour of shareholder resolutions	67%	77%	68%	64%
Breakdown / theme				
Climate	87%	86%	87%	88%
Social/Health/Human Rights	81%	83%	81%	83%
ESG Items	2020	2021	2022	2023
Environment / Climate	148	196	277	292
Social	5,503	7,398	9,003	10,294
Governance	44,309	70,037	98,017	99,386

(*) A new "Dividends" category was created in 2022. These proposals were previously recorded in the "Other" category.

(**) Does not include votes for which there was no management recommendation

Source: Amundi Asset Management

02 Breakdown by Amundi Group entities

Amundi Asset Management

Global Statistics	Voted
Number of companies	6,070
Number of meetings	7,609
% of meetings voted with at least one vote "Against Management"	70%
Number of items	85,176
% of items voted "Against Management" (*)	24%
Votes "Against Management"	
Number of items voted "Against Management"	20,525
Breakdown of votes "Against Management"	
Board structure	63%
Compensation	17%
Financial Structure	8%
Dividends	1%
Shareholders' proposals	4%
Others	7%
% of votes "Against Management" for each category	
Board structure	29%
Compensation	36%
Financial Structure	20%
Dividends	6%
Shareholder proposals (*)	42%
Other	9%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	2,308
% of votes in favour of Shareholders' proposals	62%
% for each theme	
Compensation	68%
Governance	72%
Board structure	58%
Climate	87%
Environment	51%
Social / Health / Human Rights	83%
Other	55%
Breakdown per ESG Items	
Environment / Climate	280
Social	7,900
Governance	76,996
Instructions	
For	63,849 (75%)
Against	20,536 (24%)
Abstain	791 (1%)
Voted Meetings per Continent	
Africa	98%
Americas	99%
Asia	100%
Europe	97%
Oceania	100%

(*) except the shareholders' proposals without recommendations from the Management
n.a. means not applicable

Amundi Austria

Global Statistics	Voted
Number of companies	537
Number of meetings	581
% of meetings voted with at least one vote "Against Management"	79%
Number of items	8,465
% of items voted "Against Management" (*)	24%
Votes "Against Management"	
Number of items voted "Against Management"	1,985
Breakdown of votes "Against Management"	
Board structure	59%
Compensation	20%
Financial Structures	4%
Dividends	1%
Shareholders' proposals	11%
Others	5%
% of votes "Against Management" for each category	
Board structure	27%
Compensation	31%
Financial Structure	9%
Dividends	3%
Shareholders' proposals (*)	68%
Other	8%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	363
% of votes in favour of Shareholders' Proposals	66%
% for each theme	
Compensation	82%
Governance	64%
Board structure	41%
Climate	91%
Environment	88%
Social / Health / Human Rights	80%
Other	32%
Breakdown per ESG Items	
Environment / Climate	95
Social	1,261
Governance	7,109
Instructions	
For	6,537 (77%)
Against	1,908 (23%)
Abstain	20 (0%)
Voted meetings per Continents	
Africa	100%
Americas	100%
Asia	96%
Europe	91%
Oceania	100%

(*) except the shareholders' proposals without recommendations from the Management
n.a. means not applicable

Amundi Deutschland

Global Statistics	Voted
Number of companies	656
Number of meetings	700
% of meetings voted with at least one vote "Against Management"	81%
Number of items	10,579
% of items voted "Against Management" (*)	25%
Votes "Against Management"	
Number of items voted "Against Management"	2,681
Breakdown of votes "Against Management"	
Board structure	60%
Compensation	19%
Financial Structures	5%
Dividends	1%
Shareholders' proposals	10%
Others	5%
% of votes "Against Management" for each category	
Board structure	29%
Compensation	32%
Financial Structure	11%
Dividends	7%
Shareholders' proposals (*)	70%
Other	8%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	436
% of votes in favour of Shareholders' Proposals	70%
% for each theme	
Compensation	81%
Governance	70%
Board structure	49%
Climate	91%
Environment	100%
Social / Health / Human Rights	83%
Other	41%
Breakdown per ESG Items	
Environment / Climate	113
Social	1,555
Governance	8,911
Instructions	
For	8,003 (76%)
Against	2,490 (24%)
Abstain	86 (1%)
Voted meetings per Continents	
Africa	100%
Americas	100%
Asia	100%
Europe	100%
Oceania	100%

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n.a. means not applicable

Amundi Iberia

Global Statistics	Voted
Number of companies	715
Number of meetings	736
% of meetings voted with at least one vote "Against Management"	87%
Number of items	10,934
% of items voted "Against Management" (*)	33%
Votes "Against Management"	
Number of items voted "Against Management"	3,534
Breakdown of votes "Against Management"	
Board structure	71%
Compensation	14%
Financial Structures	1%
Dividends	0%
Shareholders' proposals	11%
Others	2%
% of votes "Against Management" for each category	
Board structure	39%
Compensation	30%
Financial Structure	7%
Dividends	3%
Shareholders' proposals (*)	74%
Other	5%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	619
% of votes in favour of Shareholders' Proposals	72%
% for each theme	
Compensation	88%
Governance	73%
Board structure	49%
Climate	93%
Environment	100%
Social / Health / Human Rights	83%
Other	38%
Breakdown per ESG Items	
Environment / Climate	160
Social	1,801
Governance	8,973
Instructions	
For	7,615 (70%)
Against	3,296 (30%)
Abstain	23 (0%)
Voted meetings per Continents	
Africa	100%
Americas	100%
Asia	100%
Europe	100%
Oceania	100%

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n.a. means not applicable

Amundi Immobilier

Global Statistics	Voted
Number of companies	49
Number of meetings	54
% of meetings voted with at least one vote "Against Management"	78%
Number of items	996
% of items voted "Against Management" (*)	16%
Votes "Against Management"	
Number of items voted "Against Management"	160
Breakdown of votes "Against Management"	
Board structure	49%
Compensation	24%
Financial Structures	19%
Dividends	0%
Shareholders' proposals	1%
Others	7%
% of votes "Against Management" for each category	
Board structure	20%
Compensation	26%
Financial Structure	16%
Dividends	0%
Shareholders' proposals (*)	100%
Other	5%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	1
% of votes in favour of Shareholders' Proposals	100%
% for each theme	
Compensation	n.a
Governance	n.a
Board structure	n.a
Climate	100%
Environment	n.a
Social / Health / Human Rights	n.a
Other	n.a
Breakdown per ESG Items	
Environment / Climate	4
Social	127
Governance	865
Instructions	
For	834 (84%)
Against	162 (16%)
Abstain	0 (0%)
Voted meetings per Continents	
Americas	100%
Europe	98%

(*) except the shareholders' proposals without recommendations from the Management
n.a. means not applicable

Amundi Ireland

Global Statistics	Voted
Number of companies	2,010
Number of meetings	2,160
% of meetings voted with at least one vote "Against Management"	80%
Number of items	28,302
% of items voted "Against Management" (*)	27%
Votes "Against Management"	
Number of items voted "Against Management"	7,688
Breakdown of votes "Against Management"	
Board structure	69%
Compensation	18%
Financial Structures	3%
Dividends	1%
Shareholders' proposals	7%
Others	3%
% of votes "Against Management" for each category	
Board structure	31%
Compensation	33%
Financial Structure	12%
Dividends	6%
Shareholders' proposals (*)	67%
Other	6%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	841
% of votes in favour of Shareholders' Proposals	67%
% for each theme	
Compensation	86%
Governance	72%
Board structure	44%
Climate	88%
Environment	73%
Social / Health / Human Rights	83%
Other	38%
Breakdown per ESG Items	
Environment / Climate	242
Social	3,856
Governance	24,214
Instructions	
For	20,687 (73%)
Against	7,431 (26%)
Abstain	184 (1%)
Voted meetings per Continents	
Africa	100%
Americas	100%
Asia	100%
Europe	97%
Oceania	100%

(*) except the shareholders' proposals without recommendations from the Management
n.a. means not applicable

Amundi Luxembourg

Global Statistics	Voted
Number of companies	4,687
Number of meetings	6,945
% of meetings voted with at least one vote "Against Management"	67%
Number of items	75,702
% of items voted "Against Management" (*)	23%
Votes "Against Management"	
Number of items voted "Against Management"	17,374
Breakdown of votes "Against Management"	
Board structure	56%
Compensation	18%
Financial Structures	10%
Dividends	1%
Shareholders' proposals	4%
Others	10%
% of votes "Against Management" for each category	
Board structure	30%
Compensation	35%
Financial Structure	18%
Dividends	7%
Shareholders' proposals (*)	42%
Other	10%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	2,286
% of votes in favour of Shareholders' Proposals	69%
% for each theme	
Compensation	72%
Governance	74%
Board structure	65%
Climate	89%
Environment	57%
Social / Health / Human Rights	84%
Other	66%
Breakdown per ESG Items	
Environment / Climate	268
Social	7,300
Governance	68,134
Instructions	
For	57,476 (76%)
Against	17,178 (23%)
Abstain	1,040 (1%)
Voted meetings per Continents	
Africa	93%
Americas	99%
Asia	99%
Europe	95%
Oceania	100%

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n.a. means not applicable

Amundi Sgr

Global Statistics	Voted
Number of companies	945
Number of meetings	1,115
% of meetings voted with at least one vote "Against Management"	73%
Number of items	14,194
% of items voted "Against Management" (*)	24%
Votes "Against Management"	
Number of items voted "Against Management"	3,350
Breakdown of votes "Against Management"	
Board structure	57%
Compensation	20%
Financial Structures	7%
Dividends	1%
Shareholders' proposals	8%
Others	6%
% of votes "Against Management" for each category	
Board structure	28%
Compensation	34%
Financial Structure	16%
Dividends	5%
Shareholders' proposals (*)	64%
Other	8%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	652
% of votes in favour of Shareholders' Proposals	69%
% for each theme	
Compensation	84%
Governance	77%
Board structure	59%
Climate	88%
Environment	92%
Social / Health / Human Rights	82%
Other	53%
Breakdown per ESG Items	
Environment / Climate	122
Social	1,823
Governance	12,249
Instructions	
For	10,764 (76%)
Against	3,292 (23%)
Abstain	138 (1%)
Voted meetings per Continents	
Africa	100%
Americas	100%
Asia	100%
Europe	99%
Oceania	100%

(*) except the shareholders' proposals without recommendations from the Management
n.a. means not applicable

Amundi UK

Global Statistics	Voted
Number of companies	193
Number of meetings	197
% of meetings voted with at least one vote "Against Management"	69%
Number of items	3,003
% of items voted "Against Management" (*)	22%
Votes "Against Management"	
Number of items voted "Against Management"	661
Breakdown of votes "Against Management"	
Board structure	67%
Compensation	15%
Financial Structures	2%
Dividends	0%
Shareholders' proposals	12%
Others	4%
% of votes "Against Management" for each category	
Board structure	23%
Compensation	29%
Financial Structure	6%
Dividends	2%
Shareholders' proposals (*)	70%
Other	9%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	121
% of votes in favour of Shareholders' Proposals	67%
% for each theme	
Compensation	100%
Governance	60%
Board structure	25%
Climate	100%
Environment	100%
Social / Health / Human Rights	74%
Other	38%
Breakdown per ESG Items	
Environment / Climate	31
Social	332
Governance	2,640
Instructions	
For	2,380 (79%)
Against	615 (20%)
Abstain	8 (0%)
Voted meetings per Continents	
Americas	100%
Asia	100%
Europe	100%

(*) except the shareholders' proposals without recommendations from the Management
n.a. means not applicable

BFT IM

Global Statistics	Voted
Number of companies	677
Number of meetings	720
% of meetings voted with at least one vote "Against Management"	83%
Number of items	11,599
% of items voted "Against Management" (*)	25%
Votes "Against Management"	
Number of items voted "Against Management"	2,840
Breakdown of votes "Against Management"	
Board structure	41%
Compensation	31%
Financial Structures	18%
Dividends	1%
Shareholders' proposals	3%
Others	7%
% of votes "Against Management" for each category	
Board structure	27%
Compensation	36%
Financial Structure	28%
Dividends	4%
Shareholders' proposals (*)	63%
Other	8%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	190
% of votes in favour of Shareholders' Proposals	63%
% for each theme	
Compensation	53%
Governance	60%
Board structure	60%
Climate	84%
Environment	80%
Social / Health / Human Rights	89%
Other	45%
Breakdown per ESG Items	
Environment / Climate	47
Social	2,080
Governance	9,472
Instructions	
For	8,742 (75%)
Against	2,807 (24%)
Abstain	50 (0%)
Voted meetings per Continents	
Americas	99%
Asia	100%
Europe	98%
Oceania	100%

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n.a. means not applicable

CPR AM

Global Statistics	Voted
Number of companies	1,573
Number of meetings	1,820
% of meetings voted with at least one vote "Against Management"	73%
Number of items	23,693
% of items voted "Against Management" (*)	25%
Votes "Against Management"	
Number of items voted "Against Management"	5,786
Breakdown of votes "Against Management"	
Board structure	57%
Compensation	22%
Financial Structures	8%
Dividends	1%
Shareholders' proposals	6%
Others	6%
% of votes "Against Management" for each category	
Board structure	29%
Compensation	34%
Financial Structure	19%
Dividends	9%
Shareholders' proposals (*)	64%
Other	8%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	675
% of votes in favour of Shareholders' Proposals	69%
% for each theme	
Compensation	80%
Governance	72%
Board structure	53%
Climate	87%
Environment	95%
Social / Health / Human Rights	83%
Other	58%
Breakdown per ESG Items	
Environment / Climate	141
Social	3,210
Governance	20,342
Instructions	
For	17,889 (76%)
Against	5,524 (23%)
Abstain	280 (1%)
Voted meetings per Continents	
Africa	93%
Americas	99%
Asia	99%
Europe	98%
Oceania	100%

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n.a. means not applicable

Sabadell Asset Management

Global Statistics	Voted
Number of companies	515
Number of meetings	629
% of meetings voted with at least one vote "Against Management"	66%
Number of items	7,316
% of items voted "Against Management" (*)	23%
Votes "Against Management"	
Number of items voted "Against Management"	1,669
Breakdown of votes "Against Management"	
Board structure	56%
Compensation	18%
Financial Structures	10%
Dividends	1%
Shareholders' proposals	9%
Others	6%
% of votes "Against Management" for each category	
Board structure	28%
Compensation	29%
Financial Structure	17%
Dividends	6%
Shareholders' proposals (*)	66%
Other	8%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	249
% of votes in favour of Shareholders' Proposals	70%
% for each theme	
Compensation	88%
Governance	57%
Board structure	43%
Climate	96%
Environment	100%
Social / Health / Human Rights	80%
Other	58%
Breakdown per ESG Items	
Environment / Climate	56
Social	884
Governance	6,376
Instructions	
For	5,714 (78%)
Against	1,560 (21%)
Abstain	42 (1%)
Voted meetings per Continents	
Africa	100%
Americas	89%
Asia	100%
Europe	97%
Oceania	100%

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Société Générale Gestion

Global Statistics	Voted
Number of companies	1,134
Number of meetings	1,206
% of meetings voted with at least one vote "Against Management"	80%
Number of items	18,525
% of items voted "Against Management" (*)	26%
Votes "Against Management"	
Number of items voted "Against Management"	4,690
Breakdown of votes "Against Management"	
Board structure	56%
Compensation	24%
Financial Structures	8%
Dividends	1%
Shareholders' proposals	6%
Others	5%
% of votes "Against Management" for each category	
Board structure	29%
Compensation	35%
Financial Structure	19%
Dividends	5%
Shareholders' proposals (*)	67%
Other	7%
Votes in Favour of Shareholders' Proposals	
Number of Shareholders' Proposals	595
% of votes in favour of Shareholders' Proposals	66%
% for each theme	
Compensation	76%
Governance	64%
Board structure	57%
Climate	86%
Environment	86%
Social / Health / Human Rights	80%
Other	40%
Breakdown per ESG Items	
Environment / Climate	139
Social	2,919
Governance	15,467
Instructions	
For	13,890 (75%)
Against	4,545 (25%)
Abstain	90 (0%)
Voted meetings per Continents	
Africa	100%
Americas	100%
Asia	100%
Europe	100%
Oceania	100%

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LEGALS

Amundi Asset Management
French “*Société par Actions Simplifiée*” - SAS with a capital stock of 1 143 615 555 euros - Portfolio management company approved by the French Financial Markets Authority (Autorité des Marchés Financiers) - under no. GP 04000036.

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