



2020 SHAREHOLDER ENGAGEMENT REPORT

FEBRUARY 2021



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DIALOGUE & ENGAGEMENT POLICY 2020

ODDO BHF Asset Management's commitment to sustainable investment is based on its long-term track-record as an investment management firm held by an independent financial group that traces its history back to 1849 and that has stable ownership. This is why corporate social responsibility is part of the group's DNA.

Dialogue, both financial and extra-financial, endows all the management teams with in-depth knowledge of the companies and is a hallmark of our ESG integration approach to all asset classes.

Approach and objectives

Generally speaking, our approach to dialogue and engagement with companies has the following objectives:

- To use ESG analysis for better understanding of the risks and opportunities arising from the growth models in sectors and companies in which ODDO BHF Asset Management has invested or is likely to invest;
- To help us validate or invalidate our views on the quality of management, based on its track-record in managing ESG challenges;
- To possess information on ESG issues, in addition to the financial statements;
- To propose areas of improvement in the extra-financial themes that have been identified, in order to assist companies in their sustainable development strategies.

In addition to fund managers' regular meetings with companies, **ODDO BHF Asset Management conducted 128 ESG interviews in 2020**. We also undertook individual and collective engagement initiatives with companies that we believe pose significant ESG risks and challenges.

Our engagement policy is implemented by our ESG Integration Committee, which meets quarterly. Its members include the head of ESG research, the chief investment officer (CIO), heads of portfolio management expertise, and the chief risk and compliance officer.

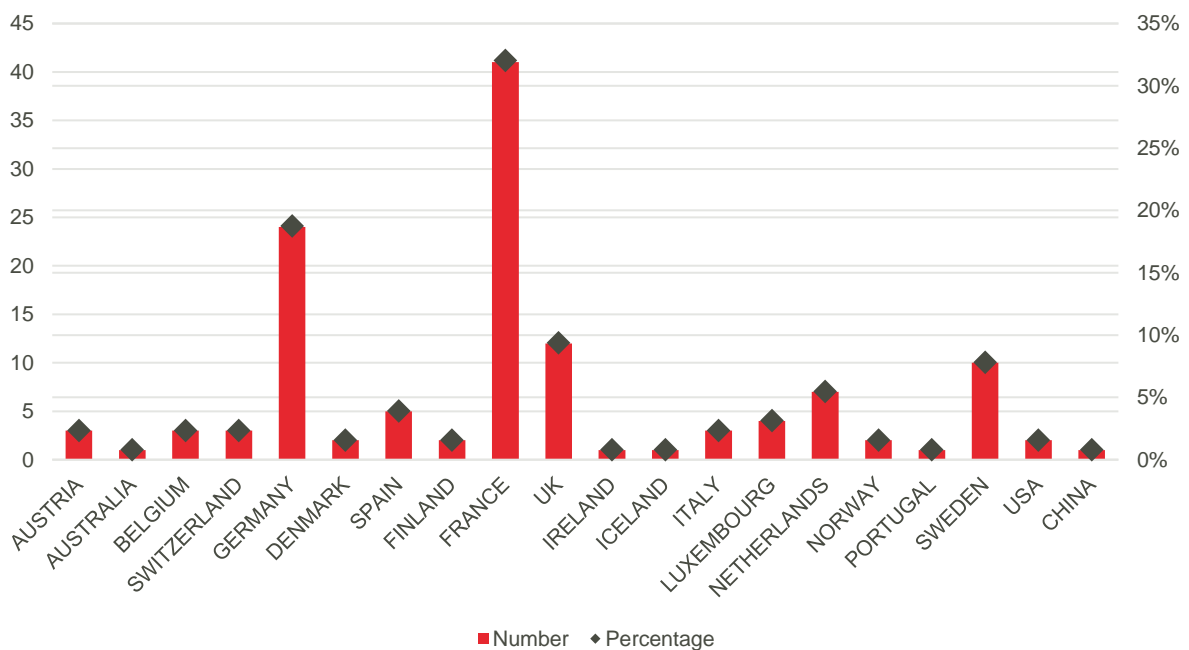


ESG DIALOGUE & ENGAGEMENT: 2020 ASSESSMENT AND STATISTICS

ODDO BHF Asset Management conducted ESG interviews with 128 European companies in 2020. Most of these were one-to-one meetings with the heads of sustainable development, board members, and heads of investor relations.

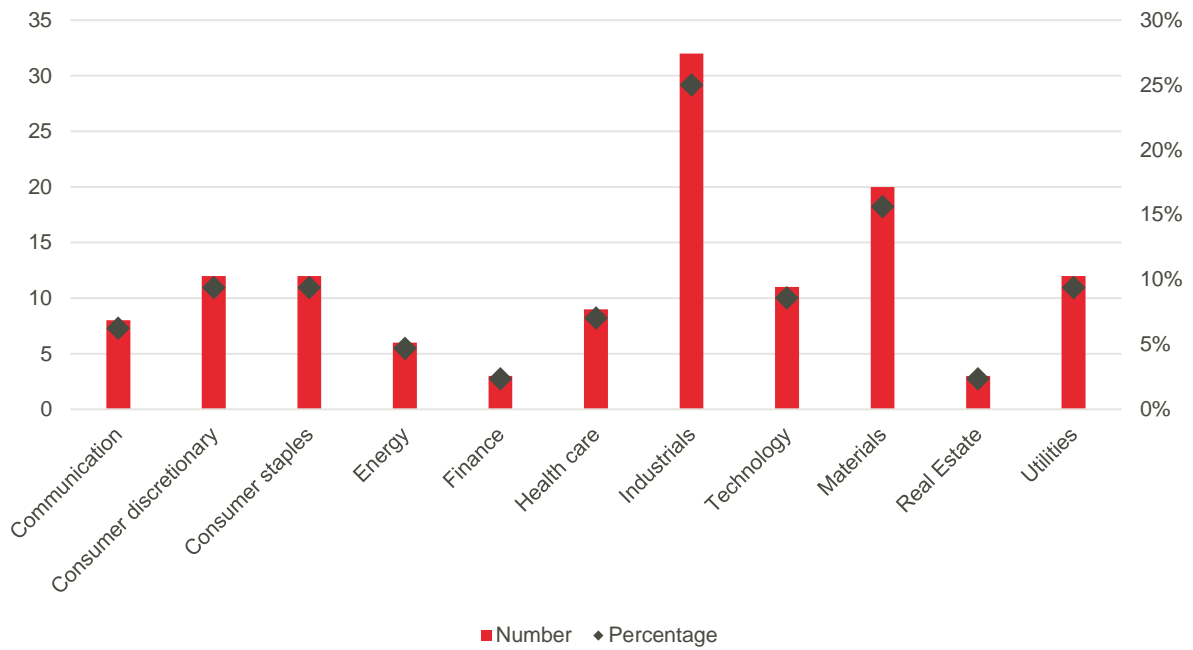
These ESG engagements involved companies and sectors in various countries. Most interviews were with French (32%) and German (19%) companies, and the most heavily represented sectors were manufacturers (25%), basic materials (16%) and consumer staples (10%).

Geographical breakdown



Source: ODDO BHF Asset Management, 31/12/2020

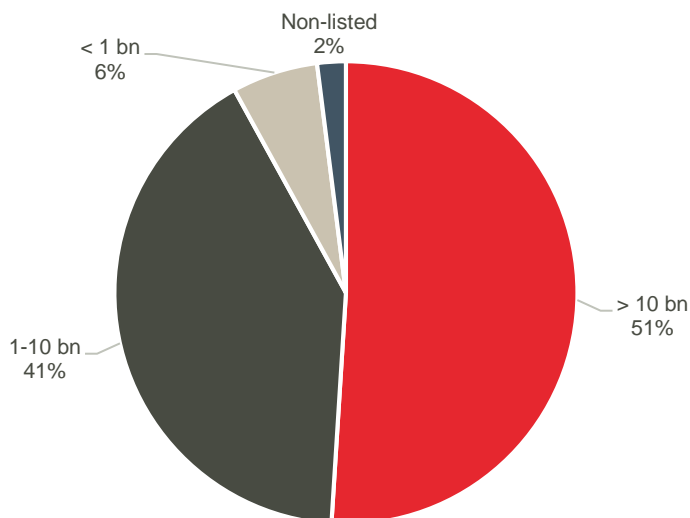
Breakdown by sector



Source: ODDO BHF Asset Management, 31/12/2020

Broken down by size, 51% of the companies that we met for ESG dialogue were large caps, 41% mid-caps, and 6% small caps. This breakdown fully reflects our bottom-up approach and our structural exposure to small and mid-caps within our fundamental management strategies.

Breakdown by size



Source: ODDO BHF Asset Management, 31/12/2020



As part of this ESG engagement process, ODDO BHF Asset Management conducted two individual actions and took part in two collaborative ones.

List of the 128 companies met under ESG engagement initiatives in 2020

HLAG GR Equity	HAPAG-LLOYD AG	Industrials	DE
EDEN FP Equity	EDENRED	Information Technology	FR
RF FP Equity	EURAZEO SE	Financials	FR
POS AV Equity	PORR AG	Industrials	AT
DUE GR Equity	DUERR AG	Industrials	DE
RIO LN Equity	RIO TINTO PLC	Materials	GB
BHP AU Equity	BHP GROUP LTD	Materials	AU
EVK GR Equity	EVONIK INDUSTRIES AG	Materials	DE
HEI GR Equity	HEIDELBERGCEMENT AG	Materials	DE
SIKA SW Equity	SIKA AG-REG	Materials	CH
LHN SW Equity	LAFARGEHOLCIM LTD-REG	Materials	CH
EDP PL Equity	EDP-ENERGIAS DE PORTUGAL SA	Utilities	PT
DG FP Equity	VINCI SA	Industrials	FR
REE SM Equity	RED ELECTRICA CORPORACION SA	Utilities	ES
1COV GR Equity	COVESTRO AG	Materials	DE
ITP FP Equity	INTERPARFUMS SA	Consumer Staples	FR
DB1 GR Equity	DEUTSCHE BOERSE AG	Financials	DE
KORI FP Equity	KORIAN	Health Care	FR
TEP FP Equity	TELEPERFORMANCE	Industrials	FR
GTT FP Equity	GAZTRANSPORT AND TECHNIGA SA	Energy	FR
LNZ AV Equity	LENZING AG	Materials	AT
HEN3 GR Equity	HENKEL AG & CO KGAA VORZUG	Consumer Staples	DE
DAI GR Equity	DAIMLER AG-REGISTERED SHARES	Consumer Discretionary	DE
MAREL IR Equity	MAREL HF	Industrials	IS
NG/ LN Equity	NATIONAL GRID PLC	Utilities	GB
BMW GR Equity	BAYERISCHE MOTOREN WERKE AG	Consumer Discretionary	DE
COV FP Equity	COVIVIO	Real Estate	FR
LIGHT NA Equity	SIGNIFY NV	Industrials	NL
ESSITYB SS Equity	ESSITY AKTIEBOLAG-B	Consumer Staples	SE
HEXAB SS Equity	HEXAGON AB-B SHS	Information Technology	SE

ATO FP Equity	ATOS SE	Information Technology	FR
ORA FP Equity	ORANGE	Communication Services	FR
WLN FP Equity	WORLDLINE SA	Information Technology	FR
ERICB SS Equity	ERICSSON LM-B SHS	Information Technology	SE
SAP GR Equity	SAP SE	Information Technology	DE
CAP FP Equity	CAPGEMINI SE	Information Technology	FR
ASML NA Equity	ASML HOLDING NV	Information Technology	NL
BT/A LN Equity	BT GROUP PLC	Communication Services	GB
EOAN GR Equity	E.ON SE	Utilities	DE
HLMA LN Equity	HALMA PLC	Information Technology	GB
SZU GR Equity	SUEDZUCKER AG	Consumer Staples	DE
DTE GR Equity	DEUTSCHE TELEKOM AG-REG	Communication Services	DE
GLB ID Equity	GLANBIA PLC	Consumer Staples	IE
SCYR SM Equity	SACYR SA	Industrials	ES
SBMO NA Equity	SBM OFFSHORE NV	Energy	NL
NK FP Equity	IMERYS SA	Materials	FR
SDG FP Equity	SYNERGIE SA	Industrials	FR
SOLB BB Equity	SOLVAY SA	Materials	BE
NEOEN FP Equity	NEOEN SA	Utilities	FR
ERF FP Equity	EUROFINS SCIENTIFIC	Health Care	LU
BFSA GR Equity	BEFESA SA	Industrials	LU
S30 FP Equity	SOLUTIONS 30 SE	Information Technology	LU
ELIS FP Equity	ELIS SA	Industrials	FR
GFS LN Equity	G4S PLC	Industrials	GB
MTU FP Equity	MANITOU BF	Industrials	FR
APPS SM Equity	APPLUS SERVICES SA	Industrials	ES
TKTT FP Equity	TARKETT	Industrials	FR
QDT FP Equity	QUADIENT SA	Information Technology	FR
AZN LN Equity	ASTRAZENECA PLC	Health Care	GB
BN FP Equity	DANONE	Consumer Staples	FR
NOVN SW Equity	NOVARTIS AG-REG	Health Care	CH
BAYN GR Equity	BAYER AG-REG	Health Care	DE
CARLB DC Equity	CARLSBERG AS-B	Consumer Staples	DK
CA FP Equity	CARREFOUR SA	Consumer Staples	FR



CO FP Equity	CASINO GUICHARD PERRACHON	Consumer Staples	FR
GSK LN Equity	GLAXOSMITHKLINE PLC	Health Care	GB
KGF LN Equity	KINGFISHER PLC	Consumer Discretionary	GB
B4B GR Equity	METRO AG	Consumer Staples	DE
PHIA NA Equity	KONINKLIJKE PHILIPS NV	Health Care	NL
SAN FP Equity	SANOFI	Health Care	FR
DIM FP Equity	SARTORIUS STEDIM BIOTECH	Health Care	FR
SPIE FP Equity	SPIE SA	Industrials	FR
SWMA SS Equity	SWEDISH MATCH AB	Consumer Staples	SE
ABI BB Equity	ANHEUSER-BUSCH INBEV SA/NV	Consumer Staples	BE
ADE NO Equity	ADEVINTA ASA	Communication Services	NO
WPP LN Equity	WPP PLC	Communication Services	GB
MUV2 GR Equity	MUENCHENER RUECKVER AG-REG	Financials	DE
LHA GR Equity	DEUTSCHE LUFTHANSA-REG	Industrials	DE
ASL GR Equity	AKASOL AG	Industrials	DE
CRDA LN Equity	CRODA INTERNATIONAL PLC	Materials	GB
ENGI FP Equity	ENGIE	Utilities	FR
EDF FP Equity	EDF	Utilities	FR
OMV AV Equity	OMV AG	Energy	AT
FP Equity	TOTAL SE	Energy	FR
WCH GR Equity	WACKER CHEMIE AG	Materials	DE
ENC SM Equity	ENCE ENERGIA Y CELULOSA SA	Materials	ES
ELUXB SS Equity	ELECTROLUX AB-SER B	Consumer Discretionary	SE
GRNG SS Equity	GRANGES AB	Materials	SE
SCATC NO Equity	SCATEC ASA	Utilities	NO
NESTE FH Equity	NESTE OYJ	Energy	FI
MT NA Equity	ARCELORMITTAL	Materials	LU
GFC FP Equity	GECINA SA	Real Estate	FR
ICAD FP Equity	ICADE	Real Estate	FR
SW FP Equity	SODEXO SA	Consumer Discretionary	FR
BOL SS Equity	BOLIDEN AB	Materials	SE
SKAB SS Equity	SKANSKA AB-B SHS	Industrials	SE
OCI NA Equity	OCI NV	Materials	NL
SF SS Equity	STILLFRONT GROUP AB	Communication Services	SE

REC BB Equity	RECTICEL	Materials	BE
EPIA SS Equity	EPIROC AB-A	Industrials	SE
VALMT FH Equity	VALMET OYJ	Industrials	FI
MAERSKB DC Equity	AP MOLLER-MAERSK A/S-B	Industrials	DK
BOKA NA Equity	BOSKALIS WESTMINSTER	Industrials	NL
IRE IM Equity	IREN SPA	Utilities	IT
A2A IM Equity	A2A SPA	Utilities	IT
BZU IM Equity	BUZZI UNICEM SPA	Materials	IT
IPS FP Equity	IPSOS	Communication Services	FR
ABIO FP Equity	ALBIOMA SA	Utilities	FR
ORA US Equity	ORMAT TECHNOLOGIES INC	Utilities	US
HOT GR Equity	HOCHTIEF AG	Industrials	DE
ML FP Equity	MICHELIN (CGDE)	Consumer Discretionary	FR
NEX FP Equity	NEXANS SA	Industrials	FR
POM FP Equity	PLASTIC OMNIUM	Consumer Discretionary	FR
RNO FP Equity	RENAULT SA	Consumer Discretionary	FR
RR/ LN Equity	ROLLS-ROYCE HOLDINGS PLC	Industrials	GB
SGO FP Equity	COMPAGNIE DE SAINT GOBAIN	Industrials	FR
SIE GR Equity	SIEMENS AG-REG	Industrials	DE
HO FP Equity	THALES SA	Industrials	FR
FR FP Equity	VALEO SA	Consumer Discretionary	FR
VOW GR Equity	VOLKSWAGEN AG	Consumer Discretionary	DE
GFS LN Equity	G4S PLC	Industrials	GB
PRX NA Equity	PROSUS NV	Consumer Discretionary	NL
VIV FP Equity	VIVENDI	Communication Services	FR
600299 CH Equity	BLUESTAR ADISSEO CO-A	Materials	CN
PLUG US Equity	PLUG POWER INC	Industrials	US
JST GR Equity	JOST WERKE AG	Industrials	DE
Non-listed	Wintershall AG	Energy	DE
Non-listed	EI Corte Ingles	Consumer Discretionary	ES

Source: ODDO BHF Asset Management, 31/12/2020

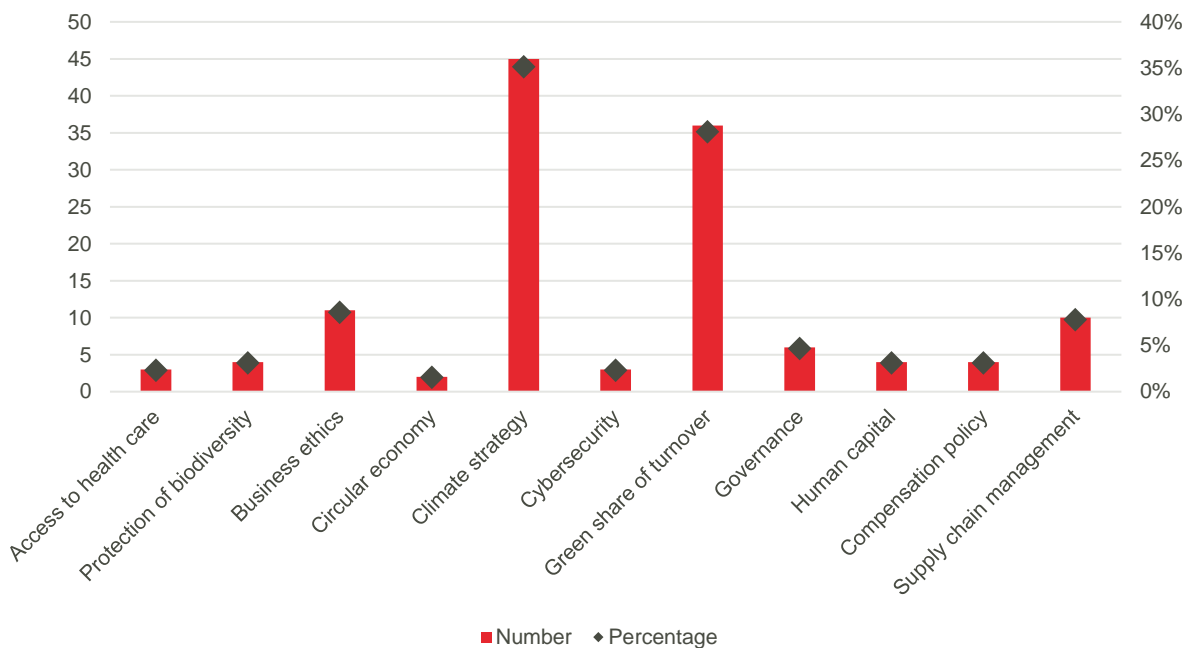


Topics tackled during our engagements

During our engagement process we discussed a very broad range of issues, including:

- Environmental issues: determining a climate strategy, controlling environmental risks throughout the value chain, estimating the proportion of a company's green activities based on the European taxonomy, measures taken to promote the circular economy, biodiversity protection strategy, etc.
- Social issues: employee development and protection during the pandemic, promoting diversity within companies, protecting human and worker rights throughout the value chain, investments in innovation, etc.
- Governance issues: consistency and transparency of employee compensation, diversity on the board of directors, corruption risk management policies, sustainable development strategy governance, etc.

A summary of the main issues discussed with each company in 2020



Source: ODDO BHF Asset Management, 31/12/2020

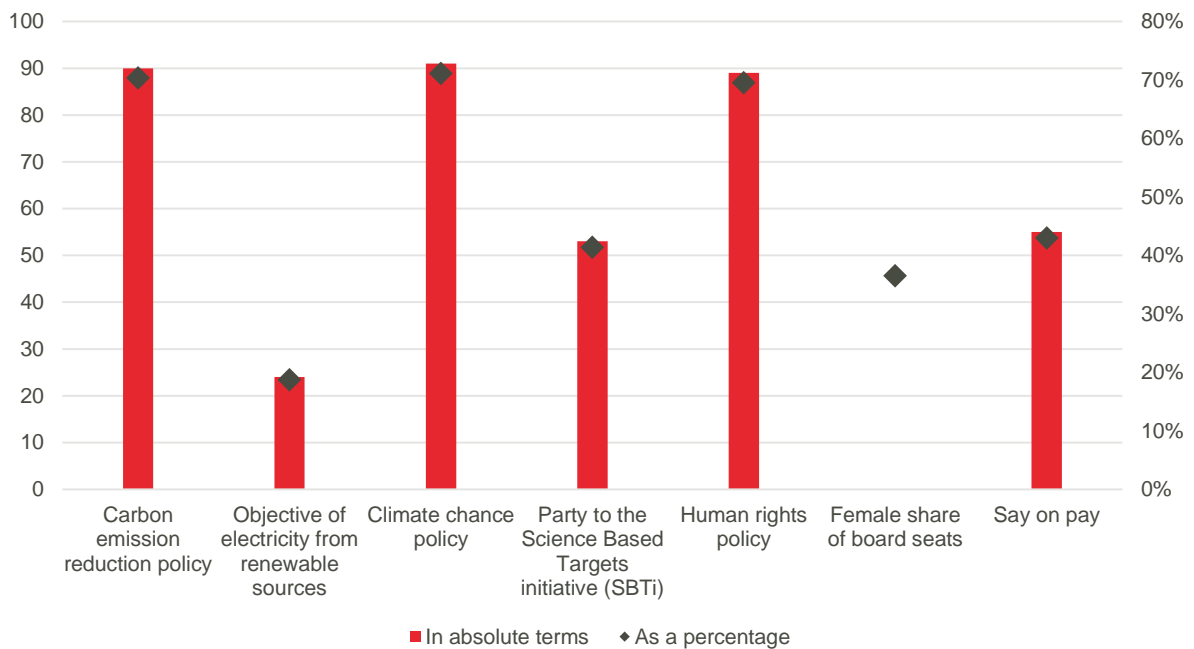
An analysis of the 128 companies found varying degrees of progress on certain environmental, social and governance issues. A number of companies we met with do have a climate strategy in place, but their strategic goals have been insufficiently verified by independent third-parties, such as those set down by the Science Based Targets (SBT) initiative. SBT aims to guarantee an alignment between a company's goals and that of the Paris Agreement (i.e., less than 2 degrees) throughout the value chain.

The percentage of women on the board of directors is a reliable indicator, unlike its equivalent measure at the management level, as the definition of a leadership role varies from one company to the next. We

found that investor pressure and tighter regulations have helped promote women’s roles on boards of directors, particularly in the European Union. In the area of remuneration, say-on-pay, i.e., the possibility of a binding vote on management compensation, has not been adopted in all cases. In fact, fewer than 50% of companies have done so.

In addition to indicators and policies, it is essential for our ESG team to investigate goals, including their feasibility, relevance and consistency. The analysts don’t stop at mere raw data, but aim to give meaning to those data by placing the analysed company within its scope of action.

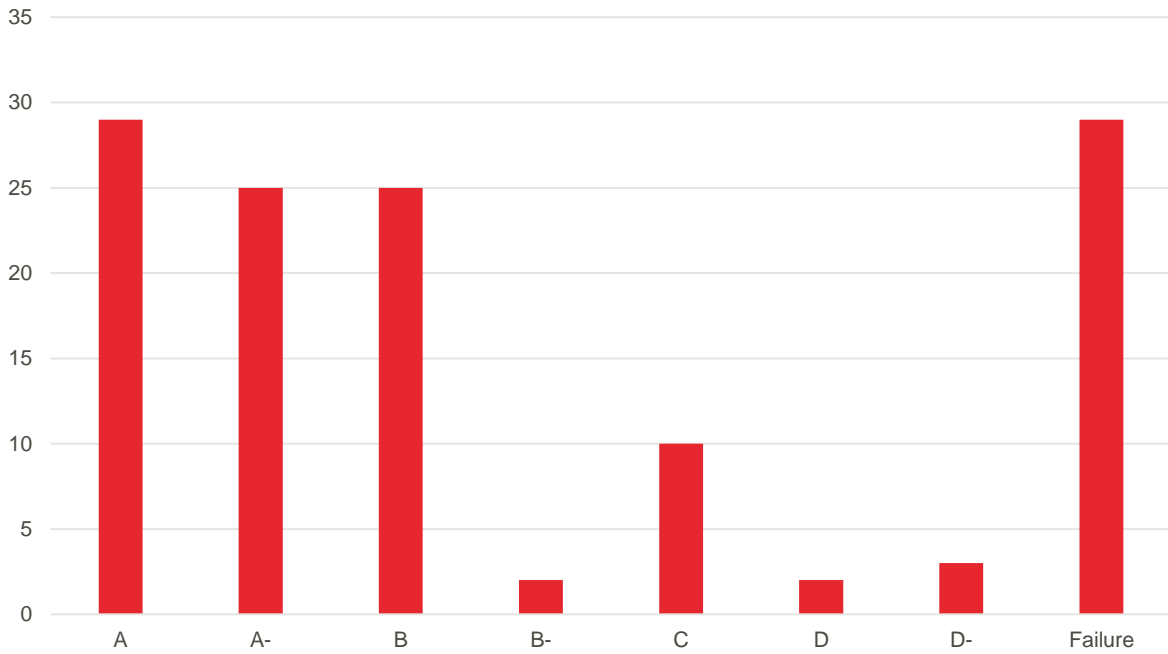
Progress by companies interviewed on selected ESG criteria



Source: Bloomberg, ODDO BHF Asset Management, 31/12/2020



Breakdown of Carbon Disclosure Project (CDP) scores of the 128 companies



*"Failure" means that the company failed to fill out the CDP questionnaire.
Source: ODDO BHF Asset Management, 31/12/2020

ENGAGEMENT TO PROMOTE PROGRESS

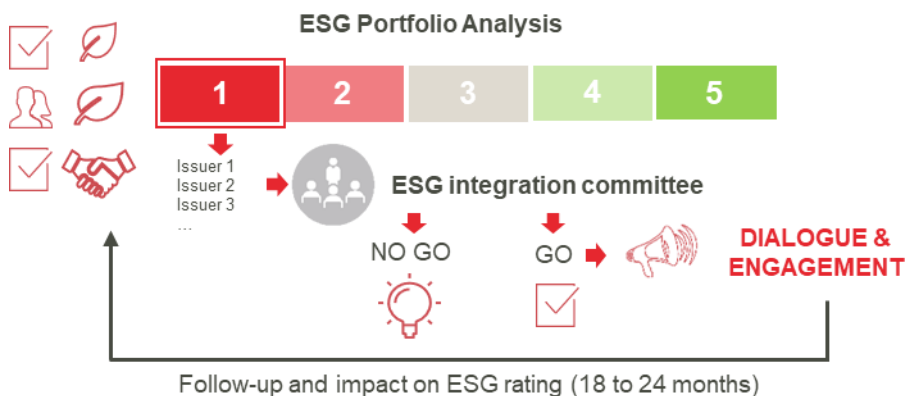
ODDO BHF Asset Management considers engagement to be an important component in its investor responsibility to its clients. Our approach aims above all at improving practices and enhanced transparency in environmental, social and governance challenges at companies in which we are invested. This is not shareholder activism, but, rather, one-off initiatives handled on a case-by-case basis. We are confident that seeking progress on extra-financial issues creates value over the long term for all stakeholders.

Our approach

The decision on whether to begin an engagement process is made by the ESG Integration Committee, which meets quarterly. Its members include the head of ESG research, the chief investment officer (CIO), heads of portfolio management expertise, and the chief risk and compliance officer. The target companies are those in which we are invested and that have a high-risk (category 1) ESG rating, based on our in-house methodology and/or are exposed to a serious controversy¹.

Our engagement approach is based on identifying and systematically formalising the vectors of progress that are expected. This allows us to assess the results and to follow up on them. Our approach is deemed a success if dialogue with an issuer has led to greater ESG transparency and/or an improvement in its ESG practices within 18 to 24 months. If the engagement is unsuccessful (i.e., if there is no dialogue or if the dialogue that has been carried out is unsatisfactory), the management teams may decide to exclude the issuer from the investment universe or, in the case of an active position, to sell it off.

Engagement process



Source: ODDO BHF Asset Management, 31/12/2020

¹ See Appendix “Internal rating scale and monitoring of controversies”



Individual engagements

In 2020, ODDO BHF Asset Management began two engagement processes with European companies within its investment universe.

Here is a summary of the individual engagements conducted in 2020.

Almirall

In 2020, we began a shareholder engagement initiative with Almirall, a Spanish pharmaceutical company, to provide greater transparency in its social and governance indicators.

Almirall interacts with a large number of European, US and Indian suppliers, particularly in the area of biopharmaceuticals. However, it does not disclose its monitoring procedures or the percentage of suppliers covered by audit procedures. Almirall confirmed that a code of good conduct must be accepted by each supplier, including ethical issues, working conditions, product quality and regulatory compliance. We expect greater transparency from Almirall on monitoring procedures and the adoption of “sustainable” factors in supplier selection criteria.

Almirall has been implicated in recent years in corruption cases. While it has set up an anti-corruption policy, we would like to see greater transparency on how this policy is implemented at the level of the board of directors and at the operating level. Almirall confirmed to us that an ethical whistleblowing mechanism had been set up at all its European and US sites, and that the mechanism will be expanded to all stakeholders.

Our engagement policy also aims to help Almirall in implementing its CSR roadmap, which has been set up with all the company’s stakeholders. Almirall is in the process of finalising this initiative with the assistance of an external consultant.

Collective engagement

Regarding structural and cross-disciplinary sustainable development issues, ODDO BHF Asset Management considers collective engagement to be a more effective tool in obtaining hands-on and measurable outcomes on a reasonable timeframe. With this in mind, we take part in two international collaborative energy transition and gender equality initiatives.



ODDO BHF Asset Management joined the “**Climate Action 100+**” initiative in **March 2018**. We did so to participate in investors’ joint push to facilitate dialogue with the world’s 100 biggest greenhouse-gas-emitting companies (167 companies as of end of March 2021). As part of this collective engagement, we committed to asking companies:

- to establish a solid governance framework that clearly outlines management bodies’ responsibilities in monitoring and managing climate change risks;
- to take measures to reduce greenhouse gas emissions throughout the value chain, in accordance with Paris Agreement targets;
- to provide a detailed report that will allow investors to assess the robustness of business plans based on various climate scenarios in order to improve their decision-making abilities.

Climate Action 100+’s main initiatives in 2020 were as follows:

- Decarbonisation strategies and net-zero commitments;
- Lobbying trade associations;
- Guaranteeing a rapid and fair social transition.

The report of Climate Action 100+ actions undertaken in 2020 is available here:

<https://www.climateaction100.org/wp-content/uploads/2020/12/CA100-Progress-Report.pdf>



In 2020, ODDO BHF Asset Management took part in ongoing engagements with two companies: ArcelorMittal and A.P. Moeller Maersk.

ArcelorMittal

ArcelorMittal has gone further in its decarbonation efforts with a target of group-wide carbon neutrality by 2050. It had announced a similar commitment in 2019 but covering only its European activities. To do so, ArcelorMittal is counting on true technological disruptions, including carbon capture and sequestration, development of green hydrogen in industrial activities, and optimisation of the carbon cycle. These objectives entail considerable financing but are necessary in an industry that plays a key role in developing a more sustainable economy. A collaborative engagement has led to the announcement of ambitious sustainable development goals. This is an important signal to the industry as a whole.

A.P. Moeller Maersk

This collaborative process with A.P. Moeller Maersk, a Danish group, led to its December 2018 announcement of its 2050 carbon neutrality target, in line with the Paris climate agreement. To meet this target, Maersk has announced plans to develop commercially viable carbon-neutral ships by 2030. This will require technological breakthroughs in biofuels, hydrogen and ship electrification, as well as the gradual replacement of its fleet. Maersk is also an active participant in dialogue on international environmental standards in maritime transport and is calling for a toughening of these standards.

The engagement process is now pursuing these objectives, as maritime transport is essential for global industry, accounting for 90% of global transport of goods and for about 3% of global greenhouse gas emissions.

Appendix: Internal rating scale and monitoring of controversies

Based on 10 themes (presented above) and 42 criteria, our ESG research model distinguishes companies by sector (level two GICS classification with 24 economic sectors) and by ownership structures (non-controlled, controlled, family-owned).

The weightings of the Environment, Social, and Governance blocks are determined at the sector level using a materiality threshold matrix, based on long-term opportunities and risks. To take one example, the media sector's Environment block will have a 10% weighting and its Social block, a 50% weighting, vs. 30% and 40%, respectively, for the energy sector.

Corporate governance (Governance block) and human capital (Social block), which are priority themes in our methodology, account for, respectively, 25% and 30% of the research model, regardless of sector and size. However, the weighting of other themes, such as regulation, the social ecosystem and business ethics will vary as a function of the materiality threshold of each sector.

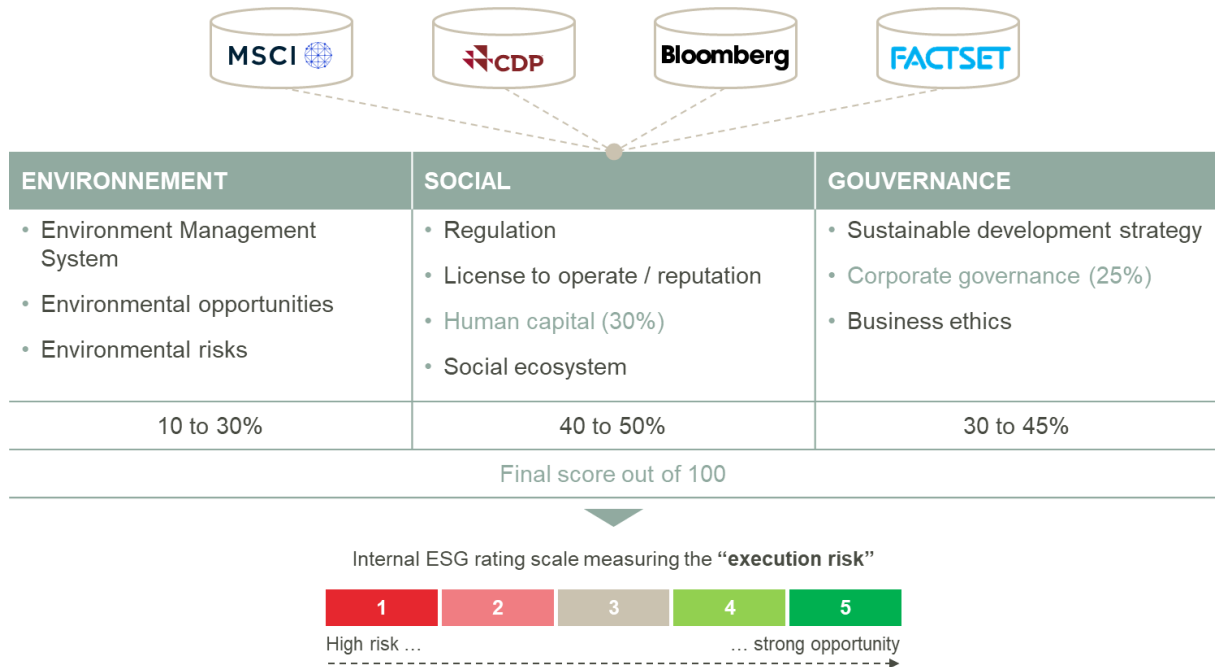
An analysis of controversies (industrial accidents, pollutions, corruption convictions, anti-competitive practices, product safety, supply chain management, etc.), based on data provided by Sustainalytics, is integrated into the research model and, accordingly has a direct impact on each company's final ESG score.

Each researched company is thus assigned an absolute score out of 100 points in each of the three blocks (E, S, and G), and an aggregate ESG score after weighting each block. Scores are updated on an ongoing basis as managers and ESG analysts meet with the companies and, failing that, on average every 18 to 24 months. The positive or negative shift in a controversy is also likely to modify a company's score at any time.

In order to put our "best-in-universe" and "best efforts" approaches in concrete terms at the level of the funds, the coverage universe is classified into five ESG categories: Strong Opportunity (5), Opportunity (4), Neutral (3), Moderate Risk (2), and High Risk (1).



Structure of the ESG research model and internal rating scale



Source: ODDO BHF Asset Management, 31/12/2020

VOTING POLICY

February 20, 2021

ODDO BHF Asset Management SAS considers that the exercise of voting rights is an integral part of its responsibility as a shareholder. Its attendance of annual general meetings ensures that companies, through their strategy, risk management and governance, create long-term value, a source of performance for their shareholders.

Reminder of voting policy principles

To determine its votes, ODDO BHF Asset Management SAS uses the “Recommendations on Corporate Governance” drawn up by the AFG (French investment management association), of which it is a member, and the Afep-Medef code, and takes into consideration its commitments as a signatory to the PRI (United Nations Principles for Responsible Investment) regarding environmental, social and governance criteria.

As a general rule, ODDO BHF Asset Management SAS votes above a holding threshold of 0.25% of the equity capital of European companies held jointly by all its portfolios, and systematically for all companies in portfolios incorporating ESG criteria in the investment process.

On the basis of its voting principles, ODDO BHF Asset Management SAS uses the services of an external provider, ISS, to analyse resolutions and the outcome of votes. ISS' recommendations are submitted to fund management teams, who take the final voting decision.



Exercising of voting rights in 2020

In accordance with the provisions of article 319-22 of the General Regulation of the French financial markets authority (AMF), ODDO BHF Asset Management SAS sets out in this report the conditions in which it exercised its voting rights in 2020 at the AGMs of companies held by portfolios it manages.

1. Overall voting statistics

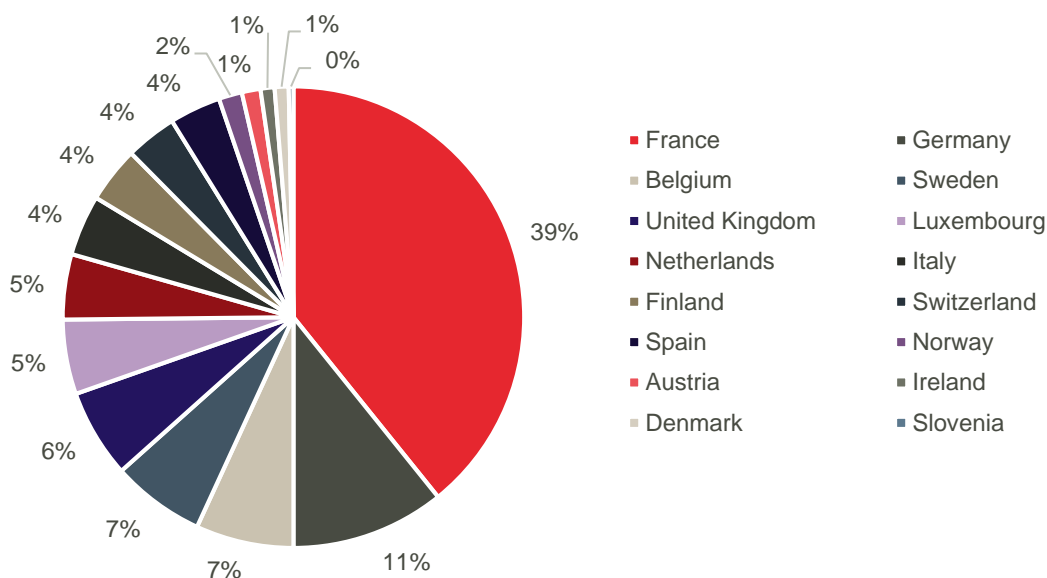
Votes at shareholder meetings

In 2020, ODDO BHF Asset Management SAS voted on 5171 resolutions at **306 annual general meetings of listed European companies**. ODDO BHF Asset Management SAS held voting rights, and could have exercised those rights, at 310 meetings. This works out to an AGM participation rate of **98.7%**.

39% of the AGMs at which votes were cast were in France, 11% in Germany, 7% in Belgium, and 7% in Sweden.

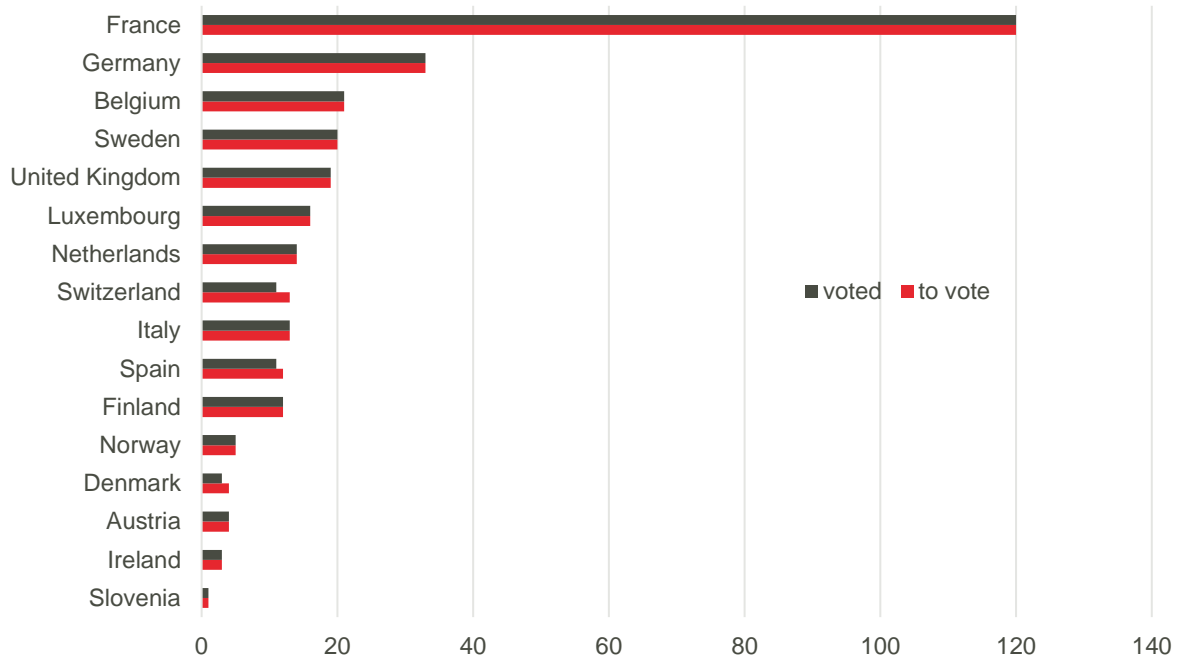
ODDO BHF Asset Management's achieved a 100% participation rate in all countries, with the exceptions of Denmark (75%), Spain (92%), and Switzerland (85%).

Geographical breakdown of votes at AGMs in 2020



Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2020

Gap between potential and voted AGMs



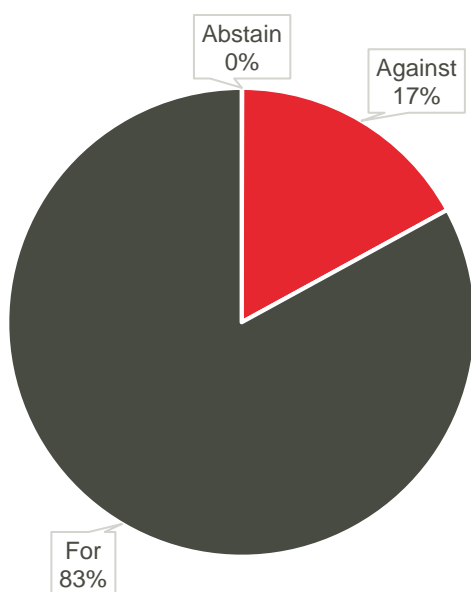
Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2020



Breakdown of votes by resolutions

Of the 5215 possible resolutions in 2020, ODDO BHF Asset Management SAS voted on 5171, representing a **participation rate of 99.2%**. **Opposing votes** represented **17%**.

Breakdown of votes by nature



Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2020

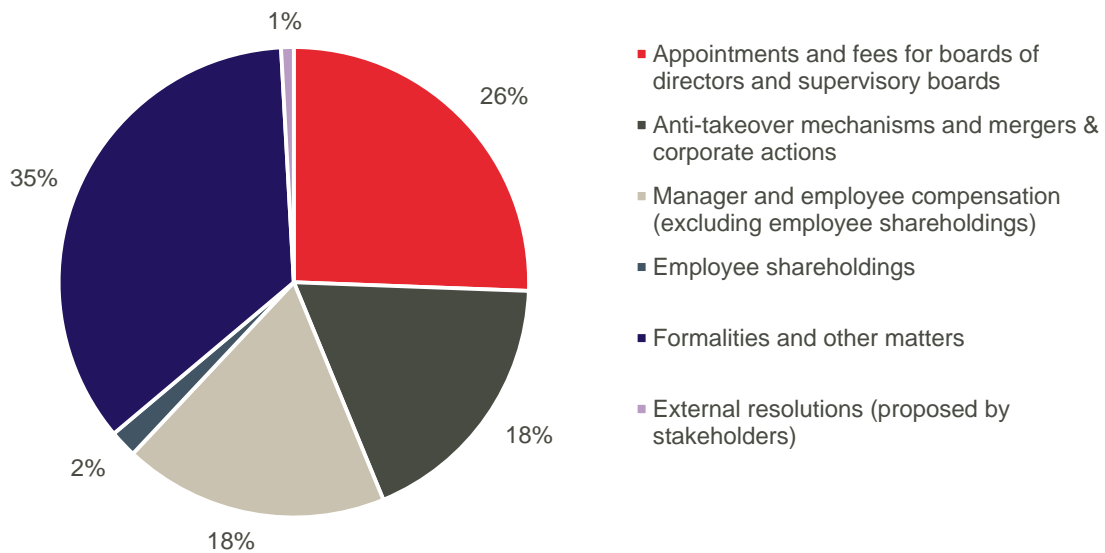
History of “for” and “against” votes

Year	Number of resolutions	% of “FOR” vote	% vote of “AGAINST” vote
2012	3143	90,10%	9,90%
2013	2963	89,35%	10,18%
2014	6037	86,90%	13,07%
2015	6244	85,14%	14,78%
2016	6499	85,13%	14,61%
2017	6582	82,98%	16,96%
2018	6679	84,00%	16,00%
2019	4413	79,15%	20,78%
2020	5171	82,96%	16,99%

Source: ODDO BHF Asset Management SAS, 31/12/2020

Broken down by category, 35% of our votes in the 2020 financial year involved formalities and similar matters (approval of accounts, amendments to articles of incorporation, and external auditor appointment and compensation); 26% involved appointments and fees for boards of directors or supervisory boards; 18%, anti-takeover mechanisms, and mergers & corporate actions; and 18%, manager and employee compensation.

Breakdown of resolutions voted on by category



Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2020



The approval rate of resolutions varied from 60% to 97% depending on the geographical origin of companies whose AGMs were attended by ODDO BHF Asset Management SAS.

Geographical breakdown of votes “FOR”

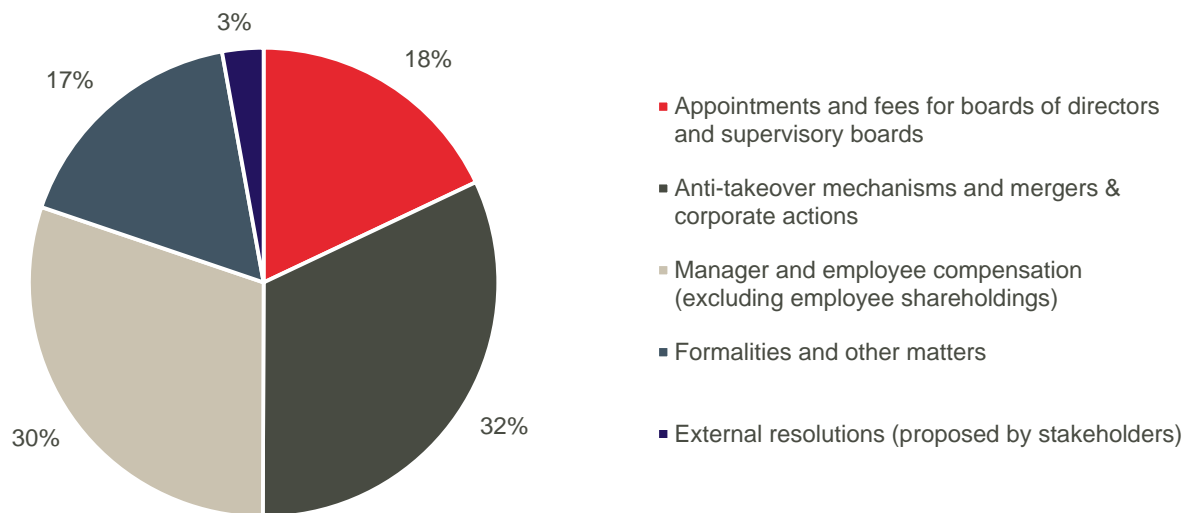
Country	Number of companies	% of “FOR” votes
Austria	4	70%
Belgium	13	83%
Denmark	3	91%
Finland	12	93%
France	108	78%
Germany	32	87%
Ireland	3	97%
Italy	11	68%
Luxembourg	9	91%
Netherlands	13	94%
Norway	5	74%
Slovenia	1	60%
Spain	10	93%
Sweden	17	90%
Switzerland	6	95%
United Kingdom	15	95%

Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2020

2. Analysis of opposing votes

In 2020, ODDO BHF Asset Management SAS opposed 879 resolutions. The majority of opposing votes in 2020 were concentrated on financial operations and mergers (32%), management remuneration (30%), and the appointment and attendance fees of directors (18%).

Breakdown of opposing votes by category



Sources: ISS, ODDO BHF Asset Management SAS, 31/12/2020

As a reminder, our voting policy pays particular attention to these three subjects:

- **Management remuneration:** we assess the structure of remuneration, with a particular focus on the transparency and readability of information presented, and its alignment with the company's medium- and long-term performance.
- **Financial operations and mergers:** ODDO BHF Asset Management SAS does not back resolutions authorising a merger or acquisition if the financing is not favourable, if the company's structure following the operation does not reflect good governance and if there are concerns that the negotiation process could have had a negative impact on the assessment of the offer terms.
- **Nomination and attendance fees of directors:** we are watchful that boards of directors or supervisory boards respect a minimum independence rate (50% for non-controlled companies and 33% for controlled companies) and demonstrate efforts to improve diversity and that directors do not accumulate too many mandates.



Below are some examples of general meetings held during the course of 2020 at which we did not follow the recommendations issued by management.

Talenom Oyj (Finland) – Consulting services

Directors Remuneration

We generally recommend a vote for proposals to award cash fees to non-executive directors, but we could recommend a vote against if the amount is excessive relative to other companies in the country or industry. During the general meeting held on 25 February 2020, we voted against the resolution relating to the remuneration of the board of directors. Indeed, the company's remuneration for the chairman of the board has already been higher compared to the industry peers in the past several years. As consequence, we considered excessive the proposal to increase the fees by 20%, since no clear rationale in support of the proposal was provided.

Unibail-Rodamco-Westfield (France) – Real Estate

Corporate actions and External resolutions

In September 2020, the company proposed its RESET plan to strengthen the company's financing situation. The plan included the capital rise of EUR 3.5 billion, proposed to shareholders' approval during the general meeting held on 10 November 2020. We aligned with the consortium of leading European investors formed to prevent the rights issue and refocus the business on its prime European portfolio. On 10th November 2020, we voted to reject the capital increase and to approve the shareholder resolution aiming to appoint all three consortium nominees to the Supervisory Board. We didn't agree with the substantial capital raising, not considered as an urgent need for the company and we looked for more transparency on the board's role in overseeing management. Our votes reflected the need for a corporate governance in accordance with the very best international standards, pursuing a clear strategy with an entrepreneurial mindset, while also ensuring a strong financial position and balance sheet.

TOTAL (France) – Oil, Gas and Consumable fuels**Environmental resolution**

ODDO BHF Asset Management reviews all resolutions involving environmental and social issues on a case-by-case, with the goal of furthering the shareholders' long-term interests, and in accordance with our ESG commitments as signatories of the United Nations' Principles of Responsible Investment (PRI). Total SA made new announcements on 5 May 2020 on its strategy to reduce its carbon emissions. However, given the lack of intermediate targets for absolute reduction of GHG emissions, and the lack of indications on future capex plans to align the production mix with the 2°C objective, those commitments did not ensure the proper implementation of its objectives. In the General Meeting held on 29 May 2020, we voted for the shareholder resolution aiming to introduce information related to an effective reduction on GHG emissions in the company's strategy, in order to align its activities with the goal of the Paris Climate Agreement. Voting in favor of the shareholder resolution and against the management, meant maintain pressure on the group to obtain more transparency and coherence on its environmental strategy.

3. Resolutions submitted by shareholders (not approved by the Board)

In 2020, ODDO BHF Asset Management SAS voted on 45 external resolutions submitted by shareholders, with 20 votes "For" and 25 votes "Against".

Most "against" votes were in relation to nominations of corporate officers.

4. Management of conflicts of interest

ODDO BHF Asset Management SAS did not encounter any conflicts of interest in relation to votes exercised in 2020.



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