



# 2021 Voting Report

## From Words to Actions

Confidence  
must be earned

**Amundi**  
ASSET MANAGEMENT

# Amundi

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## From Words to Actions 2021

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## In 2021, we set up 1033 dialogues to foster a stronger voting exercise<sup>1</sup>

### 1

## The Amundi Corporate Governance Team

Amundi has centralised the exercise of voting rights<sup>2</sup> within a Corporate Governance team, which exercises the votes on behalf of its subsidiaries and funds. The Amundi Voting & Corporate Governance team consists of **specialists who analyse resolutions and organize an ongoing dialogue with companies pre and post AGM's** with the aim of:

- **Being a responsible investor** through the exercise of the voting rights following a clear voting policy that encourages strong governance and accountability of Boards and managements on environmental and social issues.
- **Encouraging adoption** of governance best practices through pre-and post AGM dialogues, by highlighting key elements of our voting policy and when possible by alerting the issuers when we intend to vote against a resolution with a clear rationale.
- **Taking the opportunity to raise awareness among Board members** of the challenges and opportunities that the transition towards a sustainable, inclusive low carbon economy could present for their long-term business success, the necessity for them to handle it at Board level and be accountable at the AGMs.

Two people from the ESG research team based in Japan are also participating in the voting campaign for Japanese regulated funds. The voting team is integral to the Amundi global engagement effort. Amundi has developed its own voting policy<sup>3</sup>.

### 2

## Amundi Voting Policy

Amundi regards the considered and intelligent exercise of investor voting rights as a central aspect of its role as a responsible investor. **The voting policy responds to an holistic analysis of all the long-term issues that may influence value creation, including material ESG issues.** Amundi intends to fully exercise its responsibility as an investor by voting at general meetings according to Amundi's voting policy. This policy is reviewed on an annual basis and available for view on the Amundi website.

Good governance practices are paramount to protecting the interests of minority shareholders. Exercise of voting rights at the Annual General Meeting is therefore key to expressing an opinion on the company's main orientations. This means being able to vote in proportion to the ownership of the capital and not being faced with limitation or protection mechanisms that would allow the company to circumvent the decision making power of its shareholders. Amundi funds exercised in 2021, whenever possible, their voting rights for the companies in which they have an equity investment<sup>4</sup>.

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 that Amundi expects to be applied and respected globally. Amundi exercises its stewardship responsibility on behalf of its clients on all five continents. That said, **the implementation of this 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 so, Amundi considers each company's context in a pragmatic manner to make sure its voting decisions are effective, especially regarding gender diversity for example. In that case Amundi might link the vote to a specific engagement stream<sup>5</sup>.

1. Shareholder dialogue conducted by Voting Team.

2. Amundi Aalan Sdn Bhd (Malaisie), Amundi Asset Management, Amundi Austria, Amundi Canada, Amundi Deutschland, Amundi Hong Kong, Amundi Immobilier, Amundi Ireland, Amundi Japan, Amundi Luxembourg, Amundi Sgr, Amundi Singapore mandates, Amundi UK Ltd., BFT IM, CPR AM, Etoile Gestion, Sabadell Asset Management, Société Générale Gestion.

3. <https://www.amundi.com/institutional/Responsible-investment-documentation>

4. See appendix of the voting policy for the exact description of the voting scope, <https://www.amundi.com/institutional/Responsible-investment-documentation>.

5. See Japanese engagement on gender diversity in the Boardroom as an example.

## ■ The Key Elements of the Amundi Voting Policy include

- **Shareholder rights:** a corporate governance regime must protect and facilitate the exercise of shareholders' rights and ensure fair treatment of all shareholders, including minority and foreign shareholders.
- **Boards, committees and governing bodies:** Boards have strategic authority and their decisions affect company's future, both in the short and long-term; all Board members have individual responsibility. Boards are accountable to the company and its shareholders, but must also have due regard to, and respect the interests of, other stakeholders in particular employees, creditors, customers and suppliers. Compliance with social and environmental standards is also a Board responsibility. Amundi is fully supporting the eight principles of the World Economic Forum's Climate Governance Initiative. For a Board to be effective, a fair level of independence and diversity is needed as well as a limitation of overboarding.
- **Compensation policy & dividends:** we analyze executive compensation holistically and vote on the basis of two main criteria: the CEO's compensation must be reasonable, and economically justified. Further, we are vigilant to ensure that the company's pay approach, and more broadly its sharing of value overall, does not generate unacceptable situations of social inequality. Since 2019, we have reinforced our voting and engagement efforts on these topics. Socioeconomic inequalities are detrimental to GDP growth<sup>6</sup>, and even though inequalities have different grounds, corporates have an impact on them. Therefore, we have reinforced our dialogues with companies concerning the critical need to focus on the long term while balancing the different stakeholders' efforts with a conservative approach on dividend payment and temperance in executive compensation. Social cohesion, wage balance, and employee involvement in the company's growth have long been engagement topics for Amundi. We are also vigilant on the inclusion of ESG performance criteria in the variable remuneration as well as climate-related KPIs for issuers from the climate high impact sectors.
- **Amundi views favourably shareholder resolutions asking issuers to increase transparency on environmental and social issues.** Each environmentally-related and socially-related shareholder's resolution has been

analysed by a corporate governance analyst, when needed with the help of an ESG analyst, to assess the value of the proposal for responsible shareholders.

- **2021 saw the development of a new type of resolution called Say on Climate.** Those resolutions related to the climate strategy of the issuer are presented by management. Because climate change threatens to provoke destructive chain reactions and constitutes a systemic risk, Amundi believes that shareholders should be fully informed on how companies are tackling this challenge and are contributing to the global effort to transit towards a low carbon economy in line with the Paris Agreement. Amundi views the development of such resolutions as a clear improvement for shareholder democracy. Therefore we have supported those resolutions, even when strategies needed to be improved, as we will have other way to express our discomfort in the coming years if the issuers were lacking to upgrade their level of ambitions. In parallel, we have engaged issuers to improve the global quality of Say on Climate resolutions from 2022 on, with a clear list of the elements needed.

## 3

## 2021 Voting Campaign Highlights

While the Covid-19 pandemic had continued impacts throughout 2021, the calendar of meetings was not upended as it was in 2020. This was mainly thanks to the widespread adoption of virtual and/or hybrid meetings. In 2021, Amundi voted in 7 309 AGMs, on 77 631 proposals.

We noted the following topics as highlights of the season.

### ■ Social and Environmental Issues

Environmental and social issues were major concerns worldwide in 2021.

#### *Say on Climate*

**2021 saw a notable expansion of management sponsored advisory votes on climate transition plans ("Say on Climate").** Two U.S. companies and an additional eighteen European companies tabled such proposals. These proposals were broadly supported, in part because of their novelty nature. However, concerns remain, and best practices on the structure of such proposals and related disclosures are yet to be established. As far as

6. Causa, Orsetta, Alain de Serres and Nicolas Ruiz (2014), "Can growth-enhancing policies lift all boats? An analysis based on household disposable incomes", OECD Economics Department Working Paper



Say on Climate is concerned, Amundi believes that it was more efficient to vote in favour of Say on Climate in the first year (2021), even if the plans have significant room for improvements, and engage the company to increase its ambition level and take negative votes into consideration the following year. Amundi has engaged, directly or with the French Eurosif, several issuers on the need for shareholders to be able to vote on Say on Climate resolutions. We ask for two resolutions, one ex-ante on the strategy, one ex post on the result. The plan should cover the important elements using a recognized framework if possible, including (without limitation) short, mid & long term targets on gross emission and on the different scopes and capex planned. We also highlighted the need for the Board to discuss the result of stress testing of the business model using carbon prices consistent to Net Zero scenarios, or even higher prices, as well as the importance for the Board to collectively acquire the right competencies.

**Concerns were also expressed through shareholder proposals:** in the USA, climate-related proposals were greeted by investors, notably proposals asking companies for Greenhouse Gas (GHG) emissions reductions targets and those requesting increased disclosure on climate lobbying. Human capital management was also seen as a concern, mainly focused on increased diversity-related disclosure.

Also, regulation is playing its part for greater transparency: the European Commission is working for the harmonization of non-financial disclosure and some European governments are introducing mandatory votes on companies' non-financial reporting. In China, encouragement by regulators led to increased disclosure in the form of ESG-related reports. Reporting requirements were also increased in Hong Kong where internal processes for monitoring and managing ESG issues are also imposed.

#### Gender Diversity

On gender diversity, in Europe, laggard countries saw improvements. However men still account for more than 90% of Board chairs overall. Committee leadership positions have steeply increased for women.

Japan remains a gender diversity laggard at senior management and Board level. However, this year saw notable progress. Gender balance in Taiwan continues to lag behind other Asian markets.

#### ■ Board & Governance Oversight

We participated worldwide to the increased trend observed of targeting individual Directors for mismanagement of issues falling under their responsibility, notably environmental and social oversight responsibilities. This also applied to continued compensation concerns, insufficient response to shareholder dissent and questionable decisions during the COVID-19 pandemic.

#### ■ Executive Compensation

**The Shareholder Rights Directive II (SRD II) is now almost fully implemented across the European Union and associated states.** In 2021, this led to new shareholder votes being introduced: advisory policy votes in Germany and Norway, and a binding policy vote in Belgium. "Say on Pay" failures did not vary significantly in Europe.

In the USA and Canada there were notable increases of "say on pay" failures: "in flight" changes of compensation plans in the pandemic context were common, as were discretionary payments.

In China, where disclosure of directors' and supervisors' fees is uncommon, we noted that more companies were disclosing their compensation plans.

## 4

### Key Outcomes of the 2021 Voting Campaign

The 2021 season was generally characterized by opposition votes for four main reasons:

- Unbalanced remuneration practices or lack of ESG/ climate-related KPIs.
- Unsustainable dividend during a global pandemic.
- Over-Boarding, as the importance of the Chairman of the Board, the Chairs of the various committees, the Lead Director as well as directors implies to devote sufficient time to these functions.
- Lack in factoring the climate issues or questionable social practices.

Where possible, Amundi endeavours to alert issuers if it intends to vote in opposition by sending an email prior to the meeting.

**20%**  
Opposition Rate Globally

## ■ Executive Compensation

Amundi considers that the alignment of the interests of managers with those of shareholders is a key part of corporate governance.

In 2021,  
the opposition rate  
on compensation  
was **45%**

The remuneration policy within the company must participate in this balance and include ESG KPIs and climate-related KPIs for issuers from the climate high impact sectors. Amundi was also particularly vigilant about the balance of executive compensation with the need to focus on long term growth as well as balancing the different stakeholders' efforts.

### *Banco Santander*

In March 2021, we informed the issuer on our voting intention to not support the remuneration report due to executive compensation excessive compared to peers and to a lack of clear disclosure of ESG metrics integrated in the variable remuneration.

In November 2021, we had a Corporate Governance meeting with the issuer who wished to update its remuneration practices by aligning the executive annual variable remuneration with the strategic goals of the bank. The annual bonus for Executive directors will now be subjected to meeting financial and non-financial targets.

We have also been informed that the Bank intends to submit to a vote at the 2022 AGM the integration of approximately 20 % of ESG metrics in the long-term incentive. ESG metrics would be related to climate change, financial inclusion and diversity. Without anticipating on our future vote, we view these plans favourably and in line with the objectives of our engagement.

## ■ Dividends

We strongly believe, especially in light of the current pandemic, that dividend policy should balance shareholders needs for cash remuneration, with the need to preserve the financial strengths of the company as well as the long-term interest of employees to pave the way for future earnings growth. We did vote for example against the dividend of Sonae SGPS S.A., a retail company that operates in food and non-food retail stores, including sports goods, apparel and consumer electronics, and appliances. The Company is also involved in shopping centers and telecommunication businesses.

In 2021,  
the opposition rate  
on dividends  
was **15.5%**

Its balance sheet's leverage is high and despite lower results in 2020 due to Covid with an EBIT down by -37% compared with 2019, the dividend was maintained at the same level as in 2019 at 0.05 EUR.

## ■ Climate Strategy

**We also supported a large majority of shareholder resolutions calling for more transparency and information on ESG and climate strategy. This was recognized by ShareAction's "Voting matters 2021" report in which Amundi ranks amongst the top performing asset managers in terms of voting on climate change, climate-related lobbying, and social issues.**

In 2021,  
**Amundi supported 86%**  
of climate-related shareholder  
resolutions presented  
at the General Meetings  
in which it participated

### *Equinor ASA*

The proposal requested the company to stop all Oil & Gas exploration in the Norwegian sector of the Barents Sea.

Amundi supported this resolution to voice its concerns about exploration activities in this region of the arctic seas.

### *Royal Dutch Shell*

We supported the Management “Say on Climate” proposal.

Amundi believes that shareholders should be fully informed on how companies are tackling this challenge and are contributing to the global effort to transit towards a low carbon economy in line with the Paris Agreement. Shareholders should also be in a position to express their view on the quality of the climate strategy of the issuers and on the outcomes, on a yearly basis. As 2021 was a first year where we saw companies asking in AGM their shareholders to express opinion on the climate strategy, Amundi decided to support most of those resolutions. We nevertheless call for ambitious targets going forward in line with the Paris Agreement and internationally recognised frameworks, such as SBTi.

### ■ Board Structure

Amundi expects to have a full understanding of functioning of the governance bodies including:

- The level of independence.
- Existence and functioning of specialized committees.
- Diversity in skill and backgrounds.
- Adequate availability of directors (absence of “over Boarding”).

In 2020,  
the opposition rate  
on these themes  
was **20%**

### *Clariant*

In March 2021, we informed the issuer on our voting intention to not support the re-election of two Board members for over boarding issues. They hold respectively five mandates (of which two as Chair of the Board) and three mandates (of which one as Chair of the Board and two as Chair of the audit committee)

The issuer took note of our concerns.

### *Crédit Suisse*

Following its most recent controversies (Greensill & Archegos), Credit Suisse announced several measures in April 2021:

- The departure of some executive members, including the Head of the CIB.
- A cut in the dividend and a suspension of the share buyback.
- The cancellation of the Executive Board’s 2020 bonuses and 2021 long term awards.
- Waive by outgoing chairman Urs Rohner of his Sfr1.5m annual chair fee.
- Two investigations by independent external parties into the supply chain funds matter and the Archegos-related matter.

These controversies have raised considerable concerns about the bank’s risk management system, business ethics up to the highest levels and audit & control mechanisms. The measures taken were not sufficient to allay our concerns, therefore a call was organized with two Board Members on April 9th (the Chairpersons of the Compensation and Audit Committees). We expressed our concerns on the company’s ethical practices, the delegation and control of risk from the top to lower levels in the organization and the balance between risk and profitability.

Following the discussion it was decided to not support at the 2021 AGM:

- Re-election of some Board members due to a failure of their control duties.
- All Remuneration items ex ante and ex post linked to the Chairman and the Executives members.

A follow up will be organized before AGM 2022 to assess the corrective measures implemented and the improvements attained.

### ■ Social, Health & Human Rights Related Resolutions

Social, health & human rights related resolutions have increased at General Meetings.

**In 2021,  
Amundi supported 83%  
of social, health & human rights  
related shareholder  
resolutions presented  
at the General Assemblies  
in which it participated**

#### *McDonald Corporation*

Trinity College of the University of Cambridge and Amundi Asset Management co-filed a shareholder proposal at McDonald's 20th meeting. The proposal asked the company to study and disclose the external environmental and public health costs created by the use of antibiotics in its meat supply chain.

Excessive use of antibiotics in raising animals for food contributes to antimicrobial resistance, or AMR, which threatens global health by reducing the effectiveness of antibiotic drugs. It is in shareholders' interest that adequate transparency on the matter enables to ensure the company does not seek profits from behaviour that threatens social and environmental systems.

#### *Starbucks Corporation*

Shareholders of Starbucks Corporation urged the Board to adopt a policy of promoting significant representation of employee representatives among corporate decision makers. They asked that the initial of candidates from which new director nominees are chosen by the Nominations and Governance Committee include non-management employees.

Amundi is in favour of employee involvement in corporate governance (as well as employee share ownership), because these practices help align the interests of shareholders and employees over the long term. Amundi thus promotes the appointment of employee Directors as a principle of good governance. We therefore supported the proposal.

#### *3M Company*

The proposal encouraged considering pay disparity between Executives and other employees when setting target amounts for CEO compensation.

Amundi considers that social cohesion represents a systemic risk for companies, as well as an opportunity for those who wish to integrate it in a positive way, in particular through controls of the wage balance within the framework of compensation policies. We therefore considered that this proposal had merit and supported it.

#### *Chartwell Retirement Residences*

The proposal requested that the Board of Directors undertake a review and report to shareholders on the feasibility, cost and benefits of company implementing a living wage policy covering employees, suppliers and contractors.

Amundi supports living wage policies especially in at risk sectors such as retirement services.

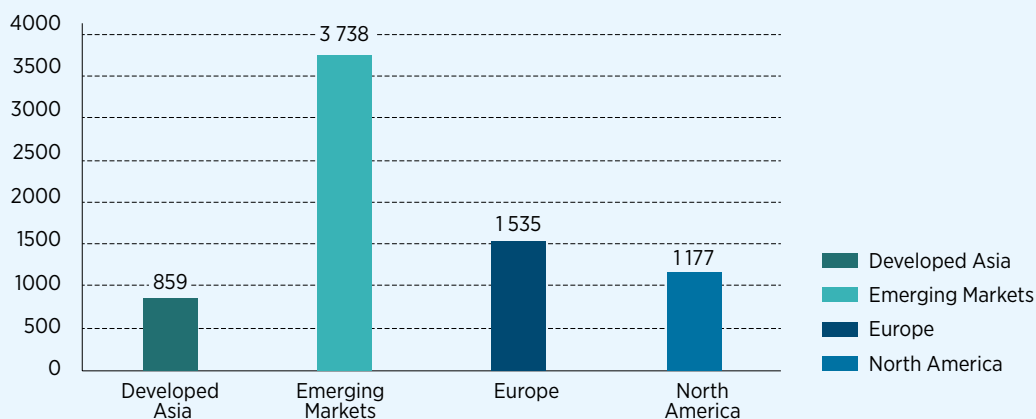


5 Voting Statistics in 2021	2018	2019	2020	2021
<b>Voting statistics</b>				
Number of companies voted	2 574	2 931	3 397	4 008
Number of meetings voted	2 956	3 474	4 240	7 309
Meeting voted with at least one vote "Against Management"	62%	56%	71%	64%
Number of items voted	35 245	41 346	49 960	77 631
Number of items voted "Against Management" *	15%	13%	20%	20%
<b>Vote "Against Management"</b>				
Proportion of votes "Against" / category				
Board structure	11%	11%	19%	20%
Compensation	36%	27%	31%	45%
Financial Structures	26%	21%	28%	21%
<b>Vote in favor of Shareholders proposals</b>				
% of votes in favor of shareholder resolutions	66%	65%	67%	77%
Climate	82%	81%	87%	86%
Social/Health/Human Rights	55%	70%	81%	83%
<b>ESG Items</b>				
Environment / Climate	108	133	148	196
Social	4 036	4 380	5 503	7 398
Governance	31 101	36 833	44 309	70 037

\* does not include vote for which there was no management recommendation.

Source : Amundi Asset Management

### Geographic Breakdown of Meetings Voted by Region



Source : Amundi Asset Management

## 6 Integrating Voting and Engagement

Apart from the themes specific to a sound corporate governance, as well as a strong voting practice, we insist in our dialogues with issuers around our voting activities on Board accountability in terms of social responsibility and climate strategy. We did also highlight **the need to include ESG KPIs in the executive compensation** in line with the global strategy as well as climate-related KPIs for those from the climate high impact sectors. Social cohesion, wage balance, and employee involvement in the company's growth have long been engagement topics for Amundi. Since 2019, we have reinforced our voting and engagement efforts on these topics.

### ■ Questions in AGMs & Voting Against Management as an Escalation Mode

Apart from the traditional AGM item on which Amundi uses its voting policy (compensation policy, dividends, independence of the Board, over Boarding, diversity of profiles...), **Amundi has used votes to express concerns following failing engagements** or in case of failure to act responsively on topics representing systemic risks such as the energy transition, coal phase out and social cohesion.

According to the Amundi Responsible Investment Policy, for companies that are excluded from our active investment universe, and on a selection of companies with poor climate strategy while they operate in sectors for which transition is paramount for alignment with the Paris Agreement, Amundi voted against discharge of the Board or management, or the re-election of the Chairman and of some Directors.

### *Using our Voting Power to Express Concern towards Climate Laggards*

For the 2021 AGM season, in order to inform our voting decisions, **we decided to use the results of the first assessment of companies' climate change strategy against the Net-Zero Company Benchmark designed by the CA100+ initiative.**

We notably like the fact that this framework adopts a comprehensive approach assessing the robustness of Net Zero strategies through various angles including reduction targets on different time horizons, the alignment of capital allocation with stated targets, climate lobbying,

governance and an external disclosure that follows the recommendations of the TCFD. This assessment covered 159 companies in 2021, representing the largest emitters globally.

**We considered as climate laggards those companies that have obtained the bottom 10% scores in their respective sector peer groups**, based on the number of items and sub-items with a miss. In total, 15 companies were flagged in the Oil & Gas, Electric Utilities, Automotive, Other transportation, Coal mining, Industrials, and Consumer goods sectors, with US and EM companies overrepresented. In order to express our concerns with the poor overall score, this translated into votes such as turning down the renewal of Directors for instance.

Our target list of climate laggards is complemented by bottom-up assessments by our ESG research analysts of the climate change strategies and reporting of the companies under their sector coverage. For instance, we voted against a number of items at the AGM of a US energy company which was lagging behind in the reporting of its group-wide carbon emissions. The company has, since then and for the first time, published its total carbon emissions but has unfortunately missed the opportunity to leapfrog by directly setting a reduction target at the group-wide level.

With regards to our votes on the remuneration policy, **we are clearly expecting companies with carbon-intensive activities to include relevant carbon reduction targets in their remuneration policy**, but we are also particularly vigilant that the management is not incentivized to pursue actions misaligned with the energy transition. In this regard, we challenged two European Oil & Gas companies on the adequacy of targets set on the replacement or value of hydrocarbon reserves during our engagement this year.

### *China National Offshore Oil Corp. (CNOOC) Ltd.*

Amundi submitted its opposition to the re-election of all CNOOC Board members to the 2021 AGM agenda. Our rationale was the lack of CO<sub>2</sub> targets and what we consider a poor climate strategy.

The company argued it followed the Chinese government's goal of carbon neutrality before 2060. They also established a designated department to conduct research and formulate a roadmap.

The CNOOC score received versus the CA100+ Net-Zero Company Benchmark gives an assessment of the company's performance against three high-level goals: emissions reduction, governance and disclosure. Our vote expressed our concerns on the overall score of CNOOC, ranking the company within the peer group's bottom 10%.

Amundi is determined to actively contribute to the alignment with the Paris Agreement in partnership with its clients and with the issuers. We will closely follow how this external assessment on the company evolves in the future.

#### *Using our Voting Power to Express Concern towards Social Laggards*

It is a conviction at Amundi that social cohesion plays a key role in the ability of an economy to grow in the long term. Companies participate in the social and societal cohesion of the countries in which they operate through their wage and profit-sharing policies, and their fair contribution to public finances. Thus, **social cohesion is a key factor in our voting decisions**. In 2021, Amundi used its voting power to move the needle on social cohesion in cases where companies demonstrated controversial practices during the Covid-19 pandemic or on other value-sharing parameters. In these cases, Amundi voted against the discharge of the Board or the re-election of the Chairman and/or some Directors, and even in some cases against the "Say on Pay".

To inform our voting decisions related to social cohesion, Amundi uses a variety of methods to identify laggards including controversies such as those around poor human capital management during the Covid-19 pandemic including mass layoffs with poor compensation, health & safety controversies, and poor practices related to management of workers in supply chain such as cancelling orders.

#### *Top Glove Corporation*

Multiple controversies regarding poor COVID-19-related work conditions at Top Glove had come to light. Following up a whistleblowing alert and its mishandling, the company was under investigation over the mass outbreak of the COVID-19 at its facilities. Poor labour practices and governance issues led us to oppose the election of the entire Board of Directors at the January 6, 2021 Annual General Meeting. We had notified the company of our voting intentions.

An engagement call with Top Glove was then arranged on January 22 to discuss the serious governance concerns we had and, most importantly, the axes of improvements, such as:

- Improvement in workers' accommodation, improved health care and preventing measures.
- Introducing helpline to workers and other communication tool.
- Election of workers' representatives.
- Establishment of a whistleblowing committee.

The engagement call concluded in the immediate planning of measures by the company. Amundi will be vigilant on the corrective dynamics of the company's policies and their implementation in the future.

Another escalation mode used in 2021 was to ask public questions in AGMs. Amundi feels that raising question during AGMs is an efficient way to emphasize areas where issuers need to improve. We concentrated this action on issuers having direct or indirect coal exposure.

#### *Asking Questions at AGMs*

##### *Deutsche Bank*

As concerns Deutsche Bank, following a disappointing fossil fuel policy announced in July 2020, an unsatisfying meeting with the chairman and the absence of further announcements during their May 2021 Sustainability Deep Dive, Amundi submitted questions at the 2021 AGM related to their fossil fuel policy. We asked the bank to put in place an exclusion policy for coal developers and a phase out plan from thermal coal in line with the Paris Agreement.

##### *Credit Suisse*

Regarding Credit Suisse, Amundi submitted together with six other institutional investors a joint statement ahead of the 2021 AGM, following extensive engagement on their energy policy and climate strategy. Notwithstanding the bank's strengthening of its coal policy in August 2020, it has not committed to a full coal phase out yet. We also asked for an exclusion policy on coal developers, for a commitment to help clients implement coal phase out plans, and for the publication of more information on the expected transition strategies of clients.

### *Filing and Co-Filing Shareholder Resolutions to push the Dialogue*

#### *Collaborative engagement with HSBC on their climate policy*

To put actions behind our words, **Amundi was part of a group of large investors that filed, under the initiative of ShareAction, a climate resolution with HSBC** in January 2021, ahead of the AGM. HSBC had committed to reach Net Zero emissions by 2050, but a pathway on how to reach this target was missing, as well as a clear plan to phase out from fossil fuels.

Under pressure of these investors, HSBC itself filed a Board-backed resolution committing the bank to disclose a sustainability strategy including an alignment of its financing activities with the goals of the Paris Agreement and a phasing out of thermal coal by 2030 in the OECD and by 2040 in the rest of the world.

On the back of this company-proposed resolution, the co-filing investors, including Amundi, agreed to withdraw their motion and instead support the bank's proposal during the AGM in May.

Nonetheless, Amundi has continued its engagement with the bank during 2021, notably after the bank announced its promised climate strategy in December. For the time being, taken into account the progress made, Amundi has not yet confirmed its support for the resolution to be presented by ShareAction during the 2022 AGM. Instead, Amundi has asked HSBC management to expand the thermal coal exclusion policy to its asset management activities, with an implementation or at least public announcement during the first quarter of 2022. In such an absence, Amundi might consider to support the resolution presented by ShareAction at the 2022 AGM.

Additionally, Amundi has asked for a refinement of the coal developers' definition, to reassure on the exclusion of indirect financial support to new thermal coal assets. Amundi will consider presenting a resolution at the 2023 AGM in the case of escalation.

## ■ 2021 Voting Engagements Statistics

The Amundi Corporate Governance team conducted dialogue with 1033 issuers in 2021.

### Breakdown of Voting Engagements

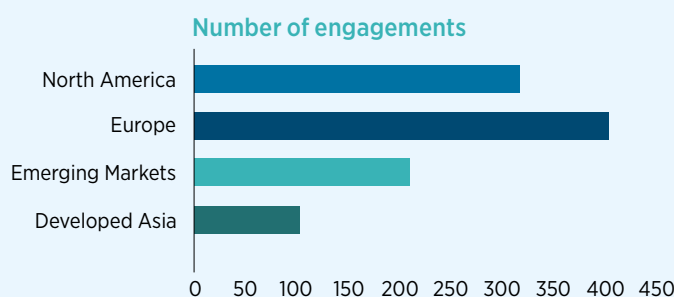
	Number of engagements
Voting - Intentions' alerts*	654
Dialogues triggered by voting alerts**	159
Pre-AGM and Off-Season Engagements	220
<b>Total</b>	<b>1033</b>

\* with no further dialogue.

\*\* with no off-season dialogue.

Source : Amundi Asset Management

### Geographic Breakdown of Voting Engagements



## Amundi Asset Management

Global Statistics	Voted
Number of companies	3 827
Number of meetings	5 446
% of meetings voted with at least one vote "Against Management"	64%
Number of items	59 296
% of items voted "Against Management" (*)	20%
Votes Against the Management	
Number of items voted "Against Management"	11 674
Breakdown of votes "Against Management"	
Board structure	48%
Compensation	20%
Financial Structures	18%
Shareholders' proposals	5%
Others	10%
% of votes "Against Management" for each category	
Board structure	20%
Compensation	42%
Financial Structures	22%
Shareholders' proposals	34%
Other	8%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	1 938
% of votes in favor of Shareholders' Proposals	76%
% for each theme	
Compensation	60%
Governance	82%
Board structure	78%
Climate	81%
Environment	23%
Social / Health / Human Rights	81%
Other	76%
Breakdown per ESG Items	
Environment / Climate	200
Social	5 835
Governance	53 261
Geographical breakdown	
Africas	1%
Americas	23%
Asia	51%
Europe	23%
Oceania	2%

(\*) except the shareholders' proposals without recommendations from the Management



## Amundi Austria

Global Statistics	Voted
Number of companies	411
Number of meetings	468
% of meetings voted with at least one vote "Against Management"	68%
Number of items	6 439
% of items voted "Against Management" (*)	17%
Votes Against the Management	
Number of items voted "Against Management"	1 058
Breakdown of votes "Against Management"	
Board structure	51%
Compensation	25%
Financial Structures	5%
Shareholders' proposals	12%
Others	6%
% of votes "Against Management" for each category	
Board structure	16%
Compensation	33%
Financial Structures	9%
Shareholders' proposals	75%
Other	5%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	217
% of votes in favor of Shareholders' Proposals	76%
% for each theme	
Compensation	85%
Governance	100%
Board structure	72%
Climate	79%
Environment	67%
Social / Health / Human Rights	93%
Other	42%
Breakdown per ESG Items	
Environment / Climate	44
Social	886
Governance	5 509
Geographical breakdown	
Africa	0%
Americas	30%
Asia	8%
Europe	58%
Oceania	3%

(\*) except the shareholders' proposals without recommendations from the Management

## Amundi Deutschland

Global Statistics	Voted
Number of companies	516
Number of meetings	564
% of meetings voted with at least one vote "Against Management"	69%
Number of items	7 372
% of items voted "Against Management" (*)	19%
Votes Against the Management	
Number of items voted "Against Management"	1 382
Breakdown of votes "Against Management"	
Board structure	56%
Compensation	22%
Financial Structures	5%
Shareholders' proposals	15%
Others	2%
% of votes "Against Management" for each category	
Board structure	19%
Compensation	32%
Financial Structures	9%
Shareholders' proposals	80%
Other	2%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	270
% of votes in favor of Shareholders' Proposals	86%
% for each theme	
Compensation	85%
Governance	100%
Board structure	84%
Climate	95%
Environment	100%
Social / Health / Human Rights	87%
Other	62%
Breakdown per ESG Items	
Environment / Climate	60
Social	1 030
Governance	6 282
Geographical breakdown	
Americas	46%
Asia	10%
Europe	42%
Oceania	2%

(\*) except the shareholders' proposals without recommendations from the Management

## Amundi Immobilier

Global Statistics	Voted
Number of companies	35
Number of meetings	44
% of meetings voted with at least one vote "Against Management"	61%
Number of items	659
% of items voted "Against Management" (*)	7%
Votes Against the Management	
Number of items voted "Against Management"	49
Breakdown of votes "Against Management"	
Board structure	37%
Compensation	35%
Financial Structures	16%
Shareholders' proposals	0%
Others	12%
% of votes "Against Management" for each category	
Board structure	7%
Compensation	20%
Financial Structures	6%
Shareholders' proposals	na
Other	3%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	0
% of votes in favor of Shareholders' Proposals	na
% for each theme	
Compensation	na
Governance	na
Board structure	na
Climate	na
Environment	na
Social / Health / Human Rights	na
Other	na
Breakdown per ESG Items	
Environment / Climate	1
Social	85
Governance	573
Geographical breakdown	
Americas	5%
Europe	95%

(\*) except the shareholders' proposals without recommendations from the Management

## Amundi Ireland

Global Statistics	Voted
Number of companies	46
Number of meetings	54
% of meetings voted with at least one vote "Against Management"	56%
Number of items	701
% of items voted "Against Management" (*)	13%
Votes Against the Management	
Number of items voted "Against Management"	88
Breakdown of votes "Against Management"	
Board structure	50%
Compensation	24%
Financial Structures	3%
Shareholders' proposals	14%
Others	9%
% of votes "Against Management" for each category	
Board structure	14%
Compensation	17%
Financial Structures	3%
Shareholders' proposals	92%
Other	5%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	14
% of votes in favor of Shareholders' Proposals	93%
% for each theme	
Compensation	na
Governance	na
Board structure	100%
Climate	100%
Environment	na
Social / Health / Human Rights	75%
Other	100%
Breakdown per ESG Items	
Environment / Climate	9
Social	129
Governance	563
Geographical breakdown	
Americas	13%
Asia	6%
Europe	76%
Oceania	6%

(\*) except the shareholders' proposals without recommendations from the Management

## Amundi Luxembourg

Global Statistics	Voted
Number of companies	3 941
Number of meetings	5 843
% of meetings voted with at least one vote "Against Management"	63%
Number of items	62 633
% of items voted "Against Management" (*)	19%
Votes Against the Management	
Number of items voted "Against Management"	11 573
Breakdown of votes "Against Management"	
Board structure	48%
Compensation	19%
Financial Structures	18%
Shareholders' proposals	5%
Others	10%
% of votes "Against Management" for each category	
Board structure	19%
Compensation	42%
Financial Structures	19%
Shareholders' proposals	33%
Other	8%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	1 924
% of votes in favor of Shareholders' Proposals	79%
% for each theme	
Compensation	58%
Governance	80%
Board structure	81%
Climate	82%
Environment	27%
Social / Health / Human Rights	81%
Other	77%
Breakdown per ESG Items	
Environment / Climate	202
Social	5 502
Governance	56 929
Geographical breakdown	
Africa	1%
Americas	25%
Asia	50%
Europe	22%
Oceania	2%

(\*) except the shareholders' proposals without recommendations from the Management



## Amundi Sgr

Global Statistics	Voted
Number of companies	717
Number of meetings	897
% of meetings voted with at least one vote "Against Management"	65%
Number of items	10 600
% of items voted "Against Management" (*)	18%
Votes Against the Management	
Number of items voted "Against Management"	1 876
Breakdown of votes "Against Management"	
Board structure	50%
Compensation	21%
Financial Structures	14%
Shareholders' proposals	9%
Others	6%
% of votes "Against Management" for each category	
Board structure	18%
Compensation	34%
Financial Structures	16%
Shareholders' proposals	62%
Other	5%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	460
% of votes in favor of Shareholders' Proposals	70%
% for each theme	
Compensation	68%
Governance	92%
Board structure	70%
Climate	76%
Environment	36%
Social / Health / Human Rights	84%
Other	56%
Breakdown per ESG Items	
Environment / Climate	67
Social	1 242
Governance	9 291
Geographical breakdown	
Africa	0%
Americas	29%
Asia	32%
Europe	37%
Oceania	2%

(\*) except the shareholders' proposals without recommendations from the Management

## Amundi UK

Global Statistics	Voted
Number of companies	235
Number of meetings	252
% of meetings voted with at least one vote "Against Management"	62%
Number of items	3 568
% of items voted "Against Management" (*)	17%
Votes Against the Management	
Number of items voted "Against Management"	593
Breakdown of votes "Against Management"	
Board structure	62%
Compensation	15%
Financial Structures	4%
Shareholders' proposals	16%
Others	3%
% of votes "Against Management" for each category	
Board structure	16%
Compensation	23%
Financial Structures	8%
Shareholders' proposals	86%
Other	4%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	117
% of votes in favor of Shareholders' Proposals	85%
% for each theme	
Compensation	100%
Governance	100%
Board structure	84%
Climate	100%
Environment	100%
Social / Health / Human Rights	85%
Other	46%
Breakdown per ESG Items	
Environment / Climate	26
Social	430
Governance	3 112
Geographical breakdown	
Americas	22%
Asia	43%
Europe	35%

(\*) except the shareholders' proposals without recommendations from the Management

## BFT

Global Statistics	Voted
Number of companies	309
Number of meetings	347
% of meetings voted with at least one vote "Against Management"	61%
Number of items	5 491
% of items voted "Against Management" (*)	16%
Votes Against the Management	
Number of items voted "Against Management"	865
Breakdown of votes "Against Management"	
Board structure	25%
Compensation	39%
Financial Structures	24%
Shareholders' proposals	1%
Others	10%
% of votes "Against Management" for each category	
Board structure	13%
Compensation	28%
Financial Structures	19%
Shareholders' proposals	56%
Other	6%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	65
% of votes in favor of Shareholders' Proposals	72%
% for each theme	
Compensation	50%
Governance	na
Board structure	69%
Climate	100%
Environment	na
Social / Health / Human Rights	100%
Other	70%
Breakdown per ESG Items	
Environment / Climate	10
Social	1 239
Governance	4 242
Geographical breakdown	
Americas	1%
Asia	1%
Europe	96%
Oceania	3%

(\*) except the shareholders' proposals without recommendations from the Management

## CPR AM

Global Statistics	Voted
Number of companies	1 694
Number of meetings	2 002
% of meetings voted with at least one vote "Against Management"	71%
Number of items	24 823
% of items voted "Against Management" (*)	20%
Votes Against the Management	
Number of items voted "Against Management"	5 007
Breakdown of votes "Against Management"	
Board structure	50%
Compensation	25%
Financial Structures	11%
Shareholders' proposals	7%
Others	7%
% of votes "Against Management" for each category	
Board structure	20%
Compensation	40%
Financial Structures	18%
Shareholders' proposals	76%
Other	7%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	600
% of votes in favor of Shareholders' Proposals	79%
% for each theme	
Compensation	83%
Governance	97%
Board structure	74%
Climate	89%
Environment	56%
Social / Health / Human Rights	88%
Other	68%
Breakdown per ESG Items	
Environment / Climate	120
Social	3 354
Governance	21 349
Geographical breakdown	
Africa	1%
Americas	38%
Asia	25%
Europe	35%
Oceania	2%

(\*) except the shareholders' proposals without recommendations from the Management

## Etoile Gestion

Global Statistics	Voted
Number of companies	723
Number of meetings	807
% of meetings voted with at least one vote "Against Management"	74%
Number of items	12 724
% of items voted "Against Management" (*)	18%
Votes Against the Management	
Number of items voted "Against Management"	2 269
Breakdown of votes "Against Management"	
Board structure	42%
Compensation	31%
Financial Structures	12%
Shareholders' proposals	9%
Others	7%
% of votes "Against Management" for each category	
Board structure	17%
Compensation	34%
Financial Structures	15%
Shareholders' proposals	80%
Other	6%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	357
% of votes in favor of Shareholders' Proposals	79%
% for each theme	
Compensation	87%
Governance	83%
Board structure	76%
Climate	85%
Environment	86%
Social / Health / Human Rights	85%
Other	70%
Breakdown per ESG Items	
Environment / Climate	77
Social	2 149
Governance	10 498
Geographical breakdown	
Americas	28%
Asia	0%
Europe	71%
Oceania	0%

(\*) except the shareholders' proposals without recommendations from the Management



## Sabadell AM

Global Statistics	Voted
Number of companies	147
Number of meetings	172
% of meetings voted with at least one vote "Against Management"	50%
Number of items	1 404
% of items voted "Against Management" (*)	19%
Votes Against the Management	
Number of items voted "Against Management"	261
Breakdown of votes "Against Management"	
Board structure	38%
Compensation	30%
Financial Structures	13%
Shareholders' proposals	11%
Others	7%
% of votes "Against Management" for each category	
Board structure	17%
Compensation	40%
Financial Structures	14%
Shareholders' proposals	71%
Other	6%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	43
% of votes in favor of Shareholders' Proposals	88%
% for each theme	
Compensation	na
Governance	100%
Board structure	100%
Climate	92%
Environment	0%
Social / Health / Human Rights	88%
Other	100%
Breakdown per ESG Items	
Environment / Climate	18
Social	211
Governance	1 175
Geographical breakdown	
Africa	1%
Americas	20%
Asia	29%
Europe	38%
Oceania	12%

(\*) except the shareholders' proposals without recommendations from the Management

## S2G

Global Statistics	Voted
Number of companies	994
Number of meetings	1 087
% of meetings voted with at least one vote "Against Management"	74%
Number of items	14 634
% of items voted "Against Management" (*)	19%
Votes Against the Management	
Number of items voted "Against Management"	2 837
Breakdown of votes "Against Management"	
Board structure	54%
Compensation	28%
Financial Structures	7%
Shareholders' proposals	8%
Others	4%
% of votes "Against Management" for each category	
Board structure	20%
Compensation	37%
Financial Structures	12%
Shareholders' proposals	69%
Other	4%
Votes in favor of Shareholders' Proposals	
Number of Shareholders' Proposals	395
% of votes in favor of Shareholders' Proposals	77%
% for each theme	
Compensation	90%
Governance	82%
Board structure	81%
Climate	79%
Environment	33%
Social / Health / Human Rights	81%
Other	62%
Breakdown per ESG Items	
Environment / Climate	105
Social	2 220
Governance	12 309
Geographical breakdown	
Africa	0%
Americas	39%
Asia	14%
Europe	46%
Oceania	1%

(\*) except the shareholders' proposals without recommendations from the Management

