

Report over 2020

ABN Amro Investment Solutions Shareholder Engagement report

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Regulatory background

Regulatory background

Principles of Decree 2019-1235, published on 28.11.19, and our compliance

- ▶ France has adopted the European Directive 2017-828, known as the "Shareholders' Rights" Directive, in Act 2019-486, published on 22 May 2019, on the growth and transformation of companies. Furthermore it is implementing Decree 2019-1235, published on 28 November 2019, aimed at institutional investors, including management companies. This decree became effective on 28.02.2020.
- ▶ The objective of the European Directive is to promote long-term shareholder engagement
- ▶ The French decree is based on two main components:
 - Implementation of a shareholder rights policy
 - Implementation of a long-term strategy
- ▶ These measures include the elements of our "Voting Policy" as previously governed by the General Regulations of the Autorité des Marchés Financiers, articles 319-21 for FIAs and 321-132 to 321-134 for UCITS (hence in force until the end of 2019).
- ▶ As the time frame for being compliant with our voting report was relatively short (3 months as of the publication of the decree), we decided to make amendments to our voting report template
- ▶ We integrated the following sections in our voting report:
 - A table containing the criteria of the decree and our compliance with it (according to the "Comply or Explain"-principle);
 - An introduction of our voting service provider, ISS Governance
 - A focus on significant votes¹

¹: We defined a vote as being "significant" when the overall valuation of the shares held by the same company providing voting rights represents at least 100 million euros at the time of the Annual General Meeting (AGM).

Investment strategy



Implementation of a shareholder engagement policy

- ▶ In line with the philosophy of our parent company ABN AMRO, ABN AMRO Investment Solutions believes that environmental, social and governance (ESG) issues have a significant impact on business activities. By including ESG analyses in our investment process, we make better-informed decisions, reduce risks and potentially seize new opportunities arising from sustainable solutions.
- ▶ To achieve this goal, ABN AMRO Investment Solutions and ABN AMRO has established a partnership with Sustainalytics, a leader in sustainability research and analyses, serving investors and financial institutions around the world.
 - Sustainalytics' international perspective is reinforced by 20 years of local experience and expertise in the responsible investment (RI) and socially responsible investment (SRI) markets. They have a diverse team, using their extensive academic and professional experience as a basis for their work in analysing the environmental, social and governance performance of the companies and benchmarks they cover. The team at Sustainalytics is driven by a desire to add value for their clients by combining a global perspective with local expertise.
 - Sustainalytics conducts a quantitative and qualitative analysis of each company from an ESG-perspective. A wide range of criteria have been defined in order to assess the performance of companies on environmental, social and governance-related themes.
 - To conclude this evaluation process, each company is given an ESG-score.
- ▶ ABN AMRO Investment Solutions' sustainable investment approach is part of ABN AMRO Group's strategy to integrate ESG criteria into all its processes and to promote sustainable development across all subsidiaries, customers and suppliers.
- ▶ ABN AMRO Investment Solutions aims to integrate ESG-criteria into the entire offering.

Source: ABN AMRO Investment Solutions

Dialogue with investee companies

Dialogue with investee companies

Implementation of the shareholder engagement policy

- ▶ ABN AMRO Investment Solutions does not intend to be an activist shareholder. However, whenever we identify serious issues, we will raise these with the portfolio managers (internal or external).
- ▶ AAIS structures asset (fund) management solutions through delegated management, for the ABN AMRO Group and several external channels.
- ▶ Our model does not impose a direct relationship between us (the asset management company) and the companies (individual securities) in which our funds are invested (investment portfolio). Nevertheless, we require our sub-managers to make a commitment to improve ESG practices with the companies in which they invest and to report on an annual basis to ABN AMRO Investment Solutions (we subsequently develop our own engagement report).

Source: ABN AMRO Investment Solutions

Exercise of voting rights

Principles of the voting report

- ▶ ABN AMRO Investment Solutions has participated in the AFG Corporate Governance Committee since its creation in 1999.
- ▶ ABN AMRO Investment Solutions exercises the voting rights attached to securities held (except for shares in SICAVs held) on behalf of the UCITs it manages, excluding Employee shareholding funds (FCPEs):
 - in line with the commitments of ABN AMRO Group, defined by the "Principles for Responsible Investment" (PRI)
 - in the exclusive interest of holders of units or shares
 - in line with our customised voting policy and meeting sustainability criteria¹
 - for issuers in portfolios in all geographical areas
 - for the most significant positions held
 - for positions deposited with all custodian institutions ABN AMRO Investment Solutions works with
- ▶ ABN AMRO Investment Solutions relies for the exercise of its voting policy on a 3-member SRI² team, which reports to the Chief Investment Officer. The SRI team is in charge of the development of the voting rights policy as well as its monitoring.
- ▶ The SRI team relies on ISS Governance³ for voting recommendations and is responsible for the execution of voting rights.
- ▶ Our approach to corporate governance is expressed through a voting policy that evolves since 2014 within the framework of the six Principles for Responsible Investment (PRI).
- ▶ Our approach also aims to take into account environmental and societal resolutions (defence of climate and human rights).

¹ The voting policy takes into account sustainability criteria related to environmental protection and respect for human rights, in addition to good governance practices as defined by ABN AMRO Investment Solutions and ISS Governance).

² SRI : Socially Responsible Investments

³ ISS Governance: Institutional Shareholder Services Governance (www.issgovernance.com)

Source: ABN AMRO Investment Solutions

Voting report: terms and conditions of participation in Annual General Meetings

Definition of consolidated thresholds¹

- ▶ For so-called traditional UCITs, the exercise of votes is applied if the following two conditions are met:
 - The valuation of the individual positions per portfolio is greater than €2 million.
 - Aggregated positions by issuers of all UCITs combined comply with the following minimum thresholds:
 - In France, voting rights are exercised if the cumulative position exceed €5 million.
 - In Europe outside France, voting rights are exercised if cumulative positions exceed €7.5 million.
 - In the United States and in the rest of the world, voting rights are exercised if the cumulative positions exceed €10 million.
- ▶ For UCITs in the SRI range, voting rights are exercised if the cumulative position per issuer complies with the minimum threshold of €2 million (all geographical areas combined).

Application of governance principles

- ▶ ABN AMRO Investment Solutions' SRI team sets out the principles for supporting and rejecting a resolution in order to apply governance principles in the voting process.
- ▶ Votes are transmitted according to the methods and regulations in place, either electronically or on paper, in particular for general meetings of French issuers holding portfolios under French law.
- ▶ ISS Governance applies the ABN AMRO Investment Solutions voting policy and issues voting recommendations validated² by ABN AMRO Investment Solutions.

Controls

- ▶ The SRI team at ABN AMRO Investment Solutions monitors and controls the detailed analyses provided by ISS Governance's research department on the governance of the investee company.
- ▶ We have set up an audit to test the processing of recommendations by ISS Governance (e.g. supporting or rejecting of resolutions submitted).

1. In some cases, these thresholds may not be applied and/or ABN AMRO Investment Solutions does not follow the voting recommendations of ISS Governance (e.g. exceptional procedure voting).
2. It is possible for ABN AMRO Investment Solutions to vote against its own voting policy.

Source: ABN AMRO Investment Solutions

Introduction of our voting advisor

Founded in 1985, the Institutional Shareholder Services ("ISS") group enables investors and companies to build sustainable, long-term growth by providing high-quality data, analysis and information.

With nearly 2,000 employees in 30 locations in the United States and abroad, ISS is today the world's leading provider of corporate governance and responsible investment solutions, market and fund intelligence services, events and editorial content for institutional investors and corporations worldwide.

▶ ISS Governance :

- Governance offerings include objective governance research and recommendations, as well as end-to-end proxy voting and distribution solutions.
- Institutional clients have been turning to ISS to apply their views on corporate governance, identify environmental, social and governance risks, and manage their global proxy voting needs for a long time.
- ISS covers approximately 44,000 meetings in 115 countries each year, providing proxy voting research and recommendations while working closely with clients to execute more than 10.2 million ballots representing 4.2 trillion shares.

Source: ABN AMRO Investment Solutions, ISS Governance

Voting statistics: Annual General Meetings

Number of AGMs

- ▶ Voted on 332 Annual General Meetings (AGMs) in 2020, and 383 in 2019
- ▶ These 332 AGMs represent 5,253 resolutions

Voting coverage

- ▶ After applying voting thresholds, we voted on 332 AGMs out of an eligible total of 2,193, hence a participation rate of 15,1 %
- ▶ These thresholds allow us to focus on our most important positions² and thus to maximise our impact. We estimate³ our average impact rate at 61% when it comes to consider the extended universe of eligible funds (Equities, Diversified and Convertibles funds)⁴ and at 94% when restricted to Equities funds.

Votes by exceptional procedure

- ▶ None

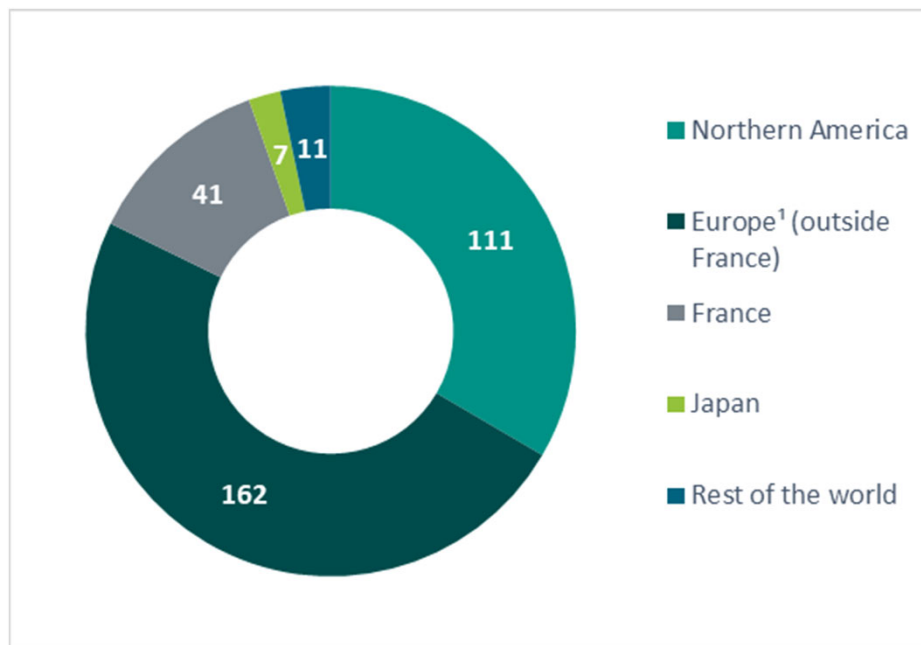
¹ Europe: European Union + Norway, Russia, Switzerland, ...

² Positions larger than 10 mln Euros

³ Estimation as of 31.12.2019, sources: ABN AMRO Investment Solutions & ISS Governance

⁴ Effective calculations based on valuations of the positions voted for and the funds held at the end of December 2020

Number of AGMs voted on: 332



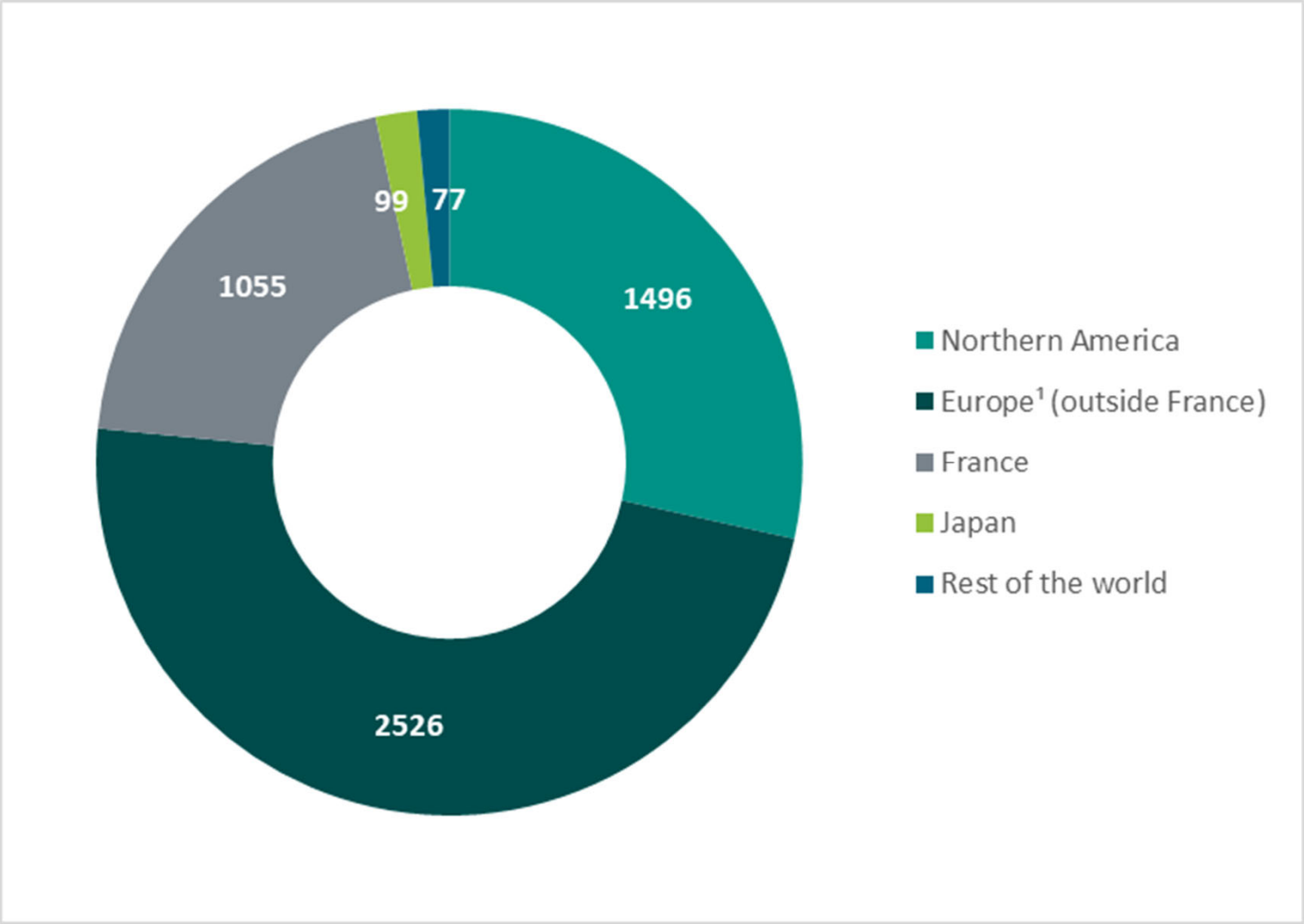
Conflicts of interest

- ▶ We identified no conflicts of interest during the reviewed year.

Source: ABN AMRO Investment Solutions, ISS Governance

Voting statistics: Resolutions voted on

Total number of resolutions voted on per geographic zone : 5.253²

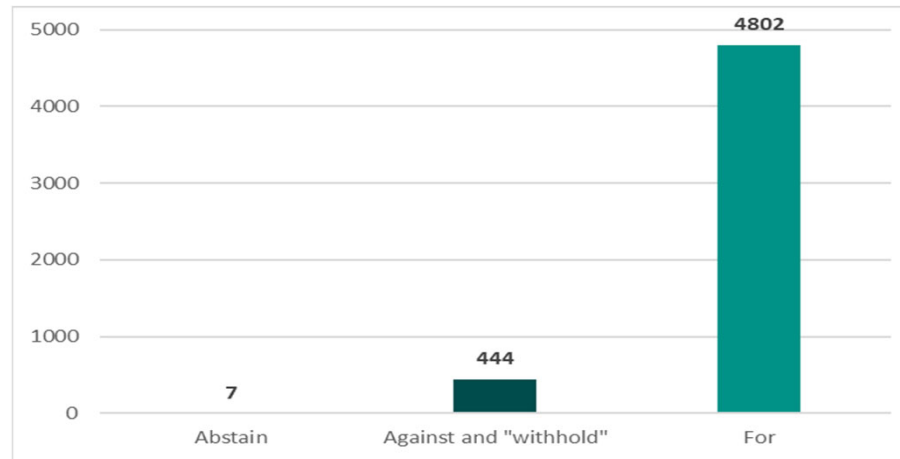


¹ Europe: European Union + Norway, Russia, Switzerland, ...
² We don't take into account the 4 "one-year" resolutions.

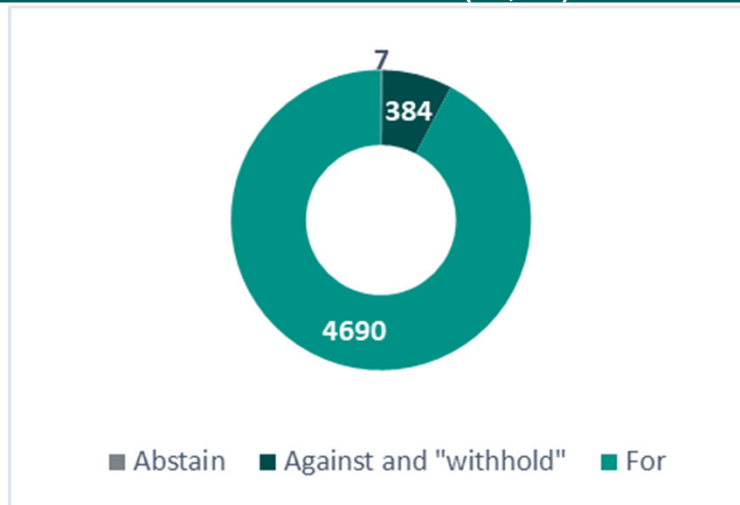
Source: ABN AMRO Investment Solutions, ISS Governance

Voting statistics: Resolutions voted on

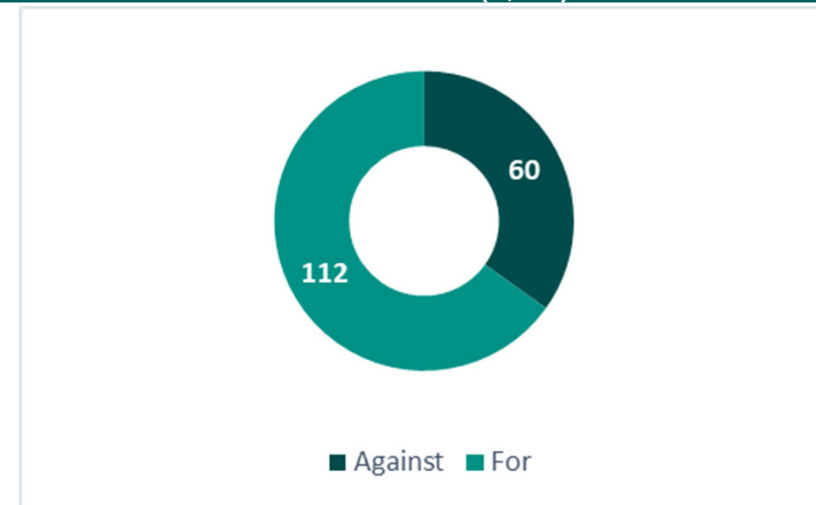
Number of total resolutions: 5.253¹



Of which resolutions approved by the Board of Directors²: 5.081 (96,7%)



Of which resolutions not approved by the Board of Directors³: 172 (3,3%)



¹ We don't take into account the 4 "one-year" resolutions.

² The resolutions approved by the Board of Directors are the resolutions the management voted FOR (regardless of whether they were proposed by the management or by the shareholders)

³ The resolutions not approved by the Board concern all resolutions that were not supported by the management

Voting statistics: Resolutions voted on

Breakdown of resolutions: 5.253

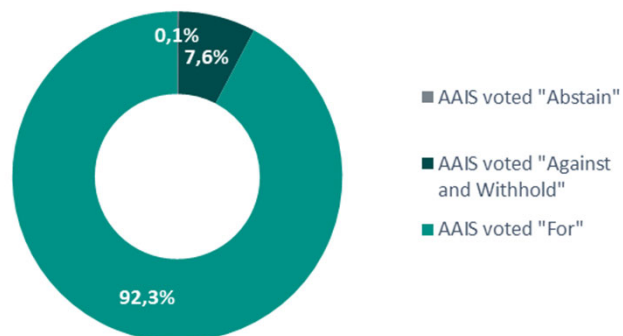
Resolutions	Geographical Zone				
	Northern America	Europe ¹ (outside France)	France	Japan	Rest of the world
Actionnariat salarié	11	9	45		
Dispositifs Anti-OPA et Opérations Financières/Fusions	6	376	207		9
Formalités et autres motifs	129	664	324	7	33
Nomination/Jetons de Présence des Membres du CA ou de Surveillance	1.085	1.217	178	89	24
Rémunérations des Dirigeants et des Salariés (hors Actionnariat salarié)	131	240	289	3	10
Résolutions externes (proposées par les actionnaires)	134	20	12		1
Total général²	1.496	2.526	1.055	99	77

¹ Europe: European Union + Norway, Russia, Switzerland, ...

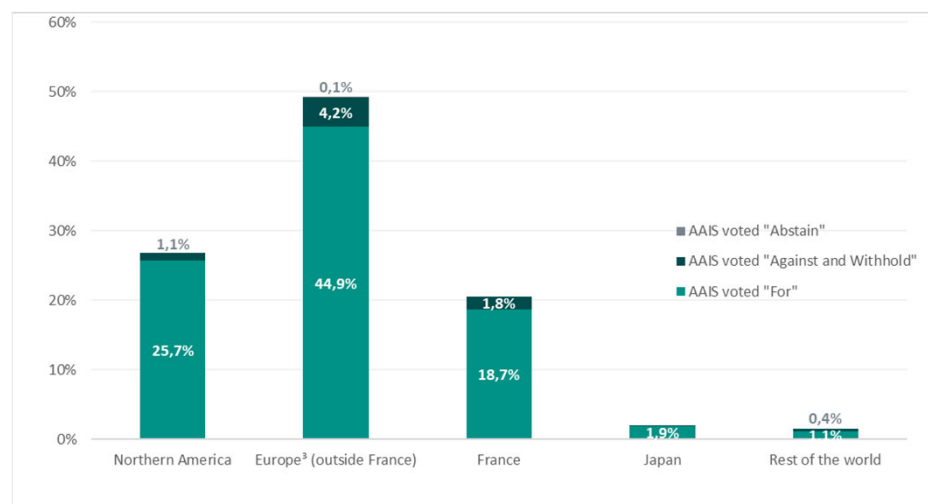
² We don't take into account the 4 "one-year" resolutions.

Voting statistics: Resolutions voted on

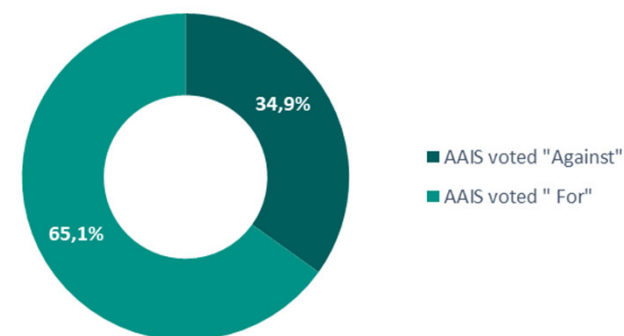
Resolutions approved by the Board¹: 96,7%



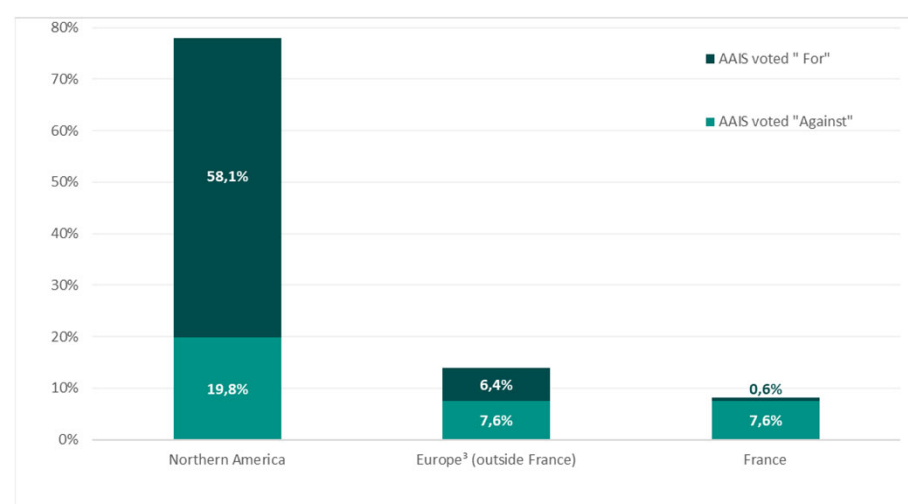
Breakdown per geographical zone



Resolutions not approved by the Board²: 3,3%



Breakdown per geographical zone



¹ The resolutions approved by the Board of Directors are the resolutions the management voted FOR (regardless of whether they were proposed by the management or by the shareholders)

² The resolutions not approved by the Board concern all resolutions that were not supported by the management

³ Europe: European Union + Norway, Russia, Switzerland, ...

Source: ABN AMRO Investment Solutions, ISS Governance

Voting statistics: Resolutions voted on

Distribution of opposition votes¹: 444

Résolutions	Zone géographique				
	Northern America	Europe ² (outside France)	France	Japan	Rest of the world
Anti-Takeover and Financial Operations/Mergers	2	91	9		5
Formalities and other reasons	1	18	14		
Appointment/Attendance of Board Members or Supervisory Board Members	41	86	20	2	8
Remuneration of Directors and Employees (excluding employee shareholders)	12	24	53		7
External resolutions (not approved by the Board)	34	7	10		
Total	90	226	106	2	20

¹ Number of times we voted against the resolution (either we did not support the resolution or we did not have all the elements to vote on it)

² Europe: European Union + Norway, Russia, Switzerland, ...

Focus on significant votes: Annual General Meeting Amazon.com 27.05.2020



Proposal Number	Proponent	Proposal Text	Management Recommendation	Vote Instruction	Comment
1a	Management	Elect Director Jeffrey P. Bezos	For	For	
1b	Management	Elect Director Rosalind G. Brewer	For	For	
1c	Management	Elect Director Jamie S. Gorelick	For	For	
1d	Management	Elect Director Daniel P. Huttenlocher	For	For	
1e	Management	Elect Director Judith A. McGrath	For	For	
1f	Management	Elect Director Indra K. Nooyi	For	For	
1g	Management	Elect Director Jonathan J. Rubinstein	For	For	
1h	Management	Elect Director Thomas O. Ryder	For	For	
1i	Management	Elect Director Patricia Q. Stonesifer	For	For	
1j	Management	Elect Director Wendell P. Weeks	For	For	
2	Management	Ratify Ernst & Young LLP as Auditor	For	For	
3	Management	Advisory Vote to Ratify Named Executive Officers' Compensation	For	For	
4	Management	Reduce Ownership Threshold for Shareholders to Call Special Meeting	For	For	
5	Shareholder	Report on Management of Food Waste	Against	For	A vote FOR this resolution is warranted, as a report on the company's efforts to reduce food waste would allow shareholders to assess the effectiveness of the company's food waste programs, as well as provide a better understanding of the company's food waste reduction strategy. In addition, a number of the company's peers have set goals to reduce the amount of food waste that is sent to landfills.
6	Shareholder	Report on Customers' Use of its Surveillance and Computer Vision Products or Cloud-Based Services	Against	For	A vote FOR this proposal is warranted, as additional information regarding the processes the company uses to assess human rights impacts in its operations would allow shareholders to better gauge how well Amazon is managing human rights related risks.
7	Shareholder	Report on Potential Human Rights Impacts of Customers' Use of Rekognition	Against	For	A vote FOR this proposal is warranted, as additional information regarding the processes the company uses to assess human rights impacts in its operations would allow shareholders to better gauge how well Amazon is managing human rights related risks, specifically around new technologies like facial recognition.

Source : ABN AMRO Investment Solutions and ISS Governance

Focus on significant votes: Annual General Meeting Amazon.com 27.05.2020



Proposal Number	Proponent	Proposal Text	Management Recommendation	Vote Instruction	Comment
8	Shareholder	Report on Products Promoting Hate Speech and Sales of Offensive Products	Against	For	A vote FOR this proposal is warranted, as a report assessing the enforcement of its content policies could help provide shareholders with information on the effectiveness of the company's processes, given that the company continues to face controversies related to hate speech on its site.
9	Shareholder	Require Independent Board Chairman	Against	For	A vote FOR this proposal is warranted given the importance of having an independent board chair.
10	Shareholder	Report on Global Median Gender/Racial Pay Gap	Against	Against	
11	Shareholder	Report on Reducing Environmental and Health Harms to Communities of Color	Against	For	A vote FOR this resolution is warranted, as a report on the company's efforts to reduce the environmental and health harms of its operations on communities of color would allow shareholders to better assess the effectiveness of the company's efforts to evaluate the environmental and social impacts of its activities.
12	Shareholder	Report on Viewpoint Discrimination	Against	Against	
13	Shareholder	Report on Promotion Velocity	Against	For	A vote FOR this proposal is warranted as greater disclosure about the company's retention and promotion velocity rates could increase accountability for the company's diversity efforts.
14	Shareholder	Reduce Ownership Threshold for Shareholders to Call Special Meeting	Against	For	A vote FOR this proposal is warranted, as the proposed threshold would enhance shareholders' right to call a special meeting, while presenting very little risk of abuse in light of the company's market capitalization and the composition of its shareholder base.
15	Shareholder	Human Rights Risk Assessment	Against	For	A vote FOR this resolution is warranted as the company could provide additional information regarding the policies the company has implemented to address human rights impacts in its operations and supply chain.
16	Shareholder	Report on Lobbying Payments and Policy	Against	For	A vote FOR this proposal is warranted, as additional disclosure of the company's direct and indirect lobbying-related expenditures and oversight mechanisms would help shareholders better assess the risks and benefits associated with the company's participation in the public policy process.

Source : ABN AMRO Investment Solutions and ISS Governance

Focus on significant votes: Annual General Meeting Facebook, Inc. 27.05.2020



Proposal Number	Proponent	Proposal Text	Management Recommendation	Vote Instruction	Comment
1.1	Management	Elect Director Peggy Alford	For	For	
1.2	Management	Elect Director Marc L. Andreessen	For	Withhold	WITHHOLD votes are warranted for incumbent compensation committee member Marc Andreessen, in the absence of a say-on-pay proposal on the ballot, due to unmitigated concerns with respect to executive pay.
1.3	Management	Elect Director Andrew W. Houston	For	For	
1.4	Management	Elect Director Nancy Killefer	For	For	
1.5	Management	Elect Director Robert M. Kimmitt	For	For	
1.6	Management	Elect Director Sheryl K. Sandberg	For	For	
1.7	Management	Elect Director Peter A. Thiel	For	Withhold	WITHHOLD votes are warranted for incumbent compensation committee member Peter Thiel, in the absence of a say-on-pay proposal on the ballot, due to unmitigated concerns with respect to executive pay.
1.8	Management	Elect Director Tracey T. Travis	For	For	
1.9	Management	Elect Director Mark Zuckerberg	For	Withhold	WITHHOLD votes for CEO/Chair Mark Zuckerberg are warranted given that the CEO and chair of the board ultimately shoulders the most responsibility amongst all board members for failing to effectively supervise the management of risks to the company and its shareholders, and should therefore be held the most accountable for poor board oversight of ESG risk exposures at the firm.
2	Management	Ratify Ernst & Young LLP as Auditors	For	For	
3	Management	Approve Non-Employee Director Compensation Policy	For	Against	A vote AGAINST this proposal is warranted. The proposed director pay program would provide relatively large compensation for directors compared to board members at other companies in the same market index and industry sector. The proposal also provides for onboarding equity grants to new directors valued at \$1 million, which is outsized and not in line with the company's peers or general market practices.

Source : ABN AMRO Investment Solutions and ISS Governance

Focus on significant votes: Annual General Meeting Facebook, Inc. 27.05.2020



Proposal Number	Proponent	Proposal Text	Management Recommendation	Vote Instruction	Comment
4	Shareholder	Approve Recapitalization Plan for all Stock to Have One-vote per Share	Against	For	A vote FOR this proposal is warranted as it would convey to the board nonaffiliated shareholders' preference for a capital structure in which the levels of economic ownership and voting power are aligned.
5	Shareholder	Require Independent Board Chair	Against	For	A vote FOR this proposal is warranted given the importance of having an independent board chair.
6	Shareholder	Require a Majority Vote for the Election of Directors	Against	For	A vote FOR this proposal is warranted as it would give shareholders a more meaningful voice in the election of directors and further enhance the company's corporate governance.
7	Shareholder	Report on Political Advertising	Against	For	A vote FOR this proposal is warranted, as the company and shareholders could benefit from a fuller understanding of the risks related to its political advertising policies in light of ongoing controversies and changing industry standard practices.
8	Shareholder	Require Independent Director Nominee with Human and/or Civil Rights Experience	Against	Against	
9	Shareholder	Report on Civil and Human Rights Risk Assessment	Against	For	A vote FOR this resolution is warranted as shareholders would benefit from additional information on how the company is assessing civil and human rights risks, including additional information on how it is managing compliance with its policies and related oversight mechanisms.
10	Shareholder	Report on Online Child Sexual Exploitation	Against	For	A vote FOR this proposal is warranted, as additional information on risks related to potential sexual exploitation of children through the company's platforms would give shareholders more information on how well the company is managing related risks.
11	Shareholder	Report on Median Gender/Racial Pay Gap	Against	Against	

Source : ABN AMRO Investment Solutions and ISS Governance

Comments on 2020's season: Highlights France



The main voting themes in France

- ▶ Impact of COVID-19: Like in many other jurisdictions, the global pandemic caused many French companies to hold their annual shareholder meetings later in the year. Additionally, a majority of CAC 40 companies reduced or withdrew their initial dividend distribution proposals.
- ▶ SRD2 implementation: This was the first year for binding proposals on full remuneration reports including all corporate officer remuneration. Remuneration reports also required new disclosure regarding pay equity ratios.
- ▶ Incorporation of corporate missions: New regulatory code requires French companies to be managed in the social interest by the review of their social and environmental impacts. Some companies also requested shareholders approve bylaw amendments to codify this new corporate mission.
- ▶ First environmental related shareholder proposals: In 2020, the first ever environmental-related shareholder resolutions were received by two French companies. Although the resolutions were dismissed by the company at Vinci SA, shareholders of Total SE voted on a climate related bylaw amendment. The resolution received 17% support.

Focus on the « Loi Sapin 2 » (of 9 December 2016)

- ▶ The Sapin 2 Law on transparency, the fight against corruption and the modernisation of economic life makes the shareholders' vote binding.
- ▶ The Sapin Law introduces for listed companies two binding annual votes, one ex ante, on the remuneration policy for corporate officers as of 2017, the other ex post, on the remuneration granted for the previous financial year applicable as of this year.
- ▶ In addition to fixed and variable compensations, the vote covers the allocation of free shares, granting stock options, exceptional compensations, directors' fees, non-competition indemnities and benefits in kind.
- ▶ In the event of a negative ex-ante vote, the Board of Directors is required to submit a new proposal on remuneration to the next General Meeting, otherwise the old remuneration policy continues to apply. In the case of an ex-post vote, a negative vote results in non-payment of variable compensation awarded for the past financial year for each corporate officer whose payment is submitted to vote.

Source : ABN AMRO Investment Solutions and ISS Governance

Comments on 2020's season: Highlights Europe (excluding France)

The main voting themes in Europe (excluding France)



- ▶ COVID-19 Impacts: The unprecedented impact of the COVID-19 pandemic is undoubtedly the biggest focus of the European 2020 proxy season as it has presented significant challenges for public companies and shareholders. Governments took a number of measures in order to help facilitate the holding of annual general meetings (AGMs) without a physical presence being needed. Due to the economic uncertainties caused by the pandemic, many companies opted to withdraw initial dividend and buyback proposals and amend board and management remuneration proposals.
- ▶ Implementation of the EU Shareholder Rights Directive (SRD II): A major theme during 2020 proxy season was the transposition of the SRD II and the resulting increase of say-on-pay votes in several markets. In addition, SRD II was supplemented in 2018 by an Implementing Regulation laying out minimum requirements for implementation of certain provision of the directive (on the identification of shareholders, transmission of information, facilitation of the exercise of shareholder rights with an implementation). These minimum requirements were applicable in all member states from Sept. 3, 2020.
- ▶ Environmental disclosure takes focus: Climate change concerns remain at the center of environmental and social issues seen in Europe both amongst regulators and investors. The European Parliament adopted the Taxonomy regulation in June 2020, which establishes a classification system at EU level for sustainable activities in order to provide investors with clear and transparent information on environmental sustainability.
- ▶ Regulatory and corporate governance code changes: Additional regulatory changes are expected, along with corporate governance code updates. New codes have been introduced or are about to be introduced in Denmark, Italy, and Spain. Sustainability and non financial disclosure are new elements introduced or expanded in these codes.

Source : ABN AMRO Investment Solutions and ISS Governance

Comments on 2020's season: Highlights United States

The main voting themes in the US

- ▶ COVID-19 dramatically altered the format of shareholder meetings. Health concerns relating to the global coronavirus pandemic caused the majority of U.S. companies to hold virtual-only shareholder meetings, leading to challenges for some shareholders.
- ▶ Lack of board gender diversity becomes a factor in directors receiving less-than-majority support: While the number of companies maintaining an all-male board continues to diminish, now at less than 200 companies within the Russell 3000 Index, the lack of board gender diversity became a significant driver of failed director votes.
- ▶ Written consent-related shareholder proposals take prominence: Proponents focused their efforts on shareholder proposals regarding written consent rights, presenting 60 proposals on ballot in the first half of 2020, the most in the past 10 years.
- ▶ Shareholder proposals requesting an independent board chair saw rising support and some integrated ESG concerns: Ending a nearly two-year drought, two shareholder proposals requesting independent board leadership received majority support, and the median level of support for all independent chair proposals increased. Additionally, for the first time, certain proponents highlighted environmental and social risk oversight concerns as a basis for a change in board leadership.
- ▶ Record number of Environmental and Social (E&S)-related shareholder proposals gain majority support: Twenty E&S-related shareholder proposals at U.S. companies received majority support, up from 12 in 2019 and 10 in 2018.
- ▶ E&S-related proposals remain in the majority of proposals filed at U.S. companies: For the fourth consecutive year the majority of U.S. shareholder proposals filed were E&S-related, with 55 percent of all shareholder proposals this year being either environmental or social-related. However, after omissions and withdrawals, E&S-related proposals made up just 42 percent (186 proposals) of all proposals that went to a vote.
- ▶ Rate of proponent withdrawals of E&S-related proposals dips: Decrease of withdrawals may be the result of either companies' or proponents' reluctance to negotiate, and proponents' possible reliance on many large asset managers' stated commitments to support more E&S proposals.
- ▶ Political spending proposals remain at the top spot in terms of filings: Ninety-five proposals were submitted, slightly down from 102 last year. Seven proposals related to political spending received majority support, the most of any E&S-related category.
- ▶ Climate change risk/fossil fuel lending at banks becomes a key focus area globally: Proposals filed in the U.S., Canada, Europe, Australia and Japan focus on emissions reductions targets in line with the Paris Agreement goals.
- ▶ The Covid-19 pandemic and the focus on racial inequality and injustice intensify investor focus on human capital management and workforce diversity: Three human capital management and two workforce diversity proposals received majority support.



Comments on 2020's season: Highlights Japan



The main voting themes in Japan

- ▶ COVID-19 causes audit delays and changes in the evaluation of director election proposals: The pandemic triggered delays in the audit process. Companies which were unable to complete the audit in time chose either to postpone or adjourn their annual meetings. While there were no particular developments in agenda items due to the pandemic, some shareholders suspended the use of financial metrics, such as return-on equity (ROE), as part of the evaluation of director elections proposals, given the significant impact of the pandemic on corporate performance.
- ▶ Board independence improves: Only a few years ago, all-insider boards were the norm in Japan, but in 2020, 99 percent of Japanese boards have at least one outside director, 90 percent of boards have at least two outsiders, and 62 percent of boards have at least one third of board members as outsiders.
- ▶ The number of female board directors is increasing, although from a low base: A total of 44 percent of Japanese boards now have at least one female director, up from 37 percent in 2019, and 26 percent in 2016.
- ▶ Shareholder proposals increase: In recent years, there has been an increasing number of shareholder proposals, and the number of meetings where shareholder proposals were voted on increased from 60 meetings in 2019 to 62 meetings this year (through the end of June).
- ▶ First climate change proposal on ballot: Mizuho Financial Group received the first climate related shareholder resolution voted on at a Japanese company. Although the proposal was not approved, it received support of 35 percent of votes cast.

2020 Comments : Social and Environmental resolutions

Social and Environmental resolutions

Country	Resolution	Environment	Social/Societal
North America	Adopt a Policy on Ideological Board Diversity		1
	Animal Welfare		1
	Board Diversity		3
	Charitable Contributions		1
	Climate Change Action	2	
	Community -Environment Impact		5
	Data Security, Privacy, and Internet Issues		1
	Establish Environmental/Social Issue Board Committee		1
	Gender Pay Gap		9
	Human Rights Risk Assessment		3
	Improve Human Rights Standards or Policies		3
	Labor Issues - Discrimination and Miscellaneous		1
	Link Executive Pay to Social Criteria		4
	Miscellaneous -- Environmental & Social Counterproposal		3
	Miscellaneous Proposal -- Environmental & Social		7
	Political Activities and Action		1
	Political Contributions Disclosure		4
	Political Lobbying Disclosure		10
	Product Toxicity and Safety		3
	Report on Climate Change	2	
Report on EEO		3	
Report on Pay Disparity		2	
Require Environmental/Social Issue Qualifications for Director Nominees		2	
Europe ¹ (outside of France)	Accept/Approve Corporate Social Responsibility Report		9
	Approve Charitable Donations		4
	Approve Political Donations		24
	Climate Change Action	1	
	Community -Environment Impact		1
	GHG Emissions	1	
France	Report on Sustainability		2
	Climate Change Action	1	

Regarding the exercise of voting rights in 2020, social and environmental resolutions represent 115 resolutions out of the 5.253, i.e. 2,2%. Of these, 93,9% concern "Social" themes and 6,1% "Environmental" themes. These resolutions focus mainly on North America.

Source : ABN AMRO Investment Solutions and ISS Governance

Relations with third parties

Relations with third parties

Cooperation with other shareholders

- ▶ Our commitment policy encourages collaborative commitment actions of our delegates.

Communication with stakeholders

- ▶ ABN AMRO Investment Solutions is committed to and actively participates in various professional working groups dedicated to "responsible finance". ABN AMRO Investment Solutions participated, among others, in 2017 in the drafting of the new version of the "SRI Funds Transparency Code", which integrates certain aspects of article 173 of the LTECV.
- ▶ Available on our website (www.abnamroinvestmentsolutions.com):
 - The Responsible Investment Report
 - Report on the shareholder rights policy

Prevention of conflict of interest

- ▶ ABN AMRO Investment Solutions exercises the voting rights in line with the principles of its voting policy and in the exclusive interest of the holders of units or shares of the managed UCITs. Voting rights are exercised independently by the Socially Responsible Investment (SRI) department.
- ▶ ABN AMRO Investment Solutions takes care to prevent and manage possible conflicts. In particular, any voting right exercised is based on a common position applied to all participating UCITs.
- ▶ Our dedicated voting procedure allows us to turn to the Voting Committee in the event that a conflict of interest is brought to our attention prior to the general meeting (internal management team, delegated management or other). The policy of engagement with companies is independent of the voting policy as it is carried out by our delegated managers in complete autonomy.
- ▶ In addition, ABN AMRO Investment Solutions has set up a system aimed at preventing, detecting and managing potential risks of conflicts of interest. This system is described in its conflict of interest management policy available on our website:

www.abnamroinvestmentsolutions.com

Disclaimer

ABN AMRO Investment Solutions - AAIS

Public limited company with a board of directors and a supervisory board
with a share capital of 4,324,048 euros
registered with the Paris trade and companies registry with no 410 204 390,
Registered office: 3 avenue Hoche, 75008 Paris, France.
Authorised by the Autorité des Marchés Financiers (French Financial Markets Authority) on
20/09/1999
as a portfolio management company with no GP99027

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