

# Voting Rights Report

2019



An affiliate of



This document is intended only for professional clients within the meaning of the MiFID directive.

According to the Articles 319-22 and 321-33 of AMF general regulations, this “Voting Rights Report” has been written in order to describe how Mirova exercised the voting rights attached to the shares held in the UCITS (OPCVM) / AIF it manages.

Within this framework, the exercise of voting rights is an integral part of Mirova’s responsible investment strategy.

Aligning the principles of our voting policy with our investment strategy is essential for fostering value creation for our clients.

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Cover photo by Edwin Andrade

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## General framework

As a responsible and committed investor, Mirova promotes the development of a corporate vision focused on the creation of collective value over the long term. This approach contrasts with the traditional idea of a company as it was elaborated over the last few decades. Two key concepts structure our strategy.

**Taking all stakeholders into account.** Companies can no longer be considered solely from the shareholder's point of view. Companies are first and foremost collaborative projects, which are made possible by

a number of constituting parties: investors (shareholders, creditors, etc.), whose main role is to provide capital; employees, who play an essential role in a competitive world driven by innovation; and public authorities who develop the infrastructure and increase the attractiveness of the area. Executives do not serve the sole interest of shareholders, and corporate governance should be shaped to include the interests of its key stakeholders.

**A long-term approach.** We believe that the creation of value requires a long-term perspective which takes into account environmental and societal issues. We are convinced that shareholders have a role to play in spreading this vision of what a company should be, which is why our voting policy encourages as follows:

- the development of a long-term shareholder base,
- the creation of governing bodies that serve all stakeholders and address CSR issues<sup>1</sup>,
- the introduction of a compensation policy which is not only fair to all stakeholders, but which also promotes sustainable growth, and
- increased transparency and a better quality of both financial and extra-financial information, through annual audited reports covering all these issues.

Implementing these practices is a long process. Mirova has also decided to launch an in-depth engagement strategy which addresses these issues through dialogue with companies and targeted advocacy actions with public authorities.

This approach is based on the work conducted by the academic chair of the Mines ParisTech, "*Théorie de l'entreprise. Modèles de gouvernance et création collective*" (Theory of a company. Models of governance and collaborative creation), which has been supported by Mirova since 2015.

## How the voting process is organized

Our voting activity is organized around two teams, each of which has its own expertise.

**Voting principles are defined** by Mirova's Responsible Investment Research Team, which is composed of analysts who are experts in environmental, social

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<sup>1</sup> Corporate Social Responsibility



and governance issues. Our voting policy is updated annually. It is validated by Mirova's Executive Committee, and by the Compliance and Internal Control Department. It is presented to the Board of Directors each year.

**Resolutions are analyzed** by Mirova's Responsible Investment Research team. Voting decisions are the responsibility of the voting committee, which is composed of Mirova's Global Head of Research and CIO of Equities and Fixed Income and its two Co-Heads of Responsible Investment Research. Portfolio managers and extra-financial analysts may be invited to participate in the committee's deliberations depending on the subject under discussion.

**Mirova's voting rights are exercised** by Ostrum AM's Middle Office Department, according to instructions provided by Mirova as part of a service provider agreement. A report on the exercise of Mirova's voting rights is presented to the Board of Directors annually.

## 2019 Voting Perimeter

In accordance with the FMA regulations regarding the exercise of voting rights of asset management companies (General Regulations Article 319-22 and 321-133) and following the principles defined by its voting policy, Mirova has exercised its voting rights as a shareholder of the UCITS<sup>2</sup> and AIF<sup>3</sup> it manages.

The voting perimeter comprises Mirova and its affiliate company Mirova US. The following funds are included in this report<sup>4</sup>:

### List of funds within Mirova's voting perimeter

Actions Monde Des Salariés Suez ISR  
 Carrefour Equilibre Solidaire  
 Mirova Global Sustainable Equity Fund  
 2030 Mirova Global Sustainable Equity Fund  
 2025 Mirova Global Sustainable Equity Fund  
 2050 Mirova Global Sustainable Equity Fund  
 Mirova Global Sustainable Equity Fund  
 2060 Mirova Global Sustainable Equity Fund  
 2040 Mirova Global Sustainable Equity Fund  
 2020 Mirova Global Sustainable Equity Fund  
 2015 Mirova Global Sustainable Equity Fund  
 2055 Mirova Global Sustainable Equity Fund  
 2045 Mirova Global Sustainable Equity Fund  
 2035 Mirova Global Sustainable Equity Fund  
 Equilibre Solidaire BMS UPSA  
 Retraite Actions Socialement Responsables Et Solidaire  
 Impact ES Actions Europe (Impact ES Equities Europe)  
 ES Mixte ISR  
 2030 Aia Us Large Cap Val Esg  
 2035 Aia Us Large Cap Val Esg  
 2060 Aia Us Large Cap Val Esg  
 2015 Aia Us Large Cap Val Esg  
 2040 Aia Us Large Cap Val Esg  
 2055 Aia Us Large Cap Val Esg

<sup>2</sup>Undertakings for Collective Investment in Transferable Securities (Organisme de Placement Collectif en Valeurs Mobilières)

<sup>3</sup>Alternative Investment Fund (Fonds d'investissement alternatif)

<sup>4</sup>Dedicated funds under confidentiality contract are not included

2050 Aia Us Large Cap Val Esg  
 2025 Aia Us Large Cap Val Esg  
 2020 Aia Us Large Cap Val Esg  
 2045 Aia Us Large Cap Val Esg  
 2035 MIROVA Carbon Neutral Us Equities  
 2040 MIROVA Carbon Neutral Us Equities  
 2015 MIROVA Carbon Neutral Us Equities  
 2050 MIROVA Carbon Neutral Us Equities  
 2025 MIROVA Carbon Neutral Us Equities  
 2060 MIROVA Carbon Neutral Us Equities  
 2030 MIROVA Carbon Neutral Us Equities  
 2045 MIROVA Carbon Neutral Neutral Us Equities  
 2055 MIROVA Carbon Neutral Us Equities  
 2020 MIROVA Carbon Neutral Us Equities  
 Insertion Emplois Dynamique (Insertion Dynamic Employment)  
 Orano Diversifié Obligataire ISR  
 Mirova Euro Sustainable Equity Fund  
 Mirova Europe Sustainable Equity Fund  
 Mirova Europe Environmental Equity Fund  
 Mirova International Sustainable Equity Fund  
 Mirova Global Carbon Neutral Equity Fund  
 Impact ISR Rendement Solidaire  
 Fonds Diversifié Et Solidaire  
 Mercer Sustainable Global Equity Fund

The 2019 voting perimeter included 432 assets held in 51 UCITS and AIF managed by Mirova.

Within this voting perimeter, 469 general meetings were held in 2019. Mirova exercised its voting rights for 425 companies at 462 general meetings, reaching a 98.5% participation rate .

Mirova did not exercise its voting rights at 7 general meetings due to technical problems (fund migration into proxy systems and administrative systems, validity of power of attorney, etc.).

	Number of companies	In %
Europe	162	38%
Americas	238	56%
Asia	20	5%
Oceania	5	1%
Africa	0	0%
<b>Total</b>	<b>425</b>	

In Europe, the general meetings of French and German companies accounted for a little over 50% of the voting perimeter (27% and 17% respectively). General meetings of British companies represented 12% of the voting perimeter, and those of Dutch companies represented 10%. The remaining general meetings (34% of the voting perimeter) took place in other countries.

## Instances in which Mirova would not have respected its voting policy

Mirova exercises its voting rights in the exclusive interest of unitholders, and respects the principles set out in its voting policy in this context.

## Conflicts of Interest

In compliance with its voting policy, Mirova exercises its voting rights in the exclusive interest of unitholders and does not participate in the general meetings of entities of the BPCE Group or BPCE Group's subsidiaries/holdings, the securities of which are traded on the market.

No conflicts of interest arose during the exercise of voting rights in 2019.

## Distribution of votes

Over a number of years, Mirova has chosen to report its votes in terms of the number of companies rather than in terms of the number of resolutions. This choice allows us to better reflect the number of companies with good practices, and to avoid the data being distorted by the number of resolutions brought to a vote within each company<sup>5</sup>.

Thus, we will indicate the number of companies - by theme - for which:

- we voted in favor of all of the resolutions submitted;
- we opposed some of the resolutions submitted;
- we opposed all of the resolutions submitted.

Please note that opposed resolutions include resolutions which we voted against or resolutions which we abstained from voting on (including resolutions for which we voted "withhold" our vote in Anglo-Saxon markets).

If we take all companies<sup>6</sup> into account, the average rate of opposition for each general meeting was 23% in 2019, down 8.5 percentage points from 2018. In fact, although the opposition rate per company has increased by 23 points on the Balance of Powers theme, it has decreased for the other six themes, notably concerning the Value Allocation (-27 points) and the Shareholder Resolutions (-19 points).

If we take all resolutions<sup>7</sup> submitted to vote into account, the average rate of opposition was 22% in 2019, down 9 percentage points from 2018.

This rate of opposition and its evolution can be explained by two factors: the breadth of themes which Mirova votes on and variations in governing practices from one region to another.

## Distribution of votes by theme

Companies almost systematically submit resolutions relating to these four key voting themes in their general meeting :

- **Balance of powers.** Resolutions pertaining to appointing directors to the Board, appointing executives, and appointing employee representatives, as well as resolutions pertaining to how the Board functions.
- **Distribution of value.** Resolutions pertaining to the distribution of value among stakeholders: approving dividends, executive compensation, director compensation, and employee savings plans.
- **Transparency of information.** Resolutions pertaining mostly to approving accounts and appointing statutory auditors.
- **Financial Structure.** Resolutions pertaining mostly to increasing or decreasing capital and issuing debt.

<sup>5</sup>Depending on the year and the company, the number of resolutions submitted can vary from less than five to more than 20.

<sup>6</sup>Average percentage of companies (all sectors) who had at least one resolution opposed by Mirova over the course of the year (vote withheld, abstention, vote against).

<sup>7</sup>Average percentage of resolutions (all companies) opposed by Mirova over the course of the year (vote withheld, abstention, vote against).



Beyond these four themes, which most of the general meetings are structured around, shareholders are sometimes called upon to vote on resolutions pertaining **bylaw amendments** and the **structure and workings of general meetings**. Finally, **shareholder resolutions** are sometimes submitted for consideration.

*Figure 1: Distribution of the themes of the resolutions submitted to general meetings within Mirova's voting perimeter*

	Total number of companies which submitted a resolution on the theme	
	Number of companies	% of companies
Transparency of Information	407	94%
Distribution of Value	405	94%
Balance of Power	406	94%
Financial Structure	148	34%
AGM-related issues	93	22%
Bylaw Amendments	95	22%
Shareholder Resolutions	118	27%
Other	3	1%
<b>Total number of companies</b>	<b>432</b>	

## DISTRIBUTION OF VOTES BY THEME

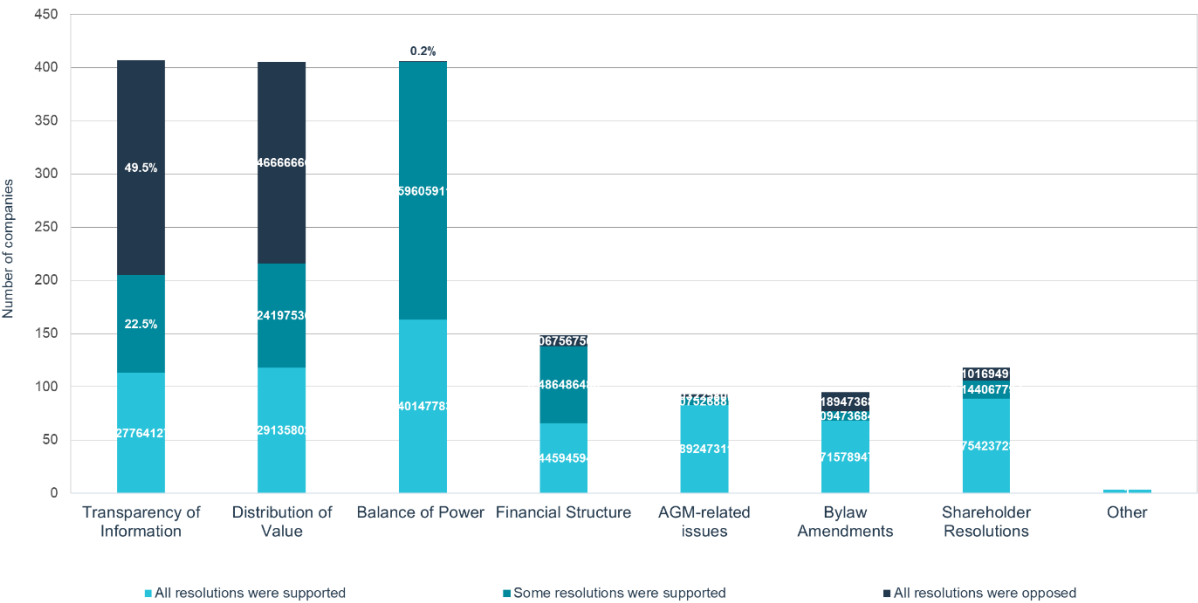
Mirova's Voting Policy is particularly focused on the distribution of value among stakeholders, transparency and quality of information, regardless of whether the information is financial, environmental, or social. Because Mirova's Voting Policy differs significantly from traditional governing principles, Mirova often votes against resolutions on these themes.

Nevertheless, Mirova's opposition regarding the Transparency and Quality of Information theme slightly decreased compared to 2018 (from 77% to 72% in 2019). This development is linked to a change in the principles of Mirova's voting policy (see p.13 for more details).

Resolutions on the Balance of Power theme were also frequently opposed, with 60% of the companies receiving at least one opposition vote on this theme, up 23 points from 2018. Actually, although the opposition rate on this theme shows a decrease of 6 points in Europe reaching 21%, it experienced a significant increase in America (+22 points) and in Asia (+13 points), reaching respectively 85% and 53%.

The weight of the opposition in America is all the more evident in the overall rate, since the proportion of American companies in Mirova's voting universe increased sharply (+33 points) until reaching the majority (56%).

Figure 2: Distribution of votes by theme

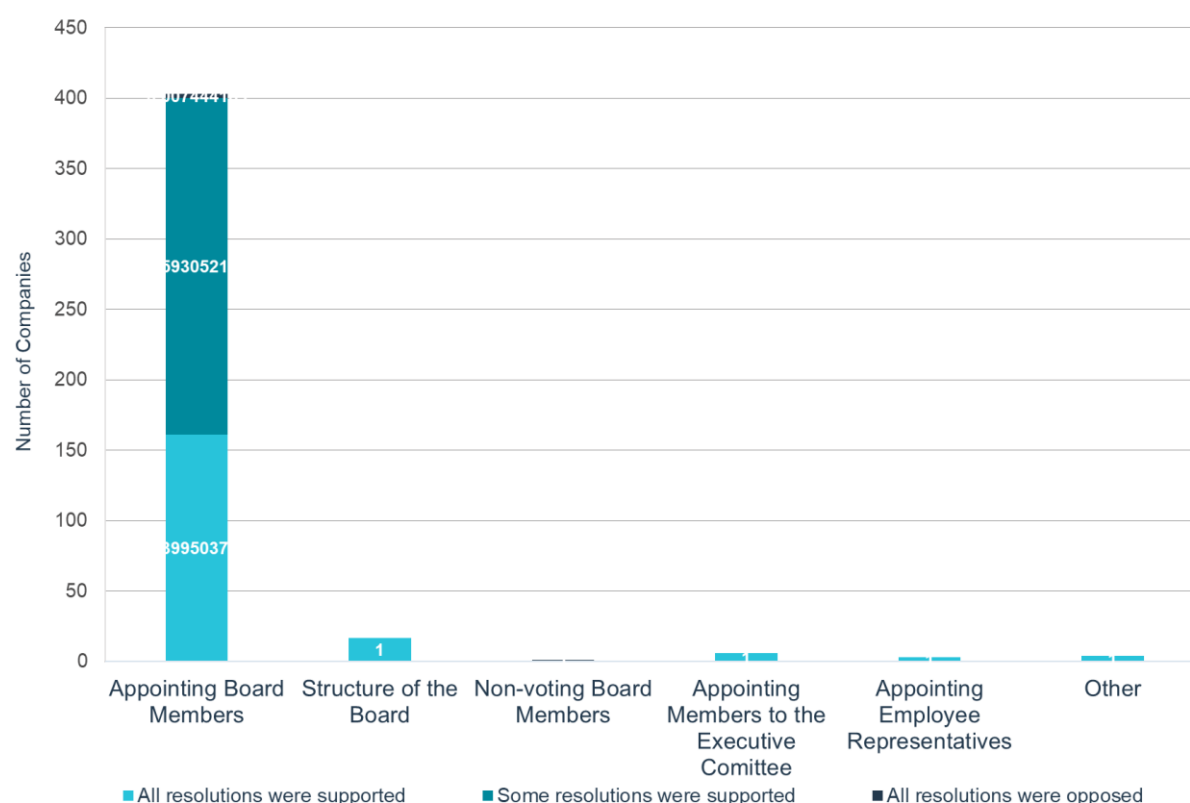


## DETAILS BY THEME

### Balance of powers

The Balance of Power theme consisted of resolutions on the composition of the Board of Directors or the Supervisory Board. Although director election pertains to all markets, it should be noted that election of censors and employee representatives is particular to France.

Figure 3: Distribution of votes on the Balance of Powers theme



Mirova supports the appointment of competent director with complementary profiles who will act in the long-term interests of the company and its stakeholders. To do so, Mirova's decision to vote on candidates is based on criteria designed to guarantee that all stakeholders are fairly represented. Because of this, the presence of employee representatives, as well as percentage of women on the Board, is important to Mirova.

Mirova also takes into account the number of mandates held by the candidates. As a matter of fact, their ability to unravel strategic questions, to bring a new point of view to debates on long-term company issues, and to supervise the implementation of new strategies is essential and must not be undermined by the lack of time.

Although the total number of resolutions rejected in 2019 was relatively low (11%), an analysis of each company revealed that Mirova opposed the appointment (or reappointment) of at least one candidate for around a two third

of all companies. In fact, while the approval rate improved in Europe (+6 points) in 2019, it deteriorated sharply in North America (- 22 points) and Asia (- 13 points). Indeed, although the rate of opposition in North America represents only 14% of the resolutions submitted to the vote, it affects 85% of companies.

This is due in particular to the fact that Mirova opposed the appointment and renewal of a committee chair when they had not carried out their duties in accordance with the principles of good governance. In the case of the appointment committee, the grounds for opposition were the following: no employee representative on the board and/or feminization deemed insufficient. Regarding the chairperson of the compensation committee, the main reason for opposition was a lack of consideration of CSR criteria in the compensation of the officer. Mirova also objected to the candidacy of a director when his availability was considered insufficient due to an excessive number of mandates.

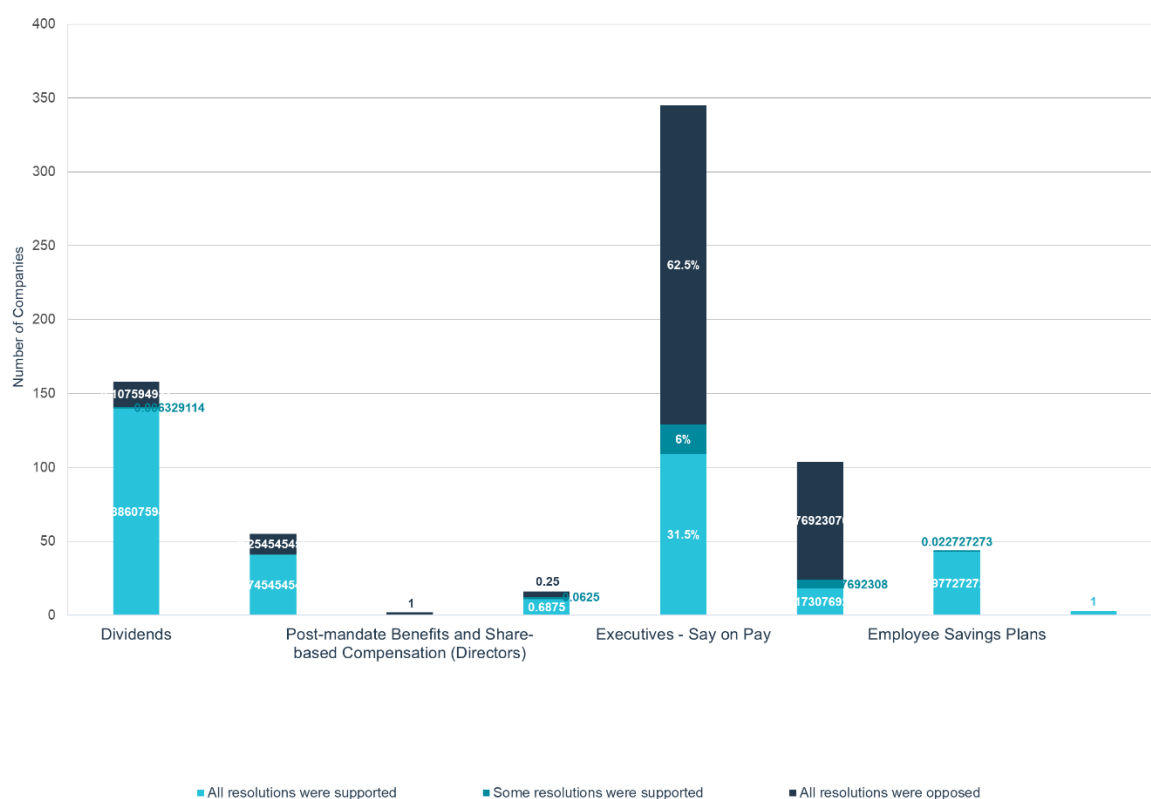
However, it should be noted that the rate of opposition to resolutions in North America represents only 14% of the resolutions submitted to the vote.

Regarding the appointment or reappointment of censors, Mirova rejected the only resolution concerning the election of a censor whose candidacy was submitted to the vote. It should be reminded here that Mirova is in not in favor of censors on the Board, save in case of exceptional circumstances and for short periods where their presence is very helpful.

### **Distribution of Value**

The Distribution of Value theme covers all resolutions concerning the compensation of the various stakeholders that contribute to value creation in a company: shareholders (dividends), employees (savings plans), and manager (compensation policies and reports). This category also includes the compensation of directors insofar as the terms of their compensation may have affected their ability to perform their duties.

Figure 4: Distribution of votes on the Distribution of Value theme



Compensation policies and reports are the subject representing the strongest opposition.

Complying with the idea of fair distribution of value among the main stakeholders of the company (employees, managers, shareholders), we support companies that have established mechanisms allowing a positive correlation among the compensation of these different stakeholders. This also implies a fair remuneration for public authorities. For this reason, Mirova pays particular attention to the correlation of key stakeholders' compensation and corporate tax practices. In the absence of sufficient information to assess these practices, or in the absence of correlation, Mirova does not support the ad hoc resolutions. Mirova also opposes resolutions concerning reporting on compensation when there are no employee participation mechanisms in the company results.

Moreover, the details on executive compensation must show a correlation with the long-term CSR and operational strategies of the company, measured by relevant and stable indicators over time. Mirova opposes resolutions concerning compensation mechanisms and their implementation (compensation reports and long-term incentive plans for managers and/or employees) if they do not include environmental and social performance criteria.

It should be underlined that the implementation of such criteria is progressing in Europe, but remains infrequent in other areas, particularly in North America and Asia, further strengthening the weight of opposition votes on these issues. Therefore, Mirova has initiated a positive process of dialog with companies to

assist them in structuring their CSR approach, as well as integrating and improving these criteria. However, although a growing number of companies are adopting such an approach, particularly in Europe, the criteria put in place are sometimes difficult to quantify objectively. Thus, Mirova encourages companies to make progress in this area and to include these criteria in their strategies.

2019 saw an important increase in the number of resolutions on Say on Pay policies (52% of the Distribution of value theme), and notably resolutions on executive compensation to be voted on. Thus, 343 companies (85%) submitted this type of resolution to vote, compared to 142 (75%) in 2018. This increase is mainly due to different regulatory developments in all geographical areas. However, despite a decrease in the opposition rate compared to 2018 (- 8.5 pts), it remains significant: 62.5% of the companies saw all their resolutions on this subject rejected.

Regarding variable compensations, 26% of companies submitted at least one resolution on this subject in 2019. Here too, opposition is still strong: only 17% of companies had all of the resolutions they submitted on this subject approved.

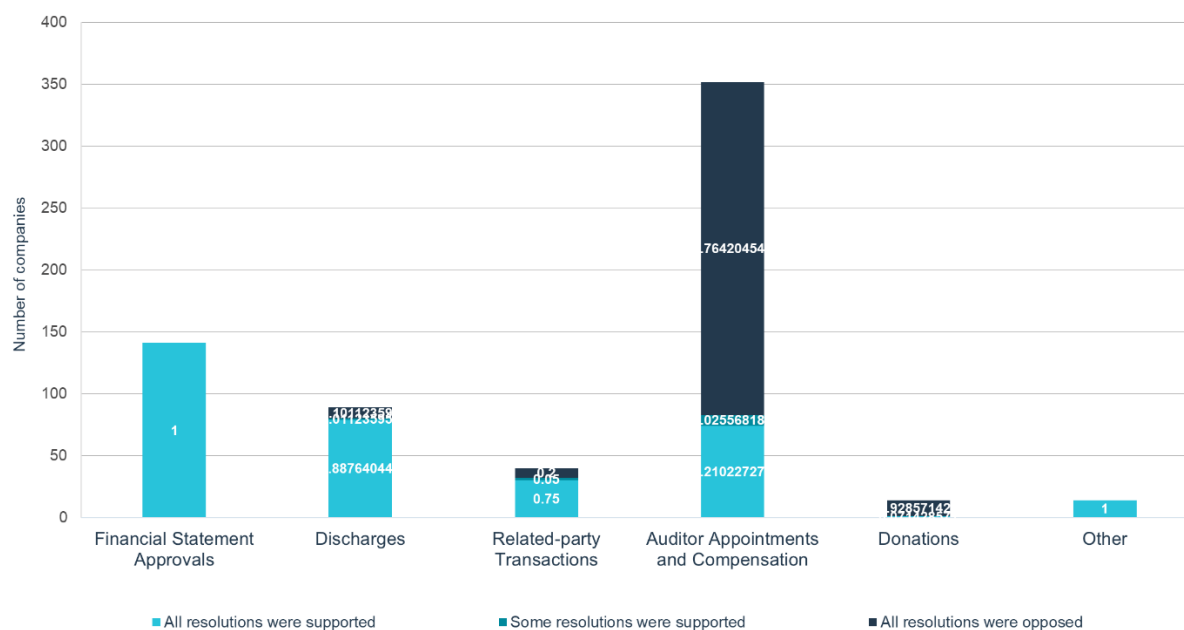
Finally, more companies have asked for the validation of regulated post-employment compensation agreements. However, the practices of these companies are improving, and the opposition rate decreases, with nearly 69% of the companies having received approval of all their agreements on this subject.



## Transparency and Quality of Information

Resolutions related to Transparency and Quality of Information are particularly important to Mirova. Because quality information is essential for making good investment decisions, a company must prove that it provides transparent, relevant, and reliable information.

Figure 5: Distribution of votes in Transparency and Quality of Information theme



For this theme, resolutions regarding the appointment and compensation of auditors were the most frequently opposed by Mirova. This type of resolution was submitted in some European markets (notably France and the UK), but also in North American (United States and Canada) and Asian markets (Singapore and Hong Kong). To promote transparency of information Mirova opposes the appointment or re-election of auditors when their seniority and/or the structure of their compensation pose a risk of conflict of interest.

Generally, despite strong opposition the approval rate of these resolutions has improved again, with 21% of companies receiving full approval, compared with 14% in 2018. Conversely, in the United States, the difference between standard practices and Mirova's expectations remains pronounced, which led Mirova to vote against all the resolutions of 69% of American companies on this theme.

In terms of Related-Party Transactions, the French system prefers that all transactions made between a company and one of their corporate officers (managers and directors) be subject to a shareholder vote. This explains why the majority of the resolutions submitted concerned the French market. Opposition lessened in 2019, and only a little over a quarter of companies who submitted resolutions on this theme had their resolutions opposed, compared to 34% the year before. Reasons for opposition were either related to the existence of an agreement between the company and a financial holding linked to one of the company's shareholders, or to a service provision agreement

between the company and one of its Board members (or an affiliated company).

Concerning final discharge, our level of opposition decreased significantly, from 20% in 2018 to 11% (10 companies) in 2019, as Mirova stopped voting systematically against resolutions on this theme in countries where such a vote prevents shareholders from filing a legal suit. In fact, although in theory the approval of the discharge reverses the burden of proof, it seems that in practice this discharge no longer represents an obstruction. Mirova nevertheless voted against 5 resolutions (3 companies) due to a proven bad practice, and against 2 resolutions (2 companies) due to lack of information. Mirova also had to abstain from voting on 17 resolutions because the five companies concerned were being investigated for illegal business practices.

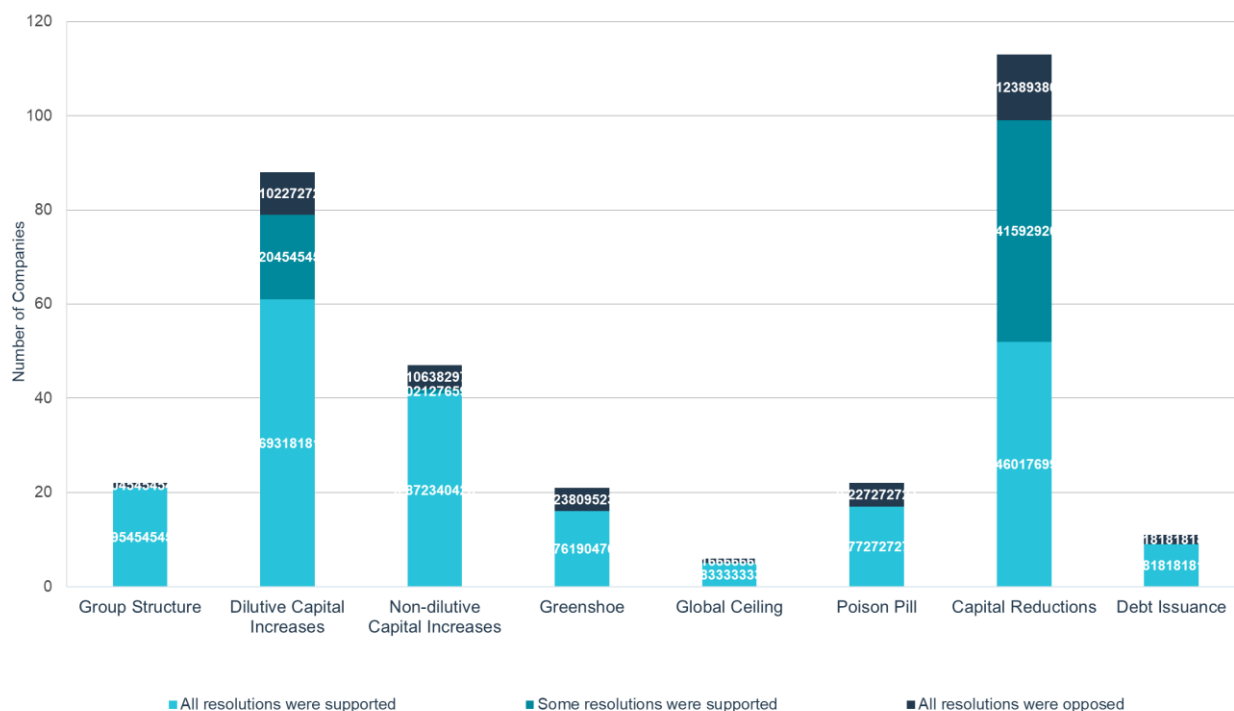
As usual, the subject of donations garnered the most opposition in 2019. Mirova did vote in favor of only one resolution related to this subject, out of 15 submitted by 14 different companies. In fact, the only resolution approved concerned charitable donations, while the 14 rejected resolutions allowed the company to finance political parties, which could result in conflict of interest.

Finally, none of the resolutions submitted by companies for the Account Approval theme were concerned by problems with the accounts.

## Financial Structure

Since our goal is to allocate capital to long-term company development, Mirova pays particular attention to justifications for takeover operations and capital reduction.

Figure 6: Distribution of votes on the Financial Structure theme



In order to ensure a fair distribution of value among stakeholders, Mirova is not favorable to strengthening operations of capital reduction. Therefore, Mirova only supported capital reduction resolutions in the following two cases:

- where the capital reduction operations made it possible to offset any dilution resulting from a capital increase linked to the remuneration of employees' securities;
- during employee shareholding operations.

Thus, Mirova supported 61% of resolutions on this theme in 2019, which is constant compared to 2018 (61% as well).

Mirova also pays close attention to the existence of anti-takeover mechanism. Mirova always analyses all these mechanisms considering the risks they could pose to the company and its long-term strategy. Mirova therefore expects governing bodies to be representative enough of a company's stakeholders (diverse types of stakeholders, members with diverse skill sets) in order to ensure that decisions made are in the long-term interest of the company in the case of a takeover. Although these conditions are restrictive, the approval rate for resolutions on these themes is increasing significantly, especially because of the evolution of Mirova's voting policy. In fact, we are no longer systematically opposed to private placements, which are often used to cover financial commitments (security-based compensation plans, convertible securities issues, etc.), but only to private placement authorizations that can be used during takeover bids.

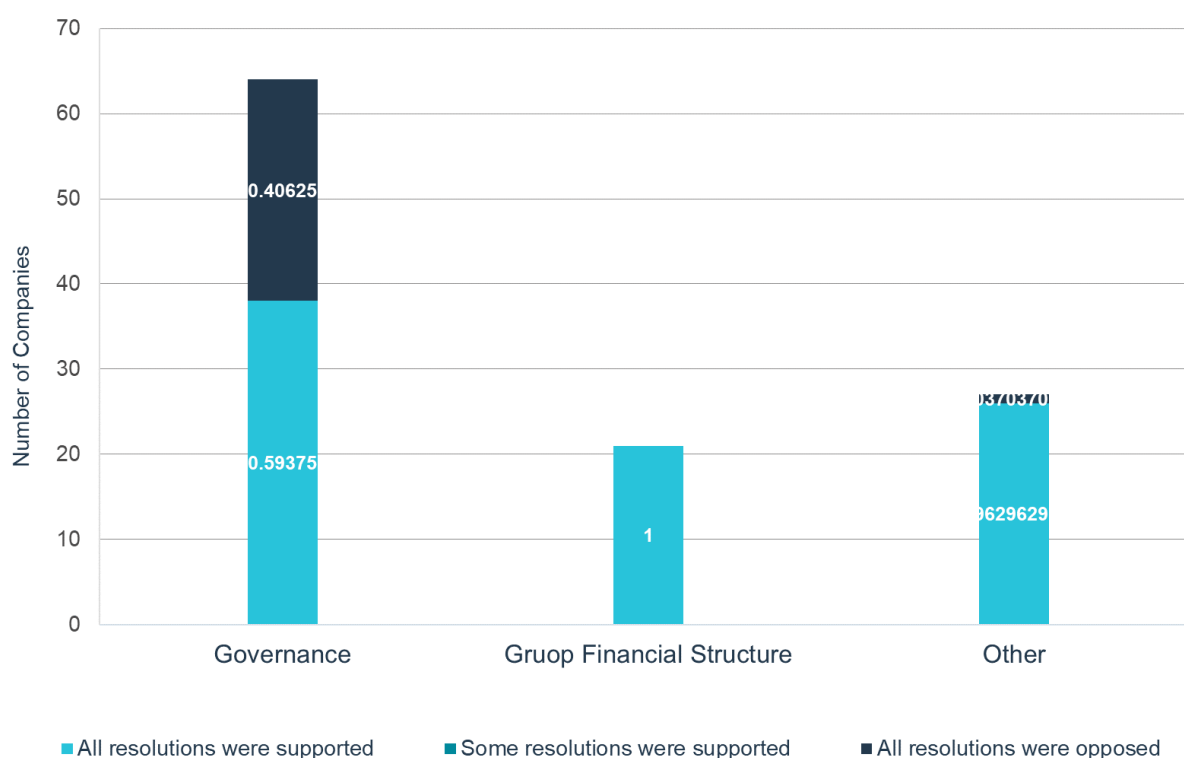
Out of all companies proposing an anti-takeover mechanism, 77% obtained approval of all proposed mechanisms, compared to 6% in 2018. Our opposition votes mainly concerned capital increases without a right to purchase shares and without a priority deadline exceeding the acceptable threshold of 10% of the capital.

Finally, for the other dilutive and non-dilutive capital increases, Mirova voted according to the dilution limits recommended by its voting policy. Opposition to resolutions concerning dilutive capital mostly affected companies that proposed a dilution level above 50%, whereas opposition to non-dilutive solutions mostly affected companies (primarily French) that proposed a dilution level above 10%.

## Bylaw Amendments

The Bylaw amendment theme primarily concerns European and American companies respectively representing 68% and 29% of companies which had submitted resolutions on this theme to the vote.

Figure 7: Distribution of votes on the Bylaw Amendments theme



Opposition to bylaw amendments is determined mostly by governance topics. Thus, 41% of companies which submitted resolutions on bylaw amendments related to these themes were opposed by Mirova in 2019. This rate decreased by 15 percentage points from 2018, reflecting an improvement in corporate governance practices.

All resolutions on bylaw amendments regarding the financial structure of the company were approved (26 approved resolutions for 21 different companies).

## Shareholder Resolutions

In general, Mirova votes on shareholder propositions on a case-by-case basis when they pertain to social, political, or environmental issues. Mirova's in-depth analysis thus verifies:

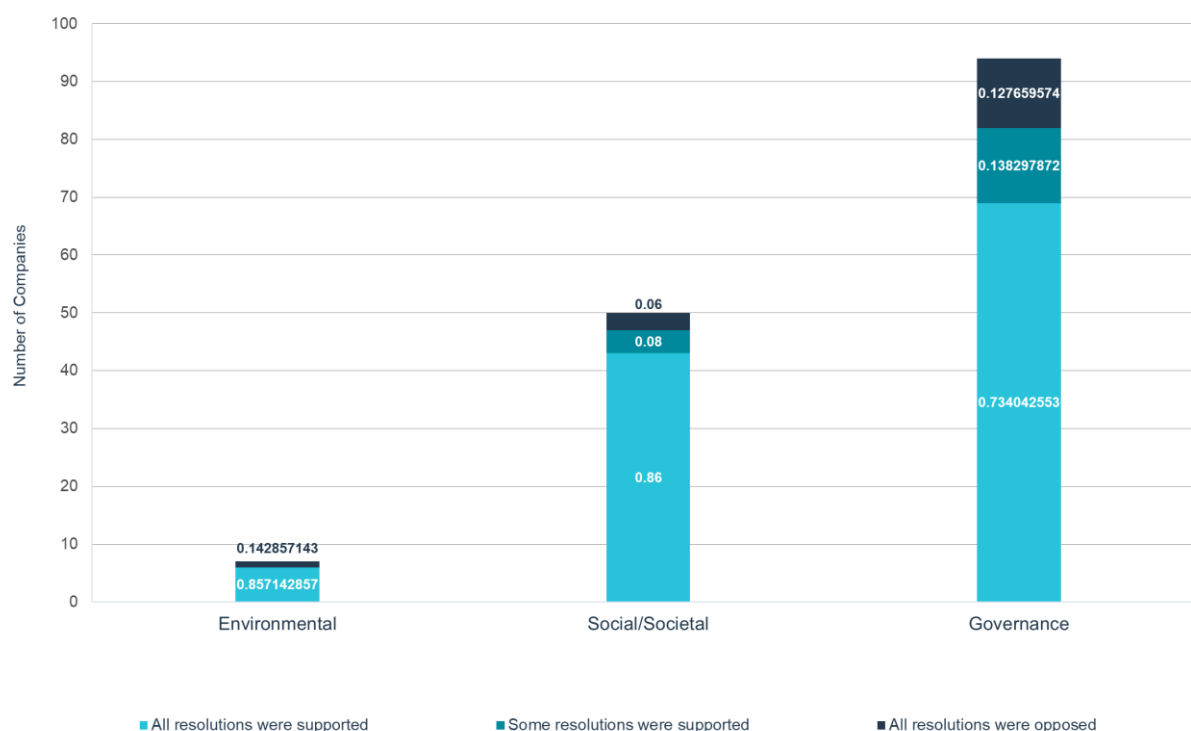
- the reasonable nature of the proposal and the validity of the justification provided,
- the impact on the company's short-term or long-term strategy,
- the company's exposure to these issues (impact on the reputation, operational risk, etc.),
- the capacity and legitimacy of the company to act on the subject (compared to government responsibility),

- the responses provided by the company to the request submitted in the proposal, and changes in company practices over recent years,
- the practices established by peers in the sector.

Mirova would generally support any resolution that encourages companies to adopt more responsible practices. Therefore, we support all resolutions calling for greater transparency relating to the company's general CSR strategy or policy.

Overall, Mirova voted on 237 shareholder resolutions in 2019 (compared to 60 in 2018), the majority of which related to governance issues (68% of the theme). Nevertheless, there was a large number of resolutions dealing with social issues, representing 29% of the theme, which corresponded to 68 resolutions, and 42% of the companies submitted shareholder resolutions. Environmental topics were comparatively less present. This could be explained by the SRI filter applied to our portfolios, because we do not invest in the sectors most affected by shareholder resolutions of an environmental nature (oil, coal, etc.). It should be noted that 97% of the resolutions on the social issues and nearly 69% on governance came from American companies.

Figure 8: Distribution of votes on the Shareholder Resolutions theme



Shareholder resolutions on the Governance topic covered a wide range of subjects, including changes in capital structure to make shareholders more equal, independence of the chairperson, increasing diversity on the Board, and the extra-financial performance criteria used to calculate executive compensation. Mirova supported 74% of the resolutions submitted by companies on this theme, and opposed resolutions if the company's current practices and results did not show the changes.

Shareholder resolutions on Social topics also covered a wide range of subjects. Several resolutions focused on reducing the gender pay gap and improving the transparency of the company's political and lobbying activities. To a lesser extent, other resolutions called for greater transparency from the companies regarding human rights and healthcare. Mirova supported all resolutions submitted by 86% of companies. Conversely, Mirova sometimes had to oppose resolutions calling for unjustified changes in company practices.

Shareholder resolutions on the Environment topic have included requests for increased transparency in the fight against climate change as well as the mitigation of environmental impacts, notably regarding greenhouse gas emissions and recycling. We approved all the resolutions in 6 out of 7 companies.

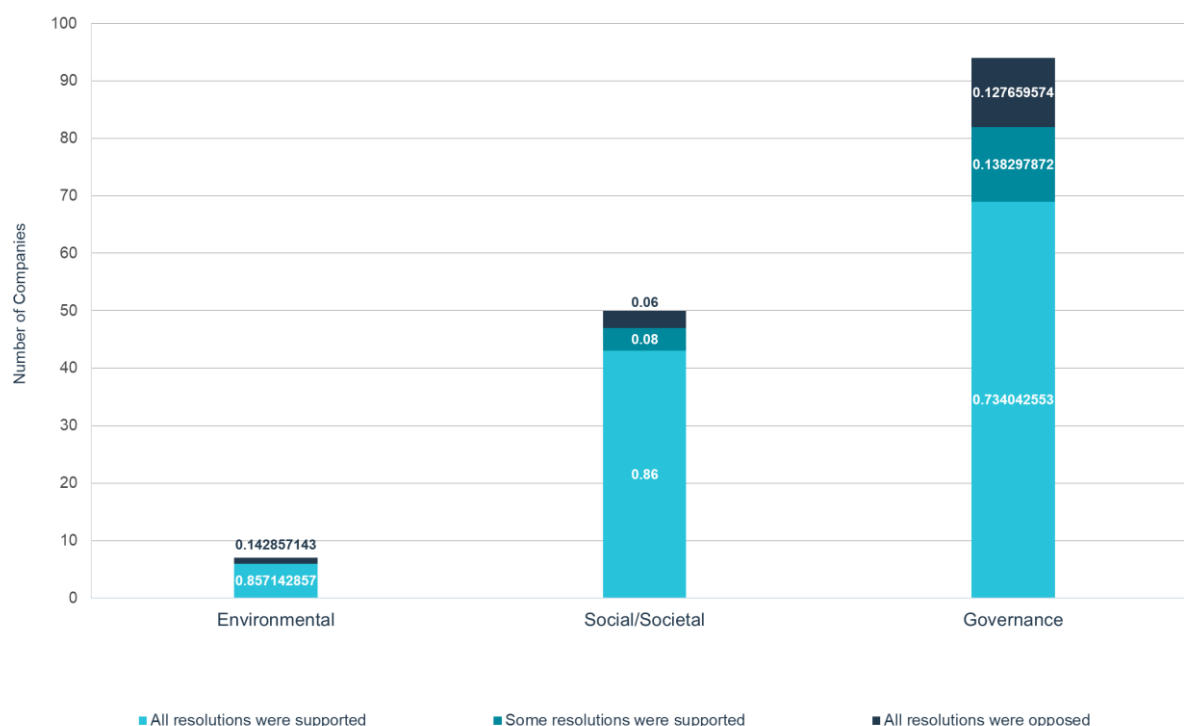


## Distribution of Votes by Geographic Area

Our voting choices largely reflect the application of our Voting Policy across different themes. However, there are also significant differences between governance practices in Europe and North America which also affect our choices.

### EUROPE

Figure 9: Distribution of votes in Europe



In 2019, nearly 88% of general meetings of European companies were subject to at least one opposition vote. However, this represents only 17% of the resolutions put to the vote, all European companies taken together.

The Transparency of Information theme received an increasing percentage of favorable votes in Europe. Indeed, only two companies had all of their resolutions opposed by Mirova, and a significant proportion of companies (48% in 2019 compared to 30% the year before) had all of their resolutions approved by Mirova. This data thus reflects the efforts of companies to improve transparency, which we have seen since 2018.

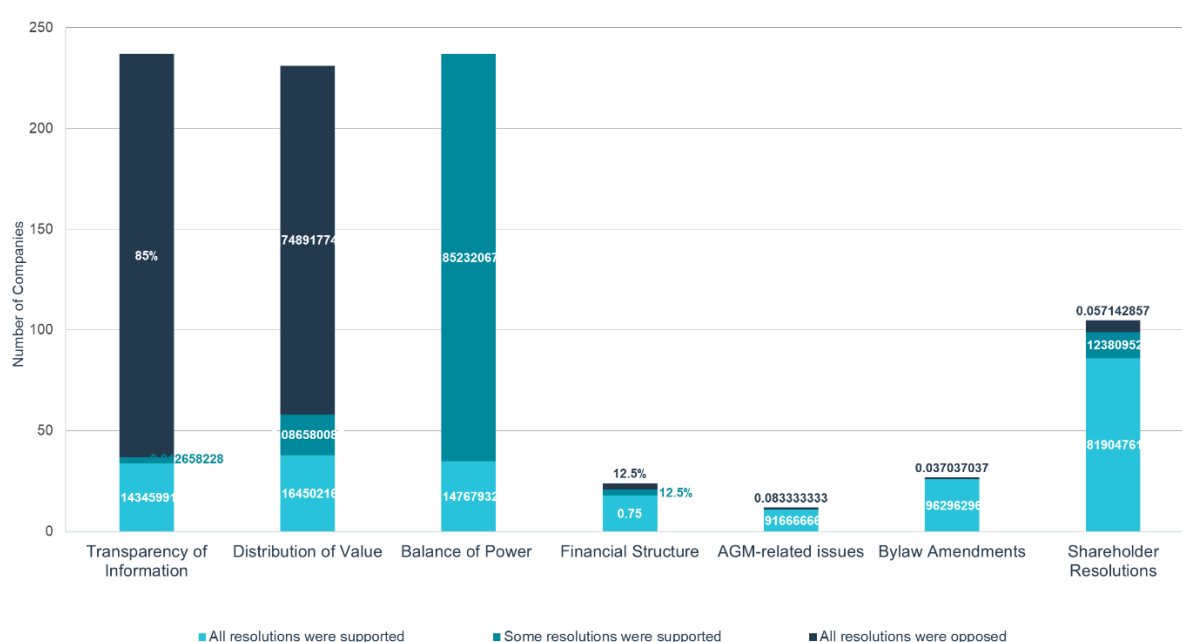
Conversely, the Distribution of Value remains a theme for which Mirova often votes against resolutions: slightly more than half of European companies (52%) had at least one of their resolutions opposed by Mirova. Nevertheless, business practices are improving, with 74 out of 162 companies having their resolutions approved by Mirova in 2019, compared to only 3 out of 124 in 2018.

Finally, Mirova supported shareholder resolutions at the general meetings of 2 out of 10 companies in 2019. It should be recalled that in 2018, Mirova had not supported any of the shareholder resolutions submitted to the vote at the general meetings of five different European companies.

## NORTH AMERICA

In North America, the rate of opposition is slightly higher than in Europe: at 98% of general meetings at least one resolution was opposed. Nevertheless, it should be noted that only 25% of all the resolutions submitted to the vote (all North American companies taken together) were voted in opposition.

Figure 10: Distribution of Votes in North America



As is true every year, the Balancing Authorities theme affects almost all companies, notably due to the practice of renewing Board memberships annually. In 2019, 85% of companies had the nomination of some of their Board member candidates opposed, which is higher than in 2018 (60%).

Resolutions on the Distribution of Value theme are also often opposed in this area. For this theme, the resolutions of more than 75% of companies were totally opposed. Nearly 80% of opposition votes were related to the approval of compensation reports, in particular because of the lack of CSR performance indicators or the lack of communication on the payroll. Moreover, resolutions on variable compensation in the United States (including stock option plans) were also strongly contested, representing 17% of the opposition votes.

Finally, for the Transparency and Quality of Information theme, opposition was largely in response to resolutions on the appointing and reappointing of auditors in the United States, where these practices are much less regulated than they are in Europe, and therefore further from Mirova's expectations.

## Other statistics

### Distribution of votes by resolution

Of the 462 general meetings at which votes were cast and confirmed, Mirova voted on 6,489 resolutions.

**Distribution of Votes by Geographic Area**

	Number of Resolutions	In %
Europe	2 915	45%
<i>including France</i>	958	15%
Americas	3 278	51%
Asia	266	4%
Oceania	30	0.5%
Africa	0	
<b>Total</b>	<b>6 489</b>	

Out of these 6,489 resolutions:

- Mirova voted in favor of 5,078 resolutions, (78%);
- Mirova voted against 1,310 resolutions, (20%);
- Mirova abstained from voting on 101 resolutions, (2%).

Of the 6,489 resolutions submitted to a vote, 6,252 were proposed by company management or Board of Directors or Supervisory Boards. Mirova voted against 1,264 resolutions (20%) and abstained from voting on 95 resolutions (2%).

Out of 237 shareholder resolutions proposed, Mirova supported 185, or 78%.

Mirova cast at least one negative vote at 432 general meetings, or 94% of the general meetings voted. The opposition rate is 22% of the resolutions voted on in 2019, compared to 31% in 2018.

**Distribution of Votes by Geographical Area**

	For	In %	Against	In %	Abstention	In %	Total
Europe	2 392	82%	487	17%	36	1%	2 915
<i>including France</i>	786	82%	172	18%	0	0%	958
Americas	2 464	75%	744	23%	65	2%	3 278
Asia	198	74%	68	26%	0	0%	266
Oceania	19	63%	11	37%	0	0%	30
Africa	-		-		0		-
<b>Total</b>	<b>5 073</b>	<b>78%</b>	<b>1 310</b>	<b>20%</b>	<b>101</b>	<b>2%</b>	<b>6 489</b>

The resolutions submitted to the vote in Oceania have proportionally generated the most opposition votes (voting against, abstention, withhold) compared to other geographical areas. They represented 37% of the resolutions in Oceania, compared to 26% in Asia, 25% in North America and 18% in Europe. Nevertheless, when this percentage is reported in number, it represents only 11 resolutions in Oceania, compared to 68 in Asia, 523 in Europe and 809 in America. The number of oppositions differs from one area to another because of differences in governance practices. In the case of European companies, opposition has decreased significantly as their practices in terms of distribution of value and transparency of information have improved. As for North American

companies, 74% of their resolutions (2,430) refer to the Balance of powers theme that was the subject of a very strong opposition this year in this area. This is also true for Asian companies, whose resolutions on this theme represent 65%.

Given the importance of the number of resolutions submitted on European and American general meetings in 2019, our voting results analysis focused on these two geographic regions within the voting perimeter.

## Details on General Meeting Votes

There is now a platform on Mirova's website which details all Mirova's votes on resolutions presented at the general meetings of companies held in its voting funds (not including dedicated funds). This platform is available to the public, in compliance with the AMF's regulations (the articles 319-23,321-134): <https://vds.issgovernance.com/vds/#/OTAYNg==/>

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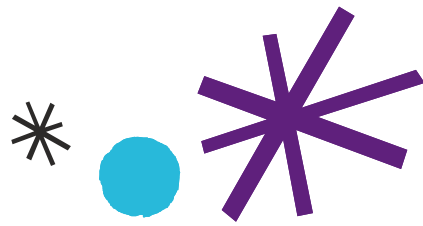
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French Public Limited liability company with board of Directors  
RCS Paris n°394 648 216 - Regulated by AMF under n°GP 02-014  
59, Avenue Pierre Mendes France—75013—Paris  
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French Public Limited liability company  
RCS Paris 453 952 681  
43, Avenue Pierre Mendes France — 75013 — Paris  
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RCS Paris 329450738 - Regulated by AMF under n° GP 90-009  
43, Avenue Pierre Mendes France—75013—Paris

#### **Mirova US**

888 Boylston Street, Boston, MA 02199. Phone: 212-632-2800  
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