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VOTING AND ENGAGEMENT POLICY

SG 29 HAUSSSMANN

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INTRODUCTION

SG29 Haussmann (hereafter "SG29H") is a fund management company and a wholly owned subsidiary of the Société Générale group. This document describes how SG29H acts as a responsible and engaged shareholder on behalf of its clients.

Convinced of the importance of the environmental, social and governance challenges that society must face, SG29H has established a voting and engagement policy for the securities held by the UCITS and AIF funds it manages.

This policy is in fact composed of two complementary policies: a **shareholder engagement policy** and a **voting policy**, which together enables SG29H to meet its fiduciary obligations towards its clients.

The shareholder engagement policy is one component of our socially responsible approach to investment. SG29H's voting and engagement policy sets forth the main principles of corporate governance that SG29H observes. Since shareholder meetings deal with a broad spectrum of subjects which cannot be known in advance, this document covers only SG29H's voting principles on the issues it believes are most important. It also presents our philosophy of shareholder engagement.

The voting and engagement policy is reviewed annually to accommodate any changes in laws and regulations, in governance codes, and in market practices over the past year. A dedicated internal governance committee (the Voting and Engagement Committee) meets twice a year to validate the voting and engagement policy and its roadmap.

This policy takes into account the recommendations on corporate governance of the Association Française de la Gestion Financière (AFG), and the applicable provisions of Articles L.533-22 and R.533-16 of the French monetary and financial code, as implemented by decree. Accordingly, this policy describes the following:

- 1) The monitoring of strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance
- 2) The dialogue maintained with investee companies
- 3) The exercise of voting rights and other rights attached to shares
- 4) Cooperation with other shareholders
- 5) Communication with relevant stakeholders
- 6) The prevention and management of actual or potential conflicts of interest relative to their engagement.

1. GENERAL INFORMATION

1.1. The monitoring of strategy, financial and non-financial performance, risks, capital structure, social and environmental impacts, and corporate governance

Investment decisions are based on a 360° approach that combines fundamental financial analysis with non-financial research that considers environmental, social and governance (ESG) criteria. The integration of these ESG criteria is an essential component of the SG29H's investment process.

SG29H has made concrete commitments regarding the implementation of environmental and social criteria in its investment policy and decisions, which apply to the securities it holds directly. For example, in accordance with its exclusion policy:

- SG29H excludes from its investment universe companies that obtain over 10% of their revenue from activities related to **thermal coal mining**, and/or that produce over 30% of their electricity from coal, or that are developing new coal-related projects.
- SG29H also excludes from its investment universe companies that obtain over 10% of their revenue from the exploration or production of oil sands, of Arctic oil or gas, or of shale oil or gas.
- SG29H excludes all tobacco manufacturers and companies that obtain 50% or more of their revenue from tobacco-related activities.
- SG29H excludes all investments in **palm oil** companies that do not have 100% traceability policies, i.e. are not RSPO compliant⁽¹⁾.
- SG29H endeavours to exclude investments in companies with a very severe "ESG controversy" rating, i.e. a "red" rating on the MSCI scale.
- SG29H also systematically observes the exclusions of the Société Générale Group, in compliance with the latter's [sectoral and normative policies](#).

The following two internal committees are responsible for monitoring and guiding SG29H's ESG policy:

- The ESG Committee, which meets six times a year to review the sustainability and exclusions policies and the SRI labels granted or withdrawn.
- The Voting and Engagement Committee, which meets twice a year to monitor the engagement action plan and revise the voting and engagement policy if necessary.

SG29H's Risk Control staff are responsible for the integration of sustainability risks in its investment decision processes. The Risks department implements specific post-trade controls that are performed on all securities held directly in SG29H's funds and investment mandates.

SG29H's [Sustainability Risk Policy](#) describes how environmental, social and governance risks are managed in its investment process. SG29H's Energy and Climate Report (Article 29) also provides a summary of its integration of ESG issues into investment processes, its roadmap for addressing climate change, and its approach to the preservation of biodiversity.

¹ Roundtable on Sustainable Palm Oil

1.2. A dedicated team to oversee the implementation of the engagement and voting policy

Société Générale Private Banking's Engagement and Voting team coordinates the implementation of ESG engagement actions, with the support of SG29H's ESG experts.

This team's responsibilities include:

- Building and facilitating shareholder dialogue with securities issuers
- Coordinating the voting policy in compliance with regulatory developments and the ESG strategy of fund management companies
- Contributing to local and international engagement initiatives
- Collaborating with partners on collective engagement actions.

The Engagement and Voting team works with selected issuers each year to determine its annual engagement themes. The various actions taken during the year are presented in the [Voting and Engagement Report](#).

1.3. Preventing and managing conflicts of interest

The guidelines of our engagement and voting policy aim to serve the best interests of our clients and principals. However, in implementing its engagement and voting policy SG29H may be confronted with conflicts of interests arising from:

- A business relationship with a company that is subject to SG29H's shareholder engagement and voting policy
- At general meetings of the Société Générale group, to which SG29H belongs.

In the latter case, SG29H does not participate in the general meetings of the Société Générale group or listed entities controlled by the Société Générale group.

In all other cases, to prevent these potential conflicts of interests, the following rules and measures are observed:

- The engagement and voting policy is validated by the Voting and Engagement Committee, which is composed of members of various SG29H's departments, CIOs and representatives of the Compliance and Internal Control Officer.
- As with all our holdings, the general rule for potential conflict-of-interests situations is to vote strictly in accordance with the voting policy.
- In exceptional cases where the voting policy is inapplicable, the following procedure will be observed:
 - (i) The situation will be examined and presented to the Governance Committee
 - (ii) Decision by the General Secretary
 - (iii) If necessary, the SG29H's CEO will make the final decision.

2. SHAREHOLDER ENGAGEMENT POLICY

At SG29H, we are convinced that a strong and transparent corporate social responsibility policy is synonymous with long-term value creation and sustainable financial performance for investors. This is why our approach to socially responsible investment includes shareholder engagement with issuers.

Shareholder dialogue, which is conducted both bilaterally and with other investors, encourages greater transparency and higher standards of ESG practices.

To promote best ESG practices, SG29H has developed an engagement policy that covers three key areas: pre-AGM dialogue, ongoing dialogue on ESG issues, and collective dialogue.

2.1. Dialogue with investee companies

A. In preparation for the annual general meetings (AGM) of investee companies

As the representative of the shareholder funds it manages, SG29H endeavours to ensure that its exercise of the voting rights attached to the shares in the portfolios of these funds promote best corporate governance practices (see Section III. Voting policy).

To this end, SG29H will use its influence in the run-up to shareholder meetings to initiate a **constructive dialogue with companies** that is reflected in the resolutions submitted to shareholder approval.

During the rest of the year, SG29H maintains an ongoing dialogue with companies on corporate governance issues, such as the composition of boards of directors and committees, succession plans, the role and functions of the lead independent director, changes to the remuneration policy, etc.

B. Ongoing engagement with securities issuers on ESG issues

Environmental, social and governance issues are at the core of SG29H's responsible investor strategy. Establishing an ongoing dialogue with companies allows us to assess how effectively they deal with and limit the non-financial risks they face, and to seize sustainable development opportunities.

SG29H considers that a company's management and board of directors are responsible for overseeing the definition of the company's ESG and climate-related risks and opportunities, and the strategy its management has implemented to address these risks and opportunities.

SG29H's objective is to establish a regular dialogue with companies to encourage them to improve their CSR practices. The Engagement and Voting team uses the following criteria to prioritise the selection of issuers for a bilateral dialogue:

- Percentage of voting rights held

- How important the company's sector of activity is for a just economic transition
- Specific ESG concerns (a major ESG controversy or poor or exemplary ESG performance or practices).




The Engagement and Voting team selects the ESG engagement themes for its annual engagement campaign, which are validated in the first quarter of each year. These themes mainly deal with the following:

- Climate change
- Biodiversity
- The circular economy
- The just transition
- Human rights
- The parity and balance of authority within governance bodies, i.e. the board of directors or supervisory board, and the executive committee or management board.

2.2. Collective initiatives and cooperation with other shareholders

In addition to individual dialogues with companies, SG29H has strengthened its commitment to engagement by being a signatory and/or an active member of several national and international initiatives that promote sustainable finance.

Initiative	Objectives	Our actions
	A global initiative launched by the investment community in partnership with UNEP-FI and the UN Global Compact.	<ul style="list-style-type: none"> • Signatory • Participation in annual reporting • Participation in collective engagement initiatives
	An international non-profit organisation, CDP maintains the world's largest database on the environmental performance of cities and companies. Data on water management and on impacts on forests are collected respectively with the CDP Water and CDP Forests questionnaires.	<ul style="list-style-type: none"> • Targeting companies that do not report sufficient carbon data • Increasing our knowledge of economic sectors with the highest emissions • Participating in various engagement campaigns
	A network of investors created by the Jeremy Collier Foundation in 2016, FAIRR analyses ESG data from the world's largest protein producers and manufacturers. FAIRR regularly runs campaigns to raise awareness of the ESG risks associated with intensive livestock farming practices.	<ul style="list-style-type: none"> • Prioritising agri-food companies, such as Nestlé and Danone • Increasing our ESG knowledge of this industry • Participating in various engagement campaigns

		<ul style="list-style-type: none"> • Collaborating with our peers
	<p>An initiative that brings together over 100 global financial institutions who work to preserve and restore biodiversity.</p> <p>Members must agree to observe five measures.</p>	<ul style="list-style-type: none"> • Signatory and participating member • Integrating biodiversity issues in our ESG analytical process and setting our own biodiversity targets • Implementing appropriate biodiversity engagement tools
	<p>The objective of L'Institut de la Finance Durable (a branch of Paris Europlace) is to make sustainable finance a driving force in the development of Paris as a financial centre.</p>	<ul style="list-style-type: none"> • Participating in the efforts of the Paris financial community to promote sustainable finance • Dialoguing with companies to ensure a just transition • Collaborating with our peers
	<p>Climate Action 100+ is an investor-led initiative to engage the world's largest greenhouse gas emitting companies to take effective action to address the challenge of climate change.</p> <p>It is coordinated by five regional investor networks: the Asia Investor Group on Climate Change (AIGCC), Ceres, Investor Group on Climate Change (IGCC), Institutional Investors Group on Climate Change (IIGCC) and Principles for Responsible Investment (PRI).</p>	<ul style="list-style-type: none"> • Dialoguing with companies on climate-related issues • Implementing appropriate climate engagement tools • Collaborating with our international peers

2.3. Communication with relevant stakeholders

In addition to engaging with companies, SG29H collaborates with other stakeholders in the responsible investment ecosystem, including:

- regulatory authorities, when responding to consultations
- providers of ESG data
- NGOs
- SG29H's clients.

SG29H's [annual engagement and voting report](#) explains in detail the measures and actions it has undertaken during the year.

The following documents are available to all SG29H stakeholders on its website:

- [Investment policy and sustainability risks](#)
- [Report on the exercise of SG 29 Haussmann's voting rights](#)
- [SG 29 Haussmann exclusion policy](#)
- [SG 29 Haussmann Transparency Code](#)
- [SG 29 Haussmann Energy-Climate Law Report](#)

2.4. Escalation procedure

SG29H believes that engagement with issuers can only be constructive when based on a relationship of trust. Accordingly, SG29H makes it a point to ensure the confidentiality of its discussions and exchanges with issuers.

However, some exchanges with issuers may not improve ESG or climate-related practices, or improve them rapidly enough, which may compromise SG29H's capacity to honour its commitments. In such an event, after carefully examining the situation, SG29H may implement an escalation procedure, which could include one or more of the following actions:

- Collaborative engagement with other investors
- One or more No votes at an annual general meeting, on such matters as the reappointment of a director, executive remuneration or climate resolutions.
- A letter to the company's board of directors or supervisory board
- A public statement
- Submitting a resolution at the AGM
- Submitting questions at the AGM
- Putting the company on watch
- Making no further investments in the company.

If the outcome of this escalation procedure is not constructive, SG29H may have to liquidate its investment in the company.

This escalation procedure is activated on a case-by-case basis and may therefore vary depending on such factors as the investment vehicle, the ESG commitment involved, and the company.

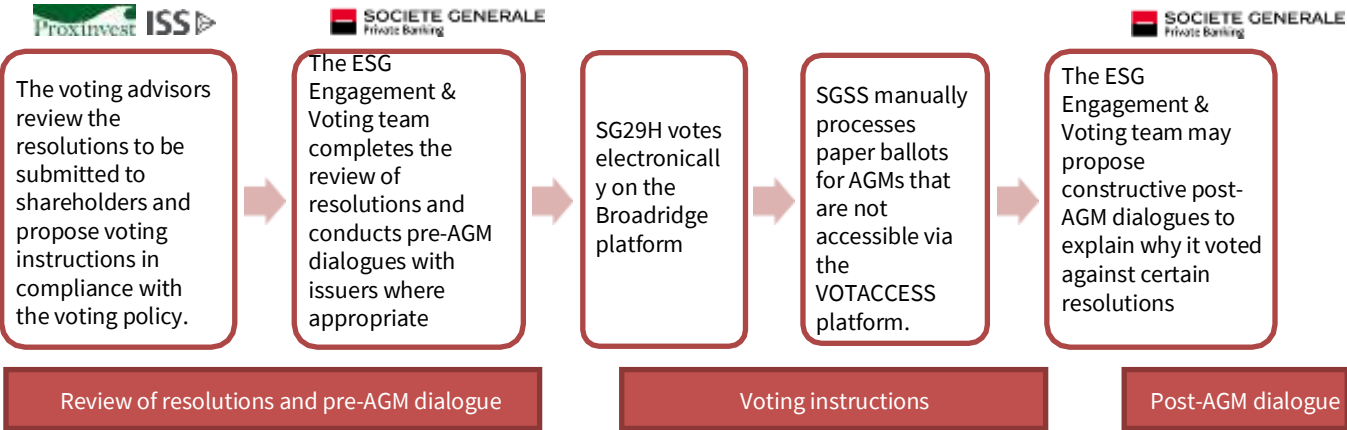
3. VOTING POLICY

3.1. Implementation

A. Voting process

The preparation of voting decisions considers corporate governance standards as well as applicable regulations and corporate governance codes.

SG29H generally submits its voting instructions on the platform of an external service provider. In exceptional cases where electronic voting is not possible, postal voting forms are completed and sent to Société Générale Securities Services, which forwards them to the relevant issuers for processing.



Fund managers may also attend the AGMs and cast their votes directly. Under no circumstances are power-of-attorney forms sent to company chairs.

B. Voting scope

The following rules apply to general shareholder meetings held on or after 1 January 2023. The voting scope includes:

- Funds with assets of over €25m
- All of the equity securities of issuers held in the above funds. In order to ensure a significant impact and to maintain the inherent costs of voting within reasonable limits, SG29H only participates in the AGMs of issuers whose consolidated holdings represent a significant proportion of the fund management company’s assets.

C. Voting restrictions

To enable fund managers to comply with the constraints that are inherent to the investment process, voting rights may sometimes be exercised on only a portion of the securities held, depending on cost and share immobilisation considerations.

3.2. SG29H's voting principles

Good corporate governance should improve a company's performance over the long term. To achieve this, engagement with issuers is essential (see Section I. Engagement policy). By exercising its voting rights, SG29H also seeks to encourage the companies in which it invests to adopt best practices and reduce their risk exposure, and thus contribute to improving their business and financial performance.

Our pillars of good corporate governance are:

- The protection of the long-term interests and rights of shareholders, which involves defending the principle of "**one share, one vote**", whereby their voting rights are directly proportional to their shareholding
- **Independence and diversity of board of directors**, to avoid conflicts of interests and promote optimal board effectiveness and efficiency
- **A well-balanced financial structure** that enables the company to deploy its strategy while ensuring that shareholders are not excessively diluted
- **Executive remuneration that is fair and transparent** and aligned with the company's performance
- **High quality and integrity of the financial information** that is reported to shareholders
- Environmental and social responsibility, for the benefit of the company, its shareholders and other stakeholders.

The above principles reflect the types of resolutions that shareholders will be called to vote on most frequently. SG29H's general voting principles on these resolutions are in line with generally accepted corporate governance practices. Resolutions that fall outside the scope of the voting policy will be examined on a case-by-case basis.

Although these principles are observed when voting, they do not necessarily result in a No vote. Voting decisions are motivated by quantitative and/or qualitative analyses, while taking into account each company's specific characteristics, such as its size, shareholder structure and sector.

In general, SG29H reserves the right to depart from the principles detailed below if it considers the voting situation to be contrary to the interests of its clients. Such situations will be explained in the annual report on the exercise of voting rights (see [Section 4. Reporting](#)).

A. Boards of directors (or supervisory boards)

Board of directors or supervisory boards (hereafter Board or Boards) is a company's most strategic governing body. Boards should not serve the individual interests of certain shareholders, but act in the interests of all of the company's owners. All of a Board's actions must be governed by the principles of transparency, accountability, efficiency and availability.

The Board's primary objective is to monitor and evaluate the company's management in complete independence, and to verify that the company is on track to achieve sustainable growth over the long term, and that appropriate risk management systems and controls are in place.

Below are our key voting principles on resolutions that apply to Boards and other governing bodies.

Issue	Voting principle & procedure
<i>Diversity of the Board</i>	<p>SG29H believes that a diverse Board contributes to a company's success, as it enables strategic challenges to be addressed from various perspectives. When considering whether a Board nominee is suitable for appointment, the Board's diversity should be promoted, in terms of the backgrounds, experiences, ages and skills of its members, and its gender balance. For resolutions to appoint a new Board member, shareholders must be provided with information on the candidate's background, experience, skills and availability.</p> <p>SG29H considers that a ratio of at least 40% female Board members is consistent with its environmental, social and governance objectives.</p>
<i>Independence of Board members</i>	<p>SG29H recommends that Boards have a majority of independent members and will generally vote in favour of increasing the proportion of independent members. Exceptions to this rule include companies where the main shareholder (or a group of shareholders subject to a shareholders' agreement) holds 50% or more of the voting rights, and companies that have a certain proportion of employee representatives on the Board.</p> <p>Recommendations on the appropriate level of Board independence are based on corporate governance codes and best practices.</p> <p>SG29H systematically expects companies to provide shareholders with the information they need to determine whether Board members are independent.</p>
<i>Board size</i>	<p>SG29H considers that a Board should have at least 4 members and no more than 18. A Board should be large enough to enable it to maintain the necessary expertise and independence, but small enough to function effectively.</p>
<i>Separation of powers</i>	<p>The separation of powers is one of the fundamental principles of good corporate governance and can be achieved in various ways.</p> <p>The separation of powers mitigates the risk that power will be excessively concentrated in the hands of any one person. A Board's capacity to exercise its judgement independently of management may be compromised if the Board's chair is also the company's chief executive.</p> <p>SG29H support's the principle that the offices of chief executive officer and Board chair should be held by two different people. However, an exception to this rule may be made under certain conditions, for example, when a Board has a high proportion of independent members and has a lead independent director.</p> <p>Customary practice will also be taken into account.</p>

<p>Specialised committees</p>	<p>SG29H recommends that Boards be supported by at least an audit committee, a remuneration committee and a nomination committee. The roles of these committees must be clearly defined and disclosed to shareholders</p> <p>As these Board committees perform key functions, it is important that they are sufficiently independent, with ideally over half of their members being independent. The chairs of the audit and remuneration committees should be independent.</p> <p>SG29H will observe the provisions of local laws and good governance codes where these are more stringent.</p>
<p>Board responsibility for CSR and climate issues</p>	<p>SG29H believes that it is the Board's responsibility to oversee the identification of the company's climate and other non-financial risks and opportunities, and also senior management's strategy in response to the analysis of risks and opportunities.</p> <p>SG29H therefore opposes isolated resolutions that seek to discharge the Board or reappoint the members of an audit, CSR or equivalent committee, if:</p> <ul style="list-style-type: none"> • There is an environmental controversy • CO2 emissions data are not made publically available for scopes 1, 2 and 3. <p>Furthermore, SG29H may oppose the reappointment of the Board chair in the following cases:</p> <ul style="list-style-type: none"> • Failure to support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and to make the necessary publications • An environmental controversy • Failure to report CO2 emissions data (scopes 1, 2 and 3).
<p>Term of office of Board members</p>	<p>The term of office of Board members should not exceed 4 years. SG29H will generally vote against resolutions to increase the term of office of Board members.</p>
<p>Multiple offices</p>	<p>SG29H believes that Board members should not sit on an excessive number of other Boards as they need to be able to devote sufficient time to the exercise of their office. While it is important that Board members broaden their skills and knowledge, they must be aware of the time their work on other Boards or committees will require, or risk not being sufficiently committed to the long-term development of each of these companies. SG29H is likely to vote against the appointment of someone to a Board if it believes that this person holds too many offices. In general:</p> <ul style="list-style-type: none"> • Executive Board members are expected not to hold any other executive or chair offices. However, they may hold up to two other non-executive offices on the Boards of listed companies. • Non-executive chairs are expected not to hold an executive office in another company or more than one chairmanship. However, they may hold up to two other non-executive offices on the Boards of listed companies.

	<ul style="list-style-type: none"> • Non-executive Board members who hold no executive or chair office in a listed company may hold up to three other non-executive offices on the Boards of listed companies. <p>Other points of attention may include (but are not limited to) the following:</p> <ul style="list-style-type: none"> • Board members who are employed by a company that is a competitor or does business in the same sector and which is not subject to an industrial partnership agreement • Board members who provide paid consulting services to the company on the Board of which they sit • The holding of chair and CEO offices by the same person if there is not a sufficiently high proportion of independent board members • The chair of the remuneration committee if shareholders have significantly contested the executive remuneration policy • Reappointment of the audit committee chair despite the statutory auditor's repeated reservations on the company's accounts • The reappointment of the nominations committee chair despite insufficient diversity. <p>SG29H will observe specific governance provisions and best practices where these are more stringent.</p> <p><i>Special case of employees on the Board who represent all of the company's employees or only its employee shareholders:</i> SG29H will examine such cases in light of the new obligations arising from the PACTE Act and may generally abstain from appointing or reappointing such employee candidates if two or more are seeking the same office.</p> <p>SG29H will abstain from voting on the creation of a non-voting Board member or "censor" office and on the appointment or reappointment of a censor other than temporarily, unless the need for this is duly justified.</p>
<p>"Block-vote" elections</p>	<p>Board may use a block election to keep an individual Board member in place and/or to prevent changes in Board practices.</p> <p>Resolutions should not include items that could be separately voted on by shareholders. In particular, shareholders should be able to vote on the appointment of each Board candidate and not only on a list of candidates.</p>

B. Remuneration and benefits

Remuneration policies should be designed to attract, retain and appropriately motivate executives who have the skills required to lead a company and achieve its long-term success. Transparency in remuneration is essential to enable shareholders to judge whether potential rewards are fair and are aligned with their interests.

Issue	Voting principle & procedure
<p>Resolutions concerning executive remuneration</p>	<p>A company's remuneration policy should be aligned with its strategy and the amount of remuneration paid to an executive should be in proportion to his or her performance. SG29H votes on executive remuneration agenda items on a case-by-case basis while taking into account generally accepted best practices in corporate governance. SG29H believes in particular that a Board should observe the following general principles:</p> <ul style="list-style-type: none"> • Provide shareholders with timely, clear and complete information and justification on remuneration levels and structures • Ensure that remuneration continues to reflect performance while focusing on long-term shareholder value • Integrate corporate social responsibility criteria into the company's remuneration policy in accordance with its ESG strategy • Avoid schemes that reward people for poor performance that can be directly attributable to them • Preserve the remuneration committee's independence and effectiveness. <p>Executive remuneration should always include a long-term variable component that is subject to the achievement of performance targets. This performance should be measured over a relatively long period of time and the criteria used in long-term incentive plans (stock options, free shares, etc.) should be transparent, detailed, sufficiently demanding and complementary to those on which short-term variable remuneration is based.</p> <p>SG29H expects companies in the most climate-sensitive sectors to use specific and relevant criteria to determine the variable remuneration of key executives. In the absence of such climate-related and/or CSR criteria, SG29H may oppose resolutions on senior executive remuneration.</p> <p>In order to assess executive remuneration policies, SG29H has defined its own criteria and internal assessment tool that ensures a uniform approach while taking into account each company's specific characteristics, such as its size, sector of activity, shareholding structure and geographic region.</p>
<p>Equity-linked executive remuneration</p>	<p>Share-based incentive plans should always be subject to the achievement of detailed and demanding performance targets measured over a relatively long period. These plans should not be excessively dilutive, and in the case of stock-option and free-share plans should not exceed a reasonable percentage of the company's share capital. Stock-option plans should not provide for issuance at a discount nor be revisable.</p>
<p>Resolutions on the remuneration of non-executive Board members</p>	<p>The remuneration of non-executive Board members should be commensurate with their responsibilities and the time they devote to their Board and/or committee duties, without however compromising their ability to act independently of management.</p>

Severance pay	SG29H supports executive severance payments (including non-competition payments) provided that their amount is not excessive and that they are subject to performance targets. These performance targets should be quantifiable and sufficiently demanding. Such payments should not be made to executives who have not been with the company for a sufficiently long time or who are retiring. An executive who has performed poorly should not receive a severance payment. An executive's departure from the company should not accelerate the vesting of shares and/or stock options.
Supplementary pension plans	SG29H supports supplementary pension plans for senior executives. In addition to the pension plans that are mandatory under French law, companies may supplement the pensions of their executives in compliance with the PACTE Act, such that their pension takes into account their length of service with the company and their performance in compliance with the "Macron law" on economic growth and equal opportunity.
Employee share-ownership plans	SG29H supports employee share-purchase plans and the issuance of shares exclusively for employees, as employee share-ownership aligns the interests of employees with those of the company's other shareholders. In contrast to executive stock-option plans, the granting of options to purchase shares made available to all employees at a moderate discount is considered acceptable. However, such plans should not be excessively dilutive.

C. Financial structure

SG29H supports the issuance of equity securities within limits that are consistent with the company's need for capital, and which respect the rights of all shareholders.

SG29H believes that the right to purchase newly issued shares pre-emptively is a fundamental right of shareholders, and that companies that issue new shares should give their shareholders the first chance to purchase them. However, SG29H also recognises that companies should also be able to issue shares without pre-emptive purchase rights if this is necessary to raise the capital they need.

Issue	Voting principle & procedure
With rights offerings	SG29H supports rights offerings provided they do not exceed 50% of the company's issued capital and that the share issuance and purchase periods are clearly indicated and comply with the recommendations and practices of the market of issuance.
Without rights offerings	SG29H will support share offerings that do not preserve the pre-emptive rights of existing shareholders, provided these offerings are reasonably limited.

	SG29H will examine share offerings, with or without rights, on a case-by-case basis and cumulatively.
Share buy-backs and capital reductions	<p>SG29H will ensure that share buy-back programmes are reasonably limited in terms of their amount and duration and are used in the company's best interest.</p> <p>Share buybacks that do not exceed 10% of the company's capital will be supported unless the company fails to pay a dividend. The liquidity risk of medium-sized companies (i.e. non CAC 40) that seek to reduce their share capital or which fail to pay a dividend will be assessed. The authorisations granted under these resolutions should not be used during a public offering. Otherwise, they will be treated as anti-takeover measures.</p> <p>Authorisations that are requested in view of a specific project will be examined on a case-by-case basis.</p> <p>Companies are no longer required to submit resolutions for authorisation to issue bonds or similar securities. If however such resolutions are proposed, they will be supported unless the company has a debt-to-equity ratio of 1.5 or higher.</p>

D. Financial information and disclosures

Shareholders have the right to expect fair, concise, and transparent financial information that enables them to assess their company's financial situation make informed voting decisions. Financial information should be accompanied by contextual information that explains the main changes between reporting periods. Reports to shareholders should include information on the company's risks and uncertainties and on the factors that will contribute to its long-term value creation.

Since the granting of discharge waives the shareholder's right of recourse gratuitously and is not in the shareholder's interest, resolutions that propose the granting of discharge will be systematically rejected in France but may be approved in other jurisdictions.

Issue	Voting principle & procedure
Financial statements and statutory auditor reports	<p>SG29H stresses the importance of good financial reporting and encourages companies to adhere to the highest international standards of information disclosure to investors. SG29H generally votes to approve financial accounts, auditors' reports, auditor appointments and fees, unless reservations have been expressed about the auditor's independence, the integrity of the information disclosed, or the amount of non-audit fees paid.</p> <p>To assess the independence of a statutory auditor, SG29H checks that its total fees do not exceed 50% of its audit engagement fee, and that it has not been engaged by the company for more than 18 years.</p>

<p>Related party transactions (specific to France)</p>	<p>Related party transactions are closely monitored, especially when they involve the company's executive officers or Board members. The nature of the transaction, its pricing and other material aspects will be reviewed. The auditors' special report on related-party transactions will be reviewed on a case-by-case basis to ensure that these transactions are in the best interests of shareholders.</p> <p>Related-party transactions are assessed on the basis of their impact on the company's financial performance and must be in the interest of all shareholders. The information pertaining to these transactions must be accurate and made available to the shareholders in good time. We believe that such transactions should be individualised in so far as necessary, to prevent all such transactions from being refused due to a negative assessment one or more specific transactions.</p>
<p>Distribution of earnings and dividends</p>	<p>SG29H generally supports the distribution of earnings and dividends, unless the payout ratio is unusually low or excessive in relation to the company's financial situation and the company has not provided a valid explanation for this. Thus, the amount of the dividend should not exceed the company's average free cash flow on a multi-year basis. Furthermore, the paying of dividends in shares by companies with little debt is considered inappropriate.</p>
<p>Change in the accounting period</p>	<p>SG29H supports resolutions to change the accounting period, unless the only reason for this is to postpone the annual general meeting.</p>
<p>Amendment of articles of incorporation</p>	<p>A company's articles of association are an essential component of corporate governance and are therefore of great importance to investors. Resolutions to amend a company's articles of association are often made in response to a change in the rules, laws or regulations that govern the company's operations, such as exchange listing rules. Most of these changes are of a technical or administrative nature. However, they should be carefully examined since they may significantly affect corporate governance.</p> <p>SG29H votes on amendments to articles of incorporation on a case-by-case basis.</p>

E. Shareholder resolutions on social or environmental issues

The board of directors or supervisory board should be able to determine the environmental and social impact of the company's activities and identify potential business and reputational risks, while ensuring that adequate controls and procedures are in place to address these risks.

SG29H will generally vote in favour of social and environmental resolutions that promote good corporate citizenship while enhancing shareholder and partner value over the long term.

The following factors are taken into consideration when voting on HR, social and environmental resolutions:

- Is the particular issue mainly a statutory rather than a regulatory matter?
- Has the company already responded adequately and sufficiently to the relevant issue or issues?
- Does the proposed resolution entail disproportionate constraints, in terms of scope, deadlines or cost?
- How does the company's approach to address the issue or issues referred to in the resolution compare with current practices in its sector?
- If the resolution proposals entail more disclosure or transparency, do shareholders currently receive a reasonably sufficient amount of information from the company, or have public access to such information?
- If the resolution proposals do not entail more disclosure or transparency, would the implementation of these proposals reveal proprietary or confidential information that could put the company at a competitive disadvantage?

The specific case of "Say on Climate"

With regard to "Say on Climate" resolutions, SG29H will generally vote in favour of the following:

- Resolutions to improve the company's disclosure of information on its climate-change related financial, physical or regulatory risks, its operations and investments, or its identification, measurement or management of these risks
- Resolutions to get companies to provide targets for the greenhouse gas emissions generated by their activities and/or products.

Climate-related resolutions will be reviewed on a case-by-case basis. SG29H will pay particular attention to:

- The transparency of the climate report
- The relevance and scope of quantitative targets
- Alignment with the Paris Agreement and the objective of carbon neutrality by 2050
- The monitoring of commitments and indicators.

F. Sundry matters

Mergers and Acquisitions: Voting decisions on mergers and acquisitions are made on a case-by-case basis and in consideration of the following factors:

- Valuation – will shareholders receive reasonable value from the targeted acquisition?
- Market reaction – how has the market reacted to the proposed merger/acquisition?
- Strategic rationale – does the transaction make sense strategically? How does the proposed merger/acquisition generate value?
- Conflicts of interest – are insiders benefiting disproportionately and inappropriately from the transaction compared to non-insider stakeholders?
- Corporate governance – is the company that will result from the transaction likely to be governed more or less effectively than are the current companies?

Takeover defences: SG29H generally votes against anti-takeover measures unless they enable shareholders to have the final say regarding any proposal or offering.

Please note that SG29H's voting policy may vary according to the listing market and/or local best practices and transparency standards.

3.3. Securities lending policy

SG29H does not practice securities lending for conventionally managed funds. However, securities lending may be engaged in to optimise the management of certain structured financial products, which may be within the voting scope (i.e. those with portfolios that include direct investments in equities). Lent securities will be systematically repatriated before voting and the payment of dividends, unless this is prevented by legal and technical constraints, and provided that this is in the economic interest of our clients.

4. REPORTING

To provide its clients with the utmost transparency and comply with its legal obligations, SG29H publishes an annual report on its website that presents the results of its engagement actions and the exercise of its voting rights (see [section 2.3. Communication with relevant stakeholders](#)).

This report, which is usually made available in the first quarter of the year, is divided into the following two parts:

4.1. Report on engagement actions

This section presents the number of companies SG29H has exchanged with over the past year, the various subjects discussed, and where applicable the impact these exchanges have had on voting at general meetings.

4.2. Exercise of voting rights

This section includes detailed information on votes cast at the previous year's general meetings, including, inter alia, the following:

- The number of companies and general meetings at which resolutions were voted over the year
- The proportion of general assemblies at which SG29H voted relative to the total number of general meetings within the SG29H voting scope
- The proportion of general meetings at which SG29H voted relative to the total number of general meetings at which SG29H was entitled to vote
- Situations where SG29H did not observe its voting policy
- Conflicts of interest that arose during the voting period.

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