



*Aligning capital with purpose*

## **Voting and Shareholder Engagement Policy**

## Context

Our commitment at ATLAS RESPONSIBLE INVESTORS (hereinafter "ATLAS") is to deliver uncompromising performance through responsible public equity investments, fuelling progress towards the United Nations Sustainable Development Goals.

Finance is the power engine behind the economic machine. As active public equity investors, our purpose is to drive a radical shift toward more inclusive, sustainable, and fair capitalism.

ATLAS' mission is to pursue the following social and environmental objectives:

- Enable investors to vote with their capital by financing the most sustainable companies
- Contribute to the transformation towards a low-carbon economy in line with COP 21 Paris Agreement
- Share value by reinvesting part of the revenues in positive impact projects.

Shareholder engagement is an additional impact lever which is at the heart of the ATLAS approach.

As a committed shareholder, ATLAS is actively involved in the life of companies to encourage management teams to improve certain aspects of their governance or of their social and environmental ambitions.

This commitment is expressed through:

- the exercise of voting rights at the Annual General Meeting ;
- dialogue, to encourage management to make progress on certain concerns, particularly in the areas of governance, social or environmental issues. We call this type of shareholder activism "constructivism".

## Content of the policy

ATLAS' *Voting and shareholder engagement policy* is part of the ATLAS ESG policy, called the "Responsible Investment Charter" and available on its website. ESG research and shareholder engagement within ATLAS are under the responsibility of the Chief Impact Officer.

According to Article R 533-16. -I of the French Monetary and Financial Code (CMF), the shareholder engagement policy mentioned in I of Article L. 533-22 must describe the way in which the following elements are ensured within ATLAS:

- Monitoring of companies strategy, financial and non-financial performance, risks, capital structure, social and environmental impacts and corporate governance.

- Dialogue with investees
- Exercise of voting rights and other rights attached to shares
- Cooperation with other shareholders
- Communication with relevant stakeholders
- Prevention and management of actual or potential conflicts of interest in relation to their engagement

## **1. Monitoring strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance**

These elements are inherent in the selection of investments, as detailed in the *ATLAS Responsible Investment Charter*.

The integration of ESG criteria is central to the investment process. The team systematically conducts the following steps in ESG analysis and fundamental research to select its investment portfolio:

- ESG rating: the initial selection of eligible companies for the investment portfolio is based on a proprietary methodology for rating the extra-financial performance of the company
- Qualitative ESG analysis: on the initial selection, an assessment is made of the integration of ESG risks and opportunities into the company's business model and strategy. The objective is to build a portfolio of companies that are leaders in sustainability on one of our 11 sustainable investment goals. Once the investment universe has been rigorously defined after the ESG research stage, the team carries fundamental research.
- Fundamental financial analysis assesses the expected risk-return of the investment
- Dialogue with company management teams where necessary prior to investment helps further develop the fundamental financial thesis or ESG commitments

As a responsible investor, ATLAS then undertakes to exercise its responsibility in the best interests of the shareholders and clients.

## **2. Dialogue with management teams**

We regularly engage with the management teams of the companies in which ATLAS invests. This engagement focuses more specifically on their stated sustainability ambitions and how companies will achieve the goals they announced. Our team will seek to 'constructively engage' with companies to move them forward either by engaging alone or by building coalitions or participating in investor campaigns on targeted issues such as climate change or human rights.

If a company in portfolio is subject to a controversy affecting its ESG ratings, we use data from our external ESG rating partner, and seek direct contact with the company for a better understanding of the issues and optimal capital protection.

As ATLAS only invests in listed companies, these companies are used to dialogue and transparency with investors, particularly through their periodic regulated communications and their Annual General Meetings. ATLAS keeps itself informed of issuers' communications and makes every effort to participate in their events (investor presentations, roadshows, conferences, webcasts, site visits, etc.).

ATLAS encourages transparency from issuers. As such, ATLAS may invite issuers to clarify any controversy or misunderstanding from the financial community. In the event of a controversy being detected, ATLAS investment team will review the portfolio's exposure to the company and assess whether it is appropriate to retain and/or reduce all or part of its investment.

### **3. Exercise of voting rights and other rights attached to shares**

As a responsible investor, ATLAS exercises its shareholder rights, whether through resolutions proposals and/or by voting resolutions at Annual General Meetings, by engaging prior to general meetings on identified ESG issues, and by building or participating in shareholder coalitions.

#### **1.1. Criteria determining the exercise of voting rights**

ATLAS has decided to exercise its voting rights on shares held within its UCITS funds.

ATLAS may nevertheless decide to exercise its voting rights even if the defined threshold is not reached, always with the aim of defending the ultimate interest of the investor.

In the case of foreign securities, ATLAS may decide not to exercise its voting rights where this would involve the immobilisation of securities which could be detrimental to the holder.

ATLAS uses various means to exercise its voting rights: physical participation in meetings, voting by mail, voting by proxy, power of attorney to the Chairman.

The persons authorised to exercise voting rights at the General Meetings of the issuers are the members of the investment and operations teams.

#### **1.2. Guiding principles of the voting policy**

When exercising voting rights, ATLAS considers the exclusive interest of its shareholders and investors.

As a responsible investor, ATLAS will endeavour to exercise its shareholder rights, whether through resolutions proposals and/or voting on resolutions at general meetings, dialogue with management teams prior to annual general meetings or shareholder coalitions on identified ESG issues.

ATLAS will also act in accordance with the prescriptions of the French Asset Management Association (Association Française de Gestion – AFG) and particularly its "Recommendations on Corporate Governance" to determine the orientation of its votes during the general meetings.

ATLAS can study the resolutions submitted to the approval of the shareholders at the Annual General Meetings and more specifically on the following points

- Decisions entailing an amendment to the articles of association:  
ATLAS supports the principle of "one share, one vote". Any modification of the articles of association respecting this principle as well as the standards of good governance and the respect of the shareholders' information rights will be welcomed. Changes to the articles of association relating to the company's governance (Board of Directors, Management Board/Supervisory Board) will be analysed on a case-by-case basis.
- Resolutions on the financial statements:  
The principle proposed for the approval of the company financial statement is that of the integrity of the accounts.  
Company information must be accessible, sincere, and consistent, and the strategy presented must be readable and stable. Subject to the above, ATLAS will respect the proposals of the Management Boards or Boards of Directors for financial statements approval. Earnings distribution proposals will be analysed on a case-by-case basis, always in the interest of the shareholders.
- Governance :  
In accordance with the requirements of the French Asset Management Association (Association Française de Gestion AFG), ATLAS wishes to have at least one third of the Board composed of independent directors, free of interest.
- Control of regulated agreements :  
All agreements must be signed in the interest of all shareholders.
- Resolutions on the issue and repurchase programmes of equity securities :  
In the case of capital increases, compliance with the shareholders' preferential subscription rights is fundamental and will be monitored by the Company. In the case of the granting of stock options to managers of the company, the criteria set by the French Asset Management Association (Association Française de Gestion AFG) must be respected.
- The appointment of statutory auditors :  
The independence of statutory auditors will be monitored.
- Any other specific type of resolution that ATLAS wishes to identify:

Particular attention will be paid to all ESG topics.

## **2. Cooperation with other shareholders**

ATLAS' "constructivist" approach may involve building engagement campaigns or joining existing coalitions to strongly encourage management teams to better integrate specific ESG and/ or make a more credible and measurable corporate commitment.

## **3. Communication with stakeholders**

As part of this shareholder engagement policy, ATLAS may communicate with various relevant stakeholders, including :

- financial management and regulatory bodies (Association Française de Gestion, Autorité des Marchés Financiers, etc.),
- sell-side financial analysts and brokers in a broader sense,
- media and journalists,
- data providers, both financial and extra-financial,
- associations and NGOs.
- investors (potential and actual),
- our shareholders

### **3.1. Prevention and management of actual or potential conflicts of interest**

ATLAS is subject to integrity rules defined in particular by its Business Code of Conduct and its Conflict of Interest Management Procedure. These documents, to which all employees must adhere, aim to guarantee compliance with the principles relating to the primacy of clients' interests and the prevention of conflicts of interest.

ATLAS is an independent asset manager and does not depend upon any financial institution that could be a source of conflict of interest. It has complete autonomy in terms of investment, commercial approach and when it comes to the choice of its partners and service providers. In accordance with the Business Code of Conduct and its procedure for managing conflicts of interest, its employees are particularly attentive and aware of the need to comply with the provisions on conflicts of interest. More specifically, they may not use the resources implemented by ATLAS to carry out operations on their own behalf. Their financial transactions are also monitored.

In any case, the RCCI ensures that these principles are properly applied and respected.

### **3.2. Report on shareholder engagement**

In addition to this policy, ATLAS reports annually on the implementation of its shareholder engagement policy, which will be made available on its website or on request to [compliance@atlasinvest.fr](mailto:compliance@atlasinvest.fr) . The report will mainly cover the "voting rights" component of the engagement policy and include :

- A general description of how voting rights have been exercised during the past year;
- An explanation of the choices made on the most important votes;
- Information on the possible use of services provided by voting consultants;
- The orientation of votes cast during general meetings, which may exclude votes that are insignificant because of their purpose or the size of the shareholding in the company.