



METROPOLE *Gestion*[®]
I N V E S T I N G W I S E L Y

SHAREHOLDER ENGAGEMENT POLICY

METROPOLE Gestion

In accordance with Section IV of Decree 2019-1235, METROPOLE Gestion has drawn up this document to describe how the company incorporates its shareholder role in its investment strategy on behalf of its clients when investing in shares in UCITS and AIFs subject to the UCITS 5 and AIFM directives.

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

Since its creation in 2002, METROPOLE Gestion has implemented an approach of long-term engagement with the companies in which it invests on behalf of its clients, formally laid down in a body of policies and reports that chart its long-term approach to investing in companies.

METROPOLE Gestion's responsible investor approach is in keeping with its founding values. The key principle of value management, which involves investing in companies whose value is discounted in relation to their industrial value and which are therefore overlooked by the financial markets, is to carefully monitor all the risks to which those companies are exposed, from financial and governance risks to social, environmental and stakeholder risks.

As a company committed to responsible value management and an ESG pioneer since 2008, METROPOLE Gestion attaches fundamental importance to issuers and companies' consideration of and compliance with ESG criteria. Beyond the risks that they incur in these areas, METROPOLE Gestion encourages companies to improve by adopting a responsible and sustainable approach to growth and prioritising a so-called best in class¹, or best effort² methodology, through a non-financial analysis built on four pillars: social, governance, environment and stakeholders. This approach enables METROPOLE Gestion to engage with companies from the outset, both by incorporating these criteria into its voting policy and through direct dialogue with them.

It carries out this engagement, as formally laid down in this policy:

- By exercising the voting rights attached to the securities held in its portfolio in accordance with a voting policy, published on its website.

http://doc.metropolegestion.fr/pdf/Voting_Policy.pdf

- Through a policy of active engagement with issuing companies via direct or thematic dialogue as a means of identifying ESG and climate change risks and changing the strategy of the companies it analyses, as well as through collective or collaborative engagement in cooperation with other shareholders.

http://doc.metropolegestion.fr/pdf/MG_Engagement_Policy.pdf

¹ Best in class: each company is rated relative to its sector to obtain a best in class rating.

² Best effort: takes into account the non-financial rating trend over the last four years, with a preponderant weighting for the last year.

This approach is monitored through annual reports published on the company's website, which give account to long-term investors on the consistency of METROPOLE Gestion's engagement policy with their investment objectives and horizon.

- http://doc.metropolegestion.fr/pdf/Report_on_exercising_voting_rights.pdf
- http://doc.metropolegestion.fr/pdf/Engagement_report.pdf

METROPOLE Gestion publishes the financial and non-financial performances of its UCITS portfolios in a monthly report and an annual impact report, also available on its website.

It provides the same information on its AIFs and management mandates, tailoring its frequency and format to the relevant investors' wishes.

2- Dialogue with companies

As a company committed to responsible value management and an ESG pioneer since 2008, METROPOLE Gestion attaches fundamental importance to companies' consideration of ESG criteria. As such, the company is convinced that engagement with companies fosters long-term value creation and benefits all stakeholders, from shareholders and employees to customers and suppliers.

This is because the more value creation offers capital providers a fair return and is socially constructive, the more important and sustainable it is. With that in mind, METROPOLE Gestion engages with the companies in which it invests, encouraging them to improve their non-financial practices. It formally applies this commitment approach today in two ways:

- Individual engagement with companies:
 - o Through ongoing dialogue with companies that enables us to identify their ESG risks and change their strategies.
 - o By using our relevant procedure to handle controversies when events occur that are likely to have a significant impact on companies and their stakeholders.
 - o By exercising the voting rights attached to the securities held in our portfolio as part of a voting policy published on the company's website.
- Thematic engagement, for which each year we select a specific theme that we address with all companies to obtain a cross-cutting view.

METROPOLE Gestion's engagement policy is available on its website and covers all its investments in European equities.

- http://doc.metropolegestion.fr/pdf/MG_Engagement_Policy.pdf

Every year we publish an engagement report, which is also available on our website.

- http://doc.metropolegestion.fr/pdf/Engagement_report.pdf

3- Exercise of voting rights and other rights attached to shares

Aware that good corporate governance practices increase the value of its clients' investments, METROPOLE Gestion is committed to exercising all the rights and duties conferred by shareholder status, in particular by actively participating in the general meetings of the listed companies in which it invests. METROPOLE Gestion believes that exercising voting rights is an essential part of the relationship between a company and its shareholders.

It therefore exercises its voting rights in all the companies whose securities are held in its portfolio, in accordance with its voting policy.

Said voting policy sets out the principles that METROPOLE Gestion applies when exercising voting rights.

The exercise of voting rights within METROPOLE Gestion is based on the principles and recommendations of the French Financial Management Association (AFG), and/or locally accepted best practices. The company thus decides how to vote having studied all the resolutions submitted to the shareholders' vote and in accordance with its chief objective of defending its clients' exclusive interests.

As a signatory to the United Nations Principles for Responsible Investment (UNPRI), METROPOLE Gestion ensures that its voting policy complies with the environmental, social and governance criteria laid down in the Transparency Code and with its internal corporate social responsibility (CSR) policy. These documents are available on the company's website.

METROPOLE Gestion reserves the right not to vote in certain specific cases, when voting would not be in our clients' interests. Examples of such cases are when voting would lead to excessive administrative costs or when we would need to block securities to exercise our voting rights, which would restrict liquidity and hamper our investment process.

Except in exceptional cases, METROPOLE Gestion exercises voting rights in respect of all the securities held in the UCIs (UCITS/AIFs) that it manages and for which it holds voting rights, or for which voting rights have been delegated to the company, provided that regulatory provisions and the technical constraints imposed by the markets and custodians make it possible to optimise the exercise of voting rights in the exclusive interests of shareholders or unitholders.

Lastly, prior to their general meeting, we hold regular discussions with companies in which we are shareholders to explain our voting decisions to the management team, if necessary.

Our voting rights policy is available on our website.

- http://doc.metropolegestion.fr/pdf/Voting_Policy.pdf

Our report on the exercise of voting rights is published annually on our website.

- http://doc.metropolegestion.fr/pdf/Report_on_exercising_voting_rights.pdf

4- Cooperation with other shareholders

As part of its engagement policy and a collective approach to strengthen influence over companies, METROPOLE Gestion uses the Carbon Disclosure Project (CDP) to lobby companies, encouraging them in particular to take action on climate change.

METROPOLE Gestion does not rule out submitting joint resolutions with other institutional investors, particularly on climate change-related issues.

5- Communication with stakeholders

Stakeholders are all players who interact with companies, whether employees, suppliers, clients, public authorities or trade unions. METROPOLE Gestion believes that engagement with companies fosters long-term value creation and benefits all stakeholders, from shareholders and employees to clients and suppliers.

It therefore takes the view that a responsible approach requires companies to take into account all their value chains, and therefore all their stakeholders. Also as part of its dialogue with companies, the company discusses their existing opportunities and resources, encouraging them to deploy best practices within their value chains.

As such, alongside the environment, social and governance, taking stakeholders into account is one of the four fundamental pillars of the non-financial analysis that METROPOLE Gestion carries out as part of its engagement with companies.

6- Prevention and management of actual or potential conflicts of interest

In accordance with its principles and the regulations in force resulting from the transposition of MiFID, METROPOLE Gestion has put in place a policy for identifying, preventing and managing conflicts of interest.

This policy defines situations giving rise or likely to give rise to a conflict of interest involving a significant risk of harm to the interests of clients, and lays out the procedures to be followed and the measures to be taken in order to manage these conflicts.

A summary of the internal conflict of interest management policy is available on the company's website.

- www.metropolegestion.com