



QUINTET  
PRIVATE BANK

## 2022 ACTIVE OWNERSHIP REPORT

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CHANGE WHAT YOU DON'T LIKE,  
INVEST IN WHAT YOU DO





We believe we can create better outcomes for our clients by actively engaging when we invest.

# Active Ownership

## To Help Activate Change

At Quintet, we have sought to put environmental, social and governance factors as a driver of our clients' investments. We engage as active owners because we are convinced that when companies adopt environmental and social practices they become better businesses, which benefits investors, society and the planet.

We believe we can create better outcomes for our clients by actively engaging when we invest. Our investment policy emphasises our ability to create positive change by being active owners, which we believe to be vital to improving long-term investment returns for our clients. Actively exercising the influence we have as an investor and investment manager is consistent with both the fiduciary duties we have for our clients and our objective to be a catalyst for the transition towards a more sustainable future.

Investors can use their voice to press for positive changes through a combination of dialogue with companies and voting at shareholder meetings. That is what is meant by "active ownership", which constitutes a key part of our investment strategy.

In 2022, Quintet voted on over 11,984 proposals at more than 887 shareholder meetings across the world. Environmental and social matters were front of mind, as demonstrated by our support of more than 95% of shareholder proposals on these topics, which is more than triple the industry average<sup>1</sup>.

Over the same period, our partner EOS at Federated Hermes (EOS) engaged with 750 companies on our behalf on a range of 3,146 issues and objectives. Engagement addressed key risks, challenges and opportunities faced by companies. Since Quintet invests client assets with other asset managers, we also directly engaged with them.

We undertook additional engagement activities. Quintet is a member of the Climate Action 100+ initiative, a leading collaborative investor engagement on climate change. We are also a signatory of the Principles for Responsible Investment (PRI), the world's leading proponent of responsible and sustainable investing.

1. Period: 2022. Statistics provided by Quintet's voting service provider, Glass Lewis, based on proposals voted in 2022. Glass Lewis reported in 2022 that average shareholder support for environmental and social proposals was respectively 35% and 25%.

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## CONTRIBUTORS



**AJ Singh**  
Head of ESG & Sustainable Investing



**Bas Gradussen**  
Sustainable Investment Strategist



**Giang Vu**  
Sustainable Investment Strategist



**Martynas Rudavicius**  
Sustainable Investment Strategist





ACTIVE OWNERSHIP

USING OUR  
INFLUENCE TO  
MAKE A DIFFERENCE

At Quintet, we understand the power of investment to impact the world. By changing the way we invest, we can change it for the better. Change what you don't like. Invest in what you do. That's what we believe.

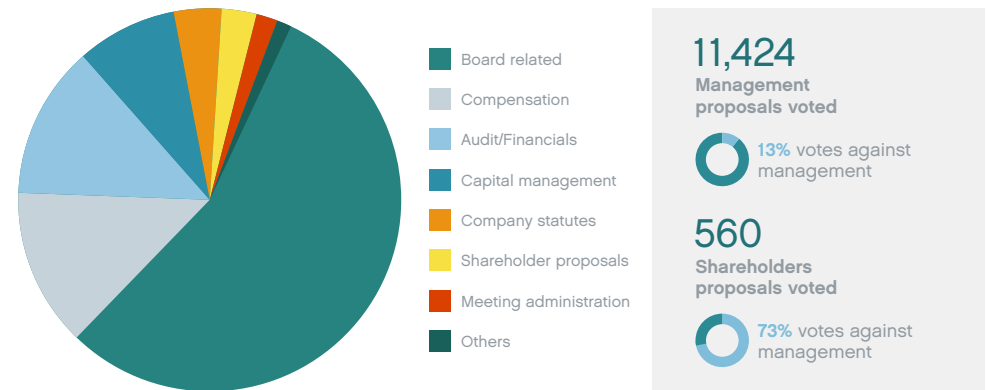
### Key voting facts 2022



### Breakdown of meetings by region



### Proposals voted by category



Our **voting group** comprises representatives of diverse investment teams overseeing voting decisions.



Support for **environmental proposals: 93%**. This is almost triple the industry average<sup>2</sup>



Support at **social proposals: 80%**. This is more than triple the industry average<sup>2</sup>



We voted against the election of 340 directors because of failure to address **gender diversity**.

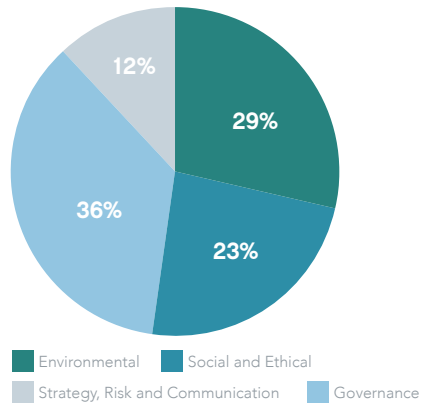
Period: 2022

2. Glass Lewis [reported](#) in 2022 that average shareholder support for environmental and social proposals was respectively 35% and 25%.

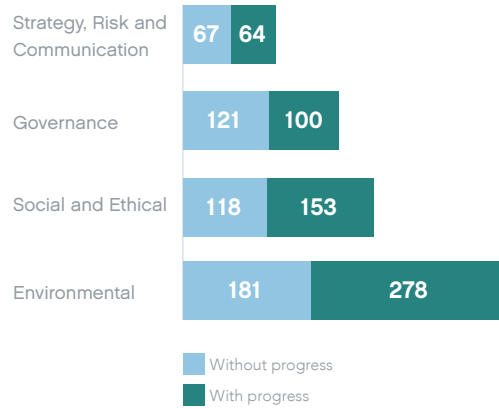
## Key engagement facts 2022



### Companies engaged: breakdown of issues and objectives by theme



### More than half of our engagements saw progress, with at least one milestone achieved



Source: EOS, period: 2022

### Our engagement with third-party funds



Date: as of December 2022.  
Scope: third-party funds selected by Quintet for our core products.



ACTIVE OWNERSHIP

# TRANSPARENCY



# Transparency

We seek to be open and transparent about our active ownership efforts:

- All the votes we have cast over the past 12 months are publicly disclosed after each company's shareholder meetings, and we publish them on this [webpage](#);
- We produce regular updates about our active ownership activities during the year and a full-year report to provide more context and information about our decisions to our clients;
- Our active ownership policy is available on [Quintet's website](#).

## How we vote

Where possible and feasible, we seek to vote at all shareholder meetings of the companies in which we invest for our clients. Currently, we vote for direct line equities in portfolios of our in-house funds managed by Brown Shipley, InsingerGilissen Asset Management N.V. and Kredietrust Luxembourg S.A. (Rivertree and Essential Portfolio Selection fund ranges).

We do not vote where additional costs and/or barriers (such as share-blocking, share registration or in-person attendance) are deemed prohibitive or where our holdings are limited.

Voting by Quintet is centralised through the active ownership voting group, composed of representatives of the asset and investment management, equity and sustainable investing teams. The actual votes require ongoing oversight by people who have experience in voting and are given the responsibility to take decisions in line with Quintet's policies. The voting group monitors the recommendations of our proxy voting provider Glass Lewis to ensure consistency with Quintet's voting policy. This centralised organisation ensures we make consistent decisions for all our holdings, with the aim of being more impactful.



## How we engage

Since Quintet represents a diverse group of clients with diverse holdings across the investment universe, we invest in a wide range of companies. As many of these companies are large, our direct investments may be small relative to the size of the firm. To be effective in engaging with these companies, we believe that collaborative engagement is likely to achieve better results than efforts we might undertake on our own. We have therefore hired a specialised external service provider, EOS Hermes, to conduct engagement on our behalf. In cases where collaborative engagement is not practical, we may undertake direct engagement ourselves with the companies we invest in.

Quintet has instructed its engagement partner to give special attention to companies that violate the principles of the UN Global Compact, or that are involved in significant ESG controversies. The engagement priorities continue to be focused on the most material drivers of long-term value, with four priority themes: climate change, human and labour rights, human capital management and board effectiveness and ethical culture.

## Memberships and partnerships

Quintet is a member of the Climate Action 100+ (CA 100+) initiative. This leading collaborative investor engagement initiative seeks to ensure the world's largest corporate greenhouse gas (GHG) emitters take the necessary action on climate change.

Investors participating in Climate Action 100+ engage the world's largest "systemically important emitters" and other key companies in the transition to a net zero emissions economy. The 166 companies engaged through the initiative are collectively responsible for up to 80% of global industrial emissions<sup>3</sup>.

We are also a signatory of the Principles for Responsible Investment (PRI), the world's leading proponent of responsible and sustainable investing. Principle 2 of UNPRI states that "We will be active owners and incorporate ESG issues into our ownership policies and practices", a principle which is fully endorsed by Quintet.

3. Companies | [Climate Action 100+](#)

A man with glasses, wearing a dark suit jacket over a maroon shirt, is seated and looking down at a stack of papers he is holding. The background is a softly lit room with a tufted sofa.

ACTIVE OWNERSHIP

# OUR VOTES IN ACTION

# Our votes in action

One of the key rights of shareholders is to vote on important matters that affect the companies they own. Each year, public companies are required to hold an annual general meeting (AGM) and can also organise special or extraordinary general meetings (EGM).

We believe voting at AGMs allows us to press for positive change at the companies, supporting long-term value creation and benefitting investors, society and the environment.

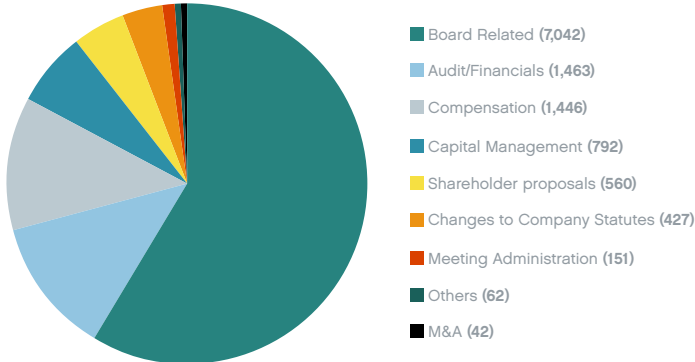
The year 2022 was marked by increased awareness about social equality and climate change. The end of the year was marked by

expectations around the 27th UN Climate Change Conference, commonly referred to as "COP27". These topics were front of mind for Quintet as well.

Quintet voted on 11,423 management proposals in 2022 across a broad variety of topics. The most voted categories were board-related proposals, followed by audit/financial matters and then compensation.

Management proposals tend to address important issues associated with running a company. While we supported most of them, sometimes we believed it was in the best interest of investors to disagree with such proposals and we voted against management for 13% of the time. We have explained the reasons why below.

Proposals voted by categories

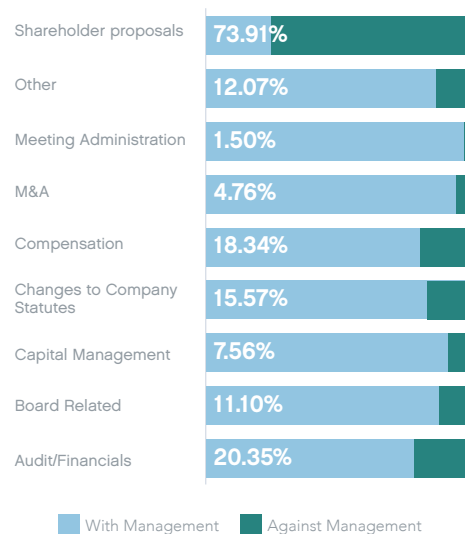


## Our votes by category

### Compensation

We voted against 91 remuneration reports, 38 remuneration policies and 82 advisory votes on executive compensation. These represent the majority of our votes against management in this category. We believe compensation should be fair, competitive and create appropriate incentives to promote long-term shareholder value. We opposed compensation resolutions when we believed they inadequately linked executive compensation and performance.

### Votes compared to management



Period: 2022

### Audit/financials

When voting on audit/financial proposals, an overwhelming majority (98%) of our votes against management were due to excessive auditor tenure. We believe excessive tenure limits the independence of the auditor and audit, both of which are essential to give an unbiased view of financial statements.

### Board related

Around 45% of our votes against management on board-related proposals were due to failure to address gender diversity. We believe diversity is essential for a stable and efficient board, therefore our policy is to oppose the election of male members of the nominating committee when there is not sufficient female representation.

In addition, 17% of all our votes against management on board-related proposals were related to opposing the election of directors because of a director's excessive number of board memberships. Effectively exercising the role of director requires significant time and commitment, which we believe is not possible if a director sits on too many boards.

Lastly, 18% of all our votes against the election of directors was when we believed

they failed to act in the interests of shareholders. An example of this is Quintet's record at the AGMs of Alphabet and Meta platforms, both of whom have multiple class share structures with unequal voting rights. We believe that all shareholders should have voting rights equal to their capital of shares. As such, we voted against directors who serve on the relevant board committees responsible for the unequal share class structure.

### Climate action/transition proposals

The "climate action/transition" proposal is a request by which companies provide shareholders with the opportunity to approve (or disapprove) the company's actions on transitioning to a greener economy as well as their climate-related risks.

We voted with management on climate strategies when they were clear and achievable, such as at the recent AGM of RIO Tinto and TotalEnergies SE. We voted against TotalEnergies SE climate strategy in their 2021 AGM as we believed their strategy was not achievable. However, we now believe that TotalEnergies SE net-zero ambition is achievable and they have set appropriate targets for reduction of scope

1, 2 and 3 emissions. The company had also received third-party assurances on its emission targets as well as reliable scenario testing analysis.

### Shareholder proposals

In most jurisdictions, shareholders have a right to file resolutions at general meetings. This right allows investors to achieve meaningful change to corporate policies and practices across a range of sustainability matters.

Shareholder proposals are particularly common in the US and can be numerous, especially at large companies. This trend is growing in Europe too.

Last year, we voted on 558 shareholder proposals. They often addressed important sustainability issues and management teams tend to reject shareholder proposals on principle. We found that many of the proposals had merit and we voted against management for 74% of shareholder proposals.

Environmental and social matters were front of mind for Quintet, as demonstrated by our support at more than 85% of shareholder proposals on these topics, which is almost triple the industry average<sup>2</sup>.

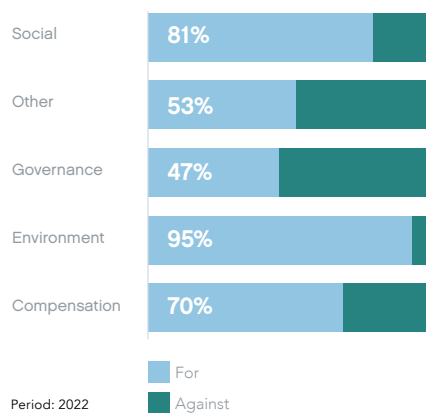
## Our votes on shareholder proposals

When voting on environmental proposals, we consider the impact companies have on the environment, as well as the risks they may face by not adopting environmentally responsible policies. We believe companies that manage their environmental-related matters effectively can mitigate their regulatory and reputational risks – and in some circumstances key operational risks too – in addition to having a positive impact on the environment. We also believe adopting sustainable practices is in line with changing consumer preferences for more environmentally sustainable products and services, and therefore helps companies maintain and increase their market share.

The environmental proposals we supported included resolutions calling to align the business strategy to the Paris Agreement (e.g. Berkshire Hathaway), reports on managing climate risk (e.g. Microsoft and Alphabet) and requesting reports on fossil fuel financing (e.g. J.P. Morgan & Chase).

We supported all proposals flagged by Climate Action 100+ at AGMs where we voted. They included disclosure on GHG reduction targets at Chevron, Valero Energy and Caterpillar Inc – the latter which passed with an overwhelming 96% of shareholders supporting the proposal.

### We supported more than 85% of environmental and social resolutions



## Environmental matters

Key environmental proposals at the annual general meetings of the largest companies in the most GHG-intensive industries have been in the spotlight as growing numbers of shareholders demand stronger commitments to address the threat of climate change. We supported those demands.

Managing and mitigating climate-related risks is hugely important, and GHG emissions are among our greatest concerns. That is why, since early 2020, we have been an active member of Climate Action 100+.

We were encouraged to see that our convictions are shared increasingly by shareholders. Before 2021, only three climate-related shareholder proposals received majority support at US oil majors. In 2021, that number tripled, however the energy crisis has somewhat overridden climate concerns, with investor support for climate proposals at Shell and BP observably lower than the previous year<sup>4</sup>.

4. The 2022 AGM season: Which ESG issues have shareholders targeted? | Blog post | PRI ([unpri.org](https://unpri.org))



## Social matters

Whilst the AGM season of 2021 was known for the environmental proposals, 2022 was very much the year of social proposals, with various proposals on human rights, racial audits, concealment clauses and freedom of association.

When analysing social proposals, we consider the communities and broader stakeholders in the areas in which companies conduct business. We supported proposals requesting that companies provide greater disclosure about their impact on local stakeholders, as well as employee and human rights. Healthy relationships with stakeholders ensure a company can continue operating smoothly.

We believe enhanced social disclosure will help investors understand how companies manage social matters and assess the risks they face.

We voted in favour of proposals seeking increased disclosure on public health and safety issues, including those related to product responsibility. We supported diversity and equity-related proposals. They include proposals that urged companies to oversee a racial equity audit by analysing the adverse impact on non-white stakeholders and communities of colour (e.g. Alphabet); others asking for investigation in alleged racism in company culture (e.g. Intel); focused on creating a median gender and racial pay equity report (e.g. Walmart and Amazon) and asking for investigations on alleged workplace sexual harassment (e.g. Activision and Tesla).

### Transparency on Lobbying:

At the AGMs of Alphabet, Amazon, Meta, Walmart and various other companies we supported proposals requesting that the companies report on the effect of lobbying efforts at the local, state and federal levels.

The proponents asked the companies to provide investors with comprehensive disclosure on their lobbying activities including itemised list of recipients of its lobbying contributions and payments made to trade associations for political purposes.

A key risk facing the companies is a public backlash against their potential political donations, especially when those donations contradict the company's public positions.

Public outrage over lobbying was especially evident at Meta platforms, where leaked internal documents indicated the company had intentionally misled the US congress, public and securities regulators about its risks to users. Consequently, we voted in favour of greater lobbying transparency at the Meta Platforms AGM.

ACTIVE OWNERSHIP

# HOW ENGAGEMENT ON YOUR BEHALF IS MAKING A POSITIVE IMPACT

## Engagement with other asset managers

Since we invest client assets with other asset managers, we also engage with them to express our beliefs and understand theirs.

Before we approve an ESG fund (a fund which either has a sustainable objective or has environmental or social characteristics) for investors, we assess its investment process against a range of factors to make sure it meets our requirements. We use a three-step approach to assess each fund, comprising interviews, questionnaires and holdings analysis. We believe that for a fund to be considered as having environmental or social characteristics, it has to commit to invest in a sustainable way. However, good

intentions alone are not enough. The fund's holdings and its portfolio construction methods have to demonstrate clearly that environmental and social characteristics align with the manager's intentions.

To achieve environmental and social portfolio characteristics and fulfil intent, the manager has to have adequate resources and methods in place to make sure that ESG factors can be fully embedded.

Furthermore, our ESG-related checks don't stop when a security is purchased. We believe engagement and proxy voting for equity funds are crucial elements to assess and influence the behaviour of investee entities. In addition, we urge funds with environmental and social characteristics to be transparent about the way they have implemented ESG factors into their portfolios and how they have executed their fiduciary responsibilities in terms of incorporation of ESG factors.

If a fund does not meet our minimum requirements or we do not support its approach to sustainability, we communicate our beliefs through engagement.

As demonstrated in the examples below, through active ownership we press for positive change, supporting long-term value creation for investments while benefitting society and the planet.

## Encouraging adoption of transparent sustainability

Our fund solutions team engaged with various asset managers in the course of 2022. The process focused on asset managers disclosing and striving towards realistic sustainable investment percentages, as per the sustainable financial disclosure regulations (SFDR). As Quintet aims to offer its clients solutions with a defined minimum percentage of sustainable investments, we require funds invested in to do the same. The tendency of asset managers was to take a conservative stance and scale the sustainability commitments downward to be on the safe side. A higher sustainability percentage indicates not only a higher ambition, it also forces asset managers to have a clear underlying process in place to support these numbers.

Our funds solution team has also engaged with asset managers on potentially reclassifying their conventional article 6 products to article 8 products. This only occurred where the team believed that there was a sufficiently robust framework in place which would warrant reclassification.

## Encouraging the adoption of responsible practice

At Quintet we believe active ownership is essential for responsible investment, therefore we encourage third-party fund managers to do the same. In 2022, the fund solutions team engaged with a large US equity fund manager regarding its security lending policies. As a result the asset manager put in place a policy to recall the securities which had been lent out to ensure they could exercise their proxy voting rights. This allows them to maximise the effect of the proxy voting which we consider an important instrument in encouraging companies to improve their sustainable behaviour.

### Key statistics



**82%** article 8 & 9 funds selected



**100%** of active fund managers have been interviewed alongside engagement where appropriate



**100%** of ESG funds signed the PRI, an endorsement of sustainable practices



**120** questions used to assess ESG funds



**5** experts dedicated to (sustainable) fund selection

Date: as of December 2022.  
Scope: third-party funds selected by Quintet for our core products.





During 2022, we've engaged with 750 companies on more than 3,146 issues and objectives.

## Engagement with companies

We collaborate with a leading stewardship service provider, EOS at Federated Hermes (EOS), to engage with companies in which we hold shares and bonds on behalf of our clients through our in-house managed funds as well as advisory and discretionary mandates.

During 2022, we've engaged with 750 companies on more than 3,146 issues and objectives.

To measure our progress and the achievement of engagement objectives, we use a four-stage strategy. When setting an objective at the start of an engagement, we set milestones that we want to achieve:

- Milestone 1: concern raised with the company at the appropriate level.
- Milestone 2: the company acknowledges the issue as a serious investor concern.
- Milestone 3: development of a credible strategy/stretching targets set to address the concern.
- Milestone 4: implementation of a strategy or measures to address the concern.

Progress against these objectives is assessed regularly and evaluated against the original engagement proposal. In 2021 we made solid progress in delivering engagement objectives across regions and themes. For 61% of our engagements, at least one milestone was moved forward.

### Companies engaged<sup>5</sup>: geographical breakdown



North America  
**343**



Europe  
**282**



Asia  
**52**

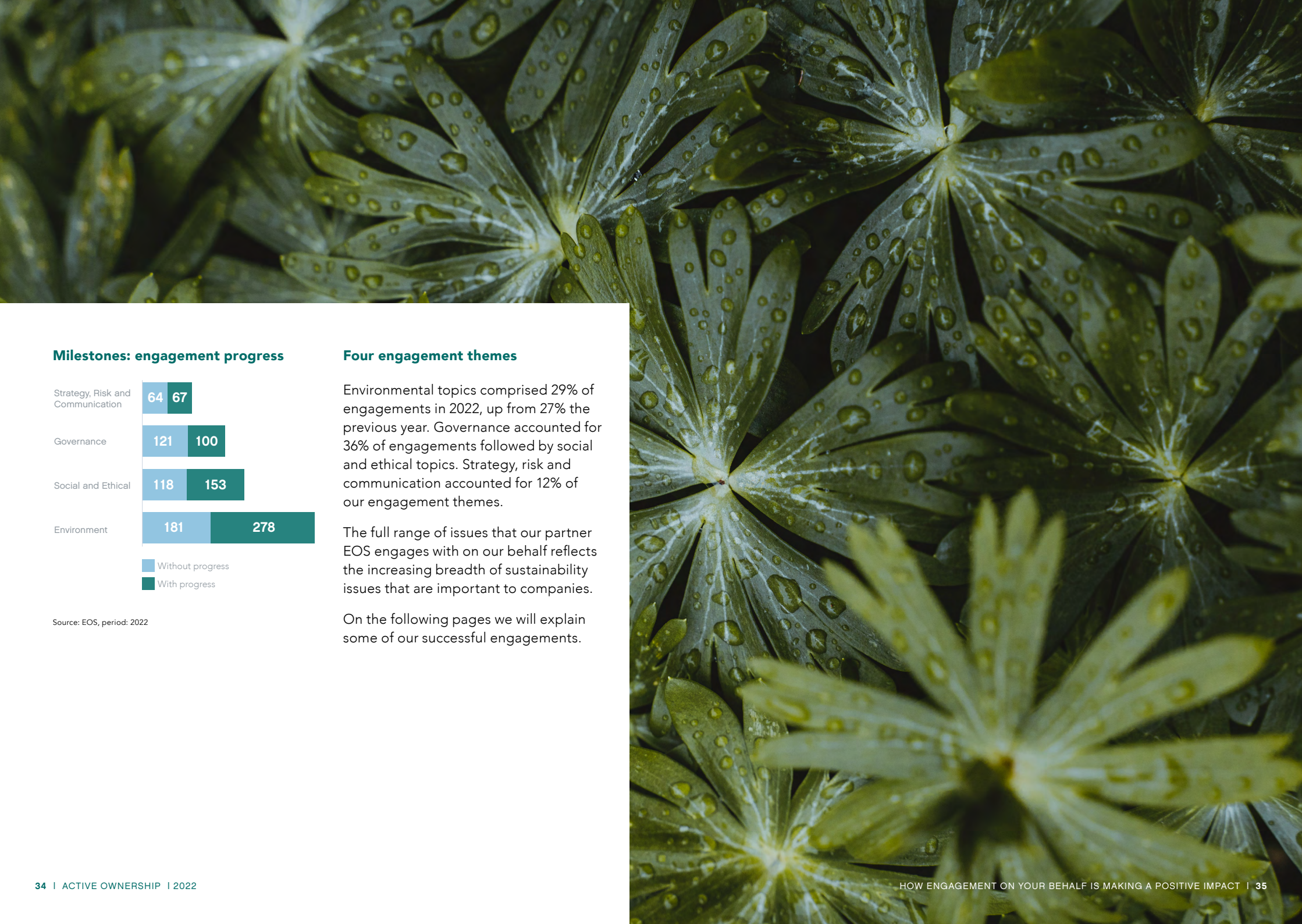


Emerging & Developing Markets  
**46**

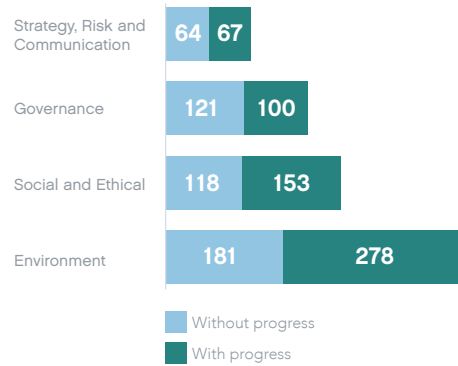


Australia & New Zealand  
**27**

Source: EOS. period: 2022  
5. On issues and objectives



### Milestones: engagement progress



Source: EOS, period: 2022

### Four engagement themes

Environmental topics comprised 29% of engagements in 2022, up from 27% the previous year. Governance accounted for 36% of engagements followed by social and ethical topics. Strategy, risk and communication accounted for 12% of our engagement themes.

The full range of issues that our partner EOS engages with on our behalf reflects the increasing breadth of sustainability issues that are important to companies.

On the following pages we will explain some of our successful engagements.

ACTIVE OWNERSHIP

# CASE STUDIES





# Walt Disney

We have engaged with the Walt Disney Company, which has recognised the need to amplify under-represented voices, and the importance of accurate representation in media and entertainment.

The company has created two senior leadership councils focused on DEI<sup>6</sup> in the workforce and content. We also welcomed the company's intention to advance representation for people of colour and other diverse groups in front of and behind the camera. We see this in its film *Encanto*, which depicts a Colombian family.

We encouraged the company to set and disclose qualitative and quantitative DEI goals, and we expect its content representation dashboard to provide a baseline to support this.

Source: EOS

6. Diversity, equity and inclusion (DEI) is a framework which seeks to promote the fair treatment and full participation of all people.



## Volvo

As part of our ongoing engagement on climate change with Volvo, EOS pressed for better disclosure of the risks and opportunities relating to the low carbon transition, given the materiality of this issue for the company, which manufactures commercial vehicles including trucks, buses and construction equipment. In a meeting with a corporate social responsibility representative (CSR) in Q1 2018, we asked for reporting aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

EOS reiterated the request in a letter to the chair in Q1 2019, along with concerns about the company's low score on the Transition Pathway Initiative (TPI). In its response, the company clarified some inaccuracies in its TPI assessment and confirmed that it had begun implementing some TCFD recommendations.

EOS sought a progress update in a call with the CSR representative in Q2 2019 and at the company's capital markets day in Q3 2020. We were pleased to hear a formal commitment to align its reporting with the TCFD recommendations.

We welcomed the company's first TCFD-aligned section in its 2020/21 annual report, which includes risks and opportunities along with a corporate strategy explicitly aligned to decarbonisation targets. Climate change remains a material issue for the company, and we continue to engage on the progress of its electrification strategy, as well as its anticipated circular economy strategy.

Source: EOS



# Berkshire Hathaway

For the second year running, EOS filed a climate change reporting shareholder proposal that called on Berkshire Hathaway to publish an annual assessment addressing how the company manages physical and transitional climate-related risks. The proposal was co-sponsored by Caisse de dépôt et placement du Québec (CDPQ), California Public Employees' Retirement System (CalPERS) and the State of New Jersey Common Pension Fund D.

EOS co-filed a similar proposal in 2021, which we believe attracted a majority of non-insider votes. However, Berkshire Hathaway insiders, including CEO Warren Buffett, control about 35% of the company's voting power through a dual-class share structure. With Berkshire Hathaway opposing the shareholder proposal, it was defeated.

While Berkshire Hathaway publishes some information on the sustainability of its operating companies, the proposal called for climate-related financial disclosures at the parent company level in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), including:

- Climate-related financial reporting where material for subsidiaries and for the parent company
- How the board oversees climate-related risks for the combined enterprise
- The feasibility of the parent company, and its subsidiaries, establishing science-based, greenhouse gas reduction targets, consistent with limiting climate change to well-below two degrees.

We believe that the publication of such an assessment would enable shareholders to assess portfolio risks more effectively, and to engage with Berkshire Hathaway on its climate change risks and opportunities.



Once again, proxy advisers ISS and Glass Lewis recommended that shareholders vote in favour of the proposal.

EOS also asked Berkshire Hathaway's audit committee to explain why climate change was not addressed again this year in the company's audit, when it was specifically outlined in the latest 10-K regulatory filing. Ahead of the shareholder meeting, EOS recommended voting against the chair of the governance, compensation and nominating committee and the entire audit committee.

Tim Youmans, EOS North America engagement lead, made a statement in support of the proposal at the company's annual meeting, held at an Omaha convention centre. "Climate financial risk may be significant, even material, at the parent company," he said. In the 2021 annual report, the company stated that climate-related risks could produce losses and significantly affect financial results. "The company audit, however, is silent on climate risk," he said.

Source: EOS

Berkshire Hathaway was the only major US public company to score zero on the Climate Action 100+ Net Zero assessment of climate action progress, two years in a row. More encouragingly, the company is now open to engagement with us and has taken some steps following last year's vote. For example, it published a supplement to the chair's annual shareholder letter, from vice chair Greg Abel, discussing climate change matters at Berkshire Hathaway's energy and rail subsidiaries. Also, the parent company's audit committee has amended its charter to include climate risk oversight. However, more action is needed.

With the company once again opposing the shareholder proposal, it was rejected, although we calculate that non-insiders voted 61% in favour of the proposal. With the SEC's proposed climate disclosure rules asking for more disclosure than we requested, the company may want to consider getting a head start so that it is ready to meet these requirements.



## Activision Blizzard

The video game industry already had a poor reputation for its lack of inclusivity but this was reinforced by lawsuits brought against US gaming company Activision Blizzard, which resulted in multi-million dollar settlements. EOS conveyed our concerns to the company after allegations of sexual harassment and discrimination, and expressed our disappointment in the response from its CEO and the board. In our view, the public communication and commitments made did not reflect the seriousness of the matter, nor did they address the various material short- and long-term risks for the company and its shareholders.

EOS first raised these concerns in Q4 2021 with the head of investor relations who pointed to changes enacted by the company in the wake of media reports. These measures included increasing diversity, conducting an equity pay gap analysis, increasing hourly wages for part-time employees and instituting a workplace responsibility committee. They pointed out that most of these changes were target-related and while laudable, did not address the root cause of the problem, which appeared to be one of culture.

Source: EOS

EOS followed up this meeting with a formal letter to the board setting out our expectations around board governance of sexual harassment and discrimination issues. We also posed some detailed questions for the company to address in a subsequent meeting with the lead independent director or co-chairs of the workplace responsibility committee. Four months later, the vice president of ESG and shareholder outreach sent a reply, outlining the board's approach to some of the issues we had raised. We found this response to be insufficient, and our request for a meeting went unanswered.

At the company's 2022 annual meeting, we recommended support for two shareholder proposals that could help Activision Blizzard improve its management of human capital, human rights and the associated risks following the sexual harassment and discrimination allegations. The first proposal asked for a report on the company's efforts to prevent abuse, harassment and discrimination. The second urged the board to adopt a policy of nominating a director candidate selected by the company's non-management employees. We agreed with the latter's proponents that an employee representative on Activision's board would be particularly beneficial given the allegations and the lack of an appropriate response from the company.





## Microsoft

Tech giant Microsoft found its own culture under scrutiny when it announced plans to buy Activision Blizzard in January 2022. In Q1 2022 we engaged with Microsoft on a 2021 shareholder proposal that had gained 78% support, asking the board to report on the effectiveness of its workplace sexual harassment policies.

The company said that its communications on these issues had improved. It also committed to annual public reporting on the implementation of its sexual harassment and gender discrimination policies, including the total number of reported concerns, the percentage substantiated and the types of corrective actions taken. We appreciated this transparency and encouraged it to integrate its policies and practices at Activision Blizzard if/when acquisition closes.

EOS forwarded to Microsoft our expectations for board oversight of sexual harassment and discrimination issues that we had sent to the Activision board. EOS were pleased to receive Microsoft's first report on its workplace culture with an independent review via email in late 2022.

Source: EOS



## E.ON

EOS first encouraged this German energy utility company to develop a compelling consumer-focused retail strategy in 2016. We continued to engage on this issue in subsequent years in discussions with the chair of the supervisory board, including questioning how this was being incentivised through executive remuneration schemes.

The company has undergone fundamental changes over this period, including a major asset swap in 2019 between RWE and E.ON, leaving E.ON to concentrate on a combination of energy networks and customer solutions. E.ON now clearly articulates its customer focus in its corporate communications.

In its fiscal year reporting in March 2021, the company communicated its strategy for the customer solutions business and its targets for related earnings before interest and tax. Its Q3 2021 reporting provided further updates on the implementation of its customer-focused retail strategy, which

now appears to be on course. At its capital markets day in November 2021, E.ON announced that it will invest €27bn in the energy transition until 2026, of which around €22bn will go towards expanding its energy networks and €5bn towards accelerating the growth of its customer solutions business.

In Q4 2020, we engaged with the CFO and corporate counsel on low board diversity. The board had two female directors and 22% overall board diversity, below our best practice threshold of 30% gender, racial and ethnic diversity. While the board did not have an explicit diversity policy at the time, we were encouraged that it was discussing this subject and that the board's nominating and governance committee considered gender, race and ethnicity among other director qualifications. In January 2021, EOS re-emphasised the importance of board diversity when they sent their 2021 US Corporate Governance Principles.

Source: EOS

# Appendix 1: Voting statistics breakdown

Voting is implemented for direct line equities held in-house funds managed by Brown Shipley, InsingerGilissen Asset Management N.V. and Kredietrust Luxembourg SA (Essential Portfolio Selection and Rivertree funds).

The breakdown of the voting statistics in 2022 is indicated hereafter.

## Brown Shipley

### Proposal statistics

| PROPOSAL CATEGORY TYPE                      | FOR        | AGAINST   | ABSTAIN   | 1 YEAR   |
|---|------------|-----------|-----------|----------|
| <b>Totals</b>                               | <b>925</b> | <b>99</b> | <b>47</b> | <b>1</b> |
| Audit/Financials                            | 144        | 17        | 22        | 0        |
| Board Related                               | 497        | 45        | 5         | 0        |
| Capital management                          | 92         | 1         | 0         | 0        |
| Changes to company statutes                 | 29         | 1         | 17        | 0        |
| Compensation                                | 68         | 17        | 0         | 0        |
| Mergers and acquisition                     | 2          | 0         | 0         | 0        |
| Meeting administration                      | 10         | 1         | 0         | 0        |
| Other                                       | 15         | 1         | 0         | 0        |
| Shareholder proposals: compensation related | 3          | 1         | 0         | 0        |
| Shareholder proposals: environment related  | 3          | 1         | 0         | 0        |
| Shareholder proposals: governance related   | 11         | 8         | 1         | 3        |
| Shareholder proposals: social related       | 39         | 4         | 1         | 0        |

### Meeting statistics

| REGION        | COUNTRY OF ORIGIN | VOTED     |
|---------------|-------------------|-----------|
| <b>Total</b>  |                   | <b>82</b> |
| North America |                   | 18        |
|               | United States     | 17        |
| Europe        |                   | 61        |
|               | Ireland           | 20        |
|               | Luxembourg        | 10        |
|               | Netherlands       | 3         |
|               | United Kingdom    | 21        |
| Other         |                   | 3         |

## InsingerGilissen Asset Management

### Proposal statistics

| PROPOSAL CATEGORY TYPE                      | FOR         | AGAINST    | ABSTAIN   | UNVOTED  | 1 YEAR   |
|---|-------------|------------|-----------|----------|----------|
| <b>Totals</b>                               | <b>6132</b> | <b>821</b> | <b>88</b> | <b>1</b> | <b>2</b> |
| Audit/financials                            | 725         | 129        | 7         | 0        | 0        |
| Board related                               | 3591        | 393        | 50        | 0        | 0        |
| Capital management                          | 507         | 34         | 1         | 0        | 0        |
| Changes to company statutes                 | 239         | 29         | 15        | 0        | 0        |
| Compensation                                | 728         | 145        | 0         | 0        | 2        |
| Mergers and acquisition                     | 25          | 2          | 0         | 0        | 0        |
| Meeting administration                      | 79          | 4          | 0         | 0        | 0        |
| Other                                       | 38          | 4          | 3         | 1        | 0        |
| Shareholder proposals: compensation related | 15          | 9          | 0         | 0        | 0        |
| Shareholder proposals: environment related  | 51          | 2          | 1         | 0        | 0        |
| Shareholder proposals: governance related   | 48          | 43         | 10        | 0        | 0        |
| Shareholder proposals: miscellaneous        | 4           | 4          | 0         | 0        | 0        |
| Shareholder proposals: social related       | 82          | 23         | 1         | 0        | 0        |

### Meeting statistics

| REGION                       | COUNTRY OF ORIGIN | VOTED      |
|------------------------------|-------------------|------------|
| <b>Total for all Regions</b> |                   | <b>486</b> |
| Asia                         |                   | 96         |
|                              | Hong Kong         | 7          |
|                              | Japan             | 85         |
| North America                |                   | 157        |
|                              | Canada            | 21         |
|                              | United States     | 136        |
| Europe                       |                   | 214        |
|                              | Belgium           | 16         |
|                              | France            | 36         |
|                              | Germany           | 25         |
|                              | Guernsey          | 1          |
|                              | Ireland           | 12         |
|                              | Jersey            | 2          |
|                              | Luxembourg        | 11         |
|                              | Netherlands       | 30         |
|                              | Norway            | 0          |
|                              | Portugal          | 1          |
|                              | Spain             | 13         |
|                              | Switzerland       | 16         |
|                              | United Kingdom    | 49         |
| Oceania                      |                   | 16         |
|                              | Australia         | 13         |
| Other                        |                   | 1          |

## Essential Portfolio Selection and Rivertree funds

### Proposal statistics

| PROPOSAL CATEGORY TYPE                      | FOR         | AGAINST    | ABSTAIN   | 1 YEAR   |
|---|-------------|------------|-----------|----------|
| <b>Totals</b>                               | <b>6701</b> | <b>953</b> | <b>75</b> | <b>1</b> |
| Audit/financials                            | 806         | 148        | 1         | 0        |
| Board related                               | 3897        | 479        | 47        | 0        |
| Capital management                          | 550         | 46         | 1         | 0        |
| Changes to company statutes                 | 251         | 15         | 0         | 0        |
| Compensation                                | 849         | 195        | 3         | 1        |
| Mergers and acquisition                     | 28          | 0          | 0         | 0        |
| Meeting administration                      | 100         | 2          | 0         | 0        |
| Other                                       | 37          | 3          | 1         | 0        |
| Shareholder proposals: compensation related | 12          | 4          | 0         | 0        |
| Shareholder proposals: environment related  | 36          | 0          | 1         | 0        |
| Shareholder proposals: governance related   | 38          | 38         | 19        | 0        |
| Shareholder proposals: miscellaneous        | 5           | 4          | 0         | 0        |
| Shareholder proposals: social related       | 92          | 19         | 2         | 0        |

### Meeting statistics

| REGION                       | COUNTRY OF ORIGIN | VOTED      |
|------------------------------|-------------------|------------|
| <b>Total for all Regions</b> |                   | <b>556</b> |
| Asia                         |                   | 96         |
|                              | Singapore         | 8          |
|                              | Japan             | 83         |
| Canada & United States       |                   | 234        |
|                              | Canada            | 16         |
|                              | United States     | 218        |
| Europe                       |                   | 211        |
|                              | Belgium           | 12         |
|                              | France            | 42         |
|                              | Germany           | 33         |
|                              | Ireland           | 13         |
|                              | Jersey            | 2          |
|                              | Luxembourg        | 9          |
|                              | Netherlands       | 22         |
|                              | Norway            | 11         |
|                              | Portugal          | 3          |
|                              | Spain             | 9          |
|                              | Switzerland       | 5          |
|                              | United Kingdom    | 44         |
| Other                        |                   | 11         |



## Additional Information

### Contact

Contact your Client Advisor to find out more about Quintet's ESG commitments and how we can help you manage your money for future generations.

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