

Paris, 20 April 2020

LYXOR STEPS UP FIGHT AGAINST CLIMATE CHANGE WITH ENHANCED ENGAGEMENT AND VOTING POLICY¹ FOR 2020

Lyxor marks a new milestone in 2020 in its commitment to climate transition through various steps that will enable it to strengthen its opposition to companies that are not sufficiently mindful of the climate and the environment.

As part of its responsible investor approach, Lyxor has developed a shareholder engagement policy over the years for the funds under management. Centred on the two complementary pillars of the engagement and voting policy, it allows Lyxor to comply with its fiduciary obligations towards its clients.

Lyxor expects boards of directors and supervisory boards to shoulder their full responsibilities in relation to non-financial matters, including in particular the climate challenges they face. In 2020, Lyxor may refuse to grant discharge to a board of directors or to approve the reappointment of members in the case of environmental controversies or a lack of transparency concerning greenhouse gas emissions. From 2021, Lyxor may also refuse the chairman re-election of any board where the company refuses to uphold the recommendations of the *Task Force on Climate-related Financial Disclosures* (TCFD)². Furthermore, Lyxor will be able to vote against resolutions concerning executives' compensation if extra-financial measures have not been sufficiently considered within remuneration policies.

On another note, in 2020 Lyxor has bolstered its SRI team in order to extend the scope of its voting policy to two new markets (the US and Japan). Lyxor thus expects to exercise its voting rights at more than 400 general meetings on no fewer than 5,000 resolutions, representing a doubling of its voting activity compared with 2019.

In conjunction with its voting policy, which focuses firmly on the climate transition, in 2020 Lyxor will launch additional commitment campaigns on three new environmental issues: localized water management, the fight against plastics and the circular economy, as well as responsible cleantech.

Being a core element of our Climate Policy³, the proactive and constructive dialogue that we foster throughout the year with the companies in which we invest will encourage them to take into account the

¹ Lyxor 2020 Engagement and Voting Policy :
<https://www.lyxor.com/en/engagement-and-voting-policy-2020-lam>
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² The TCFD (*Task force on climate disclosure*) is a working group set up in 2015 by the G20 Financial Stability Board at the COP21. Its aim is to promote financial transparency in relation to climate risks. The TCFD's final report, including its recommendations, was published on 29 June 2017.

³ Lyxor Climate Policy:
PRESS RELATIONS

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climate challenge within their strategies. Lyxor encourages companies to establish a strong governance framework that clearly asserts the responsibility of the board of directors when it comes to considering risks and opportunities related to climate change.

Finally, we note that during 2019 we voted on EUR 15 billion of our assets, representing 71% of our shareholdings⁴ and 23% of opposition to the items submitted to vote at the general meetings of companies for which Lyxor is a shareholder via its funds. In addition, Lyxor has implemented 65 engagement campaigns. The value of the assets covered by these campaigns amount to EUR 8.2 billion, including EUR 340 million covered by the climate engagement. Our voting and engagement reports are now available⁵.

Florent Deixonne, Head of Governance and SRI, commented: "The health crisis we are currently experiencing may accelerate in-depth reflection on our economic and social systems, but also regarding our environmental responsibility. Thanks to our increased commitment in favour of the climate transition, through dialogue and voting at general meetings, we are convinced that investors can be the genuine drivers of the transition."

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⁽¹⁾ Lyxor Asset Management S.A.S. is approved by the «Autorité des marchés financiers» (French regulator) under the agreement # GP98019.

⁽²⁾ Lyxor International Asset Management S.A.S. is approved by the «Autorité des Marchés Financiers» (French regulator) under the agreement # GP04024.

* Including EUR 22.1 billion assets under advisory. Equivalent of USD 162.5 billion in assets under management and advisory (including USD 24.3 billion assets under advisory) at the end of March 2020.