



**GENERALI**  
INVESTMENTS  
PARTNERS

# **ACTIVE OWNERSHIP REPORT 2022**

Your Partner for Progress.

# Content

01

P 3 – 8

## FOREWORD

- 1.1 Introduction
- 1.2 GIP Active Ownership activities performed by GIAM
- 1.3 GIP Engagement Policy
- 1.4 About this report
- 1.5 Abbreviations and Acronyms

02

P 9 – 14

## ENGAGEMENT

- 2.1 Figures in 2022
- 2.2 Approach
- 2.3 Description of engagements
- 2.4 Process

03

P 15 – 24

## VOTING

- 3.1 Figures in 2022
- 3.2 Overview on the 2022 proxy season
- 3.3 Details of voting behavior
- 3.4 Focus on ESG shareholder's resolutions
- 3.5 Voting behaviors in 2022
- 3.6 Most significant votes
- 3.7 Exercise of voting rights and voting advisory services
- 3.8 Voting activities in the ESG integration process



01

# FOREWORD



**GENERALI**  
INSURANCE  
ASSET MANAGEMENT

# 1. Foreword

## 1.1 Introduction

Generali Investments Partners S.p.A. Società di gestione del risparmio (GIP) - as responsible investor - is deeply committed to promoting sustainability in investee issuers through proxy voting and engagement.

The 2022 has seen a lot of economic turmoil, from the Russia-Ukraine conflict to growing uncertainty as inflation and interest rates rise across the world.

The ever-growing relevance of corporate engagements and the need for active participation in the AGMs of corporations has been clearly confirmed in this context. It is crucial to emphasize the importance of responsible corporate governance, in particular increasing board awareness towards an effective ESG risk oversight.

The last year showed an unprecedented investor commitment to ESG concerns, and one of the most significant engagement trends have been the “Say on Climate” resolutions. Companies which do not provide credible climate transition plans are likely to see increasing opposition to relevant resolutions at AGMs in the years to come, especially if investors are dissatisfied with a given company’s progress with regards climate change or disclosures.

The climate strategies of companies presented for consultation to shareholders at AGMs have been analyzed by GIP to assess mainly their alignment with Paris Agreement goals and to encourage, through the exercise of voting rights, transitions towards more sustainable models, and to support their transformation.



Download the document “Generali Investments Partners Engagement policy”

[generali-investments.com](https://www.generali-investments.com) > About us > Generali Insurance Asset Management

**Tim Rainsford**

CEO

Generali Investments Partners

# 1. Foreword

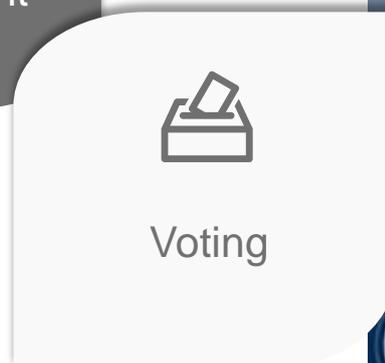
## 1.2 GIP Active Ownership activities performed by GIAM

Generali Investments Partners S.p.A. Società di gestione del risparmio (“GIP”) outsources the Active Ownership activity to Generali Insurance Asset Management S.p.A. Società di gestione del risparmio (GIAM) which avails of its Active Ownership structure.

The main objective of GIP’s Active Ownership activities is to contribute to sustainability risk mitigation and creation of value for clients, promoting companies’ sustainability and good governance by making an impact at general meetings and through relationship with issuers, influencing them on two levels:

1. **Through direct dialogue with companies:** Building a relationship, seeking information, pointing out weaknesses and opportunities, and setting agreed targets.
2. **Through voting activities:** Exercising voting rights at annual general shareholder meetings.

By combining voting and engagement, we believe it is possible to achieve significant change at companies and maximize influence and value creation over the long term.



# 1. Foreword

## 1.3 GIP Engagement Policy

GIP Engagement policy - [available online](#) - governs Active Ownership activities and its objective is to:

- comply with EU Shareholder Directive Rights II and its Italian implementing provisions;
- define the principles leading the engagement behavior also with regard to ESG topics;
- define main interactions, roles and responsibilities related to the GIP engagement process.

This Policy content complies with the above-mentioned regulatory framework and includes how GIP:

- monitors investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance,
- conduct dialogues with investee companies,
- exercise voting rights and other rights attached to shares,
- cooperate with other shareholders,
- communicate with relevant stakeholders of the investee companies,
- manage actual and potential conflicts of interests in relation to their engagement.

This Policy contains the instructions on reporting of engagement activities mentioned above.

# 1. Foreword

## 1.4 About this report

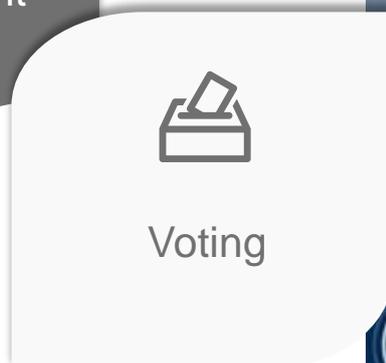
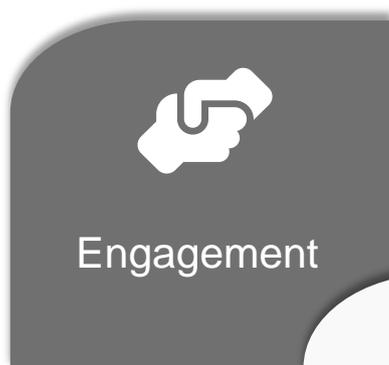
The 2022 Active Ownership Report focuses on GIP engagement and proxy voting activities, with detailed information about performance through data, graphs, and comments on voting and engagement activity results.

This reports aims to:

- clarify how GIP implements its Engagement policy,
- include a general description of voting behavior,
- provide an explanation of the most significant votes (Annex II)
- describe any recourse to proxy advisory services,
- communicate which way GIP voted general meetings of the companies of which GIP is shareholder (Annex I).

The report is divided into 3 **sections**:

- 1 - Foreword
- 2 - Engagement
- 3 - Voting



# 1. Foreword

## 1.5 Abbreviations and Acronyms

<b>AGM</b>	Annual General Meeting
<b>CEO</b>	Chief Executive Officer
<b>CSR</b>	Corporate Social Responsibility
<b>EMEA</b>	Europe, Middle East, and Africa
<b>ESG</b>	Environmental, Social and Governance
<b>KPI</b>	Key Performance Indicator
<b>LTIP</b>	Long-term Incentive Plan
<b>TCFD</b>	Task force on Climate-related Financial Disclosure



02

**ENGAGEMENT**



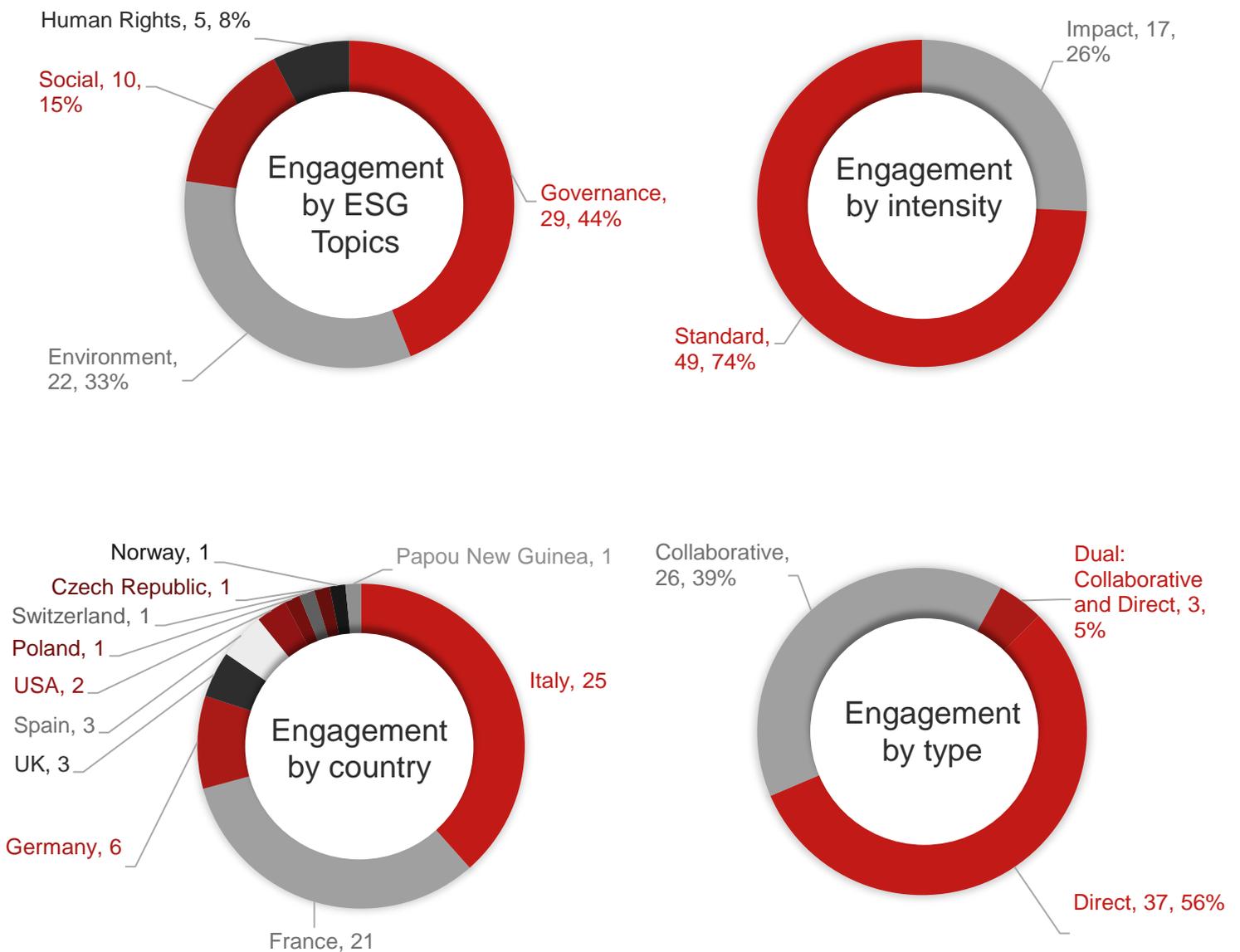
**GENERALI**  
INSURANCE  
ASSET MANAGEMENT

## 2. Engagement

### 2.1 Figures in 2022

# 66

## Engagement



The engagements listed here are the engagements monitored by the GIP Engagement Committee in 2022.

## 2. Engagement

### 2.2 Approach

In general, Engagement is considered by GIP as a constructive dialogue with different goals: to reinforce the understanding of the investee companies, to share the concerns on ESG and finally make actionable suggestions aimed to resolve potential ESG issues.

The meetings with the company executives and directors are aimed to share a long-term orientation, with a constructive and results-oriented approach, and at understanding how companies have transformed their operating model to embed ESG principles across their organization.

#### **Direct & Collaborative engagements**

A direct engagement refers to an engagement performed directly with an issuer, with no other investors involved, when relevant, the cooperation with other investors who share the same concerns could take place in order to maximize the influence on the company engaged. This is what we call a collaborative engagement. A dual engagement is an engagement where we leverage on direct contacts with the issuer and collaborative engagement with the same issuer.

#### **Impact and standard engagements (intensity)**

In terms of intensity, we differentiate standard and impact engagements. The goal of standard engagement is to raise awareness of an issuer on a specific topic and to demonstrate this intention (intentionality). The goal of impact engagement is to generate a change in issuer's behavior and demonstrate intentionality and the value-added of our engagement in that change (additionality).

The use of direct or collaborative engagement is independent of the intensity of the engagement (standard or impact).

Further information about the engagement approach can be found in the Engagement Policy, [available online](#)



## 2. Engagement

### 2.3 Description of engagements

#### Overview

In GIP, we have been engaging 66 issuers in 2022. 29 engagements relate to Governance (election of board members, independence of the board, remuneration, related party transactions, board structure), 22 relate to Environmental aspects (mainly climate for Oil & Gas companies, Utilities, Materials, Waste Management, Real Estate, and agrochemical impact), 10 on Social aspects (diversity, corruption, turn-over, employee management, cybersecurity) and 5 on human rights (labor controversies).

We have been engaging mainly in Europe, with a set of engagement tactics (direct, collaborative and dual engagements). We describe 4 examples of engagements below.

#### Utilities: Science Based Target Initiative and Climate Action 100+ (7 engagements)

Since 2018, while engaging Utilities, we have been struggling to define criteria that would enable us to confirm the alignment of Utilities to the Paris Agreement. The Science Based Target initiative (“SBTi”) provides an independent, recognized and comprehensive framework to confirm the alignment of a trajectory. Therefore, we are pushing Utilities to get a SBTi approved trajectory.

We value the fact that SBTi has created several categories (2C, Well Below 2C and 1.5C), and several time horizons (near term, mid term and long term) to assess the commitments of Utilities to increase their ambition and extend the time horizon coverage.

We are also using Climate Action 100+ (“CA100+”) as a collaborative initiative to either engage a company or contribute to the direct engagement effort. We are lead investors for two Central Eastern Europe utilities and collaborating investors for 2 US based utilities. We engage directly with three additional utilities.

#### Oil & Gas companies (6 engagements)

We have been engaging Oil & Gas companies since several years on their climate strategy. However, we have been asking ourselves about the financial impact of a 1.5C alignment in the Oil & Gas sector to be able to have a constructive discussion and further interact with the issuer. Therefore, we have been working in 2021 and 2022 on a model on Oil & Gas sector to integrate carbon budget implications into financial modelling towards 2050. We have been starting to exchange with issuers on the assumption and structure of this model in 2022. This engagement is ongoing.

#### Environmental damages (1 engagement)

We have been in contact with an agrochemical company since 2018 regarding the environmental impact of its crop science range of products. Our relationship positively changed in 2020 with the arrival of a new Head of Public Affairs, Science & Sustainability in that company. We started to deep dive on the Environmental Impact Reduction target which the issuer had set for themselves. We complemented this approach in 2022 with a focus on Lobbying, Scientific Affairs, M&A policy, Product Safety and related governance aspects. This engagement is a dual engagement.

## 2. Engagement

### 2.3 Description of engagements (continued)

#### Independent board members election (20 engagements)

We believe that collaborative action by asset owners/asset managers with mutual interests will enhance our engagement effort.

Italian corporate law framework foresees a specific mechanism to protect minority shareholders of listed companies, called “voto di lista”, ensuring the election within the corporate bodies of the listed company of at least one board member chosen among a list of candidates proposed by the minority shareholders. This mechanism allows minority shareholders to present a list of candidates in competition with the list of candidates presented by majority shareholders. This mechanism has several benefits: protecting minority shareholder’s interests, avoiding and protecting from the abuse of power from a board, increasing the transparency and the relationship with shareholders.

During 2022, we submitted - jointly with other asset managers/institutional investors – a list of candidates for the election of minority directors (lists of candidates for the Board of Directors and lists of candidates for the Board of Statutory Auditors) at general meetings of 20 listed Italian companies.

List of companies:

Issuer	AGM date
BANCA BFF	31/03/22
PRYSMIAN	12/04/22
OPENJOBMETIS	19/04/22
DE LONGHI	20/04/22
MONCLER	21/04/22
ERG	26/04/22
SNAM	27/04/22
AVIO	28/04/22
BANCA IFIS	28/04/22
ILLIMITY	28/04/22
TAMBURI	28/04/22
UNIPOL	28/04/22
BANCA INTESA	29/04/22
DIASORIN	29/04/22
TECHNOGYM	04/05/22
NEXI	05/05/22
POSTE ITALIANE	27/05/22
ENAV	03/06/22
IREN	21/06/22
BFF	22/06/22

## 2. Engagement

### 2.4 Process

GIP Engagement Committee, which takes place on a quarterly basis, is the body in which are defined the priorities related to the engagement activities.

#### **Engagement Case**

Each Engagement Case presented to the GIP Engagement Committee is composed of different elements: risk identified, questions, suggestions, task force creation, strategy, status & results.

#### **Engagement Execution**

GIAM Active Ownership team is in charge for the engagement execution activities, including internal working group briefing, investee issuer interaction, assessment of the information provided by the investee issuer, issuance of recommendation, reporting.

During the execution, GIAM Active Ownership team reports to the GIP Engagement Committee the ongoing actions and informs it about the external elements that could impact the Engagement Cases.

#### **Engagement Monitoring**

GIP Engagement Committee evaluates the status of each Engagement Case presented depending on the initial goals defined.

Further information about the Engagement process can be found in the Engagement Policy, [available online](#)

03

**VOTING**



# 3. Voting

## 3.1 Figures in 2022



Meetings



Resolutions  
voted



Countries  
covered



Negative  
opinions

## 3. Voting

This section includes the overall aggregated data related to the voting activities performed by GIP according to the GIP Engagement Policy on behalf of the (i) Collective Investments Schemes (CIS) set up and managed by GIP (ii) CISs managed by GIP for which there is a delegation agreement conferring the voting right to GIP on a discretionary basis as well as (iii) the individual portfolios managed by GIP for which the client conferred the voting right to GIP on a discretionary basis.

This last category is not applicable to GIP.

All the votes we performed are considered “Significant Votes”. **Full list** of “Significant Votes” is available in the **Annex I** attached to this document.

For the “Most Significant Votes”, please see paragraph 3.6 and **Annex II**

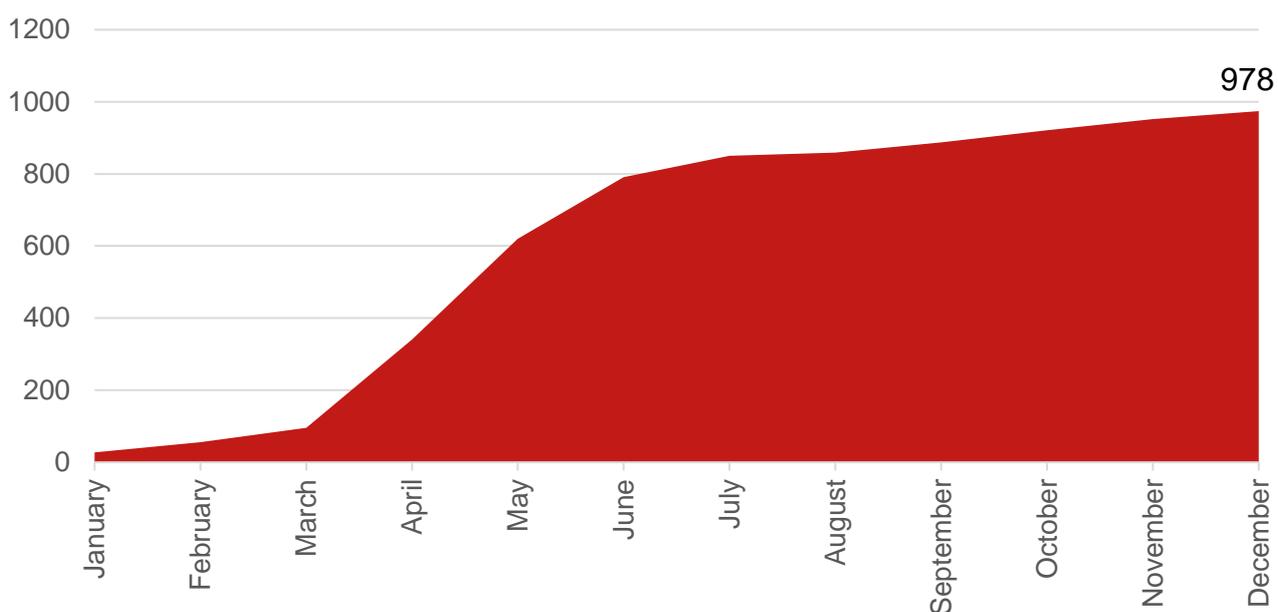


## 3. Voting

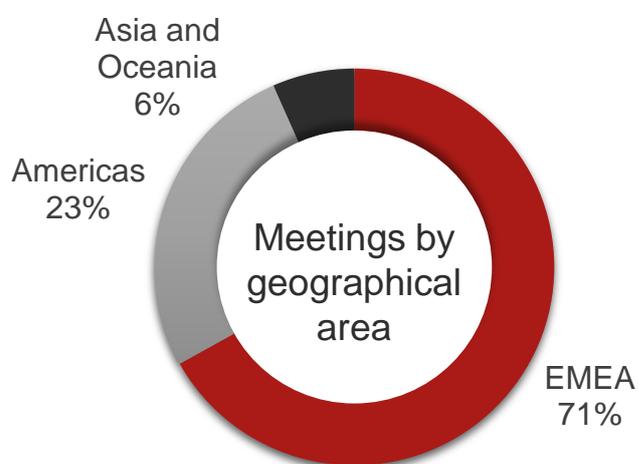
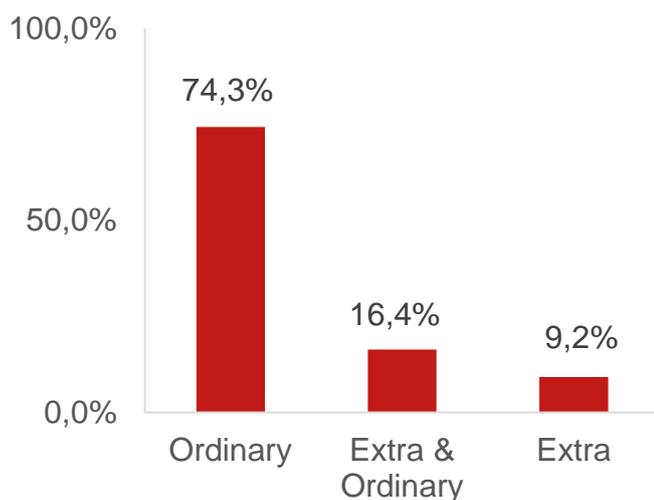
### 3.2 Overview on the 2022 proxy season

We voted at **978** meetings in 2022.

Cumulative votes per month



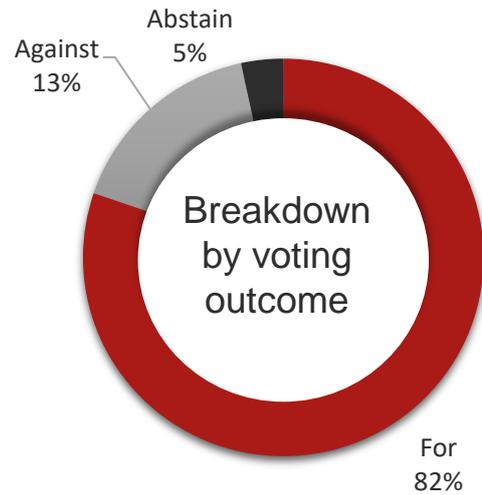
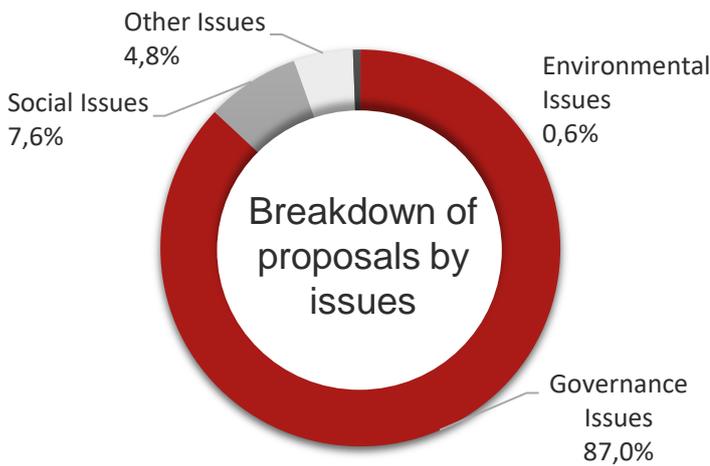
#### Meeting types



# 3. Voting

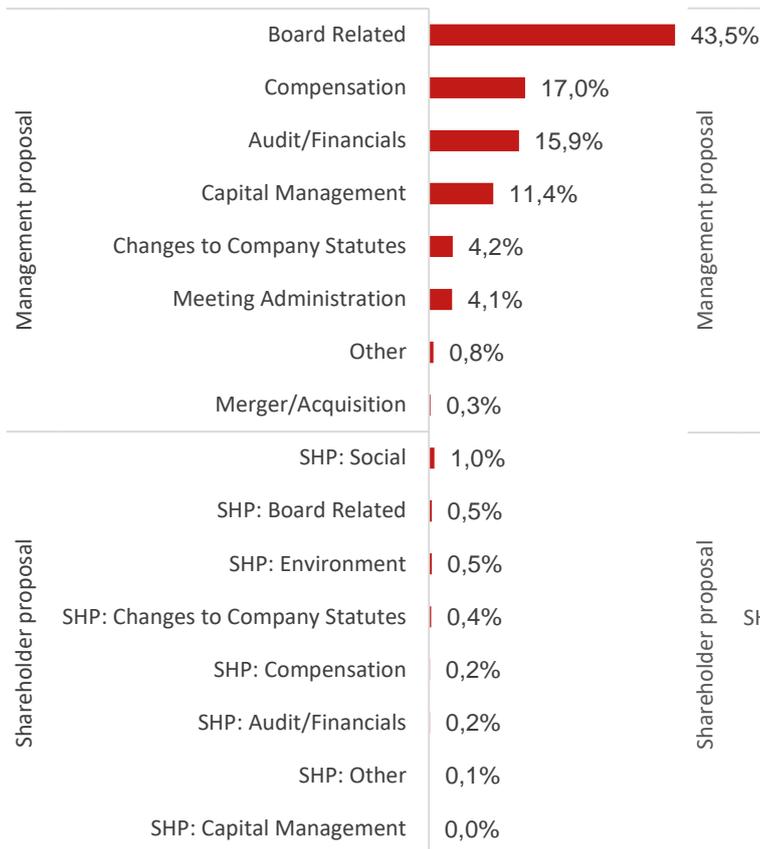
## 3.3 Details of voting behavior

We voted **13,772** proposed resolutions.

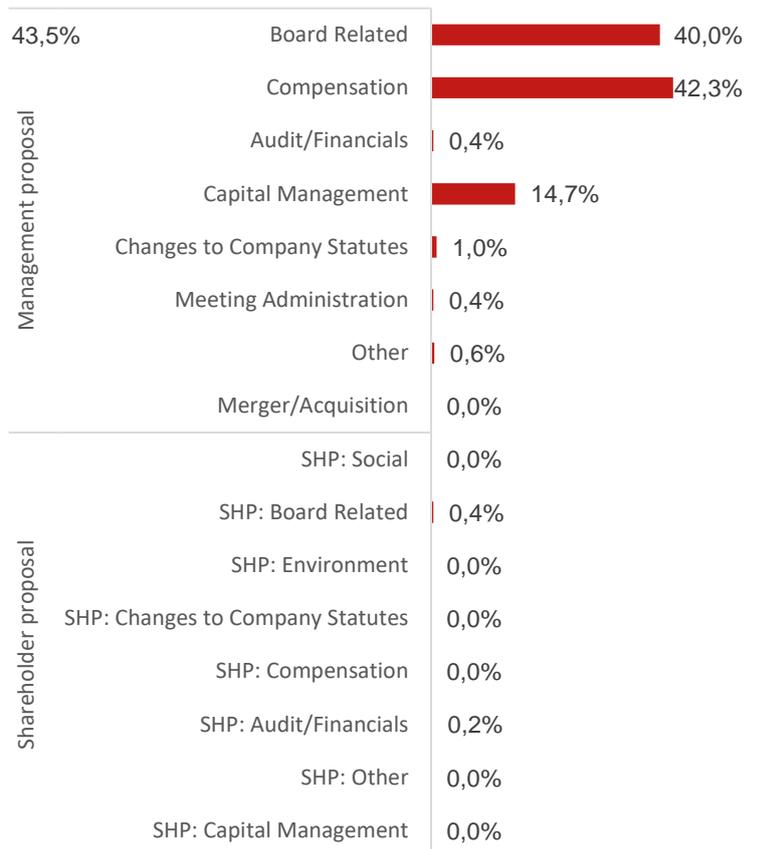


\*Social issues include compensation proposals  
 \*\* Other issues include meeting administration proposal

### Proposal type distribution



### Distribution of against votes



## 3. Voting

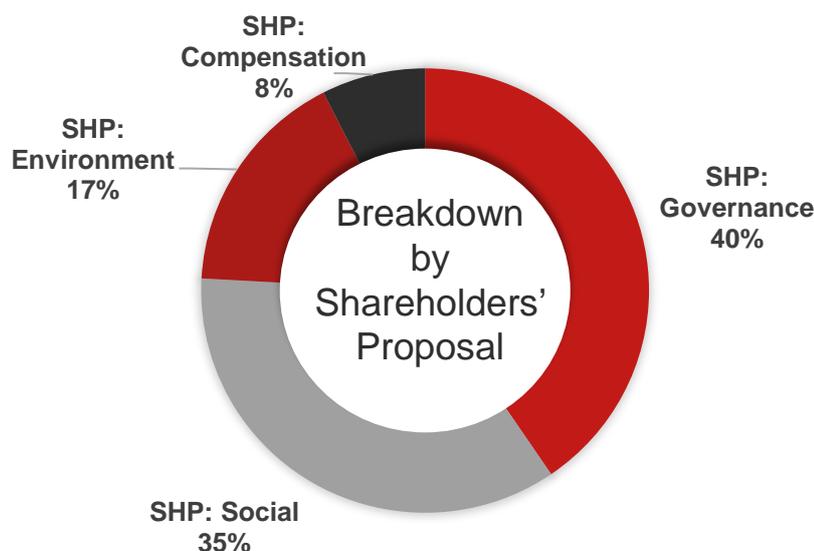
### 3.4 Focus on ESG shareholder's resolutions

The integration of ESG topics into issuer's practice is something that is continuing to evolve representing a way for companies to interact with the wider society.

Boards need to be aware of human rights' issues or other social themes, and to have an appreciation of environmental impact of their activities and how to address them.

In this context we consider votes on shareholders' proposals (SHP) as an effective way to suggest the need for a change in policies, disclosures or related ESG aspects of a company's business.

In this section are presented data related to key shareholders' proposals on ESG issues supported (373 in total).



## 3. Voting

### 3.5 Voting behaviors in 2022

The paragraph describes the general voting behavior adopted by GIAM in 2022 according to the voting guidelines adopted.

#### Financial statement and audit related resolutions

The main principle is transparency and is based on true and complete information. Companies should highlight the main risks to which they are exposed.

We voted **AGAINST** if there are severe concerns highlighted in our research process, for example in case of breaches or when relevant reservations are expressed by the independent auditors.

#### Corporate governance

We believe that boards with high standards of corporate governance will be better able to make robust strategic decisions, to challenge and promote the effectiveness of management's operational oversight, and to oversee the approach to risk management. This process enhances investor returns over time. The main criteria are:

- **Segregation of duties:** We are in favor of the separation of the roles between chairman and CEO;  
For example, we voted **AGAINST** if the nominee has the role both of CEO and chair and there isn't a lead independent director, or if there is a lead independent director, but it cannot be considered independent.
- **Director independence:** We are in favor of the independence of the board. We do not consider independent directors that have been elected for more than 10 years.  
For example, we voted **AGAINST** the nominee if the level of minimum board independency is less than 50% for a public company, and 33% for a controlled or Japanese company.
- **Time commitment:** As a general principle, a director is deemed to have insufficient time when they fail to attend at least 75% of their scheduled board/committee meeting, without adequate justification or if they have a high number of external directorships that can limit the ability to fulfill their duty.  
For example, we voted **AGAINST** if a director holds an executive directorship outside the Group or if he holds more than 4 non-executive directorships outside the Group.
- **Diversity:** As a general principle, wider gender diversity is encouraged and the less represented gender should be at least 1/3 of the board, although there are exceptions such as in Asian markets.
- **Board committee independence:** Specialized committees such as: audit committee, remuneration committee and nominee committee should be composed for the majority by independent directors.  
For example, we voted **AGAINST** if the rate of independency of such committees is less than 50%.

## 3. Voting

### 3.5 Voting behaviors in 2022 (continued)

#### Ratification / discharge votes of management board acts

As a general principle we are not in favor of discharging the board in jurisdictions where it is not a usual practice, and it could limit any possible legal action from shareholders.

For example, we voted **AGAINST** if:

- it is a waiver of legal claims, for some markets in Europe
- it is not legal waiver only if there are severe concerns highlighted in our research process.

#### Remuneration policy

Companies should adopt a remuneration policy for board members and key executives consistent with market best practices.

Variable remunerations should be linked to long-term financial and ESG performance, as well as to trends in the company's intrinsic value. Quantitative criteria (growth, profitability, risk profile, etc.) and qualitative criteria (job creations, compliance, etc.) for awarding variable remuneration must be explicit.

For example, we voted **AGAINST** if there are patterns of poor pay for performance (recursively assessed) or significant salary increases without an appropriate rationale or a lack of Long-Term Incentive plan.

#### Anti-takeover mechanisms

We voted **AGAINST** every time the authority to repurchase and reissue shares might be used as anti-takeover mechanism (not for controlled companies) since in principle this can be detrimental to shareholders' interests.

#### Shareholder proposals

As a general principle we consider shareholder proposals an effective instrument to demand a change in policies, increased transparency and improved disclosure on material aspects of a company's business.

In the evaluating process we take into account the existing circumstances, the rationale provided by the relevant company or shareholders, the possible risks and opportunities, the governance framework of the investee issuer, the availability of sufficient information, and the alignment with long-term investor interests.

We would not support shareholder resolutions that are not in the best interest of the shareholders.

For example, we usually voted **FOR** shareholder proposals linked to ESG issues, such as climate change, human rights, human capital management, governance proposal in favor of board independence, if in the best interest of shareholders.

## 3. Voting

### 3.6 Most significant votes

In this section, we highlight the Most Significant Votes performed last year.

#### Relevance criteria for “Most Significant Votes”

In selecting “Most Significant Votes”, GIP considers relevant the opposition to management proposal related to core principles of GIP’s Engagement Policy and international best practices. Support for shareholder resolutions that have the potential to significantly impact the economy, society, and environment and are also seen as relevant by GIP.

These principles underlying the selection of the most significant votes, were among the most recurring and material for Shareholders’ agenda.

- **ESG Controversies**

GIP considers “Significant” all the meetings in which there are an ESG Controversy Alerts, which identify corporate controversies that dominated the news and that highlight potential reputational risks. In selecting the ESG Controversy we are using the cluster provided by Glass Lewis. We analyze the controversy case by case and we vote according with our voting policy and the merits of the single resolution.

- **Engagement**

We consider “Significant” all the meetings in which the issuer is engaged by GIP, the aim is to contribute to risk mitigation and creation of value for our clients, promoting companies’ sustainability and good governance by making an impact at general meetings and through relationship with companies to achieve significant companies’ changes aimed to resolve potential ESG issues.

- **Environmental Resolutions**

GIP believes that environment-related proposals at AGMs are ‘significant votes’, since Environmental, Social and Governance (ESG) issues may impact the value and reputation of entities in which we invest.

Generally, we support the climate transition plans, the sustainable use and protection of water and marine resources, prevention control, protection and restoration of biodiversity and ecosystems.

- **Social Resolutions**

GIP has the ambition to have a social contribution through its investments. We support shareholder proposals seeking additional information on how companies deal with risks caused by potential ethnic, racial and civil rights discriminations. Furthermore, this issue can affect production and result in additional costs thorough legal fines and reputational risk.

- **Governance Resolutions**

GIP considers relevant the opposition to management proposal related to core principles of GIP’s Engagement Policy and international best practices of good governance.

Boards with high corporate governance standards are better able to oversee risk management practices, challenge and support the efficacy of management’s operational oversight, and generate strategic decisions. In general, we do not support resolutions that do not meet the following requirements: *segregation of functions, director and committee independence, time commitment*.

**Full list** of “Most Significant Votes” is available in the **Annex II** attached to this document.

## 3. Voting

### 3.7 Exercise of voting rights and voting advisory services

The exercise of voting rights is based on the relevant GIP policies and guidelines, integrating the GIP ESG principles, relying on a dedicated internal voting specialists' team within GIAM's Active Ownership structure in charge of analyzing and rating companies through a deep and extensive governance analysis.

GIAM Active Ownership team is in charge of exercising voting, as well as of the performance of the instrumental activities to the exercise of the voting rights in compliance with the criteria set out by the applicable voting policies and guidelines.

Glass Lewis is the provider of research on companies, AGM details and suggestions on vote direction. Glass Lewis also provides the electronic voting platform.

In addition, we integrate the research with portfolio managers and engagement specialists' inputs that we use to supplement our analysis and assessment on the whole perimeter.



### 3.8 Voting activities in the ESG integration process

GIP as an asset manager, believes in active ownership and in engagement as factors contributing to risk mitigation and value creation for its clients and investors and defines the pillars leading its engagement and monitoring behavior vis-à-vis investee issuers relating to the collective and individual portfolios it manages. GIP believes the vote in Annual General Meetings (AGMs) to be an essential tool in the path to maximize the value creation over the long term.

Voting process is based on all public available information, Glass Lewis inputs and GIP assessment framework. The latter is built to fully integrate the internal stakeholders' feedback into the voting decision process and aimed to take full advantage of internal resources and intelligence in order to boost best stewardship practices in the investee companies.

After the AGM, issuer's profile is update with all the material information evaluated during the voting process, e.g. remuneration practice, board composition, internal controls, M&A, ESG issues, and shared with internal teams.

# IMPRINT

**Chief Executive Officer**

**Tim Rainsford**

**Report issued**

February 2023

**Source for charts**

Generali Insurance Asset Management S.p.A. Società di gestione del risparmio

**and tables:**

own calculations, December 31<sup>st</sup> 2022

**In Italy:**

Generali Insurance Asset Management S.p.A. Società di gestione del risparmio

Piazza Tre Torri, 1  
20145 Milano, Italy

**In France:**

Generali Insurance Asset Management S.p.A. Società di gestione del risparmio

2, Rue Pillet-Will  
75009 Paris Cedex 09, France

**In Germany:**

Generali Insurance Asset Management S.p.A. Società di gestione del risparmio

Tunisstraße 19-23  
50667 Cologne, Germany

[www.generali-investments.com](http://www.generali-investments.com)

This document is based on information and opinions which Generali Insurance Asset Management S.p.A. Società di gestione del risparmio considers as reliable.

However, no representation or warranty, expressed or implied, is made that such information or opinions are accurate or complete. Opinions expressed in this document represent only the judgment of Generali Investments Partners S.p.A. Società di gestione del risparmio and may be subject to any change without notification. They do not constitute an evaluation of any strategy or any investment in financial instruments. This document does not constitute an offer, solicitation or recommendation to buy or to sell financial instruments. Generali Insurance Asset Management S.p.A. Società di gestione del risparmio is not liable for any investment decision based on this document. Generali Insurance Asset Management S.p.A. Società di gestione del risparmio may have taken, and may in the future take, investment decisions for the portfolios it manages which are contrary to the views expressed herein. Any reproduction, total or partial, of this document is prohibited without prior consent of Generali Insurance Asset Management S.p.A. Società di gestione del risparmio.

Generali Investments is a commercial brand of Generali Investments Partners S.p.A. Società di gestione del risparmio, Generali Insurance Asset Management S.p.A. Società di gestione del risparmio, Generali Investments Holding S.p.A. e Generali Investments Luxembourg S.A.

Photo Credit © Istockphoto.com

Your Partner for Progress.

Part of



**GENERALI**  
INVESTMENTS



# ANNEX

