



**NEITHER BEAR NOR BULL  
BUT CAMELEON**

## **Dorval Asset Management's Engagement Policy**

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**Document approved on:  
September 30, 2020**

Asset management company with AMF accreditation GP 93-08 – public limited company with share capital of €303,025 - Paris Trade and Companies Register No. B 391 392 768



**DORVAL**  
ASSET MANAGEMENT  
FLEXIBLE PAR CONVICTION

Dorval Asset Management's Socially Responsible Investment policy (SRI) is an integral part of our fiduciary responsibility approach, as our role as a responsible investor holds us to the highest standards with our clients and partners, as well as with the companies that we invest in.

This approach is based on (i) our engagement policy, (ii) our voting policy, (iii) our exclusion policy, (iv) our controversy management policy and (v) the embedding of Environmental, Social and Governance (ESG) criteria at the very heart of our full range of investment management processes.

**This document outlines Dorval Asset Management's engagement policy.**

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## I. Goals of our engagement policy

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Dorval Asset Management's engagement policy reflects the actions we pledge to undertake with a view to promoting progress in companies' E, S and G practices. Our policy therefore sets out the principles we endorse, while our voting policy is exercised to monitor concrete implementation of these principles for the stocks in our portfolio – or the sincere intention to implement them.

We believe that compliance with these principles is a source of value creation over the long term, and a way to minimize risks – both for the company itself and for its entire ecosystem of stakeholders i.e. clients, suppliers, staff, shareholders, public authorities, communities – in the true sense of the term sustainable development.

Dorval Asset Management's engagement policy is based on two key aspects:

- Individual engagement;
- Collaborative engagement.

## II. Dorval Asset Management's individual engagement

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In line with the management process for its *Manageurs* range – which contributed to its success – Dorval Asset Management makes corporate governance the cornerstone of its SRI policy<sup>1</sup>: the sustainability of a company's product and service range, the efficiency of its strategy and its execution all hinge on the quality of its governance, as does the firm's correct integration into its broader environment.

Dorval Asset Management therefore takes dialogue with the company's management bodies as the starting point for its individual engagement policy, as it acts on behalf of the funds it manages (shareholders in the company in question) and with a duty of care to unitholders in its funds.

In addition to Dorval Asset Management's regular dialogue with companies, it also fully plays its role as a shareholder to support (or oppose) resolutions that comply with (or run contrary to) its engagement and voting policies. Dorval Asset Management is obviously more active in its involvement in companies where it holds more than 2% of capital.

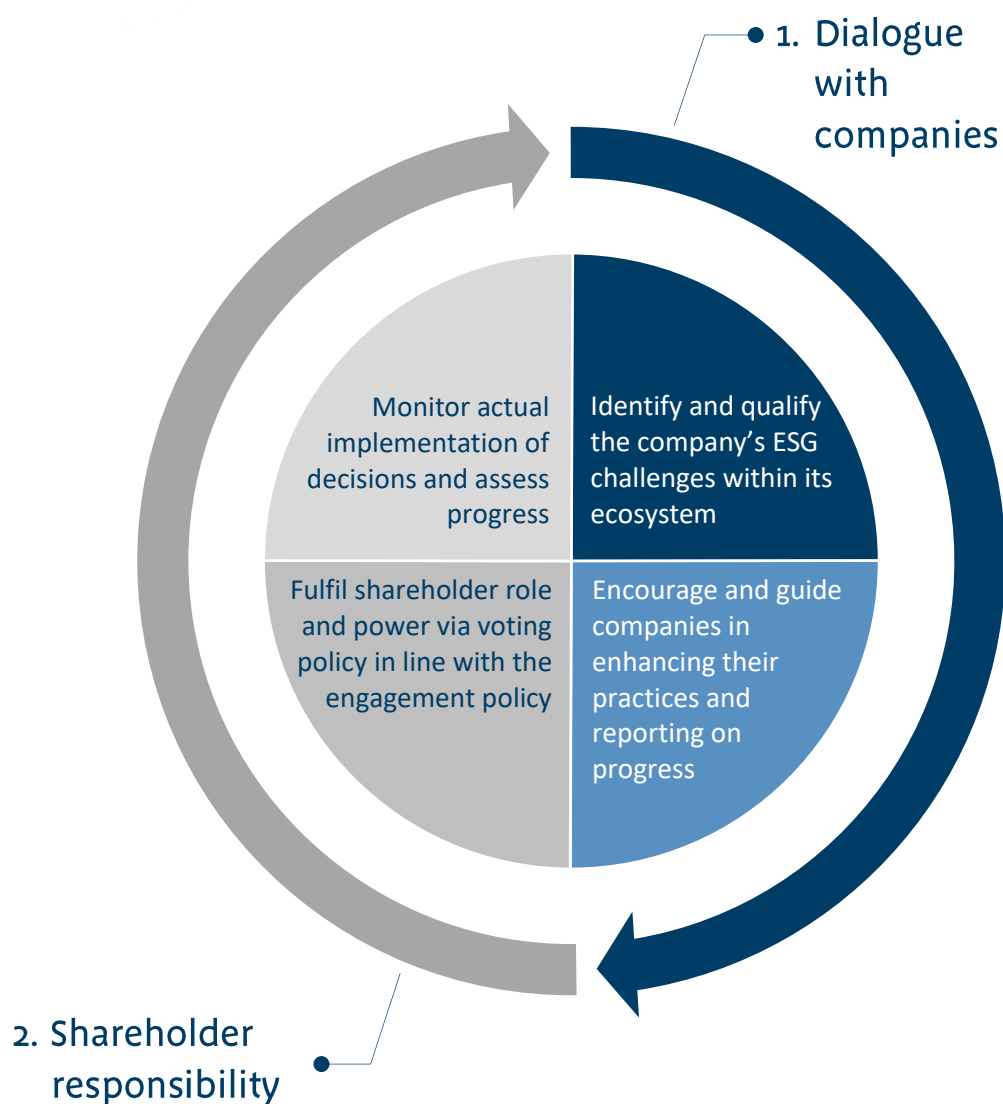
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<sup>1</sup> The Governance aspect accounts for at least 50% of the ESG score, which is based on Dorval Asset Management's proprietary SRI methodology



Lastly, Dorval Asset Management monitors decisions taken/voted on with the aim of assessing the actual situation and measuring progress.

## Dorval Asset Management's individual engagement policy



### III. Dorval Asset Management is involved in several collaborative engagement initiatives

- In addition to its individual engagement efforts, Dorval Asset Management also works in conjunction with major French and international financial market stakeholders as they act to promote sustainable finance.



Dorval Asset Management became a signatory to the Principles for Responsible Investment (PRI) in 2019, an initiative supported by 2,400 financial industry stakeholders. This initiative attests to Dorval Asset Management's resolute commitment to responsible investment, and as a signatory to the PRI, the company must report on its practical integration of environmental, social and governance aspects into its investment management processes on a yearly basis.



Dorval Asset Management also became a signatory to the Montréal Carbon Pledge and the CDP the same year. The company's signature of the Montréal Carbon Pledge – a PRI initiative – involves pledging to disclose the carbon footprint for the portfolios it manages on a yearly basis.



The CDP (formerly Carbon Disclosure Project) runs the largest global disclosure system for companies and cities to manage their environmental impacts, taking a complementary approach. This international not-for-profit charity offers signatories a company scoring system based on their environmental impact.

- Teams at Dorval Asset Management extended their collaborative engagement in 2020 as they took part in and supported:



The French Asset Management Association's (*Association Française de la Gestion financière*, or AFG) plenary conferences on responsible investment, where Dorval Asset Management is involved in work on setting out areas of non-financial risks that companies face as part of the energy and sustainable transition.



TCFD (Task Force on Climate-related Financial Disclosures): the TCFD develops climate-related financial risk disclosures for use by companies in providing information to investors, insurers etc.



French Forum for Responsible Investment (*Forum pour l'Investissement Responsable* or FIR): the French Forum for Responsible Investment promotes SRI to support further inclusion of issues of social cohesion and sustainable development in investment. Along with other SIFs (Sustainable Investment Forums), the Forum for Responsible Investment is a founding member of the European Eurosif network, which represents the SRI community in the European Commission and the European Parliament. Key areas for deliberation involve transparency in the integration of ESG criteria for investors, improving non-financial corporate reporting, long-term investment, corporate governance, and shareholder rights.



**ICGN**

International Corporate Governance Network

ICGN (International Corporate Governance Network): the ICGN seeks to promote effective standards of corporate governance and investor stewardship.



Institutional Investors Group on Climate Change

IIGCC (Institutional Investors Group on Climate change): the IIGCC works to advance the agenda on the incorporation of climate change challenges into corporate strategy, the identification of climate change-related challenges and developing a communications guide on reporting to meet TCFD criteria.



Climate Action100 is an initiative for signatory investors to set out their pledges on climate change to fully comply with the PRI, TCFD and IIGCC and engage with the 100 systemically important greenhouse gas emitters to support their improvement on governance on climate change, reduce their greenhouse gas emissions and enhance their climate-related financial reporting.

## IV. Key principles of our engagement policy

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Dorval Asset Management's engagement policy is guided by our efforts to safeguard minority shareholders' long-term interests, including holders of the units in the mutual funds we manage. This stewardship strategy to preserve long-term interests is not only based on considerations of an investor concerned with financial profitability on its own account, but also as a stakeholder in financing and developing responsible companies.



In this respect, efforts to preserve long-term interests naturally take on board other stakeholders' concerns i.e. clients, suppliers, staff, public authorities, etc.

In accordance with our proprietary SRI methodology and our voting policy, Dorval Asset Management's engagement policy addresses the following key principles classified using ESG criteria:

- **Governance:**
  - Advocate for an appropriate governance structure, particularly on committees reporting to the board.
  - Confirm the board of directors'/supervisory board's ability to take on and ensure its role, displaying:
    - Skills;
    - Independence;
    - Diversity, including of gender;
    - Representation for shareholders and staff;
    - Appointment process, compensation principles and length of terms of office.
  - Provide informed analysis on the make-up of the management team on the basis of the following criteria:
    - Experience and skills;
    - Seniority, gender diversity and diversity of profiles;
    - Representation in key roles;
    - Compensation principles, including transparency and alignment of interests.
  - Promote a clear process for appointments, compensation and length of terms of office for statutory auditors.
  - Require the transparency necessary to assess the relevance of regulated agreements and the validity of stock transactions.
  
- **Environment** Dorval Asset Management's engagement policy on the E, or Environmental, aspect is tailored to each business sector depending on their more specific key issues. The examples below illustrate our approach:
  - Climate change-related issues (carbon emissions, products' carbon footprint, etc.) are more broadly discussed during dialogue with companies in the energy, automotive, and air transport sectors;
  - These sectors are also more closely monitored than others for issues relating to the conservation of natural resources, along with the food, hotels, and textiles industries, etc.;
  - In addition to the environmental risks that companies face and the way they manage them, Dorval Asset Management in its engagement policy also plays close attention to solutions (products and services) that companies promote. This consistently applies to the sectors mentioned above, but also to the technology, equipment and utilities sectors for example.
  
- **Social:** issues related to the S, or Social, aspect cover all business sectors, but Dorval Asset Management strives to single out the most complex challenges for each business sector:
  - Safety at work for the chemicals, construction, and heavy industry sectors, etc.;

- The development of capital for the financial, pharmaceuticals and biotechnology sectors, etc.

## **V. Scope covered by the engagement policy**

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Shareholder engagement and collaborative engagement cover all the company's funds. Dialogue with companies is specific to investment management processes that involve stock-picking (i.e. European equities management), as opposed to a management approach via baskets of stocks (i.e. international management).

## **VI. Engagement monitoring**

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Dorval Asset Management produces an annual report on its engagement policy, which is available in the Statutory Information section of our website. This report is designed to set out an overview of our engagement efforts and their concrete results.