Investment Stewardship

Vote Bulletin: VINCI SA

Company	**VINCI SA (DG.PA)**
Market and Sector	France/Construction & Engineering
Meeting Date	8 April 2021
Key Resolutions[1]	**Item 11**: Advisory opinion on the Company's environmental transition plan
Key Topics	Climate risk
Board Recommendation	The board recommended voting FOR this item
BlackRock Vote	BlackRock voted FOR this item because it provides a clear roadmap towards the company's stated climate ambitions and targets

Overview

VINCI SA (VINCI) engages in the concessions and contracting businesses globally. Headquartered outside of Paris, the company designs, finances, builds, and operates infrastructure and facilities comprising motorway, bridge and tunnel, airport, rail, and stadium facilities.

At the 2021 annual general meeting (AGM), management have proposed an advisory shareholder vote on the company's environmental transition plan, i.e., a "say on climate." As discussed in the company's notice of meeting, "the purpose of the vote is to encourage VINCI's shareholders to buy into the company's ambition and strategy, as presented and described to them," by showing their support for it.[2]

BlackRock Investment Stewardship (BIS) engaged with VINCI in early 2021 to discuss the proposal as well as the company's current sustainability reporting. In December 2020, we highlighted to VINCI our ask that companies align sustainability reporting with the Sustainability Accounting Standards Board (SASB) standards. We welcome the steps the company has taken to strengthen its sustainability and climate disclosures since then, particularly the recent alignment with SASB. The company has also aligned its reporting with the recommendations of the Task Force on Climate related Financial Disclosures (TCFD). As discussed in our commentary "Climate risk and the transition to a low-carbon economy", TCFD and SASB cover the physical, liability, and transition risks associated with climate change, and are highly complementary so companies are well-served to consider them in tandem.

[1] VINCI, "Combined Shareholders' General Meeting".

[2] See previous footnote.

Rationale for BlackRock's Vote

Item 11: Elect Advisory opinion on the Company's environmental transition plan (FOR)

BIS voted FOR the proposal because it provides a clear roadmap towards the company's stated climate ambitions and targets.

VINCI's environmental transition plans meets BIS' expectations that companies have clear policies and action plans to manage climate risks and to realize opportunities presented by the global energy transition. The company provides scope 1, 2 and 3 greenhouse gas (GHG) emissions reduction targets to 2030, in addition to targets to enable a circular economy and preserve natural habitats. On the latter, for companies whose business models have material dependencies or impacts on natural capital, BIS believes that the management of these factors can be a defining feature in their ability to generate long-term, sustainable value for shareholders.

Through this disclosure, the company has presented investors with a roadmap towards its stated climate ambitions and, crucially, the mechanisms and strategies which the company will utilize to achieve these targets. Moreover, the company has committed to provide annual updates, which will give investors the opportunity to measure progress as well as provide timely feedback.

Notably, the company makes clear that the advisory nature of this vote is necessary "in order to respect the remits of VINCI's corporate bodies."[3] Specifically, shareholders are not being asked to take responsibility for approving or rejecting VINCI's environmental transition plan; oversight and management of this plan remain the responsibility of the board and executive management. **BIS agrees with and supports this clear delineation in the roles and responsibilities of shareholders and the board/executive management.**

On balance, while BIS is supportive of this "say on climate" proposal for the reasons stated above, we will continue to monitor the company's progress on the environmental transition plan and hold its directors responsible by voting against the re-election of board members should we have concerns with planning, implementation or disclosures.

[3] See previous footnote.

About BlackRock Investment Stewardship (BIS)

BIS plays a fundamental role in the activation of BlackRock's purpose of helping more and more people experience financial well-being. Consistent with the firm's fiduciary duty, BIS advocates for sound corporate governance and business practices that deliver the sustainable, long-term financial returns that enable our clients to meet their investing goals. This objective drives our engagements and votes at company meetings.

We engage company leadership on key environmental, social, and governance (ESG) topics that, if not adequately addressed in policies, managed, and overseen, could expose the company to material economic, operational or reputational risks. Every year, we determine our engagement priorities based on our observation of market developments and emerging governance themes. Engagement also informs our voting decisions.

Our approach to investment stewardship is grounded in an expectation that the board will oversee and advise management, influencing management's approach to key business issues. When effective corporate governance is lacking, we believe that voting against the responsible director(s) and/or supporting a shareholder proposal that addresses a material risk are often the most impactful actions a long-term shareholder can take.

We are committed to transparency in our stewardship practices. Where we believe it will help to understand our decisions on key votes at shareholder meetings, we will publish a Vote Bulletin explaining the rationale for how we have voted and (where relevant) providing information around our engagement with the company.