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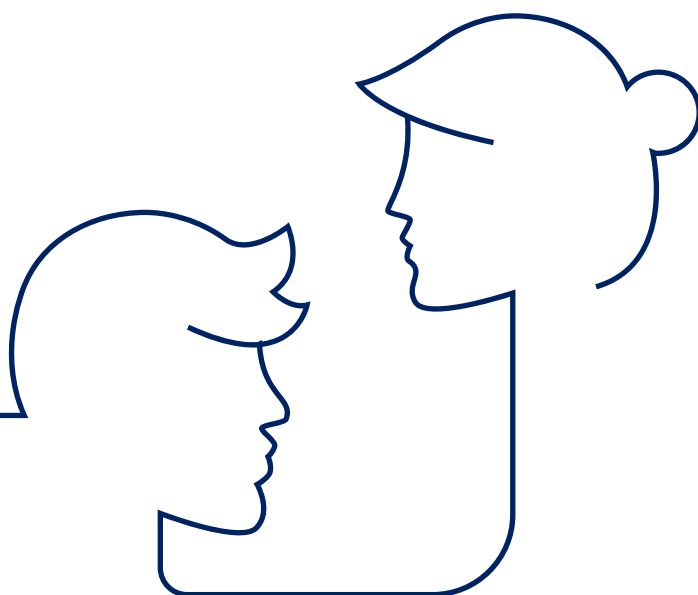


**CNP Assurances**

## **2025 Shareholder engagement policy**

In accordance with the Shareholder Rights Directive  
and article 29 of the Climate Energy Act

June 2025



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# I – GENERAL PRINCIPLES

## 1 Scope of application

This shareholder engagement policy applies to CNP Assurances, CNP Retraite, CNP Caution, CNP Assurances Prévoyance, CNP Assurance IARD and CNP Assurance Protection Sociale.

Voting rights are exercised at the general meetings of all directly held companies, excluding companies with epsilon positions.<sup>1</sup>

## 2 Our responsible investment strategy

The integration of environmental, social and governance (ESG) criteria is a key driver of CNP Assurances' values. It reflects the Group's commitments and is an inherent part of its investment strategy governance.

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### 2.1 Principle no. 1: ESG integration – promoting CNP Assurances' values

To apply its values in its business as an investor, CNP Assurances draws on a responsible investment policy intended to:

- Shore up its commitments to policyholders, in particular by delivering optimised performance over time.
- Be a long-term investor and a responsible shareholder.
- Contribute to the development of the economy by providing public and private players in all business sectors with the stability they need to grow.

#### Practical implementation

- **Long-term commitments**

As its assets back long-term commitments, CNP Assurances holds equities with a long-term perspective and in most cases it holds bonds until maturity, while maintaining active management to ensure its annual commitments to policyholders.

- **A responsible shareholder**

CNP Assurances votes at the general meetings of listed companies in which it is a shareholder. It ensures minority shareholders' rights are respected and supports companies' long-term growth.

- **Promoting responsible unit-linked products**

CNP Assurances promotes responsible unit-linked products among policyholders in partnership with its distributors.

- **Support for the real economy**

Through its investments, CNP Assurances finances the development of the real economy, particularly through investments in support of the environment and employment.

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<sup>1</sup> For listed companies held indirectly through funds, voting at general meetings is the responsibility of the funds' asset managers.

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## 2.2 Principle no. 2: ESG integration – four guiding conditions

CNP Assurances incorporates environmental, social and governance criteria in the management of its assets.

As a signatory to the Global Compact, the Principles for Responsible Investment (PRI) and the Net-Zero Asset Owner Alliance, and convinced that incorporating ESG criteria when considering an investment creates value and optimises the risk/reward ratio over time, CNP Assurances has implemented a responsible investor strategy since 2006.

The four conditions that guide the integration of ESG criteria are:

- Respect for human rights as defined in the Universal Declaration of Human Rights.
- Respect for the principles of the International Labour Organisation (ILO), including respect for the freedom of association and the right to collective bargaining, the elimination of forced labour and child labour and discrimination.
- Promotion of environmental protection and the environmental and energy transition, initiatives to reduce or adapt to climate change.
- Fighting corruption.

### Practical implementation

#### **Incorporation of one of the four conditions:**

CNP Assurances considers that ESG criteria are integrated in an asset class when all securities in this category are screened against at least one of these four conditions, while ensuring minimum standards are met on the other conditions.

#### **A balance between the three pillars**

The methodology balances the three pillars E, S and G, with particular attention paid to governance, which determines the quality of the company's commitment over the long term.

#### **An exclusion policy**

CNP Assurances excludes certain activities or production methods.

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## 2.3 Principle no. 3: ESG integration – an inherent part of investment strategy governance

The responsible investment strategy is drafted by the Group's Investment division and the Sustainability division, in conjunction with the group risk division.

It is part of the investment policy validated by senior management and the Board of Directors.

### Practical implementation

CNP Assurances undertakes to:

- Apply principles No. 1 and No. 2 at an operational level by assigning the necessary human and financial resources.
- Publish the approach followed and any changes made each year.

### 3 Our ESG strategy for listed equities

Our ESG approach for listed equities held directly is based on a best-in-class investment process. A quarterly review is used to discuss companies that present the most significant ESG risks with ESG analysts from Ostrum AM, the asset management company mandated by CNP Assurances to manage its listed equity portfolio.

This best-in-class approach is rounded out by a shareholder engagement policy and an exclusion policy for certain companies and countries.

CNP Assurances has also signed up to the following initiatives:

- *Principles for Responsible Investment (PRI)*
- *Montreal Carbon Pledge*
- *Climate Action 100+*
- *Nature Action 100*
- *Net-Zero Asset Owner Alliance*
- *Investors for a Just Transition*
- *Finance for Biodiversity Pledge*

The ESG management strategy for listed equities followed by CNP Assurances is described in more detail in the responsible investment report, which is available on the website [cnp.fr](https://www.cnp.fr).

## II - DIALOGUE WITH COMPANIES AND ASSET MANAGERS

CNP Assurances implements a policy of dialogue with companies and asset managers, which is reviewed annually and approved by senior management. Together with the voting policy, it constitutes CNP Assurances' engagement policy.

The objectives of the dialogue policy are as follows:

- Encourage companies and asset managers to implement ambitious climate change mitigation and adaptation decisions, to publish their greenhouse gas (GHG) emissions, and the risks related to climate change and the just transition to which they are exposed
- Encourage companies and asset managers to implement ambitious decisions on the protection and restoration of biodiversity, to publish their impacts on biodiversity and the risks associated with biodiversity loss to which they are exposed
- Encourage companies and asset managers to implement ambitious decisions on human rights protection, to publish their impacts on human rights and the risks associated with human rights violations to which they are exposed
- Improve the governance of companies for which CNP Assurances cast dissenting votes at the general meeting

As part of the Net-Zero Asset Owner Alliance, CNP Assurances has set a goal of engaging each year with eight companies (six directly and two via collaborative initiatives) and three asset managers to encourage them to adopt a strategy aligned with the 1.5 °C scenario by the end of 2029, by committing to achieve carbon neutrality by 2050 and setting intermediate targets aligned with current scientific knowledge publish and implement an appropriate action plan.

As part of the Finance for Biodiversity Pledge, CNP Assurances has set an objective to engage with five companies in at least two high impact sectors every year to encourage them to adopt a strategy aligned with international biodiversity agreements by the end of 2029.

In accordance with its sector policy on oil and gas, CNP Assurances has undertaken to engage with companies in the sector, calling on them to immediately stop any new oil or fossil gas exploration or production projects, conventional or non-conventional.

It mainly conducts proactive dialogue to ensure that ESG issues are taken into account at the highest level by the most exposed companies. Depending on the responses obtained from companies and if the dialogue does not produce a satisfactory outcome, it is followed by graduated action that can include:

- Participation in joint action with other investors
- A sanction during a vote at the company's general meeting
- Support for an external resolution at the company's general meeting
- A letter addressed to the company by the Chief Executive Officer of CNP Assurances
- No further investment in securities issued by the company
- The sale of securities issued by the company

The scope of dialogue with companies and asset managers is determined taking into account the resources, experience and skills of CNP Assurances' relevant in-house teams. The scope of the shareholder dialogue covers all companies in which CNP Assurances directly holds shares or bonds<sup>2</sup>.

CNP Assurances engages with the companies that present the most significant ESG risks. Bilateral dialogue is preferred for French companies. For companies outside France, CNP Assurances draws on Ostrum AM (specific dialogue requested by CNP Assurances) or collaborative dialogue via Climate Action 100+, Nature Action 100, Investors for a Just Transition, the Net-Zero Asset Owner Alliance and the Principles for Responsible Investment (PRI).

Furthermore, as part of the ESG management of its equity portfolios, Ostrum AM regularly engages with the companies in which CNP Assurances invests.

Additionally, a letter is sent to cover more broadly all direct holdings in equities or bonds concerned by a specific topic. The letter is signed by the Chief Executive Officer of CNP Assurances and addressed to the director of each company concerned by the campaign. Each campaign is monitored to measure the progress over time.

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<sup>2</sup> For listed companies held indirectly through funds, shareholder dialogue is the responsibility of the funds' asset managers.

### Bilateral dialogue process:

- CNP Assurances favours dialogue with companies outside annual general meetings, thereby making it possible to address long-term issues
- Interactions may take place in person or remotely. The aim of this approach is to be constructive: CNP Assurances explains its requests and holds discussions with the company on how it is responding or will respond in the future. Long-term dialogue allows progress to be monitored and facilitates discussions on any difficulties encountered
- Discussions are held on a bilateral basis between representatives of CNP Assurances and the company. The main persons involved are members of executive management or the Board of Directors, the Board Secretary, the Head of Investor Relations, the Head of CSR or Sustainable Development. CNP Assurances is committed to inviting various representatives to meetings to raise awareness of ESG issues among all the company's stakeholders.

Bilateral dialogue addresses ESG issues, corporate strategy and financial performance issues. Depending on the company's activity, the following topics may be discussed:

- Governance and resolutions at general meetings
- Transparency and quality of financial and non-financial information: equality and diversity ratios, monitoring of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Task Force on Nature-related Financial Disclosures (TNFD), etc.
- Impacts of the company's activities on the climate and risks related to climate change
- Impacts of the company's activities on biodiversity and risks related to biodiversity loss
- Impacts of the company's activities on human rights and risks related to human rights violations
- Other social and environmental risks, particularly concerning the just transition

CNP Assurances conducts shareholder dialogue based on the following principles:

#### On the climate:

- Implement a robust governance framework that clearly sets out the Board of Directors' responsibility for climate-related risks and opportunities
- Set a target of carbon neutrality by 2050
- Set quantitative GHG emission reduction targets for the three scopes aligned with the 1.5 °C target of the Paris Agreement (in absolute terms and in terms of intensity), with a geographical breakdown.
- Publish and implement strategies and action plans to achieve the targets set, ensuring that the company remains viable in a carbon-neutral economy
- Take into account just transition issues in the company's transition plan
- Establish and implement a plan for the company's adaptation and resilience in the face of physical risks
- Support the adoption and implementation of government policies and regulations that facilitate transition in the company's sector and value chain
- Support greenhouse gas emissions pricing mechanisms
- Publish information in accordance with TCFD recommendations and aligned with CSRD transparency requirements (transition plan) enabling investors to assess the robustness of the company's business plan in relation to different climate scenario

#### Specific to the oil and gas sector:

- Halt new oil and fossil gas exploration and production projects
- Reduce methane emissions and move towards net-zero methane emissions
- Reduce exposure to unconventional fossil fuels
- Reduce greenhouse gas emissions related to the use of energy products sold
- Set targets for diversification towards low-carbon activities



**On biodiversity:**

- Implement a robust governance framework that clearly sets out the Board of Directors' responsibility for biodiversity-related risks and opportunities
- Formalise and set quantitative targets for the protection and restoration of biodiversity in line with the Kunming-Montreal Accord
- Measure the company's biodiversity footprint and dependence on ecosystem services
- Establish an action plan to combat deforestation, pesticide use and plastic pollution, with quantitative indicators
- Publish information in accordance with TNFD recommendations enabling investors to assess the soundness of the company's business plan against different biodiversity scenarios

# III – VOTING POLICY

As a responsible investor and active shareholder, CNP Assurances implements a policy of active voting at the general meetings of the listed companies in which it is a shareholder.<sup>3</sup>

CNP Assurances votes at the general meetings of almost all French and European companies in its portfolio. The voting scope is determined taking into account the resources, experience and skills of CNP Assurances' relevant in-house teams. CNP Assurances ensures that its teams receive regular training and participate in industry discussions on corporate governance.

The principles set out in the voting policy aim to:

- Defend CNP Assurances' rights as a minority shareholder, in the long-term interest of its policyholders and its own shareholders
- Enhance the companies' long-term valuation
- Promote companies' sustainable development by supporting development strategies that consider their impacts on all stakeholders

These principles respect the spirit of recommendations made by professional organisations in this area (the AFEP-MEDEF corporate governance code for listed companies, AFG recommendations on corporate governance) and take into account the best practices set out in the voting policies of proxy voting advisory agencies and other institutional investors. They serve as the basis for shareholder dialogue between CNP Assurances and listed companies, as well as for dialogue with market authorities and professional bodies.

CNP Assurances applies its voting policy in a pragmatic manner, taking into account each company's specific characteristics in some cases (business sector, national regulations, main ESG risks, size, shareholder structure, economic and financial circumstances, etc.).

As a long-term shareholder, CNP Assurances is responsible for promoting good social, environmental and governance practices, with the belief that they are decisive for companies' sustainable growth and the creation of long-term value and that these practices benefit all stakeholders. CNP Assurances therefore seeks to foster the establishment of transparent, responsible and balanced governance structures. Through its voting and shareholder dialogue policies, CNP Assurances is committed to a constructive and long-term relationship with companies.

When CNP Assurances votes at general meetings, it takes into account:

- Social and corporate governance issues, in particular restructuring plans leading to a significant reduction in headcount, conflicts of interest, and cases of corruption and money laundering
- Environmental issues, including climate change and the loss of biodiversity. CNP Assurances notably assesses efforts made to reduce greenhouse gas emissions by the companies in which it is a shareholder

CNP Assurances considers that transparent communication with shareholders is the basis for good corporate governance. To encourage this practice, CNP Assurances votes against any resolution when the information provided does not allow for a fair and accurate understanding of the decision to be made, in accordance with the principles of its voting policy.

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<sup>3</sup> For listed companies held indirectly through funds, voting at general meetings is the responsibility of the funds' asset managers

# 1 Appropriation of income, approval of the accounts and management

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## 1.1 Appropriation of income

### 1.1.1 Dividend

#### Principle

The dividend policy must be consistent with the company's long-term financial capacity, the profit for the financial year and the social context.

The dividend policy must not generate any risk of debt or underinvestment; CNP Assurances is vigilant to the distribution of a dividend that is too high given the company's investment needs to ensure its longevity and/or environmental transition.

In addition, the dividend policy must reflect a balance in the remuneration of all stakeholders. CNP Assurances will not approve an excessive dividend where a company has implemented a restructuring plan or collective agreements leading to a significant reduction in the workforce and/or compensation, favouring a short-term financial vision to the detriment of other stakeholders (employees, local communities).

### 1.1.2 Options to receive the dividend in shares

#### Principle

CNP Assurances supports the possibility of receiving the dividend in shares.

### 1.1.3 Loyalty dividends

#### Principle

CNP Assurances supports the use of loyalty dividends to secure shareholder loyalty, subject to compliance with the applicable regulations.

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## 1.2 Approval of accounts

#### Principle

CNP Assurances verifies that the financial information made available to shareholders is transparent, truthful, complete and consistent. It approves a company's accounts provided that the statutory auditors have not voiced any reservations and that the financial information is neither insufficient nor delayed.

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## 1.3 Discharge

#### Principle

CNP Assurances does not approve requests for discharge from the directors, executives or statutory auditors, except in countries where this is mandatory.

No decision of the general meeting should have the effect of waiving the liability of directors, executives or statutory auditors for any misconduct committed in the performance of their duties.

In any event, the resolution relating to the granting of discharge must be separate from that regarding the approval of the accounts.

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## 1.4 Related-party agreements, donations to a political party or an election campaign

### Principle

Information on transactions carried out between the company and stakeholders with significant influence (corporate officers, members of the Board of Directors or Supervisory Board, significant shareholders) must be available and complete, in particular via the special report of the statutory auditors.

Related-party agreements must be concluded in the interests of all shareholders. They must be justified in terms of the company's strategy and their terms must be reasonable. A separate resolution must be tabled for each related-party agreement.

CNP Assurances votes on related-party agreements on a case-by-case basis, with regard to the persons concerned, the content and reason for the agreement, as well as the information provided by the company to explain how the agreement is in the interest of all shareholders.

CNP Assurances will not approve resolutions to approve donations made by the company to a political party or an election campaign.

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## 1.5 Statutory auditors and sustainability auditors

### Principle

To avoid any conflict of interest, CNP Assurances ensures the independence of the statutory auditors and sustainability auditors, in particular through the transparency of their fees, their skills and the absence of conflicts of interest.

In the event of the appointment or reappointment of a sustainability auditor who is already a statutory auditor, the criteria used for the reappointment of the statutory auditor will be applied.

The statutory auditor and the sustainability auditor must respectively have recognised skills in financial and non-financial matters.

During the last financial year, or on average over the last 3 financial years if this is more relevant, the fees of the statutory auditors and/or sustainability auditors not related to their task of certifying the accounts or auditing the sustainability report must not amount to more than 30% of their total fees. This criterion is assessed by distinguishing between the activity of statutory auditor and sustainability auditor. The company will therefore be expected to distinguish between fees specifically related to financial and non-financial aspects.

# 2 Governance

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## 2.1 Separation of control and executive functions

### Principle

Good governance requires a clear and effective separation of duties between the establishment and control of the company's long-term strategy, on the one hand, and operational execution of the strategy, on the other hand. This separation of duties helps prevent conflicts of interest. It makes management more efficient and adds an additional element of monitoring and accountability. A company with a Management Board and Supervisory Board naturally ensures this separation of duties. In companies with a Board of Directors, CNP Assurances favours the separation of the roles of Chairman and Chief Executive Officer.

In addition, the non-executive chairman must not have other interests, except in the case of controlled companies.

If there is no such separation of duties, CNP Assurances requires the company to provide justification for this. In such cases, it recommends improving the balance of power on the Board with the appointment of an independent lead director (or independent vice chairman) with enhanced, substantial and clearly defined responsibilities. The work carried out by the lead director must be described in detail.

The non-executive chairman or lead director must be assigned responsibility for maintaining permanent dialogue between the Board and shareholders on governance matters.

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## 2.2 Appointment or reappointment of directors

### 2.2.1 Independence of directors

#### Principle

It is important to have a significant proportion of independent members on the Board, not only to meet investors' expectations, but also to improve the quality of discussions.

A director is considered to be independent if he or she has no relationship of any kind with the company, its group or its management that might compromise the free exercise of his/her judgement. Therefore, an independent director means any non-executive corporate officer of the company or its group who has no particular ties with them (as a significant shareholder, employee, or other).

With certain exceptions, CNP Assurances uses the criteria set out in the AFEF-MEDEF Code to qualify independent directors.

### 2.2.2 Number of directorships

#### Principle

An executive officer must not hold more than two directorships in listed companies outside his/her group.

A non-executive director must not hold more than four other directorships in listed companies outside his/her group, i.e. a maximum of five directorships.

Candidates holding too many directorships in unlisted companies, foundations or associations are examined on a case-by-case basis and CNP Assurances may vote against the proposed appointment.

### 2.2.3 Composition and balance of the Board of Directors or Supervisory Board

#### Principle

The Board is a strategic body that is responsible for serving the best interests of the company and its shareholders. Its composition, as well as that of its specialised committees, must respect principles in terms of diversity (presence of women and men, different nationalities, ages, qualifications and professional experience), representation of all shareholders and the combination of diverse and complementary skills.

The number of Board members must be limited (between five and 16, excluding employee representatives) to ensure the Board can function effectively and to avoid diluting individual responsibilities.

CNP Assurances encourages the presence of employee representatives on the Board, whether or not they are shareholders.

The Board must be able to define and monitor the company's strategy, engage in critical dialogue with management, assess its performance and manage conflicts of interest. For these purposes, it is necessary to have a balanced overall representation, with a significant presence of independent members who can guard against any past or present conflicts of interest. The proportion of independent members required for the proper functioning of the Board takes into account the share ownership structure and the presence of major shareholders. As such, independent members must account for half of the Board in companies with dispersed ownership and no controlling shareholders. In controlled companies, at least one third of members must be independent.

As CSR issues are strategic, CNP Assurances is in favour of these issues being addressed by Boards at the highest level through the presence of ad hoc experts, the holding of specific meetings, the appointment of a lead director in this area or the creation of a specialised committee dealing with CSR matters.

Proposed appointments or reappointments of directors are seen as opportunities to improve corporate governance.

A director's attendance at Board meetings must be above 75%.

Regardless of the country concerned, the proportion of women or men on the Board must not be below 40%. Independence takes precedence over parity.

CNP Assurances will not approve the reappointment of directors:

- If the company is considered by CNP Assurances as a company with environmental risk that fails to implement sufficiently ambitious decisions on combating climate change or fails to publish its greenhouse gas emissions.

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## 2.3 Appointment or reappointment of non-voting directors

### Principle

CNP Assurances does not support the presence of non-voting directors on the Board.

## 3 Compensation

### Principle

In terms of compensation, CNP Assurances assesses transparency, the completeness of information and consistency with the company's performance over the long term.

Existing or proposed compensation policies are analysed taking into account each country's specific situation.

The AFEP-MEDEF corporate governance code for listed companies requires the Board to discuss the performance of executives, without their presence, and to determine their compensation. This compensation must be competitive, adapted to the company's strategy and context and it must aim in particular to promote the company's performance and competitiveness over the medium and long term by incorporating one or more corporate social responsibility (CSR) criteria. The Code also requires partnerships limited by shares to apply the same compensation rules as public limited companies.

The compensation structure must respect social cohesion within the company and encourage beneficiaries to achieve the company's goals (principle of *affectio societatis*). To this end, CNP Assurances encourages companies to publish the CEO pay ratio comparing the CEO's total compensation to median employee compensation across a relevant scope covering at least 80% of employees in the main country of activity. If the scope used to calculate the median employee compensation covers a small proportion of the group's employees (for example, the employees of the listed group holding company), the CEO pay ratio does not provide quality information.

CNP Assurances also encourages the company to define a living wage<sup>4</sup> and how it is implemented for all employees and its suppliers. CNP Assurances remains vigilant to the company's potential controversy(ies) in this area.

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## 3.1 Report on compensation

### Principle

CNP Assurances will not approve the compensation report:

- In the event of non-compliance with the AFEP-MEDEF recommendations on the calculation of the CEO pay ratio (scope of calculation covering at least 80% of French employees)
- If it opposes all the resolutions regarding past and proposed compensation

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## 3.2 Compensation of executive officers

### 3.2.1 Fixed and variable compensation

Variable compensation (annual, multi-annual and long-term bonuses) must be structured so as to provide an appropriate incentive for beneficiaries to pursue a long-term performance objective. This variable compensation must also be capped in order not to encourage too much risk-taking or excessive compensation to the detriment of minority shareholders.

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<sup>4</sup> A living wage is recognised by the ILO as being the remuneration received by a worker that enables him to meet his basic needs and those of his family.

Variable compensation must be subject to predetermined, challenging, measurable performance conditions, notified transparently to shareholders, with weightings and ex-post achievement rates. The criteria must be relevant and consistent with the objectives announced to the market. For annual variable compensation, quantitative and qualitative criteria must be clearly described and weighted. For multi-year and long-term variable compensation, performance conditions must be measured over a minimum period of three years.

CNP Assurances recommends that the structure of the executive director's compensation be balanced between the fixed and variable portion, as well as between the short-term and long-term components (at least three years). The recommended target compensation structure is composed of 25% fixed compensation, 25% annual variable compensation and 50% multi-year and long-term variable compensation. CNP Assurances nevertheless accepts some flexibility for this target if the company can justify that the proposed compensation structure encourages the executive officer to pursue a long-term financial and non-financial performance objective.

CNP Assurances will not approve executive officer compensation:

- When the executive officer's total compensation, including fixed and variable portions (annual, multi-annual and long-term bonuses), is greater than 150% of the median of the total compensation of executive officers of European listed companies in the same sector or 150% of the median of the total compensation of executive officers of a relevant market index
- When the executive officer's total compensation is more than 100 times the median employee compensation, calculated for a scope covering at least 80% of French employees (or 80% of employees in the main country of activity)
- When the target compensation structure is significantly different from the recommended target compensation structure (25% fixed compensation, 25% annual variable compensation and 50% multi-year and long-term variable compensation)
- When the weighting of qualitative criteria in determining the executive officer's variable compensation is greater than 30%
- When there is no link between annual or long-term variable compensation and company performance
- When variable compensation (annual, multi-year and long-term) does not include at least 15% CSR criteria
- When the Board of Directors has submitted a Say on Climate resolution for shareholder approval and the executive officer's variable compensation does not significantly reflect the Say on Climate Targets
- If the company is considered by CNP Assurances as a company with environmental risk that fails to implement sufficiently ambitious decisions on combating climate change or fails to publish its greenhouse gas emissions.

### 3.2.2 Compensation in the form of stock options, bonus or performance shares

#### Principle

Long-term incentive plans must remain within reasonable limits, both as a percentage of capital and in absolute value, overall and individually.

The award conditions and number of beneficiaries must be clearly defined and provide for challenging, accurate, verifiable and long-term performance criteria. CNP Assurances does not support the maintaining of rights in the event of departure from the company.

CNP Assurances opposes compensation in the form of stock options, bonus or performance shares:

- When the company has recently received significant public assistance
- When the company has recently put in place, or is about to put in place, a restructuring plan leading to a significant workforce reduction
- When the award is not subject to exacting, precise, verifiable and long-term performance criteria (three years)
- When the share allocated to executives is not disclosed
- For bonus or performance shares:
  - When the budget for employees and executives exceeds 1% of the capital over 38 months, i.e. 0.3% of the capital per year
  - When the individual allotment to the executive officer exceeds 0.03% of the capital per year
- For stock options:
  - When the budget for employees and executives exceeds 2% of the capital over 38 months, i.e. 0.7% of the capital per year
  - When the individual allotment to the executive officer exceeds 0.1% of the capital per year
  - When the lock-up period is less than four years

### 3.2.3 Exceptional compensation

#### Principle

The company must justify the exceptional nature of such compensation.

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## 3.3 Compensation of non-executive chairman

#### Principle

A non-executive chairman's total compensation must not be more than 150% of the median of the total compensation of non-executive chairman of European listed companies in the same sector or 150% of the median of the total compensation of non-executive chairman of a relevant market index.

When the proposed compensation is high, CNP Assurances recommends that an explanation of the duties entrusted to the non-executive chairman be provided.

In view of his/her duties, the non-executive chairman must not be awarded variable compensation.

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## 3.4 Directors' compensation

#### Principle

The amount of directors' compensation must be reasonable in light of industry practice and it must be indexed to directors' presence at Board meetings.

A director's individual compensation must not be greater than 150% of the median of the individual compensation of directors of European listed companies in the same sector or 150% of the median of the individual compensation of directors of a relevant market index.

The performance of special duties by the vice-chairman or the lead director may give rise to the payment of specific compensation that will be examined on a case-by-case basis.

# 4 Executive signing bonus and post-employment benefits

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## 4.1 Signing bonus

#### Principle

Signing bonuses must only be granted to a new executive officer coming from a company outside the group. The amount of such bonuses must be made public and justified at the time of their approval.

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## 4.2 Private unemployment insurance

#### Principle

CNP Assurances will not approve the company's financing of private unemployment insurance for the benefit of an executive, as executives receive significant compensation covering the risks they bear.



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## 4.3 Severance pay and non-compete bonuses

### Principle

Severance pay and non-compete bonuses must remain reasonable.

The payment of severance pay must be subject to seniority and the fulfilment of realistic and challenging performance criteria.

In principle, CNP Assurances does not support maintaining an executive officer's employment contract if it is not relinquished on its first renewal, unless his/her seniority as an employee and personal situation justify it.

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## 4.4 Supplementary pensions

### 4.4.1 Defined benefit supplementary pension commitments

#### Principle

The award must be subject to the beneficiary's compliance with performance conditions, assessed in relation to the company's performance.

Each year, the Board of Directors or the Supervisory Board checks compliance with these conditions and sets the increase in conditional rights, within the limit of 3% of the annual compensation used as the basis for the calculation of the annuity paid. These provisions also apply in the event of reappointment.

The amount of the entitlement under the defined benefit pension plan must not exceed 30% of the annual compensation (fixed and annual variable compensation). This limit may be reduced for beneficiaries with very high compensation.

### 4.4.2 Defined contribution supplementary pension commitments

#### Principle

The scope of beneficiaries and the amount of supplementary pensions must be clearly defined. The amounts must remain reasonable.

### 4.4.3 Retirement benefits

#### Principle

If the executive officer does not benefit from a supplementary pension plan or end-of-career benefits, he or she may receive retirement benefits, unless he or she has been employed by the company for less than three years.

## 5 Employee share ownership

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### 5.1 Capital increases reserved for employees

#### Principle

CNP Assurances is in favour of employee share ownership, which boosts employee motivation and loyalty. However, the maximum discount allowed by law should not be maintained when the employee ownership percentage is already very high (above 10%) and the proposed discount should not be too high in relation to the size of the authorisation requested.

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### 5.2 Awarding of stock options or bonus shares to employees

#### Principle

CNP Assurances is in favour of awarding stock options or bonus shares to employees, within reasonable limits both as a percentage of the share capital and in absolute value, overall and individually. The objectives of these measures must be explained over time. The award criteria must be adapted to the total volume of the proposed award and the level of responsibility within the company. The number of beneficiaries and the scope must be disclosed.

## 6 Capital transactions

### Principle

Capital transactions are analysed taking into account their consistency with the company's strategy, size and business sector, as well as respect for the interests of minority shareholders.

Share buybacks may be used to improve the liquidity of the stock or implement an employee share plan without diluting existing shareholders.

The basis and impact of authorisations proposed to the general meeting must be explained and justified. Acceptance thresholds depend on the transaction. Regarding share buybacks, CNP Assurances expects the company to provide an ex ante description of the objectives pursued and the financial budgets allocated to each of these objectives (management of the share's liquidity, employee share ownership plan, executive compensation in the form of performance shares, cancellation of shares, etc.) as well as an ex post assessment of the number of shares redeemed during the year in connection with each of these objectives.

The share buyback policy must not generate a risk of debt or under-investment. CNP Assurances is vigilant concerning share buybacks that are excessive given the investments required by a company to ensure its sustainability and/or environmental transition. In addition, the share buyback policy must reflect a balance in the remuneration of all stakeholders. CNP Assurances will not approve excessive share buybacks where a company has implemented a restructuring plan or collective agreements leading to a significant reduction in the workforce and/or compensation, favouring a short-term financial vision to the detriment of other stakeholders (employees, local communities).

The thresholds accepted in France are adapted outside France when the authorisations are granted for longer periods.

CNP Assurances will not approve capital increases:

- When the request for a capital increase with pre-emptive subscription rights (PSR) exceeds 50% of the capital
- When the request for a capital increase without PSR and with a priority period exceeds 25% of the capital
- When the request for a capital increase without PSR and without a priority period (by private placement, offer to the public, etc.) exceeds 10% of the capital
- When the greenshoe option does not comply with the previous capital increase ceilings
- When the greenshoe option is provided even in the event of a capital increase without PSR
- When the request for a capital increase authorises remuneration for contributions in kind in excess of 10% of the capital, unless the issuer provides justification
- Where the request for exemption from the rule for setting the issue price does not comply with a maximum discount of 5%

## 7 Defensive measures against attempted takeovers

### Principle

CNP Assurances will not approve defensive measures against attempts to gain control of the company where these measures are detrimental to the interests of minority shareholders. However, specific circumstances may justify their implementation, backed by quality governance and within reasonable limits.

## 8 Amendments to the articles of association and shareholders' rights

### Principle

Amendments to the articles of association are analysed on a case-by-case basis with a view to improving governance, for example when they reduce the age limit of executives and directors or the length of directors' terms of office, or stagger the reappointment of directors.

CNP Assurances supports employee representation on the Board and the various methods of appointing employee representatives.

In principle, one share provides one voting right. CNP Assurances is not in favour of multiple share classes, the granting of preferential voting or dividend rights (for certain types of shares or for only some shares), or the capping of voting rights in certain cases. However, the allocation of double voting rights may be justified when it aims to reward the shareholder's loyalty, the length of ownership of the shares and the shareholder's long-term commitment.

CNP Assurances examines resolutions on the corporate purpose and the status as a "company with a social benefit", taking into account the information provided on the process for setting the corporate purpose and/or social and environmental objectives, including consultation with key internal and external stakeholders and transparency commitments towards shareholders regarding their implementation.

For shareholders, the General Meeting is the place to exercise their rights within the company. CNP Assurances is not opposed to holding a 'hybrid' general meeting, provided that shareholders' rights are maintained in the same way as at a physical general meeting.

## 9 Shareholder resolutions

### Principle

For CNP Assurances, long-term shareholder dialogue is preferred to the tabling of a shareholder resolution.

However, CNP Assurances may support resolutions not approved by the Board, including by participating in their inclusion on the agenda, when these resolutions seek:

- The formalisation and publication of an ambitious strategy and targets for combating climate change and for biodiversity protection and restoration
- The publication of relevant sustainability risk indicators or adverse impacts on sustainability
- More transparency on the lobbying policy and lobbying activities, as well as the amounts paid by the company for lobbying
- Greater transparency on the company's tax policy and its implementation
- Measures to respect human rights and fundamental rights at work
- Explanations of a social or environmental controversy

Shareholder resolutions must be clearly defined and reasonable. They are considered on a case-by-case basis after taking shareholder dialogue into account.

Depending on the nature of the proposed resolutions, CNP Assurances reserves the right, on a case-by-case basis, to publish how it voted on shareholder resolutions.

# 10 Environmental resolutions, including Say on Climate and Say on Nature

## Principle

CNP Assurances supports the introduction of a regular vote on the environmental strategy of companies and the corresponding objectives, as well as a report detailing the implementation of this strategy. In particular, CNP Assurances encourages companies emitting substantial greenhouse gas (GHG) emissions to submit these resolutions to a vote by the shareholders.

CNP Assurances votes on a case-by-case basis on Say on Climate resolutions submitted by the Board of Directors to a vote by shareholders, taking into account the rigour, completeness and transparency of the transition plan. To that end, CNP Assurances bases its analysis on the following criteria:

- Ambition: Goal of achieving carbon neutrality by 2050 at the latest
- Alignment: Alignment of the GHG emissions reduction trajectory with a 1.5° C scenario
- Scope: Quantitative GHG emission reduction targets covering all Scope 1 & 2 emissions and the company's most material Scope 3 emissions
- Horizon: Short-term targets (~5 years) and medium-term targets (~10-15 years)
- Just transition: Taking into account the social impacts of the transition plan on employees and consumers
- Frequency of Say on Climate: Annual advisory vote on two separate resolutions presented by the Board of Directors
  - One relating to the company's climate strategy (*ex ante* resolution)
  - The other on the implementation of this strategy (*ex post* resolution)
- Significant integration of Say on Climate targets into the variable compensation of executive officers

In the same way, CNP Assurances votes on a case-by-case basis on Say on Nature resolutions submitted by the Board of Directors to a shareholder vote. CNP Assurances bases its analysis on the following criteria:

- Measurement: Identification and measurement of risks and opportunities related to biodiversity and ecosystem services
- Policy: Formalisation of a policy to protect, restore and limit the impact of its activities on the main types of pressure on biodiversity, where relevant to its activities.
- Objective: Communication of quantitative targets for preserving and restoring biodiversity and limiting its impacts, taking account of international frameworks
- Alignment: Certification of objectives by a scientific body
- Horizon: Intermediate objectives in the short term (~5 years) and medium term (~10 to 15 years)
- Frequency of Say on Nature: Annual consultative vote on two separate resolutions presented by the Board of Directors:
  - One on the company's biodiversity strategy (*ex ante* resolution)
  - The other on the implementation of this strategy (*ex post* resolution)
- Significant inclusion of Say on Nature objectives in the variable remuneration of executive directors

CNP Assurances undertakes to make public its votes on all Say on Climate and Say on Nature resolutions.

More generally, CNP Assurances supports environment-related resolutions (whether or not they are approved by the Board of Directors) if they are part of an ambitious approach to combating climate change or protecting biodiversity.

In addition, each year, CNP Assurances assesses efforts to reduce greenhouse gas emissions made by the companies in which it is a shareholder. This annual assessment makes it possible to determine the list of companies with environmental risk that fail to implement sufficiently ambitious decisions on combating climate change or fail to publish their greenhouse gas emissions. The votes cast at general meetings of companies appearing on this list apply a sanction in the form of:

- A vote against the reappointment of directors
- A vote against the resolution on the proposed compensation policy
- A vote against the resolution on past compensation

## IV - COMMUNICATION WITH STAKEHOLDERS

As a signatory of the Principles for Responsible Investment (PRI), CNP Assurances reports annually on the implementation of these principles on the website [www.unpri.org](http://www.unpri.org).

CNP Assurances also publishes the following on its website [www.cnp.fr](http://www.cnp.fr):

- Sustainable investment report
- Shareholder engagement policy report

## V - PROCEDURES FOR IDENTIFYING, PREVENTING AND MANAGING CONFLICTS OF INTEREST

CNP Assurances exercises its voting rights in accordance with the principles of its voting policy. Voting rights are exercised independently by the Sustainability division. The voting proposals drawn up by the Sustainability division are submitted to the Investment division for approval.

A potential conflict of interest arising from the exercise of voting rights arises from pressure that may be put on CNP Assurances not to vote in the long-term interests of its policyholders and shareholders or in defence of its rights as a minority shareholder.

CNP Assurances has identified a list of companies that may generate potential pressure: companies with which CNP Assurances, its shareholders or corporate officers have special links such as business relationships, influence, etc.

CNP Assurances has put in place the following system to prevent, detect and manage conflicts of interest, which is part of the Group's general conflict of interest management policy:

- Compliance with the principles set out in the voting policy when casting votes guarantees the independence of CNP Assurances' decisions
- In the event of a vote on companies identified as potentially generating pressure, an enhanced procedure for justifying the vote cast is put in place. For these votes, any deviation from the principles set out in the voting policy must be documented by the Sustainability division. This documentation is made available to the Group Compliance department at all times

