

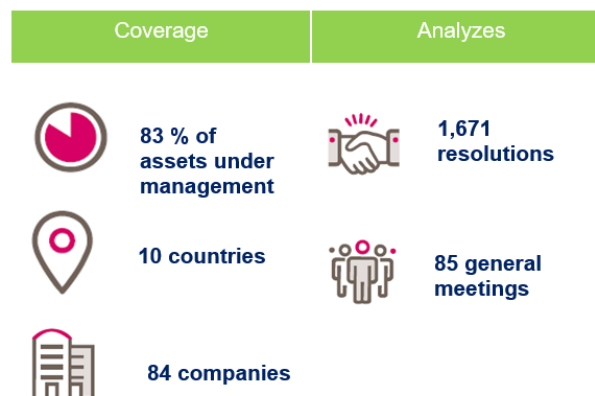
CNP Assurances publishes its shareholder engagement policy and the report on its implementation

As a responsible investor and holder of a share portfolio worth €17.5 bn¹, CNP Assurances has implemented since 2005 an active voting policy at the general meetings of the listed companies in which it is a shareholder. In accordance with the provisions of the PACTE law, CNP Assurances publishes today the details of its shareholder engagement policy, which covers both the voting policy and dialogue with companies.

Voting policy

The principles set out in the voting policy are intended not only to defend the rights of CNP Assurances as a minority shareholder, but also to foster the sustainable development of companies, by supporting development strategies that take into account their impact on all stakeholders (customers, colleagues, suppliers, environment, etc.).

In 2019, CNP Assurances voted at 85 general meetings held by 84 companies located in 10 countries. These companies represent 83% of the assets under management of CNP Assurances' shares portfolio.



Of the 1,671 resolutions put to a vote in 2019:

- CNP Assurances approved 1,383 resolutions, i.e. 82.8% of the resolutions proposed;
- **CNP Assurances opposed 284 resolutions, i.e. 17.0% of the resolutions proposed;**
- CNP Assurances abstained from 4 resolutions, i.e. 0.2% of the resolutions proposed.

¹ Market value of shares held directly by CNP Assurances at the end of January 2020.

The main objections expressed by CNP Assurances in 2019 concerned remuneration policies and the remuneration of executive officers when:

- The company demonstrates a clear lack of transparency in one or several components of remuneration, and does not allow shareholders to state their views;
- The proposed increases in fixed and variable remuneration are disproportionate to those of other European companies in the same sector and are not sufficiently justified;
- Variable remuneration does not comply with the ceiling set in CNP Assurances' voting policy or is not significantly linked to the company's performance;
- There are no environmental criteria in the variable remuneration of the executives of companies presenting a major environmental challenge.

The remuneration structure must respect social cohesion within the company and help promote *affectio societatis*. To this end, **CNP Assurances encourages companies to publish a pay ratio that compares an executive's remuneration with the median remuneration of employees, for which a relevant scope is considered** (ideally all group employees, otherwise all employees of the main country of activity). Indeed, if the scope used to calculate the median remuneration of employees only concerns a small proportion of group employees (for example, the employees of the holding that heads the listed group), the information provided by the pay ratio will not be of good quality.

With regard to the current trend of increasing executive remuneration, CNP Assurances will express its view based on the following principles:

- The total remuneration of the executive, including the fixed and variable components (annual, multi-year and long-term), must not be 150% higher than the total median remuneration of executives of listed European companies in the same sector, or failing that, 150% of the total median remuneration of executives of a relevant market index;
- The variable remuneration (annual, multi-year and long-term) of an executive must not be 300% higher than their fixed remuneration;
- CNP Assurances shall monitor the pay ratio within the company, to check if executive remuneration exceeds 120 times the median salary.

CNP Assurances' voting policy is also attentive to social and environmental challenges:

- CNP Assurances refuses to renew or appoint male directors when women make up less than 40% of the board, including in countries where the law does not impose binding rules in terms of gender diversity on boards of directors
- CNP Assurances refuses to renew the mandates of directors:
 - when the company is considered by CNP Assurances as one subject to environmental risk and has not taken and implemented sufficiently ambitious decisions with regard to fighting climate change;
 - and when the variable remuneration of executives does not include demanding, pertinent and verifiable environmental criteria in line with the Paris Agreement.

Company dialogue policy

By fostering direct dialogue with companies in which it is a shareholder, CNP Assurances pursues the following objectives:

- **Supporting its strategy to protect the climate and biodiversity** by encouraging companies to publish information on their risks relating to climate change and the breakdown of biodiversity
- **Improving the governance of companies** in which CNP Assurances expresses the most opposition in votes at general meetings on remuneration or the composition of the board of directors.

The approach is mainly a proactive one, in order to ensure that environmental, social and governance (ESG) criteria are taken into account at the highest level by the most exposed companies.

CNP Assurances engages with companies with the greatest ESG challenges. Direct dialogue is preferred for French companies. For companies outside France, CNP Assurances relies on collaborative dialogue via *Climate Action 100+*, *Net-Zero Asset Owner Alliance* and the *Principles for Responsible Investment (PRI)*, of which CNP Assurances is a signatory.

In 2019, CNP Assurances undertook 14 direct dialogues with 11 companies. These dialogues were overall constructive and enabled CNP Assurances to better understand companies' choices, particularly in terms of governance and ecological and energy transition, and thus to clarify the analyses of resolutions subject to shareholder vote. CNP Assurances will continue this long-term shareholder dialogue approach.

In line with its public commitment, CNP Assurances will send a letter in 2020 asking all companies operating coal mines or coal-fired power plants to which it is directly exposed, to **publish a plan by 2021 to back away from the use of thermal coal** aligned with a full exit by 2030 in countries belonging to the European Union and the OECD, followed by the rest of the world by 2040, based on the closure and not the sale of these operations.

"We consider the exercise of our voting rights at general meetings as a key component of our equity investment policy. Our voting policy, reviewed every year and approved by CNP Assurances' executive management, is intended to defend our rights as a significant minority shareholder, in the long-term interests of the insured persons who have entrusted their savings to us and our own shareholders. At general meetings and in our dialogue with companies, we encourage their sustainable and environmentally-friendly development. In 2020, climate change and biodiversity will be at the heart of our discussions", explains Vincent Damas, Head of CSR at CNP Assurances.

[Download the Shareholder Engagement Policy 2020](#)

[Download the Shareholder Engagement Policy Report 2019](#)

About CNP Assurances

A benchmark player in the French personal insurance market, CNP Assurances is active in 19 countries in Europe and Latin America, with a significant presence in Brazil, its second largest market. Acting as an insurer, co-insurer and reinsurer, CNP Assurances develops innovative personal risk/protection and savings/pensions solutions. It has more than 38 million personal risk/protection insureds worldwide and more than 12 million savings/pensions policyholders. In line with its business model, the Group's solutions are distributed by multiple partners. The solutions are aligned with each partner's physical or digital distribution model, while also being tailored to local clients' needs in each country.

CNP Assurances has been listed on the Paris Stock Exchange since October 1998. The Group reported net profit of €1,412 million in 2019.

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