



2019 SHAREHOLDER ENGAGEMENT POLICY REPORT

January 2020

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I - GENERAL DESCRIPTION OF THE EXERCISE OF VOTING RIGHTS

1 Voting scope

CNP Assurances votes at general meetings of almost all French and European companies in the portfolio. The scope of the votes is defined taking into account the resources, experience and skills of the internal CNP Assurances teams concerned. CNP Assurances ensures that its teams regularly benefit from training and exchange of good practices in matters of corporate governance.

2 Analysis of resolutions

CNP Assurances exercises its voting rights in accordance with the principles of its voting policy reviewed annually and approved by the CEO.

CNP Assurances applies its voting policy pragmatically, taking into account in some cases the specific characteristics of each company (sector, national regulations, extra-financial risks, size, shareholder structure, economic and financial circumstances, etc.)

It is the responsibility of CNP Assurances, as a long-term shareholder, to promote good practices in social, environmental and governance matters, with the conviction that they are decisive for the sustainable growth of companies, the creation of long-term value and benefit to all stakeholders. CNP Assurances therefore seeks to foster the emergence of transparent, responsible and balanced governance structures. Through its voting policy and shareholder dialogue, CNP Assurances is committed to companies in the context of a constructive and long-term relationship.

When CNP Assurances decides on votes at a general meeting, it takes into account:

- Social and corporate governance issues, in particular cases of restructuring leading to a significant reduction in the workforce, cases of conflicts of interest, corruption or money laundering
- Environmental challenges, in particular climate change and the loss of biodiversity. CNP Assurances notably assesses the efforts to reduce greenhouse gas (GHG) emissions of the companies in which it is a shareholder

Voting rights are exercised independently by the Corporate Social Responsibility (CSR) department.

The CSR department analyzes the resolutions with regard to CNP Assurances' voting policy. The analyzes of two proxies, Proxinvest and ECGS, are used as technical support for these analyzes: they facilitate the study of resolutions submitted to vote but do not in any way replace CNP Assurances' own voting policy.

The voting proposals drawn up by the CSR department are submitted for validation, depending on the case, to the CEO or the CIO.

3 Transmission of voting orders

CNP Assurances exercises its voting rights through various channels:

- Through the ISS Proxyexchange platform, which ensures the transmission of votes at general meetings for international companies
- By correspondence by sending the voting orders to the account holder of CNP Assurances for French companies
- By participating directly in the general meeting

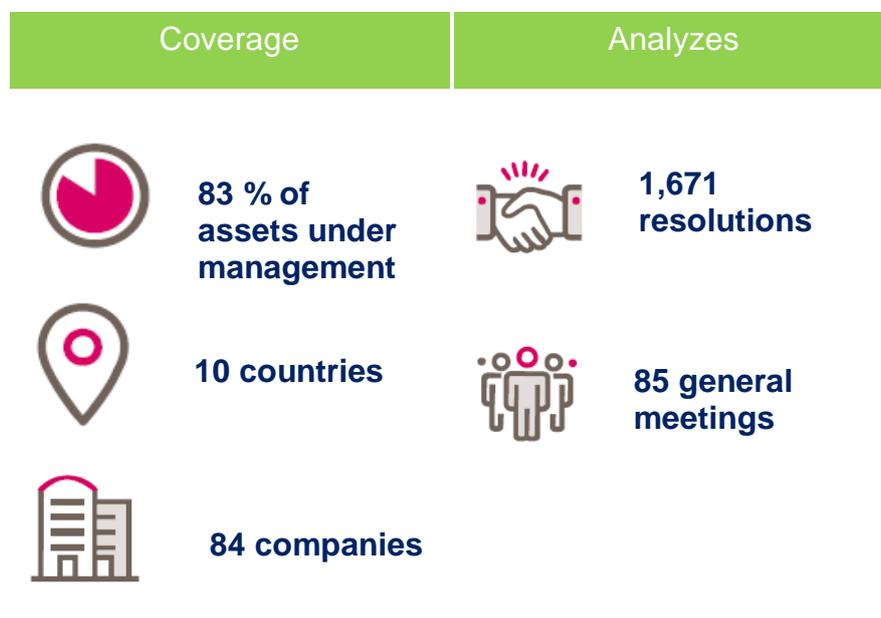
II - VOTING REPORT

This report covers the voting campaign for 2019.

In 2019, CNP Assurances voted at 85 general meetings of 84 companies located in 10 countries. These companies represent 83% of the outstanding portfolio of equities held directly by CNP Assurances.

More specifically, CNP Assurances voted:

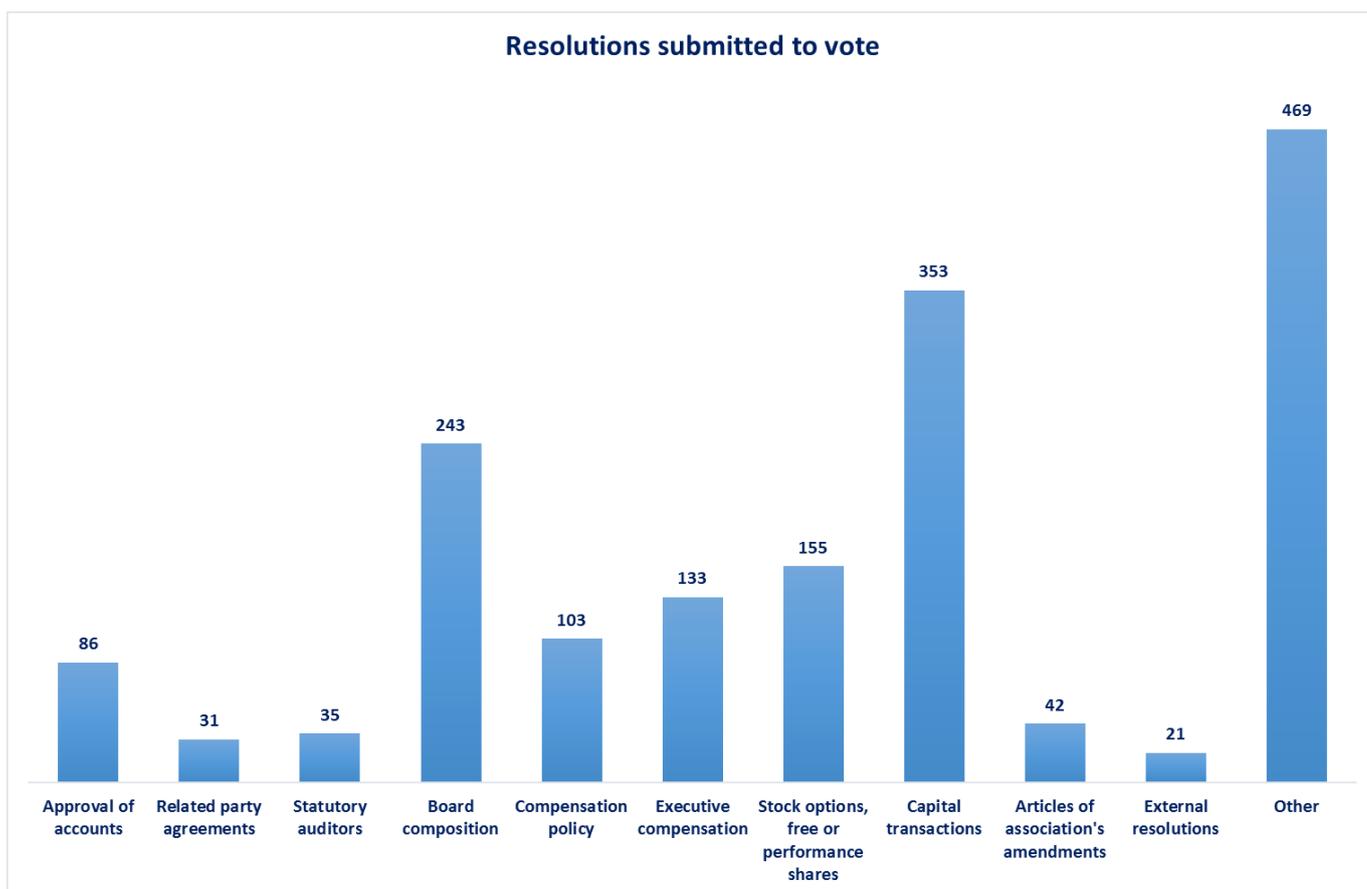
- At 53 general meetings of 52 French companies. These companies represent 97% of the portfolio of French equities held directly by CNP Assurances
- At 32 general meetings of 32 international companies. These companies represent 67% of the portfolio of international equities held directly by CNP Assurances



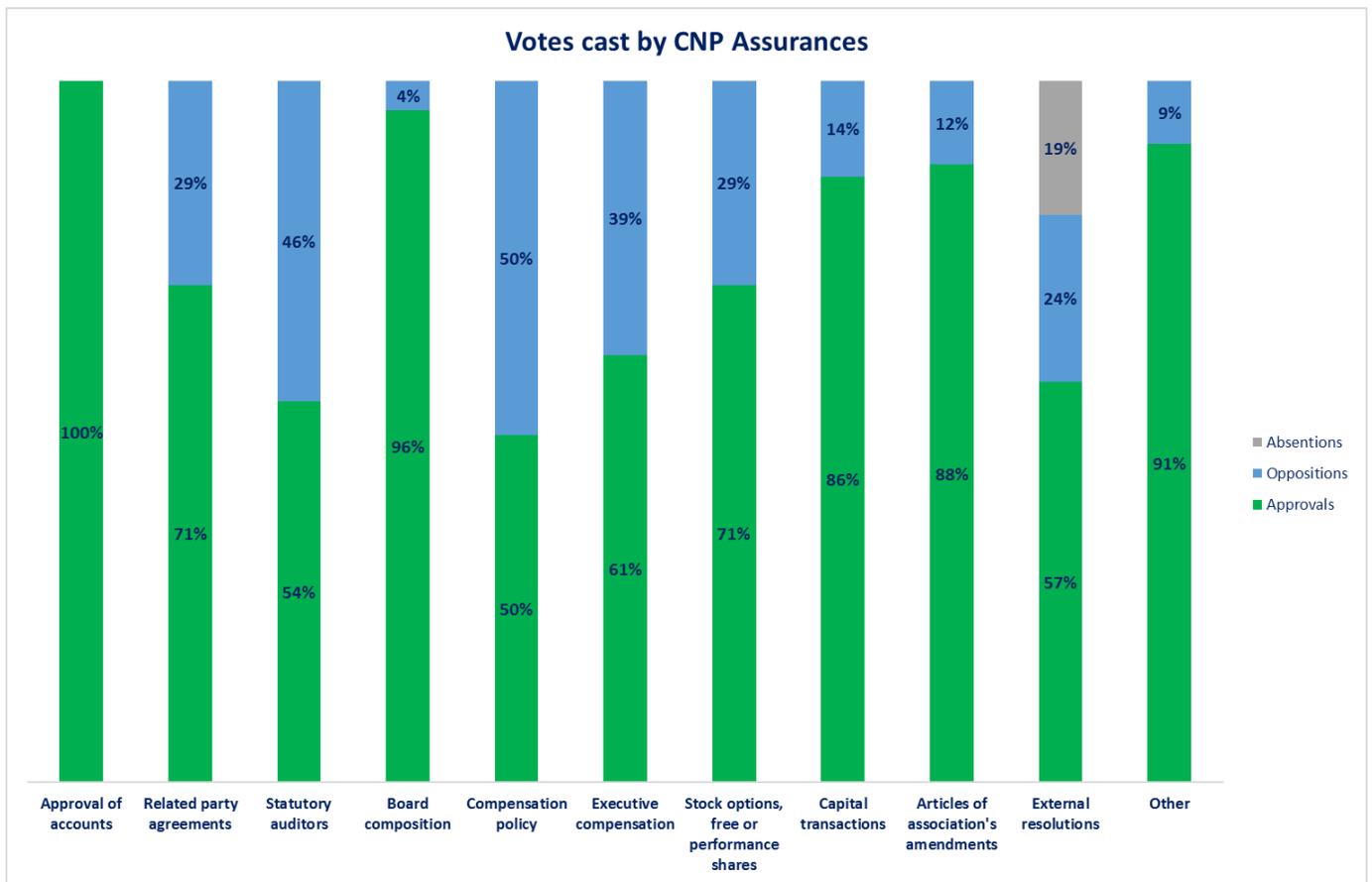
If we set aside 41 resolutions for information (non-voting), CNP Assurances analyzed 1,671 voted resolutions:

- CNP Assurances approved 1,383 resolutions, or 82.8% of the proposed resolutions
- CNP Assurances opposed 284 resolutions, or 17.0% of the proposed resolutions
- CNP Assurances abstained on 4 resolutions, or 0.2% of the proposed resolutions

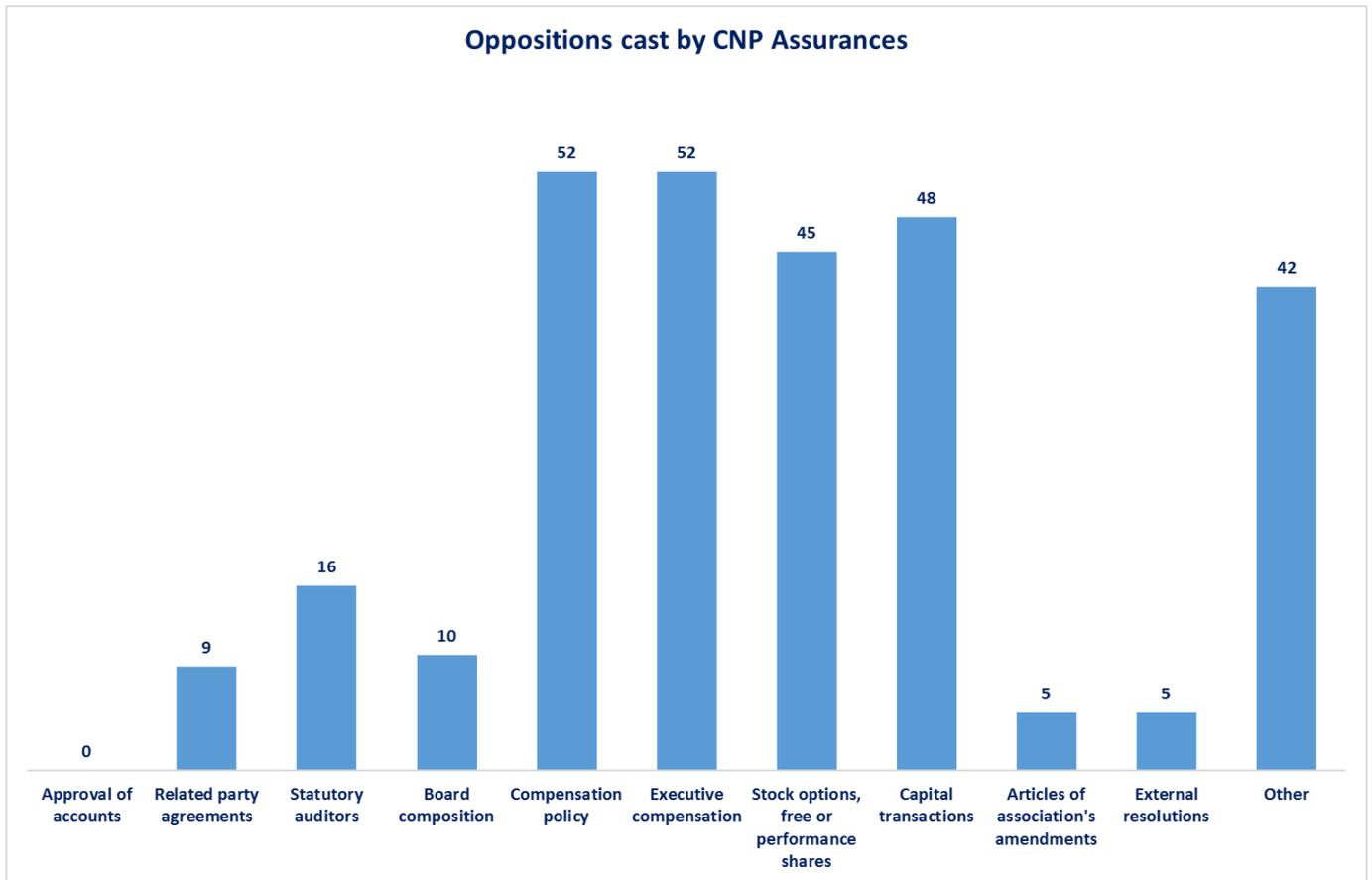
1 Breakdown of resolutions submitted to vote



2 Breakdown of votes cast by CNP Assurances



3 Breakdown of oppositions cast by CNP Assurances



4 Analysis of votes cast by CNP Assurances by theme

4.1 Approval of accounts and discharge

The corporate and consolidated accounts are approved as soon as they are certified by the statutory auditors. As in previous years, all the resolutions proposed this year have been approved.

CNP Assurances did not approve the request for discharge from the directors, officers or statutory auditors, except in countries where this is mandatory.

4.2 Related party agreements

In the majority of cases, the grounds for opposition related to not enough transparent resolutions and agreements taking a part of the wealth of the company for the benefit of the controlling shareholder, or creating a link of dependence between the executive officers and the main shareholder.

4.3 Statutory auditors

The independence of the statutory auditors is appreciated by their regular rotation and by the transparency of their fees. CNP Assurances has repeatedly objected in the following cases:

- Statutory auditors with a term of office of more than 18 years
- Fees not related to the mission of certifying accounts too high compared to total fees

4.4 Distribution policy

CNP Assurances did not oppose the payment of dividends offered this year by the companies.

4.5 Appointment or renewal of directors

Appointments or renewals of directors have been approved in the majority of cases. Proposals were rejected by CNP Assurances for the following reasons:

- Board independence rate was insufficient
- The length of the director's mandate or the age of the director was excessive
- The director held too many mandates, implying a risk of unavailability for the board

In addition, all of the employee shareholder representative applications were approved.

4.6 Compensation of executive officers

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

- The company has demonstrated a proven lack of transparency on one or more components of the compensation
- The proposed increases in fixed and variable compensation were disproportionate to those of other European companies in the same sector and were insufficiently justified
- The variable compensation did not meet the ceiling of CNP Assurances' voting policy or was not significantly linked to the performance of the company
- The variable compensation of executives of companies with a significant environmental stake was not based on any environmental criteria
- Achievement rates for quantitative and qualitative targets were not reported

Since variable compensation (annual and long-term) is defined as a percentage of fixed compensation, the frequent increase in fixed compensation has led to a significant increase in the overall compensation of executive officers, which partly explains the opposition rate of CNP Assurances to these resolutions.

4.7 Compensation in the form of stock options, free or performance shares

Year after year, the transparency of long-term performance plans proposed by companies is improving. CNP Assurances objected in the following cases:

- The amounts were too high in absolute terms or as a percentage of the capital
- No ceiling was provided
- The performance conditions were not published or were not measured over a minimum period of 3 years

4.8 Severance pay and non-compete pay

CNP Assurances has opposed severance or non-compete pay for executive officers in the following cases:

- It was possible to keep the benefit of options not yet exercised and free shares not yet allocated at the time of departure
- The compensation was subject in part only to performance conditions or these proved to be easily achievable
- The triggering of compensation was not limited to a forced departure

4.9 Retirement schemes

Resolutions concerning the retirement schemes of executive officers have been the subject of objections by CNP Assurances for the following reasons:

- The amounts were too high compared to the compensation
- Payment was not conditional on presence in the company at the time of departure

4.10 Compensation of directors

CNP Assurances opposed directors' compensation when the proposed amount was disproportionate to that of other European companies in the same sector.

4.11 Employee participation in capital

CNP Assurances did not oppose any of the proposed resolutions as long as the maximum regulatory discount was maintained.

4.12 Capital transactions

Most of the transactions intended to support the development of the companies have been accepted, with the exception of capital transactions that can be maintained during a public offer.

CNP Assurances opposed the issuance of Breton warrants (mechanism allowing, in the event of a public offer, the targeted companies to issue for all their shareholders warrants for new shares at an issue price much lower than the listed share price).

4.13 Articles of association's amendments

CNP Assurances supported the majority of the proposed amendments, with the exception of those aimed at extending the term of mandates.

4.14 Environmental resolutions

As part of its climate strategy, CNP Assurances has decided to support in 2019 all the resolutions relating to the ecological and energy transition as soon as they are part of an approach to fight climate change, consistent with the strategy of the company and responding to the challenges of CNP Assurances.

4.15 External resolutions

Other external resolutions may be supported by CNP Assurances if the context warrants it. In 2019, CNP Assurances supported an external resolution aimed at strengthening the presence of independent directors on the board of directors of a company.

III - DIALOGUE WITH COMPANIES REPORT

CNP Assurances implements a policy of dialogue with companies, reviewed annually and validated by the CEO. Together with the voting policy, it constitutes the shareholder engagement policy of CNP Assurances.

The objectives of the dialogue policy are as follows:

- Support CNP Assurances' strategy in favor of the climate and biodiversity by encouraging companies in which it is a shareholder or bondholder to take and implement ambitious decisions in terms of energy and ecological transition aligned with the Paris Agreement, and to publish information on their greenhouse gas (GHG) emissions and the risks linked to climate change and biodiversity loss
- Improve the governance of companies for which CNP Assurances has the greatest number of opposition during votes at general meetings in terms of compensation or composition of the board of directors

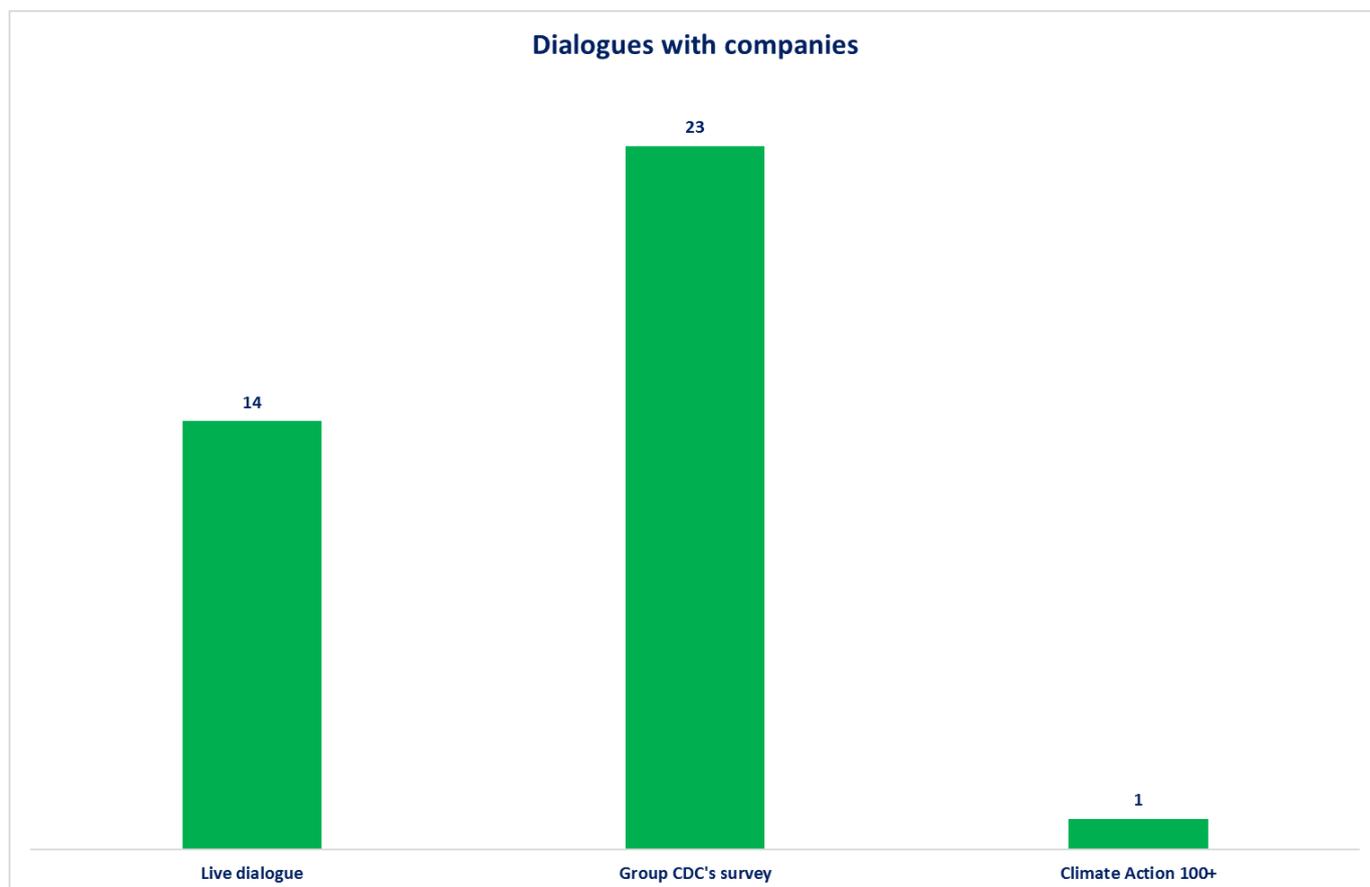
The approach is mainly proactive in order to ensure that environmental, social and governance (ESG) issues are taken into account at the highest level by the companies most exposed.

The scope of dialogue with companies is defined taking into account the resources, experience and skills of the internal CNP Assurances teams concerned.

CNP Assurances dialogues with companies that present the most important ESG (environmental, social and governance) issues. Live dialogue is preferred for French companies. For companies outside France, CNP Assurances relies on a collaborative dialogue via Climate Action 100+, the Net-Zero Asset Owner Alliance and the Principles for Responsible Investment (PRI).

As part of the ESG management of our portfolios, regular dialogues take place in addition between the SRI teams of our asset managers and the companies to which CNP Assurances is exposed.

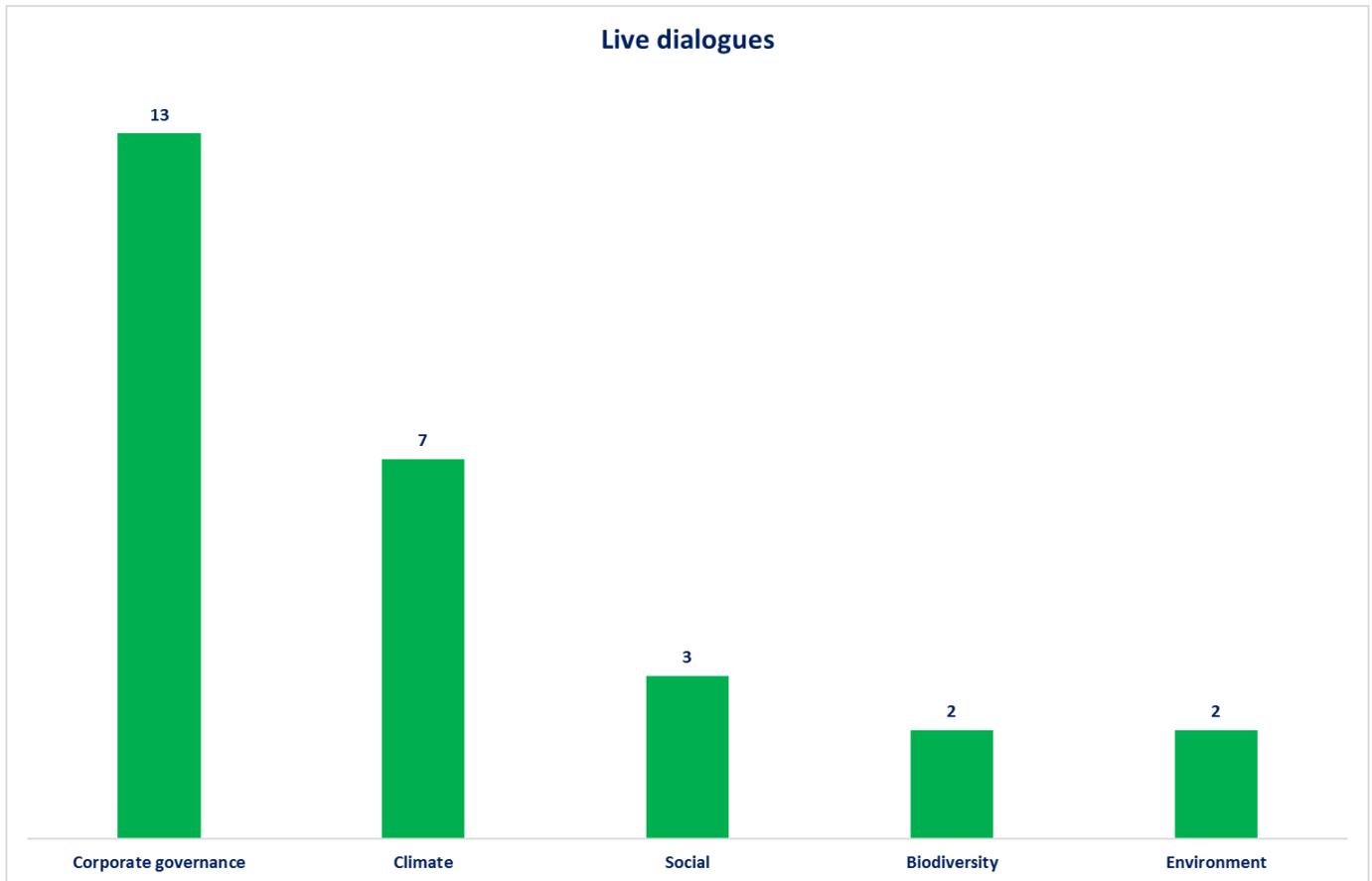
1 Breakdown of dialogues with companies



In 2019, CNP Assurances:

- Led 14 live dialogues with 11 companies. These dialogues were generally constructive and enabled CNP Assurances to better understand the choices of companies, particularly in terms of corporate governance and ecological and energy transition, and thus to clarify the analyzes of the resolutions submitted to the vote of the shareholders. CNP Assurances will continue this long-term shareholder dialogue process in 2020
- Participated in the Group CDC's survey dedicated to the energy transition of 41 companies in its equity or bond portfolio held directly. Among these companies, 23 companies agreed to respond to the survey, or 56% of the companies questioned
- Supported a collaborative engagement with a European company in the oil & gas sector through the Climate Action 100+ initiative. This engagement has had positive results, as the company is now working with investors to strengthen its alignment with the Paris Agreement

2 Breakdown of live dialogues



As part of the 14 live dialogues conducted in 2019 with 11 companies, the following topics were discussed with CNP Assurances:

- Governance (13 dialogues, i.e. 93% of cases)
- Climate (7 dialogues, i.e. 50% of cases)
- Social (3 dialogues, i.e. 21% of cases)
- Biodiversity (2 dialogues, i.e. 14% of cases)
- Environment (2 dialogues, i.e. 14% of cases)