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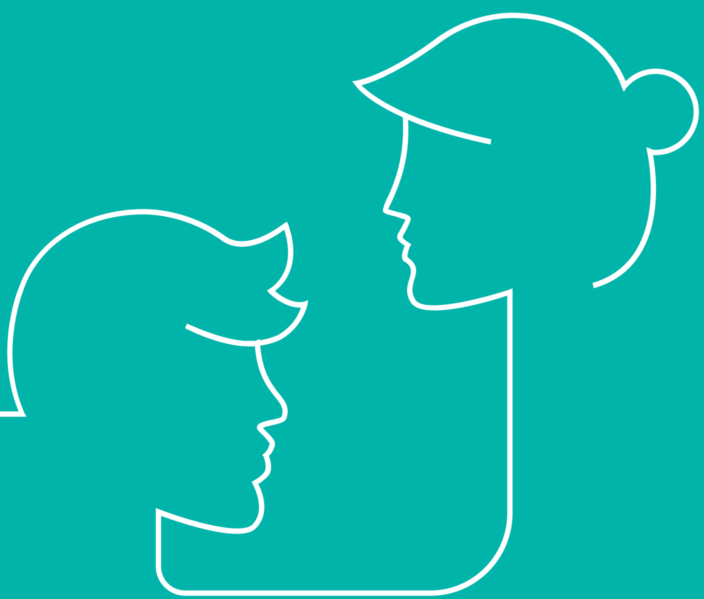
CNP Assurances

2021 Shareholder engagement policy

February 2021



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I - GENERAL PRINCIPLES

1 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.

1.1 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.

1.2 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 and citizen rights as defined in the Universal Declaration of Human Rights.
- Respect for the principles of the International Labour Organization (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

- Taking into account 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.

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

The responsible investment strategy is drafted by the Group's Investment department and the Corporate Social Responsibility (CSR) department, in conjunction with the Group Risk department.

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.

2 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+*
- *Net-Zero Asset Owner Alliance*

The ESG management strategy for listed equities followed by CNP Assurances is described in more detail in the policy on the integration of sustainability risks in investment decisions, which is available on the website cnp.fr.

II - DIALOGUE WITH COMPANIES

CNP Assurances implements a policy of dialogue with investee companies, 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:

- To promote CNP Assurances' climate and biodiversity strategy by encouraging companies in which it is a shareholder or bondholder to make and implement ambitious decisions in support of the environmental and energy transition in line with the Paris Agreement, and to publish information on their greenhouse gas emissions and risks related to climate change and biodiversity loss.
- To improve the governance of companies for which CNP Assurances has the most opposing votes at general meetings regarding compensation or the composition of the Board.

As part of the Net-Zero Asset Owner Alliance, CNP Assurances has set a goal of engaging with eight companies (six directly and two via the Climate Action 100+ initiative) and two asset management companies to encourage them to adopt a strategy aligned with the 1.5°C scenario by the end of 2024, by committing to achieve carbon neutrality by 2050 and setting intermediate targets aligned with current scientific knowledge.

It mainly takes a proactive approach to ensure that ESG criteria 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 investee companies is determined taking into account the resources, experience and skills of CNP Assurances' relevant in-house teams.

CNP Assurances engages with the investee companies that present the most significant ESG risks. Direct dialogue is preferred for French companies. For companies outside France, CNP Assurances relies on collaborative engagement via Climate Action 100+, the Net-Zero Asset Owner Alliance and the Principles for Responsible Investment (PRI).

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

Lastly, in line with its public commitment, in 2021 CNP Assurances is continuing dialogue initiated in 2020 with coal sector companies to which it is directly exposed. CNP Assurances asks all such companies that have not yet done so to publish by the end of 2021 a plan to divest fully from thermal coal, with full withdrawal by 2030 in European Union and OECD countries, and by 2040 in the rest of the world, based on the closure of assets rather than their sale.

Direct dialogue process:

- CNP Assurances encourages discussions outside annual general meetings to address long-term issues and remove such discussions from the context of shareholder meetings
- Such interaction is private and is not the subject of any public communication. It may be held in person or remotely. The aim of this approach is to be constructive: CNP Assurances explains its commitments 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 directly between representatives of CNP Assurances and the investee 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 of the company's stakeholders.

This direct dialogue addresses ESG, 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: CEO pay ratio, gender diversity ratio, CDP response, follow-up of TCFD recommendations, etc.
- Impacts of the company's activities on the climate
- Risks related to climate change
- Impacts of the company's activities on biodiversity
- Risks related to biodiversity loss
- Other social and environmental risks

In line with its public commitment, CNP Assurances questions oil and gas sector companies when they are not sufficiently advanced or transparent in the following areas:

- Publication of indirect greenhouse gas (GHG) emissions related to the use of energy products sold to their customers (scope 3 emissions)
- Absolute GHG emissions reduction target, including:
  - Short-, medium- and long-term targets to achieve the goal of zero net emissions by 2050
  - Aligned with current scientific knowledge and, as far as possible, validated by the Science-Based Targets initiative (SBTi)
  - Covering at least 95% of scope 1 and 2 emissions and at least 66% of scope 3 emissions
- Objective of reducing methane emissions in their value chain to reach a target close to zero net methane emissions, and participation in an initiative such as the Oil & Gas Climate Initiative (OGCI), the Methane Guiding Principles (MGP) or any other equivalent initiative committed to reducing methane emissions
- Target of zero routine flaring[1] by 2030
- Commitment not to develop new unconventional fossil fuel projects (oil sands, shale oil and gas, Arctic oil and gas)
- Transparency on the actions implemented to achieve these targets
- Integration of these targets in the company's executive compensation policy
- Growth target for low-carbon activities
- Management of financial risks related to climate change in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and including consideration of the social impacts of energy transition
- Alignment of the company's lobbying policy with the Paris Agreement
- Plans for the prevention and management of environmental risks, particularly the impacts of unconventional fossil fuels on water and soil pollution, biodiversity and human health and safety
- Publication of information on the following topics if the company is concerned:
  - Share of capital expenditure devoted to low-carbon activities
  - Share of research and development spending devoted to low-carbon activities
  - Share of biofuel produced with a sustainability label
  - Share of hydrogen produced by electrolysis of water
  - Percentage of revenue from unconventional fossil fuels
  - Biomethane development strategy

[1] *Operation consisting of burning gas discharges at various stages of oil and gas exploitation.*

III - VOTING POLICY

As a responsible investor and active shareholder, since 2005 CNP Assurances has implemented an active voting policy at the general meetings of the listed companies in which it is a shareholder[2].

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 long-term growth of the shares held
- 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 decides on how to vote 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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[2] For listed companies held indirectly through funds, the funds' asset managers are responsible for voting at general meetings.

1 Dividend policy, approval of the accounts and management

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 should not put the company at risk of having to borrow money or lead to under-investment, and it should ensure fair compensation of all stakeholders.

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 Boosted dividend

Principle

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

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.

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.

1.4 Related-party agreements

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.

Separate resolutions must be tabled for related-party agreements.

CNP Assurances votes 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.

1.5 Statutory auditors

Principle

To avoid any conflict of interest, CNP Assurances ensures the statutory auditors are independent, in particular through their regular rotation, the transparency of their fees and the absence of conflicts of interest.

The statutory auditor or its network must not have held its position for more than 18 years (corresponding to three six-year terms for French companies).

In the last financial year, or on average over the past three years if this is more relevant, statutory auditors' fees for services other than the certification of the accounts must not amount to more than 30% of their total fees.

2 Governance

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.

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 AFEP-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[3], at least one third of members must be independent.

As CSR issues become 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 not be below 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.

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[3] *A company is considered to be controlled when one or more natural or legal persons hold a fraction of its capital giving them the majority of the voting rights.*

CNP Assurances will not approve the reappointment of directors:

- When it considers that the company is exposed to environmental risk but that it has not taken and implemented sufficiently ambitious decisions regarding climate action and when the CEO's variable compensation does not include verifiable, challenging and relevant environmental criteria in line with the Paris Agreement

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 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.

3.1 Compensation report

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 advance compensation

3.2 Compensation of executive officers

3.2.1 Fixed and variable compensation

Principle

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.

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 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 differs significantly from the recommended target compensation structure
- When the weighting of qualitative criteria, which are more difficult to assess, in determining the executive officer's variable compensation is greater than 30%
- When it considers that the company is exposed to environmental risk but that it has not taken and implemented sufficiently ambitious decisions regarding climate action and when the CEO's variable compensation does not include verifiable, challenging and relevant environmental criteria in line with the Paris Agreement

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

Principle

These incentives 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.

3.2.3 Exceptional compensation

Principle

The company must justify the exceptional nature of such compensation.

3.3 Compensation of non-executive chairmen

Principle

The non-executive chairman's total compensation must not be more than 150% of the median of the total compensation of non-executive chairmen 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.

3.4 Compensation of directors

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 Pre and post-employment benefits of executive officers

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.

4.2 Private unemployment insurance

Principle

CNP Assurances votes against the financing by the company of private unemployment insurance for an executive officer. Executive officers receive significant compensation covering the risks they incur.

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.

4.4 Supplementary pension

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

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%).

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 communicated.

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.

The basis and impact of authorisations proposed to the general meeting must be explained and justified.

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

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.

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 of Directors, including by participating in their inclusion on the agenda, when these resolutions seek:

- The formalisation and publication of an ambitious medium-term strategy on the environmental and energy transition
- The definition and publication of sustainable development indicators (for example, in terms of combating climate change, protecting biodiversity, strengthening gender diversity, etc.)
- More transparency on the lobbying policy and lobbying activities, as well as the amounts paid by the company for lobbying
- Greater transparency on the tax policy and its implementation

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

Principle

The filing of environmental resolutions is not a common initiative on the part of companies, each of which has a different level of maturity in this area. The same applies to shareholders, who most often prefer shareholder dialogue rather than the filing of a resolution.

CNP Assurances supports environmental resolutions (whether approved or not) if they are part of a process intended to fight climate change or protect 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 is used to determine the list of companies incurring environmental risk that have not taken and implemented sufficiently ambitious decisions with regard to the environmental and energy transition in line with the Paris Agreement, or those that do not publish information on 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

CNP Assurances actively participates in working groups organised by the French Insurance Federation (FFA) and contributed to the guides published in 2018 on non-financial reporting and on ESG engagement and exclusion practices.

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.

CNP Assurances also publishes the following on its website 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 Corporate Social Responsibility (CSR) department. The voting proposals drawn up by the CSR department are submitted to the Investment department 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 CSR department. This documentation is made available to the Group Compliance department at all times

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