

IMPLEMENTATION REPORT OF THE SHAREHOLDER ENGAGEMENT POLICY Cardif Assurance Vie



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1) Scope of application

This document applies to the legal entity "Cardif Assurance Vie", a subsidiary of BNP Paribas Cardif, in respect of its general funds (hereinafter Cardif Assurance Vie).

2) Exercising the right to vote at general meetings

Cardif Assurance Vie votes at the general meetings of companies directly held in its general funds.

Voting rights are exercised in accordance with the principles set out in the "Shareholder Engagement Policy".

1.1) Use of the ISS vote advisor

Cardif Assurance Vie relies on the expertise of a world leader in advice and services for the exercise of voting rights: *ISS – Institutional Shareholder Services*.

Cardif Assurance Vie's management team uses the internet platform of the consulting and service provider ISS. This platform allows the analysis and expression of resolutions as well as the monitoring of votes at general meetings.

ISS's analysis and advice are support for decision-making. Voting on resolutions is not delegated and may be different from the ISS advice. Cardif Assurance Vie is responsible for voting, in accordance with the general principles of its voting policy and taking into account the specific characteristics of each company.

2.2) General Description

In 2022, Cardif Assurance Vie voted on 2,976 resolutions out of the 3,009 voted (98.90%), i.e. 149 of the 150 ballots (99.33%) relating to the 59 general meetings held in 2022 for listed companies in the scope. In terms of market capitalization, Cardif Assurance Vie exercised its voting rights on 99.82% of the companies held.



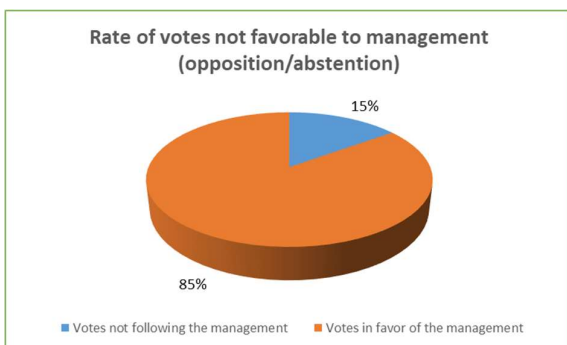
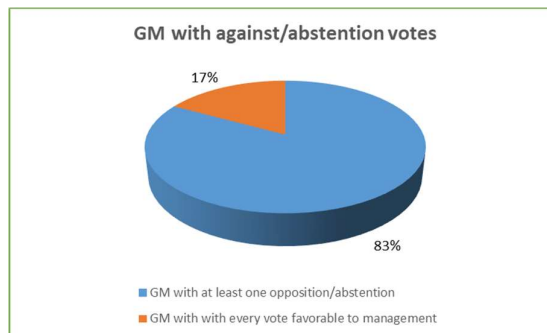
Cardif Assurance Vie may not exercise its voting rights, in particular, in the following cases:

- Short-term investments for which Cardif Assurance Vie does not intend to hold positions beyond a short time horizon;
- In exceptional situations of turbulent markets for securities where the country of registration imposes the blocking of the securities (absence of the "record date" principle);
- If the system for collecting information and exercising voting rights ("proxy voting" or conservative tool) is defective;
- In the case of complex POA (*Power of Attorney*) proceedings.

In 2022, none of these situations occurred and Cardif Assurance Vie voted at all general meetings. However, a vote on a ballot could not be taken into account due to a technical problem, which reduced the voting rate to 99.33%.

2.3) Balance of votes cast

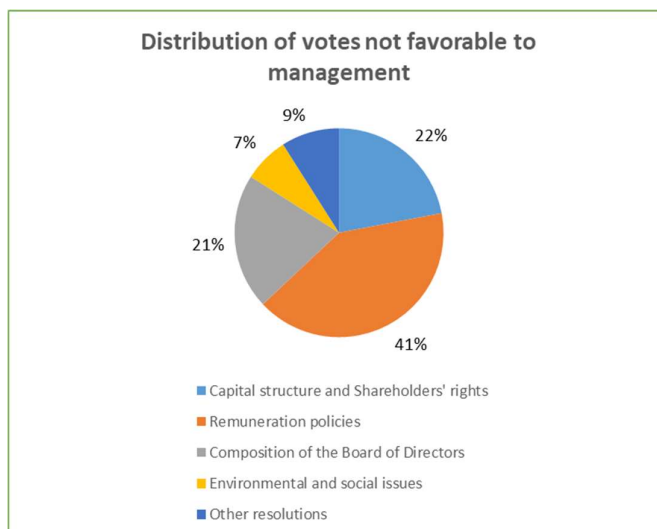
In 49 of the 59 general meetings in which Cardif Assurance Vie participated, the insurer voted against management or abstained from supporting it for at least one resolution, i.e. 83% of general meetings.



Of the 2,976 resolutions registered, 439 votes were not in favor of management, i.e. 15% of the resolutions registered.

These 439 votes mainly concern the issues of remuneration policy, capital structure and shareholders' rights, and the composition of the boards of directors.

7% of resolutions are related to environmental or social issues.



The main scenarios that emerged most often, for each category, were as follows:

REMUNERATION POLICIES

% Votes against management or abstention: 24% of the votes cast on this theme

Type of resolution most often voted against or abstained from:

- Discharge to the remuneration report for the past financial year
- Validation of the remuneration policy

Reasons for not giving a favorable vote and thus sending a signal to management for an improvement of practices:

- Amounts deemed excessive in relation to the performance of the company in question or disproportionate to peers, all other things being equal;
- Descriptions and quantifications of the various objectives to be achieved are insufficiently transparent;
- Non-binding remuneration criteria that may allow for payment in the event of failure, or that are not sufficiently or explicitly oriented towards the long term;
- No ESG component in the remuneration criteria.

SHAREHOLDERS' RIGHTS - EQUITY ISSUANCE AND BUYBACK PROGRAMS

% Votes against management or abstention: 24% of the votes cast on this theme

Type of resolution most often voted against or abstained from:

- Capital increase without preferential rights
- Capital increase with preferential rights

Reasons for not giving a favorable vote and thus sending a signal to management for an improvement of practices:

- Excessive dilution of existing shareholders for requests for capital increases without preferential subscription rights of more than 5% of the share capital or more than 20% in the event of authorization requested with a specific objective;
- Authorizations requested exceeding 50% of the share capital with or without preferential rights;
- Anti-takeover measures.

COMPOSITION OF THE BOARD OF DIRECTORS

% Votes against management or abstention: 15% of the votes cast on this theme

The purpose of this group of resolutions is to elect or re-elect the various members of the Board of Directors and its subcommittees (most often audit, appointments, compensation). Nominations and votes are usually made for each member individually.

Reasons for not giving a favorable vote and thus sending a signal to management for an improvement of practices:

- Boards or committees deemed insufficiently independent;
- Failure to comply with our recommendations in terms of diversity in the composition of the board;
- No separation of the roles of Executive Director and Chairman of the Board of Directors.

ENVIRONMENTAL & SOCIAL RESOLUTIONS

% Votes against management or abstention: 10% of the votes cast on this theme

Type of resolution most often voted against or abstained from:

- Discharge to management for the management of the past year. This type of resolution is put to a vote by the management and aims to strengthen its legitimacy with the approval of a wider shareholder base of its business;
- Climate Resolutions (cf. section 2.4) ;
- Resolutions put to a vote on the initiative of a group of shareholders;

Reasons for not giving a favorable vote and thus sending a signal to management for an improvement of practices:

- Refusal to give discharge to management in the event of insufficient management of environmental, societal or governance risks;
- Existence of past unresolved controversies or emergence of new high controversies;
- Absence or inadequacy of extra-financial reporting, especially compared to industry standards;
- Resolutions proposed by shareholders are analysed on a case-by-case basis. Cardif Assurance Vie supports the initiatives of shareholder groups when their requests are not already sufficiently considered by the company.

2.4) Focus : « Say on Climate »

"Say on Climate" climate resolutions are gaining prominence at company shareholders' meetings. Inspired by the "Say on Pay", the vote on executive compensation at general meetings, the "Say on Climate" consists of including a shareholder vote on its climate strategy on the agenda of a company's general meeting.

At least, these resolutions must include clear greenhouse gas reduction targets, present the specific actions implemented by the company to achieve its objectives and demonstrate the robustness of governance to address climate issues.

In 2022, 3 companies in the relevant area submitted their climate strategy to the vote. In 2 cases, Cardif Assurance Vie objected to the validation of the plan proposed by the management, which was deemed insufficiently complete.

3) Dialogue with companies

In 2021, BNP Paribas Cardif joined the signatories of *Climate Action 100+* who are collectively mobilizing to call on the world's largest emitters of greenhouse gases to take the necessary measures to fight climate change. This initiative is in line with the BNP Paribas Group's climate strategy and Cardif Assurance Vie's responsible approach.

The objective of this initiative is threefold: to encourage companies to set up governance on climate change risks; encourage them to set greenhouse gas emission reduction targets consistent with the Paris Agreement and promote transparency in climate-related financial disclosures.

Twice a year, *Climate Action 100+* publishes a ten-point "*benchmark*". For each indicator, the company engaged can receive a rating of "*compliant*", "*partially compliant*" or "*non-compliant*". The benchmark therefore forms the basis of the various commitments, as it makes it possible to assess the performance of each issuer, the choice of priority topics and the company's progress on each of the ten topics.

In 2022, Cardif Assurance Vie is co-leader in the commitment of 3 major European companies: Stellantis, Saint-Gobain and Iberdrola.

Regarding Stellantis, several contacts with the company were necessary in 2022 in the absence of an energy transition plan for this entity, resulting from the merger of PSA and FCA... This plan was published in March 2022, which improved Stellantis' rating for 7 indicators of the 2022 benchmark. Stellantis is now "*compliant*" with its 2050 Net Zero ambitions (indicator 1) and long-term greenhouse gas (GHG) reduction targets (indicator 2). It is "*partially compliant*" with medium- and short-term GHG reduction targets (indicators 3 and 4), the decarbonisation strategy (indicator 5), climate governance (indicator 8) and the alignment of disclosure with climate issues according to the recommendations of the Task Force on Climate-related Financial Disclosures TCFD (indicator 10).

Regarding Saint-Gobain, the 2022 work made it possible to obtain the "*compliant*" rating concerning the alignment of "*disclosure*" with climate issues according to the recommendations of the TCFD (indicator 10). Various discussions with management also highlighted the need for improved transparency and communication on climate lobbying activities (indicator 7, "*non-compliant*") and on the alignment of future investments (CAPEX) with their emissions reduction plan (indicator 6, "*non-compliant*").

For Iberdrola, the 2022 benchmark improved the rating in several aspects compared to 2021. The publication of Net-Zero ambitions by 2050 (indicator 1), the short-term emissions targets before 2025 (indicator 4) and the alignment of the "*disclosure*" with climate issues according to the recommendations of the TCFD (indicator 10) are now "*compliant*". "*Climate lobbying*" activities were also a topic discussed during discussions with management, although no journal has been published to date. This topic will be on the agenda of Cardif Assurance Vie's commitment in 2023.

Cardif Assurance Vie is also a signatory of the *Carbon Disclosure Project* ("CDP"), thus supporting the initiative. CDP promotes the transparency of companies' environmental data. Each year, the association collects data using questionnaires to gather information on companies' greenhouse gas emissions, supply chains, water management or forest management.