

REPORT ON THE IMPLEMENTATION OF THE SHAREHOLDER ENGAGEMENT POLICY



2024



CARDIF LUX VIE
BNP PARIBAS GROUP

The insurer
for a changing
world

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1. EFFECTIVE SCOPE

This document applies to the legal entity “Cardif Lux Vie” for its general fund in euros.

2. EXERCISE OF VOTING RIGHTS AT GENERAL MEETINGS

Cardif Lux Vie votes at the general meetings of companies directly held in its general fund. Voting rights are exercised in accordance with the principles set out in the “Shareholder Engagement Policy”.

2.1. USE OF THE ISS VOTING ADVISOR

Cardif Lux Vie relies on the expertise of a global leader in voting advisory and services: ISS - Institutional Shareholder Services.

The online platform of the advisory and service provider ISS, which the management team can access, enables the analysis of resolutions as well as the exercise and monitoring of votes at general meetings (“GMs”).

ISS’s analysis and recommendations serve as support for decision-making. However, voting on resolutions is never delegated and may differ from ISS’s advice. Only Cardif Lux Vie is responsible for the vote, in compliance with the general principles of its voting policy and taking into account the specific characteristics of each company.

2.2 GENERAL DESCRIPTION

In 2024, Cardif Lux Vie voted at 53 AGMs out of 56 listed companies directly held within the scope of application.

These votes represent 1,066 resolutions out of the 1,192 put to the vote (i.e. 99.8%).

	PUT TO VOTE	VOTED	PERCENTAGE
General Meeting	56	53	94,9%
Resolutions	1192	1066	89,4%

The GMs at which Cardif Lux Vie does not vote fall into the following categories:

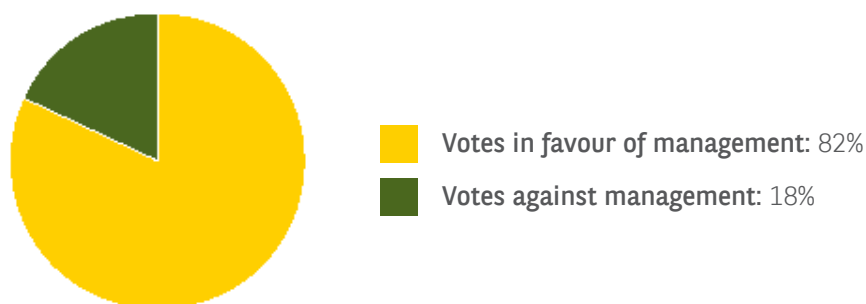
- Short-term investments, for which BNP Paribas Cardif does not intend to hold positions beyond a short time horizon;
- New investments for which the insurer has not yet decided on the nature and duration;
- In exceptional situations of market turmoil for securities whose country of registration imposes a block on securities (absence of the record date principle);
- If the information collection and voting rights exercise mechanism (proxy voting or custodian tool) fails;
- In the case of complex POA (Power of Attorney) procedures.

2.3. GUIDANCE AND EXPLANATION OF THE VOTES CAST

In 42 of the 53 general meetings voted on, Cardif Lux Vie voted against or abstained from supporting at least one of the resolutions proposed by management (79% of the total).

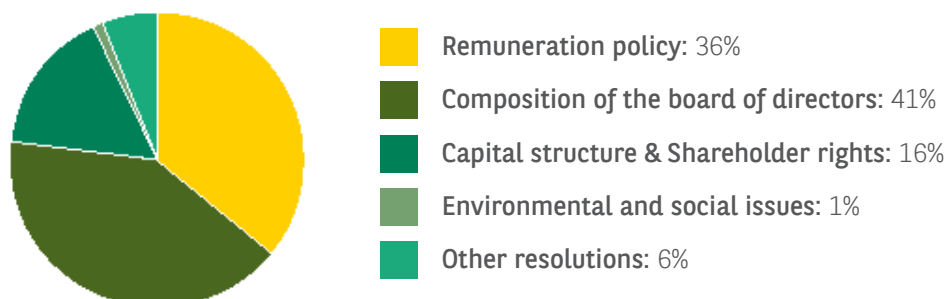
Of the 1,066 resolutions recorded, Cardif Lux Vie approved 82% of company resolutions, abstained in 4% of cases, and voted against management in 14% of cases.

PERCENTAGE OF VOTES AGAINST MANAGEMENT (OPPOSITION/ABSTENTION)



Cases of non-compliance with management recommendations mainly relate to remuneration policy, capital structure and shareholder rights, the composition of the board of directors, and discharge of management for the past financial year.

DISTRIBUTION OF VOTES AGAINST MANAGEMENT (OPPOSITION/ABSTENTION)



This year, the most common scenarios for each category are as follows:

REMUNERATION POLICIES

Type of resolution most often subject to a vote against or abstention:

- Approval of the remuneration policy;
- Approval of the remuneration of a member of the board of directors.

Reasons for not voting in favour, thereby sending a signal to management to improve practices:

- Amounts deemed excessive in view of the performance of the company concerned 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 payment in the event of failure, or that are not sufficiently or explicitly geared towards the long term.
- The vesting period for stock options or free shares is considered too short, or the conditions for exercising them are subject to change.

SHAREHOLDER RIGHTS - SHARE ISSUANCE AND BUYBACK PROGRAMMES

Type of resolution most often subject to a vote against or abstention:

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

Reasons for not voting in favour, thereby sending a signal to management to improve practices:

- Excessive dilution of existing shareholders through capital increases without preferential subscription rights of more than 5% of the capital, or more than 20% in the event of authorisation requested for a specific purpose;
- Authorisations requested exceeding 50% of the share capital, with or without preferential rights;
- Potential anti-takeover measures.

BOARD OF DIRECTORS

This resolution group concerns the election or re-election of the various members of the Board of Directors and the sub-committees (most often Audit, Nominations, Remuneration) established by each Board of Directors. Nominations and votes are generally carried out for each director individually.

Reasons for not voting in favour, thereby sending a signal to management to improve practices:

- Boards or committees deemed insufficiently independent;
- Failure to meet the criteria of BNP Paribas Cardif's voting policy regarding diversity in the composition of the Board.

RESOLUTIONS ON ENVIRONMENTAL AND SOCIAL ISSUES

Type of resolution most often subject to a vote against or abstention:

- Discharge granted to management for the past year's operations. This type of resolution is submitted to a vote by management and is intended to strengthen its legitimacy with the approval of a broader base of shareholders in its operations.
- Resolutions submitted to a vote at the initiative of a group of shareholders, when these resolutions are not suited to the company's specific circumstances or express a request that is already met in practice.

In addition, Cardif Lux Vie does not grant a favourable vote in cases of unresolved past controversies or new controversies.

FOCUS: "SAY ON CLIMATE"

"Say on Climate" involves adding a shareholder vote on a company's climate strategy to the agenda of its General Meeting. At a minimum, these resolutions must include clear greenhouse gas reduction targets, outline the specific actions taken by the company to achieve its targets, and demonstrate robust governance to address and manage climate-related issues.

In 2024, three companies (within the relevant scope) submitted their climate strategy to a vote. Cardif Lux Vie voted in favour of approving the proposed plans for two of them and voted against one.

3. DIALOGUE WITH COMPANIES

In 2021, Cardif Lux Vie, through BNP Paribas Cardif, joined Climate Action 100+, a group of companies that are collectively calling on the world's largest greenhouse gas emitters to take the necessary steps to combat climate change.

This initiative is part of the BNP Paribas Group's climate strategy and Cardif Lux Vie's responsible approach. The aim of this initiative is threefold: to encourage companies to establish governance over climate change-related risks; to encourage them to set greenhouse gas emission reduction targets consistent with the Paris Agreement; and to promote transparency in financial information relating to the implementation of energy transition plans.