

# Annual report on the implementation of the shareholder engagement policy

## Financial year 2022

Pursuant to the provisions of Article L.533-22 of the French Monetary and Financial Code and Articles 314-100 to 314-102 and 319-21 to 319-23 of the AMF General Regulation, we hereby present our report for the 2022 financial year on the conditions under which Covéa Finance decided to exercise the voting rights attached to the securities held in the portfolios of the UCITS, AIFs and mandates that it manages.

Within the framework of its Shareholder engagement policy document, Covéa Finance had committed itself for the sixteenth year of mandatory voting for portfolio management companies to vote in accordance with the following criteria:

- to vote on 100% of the companies in which we hold at least 0.5% of the capital and on 100% of the scope of our environmental themed funds and our SRI-labelled funds as at 31 December 2021 (unless these securities were sold on the date of the General Meeting);
- to take into account only bearer securities.

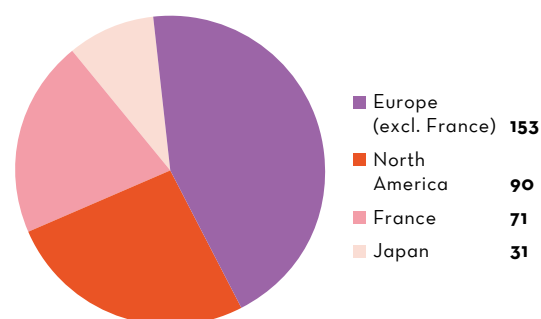
In total, this scope represents approximately 95% of the equity holdings as at 31 December 2021 in the portfolios of our collective investment undertakings and mandates combined, unless these securities were sold on the date of the General Meeting.

Covéa Finance uses services provided by proxy advisers. Covéa Finance relies on the analysis by Institutional Shareholder Services (ISS) of the resolutions tabled at the General Meeting (GM), based on the requirements formulated by Covéa Finance in its shareholder engagement policy.

## 1. Votes cast at general meetings

As at 31 December 2022, Covéa Finance exercised its voting rights at 348 general meetings, including 71 French general meetings, 153 in Europe (outside France, i.e. the countries of the European Union, the United Kingdom, Norway and Switzerland) and 90 in North America.

### Votes cast at general meetings in 2022 by country

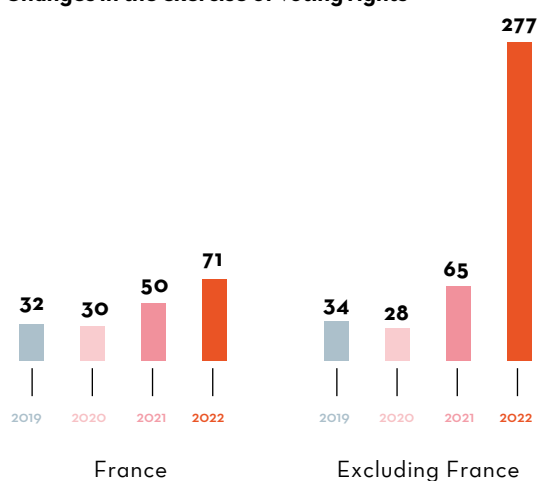


Sources: ISS; Covéa Finance.

As part of the overhaul of Covéa Finance's shareholder engagement policy initiated in 2016 and continued in 2017, 2018, 2019, 2020, 2021 and 2022, the company decided to set up an in-depth and personalised shareholder dialogue with the various companies in the voting scope.

Moreover, as part of the standardisation of its procedures, Covéa Finance decided not to vote at General Meetings that result in lock-up periods.

### Changes in the exercise of voting rights



Sources: ISS; Covéa Finance.

As at 31 December 2022, the total number of companies in which Covéa Finance had voting rights stood at 515, representing a volume of listed shares of €11,983,207,738.00, provided that the shares on the date of the General Meeting scheduled in 2022 were included in the portfolio of a mandate, an AIF, or a UCITS. The number of companies in the company's chosen voting scope as at 31 December 2022 was 370.

For the sixteenth year of mandatory voting, Covéa Finance changed the criteria for its voting scope as defined in its "Shareholder Engagement Policy", thereby significantly increasing its exercise of voting rights.

Participation rate (at year-end)	348/515
Rate restricted to the scope defined by the fund management company (at the beginning of the year)	337/369

## 2. Breakdown of votes

Resolutions for	4,969
Resolutions against	905
Abstentions	82
Total number of resolutions voted	5,956
Out of a total number of approved resolutions of	5,737
Resolutions not approved by the Board-vote for	106
Resolutions not approved by the Board-vote against	79
Resolutions not approved by the Board-vote Abstain	34

Note: Approved resolutions = resolutions previously validated by the Board of Directors.

Non-approved resolutions = resolutions for which the Board of Directors issued a negative recommendation or did not issue a prior opinion.

### 3. Reasons for negative votes

(including votes “against” the approved resolutions and votes “for” the non-approved resolutions)

Subject of resolutions	France	Europe** (excluding France)	Rest of the world
Appointment of the members of the Board of Directors or Supervisory Board	98	100	26
Appointment and remuneration of statutory auditors	-	-	-
Amendments to the Articles of Association having a negative impact on the rights of shareholders	-	-	-
Formalities and other reasons	29	70	-
Capital transactions considered as an anti-takeover mechanism*	178	16	1
Financial transactions/mergers	-	-	-
Management remuneration and employee share ownership	164	120	50
Employee shareholding	1	0	-
Approval of financial statements and allocation of earnings	-	-	-
External resolutions (not approved by the Board)	4	12	36

\* The transactions taken into account are the following: delegations to the Board to issue warrants; authorisations concerning share buybacks of up to 10%; amendment to the Articles of Association concerning double voting rights, etc.

\*\* Europe = European Union member countries + United Kingdom, Norway, Switzerland.

#### Cases in which Covéa Finance was unable to comply with the principles set out in its “Shareholder Engagement Policy” document:

In 2022, Covéa Finance voted four times in contradiction with its Shareholder Engagement Policy. In three cases: Chevron, Deere & Company and Siemens Gamesa, our external proxy adviser changed their proxy analysis and voting recommendations after Covéa Finance exercised its voting rights (automatic votes). In one case, Kemira Oyj, the analyst identified an irregularity in the external proxy adviser’s proxy analysis and voting recommendations and informed them of this, but the change in the external proxy adviser’s proxy analysis and voting recommendations was made after Covéa Finance had exercised its voting rights.

Covéa Finance will provide shareholders with details of the votes on request.

**Cases in which Covéa Finance found itself in a conflict of interest situation:** None.

Note: This report does not cover the strategic holdings of the Covéa Group.