

SHAREHOLDER ENGAGEMENT POLICY



2025

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Covéa Finance is subject to the French Monetary and Financial Code, Article L533-22 of which was supplemented following the transposition of the Shareholder Rights Directive¹. The latter came into force through decree 2019-1235 published in November 2019.

The text requires eligible entities (portfolio management companies) to formalise and publish a shareholder engagement policy and then to report annually on the implementation of this policy. The policy must describe “how the company integrates its role as a shareholder into its investment strategy”. It is based in particular on the following existing elements:

- The sustainability risks and ESG policy
- The exclusion policy

(N.B.: the voting policy and the engagement policy linked to ESG as an investor are dissolved and merged with the new shareholder engagement policy in June 2020).

Pursuant to Article R 533-16 §1 of the French Monetary and Financial Code², the shareholder engagement policy must include six elements:

1. Monitoring of the strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance;
2. Dialogue with companies held;
3. Exercising voting rights and other rights attached to shares;
4. Cooperation with other shareholders;
5. Communication with relevant stakeholders;
6. Prevention and management of actual or potential conflicts of interest in relation to their commitment.

01

Description of Covéa Finance's shareholder engagement policy

Monitoring of the strategy, financial and non-financial performance, risks, capital structure, social and environmental impact and corporate governance:

- Covéa Finance publishes a policy on sustainability risks and ESG that describes how companies' financial and non-financial performance are taken into account, with a balance between the three Environment, Social and Governance pillars. The policy is available online on the website: <https://www.covea-finance.com/our-reports-and-politics>
- Covéa Finance takes into account, in the analysis of private issuers, the company's strategy, financial and non-financial performance, financial and non-financial risks and capital structure, as well as all stock market and accounting parameters within listed and unlisted companies in making its investment decisions. This is reflected in the analyses carried out internally by the management and research teams.

The cross-checking of financial and non-financial data provides a broader understanding of the fundamentals, outlook and risks of the securities in the portfolio.

a. Working groups

Covéa Finance contributes to industry debate through its participation in the work of the professional federations of which it is a member or as a member of working groups (AFG, Paris Europlace and France Assureurs).

b. Dialogue with companies held in the portfolios:

Covéa Finance formalised its approach to shareholder dialogue around the following elements:

- A definition: Shareholder dialogue is a policy-coordination tool to support the integration of ESG criteria into the investment process.
- Associated objectives: to promote shareholder dialogue as the main channel and lever of influence to promote the best ESG practices within companies; and to enable a better understanding of the non-financial risk and the financial and non-financial performance of a company or an asset portfolio
- Les éléments liés à ce dialogue actionnarial sont rendus publics dans notre rapport annuel ESG.

Currently, several types of shareholder dialogue are carried out by the Analysis team:

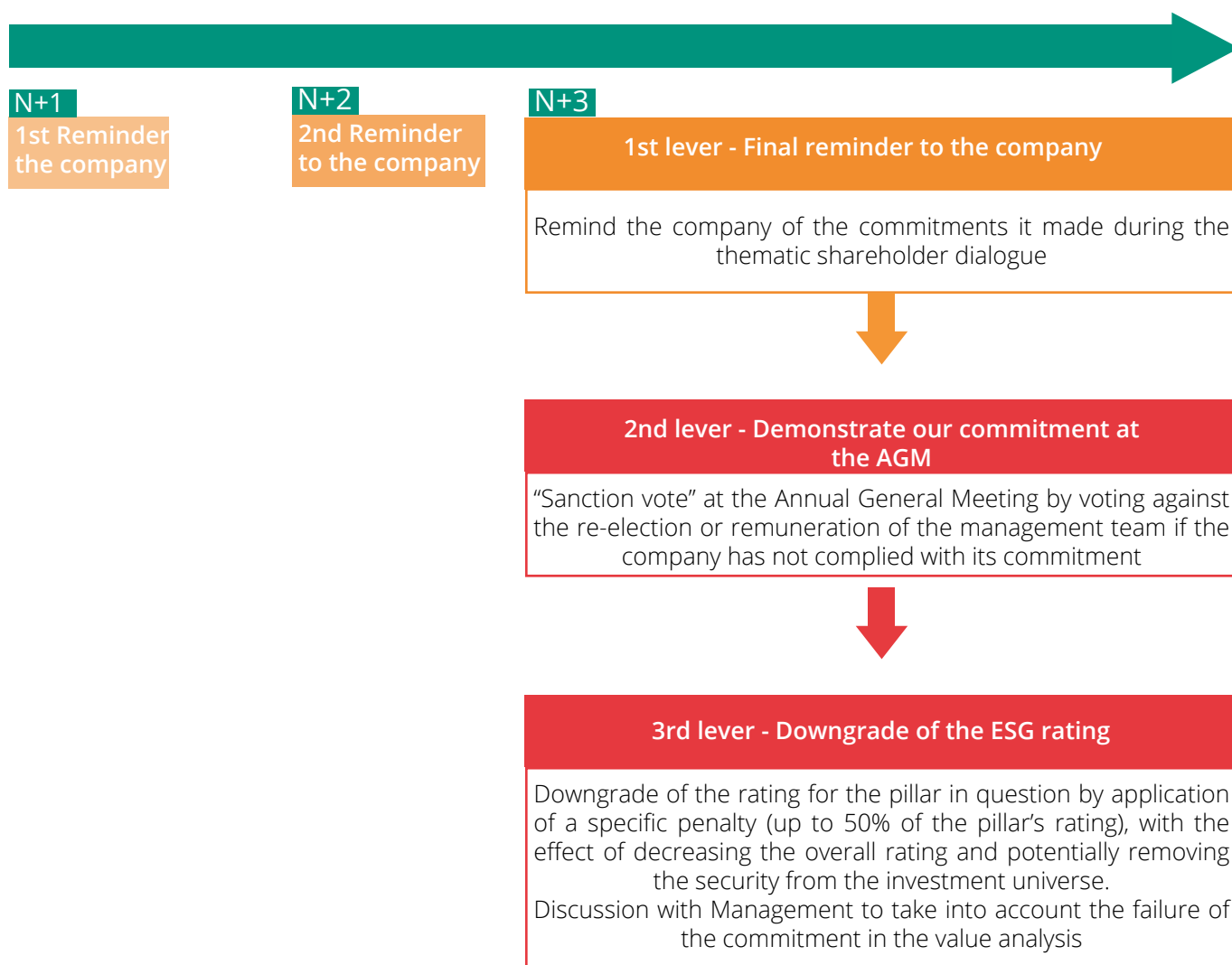
	1	2	3	4
DIALOGUE TYPE	Structured dialogue (standard questionnaire, pre-AGM/AGM dialogue, etc.) or meetings during the analysis of a security	Dialogues under the Exclusion Policy, including dialogue organised following the identification of critical controversies	Thematic investor engagement	Dialogue regarding labels
TEMPORALITY	Every year for the questionnaire / all year round for the securities analysed	Every year/all year round for critical controversies	Every year for new commitments with 3-year follow-up	In accordance with the label's requirements
OBJECTIVE	Obtain information and raise awareness about ESG issues	Monitor commitments in relation to the sectors and themes covered by the exclusion policy/dialogue about the controversy	Company commitment to the targeted E, S or G theme	In accordance with the label's requirements

In 2024, a shareholder engagement approach continued to be applied, going beyond the dialogue already in place by inviting target companies to improve their practices in terms of transparency and the impact of their activities on certain selected non-financial themes.

This thematic engagement is long-term, based on a structured approach and long-term monitoring. A control is carried out after three years to give companies time to implement the requested measures or improve their reporting accordingly.

The companies targeted for thematic engagement are selected according to the priority E, S and G topics identified with regard to the materiality of the topic in their business and the presence of these companies in our portfolios.

Different levers in the event that thematic shareholder engagement is unsuccessful in N+3:



Covéa Finance's approach and various types of dialogue may be presented by several committees: the Management Committees, the Sustainability Events and Investor Engagement Committee (CEDEI), the Risk Committee or the Operational Executive Committee.

02 Updating of the policy

Covéa Finance's shareholder engagement policy is reviewed annually and submitted to Covéa Finance's Executive Committee (CODIR) for approval.

The implementation of this policy takes account of the service provider's recommendations and is reviewed annually by the Management and Analysis teams to ensure that it is consistent with the shareholder engagement policy approved by Covéa Finance's Executive Committee.

03 Transparency on Negative Impacts

- The following elements present the conditions under which we exercise the voting rights attached to the securities held and/or acquired by Covéa Finance as part of its collective management (UCITS) and individual mandate management activities.
- Excluded from the scope of voting rights exercise are the securities of companies directly held by entities of the Covéa Group that have set up a financial management mandate with Covéa Finance and are considered «strategic» as such.
- Through the exercise of voting rights, we aim to enforce good corporate governance practices and thereby promote long-term value creation for our clients' investments.
- The exercise of voting rights is part of Covéa Finance's approach to integrating environmental, social, and governance (ESG) criteria into its asset management.
- We carry out our functions independently of issuers and in the best interest of our clients.

1. Exercising voting rights

Organisation of the company enabling it to exercise its voting rights

Nous exerçons le droit de vote de nos clients :

- Via an electronic platform
- by correspondence for France;
- in exceptional cases through effective participation in meetings;

Votes cast via the electronic platform fall into two categories:

- mass votes applying the rules set out in our policy
- votes cast on a case-by-case basis, which, under the rules set out in our policy, are subject to more in-depth analysis by Covéa Finance

Members of the Analysis team, based on a collegial organisation, analyse these resolutions put to vote and propose voting instructions in compliance with the principles set out in this document.

These proposals are validated by the Head of Financial and Non-Financial Analysis, the Head of Research or the Deputy Chief Executive Officer in charge of management. The analysts vote in line with the voting instructions via the aforementioned electronic platform.

Classification and archiving of information

Our provider enables us to meet the traceability requirement imposed by AMF (French Financial Markets Authority) regulations. For each general meeting at which we vote, the following information is available:

- The number of shares held by collective investment undertaking and by mandate on the date of the general meeting;
- La réponse au vote (pour, contre, abstention ; il s'agit toujours d'une abstention en cas de nouvelle résolution présentée en séance) ;
- Les raisons de ces votes lorsqu'il s'agit d'un vote négatif.

This information is available to our principals, shareholders, unitholders or collective investment undertaking investors upon request at Covéa Finance's head office.

2. Principles to which Covéa Finance refers to determine those cases in which the cases in which the voting right will be exercised

Scope of voting at general meetings

Our voting scope (excluding Switzerland and the United Kingdom³) is as follows:

- 90% of our SRI-labelled funds
- 95% of the companies in which we hold at least 0.5% of the capital
- We strive to vote on 90% of the assets held in shares of our UCIs, AIFs and mandates combined, unless these securities are sold on the date of the general meeting.

We reserve the right not to exercise voting rights when we consider that the economic and/or operational cost is contrary to the interests of the unitholders and prohibitive in relation to ownership. This is the case in particular when regulatory or technical provisions are imposed by the regulator or the depositaries, for example in the case of the immobilisation or lock-up of securities.

Covéa Finance will vote in accordance with the principles defined in the *"Appendix – Shareholder engagement policy"*

Special case of resolutions related to ESG:

In particular, Covéa Finance reserves the right to examine any resolution, brought either by the Board of Directors or by a group of shareholders, aiming to improve transparency, governance and stakeholder (employees, environment, etc.) management or that may appear inconsistent with Covéa Finance's ESG policy and/or its exclusion policy.

Cooperation with other shareholders:

Covéa Finance reserves the right to participate in any shareholder coalition it deems relevant.

The prevention and management of actual or potential conflicts of interest in relation to their commitment:

Concerning the exercise of voting rights:

- Covéa Finance reserves the right not to vote on securities issued in countries where the legislation requires the lock-up of the securities so as not to hinder the freedom of management and thus preserve the interests of unitholders.
- Covéa Finance refrains from voting at the general meetings of companies, mainly listed property companies, of which the entities of the Covéa Group hold a fraction of the capital that they consider strategic.
- Covéa Finance may only assist the entities of the Covéa Group in the implementation of administrative formalities for the exercise of voting rights attached to securities held outside management mandates, according to their specific instructions.
- In the event of voting instructions from a principal, Covéa Finance follows this instruction only for securities held for the principal and by dedicated UCIs.
- The right to vote shall be exercised completely independently, in compliance with the principles defined by Covéa Finance in its conflict of interest management policy.
- The portfolio management company's membership of an unlisted group and the absence of banking and advisory activities for issuers are factors that limit the management company's exposure to conflict of interest risk. However, where a conflict of interest is identified, this matter is submitted to the Compliance and Internal Control Officer for a decision on the appropriate course of action. The Executive Committee is consulted on unmanaged conflicts of interest. The management company reports such conflicts in its annual report on the exercise of voting rights.
- Regarding Covéa Finance's operations, reference should be made to the conflict of interest prevention and management policy and code of ethics available at the following address: <https://www.covea-finance.com/our-reports-and-politics>

04 Availability and verification of data quality

The exercise of voting rights and the implementation of Covéa Finance's policy are dependent on the availability of the data provided by its service provider.

In verifying the quality of this data, Covéa Finance will carry out all necessary checks to ensure that its policy (scope, principles, voting instructions, etc.) is applied by its service provider.

05 Distribution and reporting of the shareholder engagement policy

- This shareholder engagement policy is made public on the Covéa Finance website and is mentioned in the same way as the other policies in the ESG report published annually.
- An update on the implementation of the shareholder engagement policy will be presented annually and made available through the ESG report, published on the Covéa Finance website.
- An interactive voting report is available on Covéa Finance's website at the following address: <https://www.covea-finance.com/CommitmentESG>



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