

Annual report on implementation of the shareholder engagement policy

In accordance with the provisions of Article L533-22 of the French Monetary and Financial Code and Articles 314-100 to 314-102 and 319-21 to 319-23 of the General Regulation of the AMF, we hereby present our report for the 2024 financial year on the conditions under which Covéa Finance decided to exercise the voting rights attached to the securities held in the portfolios of its collective investment undertakings, AIFs and mandates combined, unless the securities had been sold by the date of the general meeting.

Under its Shareholder Engagement Policy, Covéa Finance undertook to vote within a defined scope (excluding Switzerland and the United Kingdom*) as follows:

- 90% of the scope of its SRI-labelled funds;
- 95% of companies in which Covéa Finance holds at least 0.5% of the capital.

Covéa Finance endeavoured to vote for 90% of equity holdings as at 31 December 2024 in the portfolios of our collective investment undertakings, AIFs and mandates combined, unless the securities had been sold by the date of the general meeting.

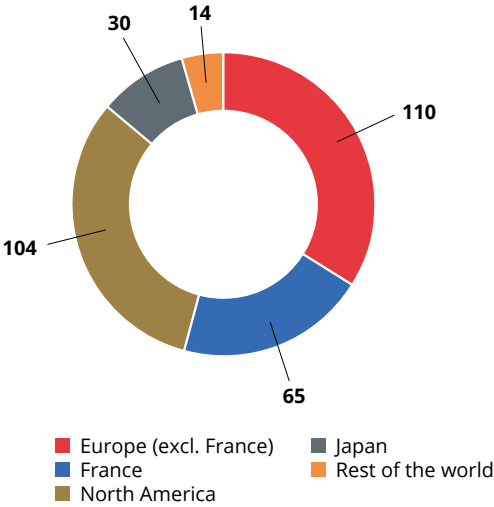
Covéa Finance uses services provided by proxy adviser agencies. Covéa Finance follows the recommendations of the resolutions presented to the general meeting by the firm ISS, supplemented by an assessment by the Financial and Non-Financial Analysis team, in accordance with the rules defined by Covéa Finance in its shareholder engagement policy.

1. Votes cast at general meetings

At 31 December 2024, the total number of companies in which Covéa Finance had voting rights was 375, representing a volume of listed shares of €7,987,843,865. Voting rights may be exercised provided that the shares on the date of the meeting scheduled in 2024 were included in the portfolio of one of the collective investment undertakings and mandates combined, unless the securities had been sold by the date of the general meeting.

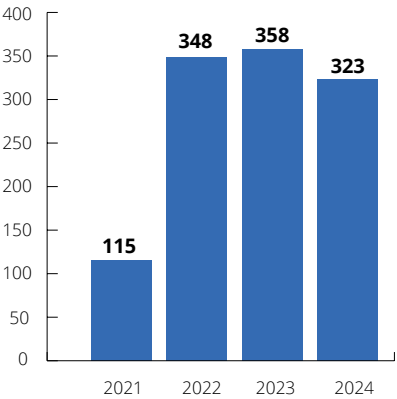
As at 31 December 2024, Covéa Finance exercised its voting rights at 323 general meetings, compared with 358 general meetings as at 29 December 2023.

Votes cast at general meetings in 2024 by region



Sources: ISS, Covéa Finance.

Number of votes cast at general meetings



Sources: ISS, Covéa Finance.

* In these countries, lock-up periods apply when voting rights are exercised. Consequently, Fund Managers decide whether the voting right can be exercised in the interest of the unitholder.

2. Breakdown of votes

Number of resolutions voted "For"	4,033
Number of resolutions voted "Against"	729
Number of resolutions voted "Abstention"	25
Total number of resolutions voted	4,787
Of which resolutions voted in the same direction as the recommendation of the board of directors	4,002
Of which opposition votes*	747
Opposition – vote "For"	63
Opposition – vote "Against"	660
Opposition – vote "Abstention"	24
Of which resolutions where the board of directors abstained	38

* An opposition vote is an "Abstention" or a vote "Against" a resolution supported by the board of directors, but may also be an "Abstention" or a vote "For" a resolution not approved by the board. Resolutions on which the board of directors has abstained from voting are outside the scope of opposition votes. Approved resolutions: resolutions previously validated by the board of directors. Resolutions not approved: resolutions for which the board of directors has issued a negative recommendation.

3. Reasons for opposition against

Categories of resolutions*	France	Europe (excluding France)**	Rest of the world	Total
Composition, appointment, size/attendance fees or other form of compensation of members of the board of directors, supervisory board or equivalent	67	72	76	215
Financial transactions/mergers and anti-takeover measures	133	11	1	145
Executive and employee compensation (excluding employee shareholding)	132	78	61	271
Employee shareholding	2	0	0	2
Formalities and other reasons	23	15	1	39
External resolutions (proposed by shareholders)	0	4	71	75
Total	357	180	210	747

* Within the meaning of the categories defined by the French Asset Management Association (AFG).
** Europe = countries of the European Union (excluding France) plus the United Kingdom, Norway, Switzerland and Jersey.

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

In 2024, Covéa Finance recorded differences between its voting decisions and its Shareholder Engagement Policy at two general meetings:

- Valmet Corporation: a late modification of the recommendation of the ISS data provider regarding the re-election of a director led to a vote contrary to the policy;
- Imerys SA: an operational error led to an incorrect application of Covéa Finance’s voting policy concerning the compensation of the Chief Executive Officer.

Cases in which Covéa Finance found itself confronted by a conflict of interest: none.

The scope of the voting indicators provided is limited:

- to the scope of Covéa Finance’s Shareholder Engagement Policy;
- to companies falling within Covéa Finance’s financial management scope;
- to votes received through the electronic voting platform of ISS.

2024 Internal Control report on the anti-money laundering and counter-financing of terrorism system

This report covers the measures taken by Covéa Finance to combat money laundering and the financing of terrorism (AML-CFT), in accordance with Article 320-20-8 of the General Regulation of the AMF, as amended on 11 September 2019.

Foreword

Covéa Finance is the portfolio management company of Covéa, the umbrella group of the MAAF, MMA and GMF brands. Its fund management policy is characterised by a reasoned approach to the risk/return ratio in an investment process that establishes collegiality as a principle at all levels of decision-making.

As the portfolio management company of the Covéa mutual insurance group (MAAF, MMA and GMF), Covéa Finance manages portfolios of Mandates or mutual funds created in a “dedicated” form, or in an “offered to the public” form.

Covéa Finance provides an individual discretionary management service to Covéa group entities (members of the Group or partners) domiciled in France. To date, Covéa Finance has not carried out any commercial development in this area.

In terms of marketing mutual funds, Covéa Finance is continuing to develop its direct investment offering to professional investors (management companies, private banks, insurers, mutual insurance companies, independent asset management advisers) and also uses intermediated marketing through mutual fund referencing/investment platforms for distribution purposes.

Key developments affecting the AML-CFT system include:

- enhanced due diligence for investments in private equity funds;
- the development of the CRM tool centralising the documentation collected in order to secure KYC files.

Description of the internal control organisation for the AML-CFT and asset freezing systems

Human resources employed

Covéa Finance has entrusted the task of ensuring compliance with the provisions relating to the participation of financial organisations in the fight against money laundering and financing of terrorism to the teams of Ms Nadia Ben Salah, Head of Legal and Compliance and Internal Control and Compliance Officer.

To ensure the continuity of exchanges with TRACFIN, the Compliance team was designated as TRACFIN correspondent and declarant in 2024.

The scope covered includes, on the one hand, the entire control system relating to the fight against money laundering and the financing of terrorism, including legal monitoring and updating of remote training modules for staff, and, on the other hand, the analysis of any suspicious report submitted to TRACFIN.

Training

All new employees follow an onboarding programme incorporating training in our anti-money laundering system, held remotely.

In addition, specific presentations with a restricted panel of employees (depending on the subjects and the AML-CFT risk associated with the business activity, such as unlisted investments) were also held throughout the year (e.g. specific training for the management of the Luxembourg SICAV).

Internal control procedures put in place based on the assessment of the risk of money laundering and the financing of terrorism

Risk classification

Covéa Finance relies on public information and official lists (FATF, European and French) identifying significant country risk in order to integrate this element into its AML-CFT risk assessment process.

To this end, Covéa Finance has an AML-CFT procedure including a risk classification by process relating to the fight against money laundering and the financing of terrorism, supplemented by:

- a classification of AML-CFT risks relating to “liabilities”, used as a benchmark when applying the assessment process. This assessment is performed for each business relationship using a risk-based approach (legal status, country, etc.);
- a classification of AML-CFT risks regarding the asset to determine the risks associated with investments made in the portfolios according to various criteria: characteristics of the market, whether regulated or otherwise, nature of complex or non-complex products, country of the issuer, direct or indirect investment in countries listed by the FATF or non-cooperative countries, etc.

Procedures

The methodology for assessing the risk of money laundering and the financing of terrorism is described in Covéa Finance’s AML-CFT procedure. The procedure was updated in June 2024 and is adapted to Covéa Finance’s methods of maintaining the register of mutual fund units, type of clients and asset classes.

The procedure notably sets out the KYC and KYI requirements as well as the supporting documents to be collected as part of the due diligence conducted according to the level of vigilance determined for the business relationship (prior to entering into the relationship then throughout the relationship).

It also describes the due diligence to be carried out on investments made directly or as part of the multi-management activity (including private equity).

The procedure describes the system for monitoring transactions and the procedure to be followed in the event of a suspicious transaction report.

The key concepts of “Country Lists”, “Reporting Entities”, “Beneficial Owners” and “Politically Exposed Persons” are also addressed in the procedure.

The procedure also specifies the measures taken for staff recruitment and the training provided to all the company’s employees.