

2024 ENGAGEMENT REPORT

2024 REPORT

APRIL 2025

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Voting and engagement reports: SRI-labelled funds

“A committed investor”

The LBP AM Group's development strategy was reinforced in July 2023 by the acquisition of La Financière de l'Echiquier (LFDE). We, LBP AM and La Financière de l'Echiquier (LFDE) — i.e. **the LBP AM Group** — **have made the strategic choice of an active involvement with our stakeholders, to encourage them to a process of continuous progress in the management of sustainability issues.**

The LBP AM Group has made the strategic choice of responsible investment, to offer a range of financial products that combine meaning and performance. Over and above our internal conviction, our customers, both retail and institutional, expect us, as a responsible investment manager, to conduct an active and constructive dialogue with the companies in our portfolios to support improvements in their environmental, social and governance policies and practices.

The LBP AM Group is actively involved with many of the companies we support financially through our investment decisions. The aim is to encourage them to make continuous progress in managing risks and sustainability issues. This dialogue is a vector for the climate performance of our portfolios and a lever for implementing our ambition to make our portfolios carbon neutral, thus forming an integral part of the LBP AM Group's Transition plan.

The terms and main objectives of our engagement policy are set out in our public engagement and voting policies. They are also based on the LBP AM Group's thematic ESG policies, which specify and define the technical expectations for these specific issues and sectors.

In addition to the companies it invests in, the LBP AM Group also engages with other stakeholders: public authorities, financial regulators or professional organizations, ESG data providers, and fund management companies in the context of fund selection.

In accordance with Articles D.533-16-1 and R. 533-16 of the French Monetary and Financial Code, **we are publishing our engagement report for the 2024 financial year, in order to report to our customers and stakeholders on the dialogue and engagement actions carried out, as well as the application of our voting rights.** This report covers the voting and engagement actions conducted in 2024 for LBP AM and its subsidiary LFDE.

ENGAGEMENT, A CORNERSTONE OF OUR RESPONSIBLE INVESTMENT APPROACH

1.

A global engagement policy, based on the GREAT philosophy and thematic ESG policies

1.1. Our objectives

Engagement is the practice of encouraging companies to improve their sustainability policies and practices (i.e. on Environmental, Social and Governance issues), by engaging with them to understand their practices and challenges and suggesting areas for improvement.

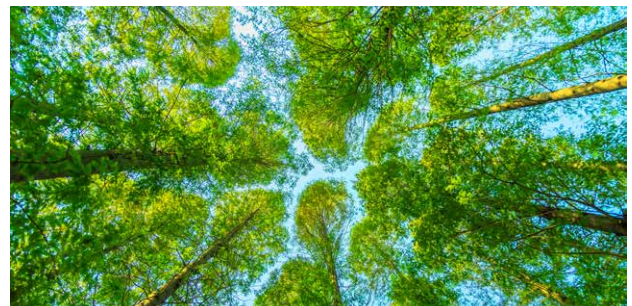
The LBP AM Group is convinced that, alongside other stakeholders (employees themselves, trade unions, civil society, NGOs, etc.), responsible investors have a role to play in supporting companies on their path towards sustainable practices. This is why **our engagement policy is one of the levers we use to implement our action as a responsible investor**, complementing the other levers of ESG selection and exclusion.

The dialogue we engage in with companies takes two forms:



ESG
dialogues

Aim is to **gain a better understanding of companies' policies and practices to strengthen the analyses conducted by our teams**. This dialogue with issuers aims to gather additional information or refine our understanding of published sustainability data.



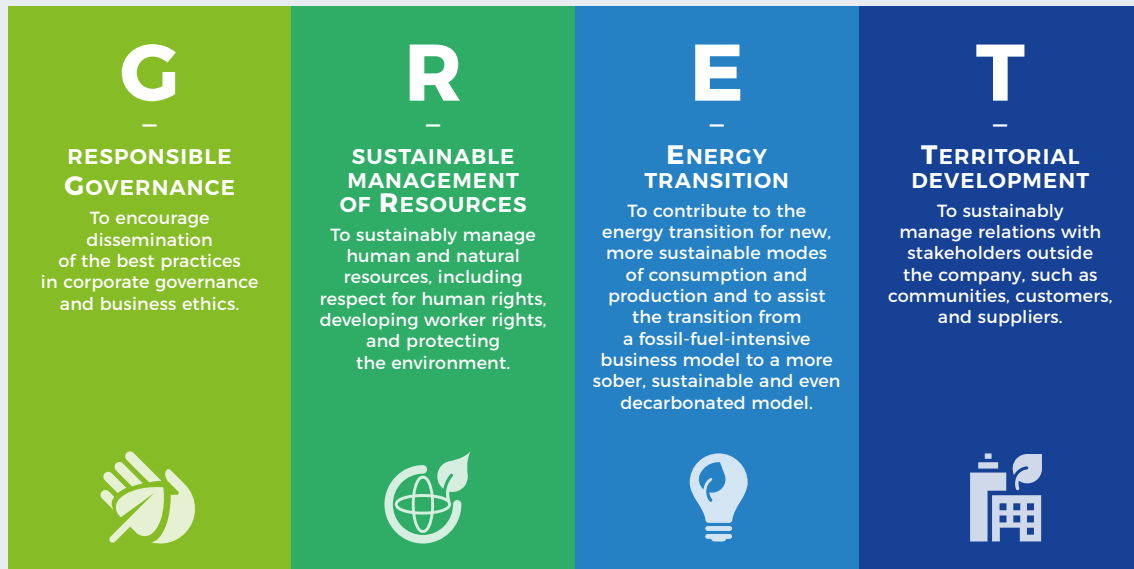
ESG
engagement

Aim is to **encourage the integration of sustainable development issues into corporate strategy**, the formalization of robust policies contributing to the prevention of ESG risks, and their implementation in companies' operational practices, as well as the reinforcement of companies' transparency with regard to ESG policies, objectives and results. In this way, we transmit **realistic, measurable and controllable areas of progress on the ESG subjects** defined by the LBP AM Group, in application of our engagement themes. A timeframe is predefined, at the end of which an assessment is formalized and escalation actions decided according to their criticality. These areas of progress are formalized in writing and generally communicated to the company.

1.2. An engagement policy aligned with our thematic ESG policies

In order to establish the key ESG themes for dialogue and engagement with invested companies, and to meet the sustainability objectives of the funds, **our engagement policy is based**, as with our other SRI levers, **on the four pillars of our proprietary ESG analysis method: GREaT**.

THE 4 PILLARS OF THE GREAT METHODOLOGY



This policy describes the procedures for identifying companies to be engaged, the usual procedures for conducting these engagements, the possible escalation strategy in the absence of results, and the ESG themes of engagement. In line with the sustainability objectives of our funds, **our engagement policy is also structured around our ESG thematic policies**, which describe in greater detail our objectives, principles, methods of action, priorities and expectations in relation to these different themes.



DEVELOPMENTS IN ESG THEMATIC POLICIES

At the end of 2023, the ESG thematic policies of LBP AM and LFDE were brought together, with the aim of formalizing policies that meet the highest standards and apply to the entire LBP AM Group. In 2024, the main work focused on:

- ▶ **Voting policy:** a uniform voting policy has been defined and deployed throughout the LBP AM Group. One of the main changes made to the LBP AM Group's voting policy was the introduction, for companies with significant exposure to climate risks, of the possibility of voting against the renewal of the auditor's mandate if the manner in which climate risks and the company's decarbonization trajectory in a 1.5°C scenario were not deemed sufficiently detailed in the assessment of the financial statements. In making this decision, the LBP AM Group relies on the analyses conducted by Carbon Tracker. In application of this principle, the LBP AM Group voted against the renewal of **Shell Plc**'s statutory auditors at the 2024 AGM.
- ▶ **The climate engagement policy with the inclusion of engagement criteria on:**
 - **Adaptation to climate change and resilience to physical risks:** the LBP AM Group encourages companies to understand their risks, reduce them through measures to adapt and increase resilience to climate change, and manage them over time.
 - **The 1.5°C alignment trajectory in the real estate sector:** the Group will gradually commit its existing holdings to this trajectory so that 100% of French real estate holdings in the portfolio are committed to their 1.5°C alignment policy by 2026.
- ▶ **The human rights engagement policy for companies in the oil and gas sector, with the integration of engagement guidelines on four key themes:** human rights policy and governance, just transition, fair consultation and negotiation, and decent working conditions.

Voting and engagement policies are updated every year by the SRI Solutions team, following an activity review, in conjunction with all the key functions involved in their implementation: managers, analysts, lawyers and compliance officers.

1.3. A global policy for all our expertise

The LBP AM Group's **engagement policy** is applied across the LBP AM and LFDE management companies. This means that all companies invested in LBP AM Group portfolios are likely to be involved in ESG issues. **All engagement actions are conducted in the name of the LBP AM Group on behalf of its retail and professional clients.** In the case of securities, **engagements are made in respect of both shares and bonds held by the investee companies**, for all holdings.

Specific engagement strategies apply to certain types of funds, such as LFDE's listed impact funds and SRI-labeled funds (for more details, see engagement policy, section 1.3. "*Funds with specific engagement strategies*").

LFDE'S IMPACT FUNDS

LFDE has set up a system of reinforced engagement with the companies in these funds concerning their impacts and the measurement of their impacts. To encourage these actions, the variable remuneration of the managers of LFDE's impact funds is in part linked to the success criteria of engagement cases linked to the impact thesis of each strategy, the achievement of which is measured over a 3-year period. Further details on the engagements made in the context of the Impact Funds are given in the impact reports published annually on the LFDE website, as well as in the **Impact Doctrine**.

The engagement policy can also cover **real and private assets**, tailored to take account of the specific characteristics of these asset classes. Private debt management teams (corporate, infrastructure and real estate) engage in dialogue with counterparties during the due diligence phase to gather information and deepen their understanding of their ESG practices. In addition, as part of certain strategies, they may negotiate the inclusion of impact indicators in loan contracts to encourage borrowers to improve their practices about the most material environmental and social issues. These engagements are then included in the financial documentation and oblige counterparties to provide annual information.

The engagement policy is supplemented by the terms of exchanges with other types of stakeholders, such as public authorities, financial regulators or professional organizations, ESG data providers, or management companies in the context of fund selection.

2. A cross-functional *modus operandi*, fully integrated with the other stages of the management process

2.1. How we work

We are in regular contact with the management of the companies and CSR teams in which the LBP AM Group invests. These exchanges take place in two ways, sometimes combined:



Bilateral dialogue and engagement

Bilateral dialogue and engagement with company management, at the initiative of the companies or the LBP AM Group teams themselves. We take advantage of these exchanges to present our expectations, determined following an analysis of the company and regarding the practice expectations formulated in our policies. Exchanges can take the form of live dialogue and/or letters/emails formalizing feedback, questions and recommendations from the LBP AM Group.



Collaborative engagement

Collaborative engagement with other investors on a shared issue. The LBP AM Group takes part in joint initiatives when they fall within the scope of its ESG thematic policies. These initiatives can usefully complement the approach initiated at bilateral level, by pooling research elements, providing companies with coherent signals regarding the expectations of responsible investors, and exerting a more considerable influence on companies. The LBP AM Group can play **a supporting or steering role in these initiatives (lead/co-lead)**.

These exchanges can take place in the context of General Meetings (GMs) and controversy management:



Exchanges within the framework of AGMs

Exchanges within the framework of AGMs: exchanges can take place at the initiative of companies wishing to know the opinion of their shareholders prior to their AGM, or at the initiative of the LBP AM Group to encourage companies to align themselves with ESG best practices. Annual General Meetings provide an opportunity for shareholders to express their ESG convictions to companies, for example with regard to remuneration, the composition of the board or the involvement of employees in corporate governance, through the formal exercise of voting rights but also through questions addressed to the company's management.



Exchanges as part of the assessment and management of controversies

Exchanges as part of the assessment and management of controversies: the LBP AM Group may exchange views with companies when it identifies that they are the subject of a controversy, in order to investigate the quality of the policies and procedures implemented by the company on a particular issue and, where appropriate, formulate proposals designed to put an end to and prevent the recurrence of negative impacts of the company's practices, for society and for its own performance.

The LBP AM Group's engagement is a long-term one. The LBP AM Group wishes to assess changes in corporate practices over time, while being aware that the progress observed is often made over time, and may have different motivations (regulatory pressure, internal demand, mobilization of civil society, investor engagement, etc.).

When dialogue does not bear fruit, the LBP AM Group can use additional escalation tools. Our escalation levers fall into three categories: enhanced dialogue, public actions at shareholders' meetings, and actions relating to management practices.

Enhanced dialogue

- **Sending letters** to companies, as a written document often has a greater impact than an oral discussion
- **Collaboration with other investors** or market initiatives (known as collaborative engagement)
- **Voting against resolutions** submitted by the board to the general meeting and explain to the company the reasons for this position

Public actions at AGMs

- **Pre-announcing voting intentions** on general meeting resolutions
- **Submitting written questions** or verbal ones at the general meeting
- **Filing shareholder resolutions** at the general meeting

The LBP AM Group's in-house investment levers

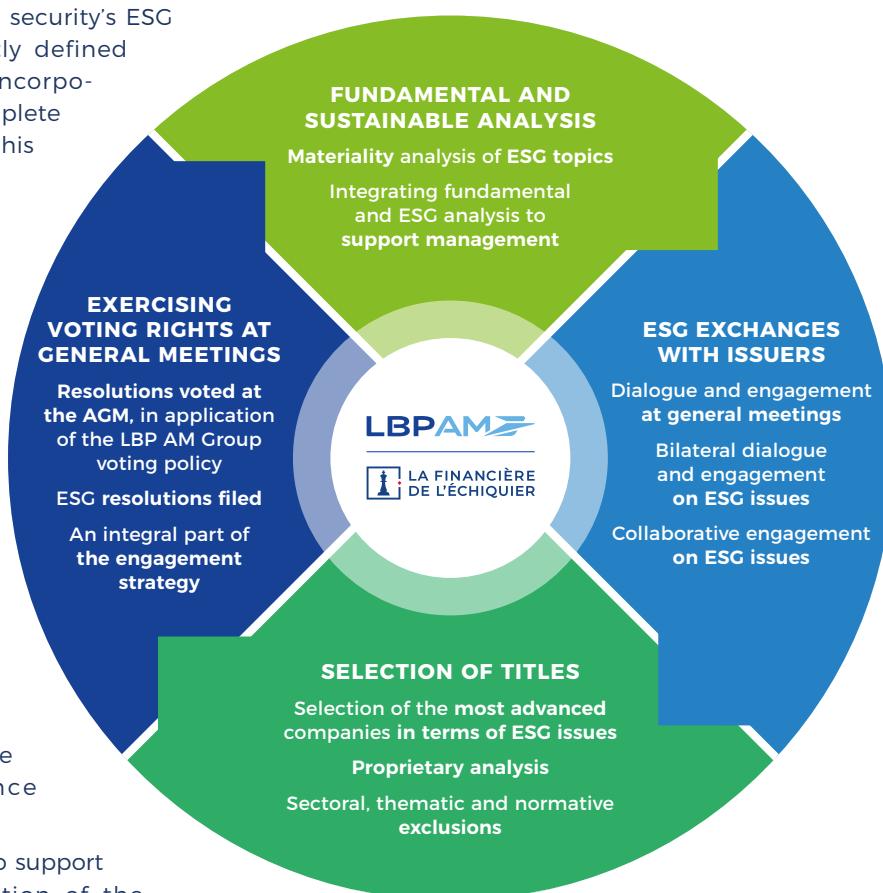
- **Downgrade of the GREaT rating**, our ESG proprietary rating
- **Placing** the company under surveillance, corresponding to a ban on new investments
- **Easing of portfolio position**
- **Divestment**, when engagement fails to yield results, due to the lack of satisfactory corrective measures, little willingness for dialogue, etc.

2.2. Cross-functionality, the basis for effective coordination of engagement and management practices

Engagement and dialogue are conducted by LBP AM's portfolio managers, as well as analysts from LBP AM's "SRI Solutions" team and LFDE's "Responsible Investment Research" team. The LBP AM Group has made the strategic choice not to outsource its shareholder engagement process.

Our ESG and fundamental analyses, our shareholder messages, our voting practices at general meetings and our stock selection are all closely interlinked. This is due to the organization of our management processes and teams, designed to encourage cross-disciplinary perspectives and the articulation of levers, via:

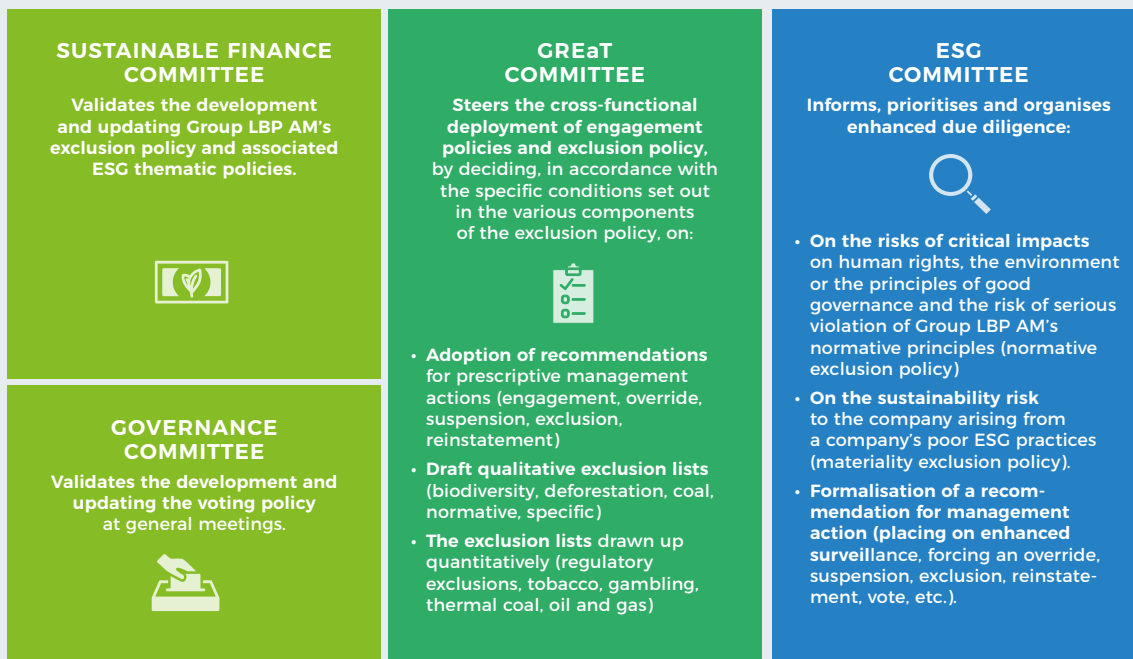
- ▶ **Integration of financial and sustainability perspectives** within the Fundamental and Sustainability Analysis team.
- ▶ **The possibility of modifying** a security's ESG ratings, according to a strictly defined procedure and reasons, to incorporate more recent or more complete information obtained during this dialogue.
- ▶ **Integrated management of strategic, financial and SRI dialogue** by LBP AM's portfolio managers.
- ▶ **The organized and systematic solicitation of the management opinion for the most significant votes** and engagements of the LBP AM Group.
- ▶ **The participation of portfolio managers** and fundamental analysts in updating the LBP AM Group's engagement and voting policies, approved respectively by the Sustainable Finance Committee (CFD) and the Governance Committee.
- ▶ **Cross-functional committees** to support the monitoring and application of the engagement policy.



Engagement campaigns are monitored at weekly ESG management meetings and, where appropriate, at GREaT meetings. **The GREaT Committee** is responsible for monitoring and steering the cross-functional deployment of the LBP AM Group's engagement and exclusion policies, as defined by its Sustainable Finance Committee. It ensures:

- ▶ **Regular updates on cross-functional engagement campaigns**, deliberates on the selection of escalation methods for the most significant engagements for the LBP AM Group, monitors companies on watch lists (controversies normative and ESG materiality), and deliberates on participation in new engagement initiatives.
- ▶ **Deliberations required** to implement the exclusion policy. Normative and materiality watch lists are communicated to the committee. Draft exclusion lists drawn up on a qualitative basis are submitted to the committee for deliberation.

DECISION-MAKING BODIES AND DUE DILIGENCE



To promote the cross-functionality of the engagements made by the various teams, **an engagement platform called Phoenix** has been deployed throughout the LBP AM Group to enable consolidated monitoring and traceability of actions. It enables:

- ▶ **Coordination and traceability of the follow-up of each engagement** made by the LBP AM Group. The areas for improvement formalized with the companies are entered in this module.
- ▶ **Facilitates the production of reports and statistics** (engagement and mandate reports, responses to calls for tender, shareholder reports and market surveys).

2.3. AGM voting process

Engagement activity can be coupled with **formal corporate governance mechanisms associated with minority shareholder rights**. These include, **primarily, voting at company general meetings**. This vote provides an opportunity to express an opinion on issues submitted for shareholder approval or consultation, historically focused on governance issues, and now increasingly extended to environmental and social management issues. The exercise of voting rights is fully in line with the LBP AM Group's engagement strategy and can be **a lever for formalizing the expression of shareholder expectations**.

Exercising our voting rights at AGMs is an opportunity to engage in dialogue with the companies in which the LBP AM Group invests on behalf of the mutual funds it manages, without nevertheless exercising any major influence over the management of these companies.

Since 2008, LBP AM has formalized a voting policy that sets out the scope and procedure for voting at shareholders' meetings, as well as the criteria for approving or rejecting resolutions put to the vote of shareholders. **An internal voting guide details the technical rules for applying the policy**, particularly regarding specific local applications.

The voting policy is **implemented by LBP AM's SRI Solutions team for LBP AM and its subsidiary LFDE**. It is applied in the same way for all UCIs (FCPs and SICAVs) open to the public, as well as for dedicated funds and mandates for which the client has requested it. LBP AM will then apply its voting policy, unless otherwise stipulated.

Solutions ISR uses the analyses of **voting** consultancies **Institutional Shareholder Services (ISS)** and **Proxinvest** to identify high-stakes resolutions. ISS also provides customized voting recommendations based on the LBP AM Group's voting policy. The LBP AM Group retains autonomy in relation to the voting recommendations of the consulting agencies. For French companies, the LBP AM Group also consults the recommendations of **the Association Française de la Gestion Financière (AFG)** before voting.

Solutions ISR also relies on LFDE's IR Research and LBP AM's Fundamental and Sustainable Analysis teams for the analysis of certain types of ESG resolutions, as well as for the GAs of companies considered to be priorities.

MANAGING CONFLICTS OF INTEREST

To prevent these potential conflicts of interest from arising, the Group LBP AM has set up the following system:

- ▶ **Compliance with the guidelines and principles** set out in this policy exercising voting rights guarantees the autonomy of the LBP AM Group's decision-making process. Should the LBP AM Group decide not to vote in accordance with its policy, the LBP AM and LFDE Compliance and Internal Control Departments are systematically informed of any exceptions. The SRI Solutions team files the reasons for the waiver.
- ▶ **Voting intentions are not communicated to issuers** or their representatives until they have been traced and thus crystallized in an IT tool. Depending on the content of exchanges with companies, initial voting intentions may be modified. These modifications, and the reasons for them, are recorded in an internal document. No voting intentions are communicated to anyone other than the issuer or its agent.
- ▶ **The Compliance function ensures that permanent second-level controls** are conducted a posteriori, on a bi-annual basis. Second-level controls on the shareholder engagement system (including the operational voting process) are conducted according to the risk-based approach principle. The control points selected based on this principle are listed in the non-compliance risk map drawn up by the Compliance function. The methodology for mapping compliance risks and deploying the associated control plan has been formalized in two methodological notes drawn up by the compliance function. In addition, the periodic control function, outsourced to La Banque Postale, includes in its audit programs a review of the SRI management process, which includes, according to a risk-based approach, an audit of the shareholder engagement system (including the operational voting process).

This system for managing conflicts of interest in connection with the exercise of voting rights is part of the more general framework of LBP AM and LA FINANCIERE DE L'ECHIQUIER's policies for managing conflicts of interest. These policies are available below:

- ▶ **LBP AM conflicts of interest management policy**
- ▶ **Policy for preventing and managing conflicts of interest LFDE**

The rest of the report aims to give an account of the exercise of voting rights and present the dialogue and engagement actions conducted in 2024 as part of the LBP AM Group's ESG thematic policies.

EXERCISING OUR VOTING RIGHTS AT THE 2024 AGMs

1.

2024 voting rights scope

In 2024 the LBP AM Group exercised voting rights at general meetings in application of its voting principles on behalf of funds managed directly by LBP AM and LFDE, whether open-ended funds or dedicated funds where the client has entrusted the management company with the exercise of voting rights. At the specific request of its clients, in the context of mandate or dedicated fund management, the LBP AM Group may be called upon to exercise its voting rights in application of their own voting policy.

The figures in this report do not include:

- ▶ Funds whose votes were thus exercised under client voting policies. In 2024, the LBP AM Group applied its own external voting policies for 2 institutional clients.
- ▶ Funds for which voting rights have been delegated to third-party management companies under delegated mandates.

In its **voting policy 2024**, the LBP AM Group aimed to exercise its voting rights as follows:

- ▶ **For funds managed by the LBP AM Group:** the LBP AM Group exercises its voting rights for companies, regardless of their region, in accordance with the following conditions:

- Depending on the absolute amount invested in the companies, so that at least 98% of total equity holdings are voted.
- As well as for companies in which all LBP Group UCIs hold at least 0.2% of the capital.

In 2024, based on positions held in **121** relevant **UCIs**, the LBP AM Group voted to:

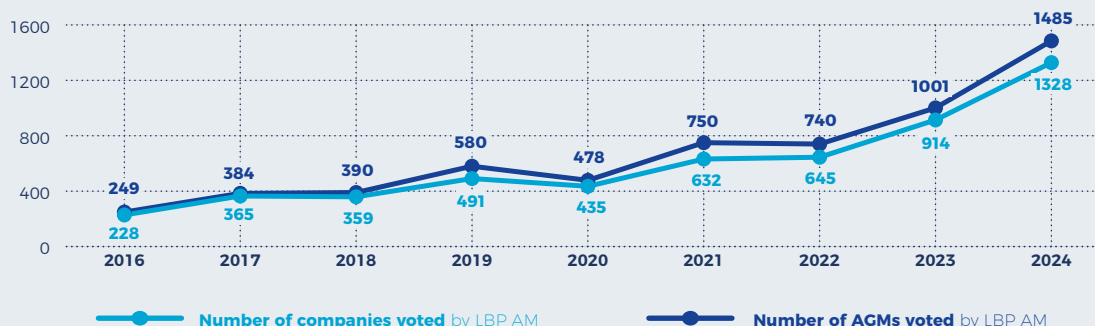
- **Approximately 93% of the equity assets** of the LBP AM Group's mutual funds.
- **80.7% of companies in UCIs** (ratio of the number of companies in which the LBP Group exercised its voting rights to the total number of companies in which it held voting rights). These ratios vary according to geographical region. They are higher for investments in **French companies**: the LBP AM Group **voted at the AGMs of 93% of them**.
- **74.2% of AGMs** in which the LBP AM Group held voting rights – vs 53% in 2023).

- ▶ **For funds managed by LFDE:** engagement to systematically exercise voting rights at General Meetings of invested companies.

In 2024, within the scope of the LFDE funds, approximately **89% of the AGMs for which LFDE held voting rights were passed¹**.

The LBP AM Group considers this level to be both significant in terms of the representativeness of its outstandings, and relevant in terms of its capacity for analysis and dialogue. However, considering that the exercise of voting rights is an essential lever in its engagement strategy, the LBP AM Group has decided to increase its level of participation in AGMs and **has set itself the ambitious target of voting at 100% of AGMs by 2025**.

LBP AM GROUP PARTICIPATION IN AGMs



¹ The objective of voting at all LFDE AGMs and 98% of the LBP AM Group's assets under management has not been achieved due to operational issues concerning the delimitation of separate voting perimeters between LBP AM and LFDE. This difficulty will be overcome in 2025, as the LBP AM Group (LFDE + LBP AM) will aim to vote at all AGMs for which it holds voting rights and will no longer be obliged to delimit two separate perimeters.

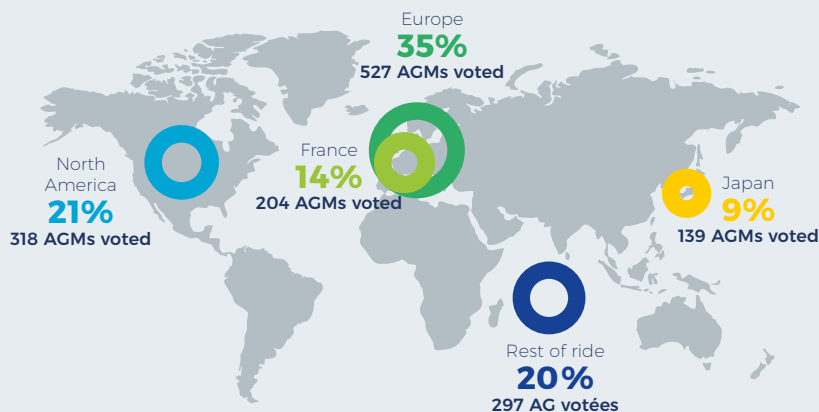
2. Key figures for the 2024 General Meeting season

The following report summarizes the exercise of voting rights held by the LBP AM Group (i.e. LBP AM and its subsidiary LFDE) at shareholders' meetings held from **January 1 to December 31, 2024**.

Details of the votes cast at the AGM for each open fund are made available online, 7 days after each AGM, on the **Proxy Voting Dashboard** available on the LBP AM and LFDE institutional websites.

In 2024, the LBP AM Group exercised its voting rights at **1,485 shareholders' meetings** involving **1,328 companies in 42 countries**. The LBP AM Group voted on **21,244**, of which **20,636 were submitted by company management** and **608 by shareholders**. Our voting policy leads us not to support resolutions proposed by companies that we feel are not aligned with best corporate governance practices. In 2024, **the LBP AM Group cast at least one dissenting vote at 82.8% of the AGMs on which voting rights were exercised**. Our annual rate of voting against resolutions has thus averaged between 28% and 30% in recent years. In 2024, the LBP AM Group cast **6,301 votes in disagreement¹ with the company – i.e. 29.7% of total votes cast**. This rate is relatively high compared with other asset management companies in France (the average rate of disagreement is just under 20%², according to the surveys carried out each year by the Association Française de la Gestion among its members), testifying to the stringency of our voting policy.

SHAREHOLDERS' MEETINGS VOTED BY THE LBP AM GROUP IN 2024 BREAKDOWN BY REGION



KEY FIGURES

1,328
COMPANIES IN

42
COUNTRIES



1,485
SHAREHOLDERS'
MEETINGS

21,244
EXTERNAL
RESOLUTIONS



OF WHICH:

608
SUBMITTED BY
SHAREHOLDERS

20,636
SUBMITTED BY
COMPANY
MANAGEMENT

¹ A vote in disagreement with the company corresponds to :

- A vote AGAINST a resolution proposed by the company,
- Or a vote FOR a shareholder resolution that is not approved by the company.

² <https://www.afg.asso.fr/wp-content/uploads/2023/03/afgecorech-vote-230329webok-2.pdf>

3.

Main reasons for disagreement with company management

RESOLUTION CATEGORY	Resolutions put to the vote	Vote for the resolution	Abstention vote	Vote against the resolution	Yours against management	% voting against the company in 2024	% in 2023
Approval of financial statements, management report and dividend	3,045	2,086	1	958	951	31.2%	2.3%
Auditors	1,200	827	4	369	373	31.1%	32.0%
Other	1,123	1,025	4	94	80	7.1%	31.7%
Regulated agreements	389	322	1	66	67	17.2%	25.5%
Elections to the Board of Directors or Supervisory Board	8,287	6,131	122	2,034	2,072	25.0%	31.4%
ESG (filed by management)	141	132		9	9	6.4%	-
Amendments to the Articles of Association	385	324	1	60	61	15.8%	17.5%
Capital transactions (excluding long-term profit-sharing plans)	2,571	1,794	0	777	777	30.2%	32.7%
Long-term profit-sharing plans (bonus shares, stock options, employee share ownership)	756	463	0	293	310	41.0%	42.2%
Compensation of officers and directors	2,739	1,454	0	1,285	1,282	46.8%	46.1%
External ESG resolutions ¹	608	458	2	148	319	52.5%	-
Grand total	21,244	15,016	135	6,093	6,301	29.7%	29.8%

The resolutions most opposed by the LBP AM Group were those concerning remuneration, with 46.8% of votes cast against remuneration policies and reports, and 41% against long-term remuneration plans. The main grounds for opposition were lack of moderation (amounts more than the threshold defined by the LBP AM Group), insufficient transparency, lack performance criteria, and long-term compensation plans deemed to be too short-term (performance periods of less than 3 years).

The increase in the rate of contestation on accounts, management and dividends is explained by the change made in 2024 to the voting policy in disfavour of the practice of discharge in countries where its approval is not legally required.

¹ For further details, see [chapter II section 4 External resolutions](#)

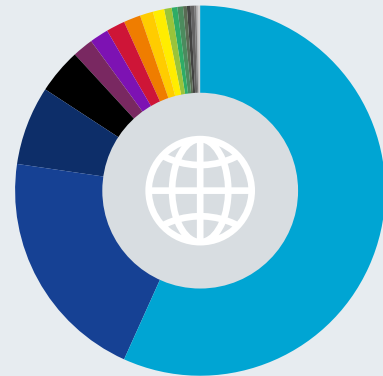
4. External resolutions

So-called “external” resolutions are resolutions that have not been submitted by the corporate governance bodies themselves. They may be **submitted by shareholders**, or even by employee representatives in the case of French companies. **These resolutions are an important “engagement lever”** for advancing corporate debate and practices. However, these resolutions do not always meet with the approval of companies, which sometimes regard them as hostile or activist. The LBP AM Group can support resolutions that have not been approved by the Board, and whose implementation it believes would encourage the adoption of more advanced practices in terms of climate, biodiversity and respect for human rights, including by participating in their inclusion on the agenda of the General Meeting.

During the 2024 voting season, **608 external resolutions** were presented at **227 of the 1,485 AGMs** at which the LBP AM Group took part, compared with 499 resolutions in 2023. In 2024, external resolutions represented 2.9% of the total resolutions presented at the AGMs at which the LBP AM Group spoke.

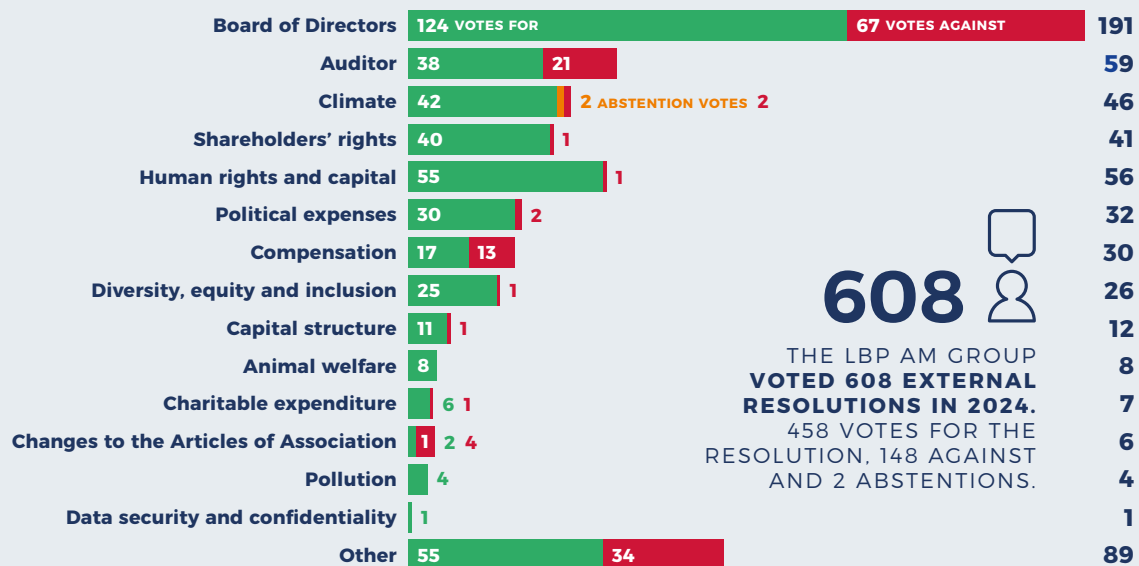
The LBP AM Group supported 75.3% of the external ESG resolutions on which it expressed an opinion. This high percentage of support for external resolutions testifies to the LBP AM Group’s engagement to social, environmental and governance progress on a variety of subjects: election of board members, shareholders’ rights, environmental and social issues, employee shareholding, etc.

EXTERNAL RESOLUTIONS VOTED BY LBP AM GROUP IN 2024 BREAKDOWN BY COUNTRY



USA: 345	Brazil: 4
Italy: 125	Norway: 3
China: 42	Sweden: 3
France: 24	Canada: 2
Taiwan: 11	Switzerland: 2
Greece: 10	United Kingdom: 2
Japan: 10	Finland: 1
Australia: 9	Germany: 1
Denmark: 7	Luxembourg: 1
Portugal: 6	

EXTERNAL ESG RESOLUTIONS VOTED IN 2024 BY THE LBP AM GROUP



Here are some examples of external resolutions supported by the LBP AM Group in 2024:

- ▶ **Energy transition:** in 2024, shareholders filed resolutions urging oil and gas groups to align their activities with the Paris Agreement, and to accelerate the decarbonization of their businesses (less investment in oil and gas, more development in renewable energies). This was notably the case in Europe at **Shell Plc**.
- ▶ **Pollution:** LBP AM Group has supported a resolution filed by shareholders at the 2024 General Meeting of **General Mills Inc.** calling on the company to publish a report assessing how the company can increase the scale, pace and rigor of its sustainable packaging efforts, including reducing the use of plastic packaging.
- ▶ **Harassment and discrimination:** investors have filed similar resolutions at the general meetings of some US companies (e.g. **Wells Fargo & Tesla Inc.**), asking companies to publish reports on the effectiveness of their policies against harassment and discrimination in the workplace. These resolutions encourage companies to put in place robust policies to prevent harassment and discrimination.
- ▶ **Chairman independence:** LBP AM Group supported a resolution filed by shareholders at **Salesforce Inc.**'s 2024 AGM to elect an independent chairman. The independence of a Chairman of the Board strengthens the oversight role of directors.

5. Say-on-climate resolutions

Responding to the expectations of investors committed to environmental issues, a growing number of companies have submitted their energy and ecological transition strategy to a consultative vote, so-called *Say-on-climate* resolutions.

The LBP AM Group defined its voting policy on *Say-on-climate* resolutions in 2022 and has actively applied it ever since to encourage invested companies to develop transition plans to align with the objectives of the Paris Agreement.

In 2024, the LBP AM Group had the opportunity to vote formally on **15 *Say-on-climate* resolutions**. Among them, it **opposed 9 resolutions whose plans did not meet the criteria defined in its voting policy**. The LBP AM Group is opposed to all the *Say-on-climate* resolutions of the oil, gas and mining companies for which it has voted.



SAY-ON-CLIMATE RESOLUTIONS VOTED BY THE LBP AM GROUP IN 2024 GEOGRAPHICAL DISTRIBUTION



United Kingdom: 6
France: 4
Spain: 2

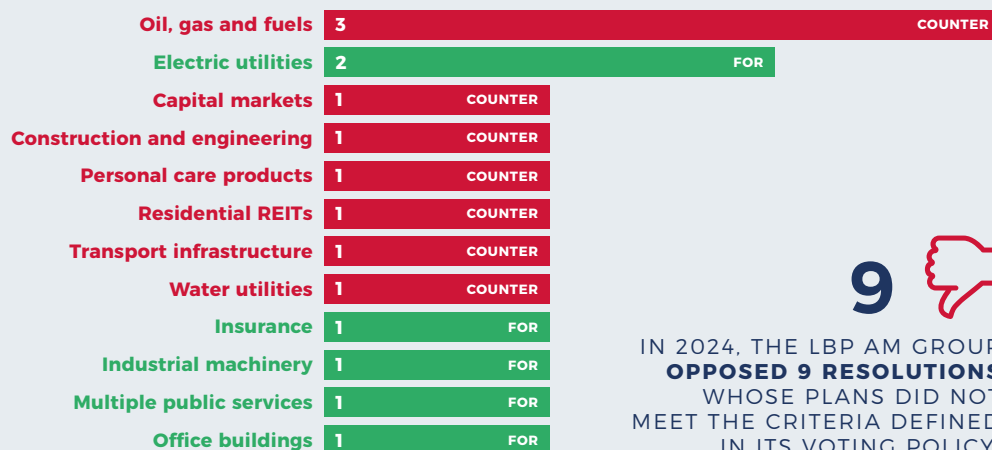
Portugal: 1
Netherlands: 1
Germany: 1

The transition plans/environmental strategies put to the vote have been given particular attention by the LBP AM Group, with priority given to:

- ▶ **The presence of precise short- and long-term greenhouse gas emission reduction targets** on a relevant perimeter;
- ▶ **Their level of ambition**, given the challenge of aligning with the trajectory set by the Paris Climate Agreement;
- ▶ **An engagement by the Board of Directors** to consult shareholders on a regular basis (at least every three years) on these objectives and strategies, considering rapid changes in the regulatory, technological and political environment;
- ▶ **The introduction of criteria for the variable remuneration** of senior executives that are aligned with the company's stated **climate and environmental objectives**.

This vote was in line with the dialogue initiated with some of these companies to support them in this complex transition process. When the LBP AM Group voted against a *Say-on-climate*, the reasons for this vote were communicated to the company with a view to supporting the implementation of best environmental practices.

SAY-ON-CLIMATE RESOLUTIONS VOTED BY THE LBP AM GROUP IN 2024 SECTOR BREAKDOWN



6. AGM public actions

The AGM season is an opportunity for the LBP AM Group to express its convictions by exercising its shareholders' rights. These include, as part of the LBP AM Group's escalation strategy, the possibility of **pre-declaring a voting intention, written or oral questions at the AGM, and placing an item or resolution on the AGM agenda.**

6.1. Pre-declaration of vote

To exert its influence, the LBP AM Group reserves the right to pre-declare some of its votes, after analysing on a case-by-case basis the appropriateness of this decision in the conduct of an engagement. Pre-declarations can be made on the **PRI "Resolution Database"** collaborative platform.

In 2024, the LBP AM Group has **pre-declared its intention to vote in favour of the following resolutions:**



NESTLÉ

A coalition of shareholders coordinated by ShareAction has tabled a resolution at the 2024 AGM concerning the impact of Nestlé products on people's health, aimed at urging Nestlé to rebalance its sales in favour of products with higher nutritional value. This resolution filing follows a more than two-year engagement campaign calling on Nestlé to disclose absolute and proportional sales figures for food and beverages according to their health profile, as defined by a Nutritional Profiling Model, and to set a growth target for the proportion of healthy products sold in order to reduce risk exposure and capitalize on growing consumer demand for these products.



TOTALENERGIES

The LBP AM Group did not support the renewal of the term of office of Lead Director Jacques Aschenbroich, following the Board's decision not to place on the AGM agenda the external consultative resolution tabled by a coalition of 19 investors consulting the company's shareholders on the advisability of separating the functions of Chairman and Chief Executive Officer. The company's Board justified its refusal to adopt this resolution on the grounds that it would encroach on its powers to define the company's governance procedures. The LBP AM Group's interpretation differs insofar as a consultative resolution, given the non-binding nature of its results for the Board, does not appear to encroach on its prerogatives, and Article R225-74 of the French Commercial Code does not grant the Board of Directors a veto over the inclusion of external draft resolutions on the agenda. The purpose of this vote is to express the desire for greater shareholder consultation on the company's governance structure, under the coordination of the Lead Director and ensuring robust prevention of conflicts of interest. It does not constitute a judgement on the suitability of J. Aschenbroich's skills and availability for the performance of his duties.



SHELL PLC

An investor coalition coordinated by FollowThis tabled a resolution in favour of more ambitious climate targets, calling on the group to align its medium-term emissions reduction targets, including scope 3. In line with the Paris Agreement. As members of the international collaborative engagement initiative Climate 100+, the LBP AM Group wished to pre-declare its intention to support the coalition's demand, the latter being aligned with the LBP AM Group's own transition objectives.

6.2. AGM written questions

As part of its Human Rights policy, the LBP AM Group submitted **a series of written questions to the AGMs 2024** of Accor SA and TotalEnergies, **which the companies are required to answer publicly**.



ACCOR SA

In 2021, the FIR formed a coalition made up of ten of its investor members to engage at-risk companies on the theme of combating forced and child labour. Ten companies — including Accor, for which the LBP AM Group is leading the engagement — have been selected, assessed and committed on the basis of a grid co-developed with the NGO Ressources Humaines Sans Frontière (RHSF), in partnership with the French Ministry of Europe and Foreign Affairs. The grid evaluates:

- ▶ **Knowledge of company risks;**
- ▶ **The level of engagement expressed ;**
- ▶ **Targeting the prevention and mitigation approach ;**
- ▶ **The relevance of the measures deployed.**

As an extension of this collaborative engagement initiative, and based on the observation that Accor was present in high-risk areas from a human rights perspective, the LBP AM Group wished to obtain information relating to its risk management policy in these geographical areas and thus submitted written questions to Accor's 2024 General Meeting.

The company's answers are available [here](#). Accor has responded in writing to all these questions. The LBP AM Group will follow up on these responses.



TOTALENERGIES

TotalEnergies is committed, through its Code of Conduct and Compliance Plan, to respecting internationally recognized human rights. Nevertheless, the company is still **the subject of numerous disputes and controversies concerning human rights**. The LBP AM Group has therefore initiated a dialogue with the company to request a reinforcement of the vigilance plan and the various related documents (e.g. Briefing Paper), through the publication of a global, updated and binding Human Rights Policy:

- ▶ **1. Containing provisions** relating to risk identification and management:
 - **Related to the rights of Indigenous peoples;**
 - **Related to operations in so-called conflict zones or high-risk areas;**
 - **Related to the safety of rights defenders.**
- ▶ **2. Specifying procedures for the prior and ongoing identification and monitoring of human rights risks, including :**
 - **A systematic human rights analysis.**
 - **Conditions for implementing a third-party HRIA in projects.**
 - **The implementation of a warning mechanism enabling subsidiaries, employees and third parties to give notice of the occurrence of a major risk.**

As an extension of the dialogue initiated with TotalEnergies on these issues two years ago, the LBP AM Group has decided **to escalate and send written questions to the company's Annual General Meeting 2024**, focusing on three main pillars:

- ▶ **1. The implementation of due diligence** in line with the UN Guiding Principles, and particularly the identification of human rights risks at Group level.
- ▶ **2. Systematic implementation of risk analysis** throughout the project life cycle.
- ▶ **3. Supply chain risk management and supplier evaluation and monitoring measures** implemented by the Group.

TotalEnergies' answers are available [here](#). TotalEnergies has responded in writing to all these questions.

6.3. Resolution filing

Under certain conditions, **a shareholder may request that a be placed on the agenda of the Annual General Meeting.**

Since 2018, the LBP AM Group's voting policy has allowed it to participate in the tabling of resolutions dealing with ESG topics. The LBP AM Group has thus exercised its filing option on several occasions.

Four resolutions were tabled and placed on the AGM agenda (see diagram below). Three other climate resolutions were tabled and then withdrawn following successful engagements at the AGMs of **Engie** in 2021, and **HSBC** and **TotalEnergies** in 2022. **The withdrawal of these resolutions testifies to the influence that tabling resolutions has on companies,** encouraging the positive outcome of engagement initiatives.

In 2024, the LBP AM Group did not submit any resolutions to the AGM.

6.4. AGM agenda items

Shareholders can request that items be added to the AGM agenda. **The AGM must then deliberate on all the items on the agenda,** providing an opportunity to debate or obtain questions on subjects of interest.

In 2024, the LBP AM Group did not place any items on the agenda of the AGMs of the companies it invested in.



7. Managing conflicts of interest

As explained in Chapter I point 2.3 of this report, as part of its voting policy, the LBP AM Group has set up a system to manage conflicts of interest:

- ▶ **Compliance with the principles set out in the voting policy:** in 2024, the LBP AM Group did not identify any cases in which it felt it had not complied with the principles set out in its voting policy.
- ▶ **Abstentions from voting:** in 2024, in accordance with this system, the LBP AM Group abstained from voting on 9 resolutions concerning corporate officers of entities with which the LBP AM Group has capital ties.

OUR DIALOGUE WITH COMPANIES INVESTED IN 2024

—

1. Overall assessment of our engagement actions

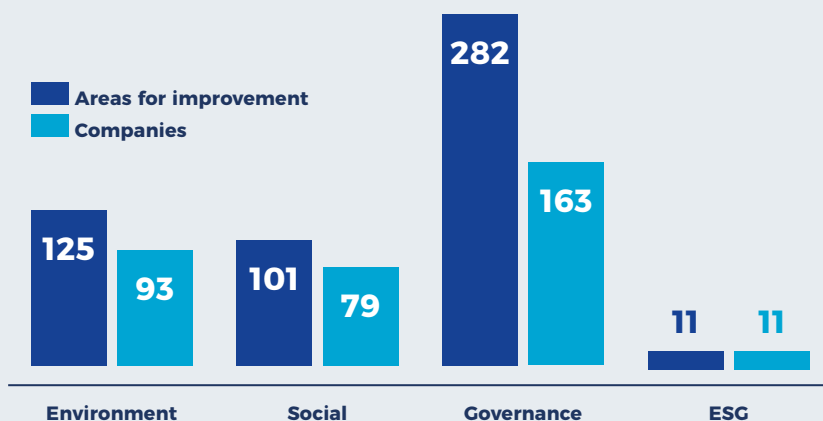
The LBP AM Group's engagement actions aim **to encourage robust management of sustainability issues and to develop responsible corporate practices** by providing companies **with realistic, measurable and controllable areas for progress** on ESG topics defined by the LBP AM Group, in application of our engagement themes.

The LBP AM Group has sent **519 ESG progress reports to 261 companies in 26 countries**, mainly in France and Europe. The companies concerned represent around **36% of the LBP AM Group's equity and bond assets**.

AXIS OF PROGRESS FORMULATED BY THE LBP AM EVOLUTION OVER THE YEARS

	2022	2023	2024 ¹
Environment	102	68	125
Social	8	51	101
Governance	40	59	282
ESG ²	2	4	11
Total areas for improvement passed on	152	182	519
Number of companies concerned	116	123	261

AXIS OF PROGRESS FORMULATED IN 2024 BREAKDOWN BY THEME



IN 2024 :



519

AXIS
OF PROGRESS



261

COMPANIES



26

COUNTRIES



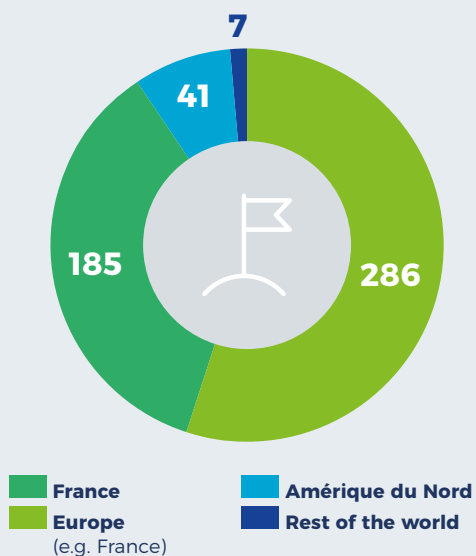
36%

OF THE EQUITY
AND BOND
ASSETS

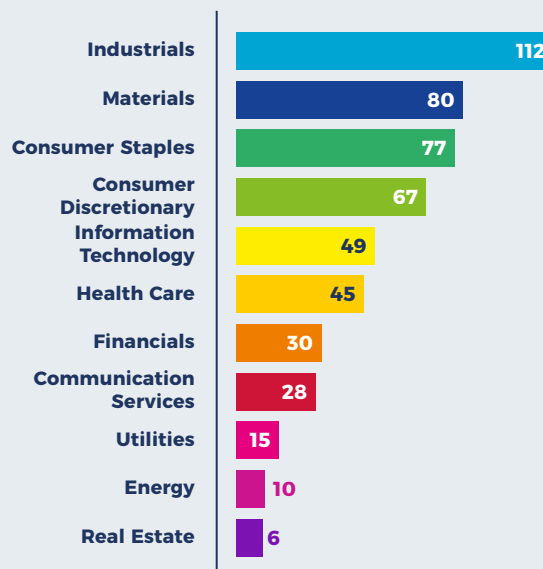
1 The number of areas for progress formulated in 2024 has increased considerably, due to the scope of consolidation for the first year of the engagements made by La Financière de L'Echiquier and LBP AM.

2 The "ESG" category covers areas of progress which cannot be classified exclusively as E, S or G, but which cut across several themes.

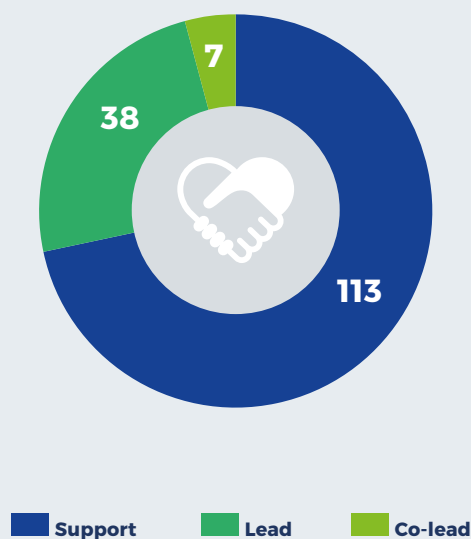
COMPANIES HIRED BY THE LBP AM GROUP IN 2024 GEOGRAPHICAL DISTRIBUTION



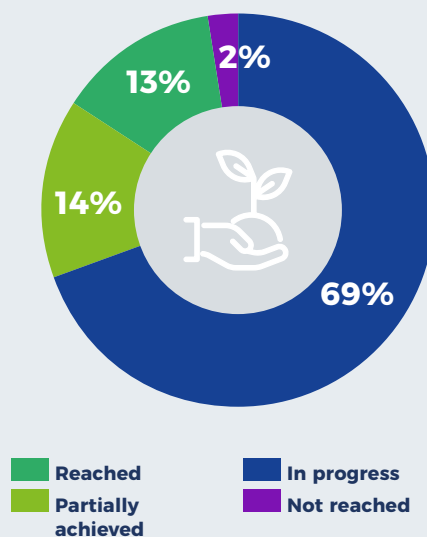
LBP AM GROUP ENGAGEMENTS IN 2024 SECTOR BREAKDOWN



COLLABORATIVE ENGAGEMENT IN 2024 ROLE OF THE LBP AM GROUP



LBP AM GROUP'S PROGRESS REPORT ON AREAS FOR IMPROVEMENT IN 2024



Of the areas for improvement reported, **368 were communicated to the company bilaterally and 157 as part of collaborative engagement initiatives.**¹

¹ 6 of the 519 areas for improvement were formulated both bilaterally and collaboratively.

Of the areas for improvement transmitted to 270 companies in 2023, the LBP AM Group has noted that **28% of the areas for improvement partially or fully meet the target set.**

2. Engagements made as part of our thematic ESG policies

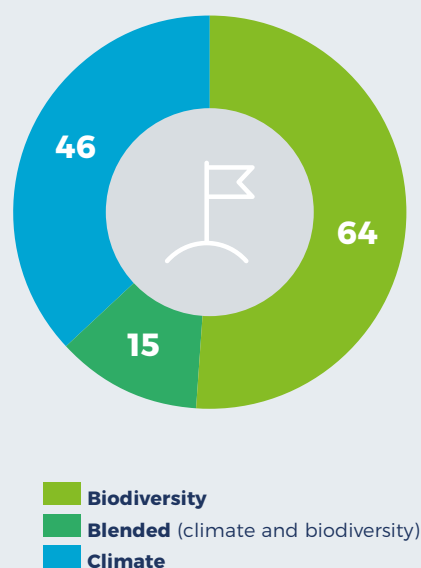
2.1. Environment: biodiversity and climate

The LBP AM Group has communicated **125 areas for progress** on environmental issues to **93 companies**.

a) **Biodiversity**

The LBP AM Group has communicated **64 areas of progress** on the theme of biodiversity to **56 companies**. These engagements have been conducted in accordance with the LBP AM Group's biodiversity policy. Among these, **8 have been formulated** to manage the risks of **deforestation** in sectors exposed to the exploitation of the main commodities at risk (palm oil, soy, cattle and its derivatives, rubber, wood and cocoa). The following paragraphs develop the collaborative engagement campaigns in which the LBP AM Group participated in 2024, as well as examples of engagements conducted bilaterally with companies.

ENVIRONMENTAL IMPROVEMENT TARGETS SET FOR 2024 BREAKDOWN BY SUB-THEME (CLIMATE/BIODIVERSITY)



Collaborative engagements

The LBP AM Group took part in the following collaborative engagement initiatives in 2024:

► **The international investor network Farm Animal Investment Risk & Return (FAIRR)** encourages food manufacturers to improve their animal welfare and nutrition practices. The network conducts a number of targeted engagement actions with companies identified as not implementing best practices in these areas, to raise awareness and support them in driving change. In 2024, the LBP AM Group took part in collaborative engagement campaigns on the theme of sustainable aquaculture and the integration of protein diversification into climate and nutrition strategies, by sending letters to 22 companies requesting an in-depth risk assessment and the deployment of objectives on this subject.

► **CERES** is an American non-profit organization bringing together international investors wishing to contribute to the fight against deforestation, mainly linked to livestock farming and soybean cultivation in the Amazon. The LBP AM Group participates in the following collaborative engagement campaigns: "Land use and Climate", "Deforestation", "Biodiversity", "Valuing Water Initiative". Each initiative engages at least one company to encourage it to set biodiversity targets.

For example,

an engagement was made to the **Valuing Water Initiative campaign** with **Inditex**, a company specialized in the production and distribution of textiles for the fast-fashion market. As the company's responses to bilateral questions put by the LBP AM Group on water management were evasive, the LBP AM Group wished to escalate the engagement by participating in and organizing this collaborative engagement, focusing on the following expectations by 2030:

- 1. Water quantity:** use the results of company-led water risk assessments to set local targets to reduce impacts in areas of high-water stress.
- 2. Water quality:** conduct risk assessments to identify priority sites and set targets to remedy negative impacts in its own operations and for its suppliers.
- 3. Ecosystem protection:** linking ecosystem protection and restoration objectives to freshwater supply and/or aquatic biodiversity.
- 4. Access to water and sanitation:** adopting a water, sanitation and hygiene policy)
- 5. Follow-up by the Board of Directors**
- 6. Lobbying:** aligning political engagement with scientific or contextual water policies

After a meeting between investors participating in the Inditex engagement action, it was decided to contact the company again after the publication of its SRI report in 2025.

► **The Carbon Disclosure Project (CDP) "Non-Disclosure Campaigning"**

This initiative aims to improve the environmental transparency of portfolio companies the areas of climate, water and forests. As part of this campaign, the LBP AM Group acted as lead/co-lead investor with 12 companies on the themes of water and forests, to encourage them to disclose more indicators. Each year, the CDP produces an activity report presenting the results of this engagement campaign. The 2024 report is available [here](#).

► **Nature 100**

Launched in September 2023 through collaboration between CERES, IIGCC, Finance for Biodiversity Foundation and planet tracker, the Nature Action 100 coalition brings together institutional investors to engage with one hundred key companies in the sectors that have the greatest impact on nature and encourage them to reduce their impact on biodiversity by 2030. In 2024, the LBP AM Group has signed up **l'Oréal**, **Danone** and **Carrefour**.

► **ShareAction**

Founded in 2005, ShareAction coordinates numerous engagement campaigns with investors, in response to the major environmental and social challenges we face. The LBP AM Group took part in an awareness-raising campaign with the biggest players involved in pesticide production, notably through engagement with **BASF**. The LBP AM Group encouraged the company to align and set targets in line with Objective 7 of the Global Biodiversity Framework.

► **Rainforest Investor Coalition**

A collaborative initiative between investors, coordinated by Storebrand AM in partnership with the NGO Rainforest Foundation Norway, to address deforestation in the automotive supply chain. The LBP AM Group has positioned itself as lead investor in the engagement with **Forvia**. In 2024, the company demonstrated progress in the transparency and communication of its leather suppliers.

► **Ad hoc coalition of international investors**

Several international investors have begun a collaborative engagement with **Costco Wholesale Corporation**. After an initial dialogue to establish a relationship with the company, we shared our points of interest, focusing on the company's governance of environmental issues, its climate policies and strategies, and the inclusion of biodiversity in its policies.

► VBDO

Along with a group of investors participating in the plastic engagement campaign run by the Dutch Association of Investors for Sustainable Development, LBP AM Group took part in the engagement with **Ahold Delhaize**. We questioned the company to understand its position on the UN Plastic Treaty negotiations and the EU Plastic Directive, its targets for single-use plastic packaging, and its work to reduce chemicals in packaging.

Bilateral engagements

Examples of bilateral engagements

Engagement with Bridgestone on deforestation

As part of the process of updating the exclusion universe linked to our deforestation policy, we had discussions with Bridgestone, a leading tire manufacturer, to **check that the company had in place the necessary measures to reduce the deforestation risk linked to the use of natural rubber** (based on the principles of the Accountability Framework Initiative). Bridgestone is a founding member of the Global Platform for Sustainable Natural Rubber, which is committed to a "No Deforestation, No Peat and No Exploitation" goal with a target date of 2019 and participates in the development and improvement of standards for the sector. During the exchange, we gathered more information on the monitoring and traceability tools currently development, as well as its engagement actions with small rubber producers and suppliers. Discussions will continue to ensure the long-term deployment of these initiatives.

Engagement with Kemira on palm oil

Kemira is a world leader in sustainable chemical solutions for water-intensive industries such as pulp and paper, and industrial and municipal water treatment operators. The group provides products and services to improve the quality, processes and efficiency of water resources. As part of our engagement process, **we have initiated a dialogue with the company with a view to implementing a sustainable palm oil sourcing policy, following the example of some of its peers**. After several exchanges in 2022 and 2023, the company published a dedicated section on palm oil in its 2023 annual report, specifying that it is an RSPO member¹ with a policy of 100% certification of purchases and production sites. The supplier policy has been strengthened in parallel with audits, reinforcing the traceability of this engagement.

b) Climate & energy transition

In 2024, the LBP AM Group passed on **46 areas of progress** relating to climate and energy transition to **41 companies**. The following paragraphs develop the collaborative engagement initiatives in which the LBP AM Group participated in 2024, as well as examples of engagement conducted either collaboratively or bilaterally.



¹ The Roundtable on Sustainable Palm Oil (RSPO) is an international organization created in 2004 to promote the production and use of sustainable palm oil through the establishment and enforcement of global standards involving the various stakeholders in the sector, and leading to the marketing of Certified Sustainable Palm Oil (CSPO). It brings together producers, traders, consumer goods manufacturers, retailers, banks and investors, as well as environmental and social rights NGOs.

► The Carbon Disclosure Project's (CDP) "Science-Based Targets Campaign"

The LBP AM Group has supported the CDP's "Science-Based Targets Campaign". The Science Based Targets initiative (SBTi) is an international association that certifies that companies' GHG emission reduction targets correspond to the international objectives of the Paris Agreement. CDP's engagement campaign aims to encourage companies to engage with the Science Based Targets initiative to establish decarbonization targets validated by science and aligned with the scenario limiting global warming to 1.5°C.

► The Carbon Disclosure Project (CDP) "Non-Disclosure Campaigning"

This initiative aims to improve the environmental transparency of portfolio companies the areas of climate, water and forests. As part of this campaign, the LBP AM Group has engaged as lead investor/co-lead with 9 companies on climate to push them to disclose more indicators. Each year, the CDP produces an activity report presenting the results of this engagement campaign. The 2024 report is available [here](#).

► The Climate Action 100+ initiative

Led by PRI and IIGCC, it aims to encourage the world's major emitters of greenhouse gases to reduce their emissions in line with the objectives of the Paris Agreement. By signing the initiative's charter, the LBP AM Group is committed to encouraging the energy transition through the investments of its funds.

*Example of a collaborative FIR/Climate 100+ engagement with **Engie***

Since 2022, the LBP AM Group has participated in a collaborative engagement campaign, led by the Responsible Investment Forum, aimed at encouraging the company to strengthen the completeness of its transition plan and resubmit it to a shareholder vote. The investor coalition noted real progress made by Engie during 2022, with the validation of several carbon targets by the SBTi initiative as being in line with a trajectory significantly below 2°C, but nevertheless wanted the company to increase the transparency of its transition plan. In 2023, the coalition therefore sent a letter to Engie's Chairman and led an engagement to exchange views on topics common to those addressed through the Climate Action 100+ initiative, complemented by other more specific issues. Following on from this engagement campaign, the LBP AM Group, along with 15 other investors, has co-tabled a resolution with a dual objective:

- to point out that a growing number of investors would like to see the company propose a *Say-on-Climate* consultative vote on a regular basis.
- to obtain sufficient information to assess this strategy with a 1.5°C scenario across its entire scope of responsibility (scope 1, 2 and 3).

The engagement has led to a significant improvement in the company's level of transparency and education on its pre-AG transition plan. The company also committed to a one-off *Say-on-Climate* on the company's transition plan, but not a regular vote on its execution. The resolution was supported by 24.38% of shareholders, and Engie's Board undertook to pursue constructive dialogue with its shareholders. Several meetings have since taken place, as part of CA100+.

The LBP AM Group also took part in an engagement initiative to put an item on the agenda of the 2023 AGM concerning indicators for monitoring the Group's climate strategy. This action led to an exchange at the AGM between management teams and shareholders on a variety of subjects: the future of Belgian nuclear power, development prospects in green hydrogen and biomethane, and the CO₂ market. This dialogue proved constructive, with the Board of Directors committing itself to improving shareholder dialogue on the subject, highlighting a healthy shareholder democracy between Engie's Board of Directors and its shareholders.

In 2024, the LBP AM Group continued its participation in the collaborative engagement campaign aimed at encouraging the company to strengthen the completeness and transparency of its transition plan. Several meetings were held in the run-up to the Annual General Meeting. During these discussions, various subjects linked to the transition plan were addressed: the trajectory of the company's coal phase-out, the development of gas-fired power plants in Belgium and the Netherlands, the impact of American liquefied natural gas (LNG) replacing Russian gas, the prospects for the development of green gas, and the remuneration scheme.

Example of a bilateral agreement with Veolia

Veolia provides solutions for water, waste and energy management. In 2022, along with 2 other Asset Managers, we were chosen to participate, as shareholders, in Veolia's global consultation plan with 20 of its stakeholders to **define the strategic directions over 2024-2027 for a group** that aims to become the benchmark company for ecological transformation. Our positions focused on the closure of Veolia's last coal-fired power plant, the transformation of the company's business model from that of a water supplier to that of a provider of technological solutions and advice to help local authorities, users and manufacturers better measure, manage and reduce their water consumption, the publication of more KPIs on its own operations and on the positive impacts of the solutions offered by the group on the climate and biodiversity.

Following this consultation, Veolia launched its 2024-27 strategic program, Green-Up, in February 2024.

Drawing on its expertise in water, energy and waste, Veolia is aiming for 2027:

- **18 million tonnes of CO₂ avoided in 2027** (scope 4) vs 13.8Mt in 2023 and SBTi validation of its 1.5°C trajectory (scopes 1&2) with the acceleration of investments aimed at eliminating coal in Europe by 2030 (investment plan of 1.6 billion euros between 2018 and 2030), and on green energies and energy efficiency.
- **More than 1.5 billion m³ of fresh water saved** (reuse, desalination, leak reduction, etc.).
- **10Mt of hazardous waste and pollutants treated.**

2.2. Social - Human rights

In 2024, the LBP AM Group communicated **101 areas of progress** relating to Human Rights to **79 companies**. These engagement actions were carried out following the three engagement pillars described in the LBP AM Group's Human Rights policy, which was published in early 2024. The following paragraphs develop the engagement campaigns proactively led by the LBP AM Group as well as the collaborative engagement initiatives in which the LBP AM Group took part in 2024.

a) Presence of children in jasmine fields in Egypt for luxury, beauty and perfume companies

In May 2024, the BBC broadcast a documentary on the systematic presence of children in jasmine cultivation in Egypt, which accounts for 50% of the world jasmine market. The human rights risk for companies in the perfume and cosmetics sector and their value chain linked to the cultivation of this flower had been identified upstream by the LBP AM Group, thanks to its risk mapping, monitoring and consultation work with stakeholders (notably NGOs). In this respect, the LBP AM Group began an engagement in April 2024 with industry players (brands, perfume designers and houses, raw material suppliers, etc.) to:

- identify the preventive measures implemented, as well as the robustness of their early warning and supplier evaluation systems.
- understand the industry-wide remediation approach and the role of individual companies in it and support the reinforcement of these measures.
- encourage a collective response from all levels of the value chain and a multi-stakeholder approach (private, public and civil society players).
- encourage greater identification and knowledge of human rights risks within the supply chains of committed companies, to ensure that action plans are prioritized for commodities most exposed to critical impacts on people.

The LBP AM Group has involved 9 companies in the sector, and is now continuing its engagement with the Coalition of companies in the sector, supported by the Fair Labor Association (FLA), to provide a collective, concrete and effective response to the presence of children in the Egyptian jasmine industry.

b) Collaborative engagement initiatives on Human Rights

In 2024, LBP AM Group joined two new collaborative engagement initiatives to further strengthen its approach to sector risk prevention and mitigation:

- ▶ **Coalition for Ethical AI (World Benchmarking Alliance):** whose objective is to ask companies to demonstrate:
 - How they implement the AI principles they have published,
 - How AI-related risks are factored into their human rights impact assessments,
 - What governance mechanisms underpin the development, deployment and acquisition of AI technology.

Within this framework, the LBP AM Group is participating in engagements to **Nvidia, Amazon** and **Adobe**.

▶ Long-term Investors in People's Health (LIPH) (ShareAction)

This investor coalition, organized by ShareAction, is based on three main pillars:

- **Worker health:** how do companies influence the physical and mental health of their workforce?
- **Consumer health:** How can the products and services offered by companies be harmful or beneficial to human health?
- **Community health:** What impact can a company's activities have on local communities and their health?

In this context, LBP AM is taking part in two engagement campaigns, on consumer health and nutrition issues, and on community health. In this respect, the LBP AM Group has conveyed expectations to **Kraft Heinz, General Mills, Mondelez, Kellanova, Coca-Cola** and **PepsiCo**, concerning the adoption of a nutritional rating system recognized by their brands, as well as greater transparency concerning the nutritional quality of products and the composition of their brands' product portfolios from a nutritional point of view.

c) In addition, the LBP AM Group continues its engagement to a number of initiatives

▶ Investor Alliance for Human Rights

A membership-based, not-for-profit initiative focused on investors' responsibility to respect human rights. The LBP AM Group participates in particular:

- **To the engagement group co-organized by the World Benchmarking Alliance on the Corporate Human Rights Benchmark** a benchmark that evaluates the largest companies in at-risk sectors on their human rights due diligence policies, processes and practices, as well as their ability to remediate the most severe impacts on people.
- **The Engagement Group on Uyghur Forced Labor Risks in Automotive Supply Chains**, to 'assess the ability of companies to adopt a strategy to reduce the risk of reliance on forced labour materials over the long term, and to increase transparency in supply chain management. Within this framework, the LBP AM Group is engaged with **Mercedes-Benz, Stellantis** and **Volkswagen AG**.

▶ Investor Initiative on Hazardous Chemicals (IIHC) with Swedish NGO ChemScore.

As a signatory to a letter sent to 54 of the world's largest producers and users of eternal pollutants, the LBP AM Group is engaging five companies in the chemical sector, to encourage them to plan their gradual phase-out of eternal pollutants and to be more transparent about the management of the risks and impacts associated with the production and use of these substances.

Notable advances:

Syensqo has committed to definitively ceasing production of fluorosurfactants by 2026. Regarding fluoropolymers, the company has announced that it has found a new polymerization process that no longer relies on the use of fluorosurfactants.

Arkema has provided ChemSec with additional information on its chemicals management.

► Access to Medicine

This Foundation evaluates pharmaceutical companies on their ability to promote access to medicines and health-care, particularly for the most vulnerable populations, through research and development, pricing policies and intellectual property policies. It also organizes campaigns with investors to encourage companies to strengthen their practices to improve access to their products worldwide. The LBP AM Group is leading the engagement to **Sanofi**.

Notable advances:

Sanofi has moved up from 8th place in the **Access to Medicine ranking in 2022**, to 3rd place in 2024. The company has established itself as a leader in Access to Medicine strategy. It has a rigorous set of controls to promote ethical conduct and mitigate risk to ensure that governance efforts are not compromised by non-compliant activities. The company is transparent, and specific responsibilities for access to healthcare are assigned at all levels of the organization to ensure that the policy is properly implemented.

► Advance (UNPRI)

The collaborative engagement initiative led by the United Nations Principles for Responsible Investment seeks achieve progress in human rights risk management. The LBP AM Group participates in the two working groups on the renewable energies and mining sectors and is engaged with **ArcelorMittal**, in favour of strengthening traceability measures in supply chains, measures to identify risks linked to certain geographies or materials/products, and health and safety risk management procedures.

Notable advances:

In April 2024, **ArcelorMittal** appointed an executive member with strong experience in health and safety, a salient issue from a dual-material perspective, for the company. As requested as part of our engagement, ArcelorMittal conducted a risk mapping exercise for all its activities, using the UNGPs methodology, enabling it to identify 12 salient issues. In terms of transparency, ArcelorMittal is now publishing concrete case studies on its human rights risk management, particularly regarding local communities, in its 2023 annual report.

► Business and Conflict Community of Practice

LBP AM Group has joined the Investor Engagement in Conflict-Affected and High-Risk Areas initiative, organized by PeaceNexus, IAHR and Heartland Initiative. By engaging selected IT companies, the initiative aims to encourage companies to adopt a set of measures and procedures to effectively reduce the risk of negative impacts on human rights and conflict dynamics associated with their operations in these conflict zones. The LBP AM Group has been supported by one company within the framework of this coalition.

► Rating Digital Rights (privacy and freedom of expression in the information technology sector)

The LBP AM Group is taking part in the collective engagement co-organized by Ranking Digital Rights (RDR), an independent research program that evaluates the human rights policies and practices of technology and telecommunications companies, particularly with regard to privacy and freedom of expression. Based on the results of their research, investors engage with the companies evaluated to discuss their impacts and promote best practices in terms of respect for human rights. The LBP AM Group is engaged with **Orange**.

► FIR Coalition against forced and child labour

In 2021, FIR formed a coalition of ten of its investor members to engage companies at risk on the theme of combating forced and child labor, and to strengthen their policies and methods for managing these risks. 10 companies were selected and evaluated based on a grid co-developed with the NGO Ressources Humaines Sans Frontière (RHSF), in partnership with the French Ministry of Europe and Foreign Affairs. In particular, the grid evaluates:

- Knowledge of company risks;
- The level of engagement expressed;
- Targeting the prevention and mitigation approach;
- The relevance of the measures deployed.

The LBP AM Group has signed up **LVMH**, **L'Oréal**, **Accor**, **Bouygues**, **Stellantis** and **Carrefour** as lead investors, and **Neoen** as supporting investor.

Major actions in the first year of engagement:

- Publication of a Human Rights report by **L'Oréal**, in line with our expectations in terms of transparency.
- Increased support with **LVMH**: recommendations and benchmarks for the publication of a human rights policy. The company has appointed a Group-level duty of care officer.
- **Bouygues**: Development and reinforcement of human rights risk mapping methodology.
- Sending written questions to **Accor** at general meetings (see section 2.6 of this report, "Public actions at general meetings").

2.3. Governance

A key moment in our shareholder engagement activity, the annual general meeting season is an opportunity to discuss with our investee companies the LBP AM Group's voting principles, the reasons for opposing certain resolutions submitted to a shareholder vote, and any changes that might be desirable, particularly in terms of corporate governance. This involves drawing up a list of companies to which the Group's voting principles and reasons for opposing resolutions are systematically communicated, with the aim of **promoting good corporate governance practices**. These engagements have been conducted in accordance with the LBP AM Group's voting policy, which describes what is expected in terms of governance.

On the theme of governance, in 2024, **282 areas for improvement were communicated to 163 companies, 131 of which through AGMs**.

Example of an engagement made at a General Meeting – Vinci

Vinci is the world's second-largest concessions and construction company.

In 2023, as part of a pre-general meeting engagement, we encouraged the company to strengthen the variable compensation structure for the managing director on extra-financial criteria. We questioned the relevance of the CDP rating as an environmental criterion and recommended that it be replaced by carbon emission reduction targets aligned with the company's transition plan.

In the executive's 2024 remuneration policy, the CDP rating criterion for the annual bonus has been replaced by greenhouse gas reduction targets.

*Examples of collaborative engagement***Club 30 France**

The Club 30 is a collaborative engagement initiative whose aim is to encourage companies to promote the inclusion of women in positions of responsibility. The LBP AM Group is a founding member of the French chapter of this initiative, created in November 2020 to promote gender diversity within the executive bodies of the SBF 120. The Club aims to engage companies to:

- be transparent about the procedures used to identify and appoint new members to the management team,
- explain how this process ensures diversity within management teams.
- provide information on how diversity is reflected at all levels of corporate responsibility.
- evidence/signs of a corporate culture supportive of gender diversity.

We provide companies with **a question grid** in advance of discussions, covering diversity governance, training, transparency of KPIs on diversity issues, fair compensation practices, internal promotion, retention and work-life balance policies, and prevention of sexual harassment.

Each year, we lead on selected SBF 120 companies. In 2024, these companies were the same as in the previous two years: **Carrefour** and **ArcelorMittal**.

Club 30 France publishes a report on its activities: [report link](#).

Club SMID du Forum pour l'Investissement Responsable (FIR)

This club, created in 2024, aims to develop collaboration between investors to best support small and mid-cap companies in their ESG progress, particularly on governance issues. In the short term, these companies with limited resources are particularly challenged by the implementation of regulations such as the CSRD.

The LBP AM Group has positioned itself as one of the leaders of the working group on corporate governance, whose objectives are to:

- Create a community of responsible investors dedicated to dialogue and engagement with small and mid-cap companies on governance issues.
- Sharing best practices, pooling and collaborating to develop common expectations and coherent support on diverse topics
- Become a benchmark player in shareholder dialogue with smid companies.

The initiatives implemented by the Club in 2024 are listed below:

- **CSRD event for multi-stakeholders** (companies, investors, auditors)
- **Meeting with The Investor Coalition for Equal Votes (ICEV)** on the development of multiple voting rights in Europe
- **Meeting with MiddleNext**, the reference governance code for SMIDs, to discuss changes to CSR recommendations
- **Engagements with SMIDs:** the Group
- The LBP AM Group has positioned itself as the lead in an engagement with **Virbac** and in support of **SEB** and **Ipsos**, a French pharmaceutical laboratory dedicated to animal health and has formulated a number of expectations with the company that will be closely monitored over the coming years.

3.

Engagement activity on Real and Private Assets

The private debt management teams (corporate, infrastructure and real estate) engage in dialogue with counterparties during the due diligence phase, at the GREaT rating stage, to gather information and deepen their understanding of their ESG practices. As part of certain strategies, they may also **negotiate the inclusion** of impact **indicators** in loan contracts, to **encourage borrowers to improve their practices regarding the most material environmental and social issues**. These engagements are then included in the financial documentation and oblige counterparties to provide annual information.

Corporate Private Debt managers and experts from the SRI Solutions team are actively involved in structuring *Sustainability-Linked Loans* (SLL), a financing format designed to support the improvement of borrowers' ESG practices via a financial incentive to achieve annual targets. The LBP AM Group's teams begin by collaborating closely with company management to understand their CSR challenges and their strategy for managing them. On this basis, they identify the most material areas for improvement and propose one to three indicators (the ESG KPIs) to which are linked improvement trajectories over the entire financing maturity. The KPIs are then assessed annually to determine whether the improvement targets set by the trajectories have been met, triggering a bonus/malus mechanism on the interest margin for the given period.

In 2024, Corporate Private Debt continued to roll out its Midcap Senior Debt strategy. Classified as Article 9 under the SFDR, it makes 100% sustainable investments, with at least one ESG KPI and an improvement trajectory attached to the closing of each debt. The KPIs are chosen on a case-by-case basis from the following four themes: decarbonization of the business model, improvement of working conditions, value sharing, and sustainability in the value chain. **19 receivables were in the portfolio on December 31, 2024, with an average of 3.2 KPIs per financing. 50% of the KPIs were linked to sustainability in the value chain** (e.g. waste recycling, Ecovadis score, etc.), **33% to decarbonization of the business model** (e.g. reduction of carbon footprint, etc.), **15% to quality of employment** (e.g. staff training, reduction of accidents, etc.) and **2% to value sharing** (e.g. employee share ownership).

In 2024, the Private Debt Infrastructure management team and the SRI Solutions team dialogued with a counterparty following the granting of financing as part of the deployment of the climate impact strategy. A specialist in energy efficiency for industry, the company offers a project management service for the implementation of improvement work at its customers' sites, including the selection of energy service companies to conduct the work. The counterparty called on the ESG expertise of LBP AM's teams to build its service provider selection framework. During a series of discussions between the management team, Solutions ISR and the counterparty's ESG manager, an analysis grid was co-constructed to encourage the integration of environmental and social factors in the selection of energy service companies, such as the implementation of measures to promote worker health and safety, or the recycling of site waste.

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In line with its engagement to the 6 Principles for Responsible Investment (PRI), and convinced that all stakeholders in our ecosystem have a role to play in the development of responsible finance, the **LBP AM Group engages with other stakeholders**, such as public authorities, financial regulators and professional organizations, to convey its vision of responsible investment to the market. It also engages fund management companies in the context of fund selection, and ESG evaluation and data providers.

1. Engagements with public authorities, financial regulators or professional organizations

The LBP AM Group interacts with public authorities, financial regulators and professional organizations on sustainable issues, notably by **responding to consultations** prior to the publication of new regulations, by **participating in working groups or roundtables**, and **through advocacy activities**.

To this end, in 2024, the LBP AM Group has undertaken the following engagements:

- ▶ **Signature to a public letter to the Securities and Exchange Commission (SEC)** on the filing of external resolutions. In the context of the dispute in the USA between Exxon and small minority shareholders over the filing of a climate resolution, the statement aims to preserve the current local system of arbitration by the SEC (fast, relatively reliable, and low cost) of the admissibility of shareholder resolutions in order not to move towards a legal system creating a higher legal risk and a virtually insurmountable barrier in terms of cost for investors. [Link to the letter.](#)
- ▶ **Response to the European Commission's consultation** on the revision of the SFDR regulation.
- ▶ **Response to the Sustainable Finance Platform's consultation** on draft criteria for defining ESG categories for financial products as part of the revision of the SFDR regulation.
- ▶ **Response to the AMF consultation** on the application of ESMA guidelines on fund names containing terms related to environmental, social and governance (ESG) criteria or sustainability.
- ▶ **Response to the AMF's consultation** on position adjustments - recommendation DOC-2020-03 on disclosures by collective investment schemes integrating extra-financial approaches.
- ▶ **Publication of a report by the Institut pour la Finance Durable** in which the LBP AM Group participated. This report provides an overview of the energy transition strategies of players in the Paris financial marketplace. Its aim is to share best practices and provide concrete examples of climate strategies for each type of financial player, to accelerate the Paris financial center's momentum and inspire other financial centers around the world. The report identifies 10 best practices for the effective use of climate scenarios in the climate strategies of financial players. [Link to the report.](#)
- ▶ **Publication of a report co-authored by the Institut pour la Finance Durable and the Coalition of investors pour la Transition Juste (Investors for a Just Transition)**, in which the LBP AM Group participated. The aim of this report is to encourage companies to better integrate the dimensions of just transition into their environmental strategy. The report summarizes the findings of the first phase of engagement initiated by investors with companies in four working groups, based on priority business sectors: agri-food, energy production, transport, building and construction. [Link to the report.](#)
- ▶ **Publication of a Club 30 annual report** in which the LBP AM Group participated. This report highlights the latest trends observed by the Club on gender diversity in SBF 120 companies in France. [Link to the report.](#)
- ▶ **Participation in the panel "Leverage Investor Stewardship to address human rights issues in mineral supply chains"** organized by the UN Principles for Responsible Investment as part of the 2024 OECD Forum on Responsible Mineral Supply Chains
- ▶ **Participation in the Advance PRI and human rights panel** organized by the UN Principles for Responsible Investment at LBP AM headquarters.

- ▶ **Participation in the round table “Engagement in Complex Contexts: Exchange on Lessons Learned”** organized by Sustainable Finance Geneva, PeaceInvest, IAHR, PeaceNexus Foundation and De Pury Pictet Turrettini as part of the Building Bridges 2024 Conference.
- ▶ **Participation in the round table “Rights, Risks, and Returns: Advancing responsible and effective investments in conflict-affected areas”** organized by TrustWorks Global as part of the Building Bridges 2024 Conference.
- ▶ **Participation in a round table organized by OECD Watch** on the role of the financial sector in the just transition.

2. Engagements with data providers

The LBP AM Group may engage suppliers of extra-financial data to **help them improve the quality of their service and the data** they distribute, and to develop their analysis methodologies and offers.

For example, in 2024:

- ▶ The LBP AM Group has joined a collaborative engagement initiative aimed at improving the quality and robustness of data provided by ESG data and index providers: **Investor Initiative on Human Rights Data (IIHRD)**. The initiative engages ESG data and index providers to, among other things, improve the depth and breadth of human rights data made available to investors by data providers.
- ▶ Since 2024, LBP AM has also been a member of **Clarity AI's Asset Management Client advisory board**. This forum, which meets twice a year at Clarity AI's initiative, enables the company to exchange views with a panel of customers to gain feedback on the products it offers, as well as to identify current trends in its customers' needs. LBP AM participates in this working group.

3. Engagements with fund managers through fund selection






The LBP AM Group can also engage management companies on their responsible investment approach. This involves in-depth discussions with management companies on their SRI approach to fund selection.



LBP AM has developed a dedicated SRI analysis grid for selecting management companies, called **“GREaT AM”**. In 2024, LBP AM conducted an ESG dialogue with 29 of the 33 management companies in which LBP AM holds investments. **Areas for improvement in ESG practices were identified for 21 management companies**. One of the serious issues addressed this year was the maintenance of the V3 SRI label for buy-list funds.

LFDE has developed a proprietary analysis approach for UCIs in the form of a grid called **“SRI Maturity by LFDE”**. This grid assigns a score to each mutual fund at the end of each analysis. It is the result of the evaluation of over 50 quantitative and qualitative criteria. Each criterion is rated according to a precise scale designed to avoid as far as possible any subjective bias on the part of the analyst. **In 2024, suggestions for improving the ESG approach were sent to 3 asset management companies.**







4.






Tables summarizing the market initiatives in which the LBP AM Group participated in








ORGANIZATION	NATURE OF LBP AM GROUP'S INVOLVEMENT	DETAILS OF THE INITIATIVE	ENTITIES CONCERNED
 Access to medicine foundation	<ul style="list-style-type: none"> • Membership of a market organization • Participation in collaborative engagement campaigns 	The Foundation is an international network of investors whose aim is to encourage the pharmaceutical industry to develop access to medicines for populations in low-income countries. Every two years, it publishes <u>a ranking of the twenty largest pharmaceutical companies on the subject</u> . The LBP AM Group also participates in collaborative engagement campaigns.	LBP AM LFDE
 AFG	<ul style="list-style-type: none"> • Membership of a market organization • Committee membership • Participation in working groups 	Emmanuelle Mourey (Chairman of the LBP AM Management Board) has been a member of the Strategic Committee since December 2019. The LBP AM Group is a member of the Responsible Investment (RI) and Corporate Governance Committees. Other LBP AM Group employees also participate in other AFG Commissions. In 2024, the LBP AM Group took part in the "transition plan analysis" working group co-organized by the AFG and the IFD.	LBP AM LFDE
 AMIF	<ul style="list-style-type: none"> • Commission seat 	Helena Charrier (Head of SRI Solutions at LBP AM) is a member of the <u>Climate and Sustainable Finance Advisory Committee</u> , which began a new term at the end of 2022. In this capacity, she played an active role in developing the commission's position on <i>Say-on-climate</i> , or the guide to implementing ESRS E1 Transition Plans.	LBP AM
CDC biodiversité / Nature 2050	<ul style="list-style-type: none"> • Sponsor 	CDC Biodiversité finances the Nature 2050 project to protect biodiversity and adapt natural environments to climate change. LBP AM contributes to financing the preservation and restoration of nature by supporting CDC Biodiversité through the payment of a lump sum.	LBP AM
 CDP	<ul style="list-style-type: none"> • Membership of a market organization • Participation in collaborative engagement campaigns 	The CDP encourages greater disclosure of the environmental impact of investors, companies and government. Three LBP AM equity funds in 2019, 2020, 2021 and 2022 received a Climetric award from the initiative. In 2024, the LBP AM Group also took part in the "Non-Disclosure Campaign", "Science-Based Targets Campaigning" collaborative engagement campaigns organized by the CDP.	LBP AM LFDE
 Ceres	<ul style="list-style-type: none"> • Membership of a market organization • Participation in collaborative engagement campaigns 	Since 2018, Ceres is an American organization bringing together international investors wishing to contribute to the fight against deforestation, mainly linked to livestock farming and soybean cultivation in the Amazon. LBP AM participates in the following collaborative engagement campaigns organized by CERES: "Land use and Climate", "Deforestation", "Biodiversity", "Valuing Water Initiative".	LBP AM

ORGANIZATION	NATURE OF LBP AM GROUP'S INVOLVEMENT	DETAILS OF THE INITIATIVE	ENTITIES CONCERNED
 Climate Action 100+	<ul style="list-style-type: none"> Participation in working groups 	The Climate Action 100+ initiative, led by PRI and IIGCC, aims to encourage the world's major emitters of greenhouse gases to reduce their emissions in line with the objectives of the Paris Agreement. By signing the initiative's charter, the LBP AM Group is committed to encouraging the energy transition through the investments of its funds.	LBP AM LFDE
 Club 30%	<ul style="list-style-type: none"> Participation in collaborative engagement campaigns 	LBP AM is a founding member of the French Club 30 initiative, which was set up in November 2020 to promote gender diversity within the executive bodies of the SBF 120. LBP AM participates in collaborative engagement campaigns within the club.	LBP AM
 FinDatEx	<ul style="list-style-type: none"> Participation in working groups 	Working group to set up and deploy a standardized exchange file containing information on the extra-financial characteristics of investment products (EET)	LBP AM
 Eurosif	<ul style="list-style-type: none"> Membership of a market organization Participation in working groups Participation in governance 	Eurosif is the pan-European association promoting sustainable finance at European level – encompassing the EU, the enlarged European Economic Area (EEA) and the United Kingdom (UK). Eurosif's activities include contributing to public policy and conducting research to better understand responsible investment and the obstacles faced by sustainability-minded investors. In particular, the LBP AM Group participates in working groups on the classification of financial products.	LBP AM LFDE
 fair.	<ul style="list-style-type: none"> Membership of a market organization Working group participation 	FAIR is a key player in social impact finance in France and a French center of expertise in this field internationally. FAIR manages a label, the <u>Finansol</u> label, which distinguishes solidarity savings products from other savings products sold to the general public. LFDE has been a member since 2021 and participates in the finansol label's working groups on solidarity funders and exclusions.	LFDE
 FAIRR A COLLIER INITIATIVE	<ul style="list-style-type: none"> Membership of a market organization Participation in collaborative engagement campaigns Working group participation 	This initiative aims to encourage food manufacturers to improve their practices in terms of animal welfare and nutrition. The LBP AM Group participates in the following working groups: Sustainable Aquaculture, Sustainable Proteins, Biodiversity and Pollution, Antimicrobial Resistance and Antibiotics.	LBP AM LFDE
 Finance For Biodiversity Foundation	<ul style="list-style-type: none"> Membership of a market organization Declaration signatory Working group participation 	Since 2020, the LBP AM Group has been a signatory to the Finance for Biodiversity Pledge and participates in working groups on biodiversity impact measurement (engagement around biodiversity, setting biodiversity targets) and advocacy and political engagement on biodiversity.	LBP AM LFDE

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ORGANIZATION	NATURE OF LBP AM GROUP'S INVOLVEMENT	DETAILS OF THE INITIATIVE	ENTITIES CONCERNED
 Participation in the creation and financing of the FDIR Chair	<ul style="list-style-type: none"> • Support for academic research • Participation in governance 	The aim of the FDIR Chair is to foster collaboration between asset management professionals and researchers whose work contributes to the international influence of the Paris marketplace on this essential theme. Since 2016, LBP AM has held the Chair's presidency.	LBP AM
 Forum for Responsible Investment (FIR)	<ul style="list-style-type: none"> • Membership of a market organization • Governance seat • Sits on committees/commissions • Working group participation • Participation in collaborative engagement campaigns 	FIR was created in 2001 to promote SRI. LBP AM joined the FIR in 2014. Helena Charrier (LBP AM's SRI Solutions Director) was re-elected to the Board of Directors of the Forum pour l'Investissement Responsable in 2022, of which Helena Charrier is one of the Vice Presidents. The LBP AM Group is also a member of the Dialogue and Engagement Commission. The LBP AM Group participates in the FIR working group on <i>Say-on-climate</i> , and in the collaborative engagement on forced labour and child labour. In 2024, the LBP AM Group also participated in the creation and piloting of a collaborative engagement initiative on the governance of small and medium-sized enterprises.	LBP AM LFDE
 France Invest	<ul style="list-style-type: none"> • Membership of a market organization • Commission seat 	FranceInvest is a professional organization bringing together over 400 French private equity and private debt management companies, of which LBP AM is a member of the Sustainability Commission. The association and its members are committed to supporting unlisted start-ups, SMEs and ETIs in their transformation towards responsible practices and models.	LBP AM
 Glasgow Financial Alliance for Net Zero (GFANZ)	<ul style="list-style-type: none"> • Participation in working groups 	GFANZ is a global coalition of financial institutions committed to accelerating the decarbonization of the economy. The alliance aims to broaden, deepen and raise the ambitions of carbon neutrality across the financial system, and to demonstrate the collective engagement of companies to help businesses and countries achieve the goals of the Paris Agreement. As part of this alliance, LBP AM has been actively involved in working groups to develop an international voluntary standard for transition plans, for the real economy via the "Real Economy Pathways", and for financial institutions as part of the work on "Portfolio Alignment".	LBP AM
 GIIN	<ul style="list-style-type: none"> • Membership of a market organization 	The Global Impact Investing Network is a marketplace initiative on impact investing led by investors committed to generating social and environmental impact as well as financial returns.	LFDE
 ICGN	<ul style="list-style-type: none"> • Membership of a market organization • Participation in working groups 	The ICGN is a global network of responsible investors who promote the highest standards of corporate governance with the aim of creating long-term value and contributing to the sustainability of economies, societies and the environment. LBP AM joined the network in 2023.	LBP AM

ORGANIZATION	NATURE OF LBP AM GROUP'S INVOLVEMENT	DETAILS OF THE INITIATIVE	ENTITIES CONCERNED
 Institut de la Finance Durable (IFD)	<ul style="list-style-type: none"> • Membership of a market organization • Working group participation • Participation in collaborative engagement campaigns 	<p>Formerly Finance for Tomorrow, IFD is an initiative of Paris Europlace to promote sustainable finance in France and internationally. The aim is to redirect financial flows towards a low-carbon, inclusive economy, in line with the Paris Agreement and the Sustainable Development Goals. The LBP AM Group is a member of the initiative's board, the Policy Commission and participates in the Impact, Just Transition, Biodiversity and Deforestation working groups.</p>	LBP AM LFDE
 The Institutional Investors Group on Climate Change (IIGCC)	<ul style="list-style-type: none"> • Membership of a market organization • Working group participation 	<p>The Institutional Investors Group on Climate Change is a network of investors on climate change, collaborating on the development of market guides and engagement actions. LBP AM members participate in consultations and working groups.</p>	LBP AM
Investor Engagement in Conflict-Affected and High-Risk Areas	<ul style="list-style-type: none"> • Participation in collaborative engagement campaigns 	<p>The Investor Engagement in Conflict-Affected and High-Risk Areas initiative, organized by PeaceNexus, the Investor Alliance for Human Rights and the Heartland Initiative, aims to engage selected information technology and renewable energy companies, challenging them to adopt a set of measures and procedures to effectively reduce the risk of negative impacts on human rights and conflict dynamics associated with their operations in these areas.</p>	LBP AM
 Investor Initiative on Hazardous Chemicals	<ul style="list-style-type: none"> • Participation in collaborative engagement campaigns 	<p>Spearheaded by the Swedish NGO ChemSec, this initiative brings together more than 50 investors, who have signed a letter sent to 50 of the world's largest producers and users of PFAS, urging them to plan a gradual phase-out of PFAS and to be more transparent in managing the risks and impacts associated with the production and use of these substances.</p>	LBP AM
 Investor Statement de la Taskforce on Climate-related Financial Disclosure (TCFD)	<ul style="list-style-type: none"> • Declaration signatory 	<p>The TCFD makes recommendations on the climate-related information that companies should share to help investors make the right financial decisions. The LBP AM Group is committed to communicating and reporting climate risks in line with TCFD standards and encourages companies to deploy these standards.</p>	LBP AM LFDE
 Investors Alliance for Human Rights	<ul style="list-style-type: none"> • Membership of a market organization • Participation in collaborative engagement campaigns • Working group participation 	<p>The aim of the alliance is to mobilize responsible investors to respect fundamental human rights. The LBP AM Group participates in the "Corporate Human Rights Benchmark", "Rating Digital Rights" and "Uyghur Forced Labour" engagement groups.</p>	LBP AM LFDE

ORGANIZATION	NATURE OF LBP AM GROUP'S INVOLVEMENT	DETAILS OF THE INITIATIVE	ENTITIES CONCERNED
 Nature Action 100	<ul style="list-style-type: none"> Participation in collaborative engagement campaigns 	Launched in September 2023 through collaboration between CERES, IIGCC, Finance for biodiversity and planet tracker, the Nature Action 100 coalition brings together institutional investors to engage with one hundred key companies in the sectors that have the greatest impact on nature and encourage them to reduce their impact on biodiversity by 2030.	LBP AM LFDE
 The Net Zero Asset Managers Initiative	<ul style="list-style-type: none"> Membership of a market organization 	The Net Zero Asset Managers Initiative (NZAMI) is an initiative aimed at strengthening climate action with the goal of achieving carbon neutrality by 2050. The LBP AM Group is committed to making its portfolios carbon neutral through its involvement in this alliance.	LBP AM LFDE
 PRI Principles for Responsible Investments (PRI)	<ul style="list-style-type: none"> Membership of a market organization Participation in collaborative engagement campaigns Working group participation 	The PRI were launched by the United Nations in 2006. It is a voluntary engagement by investors to integrate ESG issues into the management of their portfolios. The LBP AM Group participates in the working groups on responsible raw materials production and plastics. The LBP AM Group also participates in the Advance collaborative engagement campaign.	LBP AM LFDE
 Mining 2030	<ul style="list-style-type: none"> Membership of a market organization 	In 2024, LBP AM joined the Responsible mining 2030 initiative, which aims to initiate reflection on the role of investors in promoting a just energy transition that respects nature and human rights. The multi-stakeholder initiative brings together mining companies, NGOs, representatives of local and Indigenous communities, and investors.	LBP AM
 ShareAction»	<ul style="list-style-type: none"> Participation in collaborative engagement campaigns 	Founded in 2005, ShareAction coordinates numerous investor engagement campaigns to address the major environmental and social challenges we face.	LBP AM LFDE
 TOBACCO-FREE Finance Pledge	<ul style="list-style-type: none"> Declaration signatory 	Launched in 2018, this is the first international treaty to reduce the impact of tobacco on the global economy. Signatories to this initiative commit to a strict tobacco exclusion policy in their investments	LBP AM
 UNI global union	<ul style="list-style-type: none"> Joining a local initiative Declaration signatory 	In 2022, LBP AM became a signatory to the Investor Declaration on Expectations for the Retirement Home Sector, a document formalizing the coalition's objectives. In 2024, LBP AM also joined the Labour Rights Investor Network, which aims to share information and best practices between companies, stakeholders (e.g. trade unions, NGOs, civil society...) and investors, on issues related to working conditions and fundamental workers' rights.	LBP AM



<https://www.lbpam.com>

LBP AM

Société Anonyme à directoire et conseil de surveillance with authorised capital of 12,138,931.20 euros

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Immatriculée sous le n° 879 553 857 RCS Paris

Certified as a portfolio management company by the French Financial Markets Authority (AMF)

under n° GP-20000031 (code APE 6630Z)

EU VAT N°: FR 71 879 553 857

Voting and engagement reports: SRI-labelled funds

The table below shows the voting and engagement report for each **SRI-labelled fund**, as required by the label's reference framework. In addition, details of the votes cast at AGMs for each open-ended fund are made available online, 7 days after each AGM, on the **Proxy Voting Dashboard**.

UCI La Financière de l'Echiquier

FUND NAME		EXERCISE OF VOTING RIGHTS 2024			2024 ENGAGEMENT ACTIONS							
		% AGMs VOTED ON THE PORTFOLIO	FRENCH AGMs % VOTED	AC REST OF THE WORLD % VOTED	NUMBER OF AREAS FOR IMPROVEMENT IDENTIFIED				NUMBER OF COMPANIES INVOLVED		NUMBER OF COMPANIES FOR WHICH THE LBP AM GROUP HAS PARTICIPATED AT LEAST ONE COLLABORATIVE ENGAGEMENT INITIATIVE	OTHER SIGNIFICANT ENGAGEMENT INITIATIVES
					E	S	G	Total	Number	of outstandings		
DSA	TOCQUEVILLE SILVER AGE ISR	95%	100%	91%	12	19	26	57	23	49.1%	3 in lead/co-lead, 3 in support	-
DTC	TOCQUEVILLE TECHNOLOGY ISR	93%	89%	94%	3	9	19	31	14	36.5%	4 in support	-
EAE	ECHIQUEUR AGENOR EURO SRI MID CAP	100%	100%	100%	14	6	27	47	12	38.9%	2 in lead/co-lead, 1 support	-
EAM	ECHIQUEUR ALPHA MAJOR SRI	97%	100%	96%	5	16	28	49	16	48.0%	3 in lead/co-lead, 3 in support	-
EAP	ECHIQUEUR AGENOR SRI MID CAP EUROPE	100%	100%	100%	10	5	19	34	11	36.9%	2 in lead/co-lead, 5 in support	-
ECB	ECHIQUEUR CLIMATE & BIODIVERSITY IMPACT EUROPE	100%	100%	100%	15	19	26	60	19	63.1%	2 in lead/co-lead, 2 in support	-
EH1	ECHIQUEUR HEALTH IMPACT FOR ALL	94%	100%	93%	4	10	10	24	7	26.1%	1 support	-
EIM	ECHIQUEUR POSITIVE IMPACT EUROPE	97%	100%	96%	20	16	31	67	18	57.6%	1 in lead/co-lead, 3 in support	-
EIS	ECHIQUEUR IMPACT ET SOLIDAIRE	97%	100%	96%	20	16	31	67	18	54.1%	1 in lead/co-lead, 3 in support	-
EME	ECHIQUEUR MAJOR SRI GROWTH EUROPE	97%	100%	96%	5	16	28	49	16	49.0%	3 in lead/co-lead, 3 in support	-
ERT	ECHIQUEUR ARTY SRI	94%	100%	93%	18	25	56	99	54	32.7%	6 in lead/co-lead, 11 support	-
TUL	TOCQUEVILLE SMALL CAP EURO ISR	90%	100%	87%	3	1	11	15	6	13.0%	1 support	-
IDI	IMMO DIVERSIFICATION ISR	86%	100%	80%	2	-	2	4	3	19.7%	-	-
ECE	ECHIQUEUR CREDIT SRI EUROPE	-	-	-	9	21	54	84	43	29.2%	6 in lead/co-lead, 7 in support	-
EST	ECHIQUEUR SHORT TERM CREDIT SRI	-	-	-	8	15	42	65	26	28.2%	6 in lead/co-lead, 5 in support	-
EHY	ECHIQUEUR HIGH YIELD SRI EUROPE	-	-	-	4	9	29	42	16	18.7%	2 in lead/co-lead, 2 in support	-

UCI LBP AM

Fund Name		Exercise of Voting Rights 2024			2024 Engagement Actions							
		% AGMs Voted on the Portfolio	French AGMs % Voted	AC Rest of the World % Voted	Number of Areas for Improvement Identified				Number of Companies Involved		Number of Companies for which the LBP AM Group has participated at least one collaborative engagement initiative	Other significant engagement initiatives
					E	S	G	Total	Number	of outstandings		
AIJ	LBPAM ISR Actions Japon	93%	-	93%	1	-	-	1	1	0.3%	-	-
ARE	LBPAM ISR Strategie PEA 1	91%	96%	90%	25	41	70	136	55	50.7%	9 in lead/co-lead, 9 in support	Written questions to the Accor AGM
BIO	TOCQUEVILLE Biodiversity ISR	90%	100%	89%	18	9	17	44	18	48.6%	4 in support	-
ELA	LBPAM ISR Actions Focus France	100%	100%	100%	17	26	39	82	29	86.3%	8 in lead/co-lead, 5 in support	Written questions to the Accor AGM
ELE	LBPAM ISR Actions Focus Euro	98%	97%	98%	27	33	58	118	45	48.4%	7 in lead/co-lead, 6 in support	Written questions to the Accor AGM
ELO	LBPAM ISR Actions Europe 50	95%	100%	94%	13	13	18	44	52	47.2%	5 in lead/co-lead, 15 in support	-
ETH	TOCQUEVILLE EURO Equity ISR	95%	100%	92%	16	19	20	55	17	43.9%	3 in lead/co-lead, 3 in support	-
FAA	LBPAM ISR Actions Euromonde	84%	96%	83%	25	45	56	126	56	44.9%	12 in lead/co-lead, 14 in support	-
FAC	TOCQUEVILLE Croissance Euro ISR	98%	100%	97%	12	26	26	64	26	57.0%	3 in lead/co-lead, 1 support	-
FAE	TOCQUEVILLE Mid Cap Euro ISR	98%	100%	97%	5	6	17	28	10	26.8%	1 support	-
FAN	Federis ISR Actions US	96%	-	96%	4	6	2	12	7	19.6%	4 in support	-
FAO	LBPAM ISR Actions Euro Large Cap	95%	97%	94%	16	29	51	96	36	50.3%	8 in lead/co-lead, 4 in support	Written questions to the Accor AGM
FAS	LBPAM ISR Actions Asie	85%	-	85%	3	-	-	3	3	1.0%	2 in support	-
FAV	TOCQUEVILLE Value Euro ISR	98%	100%	97%	12	8	18	38	20	47.4%	4 in lead/co-lead, 4 in support	-
FAX	LBPAM ISR Actions Ex-Euro	61%	-	61%	26	11	55	92	54	46.9%	2 in lead/co-lead, 41 support	-
FDH	LBPAM SRI Human Rights	78%	100%	74%	9	7	15	31	29	15.3%	2 in lead/co-lead, 5 in support	-
FLX	LBPAM ISR Strategie PEA 2	95%	96%	95%	25	41	70	136	55	50.6%	9 in lead/co-lead, 9 in support	Written questions to the Accor AGM
FMG	LBPAM ISR Actions Emergents	44%	-	44% ¹	-	-	-	-	-	0.0%	-	-
IFF	Federis ISR France	98%	98%	100%	14	19	45	78	23	75.4%	4 in lead/co-lead, 2 in support	Written questions to the Accor AGM
IFO	Federis ISR Euro	95%	100%	92%	13	13	18	44	17	43.6%	3 in lead/co-lead, 3 in support	-
IFP	LBPAM ISR Pro Actions Euro	97%	100%	95%	17	24	31	72	31	53.1%	5 in lead/co-lead, 5 in support	-
REA	TOCQUEVILLE Global Climate Change ISR	95%	100%	94%	13	5	10	28	14	36.0%	1 support	-
SCE	LBPAM ISR Convertibles Europe	100%	-	100%	2	3	17	22	8	24.5%	1 in lead/co-lead, 1 support	Written questions to the Accor AGM
SCM	LBPAM ISR Convertibles Monde	89%	100%	88%	2	7	10	19	8	4.8%	2 in lead/co-lead	Written questions to the Accor AGM
SCO	LBPAM ISR Convertibles Opportunités	100%	100%	100%	3	11	21	35	16	23.5%	2 in lead/co-lead, 2 in support	Written questions to the Accor AGM
SCX	LBPAM ISR Absolute Return Convertibles	100%	100%	100%	3	9	19	31	10	14.9%	2 in lead/co-lead	Written questions to the Accor AGM
US2	LBPAM ISR Actions USA 500	96%	-	96%	4	10	1	15	12	19.0%	1 in lead/co-lead, 8 in support	-
VOL	LBPAM Voie Lactée	94%	96%	93%	25	29	53	107	55	16.3%	10 in lead/co-lead, 7 in support	Written questions to the Accor AGM
TOA	LBPAM ISR Obli Moyen Terme	-	-	-	8	7	23	38	22	11.6%	5 in lead/co-lead, 6 in support	-
OBP	LBPAM ISR Obli Long Terme	-	-	-	11	17	31	59	39	9.6%	7 in lead/co-lead, 10 in support	-
LAR	LBPAM ISR Absolute Return Taux	-	-	-	3	6	15	24	17	10.7%	3 in lead/co-lead, 5 in support	-
LAC	LBPAM ISR Absolute Return Credit	-	-	-	3	5	10	18	16	9.2%	3 in lead/co-lead, 4 in support	-
FOE	LBPAM ISR Obli Europe	-	-	-	-	-	-	-	-	0.0%	-	-
FPA	LBPAM ISR Pro Alto	-	-	-	5	6	16	27	20	12.1%	4 in lead/co-lead, 5 in support	-
TAI	LBPAM ISR Taux	-	-	-	10	14	24	48	29	13.3%	4 in lead/co-lead, 8 in support	-
RVT	LBPAM ISR Obli Revenus	-	-	-	7	6	18	31	17	11.2%	4 in lead/co-lead, 3 in support	-
FFF	LBPAM ISR Dettes Financières Flexible	-	-	-	3	-	6	9	13	12.5%	1 in lead/co-lead, 1 support	-
TRC	LBPAM ISR Total Return Credit	-	-	-	5	5	8	18	13	12.8%	4 in lead/co-lead, 3 in support	-
ROC	LBPAM ISR Obli Entreprises	-	-	-	8	6	19	33	29	18.7%	4 in lead/co-lead, 5 in support	-
FDA	LBPAM ISR Avenir Epargne	-	-	-	n/a ²	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SIT	SOREA ISR Monétaire	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SID	SOREA ISR Dynamique et Solidaire	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
GBF	LBPAM ISR Euro High Yield	-	-	-	2	-	3	5	5	9.3%	2 in support	-
SAE	SOREA ISR Actions Euro	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SIC	SOREA ISR Croissance	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
SIO	SOREA ISR Obligations	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
HD6	LBPAM ISR Obli Juin 2029	-	-	-	5	1	14	20	10	12%	3 in lead/co-lead, 3 in support	-

1 FMG: The LBP AM Group exercised its voting rights on 44% of AGMs, slightly below the 50% required by the SRI label. The voting target was not reached due to operational difficulties, which have been addressed so that the fund will comply by 2025.

2 n/a: means that the fund contains no equity or bond securities at 31/12/24