

FOR PROFESSIONAL INVESTORS

VOTING POLICY



2026



BNP PARIBAS
ASSET MANAGEMENT

The sustainable
investor for a
changing world

INTRODUCTION	3
PART I: VOTING PRINCIPLES	4
PART II: VOTING GUIDELINES	5
1. REPORTS AND ACCOUNTS	6
2. FINANCIAL OPERATIONS	7
3. BOARD ELECTIONS	8
4. REMUNERATION	9
5. ENVIRONMENTAL AND SOCIAL PROPOSALS	11
6. SHAREHOLDER PROPOSALS	12
7. OTHER RELEVANT ISSUES	13
PART III: ENVIRONMENTAL AND SOCIAL PROPOSALS AND CONSIDERATIONS	14
PART IV: VOTING APPROACH	15
1. VOTING APPROACH	15
2. GOVERNANCE AND OVERSIGHT	15
3. VOTING SCOPE	15
4. PROXY VOTING PROCESS	16
5. PROCESS FOR SECURITIES LENDING	16
6. CONFLICTS OF INTEREST	17
7. TRANSPARENCY & REPORTING	17
Disclaimer	18

IMPORTANT INFORMATION: Following the combination of BNP Paribas Asset Management (BNPP AM) and AXA Investment Managers (AXA IM), we are currently working to develop a new sustainability approach. **This document applies to the eligible investment portfolios of whole scope of BNPP AM as of 1st of January 2026 (including previous AXA IM portfolios).**

For information on the application of this policy to a specific fund (including applicable methodology), please refer to the relevant product's legal documentation. These documents can be found on the relevant Funds pages available on our website.

INTRODUCTION

BNP Paribas Asset Management (BNPP AM)'s approach to corporate governance derives from our belief that company management, directors and investors all have critical yet unique roles to play in sustaining the health of financial markets and ensuring the efficient allocation of capital. As an investor with a widely diversified portfolio and long-term horizons, we believe that sustainable corporate governance increases the resilience of our investments and creates the framework to enable that a corporation is managed in the long-term interests of its stakeholders. Voting at General Meetings and promoting good corporate governance standards is a key component of our stewardship of companies in which we invest, and a right given to shareholders. As such, we intend to exercise our voting rights in a responsible manner in order to deliver the best outcomes to our clients. We consider this to be central to our fiduciary duty.

Corporate governance refers to the system by which a corporation is directed and controlled. It relates to the functioning of the managing board, supervision and control mechanisms, their inter-relationships and their relationships with stakeholders. Therefore, BNPP AM expects all corporations in which we invest to comply with high corporate governance standards as described in this policy.

This policy provides the foundation for BNPP AM's proxy voting and company engagement, as well as for participation in related public policy discussions related to governance. We are committed to ensuring that the principles described in this policy are consistently¹ exercised across portfolios and markets. However, in applying these principles, we are cognisant that companies are dynamic and a "one size fits all" approach is not always appropriate. We therefore take into account specific circumstances relating to individual companies such as geographic and regulatory differences, as well as size, and the ongoing engagement with the management and directors of the company concerned.

OUR CORPORATE GOVERNANCE PRINCIPLES

Our approach to voting is governed by a set of six principles focused on:

- Long-term sustainable value creation
- The protection of shareholder rights
- Independent, effective and accountable board structures
- The alignment of incentive structures with the long-term interests of stakeholders
- Respect for society and the environment
- The disclosure of accurate, adequate, and timely information.

The first section of this document outlines our key governance and proxy voting principles. The second section sets out the guidelines related to key expectations that we take into consideration when making our voting decision. The third section summarises how environmental and social considerations are integrated into our voting decisions. The final section describes our proxy voting process.

¹ Subject to technical and legal constraints.

PART I: VOTING PRINCIPLES

The following principles describe BNPP AM's expectations of the listed companies in which we invest. They act as a guiding framework by which BNPP AM executes its ownership responsibilities.

1. FOCUS ON LONG-TERM SUSTAINABLE VALUE CREATION

The Board of Directors plays a critical oversight role to ensure that companies deliver long-term sustainable value, in balance with the interests of society and the environment. Corporate governance practices ensure the board's attention remains focused on this goal, with a clear strategy that takes into account all key stakeholders. Boards should maintain an open dialogue with investors and be prepared to discuss their long-term plans for sustainable value creation.

2. PROTECT SHAREHOLDER RIGHTS

Shareholders play a key role in the system of corporate accountability and value creation. Our rights as shareholders allow us to take action to defend the interests of our clients when companies fall short of our expectations. It is therefore critical that shareholder rights be preserved and, where necessary, strengthened. In that respect, companies should ensure that the rights of all investors are protected and should treat investors equitably, notably by respecting the principle of one share - one vote - one dividend. All shareholders should be given the opportunity to vote on decisions concerning fundamental corporate changes and capital increases should be carefully controlled to minimise the dilution of existing shareholders. Anti-takeover devices should not be used and shareholders should have opportunities to address material concerns, including through direct access to proxy votes to nominate directors and through the submission of shareholder proposals.

3. ENSURE INDEPENDENT, EFFECTIVE AND ACCOUNTABLE BOARD STRUCTURE

There should be a sufficiently counter-balancing structure of the Board and its committees, featuring a strong presence of qualified, engaged, diverse and independent directors to enable objective and effective oversight of the management, supported by independent leadership. Formal evaluation of the Board, executive sessions and succession plans should be in place. Board composition should include a range of directors who, individually and collectively, have the skills, knowledge, expertise necessary to understand the company's strategy and address emerging risks facing the company and its key stakeholders.

4. ALIGN INCENTIVE STRUCTURES WITH LONG-TERM INTERESTS OF STAKEHOLDERS

Executive compensation plans should be aligned with the long-term performance of the company, and should discourage irresponsible risk-taking, strengthen employee loyalty, take into consideration their impact on inequality and aim to foster inclusive growth. They should include robust financial and non-financial targets, including those relating to the key sustainability risks and opportunities presented by the company's business model. Compensation programmes should not restrict the company's ability to attract and retain talented executives, but should respect best market practices and not be disproportionate with regards to performance and peer group. They should be disclosed to shareholders clearly and thoroughly, and be subject to shareholder approval.

5. ENSURE RESPECT FOR SOCIETY AND THE ENVIRONMENT

Long-term sustainable returns depend on proactive and effective management of Environmental, Social, and Governance (ESG) risks and opportunities to ensure that growth is not at the expense of social and environmental health and stability. As a long-term investor, we expect companies to understand the risks they face and create, as well as the opportunities that better ESG performance might bring to their businesses, and to act responsibly towards all stakeholders. All companies should strive to meet high corporate ESG standards to protect stakeholders' long-term interests.

6. DISCLOSE ACCURATE, ADEQUATE AND TIMELY INFORMATION

Companies should ensure that timely and accurate disclosure is made on financial and operating results, ownership issues, lobbying activities and performance on key ESG issues, including full disclosure of greenhouse gas emissions (GHG) and commitments to combatting climate change. Corporate reporting should aim to provide investors with an accurate and holistic view of foreseeable risks to the company, as well as the company's contribution to the health and stability of key social and environmental systems. Annual audits of the financial statements carried out on behalf of shareholders by independent external auditors should be required for all companies.

PART II: VOTING GUIDELINES

These guidelines detail how BNPP AM will vote on the most common proxy voting items. They address key voting issues, which fall into seven groups:

1. Reports and approval of accounts
2. Financial operations
3. Board elections
4. Remuneration
5. Environmental and social proposals
6. Shareholder proposals
7. Other relevant issues (e.g., related-party transactions).

For each issue, these guidelines highlight criteria that reflect or tend towards best practices and that we actively support, as well as potential issues of concerns that may trigger an opposition, depending on the specific circumstances of each company.

1. REPORTS AND ACCOUNTS

In a well-functioning market, which enables investors to perform their fiduciary role vis-a-vis clients' assets, it is critical that investment decisions which impact the allocation of capital be based on full and accurate information.

Voting issues	Key principles	Potential concerns
Financial Statements / Director and Auditor Reports	<ul style="list-style-type: none"> Information provided by the Board presents a full and fair view of company affairs and financial situation, is easily accessible, and disclosed sufficiently in advance of the general meeting². The accounts have been reviewed by a majority independent audit committee. The committee should be chaired by an independent director, with no executive and comprised financial experts. Independent external assurance is carried out annually and the company provides adequate disclosures on key financial and extra-financial risks. 	<ul style="list-style-type: none"> The accounts are not available in a timely manner. There are serious concerns about the integrity of the information provided (e.g. the auditors express reservations or refuse to certify the accounts after having discovered serious irregularities...).
Allocation of Income	<ul style="list-style-type: none"> The company has provided sufficient information to indicate the level of dividend. The payout ratio is sustainable with a reasonable pay-out ratio that does not undermine the company's capacity to invest for the future and does not affect the remuneration of other stakeholders. Where the dividend is paid in shares, the shareholder has the option to be paid in cash. 	<ul style="list-style-type: none"> The company does not disclose its income allocation proposal. The payout ratio is considered excessive.
Discharge of Board and Management	<ul style="list-style-type: none"> There is no contentious issue relating to the board or the management of the company. 	<ul style="list-style-type: none"> There are serious questions about actions of the Board or management for the year in question. Legal action is being taken against the Board The auditors had serious reservations about the financial statements or refused to certify the accounts. The company is in breach of our environmental and social expectations detailed in part III.
Appointment of Auditors and Audit Fees	<ul style="list-style-type: none"> The Board and its Audit Committee have implemented a rigorous auditor selection process, based on objective criteria. The selection process and its outcome are disclosed transparently to provide investors with sufficient confidence in the quality of the assurance process. The audit committee has disclosed its policy for the provision of non-audit services by the auditors (e.g., excluded services and pre-approval works). There is full disclosure of fees paid to the auditors, with a breakdown between audit, sustainability audit and non-audit fees. The auditors do not provide advisory services. Otherwise, the remuneration for advisory services does not cast doubt on the auditor's independence. There is periodic rotation of the auditors, to enhance the integrity and reliability of the external audit process. 	<ul style="list-style-type: none"> The amount of non-audit fees paid to the auditor are excessive and no reasonable explanation is provided. Auditors' tenure exceeds 24 years. Auditors' length of term exceeds 6 years. There is reason to believe that the independent auditor gave an opinion that is neither accurate nor indicative of the company's financial position. Removal or resignation of the former auditor is not explained.

² For the annual general meeting at least 28 days before the event.

2. FINANCIAL OPERATIONS

Major changes to the core businesses of a corporation and other corporate changes which may in substance or effect, dilute the equity or erode the economic interests or share ownership rights of existing shareholders, including mergers, acquisitions, disposals, and issuance of equity should not be made without prior shareholder approval.

Voting issues	Key principles	Potential concerns
Authority to issue shares or securities giving access to capital	<ul style="list-style-type: none"> The authority respects the 'one share – one vote – one dividend' principle. The authority is suitably limited to avoid the dilution risk for current shareholders. 	<ul style="list-style-type: none"> Requests for the creation or continuation of dual-class capital structures or the creation of new or additional super voting shares. General authority with pre-emptive rights exceeds 50% of issued share capital³. General authority without pre-emptive rights and without priority rights exceeds 10% of issued share capital. The authority is likely to be used as an anti-take-over measure.
Share Repurchase Plan	Share repurchase represents the best use of company resources and is limited both in volume and duration, the discount is limited and the authorisation does not exceed 5 years.	<ul style="list-style-type: none"> The repurchase limit exceeds 10% of issued share capital⁴. The holding limit exceeds 10% of a company's issued share capital in treasury ("on the shelf"). The duration exceeds 5 years.
Debt restructuring	The level of dilution given the full conversion of securities is not excessive.	<ul style="list-style-type: none"> Dilution risk is too high for the ownership interests of existing shareholders and to future earnings. Bankruptcy or the threat of bankruptcy is the main factor driving the restructuring.
Merger and acquisitions	<p>Given the complex nature of most merger & acquisition proposals, these activities will be reviewed on a case-by-case basis with the relevant fund managers, from a transparency, corporate governance and financial point of view. The limits concerning capital increases will not apply in merger cases. Issues that will be taken into account, where sufficient information is available, include:</p> <ul style="list-style-type: none"> The rationale driving the transaction, commercial and strategic sense The impact of the merger on shareholder value The offer price i.e., cost vs. premium Financial viability of the combined companies as a single entity and the associated integration risks An analysis of the arm's length nature of the transaction, potential conflicts of interest and an assessment of the deal maker's 'good faith' The presence or lack of a fairness opinion The proposed changes in corporate governance and their impact on shareholder rights The impact on community stakeholders and employees in both workforces 	
Corporate Restructuring	<p>Votes concerning corporate restructuring are considered non-routine and evaluated on a case-by-case basis. Issues that will be taken into account include the shareholder value impact, the absence of conflicts of interests among the various parties, the absence of significant imbalances between categories of shareholders</p> <p>Spin-offs</p> <ul style="list-style-type: none"> Potential tax and regulatory advantages Planned use of proceeds Market focus and managerial incentives <p>Asset sales</p> <ul style="list-style-type: none"> Impact on the balance sheet and working capital Value received for the asset and the potential elimination of diseconomies <p>Liquidations</p> <ul style="list-style-type: none"> Management's efforts to pursue other alternatives Appraisal value of the assets The compensation plan for executives managing the liquidation 	

³ We apply a limit of 66% for the UK

⁴ Including shares held by subsidiaries. We apply a limit of 15% for the UK due to the local code



3. BOARD ELECTIONS

We consider the Board to be the cornerstone of good corporate governance as it is the decision-making body charged with overseeing a company's affairs on behalf of its owners. As such, we push companies we invest in to constitute boards whose approach enables the creation of long-term sustainable value, taking into account the management and supervision of strategic, operational and material financial and non-financial factors and the interests of key stakeholders.

Key principles	Potential concerns
<ul style="list-style-type: none"> The Board of Directors is structured so as to appropriately represent the interests of minority shareholders. The Chair and CEO roles are split and the Chair is independent. Directors stand for election by shareholders on a regular basis, ideally annually, to ensure accountability. There is sufficient diversity of skills, knowledge, experience, gender and nationality among the directors to engender debate and innovation. The Board size is sufficient to facilitate engaged debate between directors. There is an open and transparent dialogue between the Board, the management team, and its investors. Directors have sufficient time to devote to their role. They are expected to attend and actively contribute to all board and committee (if any) meetings held. The Board has established specialised committees that are unconflicted and sufficiently independent to provide advice to the Board on specific issues that might require specific expertise, including: <ul style="list-style-type: none"> A Nomination committee that evaluates the composition and functioning of the Board, oversees succession planning of the CEO and the Board, and make recommendation on directors' (re)appointment. A Remuneration Committee that determines the company's remuneration philosophy and design remuneration policies aligning the interest of management with those of long-term shareholders. An Audit Committee that oversees the company's process for internal controls and financial reporting, and provide assurances to shareholders on the integrity, objectivity and independence of the external audit process. There is robust disclosure on the desired ESG skills, and how nominees contribute to the overall Board's expertise and effective oversight of sustainability matters. 	<ul style="list-style-type: none"> There is insufficient biographical information on proposed directors. Directors' appointments exceed a four-year mandate. For non-controlled companies, the candidate is not independent⁵ and the Board comprises less than 50% independent directors excluding employee representatives. For controlled companies or in cases where a Board has at least 50% of compulsory employee representatives, a different independence threshold can be applied depending on local code and market practice (with a minimum of 33%). Key committees are not majority independent. The candidate is both Chair and CEO of the company, and robust counterpower mechanisms have not been implemented⁶. For mature markets, fewer than 40% of directors are of the underrepresented gender; for other markets, this proportion is lower than 20%⁷. The Board has no apparent racially or ethnically diverse composition⁸. There is a dual-class share system with differential voting rights.⁹ The candidate is a member of the Remuneration Committee and the board has not been responsive to repeated shareholder voting dissent on remuneration. The director's attendance was very low without a satisfactory justification. The number of directorships held by the nominee is excessive. The director failed to meet her/his fiduciary duties, or has exhibited behaviour that raises doubts about her/his ability to serve the best interests of stakeholders. The election is for a non-voting position (except for a temporary election of less than one year). The company is in breach of our environmental and social expectations, detailed in Part III. Shareholders cannot vote separately on the election of individual directors.

⁵ Factors that may compromise independence include: The Director represents a significant shareholder or is related by close family ties to a corporate officer, is an employee or officer of the corporation, is an employee or director of its parent or a company that was acquired within the previous five years, is a chief executive officer of another company (Company B) if one of the following requirements is met: The concerned company (Company A) is directly or indirectly controlled by Company B; an employee or executive of Company A is a director of Company B (within the past 5 years); is a customer, supplier, investment banker or commercial banker of material importance to the corporation or its group, or depends for a significant part of its business on the corporation or its group accounts, has been an auditor of the corporation within the previous five years; has served as a director of the corporation for 12 years or more (or less, depending on local code).

⁶ Decision are taken on a case-by-case basis. Robust counterpower mechanisms require presence of a strong lead independent director with wide responsibilities (i.e., the ability to call extraordinary board meeting, to add items to meeting's agenda, to engage with shareholders and convene meeting without the presence of executives) and a majority independent Board and key committees.

⁷ Mature markets: Europe, North America, Australia, New Zealand and South Africa. Exceptions can be applied if the percentage of underrepresented gender is below the threshold (between 25-40% for mature markets or 10-20% for other markets) on a case-by-case basis.

⁸ For North America and UK/Ireland.

⁹ Exception possible if the sunset clause comes into force within 5 years of the IPO.



4. REMUNERATION

Boards, through the Remuneration Committee, are responsible for adopting remuneration policies and practices that promote the success of companies in creating value for the longer term, aligning the interest of management with those of long-term shareholders. Remuneration policies and practices should be demonstrably aligned with corporate objectives and business strategy and reviewed regularly.

Voting issues	Key principles	Potential concerns
Remuneration policy and report	<ul style="list-style-type: none"> The company presents a transparent, exhaustive and clear overview of its compensation practices. The company explains the philosophy of its executive remuneration policy, and how it is framed within its broader strategy, values and human resources policy. The policy includes, on an individual basis, the amount, breakdown, and evolution between the different elements of remuneration. It includes the rules to set the base salary. When setting executive pay, the Remuneration Committee and Board consider pay and employment conditions for the general workforce. Any increases to the CEO's remuneration quantum are well explained and reasonable. The balance between fixed and variable pay components is appropriately geared towards the company's long-term performance. The company has a long-term remuneration policy in place, including environmental and social performance criteria that are transparent, measurable and challenging, and linked to the sustainability strategy. The policy includes stock ownership and clawback guidelines for executives. 	<ul style="list-style-type: none"> The policy lacks transparency. The board can substantially derogate from the approved remuneration policy. The remuneration scheme is disproportionate with regard to the evolution of its median employee's remuneration, named executive officers, or its relevant peer group. The remuneration or any significant increase to remuneration quantum is not justified and/or is misaligned with regard to performance or with the evolution of the wider workforce remuneration The policy allows a pay-for-failure approach or is not long-term oriented. The company has not included any environmental or social quantifiable and challenging performance criteria within the variable remuneration¹⁰. For companies identified as large GHG emitters, there are no climate-related criteria¹¹. If one or few significant elements of the remuneration are not in line with our guidelines below (to be reviewed on a case-by-case basis depending on the company's policy and in light of the company's trend regarding transparency and practices)
Annual Variable Pay	<ul style="list-style-type: none"> The bonus is linked to transparent, relevant and challenging criteria aligned to the company's business and strategy. For relative criteria, robust performance against the peer group is expected. The company discloses performance criteria, their weights and targets. The bonus is limited to a certain percentage of the fixed remuneration. Any non-quantifiable element of the bonus is absent or limited. 	<ul style="list-style-type: none"> The bonus does not have a cap. The bonus is not linked to transparent, quantifiable, relevant or challenging criteria. For relative criteria, payment can be made for below median performance. The nature and weightings for each performance criterion are not disclosed. The actual level of fulfilment of each performance criterion is not disclosed.

¹⁰ In the case of small and mid-caps, this requirement shall be reviewed on a case-by-case basis.

¹¹ For Energy, utilities, industrials, materials and real estate sectors and/or for companies identified as world's largest GHG emitters.

Long-term Incentive Plan	<ul style="list-style-type: none"> • The plan is understandable to shareholders, with specific and quantitative pre-established criteria and targets for future plans, and is sufficiently long-term oriented (e.g. vesting and performance period of 5 years...). • The company discloses a cap, performance criteria, their weights and performance targets. • For relative criteria, robust performance against the peer group is expected. • The authorities for executive directors are separated from those for employees. Otherwise, the stock options and the free shares allotted to executive directors are limited explicitly. • The volume of the granted additional compensation is reasonable and in line with market practices • The company has the possibility to recover partially or entirely a past plan following special circumstances such as a restatement of the accounts (Clawback policy). • The company has included ESG performance criteria that are transparent, measurable, challenging and material. 	<ul style="list-style-type: none"> • The plan's volume is excessively dilutive for shareholders. • Grants of stock options and free shares are not integrally linked to the achievement of transparent, pertinent and challenging performance criteria¹² • For stock options, it is possible to re-test exercising conditions. • Stock options are granted with a discount to the average market price. • The vesting period is less than three years. • The actual level of fulfilment of each performance criterion is not disclosed. • For relative criteria, payment can be made below for median performance.
Other remuneration	<ul style="list-style-type: none"> • The amount of any severance payment is reasonable, limited and will only be granted in case of forced departure. • The termination payments are conditional on seniority criteria or have explicit performance requirements. • The policy does not allow exceptional remuneration to be awarded as a matter of course. If it is awarded, it is not repeated, the conditions and maximum level are well described and linked to long term performance criteria. 	<ul style="list-style-type: none"> • The termination or change in control payments made to executive directors are in line with best practice in the company's relevant market, and should not exceed two years for both annual fixed and variable compensation.¹³ • The termination payments are not conditional on seniority criteria or with explicit performance requirements • The combination of a severance payment (or a non-compete clause) with an additional pension scheme • The full post-mandate exercise of unvested stock-based plans. • The severance payment or post-mandate exercise is triggered by a voluntary departure. • Exceptional remuneration is granted without any compelling explanation or not linked to performance conditions.
Non-executive pay	<ul style="list-style-type: none"> • Pay is linked to the attendance of directors at board and committee meetings, to the importance of their roles, and is in line with market practices. • There is full disclosure of all remuneration components for each director serving on the board. 	<ul style="list-style-type: none"> • Pay is not linked to attendance or is considered excessive. • The global and/or individual amounts are not communicated. • Non-executive directors are granted performance-based pay.

¹² For example, if the company set objectives that are far below market announcements.

¹³ Case-by-case basis based on market practice (e.g. one year in UK and Netherlands).

5. ENVIRONMENTAL AND SOCIAL PROPOSALS

SAY-ON-CLIMATE PROPOSALS

While acknowledging strategy as being of the prerogative of management, we welcome the movement by some investee companies to submit an advisory vote on their transition plans, as a space for shareholder dialogue and increased engagement. We welcome regular votes or other means of shareholder communication on the progress against these announced strategies, and their regular revision in line with science and investor expectations.

Key principles	Potential concerns
<ul style="list-style-type: none"> The company discloses all GHG emissions linked to its activities, including the most relevant categories of Scope 3 emissions. The company has adopted a credible ambition to achieve carbon neutrality by 2050, which covers all operations and refers to a 1.5-degree Celsius scenario. The company has set absolute GHG emissions targets, covering Scopes 1 and 2 as well as the most relevant categories of scope 3 emissions. These targets are set for short, medium and long-term horizons. The company discloses and quantifies the principal actions it will undertake to deliver the GHG emissions targets including setting out capital expenditure plans and investment in climate solutions where relevant. The company has a robust approach to the governance of climate-related risks, including Board oversight and executive remuneration aligned with climate change objectives. The company integrates the notion of just transition into its climate strategy, including by considering the implications on its workforce. The company ensures alignment of its lobbying activities with the goals of its climate strategy. In cases where significant dissent is recorded on a Say-on-Climate resolution, we expect the Board to disclose how it intends to consider and address shareholders' concerns. 	<ul style="list-style-type: none"> The company fails to disclose all relevant GHG emissions linked to its activities (Scopes 1 2, and 3). The company fails to set an ambition to achieve net-zero GHG emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degree Celsius. The company fails to set short and medium-term targets to achieve net-zero GHG emissions by 2050 or sooner that address, by priority, the most relevant scopes of emission. The company fails to report on its climate governance, strategy, risk management, metrics or targets in line with the Task Force on Climate-Related Financial Disclosures (TCFD) standards. If not decisive, additional factors may be considered in relation to how the company performs compared to its peers on its climate strategy, considering all recent published information, independent external sources, as well as BNPP AM's proprietary assessment methodology.

NON-FINANCIAL INFORMATION STATEMENTS

Robust disclosure is essential for investors to effectively gauge companies' business practices and strategic planning related to E&S risks and opportunities. Thus, we support the adoption of international frameworks that allow companies to report on sustainability information. This allows us to evaluate how the company's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term.

Key principles	Potential concerns
<ul style="list-style-type: none"> Sustainability reports are prepared with the same rigour and ethical approach as financial statements. The company discloses how the double materiality assessment was carried out and the elements that led it to judge issues or impacts to be non-material. The Non-Financial Information Statement has been approved by the Board of directors and reviewed by the Audit committee. Boards and Audit Committees have an appropriate level of understanding of the sustainability assurance processes. The Non-Financial Information Statement has been verified by an independent auditor. The independent auditor's opinion is unqualified based on a reasonable assurance. Any key sustainability assurance matters are transparently explained, and remedial measures (if necessary) are implemented. 	<ul style="list-style-type: none"> The Non-Financial Information Statement has not been verified by an independent auditor. The auditor has expressed a qualified opinion. The company does not disclose the scope and type of the assurance of the sustainability report. The company is in breach of our environmental and social expectations described in Part III.

<ul style="list-style-type: none"> • The company provides adequate disclosures on key extra-financial risks (using international disclosure framework such as TCFD, TNFD, CDP...) 	
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6. SHAREHOLDER PROPOSALS

Shareholder proposals are considered on a case-by-case basis in light of the justification by the proponent, company practices, disclosures and commitments, and board support or justification of opposition.

Voting issues	Key principles	Potential concerns
Environmental and Social	<ul style="list-style-type: none"> • The proposal is in line with our voting guidelines, our Global Sustainability Strategy (GSS) and/or Responsible Business Conduct (RBC) policy. • The proposal introduces or facilitates legal proceedings to compensate shareholders for damage suffered due to the actions of the company. • The proposal helps to improve the company's social and environmental performance, contributing to the protection of stakeholders' long-term interests. • The proposal aligns with our climate change expectations (e.g. GHG emissions disclosure, Net Zero alignment, Paris-aligned climate lobbying reporting, as listed in Part III). • The proposal is designed to address a company's contribution to systemic risk (e.g., climate change, nature loss, inequality) or reduce its negative externalities, through the production of a report or a requested change in policy or practice. 	<ul style="list-style-type: none"> • The proposal's intent is in line with stakeholders' long-term interests but its application is not. • The proposal has already been substantially implemented by the company. • The proposal is not in line with our guidelines or with stakeholders' long-term interests. • The proposal is not appropriate for the general meeting, appears to be based on inaccurate information or would be impractical, excessively costly or risky to implement. • The proposal appears designed to reverse or slow a company's progress on social or environmental matters, taking into account the body of the proposal as well as the apparent motivation of the proponent. Such proposals are commonly referred to as 'anti-ESG' proposals.
Corporate Governance	<ul style="list-style-type: none"> • The proposal is in line with our Governance and Voting Principles and/or our Global Sustainability Strategy (GSS) or Responsible Business Conduct (RBC) policy. • The proposal aims to improve the governance of the company. • The proposal aims to facilitate Proxy Access. • The proposal seeks greater disclosure of political contributions and lobbying, including governance, policy positions, and full disclosure of recipients. • The proposal seeks to improve transparency of corporate tax policy and practices, including proposals seeking reports prepared using the Global Reporting Initiative's Tax Standard. 	<ul style="list-style-type: none"> • The proposal is not in line with our Governance and Voting Principles and/or our Global Sustainability Strategy (GSS) or Responsible Business Conduct (RBC) policy. • The proposal is not in line with stakeholders' long-term interests.

7. OTHER RELEVANT ISSUES

Voting issues	Key principles	Potential concerns
Changes to Company Statutes	<ul style="list-style-type: none"> • The proposed amendment to the company's by-laws improves the company's governance. • The proposed amendment respects the 'one share – one vote – one dividend' principle. • The proposed amendment introduces in-person AGMs or hybrid format options for investors. 	<ul style="list-style-type: none"> • The proposed amendments carry adverse impacts on shareholder rights (to be considered on a case-by-case basis in light of information provided by the company). • Multiple Voting Shares or non-Voting Depository Receipts are introduced. • An ownership ceiling or voting right ceiling, Priority shares or Golden shares are introduced. • Statutory disclosure thresholds are below 5% of the issued capital. • The proposed amendment reduces the delay of declaration of thresholds rule. • Virtual AGMs are allowed as a general principle.
Related-party Transactions and other Resolutions	<ul style="list-style-type: none"> • There is full disclosure of information relevant to the resolution which is presented in a fair and balanced way. • The transaction is in line with all shareholders' interests. 	<ul style="list-style-type: none"> • Insufficient disclosure of relevant information. • The related-party transactions include elements which may be contrary to our remuneration policy (see above). • The related-party transactions benefit a specific shareholder at the expense of others. • Bundled resolutions that include a proposal detrimental to shareholders' interests. • Blind resolutions.

PART III: ENVIRONMENTAL AND SOCIAL PROPOSALS AND CONSIDERATIONS

In applying our voting policy, we strive to implement the principles and goals outlined in our Stewardship Policy.

Beyond voting on resolutions related to environmental and social issues (such as shareholder proposals, say-on-climate and non-financial reporting that are detailed in our guidelines), we apply environmental and social considerations to voting on other items that we consider strategically important to the company or relevant to managing key impacts on society or the environment.

This is the case for items such as the Discharge of Board and Management / Board Re-elections / Non-Financial Statements and Director & Auditor Reports, to which we apply our environmental and social considerations, depending on the market. In addition, we require companies in all sectors to link executive variable compensation plans to relevant environmental and social performance criteria.

We may oppose or abstain on items where the company is at serious risk of violating our exclusion policies – including violating the UN Global Compact principles (UNGCPs), the OECD Guidelines for Multinational Enterprises (OECD MNE Guidelines), the UN Guiding Principles on Business and Human Rights (UNGPs) and/or our Sector Policies, linked to environmental, human rights and/or social risks.

More specifically, in cases where a company's current strategy seems inconsistent with our environmental and social expectations, we may vote against the re-election of the entire Board, or the discharge of the Board, including in the following cases:

- **Failure to comply with our RBC Policies:** companies excluded under our Sector Policies and/or International Standards (e.g., UNGCPs, OECD MNE Guidelines, UNGPs, etc.), but which we can still vote on through passive holdings or mandates;
- **Climate strategy**-related concerns, including companies that are among the world's largest emitters but have not set a net zero ambition or lack a credible transition strategy.

We may also vote against the re-election the relevant committee members, or the Chair of the Board, in cases of poor management or oversight of ESG risks, including in the following situations:

- **Insufficient transparency** of material environmental or social issues, including lack of disclosure on GHG emissions, or non-disclosure to CDP Water and Forests questionnaires.
- Concerns with respect to the company's **climate lobbying** activities. In particular, a dissenting vote may be cast at companies particularly exposed to climate issues that fail to appropriately report on their climate lobbying activities (both direct and indirect), or when they are inconsistent with the goals of the Paris Agreement.

In some cases, our votes against the Board may also serve as an escalation mechanism when companies have not been responsive to our engagements on material environmental and social issues.

PART IV: VOTING APPROACH

1. VOTING APPROACH

We advise our clients to delegate proxy voting authority to BNPP AM to safeguard their shareholder interests. BNPP AM will vote in proxy of its clients solely in the interest of its clients and the ultimate beneficiaries of the funds for which they are responsible. We will not subordinate the interests of our clients to unrelated objectives.

For clients that have delegated proxy voting authority to us, we will make every reasonable effort to ensure that proxies are received and voted in accordance with these proxy voting guidelines. All BNPP AM clients are informed that this policy and proxy voting procedures are in place.

Although we seek to apply these policies consistently, we will always take into account company-specific circumstances. For that reason, these policies are presented in the form of general principles, which are designed to identify the kinds of practices we would like to see and those that present concerns.

In executing its proxy voting responsibilities, BNPP AM seeks to develop a generally constructive and positive approach with the Boards of companies it invests in, clearly setting out its expectations as a diligent steward of assets. But BNPP AM will not hesitate to oppose management proposals that run counter to these policies, nor to support shareholder proposals consistent with our policies, designed to advance the long-term interests of our clients.

We use the services of several proxy voting providers: ISS, which provides voting research and a voting platform for all companies; Glass Lewis for voting research, and; Proxinvest, which provides research for companies listed in France. These proxy voting providers are used to help us implement our policies and to augment our knowledge of companies and resolutions at forthcoming general meetings. We do not outsource voting activity, as BNPP AM will take each voting decision at every shareholder meeting according to its own voting policy in order to serve its clients' best interests. Arrangements with proxy voting providers are reviewed annually.

2. GOVERNANCE AND OVERSIGHT

BNPP AM has appointed a Stewardship Committee that is empowered to establish voting guidelines and is responsible for ensuring that those guidelines and procedures are followed. This committee comprises members of the Management, Stewardship, Sustainability and Compliance teams. As proxy voting is considered an integral part of the investment process, the ultimate responsibility for proxy voting lies with the Chief Executive Officer (CEO) of BNPP AM. This policy is reviewed annually in order to reflect the evolution of corporate governance codes and market practices and is reviewed by our Stewardship Committee and. It is ultimately validated by our Board of Directors, and implemented by the Stewardship team.

3. VOTING SCOPE

This policy applies to BNP Paribas Asset Management Holding, as the parent entity of BNP Paribas Asset Management Europe, the asset management business line of the BNP Paribas Group and, as such, as the ultimate owner of the corporate governance and Sustainability related policies of BNPP AM.

Our voting policy applies to BNPP AM and to all portfolios that have delegated proxy voting authority to BNPP AM, including the voting rights associated with equity shares held in mutual funds, Collective Investment of Transferable Securities (UCITS), alternative investment funds (AIF), foreign investment funds and investment mandates.¹⁴¹⁵

As far as possible, we do not apply any specific restrictions on voting regarding the type of resolution nor the issuer in question, but the objective is to vote at all possible general meetings¹⁶.

We also accommodate certain custom voting policies, provided for specific client mandates. In case of delegation of portfolio management to external investment managers, when possible and relevant BNPP AM will keep the exercise of voting rights. Where proxy voting is delegated to external investment managers, they are required to have a proxy voting policy, to exercise voting rights in line with market practices and to report regularly on the results achieved.

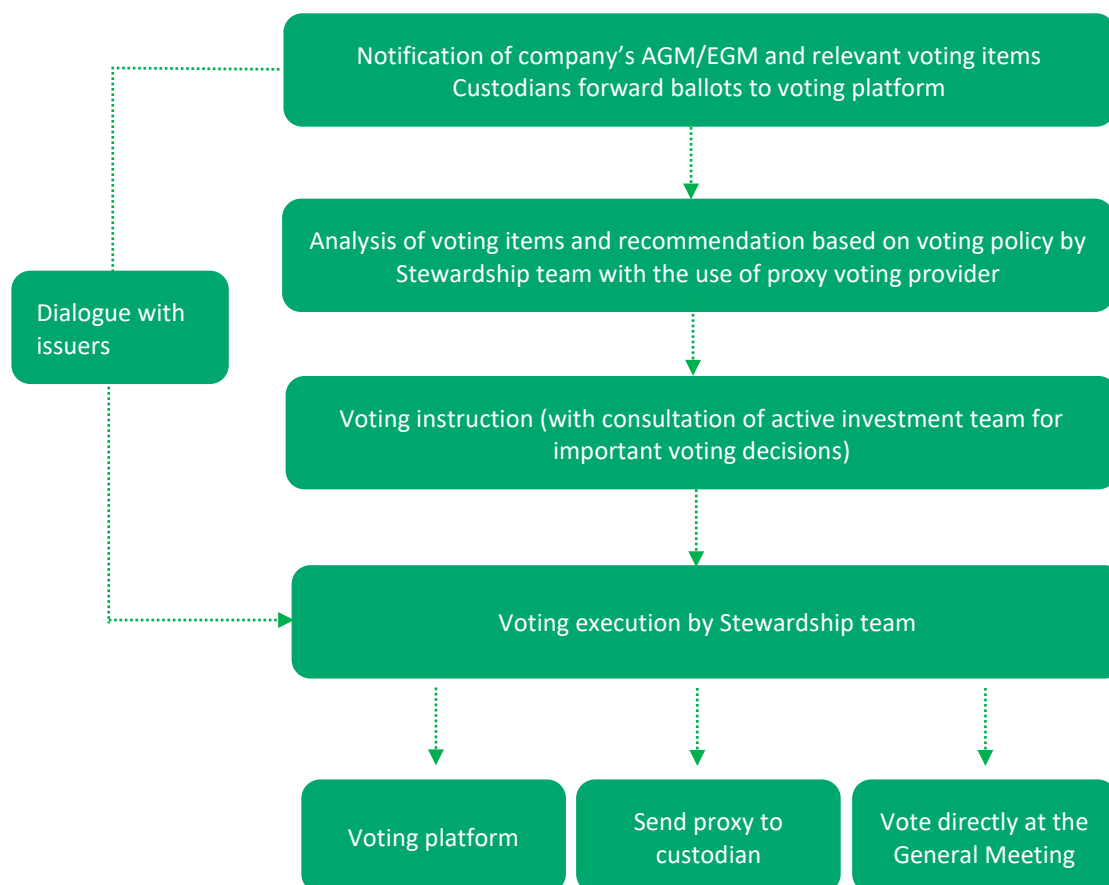
¹⁴ Unless instructed, agreed or otherwise constrained by our clients' agreement or local regulation and practices.

¹⁵ Although voting may occur in alternative asset classes, this policy would not be applicable considering the specificities of such asset class and only to listed market.

¹⁶ Multi-asset funds are voted whenever the equity component of the fund exceeds 10%. We might not vote when local markets impose meaningful costs for casting the vote (e.g. if a Power of Attorney is needed per AGM or per funds, if our custodians does not offer the proxy voting services in the country...).

4. PROXY VOTING PROCESS

The following points outline the key steps of the proxy voting process from the notification of voting agendas in the context of Annual or Extraordinary General Meetings (AGM-EGM) to actual voting execution:



Voting analysis is done by the stewardship team, which may be supplemented by an enhanced analysis, in particular in case of:

- Complexity or significance of the issue (items that address critical governance topics, such as executive remuneration, board composition, or major strategic transactions), or resolutions that tackle specific sustainability issues
- Potential controversy: Issues involving contentious practices or heightened public interest.
- Engagement outcomes: Resolutions tied to ongoing or recent dialogues with the company, where our interactions may influence the voting outcome.
- Materiality: The relative size of our shareholding and the importance of the issuer within our investment portfolios.

5. PROCESS FOR SECURITIES LENDING

Stock lending aids market liquidity and allows clients to maximise revenues from their holdings and is a technique used by BNPP AM. However, the attendant transfer of voting rights along with the lent shares means that additional scrutiny is required to ensure that lent shares are not put to purposes that are detrimental to the long-term interests of the shareowner. Shares will not be lent where the objective of such activities is to vote at general meetings.

BNPP AM as lending agent intends to recall all shares, ahead of the record date (where the record date is not backdated) in advance of general meetings to exercise our full voting right for open-ended funds and mandates. Ongoing securities transactions are monitored by the securities lending team.

6. CONFLICTS OF INTEREST

As an asset manager owned by a large financial institution, BNPP AM Holding can sometimes face potential conflicts between its clients' interests and those of BNPP AM in specific circumstances, including the following:

- Employees being linked personally or professionally with a company whose securities are submitted to vote
- Business relations existing between the company whose shares are being voted on and BNP Paribas Group; or
- Exercise of voting rights concerning shares of BNP Paribas Group or of significant participations or holdings of the Group.

BNPP AM has implemented several principles, mechanisms and decision processes to ensure that conflicts of interest do not influence our votes, such as:

- BNPP AM's Voting Policy stresses that voting rights are exercised in the best interests of clients to protect and enhance the long-term value of their shareholdings
- These Governance and Voting Principles, which determine the decision-making process for the exercise of voting rights are approved by the Board of Directors, which includes independent directors
- Employees must comply with BNPP AM's Code of Ethics and declare any outside business activity. All employees receive annual training on these policies and must complete annual certifications of compliance.
- 'Information barriers' between BNPP AM's entities and other BNP Paribas Group companies ensure that BNPP AM employees remain independent and neutral in the exercise of their responsibilities.

Records of all potential conflicts of interest and their resolution are kept in the Stewardship Committee's minutes.

Any material conflicts of interest that are identified trigger an escalation process involving top management, including the following:

- The relevant CIO
- The head of Compliance and senior managers of other Control Functions involved
- The CEO

At each level, the "best interest of clients" principle is paramount in the decision outcome. When a conflict of interest is identified, it is duly disclosed to the concerned clients where applicable laws so require.

7. TRANSPARENCY & REPORTING

BNPP AM is committed to transparency in its proxy voting approach and execution. A copy of this policy can be accessed on our website¹⁷. We publish an annual report, providing an overview of proxy voting activities and engagement and we provide quarterly reports to clients. Lastly, voting records of individual agenda items at company meetings and per funds are publicly available in a [searchable database](#).

All the policies and approaches mentioned in this document are publicly available on our website: <https://www.bnpparibas-am.com/en/sustainability/sustainability-documents/>

¹⁷ <https://www.bnpparibas-am.com/en/sustainability/sustainability-documents/>

Disclaimer

BNP PARIBAS ASSET MANAGEMENT Europe, “the investment management company”, is a simplified joint stock company with its registered office at 1 boulevard Haussmann 75009 Paris, France, RCS Paris 319 378 832, registered with the “Autorité des marchés financiers” under number GP 96002.

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All information referred to in the present document is available on www.bnpparibas-am.com.

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