



2023 Annual Voting Statistics

MARCH 2024



In 2023, we added Pre-declaration of Voting Intentions as another means of opening communication with other shareholders, and with the managements who are our agents.

The year at a glance.

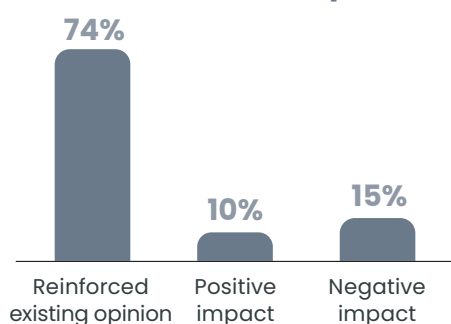
Main themes:

- Strong corporate Governance
- Climate change
- Biodiversity
- Human Rights

314 corporates engaged directly

36%
of our AUM*

Direct dialogues impact on Candriam ESG opinion



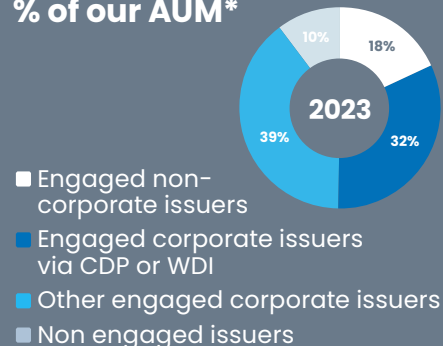
Collaborative dialogues

734 corporate issuers engaged collaboratively (outside CDP and WDI initiatives)

256 dialogues led or actively supported by Candriam (outside CDP and WDI)

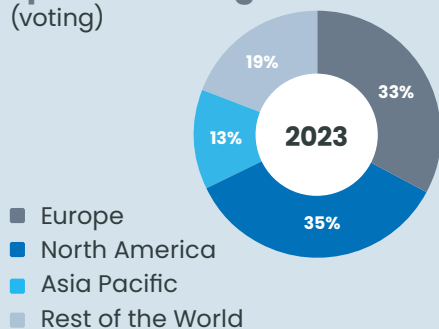
9,365 corporate issuers engaged through large initiatives (CDP and WDI)

Collaborative dialogues % of our AUM*

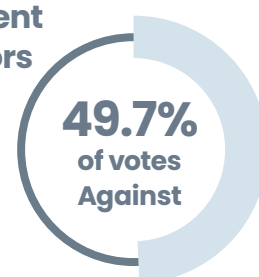


1,876
voted meetings

Geographical split of meetings (voting)

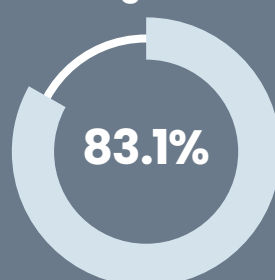


Compensation of management and directors (voting)



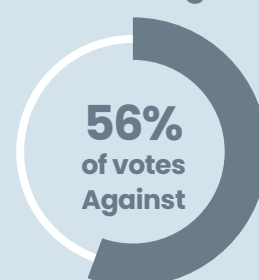
Globally
Candriam supported 71% of management resolutions

Active voting



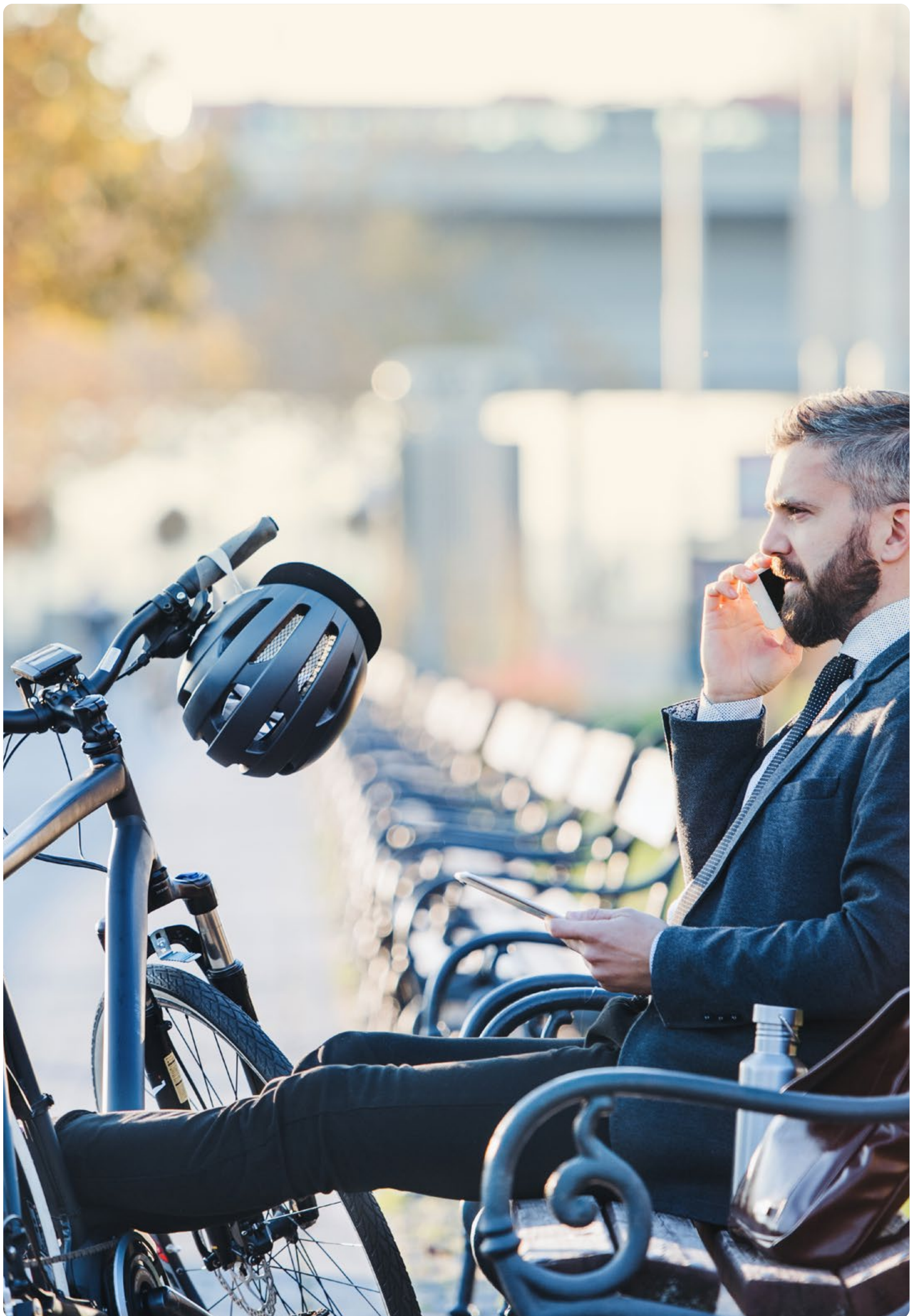
of meetings with at least one vote Against management

Climate in voting



Say-on-Climate resolutions sponsored by management

*Limiting the AUM scope to Corporates invested in direct lines (both through equity and fixed income instruments) in funds or mandates for which Candriam ensures the management activity.
Source: All data is from Candriam, unless otherwise specified.



Annual Voting Statistics **Agenda.**



In Figures: Dialogue and Voting Data.

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Voting statistics.



Decoding the figures: a look at 2023.

An effective voting process requires a well-structured and efficient organization. At Candriam, the coordination between the ESG Voting Team and the Middle Office is pivotal to executing these shareholder and other rights.

Candriam ensures the accuracy of listed equity/bond positions, cash balances, and transactions for the funds within our voting scope through daily reconciliation with the custodians. The relevant custodian transmits the listed equity/bond positions to our Proxy Voting provider, ISS, who forwards the vote (chain of voting instructions with associated voting rights) to the sub-custodian based on the listed equity positions provided by the custodian, potential specific voting rules¹, and reconciled by Candriam..

The funds element of our voting scope primarily includes predominantly equity funds, along with some balanced funds and pure fixed-income funds. During 2023, we did not receive any invitations to participate in bondholder meetings.

All funds which fall under the Candriam Proxy [Voting Policy](#) are voted in the same way. The voting policy employed for our 2023 ballots, along with the [updated policy for 2024](#), can be found on our website.

[Controls and operations: How does our Middle Office contribute effective and active voting?](#)

Candriam's proxy voting policy applies to open-ended equity funds² managed by entities within the Candriam group.

For dedicated funds and mandates (segregated accounts), the decision to delegate voting authority to Candriam is at the discretion of Candriam's clients, and the terms of delegation (or non-delegation) are outlined through contractual agreements determined in advance.

In cases where a client opts not to delegate voting decisions to Candriam, the client may choose to either vote directly or to abstain from voting altogether. Delegated voting for segregated client accounts can take one of two forms:

- The client specifies that Candriam applies its Proxy Voting Policy to its segregated account, or
- The client specifies that Candriam applies a custom voting policy which could take the form of:
- The Candriam voting policy with contractually specified exceptions (eg, for particular companies or particular voting topics). In such a case, clients may override Candriam policy in specific situations, or
- The client instructs Candriam to apply the client's own specific voting policy.

Under these circumstances, the client has the option to request advance notification of our voting intentions and has the authority to make amendments if desired.

At the time of this publication (March 2024), Candriam does not allow clients to direct the voting for securities in pooled accounts. Names of asset owners with voting mandates or dedicated funds managed by Candriam are confidential.

¹ E.g., participating to some AGMs may require to block the voting shares during a long period. If the involved investment team considers such a blockage puts at risk the fund's investment strategy, Candriam will inform ISS of a specific voting rule ensuring not 100% of the shares will be blocked.

² The list of Candriam Equity open-ended funds can be accessed via our [Voting dashboard](#).

Voting scope

	Candriam Policy		Client Custom Policy
Voting funds	Open Ended Equity Funds (Candriam ManCo)	Mandates or Dedicated Funds (Candriam or Institutional Client as ManCo)	Mandates or Dedicated Funds (Candriam or Institutional Client as ManCo)
No. Voting funds at end 2023	45	35	18
No. Voted Meetings at end 2023	1662	1,058	192
% Voting funds (in number) vs total eligible to vote, with the category at end 2023	97.8%	Not relevant*	Not relevant*
% Voting funds (in AUM) vs total eligible to vote, with the category at end 2023	99.7%	Not relevant*	Not relevant*

* Mandates or dedicated funds can be included in the voting perimeter only if the client grants us a voting delegation. This decision belongs to the client, not to Candriam.

For the equity open-ended funds segment of our voting scope, we voted in 97.5% of the meetings where we were eligible to vote in 2023. Non-voted meetings resulted from nine categories of events:

- Delay in receiving power of attorney;
- Falling below the votable share minimum;
- Positions acquired after the cut-off date, or after the share registration meeting and before actual meeting;
- Positions sold before meeting date;
- Cross-border limitations;
- Incorrect deadline set by the settlement location;
- Prohibition of split votes in specific markets;
- Discrepancy on the agenda to be voted by the proxy advisor;
- Holding position without voting rights.

On average in 2023, for every position we voted under the Candriam Proxy Voting Policy, we exercised our vote on 94.7% of the associated voting rights.

Details of our votes for Candriam open-ended funds, including explanations of 'Against' votes, are publicly available on our voting dashboard.

For mandates or dedicated funds voting under Candriam or custom voting policies, information is available to those clients in annual reports or dedicated reports we deliver directly to those clients.

For funds and mandates applying the Candriam Proxy Voting Policy, Candriam uses a serviced provider, ISS, to exercise voting rights, as detailed in the voting policy. For custom policies, Candriam may use additional proxy advisers.

Any confirmed breach of voting principles identified for any voting fund is communicated in the annual report(s) of the respective fund(s) when relevant. Similarly, any exceptions made to the chosen voting policy is also communicated in these reports. In 2023, there were two breaches due to an operational incident and two exceptions to our voting policy. All are being reported in the respective annual reports.

No conflict-of-interest situations arose during 2023.

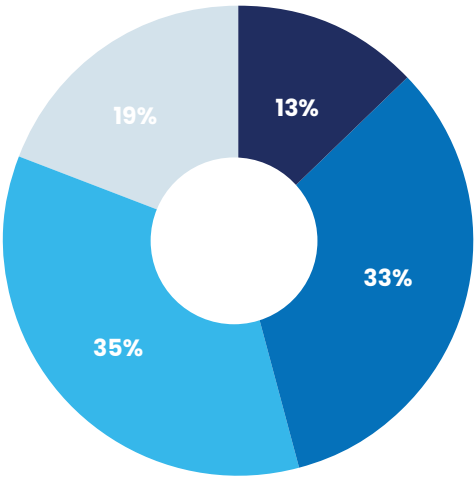
More to read under

[Candriam Proxy Voting Policy](#)
[Candriam Proxy Voting Dashboard](#)

Geographical distribution of meetings voted in 2023

In 2023, we participated in 1,876 equity meetings and voted on 24,917 resolutions for our open funds, dedicated funds and mandates under our Candriam Proxy Voting Policy.

The geographical split of meetings voted follows (for open-ended equity funds, mandates and dedicated funds included in our voting scope):



■ Asia Pacific
■ Europe
■ North America
■ Rest of the World



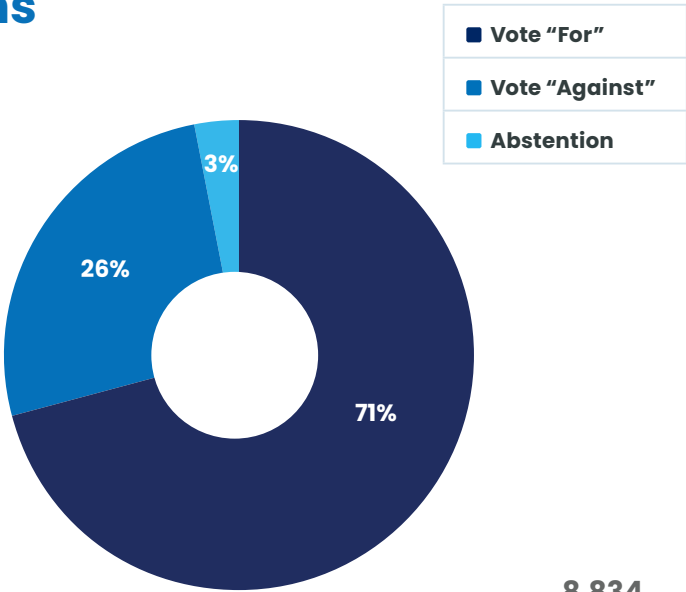
Our votes by topic.

For company-specific and resolution-specific details, please refer to our [Candriam Proxy Voting Dashboard](#)

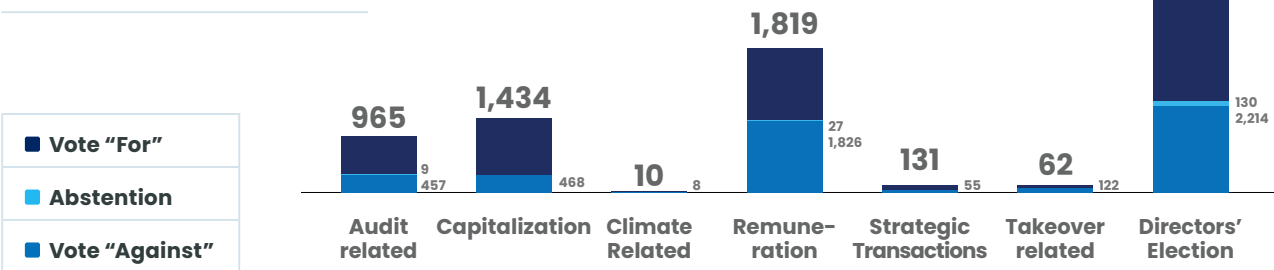
Management resolutions

Overall approval rate (Management resolutions only)

Candriam supported 71% of the resolutions put forth by managements in 2023 (the same approval level, 71%, as in 2022). The bedrock principles of our Candriam Proxy Voting Policy include upholding the rights of and equal treatment of shareholders, ensuring the accuracy of financial information, and emphasizing the accountability and independence of the board.



Main areas of concern (Management resolutions only)



We consistently tie our support for directors to governance issue. Specifically, concerns regarding board composition and efficiency, which may include director independence, overcommitment, and executive compensation, may trigger a vote Against specific directors. Candriam holds boards

responsible by specifically focusing on individual directors for the (mis)handling of matters under their purview, particularly environmental and social oversight. In 2023, we voted Against 49 directors for inadequate oversight of ESG risk exposure at companies.

The comparison to our 2022 votes is affected by a change in our voting policy for US companies. Candriam now expects the tenures of US directors to be limited, although this is not considered a condition for independence in the US as it has been in Europe. As part of voting policy, a vote Against the election of the most-tenured director (excluding the CEO) is triggered if the board's average tenure exceeds nine years. We implemented this for the 2023 voting season.

Our votes also reflect a slight increase in our support for remuneration-related proposals due to our policy change. In 2023 we changed our guideline, increasing our maximum for variable remuneration and annual bonus in executive remuneration plans. Our main reasons for voting Against a remuneration-related proposal remain unchanged – that is, lack of information on the performance assessment under variable remuneration, weak risk mitigators and/or non-challenging and less-than-robust performance criteria. One of the most common approaches to reward subpar achievement in existing performance plans is to issue discretionary payments to executives without evident and transparent performance benchmarks. This includes any extraordinary payments and retention bonuses without robust safeguards (objective performance criteria, sufficient vesting periods), and/or sign-on awards which exceed the amount of awards forfeited when leaving previous employers).

Election of directors

	2023 No.	2023 %	2022 %
Votes For	8,834	79.0%	78.5%
Vote Against	2,214	19.8%	20.8%
Abstention	130	1.2%	0.7%

Auditor related

	2023 No.	2023 %	2022 %
Vote For	965	67.4%	72.6%
Vote Against	457	31.9%*	26.5%
Abstention	9	0.63%	0.91%

* Please note that this increase is due to a decline in the number of proposals in 2023. Therefore, while the percentage of Against votes increased, the absolute number of proposals we voted Against decreased slightly compared to 2022. The abstention votes were cast in markets where an Against vote is not a possible option.

For more information on the Say-on-Climate votes, please refer to the Climate section in our Thematics overview..

Remuneration proposals

	2023 No.	2023 %	2022 %
Vote For	1,819	49.5%	43.6%
Vote Against	1,826	49.7%	55.6%
Abstention	27	0.7%	0.8%

Capitalization changes

	2023 No.	2023 %	2022 %
Vote For	1,434	75.4%	78.9%
Vote Against	468	24.6%	21.1%
Abstention	0	0%	0%

Takeover-related

	2023 No.	2023 %	2022 %
Vote For	62	33.7%	40.7%
Vote Against	122	66.3%	59.3%
Abstention	0	0%	0%

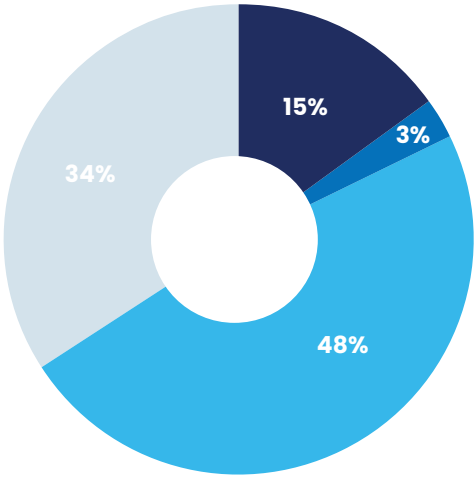
Shareholder resolutions

Candriam internally and systematically analyses all shareholder resolutions. In 2023, Candriam backed the majority of shareholder proposals advocating for increased disclosure regarding company ESG strategies. This is reflected in the ranking in the ShareAction’s ‘Voting matters 2023’, where Candriam has secured the 6th position.

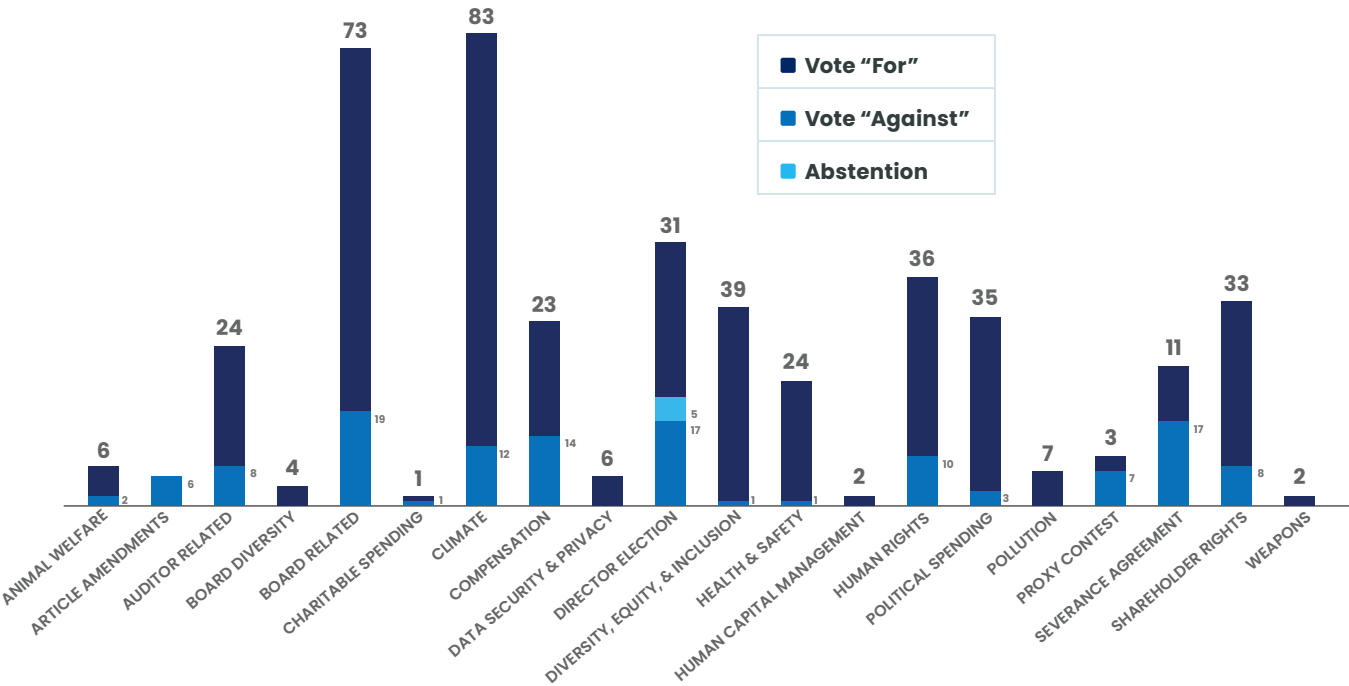
Do you want to know how Candriam compare to peers ?

[ShareAction Voting Matters](#)

Environmental, Social, Governance, or a combination?



Shareholder resolutions split by subject



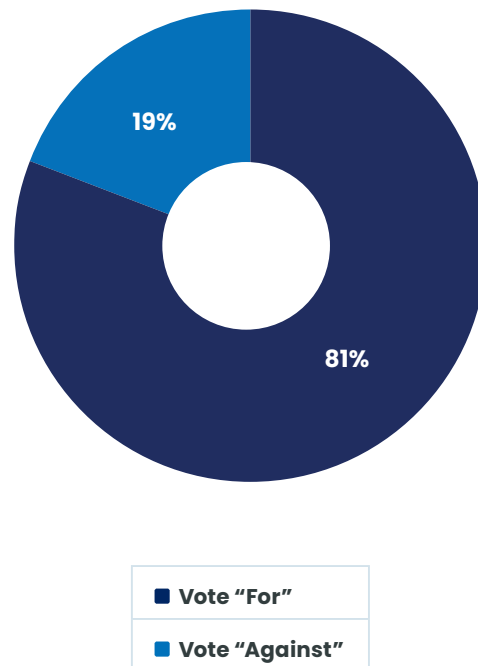
Note : 114 company-specific shareholders resolutions were also voted in 2023. These are not mentioned in the above chart.

Votes on E and S resolutions

Overall, Candriam supported 81% of all **E** and **S** resolutions in 2023 (vs 85% in 2022). The four-point decrease reflects the rising number of anti-ESG proposals, together with the deeper analysis of the proposals by the Voting Team. Increasingly, greater attention is directed towards analyzing the nature of the request and assessing the risks and costs associated with ESG factors when considering E&S resolutions, rather than automatically voting in favor of every E&S resolution..

With that said, our support for a measure does not indicate complete agreement with every aspect of the resolution, nor does it signify alignment that we are fully aligned with the rationale of the resolution. In cases where we support the motivation behind the proposal, but have concerns over the actual wording or the request, we articulate this in our rationale for the vote.

In all cases, Candriam considers the distinct circumstances under which each company operates and the efforts made to enhance alignment between their practices and the delivery of long-term shareholder value. This is why our Voting Team analyzes all shareholder proposals internally, in coordination with our sector specialists.



Environmental shareholder proposals

While we acknowledge that stewardship is not measured by the number of proposals supported, our votes on shareholder proposals are a true reflection of the in-house ESG opinion and the engagement we have with our investee companies. Our support of 84.6% of these environmental proposals underscores our long-standing priority of enhancing transparency and oversight to address environmental risks faced by investee companies.

We do not hesitate to vote Against resolutions with which we disagree. For example, a resolution at Toronto-Dominion Bank 2023 AGM asked the bank to "Invest in and Finance the Canadian Oil and Gas Sector". This proposal was submitted by InvestNow, a Canadian not-for-profit lobbying for continuing the expansion of the Canadian Oil & Gas sector.

This is a clear example of an anti-ESG shareholder proposal that we did not support.

To further our efforts, we also co-filed a climate-related resolution at Engie's 2023 AGM to amend the company's articles of association to allow management to hold a consultative vote on its climate strategy every three years, or following a modification of the strategy, and to vote annually on its implementation. While the vote fell short of the required 66% for resolution adoption, it gained approval from 24.4% of shareholders, or 44.5% when excluding the French State. ENGIE's chairman recognized the significant shareholder support for this resolution, and he stated that the vote indicates that the company needs to enhance the shareholder dialogue.

On Nature specifically, we supported all US AGM resolutions this year requesting reports on efforts to reduce plastic use.¹

¹ Dow Inc, The Kroger Co, Amazon.com, Yum! Brands, Sysco Corp, McDonald's Corp, Exxon Mobil, Phillips 66.



Social shareholder proposals

In response to movements advocating for diversity and inclusion in recent years, there has been a notable rise in the submission of social-related proposals at general meetings. Resolutions requesting civil rights and non-discrimination audits have been among the most frequently submitted since 2021, particularly in the US. Candriam has backed similar types of resolutions at US meetings where the company has not already been providing sufficient disclosures concerning diversity, equity, and inclusion initiatives and commitments.

Reproductive rights are also part of annual meeting discussions since the reversal of the Roe v Wade reproductive decision by the US Supreme Court. This year, the request was for companies to report on risks related to fulfilling information requests for enforcing laws that are criminalizing abortion access. At six companies, we voted For such proposals, asking the company to disclose potential risks and mitigation strategies regarding the fulfilment of information requests for the enforcement of state laws related to reproductive rights, as such data may be used for detecting individuals exercising their fundamental rights.

We believe that personal data protection is a proxy for plenty of other individual human rights and freedoms. As such, we recommend that companies consider the implementation of a data privacy policy where all consumers have deletion rights and would be notified about law enforcement information requests, and the report should include the input of reproductive rights and civil liberties organizations as the filers also suggest.

Aligned with the growing and sustained interest in tax transparency, we consistently vote in favor of proposals requesting country-by-country tax reports. These reports assist us in evaluating whether our investee companies contribute their fair share of taxes and help us assess overly-aggressive tax planning. This year, we saw similar proposals at six companies.¹

Governance shareholder proposals

In 2023, we voted on 331 Governance-related proposals, supporting 209 (63%). The themes were mainly the independence of board chairs, amendment of remuneration policies including severance structure and clawbacks, and rights to call special meetings and nominate dissident nominees to boards.

We systematically vote For resolutions requiring an independent board chair, as this provides a safeguard at the board level to protect minority shareholders.

¹ ConocoPhillips, Amazon.com, Inc., Exxon Mobil Corporation, Brookfield Corporation, Cisco Systems, Inc., Microsoft Corporation

Active ownership.

Candriam is an active shareholder, consistently initiating discussions with a defined set of companies leading up to each Annual General Meeting (AGM) season. Our proactive engagement aims to explain our perspectives and enable managements to better meet investor expectations regarding corporate governance.

In our role as stewards of the voting policy, the Proxy Voting Committee is kept abreast of interactions with companies, allowing the Committee to assess potential courses of action. These actions may include, but are not limited to, jointly filing a shareholder resolution, initiating collaborative engagement efforts, pre-declaring votes, or presenting queries during general meetings.

For more details regarding the tasks and responsibilities of the Proxy Voting Committees, please consult Section 4.1 of the Candriam Proxy Voting Policy under the Proxy Voting Committee section.

Pre-AGM campaign

Candriam highly values pre-AGM engagement, as it provides constructive discussions with investee companies. We articulate our voting approach and expectations regarding corporate governance practices, while gaining insights from investee companies about the challenges they may be facing. Understanding how companies are addressing these challenges can help alleviate our concerns.

Over the years, we have observed significant benefits from these conversations in enhancing our analysis of votes and refining our voting approach, particularly in the context of European companies. This year, we expanded our pre-AGM engagement initiatives to include North American and Emerging companies. In 2023, our pre-AGM voting analysis involved dialogues with companies from various regions, including Europe, Asia (including South Korea), Brazil, and the United States.

In 2023, we contacted 41 companies with a response rate of 69%. In addition to those engagements we initiated, 12 investee companies reached out to us to organize a discussion on their ESG practices ahead of their meetings.

Governance engagement attempts by country



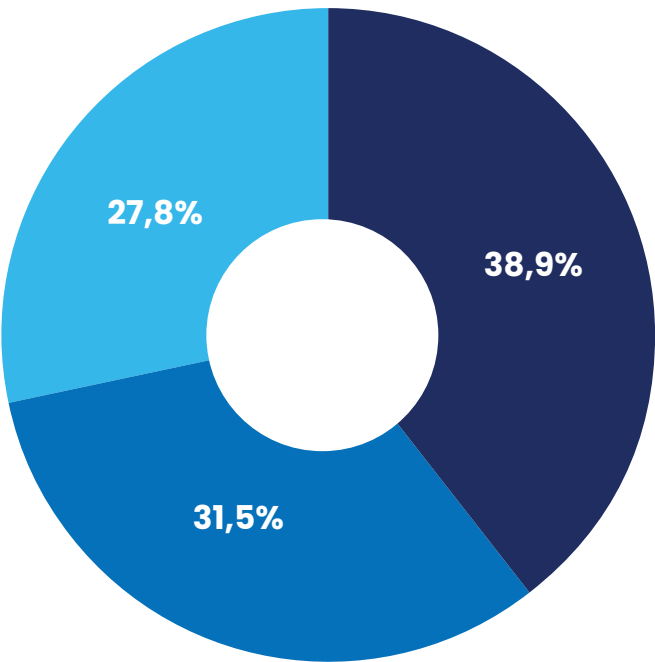
The primary emphasis of all pre-AGM engagements lies in the examination of board composition and remuneration, with additional attention given to capital structure and the safeguarding of shareholder rights. We view pre-AGM dialogues with companies as valuable opportunities to exchange diverse perspectives, enabling us to elucidate our governance approach.

Simultaneously, these discussions offer a platform to gather insights from companies, potentially addressing or alleviating our concerns. The knowledge is systematically reflected in our votes and rationales during the proxy voting season.

Following the voting season, and in conjunction with our investment teams, we identified 15 companies grappling with ongoing challenges in their governance structures. This led to the initiation of a secondary engagement process in the latter part of 2023, strategically timed to prepare for the upcoming 2024 AGM. Our overarching goal is to actively shape and influence positive changes in the practices of these companies.

Issuer responsiveness

■ Easy
■ Medium
■ Difficult



Pre-declaration of votes in 2023

For 2023, we introduced a systematic method of pre-declaring our intentions, utilizing both a Candriam pre-declaration webpage and the dedicated UN PRI Voting webpage. This allows us to signal concerns publicly before the official voting date, and to share any observed improvements resulting from our engagement efforts.

Our pre-declaration of voting intentions can serve as either an escalation measure or a response to stakeholder demands for increased transparency, aligning with our engagement objectives. In 2023, Candriam pre-declared our voting intentions at 14 meetings for 26 resolutions. To predeclare our voting intention, our intention must relate to a sensitive resolution (next chapter), and must be linked to case of

specific interest recognized by the Candriam Proxy Voting Committee. For example, climate-related resolutions may fall under this category, as well as any new topic for which Candriam’s current voting policy does not yet define explicit guidelines, or controversy-related voting items.

More to read under

[Predeclaration of Voting Intentions](#)

Other escalation tools

Utilizing resolutions and/or raising queries at AGMs are standard practices among responsible investors. These methods are commonly employed to escalate engagements that have been unproductive, or to align with our investment strategies and the principles for which we advocate. Below, we summarize our escalation cases during 2023.

Escalations

Measure	Companies	Topic	Outcome
Resolution co-filing, in cooperation with Assogestioni	Moncler SpA	Nomination Slate	Passed.
Resolution co-filing, in cooperation with Phitrust	Stellantis NV	Shareholding Structure	The quota of shares required for the effective resolution co-filing was not reached.
Resolution co-filing, in cooperation with other European investors	Engie SA	Climate	Received 24.4% support from all shares voted.
AGM question , Financials & Climate, collaborative initiative, coordinated by ShareAction	BNP Paribas SA	Climate	Difficult to ask the question during the AGM, hostility from the other individual shareholder in the room. But ultimately an answer has been received.
AGM question , Climate Change & Biodiversity, collaborative initiative, coordinated by ShareAction	Crédit Agricole SA	Climate	Detailed answer received.
AGM statement , Climate Change & Biodiversity, collaborative initiative coordinated by ShareAction	Barclays Plc	Climate	Detailed answer received.



Votes on sensitive resolutions.



Highly sensitive votes

The Candriam Voting Team sets a predefined list of companies at the beginning of each year as a framework to identify 'highly sensitive votes'. This list is not exhaustive and is updated during the voting season. This list is based mainly on flags raised by our ESG or Investment Teams, on controversy monitoring, and on engagement and voting history.

We vote for every 'votable' position of the portfolios part of our voting scope, as explained in our Voting Policy. In cases of securities lending, during 2023 we reserved a minimum position of 50% in order to preserve our voting rights, but our average voting percentage is higher (97.5% in 2023 and 97% in 2022). For highly sensitive companies, and/or in instances where the shares are on loan, we ensure that all shares are recalled so that we can exercise our full leverage at the meetings.

If the circumstances which caused the company to be on the pre-defined list materialize, the Voting Team analyses the relevant resolutions and assesses whether any sanctioning vote, or vote Against management, is necessary. The following tables enumerate by topic the resolutions we targeted at these 378 highly sensitive meetings, and the alignment of our vote with that of other voting shareholders.¹ Our reporting here is intended to provide more granularity on how Candriam voted at sensitive meetings and the alignment with a significant portion of the other shareholders.

Do you want to know more about our approach to securities lending, recall and mitigation measures in place to avoid empty voting ?

[Candriam Proxy Voting Policy](#)

Mergers and Acquisitions

Ten resolutions flagged as 'most sensitive' due to a significant M&A transaction on the agenda **where we did not support the item.**

Aligned*	0
Partially aligned (resolution passed with at least 20% dissent)	3
Not aligned (resolution passed with less than 20% dissent)	7

*Aligned data field includes cases where Candriam voted For the resolution and the resolution passed and where Candriam voted Against and the resolution failed.

Environmental and Social resolutions

Of 204 **E** and **S** Resolutions (excluding climate resolutions) flagged as 'highly sensitive,' for which we wanted to exercise our full leverage and **were supported.**

Aligned (resolution passed)	5
Partially aligned (resolution failed with at least 20% support)	82
Not aligned (resolution failed with less than 20% support)	117

¹ When we indicate 20% dissent, we mean 20% of those shares which were voted.

Shareholder Climate resolutions

Of 45 shareholder climate proposals **supported** at companies flagged as ‘most sensitive’ for climate-related reasons, of which two were withdrawn.

Aligned*	9
Partially aligned (Candriam voted For and resolution failed with at least 20% support)	12
Not aligned (Candriam voted For and resolution failed with less than 20% support)	24

*Aligned data field includes cases where Candriam voted For the resolution and the resolution passed and where Candriam voted Against and the resolution failed.

Management Climate resolutions

Of 11 management climate proposals voted at companies flagged as ‘most sensitive’ for climate-related reasons.

Aligned*	3
Partially aligned (Candriam voted Against and the resolution passed with at least 20% dissent)	1
Not aligned (Candriam voted Against and the resolution passed with less than 20% dissent)	7

*Aligned data field includes cases where Candriam voted For the resolution and the resolution passed and where Candriam voted Against and the resolution failed.

Climate sanctioning: director election and discharge

Of 62 management resolutions on discharge and director elections voted Against because of the lack of proper Board oversight for companies flagged as ‘most sensitive’ for climate-related reasons.

Aligned (resolution failed)	0
Partially aligned (resolution passed with more than 20% dissent)	2
Not aligned (resolution passed with less than 20% dissent)	60

Governance concerns and Engagement

A total of 493 management resolutions on director elections, compensation and auditor-related topics at companies were flagged as ‘most sensitive’ for weak governance reasons combined with significant Candriam holdings in these companies. Of these, Candriam did not support 221 resolutions:

Aligned (resolution failed)	0
Partially aligned (resolution passed with more than 20% dissent)	89
Not aligned (resolution passed with less than 20% dissent)	132

Historical dissent from shareholders

Last year, only one resolution was subject to a ‘high dissent’ trigger. This year, for that company, Candriam again voted Against the same resolution. Our Against vote this year reflected our significant holding of the name, our Governance-related concerns, another high dissent level in 2022, and the lack of response from the company to address the broad shareholder dissent.

Apart from this one resolution, 16 other resolutions were voted Against due to our significant holding, governance related concerns and the presence of high dissent levels in 2022 at companies that were not flagged at the beginning of the year for high dissent trigger. The resolutions passed, but two received more than 20% dissent, a significant portion of the investors aligned with our vote. Therefore, the alignment is considered ‘Partially aligned’ for these two resolutions.

Aligned (resolution failed)	0
Partially aligned (resolution passed with more than 20% dissent)	2
Not aligned (resolution passed with less than 20% dissent)	15

Meetings of specific interest

Highly sensitive resolutions, like those mentioned earlier, represent just one segment of our targeted items.

Our Voting team consistently examines resolutions across different categories, utilizing various criteria throughout the year to identify meetings categorized as 'of specific interest.' If a meeting warrants interest for the triggers detailed below, or for any other specific reason, our Voting Team analyses the general meeting agenda to determine whether an item should be targeted.

The ultimate goal of these internal analyses is to fulfil our role as Active Owners and exert the highest possible influence as stakeholders in the company.

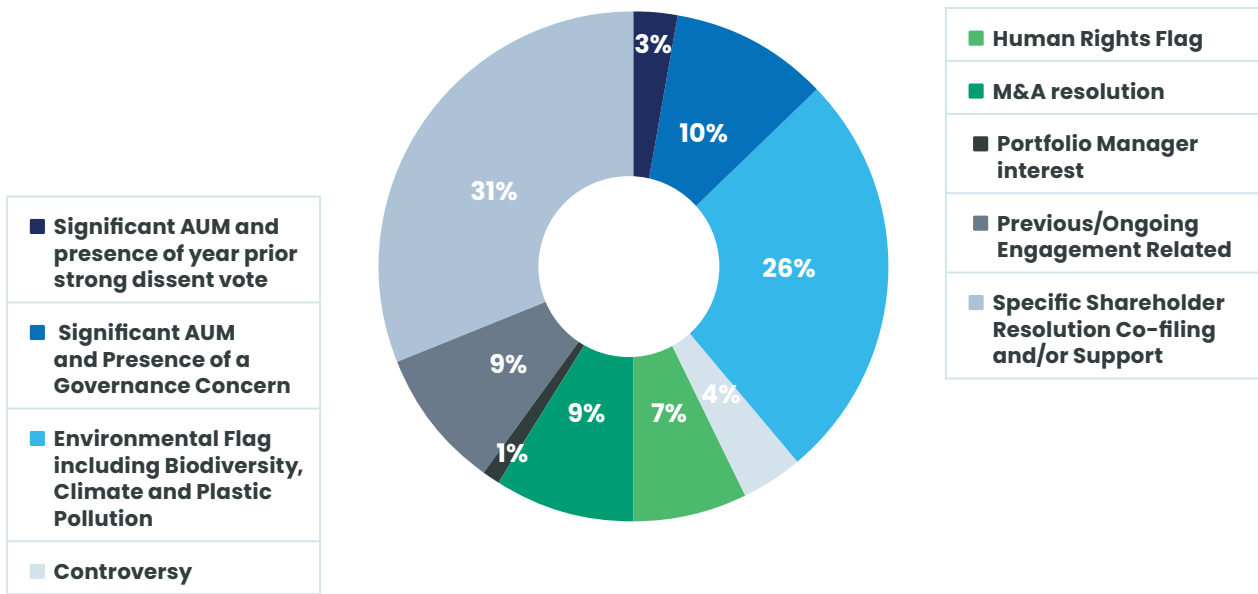
The topics of those meetings can generally be group under nine categories:

- Significant holdings and Governance concern
- Environmental flag eg, Biodiversity, Climate, Plastic Pollution
- Controversy
- Significant holdings and presence of year prior strong dissent vote
- Human Rights flag
- M&A
- Investment manager interest
- Previous/ongoing Engagement
- Specific Shareholder Resolution Co-filing and/or Support

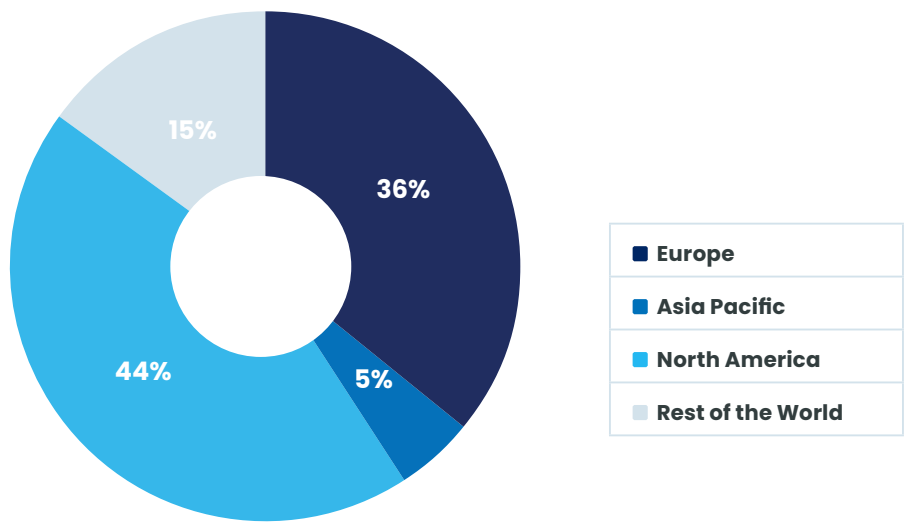
In 2023, we internally re-analyzed 636 meetings, of 582 different companies, for a variety of those reasons. Of these 636 meetings, 378 were deemed highly sensitive (with at least one highly sensitive resolution) as detailed under Votes on Sensitive Resolutions Section.

[Want to know how we work with proxy advisors ?](#)

Main Trigger Reason	Number of Meetings (Reanalyzed)
Significant AUM and Presence of a Governance Concern	62
Environmental Flag including Biodiversity, Climate and Plastic Pollution	163
Controversy	26
Significant AUM and presence of year prior strong dissent vote	18
Human Rights Flag	43
M&A resolution	58
Portfolio Manager interest	7
Previous/Ongoing Engagement Related	60
Specific Shareholder Resolution Co-filing and/or Support	199
Total	636 (vs 626 in 2022)



The geographical distribution of all sensitive meetings analyzed in 2023 is shown in the chart below:



To illustrate our approach-- and in addition to the examples provided under the Governance and Climate Sections of this report -- we offer eleven case studies originating from the Environmental, Social, or Governance realms during our 2023 voting season. Each case defines the priority trigger, background details, rationale, and the overall outcome.

Comprehensive information on all our votes, including the rationale for 'Against' votes, is accessible through our [voting dashboard](#).

Case studies.



Environmental

Icade SA

AGM, April 4, 2023

Priority Trigger: Say-on-Climate

Item 16: Approve Company's Climate and Biodiversity Transition Plan

Vote: FOR

Rationale:

We support this resolution because Icade did validate SBTi targets (Science Based Targets initiative) for its promotion division, and has set medium-term targets for both the promotion division and the healthcare division. We welcome the new commitment of the company to put this resolution up for a vote every year and commend the company for its Biodiversity reporting and commitments.

Going forward, with the anticipated deconsolidation of Icade Santé (announced divestiture of Icade's stake to primordial REIM), we expect transparent disclosure on medium-term and long-term sustainability targets. We do note the poor disclosure around the compensation policy of incoming CEO Nicolas Joly, and would welcome increased disclosure of the company's STIP¹ and LTIP performance criteria, including short-term and medium-term objectives of the Climate and Biodiversity transition plan. Outcome: 98.3% of support, Passed.

Canadian National Railway Company

AGM, April 25, 2023

Priority Trigger: Say-on-Climate

Item 4: Management Advisory Vote on Climate Change

Vote: AGAINST

Rationale:

Although Canadian Pacific Railway has committed to a 1.5° ambition, the decarbonization strategy is not yet aligned with 1.5°C pathway requirements.

The company targets are partial (CN discuss only short- and medium-term targets) and do not cover all Scope 3 emissions. The disclosure on capital spending is limited without enough granularity, and the company's end-market commodities (petroleum, chemicals, coal, fertilizers, etc) are highly linked

to Canada's resource-based economy and therefore unlikely to change drastically.

We voted For in 2022, even though we identified some gaps in their climate strategy and reporting in order to encourage the company to improve. However, we felt the improvements this year were insufficient, and this year we voted Against. Outcome: 96.5% of support, Passed.

¹ Short-term incentive program, long-term incentive program.



JPMorgan Chase & Co

AGM, May 16, 2023

Priority Trigger: Climate sensitive issuer, plus Environmental shareholder resolution.

Item 6: Adopt Time-Bound Policy to Phase Out Underwriting and Lending for New Fossil Fuel Development

Vote: FOR

Rationale:

While JPM has committed to align its financing with the goals of the Paris Agreement by achieving net-zero by 2050, the bank continues to finance new fossil fuel projects, in contrast with what the latest scientific findings. JPM is reportedly the world's largest funder of fossil fuels for the period from 2016 to 2022, lending 34% more than the second highest bank.¹

Without specific policy and plan to phase out its oil and gas financing, JPM will be exposed to increasing reputational, regulatory, transition and competitive risks going forward. Therefore, we strongly support this resolution and urge JPM to take the necessary steps to align its climate strategy with the best practices within the sector. Outcome: 8.1% of support, Failed.

Social

Chocoladefabriken Lindt & Spruengli AG

AGM, April 20, 2023

Priority Trigger: Controversy

Item 6.1.1: Reelect Ernst Tanner as Director and Board Chair

Vote: AGAINST

Rationale:

A vote Against is warranted because the nominee is a non-independent director and the board is less than 50% independent. Moreover, we would like to highlight the continued risks of child labor in the company's supply chain and the fact that the company and the long-tenured directors have been expected to address the issue in an adequate and sufficient manner. We note the adoption of the Child Labor Monitoring Remediation Systems (CLMRS), preventive measures (e.g. summer schools for workers' children) and other investments and incentives for farmers (including a living income program).

However, the system lacks further details regarding their cocoa supply chains. How many farmers in total are part of their value chains (this is key to see if the covered farmers in the value chains are significant or minor in comparison to

the total share of farmers actually there)? How exactly does the company track positive evolution so far (the data from CLMRS concerning Lindt's risk of child labor in farming households of cocoa-sourcing countries is from prior years). The cocoa from child labor risk covered by CLMRS stood at 57% for the year 2021.²

- The share is rather unsatisfying considering the long-ongoing nature of the issue.
- It is not clear why the remaining part is not covered.
- No information can be found for 2019 and 2020.

Considering that the nominee serves on the sustainability committee while also holding the position of chairman of the board, it raises questions on the ability to fully address these sustainability issues. As such, we do *not* support his re-election. Outcome: 78.8% of support, Passed.

¹ As You Sow, December 2023. [Resolution details](#). Accessed 25 March, 2024.

² International Cocoa Initiative. September 2021. [Risk models for predicting child labour](#). Accessed 25 March, 2024.

Eaton Corporation Plc

AGM, April 26, 2023

Priority Trigger: Human Rights

Item 1a: Elect Director Craig Arnold

Vote: AGAINST

Rationale:

We do not support the election of the nominee as he serves as both the company's CEO and Chair, which we consider to be a breach of recognized good governance practices. Our opposition is intended to flag the company's corporate governance practices and to push the management to deliver this change. This vote should not be viewed as an expression of judgment or discontent with overall management team or with company performance.

Further, our opposition is due in part to the company's exposure and limited structural changes to address identified

human right risks in terms of Uyghur forced labor in its supply chain. Indeed, Eaton's supply chain has been linked to Uyghur forced labor through a contract with Daqo New Energy Corp, a polysilicon provider. We acknowledge that this is a structural issue for nearly all Chinese companies that sell solar panels as they are often in Dago's downstream value chain. Our concern was heightened following our collaborative engagement via the Investor Alliance¹ with the United Church Funds, which proved to be disappointing and unsuccessful. The company considers their Code of Conduct sufficient to address the identified human rights risks, thus leaving little hope of structural changes to address the issue in the future. Outcome: 93.8% of support, Passed.

ConocoPhillips

AGM, May 16, 2023

Priority Trigger: Specific Shareholder Resolution Co-filing and/or Support

Item 9: Report on Tax Payments

Vote: FOR

Rationale:

This resolution is fully aligned with our Candriam Proxy Voting Policy, as it pushes for more transparency by asking for a country-by-country tax report. This type of data enables us to ensure our investee companies pay their fair amount of tax, and to assess whether they are involved in overly-aggressive tax planning. Although ConocoPhillips argues that much of the requested information is already published, we believe that such a report is a negligible increased burden for the company.

We expect that additional data and would support the company's argument that it is both collaborating with various tax authorities and a significant tax contributor in the jurisdictions it operates. Especially, providing figures on its contributions on a country basis would add credibility to the company's statement as well as enable shareholders to assess the risks and opportunities arising from the company's

tax practices.

Candriam considers that the country-by-country reporting of information does not lead to the disclosure of sufficiently sensitive or confidential information as to confer a competitive disadvantage, as also specified by the 2018 Review of the EU Commission. We believe that reporting on tax practices and providing stakeholders with more granularity on the taxes paid should not be seen as a competitive disadvantage. Indeed, some among the company's peers benefitted from the additional disclosure of reporting in line with GRI Tax Standards. Finally, since coming legislation will require ConocoPhillips to align with such reporting practices, taking the lead on this would help the company to gain more understanding from investors on its tax practices and on the challenges it faces. As such, we vote FOR this shareholder proposal. Outcome: 17.2% of support, Failed.

¹ [Initiative 1 Investor Alliance for Human Rights](#)

Governance

Stabilus SE

AGM, February 15, 2023

Priority Trigger: Governance Related Concerns and Close Monitor

Item 6: Approve Remuneration Policy

Vote: **FOR**

Rationale:

A vote FOR this item is warranted due to the improvements made in the remuneration policy, namely, the introduction of malus and clawback clauses, introduction of caps on total remuneration; introduction of an ESG-LTI plan for all executives, as well as the removal of the payments upon CoC within the company. However, our support is not without concern as the company has not made clear which KPIs will be used for the LTI ESG plan, and the attached weightings are not disclosed. Such lack of disclosure prevents us from fully supporting the remuneration policy.

While we acknowledge the company's efforts to link the executive remuneration with their ESG strategy, it is important for investors to understand which KPIs will be used for the assessment of the strategy and to assess whether the metrics chosen and weightings applied are material and relevant to the business. We have engaged for two years with the company over Human Capital Management and have appreciated their constant efforts to strengthen associated reporting systems as well as strong progress observed in their public disclosure on related qualitative and quantitative KPIs. We believe that the same efforts should be equally put into the communication of specific ESG KPIs chosen that are measurable, transparent and relevant and will thus concentrate this year our engagement with them on the improved robustness of their ESG-LTI plan. Outcome: 94.7% of support, Passed.

Samsung Electronics Co., Ltd.

AGM, March 15, 2023

Priority Trigger: Governance Related Concerns and Close Monitor

Item 2: Elect Han Jong-hui as Inside Director

Vote: **FOR**

Rationale:

A vote FOR this resolution is warranted given the absence of any known issues concerning the nominee and the company's board dynamics. However, we highlight that at the 2022 AGM, we voted Against the re-election of outside directors Kim Han-jo and Kim Jong-hun as they appeared to have not acted in the best interests of external shareholders while serving on the Board.

Specifically, our rationale behind our opposition was to underline that the outside directors have not fulfilled their oversight roles before and since the bribery and accounting manipulation investigation into Vice-chairman Lee Jae-yong. With this rationale, and fully consistent with the dialogue initiated with the company, we would like to reiterate that measures adopted by the company to strengthen ethical oversight and Board accountability after this incident would be appreciated by investors. Outcome: 97.5% of support, Passed.



LVMH Moët Hennessy Louis Vuitton SE

AGM, April 20, 2023

Priority Trigger: Governance-Related Concerns and Close Monitor

Item 4: Approve Auditors' Special Report on Related-Party Transactions

Vote: AGAINST

Rationale:

Each year, LVMH submits a shareholder vote on its related party transactions involving mainly executive directors who also hold shares at LVMH. In line with best market practices, related parties should not participate in the vote submitted to shareholders, as transactions with related parties may represent a material conflict of interests and it is the board's responsibility that all shareholders are treated fairly.

Therefore, such transactions should be up for a vote by *non-conflicted* shareholders only. The controlling shareholding group has been voting at AGMs on related party transaction items for which it can be considered conflicted. Moreover, due to the legal process in place in France, auditors are not required to give their opinion on the transaction itself nor to assess whether it is in the interest of shareholders. It is the legal responsibility of the concerned individuals to inform the chair when they are an interested party in a transaction. As the chairperson and CEO positions are combined at LVMH and the related party transactions are mainly concerning him, we raise legitimate concerns on the review and approval process of such related party transactions and vote Against this item. Outcome: 84.6% of support, Passed.



Solvay SA

EGM, December 8, 2023

Priority Trigger: Governance Related Concerns and Close Monitor

Item 3: Approve Demerger Proposal

Vote: FOR

Rationale:

While we recognize the company's rationale for the operation, namely, the needs for simplicity and for Syensqo's innovation and investment for its growth strategy, we raised doubts on the necessity to create a separate vehicle for accomplishing such targets. From a financial perspective, we have questions about the value creation behind the separation process as there are also negative synergies (EUR70m out of EUR2.3bn of EBITDA). The dividend is important to an investment case, and we raise concerns that dividend coverage will be reduced in the future, especially on the Solvay (ex-Essential-Co) side.

If the Solvay Management believes their shares are improperly valued, other possibilities exist. For example, a partial listing of the Material divisions could offer interesting prospects for investors.

Our pre-EGM engagement with the Management of Solvay (ex-Essential-Co) provided some level of assurance:

- About the resilience of the dividend policy, as their 2022-28 Pre-Capex Free Cash Flow Target includes a safety cushion of EUR 250 million per annum ahead of the dividend commitment
- About the potential savings allowed by the demerger (lower cybersecurity needs, less sophisticated ERP and CRM, better capital allocation).

As such, we are voting FOR this proposal. Outcome: 99.1% of support, Passed.

Item 18: Approve Exceptional Bonus for the CEO

Vote: AGAINST

Rationale:

While this vote should not be viewed as an expression of judgment or discontent with the current management or with the company performance, we vote Against the resolution based on our guidelines and due to:

- The proposed EUR 12 million cash bonus is in connection with the proposed demerger proposal without being subject to the successful completion of the demerger, other performance conditions or longer-term value creation following the demerger.
- The proposed one-off award is in cash, and not necessarily aligned with longer-term interests of shareholders.
- The proposed bonus is substantially above market practices and we consider it excessive.
- The company already granted an options award in connection with the demerger proposal in October 2022, further raising questions on the appropriateness of an additional EUR 12 million cash award for the CEO alone.

We acknowledge the track record of Ilham Kadri since 2019, as well as the quality of her management in complex economic and geopolitical times. She definitely appears as the most suitable candidate to manage the newly established vehicle, Syensqo. We thus understand the background of this bonus and its exceptional character as the board wants to retain Ms Kadri. However, based on Candriam voting guidelines, support of an exceptional bonus of this amount would require some safeguards (mainly existence of performance-related granting conditions, and requirement of continued employment) to protect the interests of shareholders. Our pre-EGM engagement with the Management of Solvay (ex-Essential-Co) confirmed no conditions had been defined.

As such, and in accordance with our voting guidelines, we are voting Against this proposal. Outcome: 65.6% of support, Passed.

Promoting Sustainable Development.

Industry associations and responsible investment working groups that we are part of.

	Name of Association	Joined in
SRI Working Groups within:	AFG - Association Française de la Gestion financière	2003
	BEAMA - Belgian Asset Managers Association	2004
	EFAMA - European Fund And Asset Management Association	2010
Several Social Investment Forums, such as:	VBDO - Dutch Sustainable Investment Forum	2007
	Forum Nachhaltige Geldanlagen (Germany, Switzerland & Austria)	2010
	Swiss Sustainable Finance (Switzerland)	2014
	Forum pour l'Investissement Responsable (French SIF FIR)	2014
	Forum per la Finanza Sostenibile (Italy SIF)	2015
	UKSIF - United Kingdom Sustainable Investment Forum	2016
	US SIF - United States Forum for Sustainable & Responsible Investment	2016
Other sustainability-oriented investor bodies	ABIS - The Academy of Business in Society	2005
	IIGCC - The Institutional Investors Group on Climate Change	2020
	Investor Alliance for Human Rights (ICCR Initiative)	2021

As an asset manager, Candriam also actively promotes sustainable finance by educating the next generation of responsible investors. With the [Candriam Academy](#) anyone can access courses designed to increase understanding of sustainable investing and ESG factors in the investing industry. As of 2023, the academy provided online free training to more than 14,500 individuals across 79 countries.

Regarding how Candriam engages with policymakers, including:

- Related governance processes in place ,
- How we ensure alignment with our position on sustainable finance,
- Candriam policy engagement activities or those conducted on our behalf,

All related information will be made available in our forthcoming 2023 CSR report, as well as additional details¹ on our guiding principles on ESG, promotion and influence, are available on our [Publications webpage](#).

¹ These, including our [Guiding Principles](#) and other documents on our website, are updated as changes occur.



€145 B

**AUM at end
Dec. 2023***



+600

**Experienced and
committed professionals**



+ 25 years

**Leading the way in
sustainable investing**

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*As of 31/12/2022, Candriam changed the Assets Under Management (AUM) calculation methodology, and AUM now includes certain assets, such as non-discretionary AUM, external fund selection, overlay services, including ESG screening services, [advisory consulting] services, white labeling services, and model portfolio delivery services that do not qualify as Regulatory Assets Under Management, as defined in the SEC's Form ADV. AUM is reported in USD. AUM not denominated in USD is converted at the spot rate as of 31/12/2023.



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