

# 2024 Annual Voting Report



**MARCH 2025**





**During 2024, we sharpened our analysis of and focus on major corporate and governance shifts, analysing our votes on director elections proxy battles, management succession, AI, and shareholder rights.**

**Scrutiny of companies and resolutions hit new highs.**

# The year at a glance.

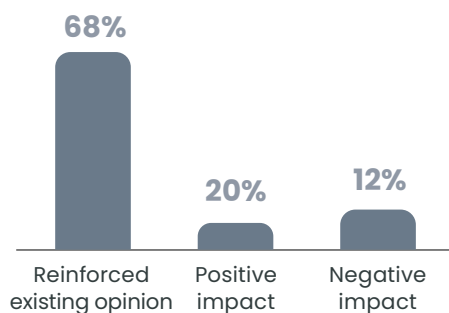
## Main themes:

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

**226** corporate issuer engaged through individual dialogues

Representing **32%** of our AUM\*

### Impact of Individual Dialogues on Candriam ESG Opinion

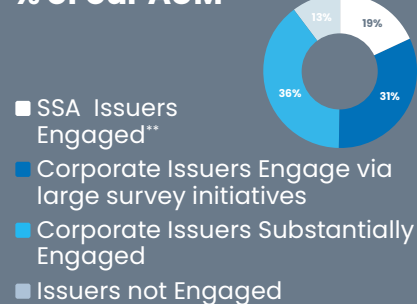


### Collaborative dialogues

**644** Corporate Issuers Engaged (outside large survey initiatives)

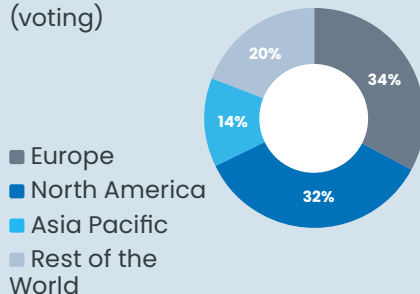
**88** dialogues led or actively supported by Candriam through collaborative initiatives (outside large survey initiatives)

### Collaborative dialogues % of our AUM\*

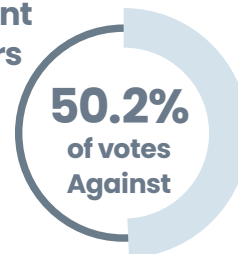


**1,901** voted meetings

### Geographical split of meetings (voting)



### Compensation of management and directors (voting)



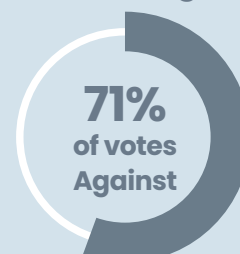
Globally Candriam supported **71%** of management resolutions

### Active voting

**80.4%**

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.

\*\* SSA: Sovereign, Supranational, and Agency

Source: All data is from Candriam, unless otherwise specified.

Candriam engages with issuers on behalf of our clients through individual and collaborative dialogues. Collaboration in the context of stewardship refers to partnering with stakeholders (e.g. investors, civil society organisations, community groups, non-governmental organisations, academics, journalists), to share resources and enhance investors' effectiveness in pursuing their stewardship objectives.



# Annual Voting Report



## Agenda.

### In Figures: Voting Data.

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The source for all data in this report is Candriam, unless otherwise noted.

# 2024 Voting statistics.



## The Year in Figures

We believe that for Candriam to have an effective voting process, we must have a well-structured and efficient organization. At Candriam, the coordination between our Voting Team and Middle Office is pivotal to executing these shareholder and other rights on behalf of our clients.

Candriam ensures the accuracy of listed equity and 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 and bond positions to our proxy voting provider, ISS, who forwards the vote (the chain of voting instructions with associated voting rights) to the sub-custodian based on the listed equity positions provided by the custodian and the potential specific voting rules,<sup>7</sup> as 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 2024, we did not receive any invitations to participate in bondholder meetings.

All funds which fall under the [Candriam Proxy Voting Policy \(2024\)](#) are voted in the same way. The voting policy employed for our 2024 ballots, along with the [updated policy for 2025](#), can be found on our website.

Candriam's proxy voting policy applies to open-ended equity funds<sup>8</sup> managed by entities within the Candriam group.

For dedicated funds and mandates (ie, segregated accounts), clients decided whether to delegate voting authority to Candriam, 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 (e.g., 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 2025), 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.

<sup>7</sup> Eg, participation in some AGMs may require 'blocking' the voting shares for a long period. If the involved investment team believes such a blockage puts the investment strategy of the portfolios at risk, Candriam will inform ISS of a specific voting rule ensuring that not 100% of the shares will be blocked.

<sup>8</sup> The list of Candriam Equity open-ended funds can be accessed via our [Voting Dashboard](#)

## Voting scope

Voting funds	Candriam Policy		Client Custom Policy
	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)
<b>No. of Voting Funds at end 2024</b>	48	40	17
<b>No. of Voted Meetings at end 2024</b>	1,777	927	277
<b>% of Voting Funds (in numbers) of total eligible for voting, within the category at end 2024</b>	100%	Not relevant*	Not relevant*
<b>% Voting Funds (in AuM) vs total eligible for voting, within the category at end 2024</b>	100%	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 98% of the meetings where we were eligible to vote in 2024. Non-voted meetings resulted from eight 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
- 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 2024, for every position we voted under the Candriam Proxy Voting Policy, we exercised our vote on 94.3% of the associated voting rights.

Details of our votes for Candriam open-ended funds, including explanations of 'Against Management' votes, are publicly available on our Voting Dashboard<sup>9</sup>.

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

For funds and mandates applying the Candriam Proxy Voting Policy, Candriam uses a service provider, ISS, to exercise voting rights, as detailed in our 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 2024, no breaches occurred for the funds covered by this report.

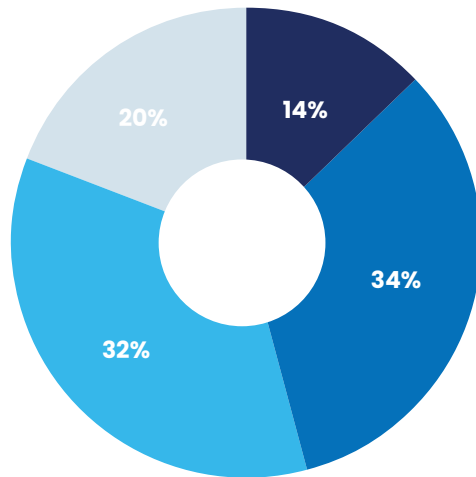
No conflict-of-interest situations arose during 2024.

<sup>9</sup> <https://vds.issgovernance.com/vds/#/NDA0Nw==/>

## Geographical Distribution of Meetings Voted in 2024

In 2024, we participated in 1,901 equity meetings and voted on 24,999 resolutions for our open-ended funds, dedicated funds, and mandates under our Candriam Proxy Voting Policy.

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



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





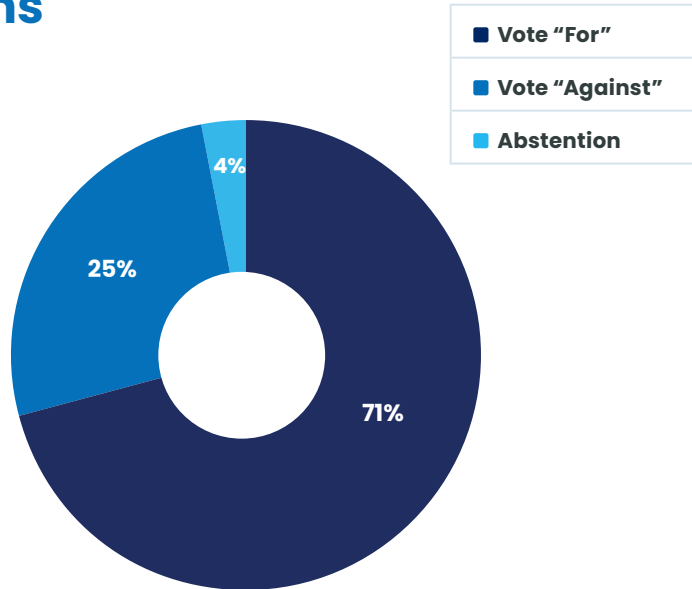
# Our votes by topic.

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

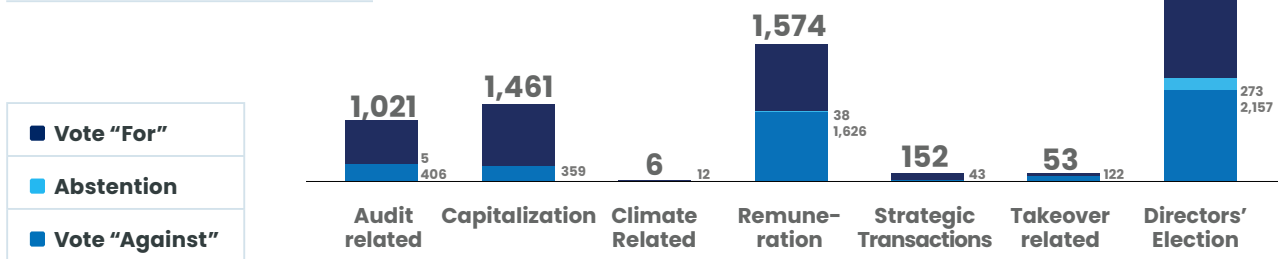
## Management resolutions

### Overall approval rate (Management resolutions only)

Candriam supported 71% of the resolutions put forth by managements in 2024 (the same approval level, 71%, as in 2023). 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 link our support For directors to governance topics. Specifically, issues related to board composition and effectiveness, such as director independence, overcommitment, and executive compensation, may lead us to vote against a particular director. Regarding remuneration, misalignment

between pay and performance, inadequate disclosure, and poorly-structured remuneration plans (such as the absence of significant sustainability metrics, excessive pay, or the use of identical metrics in both short-term and long-term incentives) could prompt us to vote against a remuneration resolution.

As outlined in the Governance section of our 2024 Engagement and Voting Report, we believe that a robust governance framework is crucial for their successful achievement of environmental and social targets. Without solid governance, their progress may be less straightforward than anticipated. Therefore, we consistently use our votes on governance resolutions to influence the environmental and social performance of corporate issuers. We may vote against directors, remuneration proposals, statutory reports, or auditors in cases where there is poor oversight of environmental and social issues by the board, misalignment between pay and sustainability performance, insufficient non-financial disclosure, or inadequacies in auditing practices.

Overall, our voting decisions remained consistent with the previous year, with a modest impact to director elections from the changes to our Voting Policy. One notable change introduced at the start of 2024 was our requirement for European companies to appoint a lead independent director when the chair is not independent. Additionally, as of January 2024, we began requiring companies within our Net Zero coverage to establish a sustainability committee at the Board level. These changes resulted in withholding our support from electing certain directors.

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

## Election of directors

	2024 No.	2024 %	2023 %
<b>Votes For</b>	8,759	78.30%	79%
<b>Vote Against</b>	2,157	19.30%	19.80%

## Auditor related

	2024 No.	2024 %	2022 %
<b>Vote For</b>	1,021	71.30%	67.40%
<b>Vote Against</b>	406	28.40%	26.50%
<b>Abstention</b>	5	0.30%	0.63%

## Remuneration proposals

	2024 No.	2024 %	2023 %
<b>Vote For</b>	1,574	48.60%	49.50%
<b>Vote Against</b>	1,626	50.20%	49.70%
<b>Abstention</b>	39	1.20%	0.70%

## Capitalization changes

	2024 No.	2023 %	2023 %
<b>Vote For</b>	1,461	80.30%	75.40%
<b>Vote Against</b>	359	19.70%	24.60%
<b>Abstention</b>	0	0%	0%

## Takeover-related

	2024 No.	2024 %	2023 %
<b>Vote For</b>	53	29.60%	33.70%
<b>Vote Against</b>	126	70.40%	66.30%
<b>Abstention</b>	0	0%	0%

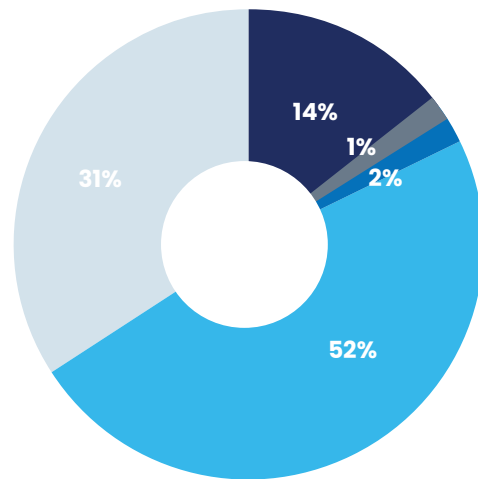
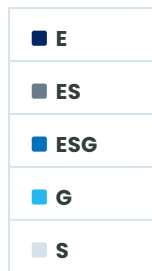
# Shareholder resolutions

Candriam internally and systematically analyses all shareholder resolutions. In 2024, Candriam backed the majority of those shareholder proposals which advocated for increased disclosure regarding company sustainability strategies (66.8% of all shareholder resolutions voted).

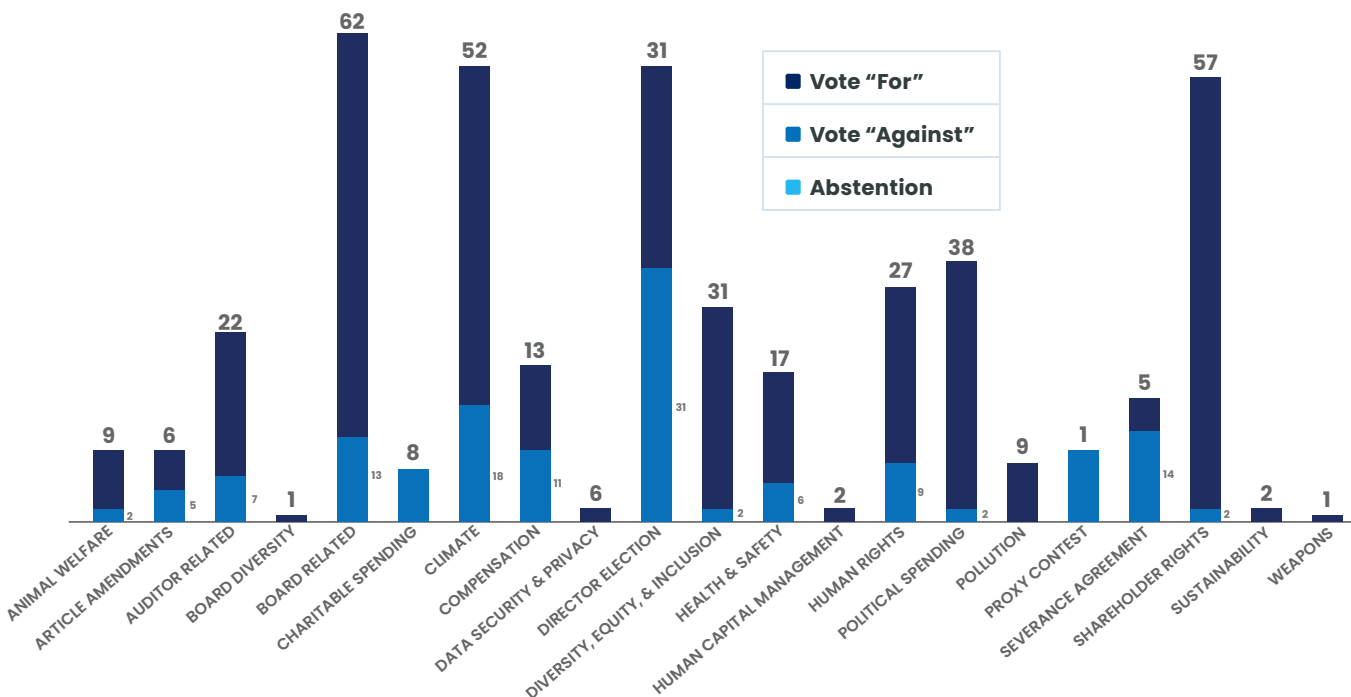
Do you want to know how Candriam compares to peers ?

[ShareAction Voting Matters](#)

## Environmental, Social, Governance, or a combination?



## Shareholder resolutions by subject



Note : 153 company-specific shareholders resolutions were also voted in 2024. These are not mentioned in the above chart.

## Votes on E and S resolutions

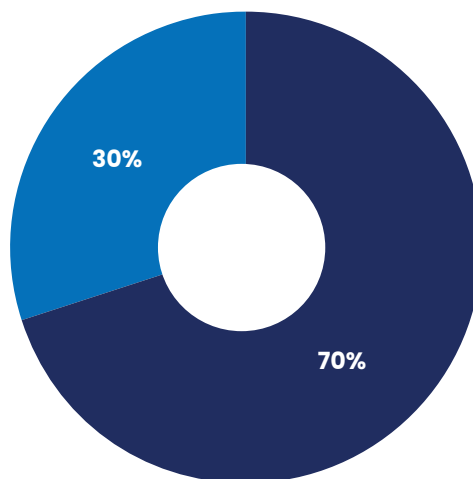
Overall, Candriam supported 70% of all environmental and social resolutions in 2024 (vs 81% in 2023). This decrease reflects the continually-rising number of anti-ESG proposals<sup>10</sup>, together with the deeper analysis of the proposals by the Voting Team. We make a particular effort to analyse the nature of the request and to assess the risks and costs associated with ESG factors when considering environmental and social resolutions, rather than automatically voting in favour of every resolution.

With that said, our support for a measure does not indicate complete agreement with every aspect of the resolution, nor does it indicate 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 analyses all shareholder proposals internally, in coordination with our sector specialists.

Of the environmental and social resolutions (including all categories), 236 were flagged by our team as 'highly sensitive' as they were at the companies pre-flagged by the team ahead of the season and re-analysed in 2024 for which we wanted to exercise our full leverage and were supported.

<b>Aligned (resolution passed)</b>	2
<b>Partially aligned (resolution failed with at least 20% support)</b>	102
<b>Not aligned (resolution failed with less than 20% support)</b>	132



## Environmental Shareholder Proposals

While we acknowledge that stewardship is not measured by the number of proposals supported, we believe our votes on shareholder proposals are a true reflection of our in-house ESG analysis<sup>11</sup> and the engagement we have with our investee companies.

Our support for 76.5% of these environmental proposals from shareholders underscores our long-standing priority of enhancing transparency and oversight to address environmental risks faced by investee companies.

<sup>10</sup> <https://corpgov.law.harvard.edu/2025/02/06/anti-esg-proposals-have-increased-in-volume-but-fare-poorly/>

For Candriam statistics, Shareholder proposals were categorized as anti-ESG if they mention "calling for a decrease in claiming corporate responsibility for issues that span environmental, social and governance topics or are critical of investor intervention that call for companies to be held liable for social or environmental issues."

<sup>11</sup> Please see Candriam's SRI Policies here: [Publications | Candriam](#)



This year, 2024, saw a high-profile legal dispute between two investor groups and a company over a climate-related resolution, specifically Follow This, a Dutch climate activist group, and Arjuna Capital, a co-filer of the resolution versus the petrol major company ExxonMobil.<sup>12</sup> As detailed in our [mid-year report](#), this confrontation highlights the widening divide in ESG investing and reveals how the transition of established, systemic energy companies can become a politically contentious issue.

In 2024, we consistently supported all those climate lobbying shareholder resolutions which were aligned with our voting policy,<sup>13</sup> underscoring the importance we place on transparent reporting by companies of their advocacy practices to ensure their lobbying efforts, political spending or industry association memberships align with their stated environmental commitments and global climate objectives.

Specific to biodiversity and nature, we supported all US AGM resolutions in 2024 requesting reports on efforts to reduce plastic use (six resolutions) and on company exposure to water risk and biodiversity loss (six proposals).

## Shareholder Proposals on Social Topics

With the fast-evolving geopolitical and regulatory contexts, together with the many geopolitical tensions globally, we see that the emphasis on human rights-related proposals remains unchanged from 2024. In 2024, we voted on five proposals asking companies to report on risks of doing business in conflict-affected areas, of which we supported three. We did not support the remaining two as in our view, the two companies already provide sufficient information for shareholders to assess their management of risks related to its operations in such types of regions.

We see rising attention paid to companies' supply chain risk assessments. In 2024, we voted For all proposals asking companies to report on human rights risk assessments in their supply chain.<sup>14</sup>

## Shareholder Proposals on Governance Topics

During 2024, we voted on 355 governance-related proposals, supporting 231 (65%). The themes were mainly the independence of board chairpersons, amendment of remuneration policies including severance structure and clawbacks, adoption of simple majority vote and rights to call special meetings and to nominate dissident nominees to boards. We systematically vote For resolutions requiring an independent board chair, as this provides a safeguard at the board level for the protection of minority shareholders.

In 2024, we participated in several significant proxy contests where shareholders sought to challenge the composition of company boards and the selection of executives, largely due to the successful regulatory changes introduced in the US in 2022. For further information on the first ESG proxy contest and how the 2024 battle looked for the Walt Disney Company, please see case study in this document, or our mid-year report<sup>15</sup>

Lastly, we saw an increasing number of shareholder proposals targeting shareholder rights in 2024 (59 proposals in 2024 vs 41 in 2023). The resolutions, targeting mainly US companies, aimed at protecting the rights of minority shareholders. The proposers asked companies to adopt simple majority vote, to reduce the ownership threshold required for shareholders to call special meetings, and to provide the right to act by written consent. With the exception of two, we supported these resolutions.<sup>16</sup>

<sup>12</sup> ExxonMobil takes legal hammer to climate shareholder groups (ft.com), <https://www.ft.com/content/5b515165-057f-4351-9c3e-fd62f085d8e0>

<sup>13</sup> [Candriam Proxy Voting Policy 2025](#)

<sup>14</sup> The Hershey Company, Ford Motor Company, Yum! Brands, Inc., Mondelez International, Inc., The TJX Companies, Inc., Walmart Inc., NIKE, Inc., Darden Restaurants, Inc.

<sup>15</sup> [2024\\_08\\_mid\\_year\\_voting\\_report\\_gb.pdf](#)

<sup>16</sup> In the cases we did not support, the companies in question did not contain any supermajority voting requirements.

# Active ownership.

Candriam is an active shareholder, consistently initiating discussions with a defined set of companies in the run-up to each annual general meeting (AGM) season. Our proactive engagement aims to explain our perspectives and enable management to better meet investor expectations regarding corporate governance.

In their role as stewards of the voting policy, our 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 shareholder resolutions, 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 Voting Policy under the Proxy Voting Committee section.

## Pre-AGM Campaign

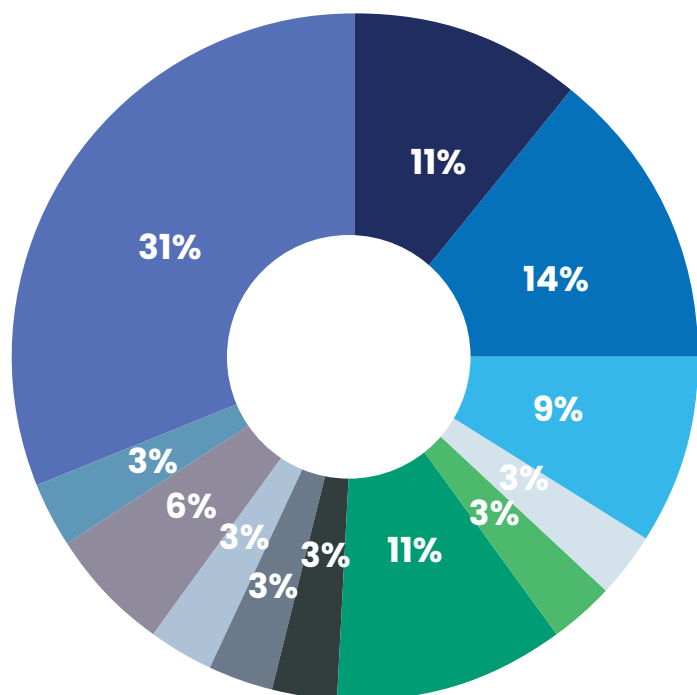
Candriam highly values pre-AGM engagement, as it provides constructive discussions with investee companies. We articulate our voting approach and expectations regarding corporate governance practices, while gaining insights from investee companies about the challenges they may be facing. Understanding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

Similarly to 2023, we continued to include North American and emerging market companies in our pre-AGM engagement.

In 2024, we contacted 29 companies with a response rate of 82.8%. In addition to those engagements we initiated, six investee companies reached out to us to organize discussions of their ESG practices ahead of their meetings.

### Geographic Distribution of Companies Engaged in Pre/Post AGM Engagement Campaign

■ Belgium	■ Spain
■ France	■ Sweden
■ Germany	■ Switzerland
■ India	■ UK
■ Ireland	■ USA
■ Italy	
■ Luxembourg	



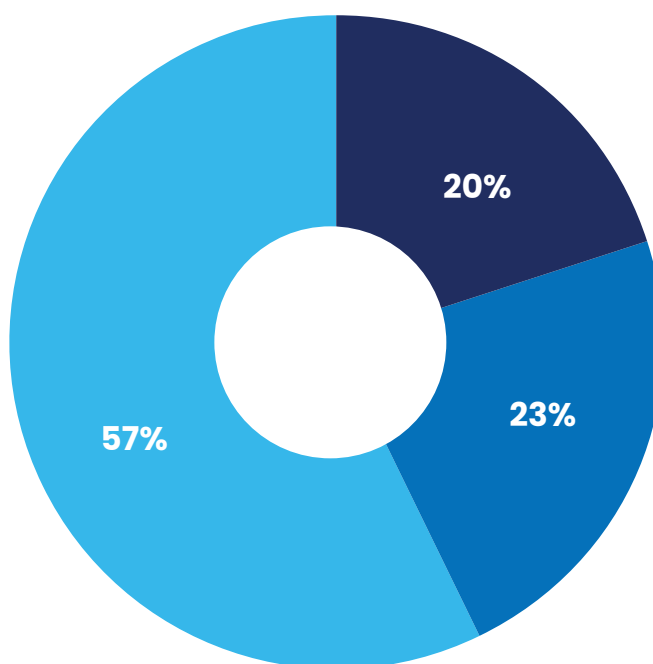
The primary emphasis of all pre-AGM engagements lies in the examination of board composition and remuneration, with additional attention to capital structure and the safeguarding of shareholder rights. We view pre-AGM dialogues with companies as valuable opportunities to exchange diverse perspectives, enabling us to explain 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 11 companies grappling with ongoing challenges in their governance structures. This led to the initiation of a secondary engagement process in the latter part of 2024, timed to prepare for the upcoming 2025 AGM season. Our goal is to actively shape and influence positive changes in the practices of these companies.

### Issuer responsiveness

■ Low
■ Medium
■ High



## Pre-declaration of votes in 2024

In 2024, we continued our systematic publication of our intentions, utilising both our Candriam pre-declaration webpage and the dedicated UN PRI voting webpage. This allows us to publicly signal concerns before the official voting date, and to share any observed improvements resulting from our engagement efforts.

The 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 2024, Candriam pre-declared our voting intentions at 26 meetings for 43 resolutions.

We predeclare our voting intention when it relates to a sensitive resolution (next chapter), and is linked to a specific interest recognized by the Candriam Proxy Voting Committee. For example, climate-related resolutions may fall under this category, new topics 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

Utilising 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. We summarize our escalation cases during 2024.

### Escalations

Measure	Companies	Topic	Outcome
Resolution co-filing, in cooperation with Assogestioni	BFF Bank SpA	Governance - Nomination Slate	Passed. Our slate received 51.9% support from the shareholders, ensuring election of our two nominees with valuable expertise.
Resolution co-filing, in cooperation with Assogestioni	Banca Mediolanum SpA	Governance - Nomination Slate	Passed. Two of our three nominees were elected to the Board.
Resolution co-filing, in cooperation with other investors	TotalEnergies SE	Governance - Combined Positions of CEO and Chair	The Board decided not to table the draft resolution on the agenda <sup>18</sup> .
Resolution co-filing, in cooperation with other investors led by Follow This	Shell plc	Climate	Received 18.6% support of shares voted
Resolution co-filing, in cooperation with other investors acting through Share Action	Nestle SA	Healthy-Nutrition	Received 11% support of shares voted
Resolution co-filing, in cooperation with other investors acting through Share Action	Anonymised (a global Europe-based bank)	Climate	Withdrawn after climate strategy improvement secured.
AGM question	Publicis Groupe SA	Governance - Combined Positions of CEO & Chair	Detailed answer received
AGM question	Recticel SA	Governance - Executive Remuneration	Detailed answer received

<sup>18</sup> [Board-of-Directors-position-on-the-draft-shareholder-resolution\\_PDF.pdf](#) & [Additional-information-Boards-decision-25-April-2024-not-to-table-a-shareholders-consultative-resolution.pdf](#)



# Votes on sensitive resolutions.



## Highly sensitive votes

The Candriam Voting Team defines a 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.

We vote for every ‘votable’ position of the portfolios part of our voting scope, as explained in our Voting Policy. In instances of securities lending, during 2024, we reserved minimum positions of 50% in order to preserve our voting rights, and our average voting percentage for 2024 is 97% (compared to 97.1% in 2024 and 97.5% in 2023). 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 materialise, our Voting Team analyses the relevant resolutions and assesses whether any sanctioning vote, or vote against management, is necessary. The tables enumerate targeted resolutions by topic for these 299 highly sensitive meetings, and the alignment of our vote with that of other voting shareholders.<sup>19</sup> 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.

### Shareholder Climate Resolutions

Of 35 shareholder climate proposals **supported** at companies flagged as ‘most sensitive’ for climate-related reasons, of which four were withdrawn.

<b>Aligned*</b>	0
<b>Partially aligned (resolution failed with at least 20% support)</b>	19
<b>Not aligned (resolution failed with less than 20% support)</b>	12

### Environmental and Social resolutions

Of 12 management climate proposals **voted** at companies flagged as ‘most sensitive’ for climate-related reasons.

<b>Aligned*</b>	3
<b>Partially Aligned (Candriam voted <i>Against</i> and the resolution passed with at least 20% dissent)</b>	4
<b>Not Aligned (Candriam voted <i>Against</i> and the resolution passed with less than 20% dissent)</b>	5

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

<sup>19</sup> When we indicate 20% dissent, we mean 20% of those shares which were voted.

## Climate Sanctioning: Director Election and Discharge

Of 93 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.

<b>Aligned (resolution failed)</b>	0
<b>Partially Aligned (resolution passed with more than 20% dissent)</b>	0
<b>Not Aligned (resolution passed with less than 20% dissent)</b>	93

## Governance Concerns and Engagement

A total of 626 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 224 resolutions:

<b>Aligned (resolution failed)</b>	0
<b>Partially Aligned (resolution passed with more than 20% dissent)</b>	60
<b>Not Aligned (resolution passed with less than 20% dissent)</b>	164

## ESG Metrics in Executive Remuneration

15 remuneration-related proposals were voted *Against* in 2024 at companies that were flagged in our close monitor list for the presence of ESG metrics.

<b>Aligned (resolution failed)</b>	0
<b>Partially Aligned (resolution passed with more than 20% dissent)</b>	0
<b>Not Aligned (resolution passed with less than 20% dissent)</b>	15

## Historical dissent from shareholders

Two resolutions were flagged due to the high dissent trigger. Candriam voted *Against*. due to our significant holding, governance-related concerns, a high dissent level in 2023, and the lack of response from the company to address the broad shareholder dissent.

Apart from those two resolutions, 14 resolutions were voted *Against* due to our significant holding, governance related concerns, human rights, environmental flag or previous engagement together with the presence of high dissent levels in 2023. The resolutions passed, but two received more than 20% support, a significant portion of the investors aligned with our vote. Therefore, the alignment is considered 'Partially aligned' for these two resolutions.

<b>Aligned (resolution failed)</b>	0
<b>Partially Aligned (resolution passed with more than 20% dissent)</b>	2
<b>Not Aligned (resolution passed with less than 20% dissent)</b>	14



## 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 mostly within ten categories, utilising various criteria throughout the year to identify meetings categorized as ‘of specific interest.’ (see Main Trigger Reason table). Whether a meeting attracts attention due to particular topics or other factors, our internal Voting team conducts a comprehensive analysis of the entire meeting agenda to determine whether to focus on a specific item.

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

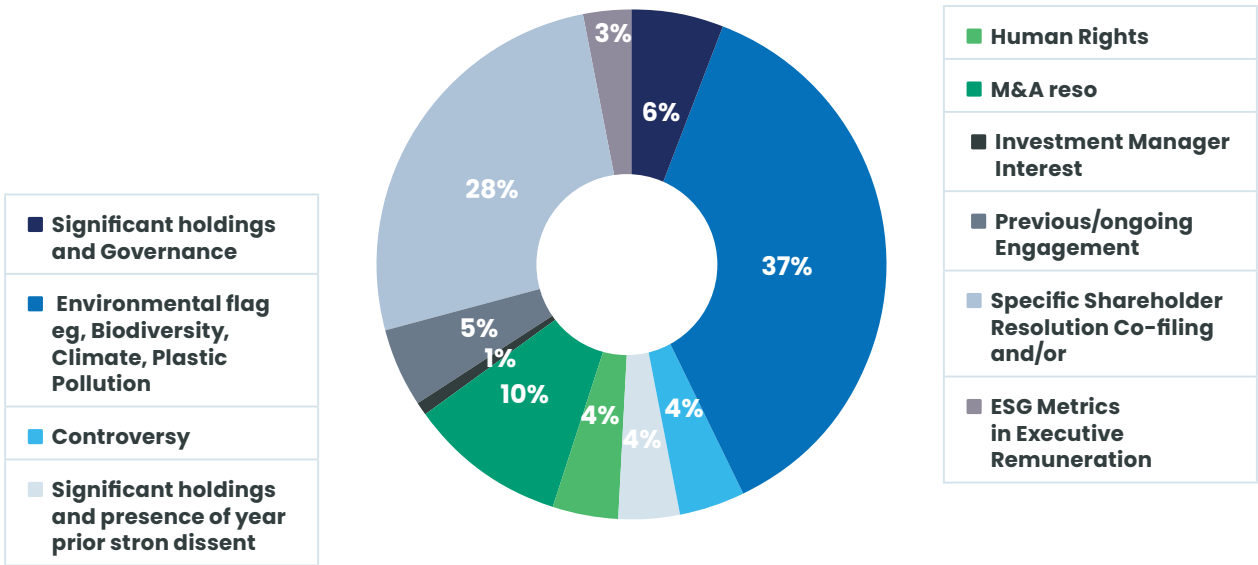
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During 2024, we internally re-analysed 608 meetings, of 566 companies, for a variety of reasons. Of these 608 meetings, 299 were deemed highly sensitive as detailed under the Votes on Sensitive Resolutions section.

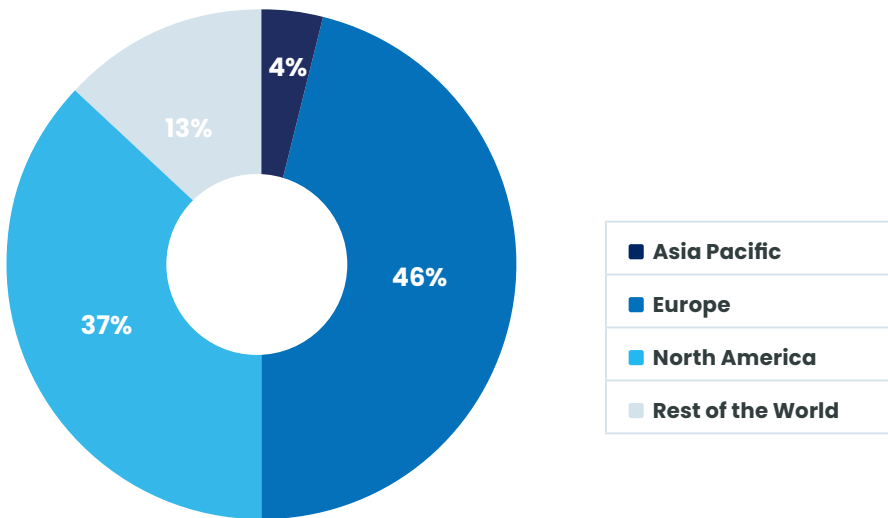
Main Trigger Reason <sup>20</sup>	Number of Meetings Reanalysed
Significant holdings and Governance concern	35
Environmental flag eg, Biodiversity, Climate, Plastic Pollution	225
Controversy	28
Significant Holdings and Strong Year-prior Dissent Vote	24
Human Rights Flag	23
M&A Resolution <sup>21</sup>	63
Investment Manager Interest	4
Previous/ongoing Engagement	30
Specific Shareholder Resolution Co-filing and/or Support	158
ESG Metrics in Executive Remuneration	18

<sup>20</sup> Please note that the same meeting may be classified as sensitive for multiple reasons listed here. The primary concern is used for each meeting to illustrate our approach.

<sup>21</sup> We voted *Against* 43 M&A resolutions in 2024, of which 13 received a dissent more than 20%.



The geographical distribution of all sensitive meetings analyzed in 2024 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 nine case studies originating from the Environmental, Social, or Governance realms during our 2024 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.<sup>22</sup>



## Environmental<sup>23</sup>

### Garmin Ltd.

AGM, June 7, 2024

Priority Trigger: Non-Financial Reporting Item

Item 12: Approve Non-Financial Report

Vote: AGAINST

#### Rationale:

While the company provides some information regarding its business as a typical 10-K report, the information on materiality risks, [on] its management strategies equipped with targets, and [on] specific levers or strategies on its materiality topics, remains very limited and high level. This limited to absence [minimal provision of information] includes [also applies to] its climate change adaptation and mitigation, especially on its [lack of a] Net Zero commitment, while information on sourcing management that remains limited and anecdotal, which [we believe] is critical considering the presence of suppliers in high-risk countries on issues regarding forced labor.

In addition, Garmin also relies highly on third-party suppliers including the reliance on mineral/semiconductor component, which makes its risks even higher. Although it has a separate report titled "Corporate Impact Report" and "Conflict Mineral Report", the former in particular remains high-level which makes it challenging for investors to better assess its due diligence strategies from [a] sourcing and environmental standpoint, and subsequently to understand the extent to which it [Garmin] is exposed to [these] risks and how mature Garmin is in management them. More disclosures on its supplier footprint and its strategies on the grievance mechanisms and remedy would be much appreciated.

On its Conflict Mineral stance, [we believe] the information disclosed is not sufficient considering the exposure to high-risk materials such as gold, columbite-tantalite (coltan), cassiterite, wolframite, and their derivatives, tantalum, tin and tungsten. We would appreciate more detailed information about its sourcing management practices that include information about its sourcing countries, suppliers (especially those considered as high risks), and both its internal and external verification mechanisms.

As such this item is not supported

<sup>22</sup> Please note that the rationales mentioned in this section are taken from the vote disclosure platform of Candriam. There may be some wording differences relative to the original filings, for ease of reading.

<sup>23</sup> Please note that you can find Candriam's votes and rationale for all Say on Climate proposals voted in 2024 on [Predeclaration of Voting Intentions | Candriam](#)

## Nestlé SA

AGM, April 18, 2024

Priority Trigger: Controversy.

Item 1.3: Approve Non-Financial Report

Vote: AGAINST

### Rationale:

While Nestlé provides good disclosures on its emissions and climate roadmap – with clear breakdowns of emissions and targeted reduction incl.[uding] levers and dedicated investments, [we believe] there needs to be more clarity on the regenerative agriculture definition and strategies, specific criteria targets that fall within the scope of the RegAg, and the absence of a methane reduction target [is also a concern for us].\* On the latter, we particularly regret the absence of [a] target to cut its methane-derived emissions considering that methane is a critical source of emissions from its dairy business. In addition, the company reports that the previously absolute amount of reductions and removals vs Business As Usual was used as indicator, and data are not comparable, which also makes it more difficult for us, as investors, to compare. This rationale is in alignment with the ones we outlined for the Agenda Item 1.2 pertaining to remuneration report on the information on ESG objectives that are missing granularity (cf the Agenda Item 1.2) and Agenda Item 7.

In addition, we are not satisfied with the absence of consideration in assessing the level of healthiness of its overall product portfolio. While we note positively the inclusion of its 'affordable nutrition with micronutrients', we are unable to identify whether the company [s reporting] also takes into account the progress of its product quality and healthy profile deriving from its less-healthy products.

Considering that the majority of Nestlé's sales are still dominated by less-healthy products, a KPI with more focus on the less-healthy portfolio (including positive progress on product reformulation) is highly critical to properly reflect its healthy ambition. All of which is in alignment with the objective of the Shareholder Proposal S0776 in terms of top executive accountability on Nestlé's healthy strategies. Increasingly, we would encourage the company to take into account increasing ESG risk exposures towards product quality and safety issues (e.g. issues surrounding its natural mineral water production sites) and to operational efficiency (e.g. IT hiccups resulting in supply constraints in its health business), or at the very least provide more clarity or updates in the report about these topics.

\* Since [the] Nestlé AGM, and after several calls with the company, we have revised our position on the absence of a Methane-reduction specific target. Please refer to the Climate-dedicated Chapter of the present report, and more specifically to the Nestlé Case.



# Social

## Starbucks Corporation

AGM, March 13, 2024

Priority Trigger: Controversy

Item 1.d: Elect Management Nominee Director Mellody Hobson

Vote: Withhold

### Rationale:

[We conclude] a *Withhold* vote is warranted for Board Chair Mellody Hobson with the intention to enhance Board accountability at Starbucks, as well as the level of independent oversight at the Board level, in order to ensure the unbiased functioning of the Board, equipped with [a range of] different skills and expertise to address the challenges of the business. This is particularly key for a company such as Starbucks, which [operates in a sector which] is constantly facing changing dynamics and sustainability risk exposures in its own operations and value chains. The long tenure of the Board chair and the excessive number of outside mandates [she undertakes] raise questions about her impartial decision-making and oversight. Moreover, the Chairman of the Board ultimately shoulders the most responsibility among all Board members for failing to effectively supervise the management

of risks to the company and its shareholders, and should therefore be held the most accountable for poor Board oversight of ESG risk exposures at the firm.

That said, we also acknowledge the company's recent efforts in agreeing to talks with the unions following the proxy fight driven by the Strategic Organizing Center. This is certainly a meaningful progress that the company has shown. To deliver [the] concrete changes that stakeholders have been asking for, we would encourage the integration of new Board members with specific expertise and backgrounds in labour rights and labour management (especially with labour relation backgrounds), responsible sourcing, and human rights, and/or the integration of external experts into its newly-created "Impact Committee".

## Apple, Inc.

AGM, February 28, 2024

Priority Trigger: Human Rights

Item 7: Report on Use of Artificial Intelligence

Vote: FOR

### Rationale:

At Candriam, we believe that technology companies should be as transparent as possible to guarantee the safe use of rapidly-evolving technologies such as Artificial Intelligence. The request formulated by this resolution is aligned with this view.

As regulation emerges on average several years after new developments, it is essential for technology firms to display the highest standards in ethical practices in their early stages

of deployment. Artificial Intelligence comes along with the probability of introducing [or developing] biases, discrimination, misinformation, and other misuses and abuses against employees, users and society at large. We [believe we] know that companies that can best avoid these issues [and risks] are [usually also] those that are the most transparent, accountable, and open to engaging with outside stakeholders such as civil society, academia, investors, etc.

The terms ‘trustworthy AI’ [or] ‘explainable AI’ are often used when referring to ethical practices. Our discussions on AI-related issues with technology companies has taught us that those companies that are the most transparent and open about the way they [ source data, and] develop and deploy AI algorithms are also those that display the best ethical practices. While Apple’s existing guidelines and practices broadly address the social topics [and financial risks] mentioned in the proposal, they do not specifically refer to

the adverse impacts that AI could generate. Furthermore, certain of the company’s peers have committed to mitigate risks posed by AI.

By being transparent on their AI principles, guidelines and processes, technology leaders, such as Apple, can also set a high standard for an ethical use of AI for the whole industry.

As such, we vote *For* this shareholder proposal.

## The Kroger Co.

**AGM, June 27, 2024**

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

**Item 2:** Report on Public Health Costs Due to Tobacco Product Sales and the Impact on Overall Market<sup>24</sup>

**Vote: FOR**

### Rationale:

A vote *For* this item is warranted to send the right signal to the company that we expect their commitment and effort to discontinue the practice of selling tobacco products, yet this [our] decision also comes with a concern:

The focus of the resolution should not be for the company to report on the public health costs as there have been many studies related to the public health costs associated with tobacco by CDC [the centers for Disease Control and Prevention], WHO [the World Health Organization], academics, etc. Rather, the priority should be given to require the company [Kroger] to set out clear commitments to discourage and discontinue the selling of tobacco products and report on their strategies and progress.

<sup>24</sup> Listed in the proxy statement as ‘Report on Public Health Costs from Sale of Tobacco Products’



# Governance



## Stellantis NV

AGM, April 16, 2024

Priority Trigger: ESG Metrics in Executive Remuneration

Item 2.d: Approve Remuneration Report

Vote: AGAINST

### Rationale:

A vote *Against* this item is warranted because there are [we have] concerns raised regarding the CEO's realised pay package amounting to EUR 42 million, which appears excessive according to proxy advisor-selected peers and European standards, and is considered high even when compared to the [Dutch] company's own selected US peers.

Furthermore, the excessive quantum [amount] of the package is largely driven by the so-called 'transformation incentive' of EUR 10 million, which is a one-off additional cash incentive, whereas the existing package is not considered uncompetitive and should already aim [be sufficient] to retain and reward the CEO. Alos, [the] benefit package of the company's executive chair and CEO, including the tax equalization and pension contribution, also raises concerns.

While we recognize the company's achievement in surpassing synergy goals and exceeding market expectations, we find the overall compensation package to be disproportionately

high. Additionally, it is commendable that the company has integrated targets for low-emission vehicles into its short-term variable remuneration, signaling a positive step towards aligning executive compensation with non-financial performance.

However, it is important to note that the inclusion of CAFÉ [Corporate Average Fuel Economy] compliance in the long-term incentive plan (LTIP) cannot be deemed as a challenging metric since it is a regulatory requirement rather than a performance indicator. Nevertheless, in the broader industry context, we appreciate Stellantis's emphasis on linking a significant portion of executive compensation to EV [electric vehicle] development.

That being said, we recommend the incorporation of targets aligned with the company's overall carbon reduction goals, particularly focusing on upstream initiatives for Scope 3 emissions.

## The Walt Disney Company

AGM, April 3, 2024

Priority Trigger: Governance Related Concerns and Close Monitor

Management Slate

Vote: FOR

### Rationale:

We note that share price performance has been very weak since 2021 on the back of higher losses in the DTC [Direct-to-Consumer] business (Disney+, Hulu) and a stalling number

of subscribers in this segment. For the market, this division is the focus as Disney has lagged Netflix to invest in DTC, while linear TV [subscriptions] declined by 6% [during 2023].

As interest rates went up, free cash flow generation and profitability [came] under high scrutiny, and deleveraging [became] an important topic following the [debt-heavy] acquisition of Twenty-First Century Fox. Investors are sceptical that the current management will be able to compete against Netflix and reduce losses/enhance profitability. For a year, the management refocused its strategy by implementing a \$7 billion cost-cutting programme, designed to turn the DTC business positive by the end of 2024. This began to pay off but one might wonder if it was just a 'show-me' story to counter [the involvement of hedge fund manager] Nelson Peltz. As such, we need to see more and for a longer period before assessing the efforts of this management. We also note that under Bob Iger's first mandate, Disney [generated strong profits and high growth, with the] shares meaningfully outperforming the broader market.

We continue to have reservations about the succession plans for 73-year-old Bob Iger, as no other candidate seems to be declared (the previous CEO remained for only 2 years). Yet we believe that the weakness in performance cannot be attributed only to the Disney management, but also to industry facing challenges, [such as the hefty cost of content]. Setting the right mix between linear TV and DTC, and rationalising content spending are key. Cloudy points include the Hulu acquisition, the ESPN spinoff, and even how to assess the linear TV business.

As such, we believe in management's ability to progress on these points. However, Candriam will be closely monitoring all these elements.

## Vivendi SE

EGM,\*\* December 9, 2024

Priority Trigger: M&A

**Item 1:** Approve Contribution in Kind of 991,811,494 Shares from Canal+ SA, its Valuation, and Remuneration

**Vote: AGAINST**

### Rationale:

While we note that the deal may potentially reduce the holding company discount, achieving that through spin-off into companies listed in different jurisdiction is not reassuring. Therefore, [we believe] a vote Against items 1-3 is warranted due to significant governance concerns surrounding the proposed transaction at Vivendi and its newly-listed entities:

- The choice of listing venues [stock exchanges] appears designed to allow Bolloré to avoid takeover bids and potentially consolidate control over the new entities
- Several "independent" directors also serve at Vivendi or Bolloré-affiliated companies, failing national regulatory standards for independence (eg, Philippe Bénacín at Canal+ and Michèle Reiser at Havas).

- [Our work shows that] some directors are overcommitted, violating our policy regarding "overboarding" as the entities will no longer be considered as group companies.
- A two-thirds vote requirement to remove those directors not proposed by the Board enables the reference shareholder to block such actions, limiting accountability.
- Since the EGM\*\* announcement on Oct. 28, 2024, Vivendi's stock has dropped 15%, signaling investor dissatisfaction with the plan.

\*\* EGM = Extraordinary General Meeting

## Banco Bilbao Vizcaya Argentaria SA

EGM,\*\* July 4, 2024

Priority Trigger: M&A

**Item 1:** Approve Issuance of Shares in Connection with the Acquisition of Banco de Sabadell SA

**Vote: FOR**

### Rationale:

A vote *For* the proposed capital increase is warranted as it would rebalance the company's business towards more developed countries, given that 60% of their profits are generated in Mexico, with 5-10% from Turkey and 5-10% each from Peru and Colombia.

Although the deal itself is not particularly attractive due to the substantial costs associated with disentangling the joint ventures established by Sabadell's management, there should be significant cost synergies. This should help reduce BBVA's cost of equity. Sabadell has limited prospects on its own, and the profitability of both banks will heavily depend on the market environment, particularly interest rates. While

the combined entity may become too large in Catalonia, necessitating the sale of some branches, we have some reservations about the impact on governance structure and Board composition. However, BBVA has assured that the interests of minority shareholders will be represented at the Board level. Regarding employment, it is crucial that job redundancies are managed with programs to support affected employees.

Environmentally, Banco Sabadell has minimal exposure to fossil fuels, and BBVA's existing environmental strategy will remain unchanged.

\*\* EGM = Extraordinary General Meeting





# Promoting Sustainable Development.

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

	Name of Association	Joined in
<b>SRI Working Groups within:</b>	<a href="#">AFG</a> - Association Française de la Gestion financière	2003
	<a href="#">BEAMA</a> - Belgian Asset Managers Association	2004
	<a href="#">EFAMA</a> - European Fund And Asset Management Association	2010
	<a href="#">ALFI</a> - Association of the Luxembourg Fund Industry	2024
<b>Several sustainable investment forums:</b>	<a href="#">VBDO</a> - Dutch Sustainable Investment Forum	2007
	<a href="#">Forum Nachhaltige Geldanlagen</a> (Germany, Switzerland & Austria )	2010
	<a href="#">Swiss Sustainable Finance</a> (Switzerland)	2014
	<a href="#">Forum pour l'Investissement Responsable</a> (French SIF FIR)	2014
	<a href="#">Forum per la Finanza Sostenibile</a> (Italy SIF)	2015
	<a href="#">UKSIF</a> - United Kingdom Sustainable Investment Forum	2016
	<a href="#">US SIF</a> - United States Forum for Sustainable & Responsible Investment	2016
<b>Other sustainability-oriented investor bodies</b>	<a href="#">IIGCC</a> - The Institutional Investors Group on Climate Change	2020
	<a href="#">Investor Alliance for Human Rights</a> (ICCR Initiative)	2021

As an asset manager, Candriam also actively promotes sustainable finance by educating the next generation of responsible investors. This is done via our Candriam Institute for Sustainable Development and especially with the Candriam Academy initiative ([Home - Candriam](#)), which offers courses designed to increase the understanding of anyone who is interested in sustainable investing and ESG factors in the investing industry. As of December 2024, the Academy provides online free training to more than 16,400 individuals across 116 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 2024 CSR report, as well as additional details<sup>26</sup> on our guiding principles on ESG, promotion and influence, are available on our [Publications webpage](#).

<sup>26</sup> These, including our [Guiding Principles](#) and other documents on our website, are updated as changes occur.



**€155 Bn**

**of assets under management  
31 December 2024**



**600+**

**experts at  
your service**



**+25 years**

**of innovation and  
expertise**

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