CANDRIAM

A NEW YORK LIFE INVESTMENTS COMPANY

2025 Mid-year Voting Report

A Season of Change and A World in Motion

AUGUST 2025

2024 Mid-year Voting Report

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Intro-duction.

Introduction: As Spring Returns, So Does the Shareholder Voice.

Spring has always been a season of change — and in corporate governance, it's no different. The 2025 season has seen a surge in shareholder activism, high-profile boardroom battles, and renewed debates around environmental, social and governance priorities, executive compensation, and corporate accountability.

From climate proposals to contested director elections and new regulatory shifts, the proxy season has been anything but quiet. It has reflected deeper tensions between sticking to long-term strategy, values, purpose, and adaptability. In many ways, 2025 has marked a turning point in how shareholders signal their view and how companies respond.

This season showed once again that proxy voting is a key tool of stewardship and a fundamental right of ownership, enabling investors to raise their voices on issues of concern and to recognize progress and improvements.

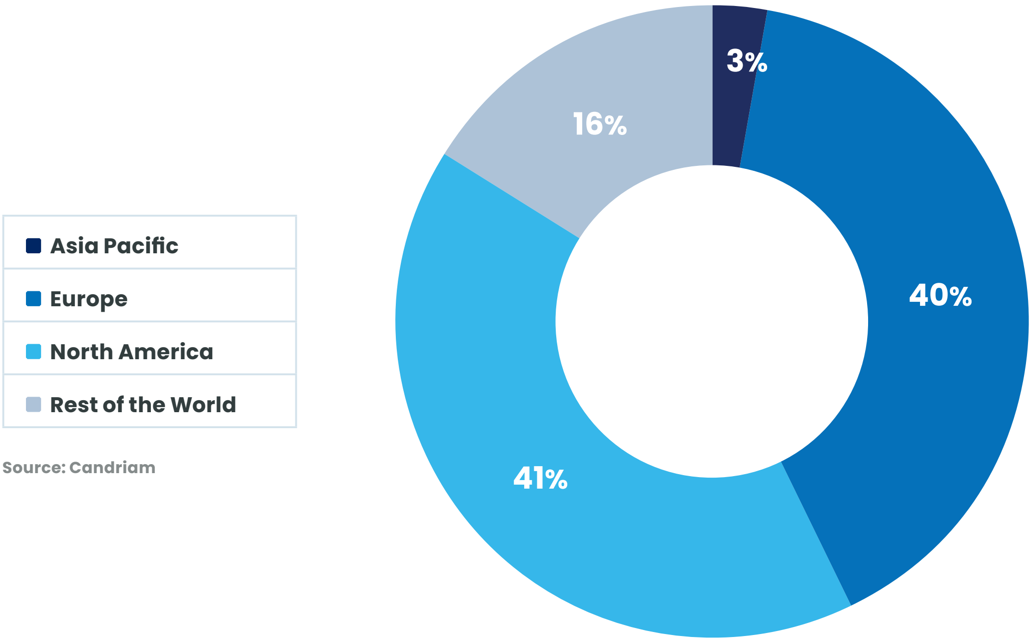
As a responsible asset manager, we maintain an in-house voting policy designed to safeguard the interests of our clients. This policy is applied consistently and thoughtfully, in line with the discretion they have entrusted to us. We engage in the voting process not only because we can — but because our clients expect us to act on their behalf; with care, accountability, and a long-term value perspective.

Voting is one of the most visible ways we represent their voice in the companies they invest in. And the first half of 2025 was, once again, a year in which we did exactly that.

Voting Highlights In numbers.

In the first half of 2025, we voted on 1,215 meetings (compared to 1,304 meetings between January 1 and June 15 in 2024, and 1,305 for the full year of 2023).

Figure 1:
2025 proxy votes by region until June 15



Source: Candriam

2025 has been a year marked by both confirmed expectations and unexpected developments. Early in the year, we anticipated increased focus on rapidly evolving technologies and innovation, alongside the challenges and uncertainty posed by geopolitical risks in certain regions. These trends have largely been reflected in the shareholder and managerial resolutions we have voted on so far.

However, the year has also brought its share of surprises, revealing new dynamics that are reshaping the investment landscape and stewardship discussions.

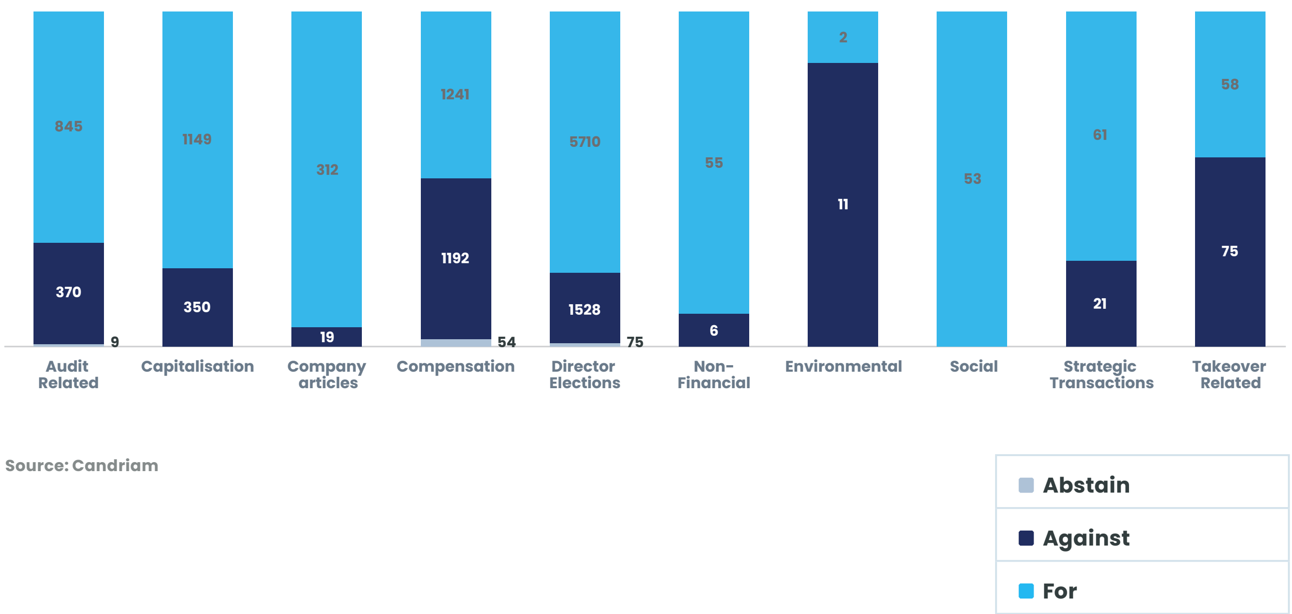
Managerial Resolutions: From Oversight to Foresight

The 2024 season highlighted the growing importance of boards being sufficiently equipped to understand and address the key challenges businesses face through relevant expertise and skills. With rapidly evolving technologies, shifting regulations, and an urgent need to address material sustainability issues, the demand for competent, skilled directors has never been greater. Boards must be able to identify mismanagement, hold leadership accountable, and help keep companies on course.

This shifting landscape is also reflected in broader governance trends. In addition to traditional governance topics, we are seeing a continued decline in the number of management-sponsored say-on-climate proposals, as well as an increase in companies seeking to change their state or country of incorporation. These developments underscore the need for boards to remain agile and informed as they navigate increasingly complex expectations from stakeholders and regulators.

The figure below provides a breakdown of Candriam's votes on managerial proposals in 2025 so far.

Figure 2:
Candriam Votes on Managerial Proposals in 2025 (until June 2025) - A Breakdown by Key Areas[1]



Source: Candriam

1 - Please note that this figure focuses only on votes cast under Candriam policy for Candriam's open-ended equity funds

Issues around Director Skills & Board Assessment: AI Focus & Sustainability Expertise

Since the first release of ChatGPT to the public in 2022, many other Artificial Intelligence (AI) tools have also emerged, and adoption has significantly increased across industries. AI is no longer a distant prospect – it is already shaping business practices today. This rapid development of AI raises questions about how companies are addressing it and how it is overseen by their governance bodies.

In today's environment, two areas are increasingly central to board discussions due to their long-term strategic relevance: digitalization and sustainability[2].

Digitalization covers various issues that will have a different impact on every company, but cyber security issues and AI are two themes that are broadly material. Therefore, there is no doubt that the latter will take up a growing space in the board's agendas. That is why it is crucial that boards are equipped to navigate the rapid pace of technological developments effectively. However, due to the novelty and complexity of the issues, individuals with extensive experience in areas such as AI are relatively rare. It is, therefore, particularly important for boards to do their self-assessment to identify their current capabilities and any skill gaps. Overstating a director's expertise based on a previous but limited experience – what could be seen as skills washing – may undermine board effectiveness and expose the company to risk as directors are expected to serve not only as overseers but also as strategic enablers in guiding the organization through periods of transformation.

The Candriam Proxy Voting Policy[3] underscores the importance of skill diversity on the board and stresses that it should be transparently communicated. Building on this principle, Candriam's [2024 Voting and Engagement Report] provides further guidance on building a well-rounded board and more information on how fundamental directors' skills assessment is for companies when evaluating the appropriateness of their board composition. It is important as the board's functions are to lead, support and monitor, and to do so, they must comprise individuals with relevant and complementary expertise. Therefore, an in-depth review of the directors' skills can help determine whether a board is appropriately equipped to understand companies' key business challenges.

At Candriam, we have shared those concerns about board composition and skills alignment in our engagements with companies during 2025 proxy season as part of our pre-AGM outreach.

2 - For further information on our engagement efforts in different sustainability topics, you can check our 2024 Voting and Engagement Report: voting-and-engagement-report-2024.pdf

3 - Available here: proxy_voting_policy_en.pdf

Stay or Go:
Corporate Migration

On February 17, several amendments to Delaware corporate law were proposed[4] to address recent developments in Delaware case law. The General Assembly argued that these changes were necessary to counter a growing trend of corporations relocating their state of incorporation from Delaware to states such as Texas and Nevada.

The proposed amendments introduce changes to conflict-of-interest transactions, shareholder access to books and records, and director independence presumption. These changes have generated considerable discussion among investor advocates, legal scholars, and corporate governance experts, reflecting a diversity of perspectives. The revisions to Section 220 introduce new requirements for shareholders seeking access to a company's books and records, which may impact their ability to investigate potential mismanagement and monitor company oversight.

The amendments also include new safe harbor provisions that, if a few procedural conditions are met, limit potential legal challenges against directors, officers, and controlling shareholders.

Another amendment introduced was the definition of controlling stockholder with certain transactions involving such shareholders potentially not subject to the newly established procedural safeguards.

Additionally, the updated presumption of director independence — based on stock exchange standards without judicial override — has led to questions about how independence is assessed in cases involving complex relationships.

A key motivation cited for these changes is the concern over the increasing trend of companies reincorporating outside of Delaware, often referred to as 'DExits'. The amendments aim to address this issue by reinforcing Delaware's appeal as a corporate domicile. Despite the changes, there has still been a rise in resolutions on the U.S. agenda, seeking approval for reincorporation from Delaware to other states. **This is confirmed by our voting records; last year, we voted on two company-submitted resolutions to transfer incorporation to Delaware and one to move out of Delaware. This year, we have voted on two resolutions proposing reincorporation from Delaware to another state [5].**

Say-on-Climate at a Crossroad

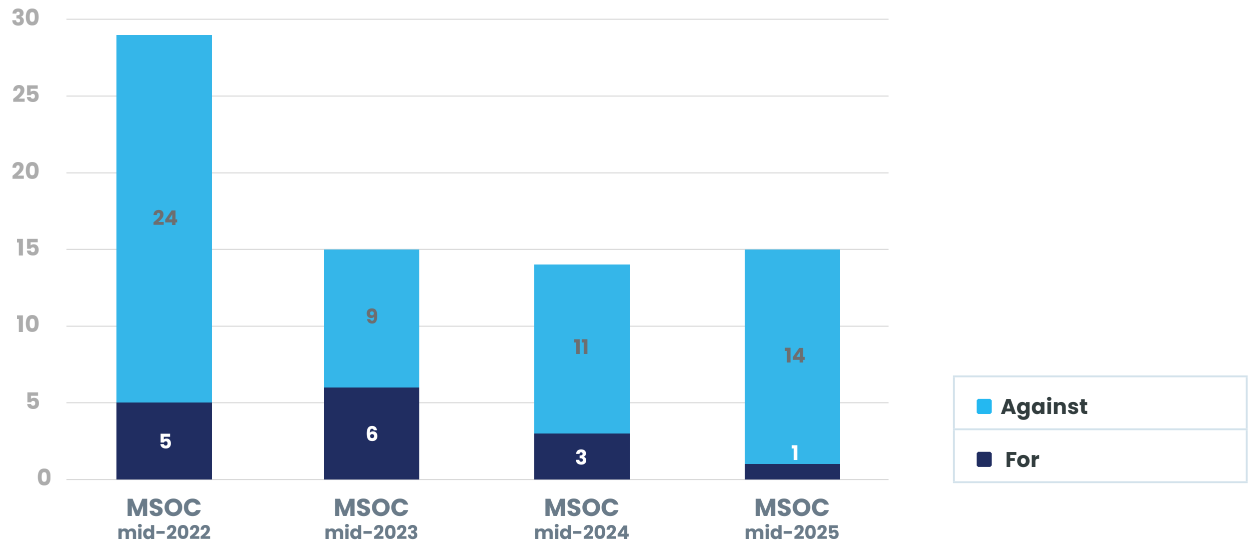
Falling Momentum and Investor Disillusionment

Despite early enthusiasm, momentum behind Say-on-Climate (SOC) resolutions is waning. From a peak of 49 proposals in 2022, the number dropped to 27 in 2023, 26 in 2024, and 16 in 2025, (**13 SoC voted in Europe, two in Australia and one in Canada**) This reflects a broader global deceleration in climate accountability efforts.

Candriam's own voting patterns reflect this shift. As of 15 June 2025, we had voted on 15 SOCs, compared with 14 in 2024, 15 in 2023 and 29 in 2022 at the same point. Our level of support has continued to decline, that is a direct response to investor concerns that many corporate climate strategies lack the ambition, credibility or execution needed to manage climate-related risks as the 2030 and 2050 milestones approach.

4 - Delaware bill would limit investor lawsuits as companies threaten to leave the state | Reuters
5 - For more information on the corporate migration resolutions voted in 2025, please check ISS article: The U.S. Reincorporation Race: Who's in the Lead?

Figure 3:
Candriam voting on Management SOC resolutions over the years



Source: Candriam

While 2024 saw the first rejection of a management-sponsored Say-on-Climate resolution at Woodside Energy[6], the company proceeded with business as usual in 2025, pushing ahead with the expansion of Australia's largest gas project, the North West Shelf, through to 2070, and announcing a new LNG project in Louisiana, scheduled to launch in 2030[7].

In 2025, BP Plc rolled back its climate targets and chose not to present a SOC resolution to shareholders, despite having done so in 2022[8]. Similarly, TotalEnergies (TTE) shifted to a more controlled and less accountable approach, placing a climate-related item on its annual meeting agenda without offering shareholders a direct vote[9]. While the company has stated that any "significant change" in strategy would trigger a vote, the notion of significance remains to be more precisely outlined.

6 - Woodside Energy's climate plan rejected by shareholders in 'globally unprecedented' rebuke | Woodside | The Guardian
7 - Woodside commits $18bn to US project that climate advocates warn 'would export harmful gas until the 2070s' | Environment | The Guardian ; Woodside Louisiana LNG
8 - Growing shareholder value: a reset bp | News and insights | Home
9 - Convening of the Annual Shareholders' Meeting on May 23, 2025 | TotalEnergies.com

EQUINOR ASA, Norway-based Energy company

Item 8 (2025 AGM)

Approve Energy Transition Plan

Candriam vote: ***AGAINST*** (not in line with management recommendation)

Rationale[10]: In 2022, Equinor's net zero strategy was already misaligned with a 1.5°C pathway, which requires emissions reductions of 40–50% by 2030. Since then, the company has taken steps that further distance it from a credible net zero trajectory.

The recent weakening of its climate targets — shifting from fixed emissions intensity reductions of 20% by 2030 and 40% by 2035 to less ambitious ranges of 15–20% and 30–40% — reflects a declining level of commitment. Additionally, Equinor has scaled back its 2030 renewables capacity target and abandoned its plan to allocate over 50% of capital expenditure to low-carbon projects by 2030. These changes are compounded by the company's intention to increase oil and gas production by more than 10% between 2024 and 2027[11].

Taken together, these developments signify a clear step backward from the company's stated net zero ambition – a trajectory that, under our internal net zero assessment framework, poses long-term risks that are detrimental to shareholder value. As such, a vote ***AGAINST*** is warranted for this resolution.

Voting Outcome: Passed. 95,6% support.

As a result, concerns are growing about the real-world effectiveness of Say-on-Climate votes. When companies submit climate strategies for shareholder approval, insufficient alignment with the 1.5°C goal often raises concerns. In cases where there is no SOC on the agenda but climate alignment remains as a concern, we convey our views through a vote on other available items on the agenda. While this still reflects our responsibility to act in the best interests' of our clients and to to support the protection of long-term shareholder value, it may also, obscure the rationale behind our voting decisions and dilute the signal sent to the company on each individual resolution on the agenda.

10 - 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, All rationales listed in this document are in line with Candriam's publicly available voting policy as well as the net zero assessment framework which are both grounded in our fiduciary responsibility to act in our clients' best interests and to support the safeguarding of long-term shareholder value.

11 - Equinor cuts renewable energy target due to industry headwinds | Reuters

Changes in Sustainability Leadership

More broadly, there is an emerging trend of companies diluting their climate strategies and governance structures. HSBC, for example, delayed its climate targets[12], removed its Chief Sustainability Officer (CSO) from the Executive Committee[13], and subsequently saw the CSO resign[14]. Barclays and NatWest have removed climate-related metrics from executive bonus structures[15], with NatWest also relaxing its Oil & Gas policy[16].

These actions indicate a shift from earlier net-zero commitments.

Investor coalitions are also showing signs of fragmentation. The Net-Zero Banking Alliance (NZBA) has adjusted its target to "well below 2°C" instead of 1.5°C[17]. Meanwhile, many investors have exited climate coalitions such as Climate Action 100+, highlighting a broader trend of diminished commitment to this topic within the investment community.

In 2025, following our proxy voting policy and guidelines, we escalated our votes on Climate Director Accountability on 14 companies and de-escalated on three companies due to the progress we have observed year-on-year.

SSAB, Sweden-based Metals and Mining Company

Items 10a and 10h (2025 AGM)

Re-elect Petra Einarsson and Maija Strandberg as Directors

Candriam vote: ***FOR*** (in line with management recommendation)

Rationale: In 2024, as SSAB does not have a sustainability committee, the audit committee was seen as responsible for climate oversight. The company was not aligned with our expectations on Net Zero by 2050 targets and commitments, so we decided to vote against Petra Einarsson as incumbent chair of the audit committee.

In 2025, seeing positive progress from the company with notably the approval of their new long-term target to reach net-zero greenhouse gas emissions for Scope 1, 2 and 3 by 2045, we decided not to renew the vote against the audit committee chair nor escalate it to other incumbent members of the audit committee such as Maija Strandberg.

Voting Outcome: Passed.

12 - HSBC delays net-zero emissions target by 20 years | Reuters
13 - HSBC drops sustainability chief from executive committee | Reuters
14 - HSBC CSO Celine Herweijer Steps Down After Three Years | Sustainability Magazine
15 - Barclays and NatWest drop climate targets from executive bonuses
16 - NatWest changes its policy over investing in oil and gas companies | The Independent
17 - NZBA scraps requirement for banks to strictly target a 1.5°C warming scenario | ESG Dive

SHELL PLC, UK-based Energy Company

Items 3-14 (2025 AGM)[18]

Re-elect Dick Boer, Neil Carson, Ann Godbehere, Sinead Gorman, Jane Lute, Catherine Hughes, Sir Andrew Mackenzie, Sir Charles Roxburgh, Wael Sawan, Abraham Schot, Leena Srivastava and Cyrus Taraporevala as Directors

Candriam vote: ***AGAINST*** (not in line with management recommendation)

Rationale: Contrary to the expectations we publicly stated last year on behalf of our clients regarding the needed improvements to its climate strategy, Shell has adjusted several of its climate objectives and has announced a reduction of its investments in the energy transition. More specifically, Shell has decided to revise down its net carbon intensity target from -20% to between -15 and 20% and has moved away from its 2035 -45% target. In parallel, the company has revised up its fossil fuel productions targets while reducing investments in low carbon energy sources from USD5.6bn in 2023 to USD2.4bn in 2024. These changes suggest a shift in Shell's climate ambitions, moving the company further from a Paris-aligned trajectory and potentially impacting its resilience to climate-related risks. This also raises questions about the extent to which climate considerations are integrated into the Board's oversight and senior management's strategic decisions.

In line with our voting policy and our Net Zero commitment[19], we vote ***AGAINST*** the reelection of the full Board of Directors

Voting Outcome: Passed. 98,4%; 98,7%; 98,7%; 98,5%; 98,7%; 96,6%; 91,4%; 98,7%; 98,7%; 98,0%; 98,6%; 98,6% support (in the same order of items)

The Road Ahead: Redefining Accountability

The decline in companies offering climate strategies for shareholder vote alongside a lack of alignment across investor networks is also affecting the consistency of climate-related oversight. With just five years remaining until 2030, the first key milestone on the road to 2050[20], attention is increasingly focused on the actions needed to meet these long-term value goals.

At Candriam, we believe Say-on-Climate votes remain a critical mechanism for investors to express their expectations on corporate environmental strategies. Removing these votes doesn't eliminate scrutiny; it merely shifts it to other managerial items. This is why, since 2022, Candriam has actively

18 - You can find information on Candriam's previous stewardship activities at Shell Plc on our 2024 annual voting & engagement report.
19 - net_zero_report_gb.pdf
20 - On the Green Brick Road to Net Zero: Candriam's Climate Strategy | Candriam

advocated for the continuation of Say-on-Climate votes, including by signing investor tribunes led by the French SIF[21].

Beyond voting, we take a constructive and transparent approach. For every Say-on-Climate resolution — whether we vote for or against, we pre-declare our votes[22] and share our rationale directly with the company in advance. We offer to engage in dialogue to better understand the company's positioning and the challenges it faces, as well as to highlight best practices. Our expectations are guided by Candriam's proprietary Net Zero Assessment[23], which provides a structured and robust framework for evaluating climate strategies.

This process enhances accountability and investor voice and provides companies with the opportunity to clarify or improve their plans. In some cases, it may even lead us to reconsider our voting stance and trigger a further and deeper engagement with companies.

To know more about our climate change voting approach, see our 2025 Proxy Voting Policy, p.23: proxy_voting_policy_en.pdf

ICADE SA, France-based Real Estate Company

Item 20 (2025 AGM)

Approve Company's Climate Transition Plan

Candriam vote: ***FOR*** (in line with management recommendation)

Rationale: A vote ***FOR*** this item is warranted on this resolution, as the company has demonstrated progress toward its emissions reduction targets through both absolute and intensity reductions, and has provided detailed, division-specific strategies and quantitative contributions to its 2030 carbon intensity goals. Additionally, its greenhouse gas (GHG) emissions disclosures have become more transparent, particularly in clarifying the boundaries of its SBTi commitment.

However, a notable concern remains: the €145 million in capital expenditure is focused on the commercial investment division, while the property development division — responsible for most Scope 3 emissions — lacks a disclosed Capex plan despite having outlined decarbonization levers.

Voting Outcome: Passed. 99,3% support.

21 - Positions et propositions Say on Climate › Forum pour l'Investissement Responsable - FIR
22 - Please note that Candriam's voting intention on all say-on-climate proposals in 2025 are systematically pre-declared here: Predeclaration of Voting Intentions | Candriam
23 - climate_strategy_gb.pdf

Figure 4:
2025 Shareholder Say-on-Climate Vote Summary (as of 15th June 2025)[24]

Company name	Industry	Country	Region	Type of SoC	Proposal text	Meeting date	Vote instruction
Rio Tinto Plc	Metals and Mining	UK	Europe	Plan	Approve Climate Action Plan	03/04/2025	AGAINST
Aena S.M.E. SA	Transportation	Spain	Europe	Report	Advisory Vote on Company's 2024 Updated Report on Climate Action Plan	09/04/2025	AGAINST
Infrastrutture Wireless Italiane SpA	Telecommunication	Italy	Europe	Plan	Approve Climate Transition Plan	15/04/2025	AGAINST
Santos Ltd	Energy	Australia	Pacific	Plan	Approve Advisory Vote on Climate Transition Approach	10/04/2025	AGAINST
Ferrovial	Construction	Netherlands	Europe	Report	Approve Climate Strategy Report	24/04/2025	AGAINST
Engie	Utilities	France	Europe	Plan	Approve Company's Climate Transition Plan	24/04/2025	AGAINST
Rio Tinto Ltd	Metals and Mining	Australia	Pacific	Plan	Approve 2025 Climate Action Plan	01/05/2025	AGAINST
Aviva plc	Insurance	UK	Europe	Report	Approve Climate-Related Financial Disclosure	30/04/2025	AGAINST
Canadian National Railway Company	Transportation	Canada	North America	Report	Management Advisory Vote on Climate Change	02/05/2025	AGAINST
Carmila SA	Real Estate	France	Europe	Plan	Approve Company's Climate Transition Plan (Advisory)	14/05/2025	AGAINST
Equinor ASA	Energy	Norway	Europe	Plan	Approve Energy Transition Plan	14/05/2025	AGAINST
Centrica	Utilities	UK	Europe	Plan	Approve Climate Transition Plan	08/05/2025	AGAINST
Icade SA	Real Estate	France	Europe	Plan	Approve Company's Climate Transition Plan	13/05/2025	FOR
Amundi SA	Banks	France	Europe	Report	Approve Report on Progress of Company's Climate Transition Plan (Advisory)	27/05/2025	AGAINST
Altarea SCA	Real Estate	France	Europe	Plan	Approve Company's Climate Transition Plan	05/06/2025	AGAINST

Source: Candriam

24 - Please note that Icade SA's "Say-on-Biodiversity" is not included in this table. Candriam voted FOR the biodiversity plan.

2026 Prediction: Tariffs will have the same effect as COVID on compensation plans

Starting from February 2025[25], we have seen a significant shift in U.S. tariff policy that is reverberating across the global economy — from South America to Asia and beyond. The impact will be felt across nearly all sectors, with companies facing higher material costs, squeezed profit margins, and growing supply chain disruptions. The potential effects go beyond business alone and may also influence executive compensation programs that are ideally aligned with broader business strategy — though that alignment is now under pressure.

This echoes the discussions we had during the COVID-19 pandemic and in the years that followed, when performance goals had to be reassessed to determine whether they remained appropriate amid a rapidly deteriorating macroeconomic environment, heightened stock price volatility, and shifting equity plan values. While the full impact on business activities remains uncertain, any rapid or dramatic shifts could prompt companies to revisit performance targets for ongoing incentive plans and carefully reassess the goals set for newly launched variable pay schemes. For companies significantly affected by policy changes — such as those facing supply chain disruptions or workforce reductions — we predict that companies may modify their variable pay to reflect such changes. If the impact intensifies, we may observe temporary reductions in fixed pay or partial waivers of certain compensation components in the years ahead.

At Candriam, we continue to assess remuneration policies and reports with close attention to the broader business context, macro- and microeconomic developments, and how companies balance executive pay decisions with the treatment of all stakeholders. However, Candriam does not support in-flight adjustments to variable remuneration plans. In times of crisis, we will evaluate any such changes on a case-by-case basis, taking into account the rationale, scale, and intended beneficiaries, to determine whether they result in undue rewards for executives.

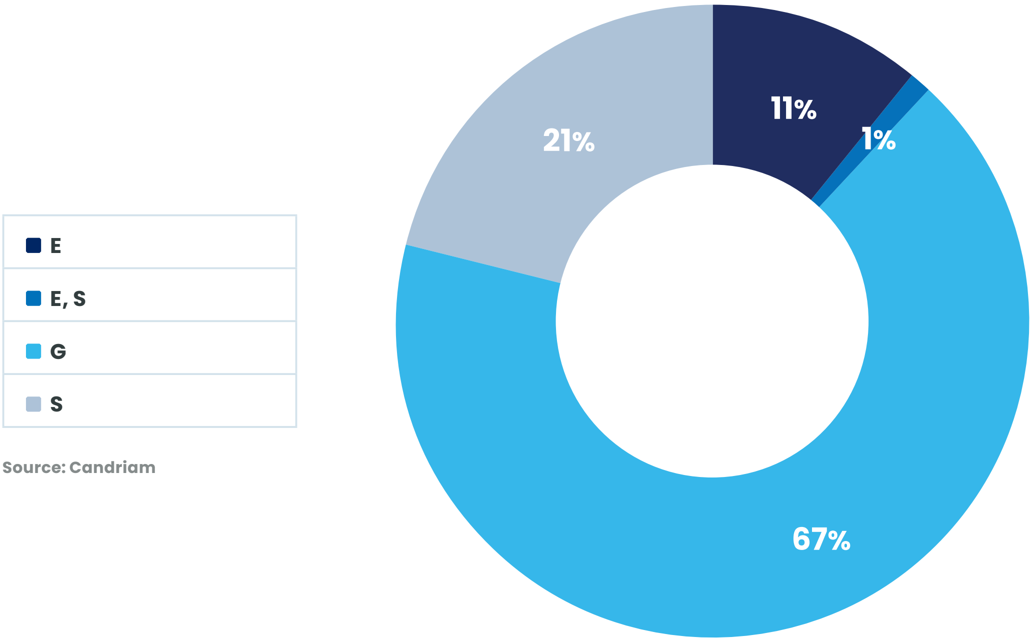
For long-term awards granted in 2025, companies should proactively address the risk of windfall gains. For example, a temporary drop in share price at the time of grant could inflate the number of instruments awarded under equity-based plans, potentially leading to disproportionate outcomes. We expect companies to mitigate this risk through appropriate safeguards and disclosures.

25 - Fact Sheet: President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China – The White House

Shareholder Resolutions: Navigating Shifts.

Overall, we voted on 565 shareholder proposals (compared to 578 voted on during the first half of 2024). Notably, there was an increasing proportion focused on governance topics, climbing to 67% in the first half of 2025 compared to 53% for the entire year of 2024.

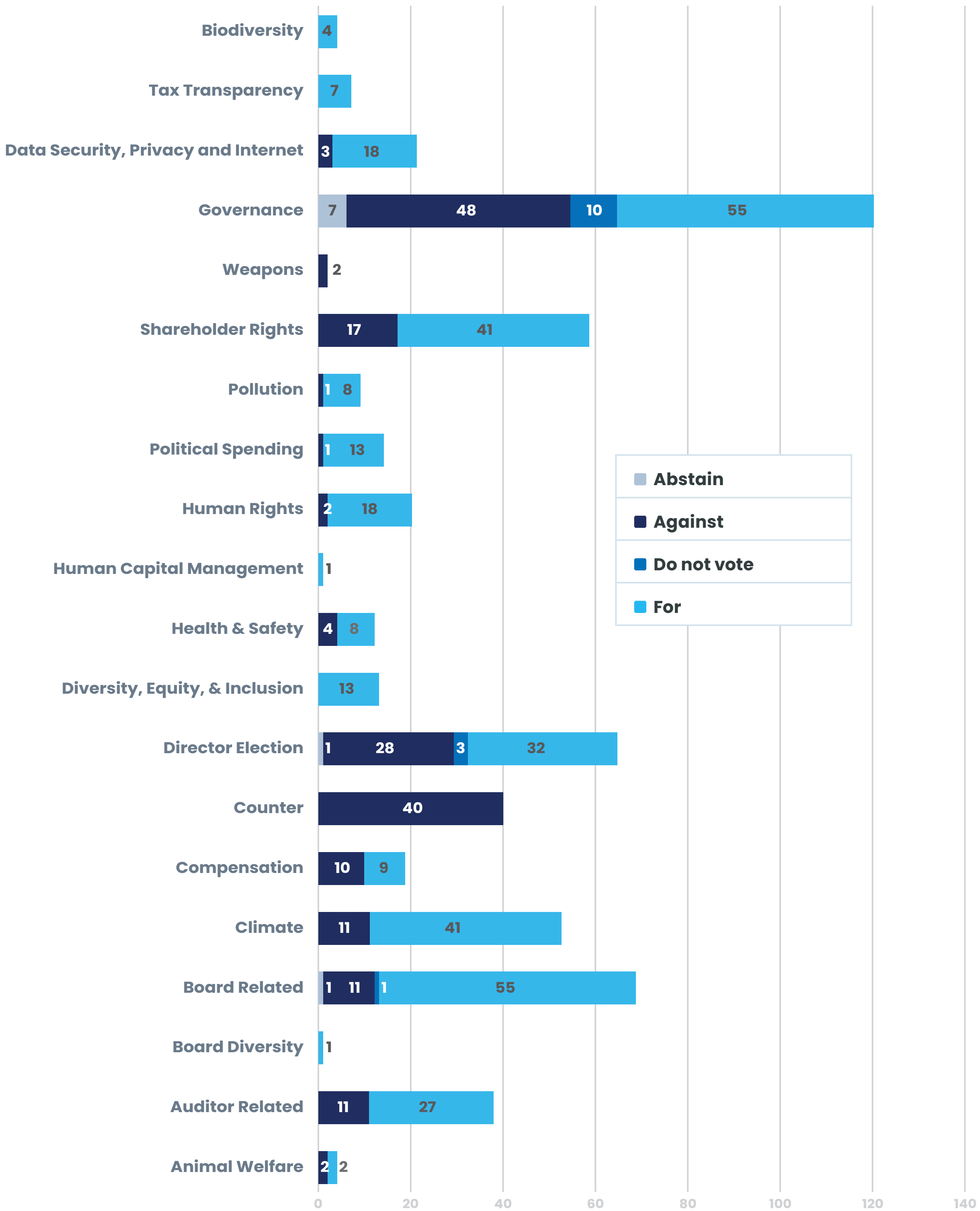
Figure 5:
ESG Breakdown of 2025 Votes (as of June 15)



This season, governance-related shareholder resolutions saw a notable increase of 14% compared to the previous year. These resolutions addressed a range of issues, including severance agreements, the right to call for a special meeting, the appointment of an independent board chair, and the adoption of a simple majority vote standard. While the proportion of environmental resolutions remained steady, the most significant shift was observed in social resolutions, which declined by 4%. In 2025, the number of resolutions Candriam voted on related to diversity, equity, and inclusion (DEI) and political spending declined to 13 and 14, respectively — down from 28 and 38 in 2024.

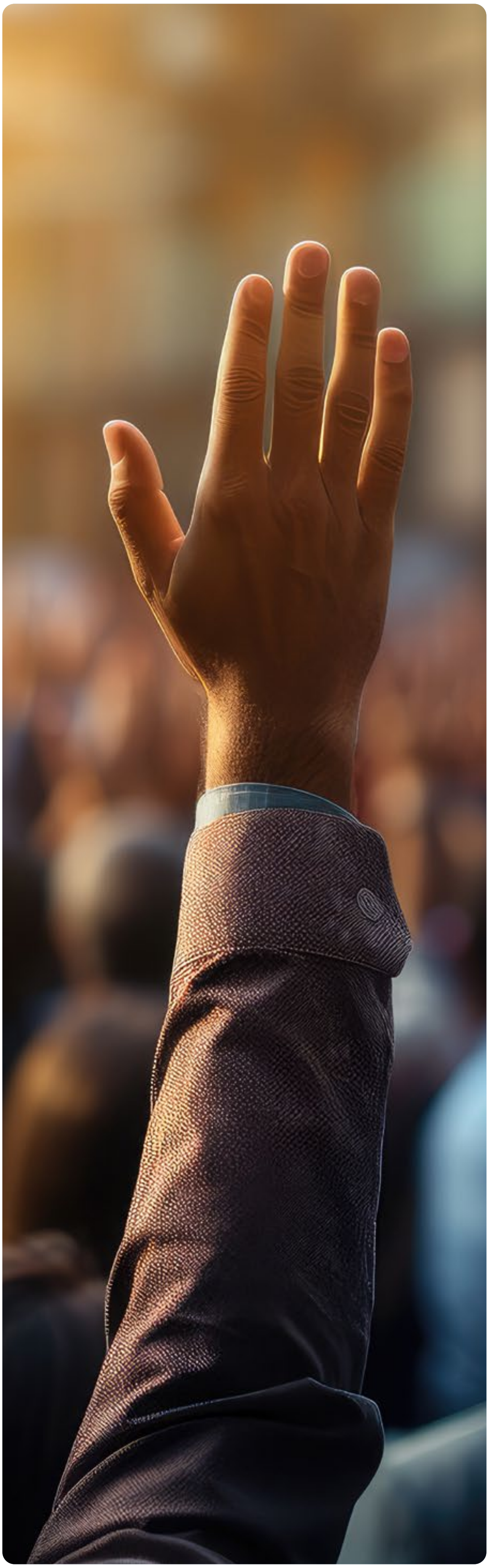
In contrast, there was a notable increase in resolutions concerning data security and privacy, with 19 votes cast this year compared to just two the previous year.

Figure 6:
2025 Shareholder Resolutions - Detailed Breakdown



Source: Candriam

Despite a continued rise in the number of proposals classified as counter-ESG by the proxy advisors, overall support for these proposals remained low. At Candriam, we ensure that our voting decisions align with our fiduciary duties and engagement priorities, and all shareholder resolutions are analyzed internally by our voting team. According to our policy and guidelines, shareholder proposals that undermine effective governance, incur significant costs without clear benefits, and are not protective of minority shareholders' interests are generally not favored.



Why the change?

Ahead of the 2025 season, expectations were that there would be a decline in shareholder resolutions related to environmental and social (E&S) topics, largely due to two key factors:

First, the SEC's Staff Legal Bulletin No. 14M, issued on February 12, 2025, introduced a broader interpretation of what may be excluded from the proxy under the "ordinary business" exception. As a result, companies have been more successful in obtaining No Action relief to omit certain proposals. According to data from Institutional Shareholder Services (ISS), the number of E&S proposal omissions recorded so far this year is nearly double the 15-year annual average of 55[26].

Second, the rapidly shifting political landscape, combined with the recent legal battle over climate-related resolutions at ExxonMobil[27], has led to a temporary pause in shareholder engagement on some issues, pending further clarity.

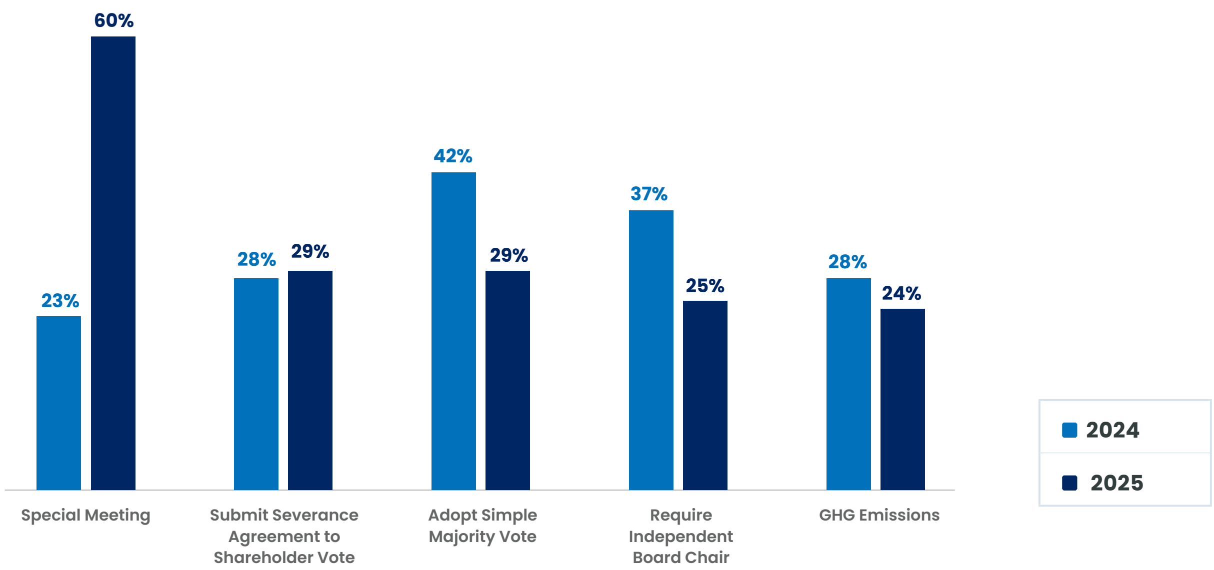
26 - In Focus: U.S. Shareholder Proposals at Halftime
27 - For further information, please see last year's mid-year voting report here: 2024_08_mid_year_voting_report_gb.pdf

While the number of shareholder resolutions voted by Candriam demonstrates the trend, the decrease can be seen mostly in the number of proposals voted in the US market. The number of proposals voted on at US meetings in 2025 dropped to 296 from 432 in 2024. In contrast, we see an increase in the number of shareholder proposals we voted in Canada and Japan (48 and 8 in 2025 vs 20 and none in 2024).

Governance resolutions still on the top

Amid ongoing debates about what should be addressed at general meetings, governance-related issues continue to dominate the agenda. According to ISS Corporate data, four of the five most common shareholder resolutions relate to governance matters, specifically: requiring an independent chair, the right to call a special meeting, adopting a simple majority vote, and submitting severance agreements to shareholders' vote.

Figure 7 :
Most Common Shareholder Proposal on the Ballot (Russell 3000, January to June of each year)



Source: ISS-Corporate, data as of May 13, 2025

In 2025, we voted on 377 governance resolutions of which 30% received a majority support vs one percent for E&S related proposals.

Political spending and lobbying resolutions omitted more?

Following the year of elections in 2024, political spending remained one of the most prominent topics among social-related shareholder resolutions discussed at the 2025 general meetings, reflecting continued investor focus on transparency and accountability. Although the total number of resolutions declined from 38 in 2024 to 13 in 2025, they still accounted for 10% of all social-related resolutions voted on this year.

Another notable practice we observe across the Atlantic comes from the UK. While not mandatory, companies are seeking shareholder approval to make political donations and/or incur political expenditure — resolutions that may also cover certain charitable contributions. This is typically a precautionary measure to comply with Part 14 of the UK Companies Act 2006, which requires shareholder approval for political donations above a certain threshold, even when those donations are small or broadly defined.

Although purely charitable donations do not require shareholder approval, the Act's broad definition of political donations means that contributions to lobbying groups, think tanks, or trade associations could be interpreted as political in nature. As a result, UK companies often seek advance shareholder authorization to avoid any inadvertent breach of the law.

In 2025, we voted on 42 managerial resolutions at UK general meetings asking to approve charitable donations, supporting all of them.

2026 and Beyond:
The Growing Investor Scrutiny of **AI's Impact & Supply Chain**

Investor Lens on AI

As one of the fastest-evolving topics, AI and the need for robust board oversight remain firmly on shareholders' radar. According to a study by Morningstar, shareholder resolutions on AI have received stronger support than recent proposals on environmental and social issues. The average adjusted support for the 15 AI-related shareholder proposals filed in 2024 and 2025 was 30% — nearly double the 16% average support for over 400 E&S proposals in the 2024 proxy season.

In 2025 alone, we voted on 10 shareholder resolutions related to AI data usage and conduct, and one resolution on the human rights assessment of AI driven targeted advertising AI, with a support rate of 100 percent. At Candriam, we believe that proposals calling for enhanced board oversight, transparency in the ethical use of AI, and greater accountability for the impact on fundamental rights should be taken seriously by investee companies. While AI is a powerful tool for innovation, efficiency, and value creation, it also introduces significant risks — particularly around ethics, bias, and data privacy.

Given the pace of technological development, we anticipate that 2026 will mark a turning point in investor focus, with growing attention to the societal impacts of AI. Companies are likely to face increasing pressure to disclose how AI deployment is affecting the labor market and workforce dynamics.

Did you know? While we are strong supporters of resolutions pushing companies to adopt safer AI development and deployment, we also engage issuers on this subject. Indeed, Candriam is one of the co-leaders of the World Benchmarking Alliance Ethical AI Collective Impact Coalition. Through this initiative, 63 investors representing USD8.7Trl of AUM are engaging 76 companies to advocate for strong policies, governance and processes to ensure AI is developed and deployed in a safe and responsible way. For more information, please check 2024 Annual Engagement and Voting Report.

From Supply Chain to Boardroom: Managing Emerging Social Risks

Supply chain and human rights risk management emerged as a growing concern during the 2025 proxy voting season. There is a growing investor focus on the expectation that companies establish clear and transparent processes to identify, assess, and address human rights risks across their operations and value chains. These risks may have implications for various stakeholders, particularly workers and local communities. This focus is reinforced by tightening regulatory frameworks in Europe, including the Corporate Sustainability Reporting Directive (CSRD), Germany's Supply Chain Due Diligence Act, and France's Loi de Vigilance, with the EU Corporate Sustainability Due Diligence Directive (CSDDD) expected to further harmonize and expand due diligence obligations across member states.

There is growing emphasis on meaningful worker engagement[28], access to effective grievance mechanisms, and alignment with international labour standards, including the ILO Core Conventions. Investors are also seeking clarity through measurable indicators, such as wage levels, collective bargaining coverage, and workforce health, to better assess progress and the implementation of stated commitments.

Independent third-party assessments are increasingly regarded as useful tools to verify the effectiveness of internal processes and enhance transparency[29]. In parallel, strong governance, including clear board-level oversight, is considered important for integrating human rights considerations into broader risk management frameworks.

These expectations extend to the financial services sector, where companies are facing scrutiny for indirect exposure to forced and child labor through their lending and investment portfolios. Limited oversight in these areas may lead to reputational, legal, and financial risks.

As a result, shareholders are seeking greater transparency from companies — particularly those operating in high-risk sectors or geographies — on how they identify, prevent, and mitigate human rights-related risks throughout their operations and supply chains.

In 2025, we voted in favor of six resolutions requesting companies to report on or disclose their due diligence processes, as well as six resolutions specifically addressing forced and child labor in lending portfolios — all the latter were submitted to Canadian banks.

The Toronto-Dominion Bank, Canada-based Bank

Item 5 (2025 AGM)

Report on Forced Labor and Child Labor in Lending Portfolios

Candriam vote: ***FOR*** (not in line with management recommendation)

Rationale: A vote ***FOR*** this shareholder proposal is warranted, as additional disclosure on the company's approach to addressing forced labor and child labor in its loan portfolios would enhance investor understanding of how the company is managing risk in the entities that it finances. Additionally, increased transparency on related policies and due diligence could provide assurance to the shareholders of the company's efforts to mitigate said risks.

Voting Outcome: Failed. 27,2% support.

28 - Fayezi, S., Davis, C., MacCarthy, B., Mani, V., & Grimm, J. H. (2025). Reducing modern slavery risks in supply chains: Contributions from a sociotechnical systems perspective. Journal of Supply Chain Management, 61(2), 3–9. https://doi.org/10.1177/10591478241309873
29 - Kazmin, A. (2025, February 8). Abuses lurk deep in fashion supply chain. Financial Times. https://www.ft.com/content/3fb4043b-19af-4a28-bde6-78d1d7d120eb

Active Ownership.

Candriam prioritizes pre-AGM engagement to discuss voting expectations and corporate governance with investee companies. These discussions help us understand the challenges companies face, potentially mitigate our concerns, and inform our voting decisions.

Benefits of pre-AGM engagement:

- Gain insight into company challenges
- Address concerns through dialogue
- Improve basis for voting decisions

Within the scope of pre-AGM 2025 engagement outreach, we contacted 21 companies, primarily in Europe and North America. With a response rate of around 50%, this was lower than last year (68.18%). This year, North American companies were less responsive than last year. We held only one engagement call — with a biotech company — in the region.

Among European companies, we had engagement calls with 7 out of 12 that we contacted. This year, the response rate among emerging companies was 50%, and it gave us the opportunity to discuss their governance approach to better understand the challenges they faced in their market. A large number of the companies with whom we spoke were from the pharmaceutical sector, which led us to gather deeper insights into the sector-specific governance trends and challenges.

On top of those engagements, we had the following requests from our end. We also had engagements with 5 companies that reached out to us, all of which were Europeans.

Pre-AGM discussions focus on board composition, remuneration, capital structure, and shareholder rights. We see these dialogues as an opportunity to share perspectives and explain our approach to governance. In addition, gaining insight into the company can potentially alleviate our concerns. In the absence of a compelling rationale for weak governance practices, we express our concerns by voting on AGM resolutions.

Escalating concerns: Pre-declaration of votes

We continued to use pre-declaration through our website which allowed us to highlight concerns before the voting date and communicate any improvements observed during engagement, thereby promoting transparency. As outlined in our policy, pre-declaration can be used for escalation or to respond to stakeholder requests for transparency or to support engagement objectives.

In the 2025 voting season, we announced intentions for 20 companies spanning climate-related proposals, co-filed shareholder resolutions, and items linked to ongoing engagement.

Like previous years, pre-declarations served as escalation tools (e.g., previous/ongoing engagement cases such as Shell plc and Stellantis NV) or to acknowledge positive developments in companies including Altarea SCA and Ferrovial SE, engaging on their climate action plans

Year	Meetings	Resolutions
2025 (until June 15, 2025)	20[30]	37
2024 (full year)	26	44
2023 (full year)	14	28
2022 (full year)	1	3

Submitting resolutions and asking questions at AGMs remain standard tools for responsible investors. We use them when engagement stalls or when corporate practices are inconsistent with our investment values.

Figure 8:
Shareholder Engagement & Escalations[31] - First Half 2025

Measure	Company name	Topic	Outcome
Resolution co-filing, in cooperation with Assogestioni	Intesa Sanpaolo SpA	Governance – Nomination Slate	Passed
AGM Questions	Anheuser-Busch Inbev SA/NV	Board Composition & Remuneration	Answer at the meeting – no written answer provided
AGM Questions	Bureau Veritas SA	Director's skills	Detailed written answer accessible on the website in French & English
AGM Questions through FIR (collaborative)	CAC40 companies	Environmental, Social, Governance[32]	Detailed written answers accessible on the websites

30 - AENA SME SA, ALTAREA SCA, AMUNDI SA, ANHEUSER-BUSCH INBEV SA/NV, AVIVA PLC, CANADIAN NATIONAL RAILWAY CO, CARMILA SA, CENTRICA PLC, EQUINOR ASA, ENGIE SA, FERROVIAL SE, ICADE SA, INFRASTRUTTURE WIRELESS ITALIANE SPA, INTESA SANPAOLO SPA, LVMH MOET HENNESSY LOUIS VUITTON SE, RIO TINTO LTD, RIO TINTO PLC, Nestlé SA, SANTOS LTD, SHELL PLC
31 - All escalations are subject to the principles outlined in our Engagement Policy, including those related to compliance matters such as conflicts of interest and acting in concert. You can access the full policy here: Engagement Policy.
32 - Topics include but are not limited to decent standard of living, wage policy, sufficiency, circular economy, biodiversity, decarbonization strategy, human rights and duty of care, sustainable governance and AI governance.

Conclusion.

The world keeps evolving – so does proxy voting.

This season, once again, reaffirmed the importance of proxy voting as a vital stewardship tool that enables shareholders to exercise their rights effectively. At Candriam, as with other asset managers, our stewardship efforts and expectations are guided by our responsibility to reflect our clients' priorities in the way we manage their assets. We invest in companies we believe in and expect them to address material issues because it enhances long-term performance and returns.

While general meetings serve as key annual milestones for signaling shareholder expectations, they should not be the sole moment for shareholder dialogue. Continuous engagement throughout the year is essential as it allows companies to better understand shareholder expectations and help prevent last-minute surprises, particularly on sensitive governance matters such as executive remuneration or board structure. Each year brings surprises, as companies and their governance structures continue to evolve — sometimes in ways that diverge significantly from market expectations and prevailing trends.

Beyond expected corporate governance considerations, the proxy season also highlighted emerging developments from changes in regulations to declining SoC momentum, from rapid technology progression to rising concerns over supply chain risks.

From everything that is discussed in this paper, one expectation is clear. Boards must be equipped, and leadership must be capable. Without the right skills at the top to navigate uncertainty and provide effective oversight, companies — and their performance — risk falling behind.

The call to action is clear: equip your board with the right skills, empower your leaders, and foster open dialogue via early engagement — because the future will not wait.

€155 Bn

of assets under management 31 December 2024

600+

experts at your service

+25 years

of innovation and expertise

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