CANDRIAM
BY NEW YORK LIFE INVESTMENT MANAGEMENT

2026 Mid-year Voting Report

AUGUST 2026

Contents.

Introduction.

A decade ago, stewardship reporting was largely focused on disclosure. Investors expected asset managers to report how many meetings they voted at, how often they voted against management and, increasingly, to provide transparency on selected voting decisions.

Today, expectations have evolved significantly. Clients increasingly expect to understand how voting decisions are connected to ongoing dialogues with investee companies and how these stewardship tools work together to support long-term value creation. In the first half of 2026, we observed this shift first-hand.

Our experience this year so far confirms once again that **voting is most effective when viewed not as a standalone activity, but as part of a continuous stewardship journey.** While engagement activities throughout the year help inform our voting decisions, the voting process itself often serves as a catalyst for dialogue. Discussions ahead of shareholder meetings, including those following the pre-declaration of our voting intentions, provided opportunities to engage with companies on issues ranging from governance and remuneration to climate-related and other sustainability matters. These exchanges can offer valuable context, help clarify company positions and, in some instances, contribute to positive developments before votes are cast.

At the same time, voting decisions continue to attract attention from a broader range of stakeholders, including regulators, industry associations, investor initiatives and civil society organisations. Increasingly, stakeholders assess not only individual voting outcomes but also whether voting behaviour is consistent and is aligned with an investor's stated stewardship priorities and long-term convictions.

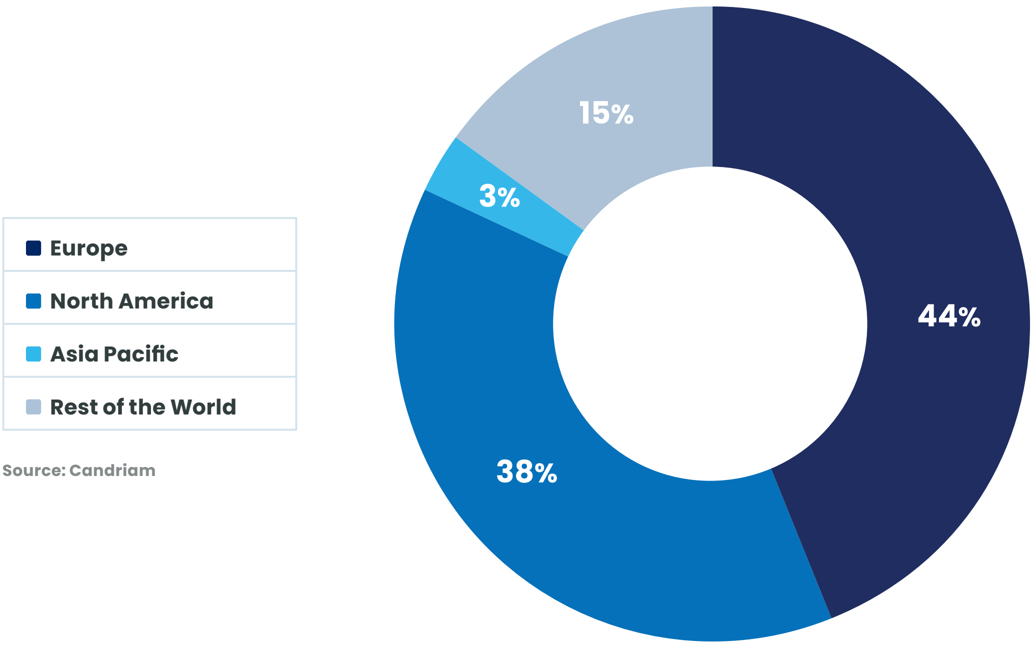
Against this backdrop, voting remains one of the most important ways in which we represent our clients' interests as shareholders. In this report, we provide an overview of our voting activity during the first half of the 2026 AGM[1] season and highlight how voting and engagement worked together to support our clients' stewardship objectives and our commitment to long-term value creation on their behalf.

1 - The voting statistics presented in this report cover shareholder meetings voted between 1 January 2026 and 15 June 2026. Unless otherwise stated, all statistics and analyses in this report relate to this same reporting period.

Voting highlights in numbers.

In 2026 so far, we have voted at **1,393 meetings** (vs 1,215 in H1 2025). Europe is the largest regional exposure in 2026 followed by North America.

Figure 1:
Geographical distribution of meetings voted



Source: Candriam

Looking at the agendas on which we voted during the 2026 AGM season, while some of our pre-season expectations were fully materialised[2], one did not.

2 - See Signals from 2026 Season.

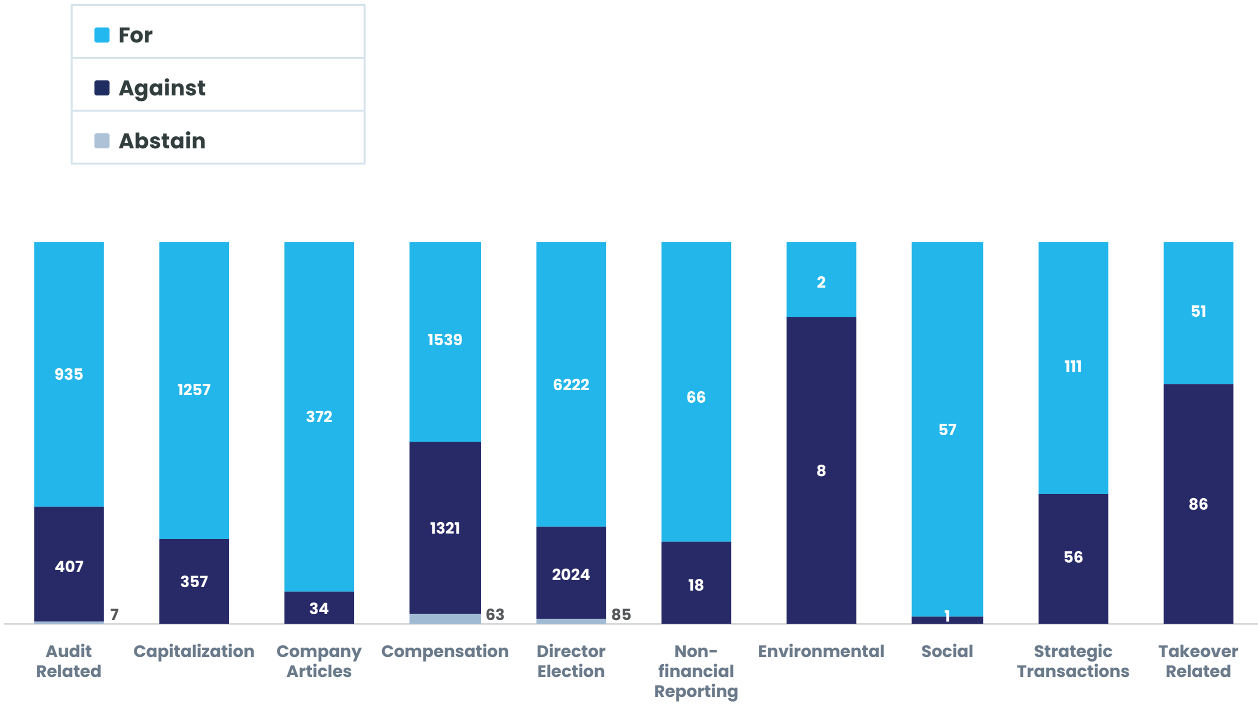
Following the SEC Staff Statement issued on 17 November 2025, we anticipated that the revised approach to no-action requests would lead to a higher number of shareholder proposals being excluded from company ballots.

In practice, however, the increase was more limited than expected. While the statement created a pathway for companies to exclude certain proposals without obtaining a formal SEC Staff response, many issuers appeared cautious in making use of this possibility. One likely explanation is the litigation risk associated with excluding proposals without the legal comfort traditionally provided by a no-action letter. As a result, companies may have adopted a more prudent approach when assessing whether to seek the exclusion of shareholder proposals, contributing to a larger number of proposals reaching the ballot than initially anticipated.

In contrast, one trend that we identified at the start of the year was the continued improvement in governance standards across several emerging markets. These developments were reflected in our voting decisions, as improvements in governance practices reduced the need for opposition on a number of agenda items. Compared with the previous year, our overall support levels increased by 4.2 percentage points in India and 2.7 percentage points in South Africa. In Mexico, the increase was more modest, at 0.2 percentage points. While challenges remain, these results suggest that the governance baseline in several emerging markets continues to strengthen.

When analysing our support levels across management proposals, one notable development was a 3.4 percentage point decrease in support for director elections, while support for compensation-related proposals increased by 2.8 percentage points. These shifts are broadly consistent with the changes introduced to our Proxy Voting Policy at the beginning of 2026.

Figure 2:
ESG Breakdown of 2026 Votes (as of June 15)



With respect to director elections, revisions to our voting policy contributed to an increase in votes against management recommendations. Conversely, support for compensation-related proposals increased, as fewer proposals were considered inconsistent with our voting principles following clarification of our approach.[3]

3 - The policy revisions covered the number of mandates held by audit committee chairs at banks, the treatment of lead independent directors and failed director elections in the United States. In the latter case, where a director remains on the board after receiving less than 50% shareholder support, we may vote against the board chair if the board fails to engage with shareholders, respond adequately to the significant opposition or provide a clear rationale for retaining the director. We also clarified that directors may receive non-cash compensation, provided its value is not linked to the company's share price.

Signals from 2026 season.

While aggregate voting statistics provide an important overview of the season, they only tell part of the story. Looking beyond the numbers, the 2026 AGM season offered valuable insights into the issues that continue to shape the relationship between companies, shareholders and other stakeholders. Some developments confirmed trends that have been building over recent years, while others challenged expectations and highlighted areas of emerging debate.

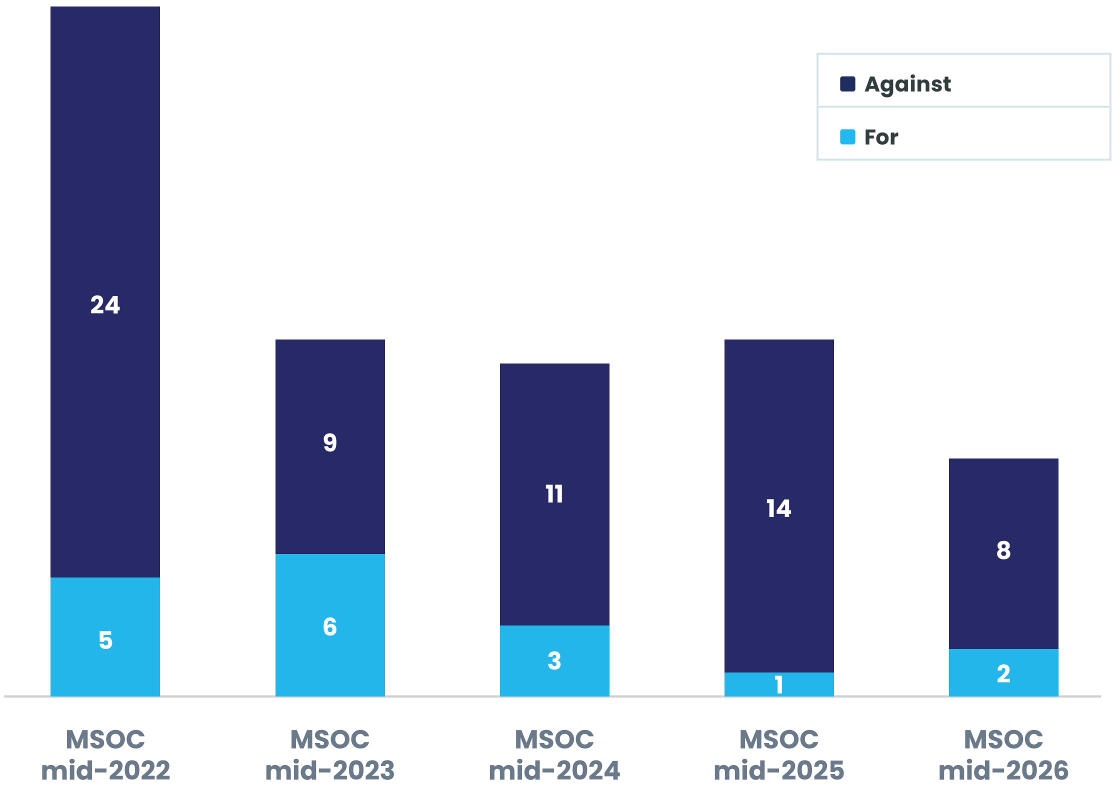
The following sections explore several key signals observed during the first half of the 2026 AGM season. These themes not only influenced voting outcomes during the year but may also provide an indication of the governance, sustainability and shareholder rights topics that are likely to remain at the forefront of stewardship discussions in the years ahead.

Wanted: Say-on-Climate resolutions

Last year, we had anticipated that 2026 would see an uptick in Say-on-Climates (SoCs) being up for votes as many company transition plans were due at the end of 2025. However, while this was the case for a few - Anglo American, Legal and General, Schneider Electric - the rest were votes on reports of progress on passed climate plans.

As of 15th June 2026, we had voted on 10 SoCs, compared with 15 in 2025 and 29 in 2022 for the same period. **Our support remains selective** and limited, with only 2 votes in favour in 2026, following 1 in 2025 and 5 in 2022. This reflects our continued concerns that many corporate climate strategies lack the commitment, credibility, and implementation necessary to effectively manage climate-related risks and align with stated net-zero objectives as the 2030 and 2050 milestones draw closer.

Figure 3:
Candriam votes on management SoCs



Our practice of consistently pre-declaring our votes on climate strategies prompted several constructive discussions with companies. A recurring topic was the continued relevance and frequency of SoC votes. Several companies questioned whether seeking shareholder approval every three years would be sufficient, rather than submitting their climate strategy and reporting for annual review. These discussions reflect a broader debate on the role of SoC votes in fostering accountability and maintaining investor oversight of corporate climate commitments.

This debate gained further momentum when Amundi announced at its 2026 AGM that it would no longer seek annual approval of its climate report[4]. Such developments suggest that the number of SoC resolutions may continue to decline in the coming years. As this trend evolves, it raises important questions about the future role of SoC votes and prompts us to reflect on how our voting policy and broader stewardship approach can most effectively communicate climate-related concerns to boards.

4 - Amundi Ordinary General Meeting 2026 | About Amundi, replay, 59 mins

Figure 4:

List of Management-Sponsored Climate Resolutions Voted On in 2026

Company name	Industry	Country	Region	Type of SoC	Proposal text	Meeting date	Vote instruction
Ferrovial	Construction	Netherlands	Europe	Report	Approve Climate Strategy Report	09/04/2026	**FOR**
Aena S.M.E. SA	Transportation	Spain	Europe	Report	Advisory Vote on Company's 2025 Updated Report on Climate Action Plan	16/04/2026	**AGAINST**
Anglo American Plc	Metals and Mining	UK	Europe	Plan	Approve 2026-2028 Transition Plan	29/04/2026	**AGAINST**
Mercialys SA	Real Estate	France	Europe	Plan	Approve Company's Climate Transition Plan (Advisory)	23/04/2026	**AGAINST**
Canadian National Railway Company	Transportation	Canada	North America	Report	Management Advisory Vote on Climate Change	01/05/2026	**AGAINST**
Aviva Plc	Insurance	UK	Europe	Report	Approve Climate-Related Financial Disclosure	06/05/2026	**AGAINST**
Schneider Electric SE	Electric Equipment	France	Europe	Plan	Approve Company's Climate Transition Plan (Advisory)	07/05/2026	**FOR**
Legal & General Group Plc	Financials	UK	Europe	Plan	Approve Climate and Nature Transition Plan	21/05/2026	**AGAINST**
Altarea SCA	Real Estate	France	Europe	Report	Approve Report on Progress of Company's Climate Transition Plan (Advisory)	04/06/2026	**AGAINST**
Amundi SA	Banks	France	Europe	Report	Approve Report on Progress of Company's Climate Transition Plan (Advisory)	02/06/2026	**AGAINST**[5]

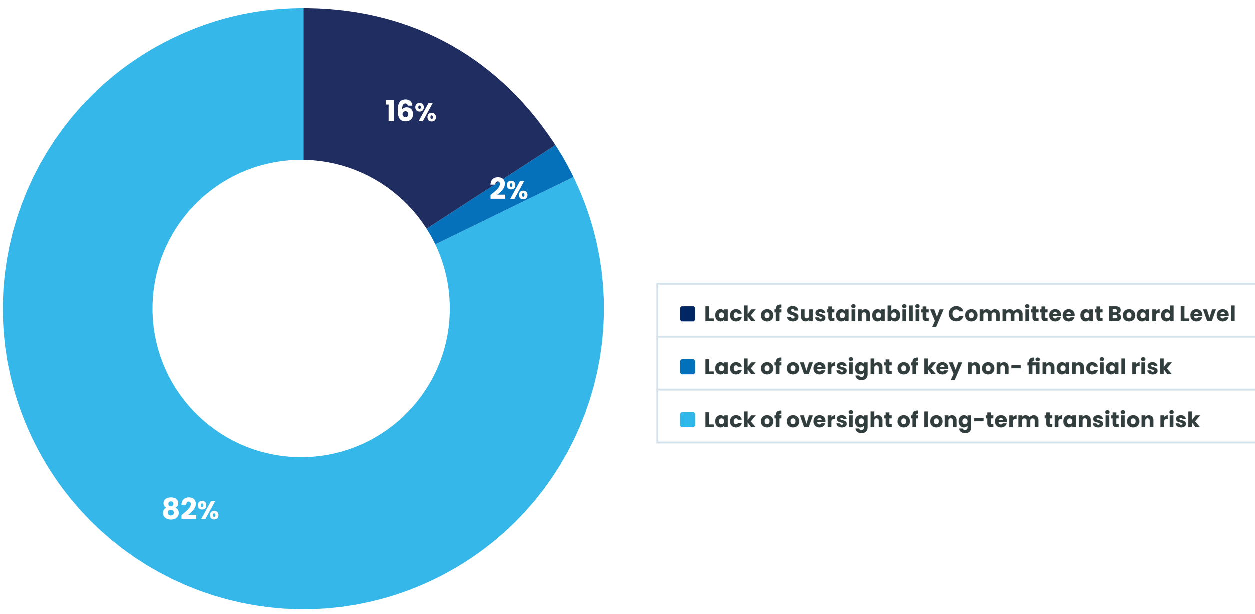
5 - Please note that Candriam's voting intention on all Say-on-Climate proposals in 2026 are systematically pre-declared here: [Predeclaration of Voting Intentions | Candriam]

On the rise: Board accountability as a key climate stewardship tool

In our 2025 Annual Voting and Engagement Report, we stated that board oversight and accountability would remain central to our governance expectations in 2026.

As management-sponsored climate (SoC) resolutions and environmental shareholder proposals have become less common, and with 2030 drawing closer as a key milestone for long-term climate objectives, our focus has increasingly shifted toward alternative mechanisms for climate oversight. In particular, we have placed greater emphasis on director accountability, seeking to ensure that responsibility for climate-related risks and opportunities is clearly embedded at the board level. This is reflected in that at mid-2026, we have voted Against 280 management resolutions on director elections filed by companies flagged as 'most sensitive' for climate-related reasons, owing to a lack of proper Board oversight, versus 162 for the entire duration of 2025. In proportion, this represents 13.8% of all votes against management resolutions on director elections (vs. 8.5% for the entire duration of 2025).

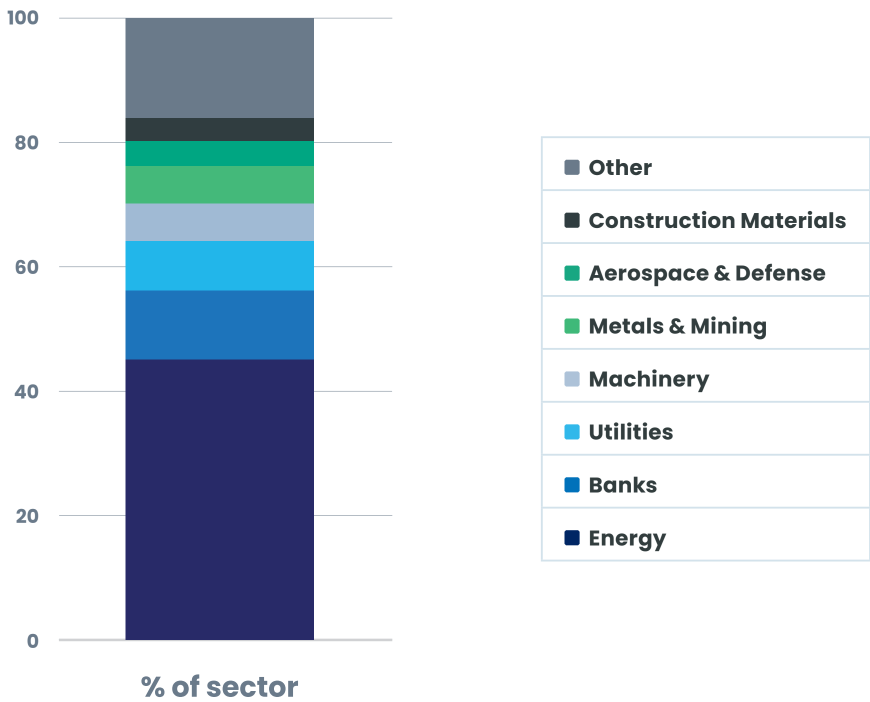
Figure 5:
Vote against directors for lack of board oversight related to sustainability matters



Consistent with our Proxy Voting Policy and Guidelines, we continue to integrate climate governance and oversight of long-term transition risks into our voting decisions. As a result, as of mid-2026, we escalated our voting actions in 35 cases and de-escalated them in 3 cases based on our assessment of climate oversight practices.[6]

The companies subject to these voting actions were primarily concentrated in high-emitting sectors, including Energy, Utilities, Machinery, Metals & Mining, Aerospace & Defence, and Construction Materials. We have also increasingly focused on banks that have weakened or scaled back elements of their climate strategies, raising concerns regarding board oversight and accountability for climate-related risks.

Figure 6:
Sector Distribution of Climate-Related Voting Actions



Consistent with our proxy voting policy, we chose to pre-declare some of our votes on Climate Director Accountability to publicly raise our concerns of some companies' climate oversight at the Board level.

View our predeclaration website

6 - Candriam's escalation and de-escalation decisions are guided by an internal assessment of each company's climate governance and oversight practices, taking into account research, engagement history, prior voting decision and outcomes and company-specific context. Based on this assessment, Candriam may escalate, partially escalate, de-escalate or apply no sanction where justified.

Example of vote pre-declared against a Bank for lack of climate oversight – RBC

Royal Bank of Canada
Canadian-based Bank

Meeting: 09 April 2026
Item 1.5: Elect Director Cynthia Devine

Candriam vote: WITHHOLD (against management recommendation)

Rationale:
A vote WITHHOLD on the election of director Cynthia Devine, Chair of the committee responsible for climate risk oversight (Audit Committee) is warranted, due to the company's limited progress in addressing material long-term transition risks that may affect its strategic resilience and shareholder value.

In 2025, the company weakened its climate commitments by abandoning its sustainable finance target and removing key documents, such as its Policy Guidelines for Sensitive Sectors and Activities, from the public domain.

We expect clearer targets and oversight mechanisms that align with our expectations for managing financially relevant risk exposures in line with our voting policy and guidelines as well as our proprietary assessment framework.

Voting Outcome: *Passed*. 98.6% support.

Example of vote pre-declared against an energy company for lack of climate oversight – BP Plc

BP Plc
UK-based Energy Company

Meeting: 23 April 2026
Item 4: Elect Albert Manifold as Director
Item 5: Elect Meg O'Neill as Director
Item 6: Re-elect Kate Thomson as Director
Item 7: Re-elect Dame Amanda Blanc as Director
Item 8: Re-elect Tushar Morzaria as Director
Item 9: Re-elect Ian Tyler as Director
Item 10: Re-elect Satish Pai as Director
Item 11: Re-elect Johannes Teyssen as Director
Item 12: Re-elect Hina Nagarajan as Director

Candriam vote: Against (against management recommendation)

Rationale:
A vote AGAINST all incumbent directors, as well as the newly appointed CEO and Chairman, is warranted due to the company's absence of progress in addressing material long-term transition risks that may affect its strategic resilience and shareholder value. The company has rolled back key climate targets and significantly altered its business strategy without having shareholder approval. This vote also reflects concerns that the company has reduced transparency and accountability to shareholders regarding its climate strategy by revoking previously passed climate-risk disclosure commitments and failing to table a climate-related shareholder proposal.

Voting Outcome: *Passed.* 81.8%; 96.7%; 96.2%; 94.6%; 95.9%; 96%; 91.8%; 88.7%; 96.2% support (in the same order of items)

Example of vote de-escalated at a Food and Staples retailing company for improvement in climate oversight – Carrefour

Carrefour SA

France-based Food and Staples Retailing

Meeting: 22 May 2026
Item 8: Re-elect Cláudia Almeida e Silva as Director

Candriam vote: For (in line with management recommendation)

Rationale:
In 2024, we voted against the chair of the committee responsible for climate risk oversight. In 2026, the company still doesn't have any long-term target on scope 3 emissions. However, it has relevant targets on scope 1 and 2 validated by SBTi in 2026 and with a high level of achievement against the relevant performance targets. It also has a short-term absolute target for scope 3 with relevant decarbonization levers. Although it has put in place several initiatives to decarbonize its supply chain, which represents the vast majority of its emissions, this has yet to translate into actual reductions as supply chain emissions have increased on an absolute basis since baseline 2019. We expect Carrefour to set more ambitious targets and to obtain better results. Nevertheless, we commend the company for having performed a detailed biodiversity impact and dependencies assessment and calculated its biodiversity footprint, in line with its SBTN commitment. For these reasons we de-escalate our votes on climate risk oversight at the board level but will continue to monitor Carrefour's climate performance.

Voting Outcome: *Passed.*

How did we use other agenda items to express our voting stance?

Our focus has also shifted on non-financial reports as they have become a legal requirement in some jurisdictions in the last few years (Switzerland, Spain) and voluntary in others.

Example of vote against a Sustainability report as the company is not aligned with our expectations of sustainability disclosure – Chubb Ltd.

Chubb Ltd

Swiss-based Insurance

Meeting: 21 May 2026
Item 13: Approve Sustainability Report

Candriam vote: Against (against management recommendation)

Rationale:
A vote AGAINST is warranted as Chubb has not improved its disclosure practices and continues to omit reporting on Scope 3 financed emissions, which we consider a critical input for assessing financially material climate-related risks and alignment with global decarbonization pathways in the insurance sector. Chubb justifies its non-disclosure by arguing that Scope 3 emissions are not financially material and lack utility as a business-planning tool. In our assessment, disclosure of financed and insured emissions can provide decision-useful indicators of transition risk exposure. Chubb diverges from emerging market practice by not disclosing this information, leading to potential underestimation of its exposure to climate-related risks embedded in underwriting and investment portfolios. Additionally, Chubb opposed a shareholder request for a third-party report on the potential benefits of pursuing subrogation claims for climate-related losses. This raises concerns given rising catastrophe losses, increasing pressure on insurance affordability, and the growing relevance of subrogation as a tool to recover costs and manage systemic risk. Consistent with our voting policy, we expect disclosure that enables investors to assess material climate-related risks, including Scope 3 emissions, greater transparency on financed activities, and clear decarbonization targets. Until then, a vote AGAINST remains justified.

Voting Outcome: *Passed.* 99.5% support.

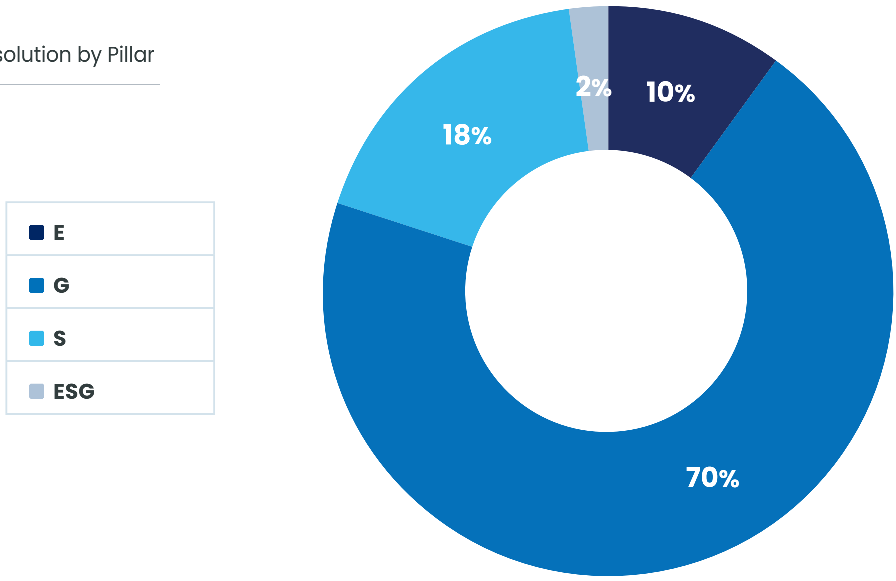
Governance continues to drive shareholder proposal activity

Another notable signal from the 2026 AGM season emerged from the shareholder proposals that ultimately reached the ballot. As discussed above, changes to the SEC's approach to no-action requests had led many market participants to expect a more pronounced decline in the number of shareholder proposals presented to investors.

However, it seems like the impact has been much smaller than expected. It is true that we voted on fewer shareholder proposals in 2026 compared to 2025 in the U.S. According to Glass Lewis[7], for US shareholder meetings held through 30 April 2026, the number of shareholder proposals filed was down by as much as 47%, while the number of proposals that went to a vote declined by approximately 8% compared with the corresponding 2025 period. This can largely be explained by a sharp decline in the number of exclusion requests submitted by companies seeking to omit shareholder proposals from their proxy statements.

The nature of these exclusion requests also provides useful insight into the evolving shareholder proposal landscape. According to Mayer Brown's analysis[8] of publicly available SEC materials, companies had submitted approximately 190 Rule 14a-8 exclusion notices in 2026 at the time of its analysis. Around 60, or almost 35%, were ESG-related; 53% of these opposed ESG-related measures, while 47% supported them.

Figure 7:
Shareholder Resolution by Pillar



7 - https://www.glasslewis.com/article/tracking-shareholder-proposals-and-company-exclusions-mid-season-observations
8 - https://corpgov.law.harvard.edu/2026/06/14/esg-and-anti-esg-shareholder-proposals-in-2026/

While the total number of proposals we supported did decrease, shareholder proposals remained a significant feature of the 2026 AGM season and continued to provide a useful indication of investor priorities and emerging governance concerns. Overall, we voted on 502 shareholder proposals during the first half of the 2026 AGM season, compared with 565 during the same period in 2025 and 578 in 2024. Although the total number of shareholder proposals declined, governance-related proposals continued to gain prominence. Governance topics accounted for approximately 70% of all shareholder proposals voted, reinforcing a trend that has been building over recent years.

By contrast, environmental and social proposals continued to represent a smaller share of the shareholder proposal landscape. Compared with 2025, the proportion of environmental proposals decreased by 1 percentage point, while social proposals declined by 3 percentage points. These developments suggest that, while environmental and social issues remain important topics for shareholders, **governance-related concerns continue to dominate the shareholder proposal agenda in 2026.**

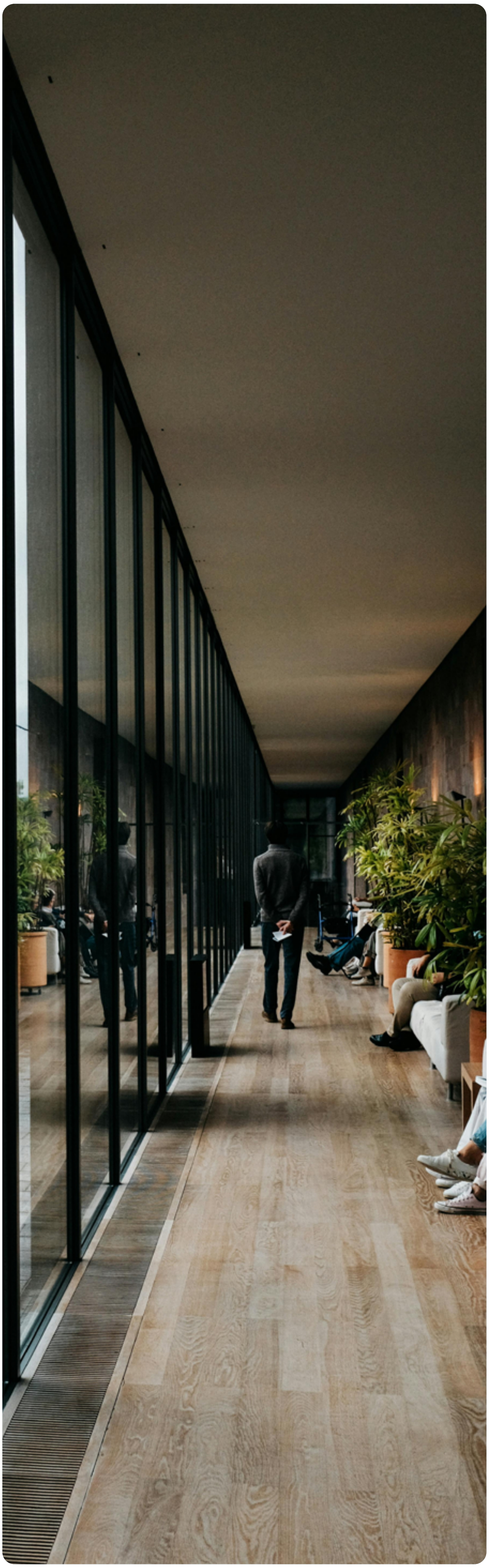
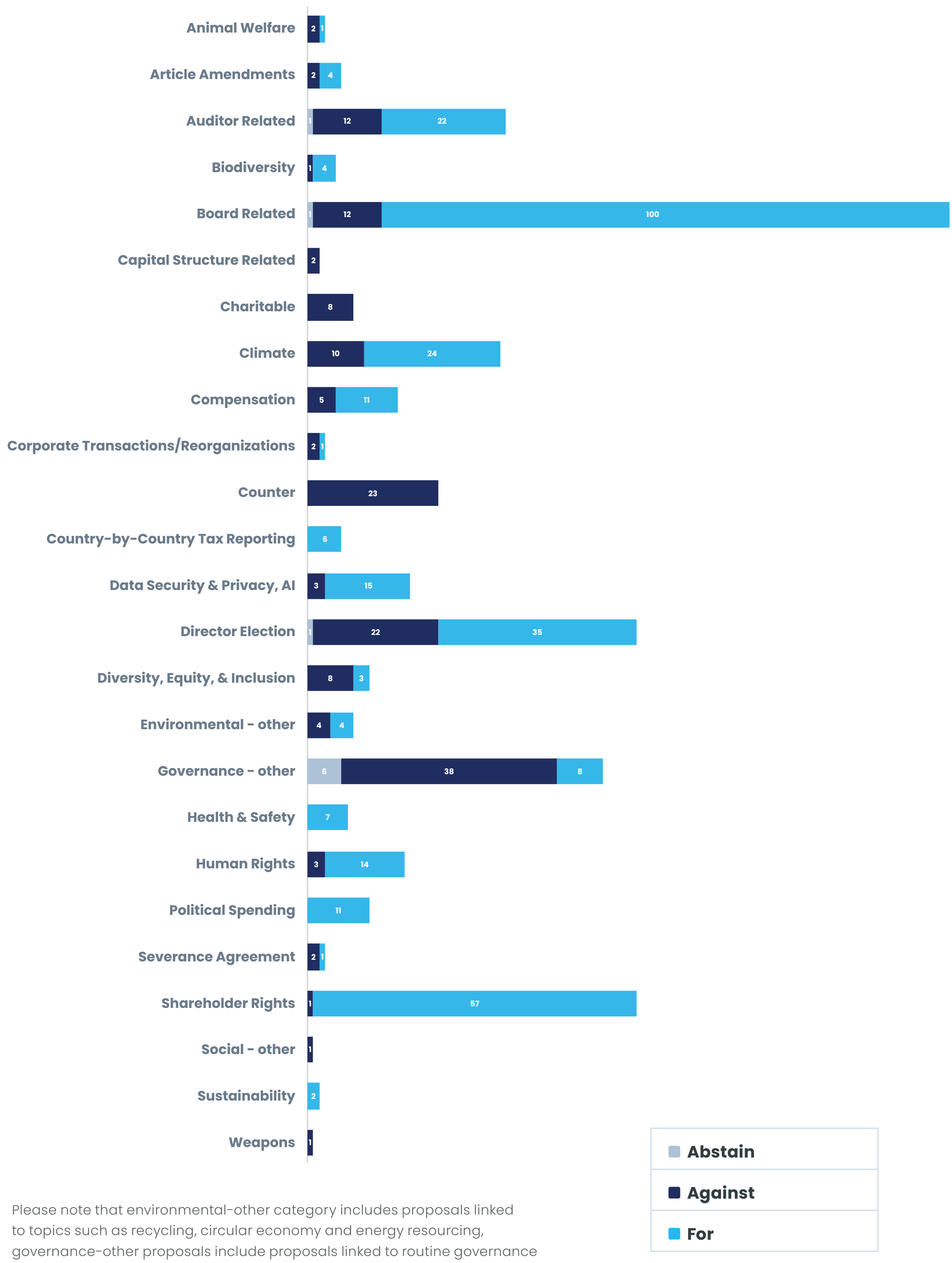


Figure 8:
Shareholder Resolutions by Topic



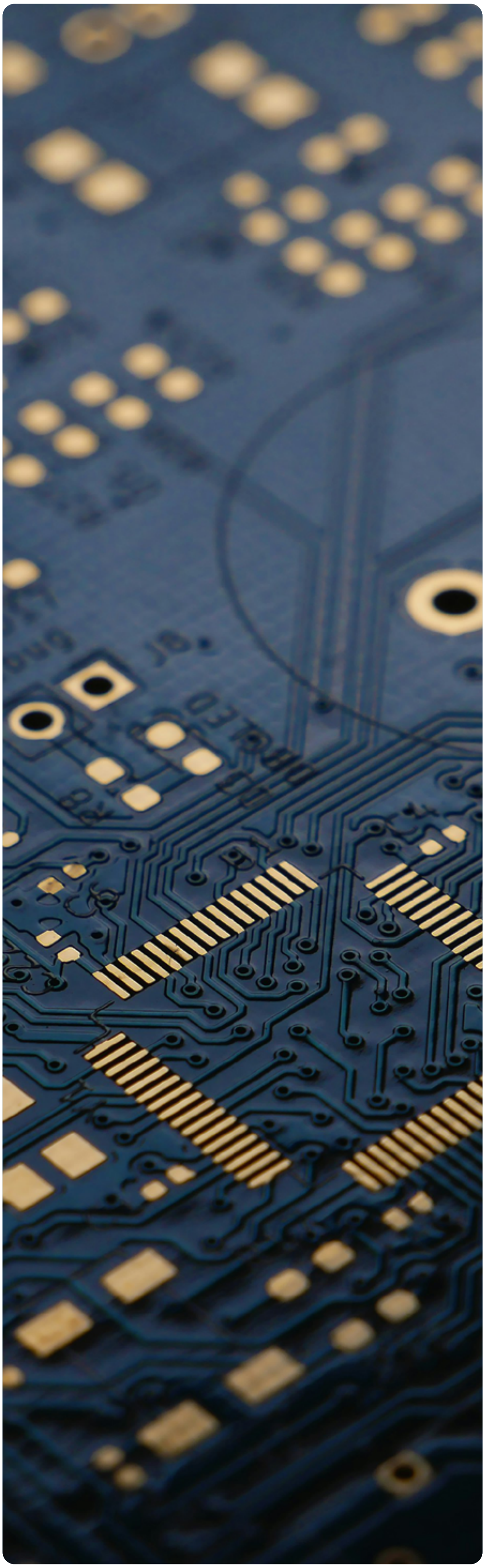
Please note that environmental-other category includes proposals linked to topics such as recycling, circular economy and energy resourcing, governance-other proposals include proposals linked to routine governance items such as one-share-one-vote, shareholder meeting format and one social-other proposals is on the politicised divestment.

Taking a closer look at how Candriam voted on shareholder-sponsored proposals, the most notable increase was observed in support for health and safety-related resolutions. In 2026, we supported 100% of such proposals, compared with a 66.7% support rate in 2025.

Shareholder rights were another prominent topic throughout the 2026 proxy season and featured heavily in stewardship discussions. Reflecting our continued commitment to strong shareholder protections and governance practices, we voted in favour of 98.3% of shareholder rights-related proposals, up significantly from 70.7% in 2025.

A notable example of our approach to shareholder rights was our support for the proposal at **Exxon Mobil Corporation (Energy Company, USA)** requesting the company to adopt and disclose policies that would provide multiple options within its retail voting program. The proposal raised legitimate concerns that the existing program primarily facilitated voting by retail investors who wished to align with management recommendations, potentially disadvantaging both retail and institutional shareholders who actively exercise their voting rights independently. We considered the request to be consistent with the stated objective of *increasing retail shareholder participation, while also promoting greater shareholder choice and voting autonomy.*

As such, we concluded that the proposal represented a reasonable measure to strengthen shareholder participation and governance and therefore voted **in favour**.



The most significant decline in the number of shareholder proposals submitted was observed in the **climate-related category**. In 2026, we voted on only 34 climate-related shareholder proposals, compared with 52 in 2025.

While our support rate for climate-related proposals decreased by 8.2 percentage points, this should be viewed in the context of the substantially lower number of proposals brought forward. In the instances where we voted against a proposal, our primary concerns were that the proponents had not sufficiently articulated the need for, and rationale behind, the request, and that the proposals were overly prescriptive in nature.

Artificial Intelligence (AI)-related shareholder proposals have also increased with Data Centre Infrastructure impact being an emerging topic. Meta, Alphabet and Amazon were subject to the filing of shareholder proposals questioning the impact of the expansion of data centres on their long-term energy strategies, as well as two proposals on the water impact of data centre expansion at Alphabet and Digital Realty. These topics may become more prominent as data-centre investment expands.

Outside of AI-related considerations, **biodiversity shareholder proposals** primarily focused on either strengthening board accountability for the company's impacts on nature or requesting comprehensive biodiversity impact assessments. While we enhanced our voting policy on biodiversity, including our approach to Say on Biodiversity proposals, biodiversity-related shareholder resolutions, and the circumstances under which biodiversity concerns may influence votes on management proposals, we did not vote against any management proposals on biodiversity grounds. We did, however, support the majority of biodiversity-related shareholder proposals.

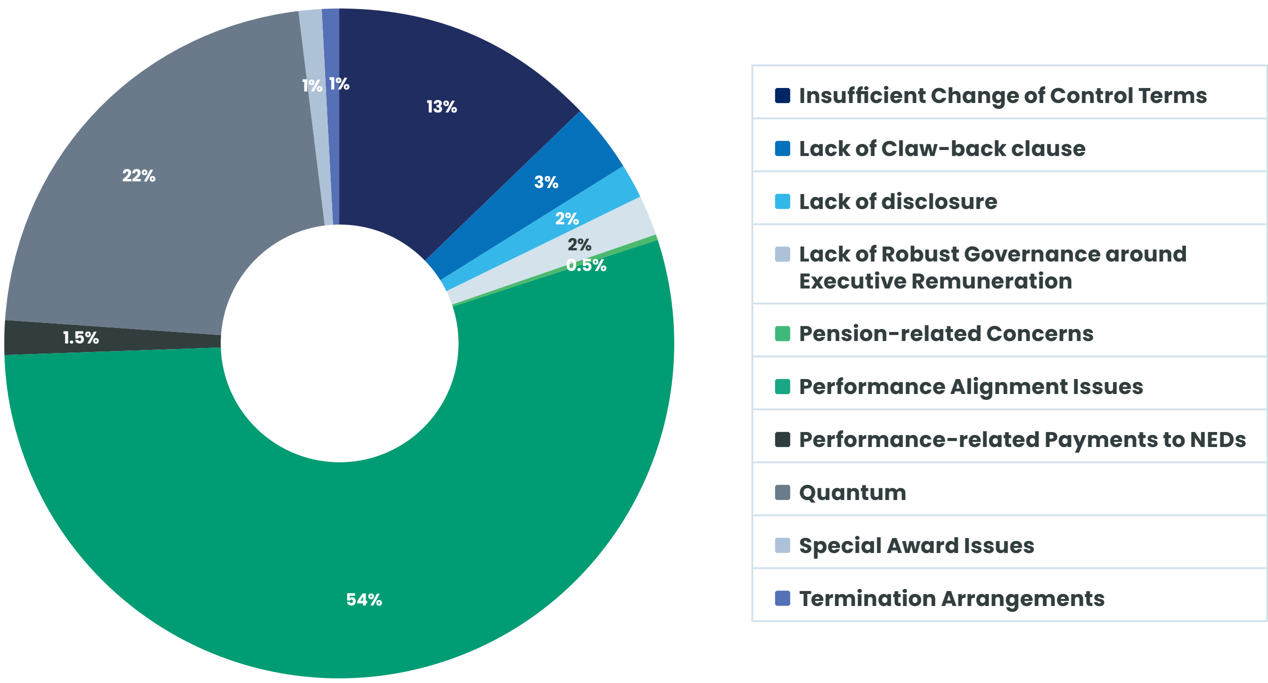
Executive remuneration through a broader stewardship lens

Executive remuneration remained a prominent topic during the 2026 AGM season. While the debate increasingly focuses on executive pay levels, pay inequality and broader questions of social cohesion, voting outcomes suggest that investors continue to assess these issues primarily through the lens of pay and performance alignment.

During the first half of 2026, we voted on 2,373 executive remuneration-related proposals, of which 1,331 did not receive our support. To better understand the drivers of these voting decisions, we analysed the primary rationale underlying each vote against management. As multiple concerns may apply to a single proposal, the analysis presented below reflects the most severe reason for opposition identified in each case.

As illustrated in the chart below, concerns regarding pay and performance alignment accounted for 54 percent of all remuneration-related votes cast against management. Concerns relating to the overall quantum of pay represented the second most common reason for opposition, accounting for 22 percent of cases. By contrast, issues such as disclosure, clawback provisions, pension arrangements, governance structures and termination arrangements individually represented a smaller share of remuneration-related concerns.

Figure 9:
Rationale for Votes AGAINST executive remuneration proposals



These findings reinforce our view that **executive remuneration should be closely linked to the creation of long-term shareholder value and the delivery of sustainable business performance, including both financial and non-financial outcomes.** While remuneration structures that fail to demonstrate a clear link between pay and performance remain the primary driver of our opposition, we are also observing a broadening of the debate around executive pay. Questions relating to the overall size of awards, internal pay equity and the potential implications of widening pay disparities within organisations are receiving increasing attention from investors, companies and other stakeholders.

For Candriam, these considerations complement rather than replace traditional pay-for-performance assessments. The 2026 AGM season highlighted how **executive remuneration is increasingly being considered not only through a governance lens, but also in the context of human capital management and broader corporate sustainability.** We believe that remuneration structures should incentivise long-term value creation while remaining aligned with the interests of shareholders and mindful of their wider impact on the company's workforce and long-term value creation.

CEO Succession: A test of board oversight and strategic alignment

In previous reports, we highlighted the importance of having a balanced board equipped with the right skills to select, oversee and where necessary, challenge the CEO, both during the succession and throughout the CEO's tenure. This oversight also extends to executive remuneration: boards must ensure that pay structures support the leadership mandate entrusted to the CEO, reflect actual performance and remain aligned with long-term value creation.

That's why we have placed particular emphasis on directors' skills and the expertise they bring to the board when elected which also shaped our voting approach in 2026.

The first half of 2026 underscored the strategic importance of CEO succession as one of the board's most consequential responsibilities. In the current environment, boards must be able to anticipate the key stakes associated with leadership transitions and make sure that the selected CEO profile is suited to the company's future strategic needs.

Across listed companies, leadership transitions always reflect not only evolving business priorities but also boards' increasing willingness to reassess the executive mandate granted to management. The mandate entrusted to a CEO – to execute the strategy, allocate capital and create long-term shareholder value – is inherently conditional on performance and alignment with the company's evolving objectives. When that alignment weakens, boards are expected by shareholders to act.

Recent data from the Russell Reynolds Global CEO Turnover Index[9] highlights several notable trends:

- **Global CEO appointment activity reached a record high for a first quarter**, suggesting that boards remain highly engaged in leadership renewal.
- **Boards demonstrated a growing preference for experienced leaders**, reflecting the increasingly complex operating environment.
- **In the United States, outgoing CEO tenure also rose sharply**, indicating that while boards continue to value stability and continuity, they are becoming more deliberate in determining when leadership change is required.

The fast-changing geopolitical context and recent macro-economic events may be one possible explanation for this approach.

The leadership transition at Sanofi[10] illustrates the challenges boards face when balancing continuity and accountability. The Board's decision not to renew Paul Hudson's mandate, followed by the appointment of Belén Garijo, prompted us to consider whether the company's remuneration framework had sufficiently differentiated outcomes according to performance. Over the period reviewed[11], the level of achievement reported under the variable-remuneration framework remained above 100% of target on average. In our assessment, this raises questions regarding the stringency of the metrics and targets applied.

Another interesting leadership case occurred at Banca Monte dei Paschi di Siena in 2026 (MPS). Succession-related discussions appeared to be driven by a different dynamic. Tensions reportedly emerged over the bank's strategic direction, particularly regarding the approach to consolidation and growth, leading to a divergence of views between CEO Luigi Lovaglio and one of the institution's key shareholders, and ultimately a shareholder battle that was resolved by directors' elections. **The episode highlighted that the board is the steward of the company's interests and not only those of significant shareholders.** This was underlined by the European Central Bank (ECB) in the letter that it sent to the chair of MPS, where the ECB stated, "the board's primary duty was to act in the interests of the [company] and not of a single shareholder."[12] It also illustrated how leadership mandates ultimately depend on maintaining alignment between management, the board and shareholders on the company's strategic priorities. Where such alignment weakens, leadership transitions can become contentious.

Together, these developments reinforce a central governance lesson: **succession planning is not merely about identifying a replacement when a CEO departs.** On the contrary, it should be planned long in advance. It is an ongoing process through which boards assess leadership effectiveness, maintain a pipeline of potential successors and ensure that executive mandates remain aligned with the company's long-term strategy. Executive remuneration is an important part of this oversight responsibility: incentive structures should reinforce the mandate entrusted to the CEO, reward genuine long-term value creation and remain sufficiently responsive when performance or strategic alignment deteriorates. In a period marked by heightened uncertainty and transformation, effective succession supported by a well-calibrated remuneration framework remains a critical pillar of good corporate governance and long-term value creation.

9 - Global CEO Turnover Index | Russell Reynolds Associates, https://www.russellreynolds.com/en/insights/reports-surveys/global-ceo-turnover-index
10 - Press Release: Belén Garijo to become Chief Executive Officer of Sanofi, https://www.sanofi.com/en/media-room/press-releases/2026/2026-02-12-06-30-00-3236866
11 - April 2025-April 2026,
12 - Source: Financial Times, *ECB warns Monte dei Paschi over chief executive succession battle*, March 30, 2026, https://www.ft.com/content/35a13770-bc0b-408a-90a7-8769871e7900?syn-25a6b1a6=1

Active stewardship.

Candriam prioritises 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 our pre-AGM 2026 engagement campaign, we contacted 24 companies (vs 21 in 2025), from Europe and North America. With a response rate of 50%, engagement equalled last year's 50% responsiveness. European companies were particularly responsive, with engagement calls held with 8 of the 15 companies contacted. North American companies proved less responsive, although we still held discussions with 4 of the 9 companies approached. This year, we did not engage with companies in emerging markets as part of the pre-AGM campaign.

The companies we engaged with represented a broad range of sectors. While certain governance issues remain sector-specific, our discussions reinforced the view that many of our governance concerns are cross-sectoral in nature.

In addition to these engagements, we initiated several company meetings outside the scope of the pre-AGM campaign. We also held discussions with three European companies that proactively reached out to us.

Pre-AGM discussions typically focus on board composition, remuneration, capital structure and shareholder rights. We view these dialogues as an opportunity to explain our governance expectations, share perspectives and gain a deeper understanding of a company's approach. In some cases, this additional context may help address our concerns. However, where governance practices remain weak and no compelling rationale is provided, we reflect our concerns through our voting decisions at the AGM.

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 2026 voting season, we announced intentions for 19 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 Nestlé SA) or to acknowledge positive developments in companies such as Mercialys SA or Tecan Group AG, engaging on their climate action plans.

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.

Year	Meetings	Resolutions
2026 (until June 15, 2026)	19[13]	42
2025 (full year)	24	41
2024 (full year)	26	44
2023 (full year)	14	28
2022 (full year)	1	3

Figure 10:
Shareholder Engagement & Escalations - First Half 2026

Measure	Companies	Topic	Outcome
Resolution co-filing, in cooperation with Assogestioni	Leonardo SpA	Governance – Nomination Slate	Passed
Resolution co-filing, in cooperation with Assogestioni	Terna - Rete Elettrica Nazionale	Governance – Nomination Slate	Passed
AGM Questions	Sanofi	Access to Medicine	Detailed written answer accessible on the website in French
AGM Statement	Shell Plc	Climate Strategy	The statement was read live at the general meeting; no recording is available.

13 - AENA SME SA, AMUNDI SA, ALTAREA SCA, ANGLO AMERICAN PLC, ANHEUSER-BUSCH INBEV NV, AVIVA PLC, BP PLC, CANADIAN NATIONAL RAILWAY CO, DANONE SA, ESSILORLUXOTTICA SA, FERROVIAL SE, LEGAL & GENERAL GROUP PLC, LEONARDO SPA, MERCIALYS SA, NESTLE SA, ROYAL BANK OF CANADA, SCHNEIDER ELECTRIC SE, TECAN GROUP AG, TERNA RETE ELETTRICA NAZIONALE SPA

Conclusion.

If one lesson emerged consistently throughout the first half of the 2026 AGM season, it is that expectations of boards continue to expand.

Boards are no longer assessed solely on their ability to oversee financial performance. Investors increasingly expect them to demonstrate oversight of long-term risks, ensure executive accountability, safeguard shareholder rights and provide credible leadership through periods of strategic uncertainty. Whether discussing climate oversight, executive remuneration, CEO succession or corporate disclosures, the underlying question remained the same: **is the board exercising effective stewardship of the company?** Companies that invest in robust governance, meaningful shareholder dialogue and transparent decision-making will be better positioned to navigate uncertainty and create sustainable long-term value.

The season also illustrated that stewardship itself is evolving. Shareholder proposals are changing in both volume and focus. Climate votes are becoming less frequent, while governance continues to dominate investor concerns. At the same time, engagement is becoming more targeted, with investors relying on a broader set of stewardship tools, from dialogue and vote pre-declarations to director accountability, to communicate expectations and drive change.

For Candriam, these developments reinforce an important principle:

Good stewardship is not measured by the number of votes cast or meetings attended, but by the consistency with which investors use every available tool to promote better governance and long-term value creation.

As companies navigate an increasingly complex operating environment, we will continue to adapt our stewardship approach while remaining guided by the same objective: acting in the long-term interests of our clients through thoughtful, evidence-based and transparent investment stewardship.

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