



2020

# Annual Stewardship Report

**CANDRIAM**   
A NEW YORK LIFE INVESTMENTS COMPANY



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Part 1

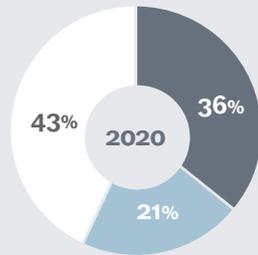
# Engagement Report

# The year at a glance



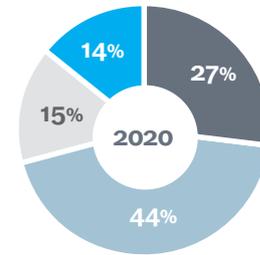
**206**  
corporates  
contacted  
individually

## Impact on our decision (direct dialogue)



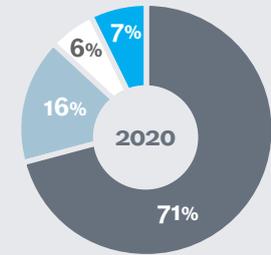
- Yes, influenced Candriam's opinion
- No influence
- Dialogue Ongoing

## ESG breakdown of the companies contacted (direct dialogue)



- Environment
- Social
- Governance
- Overlapping ESG Issues

## Region (direct dialogue)

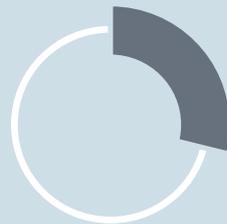


- Europe
- North America
- Asia Pacific
- Emerging Markets

## Top topics

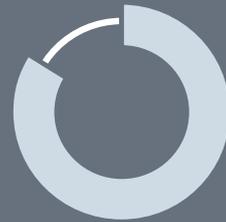
- Energy Transition
- Fair Work Conditions
- Business Ethics

## Direct Dialogue



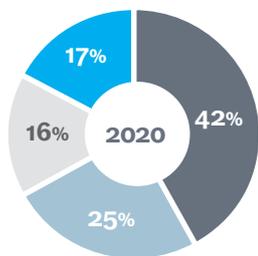
**29%** of our AUM\*

## Collaborative Dialogue



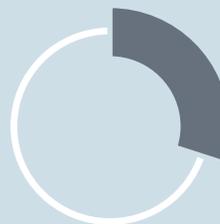
**84%** of our AUM\*

## Geographical split of meetings (voting)



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

## Remuneration of Management and Directors (voting)



**30%**  
votes against

## Engaged votes (voting)



**63%**  
of AGMS with at least  
one vote against  
management



**1,180**  
Voted  
Meetings

\*% for Corporates invested in direct lines (both through equity & fixed income instruments)

## Candriam: a responsible investor and company

We engage actively as part of numerous collective investor engagement groups, initiatives and alliances aimed at establishing conversations and bringing about positive change.



Workforce Disclosure Initiative



Antibiotics Resistance  
& sustainable protein

Founding Signatory of:



Please consult the Candriam [engagement policy](#) for more information

# Engagement year at a glance

***The year 2020 has been one of change, questioning our ways of living, producing, and consuming. Covid-19 was a challenge for the economy. Nevertheless, it supported the accuracy and consistency of our fundamental engagement focus on Energy Transition, Fair Working Conditions, and Business Ethics over the last six years.***

Engagement and stewardship have not been immune to the challenges of the pandemic. The limits on the availability of stakeholders made it more difficult to maintain conversations. We had to reinvent our way of communicating. Expecting companies to be at our disposal during the first half of 2020 would have been counterproductive; the urgency and constraints of the environment meant that companies had to concentrate on adapting and surviving. We reorganized our dialogue campaigns to offer companies time to adapt. In the early stages of the pandemic, many Annual General Meetings were held by videoconference, postponed, or even cancelled.<sup>1</sup> In Europe, the most frequently-impacted resolutions were dividend distributions and the remuneration of Boards of Directors and Executive Boards.

During early part of this upheaval, Candriam focused on European companies, for which direct dialogue was facilitated by their historical and geographical proximity. We also helped catalyse investors to call on the business community and EU leaders to take actions to reduce the impact of the Covid-19 pandemic on society and markets. The recommendations partly addressed social issues through recommended 'best practices', such as maintaining workforces, B2B relationships, and paid vacations, and respecting health standards.

Observation has been the watchword. We are taking the long view, beyond just the immediate impacts. First, our engagement addresses the direct consequences of the pandemic, including the growing inequality gap, labour conditions and relations, the supply chain, the local

communities, and the acceleration of mega-trends and their associated risks, such as automation, e-commerce, or digital tech. Candriam's engagement goes beyond this to focus on the origins of the health crisis and its aggravating factors, such as the loss of biodiversity, ecosystem disturbances, and industrial livestock production.

Our Covid-19 engagement framework, developed in 2020, will continue in 2021, as companies settle in to their new approaches to this new environment.

## Social Engagement beyond Covid-19

Independently of Covid-19, social issues were our primary subject of direct engagement during 2020. These dialogues first revolved around controversies and questions raised by current company practices, such as the use of Uighur labor in China or the possible non-compliance of Teleperformance with the human rights provisions of the law on *devoir de vigilance* in France.<sup>2</sup> Second, these dialogues extended the actions begun the previous year. In particular, Candriam continued its work with the Workforce Disclosure Initiative (WDI) by extending it, in part, to small and mid cap companies, and to human capital management.<sup>3</sup> The events of 2020 underscored the importance of broadening the issue of diversity beyond gender. Most notably, the death of George Floyd in police custody in the US and the global efforts of the Black Lives Matter social movement prompted corporate donations of more than \$1.7 billion to tackle social justice and racism issues, within only the first two weeks.<sup>4</sup>

## The Environment Remains a Priority

Again in continuation from 2019, climate change and biodiversity remain the priority targets for our direct and particularly collaborative engagement campaigns. Among others, Candriam is now part of the Investors Policy Dialogue on Deforestation (IPDD), a collaborative investor initiative established in July 2020 to coordinate a public policy dialogue on halting deforestation. It engages with public agencies and industry associations in selected countries, seeking to ensure long-term financial sustainability of investments in the countries they are invested in, by promoting sustainable land use, forest management and respect for human rights, with an initial focus on tropical forests and natural vegetation. The first step has been the deforestation in Brazil.

Thus, while the pandemic calls for immediate social actions, our initiatives continued to include our focus on energy transition, and the opportunity that stimulus plans could provide for a socially-just transition. Alternatives to high-carbon emission sectors must be created to revive activity while respecting the EU Green Deal and the Paris Agreements.

The reduction of financing for high Greenhouse Gas-emitting companies, the work on risk quantification and asset value adjustment with the companies' audit committees<sup>5</sup>, as well as the increasing pressure on emitters

to implement a zero emission 2050 engagement, are also topics of particular attention. These remain a central part of our active and structured approach. As part of the Paris Agreement and the importance of the role of finance in reducing rising temperatures, Candriam has engaged with various banks and insurance companies to determine whether practices and transparency on this matter have improved<sup>6</sup>. We will continue to do so, working notably with IIGCC on Aligning the Banking Sector with the Goals of the Paris Agreement.

We expect this trend to accelerate, and Candriam continues to play an active role. The soundness of our proactive approach to Environment, Social and Governance risk and opportunity management is supported by the resilience and performance of our sustainable investment strategies. The involvement of all our investment management teams has grown over the years and continues to grow, not only in the use of ESG criteria, but also in the ability to bring these topics to the forefront in traditional research exchanges with issuers.

## Next Steps?

In 2021 and beyond, Candriam's engagement will draw lessons from the health crisis. Our work over the last year on Climate, Digital and Human Rights, Diversity, and Inequality will continue as part of our long-term framework on Energy Transition, Fair Working Conditions, and Business Ethics.

### Notes and Sources

- [https://www.candriam.com/490536/siteassets/medias/publications/brochure/corporate-brochures-and-reports/voting-report/2021\\_01\\_voting\\_report\\_2020\\_short\\_en\\_web.pdf](https://www.candriam.com/490536/siteassets/medias/publications/brochure/corporate-brochures-and-reports/voting-report/2021_01_voting_report_2020_short_en_web.pdf)
- [https://www.candriam.com/4a0710/siteassets/medias/publications/sustainable-investment/teleperformance/2020\\_07\\_teleperformance\\_engagement\\_en\\_web.pdf](https://www.candriam.com/4a0710/siteassets/medias/publications/sustainable-investment/teleperformance/2020_07_teleperformance_engagement_en_web.pdf)
- [https://www.candriam.com/siteassets/medias/publications/sustainable-investment/wdi/2020\\_11\\_wdi\\_engagement\\_en\\_web.pdf](https://www.candriam.com/siteassets/medias/publications/sustainable-investment/wdi/2020_11_wdi_engagement_en_web.pdf)
- <https://www.candriam.com/en/professional/market-insights/topics/sri/ethnic-diversity--why-investors-cannot-afford-to-remain-silent/>
- <https://www.iigcc.org/download/investor-expectations-for-paris-aligned-accounts/?wpdmdl=4001&refresh=5fb2912e594a61605538094>
- [https://www.candriam.com/49134d/siteassets/medias/publications/sustainable-investment/financial-institutions-climate-change-survey/2021\\_02\\_financial\\_engagement\\_en\\_web.pdf](https://www.candriam.com/49134d/siteassets/medias/publications/sustainable-investment/financial-institutions-climate-change-survey/2021_02_financial_engagement_en_web.pdf)

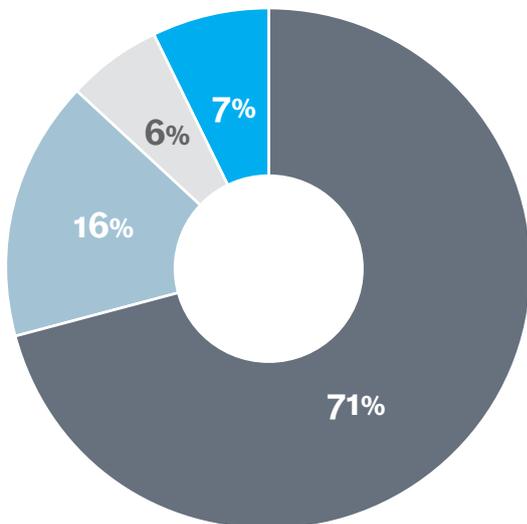
# Engagement statistics

## Direct dialogue

Over 2020, 206 issuers were targeted by our direct dialogues. These issuers were subject to 227 dialogues on various ESG topics. These issuers account for 29% of Candriam AUM, when focusing on corporate instruments (equity and fixed income, direct lines).

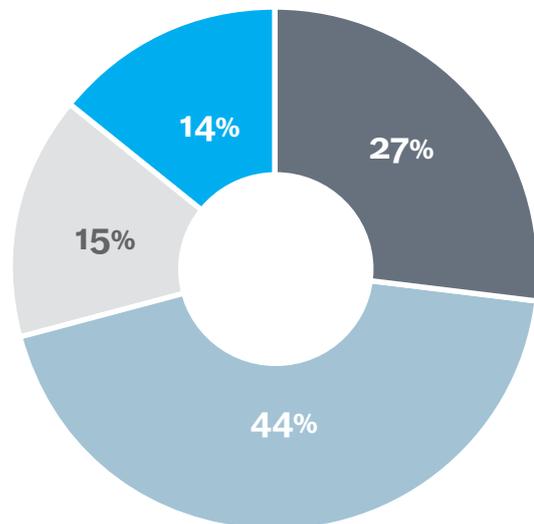
### Regional breakdown

206 issuers for a total of 227 dialogues in 2020 (respectively 207 and 221 in 2019, 153 and 163 in 2018)



Region	2020	2019	2018
■ Europe	71%	53%	64%
■ North America	16%	30%	20%
■ Asia Pacific	6%	9%	10%
■ Emerging Markets	7%	8%	6%

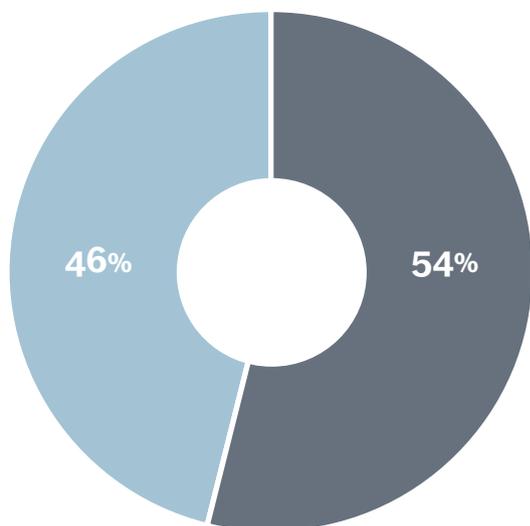
### Thematic breakdown of all our Direct Dialogues



	2020	2019	2018
■ Environment	27%	38%	24%
■ Social	44%	23%	23%
■ Governance	15%	19%	31%
■ Overlapping ESG issues	14%	21%	23%

## Response rate

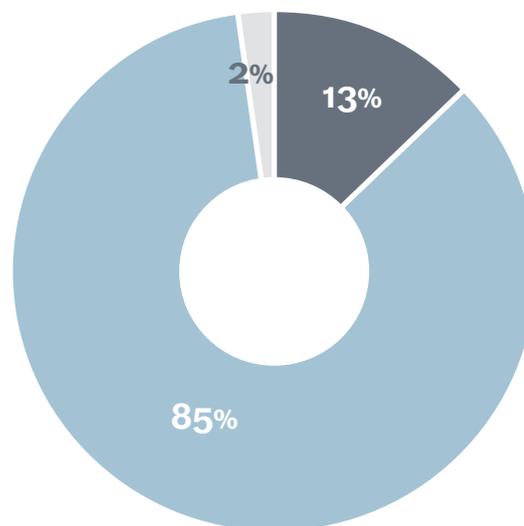
Of a total of 206 issuers contacted in 2020  
(207 in 2019, 153 in 2018)



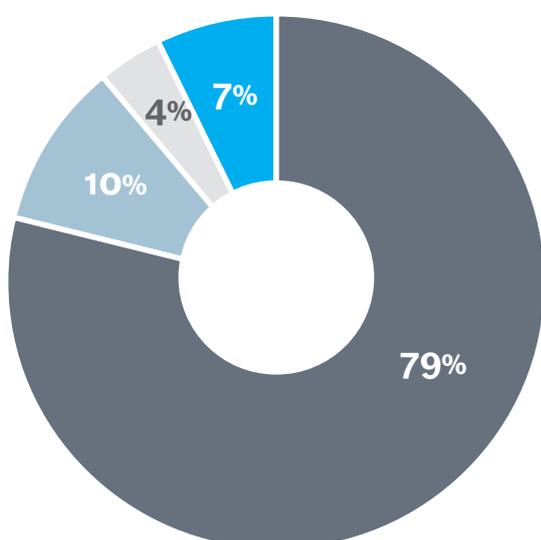
Response rate	2020	2019	2018
■ Responded	54%	50%	61%
■ Did not respond	46%	50%	39%

## Main contact channel

Of a total of 227 dialogues in 2020  
(221 in 2019, 163 in 2018)



Main contact channel	2020	2019	2018
■ Conference Call	13%	14%	18%
■ (e-)Mail	85%	82%	67%
■ Meeting	2%	5%	15%



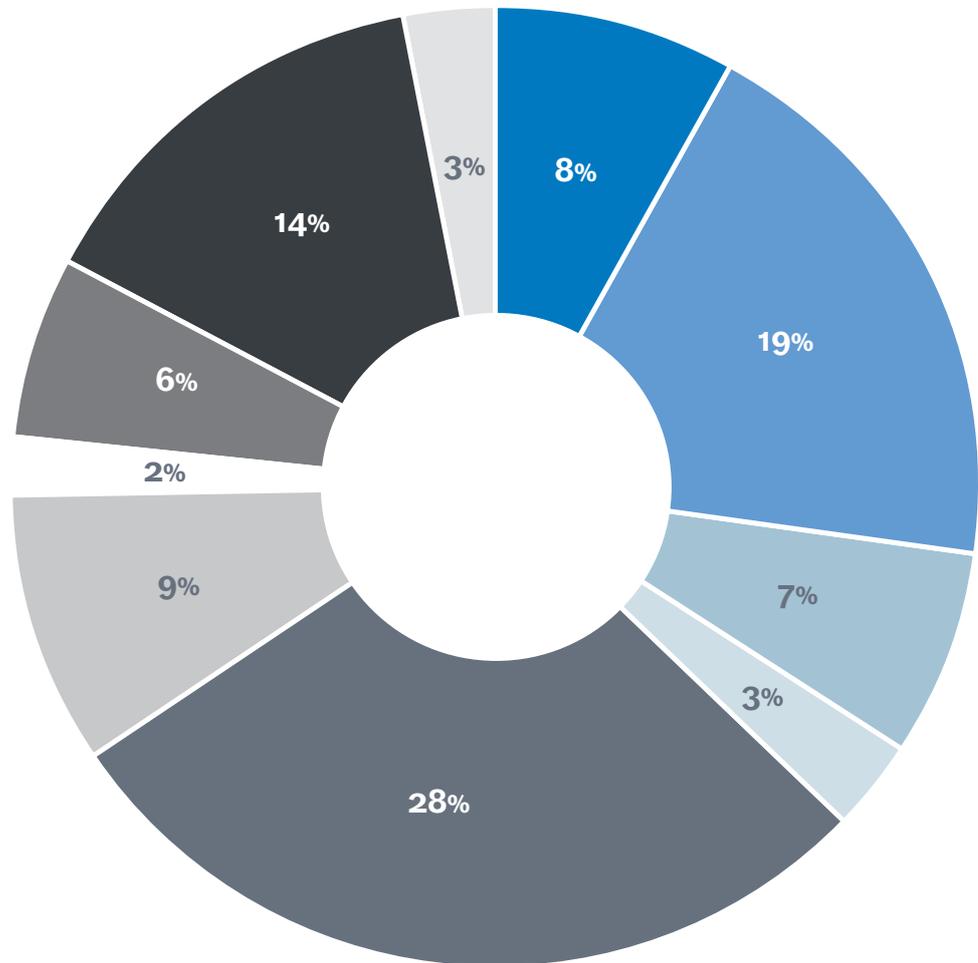
## Regional breakdown of issuers which responded

Of a total of 112 issuers which responded in 2020  
(103 in 2019, 94 in 2018)

Region	2020	2019	2018
■ Europe	79%	67%	78%
■ North America	10%	17%	15%
■ Asia Pacific	4%	8%	7%
■ Emerging Markets	7%	8%	0%

# Sector breakdown

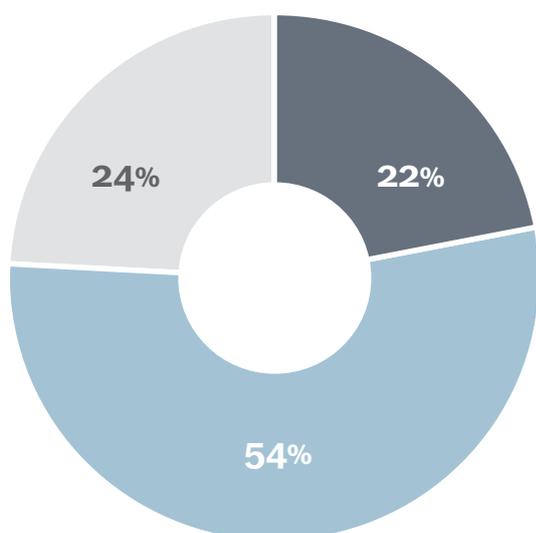
Of a total of 206 issuers contacted in 2020



Sector breakdown	2020	2019	2018
■ Consumer discretionary	8%	11%	21%
■ Industrials	19%	11%	12%
■ Consumer staples	7%	14%	17%
■ Materials	3%	8%	11%
■ Financials (incl. Real Estate)	28%	19%	9%
■ Utilities	9%	14%	8%
□ Energy	2%	3%	6%
■ Health Care	6%	5%	8%
■ Information Technology	14%	14%	6%
■ Telecommunication Services	3%	2%	1%

## Dialogue triggers

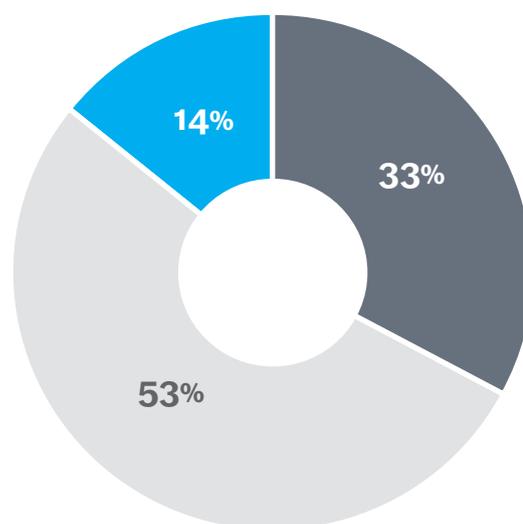
Of a total of 227 dialogues in 2020 (221 in 2019, 163 in 2018)



Trigger	2020	2019	2018
■ Encourage improved ESG disclosure	22%	28%	28%
■ Support investment decision-making	54%	41%	45%
■ Influence Corporate Practice (inter alia, AGMs related letters)	24%	32%	28%

## Dialogue context

Of a total of 227 dialogues in 2020 (221 in 2019, 163 in 2018)

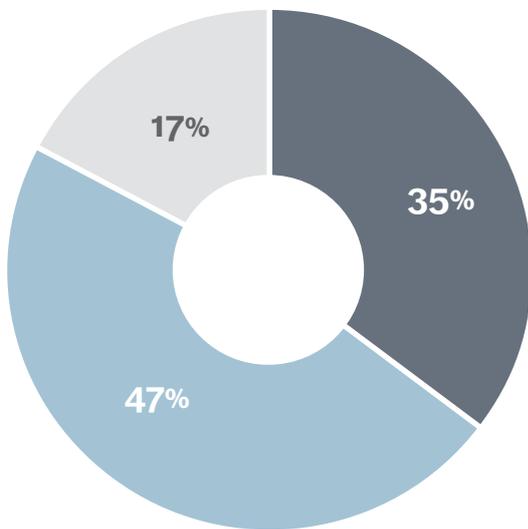


Special context for dialogue	2020	2019	2018
■ SRI sector review / Cpy profile update / Specific events	33%	29%	49%
■ Other, Thematic	53%	57%	33%
■ Pre/Post AGM Engagement	14%	14%	18%

Note: previously used category "'In Line' classified companies in SRI selection" was merged with "SRI sector review / Cpy profile update / Specific events"

## Conviction topic breakdown

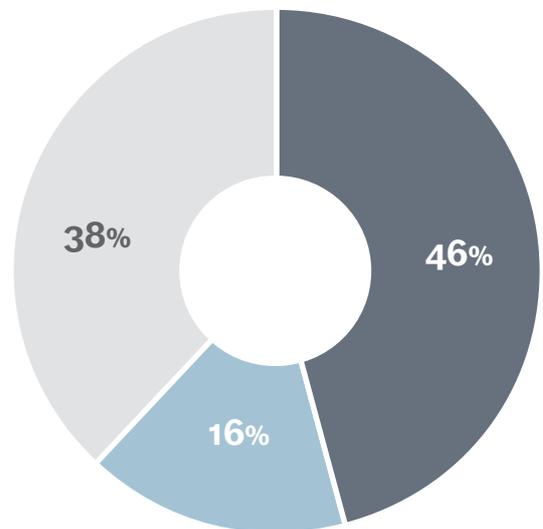
Of a total of 217 dialogues involving conviction topics in 2020



- E - Energy Transition
- S - Fair Work Conditions
- G - Business Ethics

## Dialogue status

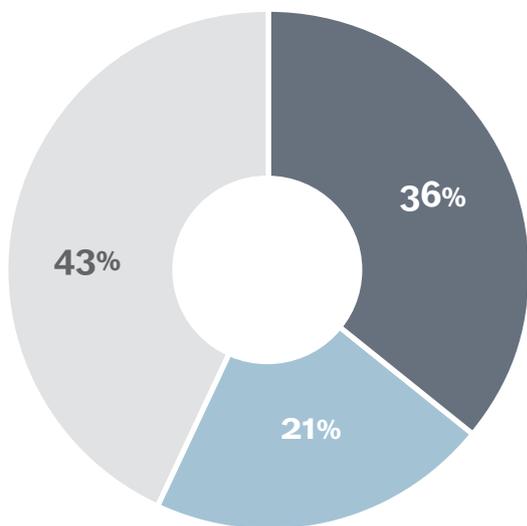
Of a total of 227 dialogues in 2020 (221 in 2019, 163 in 2018)



Dialogue status	2020	2019	2018
■ Closed during the year	46%	39%	62%
■ Continued through the year	16%	29%	19%
■ Initiated during the year	38%	32%	19%

## Impact of dialogues on Candriam ESG opinion

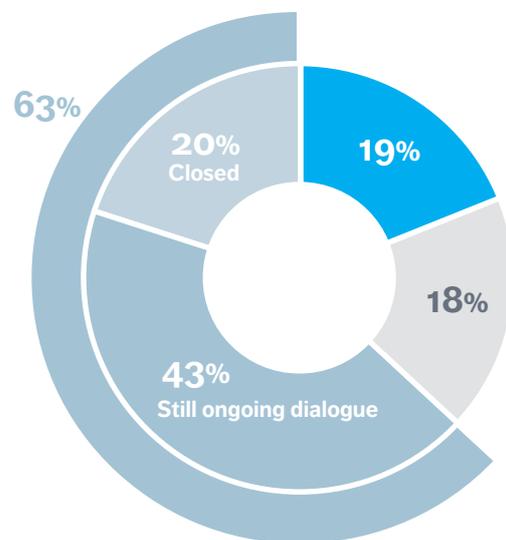
Of a total of 179 closed and ongoing dialogues in 2020 (151 in 2019, 132 in 2018)



Impact on opinion	2020	2019	2018
■ Yes, influenced Candriam's opinion	36%	38%	52%
■ No influence	21%	20%	26%
■ Dialogue ongoing	43%	42%	23%

## Impact of dialogues on issuer practices

Of a total of 83 closed and ongoing dialogues aimed at improving ESG disclosure or influencing company practices in 2020



- Yes, impacted company's practices and ways of thinking
- Not relevant
- No impact yet

Further details on direct dialogues (including names of contacted companies) can be found under [2020 Details of direct dialogues](#).

# 3 examples of direct dialogue campaigns in which we were involved during 2020

## Campaign #1

### European Utilities & Just Transition

	Status	Topics	Conviction Topic	SDG
	Started in 2019, Closed in 2020	ES		

### Context

In 2018, we signed a “Statement of Investor Commitment to Support a Just Transition on Climate Change”, committing to take action to support the just transition by integrating the workforce and social dimension in our climate practices. More specifically, we commit to take action in the following areas :

- Investment strategy: integrate workplace and community issues into climate change policies and investment beliefs, dialogue with stakeholders and investment mandates.
- Corporate engagement: include workforce and community issues in climate-related engagement on corporate practices, scenarios and disclosures.

The assessment of our portfolios’ exposure to the social dimension of the low-carbon transition is important to us but remains difficult as there is very little information available on this topic.

For all the above reasons, we chose to engage in a greater extent on these topics with a selection of European utilities, after exchanges with important stakeholders. We engaged on social challenges faced by the Utilities sector, on the human resources and customers’ point of view but also on transformation of the sites and socio-economic impacts on the local area.

### Objective

Better understanding of the concept and related challenges or impacts for corporates

- Identification of best practices
- Support for more transparency and disclosure from corporates on this topic.

We engaged the largest European power producers on their efforts, along with other stakeholders. Our aim was to understand their actions in support of all stakeholders -- including consumers, employees and local communities -- during the multi-year transition toward a low carbon economy. Our aim was to understand the needs of multiple stakeholders across a variety of issues, and to assess both the expectations and the true capacity of companies to act on these.

## Outcome

We found that the materiality associated to the energy sector is a reality. All companies we spoke to are confronted by some level of challenges and are developing strategies to address them. The specifics of each company and divergence of their businesses and the communities in which they operate leads us to recommend a case-by-case approach to capture how they are managing these new risks and opportunities.

Whilst acknowledging the complexity of the topic, we seek additional disclosure and welcome proactivity from companies on the Just Transition, and on the impact it is having and will have on their operations and strategies.

## More to read under

[https://www.candriam.com/siteassets/medias/publications/articles/transition/2020\\_06\\_just\\_transition\\_en\\_web\\_page\\_par\\_page.pdf](https://www.candriam.com/siteassets/medias/publications/articles/transition/2020_06_just_transition_en_web_page_par_page.pdf)

## Follow up

Following the same approach, we will concentrate next on the meaning of a Just Transition for the European Automotive sector.

# Campaign #2

## Financial Institutions & Climate

	Status	Topics	Conviction Topic	SDG
	Started in 2018, Closed in 2020	E		 

### Context

The Transition to a lower-carbon economy means entire industries such as power generation, and oil and gas, are susceptible to stricter regulation, disruptive technologies and changes in customer behavior. While banks and insurance companies are a major source of funding for fossil fuel projects, climate change has not historically played a role in their credit analysis of and capital allocation to fossil fuel and extractive industries. Transition risks of exposure to these assets is difficult to assess, along with the climate change risks to the financial firms. Physical risks include increased weather-related insurance claims and payouts for insurers, and increased premiums for consumers, and stranded assets for banks.

A strong correlation is observed between declining to join the most advanced finance industry initiatives, and suffering from poor environmental policies and practices. Extra-financial reporting in general remains first hurdle to overcome, as demonstrated by several non-answers to questions we considered to be fundamental.

### More to read under

[https://www.candriam.com/49134d/siteassets/medias/publications/sustainable-investment/financial-institutions-climate-change-survey/2021\\_02\\_financial\\_engagement\\_en\\_web.pdf](https://www.candriam.com/49134d/siteassets/medias/publications/sustainable-investment/financial-institutions-climate-change-survey/2021_02_financial_engagement_en_web.pdf)

### Objective

- Encouraging improved disclosure from the financial sector
- Supporting our investment decision making

### Outcome

We developed a Comprehensive Scoring System encompassing each engaged company's transparency and the policy put in place. Where available (20 of the companies), we compared our Comprehensive Score to their level of risk exposure based on the Banking on Climate Change Report 2020.<sup>7</sup>

### Follow up

We will continue engaging on this topic and in particular be part of the IIGCC workstream, working on how to better support as investors the alignment of the Banking Sector with the Goals of the Paris Agreement.

Results of the survey will also impact our 2021 voting decisions, especially for companies identified as laggards in our survey.

<sup>7</sup> Rainforest Action Network. Banking on Climate Change, Fossil Fuel Finance Report. 2020. <https://www.ran.org/bankingonclimatechange2020>, accessed 4 February, 2021  
See also 2019 edition.

# Campaign #3

## ICT & working conditions improvement at supply level (based on Know the Chain report)

	Status	Topics	Conviction Topic	SDG
	Started in 2018, to be Closed in Q1 2021	S		

### Context

As a responsible asset manager, we definitively believe in the materiality of human capital management. We believe related financial risks and opportunities are equally pronounced further down companies' supply chains. In that regard, both consumers and regulations (incl. EU's non-financial reporting directive, UK's Modern Slavery Act, California Transparency in Supply Chains Act, France Duty of Vigilance law...) drive the changes. In this context, we reached about 20 global investee companies involved in Information and Communications Technologies (ICT). We concentrated on weaknesses identified in the 2018-released benchmarking survey from Know the Chain.<sup>8</sup>

### Objective

- Supporting adoption of better / best practices by the engaged companies
- Supporting our investment decision making

Our objectives were threefold :

- Discuss the above mentioned materiality assumption
- Gather feedback on risks / weaknesses identified in current approach
- Discuss the challenges and/or feasibility of improvements.

### Outcome

The results of this direct campaign have been disappointing. First, and even if the scope of the engagement can explain it, with a large number of Northern American or Asian companies that are less familiar with Candriam, the response rate remains low (around 40%). The specificity and precision of our questions clearly played a role in this lower than usual response rate. Secondly, the low level of proactivity of companies on several identified problematic points (such as the publication of a detailed supplier list, adoption sustainable purchasing / pricing practices or living wage considerations) remains an issue. These findings are confirmed by the just-released 2020 benchmarking survey from Know The Chain on ICT.<sup>8</sup> They are all the more worrying that the Covid-19 pandemic disrupted the global supply chains, negatively impacting workers in vulnerable conditions.

### Follow up

Escalation of the engagement in 2021 via Collaborative dialogue led by Investor Alliance on Human Rights, in partnership with Corporate Human Rights Benchmark CHR<sup>9</sup>

<sup>8</sup> <https://knowthechain.org/>

<sup>9</sup> <https://www.corporatebenchmark.org/>

# Collaborative initiatives

*Candriam acts responsibly both an investor and as a company. We also join forces with other investors to secure greater leverage when calling on stakeholders to act responsibly. These collaborative engagements will continue to increase in importance, as ESG awareness continues to gain momentum in the financial community and as issuers are facing large and rising requests. With many requests being similar in nature, it makes sense to increase information and transparency while rationalizing reporting costs for issuers. Collective initiatives can be more powerful than individual dialogues when important changes in company practices are at stake.*

*Over 2020, 3,721 issuers were targeted by our collaborative dialogues, representing a total of 8,900 dialogues on various ESG topics. These issuers account for 84% of Candriam AUM, when focusing on corporate instruments (equity or fixed income, direct lines).*



# Candriam's sustainable commitments

Since 2006, when we became a founding signatory to the UNPRI, we have signed the following statements:

Commitments	ESG	Joined in/ Signed in	Conviction Topics
<b>PRI - Principles for Responsible Investment</b> 	ESG	2006	
<b>UNGC Call to Action on anti-corruption</b> 	G	2014	
<b>G20 Energy Efficiency Investor Statement</b> 	E	2015	
<b>Montreal Carbon Pledge</b> 	E	2015	
<b>Paris Pledge for Action</b> 	E	2015	
<b>Investor Statement on ESG credit ratings</b> 	ESG	2017	
<b>Adhesion to Green and Social Bond Principles</b> 	ES	2017	
<b>Tobacco-Free Finance Pledge</b> 	S	2018	
<b>The Investor Agenda</b> 	E	2018	
<b>Commitment to support a just transition on climate change</b> 	ESG	2018	
<b>TCFD supporter</b> 	E	2021	

# Collaborative initiatives both new and ongoing

Collaborative Initiatives Initiatives for a call to action	ESG	Joined/ Signed in	Candriam Contribution summary	Conviction Topics
<b>CDP - Carbon Disclosure Project (incl. Climate Change, Water and Forest programs)</b> 	E	2004	Lead investor on over 10 companies to encourage them to fill in the questionnaire (non disclosure campaign)	
<b>Sustainable Stock Exchanges</b> 	ESG	2010	Participation to update calls	
<b>Access to Medicine (AtM)</b> 	S	2010	<ul style="list-style-type: none"> <li>. Letters' co-signer</li> <li>. Lead for one target company</li> <li>. Active supporting investor with others</li> </ul>	
<b>Access to Nutrition</b> 	S	2013	<ul style="list-style-type: none"> <li>. Letters' co-signer &amp; Lead for one target company</li> <li>. Active investor for several target companies</li> <li>. Support renewed in 2020 (Investors' Expectation statement)</li> </ul>	
<b>Bangladesh Initiative on garment industry</b> 	S	2013	<ul style="list-style-type: none"> <li>. Statements' &amp; Letters' co-signer to companies, OECD and authorities</li> <li>. Active engagement with 15 companies to encourage them to join or support <i>The Accord</i></li> </ul>	
<b>Labour practices in agricultural supply chain</b> 	S	2016 - 2020Q1 Now completed	Co-lead investor for two corporates, supporting investor for one	
<b>Fiduciary Duty in the 21st Century</b> 	ESG	2017 one off	Signatory	
<b>Engagement on antibiotics overuse in livestock supply chains</b> 	ES	2017	Letters co-signer	
<b>Sustainable Protein Engagement</b> 	E	2017	<ul style="list-style-type: none"> <li>. Letters co-signer</li> <li>. Co-lead investor for 2 corporates</li> </ul>	
<b>Workforce Disclosure Initiative</b> 	S	2017	<ul style="list-style-type: none"> <li>. Letters co-signer</li> <li>. Co-lead investor for 4 corporates</li> </ul>	
<b>Banking on a Low Carbon Future</b> 	E	2017 - 2020	<ul style="list-style-type: none"> <li>. Letters co-signer</li> <li>. Participation to group calls</li> </ul>	

Collaborative Initiatives Initiatives for a call to action	ESG	Joined / Signed in	Candriam Contribution summary	Conviction Topics
<b>Engagement on Cybersecurity</b>	SG	2017 - 2020 now completed	. Letters co-signer . Lead investor on 1 corporate . Participation to exchanges with several corporates	
<b>Expectations on Corporate Climate Lobbying</b> 	E	2017 one-off	Signatory	
<b>Decarbonisation Initiative (incl. RE100 &amp; EP100 Engagement)</b>  	E	2017	Letters co-signer	
<b>Combating Child Labour in Cocoa Supply Chains</b>   	S	2017 - 2019	. Statement' co-signer to companies and related stakeholders . Active investor for 1 company	
<b>Corporate Tax Responsibility</b> 	G	2017 - 2020 now completed	. Letters co-signer. . Lead investor on 2 corporates . Participation to exchanges with several corporates	
<b>Climate Action 100+</b>  	E	2017	. Active supporting investor for 5 corporates . Signature of 2019 letters to US companies on Climate lobbying	
<b>CA100+ related - Paris-aligned accounting and audit</b>  	E	2019		
<b>PRI - Climate change transition for oil and gas</b>  	E	2018 - 2020 Merged with CA100+	. Supporting Investor . Signature of 2019 statement sent to O&G companies in relation to US Methane Deregulation	
<b>BBFAW Investor Collaboration on Farm Animal Welfare</b>  	ES	2018	. Letters co-signer . Active supporting investor with 1 corp	
<b>PRI Water risks in agricultural supply chains</b> 	E	2018 - 2020Q1 now completed	. Letters co-signer . Lead investor on 1 corporate	
<b>Plastic Solutions Investor Alliance</b>    	E	2018	. Statement co-signer . Active supporting investor for 4 corporates . In Lead for 2 retail corp since H2 2019	
<b>UK Living Wage Engagement Campaign</b>  	S	2018	Letters co-signer	
<b>PRI supported engagement on responsible sourcing of cobalt</b>  	ES	2018	Co-Lead investor for 1 corporate	

Collaborative Initiatives Initiatives for a call to action	ESG	Joined / Signed in	Candriam Contribution summary	Conviction Topics
<b>Corporate Accountability for Digital Rights</b>  	SG	2018	<ul style="list-style-type: none"> <li>. Letters' co-signer</li> <li>. Co-lead investor for one corporate</li> <li>. Member of Investor Alliance for Human Rights since 2021</li> </ul>	
<b>Investor Statement to EU Policymakers on the future of Corporate Reporting</b>  	ESG	2018 one off	Statement co-signer	
<b>Investors call on power companies to accelerate decarbonisation and support ambitious climate policy</b>   	E	2018 one off	Statement co-signer	
<b>Open Letter to index providers on controversial weapons exclusions</b>  	SG	2018 one off	Statement co-signer	
<b>Making Finance Work for People and Planet</b> 	ESG	2019 one off	Statement co-signer	
<b>PRI-coordinated Investor Working Group On Sustainable Palm Oil</b>  	ES	2019	Supporting Investor for 6 corporates, Lead investor for one	
<b>Investor Mining and Tailings Safety Initiative</b>   	E	2019	<ul style="list-style-type: none"> <li>. Letters co-signer</li> <li>. Participation to call</li> </ul>	
<b>Statement for mandatory human rights due diligence - Switzerland</b> 	S	2019 - 2020	Statement co-signer	
<b>2019 Global Investor Statement to Governments on Climate Change</b> 	E	2019 one off	Statement co-signer	
<b>Investor Statement On Turkmen Cotton (SourcingNetwork)</b> 	S	2019 one off	Statement co-signer	
<b>2019-2020 Initiative for Pesticide Use Reduction and Safer Chemicals Management - Grocery Retail</b>  	ES	2019	<ul style="list-style-type: none"> <li>. Letters' co-signer</li> <li>. Lead investor for one corporate</li> </ul>	
<b>Investor Statement On Deforestation &amp; Forest Fires in the Amazon</b>  	E	2019 one off	Statement co-signer	
<b>Investor Statement to support Gender Equality in the workplace</b> 	S	2019 - 2020 Now completed	Statement co-signer	

Collaborative Initiatives Initiatives for a call to action	ESG	Joined / Signed in	Candriam Contribution summary	Conviction Topics
<b>Australian extractives sector, IGCC Public Sign On Letter</b> 	E	2019 one off	Letter co-signer	
<b>Open Letter in support to Amazon Soy Moratorium</b> 	E	2019 one off	Open Letter co-signer	
<b>PRI Investor statement on Climate change for Airlines &amp; Aerospace companies</b> 	E	End 2019/2020 one off	Statement co-signer	
<b>PRI investors Letter to SEC</b> 	ESG	End 2019/2020 one off	Open Letter co-signer	
<b>CHRB - Investor statement calling on companies to improve Human Rights performance</b> 	S	2020 one off	Statement co-signer	
<b>Investor Statement on Coronavirus Response</b> 	ESG	2020 one off	Statement co-signer	
<b>The Investor Agenda   Open investor letter to EU leaders on a sustainable recovery from COVID-19</b> <b>IIGCC   Open letter to EU leaders from investors on a sustainable recovery from COVID-19</b> 	ESG	2020 one off	Open Letters co-signer	
<b>Support brought to Joint-statement-on-the-NFRD-revision (7 recommendations)</b> 	ESG	2020 one off	Candriam supported officially the recommendations, while not being part of the informal group itself	
<b>Collaborative dialogue on Teleperformance</b> 	S	2020	Dialogue - Co-Lead investor, in partnership with french AMs.	
<b>Investors' Policy Dialogue on Deforestation in Brazil</b> 	E	2020	Dialogue - Active investor	
<b>Investor Engagement Group - Xinjiang Uyghur Autonomous Region (XUAR)</b> 	S	2020	Dialogue - 6 Active investor positions	
<b>Micro Fibre Engagement</b> 	E	2020	1 co-lead position	

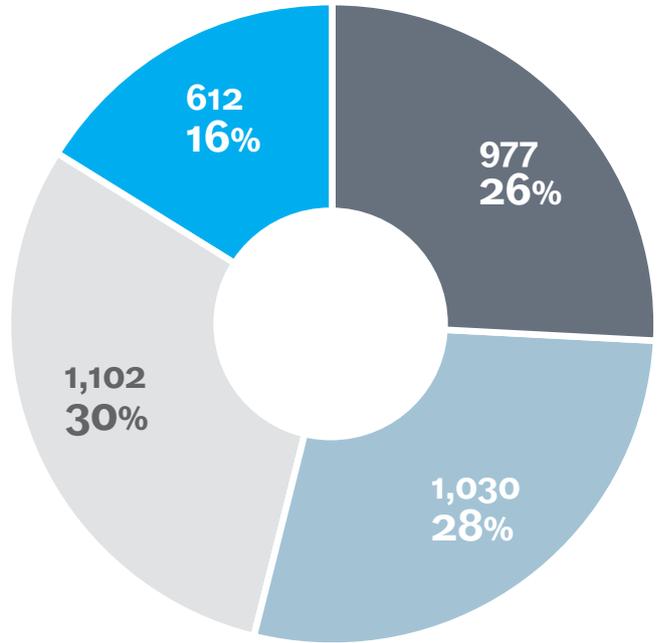
## Focusing on corporate issuers

In 2020, a total of 3,721 issuers were targeted by collaborative initiatives we support.

### Count of Issuer Region by Issuer Region

■ Europe	■ Emerging
■ North America	■ Asia Pacific

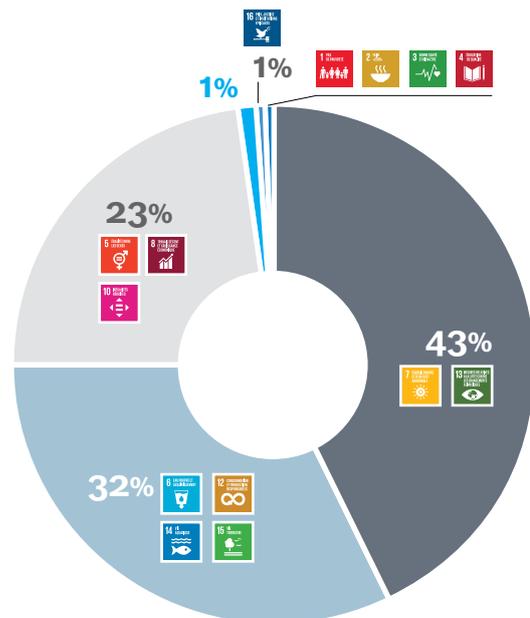
We show the breakdown by topic of Candriam's collective dialogues, both with CDP (formerly the Carbon Disclosure Project) and excluding our work with the CDP. We do this because the large number of company conversations held jointly with CDP shows a different pattern of topics than the rest of our collective dialogues.



## Topic breakdown, with CDP included

(in number of dialogues)

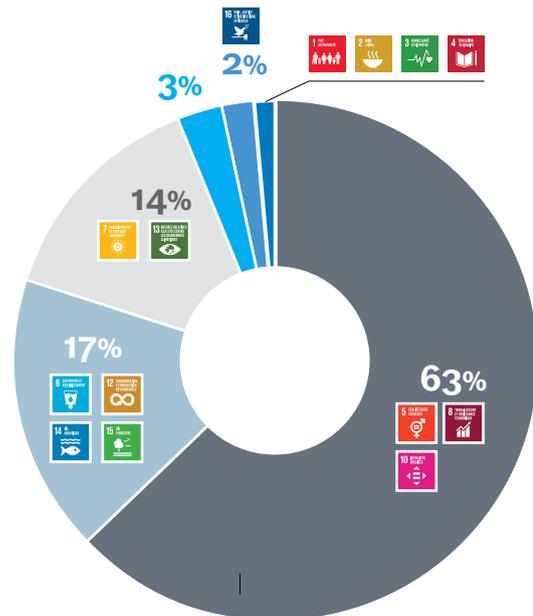
	3,818
	2,878
	2,009
	87
	69
	39



## Topic Breakdown, all initiatives except CDP

(in number of dialogues)

	2,009
	528
	455
	88
	69
	39



<b>No relevant SDG</b>	PRI - Cyber security
	Access to Medicine Access to Nutrition Index
	Banking on a Low Carbon Future CA100 related - Letters to Audit Committees, Paris aligned accounting CDP Climate 2020 Climate Action 100+ Climate change transition for oil and gas Climate resolution cofiling Decarbonisation initiative
	Corporate Accountability for Digital Rights PRI - Corporate Tax responsibility
	. 2019 Letters to Audit Committee Chairs – CRH, Shell, BP and Total . June 2020 Investor statement “Paris-aligned accounting vital to deliver climate promises” . 2020 Campaign targeting 30 European companies, Lead on 1 corporate . ShareAction, Letter to Unicredit
	2019-2022 Initiative for Pesticide Use Reduction and Safer Chemicals Management - Grocery Retail Antibiotics’ overuse in livestock supply chains BBFAW Investor Collaboration on Farm Animal Welfare CDP Forest 2020 CDP Water 2020 PRI coordinated investor response to ****CONFIDENTIAL **** accident Investor Mining and Tailings Safety Initiative Plastic Solutions Investor Alliance PRI - Labour practices in agricultural supply chain phase II PRI - Responsible sourcing of cobalt PRI - Water risks in agricultural supply chains PRI-coordinated Investor Working Group On Sustainable Palm Oil Sustainable Protein 2020-21 Washing Machine Plastic Microfibre Filters Initiative.

# New initiatives

<b>Global Investor Statement in Support of an effective, fair and equitable Global Response to Covid-19</b>	S	2020	. Investor Statement . Fair Working Conditions	
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Ninety-five financial institutions representing over \$10 trillion of assets have signed this statement. These investors recognise and attach considerable importance to the need for an effective, fair and equitable global response to Covid-19. Two separate studies have shown that advanced economies that can vaccinate all of their citizens remain at risk of a sluggish recovery with a drag on GDP if infection continues to spread unabated in emerging markets.

The benefit of vaccinating citizens of developing economies on global growth far outweighs the cost of vaccination. The statement asks world leaders in the G7 and G20 to deploy adequate funding to ensure fair and equitable access to Covid-19 tools globally; to commit to work with the Access to Medicine Foundation on this issue. The statement also recommends that governments and international organisations explore the feasibility of innovative finance mechanisms for national and global Covid-19 responses, similar to vaccine bonds issued by the International Finance Facility for Immunisation or social bonds for Covid-19 programmes issued by individual or multiple governments.

<b>CHRB - Investor statement calling on companies to improve Human Rights performance</b>	S	2020	Investor Statement	
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One hundred seventy-six financial institutions representing over \$4.5 trillion in assets have signed this statement asking companies to address weak rankings in the 2019 Corporate Human Rights Benchmark (CHRB). Human rights due diligence is a key element in corporate respect for human rights, as detailed in the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct.

The CHRB assesses 200 companies in high-risk sectors against five human rights due diligence indicators.

The statement was sent to boards of director of the 95 companies that scored a zero on all five indicators, the concern of the signatories that a lack of public communication on human rights suggests the company has not assessed associated risks or determined how best to mitigate them.

The statement also calls on these poorly-ranked companies to publicly-disclose their processes to address human rights risks, to assess human rights impacts (including in the supply chain), and to prevent, mitigate and remediate adverse impacts.

<b>Investor Statement on Coronavirus Response</b>	ESG	2020	Investor Statement	
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Three hundred thirty-five investors, representing \$9,5 trillion in assets, are calling on the business community to take steps to mitigate the worst outcomes of the Covid-19 pandemic on global society and markets.

The steps companies take in the coming months will have profound consequences for their respective workforces, communities, and their own social license to operate.

Bold action by the private sector can help to stem the most serious threats to long-term social and market stability for the benefit of all investors and stakeholders.

The statement urges companies to :

- Provide paid leave
- Prioritize health and safety
- Maintain employment
- Maintain supplier/customer relationships
- Exercise Financial prudence

<b>The Investor Agenda   Open investor letter to EU leaders on a sustainable recovery from Covid-19</b>  <b>IIGCC   Open letter to EU leaders from investors on a sustainable recovery from Covid-19</b>	ESG	2020	Investor Statement	
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One hundred eighty-three investors representing over €12 trillion in assets have written to EU leaders, highlighting the need to ensure the economic response to the Covid-19 pandemic delivers a green and sustainable recovery. The letter stresses the need to ensure an accelerated transition to a net zero emissions economy in line with the European Green Deal and the Paris Agreement. The letter also warns that recovery plans that overly exacerbate climate change would expose investors and national economies to escalating financial, health and social risks in the coming years. The letter followed publication of the first element of the EU's proposed post-Covid recovery strategy. This positions the 'European Green Deal as the EU's recovery strategy' and as a cornerstone of the EU recovery plan. The intervention from investors is also intended to inform economic planning at a national level across EU member states.

Highlighting that net zero transition plans are needed to underpin recovery of countries, regions and companies, the letter also sets out five key principles for EU member states to consider in supporting a sustainable recovery :

- Prioritise human relief and job creation without locking in high carbon pathways
- Support the Green Deal and uphold the Paris Agreement
- Member States should ensure Covid-19 support addresses climate risk
- Prioritise climate resiliency and net zero emissions economic solutions
- Embed investor participation in recovery planning

<b>Support brought to Joint-statement-on-the-NFRD-revision (7 recommendations)</b>	ESG	2020	Investor Statement	
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In the wake of the Covid-19 crisis, a group of stakeholders with a range of backgrounds (including the IIGCC, ShareAction, Accountancy Europe and the WWF) have joined forces to highlight the importance of the upcoming revision to the Non-Financial Reporting Directive (NFRD). As the European Union is facing the challenge of defining the means of a post-Covid green economic recovery it is important for the private and public sectors to work together on policy priorities. The crisis has shown how economic, social and environmental aspects are interlinked and this is why a sustainable recovery should include a focus on social issues and the implementation of the European Green Deal with its goal of climate neutrality by 2050.

The revision of the Non-Financial Reporting Directive (NFRD) is an important element of achieving this. The statement makes 7 recommendations:

- Expand the scope of companies
- Disclose non-financial information in the annual management report
- Strengthen the social and governance aspects
- Impose minimum mandatory reporting requirements
- Build on existing reporting initiatives
- Broaden the effort outside of Europe to get to an international standard
- Ensure legislative consistency

<b>Collaborative dialogue on Teleperformance</b>	S	2020	. Collaborative Dialogue . Fair Working Conditions	
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Teleperformance is a leader in customer experience management employing over 330,000 employees in 80 countries across the globe. In 2019 the company was blamed for not putting in place sufficient protection measures for its employees in countries at risk for workers' rights such as Colombia, Mexico, India and the Philippines.

While, in our view, the first Teleperformance vigilance plan was too light, things have definitely improved. But employees are the core asset of Teleperformance and investors must ensure the group walks the talk. We are confident in its ability to rise to this new challenge, but as a responsible investor, our role is both to support the company and to clarify our expectations.

A new controversy erupted during the Covid-19 epidemic over working conditions in call centers, including in France. Claiming that inadequate response to the crisis had put thousands of workers at risk, the UNI Global Union along with four French trade union federations, lodged a complaint with the French OECD Contact Point in April 2020.

After having for some months decided to dialogue only directly with the company, Candriam decided to join forces with 6 other continental investors in June 2020. We continue our pressure on Teleperformance for improving governance, reporting and adopt best practices in the field of labour rights.<sup>10</sup>

10 More info under

[https://www.candriam.com/4a0710/siteassets/medias/publications/sustainable-investment/teleperformance/2020\\_07\\_teleperformance\\_engagement\\_en\\_web.pdf](https://www.candriam.com/4a0710/siteassets/medias/publications/sustainable-investment/teleperformance/2020_07_teleperformance_engagement_en_web.pdf)

<b>Investors' Policy Dialogue on Deforestation</b>	E	2020	Collaborative Dialogue	
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The Investors Policy Dialogue on Deforestation (IPDD) is a collaborative investor initiative set up in July 2020 to engage with public agencies and industry associations in selected countries. Investors are concerned about the financial impact that deforestation and the violation of the rights of indigenous peoples and local communities may have on their clients and investee companies, by potentially increasing reputational, operational and regulatory risks. Investors are concerned that companies exposed to potential deforestation in their direct operations and supply chains in these countries will face increasing difficulty accessing international markets. The sovereign bonds of these countries are also likely to be deemed high risk if deforestation continues. The goal of the IPDD Initiative is to coordinate a public policy dialogue on halting deforestation.

The IPDD seeks to ensure long-term financial sustainability of investments in the countries they are invested in by promoting sustainable land use and forest management and respect for human rights, with an initial focus on tropical forests and natural vegetation. The IPDD is working with key stakeholders to encourage adoption and implementation of regulatory frameworks that ensure protection of such natural assets and human rights.

The initiative has started by focusing on deforestation in Brazil and has already initiated dialogue with the Vice President of Brazil, the Brazilian Central Bank, the Ministry of Agriculture as well as other local stakeholders. The initiative has also had dialogue with stakeholders in Indonesia.

<b>Investor Engagement Group - Xinjiang Uyghur Autonomous Region (XUAR)</b>	S	2020	. Collaborative Dialogue . Fair Working Conditions	
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The investor engagement group on Xinjiang Uyghur Autonomous Region (XUAR) is a collaborative engagement targeting companies involved in the human rights crisis in the Uyghur Region. There is a human rights crisis in XUAR : an estimated 1.8 million Uyghur, Turkic, and Muslim-majority peoples have been subject to extrajudicial detention in internment camps, prisons, and factories. There is a widespread, government sponsored system of forced labor of people in and from the Uyghur Region who have been made to work in factories across China as part of global supply chains; and mass surveillance of people in and from the Uyghur Region. This engagement is underpinned by the responsibility of businesses to respect human rights in their operations as set out in the UN Guiding Principles on Business and Human Rights. Global companies across

multiple sectors have operations, investments, partnerships, and other business relationships in the Uyghur Region, as well as in other parts of China and across the world that are connected to the violations in the Uyghur Region. The engagement seeks to engage with over 50 large international corporations which have been identified as potentially having forced labour of Uyghurs present within their supply chain. Investors are asking companies to complete a mapping of their supply chain to identify direct and indirect business relationships that are connected to the Uyghur Region, to demonstrate steps to disengage from business relationships with suppliers connected with forced labor and to publicly disclose efforts and progress on how companies are working with affected rights holders in determining remedy.

<b>Marine Microplastic Pollution Engagement</b>	E	2020	Collaborative Dialogue	
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The Marine Microplastic Pollution Engagement aims to push the manufacturers of domestic and commercial washing machines to fit, as a standard feature, filters to their products to prevent plastic microfibres entering the world's marine ecosystems. Filter technology is currently available and but is not systematically used across the industry. Scientific evidence of the significant harm to marine biodiversity and ecosystems is emerging, as well as widespread public awareness and support for action in tackling plastic pollution in the marine environment. Synthetic fibres - a type of microplastic - make up 14% of global plastics production and generate synthetic microfibres through fragmentation and degradation. Microfibres constitute a significant fraction of microplastics accumulating in freshwater, marine, coastal, terrestrial, and arctic ecosystems where they pose risks to aquatic organisms and terrestrial biodiversity. Microfibre filters on washing machines have been shown to be the most

effective solution to reducing the flow of microfibres into the ocean. There are currently few companies offering washing machines with a built in internal filter (Koc Holdings' Arcelik brand advertised the availability of such a machine in 2020). Internal filters are commercially available and research found an internal filter was the most effective, removing 78% of microfibres.

The investor engagement will seek to start a dialogue with major manufacturers of domestic and commercial washing machines and the target companies to commit to having factory fitted plastic microfibre filters fitted as standard in all new machines by the end of 2023. The secondary objective of the engagement program is to influence policy makers to implement legislation prohibiting the sale of new machines without filter mechanisms built in, such as the legislation passed in France.

# Further details on collaborative initiatives in which we are involved



## Access to Medicine (AtM)

	Supported since	Status	Candriam Contribution involvement	ESG
<a href="https://accesstomedicinefoundation.org/">https://accesstomedicinefoundation.org/</a>	2010	Active	Letter co-signer and Lead investor for one company in support of the collaborative engagement on access to medicine and SDG3, based on last Access to Medicine Index	

### Summary

The Access to Medicine Foundation’s mission is to stimulate and guide pharmaceutical companies to do more for the people living in low- and middle-income countries without access to medicine. To that end, the Access to Medicine Index analyses 20 of the world’s largest research-based pharmaceutical companies with products for high-burden diseases in low- and middle-income countries.

It ranks pharmas on their efforts to improve access to medicine across seven areas of corporate behaviour and identifies best practices, highlights where progress is being made, and identifies where critical action is still required. The Index is published every two years. The companies in the 2018 Index accounted for approximately 70% of global pharmaceutical revenue.

As an investor, we support this initiative not only for its long-term positive impact on communities but also because we think the way pharmaceutical companies manage access-to-medicine risks and opportunities can have significant impacts on their financial performance.

**Targeted Sectors:** Pharmaceuticals.

**Targeted Regions:** Global.

### Achievements

Launch of the second AMR Benchmark, completed by publication of best practices. Thirty companies are evaluated by the Benchmark. The Benchmark looks at R&D pipelines for 18 bacteria and fungi that pose the greatest risk to human health, as identified by the WHO and by the CDC in its Antibiotic Resistance Threats report. Best practices include R&D for novel antibiotics, registering products in countries where need is highest, responsible promotion to mitigate against overselling, and tracking the spread of resistance. A total of 16 out of 30 companies are carrying out one or more of these best practices.

Publication of the 2020 Methodology index, including outcomes of discussions with representatives from global health donors, international organisations, investors, low and middle income country government or regulators, NGOs, pharmaceutical companies and industry organisations, academic institutions. Launch of associated survey with in depth analysis of companies’ practices, engagement with companies being led by investors in parallel.

### Next Steps

- Publication of 2021 Access to Medicine Index
- Further investor support of engagement with pharmaceutical companies on access to medicine and AMR

## Access to Nutrition Index (ATNI)

	Supported since	Status	Candriam Contribution involvement	ESG
<a href="http://www.accesstonutrition.org">www.accesstonutrition.org</a>	2013	Active	Letter co-signer, Lead investor for one company and active for others Signatory of 2020 ATNI Investor Expectation Letter	 

### Summary

The aim of the Access to Nutrition Initiative is to drive change by tracking and driving the food industry's attempts to tackle undernutrition, obesity and diet-related chronic diseases at the local and global levels.

Every action taken by ATNI is intended to encourage businesses to promote good health through improved diets and nutrition. ATNI focuses on developing tools and initiatives that track and drive the contribution made by the food and beverage sector to address the world's global nutrition challenges. The Initiative is increasingly establishing partnerships with other organizations committed to solving the world's nutrition challenges by working with food and beverage companies to improve their business practices. ATNI collaborates with investors, academics, not-for-profits and foundations to develop and deliver such projects.

ATNI works extensively with the investment community to ensure that its tools are designed to provide investors with the in-depth information they need on companies' performance on nutrition not available from any other source. Investors can use Indices and reports in their ESG research, integration and engagement.

**Targeted Sectors:** Food & Beverage (F&B).

**Targeted Regions:** Global.

### Achievements

The second India spotlight Index was launched at beginning of 2020, evaluating efforts of the 16 largest F&B companies in India in terms of addressing malnutrition. Most companies are fortifying their products or are aiming to do so and have committed to making their products healthier. However, evidence of comprehensively addressing undernutrition, micro-nutrient deficiencies, and overweight and obesity is lacking in all relevant business areas.

In March 2020, ATNI published its second report on the UK food retail sector, shedding light on commitment and contributions of the ten largest UK food and drink retailers. In spite of the strong demand from investors and other parties, disclosure by companies appears too limited. Most of the supermarket chains surveyed have yet to develop comprehensive, well informed strategies on diet, nutrition and health and report on their progress.

Methodology for the Global Index 2021 was publicly released in mid 2021, the "Product profile" introduced in 2019 contributing now to 20% of every total company's score. With the pandemic, engagement with companies was postponed. However, Candriam contributed to the drafting of 2020 ATNI Investor expectation which was finally released in July 2020.

### Next Steps

- Release of the 2020 Global Access to Nutrition Index.
- Follow-up on the engagement campaign.
- Follow up of the engagement through the 2021-22 collaborative engagement campaign on index findings, to discuss with companies the path to improvement, depending on their profile.

## Antibiotics overuse in livestock supply chains

	Supported since	Status	Candriam Contribution involvement	ESG
<a href="http://www.fairr.org/investor-engagements/antibiotics-overuse-livestock-supply-chains/">http://www.fairr.org/investor-engagements/antibiotics-overuse-livestock-supply-chains/</a>	2016	Active	Letter co-signer	

### Summary

The overuse of antibiotics to feed farm animals in intensive livestock production is even more controversial than their overuse in human medicine. Although practices vary from country to country, approximately 50% of the antibiotics used in the UK and 80% of those used in the US are given to farm animals. In certain parts of the world, medically important antibiotics are used not just to fight disease, but as growth promoters. In addition, less intensive farming methods, coupled with improved animal welfare standards, have been identified as capable of reducing the need for antibiotics.

Coordinated by FAIRR, this collaborative engagement is focused on improving the stewardship of antibiotics in the global fast food and restaurant sector by phasing out the routine use of antibiotics in food supply chains. Company performance is evaluated using on a number of criteria that assess policy scope and implementation, including whether there are clear targets and timelines in place as well as third-party auditing across all relevant species and markets.

**Targeted Sectors:** Food & Beverage (F&B).

**Targeted Regions:** Global.

### Achievements

FAIRR's progress report on [Improving antibiotics stewardship in livestock supply chains](#) was released in May 2019. Since 2016, the number of companies engaged with on this topic has doubled from ten to 20.

Out of these, 17 of 20 (85%) have a publicly-available policy on antibiotics. This is a remarkable shift from the launch of the engagement in early 2016, when only one company had a regional policy on antibiotics use.

The strength of the policies has also improved with seven of 20 companies (35%) now addressing all relevant animal species including fish. As an extension of its work, in June 2019 FAIRR released in June 2019 [a report dedicated to aquaculture](#).

However, in light of the Covid19 pandemic, and considering the role that intensive animal agriculture plays in increasing zoonotic disease risk, the 2020 Coller FAIRR Protein Producer Index found that of 60 of the world's largest meat, fish and dairy companies, 70% have extremely poor levels of antibiotic stewardship, posing a potential threat and contributing to the growth of antimicrobial resistance. Further progress need to be done.

### Next Steps

FAIRR will continue to monitor company performance, and if companies are failing to demonstrate progress and adherence to policies, Engagement with target companies.

## Bangladesh Investor Initiative

	Supported since	Status	Candriam Contribution involvement	ESG
<a href="https://www.iccr.org/our-issues/human-rights/protecting-worker-rights-garment-workers">https://www.iccr.org/our-issues/human-rights/protecting-worker-rights-garment-workers</a>	2013	Active	<ul style="list-style-type: none"> <li>Statement and Letter co-signer to companies, OECD and authorities</li> <li>Active investor for 13 companies, encouraging them to join or support The Accord</li> </ul>	  

### Summary

Coordinated by the ICCR, this initiative was launched after the 2013 Rana Plaza factory disaster. The deaths of 1,134 workers spurred international retailers to address health and safety issues in their Bangladesh contract garment factories. More than 250 investors from 12 countries signed the statement, representing \$4.5b AUM.

In May 2013, Candriam and other global investors appealed to the Bangladeshi retailing and garment industries to implement systemic reforms to ensure worker safety and welfare, and to adopt zero-tolerance policies on global supply-chain abuses. More specifically, we urged them to join The Accord on Fire and Building Safety (hereafter The Accord), a 5-year, independent, legally-binding agreement between trades unions, brands, retailers and their suppliers.

**Targeted Sectors:** Retailing, Textiles.

**Targeted Regions:** Global.

### Achievements

The Bangladesh initiative reached a turning point in 2019, through investor letters to the prime minister and applicable ministries of the Bangladesh government, in obtaining a one-year extension for the Accord. In January 2020 a Transition Agreement was signed by global brands, trade unions and the BGMEA that moved Accord functions, protocols and staff to an independent body (RSC) which will be operational on June 1st, 2020, (terms under <https://bangladeshaccord.org/updates/2020/01/15/jointstatement-accord-bgmea>).

Of the 1,653 garment factories covered by The Accord/RMG Sustainability Council (RSC), 326 factories completed initial remediation (versus 273 in 2019). In addition to these, more than 580 factories turned out to be ineligible for business with Accord brands, closed or were relocated since the beginning of the initiative. 93% remediation was completed at the 1,600+ factories and more than 1.8 million (1.5 million in 2018) workers have been informed about workplace safety, including the complaints mechanism. The pandemic clearly disrupted this dynamic.

In April 2020, the initiative highlighted the collateral damage which Covid-19 is causing the Bangladesh garment sector. At that time, more than 2 million garment workers had

been reported being fired or furloughed in Bangladesh as a result of Covid-19-related order cancellations and the failure of buyers to pay for these cancellations. The situation in Bangladesh was replicated in other countries like Cambodia, Vietnam and India, where apparel production is a major source of export revenue.

Investors articulated 4 key steps global brands could take to protect workers :

- Promptly pay suppliers for existing orders without renegotiating previously agreed pricing;
- Don't punish suppliers with payment reductions for delays due to Covid-19-related supply chain shortages (e.g., delayed raw material deliveries from China);
- Where suppliers continue production, take steps to ensure that worker health and safety are prioritized , overtime is on a voluntary basis and compensated at a premium rate;
- Alternative sourcing or production does not occur in, from, or connected to, the Xinjiang Uyghur Autonomous Region (XUAR) due to China's early recovery from Covid-19, as the XUAR continues to be affected by suffer from human rights violations, including forced labor affecting the apparel sector.

## Next Steps

- Situation follow up in a (post) pandemic context, engagement with companies to encourage best practices for supporting supply chain workers
- Effective reporting from The Accord on inspections, remediation and workplace programs now implemented through the RSC transition to the RSC.
- Ensure that the RSC continues the independent grievance mechanism for workers that has been so successful--an essential element of providing remedy to workers through a trusted process based on the United Nations Guiding Principles' effectiveness criteria for non-judicial grievance mechanisms.
- Discuss the possibility of building an international fire and building safety agreement based on the Accord for other countries

**CDP –  
Formerly Carbon  
Disclosure Project**  
(including Climate Change, and  
Water and Forest programmes)



	Supported since	Status	Candriam Contribution involvement	ESG
<a href="https://www.cdp.net/en/investor/signatories-and-members">https://www.cdp.net/en/investor/signatories-and-members</a>	2004	Active	<ul style="list-style-type: none"> <li>. Signatory to the main disclosure request to 6000+ corporations</li> <li>. Lead investor for 10 corporations worldwide – Non-Disclosure Campaign</li> </ul>	

**Summary**

CDP is a not-for-profit global disclosure system through which thousands of companies, cities, states and regions measure, report, manage and share vital environmental information.

This data is currently shared with Investor signatories and members.

The insights offered by the data CDP collects on climate change, water, and deforestation risk management enable investors to make informed decisions about mitigating the risks of environmental issues whilst capitalizing on the opportunities that a responsible approach presents.

**Targeted Sectors:** All.

**Targeted Regions:** Global.

**Achievements**

In 2020 over 9,600 companies representing 50% of global market capitalization disclosed environmental data through CDP, responding to investor and/or supply chain disclosure requests.

One thousand twenty-five companies were targeted in the framework of the Non Disclosure Campaign.

The number of investors participating in the Non-Disclosure Campaign increased by nearly a fifth, resulting in more companies being directly targeted and more companies disclosing for the first time.

Companies targeted in the campaign were twice as likely to disclose as those that were not targeted. The new disclosures represent \$2.7 trillion in market capitalisation and over 670 MtCO<sub>2</sub> in Scope 1 and 2 emissions.

**Next Steps**

2021 CDP Non-Disclosure campaign.



**INVESTOR ALLIANCE  
FOR HUMAN RIGHTS**  
AN ICCR-LED INITIATIVE

## Corporate Accountability for Digital Rights

**Supported since**   **Status**   **Candriam Contribution involvement**   **ESG**

<a href="https://investorsforhumanrights.org/actions/campaigns/information-and-communication-technology-ict">https://investorsforhumanrights.org/actions/campaigns/information-and-communication-technology-ict</a>	2018	Active	<ul style="list-style-type: none"> <li>. Letters co-signer.</li> <li>. Co-Lead investor on one corporate</li> </ul>	
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### Summary

The investor statement of the Corporate Accountability for Digital Rights is an initiative of the Investor Alliance for Human Rights. It calls on internet, mobile, and telecommunications (ICT) companies to respect human rights and refers to the Ranking Digital Rights (RDR) Corporate Accountability Index as a tool to help them improve their governance systems.

The RDR evaluates 22 of the world's most powerful ICT companies on their disclosed commitments and policies affecting freedom of expression and privacy, such as massive data breaches and manipulation of social media platforms. Investors ask them to align their policies and practices with the RDR by conducting human rights due diligence, reporting on human rights and collaborating with investors.

By signing this statement, investors commit to raising awareness among the investor community as well as to promoting respect for digital rights in their dialogues with companies, for instance by pushing them to make public commitments to respect users' freedom of expression and right to privacy, and by disclosing their policies on the matter. Investors also commit to using and developing the RDR Index in their analysis.

**Targeted Sectors:** ICT companies.

**Targeted Regions:** Global.

### Achievements

The RDR Corporate Accountability Index evaluates the disclosed policies and practices of the world's most powerful digital platforms and telecommunications companies. These affect the freedom of expression and privacy of the users of these infrastructure services. The last RDR Index was released in May 2019.

RDR's recommended questions for investors to ask companies are discussed within the engagement working group, as well as relevant regulatory developments.

Indeed, most of the 20+ ranked companies improved scores in at least one area, and many made significant improvements in the past years. Yet companies still fell short under Privacy (not adequately informing users about all the ways user information is collected and shared), Expression (companies struggling to curb extremism, hate speech, and disinformation), Governance (most companies failing to anticipate and manage privacy and expression risks caused by their business models, and by the deployment of new technologies).

### Next Steps

Continuous support of engagement based on most recent data, considering the 2020 RDR Index will be released in March 2021.

## Climate Action 100+ (CA100+)

	Supported since	Status	Candriam Contribution involvement	ESG
<a href="http://www.climateaction100.org/">http://www.climateaction100.org/</a>	2017	Active	<ul style="list-style-type: none"> <li>. Active supporting investor for five corporates</li> <li>. Support brought to climate-resolutions and co-filing actions</li> <li>. Active Support brought to the side-engagement on Paris Aligned Accounting (Lead investor for 1 european company)</li> </ul>	 

## Summary

This collaborative engagement is a five-year initiative launched by the PRI in collaboration with several other networks – Asia Investor Group on Climate Change (Asia), Ceres Investor Network on Climate Risk and Sustainability (North America), Investor Group on Climate Change (Australia/New Zealand) and the Institutional Investor Group on Climate Change (Europe).

By engaging with more than 100 of the world's largest corporate Greenhouse Gas (GHG) emitters, the aim is to curb emissions, strengthen climate-related financial disclosures and improve governance on climate change risks.

The Climate Action 100+ founding signatories have agreed on a common agenda for discussion with companies. Investors supporting the initiative will request the boards and senior management of these companies to:

- Implement a strong governance framework that clearly articulates the board's accountability and oversight of climate change risks and opportunities;
- Take action to reduce GHG emissions across the value chain, consistent with the Paris Agreement's goal of limiting the global average temperature increase to well below 2 degrees Celsius above pre-industrial levels;
- Provide enhanced corporate disclosure in line with the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, when applicable, sector-specific Global Investor Coalition Investor Expectations on Climate Change. The objective is to enable investors to assess the robustness of companies' business plans against a range of climate scenarios, including the well-below 2-degrees Celsius scenario, and improve investment decision-making.

**Targeted Sectors:** All. Target companies are chosen based on their level of Scope 1/2/3 GHG emissions.

**Targeted Regions:** Global.

## Achievements

The 160 'focus companies' engaged through the initiative are collectively responsible for over two-thirds of global industrial GHG emissions and represent a combined market capitalisation in excess of \$8 trillion. As stated in its last progress report released in September 2020, significant progress has been seen across a range of industries, many of which are among the most challenging to decarbonise. Examples of focus companies making substantial net zero commitments include Repsol which became the first global O&G company assuming a 2050 net zero goal on Scope 1/2/3 emissions, AGL Energy setting out renewable energies investment plans while testing their resilience against a 1.5D climate pathway scenario, Cemex announcing net zero CO<sub>2</sub> concrete by 2050 or Unilever aiming to achieve net zero emissions from all its products by 2039.

In 2020, the initiative developed the Climate Action 100+ Net Zero Company Benchmark, which will be used to publicly benchmark focus companies. Nearly half (43%) of companies have set a net zero by 2050 target or ambition in some form. But there is still a long way to go for decarbonisation in line with a net zero emissions by 2050. While more than half of focus companies (51%) have set a short-term (to 2025) emissions reduction target, and just under half (38%) have set a medium-term target (2026 to 2035), these targets do not often cover both the companies' operational scope 1 and 2 emissions as well as the most material upstream and downstream scope 3 emissions.

Since 2019 we have joined a CA100+ side initiative focusing on alignment of accounting practices with Paris agreement, now targeting 30 of Europe's largest companies (and their respective audit committees), selected due to their exposure to decarbonisation risks, selected due to their exposure to decarbonisation risks. 'Paris-aligned' accounting term captures the significance of ensuring the financial implications of maintaining global temperature rises below 1.5D – as set out in Paris Agreement – are fully reflected in financial statements. Indeed, when accounts leave out material climate risks, too much capital may go towards activities that put both society and shareholder capital at risk. In that respect, consistency between companies' narrative disclosures around climate risks and their financial statements is key.

Several shareholder climate-resolutions were co-filed / supported at 2019/20 AGMs by CA100+ investors and this trend will increase in 2021 completed by Say on Climate votes voluntary proposed by companies' management.

### Next Steps

Engagement follow up, as well as potential actions at 2021 AGMs, including co-filing, official support for climate-related resolutions, or director sanction votes when climate strategies obviously lag those of peers in industries identified as particularly at risk.

Lobbying reform, Net zero goals or targets, Paris aligned accounting and TCFD implementation are identified as engagement priorities.

## Plastic Solutions Investor Alliance

	Supported since	Status	Candriam Contribution involvement	ESG
<a href="https://www.asyousow.org/our-work/waste/ocean-plastics">https://www.asyousow.org/our-work/waste/ocean-plastics</a> <a href="https://www.asyousow.org/initial-corporate-engagements">https://www.asyousow.org/initial-corporate-engagements</a>	2018	Active	<ul style="list-style-type: none"> <li>. Letter co-signer</li> <li>. Lead investor on two corporates</li> </ul>	  

### Summary

This initiative, launched in 2018 by As You Sow, calls for a reduced usage of plastics, improved collection and recycling channels, and the development of sustainable alternatives to plastic packaging.

Plastic remains essential to our society and, in some cases, irreplaceable. However the unprecedented growth in the production and use of plastics, especially for single-use packaging, has led to excesses. Plastic production accounts for 20% of oil consumption. Plastic pollution is now a threat not only to biodiversity, with hundreds of species endangered, but also to our health. For businesses, and especially consumer brands, it is fast becoming a reputational and regulatory risk that should compel them to rethink product packaging, with impacts at supply, production and consumer-relationship levels.

**Targeted Sectors:** Consumer segment - food and beverages / food retail.

**Targeted Regions:** Global.

### Achievements

Continued engagement with ten food and beverages companies, to which we added three European food retailers.

In some cases, As You Sow decided to co-file shareholder resolutions, which we supported with our proxy votes.

In 2019 and 2020, target companies Unilever, Starbucks, PepsiCo or Mondelez International made strong commitments on reduction of virgin plastic use.

### Next Steps

Continuous support of engagement.

## PRI supported engagement on responsible sourcing of cobalt

	Supported since	Status	Candriam Contribution involvement	ESG
<a href="https://collaborate.unpri.org/group/1401/stream">https://collaborate.unpri.org/group/1401/stream</a>	2019	Active (to be completed in 2020)	<ul style="list-style-type: none"> <li>. Letter co-signer</li> <li>. Lead investor on one corporate</li> </ul>	 

### Summary

This initiative follows a series of systemic human rights violations in cobalt supply chains originating in the mines of the Democratic Republic of Congo (DRC). These violations have become a risk for companies that rely on cobalt for their products, in terms of regulation, reputation, consumer expectations and the potential negative impact on operations.

In line with the OECD Due Diligence Guidance, the initiative has the following objectives:

- Identify and assess existing corporate practices;
- Encourage enhanced communications and reporting;
- Support improved performance and impact on the part of target companies.

The engagement dialogues will seek to improve company performances and impact in several key areas, including:

- Human rights risk assessment and comprehensive due diligence efforts;
- Impact monitoring and corrective action.

**Targeted Sectors:** Technologies, Automobile.

**Targeted Regions:** Global.

### Achievements

Engagement follow up.

Organization of the second Investor Roundtable on Responsible Cobalt Supply Chains in September 2020 which shared updates from civil society and multi stakeholder initiatives on the challenges to due diligence implementation and recent impacts of Covid-19 on cobalt sourcing.

### Next Steps

Continuous support of engagement and release of the final outcomes report.

Sustainable Protein	Supported since	Status	Candriam Contribution involvement	ESG
<a href="http://www.fairr.org/investor-engagements/sustainable-protein-supply-chains/">http://www.fairr.org/investor-engagements/sustainable-protein-supply-chains/</a>	2017	Active	<ul style="list-style-type: none"> <li>. Letter co-signer</li> <li>. Co-lead investor on two corporates</li> </ul>	 

## Summary

The livestock sector accounts for more than 14% of global GHG emissions. The demand for animal-based products needs to reduce radically if the world is to stand a chance of keeping to the temperature-change targets set by the Paris Climate Conference in 2015. In this respect, large-scale food retailers and multinational food companies are central to the modern food system and well positioned to encourage a shift towards more sustainable diets.

The call for sustainable protein supply chains is not a demand for ruling out animal products entirely but rather a call for diversification of the protein range on offer or a call to move away from the dominant position of meat and dairy in our menus in order to de-risk supply chains and leverage innovation for growth.

Coordinated by FAIRR, this collaborative engagement is focused on encouraging corporates to publicly report on how a company integrates protein diversification into risk reduction, business growth planning, product development and investment decisions.

**Targeted Sectors:** Food & Beverages, Food & Staples Retailing.

**Targeted Regions:** Global.

## Achievements

Release in July 2020 of FAIRR’s new report, [Appetite for disruption: A Second serving confirms the sustainable protein boom](#). Protein diversification is driving business growth and positive climate impacts. Plant-based Milk alternatives have quickly grabbed market share and account for 12% of the total global dairy market. While meat alternatives still represent a small slice of total meat sales, they enjoy nearly 25% growth in annual sales. In the meantime, traditional brands are being disrupted by their plant-based counterparts, and the battle over labelling has intensified.

More than 80% of the 25 global retailers and manufacturers the investor group engaged with not only recognize the environmental impacts of animal agriculture supply chains, but are now able to provide meaningful responses over protein diversification, and related supply chain assessments or scenario analysis.

Launch of 2021 engagement campaign.

## Next Steps

Continuous support for the 2021 engagement campaign.

As engagement letters were sent in January 2021, dialogues with the companies are expected to take place between April and May. A progress report will be published in the Summer.

## Workforce Disclosure Initiative (WDI)

	Supported since	Status	Candriam Contribution involvement	ESG
<a href="https://shareaction.org/wdi/">https://shareaction.org/wdi/</a>	2017	Active	<ul style="list-style-type: none"> <li>Letter co-signer</li> <li>Co-lead investor for four corporates</li> </ul>	 

### Summary

This initiative, coordinated by ShareAction, brings institutional investors together to secure comparable workforce reporting from listed companies on an annual basis. The data requested covers employees both across global operations, and workers in their supply chains.

The WDI involves an annual investor-led survey of multinational companies. As of the end of 2019, over 135 institutional investors, from 15 countries, supported the WDI.

Its ultimate goal is to improve the quality of jobs in multinational companies, and within the companies in their supply chains.

**Targeted Sectors:** All.

**Targeted Regions:** Global.

### Achievements

Responses were received from 140 companies in 2020, up from 118 in 2019, and 34 in the pilot year of 2017.

The most commonly-encountered problem mentioned by companies which answered the survey was the difficulty in collecting appropriate and accurate data on the wide range of themes covered by the WDI survey. Among companies who did not provide information, the main barriers cited were the lack of resources to take part, and/or the belief they already publish sufficient information.

In June 2019, the first WDI conference convened 150 of the largest global asset managers, companies and NGOs to hold candid conversations about workplace issues, human rights due diligence processes, and the opportunities and costs surrounding sustainable supply chain policies.

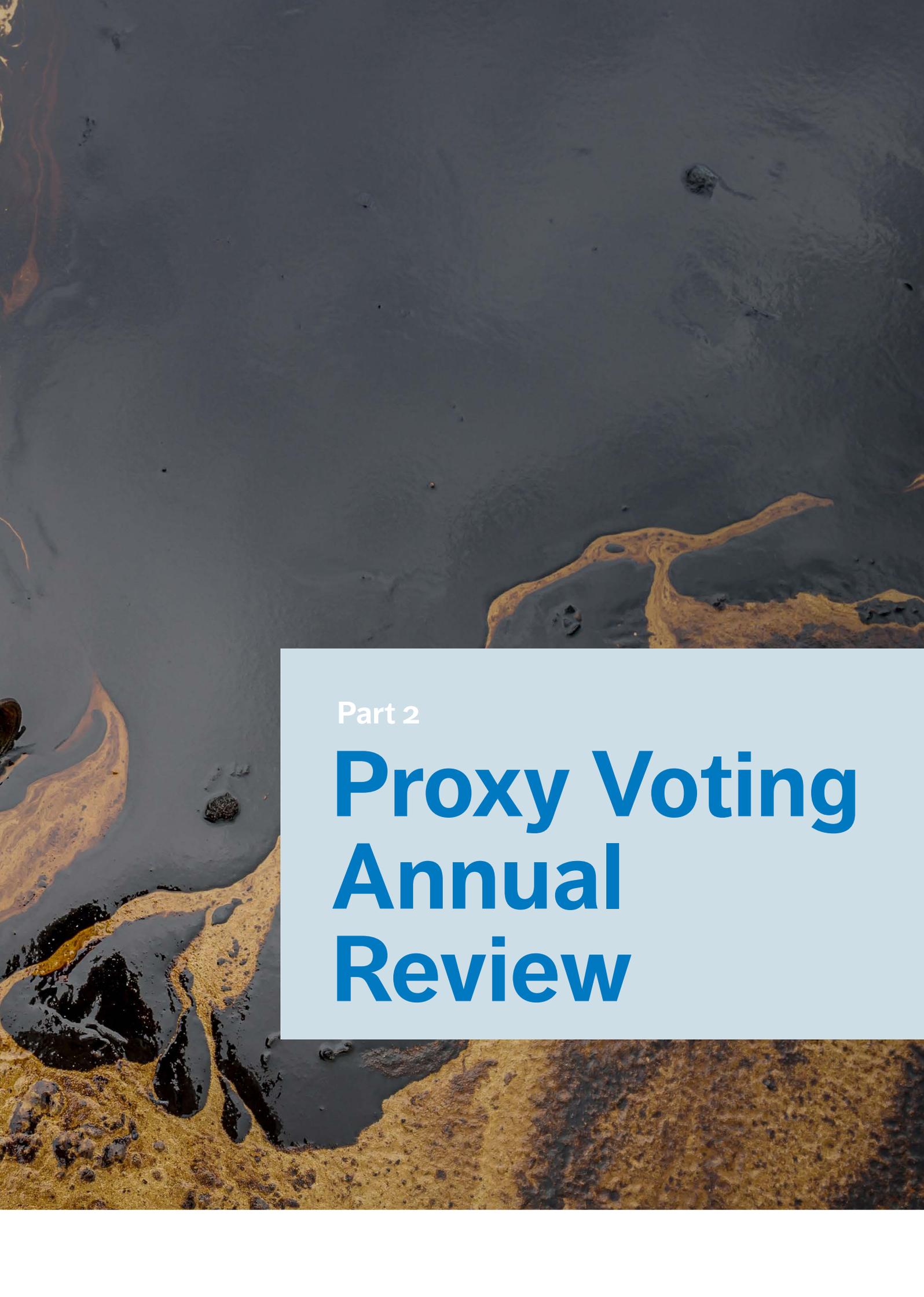
The initiative now organises topics calling for participating investors, aiming at sharing views on specific labour-related concerns or KPIs. Candriam took part in the January 2021 initiative on Diversity & Inclusion, following the publication of our paper on Ethnic Diversity.<sup>11</sup>

### Next Steps

Continuous support of WDI engagement campaign.

<sup>11</sup> Paper available under [https://www.candriam.com/48fec3/siteassets/medias/publications/brochure/research-papers/ethnic-diversity/2021\\_01\\_diversity\\_en\\_web.pdf](https://www.candriam.com/48fec3/siteassets/medias/publications/brochure/research-papers/ethnic-diversity/2021_01_diversity_en_web.pdf)



An aerial photograph of a river delta, showing intricate patterns of water and sediment in shades of brown, tan, and black. A semi-transparent light blue rectangular box is positioned in the lower right quadrant of the image, containing text.

Part 2

# Proxy Voting Annual Review

# Voting year at a glance

*With all that made 2020 a year of exceptions, some things remained the same: At Candriam, we believe that voting is integral to our stewardship of client investments. Voting is inseparable from Engagement, inseparable from investment analysis, and inseparable from responsibility. Not just the fact of voting, but the determination of what is important for the shareholders and stakeholders to whom we owe a duty.*

## Climate and Corporate Governance Retain their Importance

While the Covid-19 pandemic was the primary influence shaping the 2020 voting season, trends established in previous years, including Environmental, Social, and Governance factors, transcended the storm. Climate-related shareholder resolutions continued to grow in number, in line with the longer-term trend. Shareholders also continued to propose resolutions on an array of corporate governance topics.

## The Extraordinary Year of 2020

The pandemic gripped global markets right at the outset of the voting and shareholder meeting season. Around the world, there were significant delays and cancellations of Annual General Meetings (AGMs), audit delays in Asia and a record number of non-standard audit opinions for Chinese issuers, and meeting postponements in Japan. Around the world, Virtual Shareholder Meetings reached an all-time high. Despite the rapid changeover in technology, a large

number of meetings around the world were nevertheless cancelled or postponed.

To demonstrate the difficulties, a group of US investors wrote to the US Securities and Exchange Commission requesting the establishment of protocols for active participation of shareholders voting at Virtual Shareholder Meetings. More detail on the extraordinary landscape of voting in 2020 is available in our note, [Lessons from the 2020 Voting Season](#)

Prior to the pandemic, we had expected that the 2020 topics would be dominated by second European Shareholder Rights Directive (SRD II). This year, 2020, was the final year for EU member countries to incorporate this overhaul of European corporate governance into their national laws. Its share of public attention was stolen by the vast changes in direction for dividend distributions, share repurchases, and remuneration required by the sudden need for corporations to preserve capital. The second-most-impacted topic in Europe was 'say-on-pay', given the number of companies which announced cuts in remuneration, in some instances to enable application for state aid.

North America continues to be a more active region for Environmental and Social proposals. Political and lobbying spending authorizations in the US, mandatory arbitration for discrimination and harassment, equal pay and representation all grew in frequency.

## Looking Ahead

The cuts in executive compensation were generally welcome, but open questions for the future. Say-on-pay is supposed to offer shareholders more influence on remuneration in two ways – forward-looking, by voting on policy, and backwards-looking, by reporting on compensation. Prior to 2020, we had noticed simultaneous

trends in Europe of investors paying close attention to management remuneration, and some European companies adapting their remuneration policies to conform with investor expectations. The events of 2020 will mean that in 2021 and beyond, companies may be challenged to retain distinguished managers, long-term incentive plans may be altered, and investors will have to pay close attention to the details and individual circumstances of these reconfigurations.

We can say with confidence that the investment community continues to take ESG-related issues more seriously. We expect that the focus on climate change and on diversity issues will be more evenly spread across global regions moving ahead.

We have taken a major step in renewing and updating our voting policy, aiming to further strengthen our stewardship. Having established in-house voting principles committees for almost two decades, we consider this an extension of our long-term commitment to careful consideration of our vote and our stewardship. We invite you to take a look at what we are doing. The details and explanations of how we make decisions are provided in our ['Voting Policy'](#).

# The year in figures

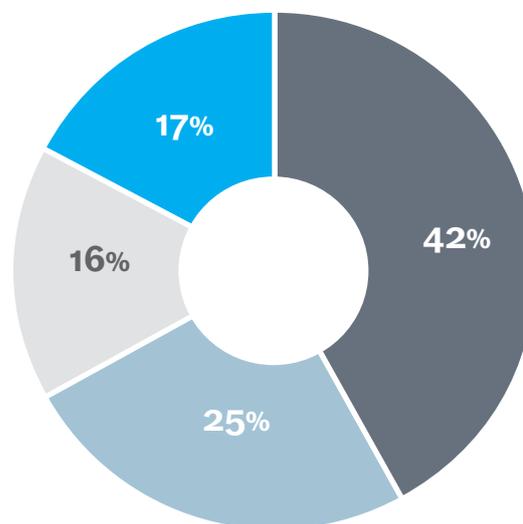
During 2020, Candriam participated in 1180 ordinary and extraordinary general meetings and voted on 15889 resolutions for our open-end equity funds. Candriam approved 85% of the resolutions proposed by management. The rights and equal treatment of shareholders, the accuracy of financial information, the accountability and independence of the board are the cornerstones of Candriam's [Voting Policy](#).

Candriam's proxy voting policy applies to the open-ended funds which are managed by an entity of the group Candriam. This policy also applies to dedicated funds and mandates if the underlying client has given his agreement to the application of such policy.

Focusing on Candriam Equity open-ended funds, during 2020, we added few to our voting scope. These are identified via an \* in the table below :

Candriam Equities L Asia *
Candriam Equities L Australia *
Candriam Equities L Biotechnology *
Candriam Equities L Emerging Markets *
Candriam Equities L EMU
Candriam Equities L Europe Conviction
Candriam Equities L Europe Innovation
Candriam Equities L Europe Optimum Quality
Candriam Equities L Europe Small & Mid Caps *
Candriam Equities L Global Demography
Candriam Equities L Japan *
Candriam Equities L Oncology Impact *
Candriam Equities L Robotics & Innovative Technology *
Candriam Fund Sustainable European Equities Fossil Free
Candriam Quant Equities Europe *
Candriam Quant Equities Multi-Factor EMU *
Candriam Quant Equities Multi-Factor Global *
Candriam Quant Equities USA *
Candriam Sustainable Equity Circular Economy *

## Geographical split of meetings



- Europe
- North America
- Asia
- Rest of the World

Candriam Sustainable Equity Climate Action
Candriam Sustainable Equity Emerging Markets
Candriam Sustainable Equity EMU
Candriam Sustainable Equity Europe
Candriam Sustainable Equity North America
Candriam Sustainable Equity Pacific
Candriam Sustainable Equity World
Candriam Sustainable Europe
Candriam Sustainable North America
Candriam Sustainable Pacific
Candriam Sustainable World
Cleome Index EMU Equities *
Cleome Index Europe Equities *
Cleome Index Global Equities *
Cleome Index USA Equities *
Cleome Index World Equities *
IndexIQ Factors Sustainable EMU Equity
IndexIQ Factors Sustainable Europe Equity
IndexIQ Factors Sustainable Japan Equity

By the end of 2020, the AUM of Candriam's Equity voting open funds represented more than 98% of the AuM of all of Candriam's Equity open funds.

If we consider only the open funds which were voting during the full year (connected to our voting system from 1 January 2020 on), we voted for more than 96% of the meetings we could have voted for in 2020.

Non-voted meetings resulted from :

- 1) delays in reception of power of attorney,
  - 2) a change in custodian which occurred during the year.
- (for more information on our voting process, please refer to our [voting policy](#).)

Detail of our votes is publicly available under <https://www.candriam.com/en/professional/market-insights/sri-publications/>.

No conflict of interest situations were encountered during the year.

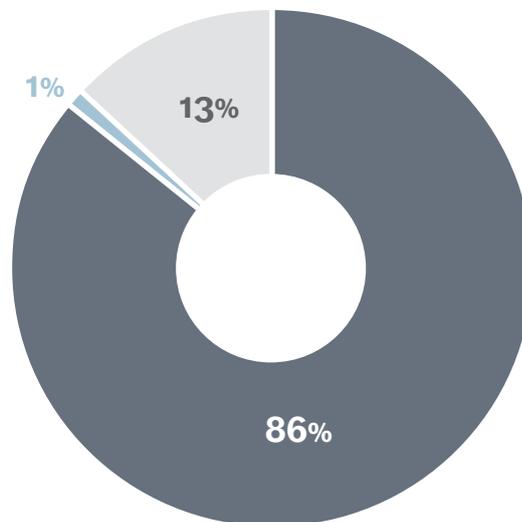
CANDRIAM uses the service provider ISS through exercising its voting rights, as detailed in CANDRIAM's voting rights policy.

Any confirmed breach of our voting principles is communicated in funds' annual reports when relevant. This year, non-voted Meetings were the sole reported breaches.

## Management resolutions

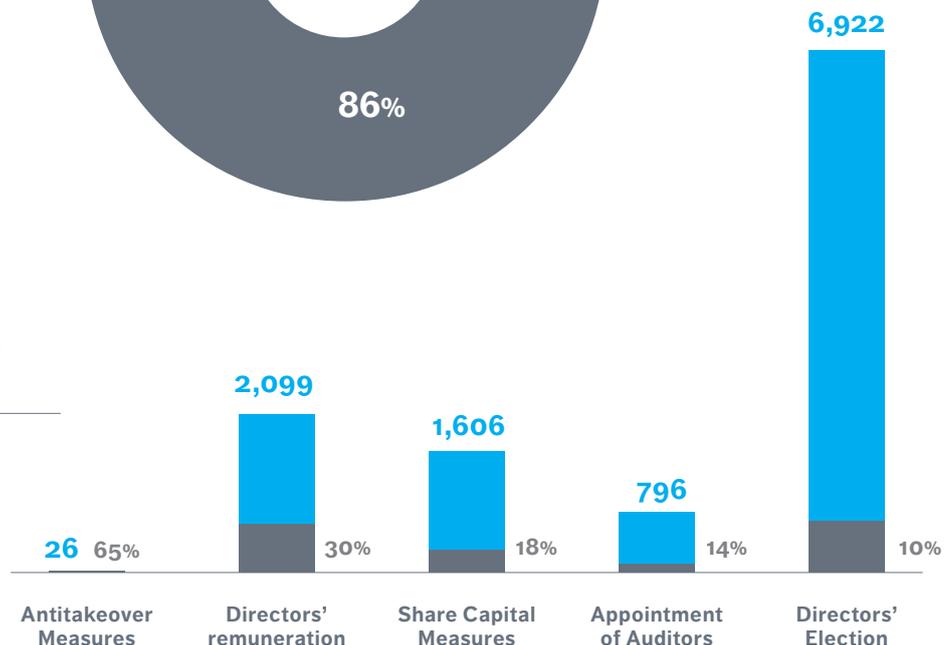
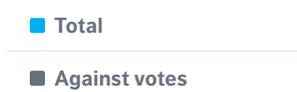
### Overall Approval Rate

(Management resolutions only)



### Main areas of concern

(Management resolutions only)



# Statistics: Our votes by topic

## Management resolutions

For company-specific and resolution-specific detail, please see [our website](#).

### Election of Directors

	#	%
Resolutions on director elections	6,922	100%
Votes For	6,104	88%
Votes Against	680	10%
Abstentions	138	2%

### Appointment of Auditors

	#	%
Appointment of Auditors	796	100%
Votes For	675	85%
Votes Against	113	14%
Abstentions	8	1%

### Remuneration of Management and Directors

	#	%
Resolutions on director remuneration	2,099	100%
Votes For	1,420	68%
Votes Against	636	30%
Abstentions	43	2%

### Share capital

	#	%
Resolutions on share capital	1,606	100%
Votes For	1,309	82%
Votes Against	297	18%
Abstentions	0	0%

### Antitakeover Measures

	#	%
Antitakeover Measures	26	100%
Votes For	9	35%
Votes Against	17	65%
Abstentions	0	0%

Dilution, requests for permission lasting for more than two years, or capital raising during a takeover are the main reasons for Candrium to oppose share capital resolutions.

Here we take into account resolutions related to Poison pills, Modification in Share ownership disclosure, Issuance or repurchase of shares in the event of a public tender, elimination / restriction of right to act by written consent

## Shareholder resolutions

Proportion of resolutions by topic:	#	%
Grand total	487	100%
Governance	345	71%
Social	93	19%
Environment	49	10%

### Governance resolutions

	#	%
Governance resolutions	345	100%
Votes For	183	53%
Votes Against	159	46%
Abstentions	3	1%

### Environmental resolutions

	Climate related		Climate NOT related		Total	
	#	%	#	%	#	%
Total Environment resolutions	30	100%	19	100%	49	100%
Votes For	22	73%	8	42%	30	61%
Votes Against	8	27%	11	58%	19	39%
Abstentions	0	0%	0	0%	0	0%

## Social resolutions

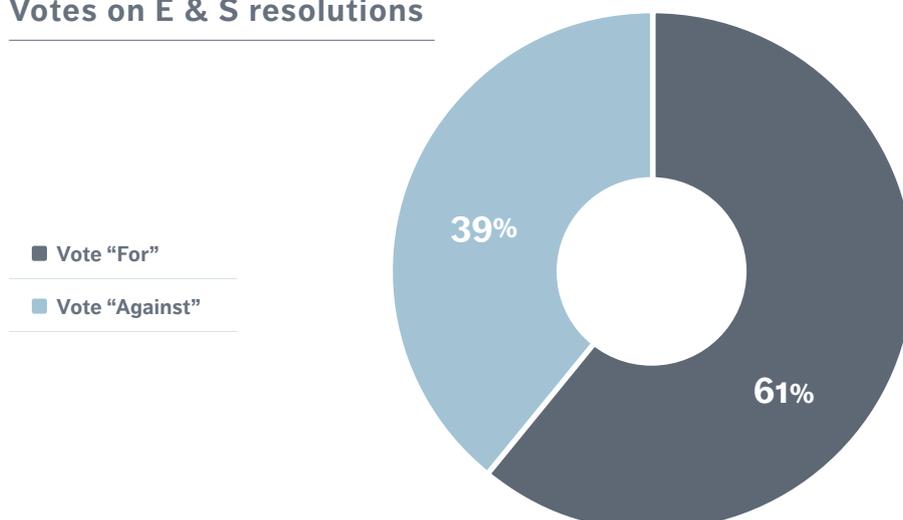
	Diversity related		Human rights related		Total	
	#	%	#	%	#	%
<b>Total Social resolutions</b>	23	100%	15	100%	93	100%
<b>Votes For</b>	6 <sup>10</sup>	26%	11	73%	56	60%
<b>Votes Against</b>	17	74%	4	27%	37	40%
<b>Abstentions</b>	0	0%	0	0%	0	0%

<sup>10</sup> In 2020 we were not able to support some resolutions asking for disclosure of ethnic-based pay gap, as they were not mentioning how the company should handle in countries of operation where gathering such data is forbidden by law. Just after the Voting season, we entered into discussions with the cofiler who brought majority of these resolutions at the agenda, to discuss amendments to the text of the resolutions so that we can support them during the next season.

## Sub-total: Votes on Environmental plus Social resolutions

	Environmental	Social	Total	
	#	#	#	%
<b>Total E &amp; S resolutions</b>	49	93	142	100%
<b>Votes For</b>	30	56	86	61%
<b>Votes Against</b>	19	37	56	39%
<b>Abstentions</b>	0	0	0	0%

## Votes on E & S resolutions



# In 2020, Candriam co-filed 2 Resolutions

AGM	Topic	Outcomes
Enel	Nomination Slate notably enabling addition of expertise in renewable energies to the Board, in the perspective of the implementation of company's energy transition strategy.	Supported by 51% of voting shareholders
Total SA	Climate Resolution for integration of 1.5D / 2D scenarios into its short, medium and long-term global strategy.	Supported by 16.9% of voting shareholders



# Votes on more Sensitive Resolutions

As specified in our policy, the Candriam voting team may identify ahead or during the voting period, meetings or resolutions that appear more sensitive than others and where Candriam wants to ensure it will exercise its voting rights with the maximum possible leverage.

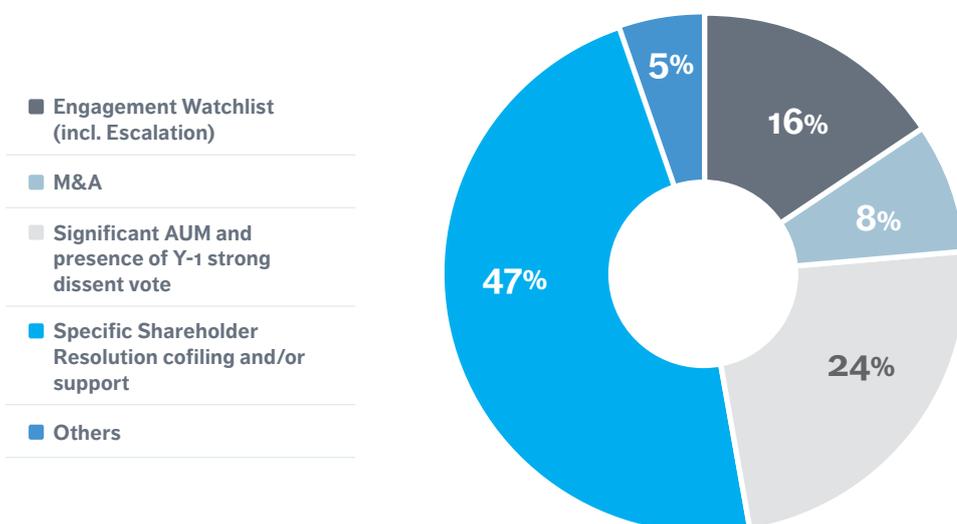
In 2020, 39 meetings were identified as more sensitive because of the context of the meeting itself or because of specific items at the agenda. For one of these meetings

Candriam was unable to vote due to a change in custodian which prevented the smooth running of the standard voting procedure.

As a result, the statistics focus on voted highly sensitive meetings only. On average, for these meetings and focusing on voting portfolios involved, we exercised more than 80% of our voting rights (average of the voted shares vs votable shares ratio calculated for the 38 target meetings).

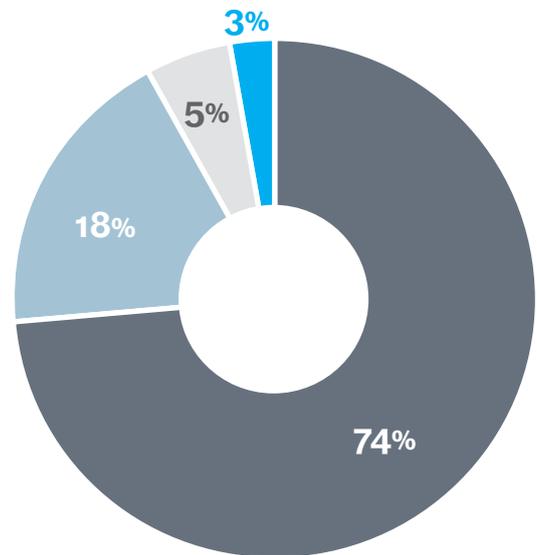
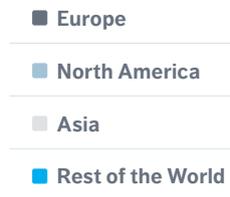
## Trigger for Classification as Highly Sensitive Meetings

	#
Engagement Watchlist (incl. Escalation)	6
M&A	3
Significant AUM and presence of Y-1 strong dissent vote	9
Specific Shareholder Resolution cofiling and/or support	18
Others	2



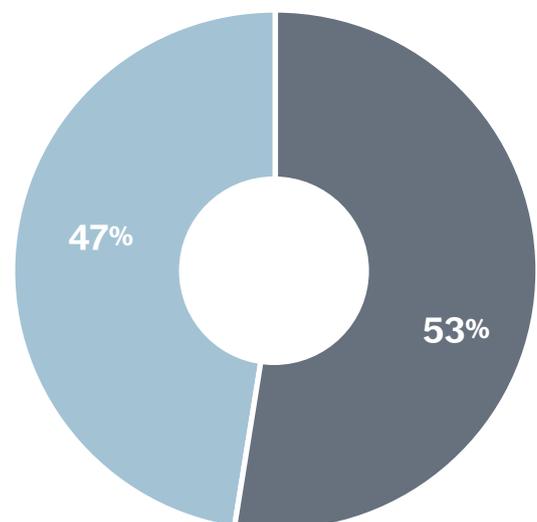
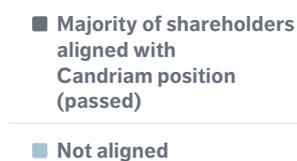
## Meetings' Geographic Breakdown

	#
Europe	28
North America	7
AsiaPacific	2
Rest of the World	1



## Alignment of Candriam's position (on sensitive items) vs rest of voting shareholders

	#
Majority of shareholders aligned with Candriam position (passed)	20
Not aligned	18



# Promoting Sustainable Development

## Industry Associations & Responsible Investment Working Groups

	Name of Association	Joined in
<b>SRI Working Groups within:</b>	<a href="#">BEAMA</a> - Belgian Asset Managers Association	2004
	<a href="#">AFG</a> - Association Française de la Gestion financière	2003
	<a href="#">EFAMA</a> - European Fund And Asset Management Association	2010
<b>Several Social Investment Forums, such as:</b>	<a href="#">Eurosif</a> - European Sustainable Investment Forum	2003
	<a href="#">VBDO</a> - Dutch Sustainable Investment Forum	2007
	Forum Nachhaltige Geldanlagen (Germany, Switzerland & Austria )	2010
	<a href="#">Swiss Sustainable Finance</a> (Switzerland)	2014
	<a href="#">Forum pour la Finance Responsable</a> (French SIF FIR)	2014
	<a href="#">Forum per la Finanza Sostenibile</a> (Italy)	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="#">ABIS</a> - The Academy of Business in Society	2005
	<a href="#">IIGCC</a> - The Institutional Investors Group on Climate Change	2020
	Investor Alliance for Human Rights (ICCR Initiative) <a href="https://investorsforhumanrights.org/">https://investorsforhumanrights.org/</a>	2021

## 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 2020 CSR report.



# Alphabet Soup

## Some of the Frequently-Used Abbreviations in our document

<b>Candriam</b>	Conviction and Responsibility in Asset Management Our name, our philosophy -- chosen by our employees
<b>CA 100+</b>	Climate Action 100+, a global investor initiative to drive action on corporate GHG emissions
<b>CDP</b>	CDP-Climate, Carbon Disclosure Project
<b>ESG</b>	Environmental, Social, and Governance
<b>GHG</b>	Greenhouse Gases, primarily CO2 Carbon Dioxide, also others such as CH4 Methane and N2O Nitrous Oxide
<b>IIGCC</b>	The Institutional Investors Group on Climate Change
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>NGO</b>	Non-Governmental Organization
<b>PRI</b>	UN PRI, United Nations Principles for Responsible Investing
<b>SASB</b>	Sustainable Accounting Standards Board
<b>SEC</b>	US Securities and Exchange Commission
<b>ShareAction</b>	Collective investor group begun as a charity ranking responsible investing by UK pensions
<b>SRD II</b>	EU Shareholder Rights Directive II
<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures
<b>UNEP FI</b>	United Nations Environment Programme Finance Initiative
<b>TPI</b>	Transition Pathway Initiative of the UN PRI
<b>UN SDG</b>	United Nations Sustainable Development Goals

You can find all our ESG related contents on  
<https://www.candriam.com/en/professional/market-insights/sri-publications>



**€140 B**

AUM as of  
31 December 2020



**570+**

Experienced and  
committed  
professionals



**25 years**

Leading the way in  
sustainable investing