



Annual Report on Dialogue and Voting 2022

Engagement actions

April 2023



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Responsible investment model

- 1 Introduction and summary of the engagement policy



1 Introduction and summary of the engagement policy

Since its very beginning, CaixaBank AM SGIC, SAU (hereinafter, “CaixaBank AM” or the “Management Company”) has shown a strong commitment to progressing towards a sustainable economy, where long-term profitability is combined with social justice and protection of the environment.

The analysis of an investment does not only address the purely financial aspects, but also all the risks and opportunities, including environmental, social and governance criteria (ESG criteria). These two dimensions are complementary, as companies or issuers with solid governance and sustainability policies are the most inclined to act in the best interest of all stakeholders and they are better positioned to manage not only financial risks by also non-financial ones.

For this reason, the Management Company has developed its own engagement policy, available on its website, which is fully in line with this focus. It sets out the general principles, criteria and procedures for the portfolios and CII (collective investment institutions) managed by CaixaBank AM, in compliance with the requirements set out in the current regulations.

We are committed to a sustainable economy that combines profitability with social justice and protection of the environment





1 Introduction and summary of the engagement policy

The engagement policy is framed within the socially responsible investment (“SRI”) model at CaixaBank AM and based on three fundamental cornerstones:

Inclusion of ESG aspects into the investment analysis process and decision making, alongside traditional criteria.

The Management Company’s long term engagement with the companies it invests in, with a greater participation in corporate governance decisions (active vote or proxy voting).

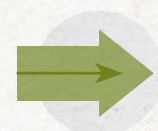
Open dialogue with the public or private companies and issuers on material or controversial matters relating to ESG.

The aim pursued by CaixaBank AM with this policy is to achieve **greater engagement with the issuers in the long term**:

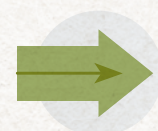
- Promoting constructive dialogue actions in relation to relevant ESG aspects, in order to contribute towards **promoting better policies and practices**.
- Greater participation in corporate governance decisions, permitting an **improvement to financial and non-financial performance**.

To show our commitment, and in the interest of greater transparency, we have drafted this CaixaBank AM annual dialogue and voting report.

In it, we publish and develop our strategy and key metrics for our engagement activities in 2022. In particular:



Regarding the exercise of voting rights in the listed companies, the way the votes were cast at general shareholders’ meetings, showing any cases whose relevance may be noteworthy.



Individual dialogue actions, developed by the CaixaBank AM team, or other specialist external teams, as well as collaborative dialogue actions with other parties involved.



Long-term sustainability and engagement

- 2.1 CaixaBank AM major milestones
- 2.2 Global Compact
- 2.3 Responsible Investment Principles
- 2.4 Main accessions and commitments



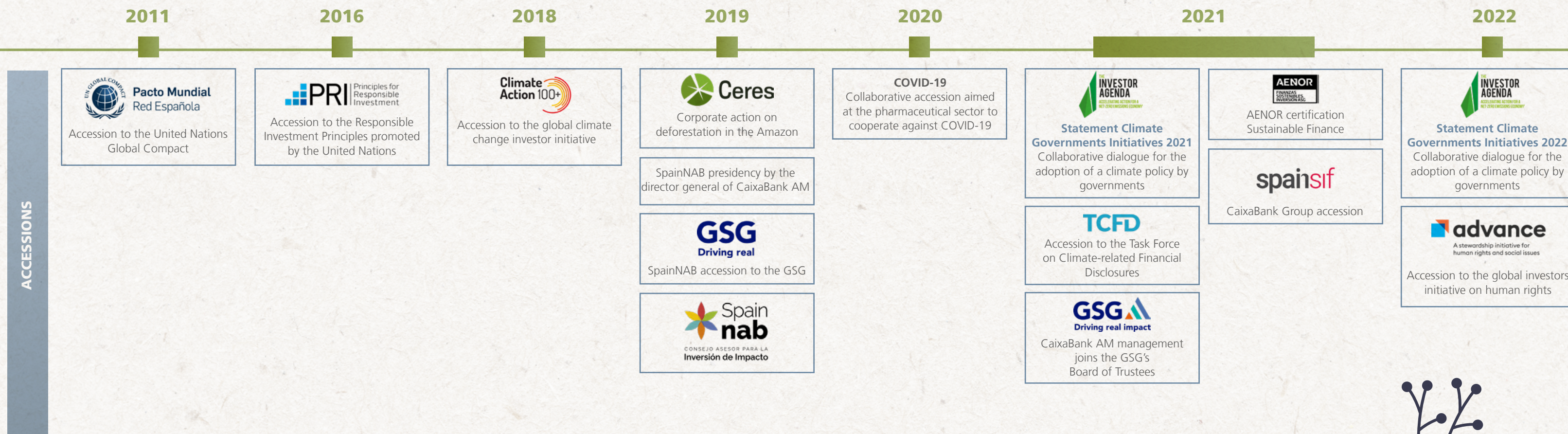
2. Long-term sustainability and engagement

2.1 CaixaBank AM major milestones

CaixaBank AM is the management company for CaixaBank Group collective investment institutions. The company, incorporated in 1985, operates in Spain, Portugal and Luxembourg and offers investment solutions with the main aim of covering its customers' needs.

As a result of its commitment to a more sustainable economy, throughout the past few years the Management Company has taken part in various initiatives, partnerships and collaborations with benchmark organisations, with the ultimate aim of driving the change needed and progress along the way to becoming a sustainable manager. This progress has required numerous efforts to be made.

These participations also influence the way that CaixaBank AM is involved in and develops its engagement policy, for which reason the details are included in this document.



2.2 Global Compact

In 2011, CaixaBank AM formalised its accession to the United Nations [Global Compact](#) as a demonstration of its commitment to sustainability, and undertook to support and apply the ten principles of human and labour rights, the environment and the fight against corruption as far as possible.

The ten principles:

Human rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed fundamental human rights, within their scope of influence.

Principle 2

Businesses should ensure that they are not complicit in human rights abuses.



Labour standards

Principle 3

Businesses should uphold freedom of association and effective recognition of the right to collective bargaining.

Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5

Businesses should uphold the effective abolition of child labour.

Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.



2.2 Global Compact

Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges.

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.



Anti-corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.



2.3 Responsible Investment Principles

Subsequently, in 2016, CaixaBank AM strengthened its commitment with its accession to the Principles for Responsible Investment ("PRI"), an initiative promoted by the United Nations, aimed at the investment community.

The six Principles for Responsible Investment are as follows:

Principle 1

Entities signing up to the principles accept **incorporation of ESG matters** (environmental, social and corporate governance) into investment analysis and decision making processes.

Principle 2

Entities commit to being active **owners and incorporate ESG issues into their engagement policies.**

Principle 3

Investors will require the entities they invest in to **publish the appropriate information about ESG matters.**

Principle 4

Investors undertake to **promote acceptance and implementation of the PRI within the investment industry.**

Principle 5

The entities undertake to **work together** to enhance effectiveness in implementing the principles.

Principle 6

The entities commit to **reporting on the progress made in implementing the principles.**



2.4 Main commitments and accessions

Throughout these years CaixaBank AM has also fostered various partnerships with benchmark organisations, amongst which SpainNIB and Spainsif and GSG are noteworthy.

<p>Climate Action 100+</p>	<p>Spain nab CONSEJO ASESOR PARA LA Inversión de Impacto</p>	<p>Pacto Mundial Red Española</p> <p>Global Compact. Signatory Partner</p>	<p>PRI Principles for Responsible Investment</p> <p>Principles for Responsible Investment (PRI). Signatory</p>
<p>TCFD</p> <p>Task Force on Climate-related Financial Disclosures (TCFD), a work group that encourages businesses to report the risks relating to climate change to their investors, and the way they manage them.</p>	<p>GSG Driving real impact</p> <p>GSG / SpainNAB</p>	<p>AENOR FINANZAS SOSTENIBLES INVERSION ASG</p> <p>AENOR Sustainable Finance Certification</p>	<p>COMILLAS UNIVERSIDAD PONTIFICIA ICADE</p> <p>CaixaBank AM ICADE and FundsPeople Sustainable Finance Observatory</p>
<p>advance</p> <p>A stewardship initiative for human rights and social issues</p>	<p>spainsif</p> <p>CaixaBank Group accession</p>		

Finally, it is worth pointing out that CaixaBank AM has become the first entity in Spain to receive Sustainable Finance Certification under AENOR's ESG (environmental, social and corporate governance) criteria. This new certification endorses the Management Company's work and efforts on integrating these criteria into investment decision making processes and how these processes have given CaixaBank AM the improvement leverage needed to control and monitor its management in this area. The first follow-up audit was successfully passed in 2022.

CaixaBank AM became the first entity to receive Sustainable Finance Certification under AENOR's ESG criteria



Engagement strategy

- 3.1 Global engagement strategy
- 3.2 Channels for opening dialogue
- 3.3 Dialogue process



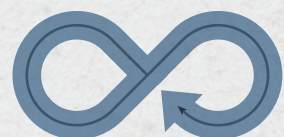
3.1 Global engagement strategy

CaixaBank Group (hereinafter, "the Group") bases its management on **responsible action and economic efficiency**, with a focus on sustainable socio-economic development of people and the territory.

This sustainable focus translates into three great ambitions:



Driving the sustainable transition of businesses and society



Leading positive social impact and fostering financial inclusion



Promoting a responsible culture, being pacesetters in governance

CaixaBank AM, in line with CaixaBank Group's mission and values, takes socially responsible investment criteria into account when managing its products, in accordance with the Principles of Responsible Investment driven by the United Nations (PRI), which the company has been signed up to since 2016.

Therefore, it considers that the transition towards a more sustainable economy can be achieved by investment decisions along with long-term involvement with the companies it invests in, with greater participation in corporate governance decisions by actively voting in general shareholders' meeting and holding regular, open dialogue actions with the public and private companies and issuers on material or controversial matters relating to ESG factors. Although the entity has exclusion and restriction policies, these are not the basis for its responsible investment model, and **it considers driving change towards better practices to be a priority** with constructive dialogue with the issuers and active voting policies, as this can have a positive effect on the companies' long term results and **contribute to greater economic, social and environmentally-sustainable progress.**

As a general rule, voting rights are exercised in all the general shareholders' meetings for the listed securities that make up the portfolios. The way the vote goes includes sustainability criteria, based on the assessment of medium- and long-term performance of the companies it invests in, including environmental, social and good governance matters. It backs proposals for resolutions fostering greater transparency and better performance by the business with respect to sustainability. Dialogue processes are initiated in cases where a need for involvement is identified, with the aim of achieving a change in the companies' behaviour in certain important environmental, social and corporate governance (ESG) matters as a result of our follow-up using our sources of information, reports on our analysis, our contact with the company and other analyses.

Corporate policy for conflict of interest management is applied to our entire engagement strategy to protect and guarantee the interests of investors/stakeholders in all cases.

We exercise the right to vote based on assessment of the companies' performance, taking environmental, social and corporate governance matters into account



3.2 Channels for opening dialogue

Direct dialogue with issuers

In this case, **direct dialogue actions are set up with the issuers, via the Management Company's own teams, or via an independent specialist** in ESG on its behalf.

1 **Direct dialogue with businesses or organisations** will be effective if it includes the following main elements:

- Clear definition of the aims and priorities of the dialogue and material matters for the dialogue.
- Setting objective deadlines for dialogue and speakers.
- Assessment of the dialogue results and following up during the period of time that is considered appropriate.
- Sharing the results with the investment teams so that they are included into their investment process according to the strategy for integrating ESG criteria.
- Definition, whenever necessary, of a scaled strategy.

2 In the case of **third party managers' funds** a due diligence procedure is carried out on the external managers in relation to their sustainability policies, resources and ESG commitments. Amongst other aspects, the analysis assesses the integration of ESG factors into their decision making processes and policies on voting and dialogue with issuers. In addition, systematic follow-up of the exposure of external managers' CII to CaixaBank AM's exclusion criteria. Dialogues are held with the aim of them integrating ESG aspects properly into their investments and maintaining engagement in the companies they invest in according to best market practices.

3 Where **an independent third party acts on our behalf**, prior analysis is carried out and the proposed criteria, aims and processes are assessed, and a detailed follow-up of these outsourced actions is done. In addition, it is ensured that the aim and tone of outsourced dialogue actions are in line with CaixaBank AM's engagement policy.

CaixaBank AM currently has an advisory service from Institutional Shareholder Services Europe, S.A. (ISS) who it instructs to commence such actions.

The engagement policy describes the general principles, criteria and procedures relating to engagement by CaixaBank AM, in its capacity as collective investment institutions' manager. [\(link\)](#)

Collaborative dialogue

In this case, the Management Company joins an initiative or work group and carries out dialogues along with other investors.

These initiatives usually promote change via the following:

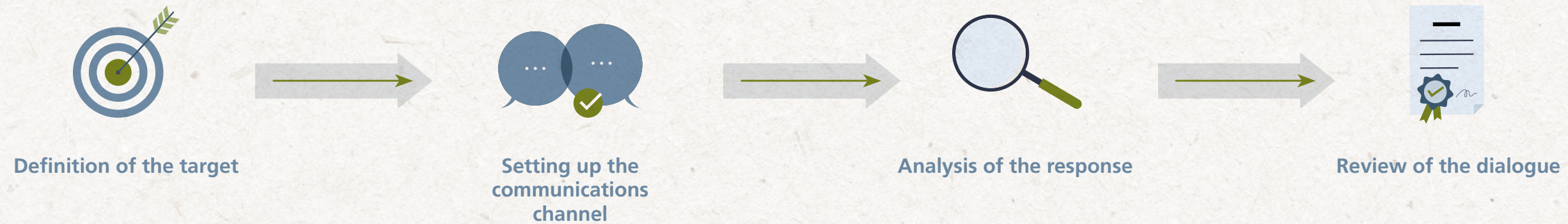
- **Public statements** about a specific matter or activity which may be addressed to governments, or to the boards of directors of specific companies
- **Work groups** that promote dialogue between investors and the company on environmental or social aspects, etc.

These collaborative initiatives, as they bring different investors together, can achieve greater impact and efficiency. The companies do not have to attend to the requirements of different investors on the same matter individually where there is consensus amongst various investors.



3.3 Dialogue process

Dialogue with the companies is held following an established process which can be simplified as follows:



During the dialogue process, we maintain regular contact with the issuer and assess progress according to the targets set

The first step defines the targets and aspects to be dealt with. In each case, the most suitable governance guidelines are identified, along with the contact persons and channels, the timetable, the maximum period for dialogue and the monitoring and assessment indicators.

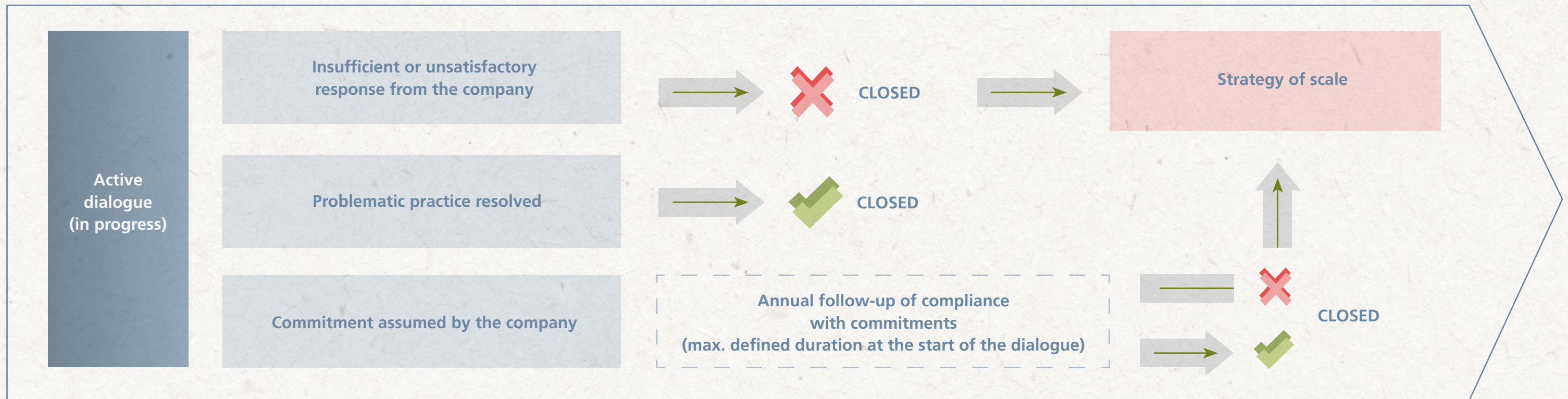
The duration of the process may vary significantly, depending on factors such as the subject matter, the sector of activity and applicable regulations, etc. It is usually rolled out over an average period of several years, during which time the specialists engaged maintain regular contact with the issuer and assess its progress according to the targets set.

The result of this engagement work is included in the investment decision making process. In some cases, if the company's response is not suitable, or it is considered that the targets cannot be met, a process of scale is chosen to try and reach the targets and achieve the desired change.



3.3 Dialogue process

Possible results of the dialogue process



These strategies of scale can be implemented using several alternatives, depending on the various cases, such as:

- Change of speaker
- Accession to a collaborative initiative
- Exercising voting rights
- Position/exposure reduction
- Disinvestment



Voting and dialogue actions 2022

- 4.1 Exercising voting rights
- 4.2 Dialogue actions
- 4.3 Examples of dialogue actions
- 4.4 Collaborative dialogue



During 2022, the Management Company exercised dialogue actions and attendance and voting rights in a diligent manner, for the sole benefit and interest of the stakeholders.

To do so, apart from the provisions of CaixaBank AM's engagement policy itself, various policies, standards and regulations that CaixaBank AM has signed up to were taken into account, such as:

- the **UN Global Compact**;
- the Principles for Responsible Investment ("PRI");
- the United Nations Guiding Principles on Business and Human Rights;
- The United Nations Sustainable Development Goals ("SDGs").

4.1 Exercising voting rights

CaixaBank AM has exercised voting rights in order to **influence corporate policies at the companies it invests in** and, in this way, improve deficiencies detected in ESG. To exercise the rights, it has assessed the performance, in the medium and long term, of the companies, taking ESG matters into account, in line with the Management Company's accession to the PRI.

To this effect, CaixaBank AM has **advisory services from Institutional Shareholder Services Europe, S.A. (ISS)**, an independent provider giving corporate governance and investment solutions with global coverage. Therefore, ISS has acted as advisor for voting on matters put to the vote in the shareholders' meetings of the various companies CaixaBank AM invests in, following the principles provided for in the sustainability policy.

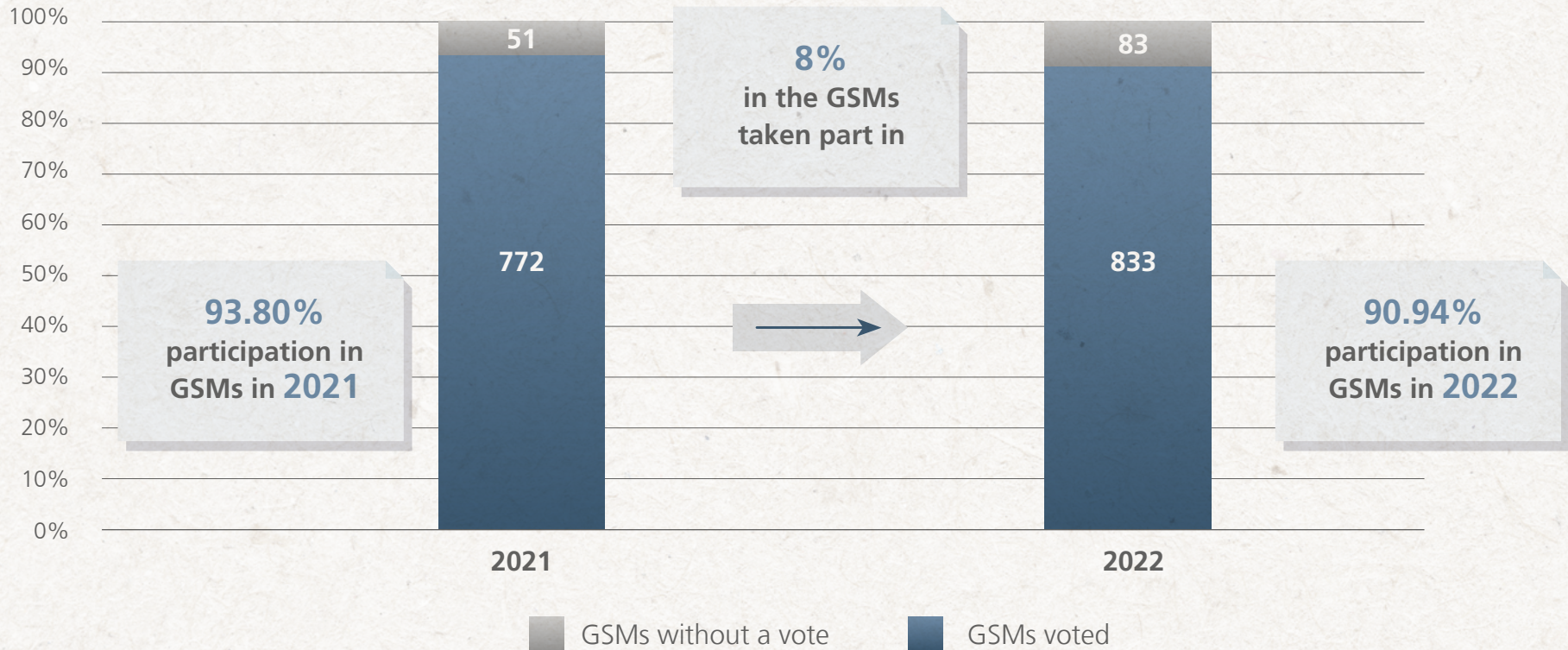
Recommendations made by ISS, taking into account the criteria provided by CaixaBank AM, are analysed by the manager and the direction of the final vote is issued which, in some cases, may not coincide that the one recommended, after a more detailed analysis which may involve opening dialogue with the company.



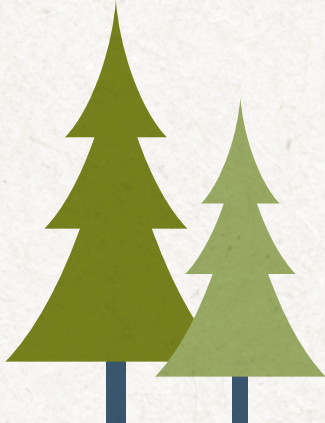
4.1 Exercising voting rights

Evolution of the general shareholders' meetings (GSM) 2022 vs 2021

Throughout the past few years, CaixaBank AM has been increasing the number of meetings where it has the right to vote. This growing evolution has enabled us to exercise voting rights in more companies to drive better ESG practices and, therefore, protect and promote our stakeholders' rights and interests in the long term.



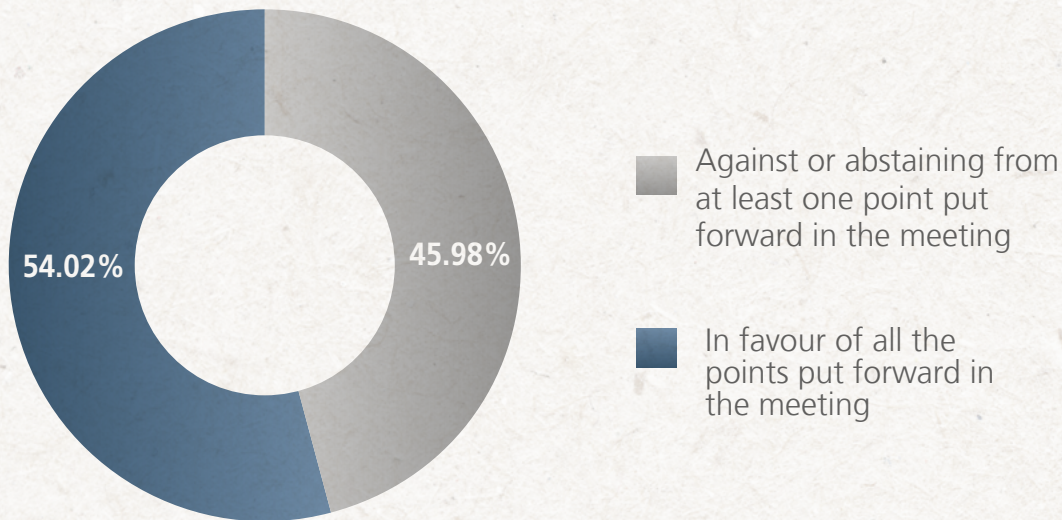
In 2022, the management company voted on more than 11,000 points on the agenda in more than 800 GSMs it took part in.



4.1 Exercising voting rights

Details of the GSMs taken part in, in 2022

Specifically, in 2022, we voted in 833 GMSs out of a total of 916 meetings with voting rights, which represents a percentage participation of more than 90%, specifically being 90.94%. Out of these 833 meetings, voting was cast in favour of all the points in 450 meetings, while in the remaining 383 voting was cast against, or we abstained on some points.



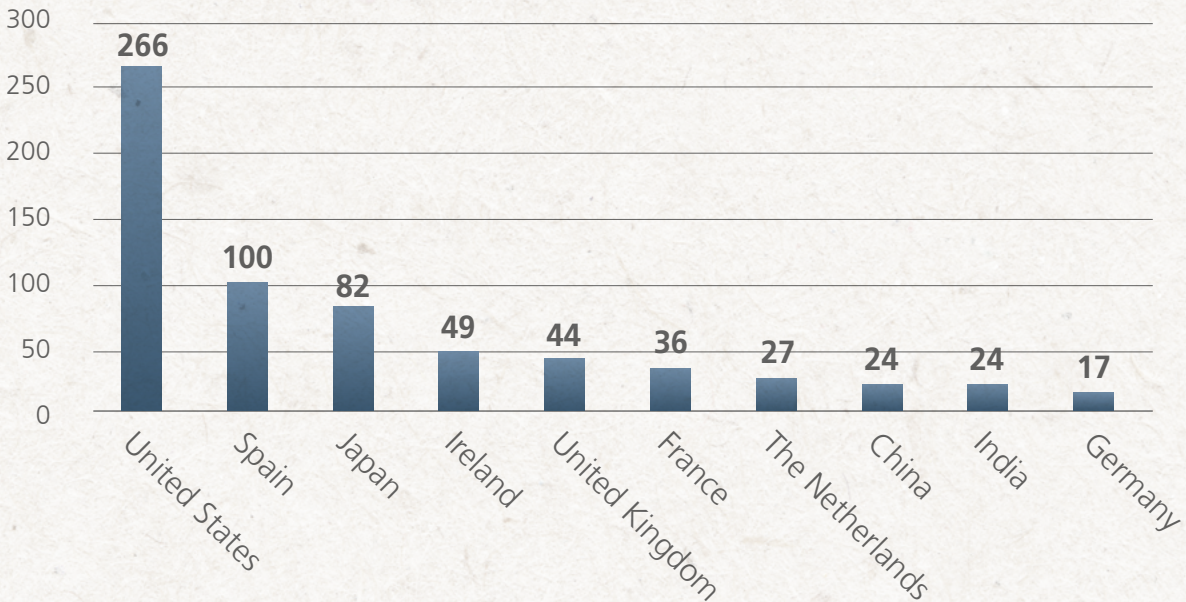
During this period a total of 11,204 points were voted on, representing 90.27% of a total of 12,411 points with voting rights.

Details of the direction of voting

Points voted in favour: 10,229 (91.30%)
 Points voted against: 867 (7.74%)
 Abstentions: 108 (0.96%)

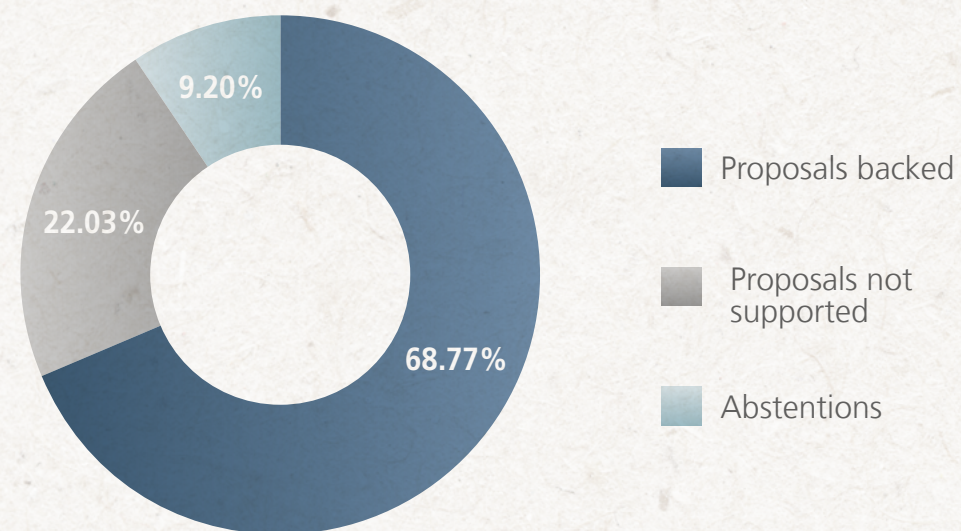
Details by country

Our wish is to support a solid culture of corporate governance, effective management of environmental and social matters, and preparing exhaustive reports in accordance with credible standards. In the same way, we are fully aware that the frameworks for governance can be complex and multi-dimensional, given the aspirational nature of the good practices we promote. Therefore, we vote at meetings spread around almost 40 markets, although the 10 main ones represent more than 80% of all the meetings.

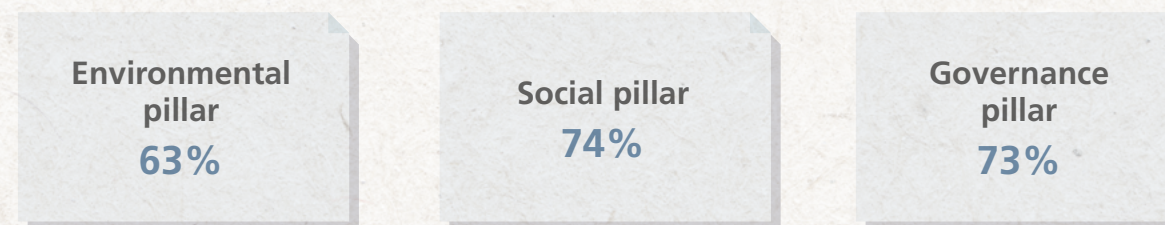


4.1 Exercising voting rights

We believe that shareholders' proposals are an important mechanism for pointing out the urgency of action to the boards of directors. In 2022 shareholders made 522 proposals at meetings we took part in. We backed a total of 359 of the proposals brought up by shareholders.



The details of the subject matter of the proposals backed relate to:



In compliance with the regulations and with the aim of strengthening the principle of transparency, CaixaBank AM publishes this engagement report and provides detailed information on its website about voting activity in each one of the CIIs managed, indicating, amongst other aspect, the direction of voting on each point and the rationale for it.

Detailed information about voting activities can be found at:

<https://www.caixabankassetmanagement.com/en/about-us/sustainable-investment/corporate-sustainability>

<https://vds.issgovernance.com/vds/#/MTEwMDY=>



4.1 Exercising voting rights

Most significant voting

We can highlight some of the voting in 2022 at shareholders' meetings in European countries where CaixaBank AM voted in favour, by the importance of their subject matter.



Proposals on climate action

In 2022, the emerging trend of including a point relating to climate action on the agenda continued, however, the support for transition plans was lower than in 2021.

In Spain, **we would point out the cases of Aena and Ferrovial** where the companies asked the shareholders to approve their climate transition targets and plans. Aena has a net zero emissions commitment for 2040 (Scopes 1, 2 and 3) and its annual report was backed by 93.4% of the votes cast. Ferrovial's target is to be climate neutral in 2050, which was supported by 92.5% of the votes cast.

In France, ten companies submitted their proposals on climate action at the General Shareholders' Meetings in 2022, compared to just three in 2021. The energy suppliers EDF and Engie were among them. We would highlight the case of **TotalEnergies** which, after coming under pressure by a group of investors in 2020 to set and disclose its targets for greenhouse gases, in 2022 revamped the initial proposal and faced up to two alternative proposals from the shareholders.

In Switzerland, the multinational construction materials company **Holcim**, and the investment and financial services bank **UBS Group** submitted their climate transition plans to the shareholders for their approval and received support of 89.9% and 77.7%, respectively. On this subject, Germany and Austria stand out as they have not yet submitted motions for voting on climate.



Gender diversity

The subject continues to be a point of interest for many investors and national regulators. With regard to non-executive directors, gender diversity continues to increase in response to greater requirements and expectations. It is noteworthy that all the countries in the European Union will have to adopt mandatory gender quotas before 30 June 2026 within the framework of the named Directive on the presence of women on boards of directors. The purpose of this directive is to ensure equal opportunities for men and women on boards of directors, demanding that at least 40% of the non-executive directors, or 33% of all the members of the board, be filled by the least represented gender.

In Spain, we have voted in favour at many general shareholders' meetings, in companies such as Enagás, S.A., Iberdrola, S.A., and Industria de Diseño Textil, S.A., (Inditex), as they have a structure in their boards of directors that complies with the best market practices relating to gender diversity.

In general, the average level of gender diversity evolved positively during the last year in countries like Germany and Switzerland, and remained stable in Austria. Some Austrian companies had, however, significantly improved gender diversity on boards of directors in the last run of meetings, with some indicators showing increases of 50% or more. Nevertheless, 70% of the companies on the ATX 20 (Austrian stock exchange index consisting of twenty of the largest listed companies in Austria) still have no female representation on their boards of directors, which is a significantly higher percentage than the German companies on the German stock exchange index (DAX 40), where 20% have no female representation.





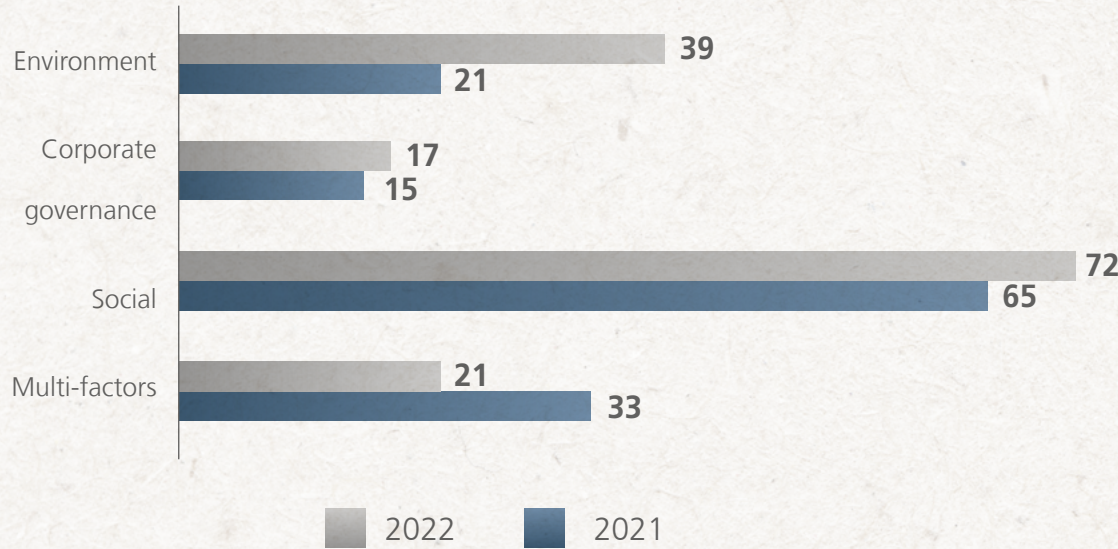
4.2 Active dialogue actions

The dialogues held with the companies relate to the environmental, social and corporate governance pillars (ESG), with the aim of promoting better policies and practices and, at the same time, improving performance. In addition to the dialogues carried out from the management company, CaixaBank AM has an independent provider (ISS Collaborative Engagement) to hold dialogues linked to compliance with the main international regulations.

Evolution of dialogue actions, 2022 vs 2021

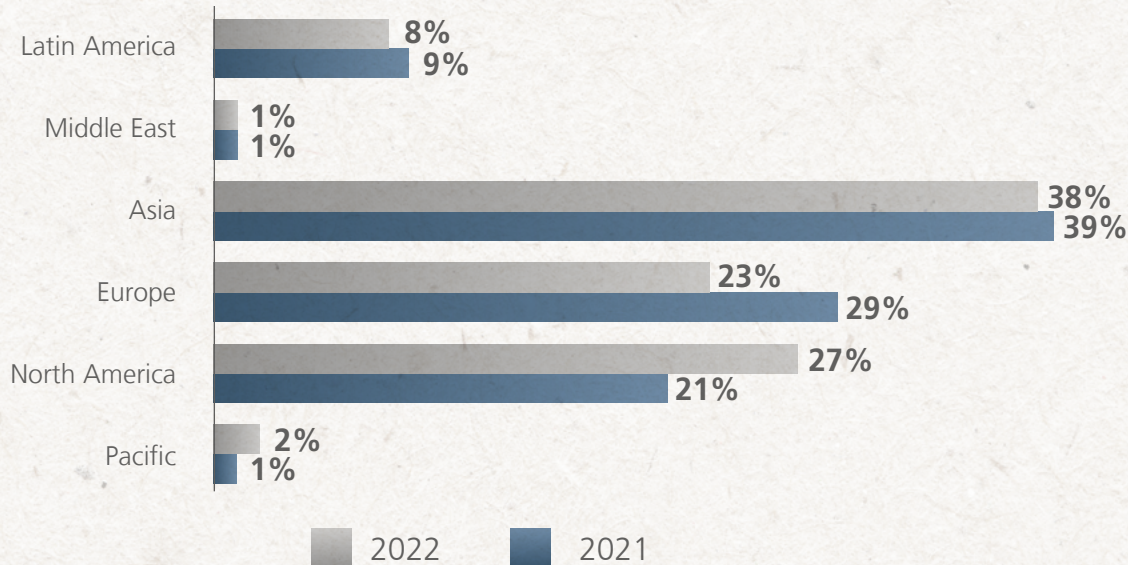
The distribution of the various environmental, social and corporate governance pillars in the dialogues is shown below.

Breakdown by pillars



A graph with the distributions by geographic areas is shown below.

Geographical distribution



Details of the dialogues in 2022

During 2022, CaixaBank AM initiated 114 dialogues linked to compliance with international regulations and other aspects covering more than 140 ESG matters in more than 34 different locations.

Responses were received from more than 100 companies from all of the companies that enquiries were sent to up to 31 December 2022. This is a percentage response of around 70%.



4.3 Notable dialogue actions

To illustrate the notable dialogue actions, we have selected four dialogues with companies in the portfolio (except in the case of Petróleos del Perú), one for each quarter and, at the same time, related to the four areas of the United Nations Global Compact: human rights, labour rights, the environment and the fight against corruption. These dialogues were carried out with support from an independent specialist provider, ISS Collaborative Engagement, and were held following the dialogue process set out in this report and described in Section 3.3, Dialogue Process. The preoccupation about the right to life, particularly in relation to consumer health, was a key subject in the field of human rights. Health and safety in the workplace was the dominant theme with respect to labour rights, followed by union rights. The majority of the commitments centred on the environment refer to corporate management of incidents relating to the loss of biodiversity, as well as climate change and contamination (air, water and ground). In the case of companies facing polemics relating to anti-corruption regulations, the commitment centred on their efforts to address reported cases of bribery and money laundering.

Committed to the four areas of the United Nations Global Compact: human rights, labour rights, the environment and the fight against corruption.



4.3 Notable dialogue actions - 1st quarter 2022

Rio Tinto Limited / Rio Tinto PLC

Dialogue linked to the breach of the indigenous people's rights at the Brockman 4 mine in Australia.

After contacting the company in March 2022, Rio Tinto gave a detailed response in writing to the investors' queries, which outlined information relating to its commitments to improving communities and societies, and to establish more significant and genuine relationships with the indigenous population and host communities worldwide. In 2022, the company increased communication with external stakeholders at all levels, such as the government, civil society organisations, and traditional owners, etc. The company initiated organised remedial efforts in collaboration with Puutu Kunti Kurrama and Pinikura (PKKP) and has committed to improving transparency and social results. Rio Tinto **supports indigenous employment and has created an indigenous leadership commitment** to promote indigenous Australians to professional and leadership posts. The company has reviewed its social processes and policies, and has taken steps, such as the creation of the posts of managing director for Australia and head adviser, to expand its scope of participation in critical matters with external stakeholders in Australia. Rio Tinto has set up its new model for community and social performance (CSP) and also strengthened its governance and improved guarantee and risk management processes to increase transparency and accountability.

On the basis of the details provided by Rio Tinto in this dialogue, it can be verified that the company had initiated measures relating to the disclosure of relevant information, implementing relevant policies, corrective actions and termination of problematic policies.

Rio Tinto Limited / Rio Tinto PLC	ISIN AU000000RIO1/ GB0007188757
SUBJECT Breach of human rights and indigenous people's rights	COUNTRY Australia



4.3 Notable dialogue actions - 2nd quarter 2022

Petróleos del Perú – Petroperú, S.A.

Dialogue linked to the suspected failure by the company to prevent and remedy contamination of the ground and water on the Peruvian Oil Pipeline.

In June 2022, Petroperú provided a detailed written response to the investigation of the shareholders, giving an update on the status of remedying the oil spill incidents pending and clarified that, of all the spills that occurred between 2014 and 2021 on the North Peru Oil Pipeline (ONP), only three events (which occurred along kilometres 193, 237 and 373 of the pipeline) have remedial works pending. Furthermore, Petroperú also highlighted its policies and systems that seek to prevent and mitigate the risk of interference by third parties, its right of way for the ONP, an early warning system, a plan for closing breaches and the ONP's SCADA system to reduce the response time in the event of an emergency on the ONP.

With respect to the Environmental Assessment and Inspection Body (EAIB), Petroperú mentioned that its dispute with the EAIB revolves around the assessment of the intervention of sediments, an environmental component that does not have environmental quality regulations that enable definition of a target level of remedy that is verifiable by the authorities. Petroperú has complied with carrying out remedial work on the sediments and, as it was ordered to do by the Environmental Inspection Court, prepared and executed a rehabilitation plan.

Petroperú carried out **mitigation actions for the spills occurring along the oil pipeline** regardless of the cause. In the same way, the company shared its mitigation strategies and measures put in place to prevent recurrence of oil spillage incidents. Nevertheless, for a proper response to the investors' questions and the concerns raised by stakeholders about the recurrence of oil spills, the company must provide all the third party documentation that verifies the effectiveness of the corrective measures applied.

The commitment to probing into the third party documentation about the effectiveness of the company's environmental safety and restoration measures will continue.

Petróleos del Perú – Petroperú, S.A.	ISIN PEP496001202
SUBJECT Environment, ground and water contamination	COUNTRY Peru



4.3 Notable dialogue actions - 3rd quarter 2022

TotalEnergies SE

Dialogue linked to the supposed breach of the right to a proper standard of living in the Tilenga oil project and the East Africa Crude Oil Pipeline in Uganda (EACOP) and its inability to prevent ground and water contamination or remedy environmental impact in Nigeria.

In a virtual meeting held in September 2022, Total said that, as a result of the Tilenga oil and EACOP projects, and as a part of its Resettlement Action Plan (RAP), less than 4% had been relocated from their homes and the owners were offered the possibility of choosing between a new home or financial compensation.

The company explained how it rolls out and applies its RAPs and pointed out that, after the launch of the first RAP in 2018, it noticed problems such as a misunderstanding about the deadline, which meant those affected by the RAP lost a key harvest season. In response, Total organised information sessions clarifying the right to harvest after the deadline until they received their eviction notice. The company also made available information about its **means of subsistence reinstatement support plan**, as well as the mechanisms for claims by the community, which enable those affected to submit their complaints via several access points, such as a freephone and staff members liaising with the local communities.

With respect to the dispute about environmental impact in Nigeria, the company declared that, in spite of collaborating with Shell PLC to put a spill protection system in place on a part of the oil pipeline, its oil exports using the oil pipeline have been suspended since 2022 and it is in the process of divesting its sixteen licences in the joint venture Shell Petroleum Development Company of Nigeria (SPDC, JV). Regarding the recovery at Ogoniland, with the Hydrocarbon Contamination Recover Plan, Total declared that it is committed to financing its share of 90 million dollars, but that it advocates **greater transparency and periodic audits** of the projects and is committed to the 37 recovery programmes.

We take into account the details given by TotalEnergies SE in this commitment, based on which it is considered that the company has made positive progress, in particular with respect to disclosing relevant information. We are continuing the supervise effectiveness, to ensure that the right to a suitable standard of living is respected in Total's operations in Uganda. Furthermore, via ISS, we are continuing to monitor the evolution of the situation in Nigeria, above all whether the company's oil spills lead to a reduction in volume and the seriousness of the oil spills in SPDC JV's operations.

TotalEnergies SE	ISIN FR0000120271
SUBJECT Suitable standard of living, environmental impact	COUNTRY Uganda, Nigeria



4.3 Notable dialogue actions - 4th quarter 2022

Samsung Electronics Co., Ltd

Dialogue linked to the exercise of union rights in the company's operations in South Korea, Brazil, India and China.

In the fourth quarter of 2022, Samsung shared the results of a third party assessment, made by companies approved by the Responsible Business Alliance (RBA) and relating to the subject of the dialogue. During the assessments by the committee of the operations carried out by the RBA, **the nine facilities in four countries gained high scores** and no breach of union rights was detected. Samsung shared its action plan, which includes a labour relations and management advisory group, to end the policy of no to the unions, previously applicable, and stated that its Code of Conduct and the company's policy ensure labour rights. In August 2021, the company signed a collective agreement with the joint negotiating team and highlighted its continuous efforts to collaborate with the International Manufacturing Industry Union.

The company also provided additional information about its claims channels, including direct lines, online and offline channels, and employee representation bodies. According to the company's corporate conduct director, these claims channels ensure anonymity and the absence of retaliation against the claimants. However, no complaints have been lodged in relation to the right to unionisation.

We take into account the details provided by Samsung in this commitment, based on which it is considered that the company has taken steps to resolve the dispute about union rights and has made positive progress with the targets for the commitment to disclosing relevant information, the application of relevant policies, corrective measures and termination of the problematic practice. We are continuing to monitor the effectiveness of the measures initiated by the company to defend freedom of association and the right to collective bargaining, and we will continue to review its information, along with any claim made by stakeholders.

Samsung Electronics Co., Ltd	ISIN KR7005930003
SUBJECT Union rights	COUNTRY South Korea



4.4 Collaborative dialogue

The collaborative dialogue actions held in the year are set out below. This type of active dialogue consists of joint collaboration with other investors about a specific matter or sector to achieve a specific sustainable engagement target.

This collaboration is formalised with accession, in the way explained below for those carried out in 2022, or before, and which have had an impact during 2022.

ADVANCE: Human rights initiative

We signed up to this initiative, supported by the PRI in 2022, and for the next five years, with the aim of promoting compliance with human rights and addressing the main social challenges in certain sectors and companies. In this case, we are taking part in the dialogue set up with two companies in the renewable energy sector, addressing the risks of breaching human rights in the production chain. We are performing the **role of collaborative investor**, which means that, apart from being signatories to the initiative, we are directly taking part in the dialogue with the companies jointly with the other investors.

Within this framework, the commitments are as follows:

- **Full application of the United Nations Guiding Principles**, which are the main guide to corporate conduct with regard to human rights.
- **Bring their political commitment into line** with their commitment to respect human rights.
- **Progress with resolving the main challenges** in their operations and along their entire value chain in relation to human rights.

This is a collaborative commitment addressing human rights using a variety of administrative tools and activities. In this way, the PRI support a wide variety of activities aimed at achieving targets in this direction, such as participation in general meetings and in public policies. Without prejudice to the foregoing, the main efforts made via this initiative are carried out via commitments to companies, in collaboration with other investors.

Therefore, the ways of participating are, in the majority, carried out by sending letters to investors and by holding meetings with the bodies at the companies that are a part of the initiative.

The initiative is also supported by two voluntary consultancy bodies:

- **Signatory Advisory Committee:** consisting of the PRI signatories, provides guidance about the performance and coordination of the initiative and, at the same time, advising on decision making.
- **Technical Advisory Panel:** consisting of PRI stakeholders, such as NGOs that have extensive experience in human rights. This group gives technical advice on human rights to inform about the PRI Executive decision making in relation to the development and strategy to be followed via this initiative.



4.4 Collaborative dialogue

Climate Action 100+: Climate Change Initiative

We signed up to this initiative in 2018 for the following five years as participants. In other words, apart from being signatories to the initiative, we are responsible for direct commitments to the subject companies, either individually or in collaboration. The initiative is designed by Ceres, the PRI and various groups of investors, such as IGCC (Investor Group on Climate Change), AIGCC (Asia Investor Group on Climate Change) and IIGCC (The Institution Investor Group on Climate Change), and has become the largest worldwide initiative for investor collaboration on climate change, with growing influence and impact. Climate Action 100+ is made up of 700 worldwide investors, responsible for more than 68 billion dollars in assets managed on 33 markets.

The initiative is aimed at key companies for **transition to a low carbon emissions economy**, identified as systematic and critical for decarbonisation of investment portfolios and the global economy. Specifically, with collaborative dialogue actions, investors will request the companies to:

- Take steps to **reduce greenhouse gas emissions**, in accordance with the Paris Agreement target, consisting of limiting the increase in global temperature to under 1.5°C.
- Provide improved corporate disclosure in accordance with the recommendations of the Working Group on Financial Disclosures Relating to the Climate.
- Implement a solid corporate governance framework that clearly articulates the company's management board's **responsibility for and supervision of climate change**.



4.4 Collaborative dialogue

The Investor Agenda: Climate Change Initiative

We signed up to this climate change Initiative in the last two years and our aim is to drive investor action towards accelerating the transition to a low carbon economy. The 2022 statement was signed by 602 investors and represents almost 42 billion dollars in managed assets.

Under this initiative, governments worldwide are requested to adopt a climate policy in line with the following points:

- Ensure that 2030 targets are in line with the target of **limiting the increase in global temperature** to 1.5°C.
- **Implement national policies and take steps** to ensure that their greenhouse gas (GHG) emissions are in line with the 2030 targets.
- **Contribute to reducing GHG emissions** other than carbon dioxide and support effective implementation of the Global Methane Pledge to reduce emissions by at least 30% compared to 2020 levels by 2030.

- On the basis of the results agreed at COP26, **increase the provision for climate financing** in the public and private sector, with a view to mitigation, adaptation and resilience, with a focus centred on the needs of developing countries.
- **Strengthen climate disclosures** in the entire financial system.

For more details, the statement, which was coordinated by seven founder members of The Investor Agenda, can be found at [2022-Global-Investor-Statement-.pdf \(theinvestoragenda.org\)](#) 



