

ORGANISATION & REPORTING

A sustainable organisation

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Responsibility and transparency

Candriam is committed to both good management and good governance of its activities. This is achieved through a series of committees that operate at corporate and local levels, providing leadership and oversight. Transparency is equally important to Candriam, which files audited annual reports for all its business units, along with annual activity and sustainability reports.

The two main decision-making bodies are the Group Strategic Committee and the Executive Committee. Certain responsibilities are delegated to local boards of directors and management, audit and compliance committees, and remuneration committees.

Operating under a mandate from the Board of Directors of Candriam Luxembourg, the Group Strategic committee is the strategic decision making body of the company in charge of all strategic aspects, such as growth initiatives, corporate strategy and financial results. It also supervises the Corporate and Social Responsibility initiatives, working alongside Candriam's CSR Steering Committee.

Drawing on the Group's strategy, the **Executive Committee** is in charge of all transversal operational decisions and follow-up. These include the management of stakeholder relations, the fine-tuning of Candriam's business model, and the company's positioning for the longer-term global challenges in asset management.



Group Strategic Committee and Executive Committee

9 ■■■ Mr. Naïm Abou-Jaoudé,
Chairman, C.E.O.

15 ■■■ Mrs. Danièle Barthélemy,
Global Head of Institutional
Portfolio Management

3 ■■■ Mr. Eric Chochođ,
Global Head of IT & Digital

8 ■■■ Mr. Fabrice Cuchet,
C.I.O. Alternative Investments



12 ■■■ Mr. Tanguy de Villenfagne,
Chief Risk Officer

14 ■■■ Mr. Pierre Ernst,
Chief Operating Officer

11 ■■■ Mr. Elias Farhat,
Chief Strategy Officer

5 ■■■ Mr. Nicolas Forest,
Global Head of Fixed Income

7 ■■■ Mr. Renato Guerriero,
Global Head of Distribution

10 ■■■ Mr. Vincent Hamelink,
C.I.O. Traditional Investments

17 ■■■ Mr. Koen Maes,
Global Head of Private Portfolio
Management

6 ■■■ Mr. Jean-Yves Maldague,
C.F.O

13 ■■■ Mrs. Odile Mohan,
Global Head of HR

1 ■■■ Mr. Laurent Sécheret,
Global Head of Communications

16 ■■■ Mr. Emmanuel Terraz,
Global Head of Absolute Return
& Quantitative Equity

2 ■■■ Mr. Koen Van De Maele,
Global Head of Investment
Solutions

4 ■■■ Mr. Pierre-Guillaume Veaux,
Global Head of Legal &
Compliance

Absent from the picture: Mrs. Helena Colle,
Global Head of Corporate Development

A responsible approach to management

- Shareholders' General Meetings. Candriam is convinced that sound corporate governance provides long-term shareholder value. Providing regular opportunities for shareholders to meet and discuss Candriam's activities helps to deliver on that conviction.

- Audit and Compliance Committees. A key element of effective governance is to ensure that all activities are properly audited and are compliant with regulations. These two committees assist the Boards of Directors in this essential monitoring task.

- Local Boards of Directors. While remaining aligned with the overall Group strategy, local directors define business strategies and policies for their geographic area. They are also responsible for management control, risk monitoring and shareholder relations.

- Remuneration Committees. Candriam's remuneration policy is linked to the achievement of a combination of appropriate individual, team and corporate goals. These committees are responsible for taking compensation decisions, in line with company policy.

- Local Boards of Management. By delegating the day-to-day management of its local business units, Candriam provides a fast, flexible response to the needs of its investors in their home country. Local management boards ensure that response is delivered effectively.



Alexandra Nallet
Global Head of Compliance

Recognised SRI performance



Candriam was a founding signatory of the Principles of Responsible Investment in 2006 and remains fully engaged with the initiative, which is supported by the United Nations. Its 1,400 signatories are committed to implementing six principles – promoting and integrating ESG in investment processes – and to report on progress. Candriam was given an **A+ rating in 2018 for a fourth year** in a row, and our reports are available on the PRI website (www.unpri.org).



The Candriam CSR 2017 report published in 2018 was shortlisted by Responsible Investor for **Best RI Report by an Asset Manager in the 'large' firm category (€25 billion+ AUM)**. Based on research of more than 2,500 asset owner and asset manager reports, the RI Reporting Awards recognise best practice and transparency in responsible investment reporting.



Fabienne Cretin, Candriam's Head of Merger Arbitrage, was named as one of "**50 Leading Women in Hedge Funds 2018**" by the journal. Sponsored by EY, the survey selected women "who, by virtue of the senior roles they fulfil, should be an inspiration to those following in their wake." Candriam's merger arbitrage strategy is a daily dealing UCITS, managing €380 million.



For the second consecutive year, Candriam's Naim Abou-Jaoudé was voted '**Best CEO in the sustainable investment industry**' by readers of European CEO magazine. Recognition in this category, which was only introduced in 2017, reflected Naim Abou-Jaoudé's strategic management of the company for the past 12 years and his pioneering work in SRI portfolios.



Having joined the Fund Brand 50 for the first time in 2015, Candriam was ranked 33rd in the annual survey of the top 50 asset managers in Europe in 2018, its highest position to date. More than 1,000 European third-party fund subscribers are reviewed for the survey, which covers 70% of the market. **Candriam was ranked in the top 3 for Sustainable and Responsible Investment.**



Candriam's Index IQ range won two separate prizes as "Most Innovative Provider" of ETFs and ETPs at the 2018 ETF Express awards. The winners were decided by a poll of its readers, who include both investors and managers, along with fund administrators, custodians, accountants, auditors, consultants, legal experts and distributors.

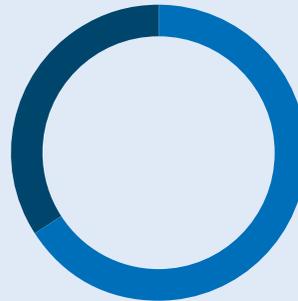
HR indicators



7,500
hours of training
provided for Candriam
staff in 2018



€875,000
investment in training
for Candriam staff in 2018



66%
men
34%
women



35
nationalities



42.6% Belgian
42.3% French
15.1% Other
nationalities



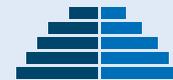
15.5%
new recruits



8.8%
staff turnover rate



97.7%
of staff on permanent
contracts



41.5
average age



9.4
years, average length
of service

13.2
years, average length
of service of senior executives

Environmental impact



1,764 tCO₂e

Total GHG emissions from Candriam operations ⁽¹⁾ in 2018

➔ **0.6%**

Increase over 2017 figure. Candriam's AUM grew 1.7% over the same period



Sources of total GHG emissions from Candriam operations ⁽¹⁾ in 2018

- 23%** Company fossil fuel consumption (stationary and in vehicles)
- 1%** Natural gas
- 14%** Total GHG emissions resulted from electricity use
- 62%** Business travel (associated with 8% of the full value chain footprint)



14,159 tCO₂e

GHG emissions of Candriam value chain ⁽²⁾ in 2018

➔ **1%**

Increase over 2017 figure



2,995 m³

Water consumption at Candriam sites in 2018

➔ **1.2%**

Increase over 2017 figure



Carbon footprint of paper use at Candriam in 2018

26% increase over 2017 figure

51% decrease over 2014 figure (7.2 tons)

(1) Operations comprise: mobile combustion, fuel combustion (natural gas), electricity (location-based) and business travel (air, rail and hotels).

(2) Value chain (upstream) comprises: purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting.

Candriam 2018 data

Assets Under Management increased
compared to end 2017

 **1.7%**
(€2.4 billion) to €115 billion

 **70%**
increase in AUM over
5-year period

Net New Cash inflows of
€7.7 billion
in 2018

85.9%
of traditional investment funds had 3, 4 or 5 stars
from Morningstar at the end of 2018,
compared to market average of 67.5%



50+

awards received in 2018



563
employees

67 new hires on permanent
contracts in 2018
15 new hires on fixed-term
contracts in 2018



20+

countries served by Candriam and
its licensees/3rd parties

Engagement



153

corporates contacted individually



Dialogue status

62% closed in the year
19% continued in the year
19% initiated in the year



29%

“against” votes related to director remunerations



Top topics

- energy transition
- fair work conditions
- business ethics
- sustainable food



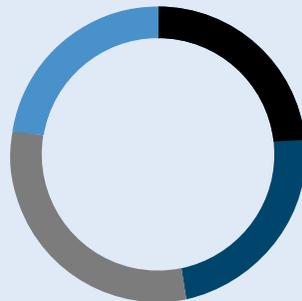
775 AGMs



39%

“against” votes related to director elections

Companies contacted about



23%
overlapping
ESG issues

24%
environment

23%
social

30%
governance