

# Responsible Governance

## Transparent and Responsible Governance.

**True to its name, which stands for “Conviction and Responsibility in Asset Management,” Candriam continually strives for deeper and more widespread adoption of ESG and CSR practices across its entire organisation.**

Integral to our strategy is a commitment to transparency and oversight, maintained through a robust governance structure.

Adhering to corporate governance standards, Candriam:

- prioritises diversity in its decision-making bodies, ensuring a mix of experience and nationalities;

- has established local management committees in Belgium, France, Germany, Italy, Luxembourg, Spain, The Netherlands, The United Arab Emirates, The United Kingdom and The United States;

At Candriam, we take pride in our strict adherence to responsible business principles and are constantly progressing in the fulfilment of these practices.

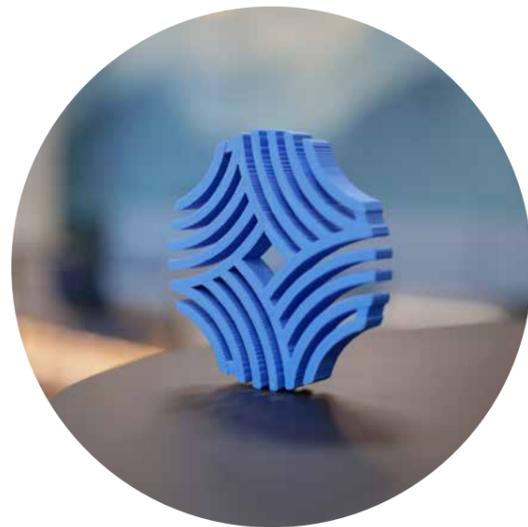
# Candriam's Governance Framework.

Candriam operates under a comprehensive governance structure, which is crucial to our oversight functions:

- The **General Meeting of Shareholders** holds the broadest powers, overseeing significant corporate actions. These include the approval of annual accounts, appointment of directors and managers and amendments to the company's objectives or form of the company.
- The **Board of Directors – ("BoD")** is the governing body responsible for guiding our strategy and general policy, management control, risk monitoring and shareholders relations. It ensures that Candriam develops and executes a comprehensive ESG and corporate sustainability strategy. In this context the BoD is responsible for validating the relevant critical policies.

The BoD is supported by the following Committees:

- The **Board of Management ("BoM")** is responsible for the daily management of Candriam. Meeting monthly, the BoM is our key decision-making body on strategic issues including ESG and corporate sustainability. It examines and approves relevant policies governing the execution of Candriam's strategy and activities, including those covering sustainability risks, climate change and social and human rights.
- The **Group Strategic Committee** convenes twice a month to make strategic decisions and manage Candriam's financial situation. The committee sets the firm's strategy for sustainable investing, covering investment approach, product and commercial positioning as well as corporate sustainability. It hosts sustainability focus-sessions supported by Candriam's ESG and CSR experts and oversees the due diligence approach across the value chain, including the development and review of appropriate practices.
- The **Executive Committee** meets bi-monthly.
- The **Remuneration Committee** convenes annually.
- The **Local Management Committees** meet quarterly in each branch and in Luxembourg. In the Belgian branch, they meet monthly, and in the French branch, they meet bi-monthly.

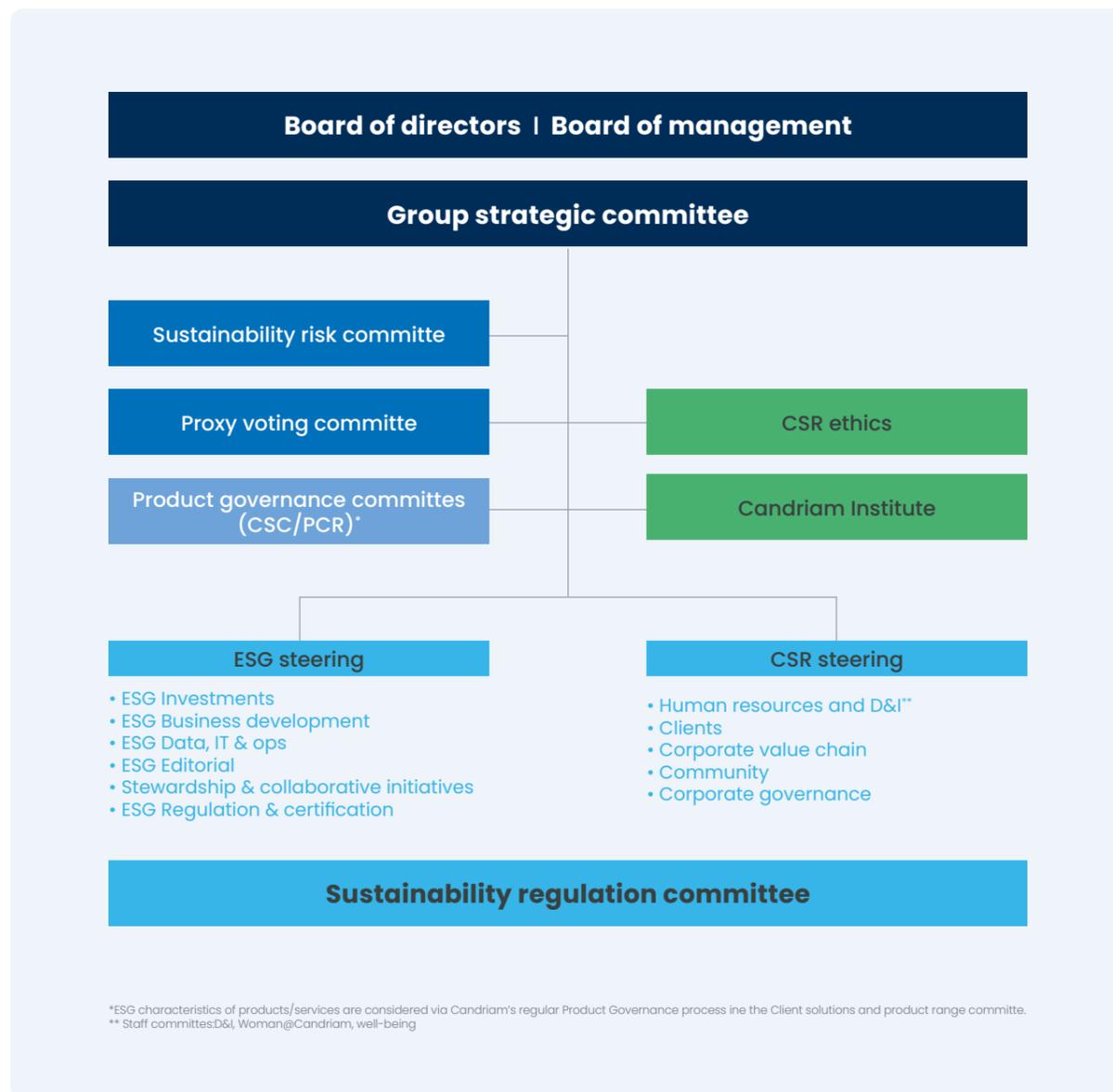


# Sustainability Governance.

Across the firm, Candriam has more than 50 professionals actively involved in the governance of sustainability matters for Candriam as a sustainable investor and for Candriam as a responsible Company. These professionals ensure a consistency of approach through a number of committees that govern Candriam's ESG investment practices and corporate sustainability:

- The **Sustainability Risk Committee (SRC)** oversees and steers the management of extra-financial risk in the context of Candriam's investment activities. The SRC is responsible for approving the ESG processes and framework for funds and mandates. It assesses and monitors sustainability risks and negative sustainability impacts, including climate change, social and human rights risks, and defines company-wide ESG investment-restrictions for all Candriam investment activities. The SRC oversees monitoring of compliance and breaches as well as engagement actions plans.
- The **Proxy Voting Committee** provides strategic guidance on proxy voting best practices and monitors Candriam's voting policy.
- The **Candriam Institute for Sustainable Development** oversees Candriam's philanthropy and community impact programmes through the support of initiatives in ESG research & education, social inclusion & communities, environment, and cancer research.

- The **ESG Steering Committee** coordinates the implementation of the strategic ESG roadmap, and consists of investment, operational, IT and regulatory team workstreams.
- The **CSR Steering Committee** coordinates the implementation of the CSR roadmap and CSR reporting in the context of Candriam's own operations across staff, clients, operational value chain, governance and the community.
- The **CSR Ethics Committee**, developed in 2022 and formalised in 2023, assesses and monitors human rights risks related to Candriam's operations, including human resources and suppliers. It oversees the due diligence process for human rights within Candriam's operations and follows up on issues flagged by operational, procurement or risk teams or via the Compliance whistleblowing procedure.



## Ethical Behavior in Business.

We adhere to ethical behavior across all our operations and comply with established regulations through the implementation of specific policies and charters. These include a compliance charter and policy, a client charter, a code of ethics, and a supplier charter.

Additionally, Candriam discloses its ESG promotion and influence activities, such as industry association memberships and roles, and visibility over its financial metrics and taxation. This commitment to transparency underscores our dedication to accountability and reinforces our commitment to ethical practices across Candriam.

## ESG Promotion & Influence.

As a PRI signatory, Candriam is committed to promoting ESG in its relations with all stakeholders.

Candriam's **Global Strategic Committee** monitors the association membership and decides who represents Candriam within those associations.

The organisation's ESG experts are in charge of PRI implementation principles within Candriam and also externally, based on Candriam's own ESG practices which favour stewardship to elevate ESG standards, promote ESG integration and ESG practices in investments.

In the specific case of consultation on policies, ESG experts contribute to the association's answers and statement disclosed. Candriam's communication strategy focuses on promoting ESG practices and sharing Candriam's expert ESG views, using a variety

of media platforms and industry conferences. The Candriam Institute puts into practice our commitment to ESG development and promotion, by financing independent academic ESG research and promoting ESG education (via the free-for-all Candriam Academy).

Candriam actively engages with both industry associations and think tanks or similar—via involvement as part of working groups—and by connecting with policy-makers and policy-setters at the EU level, focusing in particular on new ESG standards and regulations. The list of the associations and groups below outline policy engagement activities where Candriam is an active member.

	Name of Association	Joined in
<b>SRI working groups within:</b>	BEAMA - Belgian Asset Managers Association <sup>(1)</sup>	2004
	AFG - Association Française de la Gestion financière	2003
	EFAMA - European Fund And Asset Management Association <sup>(2)</sup>	2010
<b>Several social investment forums, such as:</b>	VBDO - Dutch Sustainable Investment Forum	2007
	Forum Nachhaltige Geldanlagen (Germany, Switzerland & Austria)	2010
	Swiss Sustainable Finance (Switzerland)	2014
	Forum pour la Finance Responsable (French SIF FIR)	2014
	Forum per la Finanza Sostenibile (Italy)	2015
	UK SIF - United Kingdom Sustainable Investment Forum	2016
	US SIF - United States Forum for Sustainable & Responsible Investment	2016
<b>Other sustainability-oriented investor bodies:</b>	ABIS - The Academy of Business in Society	2005
	IIGCC - The Institutional Investors Group on Climate Change	2020
	Investor Alliance for Human Rights (ICCR Initiative)	2021

<sup>(1)</sup> Koen Van de Maele has co-chaired the Beama SRI working group from June 2020 until his appointment as President of BEAMA on June 5th 2023.  
<sup>(2)</sup> Isabelle Cabie, Global Head of Corporate Sustainability is Chair of the EFAMA Stewardship, Market Integrity and ESG Investment Standing Committee.

Consultation answered via industry associations*	Candriam individual answer
ESMA consultation on MIF ESG preferences	no
ESMA consultation – call for evidence on market characteristics for ESG ratings providers in the EU	yes
EC Survey on ESG Benchmark	yes
Targeted consultation on the functioning of the ESG ratings market in the European Union and on the consideration of ESG factors in credit ratings	yes
ISSB consultation on IFRS Sustainability Standards Exposure Drafts	yes
EFRAG Board Consultation on Sustainability reporting	yes
ESMA CALL FOR EVIDENCE ON IMPLEMENTATION OF SRD2 PROVISIONS ON PROXY ADVISORS AND THE INVESTMENT CHAIN	yes
2022 ESAS call for evidence greenwashing	yes

\*All consultations answered by AFG and EFAMA

## Active Participation in External Industry Events.

Our commitment to champion ESG practices goes beyond our organisation. In 2022, we actively participated in a number of conferences and events.

Highlights included:

- LuxFLAG Sustainable Investment Week 2022, 17 – 19 October 2022, Luxembourg  
*Presentation title: ESG Corporate Analysis*
- German Sustainability Network, 19 September 2022, Cologne  
*Presentation title: Genesis of ESG information*

