

# Responsible governance



“**Candriam’s governance framework, based on key pillars of ethical behaviour, responsible remuneration, and the quality of its governance, structure and bodies, is underpinned by a commitment to transparency.**”

## Decision-making bodies

Candriam is managed by the following decision-making bodies:

- the Shareholders’ General Meetings;
- the local Board of Directors, responsible for strategy / general policy, management control, risk monitoring and shareholder relations;
- Candriam’s Group Strategic Committee, whose powers derive from the Board of Directors of Candriam Luxembourg, in charge of all strategic aspects, such as growth initiatives, corporate strategy and financial results;
- Candriam’s Executive Committee, in charge of all transversal operational decisions and follow up;
- the Remuneration Committee, in charge of the compensation decisions;
- the local Board of Management, responsible for the daily management of the entities;
- the local management committees, responsible for the local daily management for each branch.

## Governance transparency and disclosure

Candriam stands for ‘Conviction and Responsibility In Asset Management’. Underscoring the inherent promise of its name, expanding and deepening ESG adoption and CSR practices across the organization are managed through a dedicated governance structure.

## A commitment to corporate governance

Candriam fully subscribes to the principles of good corporate governance, meaning that, among other things, Candriam:

- pays particular attention to the diversity (experience, nationality, etc.) of the members of its decision-making bodies;
- has set up local management committees in Belgium, France, Luxembourg, Italy, United Kingdom, Spain, The Netherlands, Germany, United Arab Emirates and The United States;
- publishes annually an activity report and a Responsible Business report on its website.

Candriam attaches great importance to strict compliance with these principles and is constantly progressing in the fulfilment of its commitment.



## ESG Governance

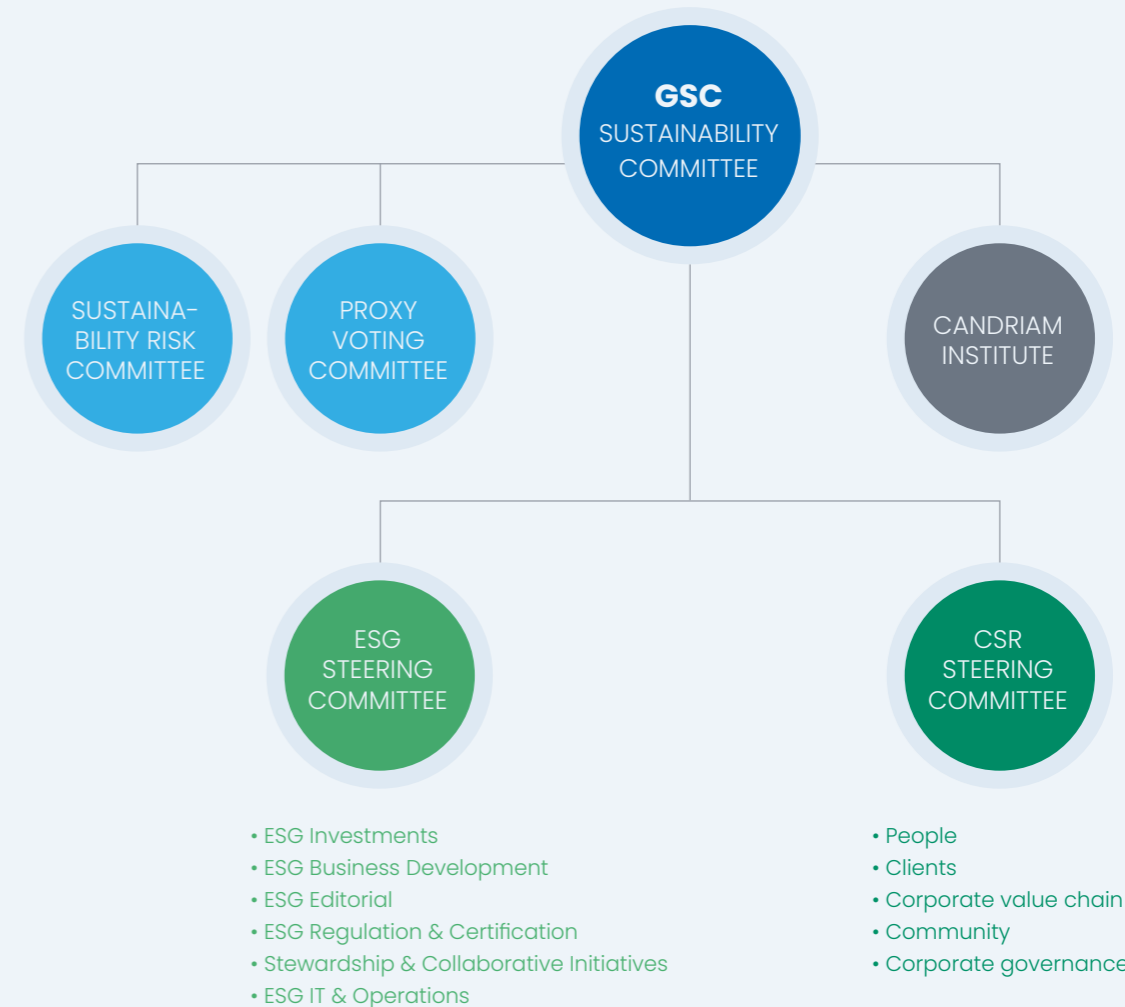
The governance of sustainability within Candriam, enhances our ESG investment capabilities and focus on our (CSR) efforts through the following committees:

- **A Strategic Sustainability Committee** which includes the Group Strategic Committee (GSC), and is supported by Candriam's ESG and CSR experts. It sets out the strategic orientations for ESG investing (both from a product and a commercial standpoint) and Corporate Sustainability.
- **A company-wide Sustainability Risk Committee**, which assesses corporate reputational & financial risks regarding sustainability, including climate risks, and defines a Controversial Company and Country Watch List for all Candriam activities.
- **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 program, 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, relying on several agile investments, operational, IT and regulatory workstreams.
- **The CSR Steering Committee** oversees and coordinates the implementation of the CSR roadmap across staff, clients, the operational value chain, governance and the community.



## Overview of decisional bodies.



## Ethical behaviour in business

Candriam's governance framework, based on key pillars of ethical behaviour, responsible remuneration, and the quality of its governance, structure and bodies, is underpinned by a commitment to transparency. To ensure ethical behaviour across all activities and compliance with existing regulations, Candriam has established policies and codes that include a compliance charter and policy,

client charter, code of ethics, and supplier charter. It discloses its ESG promotion and influence activities, such as industry association memberships and roles, and visibility over its financial metrics and taxation, which are in addition to our legally published accounts.

# ESG promotion & influence.

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

## Participation in industry associations

Our ESG experts take leading roles within responsible investment working groups across a number of industry associations. This is both to ensure Candriam has a voice on ESG policy as well as to connect with policy-makers and policy-setters at the EU level, particularly on issues related to feasibility of new ESG standards and regulations. The following is a list of the associations and groups focused on policy engagement activities where Candriam is an active member.

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

(1) Koen Van de Maele has co-chaired the Beama SRI working group since June 2020. (2) Isabelle Cabie, Global Head of Corporate Sustainability was nominated Co-chair of the EFAMA ESG & Stewardship Standing Committee and chair of the Sustainable Finance Workstream.

Consultation answered via Industry associations*	Candriam individual answer
EC – Consultation on ESAP	
ESAs Joint Consultation Paper concerning Taxonomy-related sustainability disclosures (art. 8)	
EC’s retail investment strategy**	
EC-EU consultation on extended taxonomy to significant harmful activities and no significant impact**	
FR – Art. 29 LEC consultation (private)	na
TCFD renewal – Proposed Climate-related Metrics, Targets and Transition Plan Guidance	yes
IOSCO SURVEY ON ESG analysis & ESG data service providers	
IOSCO SURVEY ON ESG products – Sustainability-related Practises, Policies, Procedures and Disclosure in Asset management	
BE – Belgian label feasibility test (private)***	na

## Candriam & ESG promotion

In 2021, our ESG and sustainability experts actively participated in the following conferences and events.

- On-line consultation organized by the European Financial Reporting Advisory Group (EFRAG).
- Webinar “Getting to grips with sustainable investments: Principles for Responsible Investment” organized by Deloitte Luxembourg to discuss Candriam’s experiences as a PRI signatory.
- Global ESG conference organized by JP Morgan: Are we really closing the circularity gap?
- Bloomberg summit organized by Bloomberg: Net Zero & Energy Transition



(\*) All consultations answered by AFG except for the Belgian Label. (\*\*) Answered by EFAMA. (\*\*\*) Answered by BEAMA.