

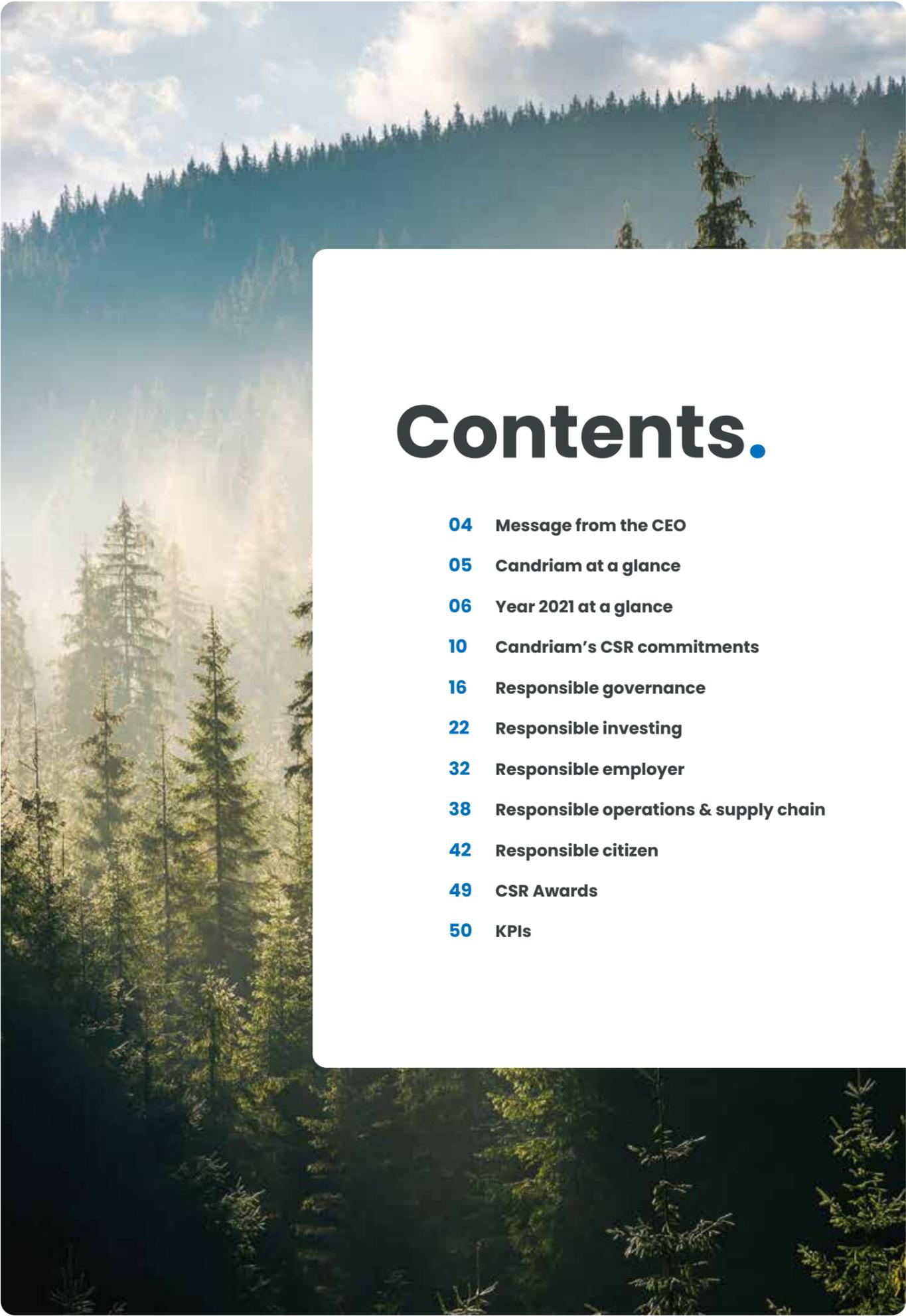
CSR at the heart of what we do

Putting commitment
into action



2021





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“**At Candriam, we have used 2021 to make further material progress in our CSR roadmap, adding more vigorous targets in our mission to have a positive impact on the environment and society, and to be the best corporate citizen we can be for all our stakeholders.**

Naïm Abou-Jaoudé
Chief Executive Officer

At the start of the Covid-19 pandemic, I commented on how this global crisis could, and indeed should, be the defining moment for companies to wake up to their responsibilities and focus more meaningfully on how they interact and engage with society.

Writing two years on, with conflict now raging in Ukraine and inflation soaring in many parts of the world, challenging questions are being asked about the ESG agenda, its purpose and credibility. Some are now calling for defence stocks to be included into ESG lists, while others want greater use of fossil fuels such as oil and coal to alleviate energy supply constraints.

These are complex issues and whatever your views about them, it is clear the social awakening and general alignment of interests we saw emerging between governments, people, and business early on during the pandemic is now facing its first serious test. Was the pandemic really a defining moment?

I do not know exactly where we will end up, but I do maintain my conviction about the benefits,

both economically and in terms of sustainability, when it comes to prioritising high quality ESG investment analysis and engagement. The asset management industry has a particularly important role to play given our fiduciary responsibility as investors, and also as large corporates and employers in our own right. As companies we must not just talk a good game on sustainability but act too.

That is why at Candriam, we have used 2021 to make further material progress in our CSR roadmap, adding more vigorous targets in our mission to have a positive impact on the environment and society, and to be the best corporate citizen we can be for all our stakeholders.

Just as we expect our partners and investments in companies and governments to be continually making progress on ESG issues, so must we embed sustainable practices within our growing business. This report is fundamentally about continuing to hold ourselves accountable, regardless of the macroeconomic backdrop and external events.



Over the last year, we have been prioritising a number of issues including decarbonization and diversity & inclusion. Candriam committed to a 50% reduction in greenhouse gas emissions across a significant share of our investment portfolio by 2030, and we will pursue net-zero emissions within the portfolio by 2050 or sooner.⁽¹⁾ And we have focused on improving diversity and inclusion by setting ourselves the target of having 30% female representation on the Executive Committee by 2025.

Another important area of focus is around ESG education. In collaboration with some of the world’s leading universities, we have continued to develop academic research in the field of ESG investing, not only to accelerate a shift to a more sustainable future but to encourage the younger generation to participate in this growing sector.

You can find out more about our commitments in this year’s CSR report. I very much hope that after reading it you will agree that we work hard every

day to understand the full sweep of sustainable issues, both immediate and long term, and that we are prepared to take responsibility for proactively tackling them, whether within our own business or anywhere. •

“**Last year, Candriam committed to a 50% reduction in greenhouse gas emissions across a significant share of our investment portfolio by 2030, and we will pursue net-zero emissions within the portfolio by 2050 or sooner.**

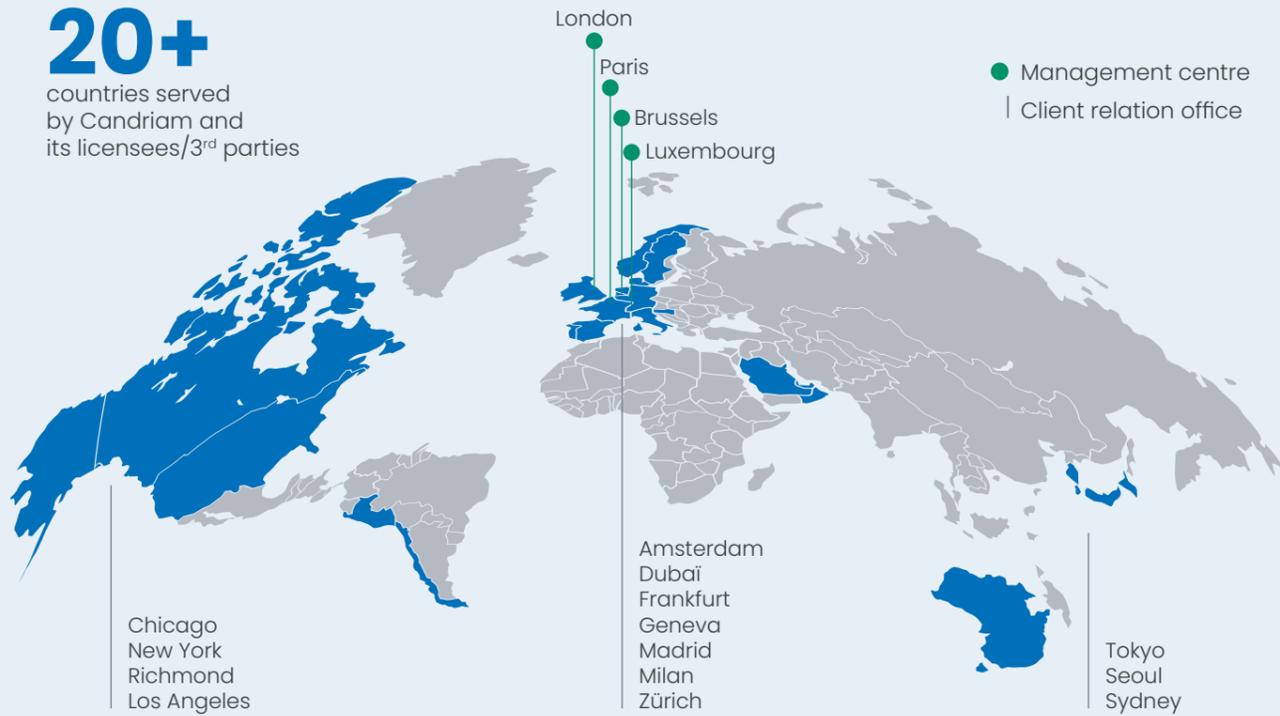
⁽¹⁾ https://www.candriam.com/4aa6cc/siteassets/presspage/press/pressrelease/2021/11---2021/pr_nzami-announcement_en.pdf

Our presence worldwide.

A European-rooted asset manager with global reach.

20+

countries served by Candriam and its licensees/3rd parties



Our mission is to provide asset management services driven by conviction and responsibility.

Candriam Snapshot as of 31 December 2021

€158bn⁽¹⁾
total AUM

↑13%
(€18 billion)
from €140 billion at the end of 2020 to €158 billion at the end of 2021.

€105bn
ESG AUM
= 67%
of our total AUM⁽²⁾

Part of
New York Life
a Fortune⁽³⁾ 100[®] company

★ **57%**
of Candriam's investment funds had **4 or 5 stars** from Morningstar[®] at the end of 2021.⁽⁴⁾



(1) Assets under management (AUM) includes assets which do not fall within the U.S. Securities and Exchange Commission's definition of 'regulatory AUM' in Form ADV, Part 1A. (2) 'Article 8 or 9', according to the Sustainable Finance Disclosure Regulation. 'Article 9' products have defined and quantifiable ESG (Environmental, Social and Governance) objectives. They are products with a social or environmental objective, aligned with the definition of sustainable investments. 'Article 8' products do not have a defined ESG objective but take ESG criteria into consideration when constructing their portfolios. (3) Candriam is a New York Life Investments Company. New York Life Investments ranks among the world's largest asset managers (source: New York Life Investments ranked 27th among the world's largest money managers within Pensions & Investments (June 2021). Rankings are based on total worldwide institutional assets under management for the year-end 2020. New York Life Investments assets include assets of affiliated investment advisors). (4) ©2007 Morningstar, Inc. All rights reserved. Some of the information contained in this document is the property of Morningstar and/or its information providers. It is given without any guarantee as to its accuracy, exhaustiveness or topicality. Its reproduction or redistribution is strictly forbidden. Overall Morningstar Rating for all Candriam funds, was of December 2021.

Stewardship.

Top topics



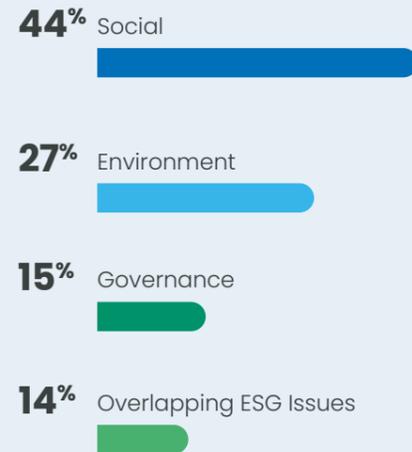
2,060
voted meetings



274
corporates contacted individually



ESG breakdown of the companies contacted directly



Responsible employer.

610 employees

11 years average length of service

35 nationalities

42% women < 30 years in the new hires

66% Men

24% of women in the management committee

34% Women

9.6% staff turnover rate

Responsible operations.

617 tCO_{2e}⁽¹⁾
GHG emissions
(Scope 1, 2 and 3 business travel only)

14,500 tCO_{2e}⁽¹⁾
GHG emissions for the operational value chain
(Scope 1, 2 and 3 Upstream only)

Responsible citizen.

€2.9 million
Institute donations for 2021
in 20 countries

165 ha
of mangroves restored
(of 494 ha target by 2023)

10,000
members of the Academy

20 yrs
of grassroots community initiatives



All data in the entire report as of 31 December 2021 and covering all Candriam offices unless otherwise mentioned.

(1) Those figures don't cover all emissions scope and especially scope 3 emissions related to the value chain and the product use

Candriam's CSR commitments



“A CSR roadmap is a long journey: monitoring targets, analysing KPI evolution and taking new actions. The important thing is to **keep ambition going forward.**”

Isabelle Cabie

Global Head of Corporate Sustainability



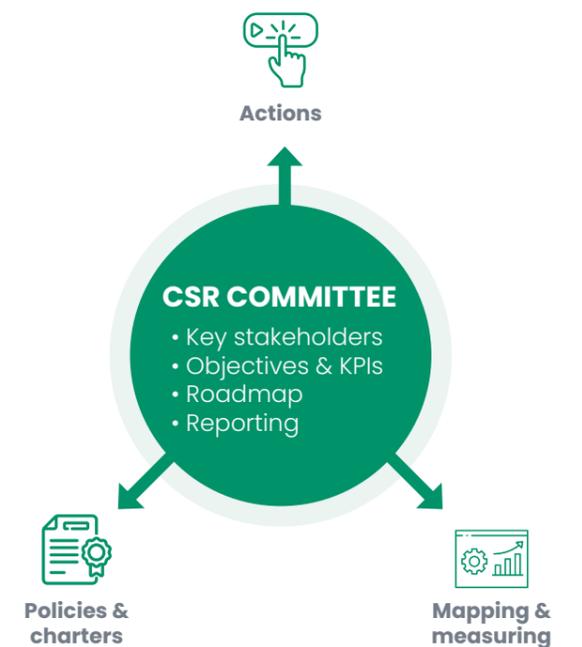
Can you describe the commitments behind Candriam's roadmap?

Last year, Candriam launched its CSR roadmap for the next five years, which sets target-dedicated KPIs⁽¹⁾ for each of our CSR pillars across staff, clients, the operational chain, and the community. Our plan is to monitor the targets and analyse the evolution, and identify where and why they are not being met, whether this pertains to an internal evolution or a service provider contribution. We will then take action to correct those situations. The important thing is to keep ambition going forward. Of course, we appreciate that our processes may have to evolve depending on market and other economic developments.

We are also planning to continue with external commitments, for example, Women in Finance in Belgium, in addition to benchmarking our own practices.

Ultimately, our goal for the coming years is to continue delivering what we promise to clients by adding value in nimble and clever ways, and balancing the importance of looking at ESG considerations with the need to generate risk-aware financial value. We prize the strong relationships we have with our clients, which is why we want to continue attracting and retaining motivated and accomplished people.

DEVELOPING & MONITORING OUR CSR ROADMAP



⁽¹⁾ Key performance indicators.

What do clients say are their top ESG issues?

Climate change remains the number one concern for clients. We are also seeing clients becoming more focused on social issues. One of the most significant is ensuring that value chains respect human rights. It's important that companies do their due diligence on this issue and are transparent in monitoring these activities.

In terms of emerging issues, I think there will be more focus on wealth inequality, although it is difficult to demonstrate the materiality of this issue.

Has Candriam seen notable progress on ESG in the last year? And what progress has Candriam made in 2021?

I think that over the last couple of years, we are finally seeing everyone moving in the same direction when it comes to sustainability practices. We are at a turning point, with sustainable investments gaining in maturity and different stakeholders working together to drive this agenda forward.

While we are seeing good progress in Europe and also the US, there will be challenges moving ESG forward in other parts of the world where there is weaker regulation and commitment. The good news is that countries outside Europe are increasingly looking to see how ESG is implemented here, which means Europe has to further take the lead and be a role model for other geographies. Candriam itself remains at the forefront in ESG Investments with 67% of our AUM being **ESG-related at year end 2021**,⁽¹⁾ and by joining the Net Zero Asset Managers initiative. •



OUR CSR OBJECTIVES

Our 2020-2025 CSR roadmap covers the following objectives for the management of our main stakeholders:



PEOPLE

Empower staff, foster inclusion & promote diversity of people and talents



CLIENTS

Build trusted relationships by offering client service excellence and sustainable value proposition



VALUE CHAIN

Reduce pressure on environment by optimising waste management and limiting carbon emissions of our operational activities, implement sustainable procurement



COMMUNITY

Contribute to educational and societal projects.

Responsible and Transparent Governance

(1) Article 8 or 9, according to the Sustainable Finance Disclosure Regulation. "Article 9" products have defined and quantifiable ESG (Environmental, Social and Governance) objectives. They are products with a social or environmental objective, aligned with the definition of sustainable investments. "Article 8" products do not have a defined ESG objective but take ESG criteria into consideration when constructing their portfolios

A sustainable business strategy built on leadership in ESG investments and responsible company practices.

At Candriam we place sustainability at the core of our business model with two areas of focus:



Sustainable business activities - Leader in ESG Investing

We believe asset management has a key role to play in building a more sustainable future by channelling capital into projects that will ensure sustainable and inclusive growth. Being an active and responsible asset manager, we want **our investments to contribute to the sustainable challenges and goals the world is facing.**

To deliver on our responsible investor philosophy, we have developed a unique value proposition, with 67% of our AUM being **ESG-related at year-end 2021**, based on in-house, proprietary screening.

Responsible company practices

We consider that a responsible asset manager also needs to walk the talk and develop high-standard sustainability practices towards all its **stakeholders**: employees, clients, citizens and communities but also across its entire **operational value chain** and **governance**. Our CSR committee develops and monitors a roadmap with concrete CSR objectives, actions and KPIs for each stakeholder area, and ensures adequate policies and charters are in place to formalise our CSR commitments.

Furthermore we set aside 10% of net fees earned from several sustainable and thematic strategies to fund the Candriam Institute for Sustainable Development's multi-year philanthropic programs.

Candriam commitments to international standards

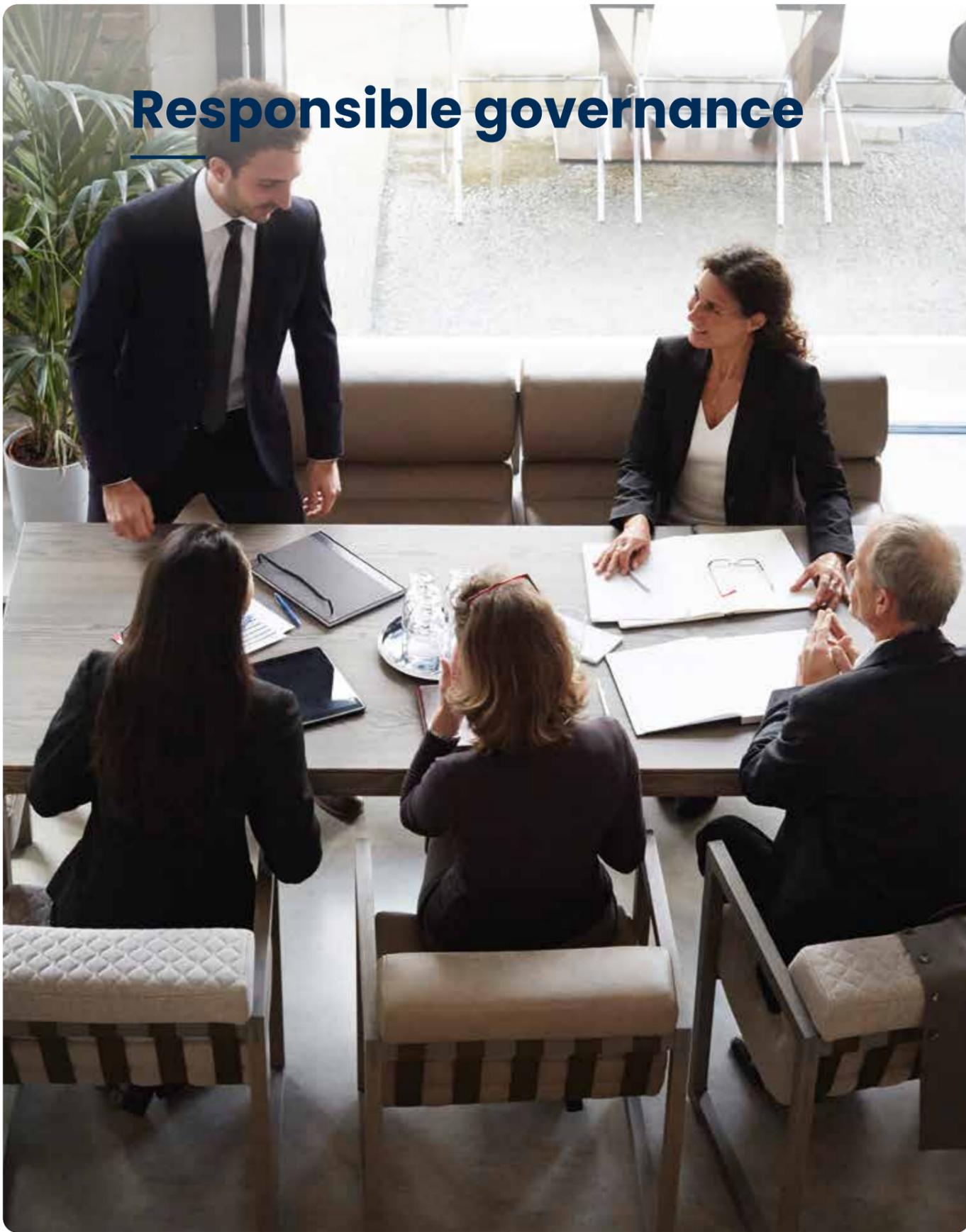
Candriam commits itself to international initiatives in favour of sustainable development, together with other responsible actors, on statements asking stakeholders to adopt better practices in the field.

At the end of 2021, Candriam became a signatory of the **Net Zero Asset Managers initiative** and committed to a net zero action plan for its investments.

Commitments	ESG	Joined in/ Signed in	Conviction Topics
PRI – Principles for Responsible Investment	ESG	2006	
UNGC Call to Action on anti-corruption	G	2014	
G20 Energy Efficiency Investor Statement	E	2015	
Montreal Carbon Pledge	E	2015	
Paris Pledge for Action	E	2015	
Investor Statement on ESG credit ratings	ESG	2017	
Adhesion to Green and Social Bond Principles	ES	2017	
Tobacco-Free Finance Pledge	S	2018	
The Investor Agenda	E	2018	
Commitment to support a Just Transition on Climate Change	ESG	2018	
TCFD supporter	E	2021	
Net Zero Asset Managers initiative (NZAMI)	E	2021	

⁽¹⁾ "Article 8 or 9", according to the Sustainable Finance Disclosure Regulation. "Article 9" products have defined and quantifiable ESG (Environmental, Social and Governance) objectives. They are products with a social or environmental objective, aligned with the definition of sustainable investments. "Article 8" products do not have a defined ESG objective but take ESG criteria into consideration when constructing their portfolios.

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

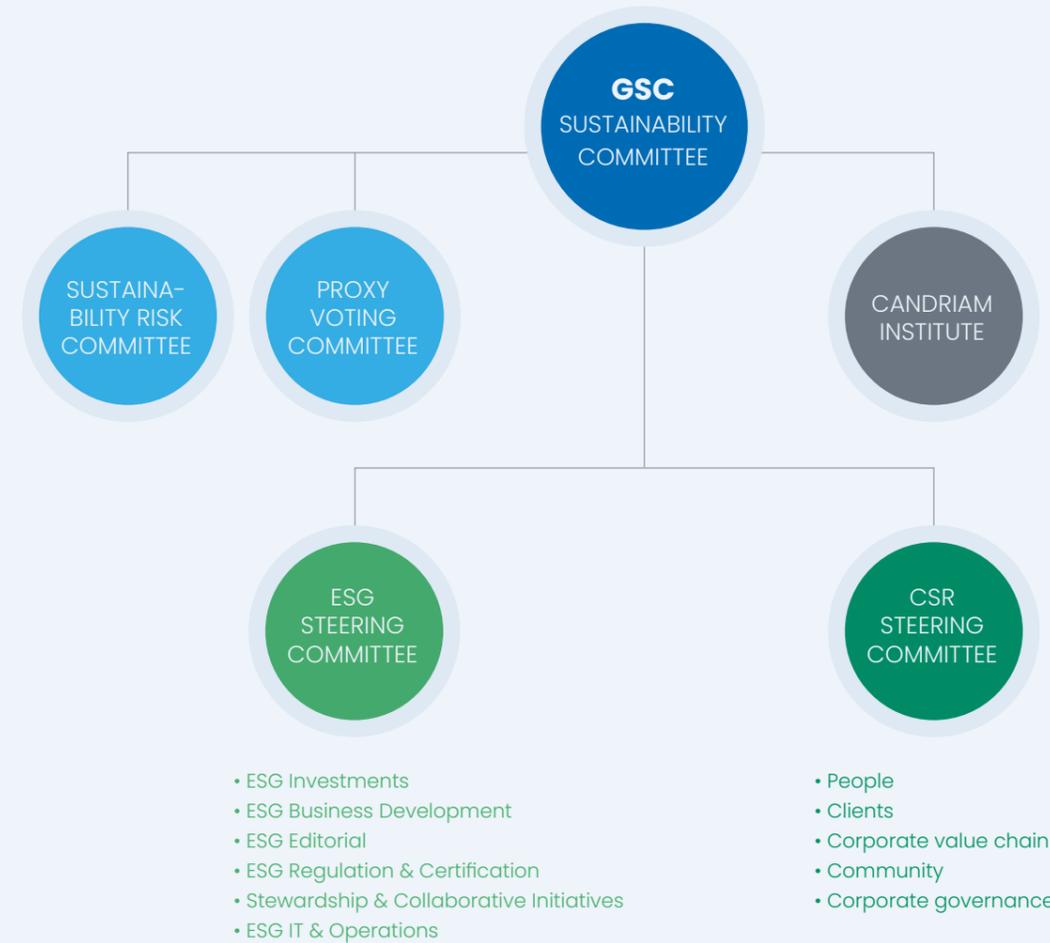
The governance of sustainability within Candriam, enhances our ESG investment capabilities and focus on our (CSR) efforts through the following committees:

- **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
SRI working groups within:	BEAMA - Belgian Asset Managers Association ⁽¹⁾	2004
	AFG - Association Française de la Gestion financière	2003
	EFAMA - European Fund And Asset Management Association ⁽²⁾	2010
Several social investment forums, such as:	Eurosif - European Sustainable Investment Forum	2003
	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
Other sustainability-oriented investor bodies:	US SIF - United States Forum for Sustainable & Responsible Investment	2016
	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

⁽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

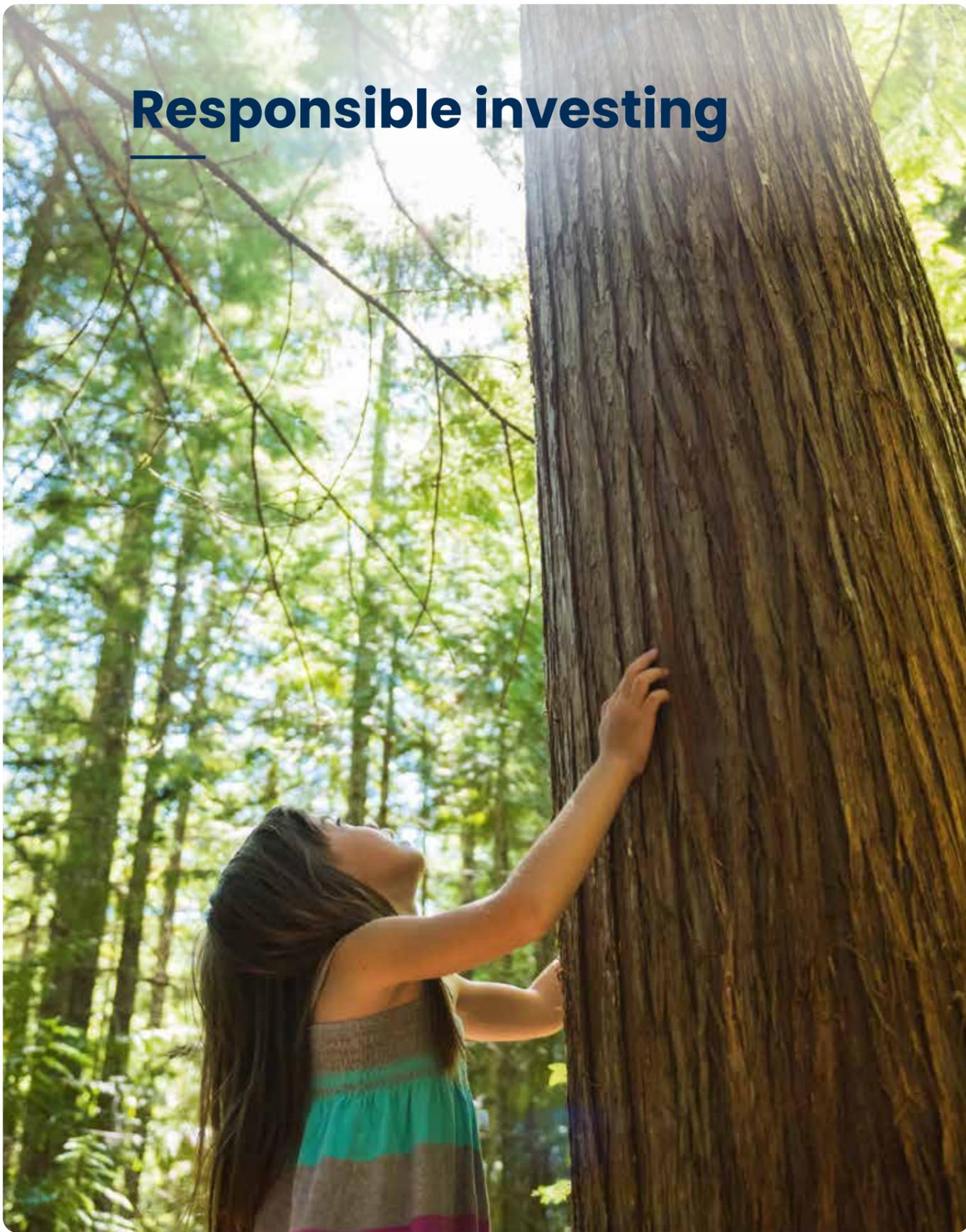
In 2021, our ESG and sustainability experts actively participated in the following conferences and events.

- 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.

Responsible investing



Vincent Hamelink
Chief Investment Officer

How has sustainable investing evolved over the past year?

The world has faced a number of challenges in the last year, including post-Covid economic upheavals, inflation and most recently, the war in Ukraine.

The events of the past year have once again underscored the critical importance of and interdependencies between issues across the ESG triptych. On the environmental front, the climate crisis continues to escalate, with the Covid-19 pandemic and the resulting economic slow-down the only period so far in which the reduction in greenhouse gas emissions was in line with the goals of the Paris Agreement. The Covid-19 crisis also illustrated the significance of social factors for sustainable development. Investors saw first-hand the potential repercussions of such factors – ranging from management of supply chains, safety policies in the workplace, to healthcare access and the crisis unfolding in Ukraine has, of course, highlighted the importance of in-depth, forward-looking analysis of governance-related matters, with regards to both corporate and sovereign investments.

How has Candriam’s approach to sustainability evolved in this complex environment?

As sustainable investors, it is vital that we stick to our sustainability convictions, especially during times of global uncertainty. Staying true to our sustainable investing principles in good times and bad has earned the trust of our clients, which is of paramount importance.

Thus, the terrible events that have unfolded in Ukraine, while consequential, do not alter our convictions or approach. We have excluded Russian sovereign debt from our sustainable strategies for several years now, due to governance concerns (including on human rights, rule of law, corruption, and external security) and a low natural capital score (including on environmental regulation, use of resources, carbon footprint, and greenhouse gas emissions).⁽¹⁾ Candriam’s convictions on defence also remain the

“Our ESG framework was built to be forward-looking with an objective to identify and reduce the sustainability risks of today and tomorrow, thereby making a positive contribution to a more sustainable future.”



(1) For additional details, please refer to our paper “Sovereign Analysis: Natural Capital vs the Nature of Capital”. https://www.candriam.com/48ff47/siteassets/medias/publications/brochure/corporate-brochures-and-reports/sovereign-report/2021_01_sovereign_sustainability_en_web.pdf



same. Whilst we recognise the importance of the defence sector to national security, the ethical issues related to the use of weapons and the negative impact they may have on societies and human rights, is the responsibility of governments to solve, not private capital.⁽²⁾ Our priority as a fiduciary to our clients is to invest their assets responsibly and sustainably. We take a considered and detailed approach to carefully review and assess individual companies and their products to understand their alignment with ESG standards. However, the defence industry is extremely complex, and it is difficult, if not impossible, to ensure that the companies or equipment that help protect vulnerable populations today will not be used to empower oppressive regimes tomorrow. Moreover, making the distinction between conventional and controversial weapons⁽³⁾ is not as straightforward as it may seem. All these factors represent significantly high risks that in our view are incompatible with sustainable strategies.

Our strong convictions and disciplined approach to sustainable investing extends to how we implement regulation. Ever since we launched our first sustainable investment strategies in 1996, in-depth analysis of ESG factors has been a cornerstone of our investment process. Accordingly, a very large part of our product range was already classified within Article 8 and 9 under the EU's Sustainable Finance Disclosure Regulation.

We've used the implementation of this regulation as an opportunity to continue offering clients ever-more granular views of sustainability risks.

How do you ensure, in an ever-more uncertain world, that Candriam's ESG framework is future-proofed for tomorrow's realities?

Candriam's ESG framework was built to be forward-looking. Our objective is to identify and reduce the sustainability risks of today and tomorrow for our clients'

investments, thereby making a positive contribution to a more sustainable future.

We also aim to uncover and capture present and future sustainability-related growth opportunities in the portfolios we manage. To achieve these objectives, when assessing the sustainability of companies, we analyse their adherence to international norms, their involvement in controversial activities, how they manage their stakeholder relationships and the key sustainability challenges that they are exposed to. In fact, a company's relationship with its stakeholders and its exposure to key sustainability challenges are determinants of long-term corporate value.

For countries, our analytical framework includes filters for high-risk, oppressive regimes and standards of democracy. Furthermore, we assess each country's ability to manage its environmental, human, social and economic capital in a sustainable fashion, today and in the future. The framework has three distinguishing features. First, the breadth of data – historical, real-time, and forward-looking – that it analyses. Secondly, the framework integrates materiality, meaning that it takes into account the variations in relevance of different factors for the future sustainability of each country.

This approach to corporate and sovereign sustainability focuses not only on reducing sustainability risks for investors' portfolios and negative impacts of investments on the environment and society but on identifying and capturing sustainability-related opportunities for our clients. Structural trends such as the transition to a carbon-neutral and more circular economy mean a reshuffling in industrial structures and capital allocations, which in turn, creates pockets of growth for innovative companies that develop or adopt solutions for the world's environmental and social challenges. •

ESG

Sustainable investment strategies.

“ In an increasingly uncertain world, we are confident that our approach should result in financial growth and stability today, tomorrow and well into the future.

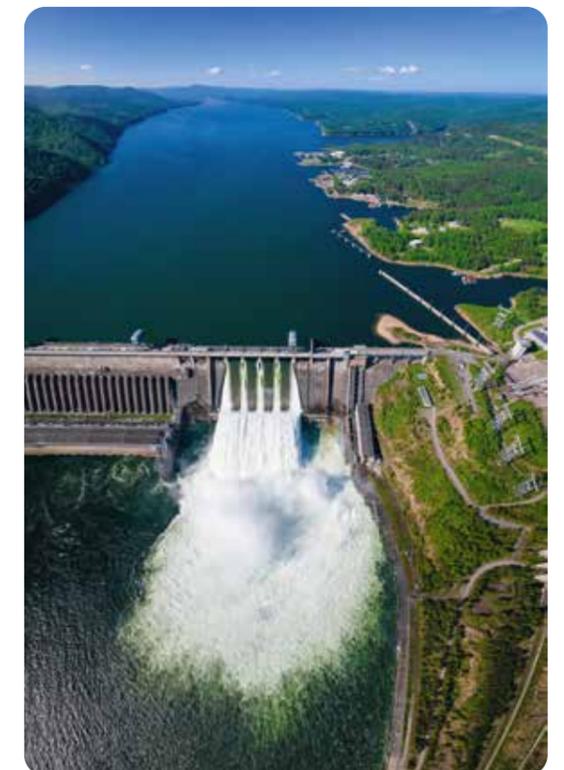
Marie Niemczyk
Head of ESG Client Portfolio Management

Combatting climate change through investment strategies

Climate change is one of the most urgent challenges facing society and investors. But it is also a source of opportunity for investors through the reallocation of capital to innovative solutions such as renewable energy sources.

The investment decisions taken by asset managers have a direct or indirect influence on the cost of financing for companies, their ability to develop certain projects rather than others, and their strategic choices. Moreover, these investment decisions are coupled with an ability to influence companies through the exercise of voting rights held as a shareholder in those companies, balancing the interests of our investors and the impact of our decisions on society at large.

Candriam is fully committed to achieving **net zero by 2050**.⁽¹⁾ The methodology will be available within our climate policy due to be published later this year. For over 15 years now, **our ESG analytical framework has embedded climate mitigation and adaptation across our sustainable investment strategies**. This means that across our ESG related strategies we systematically integrate climate considerations into the way we invest and select companies that are putting forward a meaningful and credible carbon decarbonization pathway.



⁽²⁾ For additional information on this subject, please read our market insight "Weapons manufacturing is not sustainable. No ifs or buts" published on our website <https://www.candriam.com/en/professional/market-insights/topics/sri/weapons-manufacturing-is-not-sustainable-no-ifs-or-buts/>
⁽³⁾ Controversial weapons include landmines, cluster bombs, depleted uranium, chemical and biological weapons. They are prohibited by international treaties.

⁽¹⁾ https://www.candriam.com/4aa6cc/siteassets/presspage/press/pressrelease/2021/11---2021/pr_nzami-announcement_en.pdf

In fact, especially in carbon-intensive sectors, it is important to identify those companies that are implementing concrete measures towards a real energy transition. For example, while we reduce exposure to companies with a 5% revenue threshold from oil & gas, companies demonstrating a credible energy transition strategy that has been validated by the Science Based Targets initiative or are allocating over 15% of their capital expenditures to activities that contribute positively to climate action, can still be considered for investment.

For the last several years, we have been **measuring and disclosing the carbon footprint** of sustainable funds with the overarching ambition to reduce the footprint of these strategies year-on-year.

Going forward, **our enhanced climate strategy** will target even greater **decarbonization** at the fund level. Our ambition is to secure a **50 per cent reduction in greenhouse gas emissions across a significant share of our investment portfolio by 2030** and to pursue **net zero emissions of our investment portfolio by 2050** or sooner. This strategy will be in alignment with the Paris Agreement's aim to substantially reduce global greenhouse gas emissions, and move beyond integrating scope 1 & 2 carbon footprinting. In fact, it will extend the measurement of carbon performance to scope 3 emissions, and integrate climate goals in ESG research and investment objectives. Concomitantly, we are reinforcing our leading engagement and voting practices in order to further support the Paris goals⁽¹⁾.

In addition to pursuing our decarbonization ambition, in 2021, Candriam joined the **Net Zero Asset Managers Initiative (NZAMI)**, supporting the goal of net zero greenhouse gas emissions by 2050 or earlier in line with global efforts to limit warming to 1.5 degrees Celsius.

Candriam's recognized **climate engagement and stewardship strategy***, targeting investments with the highest climate risks, plays an important part in reducing the emissions of our portfolios. We also believe that each company must have an explicit and achievable decarbonization strategy. During the 2021 annual general meeting season, we applied a detailed framework to every 'Say-on-Climate' resolution of our portfolio companies, assessing the alignment of each company's transition strategy with a 2050 net zero emissions pathway. As a result, we voted against a significant proportion of shareholder resolutions as we found the companies' plans were not sufficiently ambitious. In 2022, as part of our enhanced climate strategy, this high level of engagement will be increased further, both in terms of number of targeted issuers and ambition.

Climate change is integrated throughout different levels of our ESG analysis. For example, as part of our ESG corporate analysis, we conduct an in-depth business activity analysis to assess if a company is dedicated to issues related to resource preservation and waste management.



⁽¹⁾ For more information on our footprint, please visit our Montreal Carbon Pledge internet page: <https://www.candriam.com/en/professional/market-insights/topics/sti/montreal-carbon-pledge---candriam-discloses-its-carbon-footprint-2021/>. More details on the carbon footprint indicators: <https://www.candriam.com/498047/siteassets/medias/publications/sdr/esg-and-impact-indicators---definitions-and-methodology-.pdf>. These data may not take into account the entire scope of emissions and in particular Scope 3 emissions (emissions from the operational value chain and product use). Avoided emissions are excluded from the analysis.

“**Our work with NGOs and other stakeholders has helped us bring a nuanced approach to our investment philosophy, especially when it comes to complex issues.**”

Sophie Deleuze
Lead ESG Analyst, Stewardship



STEWARDSHIP

How does Candriam's voting process support its stewardship policies?

Engagement and voting are the two pillars of Candriam's investment strategy. Candriam's voting record must reflect our ESG standards. The values that companies adhere to on sustainability must align to our own.

We believe that involving stakeholders in the engagement and voting process as much as possible is an essential ingredient for success. Candriam undertakes extensive analysis on our investee companies and we also use a proxy advisor for input on voting. When our internal team flag meetings sensitive in nature, recommendations from proxy advisors are systematically reviewed in detail and discussed internally.

Some fund managers have not been supportive of E and S resolutions at investee companies. How does Candriam ensure that it is voting in the best interests of its clients?

We carefully analyse all shareholders' resolutions that are proposed and also are in direct contact with the ESG analysts for their insights on each company. We further engage individual fund managers and solicit views from different investment teams when we think it's relevant. This collaborative approach helps us give a well-rounded view of how we should vote and also enables a better understanding and knowledge of our voting policy by internal parties.

Last year, Candriam supported around 70% of climate resolutions that we voted on. Sometimes, we vote against climate resolutions because they are not ambitious enough and if passed, would not result in any tangible change within the company. If we think that resolutions are too prescriptive, we may also vote against them.

Does Candriam target specific ESG topics on which to engage? If so, which ones?

- Since 2014, Candriam has focused on three topics:
- Business ethics
 - Energy transition
 - Fair working conditions

In recent years, we have seen other issues emerging, for example, social issues such as how employees are treated by their employers. Social issues very much came into play during the Covid-19 pandemic. We are also seeing issues like wealth inequality come to the fore. We hope this will result in collaborative initiatives such as the Workforce Disclosure initiative, which we supported, gaining in importance and acceptability.

What methods does Candriam use to engage with investee companies to ensure they are accountable on ESG considerations?

Over the last several years, investor actions have spurred changes in the companies in which they are invested, demonstrating that robust engagement can change company mindsets.

If companies are not meeting our expectations on ESG, we will keep engaging with them to try and effect progress. Climate is a good example as many large global greenhouse gas (GHG) emitters are still lagging behind on their net zero commitments and associated strategy.

If engagement intensifies but progress is still not made, we take escalation measures, including, as a last resort, divestment. While divestment can send a strong signal to markets, it also drastically reduces our leverage to effect changes. •

Voting an essential part of Candriam's sustainability strategy

Candriam Stewardship plays an important role in communicating our core values to the companies in which we invest on behalf of our clients. While engagement is the key tool to advocate for sound corporate governance practices, actively voting at the general meetings of investee companies helps signal to the companies that they fall short of our expectations.

In 2021, we continued our journey to foster shareholder value through stewardship and to safeguard the interests of all Candriam clients in line with our investment philosophy. When casting our votes, we respect our fiduciary duty to our clients and we assess whether companies comply with the internally recognized corporate governance standards.

Throughout last year, climate moved to the top of the voting agenda. The headline example was the dissident proxy card at Exxon, which we supported. Say-on-climate votes increased significantly, sponsored by both shareholders and management, making AGMs the legitimate forum for the discussion of corporate transition strategies.

In addition to climate, we also saw resolutions on a number of other ESG topics, including diversity and inclusion, human capital management and gender and racial pay gaps—confirmation of how much traction social issues gained during the year.

The power of collaboration

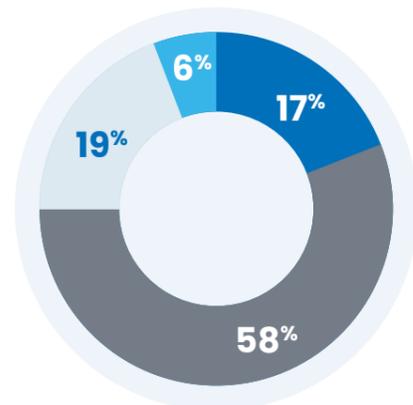
Candriam acts responsibly, both as an investor and as a company. We also join forces with other investors for greater leverage when calling on issuers to act responsibly. These collaborative engagements will continue to increase in importance as ESG awareness continues to gain momentum in the financial community and as issuers face large and rising requests. With many data 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 to company practices or strategy are at stake.

In 2021, Candriam targeted **4,248 corporate issuers** through its collaborative dialogues on various ESG topics.

These engaged issuers account for **86% of Candriam AUM**, measured as corporate instruments (equity and bond instruments, direct lines).

CONVICTION TOPIC BREAKDOWN

Of a total of 282 dialogues involving conviction topics in 2021



Conviction topics	2021	2020	2019
Energy transition	17%	35%	54%
Fair work conditions	58%	48%	18%
Business ethics	19%	17%	28%
Mix of conviction topics	6%		

Risks raised by facial recognition

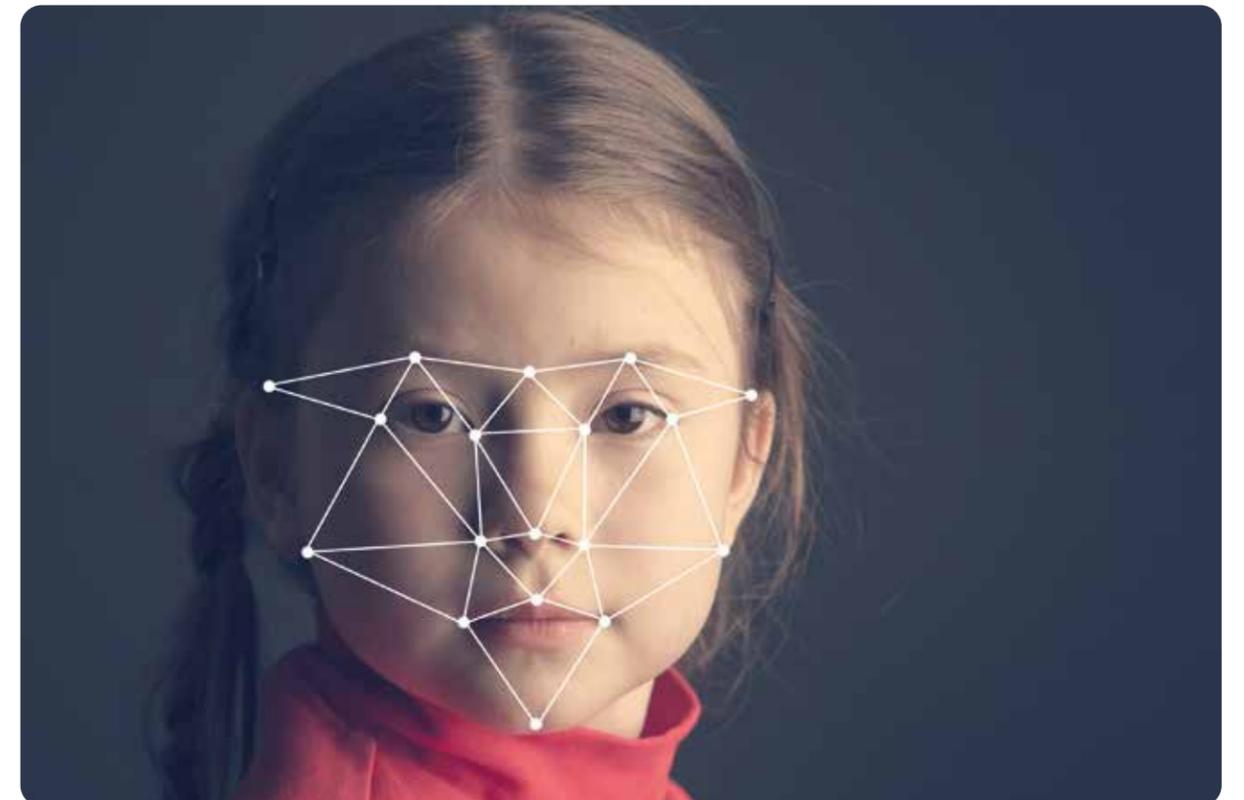
In June 2021, Candriam launched an Investor Statement on Facial Recognition – signed by 53 global investors representing US\$5 trillion (as of June 2022)—warning of the risks raised by facial recognition technology (FRT) products and services and advocating for adequate risk management and improved corporate disclosure around FRT.

FRT technology in its present form risks infringing on individual privacy rights, given it lacks the consent of those being identified and has no official oversight. Misidentification is far more frequent than one might expect, occurs more systematically among certain ethnic groups and has led to false arrests. Although there is no common global framework around the regulation of biometric data collection and its use, several US cities

and states have banned the use of FRT. In Europe, the EU Commission is proposing the first ever legal framework on Artificial Intelligence Regulation and China recently published a draft standard on Security Requirements of Facial Recognition Data.

The investor statement forms the basis of a dialogue with companies as part of an informed and constructive collaborative engagement program involving 20 global investors, to ensure that this technology is used in a lawful and responsible manner.

We intend to publish a paper around the middle of 2022 describing our findings during company engagements, before getting back to these same companies to try and advocate for adoption of best practices.



Client satisfaction.

“Most clients don’t have the time to step back and think strategically about emerging ESG issues. Our annual investor seminar gives them an opportunity to do that.”



Renato Guerriero
Chief Sales & Distribution Officer

How does Candriam ensure client satisfaction?

We value the excellent relationships that we have with our clients. Through seminars and other activities, which are organized by local teams to ensure issues covered are relevant for each market, there are ample opportunities for clients to interact with our investment experts. Our client base is very diverse so we try to focus on issues that are of interest to each of them.

Another way that we gain insights into the needs of our clients is through independent surveys such as the ones used by Broadridge e.g. *The Broadridge Fund Brand 50 2022*, the global annual survey of the brand success of third-party asset managers. In this survey, Candriam was recognised as having a strong brand along with a solid investment strategy incorporating an innovative investing approach with an ESG focus. In addition to that Candriam has been awarded the 2021 European **Broadridge Distribution Achievement Award as the fastest riser in sales services**.

We also run our own client satisfaction surveys every two years. We think that both internal and external surveys provide us with good insights into what our clients need and value most and how Candriam can best meet those needs.

One of the issues that clients are understandably most concerned about is regulation. The financial services sector is a heavily regulated industry so it’s vital that Candriam helps clients navigate the regulation labyrinth.

We also work closely with a number of industry bodies and sustainability-related associations, for example, the European Fund Management Association, so that we stay on top of ESG-related legislation and play a role in facilitating ESG discussions.

It is this regular interaction with clients and attentiveness to their needs that allows Candriam to be a pull as opposed to a push company. Clients come to us because they are attracted to the way we do business and the values that we uphold.

It’s important that clients have a good understanding of investee companies, especially with regard to ESG issues that are aligned with Candriam’s investment strategies, so we provide opportunities for them to hear directly from those organizations. For example, in recent months clients have heard about Candriam’s oncology focus via The Candriam Institute for Sustainable Development, or on our focus on circular economy through a discussion with representatives at the Ellen McArthur Foundation. Hearing from these experts really brings the subject matter to life.

What ESG issues should clients be looking at in the future?

The range of issues under the ESG umbrella continues to expand.

Each year, Candriam holds an investor seminar, which touches upon topics that are outside the usual ESG remit of most of our clients. This includes issues such as geopolitical upheavals, biodiversity, diversity and inclusion and increased digitization within the finance industry.

Communication actions to promote ESG

In 2021, Candriam strengthened its focus on the education and promotion of ESG across its communication channels.

Based on the knowledge of our ESG experts, we produced various articles dedicated to ESG issues, which were made available to our clients and the community at large.

- 14 white papers and opinion papers for investors on issues such as ethnic diversity, the impact of pesticides and impact investing in private debt.
- 5 papers on engagement actions or collaborative actions carried out by Candriam with companies on topics such as facial recognition.
- 7 educational documents on issues such as SFDR and the European taxonomy.

We also disseminated the academic research we support through the Candriam Institute for Sustainable Development. These publications are often accompanied by interviews with the heads of the supported chairs.

Most clients don’t have the time to step back and think strategically about emerging ESG issues. Our annual investor seminar gives them an opportunity to do that.

We also organise, through The Candriam Academy, an educational webinar series called «ESG Talks», covering some of the most pressing economic, social and environmental issues of our time, from climate change and the transition to a low carbon world to the importance of moving to a circular economy.

How does Candriam encourage its clients to look at the issues of stewardship and active ownership?

Most clients have proxy advisors whose views are aligned to their own internal principles and values. However, Candriam frequently provides advice to clients on how they can ensure that their voting is in line with their ESG charter.

Our clients—pension funds, insurance companies, banks and others—regularly reach out to us about how to structure their portfolios and how to allocate investments on a geographic basis. Although we have a central department within Candriam that deals with these queries, we rely very much on country heads and specialised relationship managers to provide this advice, given that they are on the ground and understand local legislation and ESG requirements. •

All of these documents are promoted to our clients via social media networks (LinkedIn, Twitter), emails and through the group’s websites (Candriam, Candriam Institute for Sustainable Development and Candriam Academy).

To further foster a good understanding of ESG, Candriam organized 6 “ESG Talks” in the form of educational webinars for both internal and external audiences. Topics covered in 2021 included :

- Integrating external ESG research: the pros, the cons... and the how
- How to align investments with the Paris Agreement?
- Active Ownership: Is it all just talk?
- ESG in the US: Make America Green Again
- Finding out the “ABC” of Sustainable Bonds
- ESG in practice: assessing Food and Beverage companies’ externalities

Responsible employer



“**Candriam believes that our organization is made stronger through a model that supports a diverse workforce and where staff are given opportunities for development.**”

Nadia Tortel
Global Head of Talent

TO OUR EMPLOYEES

Spending time on employee development has been shown to not only benefit the employee but also the company as a whole. In what ways does Candriam think that learning and development achieves these goals?

Learning and development has long been a priority area for Candriam. Our view is that we can provide the development opportunities but it is then up to each individual to take advantage of those opportunities and make the most of them. We try to ensure that all staff members have access to learning and development, whether it's to learn new skills or further develop existing ones. Nearly half of our workforce is comprised of millennials, with different workplace priorities and needs than previous generations. Providing personal enrichment so they can fully develop their potential is an important consideration for them and for us as a firm if we want to continue to stay on our current successful growth path.

Covid has prioritized social issues for companies worldwide. Now that Covid appears to be receding, how will Candriam move to a post-Covid way of working?

Covid forever changed our lives and in the process, forced companies to re-examine their work models. Working from home presented unprecedented challenges but ultimately, proved successful, which is why we cannot return to pre-Covid paradigms. In order to ensure our staff retains a

degree of flexibility in their lives, Candriam has instituted a hybrid working model, allowing staff to combine home and office working. We recognize that in order to retain our talented employees, and keep them motivated and energized, we must provide a more flexible working model.

How does having a policy of diversity and inclusion make Candriam stronger as an organization and a better place for people to work?

At Candriam, we strive to make diversity and inclusion much more than just a box ticking exercise. We believe that having diverse staff representing different points of view and outlooks, strengthens us an organization. We work hard to embed these policies across the entirety of the organization, from senior management to department heads to line managers to our work force at large. Candriam's policy of inclusion is also reflected in our hiring practices to ensure that we embrace all aspects of diversity.

For me, inclusion means bringing people into the organization who don't necessarily tick all the usual boxes. While this is a big challenge for any organization, Candriam believes that it is essential to break the cycle of always hiring people from the same educational and social backgrounds. By supporting universities, business schools and underprivileged students, we actively participate in building a diverse pool of talent.

We recognize that raising awareness around diversity and inclusion within the organization is critical to our success. This is achieved in a number of ways, through diversity and inclusion leadership workshops and our women and leadership programs..



How can Learning & Development and Diversity & Inclusion contribute to Candriam’s long-term sustainability goals? How would you like to see these priority focus areas develop in the future?

Diversity & Inclusion through Learning & Development will continue to remain our priority focus area for the foreseeable future. We have both a top-down and a bottom-up approach regarding D&I by raising awareness across all Candriam employees on the one hand, and developing our managers through Inclusive Leadership on the other hand.

We also encourage our hiring managers to be more inclusive and meet our diversity targets. Continued success requires constant information and education across the organization: at Candriam, we want to increase employee engagement by also developing internal knowledge sharing opportunities. We believe that Learning & Development is crucial to the sustainable growth of our people and of Candriam as a whole.

The training offering is continuously adapted and broadened in order to keep everyone motivated and address evolving company needs. •

“Diversity & Inclusion is a core building block of our Leadership Fundamentals’ program. We believe it is key at Candriam that our leaders go through a personal development track on D&I. It is not only about awareness but also about change on a personal and team level. Our leaders are our main ambassadors and change agents helping us to reach our sustainable goals.”

Déborah Bogaert

Head of Learning and Talent Development

CANDRIAM, RESPONSIBLE EMPLOYER – FOUR CSR OBJECTIVES

Foster **inclusion** & a **diverse** pool of talents

Facilitate life-long **development & change**

Engage all staff to drive Candriam forward

Foster **well-being** & **CSR** awareness



I loved the experience! It was great to get to know more about the different teams within Candriam and how they operate. It was also great to get to meet so many different new people coming from very different backgrounds and appreciate the diversity of the group. This has made me feel more **motivated and attracted to Candriam’s spirit and corporate culture.**

Participant commenting on a Candriam new joiner event

Leadership

Candriam’s core initiatives.

Diversity and Inclusion are at the heart of our culture

Candriam has a strong focus on gender diversity—accompanied by measurable objectives such as the attraction of more women within our workforce. Through internal mobility, personal development, mentoring, specific learning paths and dedicated training programs (such as Women & Leadership) we have committed to supporting a diverse succession plan across the organization.

The Women @ Candriam group, created in 2018, focuses on career development now and in the future. In 2021, Candriam signed the FEBELFIN⁽¹⁾ “Gender Diversity in Finance” charter, representing an important milestone in Candriam’s Diversity and Inclusion efforts, which will lead to better outcomes for each other, our clients and Candriam. **To ensure that Candriam is developing the future female leaders of tomorrow, its goal is that at least half of new hires are women, as averaged from 2021 through 2025.**

We also have a Diversity & Inclusion Committee composed of members with diverse backgrounds and the support of a Diversity Correspondent, in order to:

- develop a dedicated strategy in line with our CSR roadmap,
- define, promote and support the implementation of global and innovative initiatives in favor of inclusion,
- follow up on measurable objectives set by the Executive Committee for achieving diversity and inclusion across all our entities.

Inclusion is an established criteria in Candriam’s performance development and is part of the evaluation of our people leaders. Our aim is to define specific objectives annually in terms of Diversity and Inclusion and refer these to the Executive Committee.

DIVERSITY & INCLUSION



- “Unconscious bias” training & diversity objectives for managers
- Diversity & inclusion committee
- HR diversity correspondent
- inclusive “communities”



- Diversity & Inclusion charter
- Recruitment policy
- Internal mobility charter
- Non-discrimination in ethical codes
- Joining initiatives



- Measure & increase diverse representation
- Measure & close pay gaps

To ensure that Candriam is developing the future female leaders of tomorrow, its goal is that at least half of new hires are women, as averaged from 2021 through 2025.

(1) FEBELFIN is the federation of Belgian financial institutions, is the most important representative of the Belgian financial world at national and international level.



Reinforcing learning and development from the top down and bottom up

Managers are very involved in Candriam's onboarding process to ensure new staff are fully integrated into the organization.

Candriam employees have extensive development opportunities to gain additional knowledge on a variety of subjects and improve their existing skills. We provide a broad range of programs, including:

- IT & Digital
- ESG knowledge
- Business & asset management knowledge
- Personal development
- Certifications : CFA/ESG CFA/CAIA/executive program

Underscoring our commitment to Diversity and Inclusion, we regularly hold workshops where staff can learn about the importance of these issues, including how to create an environment where others feel psychologically safe and are able to bring their authentic selves to work.

We want to ensure that in the next few years,

100%

of new staff have "buddies" to help ease them into the organization in a positive and comfortable manner.

Training the next generation of executives

At Candriam, we want our talented staff to stay with us as long as possible. Given that 48 percent of our workforce is comprised of millennials, we have established the NextGen Committee, an initiative which allows young employees to work directly with senior management and take on work and responsibilities beyond their job description. We think this is a good way to train tomorrow's executives.



“The values and culture that we have established at Candriam must be lived by all our employees. Our Executive and Management Committees are involved in all our initiatives to ensure we have a top down, cohesive approach.”

Nadia Tortel
Global Head of Talent

Communities @Candriam

Central to our exploration of ways to improve as an organization, employee-led initiatives help bring forward innovative ideas and further foster a sense of community across Candriam. Recent initiatives include:

Women@Candriam: an internal network that aims to support, develop, and promote women's professional development.

NextGen committee: to introduce innovative ideas that can help shape the future of Candriam.

Digital Ambassadors: to help enhance our digital culture, pursuing day-to-day improvements and accelerating the adoption of new technologies.

Mentoring: to support an intergenerational sharing of knowledge.

Change Agents: sharing competencies across collaborative projects to gain efficiencies.

Graduate Program: to support and train the next generation of leaders, this two-year program offers graduates formal training, coaching, international experiences and networking opportunities.

Responsible operations & supply chain



Fabrice Cuchet
Chief Operating Officer

“We are keen to reduce the carbon footprint of our value chain which is why we have implemented a sustainable procurement program as a way to **reduce supplier emissions.**”

Does Candriam have emissions targets for the next five years?

Candriam is steadily reducing the total footprint of its operational value chain and we have ambitious targets to further reduce emissions by 2025. We plan to do this in a number of ways, including: continuing with using electric and plug-in hybrid vehicles; encouraging travel only as necessary and using sustainable travel whenever possible; implementing homeworking; creating a more efficient work environment by using less paper and recycling old equipment; and working toward a zero-plastic environment.

How does reducing emissions translate into Candriam’s day to day processes?

Candriam has implemented the INES project, which is a Candriam-wide initiative aimed at making employees’ lives more efficient and collaborative by ensuring that IT hardware and software is used consistently and efficiently across the organization and optimising a digital working place hence reducing carbon emissions. We also offer incentives to employees to use low emission means of transport.

Controlling internal emissions is one thing but getting external suppliers to follow suit can be more difficult. Does Candriam have measures in place to spur suppliers to reduce their emissions?

Indeed, indirect emissions from our activities also need to be monitored and reducing emissions across supply chains is a challenge. We are keen to reduce the carbon footprint of the suppliers in our value chain which is why we have implemented a sustainable procurement program as a way to reduce supplier emissions. This includes regularly reviewing supplier emissions – and those of new suppliers – and the impact that they have on our organization.

Holding vendors to account on their own carbon footprint is a critical component for reducing emissions across our entire operational model. •

SUSTAINABLE VALUE CHAIN @ CANDRIAM - THREE CSR OBJECTIVES

- Minimize operational carbon emissions
- Optimize waste management
- Implement sustainable procurement

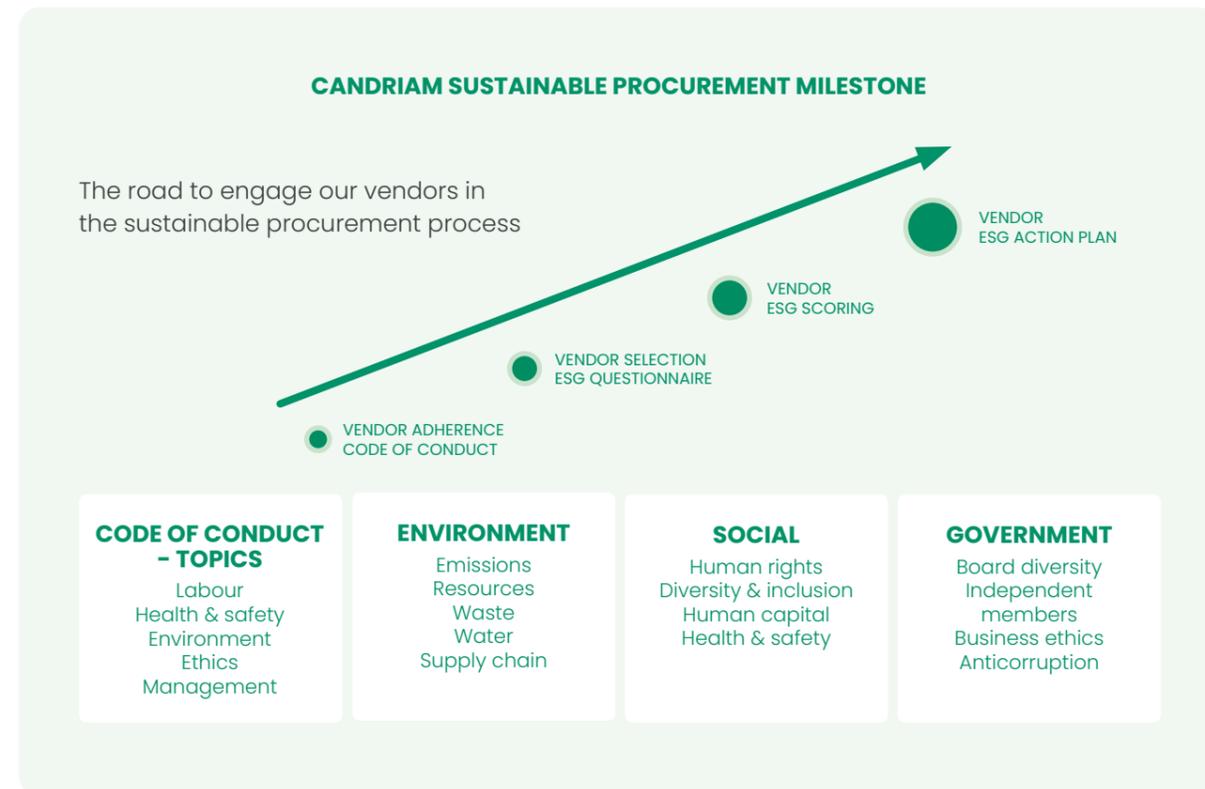


The move to net zero at company level

The role of procurement in reducing emissions

We define sustainable procurement as the adoption and integration of corporate social responsibility principles into a company's procurement processes and decisions. It encompasses sustainability as it relates to products, materials and supplier practices, including implementing ESG scoring for vendors.

In 2020, Candriam formalized the basics of its sustainable procurement approach, with a Supplier Relationship Charter and Code of Conduct for all new Tier 1 and 2 vendors, and a preliminary ESG scorecard for vendors. The charter, which outlines 10 commitments for responsible purchasing, is promoted by the French National Purchase Council (Conseil National des Achats) and the French Ministry of Finance's Credit Mediation Department.

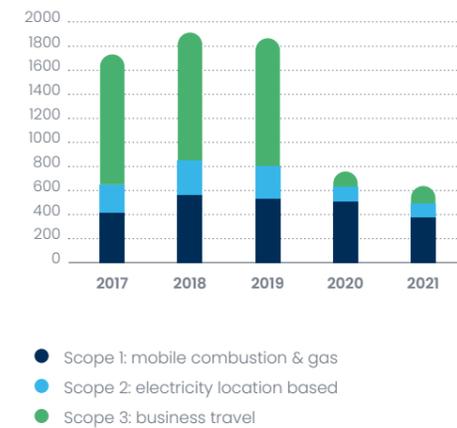


“Candriam incorporates sustainable criteria into the selection and monitoring of its external vendors to ensure that their sustainability commitments are aligned to our own and to encourage and foster sustainability principles into the supply chain.”

Emmanuel Callebaut
Head of purchasing, facilities and logistics

A report by S&P Global Sustainable I, looking at Candriam's carbon emissions across its operations, found that our total operational footprint, defined by the GHG protocol as being the scope 1 and scope 2 and Business Travel (i.e. direct fuel use, electricity use and business travels) was 617 tCO₂e in 2021. It was 760tCO₂e in 2020, a year still largely impacted by the Covid crisis.⁽¹⁾

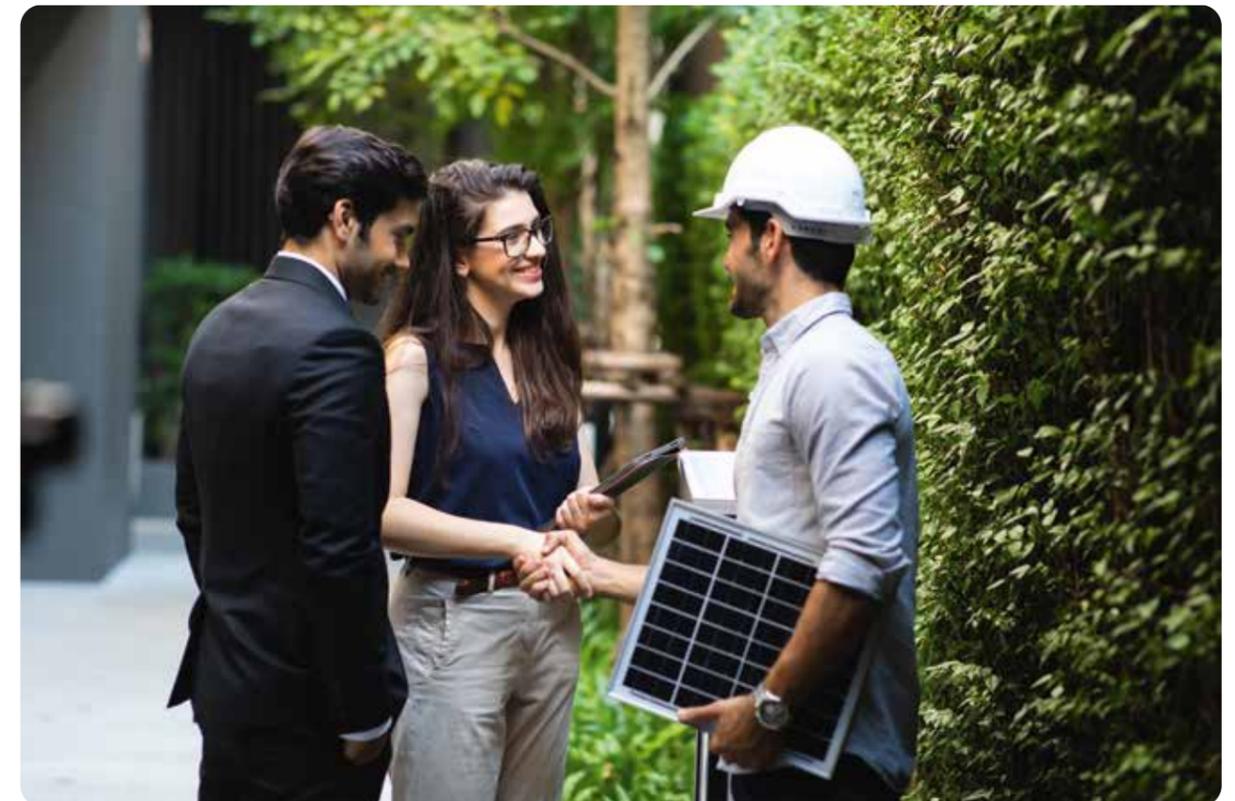
CANDRIAM OPERATIONAL FOOTPRINT⁽²⁾



Thanks to continuous efforts such as digitalization (Video/Audio conferencing, digital tools such as DocuSign and more collaboration tools and sensibilisation) we intend to control this trend by focussing on 3 main pillars: Optimizing our fleet (part of scope 1), reducing our energy consumption (scope 2) and optimising our business travel (part of scope 3); air travel especially needs to be controlled by choosing for more call and video conferencing options.

Candriam's objective is to continue reducing its operational emissions and commit to offset the main part of the residual emissions by purchasing credits from projects that support reforestation, renewable energy and energy efficiency worldwide.

Buildings use an enormous amount of energy so a big focus for Candriam is the use of more energy efficient buildings. We opt for BREEAM (Building Research Establishment Environmental Assessment Method) certified buildings, a widely used sustainability assessment method which guides and informs developers and architects to masterplan projects, infrastructure and buildings within the built environment and LEED (Leadership in Energy and Environmental Design), a green building rating system. Putting green energy contracts in place is helping us to meet our net zero goal.



⁽¹⁾ Does not take into account the full scope 3 emissions.
⁽²⁾ All data calculated by Trucost and Candriam unless otherwise mentioned. Additional information on Trucost and its methodology can be found here <https://www.spglobal.com/spdji/en/documents/additional-material/faq-trucost.pdf>

Responsible citizen



“At Candriam, **philanthropy is deeply embedded into our corporate culture as opposed to being just a box ticking exercise.**”

Helena Colle

Global head of corporate development

What characterizes Candriam’s approach to philanthropy?

The Candriam Institute for Sustainable Development leads the company’s philanthropic initiatives as an extension of its sustainable investing goals. We see philanthropy as very complementary with our ESG investment commitments. Candriam staff have been involved in philanthropic projects for over 20 years. It is part of our culture, not just an add-on.

How does Candriam choose which activities to support?

We have a two-pronged approach, with high staff involvement.

- The **Candriam Institute Board** (composed of Candriam staff), **supported by Candriam experts**, looks actively for organizations across Europe and beyond with whom we can build long term partnerships in the areas of ESG Education & Research, Social Inclusion, Environmental Protection and the Fight Against Cancer.
- Furthermore, via the annual **“Helping those who Help”** campaign, which has become a true part of our identity, we ask our **staff to suggest grass roots initiatives from their local communities**, which they think could benefit from Candriam’s support. These would be groups that they know of personally and perhaps have worked with.

PHILANTHROPY

Candriam has a **considerable focus on social inclusion** and is especially interested in programs that empower and support children, teenagers and young people from economically or socially deprived backgrounds. Leveraging their expertise in developing talent, Candriam’s HR staff is actively involved in the follow-up of these projects.

Candriam has recently boosted its **environmental program** by actively supporting initiatives such as ecosystems restoration and reforestation. A dedicated working group, including staff with expertise in environmental trends and countries’ natural capital, was set up to select and monitor these initiatives.

For all the projects that we support, we undertake due diligence to ensure that the initiatives not only meet the Candriam Institute standards and criteria but will also be able to deliver what they promise.

Why has Candriam made cancer research such a priority?

Cancer is the second leading cause of death across the world. Our health team was instrumental in bringing support for oncology research to our attention, especially in areas where there are as yet no commercially viable solutions. We support oncology research at a number of leading organizations across Europe and in Japan. The Institute’s philanthropic donations to these reputed cancer research foundations complement Candriam’s financial investments in cancer research companies.

5.8M€
donated since 2018



What does Candriam hope to accomplish with its focus on education and research?

Teaching the next generation about responsible investment and its 'double materiality,' both in terms of financial performance and environmental or social achievements, is critical.

Issues such as the need for a just transition as the world moves away from a high carbon to a low carbon world deserve top-notch academic research. In addition to financing and supporting teachers, researchers and students, Candriam staff participate in workshops at business schools to discuss sustainability issues and why they matter to capital markets. Through this interaction, students start to understand that these are not "soft" issues but are essential if we are to have a well-governed financial system that contributes to sustainable growth. •



Four pillars

The Candriam Institute for Sustainable Development focuses on four main areas:



1 ESG education and research

Research supported by Candriam in 2021 covered topics such as "translating just transition ambitions into investor action" at the London School of Economics' Grantham Research Institute and "investigating the relationship between climate change and bond returns" at Kedge Business School

More information on all chairs and research-projects: <https://institute.candriam.com/esg.html>



2 Social inclusion

Candriam has a particular focus on empowering youth from underprivileged backgrounds. In 2021 Candriam also responded to solidarity emergencies in India (Covid) and Europe (floodings).

The Candriam **Helping Those Who Help (HTWH)** program supports charitable social impact projects led or presented by our employees. HTWH aids charity organisations that fight against child poverty and social exclusion, relieve the solitude of seniors living alone, combat school drop-out, fight against abuse and negligence, and support people with mental disabilities such as Down's syndrome and autism.

More information on: <https://institute.candriam.com/sic.html>

Helping the younger generation.

The Candriam Institute supports a number of long-term projects that help disadvantaged young people achieve their full potential. These projects include Demos, an initiative that gives children from underprivileged backgrounds access to the practice of classical music, broadening horizons and contributing to social cohesion; Article 1, which mentors teenagers at the Article 1 organization (a French association committed to equal opportunities and support for students from working-class backgrounds) to promote equal opportunities; and the creation of a Candriam Scholarship Program at Maastricht University to support first-generation students and help to build an inclusive and sustainable future.

The Candriam Academy.

The Candriam Academy provides free access to training in responsible investment concepts and strategies. In 2021, the number of those members reached the 10,000 mark.

Candriam launched the Candriam Academy with a simple ambition: raise ESG awareness, education and knowledge across the finance community and for the next generation of responsible investors on sustainable investment topics.

Free of charge and open to all, the Academy offers 11 free, interactive and online modules available in English, German, Spanish, French, Italian & Dutch.

The Academy currently offers the following courses:



Members receive a diploma upon completion and in order to guarantee members the independence of the training, the Academy offers testable training recognized by renowned associations like the EFPA in France, Italy and Spain, -Spain's CFA Society, Germany's FPSB, Austria's Verband Financial Planners, RIA Channel in the United States and Dubai Legal Affairs Department in the United Arab Emirates.

Candriam Academy also hosts "ESG Talks", an educational webinar series which looks at some of the most pressing economic, social and environmental issues of our time like "The Just Transition: Achieving Social Inclusion in a Low Carbon Future", "How to align investments with the Paris Agreement?", "Active Ownership: Is it all just talk?" and many others.



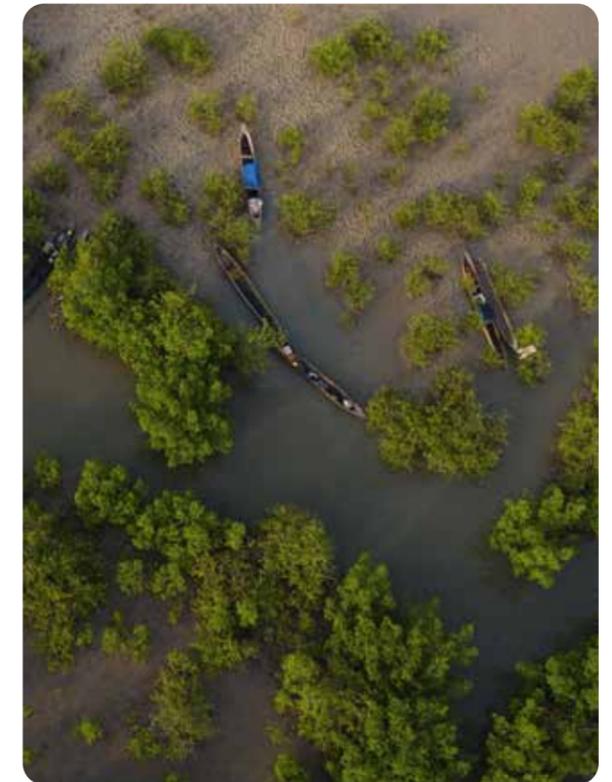
3 Environment

Candriam favours initiatives that mitigate climate change and the transition to a circular economy. In 2021 we started to support a program with real world impact on the reversal of deforestation in order to bring back valuable and productive ecosystems. This aligns to the recognition achieved during COP26 in Glasgow, which publicly recognized that indigenous peoples and local communities (IPLCs) are best placed to preserve forests and biodiversity and play a vital role in effective climate adaptation and mitigation strategies.

We partnered with **WeForest**, which works towards the re-forestation of degraded land in primarily tropical regions to deploy best practices that relate to landscape restoration, poverty alleviation and social justice. We selected a project in Senegal, restoring the Casamance mangroves.

To support the move to a circular economy, Candriam supports **Close the Gap**, an international social business that is working to reduce the digital divide in developing and emerging countries. Close the Gap's key role is to provide educational, medical and social projects with high-quality used IT devices donated by companies from around the world.

More information on: <https://institute.candriam.com/environment.html>



4 Fight against Cancer

Candriam selects organizations and initiatives which engage in the fight against Cancer through scientific research, social projects for families or information and awareness raising on cancer prevention. In 2021 11 associations benefited from Candriam support.

More information on: <https://institute.candriam.com/oncology.html>



Organizations Supported in 2021.

ESG Research and Education

Kedge Business School
 LUMSA universita
 FDIR
 Imperial College London
 London School of Economics (LSE)/
 Grantham Research Institute on Climate Change and the Environment
 Vlerick Business School
 Paris School of Economics (PSE)
 UCLouvain
 Candriam Academy

Social Inclusion and sustainable development

"Helping Those Who Help" Associations (see <https://institute.candriam.com/sic.html>)
 University Fund Limburg/SWOL (Maastricht University)
 La Cité de la Musique - Philharmonie de Paris (Demos)
 Article 1
 Fondation Sciences Po
 UNICEF
 Responsible Young Drivers

Circular Economy, Climate & Reforestation

Close The Gap
 South Pole
 We Forest

Oncology - Research, Education & Support

Gustave Roussy (FR)
 Fondazione IRCCS Istituto Nazionale dei Tumori (IT)
 Asociación española contra el cáncer (AECC) (SP)
 Fondation contre le Cancer / Stichting tegen Kanker (BE)
 Fondatioun Kriibskrank Kanner (LU)
 National Cancer Center (JAP)
 Japan Cancer Society (JAP)
 MacMillan Cancer Support (UK)
 Georg Speyer Haus (GE)
 Krebsforschung Schweiz (CH)
 BIG - Breast International Group (Intl)

Solidarity

Goods-To-Give (BE)
 EPIC - Fondation Roi Baudouin / Koning Boudewijn Stichting (Covid) (India)
 Croix Rouge Belgique (Inondations)
 Rheinland-Pfalz Flooding Emergency (Germany)

For more information on supported initiatives, please visit: <https://institute.candriam.com/index.html>

(donations for year 2021 paid in 2021 and 2022)

Candriam Awards.

Broadridge Fund Brand 50



In Broadridge's annual report on the brand success of European asset managers, Candriam ranked as follows in 2021⁽¹⁾:

- Preferred ESG brand category: 2nd
- Best European brand category: 24th



(1) The quality of the ranking, award or label won by the fund or the management company depends on the quality of the issuing institution and the ranking, award or label does not guarantee the future results of the fund or management company

KPI's

Candriam's KPIs.

Sustainable value created for our key stakeholders.

Responsible operations & supply chain⁽¹⁾

KPI ⁽²⁾	2018	2019	2020	2021	Target	Notes & reference to disclosure standards
Candriam total carbon emissions scope 1-2-3 upstream (t CO ₂ eq) ⁽³⁾⁽⁴⁾	11,612	12,968	12,172	14,500	-30% in 2025 versus 2019	GRI (305 1-2-3) CDP (C6) GHG Protocol - 2020 data impacted by Covid crisis
Candriam carbon footprint scope 1-2-3 upstream (t CO ₂ eq/ mio € revenues) ⁽³⁾	48,6	46,3	43,0	42,1		GRI (305-4) CDP (C6.10) GHG Protocol - 2020 data impacted by Covid crisis
Candriam carbon footprint - scope 1,2 et business travel (t CO ₂ eq) ⁽³⁾	1 912	1 886	760	617	-30% in 2025 versus 2019	
Candriam business travel emissions (t CO ₂ eq)	1 080	1 178	139	113		GRI (305 1-2-3) CDP (C6) CDP (C7) GHG Protocol - 2020 data impacted by Covid crisis
Candriam energy footprint (t CO ₂ eq)	249	141	118	110		GRI (305 1-2-3) CDP (C6) CDP (C7) GHG Protocol - 2020 data impacted by Covid crisis
Candriam vendors related footprint (t CO ₂ eq)	3 906	4 198	4 266	5 949		GRI (305-1-2-3) CDP (C6) CDP (C7) GHG Protocol - 2020 data impacted by Covid crisis
Candriam offset program (t CO ₂ eq)	9,393 (82% of total footprint of the operational value chain, excluding investments)	12,812 (100% of total footprint of the operational value chain, excluding investments)	12,065 (100% of total footprint of the operational value chain, excluding investments)	13,000 (89,7% of total footprint of the operational value chain, excluding investments)		Coverage of Candriam operational emissions
Paper consumption (tons)	3,5	3,6	1,55	1,02	-90% in 2025 versus 2019	

(1) All data calculated by Trucost and Candriam unless otherwise mentioned. These data do not take into account the entire scope of emissions and in particular those of scope 3 (emissions from the entire value chain and use of products). Our calculation method was slightly amended in 2019 which doesn't affect our targets as these are set versus the 2019 figures. Additional information on Trucost and its methodology can be found here <https://www.spglobal.com/spdij/en/documents/additional-material/faq-trucost.pdf>

(2) All figures calculated by Candriam except otherwise mentioned.

(3) For more information on Candriam's carbon footprint definition, please visit our ESG and Impact Indicators Definitions and Methodology - <https://www.candriam.com/498047/siteassets/medias/publications/sfar/esg-and-impact-indicators---definitions-and-methodology-.pdf>.

(4) Data does not cover all emissions across scope 1, 2 and 3 (specifically scope 3 emissions related to the value chain and product use)

Responsible employer

KPI ⁽¹⁾	2018	2019	2020	2021	Target	Notes & reference to disclosure standards
% of female share of total workforce	34%	33%	34%	33%	40% in 2023	GRI (102-8) ; GRI (405-1b); SASB (FN-AC-330a.1)
% of female in top management, (EXCO)	17%	16%	16%	17%	30 % by 2025	GRI (102-22) ; SASB (FN-AC-330a.1)
% of female in Management Committee			24%	24%	30% in 2025	GRI (405-1b); SASB (FN-AC-330a.1)
Women Men Equality Index (French indicator based on CANDRIAM France figures only) ⁽³⁾	NA	84	75	81		GRI (405-2)
% of women < 30 yrs in the new hires	35%	35%	45%	42,1%	50% on average 2021 - 2025	GRI (401-1a)
% of staff having followed non-mandatory training during the year		81%	87%	80%	80%	
% of Staff Candriam Academy Accredited	NA	10%	9%	19%	100% at the end of 2022	

Responsible Investing

KPI ⁽¹⁾	2018	2019	2020	2021	Target	Notes & reference to disclosure standards
% of ESG Bonds ⁽⁴⁾ in total fixed income assets - Green/Social / Sustainability bonds	4,20%	6,50%	8,20%	7,10 %	-	
% of Sustainable investments in total AUM (SFDR art 8 and 9 products)	31%	33%	63%	67%	-	PRI OO 16
% of AUM carrying a formal ESG/SRI certification or label ⁽⁵⁾	4%	6%	17%	21%	-	PRI OO 16.1
% of AUM targeted low-carbon or climate resilient investment	7%	9%	40%	35%	-	PRI OO 17
Carbon footprint Candriam SRI funds (tCO ₂ -eq/Mio € Revenues) ⁽²⁾⁽⁶⁾	149,4	109,4	145,8	112,8		
Carbon footprint Candriam SRI funds' benchmark (tCO ₂ -eq/Mio € Revenues) ⁽²⁾⁽⁶⁾	282,7	220,5	222,4	175,9		

(1) All figures calculated by Candriam except otherwise mentioned.

(2) For more information on Candriam's carbon footprint definition, please visit our ESG and Impact Indicators Definitions and Methodology - <https://www.candriam.com/498047/siteassets/medias/publications/sfar/esg-and-impact-indicators---definitions-and-methodology-.pdf>.

(3) <https://travail-emploi.gouv.fr/droit-du-travail/egalite-professionnelle-discrimination-et-harcèlement/indexegapro>

(4) Source: Bloomberg.

(5) Funds carrying at least one SRI label: the national French SRI label, the Belgian Towards sustainability label or the ESG Luxflag label

(6) Sources: Trucost, calculation Candriam. Candriam SRI funds range covering Equity, Fixed Income and Asset allocation funds - total AUM : 20,5 bn € 2021, 9,6 bn € 2020, 2019 6,2 bn €, 3,5 bn € 2018. For additional details, please consult our MONTREAL CARBON PLEDGE - CANDRIAM DISCLOSES ITS CARBON FOOTPRINT page (<https://www.candriam.com/en/professional/market-insights/topics/sri/montreal-carbon-pledge--candriam-discloses-its-carbon-footprint-2021/>), those data doesn't take into account the full scope of emissions and in particular scope 3 emissions. Avoided emissions are excluded from the calculation. <https://www.candriam.com/en/professional/market-insights/topics/sri/montreal-carbon-pledge--candriam-discloses-its-carbon-footprint-2020/>

Candriam's policies.

Investment pillar

[Proxy Voting Policy](#)

[Stewardship Policy](#)

[Candriam Exclusion Policy](#)

[Responsible Investment policy](#)

[ESG integration policy](#)

[Climate Policy](#)

[Investment strategy transparency codes](#)

Governance pillar

[ESG Promotion & Policy Influence](#)



€158 B

AUM as of
31 December 2021



610

Experienced and
committed
professionals



25 years

Leading the way in
sustainable investing



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