

CSR Commitments.

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The financial sector can be a powerful force for helping to create a more sustainable world. We are continually raising the bar for our sustainability practices both internally and in our interactions with external stakeholders.

Candriam's CSR Strategy.

Our CSR strategy and its KPIs are built on five pillars, each representing a distinct sustainability objective.



Sustainability at the Heart of our Company's Mission

At Candriam we believe that sustainability challenges are both a major roadblock for social progress and – when properly addressed – a source of multi-decade opportunities for companies. As economic agents involved in the allocation of resources, we want to play a positive and active role in this journey, both as an investor and as a company, **contributing to creating a more sustainable and inclusive economy over the long-term.**

We encapsulate this purpose in our tagline, **'Investing for Tomorrow'**, which is the promise of our brand to all our stakeholders, starting with our clients.


Our CSR Committee oversees our CSR roadmap, a five-year strategy launched in 2020 that builds sustainability into our business model, setting policies, charters and specific targets with key performance indicators (KPIs) for all our stakeholders.

DEVELOPING & MONITORING OUR CSR ROADMAP





The five pillars guide and inspire our decision-making and action in the two areas of focus: our business activities and our company practices.

<h3>Sustainable Business Activities</h3> <hr/> <h4>Leader in ESG investment</h4>  <ul style="list-style-type: none"> ● 77% of assets are Sustainable/ESG <i>Art 9 & Art 8 SFDR</i> ● Signatory of Net Zero Asset Managers Initiative 	+	<h3>Responsible Company Practices</h3> <hr/> <h4>Highest standards in CSR</h4> <ul style="list-style-type: none"> ● Foster inclusion and empowerment of staff ● Trusted relationships with clients ● Reduce carbon and waste across the corporate value chain ● Ensure sustainable procurement ● Increase societal impact via philanthropy ● Responsible and transparent governance
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Sustainable Business Activities

We want to be recognised as a leader in sustainable investing.

We offer clients a conviction-led investment proposition designed to help them meet their financial goals, manage risk and contribute to the long-term sustainable growth of the economy. We are convinced that value can be created by making well-rounded investment decisions based on proprietary financial and extra-financial research including material sustainability risks, opportunities and impacts.

We have been able to continuously increase our sustainable investments. By the end of 2023, more than three quarters of our assets under management (77%) were sustainable/ESG-compliant by European Union (EU) standards, up from 67% in 2021.⁵

As a signatory to the **Net Zero Asset Managers Initiative** we are committed to a net zero action plan for our investments, meaning we commit ourselves to decarbonising investments progressively while targeting carbon neutrality by 2050. We have set two intermediary targets for portfolios

in the scope of our Net Zero Commitment. Firstly, that at least 50% of our financed emissions will come from companies assessed as ‘net zero’ or ‘aligned to a net zero pathway. by 2030 and, secondly, that we will reduce the carbon intensity of our portfolios by 50% by 2030.

We operate a tiered exclusion system⁶ which includes a company-wide Exclusions Policy targeting harmful activities that we believe have a substantial negative impact and carry serious risks from both a financial and a sustainability perspective. Further detailed exclusion criteria cover specific activities that are at odds with clients’ and funds’ stated ESG objectives and constraints. We have also developed and continue to refine investment solutions, such as low-carbon strategies and portfolios that invest in companies contributing to a circular economy or other climate solutions. Climate and environmental issues dominate client concerns, but human rights and social impact are also important to them, and we expect our engagement with businesses on these issues to rise in the years ahead.

(5) Articles 8 or 9 of the EU's Sustainable Finance Disclosures Regulation (SFDR). Article 9 products have defined and quantifiable sustainable investment 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 sustainable investment objective but promote environmental or social characteristics.

(6) Please consult Candriam's Exclusion Policy on our [website](#) for more details.

Responsible Company Practices

We want to hold ourselves, too, to rigorous sustainability standards. We are working to minimise the carbon footprint of our operational value chain and by 2025 aim to have cut our carbon footprint by 30% compared to 2019, based on emissions under Scopes 1 and 2 and from business travel. For more details on our targets please see the 'KPIs' chapter of this report.

We monitor and assess human rights risks and are progressively integrating due diligence in our procurement processes. Our client-oriented culture entails a commitment across the company to be a reliable and trustworthy partner for clients, able to deliver long-term value.

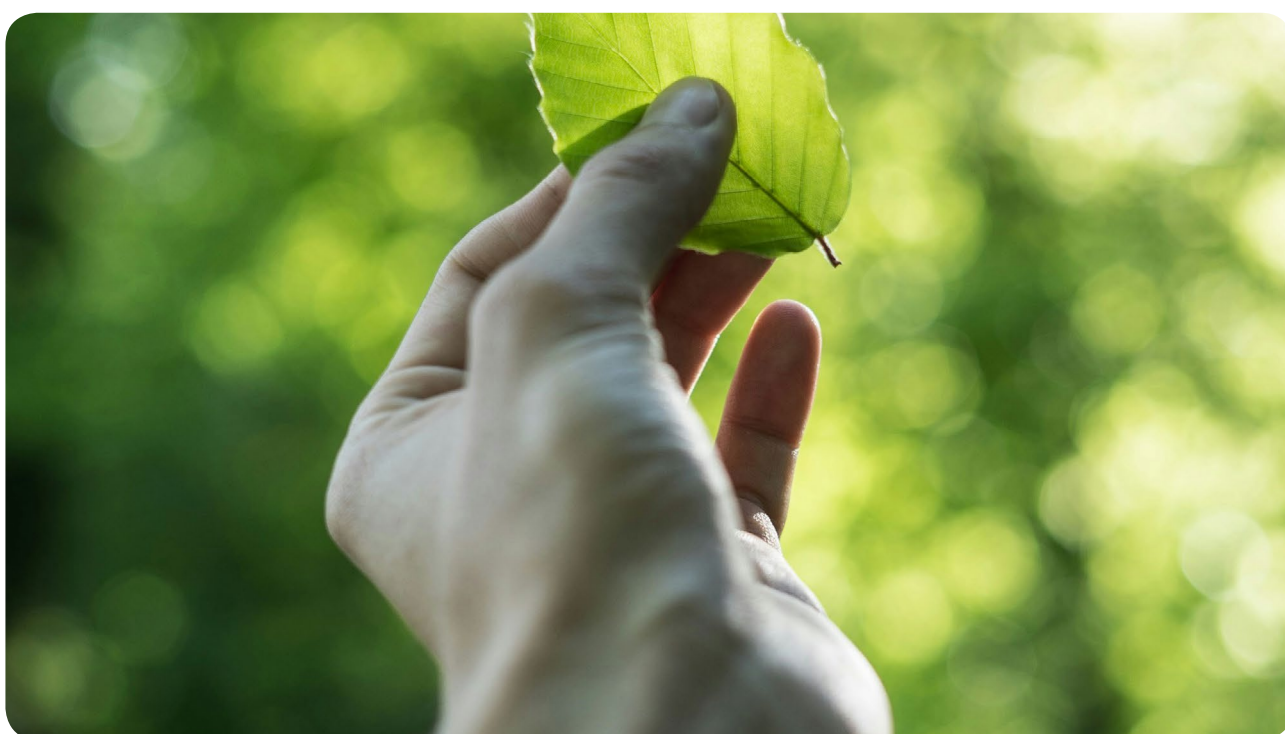
For our own workforce, we value diversity and actively foster a fair, inclusive workplace with development opportunities for all. Our skilled and professional employees are guided and supported by our core employee values and behaviours that we call **G.R.E.A.T.**: Grow with Respect, Engagement, Anticipation and

Teamwork. **G.R.E.A.T.** represents our key corporate behaviours that are linked and are the result of our values, conviction and responsibility.

We set aside 10% of net management fees earned from several of our thematic strategies to fund the Candriam Institute for Sustainable Development (the Institute). From 2023 onwards, in relation to other sustainable strategies, we will allocate a discretionary funding to the Institute, which amounted to an added €1 million in 2023.

The Institute promotes sustainability through philanthropic activities. These include supporting projects to limit climate change, promoting a circular economy, fighting cancer, encouraging social inclusion and supporting other community and social entrepreneurial initiatives. The Institute also funds publicly available ESG research and a free ESG educational platform, the Candriam Academy.

More details on the work of the Institute can be found in the 'Responsible Citizen' chapter of this report.





Candriam's Commitments to International Standards.

Sustainable investment is a global imperative and international standards are vital if targets across all aspects of ESG are to be achieved. We are committed to supporting international standards and in the last year have added to that commitment by releasing our first report detailing our compliance with the UK Stewardship Code and joining the Taskforce on Nature-related Financial Disclosures (TNFD).

Signatories to the UK Stewardship Code are required to report annually on their stewardship policies, processes, activities and outcomes. For more information, please refer to our latest [Candriam Stewardship Report](#), which is available on our website. The TNFD, which draws its inspiration from the successes of the Task force on Climate-related Financial Disclosures (TCFD), widens the focus of reporting to encompass natural resources and ecosystems.

Candriam's ESG-related initiatives

Commitments & statements signed	Thematic	Signed in	Conviction topic
Principles for Responsible Investment (PRI)	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 Issues	ES	2017	
Tobacco-free finance pledge	S	2018	
The Investor Agenda	E	2018	
Commitment to support a Just Transition on Climate Change	ESG	2018	
Task Force on Climate-related Financial Disclosures (TCFD) supporter	E	2021	
Net Zero Asset Managers Initiative (NZAMI)	E	2021	
UK Stewardship Code	ESG	2022 Application approved in 2023	
Task Force on Nature-related Financial Disclosures (TNFD)	E	2023, public information 2024	