

Transparent and Responsible Governance.

At Candriam, an integral part of our ESG strategy is a commitment to transparency and oversight, maintained through a robust governance structure.

In line with our corporate governance standards, we pursue diversity across our decision-making bodies, ensuring a mix of experiences and nationalities.

We have established local management committees in Belgium, France, Germany, Italy, Luxembourg, Spain, the Netherlands, the United Arab Emirates, the UK and the US.

We take pride in our strict adherence to responsible business principles and constantly work to meet and exceed the expectations set for us.





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Candriam's Governance Framework.

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

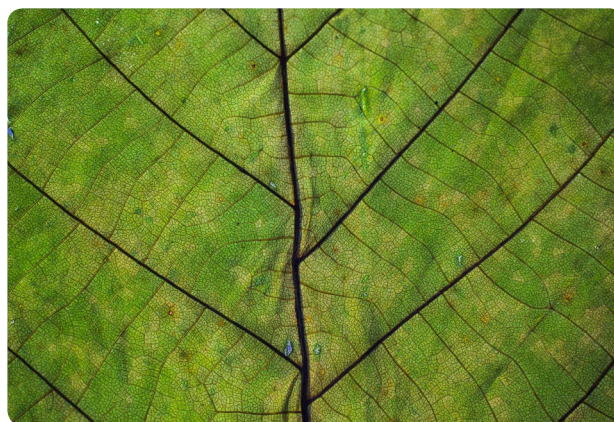
The General Meeting of Shareholders holds the broadest powers, overseeing significant corporate actions. These include the approval of annual accounts, appointment of directors and managers and amendments to the company's objectives or form.

The Board of Directors (BoD) is the governing body responsible for guiding our strategy and general policy, management control, risk monitoring and shareholders relations. It ensures that Candriam develops and executes a comprehensive ESG investment and corporate sustainability strategy.

In this context the BoD is responsible for validating the relevant critical policies. The BoD is supported by the following committees:

The Board of Management (BoM) – meets monthly and is our key decision-making body on strategic issues including ESG investments and corporate sustainability. It examines and approves relevant policies governing the execution of Candriam's strategy and activities, including those covering sustainability risks, climate change and social and human rights.

The Group Strategic Committee (GSC) – convenes twice a month to make strategic decisions and manage Candriam's financial situation. The committee sets our strategy for sustainable investing, covering investment



approach, product and commercial positioning and corporate sustainability.

The GSC also hosts sustainability focus sessions, supported by Candriam's ESG and CSR experts. It oversees the due diligence approach for climate and human rights risks across the value chain, including the development and review of appropriate practices.

The Executive Committee – meets quarterly. It hosts cross-functional discussions around the implementation of Candriam's strategic roadmap (as defined by the GSC/BoM) and is responsible for the follow-up across business units of operational decisions. From 2024 onwards dedicated ESG and CSR sessions are foreseen to follow up on the cross-company implementation of the strategic ESG and CSR roadmaps.

The Remuneration Committee – convenes annually. The committee ensures that Candriam's remuneration policy supports its business strategy and, where appropriate, the strategy of the managed portfolios (funds and mandates).

The Local Management Committees – meet quarterly in each branch and in Luxembourg. In the Belgian branch, they meet monthly and in the French branch, they meet every two months.



Sustainability Governance.

Candriam has 39 people focused on sustainable governance and investment. Our consistent and aligned approach towards ESG issues is achieved through several strategic committees:

Firstly, the **Sustainability Risk Committee (SRC)**, which oversees and steers the management of extra-financial risk in Candriam's investment activities.

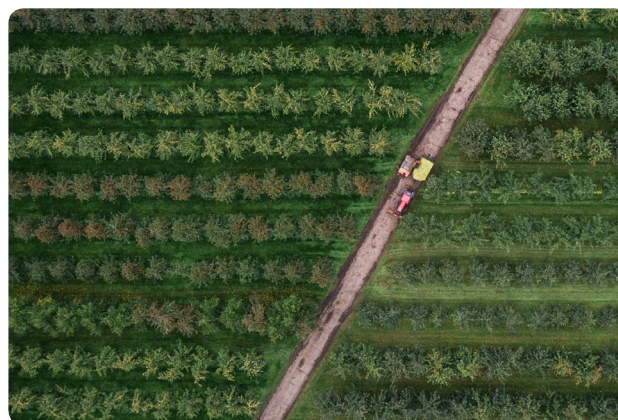
The SRC is also responsible for approving the ESG processes and framework for funds and mandates. It assesses and monitors sustainability risks and negative sustainability impacts including climate change and social and human rights risks.

These findings are then used to define company-wide ESG investment restrictions for all our investment activities. The SRC also oversees monitoring of compliance and breaches as well as engagement action plans.

Secondly, the **Proxy Voting Committee**, which provides strategic guidance on proxy voting best practices and monitors Candriam's voting policy.

Product strategy including ESG characteristics of products/services are considered via Candriam's regular **Product Governance process** in the (Strategic) Client Solutions and Product Range committees

The **ESG Steering Committee** follows up on the implementation of the strategic ESG roadmap and consists of investment, operational, IT and regulatory team workstreams.



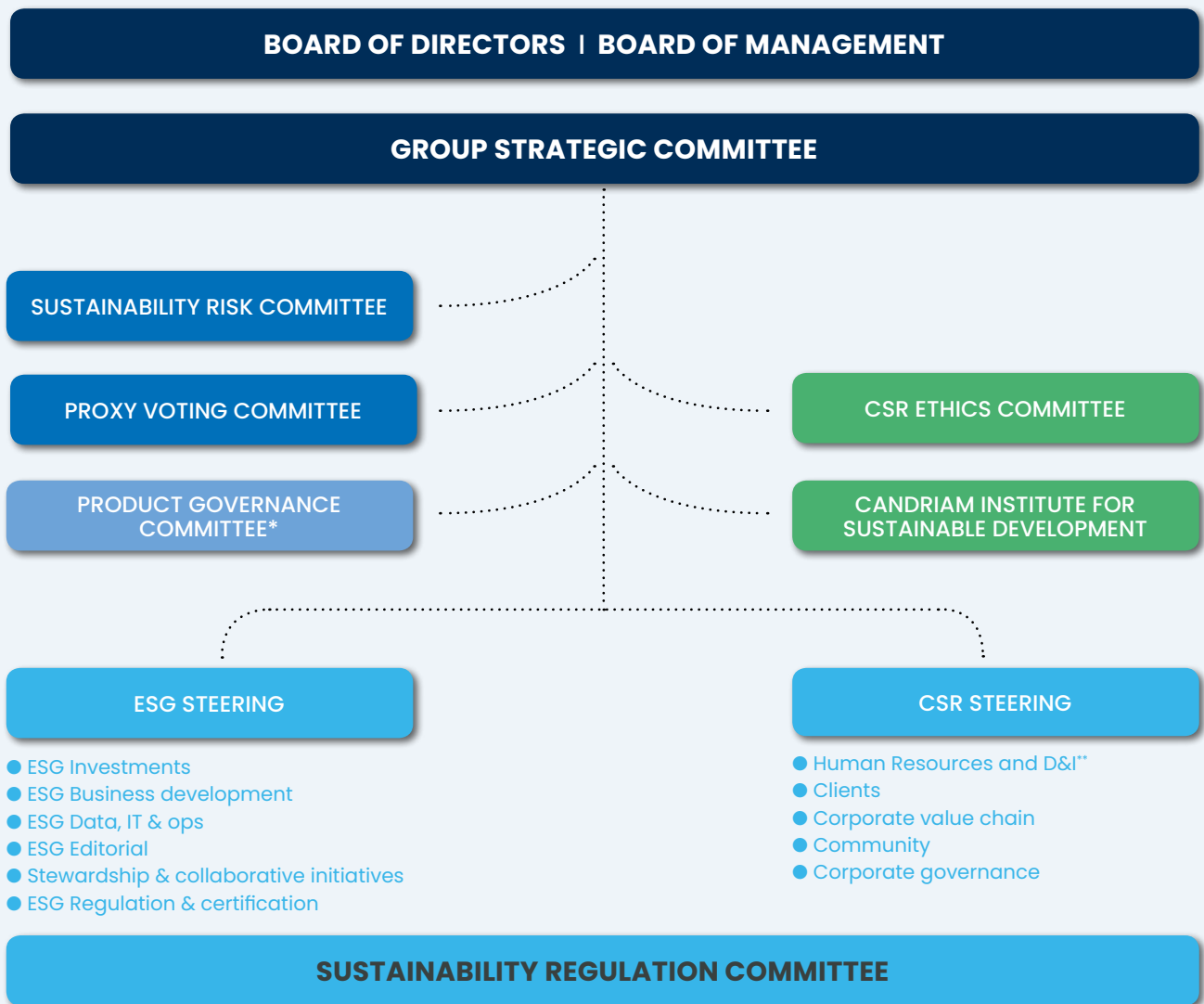
The **CSR Steering Committee** coordinates the implementation of the CSR roadmap and CSR reporting in our own operations across staff, clients, operational value chain, governance and the community.

The **CSR Ethics Committee** assesses and monitors human rights risks related to Candriam's operations, including human resources (HR) and suppliers.

It oversees the due diligence process for human rights within Candriam's operations and follows up on issues flagged by operational, procurement or risk teams or via the compliance whistleblowing procedure.

Additionally, the **Candriam Institute for Sustainable Development** oversees Candriam's philanthropy and community impact programmes through the support of initiatives in ESG research, education and entrepreneurship, social inclusion and solidarity, environment and cancer research and patient care. For more information about the Candriam Institute for Sustainable Development, please see the 'Responsible Citizen' chapter of this report.

Finally, the **Sustainability Regulations Committee** oversees the follow-up of ESG/CSR regulations and coordinates the implementation of the sustainability regulatory roadmap.



* ESG characteristics of products/services are considered by Candriam's regular Product Governance process in the Client solutions (CSC) and Product range (PRC) committees.
 ** Staff committees: D&I, Woman@Candriam, wellbeing

It has been decided that from January 2024, Candriam will further streamline our sustainability governance and oversight processes regarding sustainability topics.

The **Diversity & Inclusion (D&I) committee**, which covers D&I topics and staff, will report directly to the Candriam Group Strategic Committee.

The **CSR Ethics committee** will become a **sub-committee of the CSR committee** focusing on Human Rights Due Diligence and will report to the CSR committee, which itself reports to the Candriam Group Strategic Committee.

Finally, the **Candriam Executive Committee** will hold CSR and ESG business reviews and steering sessions to ensure follow-up on the implementation of the strategic ESG and CSR roadmaps.



Ethical Behaviour in Business.

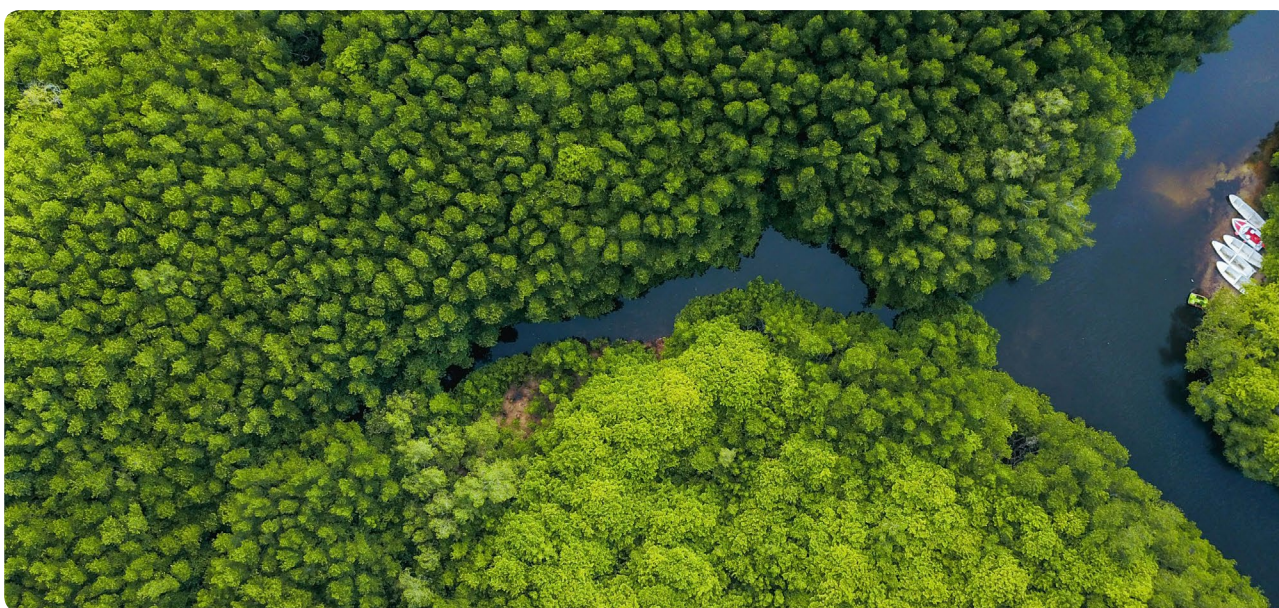
We adhere to ethical behaviour across all our operations and comply with established regulations through the implementation of specific policies and charters. These include a compliance charter and policy, a client charter, a code of ethics and a supplier charter.⁷ For detailed information about our client charter, please see the 'Long-term Relationships with Clients' chapter of this report.

In 2023, we published our first **Human Rights Policy**, which describes the policies and procedures implemented at a corporate level to combat all forms of modern slavery, human trafficking and child labour. The procedures also cover our work to combat various forms of discrimination and violence and establish expectations for good working conditions, equal opportunities and equal treatment for employees within our supply chain.

At the investment level, the policy describes how Candriam prevents, mitigates and remediates human rights risks. Our proprietary ESG framework excludes risky issuers related to human rights from investments.

Post-investment, Candriam has a process to monitor human rights risks and determine the potential and/or actual actions to be taken in case of materialisation. Engagement and voting are also used to address negative outcomes on human rights by supporting and/or influencing the issuers' practices.

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



(7) See Making ESG Part of the Procurement Process for further information on the supplier charter

ESG Promotion & Influence.

As a Principles for Responsible Investment (PRI) signatory, we are committed to promoting ESG in our relations with all stakeholders.

Our ESG experts oversee the implementation of PRI principles both within Candriam and externally. The principles are executed based on our own ESG practices, which favour stewardship to elevate ESG standards and promote ESG integration and practices in investments.

In the case of consultation on policies, our ESG experts contribute to the association's answers and statements disclosed. Our communication strategy focuses on promoting ESG practices and sharing Candriam's expert ESG views, using a variety of media platforms and industry conferences.

The Candriam Institute for Sustainable Development puts into practice our commitment to ESG development and promotion by financing independent academic ESG research and promoting ESG education via the free Candriam Academy. For detailed information about the Candriam Academy, please see the 'Responsible Citizen' chapter of this report.

We also actively engage with both industry associations and think tanks or similar organisations – via involvement as part of working groups – and with policymakers at the EU level. This work focuses on new ESG standards and regulations. The list of associations and groups below outlines the policy engagement activities in which Candriam is an active member.

	Name of association	Joined in
SRI working groups within:	BEAMA - Belgian Asset Managers Association	2004
	AFG - Association Française de la Gestion financière	2003
	EFAMA - European Fund and Asset Management Association	2010
Several social investment forums, such as:	VBDO - Dutch Sustainable Investment Forum	2007
	Forum Nachhaltige Geldanlagen (Germany, Switzerland & Austria)	2010
	Swiss Sustainable Finance (Switzerland)	2014
	Forum pour la Finance Responsable (French SIF FIR)	2014
	Forum per la Finanza Sostenibile (Italy)	2015
	UK SIF - United Kingdom Sustainable Investment Forum	2016
	US SIF - United States Forum for Sustainable & Responsible Investment	2016
Other sustainability-oriented investor bodies:	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



Among Candriam’s employees Koen Van de Maele, Chief Investment Solutions Officer at Candriam, co-chaired the Belgian Asset Managers Association (BEAMA) socially responsible investing working group in June 2020 until his appointment as President of BEAMA in June 2023. Isabelle Cabie, Global Head of Corporate Sustainability at Candriam, is Chair of the European Fund and Asset Management Association’s (EFAMA) Stewardship, Market Integrity and ESG Investment Standing Committee.



Active Participation in External Industry Events

Our commitment to championing ESG practices goes beyond our organisation. In 2023, our ESG experts actively participated in a number of renowned industry conferences and events.

These included attending the IMpower FundForum in Monaco, where we moderated a panel on “Best practice sustainable product development from UK SDR to EU Articles 8 & 9”. At Finance and Productivity 2023, we gave a presentation to

investors on the topic of “International comparison of engagement practices: Case studies and best practices”. Our experts also attended a roundtable on carbon pricing hosted by the Vlerick Business School in September 2023.

Additionally, we held a presentation on the topic of “Sustainability in the age of many grey swans” in October 2023 at the University of Leuven and National Bank of Belgium.

Overview of 2023 consultations on ESG

Consultations answered via Industry associations*	Candriam Individual answer
ESMA guidelines on funds naming	Yes
SRI French label review	Yes
ESAs SFDR review Level 2	Yes
EC ESRS First SET Delegated Acts	No
EC ESG ratings service providers	No
EC SFDR Level 1 review	Yes

*All consultations answered by AFG and/or EFAMA