

Corporate Social Responsibility Report 2023

Driving progress
for people and
the planet



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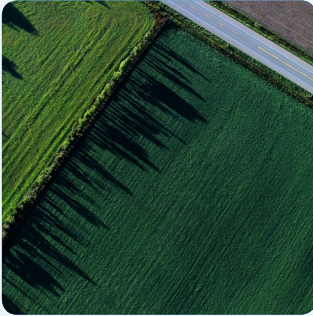
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Vincent Hamelink



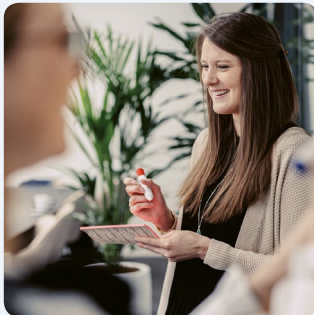
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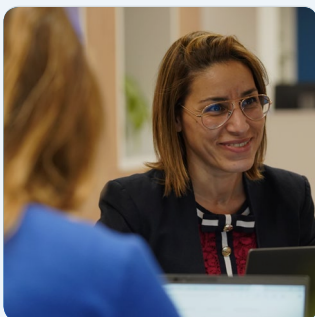


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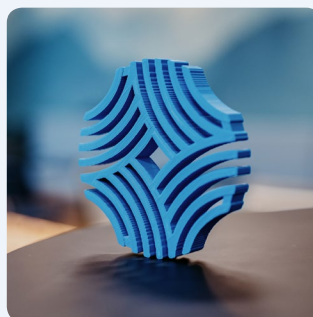




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CEO Message.

Vincent Hamelink

Chief Executive Officer,
Candriam

The current global economic and geopolitical landscape remains as uncertain as ever. While the challenges of the Covid-19 pandemic are fading into memory, the Russia-Ukraine war tragically continues and new conflicts have emerged in the Middle East. Even the stabilisation of leading economies and the retreat of inflation, though positive, leave many uncertainties about the next phase of global development. Additionally, the signs of destructive climate change continue to mount.

To build a secure and sustainable future for the global community, it is imperative that we maintain our commitment to ambitious environmental, social and governance (ESG) goals.

Our Corporate Social Responsibility (CSR) Report details Candriam's progress in 2023 towards these objectives, reflected in our operational standards, investment approach and commitment to our clients, employees and society as a whole.

Our long-term vision 'Investing for Tomorrow', places these goals at the heart of our organisation, not merely as an added extra but as guiding principles for our business.

The climate agenda remains one of the most pressing challenges facing our planet. In 2023, we continued our progress towards our target of reducing the carbon intensity of our SFDR article 9 and a subset of our article 8 strategies by 50% by 2030 and reaching net zero by 2050, guided by our Climate Policy. However, the environmental challenges extend far beyond climate. We also joined the Task Force for Nature-related Financial Disclosures (TNFD) and delivered our first report demonstrating our compliance with the UK Financial Reporting Council's Stewardship Code. These efforts underscore our commitment to working alongside other industry leaders and regulatory bodies to enhance ESG standards.

The standards we apply to our investment portfolios are ones we strive to match within our business. While comparing greenhouse gas emissions (GHGs) from 2020–2022 is complicated by the unprecedented economic lockdowns during the Covid-19 pandemic, I am pleased to report that our GHG emissions across our full value chain are substantially lower than their pre-pandemic levels, as is our waste output.

Our employees' talent, career progression and wellbeing are vital to our CSR strategy, and we continue to invest in their development and ensure a healthy and supportive working environment. Our commitment to nurturing a new generation of responsible investment



To build a secure and sustainable future for the global community, it is imperative that we maintain our commitment to ambitious ESG goals.

professionals also extends beyond our business. The Candriam Academy offers free accredited training in ESG, and its membership continued to expand in 2023, reaching 14,500 members across 79 countries.

Through our philanthropic activities, we aim to make a positive contribution to solving challenges far beyond our own industry. The Candriam Institute for Sustainable Development, funded by a portion of the net management fees from some of our key sustainable strategies, supports projects that restore fragile ecosystems, foster education and social inclusion and advance innovative cancer research. One significant

project completed in 2023 was the restoration of over 500 hectares of mangroves in Casamance, Senegal, equivalent to planting two million seedlings.

Corporate social responsibility takes many forms – action on climate change, social inclusion and good corporate stewardship, to name but a few. Tackling these issues is essential if we are to ensure a future for our planet and communities that is sustainable, resilient and that delivers opportunity and prosperity for tomorrow.

As this report demonstrates, it is a responsibility that Candriam embraces and fights for in every aspect of our business and beyond.

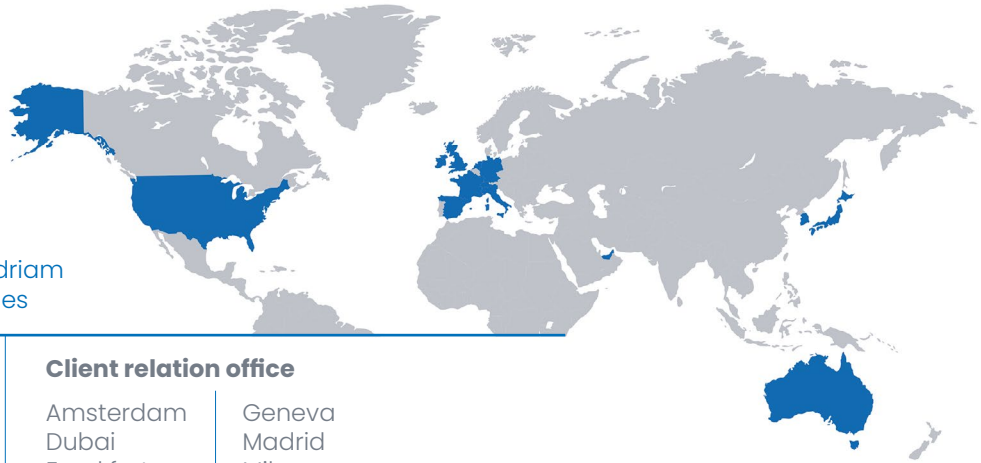
2023 at a Glance.

Our Presence Worldwide

A European-rooted asset manager with global reach.

20+

countries served by Candriam and its licensees/3rd parties



Management offices

London
Paris
Brussels
Luxembourg

Client relation office

Amsterdam | Geneva
Dubai | Madrid
Frankfurt | Milan
New York | Zurich

Our Mission

To provide asset management services driven by conviction and responsibility.

Candriam Snapshot as of 31 December 2023

€145bn¹

Total AUM +116% since 2013

Part of

New York Life

1st Mutual life insurer in the US³

77% of AUM

invested in ESG² assets based on in-house proprietary screening

49%

of Candriam's funds had **4 or 5 stars** from Morningstar® at the end of 2023⁴

Source: Candriam. All figures as at 31/12/2023.

(1) As of 31/12/2022, Candriam changed the Assets Under Management (AUM) calculation methodology, and AUM now includes certain assets, such as non-discretionary AUM, external fund selection, overlay services, including ESG screening services, advisory consulting services, white labelling services, and model portfolio delivery services that do not qualify as Regulatory Assets Under Management, as defined in the SEC's Form ADV. AUM is reported in EUR. AUM not denominated in EUR is converted at the spot rate as of 31/12/2023.

(2) "Article 8 or 9", according to the Sustainable Finance Disclosure Regulation. "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.

(3) On the basis of revenues as reported by "Fortune 500 ranked within Industries, Insurance: Life, Health (Mutual)," Fortune magazine, May 2023.

(4) © 2024 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. The quality of the award or rating attributed to the UCI or the management company depends on the quality of the issuing institution and does not guarantee the future results of the UCI or management company.



Stewardship

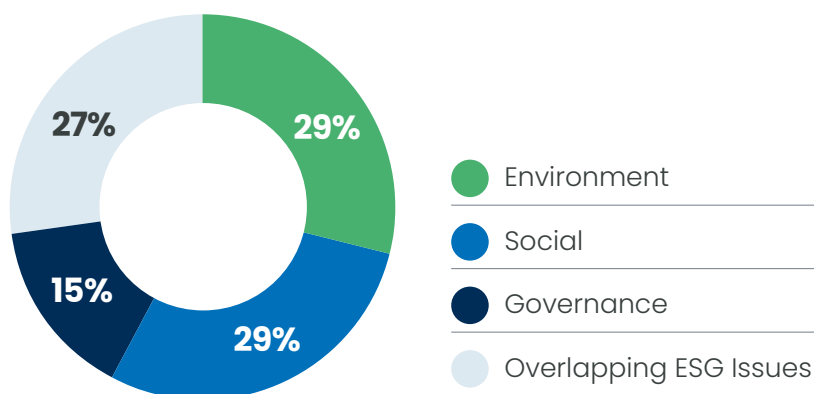
Top topics

- > Energy transition
- > Fair work conditions
- > Business ethics

1,876
voted meeting

314
corporates contacted directly

Thematic breakdown of all our direct dialogues (of a total of 382 dialogues in 2023)



Responsible Company

Responsible employer

612 employees

38 nationalities

66% men **34%** women

73% men **27%** women

in management committee

38% of women in the new hires
< 30 years

7.7% of turnover

11 yrs average
length of service

Responsible operations

859 tCO₂e

GHG emissions
(Scope 1, 2 and 3 business travel only)

9,434 tCO₂e

GHG emissions for the full
operational value chain
(Scope 1, 2 and 3 Upstream only)

Responsible citizens

€3.2m

Candriam institute donations
for 2023 in over 20 countries

+500 ha

of forest restored
in Senegal

14,500

members of the Academy

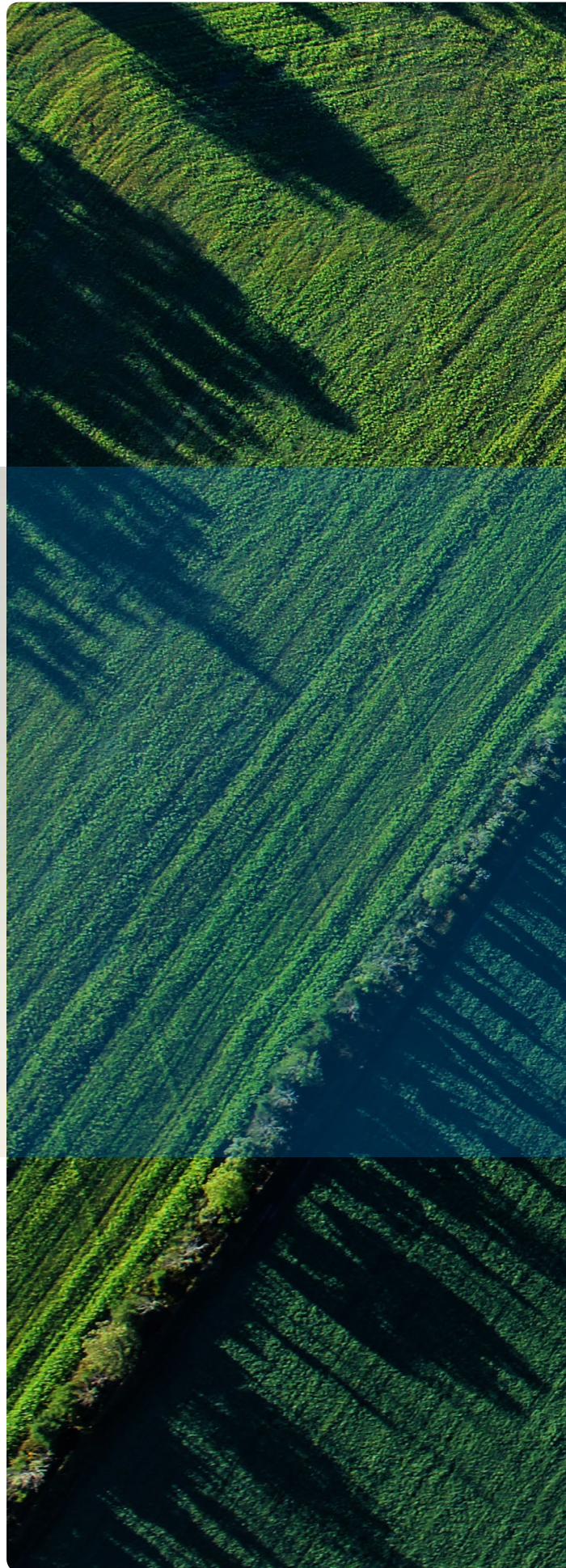
+20 yrs

of grassroots initiatives

CSR Commitments.

Isabelle Cabie

Global Head of
Corporate Sustainability,
Candriam





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.

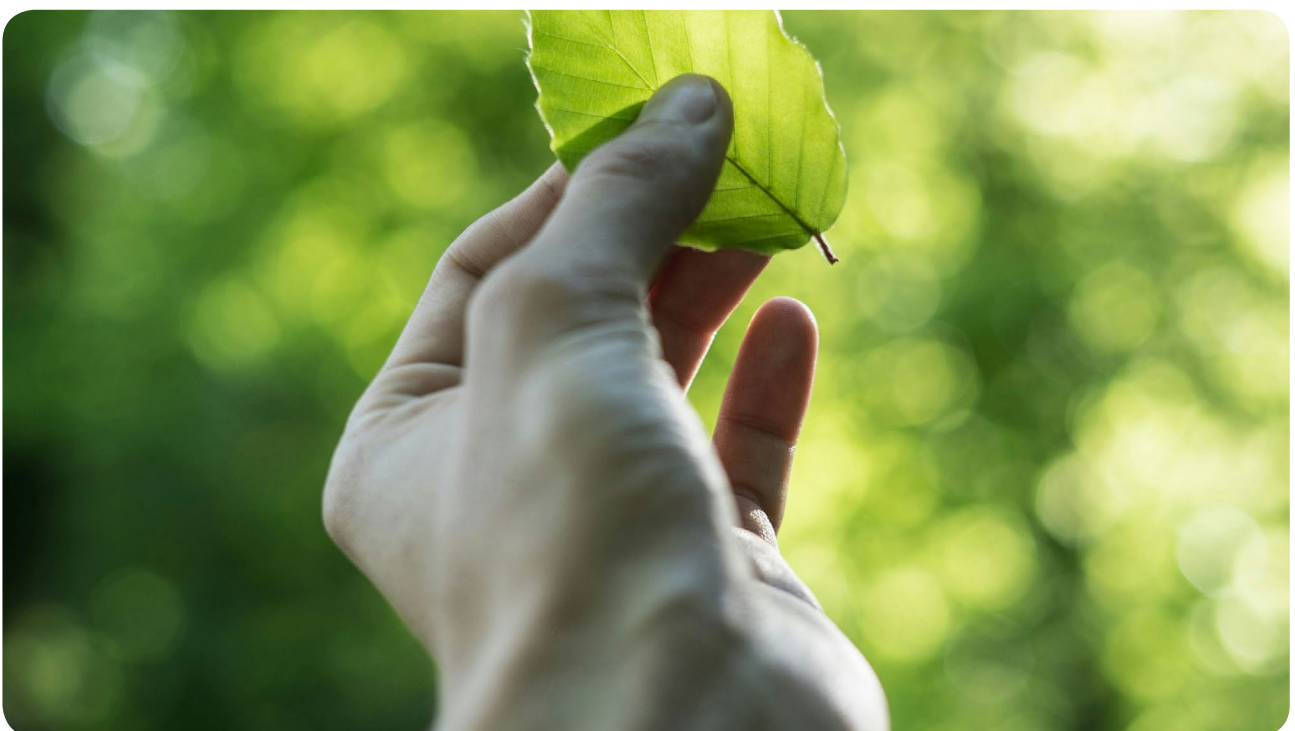
For our own workforce, we value diversity and actively foster a fair, inclusive workplace with development opportunities for all. Our skilled and professional employees are guided and supported by our core employee values and behaviours that we call **G.R.E.A.T.**: Grow with Respect, Engagement, Anticipation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

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

Candriam's Governance Framework.

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

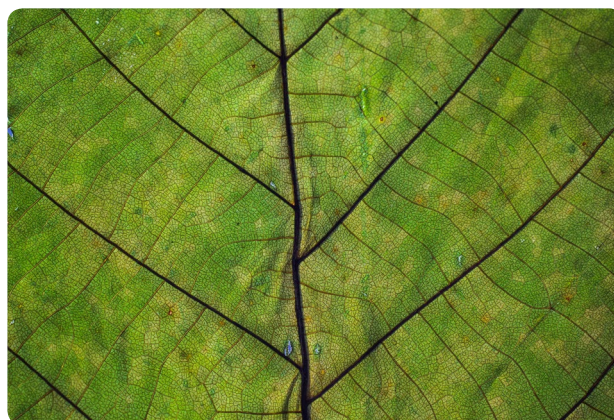
The General Meeting of Shareholders holds the broadest powers, overseeing significant corporate actions. These include the approval of annual accounts, appointment of directors and managers and amendments to the company's objectives or form.

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.

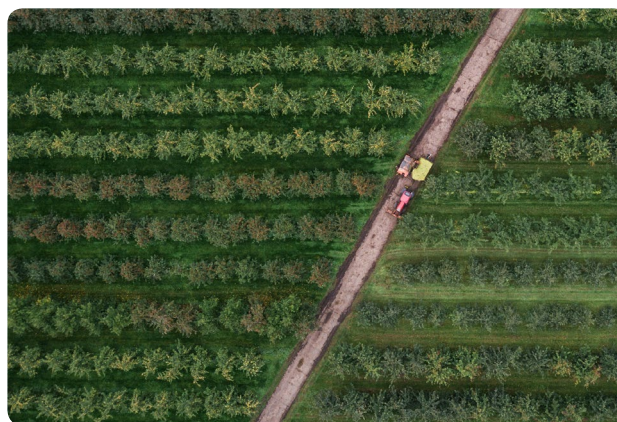
The SRC is also responsible for approving the ESG processes and framework for funds and mandates. It assesses and monitors sustainability risks and negative sustainability impacts including climate change and social and human rights risks.

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.



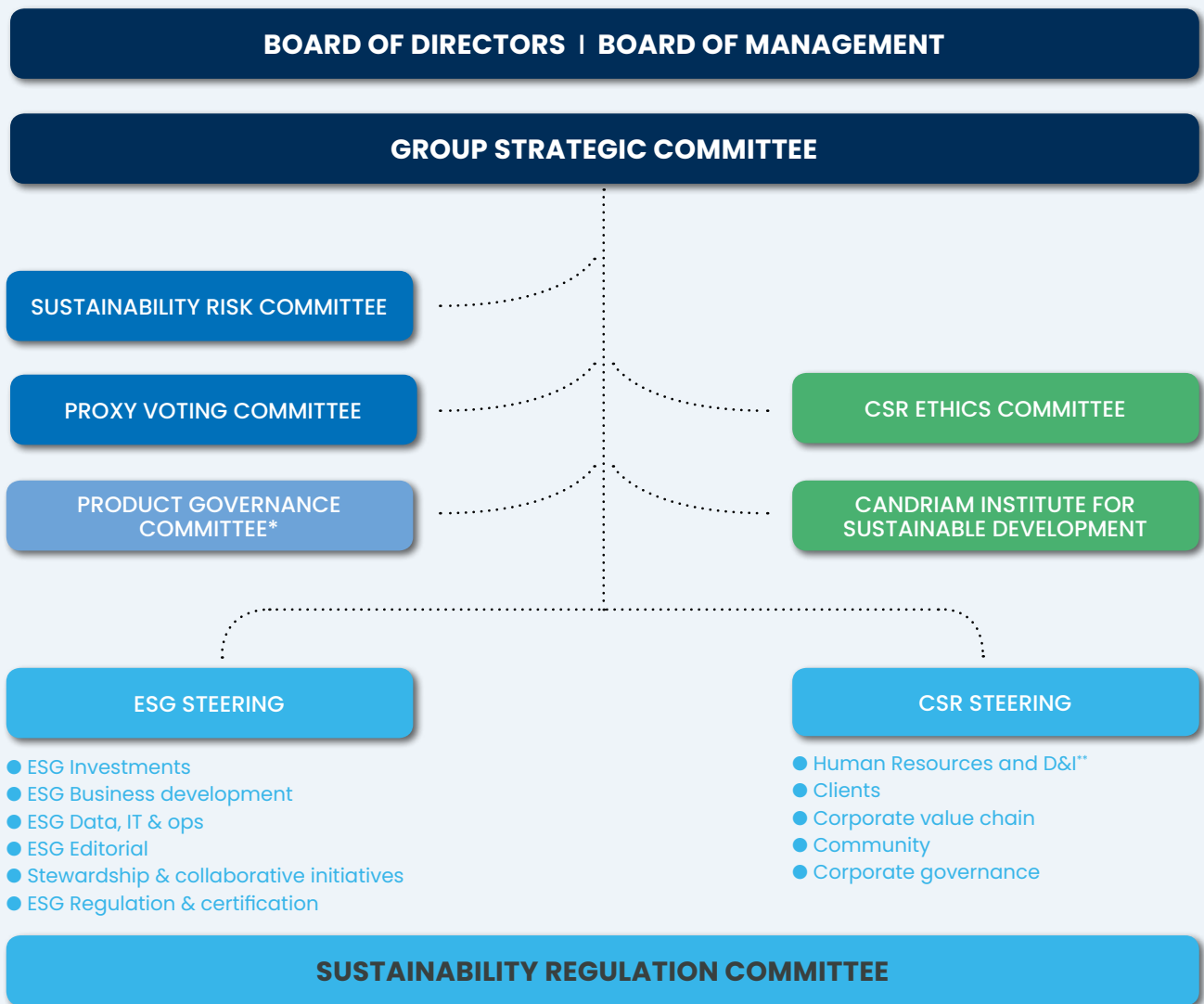
The **CSR Steering Committee** coordinates the implementation of the CSR roadmap and CSR reporting in our own operations across staff, clients, operational value chain, governance and the community.

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.

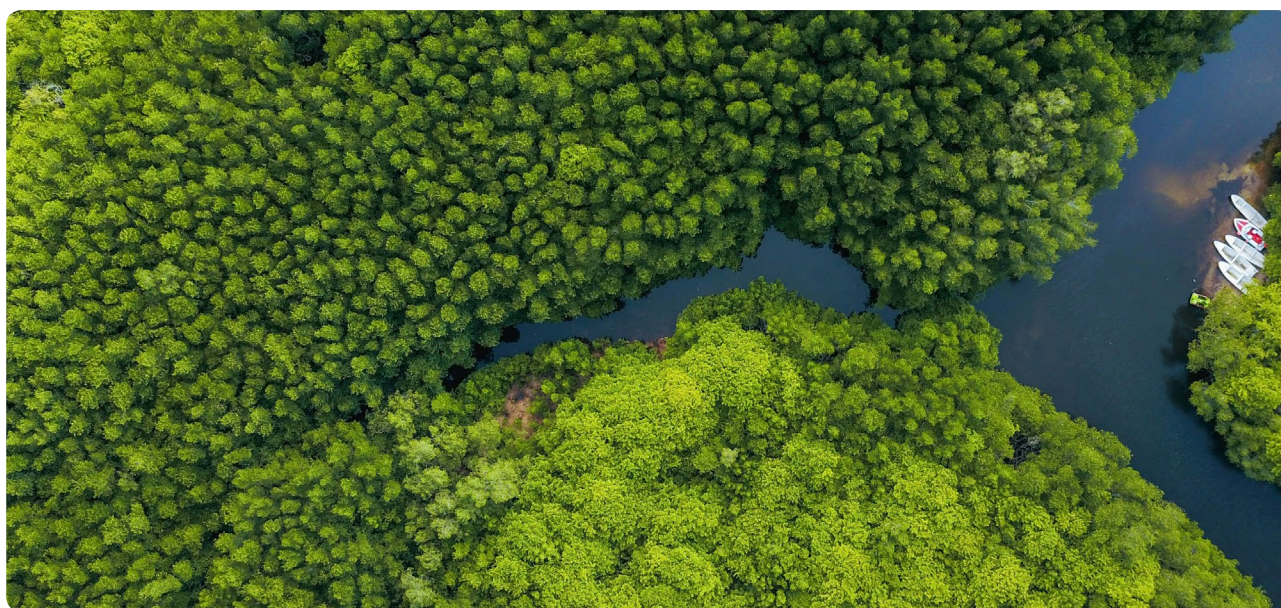
We adhere to ethical behaviour across all our operations and comply with established regulations through the implementation of specific policies and charters. These include a compliance charter and policy, a client charter, a code of ethics and a supplier charter.⁷ For detailed information about our 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

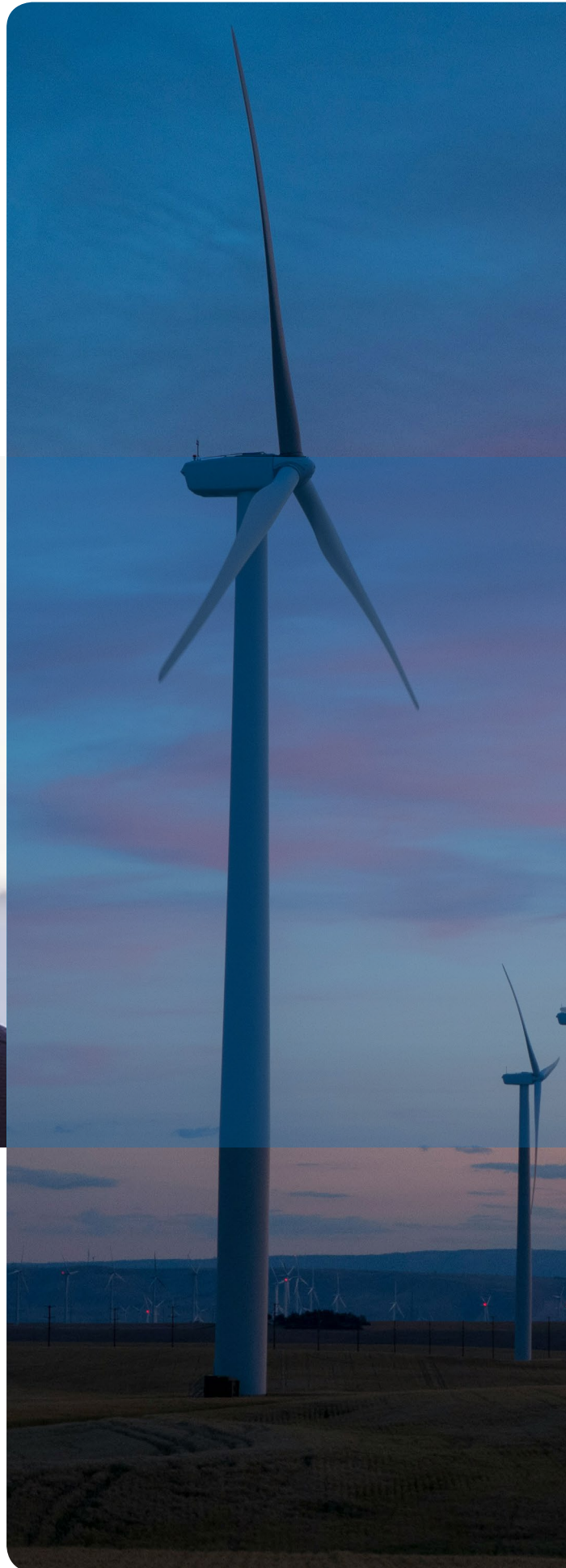
Consultations answered via Industry associations*	Candriam Individual answer
ESMA guidelines on funds naming	Yes
SRI French label review	Yes
ESAs SFDR review Level 2	Yes
EC ESRS First SET Delegated Acts	No
EC ESG ratings service providers	No
EC SFDR Level 1 review	Yes

*All consultations answered by AFG and/or EFAMA

Sustainable Investing.

Nicolas Forest

CIO,
Candriam

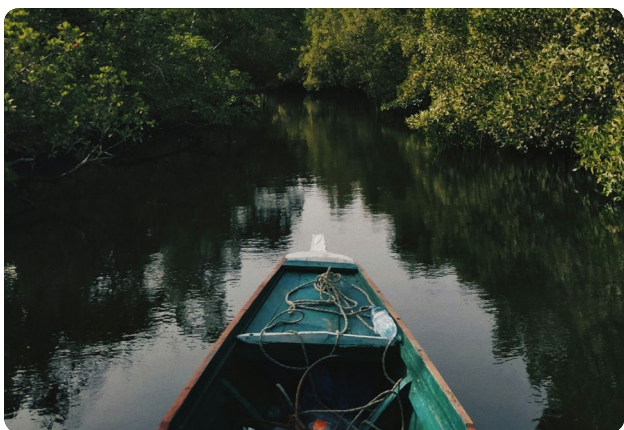




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Candriam’s dedication to sustainable investing drives our mission to allocate capital toward companies that proactively address the challenges of tomorrow. Through rigorous analysis and engagement, we aim to deliver both financial returns and positive socioenvironmental outcomes. With transparency and accountability at our core, we navigate the market landscape, advocating for fair practices and fostering meaningful change.

An Extensive Footprint in Responsible Investment.



Sustainability is at the core of Candriam's investment philosophy. The connection between ESG principles and the risk/return profiles of companies and bond and equity issuers is central to our long-term investment approach, one that focuses on helping clients meet their unique investment goals.

At Candriam, we have been involved in sustainable and responsible investment practices since 1996 and have a strong track record of using our proprietary ESG analytical frameworks to assess the sustainability of both corporate and sovereign issuers. These frameworks serve multiple objectives: we seek to identify and reduce the ESG risks to which our clients' portfolios are exposed, to capture sustainability-linked opportunities, to mitigate the negative impacts of investments on the environment and society, and to understand which issuers make positive contributions to sustainability objectives.

Candriam's proprietary ESG analytical frameworks are implemented by 23 experts within the ESG Investments & Research Department. Our corporate ESG analysts examine companies' stakeholder management practices and the

exposure of their business activities to key sustainability challenges. Further, they conduct norms-based and controversial activities analyses. Our sovereign ESG analysts, meanwhile, conduct country-by-country analyses of ESG risks and opportunities regarding sovereign issuers, using a nuanced sovereign model.

In addition, an important component of Candriam's sustainable investment process is the work of our engagement and voting analysts, who engage with issuers and exercise voting rights to foster better ESG practices, encourage ESG disclosures and gather information that enriches investment decision-making. Candriam's ESG expertise is further supported by a dedicated ESG Quantitative Analytics & Research Team and an ESG Client Portfolio Management Team.

In keeping with Candriam's ongoing commitment to sustainable investing, we have developed sustainable strategies across all major asset classes – equities, emerging market equities, bonds, high yield bonds, emerging market bonds, money markets, private equity impact funds and, through partners, real estate and private debt.

In 2023, we expanded our range of equity strategies, investing in sustainability-linked themes through the launch of a strategy focused on water. This strategy seeks to identify companies that facilitate solutions to water-related issues – for example, products and services that allow consumers and companies to access water according to their consumption needs, infrastructure and management solutions and innovations in areas such as water transport, storage and usage efficiency.



How we Approach Sustainable Investing.

Norms-based violations and controversial activities

Check violations of UN Global Compact principles/exposition to controversial activities

Business activities analysis

Assess how business activities contribute to sustainability challenges

Stakeholder analysis

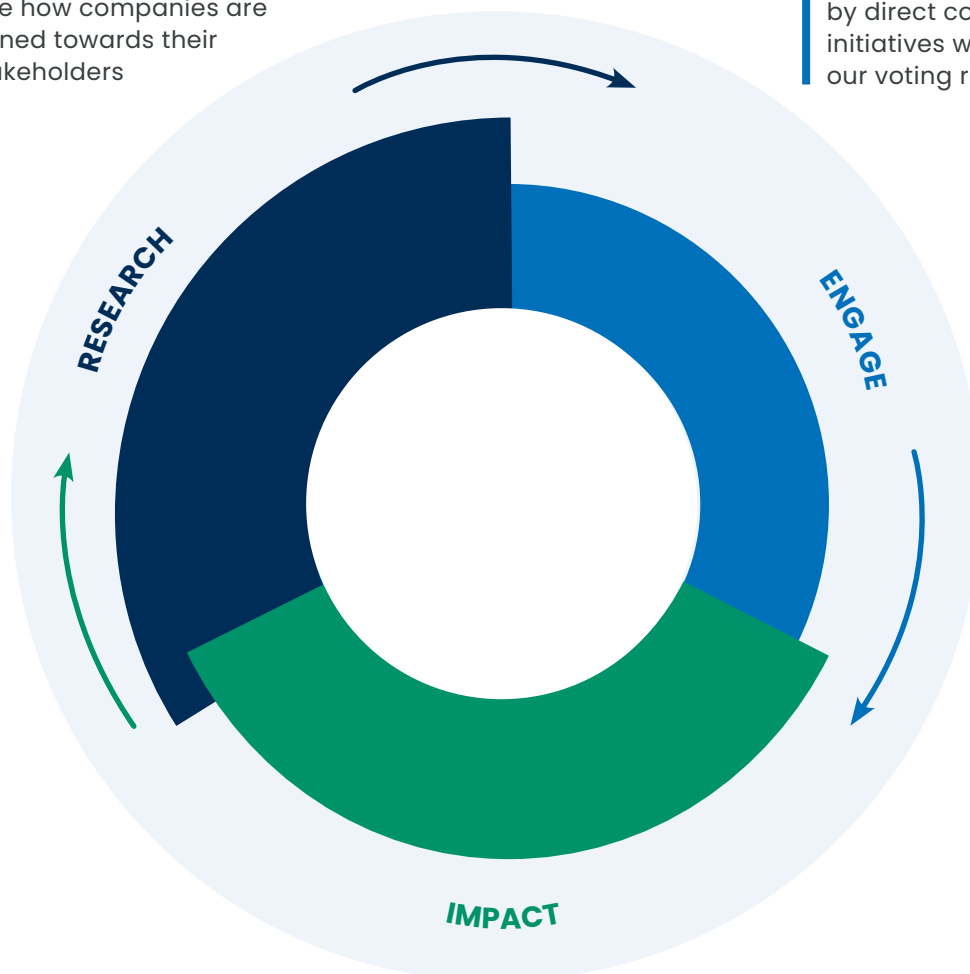
Analyse how companies are positioned towards their key stakeholders

Stewardship

Active ownership to encourage transparency, foster sustainable practices and support investment decisions

Dialogue and voting

Contacting companies by direct collaborative initiatives whilst exercising our voting rights



Transparency

Report on the impact of our investments in a transparent way: our investors know what their contribution is

Impact measurement

Develop and implement relevant indications to measure the contribution of our investment to sustainable challenges and SDGs

Leadership in Climate Change.

As the climate continues to shift, bringing our world closer to disastrous social and economic consequences each year, we maintain our commitment to taking part in the fight against climate change. We believe this is part of our responsibility as a global investor and key to protecting clients' investments in the long-term.

As a result, in 2020, Candriam set the objective for our sustainable investment strategies⁸ to reduce their carbon footprint by 30% compared to their benchmarks. In 2021, we committed to becoming net zero by 2050. To reach this goal, Candriam identified the scope of the commitment related to specific portfolios and mapped three methods for portfolio decarbonisation to suit the underlying investment strategies and asset classes: absolute contraction, temperature alignment and climate benchmark limit. These methods allow for a more targeted approach to decarbonisation, as needs can vary across thematic strategies and broad-based diversified strategies with an inherently low-carbon intensity.

In 2023, Candriam published an updated Climate Policy. This document details how Candriam's investment teams assess and manage climate risks and aim to create positive climate benefits.

The Climate Policy details our climate strategy which is based on four pillars:

1. Excluding activities that are deemed incompatible with reaching the Paris goals

Climate science and scenarios are very clear that there is no room for thermal coal if we want to achieve the goals of the Paris Agreement. Thus, we have excluded coal-focused companies from our investments since 2018.⁹ The exclusion applies to all companies that derive over 5% of revenue from coal-fired power generation or coal mining, as well as those that develop new thermal coal projects.

Our SRI strategies apply additional exclusions targeting the oil and gas sector. Companies deriving over 5% of revenues from the extraction, refining, transport and distribution of oil and gas, both conventional and unconventional, as well as companies deriving over 50% of revenues from the provision of equipment dedicated to the oil and gas industry, are excluded. Only those companies that demonstrate credible decarbonisation strategies in line with the goals of the Paris Agreement according to our net zero analysis are eligible for Candriam's SRI strategies.

2. Integrating climate risks and impacts in our investments

We have developed several tools to assess climate risks and associated impacts and have integrated these dimensions into our investments using carbon metrics, a transition risk analysis tool and an analysis of temperature alignment.

⁽⁸⁾ Sustainable investment strategies where setting such an objective is possible and relevant, which excludes money market funds, green bonds and thematic funds. For environmental thematic funds, climate objectives have been set using a temperature metric.

⁽⁹⁾ Candriam's Exclusions Policy applies to all investments made by Candriam via long positions in direct lines in corporate and sovereign issuers and single-name derivatives. A fund subject to Candriam's Exclusions Policy may have indirect exposure to some of the activities mentioned within the policy if investments in such activities are made through index derivatives or external funds/ETFs not managed by Candriam



3. Engaging with high-emitting companies to accelerate their transition strategy

Individual and collaborative dialogue, as well as active voting, are central to our investment approach. We believe in the power of dialogue and sharing best practices to help corporates improve. We are particularly committed to consistency between ESG opinion, outcome of dialogue and orientation of our votes.

4. Reporting on the climate impacts of our portfolio in a comprehensive and transparent manner

We have disclosed the carbon emissions of all our sustainable strategies since 2018,⁽¹⁰⁾ with the ambition to reduce these strategies' footprints year-on-year. Candriam defined specific indicators to assess the companies' performances regarding climate change mitigation and adaptation.

(10) At the exception of our emerging market bond and some asset allocation strategies due to methodological constraints.

For more detailed information, please refer to [Candriam's Climate Policy](#)

ESG Analysis: 2023 Case Study.

In 2023, Candriam undertook Phase II of our active engagement campaign pertaining to human capital in small- and mid-sized firms.

Candriam believes that it is critical for investors to understand the ability of companies to adapt their HR practices to suit their entrepreneurial ambitions and specific business challenges. This includes gaining an understanding of how small- and medium-sized companies track the efficiency of the HR measures in place, as well as sharing best practices. The highly competitive operating environments and typically rapid growth of small- and mid-cap firms can strain their employees. Meanwhile, competing in the same employment and talent market as larger firms, and facing the same disclosure expectations, means smaller companies can be more exposed to human capital risks, which in turn may have material consequences on their

operations and ultimately their value. Candriam's dedicated Engagement & Voting Team surveyed over 60 European small- and mid-sized companies during the year, gathering data on KPIs in areas such as workforce stability, workforce demographics, workforce development and employee engagement. This allowed the team to gain valuable insights into companies' human capital risks and opportunities and identify structural challenges as well as best practices.

The comparison of these findings to the results of a similar exercise conducted in 2020 (Phase I) allowed Candriam to distinguish trends in matters such as transparency, workforce size, turnover and absenteeism, as well as to understand the evolution of human capital management from the Covid-19 environment to the post-Covid-19 context.





Embedding Climate Change in the Core of our Investment Strategy.

At Candriam, we actively participate in the fight against climate change. As a global investor, we believe it is our responsibility to protect our clients' investments while also addressing the concerns of wider society for the long-term sustainability of our planet.

For over 15 years, Candriam's ESG analysis has embedded climate mitigation and adaptation across its sustainable investment strategies. In 2021, we committed to becoming net zero by 2050, which will redefine the way we invest, impact how our investment teams manage climate risks and ultimately create positive climate benefits. We also firmly believe that responsible investing is a key driver of social, economic and environmental progress, which benefits long term financial value creation for our clients.

This encompasses the following strategy:

- 1. Exclude** activities that are deemed incompatible with the objectives established by the Paris Agreement.
- 2. Integrate** climate risks and impacts in our investments.
- 3. Engage** with high emitting companies to accelerate their transition strategies.
- 4. Report** on the climate impacts of our portfolio in a comprehensive and transparent manner.

Candriam signed the Montreal Carbon Pledge in 2015 and has disclosed the carbon emissions of all our sustainable strategies (with the exception of our sovereign market bond strategy due to

methodological constraints) since 2016, with the overarching ambition to reduce the carbon footprint of these strategies year-on-year.

Candriam defined specific indicators to assess companies' performance towards climate change mitigation and adaptation, both at the operational and investment level. Candriam has a partnership with Carbon4Finance⁽¹⁾ which helps us value the temperature alignment of a portfolio, i.e. the climate trajectory with which it is aligned. This analysis is based on both historical and prospective data and allows us to assess the impact of each company and the whole portfolio in the pursuit of a decarbonisation trajectory that would hold the increase in global temperature "well below 2°C".

Our 2030 objectives:

- **Engagement:** We aim to engage with companies that account for at least 70% of our financed emissions.
- **Emissions reductions targets:** We strive to reduce our average Weighted Average Carbon Intensity (WACI, scope 1-2) by at least 50%.
- **Aligning our investments with net zero:** We plan to have at least 50% of our financed emissions coming from companies assessed as net zero or aligned to net zero pathways.
- **Financing the ecological transition:** We will measure and maximise the share of our investments contributing positively to the transition.

(1) Carbon4 Finance provides financial institutions with a complete set of climate and biodiversity data solutions, helping these institutions to be actors in a just transition.

Ensuring the Robustness of our Stewardship Policies.



Engagement and voting form the core of our investment strategy. We are dedicated to collaborating with our clients and investee companies, striving to maintain consistency on ESG strategies and actions. However, we firmly believe that progress is borne out of constant evolution. As such, we consistently seek to elevate not only our own ambitions but also those of our stakeholders.



Sophie Deleuze

Lead ESG Analyst, Stewardship,
Candriam

Stewardship, engagement and collaboration are essential components of ensuring progress on responsible investment.

Candriam has dedicated over two decades to engaging with companies on responsible investing through proxy voting, both direct and with collaborative dialogue, and the promotion of sustainable finance. Since 2015, Candriam has prioritised three main, long-term conviction topics:

- **Energy transition**
- **Fair working conditions**
- **Business ethics**



Ramping up our Engagement Activities.

We define engagement as interactions we have on ESG issues, not only with current or potential investees but also with entities which, through their competence and/or authorities, are able to initiate or influence change in the regulatory or market frameworks involving ESG aspects.

Engagement covers constructive individual/direct outreach as well as collaborative dialogues with companies on issues such as ESG and voting. As an extension, resolution co-filing, public statements and/or preannouncement of voting intentions also fall under this definition as such actions that may be considered as escalation measures.

Our scope of engagement covers the full range of companies, and regions, to address our complete investment universe, with priority given to issuers covered through our ESG analytical framework.

Because Candriam offers sustainable investment processes for all major asset classes, we engage across equity and bonds assets and across non-corporates and noncorporate issuers, including private equity. Our dedicated Engagement and Voting Team, created in 2016, includes five ESG analysts who specialise in engagement and voting.

The team coordinates dialogue and voting activities across Candriam. They work closely with the ESG research team and thematic specialists, and of course alongside the investment teams, who are regularly informed of engagement follow-up and often take part in the dialogues.

Consistency of ESG opinion, dialogue and voting is crucial in order for Candriam to speak with one voice and play a credible role in influencing investment strategies. ESG analysis and opinion feed the engagement design and process, while the outcomes of the engagements feed the ESG analysis and serve the investment strategies. Together, our teams create a common understanding of which concerns to pursue and which best practices we want to promote and defend. This requires close collaboration.

During 2023, we targeted 314 corporate issuers through our direct dialogue efforts, resulting in a total of 382 dialogues on a range of topics. These issuers account for 36% of Candriam's assets under management (AUM),⁽¹²⁾ based on corporate instruments (equity and bond instruments, direct lines) in funds or mandates for which Candriam ensures the management activity.

314

corporate issuers targeted in 2023 for a total of 382 dialogues

(12) Limiting the AUM scope to corporates invested in direct lines (both through equity and fixed income instruments) in funds or mandates for which Candriam ensures the management activity. All data is from Candriam, unless otherwise specified.

Ramping up our Engagement Activities.

(Continued)

While engagement may be prompted by exceptional events – such as an acquisition, a change in the issuer’s business model or a controversial event (accident, investigation announcement, charges laid down by stakeholders) – proactive engagement, such as thematic campaigns, remains the norm.

Based on our internal ESG analysis and materiality assessment, priorities and engagement timelines are defined and/or updated in light of Candriam’s level of exposure (assets), investment teams’ interest, trendsetter nature of the topic, engagement history and momentum. The pre-annual general meeting period appears to be the best time to influence issuers on their corporate governance practices.

“The team coordinates dialogue and voting activities across Candriam. They work closely with the ESG research team and thematic specialists, and of course alongside the investment teams, who are regularly informed of engagement follow-up and often take part in the dialogues.

We also prioritise engagement related to the three topics of conviction that Candriam has chosen to put at the forefront since 2015, namely: Energy transition, Fair working conditions and Business ethics.

Whether we use direct or collaborative dialogue, our contact point is chosen based on our history of contacts with the issuer in question and how well the position of our contact(s) matches the engagement topic. If relevant, we may also engage in dialogue with other stakeholders such as unions, industry or consumer federations, non-profits and academics to have a more precise and/or balanced approach.





Supporting Investees' ESG Programmes through Voting.

Voting is essential for clarifying our views on sustainable programmes and outlining what we expect of the companies in which we are invested. The cornerstones of Candriam's voting policy are:

- **Shareholder rights:** corporate governance structure and company practices should protect the rights of shareholders.
- **Equal treatment of shareholders:** all shareholders of the same class should be treated equally, following the "one share, one vote" principle.
- **Board accountability:** fully informed boards that act in the sustainable medium- and long-term interests of shareholders.
- **Transparency and integrity of financial statements:** accurate, transparent and independently audited financial information.

During 2023, we made our voice heard in 1,876 ordinary and extraordinary general meetings, voting on 24,917 resolutions for the firm's open-ended equity funds, dedicated funds and mandates under Candriam's voting policy. We opposed around 26% of management resolutions.

24 917

resolutions voted for the firm's open-ended equity funds

Collaborative initiatives

Using Candriam's influence as a shareholder and, more broadly, as a recognised leader in sustainable investing is key to our approach.

In order to have a positive impact on the overall market and address systemic risks, such as climate change or human rights, we have found collaborative initiatives to be one of the most effective tools. When considering collaborative initiatives in which to participate, we select those where we believe our voice and organisation can be most impactful and then elect to lead the engagement.



Ensuring Oversight and Accountability.

We published our first engagement report in 2009 and since then have continuously aimed to increase not only our reporting transparency and market practices, but also – and primarily – to pay close attention to the expectations of our clients and of society.

For additional details about our Engagement activities, please read our 2023 annual [Engagement and Voting Report](#).





Long-Term Commercial Relations with Clients.

**Renato
Guerrero**

Deputy Chief
Executive Officer,
Candriam





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Our clients are at the forefront of our business, and understanding their needs and how we can meet them is crucial to the work we do.

Understanding our Clients.

At Candriam, we prioritise stewardship and ESG issues in every aspect of our business, including our communication with clients. At our regular review meetings, including calls and webinars, we aim to keep clients informed on all components of our business processes, including our work on ESG-related issues. We also use these meetings to keep up to date with what our clients expect of us. As companies and issuers continue to enhance their ESG transparency, our extra-financial reporting must develop to continue to meet our clients' needs.

In 2023, our weighted average of reports delivered on time to end clients under discretionary mandates and to distributors equalled 85%, compared to the deadline agreed with the client. We will continue to work to improve this as we strive to achieve a weighted average target of 95%.

In addition to our direct one-on-one contacts with clients, we provide expertise through several market initiatives, such as workshops and seminars, and by organising regular events on topics including macroeconomics, asset allocation, asset liability management, sustainable investments, private markets and other regulatory issues.

We recognise that our clients have different investment goals and needs – financial and extra-financial – and time horizons for achieving them. This is why we offer ESG integration and sustainable strategies with different timeframes across equities, fixed income, multi-asset and private markets, allowing us to provide a tailored approach for each client.

Communication Actions to Promote ESG.

Throughout 2023, we worked to strengthen our focus on ESG education and promotion across all our communication channels. Utilising 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. We also organised three ESG talks via the Candriam Academy. For more information about the [Candriam Academy](#), please see the Responsible Citizen chapter of this report.

We publish an annual Engagement and Voting Report, as well as monthly fund reports on both financial and extra-financial information.

In 2023, we offered:

- 19 white papers and opinion papers for investors on issues including biodiversity, biofuels, advances in healthcare and oncology and human rights in the food supply chain.
- Seven papers on engagement actions or collaborative actions carried out by Candriam with companies on topics such as employee board representation.
- Five educational documents on issues such as the impacts of [IORP II Directive](#) for European pension funds and their ESG reporting requirements.



Assessment of the Client Journey.

At the core of all our work is our commitment to our clients' perspectives and satisfaction.

We developed our client charter to commit further to building long-term trusted partnerships based on our key values of conviction and responsibility. The charter provides guidance to our employees on how to build value for our clients responsibly.

In 2023, we launched a new initiative aimed at refining the client experience by enhancing every interaction with our company. Our sales and client service teams have thoroughly examined these touchpoints to identify key areas for progressive enhancements.

This initiative is a collective effort, with every team within our company contributing to the improvement of our service standards. The goal is straightforward: to ensure all client interactions are seamless and positive.

Short-term enhancements will involve fine-tuning smaller details that, while not direct issues, are pivotal in meeting and exceeding client expectations. More significant evolutions are also in the pipeline to fulfil client needs more effectively on a long-term scale. Our most recent Client Satisfaction Survey showed our clients are satisfied with the relationship management provided by Candriam's commercial teams.

These findings highlight the company's unwavering commitment to delivering exceptional client service and fostering strong and collaborative partnerships. By actively listening to client feedback and continuously improving our offerings, Candriam has cultivated a loyal client base that values our expertise.



Client Longevity.

Our most useful indicator of client satisfaction is our record with client longevity. At Candriam, the average ongoing duration of investors within our funds is 5.3 years.¹³

This figure highlights our company's ability to establish strong connections and deliver consistent value to clients, resulting in our clients working with us for longer. Maintaining these investors over extended periods shows a high level of client satisfaction and trust in our expertise.

We have 560 long-term investors in Candriam products,¹⁴ accounting for 46% of our total client base, which demonstrates our commitment to nurturing enduring relations. These long-term collaborations signify a deep understanding of clients' needs, effective communication and the ability to adapt to changing market conditions.

The average length of mandates currently managed by Candriam – 11.1 years¹⁵ – showcases our ability to deliver consistent results and meet client expectations over an extended period.





This longevity reflects the trust clients place in Candriam's investment strategies, risk management and ability to navigate various market conditions. These longer mandates also provide stability and predictability for our operations.

Building and maintaining a long-term connection with clients is a crucial aspect of any successful business. It not only fosters trust and loyalty but also contributes to the overall growth and stability of the company.

560

long-term investors in Candriam products,¹⁴ accounting for 46% of our total client base

(13) Using data from 2014, when the Candriam brand was established, to 31/12/2023

(14) Long-term investors are defined as current investors who remained invested for five years or more in Candriam products

(15) Including mandates created before the brand change to Candriam (2014) and that are still active as of 31/12/2023.



Responsible Employer.

Nadia Tortel
Chief Human Resources Officer,
Candriam





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At Candriam, we recognise that our people are our greatest strength. We are dedicated to cultivating an inclusive, people-centric and growth-oriented culture, where employees feel empowered to produce their best work in a supportive environment.

To reach our ambitious objectives regarding our employees, Candriam implemented new actions in 2023 based on four redefined pillars:

- **G.R.E.A.T. place to work & employee engagement**
- **Career management & succession planning**
- **Sustainable growth & development**
- **Reward & performance**

GREAT Place to Work & Employee Engagement

This pillar articulates what being a **G.R.E.A.T.** place to work means to us, according to our corporate values – **Grow with Respect, Engagement, Anticipation and Teamwork**. We aim to develop an inclusive workplace, foster employee wellbeing and strengthen the employee experience with the aim of supporting external branding and our employer of choice strategy.

Candriam's participation in impactful initiatives, such as the EDGE Empower® Label,¹⁶ Women in Finance in **Belgium** and **France**, and the **30% club** further demonstrates our unwavering dedication

In 2023, Candriam was awarded runner-up in the WDI awards in the category of 'most improved', highlighting our commitment to continuous improvement in managing our workforce effectively.¹⁷

(16) EDGE Certifications help standardise and promote diversity, equity and inclusion in workplaces.

(17) The quality of the award won by the management company depends on the quality of the issuing institution and that award does not guarantee the future results of the management company.

to creating a diverse and inclusive environment. Additionally, 2023 marked Candriam's second year of participation in the **Workforce Disclosure Initiative (WDI)**, promoting transparency and enabling us to demonstrate to all stakeholders how we effectively manage our employees and supply chain workers. In 2023, Candriam was **awarded** runner-up in the WDI awards in the category of 'most improved', highlighting our commitment to continuous improvement in managing our workforce effectively.¹⁷

Initiatives such as our communications campaign "CandriamAZING", which highlighted nontraditional career paths and inclusivity in our hiring and employee management processes, celebrate the diverse profiles of our employees.

Through our internal employee communities, TogetHer, NextGen and the Wellbeing Committee, we provide platforms for professional development and innovative thinking, ensuring that every voice is heard and every idea is valued.

Candriam Communities

- TogetHer (previously "Women@Candriam") is an internal network that aims to support, develop and promote women's professional and personal development.
- NextGen aims to introduce innovative ideas that help shape the future of Candriam.
- The Wellbeing Committee organises wellbeing initiatives centred around sport, culture, mental health and other wellbeing related subjects.



Our internal survey, based on the Organizational Health Index, allows us to assess continuously the needs and expectations of our employees and align our actions accordingly, reaffirming our commitment to wellbeing and engagement.

D&I at Candriam goes beyond checking a box. We believe that diversity in our staff fuels creativity and fortifies our ability to address challenges innovatively. Candriam's D&I Charter permeates the entire organisation, from senior management to department heads and throughout our workforce, ensuring diversity is embraced at all levels.



Six pillars fuel Candriam's D&I strategy

Pillar	Strategic Activities
Raising awareness	Promoting understanding of D&I through training, talks from expert speakers, manager goals and company events.
Attracting diverse talent	Partnering with universities, schools and other organisations with a focus on reaching diverse candidates.
Retaining diverse talent	Investing in learning, mentoring and diverse succession planning to support the professional development and wellbeing of all our staff.
Work-life balance	Hybrid work, workplace flexibility, employee assistance programs and cultural activities that support work-life balance for employees.
Empowering women & minorities	Internal mobility, personal development, mentoring and dedicated training programs (such as Women & Leadership) support diverse succession planning for key roles across the organisation.
Fostering inclusion	Candriam communities amplify diverse voices. Setting both qualitative and quantitative goals aimed at fostering inclusivity, reporting on progress towards these goals and actively participating in industry networks for women and diverse talent.

Career Management & Succession Planning.

We recognise the importance of providing clear pathways for career growth and development. This pillar sets the foundations for a yearly talent review with the aim of strengthening our succession planning. These initiatives empower employees to navigate their career paths with confidence and transparency.

Candriam invests in the next generation of leaders through our graduate program and by offering formal training, mentoring and networking opportunities to a diverse pool of young talents and high potentials.

By monitoring key indicators such as the gender distribution of promotions and internal mobilities, we strive to create an environment where talent is recognised and nurtured, laying the foundation for effective succession planning.



Sustainable Growth & Development.

Our commitment to sustainable growth extends beyond business objectives to support the development of our employees. Through this pillar, Candriam aims to tackle individual and team needs, accelerating tailor-made learnings and fostering knowledge-sharing that supports employees in their personal and career development.

In 2023, the Learning & Development Team addressed more than 400 training requests across various topics including Business, Finance, Asset Management and Information Technology. Examples include Discovering Asset Management,

ESG Masterclass and Project Management. Each employee received an average of 17 hours of training in 2023, excluding their approximately eight hours of mandatory regulatory training.

Through initiatives such as our internal communities, we provide opportunities for professional growth and development, ensuring that our employees are motivated and empowered to achieve their full potential.

By prioritising employee wellbeing and development, we create an environment where growth is not only sustainable but also meaningful.



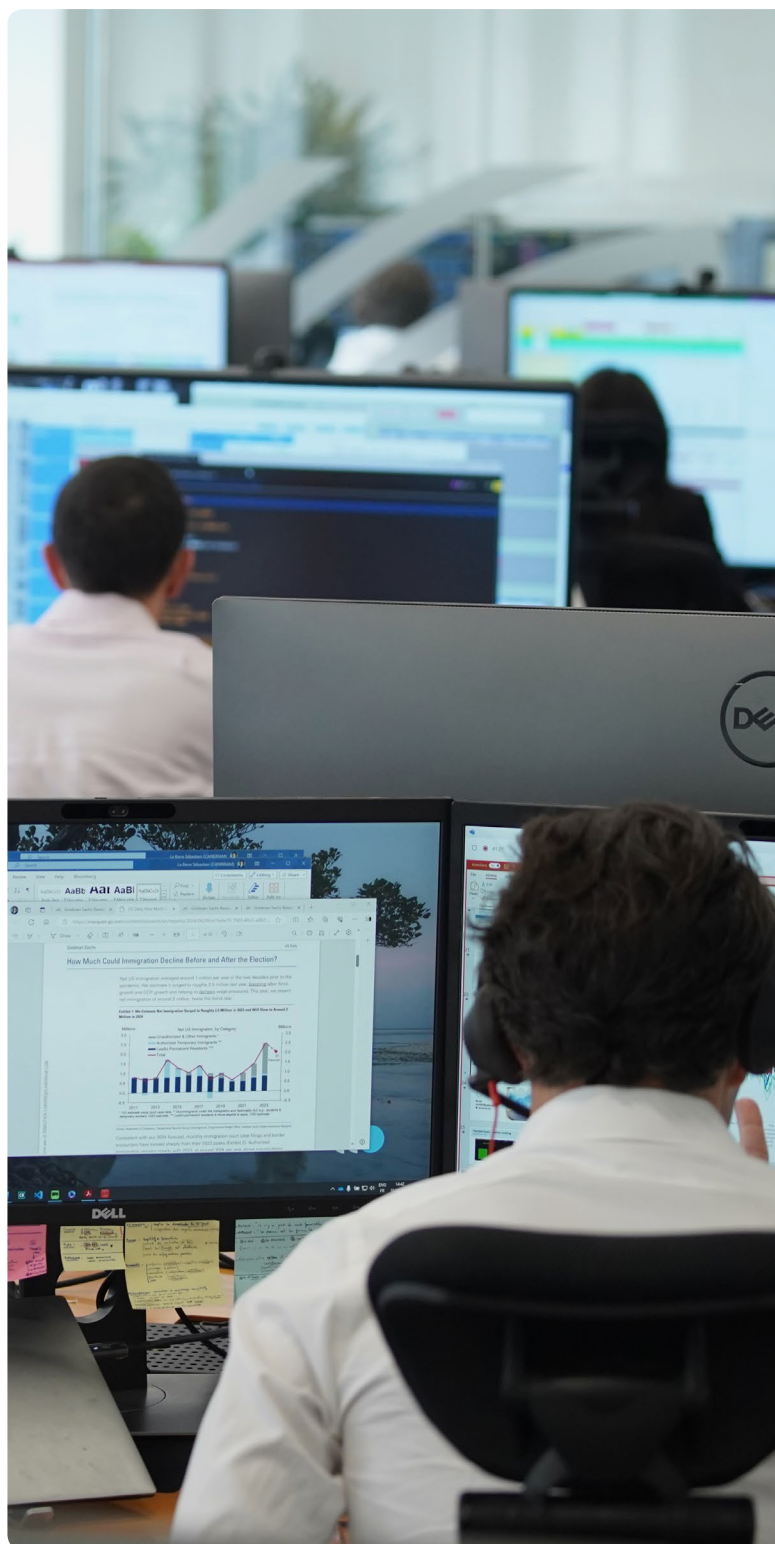
Reward & Performance.

This pillar focuses on further developing a sustainable component in our remuneration policy, in addition to the consideration of ESG risks in personal assessments and remuneration as required by the EU's Sustainable Finance Disclosures Regulation (SFDR).

At Candriam, we believe in recognising and rewarding staff excellence. Our remuneration policy is designed to be sustainable, reflecting our commitment to fair and equitable compensation practices as well as recognising initiatives that align with our **G.R.E.A.T.** values. This is key to maintaining our employees' motivation and engagement.

By offering a wide range of local activities and promoting employee wellbeing, we aim to cultivate a culture where performance is not measured just in numbers but also in the overall satisfaction and engagement of our team members.

Our remuneration policy is designed to be sustainable, reflecting our commitment to fair and equitable compensation practices as well as recognising initiatives that align with our G.R.E.A.T. values.



Responsible Operations & Supply Chain.

Fabrice Cuchet

Chief Operating
Officer,
Candriam





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Reducing greenhouse gas emissions from our operations and supply chain is a crucial element of our drive for operational sustainability, but this is only part of a wider programme to build sustainability into every aspect of our operations, from cutting waste and improving recycling to using new technology to make more efficient use of our offices and reduce business travel.

Minimise Operational Carbon Emissions.

Our sustainable value chain incorporates three objectives:

- Minimise operational carbon emissions
- Optimise waste management
- Implement sustainable procurement

We are dedicated to consistently reducing the carbon footprint of our operational value chain, with ambitious targets to further reduce emissions by 2025. Our efforts are ongoing in several areas including:

- Increasing our use of electric and plug-in hybrid vehicles.
- Prioritising necessary travel only and opting for lower-carbon transport options whenever possible, including for staff events.

Thanks to our energy efficiency programme, the vast majority of our existing buildings have received Building Research Establishment Environmental Assessment Methodology (BREEAM) energy certifications, which validate the sustainability of infrastructure.

- Supporting home and remote working options for employees.
- Cultivating a more sustainable work environment, such as by efficiently managing the temperature in our buildings, reducing paper, recycling old equipment and working toward a zero-plastic environment.

Thanks to our energy efficiency programme, the vast majority of our existing buildings have received Building Research Establishment Environmental Assessment Methodology (BREEAM) energy certifications, which validate the sustainability of infrastructure. As we expand, we adhere to our clear energy efficiency guidelines when selecting new buildings or infrastructure for our offices.





Local building certification

In 2023, 94.87% of all our office spaces had received an energy efficiency certification.

Country	Label certification or energy certificate	Score grid
Belgium	BREEAM Very Good ⁽¹⁾	Outstanding (≥85 score) Excellent (≥70 score) Very Good (≥55 score) Good (≥45 score) Pass (≥30 score) Unclassified (<30 score)
France	HQE Excellent ⁽²⁾	Outstanding Excellent Very Good Good
	BREEAM Very Good ⁽¹⁾	Outstanding (≥85 score) Excellent (≥70 score) Very Good (≥55 score) Good (≥45 score) Pass (≥30 score) Unclassified (<30 score)
Luxembourg	LEED Gold ⁽³⁾	Platinum (80+ points) Gold (60-79 points) Silver (50-59 points) Certified (40-49 points)
	HQE Excellent ⁽²⁾	Outstanding Excellent Very Good Good
UK	BREEAM Very Good ⁽¹⁾	Outstanding (≥85 score) Excellent (≥70 score) Very Good (≥55 score) Good (≥45 score) Pass (≥30 score) Unclassified (<30 score)
Spain	LEED Gold ⁽³⁾	Platinum (80+ points) Gold (60-79 points) Silver (50-59 points) Certified (40-49 points)
Switzerland-Geneva	Minergie ⁽⁴⁾	N/A

In 2023, the Candriam UK office was awarded the Silver Green Apple Environment **Award** by The Green Organisation, an independent non-profit that recognises, rewards and promotes environmental best practice internationally.

(1) [How BREEAM Works - BRE Group](#)

(2) [HQE Building in Operation - Certivea](#)

(3) [LEED rating system | U.S. Green Building Council \(usgbc.org\)](#)

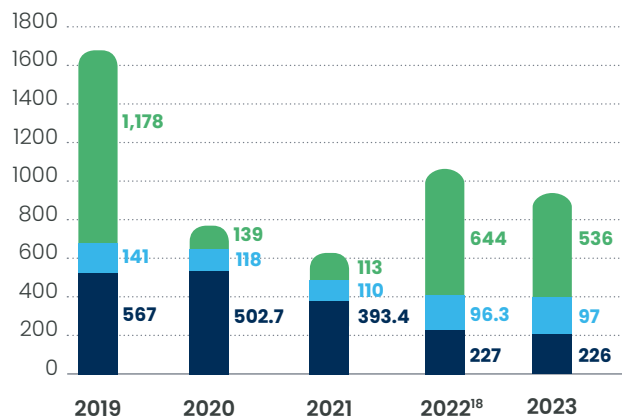
(4) [Minergie International - Sustainable buildings](#)

Candriam Operational Footprint.

We are constantly looking for ways to reduce the emissions arising from our operations, including both Scope 1 and 2 emissions created by our own operations and Scope 3 emissions created by suppliers' and business travel.

In 2023, our Scope 1 direct footprint has reduced by 18% compared to the previous year while our Scope 2 energy footprint has remained consistent. Regarding our Scope 3, we witnessed a decrease of 13% compared to 2022, which is due to a reduction of emissions for our business travel (-17 %), reduced emissions from suppliers (-25%) and overall improved sector emissions for fuel, transport and waste (-20%).

Candriam operational footprint (year-on-year)



- Scope 1: Candriam direct footprint (mobile combustion & gas)
- Scope 2: Candriam energy footprint (electricity location based)
- Scope 3: Candriam business travel footprint only

Overall our carbon footprint Scope 1, 2 and 3 business travel has declined by 16% compared to the previous year (and by 54% against our 2019 benchmark year). Increases in electrification of our car park (from 53% to 79%) contributed to the -18 % decrease of the Scope 1 emissions. Business travel emission reduction benefitted from more detailed data used in the Trucost factor model, which resulted in more qualitative output and lower emissions. The results also show a decrease in air travel and an increase in rail travel, which is explained by an effective business travel policy.

Candriam decided to focus on offsetting the portion of our operational footprint that we control (Scope 1, 2 and business travel). In 2023 Candriam’s operational footprint was 859 tons of CO₂e. We selected the Vichada project, a gold standard certified project, to offset 1 177 tons of CO₂e.

The Vichada Climate Reforestation Project¹⁹ is in the Vichada Department, situated within the Orinoco River basin in Colombia.

The project aims to transform fragile savannah lands into biodiverse forests as part of the effort to combat climate change.

In 2023, in addition to keeping up with our action plan to further reduce our operational footprint, we further offset our carbon footprint by purchasing carbon credits.

⁽¹⁸⁾ 2022 data have been reviewed following data correction by Sustainable 1 for Scopes 1-2.
⁽¹⁹⁾ We selected the Vichada project, a gold standard certified project for the offsetting.



Optimise Waste Management.

During 2023, we focused on a number of measures to help reduce waste while minimising our operational carbon emissions. Key initiatives during the year included:

- Piloting a flex-office tool to optimise use of office space. The system combines communications and resource management in parking, desk reservation and office space management.
- Continuing to recycle mobile devices.
- Investing in digitalisation to optimise waste management such as artificial intelligence, Office 365, Teams and Power Platform.
- Ensuring merchandise given to clients and at events are sustainable. In 2023, almost 100% of merchandise was sustainable.

All our events are now managed with sustainability and social impact in mind. Our events are designed to:

- Minimise their environmental footprints by examining venues, event activities and transport options. This strategy includes developing an ESG charter for events.
- Ensure 30% vegetarian food in event catering, including having some meals that are entirely plant-based.
- Strive for greater diversity of speakers to ensure balanced gender representation.

Wastepaper

In 2023, paper use has slightly increased but remains lower compared to pre-Covid-19 levels (-22%). While business activities are returning to normal, we are committed to reducing paper waste in our operations

and have implemented programmes to minimise waste such as awareness campaigns, procurement of paper with **EU** and **FSC** ecolabels and use of recycled paper.

Candriam emissions from wastepaper consumption (tCO₂e, year-on-year)*



* All figures calculated by Sustainable I/ Trucost

Making ESG Part of the Procurement Process.

We aim to work with vendors who share our ESG values and to encourage the adoption of those values through engagement with and outreach to all our Tier 1 vendors.²⁰

Our approach is based on three pillars:

- Adoption of the Candriam supplier code of conduct to promote ethical, legal, environmental and responsible behaviours.
- Applying an ESG questionnaire during vendor selection.
- Vendor ESG scoring.

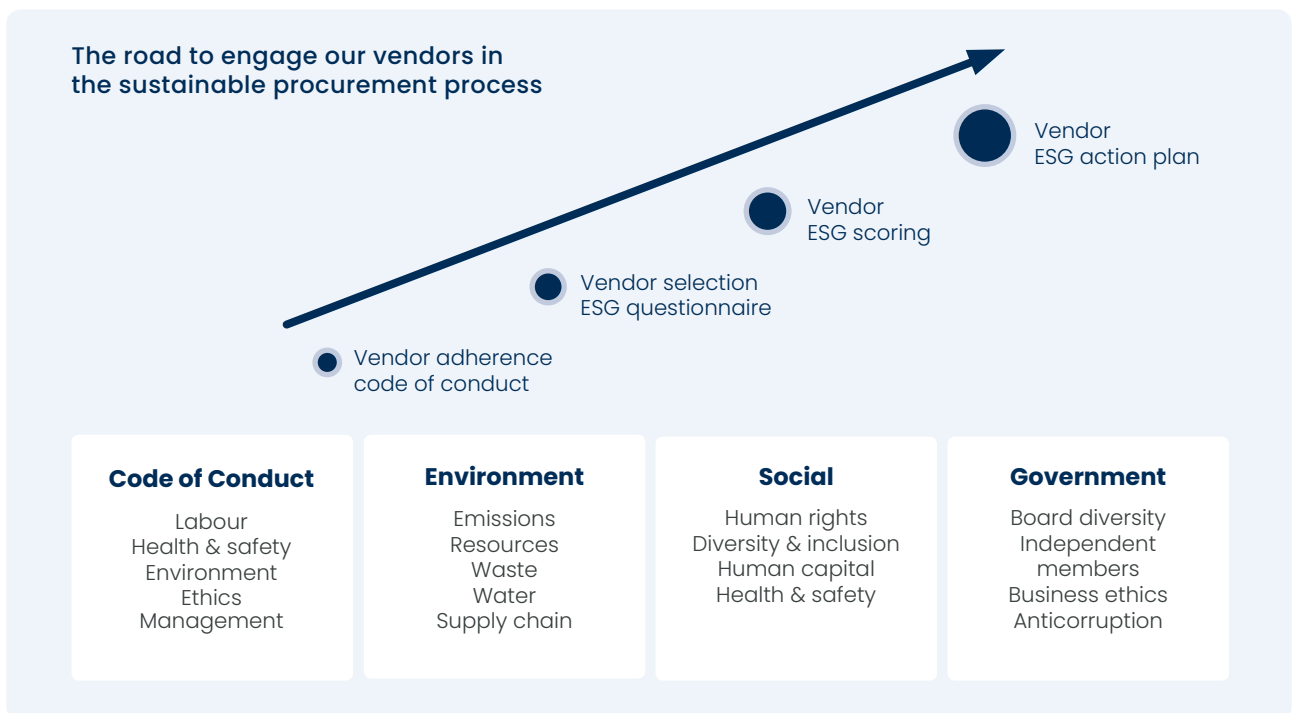
Combined with our vendor engagement we aim to help and encourage our suppliers to develop their own ESG strategies and action plans.

During 2023 we enhanced these processes further. We reviewed our supplier code of conduct and made it public to all possible Candriam vendors. We introduced guidelines for contingent workers aligned with our own human rights policy.

Our actions resulted in 30% of our Tier 1 vendors committing to our supplier code of conduct principles in 2023.

We also applied an ESG questionnaire and assessment in 100% of our new requests for proposal (RFPs).

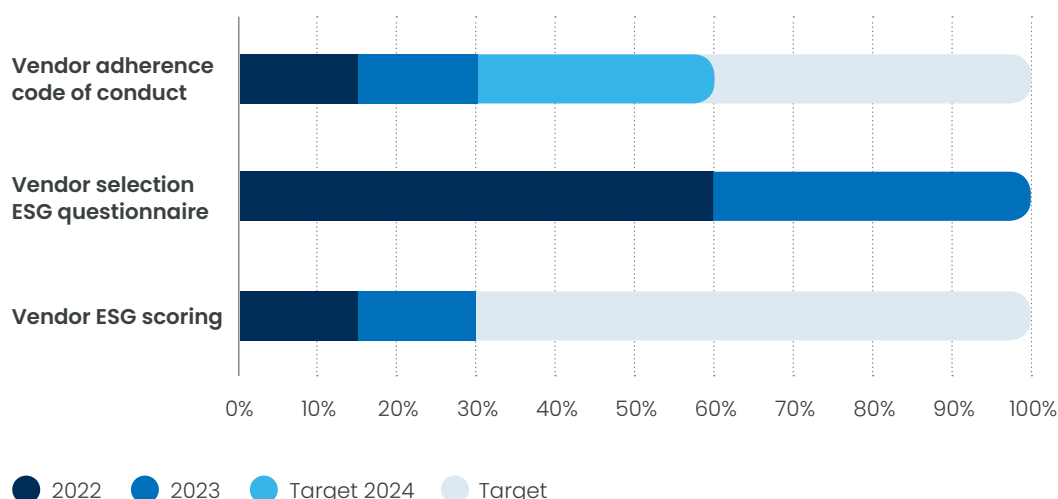
Candriam sustainable procurement milestone



(20) A Tier 1 vendor is defined as a vendor with >€100,000 yearly spend



Sustainable procurement (KPI)



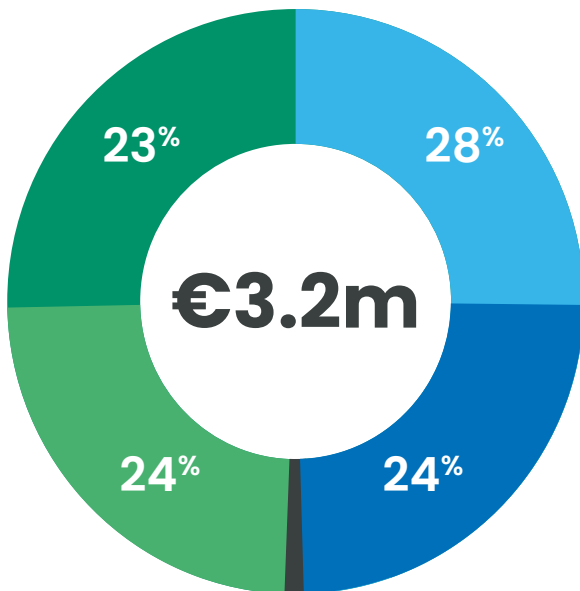
KPI	KPI description	Realised 2023
Vendor adherence code of conduct	Percentage of Tier 1 vendors that (i) signed a code of conduct adherence based on the standard Responsible Business Alliance ²¹ (ii) communicated or has a publication of a proper code of conduct (iii) subscribed via contract clause the new Candriam Supplier Code of Conduct or (iv) shared or published a Modern Slavery Statement Act.	30% of Candriam's top Tier 1 vendors signed Candriam's code of conduct, or a version thereof.
Vendor selection ESG questionnaire	Percentage of RFP processes ran by procurement that incorporated a ESG questionnaire and assessment.	100% of Candriam's new RFPs for vendors include a specific ESG questionnaire and assessment.
Vendor ESG scoring	Percentage of Tier 1 vendors who completed an ESG questionnaire and assessment, including (i) vendors that answered the questionnaires or (ii) vendors that have sent documentations that represent answers to questionnaires.	15% of Candriam's top Tier 1 vendors answered its ESG assessment questionnaire.

(21) <https://www.responsiblebusiness.org/>

Responsible Citizens.

Donations 2023.

2023 donations are paid in 2023 and 2024



- Protecting the environment
- Fight against cancer
- ESG education, research and entrepreneurship
- Social inclusion and solidarity
- Operating costs

Helena Colle

Global Head of
Corporate Development,
Candriam





“

At Candriam, we understand that the challenges of sustainability go beyond financial markets. Through our philanthropic initiatives, we strive to promote environmental and social good, complementing our investment strategies for a more sustainable future.

The **Candriam Institute** for Sustainable Development (the Institute) embodies Candriam's philanthropic activities. It focuses on four main impact areas:

- ESG education, research and entrepreneurship
- Social inclusion and solidarity
- Protecting the environment
- Fight against cancer

ESG Education, Research & Entrepreneurship

Candriam supports **research that promotes a comprehensive understanding of sustainable finance and the economy**. This includes backing academic chairs, PhD research and teaching on sustainable investing and key sustainability themes. Collectively, these efforts help drive the transition towards a more resilient and inclusive society.

In 2023, the Institute **added an entrepreneurial dimension by financing social entrepreneurs** active in sectors related to ESG who have a direct and transformational impact on society. The Institute signed a new venture philanthropy partnership with Ashoka, an organisation that identifies and supports innovative leaders who are committed to advancing high-impact solutions aligned with the United Nations' Sustainable Development Goals (UN SDGs). The Institute will support, through grants, two social/environmental entrepreneurs to scale up their organisations.

Further achievements were made in 2023 through our academic partnerships:

- Our research chair of "Finance reconsidered", in partnership with France's Kedge Business School, published seven papers and organised its third Impact Investment Challenge where selected

projects can be used by the academic community, practitioners or investors.

- Vlerick Business School's Centre for Sustainable Finance in Belgium continued its research on Scope 3 emissions with a new academic paper expected to be published in 2024.
- Professors from our Circular Economy Chair with Belgium's UCLouvain took part in a conference in Maastricht, presenting their research on circular business model innovation. In addition, a Candriam ESG expert was a guest lecturer to 407 students.
- The Institute has continued to support London-based Imperial College's Climate Investment Challenge, which offers students the opportunity to develop innovative financial solutions to address climate change challenges. In 2023, four projects were selected as winners. The Climate Kick team, who won the financial disruption prize, is currently implementing their vision.
- The Institute has continued supporting Rome-based LUMSA's Master of Science in Management of Sustainable Development Goals, as well as new editions of the Executive Master in Sustainable Finance and Sustainable Management.
- The Institute continued supporting the Research Initiative Finance Durable et Investissement Responsable (FDIR) in its efforts to develop and disseminate theory and practice in the field of responsible investment. Six research projects have been selected for the 2022-2025 period, including ones focused on green and social finance labels, social performance indicators and the economics of biodiversity and food systems.

For more information about the Candriam Institute for Sustainable Development's ESG education and research, please visit the Institute's [website](#)



Social Inclusion & Solidarity.

Candriam supports emerging talents through mentoring, access to culture and scholarships. We believe in fostering the potential of young people regardless of social backgrounds, ensuring that individuals from all walks of life have the chance to thrive.

The Institute launched several new initiatives in 2023:

- Candriam started a partnership with Bozar, a Belgian initiative, to support the organisation of multicultural concerts with more than 400 pupils and offer pupils introductions to concerts and guided exhibitions.
- The Institute also began, through its new partnership with Save the Children, renovations of four early childhood development centres in Indonesia to enable access to safer learning environments.
- Candriam awarded new scholarships related to D&I. The Institute supported its existing university partners, UCLouvain, Kedge Business School and Sciences Po Paris, to provide scholarships to students with disabilities, women from disadvantaged backgrounds and refugees.

The Institute also strengthened its involvement in existing partnerships.

- Candriam started its first youth mentoring program with Boost, a Belgian program that targets talented and motivated young people from underprivileged backgrounds.
- The Institute renewed its partnership with the programme 'Demos of the Philharmonie de Paris', which promotes access to classical music for underprivileged children through instrumental practice.

€3.2m

donated in 2023



Candriam employees are actively involved in the Institute governance, daily support and sponsoring of the Candriam Institute for Sustainable Development and Helping Those Who Help (HTWH) organisations.

Möira Yoka

Corporate Social Responsibility Officer, Candriam

The Institute continued to work closely with its long-term partners in 2023.

- The Institute renewed the Candriam Scholarship Programme at Maastricht University and awarded two scholarships to first generation students. The programme aims to improve inclusivity by offering three-year Bachelor's scholarships in Economics & Business Economics or International Business and one-year Master's scholarships in seven categories such as Sustainability Science, Policy and Society, International Business – Sustainable Finance, International Business – Entrepreneurship & Business Development and Economics and Strategy in Emerging Markets.
- Candriam continued its support for Article-1, a French organisation aiming to break the link between academic/professional success and social, economic and cultural background, with an increased number of Candriam employees mentoring Article-1 participants.

Social Inclusion & Solidarity.

(Continued)

In 2023, Candriam's staff-driven initiative 'Helping Those Who Help' selected 18 grassroots associations, supporting projects including leisure activities for children with or without disabilities, awareness raising with people with autism, empowering youth from socially disadvantaged backgrounds and supporting small farmers adapting to climate change.

International Solidarity

In 2023, the Institute supported earthquake victims in Turkey and Morocco and contributed to the Red Cross International Emergency Fund for humanitarian crises.

For more information about the Candriam Institute for Sustainable Development's work promoting social inclusion and solidarity, please visit the Institute's [website](#)



Since 2001, Candriam's charitable programme, 'Helping Those Who Help' (HTWH), has donated over €2.1m to 113 associations, supporting more than 213 projects.

Amandine Lesieur

Senior Project Manager and
President of the HTWH committee, Candriam





Protecting the Environment.

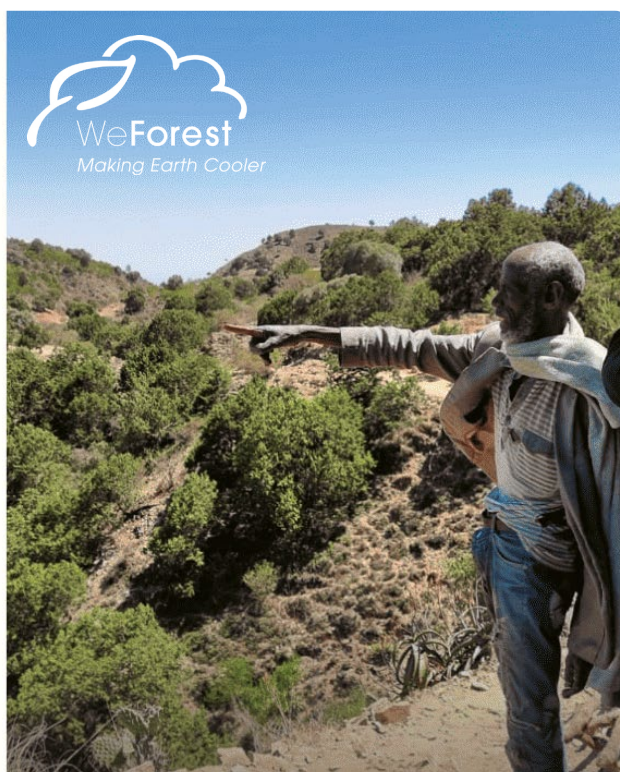
The Institute's environmental programme continued to invest in initiatives that **restore fragile ecosystems and contribute to climate change mitigation while ensuring sustainable livelihoods for local communities.**

In 2023, the Institute renewed its partnership with WeForest and started a new project in Zambia. Through the Institute, Candriam committed to restoring an estimated 425 hectares of forest in Zambia's Katanino Reserve while providing alternative sources of income from forest-friendly activities such as tree nurseries and beekeeping. In Casamance, Senegal, Candriam has restored the targeted 523 hectares, with planted trees being monitored for survival.

The Institute also supported the restoration of two peatlands in Belgium and the hydro-ecological functions of the Retz Forest in France, improving water cycles, carbon sequestration and the preservation of species and habitats.

In 2023, the Institute continued supporting its circular partner Close the Gap, a social enterprise that provides high-quality refurbished IT devices for social and educational projects. The funding provided by Candriam will provide computers to the following programs: Adopt a Classroom in Kenya, Femm In Tech in Congo and Phiri Phiri Secondary School and Women in Tech, both in South Africa.

For more information about the Candriam Institute for Sustainable Development's work protecting the environment, please visit the Institute's [website](#)



Contributing to the Fight Against Cancer.

Candriam recognises the vital role philanthropy plays in supporting innovative and often underfunded areas of cancer research. In 2023, the Institute continued contributing to 12 leading oncology organisations and research on topics including early diagnoses of lung and ovarian cancers, liquid biopsy, precision medicine, molecular profiling and screening technology. The Institute supported its first research project with its new partner Fondazione AIRC per la Ricerca sul Cancro, a non-profit organisation committed to fostering cancer research in Italy on tumour microenvironment research.

These organisations are at the forefront of innovative cancer research projects while also providing social support and patient care.

In addition, Candriam organised several events in 2023 to assist the fight against cancer. We organised our annual Atlas Go challenge to support Breast International Group, a global breast cancer research organisation, with more than 180 employees participating. In addition, we organised our first Movember campaign for prostate cancer funding, on top of our annual Pink October client events, which aim to raise awareness on breast cancer.

For more information about the Candriam Institute for Sustainable Development's support for cancer prevention and treatment, please visit the Institute's [website](#)





The Candriam Academy.

The **Candriam Academy** (the Academy) is a hub for learning about sustainable and responsible investing and was the first free-to-access accredited training platform of its kind when it was founded in 2017. The Academy aims to equip professionals, investors and any other enthusiasts with the tools, insights and

expertise to navigate finances while fostering a culture of sustainability. Offering online courses, webinars and research materials, the Academy drives positive change by empowering individuals to make informed decisions that align with ESG principles.

The training program offers five modules:

Introduction to Sustainable Investing

Focusing on the main approaches to sustainable investing, performance, shareholder activism.

The Circular Economy

Providing insights into the engine of the economy that sustainable investors want to build.

Climate Change

Learning how the global economy will need to change in order to stall the catastrophic rise in global temperatures.

ESG Corporate Analysis

Looking at the crucial questions that need to be answered to form an objective ESG profile of a company.

Sovereign Sustainability Analysis

Learning the importance and the right way of approaching a sustainability profile of a country.

The training programs provided by the Candriam Academy are recognised by renowned associations.



* Not all training modules are accredited in the same way. Please refer to the description of each module to check the accreditations available per module.

Launch of the Candriam Academy in Japan

The launch of the Candriam Academy in Japan, in September 2023, marked a pivotal step further in disseminating sustainable finance expertise worldwide. While the Academy boasts members from 79 countries across the globe, its insights were previously only available in six European languages. The Japanese version marks the Academy's first step to distribute its training beyond Europe.

The Academy addresses a pressing need in the Japanese market, where the demand for specialised training in investment and asset management is increasing. By offering educational programs in Japanese, the Academy contributes to enhancing the skills of finance professionals in the country and bolstering their proficiency in a globalised environment.

In addition, the launch set a precedent for further rollouts in yet more languages. The Academy goes beyond widening Candriam's reach; it is a deliberate effort to enhance skills and promote social and environmental responsibility in many corners of the world.

ESG Talks Series by Candriam Academy

The Academy's ESG webinars offer valuable insights into critical issues at the intersection of finance and sustainability, equipping participants with knowledge and tools to navigate the evolving landscapes of ESG integration and responsible investing.

The Academy organised three webinars in 2023.

1. SFDR: New Year, New Regime

This webinar explored the implications of the EU's Sustainable Finance Disclosure Regulation (SFDR), which came into effect in 2021. The session provided an in-depth analysis of the regulatory framework's requirements and its impact on financial market participants.

2. Private Illiquid Assets and ESG

This webinar explored the intersection of ESG considerations with investments in private and illiquid assets.

3. To Engage or to Divest, or Both

This webinar explored the strategies and implications of engagement and divestment in the context of responsible investing.

Not all training modules are accredited in the same way. Please refer to the description of each module to check the accreditations available per module.

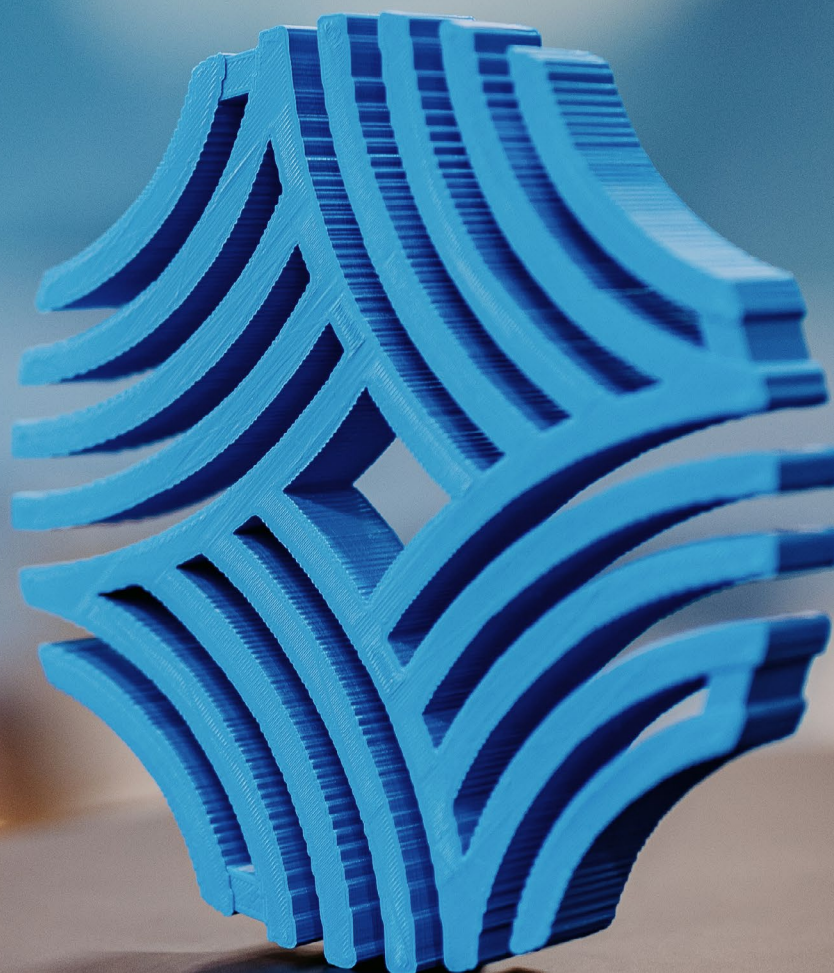


Candriam's Awards.²²

Candriam was named the top ESG brand by 600 asset managers globally, according to the Hirscheland Kramer (H&K) Responsible Investment Brand Index



Candriam ranked 21st in the 2023 Broadridge Fund Brands 50 report



(22) The quality of the award or ranking won by the management company depends on the quality of the issuing institution and does not guarantee the future results of the management company.

KPIs.

Responsible Investing

KPI ⁽¹⁾	2018	2019
% of ESG Bonds in total fixed income assets - Green/Social / Sustainability bonds ⁽⁴⁾	4.2%	6.5%
% of ESG-related investments in total AUM (assets which apply other ESG approaches than controversial activities exclusion)	31.26%	41.7%
% of Sustainable investments in total AUM (SFDR art 8 and 9 products) ⁽⁹⁾	N/A	N/A
% of AUM carrying a formal ESG/SRI certification or label ⁽⁵⁾	4%	6%
AUM carrying a French SRI label (Mln €)	856	1 891
Number of funds carrying a French SRI label	4	4
AUM carrying a Belgian Towards Sustainability label (Mln €)	737	796
Number of funds carrying a Belgian Towards Sustainability label	12	39
AUM carrying a LuxFlag ESG label (Mln€)	0	1 133
Number of funds carrying a LuxFlag ESG label	0	2
Carbon intensity of investee companies in the scope of SFDR products (tCO ₂ -eq/Mio € Revenues, Scope 1, 2, 3) ⁽²⁾	N/A	N/A
Carbon intensity of investee companies in the scope of SFDR products (tCO ₂ -eq/Mio € Revenues, Scope 1 & 2) ^{(2) (3)}	N/A	N/A
Carbon intensity of investee companies in the scope of SFDR products (tCO ₂ -eq/Mio € Revenues, Scope 3 upstream) ^{(2) (3)}	N/A	N/A
Carbon intensity of investee companies in the scope of SFDR products (tCO ₂ -eq/Mio € Revenues, Scope 3 downstream) ^{(2) (3)}	N/A	N/A
Carbon intensity Candriam funds in net zero scope (tCO ₂ -eq/Mio \$ Revenues, Scope 1 & 2) ^{(2) (3) (6)}	N/A	108.64
Scope of financed emissions net zero or aligned with net zero pathway ⁽⁶⁾	N/A	N/A
Scope of financed emissions net zero successfully engaged or under engagement ⁽⁶⁾	N/A	108.64
Engagement with companies top contributors to our net zero scope ⁽⁶⁾	N/A	108.64
% of AUM applying Candriam coal exclusion policy ⁽⁷⁾	8.2%	61.2%
% of AUM invested in companies active in the fossil fuel sector ⁽⁸⁾	N/A	N/A

(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/en/professional/SysSiteAssets/medias/insights/sfdr-publications/sfdr-esg-impact-indicators-definitions_en.pdf

(3) The data don't take into account all emissions and especially all or part of the scope 3 emissions (emissions related to the value chain and use of products)

(4) Source: Bloomberg, Candriam calculation.

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



2020	2021	2022	2023	Target	Notes & reference to disclosure standards
8.2%	7.1%	7.45%	13.78%	-	
47.12%	66.5%	74.09%	76.57%	-	
N/A	76.03%	85.64%	88.74%	-	PRI OO 18
17%	21%	27%	23%	-	PRI OO 18.1
13 064	20 964	19 661	21 503	-	https://www.lelabelisr.fr/
18	21	21	21	-	
21 846	32 084	29 603	32 025	-	https://towardssustainability.be/
50	40	40	42	-	
2 068	3 302	2 732	3 657	-	https://luxflag.org/
2	2	2	2	-	
N/A	N/A	N/A	983.35	-	SFDR PAI 3 - data coverage 2023 96%
N/A	N/A	120.84	81.9	-	SFDR PAI 3 - data coverage 2023 96%, 2022 97%
N/A	N/A	N/A	115.7	-	SFDR PAI 3 - data coverage 2023 96%
N/A	N/A	N/A	786.1	-	SFDR PAI 3 - data coverage 2023 96%
N/A	N/A	78.09	79.94	54.32 (2030)	Net Zero Asset Management Initiative, intermediate target for 17% of Candriam AUM (\$23.2bn, 60.7% AUM SFDR art 8 & 9 Candriam open funds)
N/A	N/A	17%	19%	50% (2030)	
N/A	N/A	52.70%	52.30%	70% (2030)	
N/A	N/A	47	52	40 (2030)	
61.7%	72.1%	62.18%	64.89%	-	https://www.candriam.com/en/professional/SysSiteAssets/medias/publications/brochure/corporate-brochures-and-reports/exclusion-policy/candriam-exclusion-policy.pdf
N/A	N/A	3.71%	3.26%	-	SFDR PAI 4 - data coverage 2023 96%, 2022 97%

(6) Candriam Net Zero Asset Management commitment: <https://www.netzeroassetmanagers.org/signatories/candriam/>

(7) Candriam company-wide policy excludes from investments all companies that are directly involved in the thermal coal industry and deriving more than 5% of their revenues from coal. New developing projects related to coal lead also to exclusion

(8) Candriam and MSCI data, assets scope all investments for which Candriam acts as management company and for which Candriam has received the management activity, advisory services excluded

(9) Ratio based only on assets that are in scope of SFDR

Responsible Employer

KPI ⁽¹⁾	2019	2020	2021	2022	2023	Target
% of female share of total workforce	33%	34%	33%	34%	34%	40% (2025)
% of female in top management (EXCO)	16%	16%	17%	20%	22%	30% (2025)
% of female in Management Committee	22%	24%	24%	27%	27%	30% (2025)
% of women in the new hires < 30 years	35%	45%	42.1%	43%	38%	50% on average (2021-2025)
Women Men Equality Index (French indicator based on Candriam French Branch figures only) ⁽²⁾	84	75	81	87	87	
% of staff following non-mandatory training	81%	80%	87%	92%	88%	80%
% of staff Candriam Academy Accredited ⁽³⁾⁽⁴⁾	10%	9%	19%	85%	94%	>90%
Average Training hours - Men	N/A	8	12	20	16	
Average Training Hours - Women	N/A	10	18	24	20	

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

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

(3) As of 2023, excluding long-term absence and late joiners.

(4) The 100 % target has been reviewed to more than 90 % to take into account some timing issue in the completion of the training by new joiners.

Procurement

KPI ⁽¹⁾	2021	2022	2023	Target
Vendor adherence code of conduct ⁽¹⁾	5%	15%	30%	100% (2025)
Vendor selection ESG questionnaire ⁽²⁾	61%	60%	100%	100% (2025)
Vendor ESG Scoring ⁽³⁾	1%	15%	15%	100% (2025)

(1) % of Tier 1 vendors that (i) signed a code of conduct adherence based on the standard Responsible Business Alliance or (ii) communicated or has a publication of a proper code of conduct (iii) subscribed via contract clause the new Candriam Supplier Code of Conduct (iv) shared or published a Modern Slavery Statement Act.

(2) % of RFP processes ran by Procurement that incorporated a ESG questionnaire and assessment.

(3) % of Tier 1 vendors that were questioned by means of an ESG questionnaire and assessed, including (i) vendors that answered the questionnaires or (ii) vendors that have sent documentations that represents answers to questionnaires

Tier 1 Vendor is defined as a vendor with > 100K€ spend on a yearly basis





Responsible Operations and Supply Chain⁽¹⁾

KPI ⁽²⁾	2018	2019	2020	2021	2022	2023	Target	Notes & reference to disclosure standards
Candriam total carbon emissions Scope 1-2-3 upstream (t CO2 eq) ⁽⁴⁾⁽⁷⁾	11 612	12 968	12 172	14 500	12 100	9 434		GRI (305 1-2-3) CDP (C6) GHG Protocol - 2020 data impacted by Covid crisis
Candriam carbon footprint Scope 1-2-3 upstream (t CO2 eq/ mio € revenues) ⁽³⁾⁽⁴⁾⁽⁵⁾	48.6	46.3	43.0	42.1	38	35		GRI (305-4) CDP (C6.10) GHG Protocol - 2020 data impacted by Covid crisis
Candriam carbon footprint – Scope 1,2 and business travel (t CO2 eq) ⁽³⁾⁽⁴⁾⁽⁶⁾	1 912	1 886	760	617	1 017	859	-30% in 2025 versus 2019	
Candriam business travel emissions (t CO2 eq)	1 080	1 178	139	113	644	536		GRI (305 1-2-3) CDP (C6) CDP (C7) GHG Protocol - 2020 data impacted by Covid crisis
Candriam energy footprint (t CO2 eq) ⁽⁹⁾	249	141	118	110	96.3	97		GRI (305 1-2-3) CDP (C6) CDP (C7) GHG Protocol - 2020 data impacted by Covid crisis
Candriam vendors related footprint (t CO2 eq) ⁽¹⁰⁾	3 906	4 198	4 266	5 949	5 198	3 911		GRI (305 1-2-3) CDP (C6) CDP (C7) GHG Protocol - 2020 data impacted by Covid crisis
Candriam offset program (t CO2 eq) ⁽⁶⁾	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)	1 200 (117.99% of Candriam carbon footprint – Scope 1,2 and business travel)	1 177 (137% of Candriam carbon footprint – Scope 1,2 and business travel)		Coverage of Candriam operational emissions
Paper consumption (t CO2eq)	3.5	3.64	1.55	1.02	2.36	2.83	-90% in 2025 versus 2019	
Candriam Corporate electrification fleet (%)	N/A	N/A	15%	38%	53%	79%	>90% end of 2024	

(1) All data calculated by Sustainable 1 and Candriam unless otherwise mentioned. Additional information on Sustainable 1 and its methodology can be found here <https://www.spglobal.com/spdji/en/documents/additional-material/faq-trucost.pdf>

(2) Emissions 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).

(3) For more information on Candriam's carbon footprint definition, please visit our ESG and Impact Indicators Definitions and Methodology https://www.candriam.com/en/professional/SysSiteAssets/medias/insights/sfdr-publications/sfdr-esg-impact-indicators-definitions_en.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)

(5) Revenues excluding Kartesia

(6) Since 2022, our carbon offsetting focuses on compensating Candriam carbon footprint – Scope 1,2 and business travel

(7) 2022 data have been reviewed following data correction by Sustainable 1 for Scopes 1-2 and following a change in methodology impacting Scope 3 emissions

(8) 2022 data have been reviewed following data correction by Sustainable 1 for Scopes 1-2

(9) 2022 data have been reviewed following data correction by Sustainable 1

(10) 2022 data have been reviewed following a change in methodology impacting Scope 3 emissions.

Policies.

Investment Pillar

[Candriam ESG Integration Policy](#)

[Candriam Proxy Voting Policy](#)

[Candriam Engagement Policy](#)

[Candriam Exclusion Policy](#)

[Candriam Climate Policy](#)

[Candriam Human Rights Policy](#)

Governance Pillar

[ESG Promotion and Influence](#)

People Pillar

[Diversity and Inclusion Charter](#)

[Remuneration Policy](#)

[Non-Discrimination and Anti-Harassment Policy](#)

[Candriam Human Rights Policy](#)

Value Chain Pillar

[Candriam Human Rights Policy](#)

[Candriam Supplier Code of Conduct](#)

Candriam Disclosures

[2023 UN PRI Report](#)

[2023 UN PRI Assessment Report](#)

[2023 SFDR Principal Adverse Impact Statement](#)

[SFDR Article 10 Documentation](#)





2023 Beneficiaries of Candriam Institute for Sustainable Development.

ESG Education, Research & Entrepreneurship

- Candriam Academy project
- Kedge Business School
- LUMSA
- L'Initiative de recherche FDIR
- Imperial College London
- Vlerick Business School
- Paris School of Economics
- UCLouvain
- Ashoka

Fight Against Cancer

- Gustave Roussy
- Fondazione IRCCS Istituto Nazionale dei Tumori
- Asociación Española Contra el Cáncer (AECC)
- Fondation Contre le Cancer / Stichting tegen Kanker
- Fondatioun Kriibskrank Kanner
- National Cancer Center Japan
- Japan Cancer Society
- Macmillan Cancer Support
- Georg-Speyer-Haus, Institut für Tumorbilogie und experimentelle Therapie
- Krebsforschung Schweiz
- Breast International Group (BIG)
- Fondazione (AIRC) per la Ricerca sul Cancro

Social Inclusion and Solidarity

- University Fund Limburg (Maastricht University)
- Démos – Philharmonie de Paris
- Article-1
- Bozar
- Boost – Fondation Roi Baudouin
- Fondation Nationale des Sciences Politiques – (Sciences Po)
- Save the Children
- Red Cross Belgium

Helping Those Who Help

- Bildungsstätte Anne Frank e.V.
- Ayuda En Red
- Fundación Amigos de Monkole
- Die Arche
- Come Noi
- Good to Give
- Sterkmakers in Autisme
- Autour des Williams
- Bottom Line New York
- Just a Change
- Neno Macadamia Trust
- Making The Leap
- Le Monde d'Ayden
- Fonds Ngangi
- AC Bobigny 93 Rugby
- Ovale & Sens
- Action Autonomie Avenir (AAA)
- Bras Dessus Bras Dessous

Protecting the Environment

- Close the Gap
- We Forest
- Natuurpunt
- Natagora
- ONF Agir pour la Forêt
- Responsible Young Drivers



€145bn

AUM as of
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612

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