A SUSTAINABLE APPROACH
Investing for tomorrow
We live in a rapidly changing world impacted by evolving dynamics such as climate, demographics, growing inequalities and rising extremes, as well as the technological progress that is changing our way of living.

Faced with such challenges, economic agents have an important role to play in ensuring the development of a sustainable and responsible economy, not only for future generations, but also for today's world.

As a financial institution, we acknowledge the responsibility we have to lead by example. At all times, we need to carefully weigh our actions and consider the broader economic, social and environmental impacts of our activities. At Candriam Investors Group, our values of Conviction and Responsibility, which are embedded in our name, govern our actions towards all our stakeholders. This commitment towards responsibility is an ongoing corporate journey that includes a number of concrete initiatives, as described in detail in this report.

Sustainable & Responsible Investment is the best way to influence corporate behaviour and help companies achieve an ecological impact, while making a positive social impact. This is exactly the philosophy that has driven Candriam for more than 20 years now and which is the cornerstone of our corporate strategy.

In 2015, we continued our efforts to step up and deepen our CSR engagement. On the occasion of the United Nations Conference on Climate Change (COP21), Candriam joined other stakeholders in committing to implement the Paris Agreement on climate change. We also signed the Montreal Carbon Pledge and committed to measure and publicly disclose each year the carbon footprint of our SRI funds, doing so for the first time in 2015.

We strengthened our SRI product range with some new innovative strategies and furthered our engagement approach. For instance, vis-à-vis our clients, we continuously improve our transparency processes. At a corporate level, we also continued to implement environmentally friendly measures for our premises, while optimizing ways of measuring our environmental footprint.

I take genuine pleasure in sharing our Sustainability Report for 2015, which describes our vision and achievements and provides insight into our enduring commitment to be a responsible corporate stakeholder.

Naïm Abou-Jaoudé
CEO, Candriam Investors Group
Chairman, New York Life Investment Management International
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CANDRIAM’S PERFORMANCE IN SUSTAINABILITY

**EMPLOYEES**

- **9,086** hours of training over the year

**CLIENTS**

- **CANDRIAM**
  - AVERAGE SENIORITY: 9.5 years
  - LEADERSHIP TEAM: 13 years

**INVESTMENT**

- **PIONEER**
  - IN SUSTAINABLE & RESPONSIBLE INVESTMENT (SRI) SINCE 1996

**ENVIRONMENT**

- **OPTIMISED TRACKING METHOD**
  - AND COLLABORATION WITH TRUCOST TO MONITOR CARBON FOOTPRINT

- **24% DECREASE**
  - IN CARBON EMISSIONS FROM CANDRIAM FLEET CARS SINCE 2011

**COMMUNITY**

- **100,000€ DONATED**
  - TO SPONSOR EMPLOYEE-DRIVEN CHARITABLE CAUSES

**CLIENTS**

- **140 CLIENT EVENTS**
  - OVER THE YEAR

**INVESTMENT**

- **FUNDING SIGNATORY**
  - SINCE 2006

**ENVIRONMENT**

- **AVERAGE CLIENT LONGEVITY:**
  - MORE THAN 8 YEARS

**INVESTMENT**

- **SRI AUM ACCOUNT FOR**
  - 21% OF TOTAL AUM END-DECEMBER 2015

**CLIENTS**

- **6th POSITION**
  - IN THE 2015 FUND BUYER FOCUS SURVEY
At the end of 2014, we defined some clear targets to guide our sustainability actions for 2015. Below, you will find the progress registered for each of the initiatives over the year.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Progress</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESPONSIBLE IN OUR INVESTMENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STRENGTHEN THE CANDRIAM SRI PRODUCT RANGE</td>
<td>✓</td>
<td>1 brand new SRI SICAV was launched in 2015. It includes 5 sub-funds. A new sub-fund (part of the Candriam L ESG Defensive fund) was created.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>In 2015, Candriam engaged with 64 companies (compared with 60 in 2014) via conference calls, company visits and e-mail exchanges, and participated in 258 ordinary and extraordinary general meetings (compared to 123 in 2014). Depending on the industry, the main themes for dialogue were: ● Employee turnover and client satisfaction; ● Organic and vegetarian food; ● Health and safety. In 2015, Candriam became signatory to 8 new collaborative engagement initiatives (compared to 5 in 2014) while renewing another.</td>
</tr>
<tr>
<td>FURTHER DEVELOP OUR ENGAGEMENT APPROACH</td>
<td>✓</td>
<td>Since 2015, ESG criteria have been integrated into the Fixed Income corporate investment processes (Traditional investing). ESG criteria continue to be integrated by Fundamental Equity Europe, some World funds and all our index-based and country equity funds.</td>
</tr>
<tr>
<td>FURTHER DEVELOP CANDRIAM’S POLICY FOR THE INTEGRATION OF ESG CRITERIA INTO TRADITIONAL INVESTMENT MANAGEMENT</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>RESPONSIBLE TOWARDS OUR CLIENTS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROVIDE TRANSPARENCY ON OUR PROCESSES</td>
<td>✓</td>
<td>Candriam dispatched 60 requests for proposal, 115 due diligence reports and 189 requests for information. Candriam organised 140 or so client events (a 40% increase compared to 2014).</td>
</tr>
<tr>
<td>REVIEW AND UPDATE CANDRIAM’S CORPORATE CLIENT CHARTER, DEFINING THE COMPANY’S COMMITMENTS TO INVESTORS</td>
<td>➔</td>
<td>The client charter is being reviewed and will be finalized in 2016.</td>
</tr>
<tr>
<td>LOCAL SERVICE, DEDICATED SOLUTIONS AND AN ATTRACTIVE RANGE OF FUNDS WILL REMAIN KEY TO CONTINUING TO OFFER EXCELLENCE ALONG THE VALUE CHAIN</td>
<td>✓</td>
<td>41 awards received. An impressive increase compared to 2014 (18 awards). 95% of our clients that participate in the Pension Fund Perception Program (PFPP) would recommend Candriam to other investors.</td>
</tr>
<tr>
<td>CANDRIAM CONTINUES ITS EFFORTS TO OFFER SUSTAINABLE AND RESPONSIBLE INVESTMENT SOLUTIONS TAILORED TO DIFFERENT TYPES OF INVESTORS</td>
<td>✓</td>
<td>6 new sustainable mandates in 2015.</td>
</tr>
</tbody>
</table>

✓ Done ➔ In Progress
# SUSTAINABILITY REPORT 2015

## A Sustainable Approach to Asset Management

### Candriam’s Performance in Sustainability

<table>
<thead>
<tr>
<th>Objective</th>
<th>Progress</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Responsible Towards Our Employees</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Focus on career management                                               | ✓        | The average hours of training increased (17.75 hours per employee versus 17.5 in 2014), while the average spent on development per employee (EUR 837) decreased due to the implementation of e-learning. Number of staff having professional certifications in 2015:  
  - 30 holders of the CFA certificate;  
  - 4 holders of the CQF diploma;  
  - 4 holders of the RFM diploma;  
  - 1 holder of the PRMIA diploma;  
  - 1 holder of the CAIA diploma. |
| Focus on disability                                                      | ✓        | In 2015, Candriam continued its partnership with HandiFormaFinance, getting behind the programme to help disabled job-seekers gain a professional qualification from Paris Nanterre University in “Financial Asset Management for the Middle Office”. |
| Develop innovative training programmes                                   | ✓        | In 2015, Candriam implemented an e-learning platform.                                                                                                                                                         |
| Foster staff well-being and encourage team spirit                        |          | Organisation of solidarity events (“solidarité au sens propre” in Paris, for example) with staff involvement.                                                                                                                                                        |
| Make staff compliance-aware                                              | ✓        | Candriam enhanced its compliance training by creating 3 new modules on this new e-learning platform.                                                                                                                                                                    |
| Build Candriam’s employer branding to sustain recruitment and promote the profession | ✓        | Candriam continued its partnership with several universities and business schools in France and Belgium. The company started participating in job fairs to display its employer credentials (participation at the KU Leuven job fair in Leuven and in Brussels). |
| Embedding Candriam’s corporate values and key behavioural indicators in its HR processes |          | The corporate values and key behaviours are being finalised, with the involvement of employees, and will be implemented in the HR processes in 2016 and 2017.                                                   |
| **Responsible Towards the Environment**                                  |          |                                                                                                                                                                                                           |
| Optimised dashboard allowing better monitoring of Candriam’s impact on the environment | ✓        | Candriam continues to optimise the way it tracks its environmental footprint: in 2015, Candriam started working with TruCost, a company that will help Candriam to estimate the costs of the unsustainable use of natural resources and apply best practices. |
| Further develop Candriam’s environment-friendly transport strategy and work on raising staff awareness |          | 24% decrease in carbon emissions (tons) from Candriam fleet cars since 2011. 2015 saw a 16% increase in carbon emissions for business travel (106 carbon emissions (tons) in 2015 vs. 91 in 2014), mainly due to the increase in flight kilometres as a consequence of Candriam expanding its business as part of New York Life. The increase is, however, smaller than in 2014 (25% increase). |
| Continue to implement environmentally friendly measures on Candriam premises | ✓        | Candriam reduced its carbon emissions (tons) for paper consumption from 8 in 2014 to 5 in 2015. As a general rule, Candriam publications and invitations (internally and externally) are provided in digital format. When printed, all publications are printed on recyclable paper. |
| **Responsible Towards Our Community**                                    |          |                                                                                                                                                                                                           |
| Stimulate staff involvement in charitable projects and local undertakings and implement sustainable sponsoring and charity programmes | ✓        | For the 14th year in a row, Candriam set up its “Helping Those Who Help” campaign, selecting 7 employee-driven associations (vs. 6 in 2014) and donating EUR 100,000 (33% increase in the amount donated). Candriam organized an end-of-year fundraiser – “Everyone deserves a present” – in its offices in Brussels, and collected hygiene and care products for the “Solidarité au Sens Propre” project in Paris. Candriam also organised a fundraiser to rebuild the orphanage destroyed by the earthquake in Nepal. |
Candriam Investors Group and its parent company received several awards and honours in 2015. Some of them are listed below.

CANDRIAM INVESTORS GROUP

CANDRIAM WAS NAMED EUROPEAN ASSET MANAGEMENT FIRM OF THE YEAR
Category €20–€100 billion, Funds Europe

Expertise awards

- Winner of the Al Hedge Pan-European Multi-Specialist Asset Manager of the Year award\(^{(1)}\)
- Candriam Bonds Euro High Yield is the winner of the LIPPER Fund Awards Europe 2015\(^{(2)}\)
- Candriam Bonds Total Return is the winner of Hedge Fund Review Single Manager Award for best fixed income hedge fund for 2015\(^{(3)}\)
- Winner of the Al Hedge Award for Excellence in Alternatives 2016\(^{(4)}\)
- Candriam Global Head of Trading is voted Best Foreign Exchange Trader of the Year\(^{(5)}\)
- Winner of The Trade’s Multi-Asset Trading Desk of the Year 2015 Award\(^{(6)}\)

SRI honours

In the FERI EuroRating Awards 2016, Candriam was nominated among the top 5 in the category Best Asset Manager in Socially Responsible Investing (Germany, Austria and Switzerland)\(^{(7)}\)

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\(^{(1)}\) Name of the institution: AI Hedge. Date & place of the announcement: 18/12/2015 UK. Scoring scale: N/A. www.acquisition-intl.com.
\(^{(3)}\) Name of the institution: Hedge Fund Review Single Manager Awards. Date & place of the announcement: 21/05/2015 UK. Scoring scale: N/A.
2015 Selected memberships and associations

**ONE OF THE FIRST SIGNATORIES TO THE UNITED NATIONS PRINCIPLES OF RESPONSIBLE INVESTMENT (UN PRI)**

The United Nations-supported Principles for Responsible Investment (PRI) Initiative is an international network of investors working together to put the six Principles for Responsible Investment into practice. Its goal is to understand the implications of sustainability for investors and support signatories’ efforts to incorporate these issues into their investment decision-making and ownership practices.

**SINCE 2006**

**Signatory of:** Principles for Responsible Investment

**CSR- & SRI-related**
- European Sustainable Investment Forum (Eurosif)
- French Forum pour l'Investissement Responsable (FIR)
- Dutch Sustainable Investment Forum (VBDO)
- Chaire Finance Durable et Investissements Responsables (France)
- Montréal Carbon Pledge
- Paris Pledge for Action
- Responsible Investment Association Australasia (RIAA)
- Forum Nachhaltige Geldanlagen (Germany, Switzerland & Austria)
- Swiss Sustainable Finance (Switzerland)
- Observatoire sur la Responsabilité Sociétale des Entreprises (ORSE) – Club Finance
- Academy of Business in Society (ABIS)
- FFS – Italian Sustainable Investment Forum
- All of Candriam SRI funds are signatories of the European SRI Transparency Code

**Industry-related**
- European Fund and Asset Management Association (EFAMA)
- Belgian Asset Managers Association (BEAMA)
- Association Française de la Gestion financière (AFG)
- Association Française des Sociétés Financières (ASF)
- Association Luxembourgeoise des Fonds d'Investissement
- Luxembourg Fund Labelling Agency (LuxFlag)
- European Securities and Markets Authority (ESMA)
- Institute of International Finance (IIF)
- Fonds de protection des dépôts et des instruments financiers (Belgique)
- Association pour la Garantie des Dépôts Luxembourg (AGDL)
- Association Luxembourgeoise des Compliance Officers
- Pericles Club (Middle Office Club)

**Investor-related**
- Vice Chairmanship of the Association of European Paritarian Institutions of Social Protection (AEIP)
- Association Belge des Institutions de Pension (ABIP)
- Association Française des Investisseurs Institutionnels (AF2I)
- Fixage des Investisseurs Institutionnels (FIXAGEClub)
- Vlaamse Federatie van Beleggers (VFB)
- Fedinvest (Belgique)
For more than 20 years, Candriam Investors Group has operated through responsible governance rooted in ethics and discipline, with clear responsibilities and robust controls.

Part of New York Life

Candriam Investors Group is part of New York Life Investments, a global investment management business with approximately $510 billion in assets under management(1), providing investment solutions for institutional and retail investors through its “multi-boutique” investment structure.

Candriam Investors Group currently accounts for approximately 18% of New York Life Investments’ assets under management.

New York Life Investments, which ranks among the world’s largest managers(2), benefits from the solid financial standing of its parent company, New York Life Insurance Company – a Fortune 100 company, the largest mutual life insurance company in the United States(3) and one of the largest life insurers in the world. The company recently celebrated its 170th anniversary and has the highest possible financial strength ratings currently awarded to any US life insurer(4).

Decision-making bodies

**New York Life Insurance Company**

New York Life Insurance Company is a mutual insurance company owned by its policyholders. The Board of Directors includes 11 independent third-party Board members and New York Life Insurance Company’s chairman and CEO, Ted Mathas.

**New York Life Investments**

New York Life Investment Management Holdings LLC Board is chaired by Chris Blunt, President of the Investments Group of New York Life Insurance Company, and is made up of senior leaders of New York Life.

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(1) AuM as at December 31, 2015; include assets of Candriam Investors Group; assets of Investment Advisors affiliated with New York Life Insurance Company, and assets under administration that include non-proprietary mutual funds for Retail Annuities and other assets under administration.

(2) New York Life Investments was ranked the world’s 26th largest asset manager by Pensions & Investments, May 18, 2015. This ranking is based on worldwide institutional assets under management as at the end of 2014. The assets managed by New York Life Investments include those of affiliated investment advisers.

(3) Based on revenue as reported by “Fortune 500 ranked within Industries, Insurance: Life, Health (Mutual),” Fortune magazine, 16/6/15. For methodology, please see: http://fortune.com/fortune500/#methodology.

(4) The “highest ratings” refers to the highest ratings currently awarded to any life insurer, specifically: A.M. Best A++ (as of July 1, 2015), Fitch Ratings of AAA (as of August 11, 2015), Moody’s Aaa (as of August 6, 2015), Standard & Poor’s AA+ (as of June 24, 2015). Source: third-party reports.
Candriam Investors Group

Candriam Investors Group fully subscribes to the principles of good governance and corporate management at all levels of the organisation.

The company’s Executive Committee regularly assesses the relevant sustainability challenges to determine how Candriam should manage its stakeholder relations and how it should attune its business model and practices to global long-term challenges.

Currently, the company has an independent Director on the Board of Directors of Candriam Belgium.

The Executive Committee of Candriam Investors Group transversally drives the company’s activities and manages its financial situation; it derives its powers from the Board of Directors of Candriam Luxembourg.

The Boards of Directors of Candriam Luxembourg & Candriam Belgium and the Strategic Committee of Candriam France are responsible for strategy / general policy, management control, risk monitoring and shareholder relations.

The Boards of Management of Candriam Luxembourg & Candriam Belgium and Effective Management of Candriam France are involved in the day-to-day management of the entities.

CSR Steering Committee

Candriam Investors Group appointed a Corporate & Social Responsibility Steering Committee to pilot the company’s corporate and social responsibility action plan and safeguard, manage, monitor and improve its CSR position. The committee is composed of representatives of all relevant business units within the organisation:

- Guillaume Abel, Marketing
- Hervé Bruneteaux, Human Resources
- Isabelle Cabie, SRI Analysis
- Helena Colle, Corporate Development
- Pierre Ernst, Client Servicing and Operations
- Renato Guerriero, Client Relations
- Vincent Hamelink, Investment Management
- Marion Leblanc-Wohrer, Corporate Communications and coordinating CSR activities
- Laurence Peharpré, Internal Communication

To ensure the successful completion of the various objectives Candriam defined in its corporate and social responsibility action plan, it has embedded sustainability into its client-centered business model. Candriam is focused on balancing responsible behaviour towards its stakeholders, promoting the synergies between its SRI and traditional investment activities and environmental and societal stewardship.
Risk management, internal control and audit

Sustainable & Responsible Investment, by its nature, calls for very rigorous analysis of the associated risk factors. Quite naturally, the need to identify and manage risks associated with these areas of expertise led Candriam Investors Group to develop a robust risk management approach that continues to benefit all of its clients in the current environment. The company has a particularly risk-sensitive culture that has become an integral part of its corporate culture.

Candriam’s independent risk management team is responsible for the strict monitoring of various risk exposures and for the implementation of rigorous risk-based controls.

The compliance framework of Candriam Investors Group is built on detailed compliance policies that address legal requirements and best practices on integrity, investor protection, anti-money laundering, data protection, fraud detection and prevention and anti-corruption.

The Audit and Compliance Committees of Candriam Luxembourg and Candriam Belgium are responsible for ensuring that the company has an adequate internal control system and complies with all relevant rules and regulations.

Remuneration

Candriam Investors Group has implemented a remuneration policy that respects all applicable remuneration-related regulations. It takes into account Candriam’s business strategy, objectives, risk tolerance, and the long-term interests of Candriam’s clients, shareholders and employees. It also seeks to promote sound and effective risk management and behaviour that is consistent with the risk profile, strategy, objectives and values of the managed funds.

Moreover, Candriam’s remuneration philosophy aims to attract and retain the best skills and talent by offering competitive packages and differentiating among employees on the basis of performance, foster employee engagement by rewarding fairly and consistently across businesses, teams and individuals and strengthen its leadership by rewarding performances as the contribution of both results and behaviours.
RESPONSIBLE GOVERNANCE

In partnering with external suppliers and business parties, Candriam continues its commitment to being a responsible asset manager through the way it conducts business with these external partners. Candriam puts legally binding agreements in place, in which it requires its business partners to (a) respect its code of conduct when working on its behalf and (b) comply with all applicable legal requirements.

After sending out an RFP in 2015, Candriam is in the process of reducing the number of its IT suppliers, which will diminish the recurrent number of interventions by consultants. The outcome of this process will strengthen relations with a smaller number of third-party partners, who share the same values and Environmental, Social and Corporate Governance (ESG) practices.

CORPORATE GOVERNANCE – 2016/2018 ACTION PLAN

- Diversity
  - Be mindful of the importance of diversity (experience, nationality, gender, age, nationality, disability, etc.) as regards the composition of its decision-making bodies.

- Organisation of committees
  - Create a Group Strategic Committee in charge of all strategic decision-making and managing the group’s financial situation.
  - Enlarge the Executive Committee, in charge of all transversal operational decisions and implementation.

- Transparency and optimisation of committees
  - Name independent director(s) on the Board of Directors (Candriam);
  - Explain the role of permanent invitees on Boards;
  - Explain the role of the Advisor;
  - Provide information about the set-up, composition and responsibilities of the remuneration committee;
  - Define and implement a remuneration policy that respects remuneration-related regulations.

- Risk culture
  - Create a statement on appropriate risk culture at Candriam (risk management and risk awareness).
Candriam Investors Group has been a pioneer in the realm of Sustainable and Responsible Investment (SRI) since 1996 and is committed to being a responsible financial asset manager by investing for the long term.

Candriam’s SRI philosophy is based on the idea that a company’s long-term value is not purely affected by financial criteria such as revenues and margin growth. By taking into account environmental, social and governance (ESG) criteria, it identifies additional factors that affect a company’s long-term value and competitiveness but that are not always apparent in traditional financial analysis.

Its proprietary rigorous SRI investment process ensures the integration of ESG and financial risks and opportunities into investment decisions in the short, medium and long term.

Detailed information regarding our SRI activity and the way we actively promote and advocate SRI in the investment industry can be found on our website: www.candriam.com.

RESPONSIBLE IN OUR INVESTMENTS

“
To ensure long-term returns, financial analysts should assess, besides economic performances, also the environmental, social and corporate governance performance of the companies.

Vincent Hamelink,
Chief Investment Officer, Member of the Executive Committee

Candriam Investors Group was one of the founding signatories to the UN Principles of Responsible Investment (PRI) back in 2006 and has continued to support this initiative ever since. This United Nations-supported international network of investors, representing 45 US$ trillion of assets under management, is working to put into practice the six Principles for Responsible Investment.

The PRI Initiative supports signatories’ efforts in their implementation of the Principles for Responsible Investment through a rigorous annual reporting and assessment process.

The RI Transparency Report of Candriam Investors Group, available on the UN PRI website (www.unpri.org), shows Candriam’s responses to all of the mandatory indicators in the Reporting Framework, as well as responses to voluntary indicators.
Candriam Investors Group helps investors optimise their long-term return on investments by generating two sources of added value from both financial analysis and ESG analysis. Today, Candriam is able to offer its clients a full range of SRI solutions across all asset classes and regions and to help them select the SRI approach that best fits their objectives and commitments.

Candriam Investors Group offered its first SRI fund in 1996 and SRI has been at the heart of its investment process ever since. This initiative met with resounding success and today Candriam manages the biggest range of SRI funds in Europe, accounting for 21% of its total AuM.

Candriam’s AuM in SRI involves sustainable and responsible approaches in all asset classes (equity, bonds, balanced, money market, structured products, microcredit) and in all geographical regions (Europe, North America, Asia Pacific, Emerging Markets, Global).

Candriam also has one of the largest SRI teams in Western Europe, composed of 8 dedicated SRI analysts and 35 fund managers.

The SRI business unit has extensive resources at its disposal:

- **In-house sustainability analysis** by experienced SRI analysts with a thorough grasp of global sustainability challenges and sector-specific issues;
- **A proprietary database** that allows for in-depth screening and the scoring of companies on multiple ESG criteria.

In the 2015 PRI assessment report, Candriam obtained a score of A+, i.e. the maximum score, for its overarching approach to responsible investment. In 2014, too, the company had been awarded the maximum score.

<table>
<thead>
<tr>
<th>Candriam’s SRI key figures</th>
<th>End 2005</th>
<th>End 2014</th>
<th>End 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>AuM of the SRI funds and mandates managed by Candriam (EUR bn)</td>
<td>12.2</td>
<td>16.41</td>
<td>20.1</td>
</tr>
<tr>
<td>Proportion of SRI AuM versus the total AuM managed by Candriam (EUR bn)</td>
<td>13%</td>
<td>20.51%</td>
<td>21%</td>
</tr>
</tbody>
</table>
AN INNOVATIVE AND BALANCED BEST-IN-CLASS APPROACH TO MINIMISE RISKS AND MAXIMISE OPPORTUNITIES

Candriam has developed an investment process designed to select the best issuers from a financial and sustainable-development standpoint that lets them control ESG and financial risks, and optimise investors’ opportunities.

Macro/micro screening: a unique approach

Long-term sustainability trends can have a considerable influence on the global economic environment in which companies operate. The macro analysis gauges a company’s business exposure to the major sustainable development challenges. Combined with micro analysis, which measure a company’s ability to incorporate stakeholder interests into its long-term strategy, Candriam’s in-house Best-in-Class screening assesses the sources of risks and opportunities for each company individually.

Norms-based analysis: our responsible selection

Norms-based analysis determines whether a company is complying with the universal principles set forth in the United Nations Global Compact (UNGC).

This additional analysis ensures selection only of companies that comply with the principal international standards related to human and labour rights, environment and anti-corruption.

Controversial activities check: our convictions

At Candriam, being responsible also means paying particular attention to companies involved in controversial businesses and activities such as Adult Content, Alcohol, Gambling, Tobacco, Weapons, and activities in Oppressive Regimes.

Companies that exceed acceptable levels of involvement in any of these activities will be excluded from the SRI universe of companies.

Candriam has also developed in-house screenings of countries.

Candriam scrutinizes six global sustainability trends that influence a company’s business environment. These trends will shape those companies’ future market challenges and long-term growth:

- Climate change
- Demographic evolutions
- Developing economies
- Health & wellness
- Interconnectivity
- Resource depletion

For each sector and stakeholder, we define the specific challenges and degree of relevance thereof. We assess the capacity of each company to manage the relationships with stakeholders within its own particular sector. The equation takes the following variables into account:

- Customers
- Employees
- Environment
- Investors
- Society
- Suppliers
TAILORED SRI SCREENING

As a responsible asset manager, Candriam’s commitment to investors involves the continuous development of its SRI leadership and the enhancement of its SRI product range.

In addition to the controversial armament exclusion filter which applies to all its assets under management, it offers 5 different types of screening that take into account ESG factors:

- **SRI Best-in-Class screening** applied to all Candriam’s SRI core assets. Candriam’s core SRI funds only invest in companies best equipped to manage their sector-specific sustainability-related challenges. After the Best-in-Class screening, a norms-based check is designed to exclude those companies for which there is definite proof of systematic breaches of one or more of the ten principles set out in the United Nations Global Compact (covering human rights, labour standards, respect for the environment, and anti-corruption). The final step of its SRI analysis process consists in excluding all companies involved in the armaments industry and in checking other companies’ exposure to controversial activities.

- **Armaments and norms-based filter** applied to a selection of Candriam’s World Fundamental Equity funds. This screening combines an armament filter (exposure to controversial and conventional weapons) with the norms-based check.

- **Norms-based filter only** applied to all Candriam’s passively managed assets (Equity and Fixed Income).

- **Integration approach** applied to all our Candriam European Fundamental Equity assets (with or without SRI Best-In-Class screening). This approach combines the norms-based and the exposure to (controversial and conventional) armament screenings. It also takes into account governance aspects (quality of management) during the financial analysis of issuers.

- **Integration approach** applied to all Candriam’s actively managed funds invested in corporate bonds. This approach takes ESG factors into account in the issuer’s credit profile and credit assessment, which is part of the financial selection process.
Candriam seeks to give appropriate consideration to ESG factors in all of its investment portfolios, as ESG criteria impact companies’ long-term results and risk profile. To this end, it actively fosters collaboration and productive synergies between its traditional experts and its SRI experts.

Candriam continuously encourages the further integration of ESG criteria into all its investment processes.

For example, its financial analysts, i.e. all traditional investment professionals, have access to a central SRI database containing detailed company ESG assessments and research papers produced by its team of SRI analysts. SRI analysts are also invited to present and discuss company profiles at investment committee meetings.

The considered integration of ESG criteria into traditional investments is one of the main objectives of Candriam’s analysts and fund managers. Given the magnitude of the project, this process will continue in the coming years.

Specifically for its SRI fund range, Candriam has developed an SRI policy and additional compliance and risk management procedures are in place.

For example, in terms of external measures, the custodian verifies the portfolios’ compliance with the SRI investment universes.

More detailed information about these specific measures is available in the chapter entitled “Responsible towards Our Clients”.

**ESG INTEGRATION**

| SINCE 2009 | Application of controversial armament exclusion from all Candriam's investments. |
| SINCE 2010 | Application of SRI screening to Candriam's indexed fund range. |
| SINCE 2012 | Extension of SRI screening to Candriam's European Fundamental Equity processes. |
| SINCE 2012 | SRI screening of the corporate governance practices taken into account in “Quality Management”, one of five criteria used to validate the business model of a company in the Fundamental European Equity financial selection process. |
| SINCE 2013 | Elements of the SRI country analysis taken into account in the financial selection process of Candriam's top-quality sovereign approach, which consists of a triple filter. |
| SINCE 2013 | Application of the norms-based filter and controversial armaments screening to Candriam's smart-beta funds. |
| SINCE 2014 | Start of the application of a governance factor in the issuer's credit assessment of actively managed fixed income funds investing in corporate bonds. |
| SINCE 2014 | Generalisation of ESG factors integrated into a company's credit profile. Launch of a specific umbrella dedicated to our SRI fund range: Candriam SRI. |
Engagement & active ownership

“At Candriam, taking an active role in engaging with companies and discussing their ESG approach is at the very heart of our investment culture. Our motto is: comply or explain.”

Isabelle Cabie, Global Head of SRI

DIALOGUING WITH COMPANIES

SRI analysts at Candriam directly speak with company managements in order to raise their awareness and transparency and solicit their views and accountability on specific sustainability-related themes.

In 2015, Candriam engaged with 64 companies via conference calls, company visits and e-mail exchanges. Most of the companies contacted were European, the rest mainly North American issuers.

Contact was prompted by the completed Candriam sector reviews and the controversial events that occurred in 2015.

The main reason for contacting issuers was disclosure, followed by a wish to support investment decision-making. Compared to 2013 and 2014, it is noticeable that “encouraging ESG disclosure” remains the main issue encountered in Candriam’s sustainability analysis process, while engagement activities “done with the purpose of supporting investment decision-making” have significantly decreased. This is mainly due to the company having initiated new dialogues during sector reviews and to its having contacted companies classified “InLine” (i.e. companies representing the bottom-line companies of Candriam’s SRI universe – Top 50% of our selection). These “InLine” companies present some shortcomings in term of ESG best practices and thus require more ESG disclosure (13%).

Proxy Voting Engagement activities (sending out letters to board chairmen) represent 6%, as companies contacted for Conviction topics.

Main themes of the 2015 dialogue with companies and their stakeholders:

- Employee turnover and client satisfaction in the commercial services and supplies sector;
- Organic and vegetarian food in the food and staples retailing sector;
- Health & safety and GHG emissions in the construction materials sector.

More details on Candriam’s dialogue with companies can be found in its Engagement Report – Annual Review 2015, available on its website: www.candriam.com.

<table>
<thead>
<tr>
<th>Type of engagement – Reason for contact</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage improved ESG disclosure</td>
<td>64%</td>
<td>55%</td>
<td>87%</td>
</tr>
<tr>
<td>Support investment decision-making</td>
<td>23%</td>
<td>18%</td>
<td>8%</td>
</tr>
<tr>
<td>Influence Corporate Practice (inter alia, by sending out letters to board chairmen)</td>
<td>13%</td>
<td>27%</td>
<td>6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Special context for dialogue</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRI sector reviews/controversial events</td>
<td>75%</td>
</tr>
<tr>
<td>“In Line” classified companies In SRI selection</td>
<td>13%</td>
</tr>
<tr>
<td>Conviction topics</td>
<td>6%</td>
</tr>
<tr>
<td>Proxy Voting Engagement</td>
<td>6%</td>
</tr>
</tbody>
</table>
JOINING COLLABORATIVE ENGAGEMENT INITIATIVES

Candriam is committed to joining investors’ groups and to supporting collaborative engagement initiatives whose goals are to encourage companies to improve their disclosure on any sustainable development-related challenges that might impact companies’ long-term value.

Since 2004, Candriam has signed more than 35 collaborative initiatives to, jointly with other investors, encourage companies to improve their disclosure on ESG challenges and elevate ESG standards. The final objective is to increase companies’ awareness and influence their behaviour as well as their transparency on specific sustainability-related themes related to Best-in-Class analysis and to norms-based and controversial-activity screenings.

In the course of 2015, Candriam signed 8 new collaborative initiatives, 3 related to the COP21.

Climate change and COP21 in Paris

On the occasion of the 2015 United Nations Conference on Climate Change (the COP 21), Candriam Investors Group joined other investors and company actors in two statements regarding climate change and energy efficiency: one on the Paris Pledge for Action, the other on G20 Energy Efficiency.

Candriam’s research shows that, excluding the financial sector, more than one-third of a standard Global Equity portfolio is invested in companies that generate roughly three-quarters of global CO₂ emissions. “Decarbonisation” of portfolios has therefore become an issue and Candriam believes that responsible investors have a major role to play in the transition to a low-carbon economy.

Candriam also participated in the Copenhagen Communiqué on Climate Change and more recently in 2014 signed the Investor Statement on the Urgent Need for a Global Agreement on Climate Change.

Montreal Carbon Pledge

As a founding signatory of the PRI, Candriam signed the Montreal Carbon Pledge, thereby committing to measuring and publicly disclosing the carbon footprint of its SRI investment portfolios on an annual basis, doing so for the first time in 2015.

As shown in the table below, Candriam’s SRI portfolios have a carbon footprint that is lower than the footprint of market portfolios. The differences highlighted in blue indicate that the total carbon footprint of the SRI funds comprising this asset class is lower than that of the composite benchmark index for the same asset class.

Furthermore, Candriam’s SRI policy aims to surpass industry standards through the proprietary in-depth analysis of companies in all sectors. It examines both the carbon intensity of the company’s business model and the environmental practices it adopts across all operations. By selecting companies that are environmental leaders in their fields and by creating positive peer pressure, Candriam’s SRI approach drives better eco-efficiency and fosters the transition towards clean or renewable energy.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>% AUM</th>
<th>Portfolio Footprint (tCO-eq/Mio USD/Revenues)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Asset Class</td>
</tr>
<tr>
<td>Fixed Income &amp; Money Market</td>
<td>37%</td>
<td>257.27</td>
</tr>
<tr>
<td>Equities</td>
<td>51%</td>
<td>205.84</td>
</tr>
<tr>
<td>Global balanced</td>
<td>12%</td>
<td>136.20</td>
</tr>
<tr>
<td>Candriam SRI funds</td>
<td>100%</td>
<td>209.55</td>
</tr>
</tbody>
</table>

100% = 3,049,374,101 USD
**RESPONSIBLE IN OUR INVESTMENTS**

<table>
<thead>
<tr>
<th>Name of collaborative initiatives</th>
<th>Date joined</th>
<th>Date of Renewal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EITI</strong> – Extractive Industries Transparency Initiative</td>
<td>2004</td>
<td></td>
</tr>
<tr>
<td><strong>CDP</strong> – Carbon Disclosure Project</td>
<td>2004</td>
<td>2015</td>
</tr>
<tr>
<td><strong>UNGC</strong> – United Nations Global Compact</td>
<td>2007</td>
<td>2014</td>
</tr>
<tr>
<td><strong>ISSR EM</strong> – Investor Statement on Sustainability Reporting in Emerging Markets</td>
<td>2008</td>
<td></td>
</tr>
<tr>
<td><strong>ICOS</strong> – Investor Collaboration on Oil Sands</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td><strong>CCCC</strong> – The Copenhagen Communiqué on Climate Change</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td><strong>ISGACC</strong> – 2009 Investors Statement on a Global Agreement on Climate Change</td>
<td>2009</td>
<td></td>
</tr>
<tr>
<td><strong>CDP LI</strong> – Carbon Disclosure Project Leadership Index</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td><strong>CDP WD</strong> – CDP Water Disclosure</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td><strong>ISSWC</strong> – Investor Statement regarding Suicides and Working Conditions at electronics manufacturing facilities</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td><strong>SSE</strong> – Sustainable Stock Exchanges</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td><strong>AtM Index</strong> – Investor Statement on Access to Medicine</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td><strong>ISCC</strong> – Investor Statement on Climate Change (Cancun)</td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td><strong>LSSC</strong> – Labour Standards in the Supply Chain</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td><strong>GISCC</strong> – 2011 Global Investor Statement on Climate Change</td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td><strong>HFIG</strong> – Hydraulic Fracturing Investor Guide</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td><strong>IEERSO/ST</strong> – Investor Engagement on Environmental Risks of Shale Oil/Tight Oil</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td><strong>ISOS</strong> – Investor Statement Oil Sands</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td><strong>PRI Rio Initiative</strong></td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td><strong>ATNI</strong> – Access to Nutrition Index Investor Statement</td>
<td>2012</td>
<td></td>
</tr>
<tr>
<td><strong>Anti-corruption</strong> – Invitation to join collaborative engagement on anti-corruption</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td><strong>Bangladesh Statement</strong> – Investor sign-on letter to companies on Bangladesh</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td><strong>Agricultural Supply Chain</strong> – Collaborative engagement on labour standards in the agricultural supply chain</td>
<td>2013</td>
<td></td>
</tr>
<tr>
<td><strong>Investor sign-on letter to companies on Bangladesh</strong> – Second Statement</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td><strong>Call for Action – Global Banks &amp; Climate Change</strong></td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td><strong>2014 Global Investor Statement on Climate Change</strong></td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td><strong>Invitation to support investor statement about EU conflict mineral due diligence regulation</strong></td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td><strong>UNGC Call to Action on anti-corruption</strong></td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td><strong>2 Years On: Bangladesh Investor Statement</strong></td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td><strong>Final EU Parliament Vote on Conflict Minerals Due Diligence and reporting Requirements</strong></td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td><strong>Invitation to sign letter to RSPO on sustainable palm oil practices</strong></td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td><strong>Signature of the follow-up letter addressed to the RSPO board</strong></td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td><strong>Shareholder Letter to Stock Exchanges</strong></td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td><strong>Montreal Carbon Pledge</strong></td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td><strong>G20 Energy Efficiency Investor Statement</strong></td>
<td>2015</td>
<td></td>
</tr>
<tr>
<td><strong>Paris Pledge for Action</strong></td>
<td>2015</td>
<td></td>
</tr>
</tbody>
</table>

More details on Candriam’s collaborative engagement initiatives can be found in its Engagement Report – Annual Review 2015, available on its website: [www.candriam.com](http://www.candriam.com).
EXERCISING VOTING RIGHTS

Candriam has been engaging with companies since 2003 through an increasingly elaborate active proxy-voting policy. It pays particular attention to the corporate governance policies, structures and practices of the companies in which it invests on behalf of its clients as it is convinced that sound corporate governance practices deliver long-term shareholder value.

In 2015, Candriam participated in 258 ordinary and extraordinary general meetings (compared to 123 in 2014) and voted on 4072 resolutions (Figure below). The surge in the number of meetings is mainly due to the increase in its proxy voting scope, which is now international (meaning that it has been expanded to emerging markets). Candriam participated in 145 meetings of European companies and 113 meetings of international companies.

The markets in which Candriam had the most annual or extraordinary meetings were UK (30%), France (19%) and Germany (16%).

As shown in the figure below, contentious issues, representing 19% of the resolutions on the agendas (i.e. 762 resolutions), unsurprisingly revolved around three broad themes: director elections, share capital issues and remuneration issues.

40% of all Candriam “Against” or “Abstain” votes related to director elections (2014: 17%), 19% to remuneration (2014: 53%) and 12% to share capital issues (2014: 18%). Director remuneration is usually the most controversial issue in Europe. The extension of Candriam’s scope might explain the relative importance of director elections as a “new” area of concern.

One of Candriam’s main areas of concern is remuneration. In 2015, Candriam voted on 350 resolutions on director remuneration. Candriam expressed its serious concerns over 49% of the resolutions on director remuneration. Candriam voted “Against” the remuneration report when, for instance:

- the report did not include details of the performance targets attached to bonuses or long-term variable remuneration;
- remuneration increases were not explained or justified;
- the performance targets attached to long-term variable remuneration were not sufficiently challenging.

Promoting sustainable investing

AN INDEPENDENT SRI ADVISORY BOARD

Candriam’s SRI Advisory Board has an external view on the SRI team’s analysis process and helps detect new trends in SRI. In 2015, the Board discussed Candriam’s values and SRI policies.

The board consists of the following independent experts:

- **Beat Bürgenmeier**: Professor of Economics at the University of Geneva, Director of the Centre for Human Ecology and Environmental Science;
- **Gilbert Lenssen**: Professor of Management at the University of Leiden;
- **Gérald Pachoud**: Policy advisor, Pluto, Geneva.

ACTIVE MEMBERSHIPS

<table>
<thead>
<tr>
<th>Overview of major active memberships</th>
<th>Since</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SRI WORKING GROUPS</strong></td>
<td></td>
</tr>
<tr>
<td>BEAMA Belgian Asset Managers Association</td>
<td>2002</td>
</tr>
<tr>
<td>AFG Association Française de la Gestion Financière</td>
<td>2003</td>
</tr>
<tr>
<td>EFAMA European Fund and Asset Management Association</td>
<td>2010</td>
</tr>
<tr>
<td><strong>SUSTAINABLE INVESTMENT FORUMS</strong></td>
<td></td>
</tr>
<tr>
<td>EUROSF European Sustainable Investment Forum</td>
<td>2003</td>
</tr>
<tr>
<td>VBDO Dutch Sustainable Investment Forum</td>
<td>2007</td>
</tr>
<tr>
<td>FNG Forum Nachhaltige Geldanlagen (Germany, Switzerland &amp; Austria)</td>
<td>2010</td>
</tr>
<tr>
<td>SSF Swiss Sustainable Finance</td>
<td>2014</td>
</tr>
<tr>
<td>FIR French Sustainable Investment Forum</td>
<td>2014</td>
</tr>
<tr>
<td>FFS Forum per la Finanza Sostenibile</td>
<td>2015</td>
</tr>
<tr>
<td><strong>SUSTAINABLE DEVELOPMENT INFORMATION CENTRES</strong></td>
<td></td>
</tr>
<tr>
<td>ORSE Observatoire sur la Responsabilité Sociétale des Entreprises: club finance</td>
<td>2004</td>
</tr>
<tr>
<td>ABIS Academy of Business in Society</td>
<td>2005</td>
</tr>
</tbody>
</table>
Candriam’s SRI specialists are keen to measure on-going changes, events and activities on the SRI market.

To share their SRI expertise, opinions and research results, Candriam’s SRI experts are in regular contact with the media.

- In 2015, some 111 press articles were published in various European countries citing Candriam experts or research papers. Reference articles are:
  - Investment Europe, “Cutting Carbon”, 20 April 2015;

- During the year, Candriam’s SRI team responded to 24 specific requests for interviews from European journalists.
- Candriam also released various commentaries and articles in 2015:
  - “Is social performance the final frontier of competitiveness?”, 15 Jun 2015;
  - “Climate change at the heart of your investment concerns”, 13 Oct 2015;
  - “How investors can address climate change issues/ COP21”, 27 Nov 2015.

Candriam shares its SRI expertise as a regular speaker in Europe and abroad.

**SHARING INSIGHTS AND EXPERTISE**

**Speaker slots at key SRI conferences**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>12-14 MAY 2015</td>
<td>Giornata Nazionale della Previdenza, Naples</td>
</tr>
<tr>
<td></td>
<td>Candriam sponsors the “Giornata Nazionale della Previdenza”, organised in collaboration with Prometeia.</td>
</tr>
<tr>
<td>4 JUNE 2015</td>
<td>Forum for Sustainable Investment, Geneva</td>
</tr>
<tr>
<td>5 OCTOBER 2015</td>
<td>SRI Event – AG2R La Mondiale, Paris</td>
</tr>
<tr>
<td>10 NOVEMBER 2015</td>
<td>AIPB Forum, Milan</td>
</tr>
<tr>
<td></td>
<td>Private Banking International Best Practices</td>
</tr>
<tr>
<td>12 NOVEMBER 2015</td>
<td>Forum Finanza Sostenibile, Milan</td>
</tr>
<tr>
<td></td>
<td>Forum attended by Italian pension funds</td>
</tr>
</tbody>
</table>
SRI TRANSPARENCY IS TOP PRIORITY

Providing transparency on its SRI activities to its clients is a top priority of Candriam Investors Group.

To this end, it has taken various initiatives to inform its stakeholders.

- The Candriam website was redesigned in 2015. It holds all information about Candriam’s SRI activities and its publications.
- In order to help its clients clearly and easily understand the SRI principles applied to its funds, all Candriam’s SRI funds are signatory to the European SRI Transparency Code.
  Four Transparency Codes give clients detailed insight into the SRI selection process. These codes govern Candriam’s core SRI funds, emerging market SRI funds, indexed SRI funds and the SRI Employee Savings Plan. They are updated yearly and can be consulted on Candriam’s website.
- Candriam discloses the holdings of its SRI funds on a recurrent basis. This information is available in the “Composition and comment” section of Candriam’s corporate website www.candriam.com.
- Candriam’s Controversial Activities Policy outlines the proprietary controversial activity screening process that is used to assess a company’s involvement in one or more controversial activities and to decide on the acceptability of the inclusion of such companies in an investment portfolio.
- Since 2003, Candriam has applied an increasingly elaborate, active proxy-voting policy determined by an independent Proxy-Voting Committee and actively exercised the voting rights associated with the shares it manages on behalf of its clients.
- On an annual basis, Candriam reports on its active ownership activities in its Proxy Voting Report. Candriam also discloses its votes on its corporate website.
- The annual Engagement Report gives details of Candriam’s voting behaviour and engagement activities.
- Candriam discloses the carbon footprint of sustainable funds (1st December 2015 press release).

To consult these reports and information, please visit our website: www.candriam.com.

RESPONSIBLE IN OUR INVESTMENTS – 2016/2018 ACTION PLAN

- ESG promotion:
  - Increase assets with ESG;
  - Maintain the top A-PRI score;
  - Extend proxy voting scope;
  - Further develop engagement approach and activities;
  - Disclose carbon footprint for SRI funds;
  - Signing of UK Stewardship Code.
- Improve position as SRI expert and continue to improve SRI communication
- ESG integration
  - Further develop Candriam’s policy on the integration of ESG challenges into traditional investment management.
For Candriam Investors Group, an impeccable service to clients in terms of transparency, quality of the advice given and of the products on offer are all crucial.

Candriam considers Trust, Transparency, Proximity and Responsiveness as essential elements in the construction of long-term trusted partnerships with its clients, and essential in providing sustainable added value.

The company fosters its clients’ trust through solid compliance procedures, rigorous risk management and transparent communication, all of which assume the highest priority in the company’s daily operations.

Four departments are involved in client-relationship follow-up and client servicing:

- **The “Client Relations” department** (56 persons), headed by Renato Guerriero, Global Head of European Client Relations and member of Candriam’s Executive Committee. Each client has their own local contact – well acquainted with local regulations – to cater for their needs. Candriam serves clients in 20 countries (EMEA, the Americas and Asia-Pacific).

- **The “Client Servicing & Performance Analysis” department**, headed by Pascal Dequenne, deputy to Pierre Ernst, Chief Operating Officer and member of the Executive Committee. This department, which has offices in France, Belgium, Spain, Italy and Luxembourg, comprises three teams:
  - “Client Servicing” (19 persons);
  - “Performance Analysis & Reporting” (15 persons);
  - “Performance Attribution & Client Innovation” (5 persons).

- **The “Marketing and Client Solutions” department** (38 persons), headed by Guillaume Abel, Global Head of Marketing and member of Candriam’s Executive Committee. This department, comprising the following teams – Investment Solutions, RFP, Brand Strategy (Products) and Digital, Print & Translations –, has been further strengthened.
  This ensures the optimal dissemination of information to clients and, especially, the promotion of digital client relations, with the focus firmly on marketing documentation and the public (internet) and dedicated (kind of extranet) websites.
  The department produces marketing documents and product media for clients, develops investment solutions, responds to invitations to tender and keeps a close eye on the competition.

- **The “Corporate Communications” department** (5 persons) is headed by Marion Leblanc-Wohrer, Global Head of Corporate Communication, who reports directly to Candriam CEO, Naim Abou-Jaoudé. This team handles all corporate messages, internal communications and press relations.

Candriam’s teams are stable and highly experienced (with an average of 10 years’ seniority at the company). The teams managing clients have therefore the required experience in their field, and, additionally, fully comprehend the myriad responsibilities of an asset manager.
Focus on trust & transparency

RESPONSIBLE AND TRANSPARENT COMMUNICATION

Candriam’s communication mission is, primarily, to transmit information in a timely, responsible and transparent way to all stakeholders. This is completely tuned to Candriam’s engagement to increase confidence among clients and market participants and to widely advocate SRI and corporate social responsibility.

Candriam Investors Group also has commercial guidelines to demonstrate its ongoing concern for fair and compliant communication. The chapter on compliance below offers more information.

In terms of marketing and communication tools, Candriam worked on several initiatives in 2015 to practice a sustainable approach (e.g. launch of a digital pitchbook, sustainable goodies).

For more information about Candriam’s responsible and transparent dialogue with different stakeholders, please consult the chapter “Responsible in our Investments”.

RESPONSIBLE TOWARDS OUR CLIENTS

COMPLIANCE

Acting with integrity is one of Candriam’s main concerns as it is convinced that solid compliance procedures give the company a major competitive edge in continuously earning its clients’ trust.

In this respect, Compliance is an important business unit within the company:

- Independent department that reports directly to the Executive Committee;
- Composed of eight dedicated staff members;
- Establishes and supervises internal procedures in accordance with local and international regulations.

The areas covered by its Compliance department are extensive.

Code of Professional Ethics to better serve clients

Candriam’s Code of Professional Ethics is oriented to the company’s special needs and environment. These rules, which are binding on all staff members, are a daily guarantee of professionalism vis-à-vis its clients, guaranteeing them fair treatment and the prompt resolution of conflicts of interest, if any, regardless of their nature.

The Code of Professional Ethics also defines the rules applicable to all staff members regarding professional secrecy, protection of clients’ details and the use of data.

Candriam has implemented a Code of Ethics detailing the rules applicable to personal securities transactions conducted by the employees. Employees are required to disclose all personal transactions in non-exempt securities using the StarCompliance system, which allows the Compliance department to monitor, on an on-going basis, employee trading activity and any breaches thereof.

Preventing market abuse and fraud

Candriam has set up a mechanism to strictly control and limit the risk of market abuse and fraud. Through dedicated courses, Candriam staff members are kept informed of changes in the mechanism and practices that they should be aware of and with which they must comply.

Material Non-Public Information (MNPI), insider trading and market abuse are among the areas most closely monitored and tested by the Compliance department. These areas form part of Candriam’s annual risk matrix and are regularly tested (in some cases, daily).

Preventing money laundering and the financing of terrorism

When beginning a new client relationship, Candriam applies all regulatory know-your-customer measures.

In that perspective, Candriam has policies and procedures to formalize the fight against money laundering and the financing of terrorism:

- System for preventing money laundering and the financing of terrorism;
- Implementation of a country policy;
- Client onboarding procedure;
- Customer Identification procedure;
- “Name Matching PEP & Terrorist List” procedure.

Introducing stricter rules governing commercial communication

Candriam Investors Group has Commercial Guidelines, listing basic rules that all members of staff have to respect when drafting communications (in the broadest sense of the term) or when communicating with clients (professional or non-professional) or prospects, irrespective of the service rendered.

These guidelines complement the general principles of the MiFID directive (Suitability Test, etc.) applicable to relations between Candriam and its clients when an investment service (investment advisory or discretionary management) is being supplied. They also complement the general principles governing local rules on public offerings.

Following up and implementing regulations

- The MiFID Directive (applicable since 1st November 2007) requires investment companies to act honestly, equitably and professionally in providing services to their clients. In 2015, Candriam continued the qualitative work carried out in previous years.
Candriam attaches the utmost importance to identifying, preventing and managing any conflicts of interest (including compliance with UCITS) which may arise.

To this end, the company has created a policy governing the identification, prevention and management of conflicts of interest, and is structurally organised internally in such a way as to avoid such conflicts of interest. This implies, in particular to:

- Identifying potential conflicts of interest;
- Pinpointing regulations and procedures to avoid or manage conflicts of interest;
- Establishing and implementing these procedures (gifts, compensation and incentives, respect of Chinese walls, personal transactions, voting rights policy, etc.);
- Creating a register;
- Implementing measures to inform clients when conflicts of interest cannot be avoided;
- Creating a framework for dealing with situations which do not correspond to any of the above;
- Increasing employee awareness and setting up training programmes.

### Claims and incident management

An operational incident is defined as any problem in the operational flows that might expose Candriam to financial compensation, arising or not from a claim.

The Executive Committee has decided that any claim, complaint or operational incident, regardless of the amount at stake, has to be transmitted to the Operational Risk Management department. The procedure is the following:

- All actual or potential operational incidents – including trade errors – must be reported by Candriam’s employees to the Risk Management department;
- The compliance officer validates the analysis of the Risk Management department, most notably in terms of proposed compensations;
- Lastly, any compensation, like any other payment made on behalf of Candriam, is signed by two authorised members of the Management Board.

---

(1) Candriam was voted “Multi-Asset Trading Desk of the Year 2015” in the awards for excellence in buy-side trading. For the second successive year, Candriam was awarded “Multi-Asset Trading Desk of the Year 2015” at the 11th ceremony hosted by global media platform and magazine The Trade. Name of the institution: The Trade. Date & place of the announcement: 19/11/2015 UK. Scoring scale: 1/10. www.thetradenews.com.
RISK MANAGEMENT

Sustainable & Responsible Investment, by its very nature, calls for very rigorous analysis of the associated risk factors. Quite naturally, this area of expertise has allowed Candriam Investors Group to further develop its existing robust risk management approach, which continues to benefit all our clients in the current environment.

Candriam has an independent Risk Management department that constantly supervises its investment processes at each and every stage of the respective processes:

- 23 dedicated professionals with solid risk-management skills;
- One Executive Committee member exclusively dedicated to risk management;
- A wide scope of activities:
  - Proactive monitoring to ensure compliance with all constraints and objectives;
  - Management of all regulatory, market, credit, liquidity, operational and modelling risks.

<table>
<thead>
<tr>
<th>DURING THE START-UP PHASE OF FUNDS AND MANDATES</th>
<th>The setting-up of processes that meet client’ needs and expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Process calibration</td>
</tr>
<tr>
<td></td>
<td>Back-testing validation</td>
</tr>
<tr>
<td></td>
<td>Risk model and indicator definitions</td>
</tr>
<tr>
<td></td>
<td>Product specifications – Validation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DURING THE FUND/MANDATE LIFESPAN</th>
<th>Monitoring of regulatory and contractual rules</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Monitoring of a portfolio’s compliance with rules and periodical rules review</td>
</tr>
<tr>
<td></td>
<td>Performance versus back-testing</td>
</tr>
<tr>
<td></td>
<td>Follow-up of ex-ante &amp; ex-post risk indicators</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WITH PERIODIC REPORTING</th>
<th>Providing clients with succinct updates on:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Breaches and events;</td>
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<td></td>
<td>Current state of the risk;</td>
</tr>
<tr>
<td></td>
<td>etc.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>INTRODUCING FURTHER ADDED-VALUE INITIATIVES FOR CLIENTS</th>
<th>Risk management knowledge-sharing with clients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Risk indicators from Risk Engine in client reporting</td>
</tr>
<tr>
<td></td>
<td>Practice at Candriam – risk review</td>
</tr>
</tbody>
</table>

Key aspects of Candriam risk management:

- Definition of strict internal rules for each investment process;
- Embedded internal controls at the very heart of the investment processes;
- Daily reports on market risk indicators and credit alerts;
- Daily controls of the regulatory and contractual rules applicable to mutual funds and mandates;
- Ex-ante checks to ensure compliance with the main orders.

The efficiency of Candriam’s risk management process:

- The thoroughness of Candriam’s risk management process and its internal control mechanisms have been paying off;
- Candriam funds experienced no significant issues in 2015.
One of the tools used by this department is the constraints server, which combines all the constraints and limits required to manage the investment funds. It contains regulatory and contractual constraints as well as internal limits and constraints used to prevent operational errors, for example:

- SRI investment universe;
- List of authorised investments;
- Defined ratios (liquidity, dispersion);
- Main regulatory constraints applicable to the fund;
- “List of credit warnings” and “list of equity warnings”.

Once investment limits are programmed in the constraints server, any order entered by the portfolio manager is immediately checked against them prior to sending them to the market (ex-ante control).

The portfolio manager is alerted whenever a constraint is breached.

The Internal Audit department carries out inspections and provides advice to ensure the performance and the effective implementation of the internal control system in force. The inspection missions represent the majority of the audit department’s work and aim to provide the Executive Committee with an objective and independent assessment of a particular domain (function, process, system, etc.). In this context, the application of the SRI methodology and its application to SRI portfolio management are regularly monitored by the internal audit.

In terms of external measures, the custodian verifies the portfolios’ compliance with the SRI investment universes.

**Stay abreast of evolving compliance issues**

Candriam actively participates in public initiatives and forums (Forum Compliance in Belgium, the Association of Compliance Officers in Luxembourg and the Association Française de Gestion Financière in France) to keep abreast of evolving compliance issues.

The Compliance department also works closely with the Legal, Risk Management and Client Servicing departments to ensure a continuous exchange of information on common subjects.

In 2015, Olivier Corby, Global Head of Risk Management at Candriam, was appointed to lead the “Risk Management” committee at the Association Française de la Gestion Financière (AFG).
Know your clients

Candriam Investors Group is convinced that earning clients' trust and confidence are key factors in the delivery of sustainable growth.

It undertakes all necessary steps to obtain sufficient information about its clients and prospects (investment objectives, risk profile, constraints and other relevant data) in order to propose suitable products and services to them.

CLIENT RESEARCH & SATISFACTION

Client satisfaction is a top priority for Candriam.

The company maintains a long-term partnership with their institutional clients and distribution partners, providing them with high added value through off-the-shelf products or bespoke solutions designed to meet their specific needs.

Candriam Investors Group has subscribed to the European IPE Pension Fund Perception Program (PFPP). An independent rating service that grades asset managers, the PFPP was developed with the European pension fund industry. It is the largest research programme on investors’ perceptions of asset managers in Europe: the programme covers 19 countries, includes more than 1,900 asset owners and more than 700 funds participate.

The 2015 results show that 95% of Candriam’s clients who participate in the programme would recommend Candriam to other investors(1).

Candriam clients’ satisfaction is further demonstrated by the company’s 6th position in the 2015 Fund Buyer Focus survey, which shows the intention of fund buyers to pick a firm they do not currently work with. This is a promising result for Candriam, as the company underwent a complete rebranding in 2014.

OPERATIONAL EXCELLENCE

As a responsible asset manager, Candriam Investors Group continuously monitors every aspect of its operating model to ensure the interests of its clients are incorporated at every step and client service is constantly improved.

Candriam has set itself goals to meet the needs of clients better, faster, more completely and more uniquely than anyone else. It commits to a sustainable sales process fully aligned with client needs, offering deeper and greater transparency on its solutions and investment decisions.

IN 2015, CANDRIAM INVESTORS GROUP RECEIVED ISAE 3402 REPORT TYPE 2 CERTIFICATION. THE COMPANY ALREADY HAD THIS CERTIFICATION IN 2014.

The International Standard on Assurance Engagements (ISAE) No. 3402 is a recurring (annual) project demonstrating the establishment of effectively designed control objectives and control activities. It provides assurance to Candriam clients that the organisation has appropriate controls in place.

(1) For more information on the PFPP survey, please visit https://pfpp.net/
An Information Security Officer (ISSO) and an Information Technology Officer (ITSO) manage Candriam security matters. They have both more than 15 years’ experience and report to the Chief Risk Manager and Chief Operation Manager respectively. In 2015, Candriam reinforced its framework of security policies and controls (based on ISO 27001-2) aiming at ensuring that appropriate controls are in place to safeguard the CIA principles (Confidentiality, Integrity and Availability) governing assets. This approach is reflected in the outsourced services Candriam has contracted with its providers. This set of security policies is validated by the Candriam representatives and reviewed on a regular basis.

**PRODUCT APPROVAL PROCESS – ENSURING APPROPRIATE SOLUTIONS**

Candriam actively managed its product range in 2015, including its suite of 35 SRI funds, and developed tailored solutions adapted to evolving client needs.

In 2015, the company launched the Candriam L ESG Defensive fund and a new SRI umbrella sicav called Candriam SRI.

Candriam’s development process for new and revised products and services – from product proposal through assessment of market interest, performance, risks, regulatory requirements, etc. – integrates client needs and feedback. Rigorous product research and testing, often involving clients, precedes the introduction of a product to the market.

In 2015, Candriam continued to tailor solutions to the needs of pension institutions, offering the right balance between interest rate risk-hedging and return-seeking strategies while pursuing dynamic risk-budget management.

The company also delivered tailor-made decarbonisation solutions for some of its institutional clients and one mandate managed for an institutional client was granted the Austrian eco-label.

Candriam always ensures that all products comply with the applicable laws and regulations in the relevant countries. Its European and international distribution benefits from a full and efficient Luxembourg UCITS IV management company platform capable of setting up new funds quickly and with a proven track record of swift product registration in 18 European and international countries.
Proximity and responsiveness

LOCAL EMBEDDEDNESS

Candriam Investors Group has local management centres and offices in 9 European countries and in the Middle East (Dubai), servicing clients in over 20 countries and in selected high-potential regions (Americas – Asia Pacific). The company thus offers its clients proximity through local client relationship managers.

As the client relationship managers are familiar with local needs, they guide, inform and advise clients in their investment choices and decisions.

In addition to its local client relationship managers, Candriam also has a “Client Servicing” team that takes pride in continuously enhancing the quality and responsiveness of the services it provides.

The “multi-boutique” approach: a success factor

Candriam Investors Group is a New York Life company. At the core of New York Life Investments’ success story is a “multi-boutique” investment structure that consists of autonomous institutional asset managers, each of whom is highly specialised, with a unique investment focus, process and philosophy.

The “multi-boutique” model allows New York Life Investments to seek out the best investment talent in the industry. Each boutique preserves the integrity of its own investment process and culture. The boutiques are highly specialised, each offering a disciplined investment approach and long-term performance strategies in their respective areas of expertise. The diversification and autonomy of New York Life Investments’ boutiques has been a growth driver for the business.

Candriam shares the same values as New York Life Investments and has a natural affinity with its “multi-boutique” approach.

New York Life Investments has a presence in the United States, Asia, Australia, Continental Europe, the United Kingdom and the Middle East.

SHARING EDUCATION AND ECONOMIC & INVESTMENTS INSIGHTS WITH CLIENTS

In 2015, Candriam also organised about 140 client events covering, investment processes, market trends and research.

<table>
<thead>
<tr>
<th>Client events and speaker slots for Candriam Investors Group in 2015</th>
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<tbody>
<tr>
<td>16 APRIL 2015</td>
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<tr>
<td>JUNE 2015</td>
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<td></td>
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<tr>
<td>15 OCTOBER 2015</td>
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<tr>
<td>16-29 OCTOBER 2015</td>
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<tr>
<td>NOVEMBER 2015</td>
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<td></td>
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<tr>
<td>19-20 NOVEMBER</td>
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<tr>
<td></td>
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<tr>
<td>DECEMBER 2015</td>
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<tr>
<td>ALL YEAR LONG</td>
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<td>ALL YEAR LONG</td>
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</table>
In 2015, Candriam revamped its website covering all countries where Candriam has activities. The website includes specific content and tools for professionals and private investors as well as for journalists and job-seekers.

The editorial line aims to be educational and reassuring and the decryption of the news acts as the entry point to website navigation. In 2015, Candriam also launched a series of educational and informative videos that clearly and effectively outline the multiple features of Sustainable and Responsible Investment.

The company also continued to publish its bi-annual client magazine “Perspectives”, which provides insight and opinion pieces about its house view on macro economy, asset allocation and current investment topics. Candriam also published several research papers to inform its customers on topics of importance.

### RESPONSIBLE TOWARDS OUR CLIENTS – 2016/2018 ACTION PLAN

- **Client charter**
  - Create a corporate client charter, defining its commitments to investors.
  - Clarify product range / selection procedure for new products.

- **Client satisfaction**
  - Develop and launch a new client satisfaction survey, in order to be able to respond even better to evolving investor needs.

- **Sustainable marketing tools**
  - Make 50% of external marketing goodies (by number) sustainable (i.e. recycled, fair-trade, organic, etc.) by the end of 2016.

- **Digital client relations**
  - Enhance and promote digital client relations by:
    - Reducing the use of printed material;
    - Continuously improving its corporate website, making it more client-oriented and develop specific retail-focused website(s).

- **Communication**
  - Candriam will continue to promote external and internal communication on SRI to raise awareness on sustainable issues.

---

### Research papers published by Candriam Investors Group in 2015

<table>
<thead>
<tr>
<th>JANUARY 2015</th>
<th>“Perspectives” magazine</th>
</tr>
</thead>
<tbody>
<tr>
<td>JUNE 2015</td>
<td>Value-creating innovation boosts shareholder returns</td>
</tr>
<tr>
<td>JUNE 2015</td>
<td>“Perspectives” magazine</td>
</tr>
</tbody>
</table>
| NOVEMBER 2015 | Time for a new approach  
                 Getting the most out of convertible bonds |
| NOVEMBER 2015 | Credit opportunities in a low-rate environment  
                 Benefiting from dispersion in global corporate credit markets |
| NOVEMBER 2015 | From correlation to dispersion |
RESPONSIBLE TOWARDS OUR EMPLOYEES

Investing for tomorrow

Since its corporate rebranding, the HR team has been focused on instilling the new corporate culture across all human resources processes. The preliminary work started on a company-wide project to further define the corporate values of Conviction and Responsibility and identify key behavioural indicators for these values continued in 2015.

Candriam recognises its employees as one of the most crucial aspects of its corporate success.

The company’s dynamic workplace offers engaging development and career opportunities, recognises achievements and fosters an inclusive and healthy workplace that promotes innovation and inspires our employees to achieve their full potential.

“ At Candriam, more than 26 nationalities work together in a spirit of mutual understanding and respect. In 2015, we recruited no fewer than 60 people. We promote training and education and give everyone the opportunity to develop their technical and human competencies. We are more than a job-provider, we are a career-builder.”

Hervé Bruneteaux
Global Head of Human Resources, Member of the Executive Committee
Traditionally, Candriam boasts a low employee turnover rate compared to industry peers. In 2015, employee turnover was 7.98%.

To sustain its momentum of growth following the acquisition by New York Life, Candriam has focused on building its employer brand and optimising the efficiency of its recruitment process.

Most of the 2015 new recruits have taken up a permanent position within the organisation, underlining the long-term commitment of Candriam towards its staff.

**Employee Turnover**

- **2015:** 7.98%
- **2014:** 6.30%
- **2013:** 10.13%

**New Recruits**

- **79%** with an Open-Ended Contract
- **21%** with a Fixed Term Contract

(1) As of December 2015
PROMOTING THE PROFESSION

Candriam, aware of the role it has to play in promoting the profession, is continuing its partnership with several universities and business schools in France and Belgium (e.g. Vlerick Management School in Belgium and University of Dauphine in France). Candriam also displayed its employer credentials at the KU Leuven job fair in Leuven and in Brussels (Belgium).

Such knowledge-sharing and training, and the financial support provided, give students a good idea of the profession, assist them in their career choice and help them hone their investment skills.

Candriam also continues to promote internships and work-study programmes. In 2015, through VIE\(^{(1)}\) contracts, an additional 16 young graduates joined the organisation. Such arrangements help Candriam give young people a foothold on the job market.

Diversity

Candriam acknowledges the importance of attracting, retaining and fostering talented employees, irrespective of nationality, culture, race, gender, age or physical limitations.

AGE DIVERSITY

In 2015, the average age of a Candriam employee was 40.9 years.

The average seniority at Candriam Investors Group is 9.48 years.

As a company, Candriam has a very stable team of executive directors, with seven of the nine Executive Committee members having been at the company for more than 15 years.

GENDER DIVERSITY

The percentage of female employees remained stable throughout 2015.

In 2015, one of Candriam’s leading women, Maia Ferrand, Co-Head Multi-Management, was named one of the 50 leading women in hedge funds by The Hedge Fund Journal in association with EY\(^{(2)}\).

\(75\%\) BETWEEN 30 AND 50 YEARS OLD

\(13,5\%\) UNDER 30 YEARS OLD

\(11,5\%\) OVER 50 YEARS OLD

\(68\%\) MALE

\(32\%\) FEMALE

\(\text{Source:}\) “Volunteer for International Experience”.

\(\text{Note:}\) Name of the institution: The Hedge Fund Journal. Date & place of the announcement: 18/06/2015 US. Scoring scale: N/A.
CULTURAL DIVERSITY

A headcount of 484 people\(^{(1)}\), representing 26 different nationalities, is shining proof of cultural diversity.

In addition to France and Belgium, the company has staff from the following countries on its books: Cameroon, Portugal, Romania, Ukraine, Italy, Germany, Spain, USA, UK, Lebanon, Canada, Morocco, Ivory Coast, Luxembourg, The Netherlands, Tunisia, Algeria, Austria, Central Africa, Poland, Iran, Brazil, Japan and South Korea.

DISABILITY AWARENESS

In its bid to contribute to equal rights and opportunities, and confirm its status as a responsible employer, Candriam Investors Group continues to raise awareness of disability in the workplace.

In 2015, Candriam continued its partnership with HandiForma-Finance\(^{(2)}\), getting behind the programme to help disabled job-seekers gain a professional qualification from Paris Nanterre University in “Financial Asset Management for the Middle Office”.

For some years now, Candriam France has also had an arrangement with ELISE, an ESAT\(^{(3)}\) and licensed “disabled-friendly” association specialising in document-recycling and -shredding.

ELISE offers opportunities to persons requiring help to reintegrate into society: 80% of their staff is statutorily disabled. Candriam has extended this contract into 2015.

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\(^{(1)}\) As of December 2015.  
\(^{(2)}\) A French association set up to help the disabled find employment.  
\(^{(3)}\) Etablissements et Services d’Aides par le Travail (companies employing disabled persons with a view to professional reintegration).
Developing human capital

In 2015, Candriam implemented an e-learning platform. This initiative produced tangible results: total training hours increased while the average spend on development per employee decreased. In 2015, every employee enjoyed 17.78 hours of development (vs. 17.5 in 2014).

Candriam also enhanced its compliance training by creating 3 new modules on this new e-learning platform.

In addition to the existing training catalogue, the on-boarding seminar was further developed in 2015: “Discovering Candriam”, an interactive corporate introduction focused on partnering new recruits, now takes place twice a year and includes the participation of Executive Committee members.

The on-boarding programme also includes:

- “Discovering Asset Management”: an instructive session on the asset management sector, aimed at new recruits and support staff keen to know more about the company’s core business;
- “Discovering Financial Markets & Products”: focused on enhancing staff’s understanding of the general organisational structure of an asset management company and, more specifically, the financial markets and products.

To optimally organise and monitor staff development at Candriam, the company continues to manage the Personal Development Process in place, with regular assessment of staff performance. This evaluation procedure is designed, on the one hand, to encourage dialogue between employee and manager and, on the other, to provide the employee with an individual report informing them of their strengths and areas of eventual improvement. All staff, without exception, participate in this evaluation process and receive subsequent feedback from their manager.

Since the end of 2010, individual interviews between each employee and their HR business partner have been held in each country with the objective of offering employees the same kind of personalised interview every year.
Candriam is focused on providing both a healthy working environment and a healthy work/life balance for its employees. It offers various facilities, such as regular health checks, a safety, health and welfare team, a stress hotline and encouragement for employees to, for example, commute by bicycle.

The company also organises a periodic check of the workplace, examining aspects such as lighting, heating and air conditioning, as well as ergonomic chairs.

Employee health and safety

Candriam also gives its staff the chance to sit the prestigious CFA (Chartered Financial Analyst) Diploma exams, financing tuition costs, giving participants time off for revision purposes and financially rewarding those who pass the CFA Level 3 exams. Many staff have also sat CQF (Certificate in Quantitative Finance), Risk Management (RFM, PRMIA) and CFA exams.

In 2014, four Candriam employees sat the CFA exams

As at the end of 2015

30 Employees holders of the CFA certificate
4 Employees holders of the CQF diploma
4 Employees holders of the RFM diploma
1 Employee a holder of the PRMIA diploma
5 Employees holders of the CAIA diploma

At Candriam, there is a 100% return-to-work rate following maternity and paternity leave.

Social dialogue and communication

Workers’ councils have been elected for the Candriam management centres in Brussels, Paris and Luxembourg. Candriam maintains a constructive and open dialogue with the employee representatives and interacts in a spirit of mutual respect. Together with the employee representatives, it seeks solutions that best align employees’ interests.
Key figures on Candriam employees – 31st December 2015

<table>
<thead>
<tr>
<th>Personnel breakdown</th>
<th>Total</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PERSONNEL BREAKDOWN BY ENTITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Candriam Belgium</td>
<td>251</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Candriam France</td>
<td>137</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>Candriam Luxembourg</td>
<td>59</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>Other</td>
<td>37</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td><strong>AVERAGE AGE (YEARS)</strong></td>
<td>40.9</td>
<td>40.5</td>
<td>41</td>
</tr>
<tr>
<td><strong>AVERAGE SENIORITY (YEARS)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Committee</td>
<td>13.24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Committee</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Candriam in total</td>
<td>9.5</td>
<td>9.6</td>
<td>9.4</td>
</tr>
<tr>
<td><strong>CONTRACTS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open-ended</td>
<td>98%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed-term</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PART-TIME</strong></td>
<td>7%</td>
<td>6%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>NEW RECRUITS</strong></td>
<td>12.5%</td>
<td>33%</td>
<td>67%</td>
</tr>
<tr>
<td>Open-ended</td>
<td>79%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed-term</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NATIONALITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgian</td>
<td>48%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>French</td>
<td>40%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (24 nationalities)</td>
<td>12%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TRAINING</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Course attendance (hours)</td>
<td>9,086</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average duration (hours)</td>
<td>17.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average spend (per employee)</td>
<td>EUR 837</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFA diploma holders</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CQF diploma holders</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRMIA diploma holders</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RFM diploma holders</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAIA diploma holders</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STAFF TURNOVER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>7.98%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>6.30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>10.13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>9.34%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>9.69%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>9.11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>9.76%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>13.54%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RESPONSIBLE TOWARDS OUR EMPLOYEES – 2016/2018 ACTION PLAN

**HR strategy**
- Formalize and publish Candriam HR strategy.
- Develop a retention plan for key staff.
- Introduce a programme for young potentials.
- Focus on career management for the senior generation.

**Corporate values**
- Embed the corporate values and key behavioural indicators in the HR processes.

**Employer branding**
- Build employer branding to sustain recruitment and promote the profession.

**Staff awareness: Increase responsible and sustainable awareness amongst staff**
- Focus on staff well-being.
- Encourage team spirit.
- Introduce innovative training programmes.
- Raise sustainable awareness and promote digital behaviours.
- Make staff compliance-aware.

**Communication**
- Improve staff communication & interaction.
Candriam Investors Group works to embed environmental sustainability in its organisation by integrating environmental considerations into its decision-making process throughout its business.

Within Candriam, a Sustainable Development Committee, piloted by the Purchasing, Facilities & Logistics department, manages the company’s environmental footprint and assembles key people from all relevant departments to coordinate all “sustainable” actions and monitor the implementation and progress of the improvements made.

The measures listed below have been implemented in Candriam’s main offices in Brussels, Paris and Luxembourg.

Candriam Investors Group uses a tracking method to monitor its carbon footprint. The company seeks to steadily improve the data collection process and calculation methods so that they align with best-practice standards.

In 2015 and 2016, Candriam will further optimise its tracking method. It is also working closely with TruCost, a company that will help Candriam estimate the costs of the unsustainable use of natural resources and apply best practices.

“
At Candriam, we put sustainable development and the environment at the heart of our business. Responsibility is not just a part of our name: it is included in everything that we do and believe in.

Pierre Ernst,
Chief Operating Officer, Member of the Executive Committee
Travel

Candriam actively strives to reduce its staff’s travel needs and to make them more sustainable. For example, in 2015, Candriam France asked its taxi company to make a priority use of hybrid cars.

BUSINESS TRAVEL

All Candriam employees have access to telephone- and video-conferencing tools and other mobile solutions to organise meetings between offices in different countries, thus cutting down on travel between the various sites.

With 203 tons in 2015 versus 194 in 2014, Candriam’s carbon emissions as generated by its fleet and by its business travel slightly increased (see table below).

The emissions generated by the fleet decreased while the carbon emissions for business travel slightly increased, mainly due to the increase in flight kilometres as a consequence of Candriam’s expanding international footprint. The increase in the business travel emissions was, however, lower in 2015 (16%) than in 2014 (25%). Candriam keeps investing to avoid business travel whenever possible.

The average carbon emission levels (average CO₂ grams generated per kilometre) of the Candriam fleet cars fell in 2015, thanks to maintenance of the carbon emission criteria in Candriam’s car policy.

24% DECREASE IN CARBON EMISSIONS (TONS) FROM CANDRIAM FLEET CARS SINCE 2011

<table>
<thead>
<tr>
<th>Ton equivalent carbon</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fleet</td>
<td>128</td>
<td>122</td>
<td>117</td>
<td>103</td>
<td>97</td>
</tr>
<tr>
<td>Business Travel</td>
<td>65</td>
<td>77</td>
<td>73</td>
<td>91</td>
<td>106</td>
</tr>
</tbody>
</table>

HOME-TO-WORK TRAVEL

In general, Candriam actively encourages employees to use public transport. Employees receive a contribution to concessionary travel: they are reimbursed between 20% and 100% of the cost of a public transport pass.

While Belgian employees receive special compensation for cycling to work, the company offers to reimburse Paris employees all “Vélib” (public bicycle hire) subscription costs.
Responsible paper consumption and printing

Candriam actively strives to reduce the use of paper. It has maintained several measures to reduce printing costs and ink-cartridge use.

- Candriam Belgium and Candriam Luxembourg use paper from responsible sources with an FSC and EU Ecolabel. Candriam France uses recycled paper for printing both internal and external documents.
- Central printers are standard, personal desk printers the exception.
- Printers are now configured for default “both-sides” and “black & white” printing in all countries.
- As a general rule, Candriam publications and invitations (internally and externally) are provided in digital format. When printed, recycled paper is used for all publications.

Energy use

Candriam continuously strives to optimise its power utilisation and power usage effectiveness.

- As its operations require a significant amount of computing power, Candriam’s IT department ensures that its equipment and servers run efficiently.
- Equipment is replaced or upgraded regularly to support energy-efficient technologies, particularly those related to computers, motion sensors, lighting and printers.
- An automatic monitoring system also keeps the PCs and printers in our different offices in log-off mode at close of business.

In terms of electricity, automatic lighting systems for meeting rooms are in place in Brussels and Luxembourg. Office lights switch off automatically and air-conditioning is adapted at the end of the day as well as at weekends.

Candriam France has also chosen an electricity supplier who has developed green electricity and is using more and more LED lighting.

Due to the corporate rebranding in 2014, Candriam was compelled to produce new stationery (business cards, envelopes, etc.), increasing its carbon emissions (tons) for paper consumption from 6 in 2013 to 8 in 2014. In 2015, the use dropped again to a volume lower than in 2013 (see grid below).

<table>
<thead>
<tr>
<th>Ton equivalent carbon</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>
Sustainable building management

In recent years, Candriam has moved offices in several countries (Belgium, United Kingdom, Spain, Switzerland, the Netherlands and Germany), each time applying environmental criteria to the process for selecting new premises.

For example, in 2013, Candriam Belgium moved to a new building with High Environmental Quality standards and achieved significant decreases in energy consumption (heating, air conditioning and lighting).

In Luxembourg, Candriam moved to a new office space. The new building, called “Serenity”, has been the first building to get the HQE Certification in Luxembourg. The certification guarantees environmental quality standards like low energy consumption, rainwater harvesting for sanitary use, waste sorting, etc.

For every future office move, Candriam will continue to focus on optimising the energy efficiency of all its new premises.

RESPONSIBLE TOWARDS THE ENVIRONMENT – 2016/2018 ACTION PLAN

➤ Improve our corporate ecological footprint
   • Report and monitor the company’s carbon footprint.
   • Improve sustainable waste management.
   • Systematically promote energy-efficiency measures.
   • Further develop Candriam’s environment-friendly transport strategy and raise staff awareness.
   • Work on solutions to target a neutral carbon footprint.

➤ Sustainable procurement / purchasing
   • Develop a purchasing procedure at corporate level, integrating specific sustainability criteria.
   • Privilege sustainable buildings.
   • Other initiatives: progressive implementation of hives on the roofs of the company’s buildings.
RESPONSIBLE TOWARDS OUR COMMUNITY

Candriam displays responsibility towards the community, particularly in the areas of charity and community service, from the annual Helping Those Who Help operation to the participation of staff in solidarity actions.

In 2015, Candriam organised the solidarity activities listed below.

FUNDRAISER FOR SHANGRILA HOME

Following the earthquake in Nepal, Candriam organised a fundraiser to rebuild the orphanage destroyed by the earthquake. In just 2 weeks’ time, it collected almost EUR 1,000. As a company, Candriam decided to double the amount raised by its staff members, subsequently donating EUR 1,985 to the building project.

20 KM OF BRUSSELS WITH THE LIGUE BRAILLE

12 staff members took part in the run in support of the Ligue Braille charitable trust, which seeks to increase the self-reliance, integration and development of the blind and the partially sighted.

HELPING THOSE WHO HELP

When Candriam launched Helping Those Who Help in 2001, its principal aim was to engage with its employees and the communities among which it lives and works.

Given its success, the objectives of Helping Those Who Help have always remained unchanged:

- Instead of sending year-end gifts to clients, use those funds to assist those who are less fortunate;
- Support associations in which Candriam employees are actively involved;
- Focus on associations that are mainly volunteer-based and that are far from the normal support channels.

The operation is headed up by Candriam’s Associations Monitoring Committee, comprised of seven employees appointed for a two-year period, along with one Executive Committee member.

This Committee is in charge of organising the operation annually, choosing associations and monitoring subsequent proceedings.

As the Committee is convinced that all charitable actions should be viewed as long-term commitments, it prioritises, to a certain extent, associations that have already benefited from the operation in the past.

Results of the 2015 operation

In 2015, the Associations Monitoring Committee selected six associations from the long list of names submitted. In March 2016, the sum of EUR 100,000 was allocated to these employee-driven associations. The table illustrates how the latest global donation was allocated to the selected associations.

<table>
<thead>
<tr>
<th>Association</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Défi Belgique Afrique</td>
<td>EUR 11,088</td>
</tr>
<tr>
<td>Enfant du Monde asbl</td>
<td>EUR 17,836</td>
</tr>
<tr>
<td>Fair Future Foundation</td>
<td>EUR 14,786</td>
</tr>
<tr>
<td>Ligue Braille</td>
<td>EUR 14,627</td>
</tr>
<tr>
<td>Petites Sœurs des Pauvres / Zusterkens der Armen</td>
<td>EUR 14,864</td>
</tr>
<tr>
<td>Tounka Cono</td>
<td>EUR 13,919</td>
</tr>
<tr>
<td>Wheelcharity</td>
<td>EUR 12,879</td>
</tr>
<tr>
<td>Project Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Défi Belgique Afrique</td>
<td>The association Défi Belgique Afrique helps raise awareness about differences between North and South amongst youngsters and supports poor rural populations in Africa and Asia. With the 2015 donations, Défi Belgique Afrique will train 230 young persons from Senegal and Burkina Faso to handle the challenges of the modern world. In July, an immersion programme will be organised among these young Africans and Belgians, with a view to helping them become agents of change on a local level.</td>
</tr>
<tr>
<td>Enfants du Monde</td>
<td>Enfants du Monde supports underprivileged children in developing countries. The association will fit out 4 extra classes in the school (Somdé de Kossoghin built in 2014 in Burkina Faso, thanks to Helping Those Who Help donations) and open a school stationery store.</td>
</tr>
<tr>
<td>Fair Future Foundation</td>
<td>Fair Future Foundation is a Swiss healthcare association that champions children and disadvantaged persons. The 2015 donation will pay for the completion of a children’s hospital in Bali, on which work has been underway since March 2015. The hospital will be able to treat one thousand sick children a year.</td>
</tr>
<tr>
<td>Ligue Braille</td>
<td>The Ligue Braille lends its support to over 13,300 blind and partially sighted people. The association will help renovate the Ligue Braille’s psychomotricity room through the purchase of new material, enabling them to organise psychomotor development sessions for blind and partially sighted children. These lessons are vital for these children, who have to learn to use their other senses to compensate for their blindness.</td>
</tr>
<tr>
<td>Petites Sœurs des Pauvres</td>
<td>Petites Sœurs des Pauvres assists provides shelter and nurses elderly people with little revenue. In 2016, it will upgrade the fire equipment (50 fire blankets) in this retirement home and renovate two rooms (requiring painting and work on the plumbing and the electricity, as well as some further refurbishing) that will be used to house two new residents.</td>
</tr>
<tr>
<td>Tounka Cono</td>
<td>Founded in 2009, Tounka Cono is an association that promotes equal rights and opportunities through the development of pre-school learning focused on civic education in Siby (Mali). The children are taught in particular at skill-swap workshops and through activities intended to teach them all about universal citizenship. With Candriam 2015 funds, the association will finish off an “awakening center” for 3-to-6-year olds, and equip the center with material adapted to awakening and educational activities. These will be organised by parents and volunteers trained in pre-school teaching techniques.</td>
</tr>
<tr>
<td>Wheelchairity</td>
<td>Founded in 2012, Wheelchairity is an association that aims, in the long term, to create awareness of the difficulties engendered by this disability but also, in the short term, to actually improve the quality of life of those persons. The 2015 donation will provide ramps for persons with reduced mobility that will help them access, in Brussels, local commercial buildings (such as garage parking spots, shops, restaurants and other establishments serving food) hitherto accessible only to the able-bodied.</td>
</tr>
</tbody>
</table>
EVERYONE DESERVES A PRESENT

Not everyone is lucky enough to enjoy a good quality of life.

To address this issue, Candriam organised, for the fourth year in a row, an end-of-year fundraiser in its offices on behalf of charities that will pass on the proceeds, in the form of gifts, to the needy.

ShoeBox

Shoe-Box has been a joint initiative of the “Samaritains” and “Restos du Cœur de Belgique” since 1999.

In 2015, Candriam organised the “Shoe Box” campaign in Belgium for the fourth time.

Candriam employees filled 30 shoe boxes with 7-to-10 food and drink items (alcohol-free, non-perishable and easy-to-open) and a greetings card.

In total, the association collected over 15,394 shoeboxes for the homeless and other persons in need in Belgium in 2015 alone. The presents were handed out by various organisations over the festive period.

Solidarité au Sens Propre

In 2015, Candriam France participated in the “Solidarité au Sens Propre” project.

The company collected hygiene and care products for the municipal humanitarian emergency service, “SamuSocial” de Paris. This emergency service is committed to the fight against poverty and to raising awareness about social exclusion. They provide 24/7 assistance to homeless people and help improve their living conditions with their 3 emergency shelters (2 for men – 1 for women) in the Paris region.

In 2015, four companies joined Candriam to donate, collectively, more than 4,000 products, including razors (848), toothbrushes (460) and soap (397).

Further details on the projects Candriam supported can be found on its website www.candriam.com.

RESPONSIBLE TOWARDS OUR COMMUNITY – 2016/2018 ACTION PLAN

➔ Staff involvement for community projects:
  • Stimulate employees’ involvement in charitable projects.
  • Provide funds and time to employees and initiatives throughout the company for meaningful, diversified and local commitments to programmes that benefit society.

➔ Responsible citizens:
  • Promote the position of responsible corporate citizen by further developing the “Helping Those Who Help” operation and ensuring sustainability in donations and sponsoring.

➔ Purchasing:
  • Develop responsible purchasing procedures at a corporate level (external suppliers and business partners).
## KEY PERFORMANCE INDICATORS FOR 2016

<table>
<thead>
<tr>
<th>Objective</th>
<th>Key Performance Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CORPORATE GOVERNANCE</strong></td>
<td></td>
</tr>
<tr>
<td>BE MINDFUL OF THE IMPORTANCE OF DIVERSITY IN THE COMPOSITION OF CANDRIAM’S DECISION-MAKING BODIES</td>
<td>Demonstrate diversity in terms of experience, nationality, age, gender, etc. in Candriam’s decision-making bodies</td>
</tr>
<tr>
<td>FURTHER STREAMLINE CANDRIAM’S COMMITTEES</td>
<td>Create a Group Strategic Committee and enlarge the Executive Committee</td>
</tr>
<tr>
<td>COMMUNICATE TRANSPARENTLY AND OPTIMISE THE ROLES AND RESPONSIBILITIES OF VARIOUS COMMITTEES, PROCEDURES AND POLICIES</td>
<td>Explain the roles of invitees and Advisors in Boards and committees Appoint independent director(s) to the Board of Directors Provide information about the set-up, composition and responsibilities of the remuneration committee Define and implement a remuneration policy</td>
</tr>
<tr>
<td>DEFINE CANDRIAM’S RISK CULTURE</td>
<td>Create a statement on risk culture at Candriam</td>
</tr>
<tr>
<td><strong>RESPONSIBLE OUR INVESTMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>STRENGTHEN CANDRIAM’S SRI PRODUCT RANGE</td>
<td>Number of new sustainable funds, best practices</td>
</tr>
<tr>
<td>FURTHER DEVELOP CANDRIAM’S ENGAGEMENT APPROACH</td>
<td>Further in-depth contacts &amp; dialogue From monitoring to best practices + influence</td>
</tr>
<tr>
<td>FURTHER DEVELOP THE POLICY FOR THE INTEGRATION OF ESG CRITERIA INTO TRADITIONAL INVESTMENT MANAGEMENT</td>
<td>Number of investment processes into which the ESG criteria have been integrated Number of joint research papers on traditional investment &amp; SRI</td>
</tr>
<tr>
<td><strong>RESPONSIBLE TOWARDS OUR CLIENTS</strong></td>
<td></td>
</tr>
<tr>
<td>PROVIDE TRANSPARENCY ON PROCESSES</td>
<td>Number of requests for proposal, due diligence and requests for information dispatched Number of client-focused product events</td>
</tr>
<tr>
<td>REVIEW AND UPDATE THE CORPORATE CLIENT CHARTER, DEFINING ITS COMMITMENTS TO INVESTORS</td>
<td>Publication of client charter on its corporate website</td>
</tr>
<tr>
<td>LOCAL SERVICE, DEDICATED SOLUTIONS AND AN ATTRACTIVE RANGE OF FUNDS WILL REMAIN KEY TO CONTINUING TO OFFER EXCELLENCE ALONG THE VALUE CHAIN</td>
<td>Number of awards Results of client satisfaction survey</td>
</tr>
<tr>
<td>CONTINUE EFFORTS TO OFFER SUSTAINABLE AND RESPONSIBLE INVESTMENT SOLUTIONS TAILORED TO DIFFERENT TYPES OF INVESTORS.</td>
<td>Number of new sustainable mandates</td>
</tr>
<tr>
<td>Objective</td>
<td>Key Performance Indicators</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>RESPONSIBLE TOWARDS OUR EMPLOYEES</td>
<td></td>
</tr>
<tr>
<td>FOCUS ON CAREER MANAGEMENT</td>
<td>Number of hours of training per staff member</td>
</tr>
<tr>
<td></td>
<td>Spend per staff member on training</td>
</tr>
<tr>
<td></td>
<td>Number of staff having professional certifications</td>
</tr>
<tr>
<td>FOSTER STAFF WELL-BEING AND ENCOURAGE TEAM SPIRIT</td>
<td>Number of initiatives taken</td>
</tr>
<tr>
<td>FOCUS ON AWARENESS AROUND DISABILITY</td>
<td>Number of initiatives taken to raise awareness about disability</td>
</tr>
<tr>
<td>FOSTER COMPLIANCE AWARENESS</td>
<td>Number of hours of compliance training per staff member</td>
</tr>
<tr>
<td>DEVELOP INNOVATIVE TRAINING PROGRAMMES</td>
<td>Number of new training programmes launched</td>
</tr>
<tr>
<td>PUBLISH CANDRIAM’S HR STRATEGY</td>
<td>Publication of Candriam’s HR strategy on corporate website</td>
</tr>
<tr>
<td>BUILD CANDRIAM’S EMPLOYER BRANDING TO SUSTAIN</td>
<td>Number of initiatives undertaken with universities and schools</td>
</tr>
<tr>
<td>RECRUITMENT AND PROMOTE THE PROFESSION</td>
<td></td>
</tr>
<tr>
<td>EMBED CANDRIAM’S CORPORATE VALUES AND KEY BEHAVIOURS IN ITS HR PROCESSES</td>
<td>Number of initiatives undertaken internally to embed corporate values and behaviours</td>
</tr>
<tr>
<td>RESPONSIBLE TOWARDS THE ENVIRONMENT</td>
<td></td>
</tr>
<tr>
<td>OPTIMIZE DASHBOARD ALLOWING BETTER MONITORING OF CANDRIAM’S IMPACT ON ENVIRONMENT</td>
<td>Progress made in reducing the company’s carbon footprint</td>
</tr>
<tr>
<td>FURTHER DEVELOP CANDRIAM’S ENVIRONMENT-FRIENDLY TRANSPORT STRATEGY AND WORK ON RAISING STAFF AWARENESS</td>
<td>CO₂ emissions per staff member</td>
</tr>
<tr>
<td></td>
<td>Number of initiatives taken to raise awareness about CO₂ footprint amongst staff</td>
</tr>
<tr>
<td>CONTINUE TO IMPLEMENT ENVIRONMENT-FRIENDLY MEASURES IN CANDRIAM PREMISES</td>
<td>Integration of sustainable criteria in building management</td>
</tr>
<tr>
<td>RESPONSIBLE TOWARDS OUR COMMUNITY</td>
<td></td>
</tr>
<tr>
<td>STIMULATE STAFF INVOLVEMENT IN CHARITABLE PROJECTS AND LOCAL COMMITMENTS</td>
<td>Number of collective local charitable projects</td>
</tr>
<tr>
<td>IMPLEMENT SUSTAINABLE SPONSORING AND CHARITY PROGRAMMES</td>
<td>Number and spend of sustainable sponsoring and charity programmes</td>
</tr>
</tbody>
</table>
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