

Statement on principal adverse impacts of investment decisions on sustainability factors

In this document we provide details on the calculation methodology for ESG and impact indicators, including data sources, formulas, and potential limitations of calculations.

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1. Summary

Candriam Luxembourg (LEI 549300XGY5ASDHYKF231) considers the main negative impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement of the main negative impacts on sustainability of the Candriam group as well as the subsidiaries Candriam France and Candriam Belgium. This main negative impact statement covers the reporting period from January 1 to December 31, 2021. In its investment considerations, Candriam addresses key negative impacts through a wide range of methods from ESG ratings and exclusions to active ownership. In line with the products classification described in its SFDR statements, Candriam prioritizes PAI indicators, both mandatory and optional, in its investment strategy.

Materiality of the 14 Mandatory PAIs in Candriam's ESG Screening Process and models

Indicators Applicable to Investments in Investee Companies		
Sustainability Theme	Adverse Sustainability Indicator	Explanation
CLIMATE AND OTHER ENVIRONMENT - RELATED INDICATORS		
Contribute to Climate Change Mitigation - Greenhouse gas emissions	Carbon footprint (PAI2)	Incorporated in Candriam's ESG analysis and ESG scoring model, Highest materiality
	GHG emissions (PAI1)	Incorporated in Candriam's ESG analysis and ESG scoring model, Highest materiality
	GHG intensity of investee companies (PAI3)	Incorporated in Candriam's ESG analysis and ESG scoring model, Highest materiality
	Energy consumption intensity per high impact climate sector (PAI6)	Incorporated in Candriam's ESG analysis and ESG scoring model, Highest materiality and low data quality
	Share of non-renewable energy consumption & production (PAI5)	Incorporated in Candriam's ESG analysis and ESG scoring model, Highest materiality and low data quality
	Exposure to companies active in the fossil fuel (PAI4)	Incorporated in Candriam's ESG analysis and ESG scoring model, Highest materiality and medium data quality
Preserving Natural Environment and ecosystems	Activity negatively affecting biodiversity (PAI7)	Data quality & coverage not always optimal; average materiality in Candriam's ESG analysis and scoring model
	Emissions in to water (PAI8)	Data quality & coverage not always optimal; average materiality in Candriam's ESG analysis and scoring model
	Hazardous waste ratio (PAI9)	Insufficient data quality/coverage; low materiality in Candriam's ESG analysis and scoring model

Indicators Applicable to Investments in Investee Companies		
Sustainability Theme	Adverse Sustainability Indicator	Explanation

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Avoid Companies exposed to controversial or illegal practices	Exposure to controversial weapons (PAI 14)	Incorporated in Candriam's ESG analysis and ESG scoring model, Highest materiality
	Violations of UN GC principles and OECD (PAI 10)	Incorporated in Candriam's ESG analysis and ESG scoring model, High materiality
	Lack of processes and compliance mechanisms to monitor compliance with UN GC (PAI11)	Incorporated in Candriam's ESG analysis and ESG scoring model, High materiality and low data quality
Promoting Gender Diversity	Board Gender Diversity (PAI13)	Average materiality in Candriam's ESG analysis and scoring model
	Unadjusted Pay Gap (PAI12)	Data quality & coverage not always optimal; average materiality in Candriam's ESG analysis and scoring model

INDICATORS APPLICABLE TO SOVEREIGNS & SUPRA-NATIONALS

Environmental	GHG intensity (PAI15)	Incorporated in Candriam's ESG analysis and ESG scoring model (natural capital), High materiality and medium data quality
Social	Investee countries subject to social violations (PAI16)	Incorporated in Candriam's ESG analysis and ESG scoring model (social and human capital), High materiality and medium data quality

For each sustainability theme, the indicators are ordered by decreasing priority.

Materiality	
High	
Average	
Low /No	

2. Description of policies to identify and prioritise principal adverse impacts of investment decisions on sustainability factors

Greenhouse gas (GHG) emissions and violations of UN Global Compact principles are the two Key PAIs that Candriam considers as essentials at entity level. All investment products, whether classified as article 8 or article 9, exclude issuers deemed to be violating one or more of the UN Global Compact principles. Such violation is appreciated dynamically, based on well-documented evidence, and takes into account both the impact as well as the remediation measures adopted by the issuer. As for GHG emissions, Candriam monitors these across all article 8 and article 9 investment products. In addition, Candriam has defined the reduction of GHG emissions as a key objective for article 9 products, unless not relevant for those investment strategies that pursue a social or environmental objective for which we employ other metrics, such as alignment with the 2°C objective of the Paris Agreements.

In November 2021, Candriam set decarbonisation targets by joining the Net Zero Asset Managers Initiative. Through this engagement, Candriam commits to aligning its investment trajectory and contributing to the goal of zero net emissions by 2050. As part of this commitment, Candriam aims to

reduce greenhouse gas emissions from a proportion of its investment portfolio by 50% by 2030 and aims to achieve net zero emissions by 2050 at the latest.

The ESG Investments & Research Team has developed its own holistic ESG research methodology for both corporate and sovereign issuers. Each issuer is analysed from many environmental, social and governance perspectives leading to ESG recommendations and ESG scorings that consider the principal adverse impact of issuers on sustainability objectives. These are being used across Candriam in investment strategies in different ways. SFDR Article 9 products have clear sustainability targets and, as a consequence, align their investment strategies and portfolio with the final ESG recommendations of the ESG team. That is, portfolio managers select issuers from the ESG universe that are considered eligible and then apply their respective investment strategies and processes to construct the final portfolio. With the purpose of promoting, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices and reliable, coherent and sufficient data are available, SFDR Article 8 products consider ESG risks and opportunities and principal adverse impacts by integrating the ESG team's recommendations and scorings on issuers into investment strategies and processes. The ESG Analysts use internal and external research and data sources to feed their models.

In that regard, the Team strives to draw information from diverse sources as we consider information from different providers to be complementary. This results from data providers' varying coverage and methodologies that may ultimately lead to discrepancies in views and final ratings. These different assessments, including information from other sources, including NGO's and media, present our ESG analysts a more holistic view on a company.

Candriam's ESG research and screening methodology considers the principal adverse impact on sustainability in all steps of the process. The PAIs are integrated into the ESG analysis of issuers based on the materiality or likely materiality of each indicator for each specific industry/sector to which the issuer belongs. Given the granular nature of the information to be reported in the PAI statement, the 14 mandatory and optional PAI indicators are measured, monitored, and assessed employing varying degrees/levels of materiality. Materiality is dependent on several factors, such as type of information, data quality and breadth, applicability, relevance, and geographical coverage (in respect of EU and non-EU investee companies that are not subject to any mandatory sustainability disclosure obligations such as those set down in the Non- Financial Reporting Directive and its successor the Corporate Sustainability Reporting Directive).

For more information please refer to the [Principal Adverse Sustainability Impacts Statement](#) on our website, document that describes our due diligence policies with respect to principal adverse impacts of investment decisions on sustainability factors, validated by the Sustainability Risk Committee on June 30, 2021.

3. Engagement policies

Candriam engagement activities contribute to avoiding or reducing the extent of PAIs via dialogue and voting activities. Candriam's engagement Policy is validated by our Global Strategic Committee and is annually reviewed.

Our engagement practices encourage high standard of business ethics from investee companies as well as the inclusion of the interests of all key stakeholders.

Candriam's ESG Steering committee oversees Candriam's ESG engagement initiatives, which fall under the operational responsibility of the ESG team. The ESG team works in full collaboration with financial analysts and portfolio managers who:

- are regularly informed on the engagement follow up and results,
- can take part in the dialogue and
- are involved in decisions during an escalation process or when ineligibility is at stake.

We prioritise engagement based on the most material and relevant ESG challenges confronting industries and issuers by considering both the financial and societal/stakeholder impact (double materiality principle).

In line with the UN PRI, the pillars of our engagement process are:

- Encouraging improved ESG disclosure and transparency, supporting internal ESG research and analysis in order to inform our investment decisions;
- Supporting investment decision-making especially following the occurrence of an event deemed controversial and material from a sustainability perspective;
- Influencing corporate practice on ESG issues,
 - notably on systemic issues such as Climate Change and Resource Management, among others, and
 - whenever an event, either environmental, social or governance in nature, requires/justifies pre-emptive action or changes in business practices to foster improvement in its operations

Three themes have been identified as priorities since 2015, that is

- 1) Energy Transition,
- 2) Fair Work Conditions and
- 3) Business Ethics.

A good knowledge of the ESG challenges facing industries and issuers, and of their respective materiality, are the necessary entry points to any engagement initiative, individual or collective. In that regard, the main objective of our ESG sector analysis is to identify the most material topics from an operational, strategic, and reputational perspective. As indicated early on the integration of the mandatory and optional Principal Adverse Impacts in Candriam's ESG analysis. the ESG Analysis framework and results feed our engagement process.

In the table below the relationships have been identified between common engagement and/ voting topics and the various PAIs.

Building upon this first step of identifying material ESG issues and priorities, a timeline of engagement can be defined and/or updated in light of:

- The nature of the event that requires a particular action (ESG Rating review, Controversy, Demand from our Sustainability Risk Committee, Corporate Action, Emerging thematic issue, etc)
- The materiality of the issue and its impact with regards to the UN Sustainable Development Goals and mandatory and/or optional Principal Adverse Impacts.
- Candriam's level of exposure to the involved issuer(s) (assets) and related leverage;
- Candriam portfolio managers' and analysts' interests;
- The topic of engagement and how it fits in with Candriam conviction topics and other ESG priority topics, including those for which Candriam clients have expressed an interest;
- The current ESG opinion on the issuer (e.g., presence on ESG watchlist);
- The trendsetter nature of the issuer in question, that is the potential impact that any change at the specific issuer level might induce in market practice or the market approach to the issue in question.

Our engagement activities take different forms:

- Direct Dialogue with issuers: to raise their awareness about ESG issues and to encourage better transparency in an attempt to increase responsibility when it comes to specific ESG-related themes.
- Collaborative engagement initiatives in order to act together with other large investors on a non-discretionary basis, and use it as a leverage to exert more influence on issuers.
- Exercise of voting rights and pre/post AGM engagement, to uphold the principles of good corporate governance and sustainable development.
- Promotion of sustainable development to support ESG research and better integration of ESG factors into investment decision process.

Once a dialogue has started, and depending on the quality of the exchanges and the interest of internal stakeholders, a follow-up approach and potential escalation measures can be defined.

Several decisions can be taken, not mutually exclusive:

- Engagement is continued: the objective of the dialogue appears achievable but with an extended deadline;
- Engagement is closed: the prescribed objective either was achieved or does not appear achievable;
- An escalation process has been triggered: the objective was not met but is still assumed to be achievable and material enough for us to pursue our efforts under another form. When triggered, the escalation process may differ, depending on the history (type of engagement, length, quality of the relationships), the context of the dialogue (period of the year, client-specific investment policy, market/media/NGO/client pressure) or new opportunities that may arise.

In the escalation steps (not mutually exclusive) below, Candriam is ready to consider:

- Joining or launching a collaborative initiative having similar objectives to the previous dialogue and potentially extended to industry or region level;
- Exercising voting rights against management to show Candriam's disagreement on practices or strategic choices and eventually pre-declare these votes prior to the annual meeting
- Starting an individual dialogue (e.g., after a vote against management during the AGM);
- Supporting or filing a shareholder resolution;
- Reading a statement at the AGM to raise both management and shareholder awareness;
- Changing the ESG eligibility status of the issuer with possible divestment consequences. The ESG Analysis and Rating of the issuer are regularly updated to take into account the engagement content and its outcomes. ESG opinion on, and the eligibility status of, the issuer is updated accordingly, when needed.

The team ensures the monitoring of the engagement activities on a daily basis, collaborating with the representatives from the investment teams.

More information and details can be found in our publicly available Engagement policy under [candriam_engagement_policy.pdf](#)

4. Description of the principal adverse impacts of investment decisions on sustainability factors

Candriam contributes to avoiding or reducing the principal adverse impact by taking them into account in our exclusion strategies, engagement activities and ESG Analysis and the integration into investment strategies through both direct and indirect investments. Indirect investments in internal funds follow the same means of PAIs integration as those listed below. The integration information for indirect investments in external funds is tracked on a best effort basis through data providers such as Morningstar and Bloomberg and through discussions with the managers of the external funds in question.

4.1. Exclusions

Our negative screenings include a normative analysis and controversial activities exclusions.

Aligned with the PAI10, Candriam's norms-based analysis determines whether a company complies with the 10 principles of the United Nations Global Compact for each of the main categories: Human Rights (HR), Labour Rights (LR), Environment (ENV) and Anti-Corruption (COR). The UN Declaration of Human Rights, ILO Fundamental Conventions and OECD Guidelines for Multi National enterprises are part of the many international references integrated into our model. Therefore, human rights, labour standards, corruption and discrimination are all topics covered by this analysis.

In 2021, 17 directly covered companies lost their eligibility on the basis of the normative analysis.

- Transocean LTD, S-Oil Corp LTD, Bank Millennium SA, JSW Steel LTD, Mol Hungarian Oil & Gas PLC and BNK Financial Group INC have breached the Corruption pillar by, for instance, failing to promote and strengthen measures to prevent and combat corruption more efficiently and effectively or to promote integrity, accountability and proper management of public affairs and public property. It includes, among others, severe controversies regarding bribery of national public officials, abuse of functions, illicit enrichment, financial obstruction or irregularities, tax evasion or anti-competitive practices.
- Mallinckrodt PLC, CRRRC Corp LTD, Anhui Conch Cement Co LTD have breached the Human Rights pillar by failing to support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.
- Top Glove Corp BHD has breached the Labour Rights pillar by demonstrating poor labour practices at supplier level. It includes a case of forced and compulsory labour.
- Metallurgical Corp of China LTD, China Northern Rare Earth Group High Tech Co LTD, Inner Mongolia Baotou Steel Union Co LTD have breached the Environment pillar, facing severe controversies such as on deforestation activities, toxic chemicals production, use or transport, poor hazardous and radioactive waste management, pollution of the air, water and soil or destruction of biodiversity.

During that period, six other directly covered companies have lost their eligibility as a result of exceeding our exclusion thresholds for controversial activities.

Our company-wide controversial activities exclusions concern harmful activities that we believe present a serious negative impact from a financial and sustainability perspective. Investing in these activities presents systemic and reputational risks that cannot be compensated for through any financial considerations. Candriam excludes such activities from all directly-managed portfolios and encourages third parties to do the same.

It includes, among others, any involvement in the development, production, testing, maintenance, and sale of one or more of controversial weapons, referred as PAI14 in the SFDR, and deriving more than 10% of their revenues from coal extraction or coal-fired power generation, aligned with the PAI4.

- ICL Group LTD, Larsen & Toubro LTD and Stanmore Coal Limited found themselves in this situation by overexposing themselves to controversial weapons and thermal coal activities.

Other activities, whilst not universally controversial, are considered too risky for any investment that is marketed to sustainability-oriented investors. Candriam defined a list of such activities as well as specific revenue thresholds, beyond which firms involved in these activities will be excluded from sustainable portfolios.

- Candriam excluded ABB LTD as a result of an analysis on its business exposure to a country considered being an oppressive regime. A dialogue with the company proved unsatisfactory. As Candriam considers such an exposure a violation of social norms/rights, we excluded the company. These types of exclusion refer to PAI16 by the SFDR. On the other hand, the strengthening of Candriam's oil, gas and power generation exclusion policy, aligned with the PAI3 and 4, resulted in a change in the eligibility status of Metro Pacific Investments Corp and Indian Oil Corp LTD.

4.2. Monitoring

The integration of PAIs through monitoring is always done primarily at issuer level. It means that corporates, sovereigns and supranationals issuing bonds categorised as green are also subject to an ESG analysis integrating PAIs. Our green bond framework comprises analyses for both the issuers of green bonds as well as the instrument and project.

4.2.1. Corporates

Candriam integrates ESG information and analysis into investment decisions through the Business Activities and Stakeholder analysis in order to better assess the risks and opportunities that stem from the business and operations of companies.

- **Business activities analysis:** a strategic assessment of how companies' activities address and/or contribute to the key sustainable challenges including climate change, resource depletion and waste reduction, wellbeing, innovation, and demographic shifts. Based on physical performance metrics like CO2 emissions per kWh or per km run, we assess how business activities of companies contribute either positively or negatively to sustainable challenges and how they impact sustainability (PAI's).
- **Stakeholder analysis:** evaluation of how companies manage material stakeholder issues including those involving employees, clients, society, environment, suppliers, investors.

Principal Adverse Impacts are directly and/or indirectly integrated in Candriam's ESG analysis by assessing how companies contribute to key sustainable challenges that Candriam considers and/or how it interacts with its key stakeholders, either impacting directly (employees, clients, ...) or being impacted by (for example investors, clients ...). As a result, we consider that the integration of principal adverse impact is part of the ESG Rating and ESG scoring framework.

Candriam's ESG Rating and scoring framework considers the materiality of ESG issues for each industry/company by taking into account the impact (both in magnitude and importance) of ESG risks and opportunities inherent to each sector/industry and/or company. Thus, Principal Adverse Impacts are not always directly and/or equally integrated in our corporate ESG integration framework. That is, the ESG assessment of companies from sectors with high climate or diversity risks (and/or opportunities) will be driven by the way they avoid and/or reduce the environmental or social principal adverse impacts.

Environmental PAIs

Global warming is now a certainty, as demonstrated by the increases recorded in average global air and ocean temperatures, widespread melting of snow and ice and rising average global sea levels. Global greenhouse gas (GHG) emissions due to human activities have grown since pre-industrial times and have been on an exponential growth trajectory for the past three decades. The very strong correlation between the rise in human-induced CO₂ emissions and the rise in temperatures makes the anthropogenic cause of global warming undeniable, as highlighted once again by the IPCC in its latest report in August 2021. The transition towards net-zero economies requires drastic changes at pace and scale. It means using less energy, increasing the share of electricity in primary energy demand and sourcing this electricity from low-carbon sources. It requires transitioning away from fossil fuels as soon as possible in order to ensure that emissions peak globally and progressively decrease towards net zero by 2050.

In this context, activities contributing positively to both mitigation and adaptation need to be favoured in order to limit the negative impacts of climate change as well as growing climate-related physical risks. Our analysis of the contribution of each activity to climate change is based on internationally recognized analysis of the top contributing sectors to GHG emissions globally, as well as in-depth analysis by the International Energy Agency (IEA) on the level of progress achieved by each sector relative to its decarbonisation pathway. Candriam's framework takes into consideration scope 3 emissions of companies whenever they are material, that is for those sectors whose emissions are mainly coming from downstream activities, and relevant where emissions projections are possible.

For that reason, in its Business Activities analysis, Candriam takes into account GHG emissions (PAI1), the carbon footprint (PAI2), the GHG intensity of investee companies (PAI3), the exposure to companies active in the fossil fuel sector (PAI4) and the Investments in companies without carbon emission reduction initiatives (Optional Environment PAI4) through the Climate Change assessment.

Social PAI

Candriam acknowledges that best practices in term of corporate governance including the board and committee composition with regard to independence, availability, expertise and diversity (PAI13). Female representation is a proxy for active involvement in corporate governance.

Gender diversity is also assessed as part of the human capital assessment of the Stakeholders analysis. Indeed, companies that have more diverse management teams have 19% higher revenue due to innovation (BGC (2018), How diverse leadership teams boost innovation).

Moreover, company policies implementation and disclosure, including, but not limited to, those related to human rights (Optional Social PAI9), anti-corruption and anti-bribery (Optional Social PAI15) are taken into account in Candriam's ESG analysis.

4.2.2. Sovereign

On the sovereign side, our investible universe consists of those countries which perform best across our four categories of sustainable development criteria: Human Capital, Natural Capital, Social Capital, and Economic Capital. Additionally, our sovereign sustainability framework emphasizes the Natural Capital criteria by turning it into a multiplier for the other three capitals. Doing so, we create three environmentally efficient capitals in order to reflect the urgency of dealing with the environmental challenges ahead of us. The overall sustainability score of a country is the average of the three environmentally efficient capitals, calculated in such a way. As a result, it will be much harder for a country to compensate for environmental damage by creating another form of capital, as all capital scores will be evaluated through the environmental damage that was done in the creation of Human, Social, or Economic capitals.

These four capital domains incorporate a wide range of material ESG factors which we evaluate using our internally defined Key Performance Indicators, or KPIs. This generates a dynamic capital-based analytical tree, which covers the sustainable development challenges and opportunities faced by each nation.

Among the metrics used through the Natural Capital, Candriam integrates the PAI15 by paying attention to the 2°C Alignment by integrating the difference between emissions target of national commitment and

climate scenarios. We measure a country's exposure, sensitivity, and capacity to adapt to the negative effects of climate change and rank countries based on the amount of annual percentage reductions in GHGs each requires in order to meet their reduction commitments.

Among the metrics used through the Social Capital, Candriam integrates the PAI16 by incorporating a political violence assessment measuring the intensity and frequency of acts of politically motivated violence, including terrorism, conflict and civil unrest and the negative impacts of this strife on the society in which it occurs. We also assess the severity of international and non-international armed conflict. Armed conflict can cause profound disruption and at worst involving the physical destruction of population. Freedom of Expression and Belief, Freedom of the Press, Freedom of Opinion and Expression, Human Rights & Civil Liberties, Associational and Organizational Rights, Freedom of Assembly, Freedom of Association and Collective Bargaining, Personal Autonomy and Individual Rights, Land, Property and Housing Rights, Right to Privacy, Security Forces and Human Rights, Torture and other Ill-Treatment, Minority Rights, Sexual Minorities, Women's and Girls' Rights are all metrics that are composing the Social Capital score assuring the integration of the PAI16.

Moreover, our Social Capital integrates the Optional Sovereign PAI21 through our Rule of Law and Corruption factor. It takes into account international indexes such as the Corruption Perception Index or the Worldwide Governance Indicator on Control of Corruption.

4.2.3. Supranationals

In order to be eligible for the ESG universe, supranational organisations must have a mission that complies with the principles of sustainable development and must not make a negative contribution to economic, social, and environmental development of regions and countries.

4.3. Engagement & Voting

In 2021, when considering dialogue activities, the coverage can be pictured as follows:

% dialogues related to mentioned PAIs	PAI 1 to 6	PAI 7	PAI 8	PAI 9	PAI 10 & PAI 11	PAI 12 & PAI 13	PAI 14
Direct Engagement (out of a total 320 individual dialogues)							
0% - 1%			X				X
1% - 5%				X			
5% - 10%		X					
10% - 25%	X				X		
More than 25%						X	
Collaborative (out of a total of 10,500 dialogues, where Candriam played an active or passive role)							
0% - 1%							X
1% - 5%				X			
5% - 10%						X	
10% - 25%			X		X		
25% - 50%		X					
More than 50%	X						

Here below some examples of these engagement activities in 2021.

For Climate and related PAI1 to 6, when we deal with a systemic issue which may require a fundamental change in Candriam's ESG Analysis and its investments in investee companies, collaborative engagement is preferred as it gives more leverage. The CA100+ initiative and CDP Climate, among others, are taken into account but also the results from direct campaign we led on Financials & Climate. For more information about the outcomes of this direct campaign, please refer to our [2.021_02_financial_engagement_en_web.pdf \(candriam.com\)](#)

Regarding PAI7, and looking at our direct dialogues with companies, 2021 was the year of a specific [engagement campaign we launched on Pesticides](#).

Pollution controversies at 3M and Umicore and related direct dialogues we had with the issuers, are part of the engagements falling under this PAI. We also continued our engagement on Plastics (PAI 8), essentially via collaborative engagement both via the Plastic Solutions Investor Alliance, coordinated by As You Sow, and also the Washing Machine Plastic Microfibre Initiative.

For PAI10 and 11, several engagement initiatives have led to an escalation resulting in ineligibility to some categories of products. In particular, the engagement with ABB on its presence in Syria led to its ineligibility for Article 8 & 9 products, or engagement with Bayer and Vale which contributed to the extension of ineligibility from Article 8 & 9 products to Article 6, during 2021.

We also continued our direct engagement on diversity and inclusion in 2021, with a special focus on improving situation at a board level. These engagements can be linked to PAI12 or 13, depending on the specific issues tackled in our exchanges with corporates.

In 2021, none of our engagement / dialogue activity was related to PAI14.

On the voting side, considering the 2,060 ordinary and extraordinary meetings (about 26'600 resolutions) we voted for our open-ended equity funds, dedicated funds, and mandates under our Candriam Voting Policy, we were confronted to several resolutions directly linked to PAIs. Below a summary:

# resolutions related to mentioned PAIs	PAI 1 to 6	PAI 7	PAI8	PAI 9	PAI 10 & PAI 11	PAI 12 & PAI 13	PAI 14
Management Resolutions	20					12184	
ShareHolder Resolutions	75			9		4	1

For PAI1 to 6, and also linked to the voting activities but considered as escalation measures, we co-filed in 2021 a Climate resolution at a European Utilities. This resolution was withdrawn after new commitments from the company. In the same spirit, we also co-signed Climate-related statements or questions at Air Liquide, LyondellBasell and TotalEnergies over the period.

Regarding Say on Climate management resolutions, and in line with July 2021 IIGCC Investor statement Candriam supported, we developed an internal framework of analysis which is detailed in our 2021 Engagement & Voting Annual review.

Regarding actions planned for 2022, PAI1 to 6 will continue to be prevalent in our engagement activities (dialogue & vote). Candriam recent commitment to Net Zero Asset Manager Initiative will actually contribute to an increased activity in relation to these PAIs. PAI7 will also grow in importance as our internal expertise has grown on this topic over the past year and will enable us to target more specifically issuers as well as questions. We expect a similar level of activities on other PAIs.

Luxembourg - Brussels - Paris - London



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



€158 B

AUM as of
31 December 2021



600

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25 years

Leading the way in
sustainable investing

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