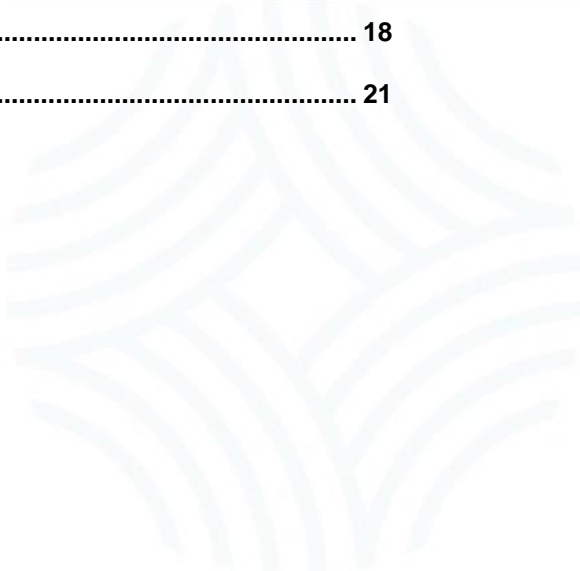




**Statement on the Principal
Adverse Impacts – PAI – of
decisions
on sustainability factors**

1. Contents.

- 1. Summary 3
- 2. Description of the PAIs of investment decisions on sustainability factors..... 5
- 3. Description of policies to identify and prioritize the PAIs of investment decisions on sustainability factors 12
- 4. Commitment policies 18
- 5. References to international standards..... 21



1. Summary

Candriam (LEI 549300XGY5ASDHYKF231) examines the Principal Adverse Impacts (PAIs) of its investment decisions on sustainability factors.

This consolidated statement of the Principal Adverse Impacts of the Candriam Group, which covers the period from 1 January to 31 December 2022, contains:

- A description of the PAI's of investment decisions on sustainability factors. Figures and a description of the actions taken to avoid or reduce the PAIs identified.
- A description of policies to identify and prioritize the PAIs, applicable from 30 June 2021. Candriam's Sustainability Risk Committee is responsible for validating these policies and monitoring their implementation.
- A description of commitment policies aimed at reducing the PAIs.
- A description of the internationally recognized frames of reference taken into account by Candriam.

Candriam takes the PAIs into account in its investment process, through: (1) our exclusion policies; (2) Candriam's proprietary ESG analysis and rating model; (3) and engagement with issuers and exercise of voting rights.

In terms of the environment, Candriam has decided to exclude the following from our scope of supply for 2022:

- 67¹ new companies after exceeding the 5% threshold for exposure to thermal coal activities;
- 228² new companies as a result of exceeding the 5% threshold for exposure to conventional oil and gas activities; and
- 14³ new companies after exceeding the 5% threshold for exposure to unconventional oil and gas.

To further reduce exposure to carbon-intensive emissions, the exclusion threshold for thermal coal in Candriam's global exclusion policy has been lowered from 10% to 5% in 2023. This measure aims to reinforce Candriam's commitment to sustainable development and environmental responsibility by aligning our internal policies with market standards for responsible investment management.

Beyond exclusions, Candriam strives to assess the impact of companies on climate change, notably through the analysis of GHG emissions linked to the use of their products or services, as well as their own operations. Companies whose products or services are associated with high GHG emissions, such as those operating in the fossil fuel or airline industries, generally score negatively in this assessment.

As for our corporate engagement activities over the year 2022, Candriam has decided to focus on a number of specific campaigns, namely:

- The *Net Zero* campaign: aims to support an active and effective energy transition in invested companies to align their activities on a trajectory that will limit global warming to 1.5°C. We focus on the main contributors to our portfolios' greenhouse gas emissions (based on weighted average carbon intensity, Scope 1-2-3) and have started this multi-year dialogue with 47 priority targets in 2022.
- Specific campaign on green bonds: this campaign is specifically aimed at engaging issuers on the subject of green bond impact reporting, calling for greater disclosure, granularity and relevance of reported key performance indicators.

¹ Perimeter for all financial products applying the "Level 1, 2A, 2B or 3" exclusion policy, a Candriam-wide exclusion level.

² Scope across all financial products applying Candriam's "Level 2A or 3" exclusion policy.

³ Scope across all financial products applying Candriam's "Level 2A or 3" exclusion policy.



In terms of collaborative dialogue, beyond the CDP climate surveys and Science Based Target which continue to effectively promote greater transparency on emissions and targets and feed into our analysis, CA100+ (including the Paris Accounting initiatives) remains the collaborative initiative through which we achieve the greatest leverage. Its influence has grown considerably since 2017. Phase 2 (2023-2030) will focus on transforming high-level commitments into solid, meaningful targets and concrete decarbonization strategies.

On the social front, Candriam has decided to exclude the following companies in 2022:

- 17⁴ new companies for significant and repeated breaches of international social, human rights and anti-corruption standards; and
- 2⁵ new companies because of their share of investment in companies involved in the manufacture or sale of controversial weapons.

When companies fail to publish a human rights policy, Candriam's proprietary ESG integration model takes this into account and impacts their ESG quality and score. When ESG quality is too severely impacted, the companies in question are no longer eligible for Candriam's article 9 classified financial products. When it comes to anti-corruption, Candriam analyzes the presence of top management responsibility (e.g., a specific policy commitment, including oversight and scope of the policy - including internal and external stakeholders such as suppliers), the monitoring mechanism in place (e.g., a confidential reporting channel, an external verification assessment), and the extent of reporting of this commitment and initiatives in place (including dedicated employee training on the subject). This analysis is in addition to a preliminary examination of a company's exposure to corruption-related scandals or controversies.

Finally, our engagement activities relating to potential violations of one of the UN Global Compact principles focused on human rights due diligence for companies with a significant presence in Russia (in the context of the Russian-Ukrainian conflict) or Myanmar (following the military coup).

⁴ Scope across all financial products applying Candriam's "Level 2A or 3" exclusion policy.

⁵ Scope across all financial products applying the "Level 1, 2A, 2B or 3" exclusion policy, a Candriam-wide exclusion level.



2. Description of the PAIs of investment decisions on sustainability factors

Table 1:

Adverse sustainability indicator						
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Greenhouse gas emissions	1. GHG* emissions	Scope 1 GHG emissions	3,316,240	N/A	Expressed in absolute terms Sources: Candriam, Trucost Unit of measurement: tCO ₂ -eq Coverage**: 96%.	<p>Exclusions</p> <p>In addition to companies involved in the exploration and extraction of thermal coal, electricity-generating companies with a carbon intensity (PAI 3) greater than 374 gCO₂/kWh, or with increasing coal-fired power generation capacity, are considered risky for inclusion in sustainable investments, even if they are not universally controversial.</p> <p>Given that emissions vary according to electricity generation sources, it is important to assess the carbon footprint per kilowatt-hour (kWh) to determine how closely companies are aligned with the 2 degrees Celsius trajectory. This is why Candriam includes the carbon intensity of energy producers in our sustainability assessment.</p> <p>Where carbon intensity data is not available, Candriam's ESG analysts use other indicators to assess alignment with the Paris Agreement, such as progress in the energy transition in line with Paris Agreement targets and integration of a 1.5°C limit scenario, taking into account investment plans and the credibility of carbon neutrality targets. These indicators are forward-looking and evolve over time to reflect the progress made by companies in their transition.</p> <p>For Candriam's Article 9 funds, the carbon intensity threshold in 2022 was set at 374 gCO₂/kWh. This year, in addition to the companies already excluded, 30 companies lost their eligibility by exceeding this threshold.</p> <p>Exposure to fossil fuels (PAI 4) is also subject to various exclusions for all Candriam funds.</p> <p>Thermal coal is a damaging activity with serious negative financial and sustainability implications. Investing in this business presents systemic and reputational risks that cannot be offset by financial considerations.</p> <p>For all of Candriam's funds, companies that derive more than 10% of their sales from coal mining or coal-fired power generation are ineligible for investment, in accordance with PAI 4. In addition to the companies that remained ineligible, 48 companies lost their eligibility by exceeding this threshold in 2022.</p> <p>The exclusion threshold for thermal coal is even stricter for Article 9 funds.</p> <p>Companies deriving more than 5% of their sales from coal mining, coal-fired power generation and coal exploration, processing, transport and distribution are excluded.</p> <p>Please note that in 2023 for all Candriam funds, the exclusion threshold for thermal coal has been lowered to 5%, aligning with the exclusion threshold for Article 9 funds for this economic activity, as explained below in the Monitoring paragraph.</p>
		Scope 2 GHG emissions	1,014,823	N/A	Expressed in absolute terms Sources: Candriam, Trucost Unit of measurement: tCO ₂ -eq Coverage*: 96%.	
		Scope 3 GHG emissions	N/A	N/A	N/A	
		Total GHG emissions	4,331,064	N/A	Expressed in absolute terms Sources: Candriam, Trucost Unit of measurement: tCO ₂ -eq Coverage*: 96%.	
		2. Carbon footprint	Carbon footprint	52.61	N/A	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Candriam, Trucost Unit of measurement: tCO ₂ -eq / million euros invested Coverage*: 96%.
		3. GHG intensity of investee companies*	GHG intensity of investee companies	120.84	N/A	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Candriam, Trucost Unit of measurement: tCO ₂ -eq / million euros of sales Coverage*: 96%.
						<p>In addition, companies with oil and gas exposure in excess of 5% are ineligible for investment by Article 9 funds.</p> <p>Candriam excludes from all its sustainable investments companies that derive more than 5% of their sales from the exploration, extraction, refining and transportation of conventional oil and gas. Companies with more than 5% exposure to unconventional oil and gas are also excluded from Candriam's article 9 funds.</p> <p>In 2022, in addition to the companies directly covered that remained ineligible, 67 companies lost their eligibility by exceeding the 5% threshold of exposure to thermal coal activities, 228 companies lost their eligibility by exceeding the 5% threshold of exposure to conventional oil and gas activities, and 14 companies lost their eligibility by exceeding the 5% threshold of exposure to unconventional oil and gas activities.</p> <p>Monitoring</p> <p>Candriam assesses the impact of companies on climate change, in particular through the analysis of GHG emissions linked to the use of their products or services, as well as their own operations (PAI 1 to 3 and optional environmental PAI 4).</p> <p>Companies whose products or services are associated with high GHG emissions, such as those operating in the fossil fuel or airline industries, generally score negatively in this assessment. Indeed, these companies make a major contribution to climate change, being responsible for a significant share of GHG emissions. Their environmental impact is considered detrimental and incompatible with sustainable development objectives. As such, they are not considered sustainable investments according to Candriam's criteria.</p> <p>Tracking companies' CO₂ emissions is therefore crucial to protecting the environment and combating climate change, and is an important tool for Candriam, which seeks to invest in responsible, sustainable companies.</p> <p>In addition, Candriam's ESG analysis model measures the share of fossil fuels (PAI 4) in various sectors, such as exploration and production, transportation, refineries, oil and gas industry services, utilities (electricity and gas), mining, as well as thermal coal. This model provides a comprehensive view of the contribution of these industries to climate change, enabling us to make informed sustainable investment decisions and identify opportunities for transition to cleaner energy sources.</p>

Biodiversity	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	3.71	N/A	Expressed in terms of assets under management Sources: Candriam, MSCI Unit of measurement: percentage Coverage*: 97%.	<p>In 2023, the exclusion threshold for thermal coal in Candriam's global exclusion policy was lowered from 10% to 5%, thus aligning with the exclusion threshold in the SRI exclusion policy. This measure aims to reinforce Candriam's commitment to sustainable development and environmental responsibility by aligning its internal policies with market standards for responsible investment management.</p> <p>Commitment</p> <p>In 2022, of the 427 direct dialogues and 2,074(*) collaborative dialogues (active and passive) we had with companies, 21% and 13% (*) respectively concerned PAI1 to PAI6.</p> <p>In terms of direct dialogue, in addition to the one-to-one dialogue initiated to support our investment decision-making, which almost systematically addressed the challenge of energy transition as well as the commitment, strategy and performance of current companies, we worked on three specific campaigns:</p> <ul style="list-style-type: none"> - The <i>Net Zero campaign</i> : a natural continuation of our climate commitment and fully aligned with Candriam NZAM's commitment, it aims to support an active and effective energy transition in invested companies in order to align their activities with a trajectory that will limit global warming to 1.5°C. We are focusing on the main contributors to our portfolios' greenhouse gas emissions (based on weighted average carbon intensity, Scope 1-2-3) and have initiated this multi-year dialogue with 47 priority targets in 2022 - Scope 4 campaign (avoided emissions): Candriam contacted capital sector players with advanced Scope 4 practices to obtain further information on their methodology and overall Scope 4 reporting journey, as well as next steps for them and their views on the industry. - Specific campaign on green bonds: this campaign is specifically aimed at engaging issuers on the subject of green bond impact reporting, calling for greater disclosure, granularity and relevance of reported key performance indicators. <p>In terms of collaborative dialogue, alongside the CDP Climate and Science based Target surveys, which continue to effectively promote greater transparency on emissions and targets, and feed into our analysis, CA100+ (including the Paris Accounting initiatives) remains the collaborative initiative through which we achieve the greatest leverage. Its influence has grown considerably since 2017. Phase 2 (2023-2030) will focus on transforming high-level commitments into solid, meaningful targets and concrete decarbonization strategies.</p> <p>As far as voting activities are concerned, all climate-related proposals are analyzed internally to ensure consistency between our ESG opinion, our history of engagement and the way we vote. In 2022, we voted :</p> <ul style="list-style-type: none"> - 32 Say-on-Climate proposals sponsored by management, supporting only 6 of them, - 83 climate-related shareholder proposals and supported 71 of them.
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	72.16	N/A	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Candriam, MSCI Unit of measurement: percentage Coverage*: 86%.	<p>We have co-tabled 2 climate resolutions (at a French oil company and a European bank). Although they were not ultimately included on the agenda, these two resolutions contributed to significant improvements on the part of the companies concerned, in terms of commitment and transparency.</p> <p>Our opinion on climate strategy also influences our votes on more "standard" voting points: in 2022, we voted "Against" the financial statements and statutory reports, and/or the reappointment of auditors and/or the remuneration of auditors in 8 companies, for not having sufficiently integrated climate information when preparing or auditing the financial statements.</p> <p>More information is available in our annual engagement and voting review, at https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications.</p> <p>(*) this does not include the 8,617 CDP Climate and SBTis surveys we have supported. Taking these surveys into account, collaborative dialogues linked to PAI 1 to PAI 6 account for 62% of the total.</p> <p>Please note that Candriam joined the Net Zero Asset Managers Initiative in November 2021 and published its initial target in November 2022. (for more information on the commitments, please consult the following link: https://www.netzeroassetmanagers.org/signatories/candriam/)</p>
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.54	N/A	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Candriam, MSCI Unit of measurement: GWh / million euros of sales Coverage*: 89%.	
		NACE code A	0.00	N/A		
		NACE code B	0.02	N/A		
	NACE code C	0.33	N/A			
	NACE code D	0.12	N/A			
	NACE code E	0.01	N/A			
	NACE code F	0.00	N/A			
	NACE code G	0.01	N/A			
	NACE code H	0.03	N/A			
	NACE code L	0.02	N/A			
7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	2.98	N/A	Expressed in terms of assets under management Sources: Candriam, MSCI Unit of measurement: percentage Coverage*: 97%.	<p>Commitment</p> <p>In 2022, of our direct and collaborative dialogues (active and passive) with companies, 16% and 30% (*) respectively concerned PAI 7 and/or PAI 8.</p> <p>The majority of our direct dialogues concerning PAI 7 or PAI 8 have been triggered by reviews of our ESG opinion of issuers, with specific questions put to companies. The rest of the dialogues with certain oil companies were motivated by controversies such as the oil spill in Peru or the impact of operations in sensitive areas.</p> <p>Many of our collaborative initiatives deal with biodiversity and/or water issues. They are generally thematic or sector-based: the Investor Mining & Tailings initiative, the Marine Microplastic Pollution, the Plastic Solutions Investor Alliance or the recent Biodiversity initiative launched by FAIRR and focusing on manure management by livestock farmers and agrochemical companies. Financial companies are also targeted, as the ShareAction initiative 'Letter to the world's banks' requires a strong commitment to climate and biodiversity issues.</p> <p>As far as voting activities are concerned, none of the resolutions we voted on were related to PAI 7 or PAI 8.</p>	



Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	59.20	N/A	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Candriam, MSCI Unit of measurement: tCO ₂ -eq / million euros invested Coverage*: 19%.	<p>More information is available in our annual engagement and voting review, under https://www.candriam.com/en/professionalinsight-overview/publications/#sri-publications.</p> <p>(*) this does not take into account the CDP Forest & Water surveys we supported. Taking these surveys into account, collaborative dialogues linked to PAI 7 and PAI 8 account for 80% of the total.</p>
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	1.39	N/A	Expressed in terms of exposure to eligible assets for which data have been completed Sources: Candriam, MSCI Unit of measurement: tCO ₂ -eq / million euros invested Coverage*: 39%.	<p>Commitment</p> <p>In 2022, less than 1% of our direct and collaborative dialogues (active and passive) with companies concerned PAI 9 (*). The subject was discussed directly with the companies, mainly as part of a global ESG dialogue with the companies, where the various challenges they face were examined by the analyst covering them. The dialogue linked to the management of the oil spill by an oil company in Peru is also linked to PAI 9 and to the FAIRR initiative on manure management.</p> <p>As far as voting activities are concerned, only the nuclear-related shareholder resolutions passed in 2022 at the AGM of a major electricity supplier in Japan were recorded as related to PAI 9. We actually voted "against", as the shareholder requests fell within the remit of management and the Board of Directors.</p> <p>More information is available in our annual engagement and voting review, under https://www.candriam.com/en/professionalinsight-overview/publications/#sri-publications.</p> <p>(*) CDP surveys are not included in the calculation.</p>
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.65	N/A	Expressed in terms of assets under management Sources: Candriam, Sustainalytics & MSCI Unit of measurement: percentage Coverage*: 98% The figure for the Candriam entity has been calculated on the basis of the most severe level of exclusion, i.e. "Level 3" exclusion. This explains why the figure for the Candriam entity, including funds classified under Article 6, is not equal to 0% for 2022.	<p>Exclusion</p> <p>In accordance with PAI 10, Candriam's normative 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), Labor Rights (LR), Environment (ENV) and Anti-Corruption (AC). The United Nations Declaration of Human Rights, the ILO Fundamental Conventions and the OECD Guidelines for Multinational Enterprises are among the many international references incorporated into our model. Consequently, human rights, labor standards, corruption and discrimination are all covered by this analysis.</p> <p>In Candriam's "Level 1" company exclusion policy, companies that have committed the most serious violations of the UN Global Compact principles are excluded. This list focuses on a strict interpretation of violations of the UN Global Compact, as assessed by Candriam's ESG analysts. In this list, 4 companies directly covered remained ineligible in 2022 for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.</p> <p>Candriam's article 9 classified financial products apply the most stringent level, namely the standards-based "Level 3" exclusion, aimed at identifying companies subject to serious and very serious controversies in terms of impact, duration, frequency or lack of response from company management.</p> <p>17 companies lost their eligibility in 2022 for significant and repeated breaches of international social, human, environmental and anti-corruption standards, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises.</p> <p>Credit Suisse is a case in point, as the bank has been the subject of serious corruption charges, following a massive leak revealing hidden funds belonging to customers involved in serious crimes such as torture, drug trafficking and money laundering. Despite Cr�dit Suisse's repeated promises to regularize the situation, the investigation revealed significant failings in the bank's due diligence. The bank's governance has also been criticized and has been implicated in several investigations and lawsuits for alleged market manipulation. These factors have led to a negative opinion of the company and a red category rating in our normative analysis with regard to governance and corruption.</p> <p>Monitoring</p> <p>When companies fail to comply with the 10 principles of the United Nations Global Compact (PAI 10), Candriam's normative analysis makes them ineligible for certain financial products classified as article 8 and for all financial products classified as article 9.</p>



<p>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</p>	<p>Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises</p>	<p>3.75</p>	<p>N/A</p>	<p>Expressed in terms of assets under management Sources: Candriam, MSCI Unit of measurement: percentage Coverage*: 97%.</p>	<p>In addition, Candriam's proprietary ESG integration model tracks the evolution of controversies and companies' actual weaknesses in relation to these principles, in order to take them into account before they lead to a violation.</p> <p>When Candriam's proprietary ESG integration model detects these controversies and weaknesses, the quality and ESG score of issuers are impacted. When ESG quality is too severely impacted, the companies in question are no longer eligible for Candriam's article 9 classified financial products.</p> <p>For example, during 2022, the ESG quality of a world leader in call centers was downgraded by Candriam on this basis. In fact, this company is exposed to high-risk countries, with half its employees concentrated in India, the Philippines, Mexico and Colombia, i.e. in countries where workers' rights are more likely to be flouted for want of sufficient guarantees. Coupled with this exposure, social dialogue within the company is stagnating, with trade unions recognized in only 19 of the 88 countries in which it operates, covering 40% of employees. Only 26% of employees are covered by collective agreements (no major improvement in two years). Finally, the weakness of control mechanisms and employee-focused assessments led to controversies beginning in 2018 based on demands and pressure from trade unions and human rights organizations, but also investors, to strengthen the implementation of the "duty of care". In 2020, this multinational faced complaints from employees in several countries about poor working conditions and violations of employee rights during the covid-19 epidemic.</p> <p>At Candriam, we have been engaging with the company and its stakeholders since 2019 on an individual basis but also as part of a collaborative engagement alongside other investors. These exchanges focused on social and governance issues. Over time, we have shared with the company not only our concerns, but also examples of good practice that we would like to see the company adopt. While dialogue has undoubtedly helped to advance certain aspects, we have not observed sufficient progress on crucial points such as: the quality of social dialogue and its measurement, the completeness of external social audits, the robustness of social performance indicators (including those used to set executive remuneration¹) or the balance of power at board level.</p> <p>This triggered questions to the board at the last general meeting in April 2022. As responses to our concerns were not deemed sufficiently convincing, we took escalating action and the company became ineligible for our Article 9 financial products in September 2022, following the downgrading of its ESG score from ESG4 to ESG6.</p> <p>Commitment</p> <p>In 2022, concerning our direct and collaborative dialogues (active and passive) with companies, respectively 17% and 71% of them concerned PAI 10, 10% and 18% of them PAI 11 (*).</p> <p>When our dialogues concern the proper implementation of risk management systems, we have chosen to link this to PAI 11, whereas dialogues linked to PAI 10 concern exchanges relating to potential violations of one of the UNGC principles. Dialogues with a Taiwanese industrial group specializing in the manufacture of electronic products or a British video game development and publishing company on accusations of poor working conditions, as well as exchanges linked to human rights due diligence for companies with a significant presence in Russia (in the context of the Russian-Ukrainian conflict) or Myanmar (following the military coup) are examples of dialogues falling into this category.</p> <p>In terms of voting activities, we supported the vast majority of shareholder resolutions relating to human rights or to our presence in high-risk countries. More information is available in our annual engagement and voting review, under https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications.</p> <p>(* CDP surveys are not included in the calculation.</p>
<p>12. Unadjusted gender pay gap</p>	<p>Average unadjusted gender pay gap of investee companies</p>	<p>12.15</p>	<p>N/A</p>	<p>Expressed in terms of exposure to eligible assets for which data have been completed Sources: Candriam, MSCI Unit of measurement: percentage Coverage*: 25%.</p>	<p>Commitment</p> <p>In 2022, concerning our direct and collaborative dialogues (active and passive) with companies, respectively 12% and 47% of them were related to PAI 12. (*)</p> <p>Most of our dialogues (collaborative or direct) addressing the issue of good diversity and inclusion management focus on the gender pay gap, which explains the figure above. Our support for the Workforce Disclosure Initiative is reflected in these statistics. As part of our voting activities, we supported the 4 shareholder resolutions on the voting of our portfolios and linked to the PAI 12.</p> <p>More information is available in our annual engagement and voting review, under https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications.</p> <p>(* CDP surveys are not included in the calculation.</p>
<p>13. Board gender diversity</p>	<p>Average ratio of female to male board members in investee companies, expressed as a percentage of all board members</p>	<p>35.96</p>	<p>N/A</p>	<p>Expressed in terms of exposure to eligible assets for which data have been completed Sources: Candriam, ISS-Oekom Unit of measurement: percentage Coverage*: 90%.</p>	<p>Monitoring</p> <p>Candriam's proprietary ESG integration model takes into account the promotion and application of gender diversity on company boards. When a company fails in this respect, it can have an impact on its ESG score and eligibility. When ESG quality is too severely impacted, companies are no longer eligible for financial products classified article 9 by Candriam.</p> <p>For example, the low gender diversity on the board of directors (13%) of a Japanese company, whose main business is the manufacture and sale of dairy and pharmaceutical products, contributed to the deterioration of the company's Investor score. The Investor Score, an integral part of Candriam's stakeholder analysis, evaluates various aspects such as the quality of governance, corruption and accounting standards. This score also assesses gender diversity on company boards.</p> <p>Commitment</p> <p>In 2022, concerning our direct and collaborative dialogues with companies, respectively 6% and 42% of them were related to PAI 13. (*)</p> <p>The "French 30% Club", which we co-lead to increase gender diversity at board and senior management level, is attached to PAI 13. For direct dialogues, the vast majority of our pre-GM dialogues are also linked to this PAI 13, since a minimum presence of women at board level is required for all regions. This is a subject we discuss with the companies we hire before their AGMs. As a result, and since our voting instructions depend in part on the sufficient presence of women on the Board, all voting elements for director elections are also linked to the PAI13.</p> <p>More information is available in our annual engagement and voting review, under https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications.</p> <p>(* CDP surveys are not included in the calculation.</p>
<p>14. Exposure to controversial weapons (anti-personnel mines,</p>	<p>Share of investments in investee companies involved in the manufacture or selling</p>	<p>0.00</p>	<p>N/A</p>	<p>Expressed in terms of assets under management Sources: Candriam,</p>	<p>Exclusion</p> <p>Candriam is firmly committed to excluding from all its investments companies directly involved in the development, production, testing, maintenance and sale of controversial weapons (anti-personnel landmines, cluster bombs, depleted uranium weapons and armor, chemical weapons, biological weapons and white phosphorus weapons). We consider these damaging activities to present systemic and reputational risks.</p>



<p>cluster munitions, chemical weapons and biological weapons)</p>	<p>of controversial weapons</p>			<p>ISS-Ethix Unit of measurement: percentage Coverage*: 98%.</p>	<p>For certain financial products classified as article 8 and for all our financial products classified as article 9, we also exclude companies involved in conventional weapons which account for more than 3% of their sales, thus reinforcing our global weapons policy.</p> <p>During 2022, in addition to the companies already excluded, two companies lost their eligibility due to their involvement in these activities.</p> <p>Monitoring</p> <p>As part of Candriam's ESG framework, weapons are taken into account in our negative screening approach, which includes an analysis of controversial activities.</p> <p>When assessing companies' exposure to weapons, it is essential to distinguish between conventional and controversial weapons, the latter having been banned by several international treaties due to their harmful and non-discriminatory impact on civilian populations. For this reason, Candriam excludes companies with exposure to controversial weapons at both ESG and corporate levels.</p> <p>For this reason, we are aligned with PAI 14 regarding exposure to controversial weapons. However, certain residual positions may be held within management mandates or delegated portfolios at the request of clients who may have a different interpretation and/or source of data.</p> <p>Commitment</p> <p>In 2022, none of our direct or collaborative dialogues with companies touched on this PAI 14. Still, we had to vote on 3 shareholder resolutions calling for greater transparency on specific arms sales or military contracts in three US companies, and we supported all three.</p> <p>More information is available in our annual engagement and voting review, under https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications.</p> <p>(* CDP surveys are not included in the calculation.</p>
--	---------------------------------	--	--	--	---



Indicators applicable to investments in sovereigns and supranationals					
Adverse sustainability indicator	Metric	Impact [year n]	Impact [year n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investment countries	246.37	N/A	<p>Expressed in terms of exposure to eligible assets for which data have been completed Sources: Candriam, EDGAR Unit of measurement: tCO₂-eq / million euros invested Coverage*: 95%.</p> <p>Monitoring</p> <p>The European Union's SFDR aims to improve transparency and promote sustainable investment, but there are problems with the reliability of carbon intensity data. In fact, standardized carbon intensity data are influenced by fluctuations in oil and gas prices, as well as by currencies.</p> <p>To avoid relying on data that can easily be misleading, Candriam's proprietary model of sovereign issuers integrates a country's emissions reduction efforts by sector, and assigns penalties according to the difficulty of decarbonizing each sector. It also takes into account the breakdown of emissions by fuel for each sector, and assesses the efficiency with which a country uses new renewable energy capacity. The models indicate that the continued use of coal-fired power plants, when cheaper renewables are available, will suffer the most, followed by oil, gas and other fossil fuels. The results of the emissions model modify the overall carbon intensity of the economy according to a country's decarbonization efforts and the types of fuel it uses. This will enable a more accurate assessment of a country's decarbonization efforts.</p> <p>By assigning penalties based on sector-specific decarbonization challenges and fuel choices, Candriam's model can encourage countries to switch to more sustainable practices and meet their decarbonization targets.</p> <p>Bahrain is an example of a sovereign issuer that has seen its ESG score fall in part due to its carbon intensity. Bahrain's economy is highly carbon-intensive - the country is in the world's top 3 in terms of energy consumed per capita, and 100% of energy production depends on fossil fuels. What's more, 60% of exports and 70% of government revenues depend on the extraction of fossil fuels. Bahrain's sustainability score was therefore strongly affected by the imposition of GHG/CO₂ intensity measures in the model. The natural capital score fell from the 29th percentile to the 2nd percentile, and its overall sustainability score was halved, from 28.1 to 14.2.</p> <p>Engagement</p> <p>Engagement with sovereign issuers linked to PAI 15 takes place primarily via the Global Investor Statement, such as, in 2022, the Global Investor Statement to Governments on the Climate Crisis, usually sent to state representatives ahead of the G7-G20 or the annual UN Climate COP.</p> <p>More information is available in our annual engagement and voting review, at https://www.candriam.com/en/professional/insight-overview/publications/#sri-publications.</p>
Social	16. Investee countries subject to social violation	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	0.00	N/A	<p>Expressed in terms of assets under management Source: Candriam Unit of measurement: percentage Coverage*: 98%.</p> <p>Exclusion</p> <p>Our list of repressive regimes is made up of countries in which human rights are regularly violated, fundamental freedoms are systematically denied and personal safety is not guaranteed due to government failure and systematic ethical violations. We are also extremely vigilant with regard to totalitarian states or countries whose governments are involved in a war against their own people.</p> <p>To compile the list of repressive regimes, we rely on data provided by external sources, such as Freedom House's Index of Freedom in the World, the World Bank's Governance Indicators and the Economist Intelligence Unit's Democracy Index, which guide our qualitative examination of non-democratic countries.</p> <p>For this list of countries, Candriam's analysts have developed processes that apply to both sovereign and corporate investments, including exclusion, mitigation and engagement processes based on our risk assessment. Candriam considers debt issued by sovereign or quasi-sovereign entities on the list of repressive regimes to be ineligible for investment.</p> <p>For example, Russian sovereign debt was excluded from the investable universe for financial products classified as article 9 at the time of the invasion of Ukraine, and had already been ineligible for many years.</p> <p>However, given the seriousness of the violation of international treaties and the actions of the Russian army on Ukrainian territory, Russia has been declared an oppressive regime, making Russian sovereign debt ineligible for investment on a corporate scale.</p> <p>Monitoring</p> <p>Social violations are deeply integrated into Candriam's sovereign ESG analysis framework. It is in this context that Hong Kong, for example, has seen its ESG score drop in part due to social issues and a crackdown on civil liberties following the 2021 electoral reform. Hong Kong has passed a controversial electoral reform law aimed at removing from positions of political power those whom China considers "unpatriotic". This reform will allow a pro-Chinese committee to verify and elect candidates, thus reducing democratic representation.</p> <p>As a result, our sovereign analysis framework has negatively impacted the country's social capital score, taking it from the 86th percentile to the 74th percentile in the 2022 update, and leading to a 21-place downgrade (from 21st in 2020 to 42nd in 2022) due to an overall score change from 53.3 to 41.5, partly attributed to the deterioration in the social capital score.</p>



Table 2: Additional climate and other environment-related indicators

Adverse sustainability indicator					
Adverse sustainability indicator	Measuring element	Impacts [year n]	Impacts [year n-1]	Explanation	Measures taken, measures planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	11.36	N/A	<p>Expressed in terms of assets under management Source: MSCI Unit of measurement: percentage Coverage*: 97%.</p> <p>See measures taken for PAIs 1 to 6</p> <p>In addition, for any companies that have no initiative to reduce their carbon emissions in order to comply with the Paris Agreement, Candriam intends to assess opportunities for dialogue with companies based on the short/medium-term evolution of our external provider's data.</p>

Table 3: Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Indicators applicable to investments in companies					
Adverse sustainability impact	Measuring element	Impacts [year n]	Impacts [year n-1]	Explanation	Measures taken, measures planned and targets set for the next reference period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Human rights	9. Lack of human rights policy	Share of investments in entities without a human rights policy	6.26	N/A	<p>Expressed in terms of assets under management Source: MSCI Unit of measurement: percentage Coverage*: 97%.</p> <p>Monitoring</p> <p>When companies fail to publish a human rights policy, Candriam's proprietary ESG integration model takes this into account and impacts their ESG quality and score. When ESG quality is too severely impacted, the companies in question are no longer eligible for financial products classified article 9 by Candriam.</p> <p>For example, although an American mass retailer operating supermarket in the Western United States provides, as part of its Code of Conduct, a paragraph on human rights narrowly focused on labor standards and harassment, this does not include all the elements necessary to compose a human rights policy according to Candriam. We consider that the human rights topics addressed in such a policy should include a variety of human rights issues beyond the focus on labor. As a result, the company's analysis was revised during 2022 to incorporate, in part, the weakness of its human rights policy.</p> <p>Although the initial rating did not qualify the company for financial products classified as article 9 by Candriam, it was downgraded from ESG8 to ESG9.</p>
Fighting corruption and corrupt practices	15. Lack of anti-corruption and anti-bribery policies	Share of investments in entities without policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption	2.90	N/A	<p>Expressed in terms of assets under management Source: MSCI Unit of measurement: percentage Coverage*: 97%.</p> <p>Monitoring</p> <p>The company's stance and management against corruption are among the indicators we analyze in our own ESG analysis framework. We assess them by analyzing the presence of top management responsibility (e.g., a specific policy commitment, including oversight and the scope of the policy - including internal and external stakeholders such as suppliers), the monitoring mechanism in place (e.g., a confidential reporting channel, an external verification assessment), and the extent of reporting of this commitment and initiatives in place (including dedicated employee training on the subject). This analysis is in addition to a preliminary examination of a company's exposure to corruption-related scandals or controversies.</p>

* Exclusion of green bonds

** The coverage rate applies only to eligible assets for which data have been completed.



3. Description of policies to identify and prioritize the PAIs of investment decisions on sustainability factors

A. Governance

Candriam has set up a company-wide ESG governance structure to ensure appropriate monitoring and information flow with regard to ESG issues and impacts.

The Group Strategy Committee (GSC), assisted by Candriam's ESG and CSR experts, defines the strategic orientations of ESG investment (from a product and commercial point of view) and corporate risk related to sustainable development.

The Sustainability Risk Committee, co-led by Candriam's ESG and Risk Management teams, oversees the process of managing the PAIs on the sustainability factors of the companies and countries in which we have invested. This follow-up is based on 3 pillars:

- In terms of Environmental, Social and Governance Risks, presentation of ESG analysis and due diligence, with identification of poor ESG performance and proposals for appropriate action;
- Review and validation of policies (listed below) and processes with final decision on actions ;
- Supervision of PAI assessments.

When an ESG breach that could potentially lead to a PAI on a sustainability factor is detected for an issuer, the ESG team proposes appropriate action to the Sustainability Risk Committee for decision, and in some cases escalates directly to the Group Strategy Committee. These actions can take the form of:

- Engaging and initiating dialogue,
- Exclusion, or
- Monitoring.

Key policies :

Name	Last approval date
Sustainability risk management policy	2021
Exclusion policy	2023
Commitment and voting policy	2022
Climate policy	2023
Human Rights Policy	2023

B. Identifying and prioritizing the PAIs

Candriam's ESG analysis team takes into account major sustainability trends as well as challenges specific to different sectors and regions. The process of ESG analysis and monitoring of violations of international standards, which underpins Candriam's internal ESG rating system as described in section C, enables potential adverse impacts to be identified and prioritized, taking materiality into account,

The table below shows the sustainability indicators for the PAIs, their integration into the ESG analysis and Candriam's ESG rating model. This integration is based on the level of materiality or probable materiality of each indicator, also indicated below.

Indicators for investments in companies		
Sustainable development theme	Sustainability indicator for PAIs	Explanation
CLIMATE AND OTHER ENVIRONMENTAL INDICATORS		
Contribution to climate change mitigation - Greenhouse gas emissions	GHG emissions (PAI 1)	Integrated into Candriam's ESG analysis and rating model Sources: Candriam, Trucost
	Carbon footprint (PAI 2)	Integrated into Candriam's ESG analysis and rating model Sources: Candriam, Trucost
	GHG intensity of investee companies (PAI 3)	Integrated into Candriam's ESG analysis and rating model Sources: Candriam, Trucost
	Exposure to companies active in the fossil fuel sector (PAI 4)	Integrated into Candriam's ESG analysis and rating model and average data quality Sources: Candriam, MSCI
	Share of non-renewable energy consumption and production (PAI 5)	Integrated into Candriam's ESG analysis and rating model, but data quality is poor Sources: Candriam, MSCI
	Energy consumption intensity per high impact climate sector (PAI 6)	Integrated into Candriam's ESG analysis and rating model, but data quality is poor Sources: Candriam, MSCI
Preserving the natural environment and ecosystems⁶	Activities negatively affecting biodiversity-sensitive area (PAI 7)	Integrated into Candriam's ESG analysis and rating model, but low data quality Sources: Candriam, MSCI
	Emissions to water (PAI 8)	Integrated into Candriam's ESG analysis and rating model, but low data quality Sources: Candriam, MSCI
	Hazardous waste ratio (PAI 9)	Included in Candriam's ESG analysis and rating model, but data quality is poor. Sources: Candriam, MSCI

⁶ Candriam is developing a proprietary solution to remedy the poor quality of data linked to the preservation of the natural environment and ecosystems.



SOCIAL AND EMPLOYEE-RELATED ISSUES, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY		
No exposure to companies associated with controversial or illegal practices	Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 10)	Integrated into Candriam's ESG analysis and rating model Sources: Candriam, MSCI
	Lack of processes and compliance mechanisms to monitor adherence to the UN Global Compact principles (PAI 11)	Integrated into Candriam's ESG analysis and rating model, but data quality is poor Sources: Candriam, MSCI
	Unadjusted gender pay gap (PAI 12)	Integrated into Candriam's ESG analysis and rating model, but data quality is poor Sources: Candriam, MSCI
Promoting gender equality	Board gender diversity (PAI 13)	Integrated into Candriam's ESG analysis and rating model Sources: Candriam, ISS-Oekom
	Exposure to controversial weapons (PAI 14)	Integrated into Candriam's ESG analysis and rating model Sources: Candriam & ISS-Ethix
INDICATORS FOR SOVEREIGN & SUPRA-NATIONAL ISSUERS		
The environment	GHG intensity (PAI 15)	Integrated into Candriam's ESG analysis and rating model Sources: Candriam, EDGAR
Social	Number of investment countries with violations of social standards (PAI 16)	Integrated into Candriam's ESG analysis and rating model Average data quality Source : Candriam

Materiality

High
Average
Low

Among the main optional adverse impacts, a set of indicators is also assessed and monitored as part of Candriam's ESG analysis and rating model. These main additional adverse impacts have a variable and generally disparate impact on different industries/sectors, depending on the ESG specificities of the activities within that industry/sector. Data quality and scope, applicability, relevance and geographical coverage are the determining factors used in assessing the materiality of each PAI indicator.



Additional indicators for investments in companies		
Sustainable development theme	Sustainability indicator for adverse impacts	Explanation
CLIMATE AND OTHER ENVIRONMENTAL INDICATORS		
The environment	Investments in companies with no initiatives to reduce their carbon emissions (PAI 4)	Integrated into Candriam's ESG analysis and rating model, but data quality is poor Sources: Candriam, MSCI
SOCIAL AND EMPLOYEE-RELATED ISSUES, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY		
Social	Lack of human rights policy (PAI 9)	Integrated into Candriam's ESG analysis and rating model Sources: Candriam, MSCI
Social	Lack of anti-corruption policy (PAI 15)	Integrated into Candriam's ESG analysis and rating model Sources: Candriam, MSCI

Materiality

High
Average
Low

C. Candriam's due diligence process on issuers with regard to adverse impacts

Candriam defines sustainable investing as the integration of environmental, social and governance (ESG) criteria into investment decisions.

Candriam aims to manage the risks and potential adverse impacts of its investments on sustainability, notably through the use of ESG analysis processes and the monitoring of violations of international standards, which determine Candriam's internal ESG rating system.

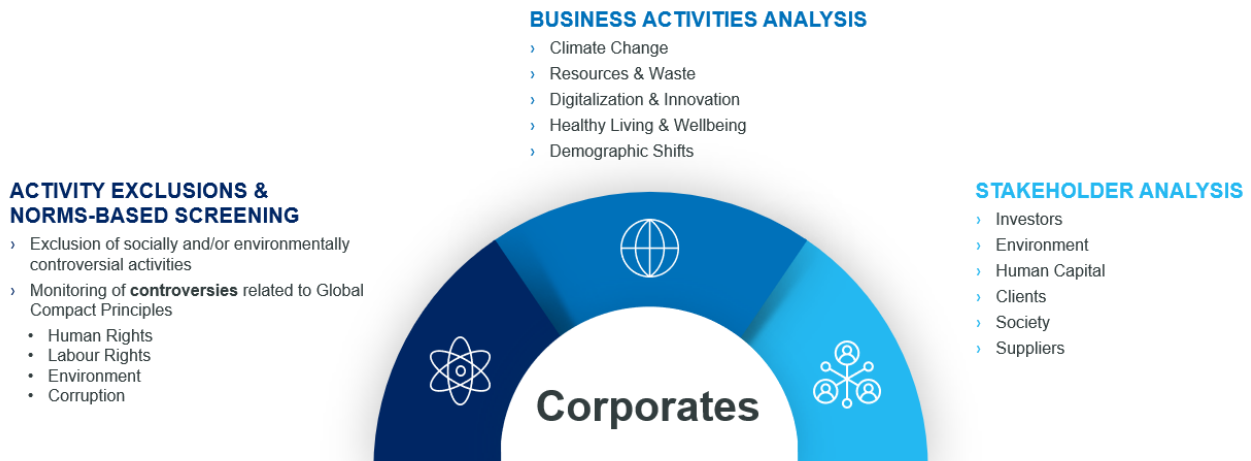
Candriam has developed structured and consistent analytical processes for assessing the sustainability of companies and sovereign issuers. These processes are described below.

i) Companies

The challenges of corporate sustainability are analyzed from two distinct but related angles: economic activities and stakeholder management. Indeed, the ESG analysis carried out aims to assess how companies create value by integrating sustainability into their business activities and stakeholder interests into their operational and financial management processes. This analysis is complemented by an analysis of exposure to controversial activities and violations of international standards in terms of human rights, labor, the environment and corruption.



An overview of our ESG framework for corporate issuers is presented below:



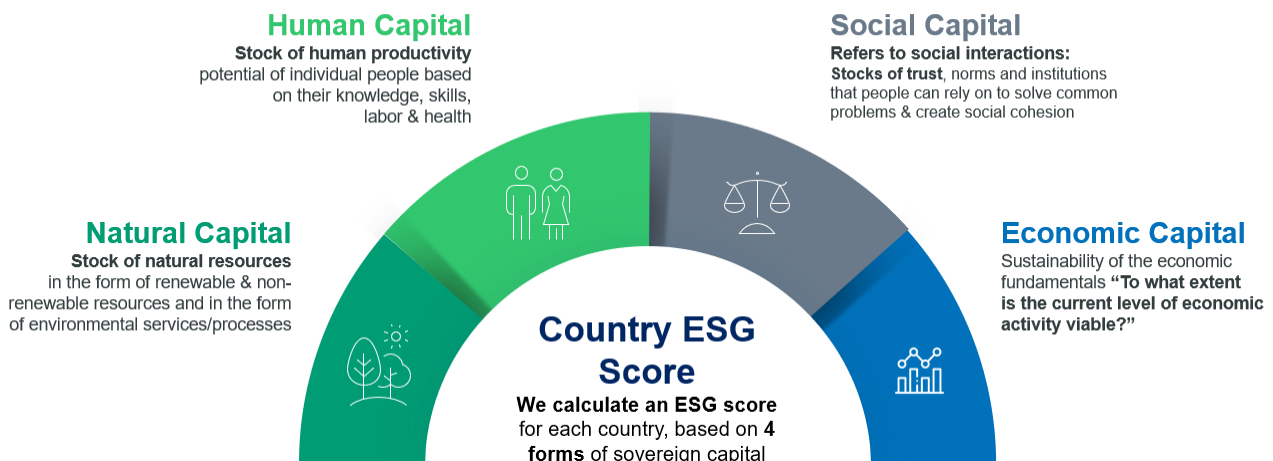
Our ESG assessment process is based on the following pillars:

- **Controversial activities:** assessment of companies involved in certain activities that do not embody sustainability.
- **Normative analysis:** assessment of companies that have significantly and repeatedly violated one of the ten principles of the United Nations Global Compact and/or the OECD Guidelines for Multinational Enterprises.
- **Business analysis:** companies are exposed to major long-term ESG trends which can strongly influence the environment in which they operate, and which can shape their future business challenges and long-term growth. We have identified five key sustainability trends: climate change, resources and waste, healthy living and wellbeing, demographic change, and digitization and innovation.
- **Stakeholder analysis:** we assess the extent to which each company integrates the interests of six stakeholders into its long-term strategy: investors, human capital, suppliers, customers, society and the environment.
- **Dialogue with companies and their stakeholders, and proxy voting,** are an integral part of the ESG analysis process, and are essential to our investment process, as they provide additional information on issuers and encourage best practice.

ii) Sovereign issuers

Candriam's approach to sovereign ESG analysis is based on four pillars of sustainability: human capital, natural capital, social capital and economic capital. This analysis is coupled with exclusion rules for high-risk regimes and minimum standards applicable to all democracies.

Please find below an overview of the sovereign framework :



The ESG rating of sovereign issuers assesses how well countries perform in four categories of sustainability criteria: human capital, natural capital, social capital and economic capital. Environmental factors play a dominant role in our model, also influencing a country's rating for human, social and economic capital. The overweighting of environmental aspects is justified by the fact that a country cannot perform well on any front if it faces serious long-term environmental damage. Sooner or later, these environmental externalities will have an impact on human health, social cohesion and economic capital criteria. All four forms of capital incorporate a wide range of tangible ESG factors, fed by several specialized data providers.

Our ESG analysis of sovereign issuers, which also aims to set minimum standards in terms of democracy and transparency, enables us to identify highly oppressive dictatorial regimes and countries classified as "not free" on the basis of Freedom House's Freedom in the *World Index* and the World Bank's *Voice & Accountability Index*. We are thus reducing our exposure to all countries on the Financial Action Task Force's (FATF) list of high-risk jurisdictions subject to a Call to Action.

For more information, please refer to our 2022 Sovereign Sustainability Report: [2022_11_sovereign_report_en_web.pdf \(candriam.com\)](https://www.candriam.com/2022_11_sovereign_report_en_web.pdf).

D. Data sources

In financial and corporate social responsibility (CSR) reports, the available data is subject to quality and accuracy checks by the company's auditors or regulators. However, there are still significant gaps in the availability and quality of information on the PAIs on sustainability. Candriam ensures, as far as possible, the quality of the data, in particular by carrying out due diligence on each ESG data provider it uses. These quality and monitoring checks are designed to verify the adequacy, sufficiency and consistency of the data. When new data sources are identified, they are generally evaluated and submitted to the Sustainability Risk Committee for validation.

The following paragraphs summarize the various limitations of the methodologies, which are mainly due to the lack of disclosed or verified data.

- **Data coverage :**

ESG data in general is continually improving, but some data may not be available for all issuers in the fund or benchmark, implying that sustainability indicator scores given at portfolio level may only be representative of a sub-portfolio of issuers for which data is available. It is therefore always important to take coverage ratios into account when interpreting the levels of sustainability indicators.

- **Data granularity :**

For certain types of data, the necessary level of granularity is not always readily available. Data is generally available at issuer level, but not always at instrument level. This situation is resolved by excluding green bonds from the calculation of sustainability indicators (in both numerator and denominator), rather than assigning issuer-level data or a zero carbon value to the green bond.

- **Mapping the transmitter :**

As regards the correspondence between subsidiaries and parent companies, ESG data is not always available at the level of the specific issuer held in position, but can be matched with ESG data from a reference company in the same group. This is the case when the relationship between the two companies is deemed relevant from an ESG point of view.



4. Commitment policies

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

Our engagement initiatives encourage the companies in which we invest to adopt best ethical practices, and to consider the interests of key stakeholders in their decision-making processes.

Candriam's Sustainability Risk Committee and/or Strategic Sustainability Committee oversee(s) and guide(s) Candriam's ESG engagement initiatives, which are the operational responsibility of the ESG team. The ESG team works in close collaboration with financial analysts and portfolio managers who :

- Help define commitment priorities
- Are regularly informed of the follow-up and results of the commitment,
- You can take part in the dialogue and even carry it in its entirety
- Are involved in decisions in the event of an escalation process (including the reconsideration of issuer eligibility for their portfolios).

We prioritize engagement with the most important and relevant ESG challenges facing sectors and issuers, taking into account both financial and societal/stakeholder impacts (the principle of double materiality).

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

- encourage improved communication and transparency on ESG criteria, supporting internal ESG research and analysis to support our investment decisions;
- support investment decision-making, particularly in the wake of controversial events deemed significant from a sustainable development perspective;
- influence companies' ESG strategies and practices,
 - on systemic issues such as climate change and resource management, among others, and
 - whenever an event, whether environmental, social or governance-related, requires/justifies preventive measures or calls into question organizational, industrial, commercial or accounting/financial strategies and practices, with a view to sustainable development.

Three themes have been identified as priorities since 2015:

1. energy transition,
2. fair working conditions and
3. business ethics.

A good understanding of the ESG challenges faced by business sectors and issuers, as well as their respective materiality, are the necessary entry points for any commitment initiative, whether individual or collective. In this respect, the main objective of our ESG sector analysis is to identify the most important issues from an operational, strategic and reputational point of view. As mentioned at the beginning of the integration of Mandatory and Voluntary PAIs into Candriam's ESG analysis, the ESG analysis framework, and the opinions derived from it, feed into our engagement process.



Once ESG issues and priorities have been identified, a commitment schedule can be defined or updated, taking into account :

- the nature of the event requiring specific action (ESG rating review, controversy, request from our Sustainability Risk Committee, corporate action, emerging theme, etc.);
- the importance of the issue and its impact with regard to the United Nations Sustainable Development Goals and the main mandatory or optional adverse impacts;
- Candriam's level of exposure to the assets of the issuer(s) concerned and the resulting degree of influence;
- the interests of Candriam's portfolio managers and analysts;
- the subject of the engagement and how it fits in with Candriam's conviction topics and other priority ESG topics, including those in which Candriam's customers have expressed an interest;
- current ESG opinion of the issuer (e.g. presence on the ESG watch list);
- the potential impact that a change at the level of the specific issuer could induce in market practice or in the market's approach to the security in question.

Our engagement activities take many forms.

- Direct dialogue with issuers: Candriam engages in dialogue with issuers to raise awareness of material ESG issues, encourage greater transparency and the adoption of best practices.
- Collaborative engagement initiatives to act with other major investors on a non-discretionary basis, to exert greater influence on issuers and also broaden the scope of action of individual investors (economies of scale).
- Exercise of voting rights and commitment before and after the AGM, 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 the investment decision-making process.

Once the dialogue has begun, 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, not mutually exclusive, can be made:

- the commitment is closed: a) the prescribed objective has been achieved or b) the dialogue is not a tier 1 priority and the objective does not appear to be achievable under the conditions set;
- the commitment continues: the objective of dialogue seems achievable, but with an extended deadline;
- an escalation process has been triggered: the objective has not been reached, but it is assumed that it is still achievable and important enough for us to continue our efforts in another form. When triggered, the escalation process may differ, depending on the history (type of engagement, duration, quality of relationship), the context of the dialogue (time of year, customer-specific investment policy, market/media/NGO/customer pressure) or new opportunities that may arise.

In the (non-mutually exclusive) escalation steps below, Candriam is willing to consider:

- join or launch a collaborative initiative with objectives similar to the previous dialogue, and potentially extended to the level of the business sector or region;
- to exercise their voting rights by opposing management proposals in order to express their disagreement with practices or strategic choices, and ultimately to declare these votes before the annual meeting;
- engage in individual dialogue (e.g. after voting against management at the AGM);
- support or table a shareholder resolution ;
- make a public statement and/or read an investor declaration at the Annual General Meeting to raise awareness among management and shareholders;
- introduce a discussion item on the AGM agenda

- change the issuer's ESG eligibility status, with possible divestment consequences. The issuer's ESG analysis and rating are regularly updated to reflect the content of the commitment and its results. Our ESG opinion of the issuer and its eligibility status are updated accordingly.

The ESG team monitors engagement activities on a daily basis, in collaboration with representatives of the investment teams. The traceability of the various commitment actions and their follow-up is ensured by a dedicated dynamic database.



5. References to international standards

The concept of responsible investment invites investors to use all the means at their disposal to create long-term value for their clients and beneficiaries, and sustainable benefits for the economy, the environment and society. To this end, Candriam adheres to various codes of conduct and standards, and engages with entities that, by virtue of their skills and/or authority, are in a position to initiate or influence changes in ESG regulations or market practices.

Candriam defines engagement as the interactions we have on ESG issues, encompassing both collaborative engagement initiatives and, among others, working groups and professional associations on responsible investment.

All the declarations we have signed, committing us to these additional principles, are listed in our 2022 commitment report: [voting-and-engagement-report-2022_en.pdf](#) (candriam.com)

Below you will find the various responsible codes of conduct and internationally recognized standards to which Candriam adheres and/or takes into account in its analysis, as well as the indicators, methodologies and data used to examine their alignment with the IAPs and Paris Agreement targets, where relevant.

I. International climate standards

i. *Net Zero Asset Manager Initiative*

PAI covered:

GHG emissions (PAI 1), Carbon footprint (PAI 2), GHG intensity of investee companies (PAI 3), Exposure to companies active in the fossil fuel sector (PAI 4), Share of non-renewable energy consumption and production (PAI 5), Energy consumption intensity per high impact climate sector (PAI 6).

Indicators, methodology and data:

In November 2021, Candriam set decarbonization targets by joining the *Net Zero Asset Managers Initiative*. With this commitment, Candriam aims to align its investment trajectory and contribute to the goal of carbon neutrality by 2050. As part of this commitment, we have selected 3 methods to demonstrate the alignment of our investments with the *Net Zero* objective:

- Emissions intensity reduction: reduce the portfolio's weighted average carbon intensity (WACI) by 50% between 2019 and 2030.

Candriam aims to reduce greenhouse gas emissions from part of its investment portfolio by 50% by 2030, and to achieve carbon neutrality by 2050 at the latest. In addition, Candriam has defined the reduction of GHG emissions as a key objective for financial products classified under article 9, unless this is not relevant for investment strategies that pursue a specific social or environmental objective for which we use other indicators.

- Alignment on temperature: reduce portfolio temperature to below 2°C by 2030.

The methodology is based on a fundamental and prospective analysis, adapted to each sector, which models sectoral decarbonization trajectories based on IPCC scenarios and IEA sectoral trajectories. This is a detailed assessment of each issuer's specific climate performance, incorporating past, present and future performance in terms of greenhouse gas emissions, as well as an analysis of the company's



ability to achieve its climate objectives, focusing in particular on its governance, strategy and investment plans. Climate indices are used as input data for calculating portfolio temperature (see next section).

- EU climate benchmark: reduce the portfolio's weighted average carbon intensity (WACI) below the fund's Paris-aligned benchmark (PAB).

Funds whose weighted carbon intensity is below the WACI of their relevant benchmark aligned with the Paris Agreement targets are considered as already aligned on a carbon neutral path.

For more information on the application of our climate strategy, please refer to our dedicated [document](#) , also available on our [website](#) under the heading "Candriam policies".



ii. Other corporate climate commitment initiatives

Commitment	ESG	Joined / signed up in	PAI	Initiative description
Climate Action 100+	E	23/10/2017	PAI 1. GHG emissions PAI 2. Carbon footprint PAI 3. Issuer GHG Intensity PAI 4. Exposure to fossil fuel sector PAI 5. High non renewable energy PAI 6. Energy intensity per impact sector PAI 7. Activities endangering biodiversity PAI 8. Emissions to water	This collaboration is a five-year initiative launched by PRI in collaboration with several other networks - <i>Asia Investor Group on Climate Change</i> (Asia), <i>Ceres Investor Network on Climate Risk and Sustainability</i> (North America), <i>Investor Group on Climate Change</i> (Australia/New Zealand) and <i>Institutional Investor Group on Climate Change</i> (Europe). By engaging with over 100 of the world's largest gas-emitting companies, the aim is to reduce emissions, strengthen climate-related financial reporting and improve governance on climate change risks.
Global Banks Climate Change & Biodiversity (Shareaction-led)	E	02/07/2021	PAI 1. GHG emissions PAI 2. Carbon footprint PAI 3. Issuer GHG Intensity PAI 4. Exposure to fossil fuel sector PAI 5. High non renewable energy PAI 6. Energy intensity per impact sector PAI 7. Activities endangering biodiversity PAI 8. Emissions to water	This initiative is fully in line with the objectives of the IIGCC working group on financial services, of which we are a member. The letter asks banks to 1. publish short-term (5-10 years) climate targets covering all relevant financial services before their 2022 annual general meeting. 2. integrate into their climate strategy the results of the IEA's <i>Net-Zero</i> scenario and/or another 1.5C scenario with low overshoot and minimal use of negative emissions technologies. 3. Phase out coal by 2030 in OECD countries, and by 2040 at the latest in non-OECD countries. 4. Ensure that their financial statements are based on a 1.5°C scenario. 5. Commit to protecting and restoring biodiversity. Many of these requests are in line with the COP26 team's call to private financial institutions and the IIGCC's expectations of banks in relation to climate change.
Net Zero Proxy Advice - IIGCC Investors Letter to Proxy Advisors	E	11/11/2021	PAI 1. GHG emissions PAI 2. Carbon footprint PAI 3. Issuer GHG Intensity PAI 4. Exposure to fossil fuel sector PAI 5. High non renewable energy PAI 6. Energy intensity per impact sector	IIGCC letter to proxy voting service providers asking them to develop a suite of proxy voting solutions for investors committed to zero greenhouse gas emissions by 2050 and to publicly commit to supporting net zero investment as soon as possible.
2022 - IIGCC Banks Engagement	E	02/01/2022	PAI 1. GHG emissions PAI 2. Carbon footprint PAI 3. Issuer GHG Intensity PAI 4. Exposure to fossil fuel sector PAI 5. High non renewable energy PAI 6. Energy intensity per impact sector	After participating in the IIGCC's banking sector working group since 2020, we have decided to play a more active role, and take part in the associated commitments from 2022 onwards. This collaborative initiative aims to engage with banks to guide them along the path to net zero. The university partner in this project is the <i>Transition Pathway Initiative</i> (TPI). The IPT evaluation framework is used as a starting point for discussing banks' strategy and performance in the transition to net zero.

iii. Other climate commitment initiatives with countries

Commitment	ESG	Joined / signed up in	PAI	Initiative description
2022 Australia Sovereign Engagement on Climate	E	01/05/2022	PAI 15. Sovereign GHG intensity	The overall aim of the initiative is for the Australian government to take all possible steps to mitigate climate change in line with the Paris Agreement and, in particular, a temperature target of 1.5°C. The engagement will cover 3 areas: 1. Transition risks and opportunities (1.5°C and <i>Net Zero Pathways</i>) 2. Physical risk assessment (has not been done in Australia) 3. Market developments (sustainable finance, disclosure, taxonomy, green bond initiatives). The initiative will seek to engage with various Australian federal government departments, agencies and entities, state governments as well as various stakeholders.
2022 Global Investor Statement to Governments on the Climate Crisis	ES	06/07/2022	PAI 15. Sovereign GHG intensity PAI 16. SOV Social violation countries	The World Investor Statement 2022 takes up the central themes of the World Investor Statement 2021, namely the urgent need to take swift and immediate action to tackle the climate crisis. Following the new commitments made by governments at COP26 in Glasgow, the declaration has been strengthened in three main areas: - Ensure that the targets set by governments for 2030 are aligned with the objective of limiting global temperature rise to 1.5°C. - Invite governments to set deadlines for phasing out coal-fired power. - Focus on the relationship between climate change and vulnerable environmental, social and economic systems (including food and agriculture, energy, water resources, nature, biodiversity and forests) and the need for governments to ensure that their actions take full account of the potential impacts on ecosystems, individuals, workers and communities.

II. International biodiversity standards

Commitment	ESG	Joined / signed up in	PAI	Description of the Initiative
Plastic Solutions Investor Alliance	ES	01/06/2018	PAI 7. <i>Activities endangering biodiversity</i> PAI 8. <i>Emissions to water</i> PAI 9. <i>Hazardous waste ratio</i> PAI 11. <i>Lack of Global Compact processes</i>	This initiative was launched in mid-2018. It is convened by <i>As You Sow</i> and calls for a reduction in the use of plastics, improved collection and recycling channels, and the development of sustainable alternatives to plastic packaging. The initial declaration provides the framework for future engagement with global consumer players. Candriam took part in drafting this declaration. Candriam has also joined the initiative as an active participant in the engagement, targeting several global consumer companies.
Washing Machine Plastic Microfiber Filters Initiative.	E	10/12/2020	PAI 7. <i>Activities endangering biodiversity</i> PAI 8. <i>Emissions to water</i>	In collaboration with the UK science charity <i>Marine Conservation Society (MCS)</i> , institutional investors are launching a program to engage manufacturers of domestic and commercial washing machines to equip their products as standard with filters designed to prevent plastic microfibers from entering the planet's marine ecosystems.
FAIRR Biodiversity - Waste & Pollution	E	25/10/2022	PAI 7. <i>Activities endangering biodiversity</i> PAI 8. <i>Emissions to water</i> PAI 9. <i>Hazardous waste ratio</i>	FAIRR (a foundation of which we are members, dedicated to actions linked to the agri-food industry, and with which we have worked on antibiotics / sustainable proteins / agriculture and climate) has decided to launch 3 commitment initiatives linked to biodiversity. The first will focus on waste and pollution, the second on land management and resource use (2023), and the third on land and sea use change (2023). This first campaign on waste and pollution targets livestock farmers and agrochemical companies.
COP15 Statement from the Financial Sector Signatories	E	25/11/2022	PAI 15. <i>Sovereign GHG intensity</i>	150 financial institutions, representing over \$24 billion in assets under management, have called on world leaders to adopt an ambitious global framework for biodiversity beyond 2020 at the United Nations Conference on Biodiversity (COP15). Coordinated by the Principles for Responsible Investment (PRI), supported by the United Nations, the United Nations Environment Programme Finance Initiative (UNEP FI) and the <i>Finance for Biodiversity Foundation</i> , the declaration calls on governments worldwide to adopt a global framework for biodiversity beyond 2020, so that economic players, including financial institutions, take action to halt and reverse the loss of nature. Investors call on governments to adopt measures within the post-2020 Global Biodiversity Framework that would establish a clear mandate for the alignment of financial flows with the preservation of global biodiversity, as Article 2.1(C) did under the Paris Agreement.



III. UN Global Compact principles and OECD Guidelines for Multinational Enterprises

i. Candriam normative analysis

Candriam endorses the principles enshrined in these international standards, which form an essential reference point for its policy of normative exclusions. Issuer exclusions in violation of these principles are considered essential at entity level.

PAI covered:

Violations of the principles of the United Nations Global Compact and the OECD (PAI10).

Indicators, methodology and data :

Certain financial products classified as article 8 and all our financial products classified as article 9 exclude issuers deemed to be in breach of one or more of the principles of the United Nations Global Compact. Breaches are assessed dynamically, on the basis of well-documented evidence, taking into account both the impact and the remedial measures adopted by the issuer.

Alignment with international principles is implemented via our normative analysis, which is an integral part of Candriam's ESG analytical framework. The result of this analysis is the indicator used to monitor PAI 10. Investments are subject to an in-depth normative analysis, which examines issuers' compliance with international social, human, environmental and anti-corruption standards. These standards include the United Nations (UN) Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. In addition, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights are among the many international references included in our analysis.

Information on actual, suspected or associated incidents or violations of international standards is gathered through external research with our own ESG Analyse or MSCI and Sustainalytics, and then combined with internal analyses by our ESG experts.

For further information on the application of our normative analysis, please refer to our exclusion policy on our dedicated SFDR page: [SFDR | Candriam](#)

ii. Other commitment initiatives relating to the UN Global Compact and OECD principles

Commitment	ESG	Joined / signed up in	PAI	Initiative description
Implementation of labour rights in Amazon's operations and supply chain	S	08/07/2019	PAI 10. <i>Global Compact and OECD violation</i>	This initiative, led by OHMAN and carried out as part of the actions undertaken by <i>the Investor Alliance for Human Rights</i> , aims to open a dialogue with Amazon on working conditions in its own operations and at supplier level. While investors welcome the coverage of freedom of association in Amazon's supplier code of conduct, they would like to know to what extent the code has been developed to reflect the standards set out in ILO conventions, and better understand how it is being implemented. They also encourage Amazon to establish a similar code of conduct for Amazon, applicable to its own activities and employees.
CHRB - Investor statement calling on companies to improve Human Rights performance 2020-22	S	10/02/2020	PAI 10. <i>Global Compact and OECD violation</i>	We regularly use the rankings produced by <i>the Investor Alliance for Human Rights</i> , an initiative of <i>the Interfaith Center on Corporate Responsibility (ICCR)</i> , in our analysis or as a basis for engagement. This year, we have decided to co-sign a letter expressing our concern about our ranking in the <i>Corporate Human Rights Benchmark (CHRB) 2019</i> . This letter was sent to each of the 95 companies in high-risk sectors selected for inclusion in the CHRB ranking, and which had scored zero on the five main indicators. These companies could be exposed to or linked to serious human rights risks, exposing both individuals and the company to significant risks. The letter asks companies to demonstrate their respect for human rights. <i>The Investor Alliance for Human Rights</i> and its members will monitor companies' progress on their overall CHRB scores, and in particular on the human rights due diligence indicators.
Collaborative engagement on Uyghurs slave labour in the supply chain	S	16/12/2020	PAI 10. <i>Global Compact and OECD violation</i>	<i>The Interfaith Center on Corporate Responsibility, the Investor Alliance for Human Rights</i> , in collaboration with Rathbones, are organizing a collective and coordinated investor engagement with companies regarding the human rights crisis in the Xinjiang Autonomous Region. This commitment is based on the responsibility of companies (including investors) to respect human rights in their business activities, in line with the UN Guiding Principles on Business and Human Rights.
Corporate Accountability for Digital Rights 2021-22	S	08/07/2021	PAI 10. <i>Global Compact and OECD violation</i>	The Investor Statement on Corporate Responsibility for Digital Rights is an initiative of <i>the Investor Alliance for Human Rights</i> . It calls on companies in the Internet, mobile telephony and telecommunications (ICT) sector to respect human rights, and uses the <i>Ranking Digital Rights (RDR)</i> corporate responsibility index as a tool to help them improve their governance systems. RDR evaluates 26 of the world's most powerful ICT companies (digital platforms and telecoms companies) on their commitments and policies regarding freedom of expression and privacy, including massive data breaches and manipulation of social media platforms.
2022 PRI ADVANCE - HUMAN RIGHTS	S	01/11/2022	PAI 10. <i>Global Compact and OECD violation</i>	Advance is a collaborative management initiative led by PRI, in which institutional investors work together to take action on human rights and social issues. Investors use their collective influence with companies and other decision-makers to achieve positive results for workers, communities and society. The following expectations are formulated for companies: <ul style="list-style-type: none"> ▪ Fully implement the United Nations Guiding Principles on Business and Human Rights (UNGP) - the watchdog for corporate conduct on human rights. ▪ Align their political commitment with their responsibility to respect human rights. ▪ Deepen progress on the most serious human rights issues in their operations and across their value chains. The extractive and utilities sectors will be the first two to be targeted by the initiative.

IV. Controversial international weapons standards

CANDRIAM considers the following weapons to be controversial: (1) anti-personnel mines, (2) cluster bombs, (3) nuclear weapons, (4) depleted uranium weapons and armor, (5) chemical weapons or (6) biological weapons or (7) white phosphorus.

PAI covered:

Exposure to controversial weapons (PAI14)

Indicators, methodology and data:

These weapons have been identified as controversial weapons, because they have received considerable criticism on three criteria:

- The non-selective nature of weapons at the time of use: i.e. the weapon used not only hits military targets, but is also likely to cause civilian casualties, damage to civilian infrastructure and other collateral damage;
- Identification as a weapon system causing both unnecessary injury and unnecessary suffering;
- The potential long-term humanitarian impacts of these weapons, which can have an adverse impact on human health and hamper the development and reconstruction of former war-affected regions.

To identify issuers' exposure to controversial weapons, Candriam works closely with two external suppliers, ISS Ethix and MSCI ESG.

ISS Ethix provides Candriam with information on companies' exposure to the majority of controversial weapons (landmines, cluster bombs, depleted uranium, white phosphorus), excluding chemical and biological weapons. ISS Ethix classifies companies' exposure into three color-coded categories:

Signal	Description
Red	<ul style="list-style-type: none">• Observed involvement
Amber	<ul style="list-style-type: none">• Strong signs of involvement• Fragmentary information on involvement
Green	<ul style="list-style-type: none">• Past implications• Implications beyond the scope of applicable definitions• No implications

Candriam automatically excludes all companies marked "Amber" and "Red" by ISS Ethix. In the event of a change of category for companies likely to have a significant impact on our portfolios, the ESG team will carry out additional analyses to obtain information for the rating evolution. Following its analysis, the ESG team will determine whether the new rating should be applied to the company's portfolios. The controversial weapons exclusion list is updated twice a year.

If a new exposure is identified for companies with a significant impact on the portfolios, the ESG team may carry out an additional analysis of the company before implementing the exclusion.

For more information on the application of the controversial arms exclusion, please refer to our exclusion policy on our dedicated SFDR page: [SFDR | Candriam](#)

These exclusions are aligned with various international standards, listed below:

Weapons category	Relevant norms
Anti-personnel mines	<i>Mine ban treaty</i> , Belgian Mahoux law
Biological weapons	<i>Biological Weapons Convention</i>
Chemical weapons	<i>Chemical Weapons Convention</i>
Cluster munitions	<i>Convention on Cluster Munitions</i> , Belgian Mahoux law
Depleted uranium, ammunition and armor	Belgian Mahoux law (<i>depleted uranium</i>)
White phosphorus weapons	N/A

V. International corporate governance standards

As a responsible investor, Candriam pays particular attention to the corporate governance policies, structures and practices of the companies in which it invests on behalf of its clients and the funds it manages. Candriam is convinced that sound corporate governance practices deliver long-term results for its shareholders.

Corporate governance" can be defined as "the system by which commercial companies are directed and controlled. The corporate governance structure specifies the division of rights and responsibilities between the various participants in the company, such as the board of directors, management, shareholders and other stakeholders, and the rules and procedures for decision-making on the company's affairs. In doing so, it also provides the structure for setting the company's objectives, the means of achieving these objectives and the performance controls.

Candriam's approach to corporate governance is based on internationally recognized standards, in particular the principles defined by the OECD, SRD II, and *the International Corporate Governance Network* (ICGN).



In the table below, you will find the commitment initiatives promoting corporate governance aligned with Candriam's policy.

Commitment	ESG	Joined / signed up in	PAI	Description of the initiative
30pct Club FR	SG	11/07/2022	PAI 13. <i>Board gender diversity</i>	The 30% Club is a global campaign aimed at taking steps to increase gender diversity on boards of directors and in senior management. The campaign was launched in the UK in 2010, when only 12% of the FTSE 100 index boards were made up of women. The Club believes that gender balance on boards and in executive management not only fosters better leadership and governance, but that diversity and inclusion also contribute to overall board performance and, ultimately, to improving the performance of companies and their shareholders.
Phitrust Letter to the French authorities on the improvement of the legal framework to facilitate the filing of shareholder proposals in France	ESG	11/01/2023	PAI 1. <i>GHG emissions</i> PAI 2. <i>Carbon footprint</i> PAI 3. <i>Issuer GHG Intensity</i> PAI 4. <i>Exposure to fossil fuel sector</i> PAI 5. <i>High non renewable energy</i> PAI 6. <i>Energy intensity per impact sector</i>	Filing a proposal in France is a shareholder's right that is difficult to express, as the legal framework is very restrictive. The shareholding threshold is 0.5%, which for large-cap companies considerably limits the number of shareholders who can file proposals, or makes the coordination of the co-filing process extremely complex, given that many investors need to be involved. What's more, the deadline is very restrictive, and a management that does not support the project can refuse the shareholders' right without any consequences. The FIR has already published recommendations along these lines in September 2022. As a result, Phitrust, along with a group of French investors, decided to send a letter containing several recommendations to the French authorities (Ministry of Finance and AMF) to improve the French legal framework. Their request calls for a change in the minimum thresholds for filing a shareholder proposal, and suggests a legal procedure in the event that an issuer rejects a shareholder proposal and refuses to submit it to the next general meeting. Candriam signed this letter.



Disclaimer

This document is for informational purposes only and does not constitute an offer to buy or sell financial instruments, nor an investment recommendation or confirmation of any type of transaction, unless expressly agreed. While Candriam carefully selects the data and sources contained in this document, there is no guarantee a priori against errors and omissions. Candriam cannot be held responsible for any direct or indirect loss resulting from the use of this document. Candriam's intellectual property rights must be respected at all times; the content of this document may not be reproduced without prior written authorisation.

Disclaimer: Past performance of a financial instrument or a given index or investment service, or simulations of past performance, or forecasts of future performance are not reliable indicators of future performance. Gross performance may be influenced by commissions, fees and other expenses. Any performance expressed in a currency other than that of the investor's country of residence is subject to fluctuations in exchange rates, with a negative or positive impact on gains. If this document refers to a specific tax treatment, this information depends on the individual situation of each investor and is susceptible to change.

This document does not constitute investment research as defined by Article 36(1) of Commission Delegated Regulation (EU) 2017/565. Candriam stresses that this information has not been prepared in compliance with the legal provisions promoting independent investment research, and that it is not subject to any restrictions prohibiting the execution of transactions prior to the dissemination of the investment research.

Candriam systematically recommends that investors visit our website, www.candriam.com, to consult the key information document, the prospectus and all other relevant information, including the net asset value ("NAV") of the funds, before investing in one of our funds. This information is available either in English or in local languages for each country where the fund is approved for marketing.

Specific information for Swiss investors: The designated representative and paying agent in Switzerland is RBC Investors Services Bank S.A., Esch-sur-Alzette, Zürich branch, Bleicherweg 7, CH-8027 Zurich. The prospectus, key investor information, articles of association or, where applicable, management regulations, as well as annual and semi-annual reports, all in paper form, are available free of charge from the representative and paying agent in Switzerland.