



UK Modern Slavery Statement 2023

Candriam

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1. MODERN SLAVERY STATEMENT

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Company's slavery and human trafficking statement for the financial year ending on 31 December 2023.

This statement summarizes Candriam's current approach to modern slavery and describes the action plans in place to combat modern slavery and human trafficking.

Respect for human rights is a fundamental value within Candriam. This includes promoting an inclusive and compliant working environment. Candriam carries out due diligence on its value chain. Respect for human rights is an integral part of Candriam's policies and procedures.

As a management company, it's our responsibility to be aware of the risks of modern slavery within our own organisation and supply chain. We are doing everything we can to help eradicate human rights abuses.

Throughout this document, references to "we", "us", "our" or "company" are to Candriam.

2. INTRODUCTION

At Candriam, a partnership limited by shares ("société en commandite par actions") incorporated under the laws of Luxembourg (the "Company"), we believe we have a responsibility to ensure that our business is conducted in a responsible way. Candriam stands for « Conviction and Responsibility in Asset Management ». As such, Candriam is fully committed to preventing and identifying slavery and human trafficking in its business activities and in its supply chains. In what follows we will set out the steps Candriam will continue to take in that regard.

3. OUR STRUCTURE AND MAIN COMMITTEES

Candriam forms part of a pan-European asset management group, founded in 1999, headquartered in Luxembourg and ultimately owned by New York Life Insurance Company. This statement is published on behalf of the Company and its UK operations carried out through its UK branch "Candriam UK establishment" in line with the Modern Slavery Act 2015.

- Candriam's Corporate Social Responsibility ("**CSR**") decisional governance consists of the **CSR Committee and the CSR Ethics sub-Committee**. The CSR Committee develops the **company's CSR roadmap**. The **CSR Ethics sub-Committee** assesses and monitors human rights risks related to Candriam's operations, including Human Resources and Suppliers. It monitors the human rights due diligence process embedded within the company's operations and follows-up on issues alerted by Candriam's operational or risk teams or via the Compliance whistleblowing procedure.
- Candriam has created a **Sustainability Risk Committee ("SRC")** for overseeing and steering the management of extra-financial risk (including human rights) as well as validating our human rights methodology in the **context of our investment activities**. This SRC monitors and assesses the short, medium, and long-term sustainability risks of Candriam's investment activities.

4. OUR BUSINESS ACTIVITIES AND SUPPLY CHAIN

Candriam is a global multi-specialist asset manager and a recognized pioneer and leader in sustainable investments. We have been offering sustainable and responsible investment strategies since 1996 and are a founding signatory of the UN Principles for Responsible Investment.

Candriam manages approximately EUR 145 billion of assets under management (as of the end of 2023), of which ca. EUR 111 billion are ESG assets¹. The company gathers more than 600 professionals, with investment management centres in Luxembourg, Brussels, Paris, and London, and client representatives in over 20 countries.

The Company's business supplies are largely sourced from European service providers and principally relate to the provision of asset management related products and services, including amongst others: IT and telecommunications solutions, distributors, execution brokers, research providers, execution platforms, market data providers, office equipment, travel functionality, event management and professional services providers (e.g., lawyers, accountants, and business consultants etc.).

5. RESPECT FOR HUMAN RIGHTS AND OUR POLICIES

Candriam takes seriously its responsibility to help protect, preserve, and promote human rights.

We support the principles enshrined in, amongst others, the following international conventions and standards:

- The United Nations Universal Declaration of Human Rights, 1948.
- European Convention on Human Rights, 1953
- The International Bill of Rights, 1966
- The core standards of the International Labour Organization, 1998 (and amended 2022)
- The UN Global Compact, 2000
- The UN Guiding Principles on Business & Human Rights (UNGPs), 2011
- OECD Guidelines for Multinational Enterprises, 2011

Respect for human rights is reflected in our various policies. We have a Code of Conduct that describes the values, practices, and general policy on business ethics which must be followed by all officers and employees of Candriam.

These global policies are articulated with sectoral **codes & policies**:

- Candriam Supplier Code of Conduct: The Candriam Supplier Code of Conduct describes the main principles and human rights that suppliers must respect. Suppliers either sign the Candriam Supplier Code of Conduct, (including MSA engagement) or submit their own code of conduct including respect for human rights and compliance with the UK Modern Slavery Act regulations.
- Human Resources Policy: Candriam's human resources policy complies with the regulatory obligations of the UK MSA. More generally, the human resources policy

¹ Articles 8 or 9 of the EU's Sustainable Finance Disclosures Regulation (SFDR). Article 9 products have defined and quantifiable ESG (Environmental, Social and Governance) objectives. They are products with a social or environmental objective, aligned with the definition of sustainable investments. Article 8 products do not have a defined ESG objective but take ESG criteria into consideration when constructing their portfolios.

describes the principles to be respected with candidates and employees. The principles are as follows:

- Ensure the abolition of all forms of modern slavery, human trafficking, and child labor within Candriam.
- Promoting diversity and inclusion.
- Combating the various forms of discrimination, harassment, and violence.
- Ensure equal opportunities and equal treatment between candidates and employees.
- Guarantee the health and safety of employees and ensuring good working conditions within Candriam.
- Encourage social dialogue.

Candriam's overarching Human Resources Policy draws upon a set of Candriam policies and rules:

- Candriam Non-discrimination and anti-harassment Policy
- Candriam Diversity and Inclusion Policy
- Candriam Recruitment Policy
- Candriam Work from Home policy
- Candriam's internal rules by country
- Candriam Remuneration Policy statement
- Candriam Employees Code of conduct
- Candriam Guidelines for Contingent workers

6. ACTIONS TAKEN TO ASSESS AND ADRESS MODERN SLAVERY RISKS

6.1. TRAINING AND AWARENESS

We provide Modern slavery and human trafficking training to educate the relevant business units on the importance of implementing and enforcing effective systems to ensure slavery and human trafficking is not taking place in our business or supply chain.

Our regular training in this area covers an overview of the Modern Slavery Act 2015 and why it is relevant, as well as areas of risk and how to report any known or suspected issues.

6.2. RISK ASSESSMENT AND MONITORING

The type and level of risk of modern slavery related to our employees, to our operations and to our supply chains has been impacted during the coronavirus pandemic period which could have put pressure on the working conditions of some of the employees within our suppliers. We have therefore strengthened our action plans.

— For applicants and staff:

The Company has a robust recruitment and on boarding process to ensure all individuals employed by the Company have the right to work in the country of employment, are paid a fair salary in compliance with all relevant rules and regulations.

Several actions have been put in place:

- Strengthening the Know Your Employee (KYE) procedure at all Candriam entities. We are now implementing a KYE for all employees including interns/ apprenticeship and fixed-term contracts.

- Adding a satisfaction questionnaire at the end of the application process in order to identify any points of improvement concerning the respect of human rights (in particular diversity and inclusion aspects) within the hiring process
- The introduction of a responsible recruitment guide.
- A yearly survey assessing quality of life at work, employee satisfaction and engagement is conducted.

— **For suppliers:**

Candriam only engage reputable companies in the UK and, where possible, we build long standing relationships with our key suppliers and ensure that expectations of business behaviour are clear and consistent. Attention to the supplier's respect for human rights is particularly important when onboarding new vendors and through Supplier Relationship Management for the existing ones.

Concerning the supply chain, Candriam has formalised a sustainable procurement approach, with a Candriam **Supplier Code of Conduct**², a Supplier **CSR questionnaire** (getting evidence on what actions have been taken in favour of human rights) and a set of **Working Guidelines for Contingent Workers**.

Our suppliers **selection process** includes following elements :

- We have created a classification to adapt the due diligence focus in function of sector, region, type of activities, risks. We identify the specific human rights risks in function of attention points assigned by category.
- We have integrated sustainable criteria including social/human rights criteria into each stage of the supplier selection process. These criteria have a significant contribution to the scorecard and influence the supplier-solution recommendation.
- Working Guidelines for Contingent Workers are signed by the suppliers' employees when onboarded to execute a mission for Candriam
- For suppliers that are based and/or operating in the UK, we monitor the compliance to the MSA.

Lastly, Candriam includes CSR clauses in new contracts and will gradually include CSR clauses in its existing contracts.

In order to continuously improve the **monitoring process** of its suppliers, Candriam is investigating to complement its existing process :

- By exploring how to develop an alert system designed to provide an indication of increased human rights risks for certain supplier categories, allowing us to better target our monitoring.
- By engaging with suppliers with the purpose to either requests clarifications, action plans or to escalate to upper decision-making committees.

The procurement department receives regular **Training** on Human Rights issues.

— **For investments:**

² https://www.candriam.com/siteassets/_assets/08-legal/code-of-conduct/candriam-supplier-code-of-conduct.pdf

We understand that as an investor we can be linked to Human Rights outcomes through the activities, products, or services of investee companies and through the practices of investee countries. Our in house ESG Team consisting of over 20 experts analyses issuer's business activities and stakeholders' practices, including human rights aspects. The team moreover conducts a norm based and controversial activity screening to identify overarching risks.

The team also conducts country by country analysis leveraging a proprietary sovereign model.

Candriam has set up policies and processes for integrating the outputs of the analytical processes underpinning its Human Rights assessment into its investment strategies. In this context we can refer, amongst others, to Candriam's systematic evaluation of compliance of corporate investee companies with international norms and standards (including those pertaining to Human Rights), and to the assessment of companies' business activities to identify those issuers that are active in oppressive regimes are exposed to controversial activities that can have particular implications in terms of Human Rights violations. The results of the above screening are implemented via Candriam's exclusion policy³.

Furthermore, Human Rights are an important consideration in our stewardship activities – both in our exercise of voting rights and in the direct and collaborative dialogues we conduct with issuers.

6.3. WHISLEBLOWING POLICY AND PROCEDURE

We have put in place a whistleblowing policy⁴. The whistleblowing procedure describes the rights and duties of whistleblowers. The policy and procedure are in line with the EU whistleblower protection directive. A tool has been made available to collect alerts.

7. IMPLEMENTATION

Candriam will implement the objectives considered in this statement through its relevant implied teams, including Human Resources, Procurement, Legal, Risk Management, Compliance, Investments. Progress of Candriam's efforts in this area and issues (should they arise) will be monitored and reported back to the management directly. This statement will be reviewed annually and published on our website.

8. OUR CONTINUING COMMITMENT


We will continue to engage with all our stakeholders by raising awareness and conducting action plans in the event of an alert. We will also strive to ensure the effectiveness of our policies and procedures. To this end, reporting is carried out in each department. We have set targets and KPIs to achieve our goal of eradicating modern slavery and human trafficking within our business and supply chain.


³ https://www.candriam.com/en-lu/professional/SysSiteAssets/medias/insights/sfdr-publications/candriam_exclusion_policy_en.pdf

⁴ <https://www.candriam.com/en-lu/professional/legal-information/whistleblowing/>

For approval of the Board of Directors of CANDRIAM on June 7th, 2024.

Signature:

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