



CLIMATE TRANSPARENCY REPORT

2019

Candriam Investors Group

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-DD50AFC2-AC77-46C3-8EC7-9925A7C6E2B7/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	-	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	✓	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	✓	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS

Name	Candriam Investors Group
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2006
Region	Europe
Country	Luxembourg
Disclosure of Voluntary Indicators	88% from 38 Voluntary indicators

Candriam Investors Group

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input type="radio"/> Applicable policies cover all AUM <input checked="" type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Candriam has always believed economic growth and profits can only be sustainable when businesses behave responsibly and look beyond the immediate present by giving appropriate consideration to ESG aspects. As a responsible asset manager, our commitment to our clients is to continuously further develop our leadership in SRI and enhance our large range of SRI products . We continuously push further the integration of ESG criteria into our investment processes and our active engagement and proxy voting policies contribute to promote ESG best practices among companies. Moreover to enhance sustainable investments' visibility we always offer our clients and prospective clients an SRI solution alongside the traditional investment solution. This is made possible as our SRI expertise covers all asset classes and regions.

Our dedicated SRI team continuously tracks new ESG trends and all ESG research and results are shared with portfolio managers.

As part of our fiduciary duties, our Responsible investment policy is approved by Candriam's Global Strategic and Executive Committees and monitored by the CSR Steering committee. We have adopted a company-wide exclusion policy and developed ESG integration in our investment processes. Promotion of ethical standards and good corporate practices are the cornerstones of our ESG integration promotion policy.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Policy

Candriam has updated its company-wide investment policy in September 2018 to extend the exclusion of controversial weapons to thermal coal and tobacco activities. On a medium to long term horizon, based on our in-house analysis, we considered those activities as the potentially most risky and stranded assets. This decision has been considered as part of our fiduciary duty towards our clients. This new exclusion policy is effective since end 2018 for all funds over which Candriam has the full discretion as management company and investment manager. Contact have been taken with clients to explain this new policy and ask if they agree to apply it. Our company-wide controversial activity policy has been published on our website <https://www.candriam.fr/48d37c/siteassets/medias/publications/190103-new-cap-final.pdf>.

The Eurosif Transparency Codes describing our SRI methodology and approach applies to all SRI funds (incl. the indexed funds).

Our ESG integration policy is based on our ESG analysis outcomes : stakeholder's management practices, exposure to global sustainability trends like climate change, normative exclusions related to serious violations to UN Global compact principles.

All our funds and AUM except hedge funds management are covered by our active engagement activities.

Coverage by AUM

In addition to the controversial armament exclusion filter which applies to all our assets under management we apply since end 2018 an exclusion of thermal coal and tobacco exposure to 53% of our internally managed AUM. 71 % of our AUM apply this screening and/or another RI screening (normative or other controversial activities).

We offer 7 different types of screening taking into account ESG factors :

1. *SRI corporate Best-in-Class screening - applied to all SRI AUM invested in corporates (Equity, Fixed Income including High Yield, ETFs)- 8.2 %/total AUM*

Candriam Core SRI funds and segregated accounts only invest in companies managing at best their sector-specific sustainability-related challenges. Our proprietary Best-in-Class analysis assesses companies' ability to manage sustainability-related challenges from two distinguishable but interlinked angles during the Macro and Micro analysis. The Macro analysis assesses a company's exposure to long-term trends (such as climate change, demographic evolution ...) that may strongly influence the business environment in which companies operate and may shape future market challenges and long-term growth opportunities. The Micro analysis evaluates a company's ability to take the interests of stakeholders (customers, employees ...) into account in their long-term strategies as they represents both risk and opportunity for businesses.

This Best-in-Class analysis is followed by a norms-based check designed to exclude those companies for which there is definite proof of systematic breaches of one or more of the ten principles set out in the United Nations Global Compact that covers human rights, labour standards, the respect for the environment and anti-corruption. Finally, our SRI analysis excludes all companies involved in the armament industry and checks other controversial activities' exposure.

For Emerging markets company's analysis : the lack of transparency, lower standards in terms of disclosure, language barriers and limited access to unbiased information are source of incomplete or insufficient data for our micro analysis. This has been compensated by stricter screenings in the Norms-based and Controversial activities assessment of companies and a specific corporate governance screening.

A fossil fuel free version of this approach has been developed in 2018 and implemented for the European Equities and Corporates strategies. This applies an additional exclusion of companies exposed to fossil fuel reserves and/or active in the extraction of fossil fuels and/or generating electricity based on fossil fuels.

2. *SRI country Best-in-Universe screening - applied to all SRI AUM invested in sovereign bonds (2.5%/total AUM)*

3. *Equity integration approach - applied to all our Fundamental European, World Thematics and Emerging Equity AUM (with or without SRI Best-in-class screening) (22 %/total AUM)*

This approach integrates in financial valuation of companies factors related to stakeholders management as part of quality management and those related to business model assessment as part of the business growth financial valuation. during the financial analysis of issuers.

4. *Fixed Income integration approach - applied to all active managed funds invested in corporate bonds (with or without SRI Best-in-class screening) (29 %/total AUM)*

This approach takes systematically into account Governance factors in the financial selection process as well as ESG issues in the business profile of the corporate issuers.

5. *Norms-based filter only - applied to all passive management AUM (Equity and Fixed Income)(3.5 %/total AUM)*

6. *Tailor-made Norms-based screening only - applied to dedicated insurance portfolios (12%/total AUM)*

This approach consists of exclusion of companies that violated seriously human rights, labour rights and/or caused severe damages to environment. Companies exposed to controversial armaments and tobacco are also excluded from investments.

7. *Tailor-made Low carbon screening (2.7 %/total AUM)*

This screening combines an armament filter (controversial weapons) with the norms-based check and dedicated low carbon screening.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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For an asset manager, climate-related risks are identified at corporate level (financial/reputational risks) and at investment side (financial, transitional, physical and operational). Opportunities can be found at the investment side in investment in activities /services offering solutions to Climate change related issues : energy efficiency, clean energy and all related products/services in favour of green energy/economy all along the value chain. Regulatory changes and pressure from the stakeholders are key in the materiality of those risks and opportunities.

The transition to a low/ neutral carbon economic world will for sure put pressure on fossil fuel energies. Among the most risky assets, the most carbon -intensive energies and activities will be the first targeted by regulators and /or the less competitive/profitable. As a consequence, fossil fuels -and especially coal - are the most risky and potential so-called 'stranded assets'. In line with the IEA 2 degree scenario, we recognise the role of natural gas for power generation in the path towards a lower carbon economy. At the same time, progressively new cleaner energies technologies to generate power and to favour better use of energies are becoming effective and profitable alternatives.

Based on the analysis done, the time horizon of those identified risks/opportunities is for the majority of our assets (listed equities and corporate bonds) medium to long-term, That's the reason why the decision has been taken in September 2018 to expand our company-wide exclusion policy to directly exposed investee companies to thermal coal (coal extraction, coal-related power generation and new developed activities). This is the first step of our company-wide climate policy. At this stage, indirectly exposed investee companies like the financial sector are targeted by our engagement activities.

Aside from this company-wide policy, our SRI strategies apply since 2008 an approach that takes into account the climate-related risks and opportunities of all investee companies, based on sector specific models. Those models factor the climate-related risks and opportunities at business-model level and at investee's strategies/performances level in function of the (today's and expected) materiality for the sector. Models are forward-looking (5 years time horizon) and help us to identify the companies that are the best positioned in their sector and region. Those strategies cover all asset classes (equities,bonds, asset allocation) and all regions (incl. emerging markets) and target a decarbonisation path. Since 2015, carbon footprint data are computed at portfolio level and low carbon strategies have been developed. In 2018, a fossil fuel free version of our SRI European Equities and Euro corporates strategies have been launched.

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

SG 01.8 CC	Indicate the associated timescales linked to these risks and opportunities.
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Based on our in-house developed ESG models, as explained, the first identified step has been to tackle the short/medium-term risks related to the exposure to thermal coal. This has been concretely implemented in our company-wide exclusion policy. Divestment from thermal coal exposure in the extractive and power generation exposed companies is effective since December 2018 for all funds over which Candriam has the full discretion as management company and asset manager as well as segregated accounts for which the final client has agreed.

No

SG 01.9 CC	Indicate whether the organisation publicly supports the TCFD?
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Yes

No

SG 01.10
CC

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

The Global Strategic Committee oversees the company-wide strategies inclusive those related to climate change issues. The CIO and ESG teams are responsible for steering the integration of ESG and climate aspects into investment strategies and acts as the Executive Office of the Global Strategic Committee.

The dedicated ESG research team is made of 13 ESG analysts (as of December, 2018) . Climate-related issues are of course a core-aspect of our in-house developed ESG analysis, on the basis of the above-mentioned principles: review of risks and opportunities, targeted issues per industry / sector, life-cycle approach, qualitative and absolute assessment of investment opportunities. Based on the sector model and assessment of companies, they score companies and can provide a decision on the material climate risks associated. During this process, analysts also consider the potential for engagement to encourage improved management of climate-related risks and opportunities. Indeed, since 2015, Energy Transition is one of our 3 conviction topics in the dialogue with companies. In 2018, Energy transition was also one of our favourite conviction topics within direct dialogues, Energy/Utilities/Chemicals being the Top 3 target sectors.

During regular Investment Committee, ESG analysts present the results of the assessed ESG material factors, including climate ones and the companies final evaluation. Individual portfolio managers are responsible for constructing portfolios taking into account the applied ESG approach (exclusion, Best-in-class, integration, thematic) and for segregated mandates, client-specific objectives, including ESG and climate ones.

Since 2015, we use Trucost carbon-related data and they are available to portfolio managers. We also use EBoard , a carbon footprint calculator platform provided by Trucost. A quarterly report is published for all SRI funds and each year the scope of funds/ mandates is enlarged. A yearly report is prepared for funds/ mandates that are part of the French Art 173. Those reports contain the following data relating to climate change:

- Portfolio carbon footprint "in CO2 equivalent (in tonnes) per €1 million in sales" in comparison with its benchmark
- Portfolio carbon footprint "in CO2 equivalent (in tonnes) per €1 million invested" in comparison with its benchmark
- Analysis of the contribution of the different sectors to the carbon footprint of each portfolio
- Analysis of sector contribution of the issuer investees to the carbon footprint of each portfolio
- Analysis of a set of indicators of the contribution to energy transition at the portfolio level
- 2 degree IEA scenario
- Exposure to fossil fuel reserves

No

SG 1.12
CC

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02

Mandatory

Public

Core Assessed

PRI 6

New selection options have been added to this indicator. Please review your prefilled responses

carefully.

SG 02.1

Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach

URL/Attachment

- URL

URL

{hyperlink:https://www.candriam.co.uk/4ac218/siteassets/medias/publications/brochure/corporate-brochures-and-reports/csr-report/csr2018.pdf}

- Attachment (will be made public)
 Formalised guidelines on environmental factors

URL/Attachment

- URL

URL

{hyperlink:https://www.candriam.fr/siteassets/medias/publications/brochure/corporate-brochures-and-reports/transparency-codes/tc-core-sri-funds-2017-en.pdf}

- Attachment (will be made public)
 Formalised guidelines on social factors

URL/Attachment

- URL

URL

{hyperlink:https://www.candriam.fr/siteassets/medias/publications/brochure/corporate-brochures-and-reports/transparency-codes/tc-core-sri-funds-2017-en.pdf}

- Attachment (will be made public)
 Formalised guidelines on corporate governance factors

URL/Attachment

- URL

URL

{hyperlink:https://www.candriam.fr/siteassets/medias/publications/brochure/corporate-brochures-and-reports/transparency-codes/tc-core-sri-funds-2017-en.pdf}

- Attachment (will be made public)
- Fiduciary (or equivalent) duties
- Sector specific RI guidelines

URL/Attachment

- URL

URL

{hyperlink:https://www.candriam.fr/siteassets/medias/publications/brochure/corporate-brochures-and-reports/transparency-codes/tc-core-sri-funds-2017-en.pdf}

- Attachment (will be made public)
- Screening / exclusions policy

URL/Attachment

- URL

URL

{hyperlink:https://www.candriam.fr/siteassets/medias/publications/brochure/corporate-brochures-and-reports/controversial-activity/controversial-activity-policy-en-2017.pdf}

- Attachment (will be made public)
- Engagement policy

URL/Attachment

- URL

URL

{hyperlink:https://www.candriam.be/4956c2/siteassets/medias/publications/brochure/commercial-brochures/sri-brochure/stewardship-policy-2019.pdf}

- Attachment (will be made public)
- (Proxy) voting policy

URL/Attachment

- URL

URL

{hyperlink:https://www.candriam.co.uk/49636e/siteassets/medias/publications/brochure/corporate-brochures-and-reports/proxy-voting/proxy-voting-policy_2018.pdf}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2 Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.candriam.fr/4ac218/siteassets/medias/publications/brochure/corporate-brochures-and-reports/csr-report/csr2018.pdf}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:https://www.candriam.fr/siteassets/medias/publications/brochure/corporate-brochures-and-reports/transparency-codes/tc-core-sri-funds-2017-en.pdf}

Attachment

Time horizon of your investment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.candriam.fr/4ac218/siteassets/medias/publications/brochure/corporate-brochures-and-reports/csr-report/csr2018.pdf}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.candriam.fr/4ac218/siteassets/medias/publications/brochure/corporate-brochures-and-reports/csr-report/csr2018.pdf}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.candriam.be/4956c2/siteassets/medias/publications/brochure/commercial-brochures/sri-brochure/stewardship-policy-2019.pdf}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.candriam.fr/siteassets/medias/publications/brochure/corporate-brochures-and-reports/transparency-codes/tc-core-sri-funds-2017-en.pdf}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.candriam.co.uk/en/professional/market-insights/topics/sri/candriam-divests-from-coal-and-tobacco/}

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

We do not publicly disclose any investment policy components

SG 02.3

Additional information [Optional].

Climate-related issues are part of our statement related to French Article 173 Law Transition. This dedicated corner on our website (www.candriam.com) is available in French and has been translated in English (2019 updated version will be available soon) .

Our ESG reports have been extended to disclose investments ESG impact indicators :

- A description can be find here

<https://www.candriam.fr/en/professional/market-insights/assets-class/sri/candriam-and-the-impact-indicators-that-underlie-its-investment-choices/>

- An example of SRI fund factsheet is provided following this link https://www.candriam.fr/fr/professional/telechargement-fichier/TEQvNTIPeVk0SmsrY3Q2T0pvdXRpdz09/CandriamSRIEquityWorld_Rep_I_C_20190228_EN_AC_1762.pdf

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Other description (1)

Other role, specify (1)

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (2)

Other description (2)

Other role, specify (2)

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.7 CC	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
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Following the requirements of FR ART 173 and TCFD recommendations, end 2016, **a dedicated SRI operational committee** has been launched gathering 2 members of the Global Strategic committee (CIO traditional investment and COO), SRI teams, representatives of client relations and solution department, operational desk in charge of reporting. This committee meets on a two-month basis and oversees and monitors progress in follow up of requests, resources needed (data, workload, reportings, publication).

The assessment and management of climate related issues are part of the daily activities of

- ESG analysts teams in charge of the selection of companies in function of the climate change impact. This factor is part of the ESG assessment model for all sectors since 2008. They also are in charge of engagement activities related to climate change issues.

- Portfolio managers in charge of piloting climate change targets in the portfolios they manage : targets are explicit in low carbon strategies and they have to favour less climate impacting issuers in others. They evaluate the impact of decision on portfolio carbon footprint

Climate-change issues and targets are discussed during Investment meetings with Heads of Investments processes and representatives of ESG team.

- Data management and reporting officers have to deliver the portfolio reports related to climate change (carbon footprint, 2 degrees scenario, % exposure to coal, energy mix). Part of those have been outsourced to the environmental service provider Trucost.

Candriam is signatory of Montreal Carbon Pledge and publish each year the carbon footprint of the SRI product range and progress made. Candriam France is submitted to FR ART 173 and Candriam provides compliant tailor-made reports for their clients submitted to.

-Our annual Montreal Carbon Pledge statement

<https://www.candriam.co.uk/en/professional/market-insights/topics/sri/montreal-carbon-pledge-candriam-discloses-its-carbon-footprint-2018/>

-Our statement and dedicated FR ART 173 webcorner (available in French, and translated in English with some delay)

<http://www.candriam.com>

SG 07.8 CC	Explain how the organisation engages external investment managers on the TCFD recommendations and its implementation.
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- Incorporation of TCFD in Annual Report
- Incorporation of TCFD in regular client reporting
- Request that investment managers complete PRI Climate indicators
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner guide

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
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- Yes, to assess future ESG factors

	Describe
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Sector models are developed as basis for the ESG companies assessment. Those models are built by ESG analysts expert by sector and take into account the future evolution of material risks and opportunities for the sector and for the company in function of their activities and exposure to those.

- Yes, to assess future climate-related risks and opportunities

	Describe
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Climate-related risks and opportunities are part of all sector models developed by our ESG analysts to assess companies, especially when we assess the business model of companies (product/services, geographical exposure of activities/clients). This assessment covers the whole value chain.

- No, not to assess future ESG/climate-related issues

SG 13.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
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We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

For our Best-in-class approach, more under SG13.3. In European Equity ESG integration, sector weights are function of global exposure to sustainability trends.

- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

Our SRI Best-in-class screening approach is well balanced towards the ESG pillars and is based on sector-specific ESG models taking into account the material ESG risks and opportunities for the sector and the new trends. Our final SRI selection is sector neutral and we verify its impact on the ESG quality of the portfolios.

As for example of our modelling of new ESG trends, in the stakeholder's management sector model (Micro analysis), the ESG analyst expert of the sector determines the relevance (weighting) of the various ESG themes for the sector. Based on qualitative sector data and, where possible on historic quantitative data, the relevance of each theme is determined according to the frequency of interactions, their financial impact and future prospects.

- Frequency: the frequency at which certain events occur, such as accidents, fines, legal disputes or the publication of information briefs, and the degree of attention given to stakeholders;
- Financial impact: the magnitude of the impact of an ESG issue on sales, margins, assets (tangible and intangible), etc.;
- Future prospects: the probability that the relevance of an issue will increase or decrease due to a change in frequency or financial impact over the next five years.

SG 13 CC	Voluntary	Public	Descriptive	General
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SG 13.4 CC Describe how the organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, the results and any future plans.

- Initial assessment

Describe

Initially, 2 degree scenario analysis has been discovered by our ESG team in 2015 when portfolio analysis have been delivered for our SRI funds/mandates. Those confirm by quantitative data that our in-house developed assessment of companies taking into account their business model sustainability was aligned with the scenario. Since then, it has been used to identify companies at risk in non SRI portfolio and to back our decision to expand our corporate-wide strategy to exclude coal from our investments. In parallel to this decision, since 2015, green bonds have been favoured in corporate bonds strategies with an initial target of 5-10 % pocket and since 2018 10-15 %. The research made on the carbon data led us to develop decarbonisation optimisation process and to launch low-carbon investment strategies.

- Incorporation into investment analysis

	Describe
--	----------

Scenario analysis is used in ESG selection of companies and for the monitoring of strategies applied to SRI funds/mandates and low-carbon strategies. Access to climate-related data by portfolio managers make them aware of carbon risks in portfolio, investments that are the largest contributors and associated risks.

Inform active ownership

	Describe
--	----------

In 2015, we signed the Montreal Carbon Pledge initiative and committed ourselves to make progress in the path towards lower carbon footprint for our SRI product range. At the same time, we identified Energy Transition as one of our conviction topics to put forward in our stewardship activities. Since then, we have also signed the Investor Agenda initiative and the Commitment to support a just Transition on Climate change.

The information on companies also feed and back our dialogue with companies and voting activities. We have concentrated further our efforts by engaging all sectors on energy related issues including :

Materials and Utilities, on thermal coal divesting

Energy, on scenario analysis with focus on short/medium term target and inclusion of Scope 3

Finance, on risk disclosure, climate policies and carbon emissions / intensity performance-linked credit& lending practices

Candriam voting policy is aligned with our commitments and explicitly mentions we consider that all listed-companies should publish and implement a comprehensive climate change policy in line with accepted principles such as those of the Task Force on Climate-related Financial Disclosures (TCFD). Therefore, we recommend a vote in favour of resolutions demanding public report on hold companies' scenarios and climate strategy. We always consider the relevance, consistence and feasibility of the measure before casting our vote. TCFD recommendations are now part of our voting guidelines.

Other

SG 13.5 CC	Indicate who uses this analysis.
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Board members, trustees, C-level roles, Investment Committee

Portfolio managers

Dedicated responsible investment staff

External managers

Investment consultants/actuaries

Other

SG 13.6 CC	Indicate whether the organisation has evaluated the impacts of climate-related risk, beyond the investment time-horizon, on the organisations investment strategy.
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Yes

Describe

At Candriam, the first step to evaluate impacts of climate-related risks was initiated by the ESG team when they identify climate-related risks and opportunities across sectors and assess material impacts on companies. Their analysis and assessment cover since 2008 all companies part of classical benchmarks used in investments strategies. The French Art 173 and launch of TCFD recommendations were at the origin of the set-up of an operational committee monitoring the computing of portfolios carbon footprint and available climate-related data. A proposition was made by SRI team to the Global Strategic Committee to look at the most potential stranded assets. The derived decision was our company-wide thermal coal divestment from end 2018.

From 2019, a new working group dedicated to Climate and ESG risks will gather Risk managers, ESG team members and representative of investments strategies. The target is to develop a framework to identify material short/medium/long term risks across all strategies in order to further develop our corporate strategies and further feed our ESG integration approach.

No

SG 13.7 CC	Indicate whether a range of climate scenarios is used.
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- Yes, including analysis based on a 2°C or lower scenario
- Yes, not including analysis based on a 2°C or lower scenario
- No, a range is not used

SG 13.8 CC	Indicate the climate scenarios the organisation uses.
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Provider	Scenario used
IEA	<input checked="" type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input type="checkbox"/> RPC 4.5
IPCC	<input type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Health and Wellness

Other, specify(2)

other description (2)

Developing economies

None of the above

SG 14.2 Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM		13	929	780	000
Currency	EUR				
Assets in USD		15	892	390	328

Specify the framework or taxonomy used.

note : this figure does not take into account the assets that have divest from thermal coal exposure as a first step in our corporate-wide climate strategy.

- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

As our SRI Best-in-class selection takes into account the impact of companies business model on Climate change (macro analysis), the reporting tool we have developed in order to assess the ESG quality of portfolios against benchmark includes a climate change component. The delivered report gives a view on the manner the portfolio takes into account the climate change issue (scopes 1,2 and 3 at portfolio level, sector level and individual position level). This tool is used for SRI and non SRI portfolios reporting. Ex-post carbon footprint against benchmark for our ESG selection and our portfolios are regularly computed and published.

Additionally we also report on the other metrics at portfolio level : 2 degrees scenario analysis, % exposure of power generation from green/brown energies or coal, exposure to fossil fuels reserves.

SG 14.5

Additional information [Optional]

ESG assessment and SRI selection

All those trends are taken into account in the Global sustainability trends assessment exposure of issuers that are part of our sector specific ESG models. Based on our in-house developed framework, companies exposed to activities with a negative impact on those trends will be penalized in their Global sustainability trends score. Those exposed to activities with a positive impact on those trends will be favoured in their score. The score obtained represents 50 % of the final ESG score of the companies. Companies belonging to the top 50% best positioned in a sector are part of the SRI Best-in-class selection applied to our SRI funds and mandates.

The evaluation of those trends at issuer level are also used in the combined ESG and financial profiles of corporates that are used in the Fixed Income/ Fundamental Equities selection processes.

The Climate change issue

Climate change is a challenge that is taken into account in all our sector models. The assessment is based on the impact each type of activity has in terms of CO2 emissions, from sourcing to consumption (scopes 1, 2 and 3). Like for other ESG trends analysed in our macro analysis, each activity get a score ranging from -10 to +10 reflecting how negative/positive the activity is for Climate Change. As for example, our model gives the most negative score (-10) to coal and lignite, neutral score for industrial gas and the most positive score for solar & wind. Based on this impacting score for each activity and the exposure of each company to different activities, the Climate Change score is derived for each company. For most of the sectors, the exposure of each company to activities is based on the activities % derived turnover but for the energy sector, it is based on the fossil fuels reserves and for utilities sector on the installed capacity.

Energy transition as a conviction topic

Since 2015 Candriam has chosen to promote three long-term engagement topics (our 'conviction topics'), among which Energy transition, that covers the shift to more renewable sources of energy but also improved energy efficiency and storage. In the Phase I, the issue is first raised through dialogue with companies belonging to one or few specific and highly relevant sectors. In Phase II, leveraging on this knowledge, the conviction topics is chosen as a priority topic in dialogue with our In Line classified companies (bottom 15% of our Top 50% selection) when relevant. In Phase III, topic-related outreach program is expanded cross Candriam, for fundamental analysts and fund managers but also for other departments such as purchasing service.

Call to governments and authorities to act

Candriam has signed several statements or collaborative initiatives calling states or control authorities to act for better management of climate change-associated challenges, but also committing ourselves. Here below some of the initiatives or statement we signed over the past 2 years and that fall under this category :

- Montreal Carbon Pledge
- G20 Energy Efficiency Investor Statement
- Paris Pledge for Action
- Fiduciary Duty In the 21st Century Statement
- Investor statement to G20 governments on phasing out subsidies for fossil fuels
- 2017 Letter to G7 and G20 governments on climate change

SG 14 CC	Voluntary	Public	General
SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.		

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Climate-related targets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Inform investment decision and monitoring Reporting	Allocation of MWH energy sources-based of power generation	IEA 2 degrees scenario 2030/2050
Weighted average carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Inform investment decision and monitoring Reporting	Tons CO2 eq in mio € revenues	TCFD
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Inform investment decision and monitoring	Tons CO2 eq in mio € revenues	GHG Protocol
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Inform investment decision and monitoring Reporting , FR art 173, Montreal Carbon pledge	Tons CO2 eq in mio € revenues Tons CO2 eq in mio € invested	UNEPFI
Total carbon emissions	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	ESG assessment of companies and risks associated, part of ESG selection , corporate impact	Tons CO2 eq	
Carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Reporting	Weighted average (Tons CO2 eq in mio € revenues)	TCFD
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	ESG assessment of companies and risks associated Inform investment decision and monitoring Exclusion of exposure to thermal coal Reporting	% exposure : - in revenues - tCO2eq in fossil fuels reserves (extractive activities)	GHG Protocol
Other emissions metrics	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets			

**SG 14.7
CC**

Describe in further detail the key targets.

Targettype	Time Frame	Description	Attachments
<input type="checkbox"/> Absolute target <input checked="" type="checkbox"/> Intensity target	from 2015	Publish and monitor carbon footprint of our SRI product range to align this with low carbon strategies - progressively extend the scope to other kind of funds/strategies	
<input checked="" type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target	1 / from 2017 <w:br />2/ from 2018	exclusion of company's exposed to extraction of thermal coal or > 10 % of revenues from thermal coal power generation 1/2016 for SRI best-in-class strategies 2/2017 for all other strategies	
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			
<input type="checkbox"/> Absolute target <input type="checkbox"/> Intensity target			

**SG 14.8
CC**

Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management

Please describe

A transversal operational committee gathering representatives of risk management, ESG team, operations and reporting, client relationship managers was set up in 2016 to work on the carbon data and overseeing/monitoring the computation of portfolio carbon footprint. Please refer to answer to questions SG 13.4 CC and 13.6 CC. for further details.

From 2019, a new working group dedicated to Climate and ESG risks will gather Risk managers, ESG team members and representative of investments strategies. The target is to develop a framework to identify material short/medium/long term risks across all strategies in order to further develop our corporate strategies, further feed our ESG integration approach and decide on the appropriate metrics. Until now, the identification of material risks related to climate issues was derived from the ESG team based on the in-house developed models to assess companies and their exposure to climate change. Research conducted on carbon data and scenario analysis were also used.

- Process for climate-related risks is not integrated into our overall risk management

**SG 14.9
CC**

Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

Yes

Please describe

Candriam considers engagement activities as integral parts of its fiduciary duty, as it they contributes to a better assessment of the ESG risks and opportunities faced by issuers, prompting improvement in the way they manage them.

Since 2015, Energy Transition is one of the three long-term engagement topics Candriam has chosen to promote in its engagement, along with Fair Work Conditions, and Business Ethics.

2018 took the momentum of 2017 even further : climate definitively entered the financial market arena and energy transition accounts for the most prominent part of our direct and collaborative engagement, and in an even more pronounced proportion than previous last year.

As detailed under the SG 9, we participate in a number of initiatives specifically focusing on climate change and which definitely integrate TCFD recommendations within their demands:

- CDP - Non Discloser Campaign, lead investor for 23 corporates this year
- Decarbonisation (IDI) Initiative
- Climate Action 100+& Climate Change Transition for Oil & Gas, active investor for 5 corporates
- 2018 Global investor statement on climate change
- Investor statement to EU policymakers on the future of Corporate reporting

As an investor we also committed further, adding to the Montreal Carbon Pledge signed in 2015, both the Investor Agenda and the Commitment to support a just Transition on Climate change.

Individually, we continued engaging all sectors on energy related issues including :

- Materials and Utilities, on thermal coal divesting
- Energy, on scenario analysis with focus on short/medium term target and inclusion of Scope 3
- Finance, on risk disclosure, climate policies and carbon emissions / intensity performance-linked credit& lending practices

Candriam voting policy is aligned with our commitments and explicitly mentions we consider that all listed-companies should publish and implement a comprehensive climate change policy in line with accepted principles such as those of the Task Force on Climate-related Financial Disclosures (TCFD). Therefore, we recommend a vote in favour of resolutions demanding public report on hold companies' scenarios and climate strategy. We always consider the relevance, consistence and feasibility of the measure before casting our vote. We also engage in the pre-season of voting on the energy transition topic, such as with Shell in 2018, in the framework of the Follow This resolution.

At last, Candriam continues to support TCFD recommendations :

- as a member of several industry associations
- when answering public consultations such as the one of the EU Sustainable Finance Action Plan
- when sharing its view at international events such as the 2018 OECD meeting on Integration of Climate change into Institutional Investment.

More details on our 2018 engagement achievements are available in our 2018 Engagement Annual review, under https://www.candriam.co.uk/494b32/siteassets/medias/publications/brochure/corporate-brochures-and-reports/engagement-report/engagement-activities_annual-report2018.pdf

No, we do not engage

SG 15

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

SG 15.1 | Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

SG 15.2 | Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

10.3

SG 15.3 | Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

Energy efficiency / Clean technology

Asset class invested

Listed equity

% of AUM

11.07

Fixed income - SSA

% of AUM

8.6

Fixed income - Corporate (financial)

% of AUM

13.7

Fixed income - Corporate (non-financial)

% of AUM

15.4

Fixed income - Securitised

% of AUM

5.2

Hedge funds

Brief description and measures of investment

Activities related to clean technologies are favored in our global sustainability trends exposure of corporate assessment that is part of our SRI selection process (macro analysis) and tells for 50 % of the ESG final score.

Country exposure and policy related to Renewable energy is part of the assessment of management of natural capital (25 % weight of ESG country final score) of our ESG screening applied for all our SRI Best-in-class funds and mandates invested in government bonds.

Renewable energy

Asset class invested

Listed equity

% of AUM

11.07

Fixed income - SSA

% of AUM

8.6

Fixed income - Corporate (financial)

% of AUM

13.7

Fixed income - Corporate (non-financial)

% of AUM

15.4

Fixed income - Securitised

% of AUM

5.2

Hedge funds

Brief description and measures of investment

Activities related to renewable energy are favored in our global sustainability trends exposure of corporate assessment that is part of our SRI selection process (macro analysis) and tells for 50 % of the ESG final score.

Country exposure and policy related to Renewable energy is part of the assessment of management of natural capital (25 % weight of ESG country final score) of our ESG screening applied for all our SRI Best-in-class funds and mandates invested in government bonds.

Green buildings

Asset class invested

Listed equity

% of AUM

11.07

Fixed income - SSA

% of AUM

8.6

Fixed income - Corporate (financial)

% of AUM

13.7

Fixed income - Corporate (non-financial)

% of AUM

15.4

Fixed income - Securitised

% of AUM

5.2

Hedge funds

Brief description and measures of investment
--

Green buildings are favored in our global sustainability trends exposure of corporate assessment that is part of our SRI selection process (macro analysis) and tells for 50 % of the ESG final score.

Sustainable forestry

Asset class invested

Listed equity

% of AUM

11.07

Fixed income - SSA



8.6

- Fixed income - Corporate (financial)



13.7

- Fixed income - Corporate (non-financial)



15.4

- Fixed income - Securitised



5.2

- Hedge funds

Brief description and measures of investment

Sustainable forestry is favored in our global sustainability trends exposure of corporate assessment that is part of our SRI selection process (macro analysis) and tells for 50 % of the ESG final score.

- Sustainable agriculture

Asset class invested

- Listed equity



11.07

- Fixed income - SSA



8.6

- Fixed income - Corporate (financial)



13.7

- Fixed income - Corporate (non-financial)



15.4

- Fixed income - Securitised



5.2

- Hedge funds

Brief description and measures of investment

Sustainable agriculture is favored in our global sustainability trends exposure of corporate assessment that is part of our SRI selection process (macro analysis) and tells for 50 % of the ESG final score.

- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education

Asset class invested

- Listed equity



11.07

- Fixed income - SSA



8.6

- Fixed income - Corporate (financial)



13.7

- Fixed income - Corporate (non-financial)



15.4

- Fixed income - Securitised



5.2

- Hedge funds

Brief description and measures of investment

Access to education is favored in our global sustainability trends "developing economies" and "demographic evolutions" exposure of corporate assessment that is part of our SRI selection process (macro analysis) and tells for 50 % of the ESG final score.

This is also a global theme that is part of the country SRI selection process as education is part of the country human capital management (25 % weight of ESG country final score).

Global health

Asset class invested

Listed equity

% of AUM

11.07

Fixed income - SSA

% of AUM

8.6

Fixed income - Corporate (financial)

% of AUM

13.7

Fixed income - Corporate (non-financial)

% of AUM

15.4

Fixed income - Securitised

% of AUM

5.2

Hedge funds

Brief description and measures of investment

Global health is part of the "Health and Wellness" global sustainability trends that is assessed in the selection of corporate in our SRI selection process (macro analysis) and tells for 50 % of the ESG final score. All companies that offer products/services related to better health or technologies/medicines contributing to care some diseases are better scored on those trends.

This is also a global theme that is part of the country SRI selection process as health is part of the country human capital management (25 % weight of ESG country final score).

Water

Asset class invested

Listed equity

% of AUM

11.07

Fixed income - SSA

% of AUM

8.6

Fixed income - Corporate (financial)

% of AUM

13.7

Fixed income - Corporate (non-financial)

% of AUM

15.4

Fixed income - Securitised

% of AUM

5.2

Hedge funds

Brief description and measures of investment

Water is a ESG issue that is taken into account at different stages of our SRI assessment screening of corporates : exposure of activities to water use or water efficiency are tracked during the assessment of exposure to resource depletion global sustainability trends of companies; the effective management and policy related to water use by the company is assessed during the assessment of the environment stakeholder's management.

Water consumption and emissions is also part of our country assessment screening. This is taken into account in the country's natural capital management (25 % weight of ESG country final score).

Other area, specify

No