



CANDRIAM SUSTAINABLE BOND GLOBAL HIGH YIELD

REPORTING 31|08|2022

Share Class: R (EUR)



07.2022

OVERALL MORNINGSTAR RATING TM

Lower Risk ← Higher Risk

Potentially lower return ← Potentially higher return



RISK AND REWARD PROFILE

The risk level shown reflects the fund's historical volatility, completed where applicable by that of its reference framework. The volatility indicates the extent to which the value of the fund may fluctuate upwards or downwards.

- The indicated category may vary over time.
- The historical data give no indication of a future risk profile.
- The lowest category does not mean "risk-free".
- There is no guarantee or mechanism to protect the capital.



(1)

SRI Label



PAGES 1 / 11 FOR PROFESSIONAL INVESTORS ONLY

Nota bene: Even if the subfund is awarded the label, it does not mean that the same subfund meets your sustainability objectives or that the label will be compliant with the requirements of future national or European regulations. For further information, please go to www.fsma.be/fr/finance-durable.

Thomas Joret
Senior Fund Manager
6 Years of experience

Philippe Noyard
Global Head of Credit & Arbitrage
33 Years of experience

Jean-Claude Tamvakis
Senior Fund Manager
18 Years of experience

Nicolas Jullien
Head of High Yield & Credit Arbitrage / Deputy Global Head of Credit
12 Years of experience

FUND CHARACTERISTICS

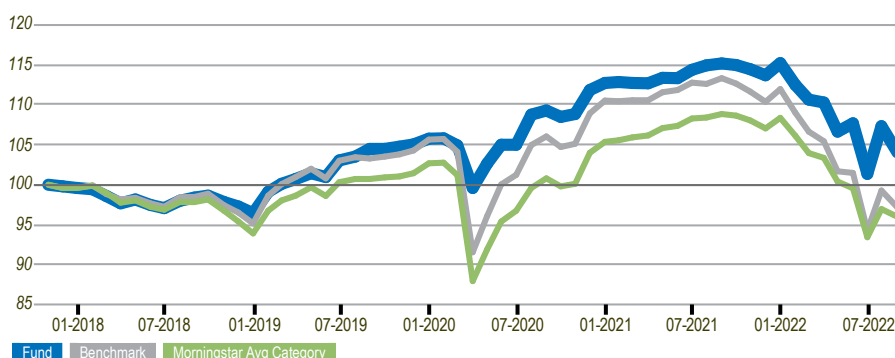
Inception Date	10/10/2017
Fund Domicile	Luxembourg
Fund Legal Form	SICAV
Benchmark	ML Global HY BB-B 2% Constr Non-Fin Hedged EUR
Total net assets (M EUR)	1,534.10
NAV per share cap.(EUR) (C)	104.43
NAV per share dis.(EUR) (D)	91.26
Fund Reference Currency	EUR
NAV Calculation	Daily
Morningstar™ Category	EAA Fund Global High Yield Bond - EUR Hedged
ISIN Code (C)	LU1644441716
ISIN Code (D)	LU1720118378
Ticker Bloomberg (C)	CAGHREA LX Equity
Ticker Bloomberg (D)	CAGHRDE LX Equity
Latest Dividend Distributed	4.62 (2022-05-06)
Dealing Cut Off	D<12:00
Antidilution Mechanisms	-
Custodian Bank	CACEIS Bank, Luxembourg Branch
Management Company	CANDRIAM

INVESTMENT STRATEGY

Candriam Sustainable Bond Global High Yield, a sub-fund of the Candriam Sustainable sicav, offers investors exposure to the Global High Yield corporate bonds market, to benefit from attractive yielding debt of companies with a high credit risk. The fund invests predominantly in bonds or in derivative instruments (credit derivatives based on indices or individual names) issued by companies with a rating exceeding B-/B3 by one of the 3 main ratings agencies. The fund may use currency, volatility, interest rate or credit derivatives for efficient portfolio management purposes (hedge, exposure). This strategy takes into account environmental, social and governance (ESG) criteria via an analysis developed by the Management Company. The fund's sustainable investment objective is to reduce greenhouse gas emissions whilst also seeking to achieve a long term positive impact on social and environmental dimensions. The investment horizon is 3 years. The fund is managed actively, with reference to the index mentioned on the section "characteristics". For further information about this index and its use, please consult the fund's key investor information document (KIID).

PERFORMANCE (1)

	1 month	3 months	YTD	1 year	3 years	5 years
Fund	-3.1%	-3.4%	-9.7%	-9.7%	-0.4%	-
Benchmark	-2.1%	-4.3%	-13.2%	-14.3%	-5.9%	-
	-0.9%	0.9%	3.6%	4.6%	5.5%	-
	2021	2020	2019	2018	3 years annualized	5 years annualized
Fund	2.2%	6.6%	9.7%	-3.2%	-0.1%	-
Benchmark	1.3%	4.6%	11.0%	-4.5%	-2.0%	-
	0.9%	1.9%	-1.3%	1.3%	1.9%	-



STATISTICS

	Funds	Benchmark
Volatility	7.06%	9.89%
Tracking Error	3.65%	-
Sharpe Ratio	0.06	-0.15
Number of Issues	107	2,732
Number of Issuers	65	1,355
Modified Duration to Worst	3.83	4.35
Yield to Worst	5.39	7.89
Average Rating	BB	BB-
Average Spread	303.35	427.44
Credit sensitivity	4.55	4.39
Net IG exposure	6.97%	0.31%
Net HY Exposure	78.47%	99.64%

ESG ASSESSMENT

<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Exclusion	Norm based	Positive selection	Integration

FEES

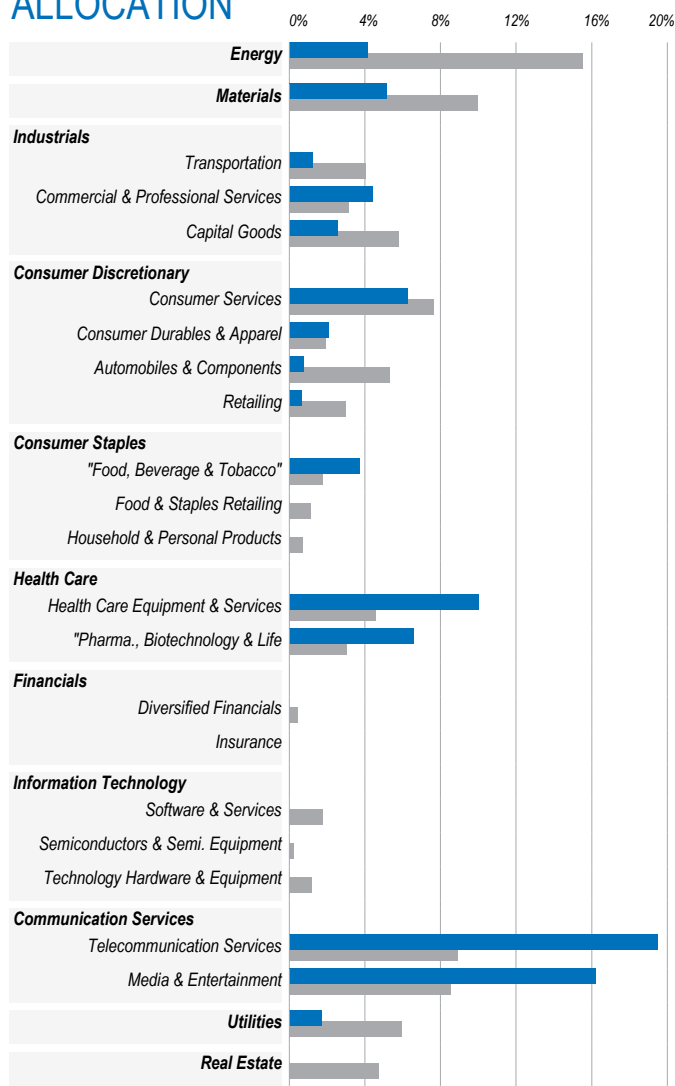
C	0.55%	0.76%	-
D	0.55%	0.78%	-
Real Management Fee	Ongoing Charges	Performance Fees	

(1) Past Performances shown on this page are not an indicator of future performances and are not constant over time. See important disclosures on performance under the section 'warning' in the 'Important Information' on page 4. NAVs are net of fees and are provided by the accounting department and the reference index by official providers.

TOP 10 ISSUERS

	% Fund	Sector	Country	% Active weight
1 CCO HOLDINGS LLC / CCO HOLDINGS CAPITAL	4.40	Communication Services	United States	+3.02
2 VODAFONE GROUP PLC	3.66	Communication Services	United Kingdom	+3.05
3 REPSOL INTERNATIONAL FINANCE BV	3.04	Energy	Spain	+2.85
4 TELEFONICA EUROPE BV	2.95	Communication Services	Spain	+2.57
5 TENET HEALTHCARE CORP	2.54	Health Care	United States	+1.70
6 PRIME SECURITY SERVICES BORROWER LLC /	2.53	Industrials	United States	+2.28
7 SPRINT CORP	2.50	Communication Services	United States	+1.87
8 CENTENE CORP	2.48	Health Care	United States	+1.63
9 SIRIUS XM RADIO INC	2.22	Communication Services	United States	+1.75
10 HCA INC	2.16	Health Care	United States	+2.16

SECTOR ALLOCATION

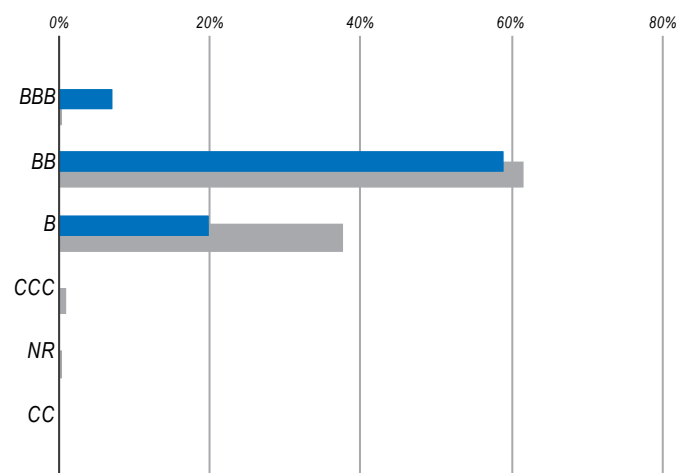


Legend Fund Benchmark

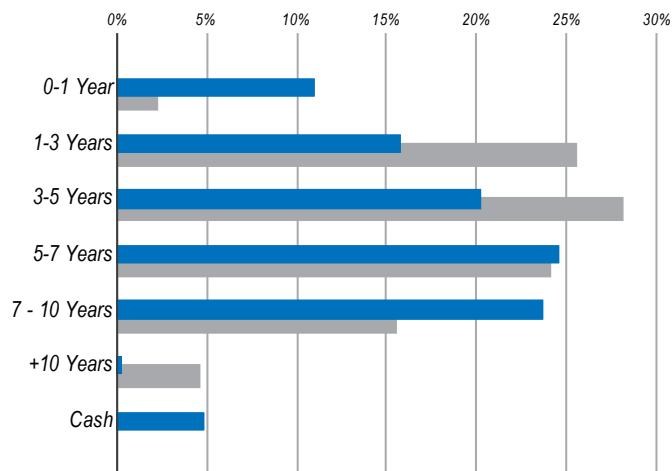
PORTFOLIO COMPOSITION

	IG	High Yield
Bonds	6.97%	78.47%
	6.97%	78.47%
Total Credit Investment	85.44%	
IR / Govies hedging	-	

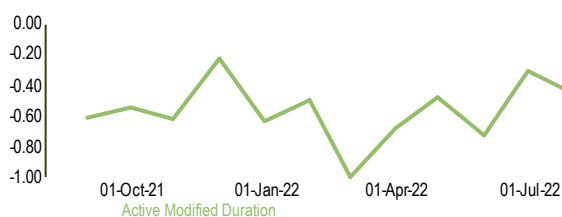
RATING ALLOCATION



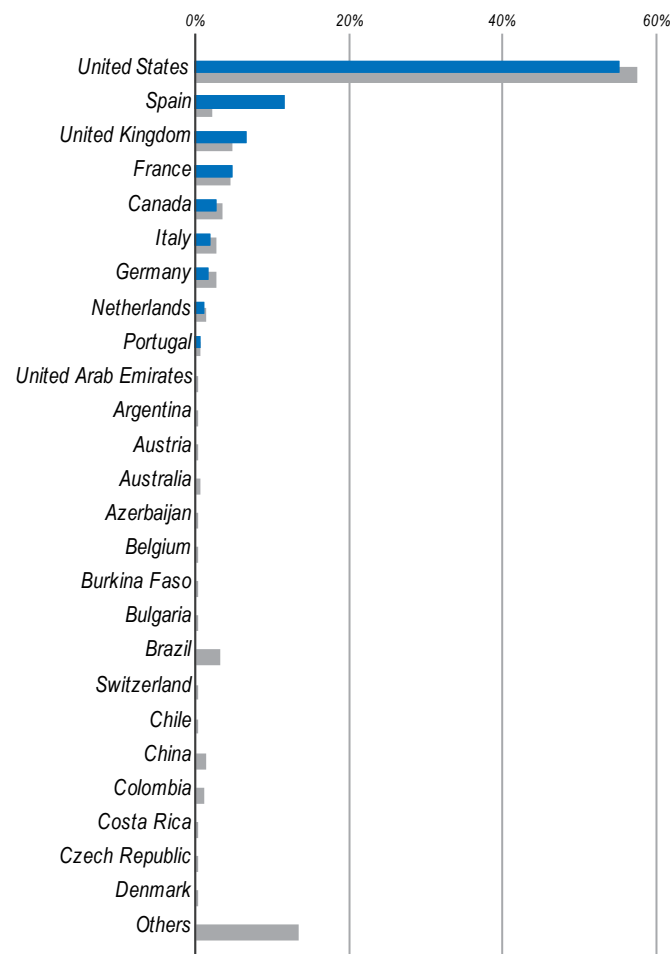
MATURITY BREAKDOWN



EVOLUTION OF ACTIVE MODIFIED DURATION



ALLOCATION BY COUNTRY



Legend Fund Benchmark

CURRENCY EXPOSURE

	Gross Exposure	Net Exposure
EUR	100.57%	100.57%
USD	0.63%	-0.63%
GBP	0.05%	0.05%
CHF	0.00%	-0.00%
Others	-	-

SCR

SOLVENCY CAPITAL REQUIREMENT

-5.22%	4.59%	
SCR Int Rates UP	SCR Int Rates DOWN	
-22.05%	-0.08%	-4.67%
SCR Spread	SCR Currency	SCR Concentration
22.75%	23.67%	24.37%
Duration Liability 3Y	Duration Liability 7Y	Duration Liability 10Y
-23.31%		
Market SCR		

IMPORTANT INFORMATION

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Candriam consistently recommends investors to consult via our website www.candriam.com the key information document, prospectus, and all other relevant information prior to investing in one of our funds. These documents are available either in English or in local languages for each country where the fund's marketing is approved.



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GLOSSARY

EXPOSURE

The Exposure of a fund is expressed as a percentage of total portfolio holdings, taking into account the leverage of derivative instruments. It represents the amount an investor can lose from the risks unique to a particular investment.

NET HY EXPOSURE

The Net High Yield Exposure is the percentage difference between a fund's long and short exposures to high yield fixed income instruments, including derivatives. An instrument is considered as a high yield instrument if its credit rating is below BBB-.

NET IG EXPOSURE

The Net Investment Grade Exposure is the percentage difference between a fund's long and short exposures to investment grade fixed income instruments, including derivatives. An instrument is considered as an investment grade instrument if its credit rating is above or equal to BBB-.

VOLATILITY*

The Volatility is the statistical measure of dispersion of returns for a fund around the mean. A higher volatility means that a fund's value can potentially be spread out over a larger range of values and makes the fund a riskier investment.

RISK AND REWARD PROFILE

The Risk and Reward Profile is defined by the Synthetic Risk Reward Indicator (SRRI), a number on a scale from 1 to 7 based on the fund's volatility (regulatory measure). A rating of 1 represents the lower end of the risk scale with potentially lower rewards available while a rating of 7 reflects higher risk but potentially higher rewards.

TRACKING ERROR*

The Tracking Error is a statistical measure of dispersion of the excess returns of the fund around the mean, making it the volatility of the difference between the fund's return and its reference index return. A higher tracking error indicates a higher deviation from the reference index.

SHARPE RATIO*

The Sharpe Ratio measures the level of compensation an investment in the fund offered for the risk taken. It is calculated by subtracting the risk-free rate from the return of the fund and dividing that result by the volatility. The higher the Sharpe ratio the better, a negative ratio has no significance other than that the fund underperformed the risk-free rate.

AVERAGE RATING

The Average Rating is calculated using the Weighted Average Rating Factor (WARF) and is a measure to indicate the credit quality of the fund. The measure aggregates the credit ratings of the fund's holdings into a single rating.

* based on weekly data over 3 Years (1 year if too little history)

RISK-FREE RATE

The Risk-Free Rate is the market return on an asset that is considered to have no (or negligible) risk. It will be used for the calculation of risk adjusted returns (e.g. Sharpe Ratio) and it will always be a rate in the performance calculation currency. The most common used rates will be ESTER for EUR denominated performances and FED Fund Rate for USD denominated performances.

MODIFIED DURATION TO WORST

The Modified Duration is a formula that expresses the measurable change in the value of a fixed income instrument in response to a change in interest rates. The Modified Duration to Worst is calculated taking into account the call date for callable bonds and the scenario that would provide the worst yield to the holders of fixed income instruments. The Modified Duration to Worst for the fund is calculated as the weighted average MDTW of all underlying fixed income instruments.

YIELD TO WORST

The Yield To Worst (YTW) is the lowest potential yield that can be received on all fixed income instruments in a fund without the issuers actually defaulting. It represents the lowest of all yields computed at each call date for callable bonds. The YTW for the fund is calculated as the weighted average YTW of all underlying fixed income instruments.

CREDIT SENSITIVITY

The Credit Sensitivity is a formula that expresses the measurable change in the value of a fixed income instrument in response to a change in credit spread. The credit sensitivity for the fund is calculated as the weighted average credit sensitivity of all underlying fixed income instruments.

AVERAGE SPREAD

The Average Spread for the fund is the weighted average Option-Adjusted Spread (OAS) for all underlying fixed income instruments. The OAS refers to the difference or spread between the fixed income instrument's yield and the swap rate with the same maturity, using a dynamic pricing model that accounts for embedded options.

RATING

A (credit) Rating is a quantified assessment of the creditworthiness of a borrower. Rating in this report refer to the 2nd best rating, a daily calculated, standardized rating. It is calculated on instrument level, using ratings from 3 worldwide renowned rating agencies. It is the 2nd best rating, unless no more than one rating from one agency exists. NR indicated that none of the rating agencies issued a rating on the instrument.

NUMBER OF ISSUERS

The Number of Issuers represents the total number of companies in position.

NUMBER OF ISSUES

The Number of Issues represents the total number of instruments in position.

REAL MANAGEMENT FEES

The Real Management Fee is the actual percentage charge deducted from the fund's average net assets.

OCF

The Ongoing Charges Figure (OCF) informs the investor on the total annual cost of investing within the fund and is comprised of all annual charges & other payments.

PERFORMANCE FEE

The Performance Fee refers to a charge on any returns that the Fund achieves above the reference index. Please refer to the Prospectus for further information.

ESG ASSESSMENT – EXCLUSION

The Exclusion filter refers to the exclusion of companies involved in harmful or controversial activities. Involvement is assessed using activity-specific revenue-based threshold levels.

ESG ASSESSMENT – NORMS-BASED

The Norms-Based analysis excludes companies which are in violation of the 10 principles of the United Nations Global Compact (UNGC). These principles cover 4 main categories: Human Rights, Labour Rights, Environment and Anti-Corruption.

ESG ASSESSMENT – POSITIVE SELECTION

The Positive selection analysis is inclusive, not exclusive. It includes only the companies with the best ESG score, obtained by evaluating their ability to manage the sustainable development issues based on a combination of specific factors material to each sector.

ESG ASSESSMENT – INTEGRATION

The Integration of ESG factors into investment decisions consists of integrating specific extra-financial factors into the financial valuation or credit assessment of securities. The factors used are selected based on their materiality in the given asset class.

SUSTAINABILITY REPORTING

The following pages provide metrics and indicators related to the sustainability impact of corporate instruments (i.e. equities, corporate bonds etc.).

The Fund is classified as an article 9 financial product according to the Sustainable Finance Disclosure Regulation. The sustainable investment objective of the Fund is two-fold:

- The Fund aims to contribute to the reduction of greenhouse gas emissions in order to fulfil the long-term objectives of the Paris Agreement.
- Moreover, not focusing on specific themes, the Fund aims to have long-term positive impacts on the environment, beyond the issue of climate change, and on social domains.

The Fund aims to achieve these objective through a combination of positive selection of issuers based on sustainability considerations, exclusions, impact measurement and active ownership.

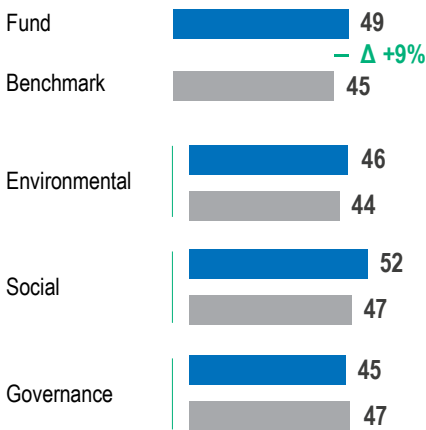
For more information on our sustainable investments, the methodology and relevant sustainability indicators used to measure the impact of such investments, refer to our website: [//www.candriam.com/en/professional/market-insights/sfdr](http://www.candriam.com/en/professional/market-insights/sfdr)

SUSTAINABILITY SCORE

The sustainability score (also called 'ESG score') is based on Candriam's proprietary ESG analysis and scoring methodology. For companies, Candriam's proprietary ESG analysis is done from two distinct but related angles: analysis of the impacts of business activities (products and services) and management of companies' key stakeholders.

COMPANY ESG SCORE

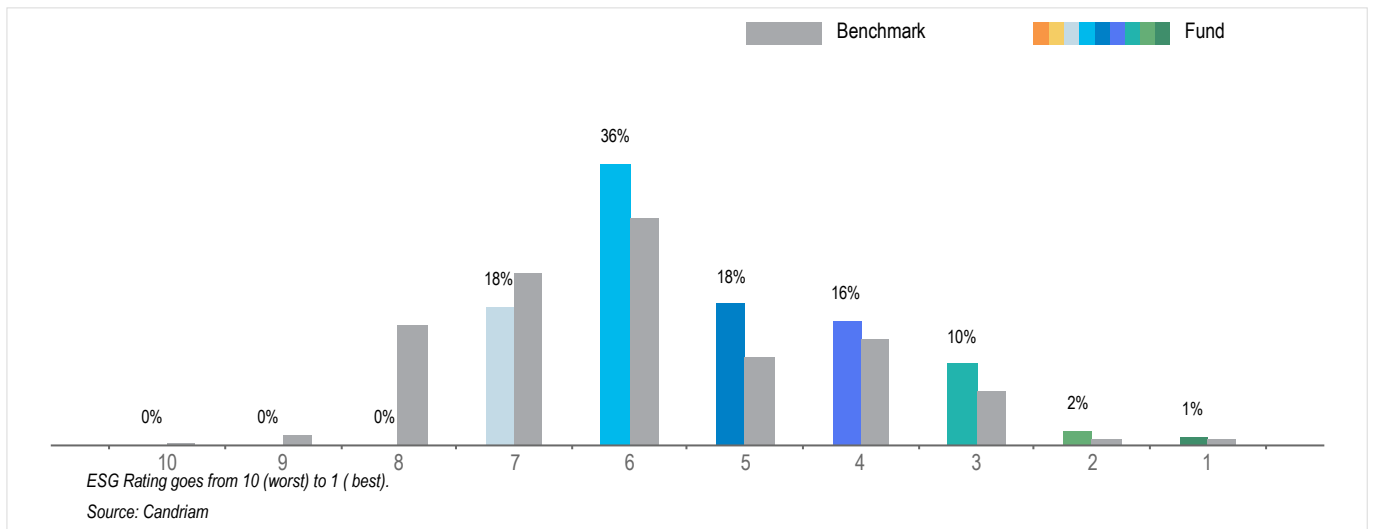
ESG Score - Companies (0-100)



Source: Candriam

Coverage Rate (Fund/Benchmark): 98.2% / 81.8%

COMPANY ESG RATING



COMPANY SUSTAINABILITY INDICATORS

CARBON FOOTPRINT



The difference in carbon footprint is equivalent to

42 Round Trips
Brussels - New York

Emissions produced by
52 cars annually

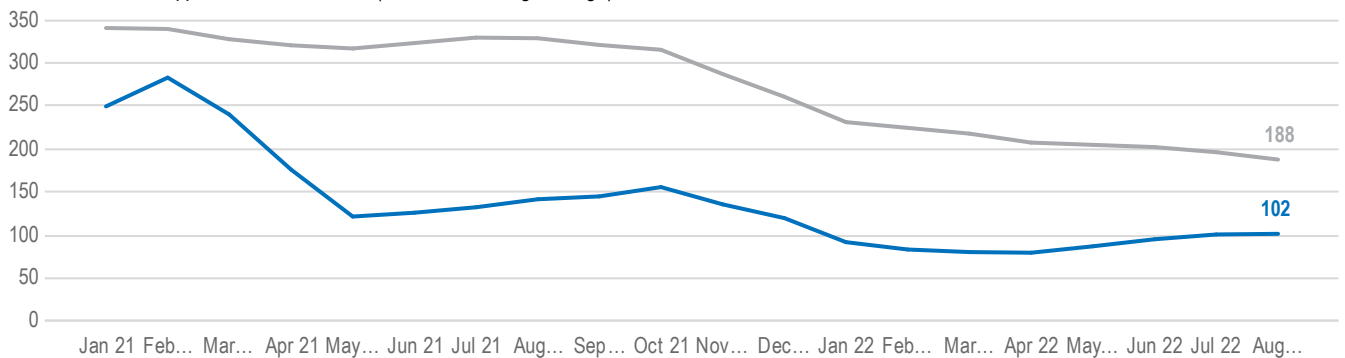
Tons CO2eq per million € invested in fund/benchmark

Source: Candriam, Trucost

Coverage Rate (Fund/Benchmark): 94.7% / 75.1%

CARBON FOOTPRINT EVOLUTION

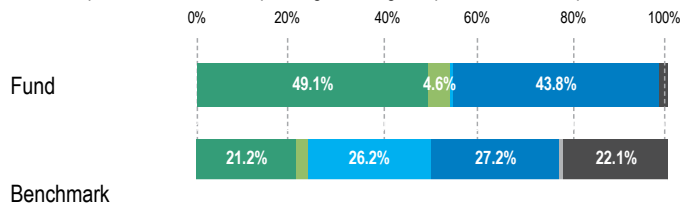
Tons CO2eq per million € invested (3 months moving average)



Source: Candriam, Trucost

POWER GENERATION MIX

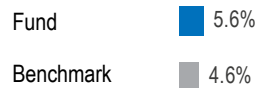
The power generation mix of a portfolio shows the percentages that different energy sources represent within electric power generating companies held in the portfolio.



Source: Candriam, Trucost

Legend: Renewables, Others, Nuclear, Natural Gas, Oil, Coal

Exposure of electric power generation companies



Total power generation from renewables
22,282 MWH

Equivalent annual power consumption of
2,894 PEOPLE

ENVIRONMENTAL INDICATORS

Green exposure (by MSCI ESG Research)



Source: Candriam, MSCI

Coverage Rate (Fund/Benchmark): 92.6% / 81.7%

Fossil Fuel exposure (by MSCI ESG Research)



Source: Candriam, MSCI

Coverage Rate (Fund/Benchmark): 92.6% / 82.5%

% Green bonds



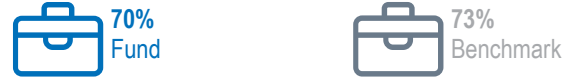
Source: Bloomberg

BOARD GENDER DIVERSITY



Source: Candriam, MSCI
 Coverage Rate (Fund/Benchmark): 91.7% / 81.1%

PERCENTAGE OF INDEPENDENT BOARD MEMBERS



Source: Candriam, ISS-Oekom
 Coverage Rate (Fund/Benchmark): 85.0% / 67.4%

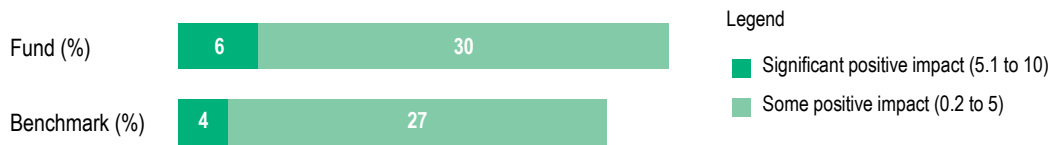
SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations General Assembly in 2015, and to be achieved by year 2030. A score is calculated with respect to each SDG of investee companies held in portfolio. Each score is a weighted average of the level of contribution to such SDG by such companies.

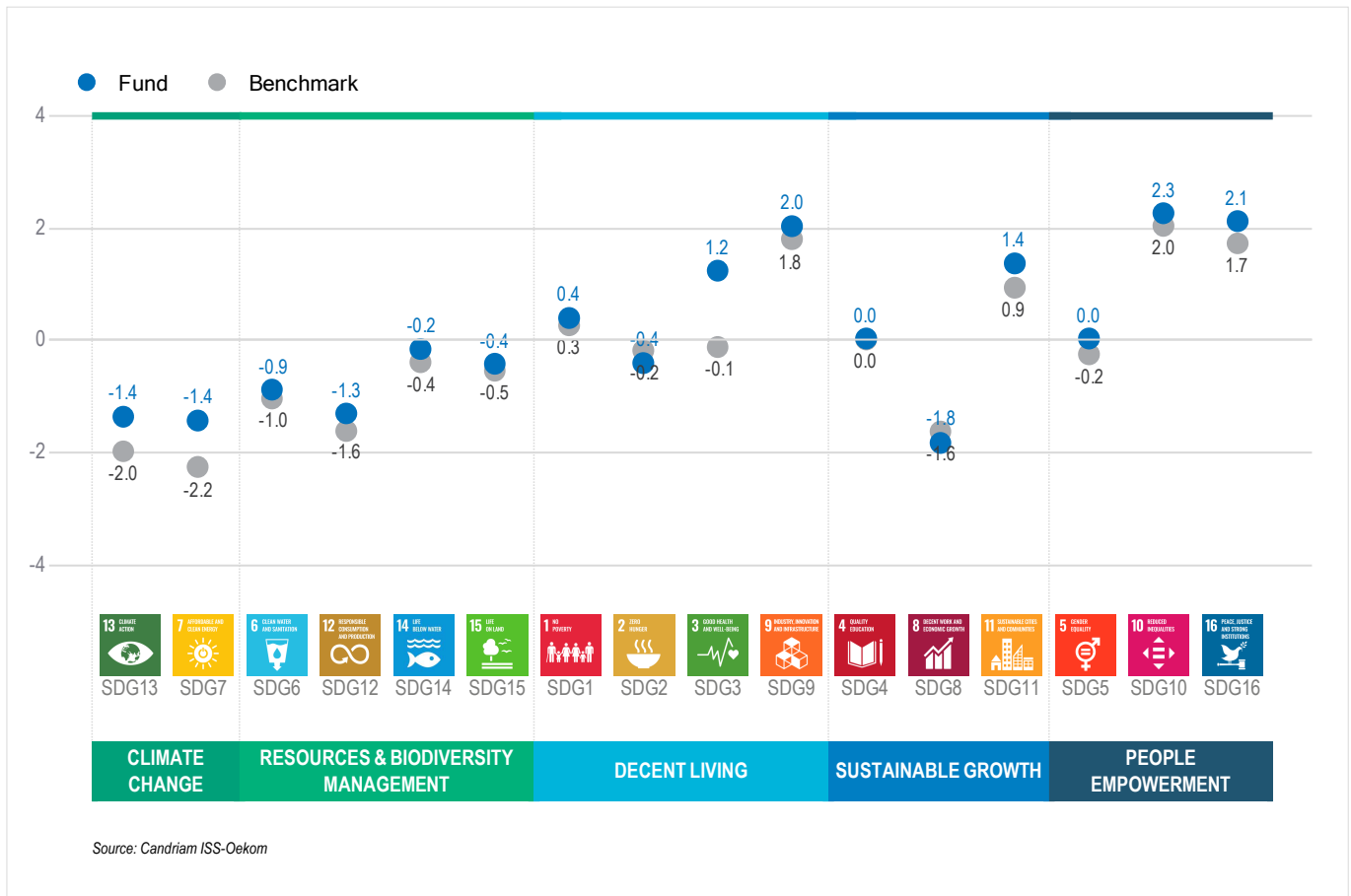
In order to estimate this contribution, the scores consider three dimensions:

- Contribution of the companies' products and services to achieving each goal
- Impact of the companies' operations on relevant ESG dimensions (e.g. human capital management, environmental impact, supply chain management)
- Exposure of the companies to controversies detrimental to attaining the Sustainable Development Goals

The fund and the benchmark are rated from -10 to +10 on each SDG, reflecting their degree of positive or negative contribution to each goal.



Source: Candriam
 Coverage Rate (Fund/Benchmark): 91.7% / 74.1%



Source: Candriam ISS-Oekom

SUMMARY ESG DATA

Indicator (Source)	Metric	Benchmark	Fund	Coverage rate (% rate/% eligible assets)	Fund weight concerned (% rated/total assets)
Carbon footprint ¹	Tons CO2eq/million € invested	180	99	94.7%	77.3%
Carbon intensity ¹	Tons CO2eq/million € revenues	336	212	94.9%	77.3%
Weighted Average Carbon Intensity ¹	Tons CO2eq/million € revenues	409	159	94.9%	77.3%
Green exposure ²	Percentage green exposure	4	2	92.6%	79.0%
Fossil Fuel exposure ²	Percentage fossil fuel exposure	19	6	92.6%	79.0%
Renewable energy production ¹	Total Mwatt/h	30162	22282	5.6%	4.8%
Water consumption ¹	M3 water/million € invested	11701.76	5340.47	93.6%	79.8%
Water intensity ¹	M3 water/million € revenues	22046	11239	93.6%	79.8%
Weighted Average Water Intensity (WAWI) ¹	M3 water/million € revenues	26459	7994	94.9%	79.8%
Board gender diversity ²	Percentage gender diversity board members	41%	46%	91.7%	78.2%
Board independence ³	Percentage independent Board members	73%	70%	85.0%	72.5%
Biodiversity programmes ⁴	Score from 0 to 100 (100 is best)	53.73	75.95	12.6%	10.7%
Employee fatality rate ⁴	Score from 0 to 100 (100 is best)	53.78	42.55	32.6%	27.8%
Collective bargaining agreements ⁴	Score from 0 to 100 (100 is best)	38.26	29.29	67.2%	57.3%
Bribery & corruption policy ⁴	Score from 0 to 100 (100 is best)	59.97	60.81	73.9%	63.1%
Money laundering policy ⁴	Score from 0 to 100 (100 is best)	46.86	0.00	0.0%	0.0%

Sources: 1) Candriam, Trucost 2) Candriam, MSCI 3) Candriam, ISS-Oekom 4) Candriam, Sustainalytics

NORMS-BASED ANALYSIS / CONTROVERSIAL ACTIVITIES ANALYSIS

Candriam's Norms-Based Analysis excludes companies which are in violation of the ten principles of the United Nations Global Compact.

Human Rights	Labour Rights
Environment	Anti-Corruption

Candriam controversial activities analysis excludes companies involved in harmful or controversial activities. The details of Candriam's controversial activity are available on the Management Company's website via the link:

<https://www.candriam.com/en/professional/Market-insights/sri-publications>

25%

of companies within the Benchmark are excluded due to Norms-Based analysis and/or controversial activities

GLOSSARY

COMPANY CARBON FOOTPRINT METRICS

Refer to the measurement of greenhouse gas (GHG) emissions of an investment portfolio by summing the proportional GHG emissions of the underlying holdings, proportional to the share of ownership.

tCO₂-eq: Carbon dioxide (CO₂) is the most common GHG emitted by human activities, in terms of the quantity released and the total impact on global warming. As a result, the term 'CO₂' is sometimes used as a shorthand expression for all greenhouse gases. A portfolio's carbon footprint is measured in tonnes of carbon dioxide equivalent (tCO₂-eq) which allows to bundle various greenhouse gas emissions in a single number. For any quantity and type of greenhouse gas, CO₂-eq signifies the amount of CO₂ which would have the equivalent global warming impact.

Scope 1, 2 and 3: The international GHG Protocol classifies a company's GHG emissions into three 'scopes':

- Scope 1 emissions: Direct emissions from owned or controlled sources.
- Scope 2 emissions: Indirect emissions from the generation of purchased energy.
- Scope 3 emissions: All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

All Carbon Footprint Metrics analysed in this report are based on both Scope 1 and Scope 2 data sourced from specialist data provider Trucost.

Good quality Scope 3 data currently do not exist because of the complexity to measure and control upstream and downstream value chain data. That also entails that so-called 'avoided emissions' are excluded from Carbon Footprinting analytics.

One can distinguish between four Carbon Footprint Metrics:

(1) Total Carbon Emissions: Measure the total GHG emissions of a portfolio in the most literal sense by summing all GHG emissions of the underlying holdings, proportional to the share of ownership. The dependence of this measure on a portfolio's size makes this metric of limited usefulness for benchmarking and comparison purposes.

(2) (Normalized) Carbon footprint: Measure the asset-weighted carbon emissions of a portfolio normalized per million \$ invested (expressed in tCO₂-eq / million \$ invested).

(3) (Normalized) Carbon Intensity: Measures the asset-weighted carbon emissions of a portfolio normalized per million \$ of revenue (expressed in tCO₂-eq / million \$ revenues). This metric provides an indication of the amount of GHG emitted by the holdings in a portfolio to generate 1 million \$ of revenue.

(4) Weighted Average Carbon Intensity (WACI): The sum product of the portfolio's holdings' weights and carbon intensities, where holdings' carbon and carbon intensities, where holdings' carbon intensities are calculated as the company's total carbon emissions divided by the company's total revenues.

EQUIVALENT CO₂ EMISSIONS

'Equivalent CO₂ emissions' information aims to provide investors with examples of human activities generating CO₂ emissions that are equivalent to the CO₂ emissions of the companies held in the fund and the benchmark for €1 million invested. Real-life examples illustrate of how much less or more CO₂ is emitted by the companies held by the fund compared to its benchmark. For commercial flights, this information is expressed as the number of round-trip flights from Brussels to New York in economy class. For family cars, it is expressed as the number of cars driving 13 000 km per year and emitting 120g of CO₂ per km on average (Source: Eurostat).

CARBON FOOTPRINT EVOLUTION

Provides a graphical representation of historical carbon footprints of the portfolio, based on monthly calculations of 3-months moving averages of greenhouse gas emission (Tons CO₂eq per million € invested).

COMPANY ESG RATING

Based on Candriam's proprietary ESG Analytical Framework, each issuer receives an ESG Rating, from ESG 1 (best) to ESG 10 (worst). The ESG Rating is the result of our Business Activity Analysis and Stakeholder Analysis. It expresses each issuer's absolute ESG performance, including sustainability-related risks, opportunities and impacts.

RENEWABLE ENERGY PRODUCTION

Measures the absolute level (i.e. not asset-weighted) of renewable energy production within the Fund, expressed in MWh.

GREEN EXPOSURE

Asset-weighted percentage of revenues generated from green goods and services, such as alternative energy, energy efficiency, green buildings, pollution prevention and sustainable water. The data is sourced from MSCI ESG research.

FOSSIL FUEL EXPOSURE

Asset-weighted percentage of revenues generated from thermal coal extraction, unconventional and conventional oil and gas extraction, oil refining, thermal coal-based power generation, liquid fuel-based power generation and natural gas power generation. The data is sourced from MSCI ESG research.

GREEN BONDS

The percentage of green bonds held by the fund. This calculation is based on the identification of green bond securities sourced from Bloomberg.

BOARD GENDER DIVERSITY

Average ratio of female-to-male board members in investee companies.

BOARD INDEPENDENCE

Asset-weighted percentage of independent board members at the companies held in the portfolio.

BIODIVERSITY PROGRAMMES

Provides an assessment of the quality of biodiversity protection programmes within the underlying companies of a portfolio.

EMPLOYEE FATALITY RATE

Provides an assessment of the fatality rates in the underlying companies of the portfolio over the last three years.

COLLECTIVE BARGAINING AGREEMENTS

Provides an assessment of the extent to which the employees of the companies held in the portfolio are covered by collective bargaining agreements.

BRIBERY CORRUPTION POLICY

Provides an assessment of the quality of anti-bribery and corruption policies within the underlying companies of the portfolio.

MONEY LAUNDERING POLICY

Provides an assessment of the quality of anti-money laundering policies within the underlying companies of the portfolio.

WATER CONSUMPTION

Measures the asset-weighted water consumption of a portfolio normalized per million \$ invested (expressed in cubic meters water / million \$ invested). Data are sourced from "Trucost" and do not include the supply of drinkable water and the wastewater that enters a company's facility to be treated.

WATER INTENSITY (M³/MIO USD REVENUES)

Measures the asset-weighted water consumption of a portfolio normalized per million \$ of revenue (expressed in cubic meters water / million \$ revenues). This metric provides an indication of the amount of water consumed by the companies in the portfolio to generate 1 million \$ of revenue. Data are sourced from "Trucost" and do not include the supply of drinkable water and the wastewater that enter a company's facility to be treated.

WEIGHTED AVERAGE WATER INTENSITY (WAWI)

The sum product of the portfolio's holdings' weights and water intensities, where holdings' water intensities are calculated as a company's total water consumption divided by the company's total revenues.

NORMS-BASED ANALYSIS

Candriam's Norms-Based Analysis excludes companies which are in violation of the ten principals of the United Nations Global Compact.

CONTROVERSIAL ACTIVITIES ANALYSIS

Candriam's Controversial Activities Analysis excludes companies involved in harmful or controversial activities. Involvement is assessed using activity-specific revenue-based threshold levels.

COVERAGE RATE (FUND/INDEX)

Indicates the percentage of holdings within the Fund or within the Benchmark for which the relevant ESG data is available and analysed.

IMPORTANT DISCLOSURES

This reporting is issued by the relevant Management Company of the group Candriam explicitly mentioned above.

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ESG investment risk

The extra financial objectives presented in this document are based on the realization of assumptions made by Candriam.

Implementing Candriam's ESG rating models does require access to various quantitative as well as qualitative data, depending on the sector and the exact activities of a given company. In some areas, such as board composition and background of the directors, data is usually available and subject to quality and accuracy checks by company auditors or regulators. In many other areas however, our ESG analysts cannot rely on the same degree of systematic availability and data reliability. Yet, the quality of the data is of the essence of the assessment of a company. These limitations do affect Candriam's ESG ratings.